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SENATE.

THURSDAY, *June 17, 1909.*

The Senate met at 10 o'clock a. m.

Prayer by Rev. Ulysses G. B. Pierce, D. D., of the city of Washington.

The Journal of yesterday's proceedings was read and approved.

FRENCH SPOLIATION CLAIMS.

The VICE-PRESIDENT laid before the Senate communications from the assistant clerk of the Court of Claims, transmitting the findings of fact and conclusions of law, filed under the act of January 20, 1885, in the French spoliation claims set out in the findings by the court relating to the following causes:

In the cause of the vessel schooner *Liberty*, Josiah Rich, master (S. Doc. No. 100);

In the cause of the vessel sloop *George*, John Grant, master (S. Doc. No. 101);

In the cause of the vessel ship *Minerva*, Solomon Hopkins, master (S. Doc. No. 102);

In the cause of the vessel schooner *Nancy*, Henry H. Kennedy, master (S. Doc. No. 103); and

In the cause of the vessel brig *Anna*, Benjamin Chase, master (S. Doc. No. 104).

The foregoing findings were, with the accompanying papers, referred to the Committee on Claims and ordered to be printed.

FINDINGS OF THE COURT OF CLAIMS.

The VICE-PRESIDENT laid before the Senate a communication from the assistant clerk of the Court of Claims, transmitting a certified copy of the findings of fact filed by the court in the cause of James Taylor, executor of Henry H. Sibley *v.* United States (S. Doc. No. 105), which, with the accompanying paper, was referred to the Committee on Claims and ordered to be printed.

PETITIONS AND MEMORIALS.

The VICE-PRESIDENT presented a memorial of the legislature of Wisconsin, which was referred to the Committee on Agriculture and Forestry and ordered to be printed in the RECORD, as follows:

Memorial to the Congress of the United States respecting national aid for the construction of main highways.

By this, its memorial to the Congress of the United States, the legislature of the State of Wisconsin respectfully submits the following statements:

Whereas there is a general demand by the people of the United States and of the State of Wisconsin for better and more permanent public roads: Therefore be it

Resolved by the assembly (the senate concurring), That it is the sense of the people of this State that the National Government should aid in the permanent construction of the highways, and that the Congress of the United States is hereby memorialized to extend some such aid by the appropriation of a percentage of the cost of such permanently improved highways throughout the different States of the Union where and whenever a State and the several counties thereof shall by statute extend a like aid in so permanently improving their highways, or that the loan of public money by the Treasurer of the United States be authorized for such construction or the aiding thereof, or by both the appropriation and loan, and in such sums and under such conditions as may be by said Congress determined and deemed advisable; be it further

Resolved, That the governor be, and he is hereby, requested to transmit a copy of this memorial to the President of the Senate and to the Speaker of the House of Representatives at Washington and to each of the Senators and Representatives in Congress from the State of Wisconsin.

L. H. BANCROFT,
Speaker of the Assembly.

C. E. SHAFFER,
Chief Clerk of the Assembly.

JOHN STRANGE,
President of the Senate.

F. E. ANDREWS,
Chief Clerk of the Senate.

The VICE-PRESIDENT presented a joint resolution of the legislature of Wisconsin, which was ordered to lie on the table and to be printed in the RECORD, as follows:

Joint resolution memorializing Congress to remove the tariff on lumber.

Whereas the present law provides for high tariff on lumber to the great injury of the people of this State and of the Nation; and

Whereas numerous industries in this State are greatly injured by such tariff on lumber; and

Whereas the said tariff on lumber, keeping out the lumber products of other countries, stimulates and compels the destruction of our own forests and thereby hinders if not nullifies the efforts of the state forest department of our State to preserve our forests and conserve our wood supply: Therefore be it

Resolved by the assembly (the senate concurring), That we respectfully memorialize the Congress of the United States speedily to abolish the tariff on lumber forthwith: And be it further

Resolved, That a copy of this resolution be sent to each Member of Congress and each United States Senator representing this State, and to the Speaker of the House of Representatives and to the President of the United States Senate.

L. H. BANCROFT,
Speaker of the Assembly.

C. E. SHAFFER,
Chief Clerk of the Assembly.

(Under protest.) JOHN STRANGE,
President of the Senate.

F. E. ANDREWS,
Chief Clerk of the Senate.

BILL INTRODUCED.

A bill was introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. BEVERIDGE:

A bill (S. 2625) granting an increase of pension to John H. Kimmel; to the Committee on Pensions.

TAXES ON INCOMES.

Mr. BROWN. I introduce a joint resolution, which I ask may be read and referred to the Committee on Finance.

The joint resolution (S. J. R. 39) to amend the Constitution relative to incomes was read the first time by its title and the second time at length, as follows:

Senate joint resolution 39.

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled (two-thirds of both Houses concurring), That the following section be submitted to the legislatures of the several States, which, when ratified by the legislatures of three-fourths of the States, shall be valid and binding as a part of the Constitution of the United States:

"The Congress shall have power to lay and collect direct taxes on incomes without apportionment among the several States according to population."

The VICE-PRESIDENT. The joint resolution will be printed and referred to the Committee on Finance.

Mr. McLAURIN. I think if the Senator from Nebraska will change his amendment to the Constitution so as to strike out the words "and direct taxes" in clause 3, section 2, of the Constitution, and also to strike out the words "or other direct" in clause 4 of section 9 of the Constitution, he will accomplish all that his amendment proposes to accomplish and not make a constitutional amendment for the enacting of a single act of legislation.

Mr. BROWN. That may be true, Mr. President; but my purpose is to confine it to income taxes alone, and to forever settle the dispute by referring the subject to the several States. I am not wedded to any particular phraseology in the amendment, but I have introduced it, it has already been referred to the committee, and I am satisfied with that.

AMENDMENTS TO THE TARIFF BILL.

Mr. BURTON submitted an amendment intended to be proposed by him to the bill (H. R. 1438) to provide revenue, equalize duties, and encourage the industries of the United States, and for other purposes, which was ordered to lie on the table and be printed.

Mr. CLAY. I introduce an amendment to the pending bill, which I ask may be printed in the RECORD and lie on the table until I shall see proper to call it up.

There being no objection, the amendment was ordered to be printed and to lie on the table, and to be printed in the RECORD, as follows:

Amendment intended to be proposed by Mr. CLAY to the bill (H. R. 1438) to provide revenue, equalize duties, and encourage the industries of the United States and for other purposes, viz: Insert the following:

771e. From and after the passage of this act every person, association, copartnership, or corporation who or which shall in his, its, or their own behalf, or as agent, engage in the business of making or offering to make contracts, agreements, trades, or transactions respecting the purchase or sale, or purchase and sale, of any grain, provisions, raw or unmanufactured cotton, stock, bonds, or other securities wherein both parties thereto or such person, association, copartnership, or corporation above named contemplate or intend that such contracts, agreements, trades, or transactions shall be or may be closed, adjusted, or settled according or with reference to the public market quotations of prices made on any board of trade or exchange upon which the commodities or securities referred to in said contracts, agreements, trades, or transactions are dealt in, and without a bona fide transaction on such board of trade or exchange, or wherein both parties or such person, association, copartnership, or corporation above named shall contemplate or intend that such contracts, agreements, trades, or transactions shall be or may be deemed closed or terminated when the public market quotations of prices made on such board of trade or exchange for the articles or securities named in such contracts, agreements, trades, or transactions shall reach a certain figure, and every person, association, copartnership, and corporation who or which shall in his or its own behalf, or as agent, conduct what is commonly known as a bucket shop, shall pay a stamp tax of 10 cents on each $100 in value or fraction thereof of the merchandise covered or pretended to be covered, and also a tax of 10 cents on each $100 on the face value or fraction thereof of all stocks, bonds, or other securities covered or pretended to be covered by each and all of such contracts, agreements, trades, or transactions: *Provided, however*, That the payment of any tax imposed by this paragraph shall not be held or construed to exempt any such person, association, copartnership, or corporation from any penalty or punishment provided by the laws of any State for carrying on such business, or the making of such contracts, agreements, trades, or transactions within such State, or in any manner to authorize the

commencement or continuance of such business, or the making of any such contracts, agreements, trades, or transactions contrary to the laws of such State, or in any place prohibited by municipal law; and on or before the 1st day of April, 1910, every such person, association, copartnership, or corporation, as aforesaid, shall for each office or place of business, and for each branch office or place of business wherever established, pay a special tax of $500, and on or before the 1st day of July, 1910, and annually thereafter, for every such office or branch office a special tax of $500, and such taxes shall be in addition to all other special taxes imposed by this act. Every person, association, copartnership, or corporation proposing to engage in or continue the business aforesaid shall, before commencing such business, file with the collector or proper deputy collector of the district in which it is proposed to carry on such business a notice in writing under oath, and in such form as the Commissioner of Internal Revenue may prescribe, stating the name of the person, association, copartnership, or corporation intending to engage in such business, the names of the members of any such association or copartnership, and the names of the officers of any such corporation, together with the residences of all the individuals whose names are thus required, and the place (including street number) where such business is to be carried on, and it shall be the duty of the collector of internal revenue to keep in his office a book in which shall be recorded a complete copy of all such notices, and such book shall be open to public inspection. Every person, association, copartnership, or corporation conducting or transacting the business aforesaid shall keep or cause to be kept just and true books of account, wherein shall be plainly and legibly recorded on the day of the making of every such contract, agreement, trade, or transaction a complete and exact specification thereof, including the date thereof, the other party thereto, and the quantity, price, and the gross amount in value of each article or commodity covered or pretended to be covered by each such contract, agreement, trade, or transaction, and such books shall at all reasonable times and hours be subject to the inspection of the collector, deputy collector, and the inspector of internal revenue or any duly authorized agent of the Internal Revenue Department, and every such person, association, copartnership, or corporation shall deliver to the other party to each such contract, agreement, trade, or transaction, at the time of making the same, a written memorandum also containing the complete and exact specification thereof above referred to, to which the proper stamp shall be, before delivery, affixed. Every person, association, copartnership, or corporation who shall, in his or their own behalf, or as agent, engage in or continue in the business hereinbefore defined without having filed the notice herein required, or who shall fail or refuse to keep any such book or make any return, report, or affidavit required as aforesaid, or who shall make a false, fraudulent, or partial return, report, or affidavit, or shall fail or refuse to deliver a written memorandum, as hereinbefore required, or shall in any other respect violate any of the provisions of this paragraph, shall, besides being liable for the amount of the tax or taxes herein prescribed, be deemed guilty of a misdemeanor, and upon conviction thereof shall, for each and every such offense, pay a fine of not less than $500 nor more than $5,000, or be imprisoned not less than three months nor more than two years, or both, in the discretion of the court. All provisions of law now in force relating to the collection, recovery, and enforcement of taxes, fines, and penalties imposed under the law concerning internal revenue and not inconsistent with the provisions of this paragraph shall extend and apply to the recovery and enforcement of the taxes, fines, and penalties imposed by this paragraph.

THE TARIFF.

The VICE-PRESIDENT. The morning business is closed, and the first bill on the calendar will be proceeded with.

The Senate, as in Committee of the Whole, resumed the consideration of the bill (H. R. 1438) to provide revenue, equalize duties, and encourage the industries of the United States, and for other purposes.

The VICE-PRESIDENT. The pending amendment is the amendment presented by the Senator from Rhode Island [Mr. ALDRICH] last evening to paragraph 407.

Mr. HALE. I think we should have a quorum present.

The VICE-PRESIDENT. The Senator from Maine suggests the absence of a quorum. The Secretary will call the roll.

The Secretary called the roll, and the following Senators answered to their names:

Aldrich	Clark, Wyo.	Frye	Nelson
Beveridge	Clay	Gallinger	Oliver
Borah	Crane	Guggenheim	Overman
Brandegee	Crawford	Hale	Page
Briggs	Culberson	Heyburn	Penrose
Bristow	Cullom	Hughes	Perkins
Brown	Cummins	Johnson, N. Dak.	Piles
Bulkeley	Curtis	Johnston, Ala.	Root
Burkett	Davis	Jones	Scott
Burnham	Depew	Kean	Smoot
Burrows	Dick	La Follette	Sutherland
Burton	Dillingham	Lodge	Tillman
Carter	Dolliver	McCumber	Warren
Chamberlain	Fletcher	McLaurin	
Clapp	Flint	Martin	

Mr. GALLINGER. I am requested to announce that the junior Senator from Kentucky [Mr. BRADLEY] is detained from the Senate by illness.

The VICE-PRESIDENT. Fifty-eight Senators have answered to the roll call. A quorum of the Senate is present.

Mr. SMOOT. I ask that paragraph 407 be taken up. An amendment to it was offered last night by the chairman of the committee.

The VICE-PRESIDENT. And it is the pending amendment. The Secretary will read the pending amendment.

The SECRETARY. As a substitute for the substitute offered by the committee to paragraph 407 it is proposed to insert:

407. Flint-glazed papers, 2½ cents per pound and 15 per cent ad valorem; all other surface-coated papers, not specially provided for in this section, 5 cents per pound; if printed by other than lithographic process, or wholly or partly covered with metal or its solutions, or with gelatin or flock, and marbled or marbleized hand-dipped paper, 5 cents per pound and 20 per cent ad valorem; parchment papers, imitation parchment and grease-proof papers, supercalendered or otherwise, by whatever name known, weighing 10 or more pounds per ream of 480 sheets, 20 by 30 inches in dimensions, 2 cents per pound and 10 per cent ad valorem; bags and envelopes made wholly or in chief value of imitation parchment or grease-proof paper, 2 cents per pound and 20 per cent ad valorem; plain basic photographic papers for albumenizing, sensitizing, or baryta coating, and basic papers for solar and other light printing, valued at 20 cents per pound or more, 3 cents per pound and 10 per cent ad valorem; valued at less than 20 cents per pound, 25 per cent ad valorem; albumenized or sensitized paper, or paper otherwise surface coated for photographic purposes, 30 per cent ad valorem.

The VICE-PRESIDENT. The question is on agreeing to the amendment.

The amendment was agreed to.

The VICE-PRESIDENT. Without objection, the paragraph as amended is agreed to. The Secretary will read the next amendment.

The SECRETARY. As a substitute for the substitute offered by the committee to paragraph 408, the committee proposed to insert:

408. Pictures, calendars, cards, labels, flaps, cigar bands, placards, and other articles, composed wholly or in chief value of paper lithographically printed in whole or in part from stone, metal, or material other than gelatin (except boxes, views of American scenery or objects, and music, and illustrations when forming part of a periodical or newspaper, or of bound or unbound books, accompanying the same, not specially provided for in this section), shall pay duty at the following rates: Labels and flaps, printed in less than eight colors (bronze printing to be counted as two colors), but not printed in whole or in part in metal leaf, 20 cents per pound; cigar bands of the same number of colors and printings, 30 cents per pound; labels and flaps printed in eight or more colors, but not printed in whole or in part in metal leaf, 30 cents per pound; cigar bands of the same number of colors and printings, 40 cents per pound; labels and flaps, printed in whole or in part in metal leaf, 50 cents per pound; cigar bands, printed in whole or in part in metal leaf, 55 cents per pound; all labels, flaps, and bands not exceeding 10 square inches cutting size in dimensions, if embossed or die cut, shall pay the same rate of duty as hereinbefore provided for cigar bands of the same number of colors and printings (but no extra duty shall be assessed on labels, flaps, and bands for embossing or die cutting); booklets, 7 cents per pound; books of paper or other material for children's use, not exceeding in weight 24 ounces each, 6 cents per pound; fashion magazines or periodicals, printed in whole or in part by lithographic process, or decorated by hand, 8 cents per pound; booklets, decorated in whole or in part by hand or by spraying, whether or not lithographed, 15 cents per pound; decalcomanias in ceramic colors, weighing not over 100 pounds per thousand sheets 20 by 30 inches in dimensions, 70 cents per pound and 15 per cent ad valorem; weighing over 100 pounds per thousand sheets 20 by 30 inches in dimensions, 22 cents per pound and 15 per cent ad valorem; if backed with metal leaf, 65 cents per pound; all other decalcomanias, except toy decalcomanias, 40 cents per pound; but all the foregoing, if containing less than one-half of 1 inch margin on any side, shall pay, in addition to the rates herein provided, 10 per cent ad valorem; all other articles than those hereinbefore specifically provided for in this paragraph, not exceeding eight one-thousandths of 1 inch in thickness, 20 cents per pound; exceeding eight and not exceeding twenty one-thousandths of 1 inch in thickness, and less than 35 square inches cutting size in dimensions, 8½ cents per pound; exceeding 35 square inches cutting size in dimensions, 8 cents per pound, and in addition thereto on all of said articles exceeding eight and not exceeding twenty one-thousandths of 1 inch in thickness, if either die cut or embossed, one-half of 1 cent per pound; if both die cut and embossed, 1 cent per pound; exceeding twenty one-thousandths of 1 inch in thickness, 6 cents per pound: *Provided*, That in the case of articles hereinbefore specified the thickness which shall determine the rate of duty to be imposed shall be that of the thinnest material found in the article; but for the purposes of this paragraph the thickness of lithographs mounted or pasted upon paper, cardboard, or other material, shall be the combined thickness of the lithograph and the foundation on which it is mounted or pasted.

During the reading of the amendment,

Mr. BRISTOW. I should like, before the reading proceeds any further, to know what is the object of increasing the duty in the item in line 9?

Mr. SMOOT. I was not following closely the reading.

Mr. BRISTOW. I understand that the item which has just been read is practically a new provision. It did not appear in any former act.

The VICE-PRESIDENT. The Secretary has just read lines 8 and 9, on page 3. The Senator from Utah desires to know the particular provision of the amendment.

Mr. BRISTOW. It is the item referring to certain articles less than twenty one-thousandths of an inch in thickness.

Mr. CULBERSON. I suggest to the Senator from Utah, with the permission of the Senator from Kansas, who has the floor, that it might be well to explain this entire substitute. It seems to include a great many things not included in the amendment of the committee, and there seem to be a number of increases. There are at least a few that I noted in the amendment.

The VICE-PRESIDENT. It seems to the Chair it would be well to have the Secretary finish the reading of the amendment.

Mr. CULBERSON. I have no objection to that.

Mr. SMOOT. Yes; let the reading be finished.

After the reading of the amendment,

Mr. SMOOT. Mr. President——

Mr. BURKETT. There is a verbal amendment I want to suggest.

Mr. SMOOT. I will yield to the Senator from Nebraska for that purpose.

Mr. BURKETT. In line 7, page 3, it reads "exceeding eight and not exceeding twenty one-thousandths." I suppose it means eight thousandths, and should it not read "exceeding eight thousandths and not exceeding twenty one-thousandths?"

Mr. SMOOT. No; it is right; not exceeding twenty one-thousandths of an inch.

Mr. BURKETT. But the word "thousandths" should also come after the word "eight," I should think.

Mr. SMOOT. I do not think it is necessary to repeat the word "thousandths," because the Senator will notice all the way through it reads the same way. We say "eight and not exceeding twenty one-thousandths," meaning, of course, eight thousandths.

Mr. President, in answer to the Senator from Kansas I will state that there are a number of changes here in the lithographic schedule. The labels and flaps are the same as the Dingley rate, but the bands are about 5 cents a pound higher. I explained last night when this paragraph was up for discussion the reason for that advance. It was virtually agreed by the importers themselves that the advance on the cigar bands is a proper one, but they did not desire an advance upon the labels and flaps. If the Senator will notice, he will see that on the labels and flaps we have reduced the House rate 5 cents per pound, but have increased the rate on bands 5 cents per pound. The reason of that is that the bands imported used to come in in sheets, and a rate was paid upon the weight of the sheet. But now they are imported with the band cut ready for use, and it virtually makes a difference of about one-half of the rate formerly charged.

We also have eliminated from the paragraph the view cards that used to come in under the thickness of not exceeding twenty one-thousandths of 1 inch. We have carried those view cards to paragraph 412, and they are greatly advanced. At the time of the Dingley bill postal view cards were unknown in this country, but, as all Senators know, that business has grown to mammoth proportions.

The German importers, under the 5-cent rate that we now have, virtually control this market, as every Senator will see from the importations of that class of goods. The House advanced the rate from 5 to 7 cents a pound. The Senate committee have now advanced it to 15 cents a pound and 25 per cent ad valorem.

I suppose there is no Senator who has not received by mail lately postal cards showing views of America; yes, views of public buildings in Washington, printed on postal cards made in Germany. In order to save this business the committee have decided that the only way of doing it is to put a rate of duty of 15 cents a pound and 25 per cent ad valorem. I will admit that it looks to be a very large increase, and it is an increase of 325 per cent over present law, but nothing short of that, in the opinion of the committee, would save the business to the American lithographer.

The VICE-PRESIDENT. The question is on agreeing to the amendment of the committee proposed as a substitute.

The amendment was agreed to.

The VICE-PRESIDENT. Without objection, the paragraph as amended is agreed to.

Mr. SMOOT. Paragraph 409 was passed over last evening. I ask that it be taken up. The Senator from Washington [Mr. PILES] objected to it or asked that it be passed over. Has the Senator any objection now to paragraph 409?

Mr. PILES. I have a communication which I submitted to the committee last night in the hope that it might meet with their favor.

Mr. SMOOT. I will say to the Senator from Washington, that the question he submitted was in relation to imitation onionskin paper.

Mr. PILES. Imitation onionskin paper.

Mr. SMOOT. The value of that paper is exceedingly high. The committee feel that the rate that has been reported is the rate necessary to protect that industry.

I ask that paragraph 409 be agreed to.

Mr. BURKETT. Mr. President——

The VICE-PRESIDENT. Does the Senator from Utah yield to the Senator from Nebraska?

Mr. PILES. I thought I had the floor.

The VICE-PRESIDENT. Does the Senator from Washington yield to the Senator from Nebraska?

Mr. PILES. Not at present. I have a letter which I should like to submit.

The VICE-PRESIDENT. The Senator from Washington presents a letter which the Secretary, without objection, will read.

The Secretary read as follows:

MUTUAL PAPER COMPANY,
Seattle, Wash., May 27, 1909.

Hon. SAMUEL H. PILES,
United States Senate, Washington, D. C.

DEAR SIR: We respectfully call your attention to paragraph 409 of Schedule M of the Aldrich tariff bill.

You will find included among the papers mentioned in this paragraph imitation onionskin paper.

Imitation onionskin paper is a wood paper, and should not be classified together with writing, bond, and record, handmade and letter papers, all of which are principally manufactured of rag stock, and consequently should not be subject to the same duty levied upon these papers.

The imitation onionskin paper is used for commercial printing purposes and second sheets, and it would be entirely against the interests of the people of this country to levy upon this grade of paper a duty of 3½ cents a pound and 15 per cent ad valorem. This paper is not a luxury, but a necessity. The proposed duty is equivalent to 75 per cent ad valorem, while under the present rate of 25 per cent American interests are amply protected. This high duty would entirely eliminate any further importation, and not only deprive the Treasury of considerable revenue, but weigh heavily upon the interests of the people of our country.

This we submit for your kind consideration.

Respectfully, yours,

W. BRUCE JUDSON,
Secretary and Manager.

Mr. SMOOT. I call the attention of the Senator from Washington to the fact that there was an amendment offered last night to paragraph 409, changing the rate of 3½ cents to 3 cents on this very paper. There is a reduction in this paragraph from 3½ cents a pound and 15 per cent ad valorem in the present law and in the House bill to 3 cents a pound and 15 per cent ad valorem. Onionskin and imitation onionskin paper is put on a parity with the other papers to remedy an inequality in the bill as passed by the House.

Mr. PILES. It is a reduction on the imitation onionskin?

Mr. SMOOT. A reduction of one-half cent a pound on imitation onionskin.

Mr. PILES. I confess that I am not very familiar with the paper business. I ask the Senator if it is such a material reduction as would be a benefit in this matter?

Mr. SMOOT. I have no doubt of it. It is also a reduction to the lowest rate possible to protect the business in this country.

Mr. PILES. Very well.

Mr. LODGE. If I may ask the Senator from Utah, this is very expensive and very thin paper?

Mr. SMOOT. It is very expensive paper and very thin. It is used largely for fine writing paper and not altogether for printing paper.

Mr. KEAN. It is used for copying, is it not, in making a half dozen impressions?

Mr. SMOOT. It is used for that purpose also.

Mr. BRISTOW. I did not hear the conversation between the Senator from Massachusetts and the Senator from Utah. Was the Senator referring to onionskin or imitation onionskin paper?

Mr. SMOOT. We were discussing imitation onionskin.

Mr. BRISTOW. There must be some mistake as to the value of imitation onionskin. It is not a very valuable paper.

Mr. SMOOT. There is some, I will admit, made of sulphide pulp and is not very valuable paper, but the great bulk of imitation onionskin paper is paper running from 15, 16, and 17, and sometimes as high as 20 cents a pound. We have reduced, as I said, as proposed by the committee, the rate from 3½ cents to 3 cents.

Mr. BRISTOW. It is reduced from the present law?

Mr. SMOOT. It is reduced from the Dingley law of 3½ cents to 3 cents a pound.

Mr. KEAN. The ad valorem rate is the same?

Mr. SMOOT. The ad valorem rate is the same.

Mr. BRISTOW. While I am on my feet, I should like to inquire the purpose of increasing the duty on typewriter paper. It appears that the duty has been increased from 2 cents to 3½ cents on typewriter paper.

Mr. SMOOT. The reason, I think, is because it comes into a general class of paper, and it is a more harmonious division of the paper as to the rates.

Mr. BRISTOW. But there was practically no importation of typewriter paper last year, and this is an increase of 50 per cent in the duty. It is probably more universally used in correspondence than any paper that is made. It seems to me obviously unjust to the American public that there should be an increase of 50 per cent in duty over the present law on typewriter paper, when there is no importation of it.

Mr. SMOOT. It may be that the very finest—that is, the thin typewriter paper—would come in if we did not have this rate of duty; and I do not think that the advance on that class is going to increase the retail price of typewriter paper.

Mr. BRISTOW. The Senator will notice in the paragraph writing, letter, note, handmade, drawing, ledger, bond, record, tablet, and typewriter paper have all been increased from 2 cents a pound to 3½ cents a pound; and that is the paper that is used in every commercial institution in the United States. It is an increase on the great bulk of the paper that is used in offices, schools, printing establishments, and everywhere.

Mr. SMOOT. As I remember, all of those papers under present law carry 3½ cents a pound duty. I will look in just a minute.

Mr. President, I call attention to the present law, under which this very typewriter paper, when more than 15 pounds to the ream, pays 3½ cents a pound and 15 per cent ad valorem; but in this bill we have reduced the 3½ cents, the present rate, to 3 cents a pound.

Mr. BRISTOW. Oh, no; that is——

Mr. SMOOT. I will call the attention of the Senator to the Dingley paragraph, 401, which provides that all these papers, when more than 15 pounds to the ream, shall pay 3½ cents and 15 per cent ad valorem.

Mr. BRISTOW. That is unchanged. That is more than 15 pounds to the ream; but paper used ordinarily weighs less than 15 pounds.

Mr. SMOOT. No; that is where the Senator is mistaken. The great bulk of typewriter paper and writing paper weighs over 15 pounds to the ream. It must be exceedingly fine paper that would weigh less than 15 pounds to the ream.

Mr. BRISTOW. What size, according to the amendment, is specified at 15 pounds to the ream? What is the size of it?

Mr. SMOOT. There is no size to the paper specified; it is only as to the weight.

Mr. BRISTOW. If it is the typewriter size that is made for use, there is practically none used that weighs 15 pounds to the ream. If it is full size—17 by 22 or 17 by 28—it might weigh more than 15 pounds; but if it is the ordinary paper that you buy at the store, it never weighs 15 pounds to the ream.

Mr. SMOOT. All typewriter paper that is used by all the business houses and by the Senator, and everybody else nearly, weighs 15 pounds to the ream.

Mr. BRISTOW. No; the Senator is mistaken as to that. It never weighs more than 6 pounds a ream as prepared for use, because otherwise it would be very heavy. Three, 4, or 6 pounds is the kind that is used almost universally.

Mr. SMOOT. I am still of the opinion that this is a reduction from the present Dingley rate upon typewriter paper.

Mr. BRISTOW. The Senator is entirely mistaken.

Mr. SMOOT. I am sure it is a reduction from the House bill as reported, because they reported the bill at 3½ cents a pound, and we have reduced it from 3½ cents to 3 cents a pound.

Mr. BRISTOW. The Senator will note in the estimates that the Dingley rate is 2 cents, the House rate is 2 cents on this light paper, and the Senate rate is 3½ and 15 per cent ad valorem on those that are not ruled, and 3½ and 25 per cent on those that are ruled. So there must be some mistake. There is a very decided increase on the common paper that is used by everybody. I would be glad if the Senator would let the amendment go over until we can look into it, because I am very confident he will find that he is mistaken.

Mr. SMOOT. I call the attention of the Senator to the fact that we have provided here at the end of the paragraph as follows:

Provided, That in computing the duty on such paper every 180,000 square inches shall be taken to be a ream.

So that will include the question that the Senator brought up as to the size of the paper.

Mr. BRISTOW. One hundred and eighty thousand square inches would be 500 sheets, I suppose. What size of sheet would that be?

Mr. SMOOT. I can hardly figure out just what it will be in square inches. Of course, it would depend upon the thickness of the paper, and that would have to be taken into consideration as to the number that would come in a ream.

Mr. BRISTOW. Of course 480 or 500 sheets are counted as a ream. In the regular commercial transaction it is 500 sheets. Five hundred divided into 180,000 would give the number of sheets, and the square of the sheet would give the size.

Mr. SMOOT. That put into square inches would give the size. Divided by 500 sheets, it would be 360 square inches, and 360 square inches certainly would be equal to 10 by 36; so the Senator can plainly see that the sheet itself would have to be a large one.

Mr. HUGHES. I would like to inquire of the Senator if any such paper as 10 by 36 inches is used as typewriting paper?

Mr. SMOOT. I am only saying that in computing the rate, the whole area of 180,000 square inches would have to be taken into consideration. It does not say that it shall be any particular size, as I stated before, but it must contain that many square inches to be counted as a ream, no matter what size it may be. If smaller in size, of course it will take that many more sheets to make a ream, but we were figuring upon the number of sheets stated by the Senator from Kansas.

Mr. HUGHES. I should like to call the Senator's attention to the fact that some years ago this matter was brought up in the courts of Colorado, and a rule was made concerning the weight of paper to be used in the filing of pleadings. The rule was that it should weigh 14 pounds, because the paper generally used was much less than that.

Mr. SMOOT. I call the attention of the Senator to the proviso to the paragraph, which applies, no matter what size the paper may be, whether it be small or large:

In computing the duty on such paper, every 180,000 square inches shall be taken to be a ream.

Mr. HUGHES. But less than that number would be taken to be a ream if the paper should be thin.

Mr. SMOOT. Not at all; it will have to contain 180,000 square inches before it shall pay the duty of a ream of paper, no matter what the size of the paper may be.

Mr. HUGHES. Then, it would increase the duty according to the weight. That is to be taken into consideration generally in a tariff.

Mr. SMOOT. This schedule establishes a rule that must be followed as to what a ream of paper shall be for dutiable purposes.

Mr. BRISTOW. Evidently the sheet referred to is one 17 by 22 inches in area. I have figured it out, and that is evidently the size of the ream. That comes in commercial use in weights of 12, 14, 16, 18, and 20 pounds, and sometimes as high as 24 pounds. What is generally used is 12, 14, and 16 pounds to the ream. It is cut up and makes four sheets of typewriter paper.

I would suggest that "twelve" be substituted for "fifteen," limiting the weight. Then, you would fix the duty on the paper that is used in great abundance at the same rate as the Dingley law. There would be no increase. As it is now, there is an increase of a cent and a half a pound and 10 per cent ad valorem on paper that is usually used. It does not seem to me that that is justifiable.

Mr. SMOOT. Mr. President, the regulation size of typewriter paper is 17 by 22, which makes 4 sheets, or 2,000 letter sizes in a ream of 500. If the Senator thinks there is any danger in this provision and does not think the proviso covers it, I am perfectly willing to favor an amendment to except typewriter paper when less than 10 pounds to the ream of 480 sheets, 20 by 30, so as to make the duty 2 cents and 10 per cent ad valorem.

Mr. BRISTOW. But what about letter paper and note paper?

Mr. SMOOT. On letter and note paper I think the rates are all right as they are.

Mr. BRISTOW. Unruled?

Mr. SMOOT. Unruled or ruled.

Mr. BRISTOW. Let me inquire what would come in as letter paper, as note paper, as ledger paper, and as bond paper?

Mr. SMOOT. That kind of paper which is used as writing paper or as ledger paper or for any other use for which it is adapted.

Mr. BRISTOW. There are business men who use bond paper in their correspondence. It is a style of paper that is better than the ordinary paper, and it sells for from 12 to 20 cents a pound. It is very commonly used by the public, by business men, merchants, and all kinds of professional men. It seems to me that on this bond paper, the paper that is used by every man who does any kind of correspondence, we ought not to increase the duty in this bill.

Mr. SMOOT. Mr. President, the Senator from Kansas must know that bond paper, record paper, and this class of heavy paper is by this bill reduced from 3½ cents to 3 cents a pound. Certainly that kind of paper is not used by the common people.

Mr. BRISTOW. Oh, the Senator from Utah is not informed as to that, because he can go into the office of any lawyer or business man who buy their paper and look at the brand on the letter paper that he uses, and he will see "bond" on it in the watermark. Bond paper is almost universally used. There are hundreds of kinds of it that are made. It is called "bond paper" and is used in correspondence.

Mr. SMOOT. Mr. President, I have always understood, of course, that bond paper was not generally used by the people of this country.

Mr. BRISTOW. I should like to know——

Mr. SMOOT. There may be a few attorneys who use it, but I doubt very much whether the great mass of them use such paper.

Mr. BRISTOW. I should like the Senator to go down to the Morrison Paper Company here, who are paper jobbers, and see how many bond papers they have and the sales they make every day, and to whom they make them.

Mr. SMOOT. I think there are some sales, but not very many.

Mr. BRISTOW. It is universally used. It is the paper of commerce.

Mr. SMOOT. Mr. President, notwithstanding what the Senator says, there is certainly a reduction in the rate from 3½ to 3 cents.

Mr. BRISTOW. No; there is not. According to these figures, there is an increase from 2 cents to 3½ cents; and when the paper is ruled, there is an increase from 2 cents per pound to 3½ cents per pound, and from 20 per cent ad valorem to 25 per cent ad valorem.

Mr. SMOOT. That, of course, will depend upon the weight of the paper entirely.

Mr. BRISTOW. Yes; of course.

Mr. SMOOT. Because under the present law the rate is 3½ cents per pound, and we make it 3 where it is 3½ cents a pound when it weighs six and a quarter pounds or over——

Mr. BRISTOW. That is, where it is over 15 pounds to the ream; but where it is under 15 pounds to the ream there is an increase, and the larger part of the bond papers that are used in correspondence are under 15 pounds to the ream.

Mr. ALDRICH. Mr. President, I do not understand the anxiety of the Senator from Kansas. Is it for the people of Kansas who use bond paper?

Mr. BRISTOW. There is not a printing office in the United States which does any amount of business that does not handle this paper as stock.

Mr. ALDRICH. That applies to printing offices, but how about the farmers and other consumers?

Mr. BRISTOW. The farmers do not use it in their correspondence, of course, but business men do.

Mr. ALDRICH. I am not talking about correspondence. I am talking about bond paper.

Mr. BRISTOW. The Senator may ask me these questions in a light and frivolous way, but I am talking about a matter I think I know something about; and I say there is not a business man who buys his paper and knows what he pays for it who does not know that I am telling the truth about this. Of course, a man may never use a great deal of it and never pay any attention to what it costs him when he gets it and may not know anything about it; but I know something about the paper that is used by the people of the United States in their correspondence and in handling their business, and I am protesting against an increase over the Dingley rate of practically 60 per cent of the duty. I do not see any occasion for it.

Mr. SMOOT. The duty depends entirely upon the weight of the paper. I think that the very best bond paper, especially taking into consideration the proviso here, which would make the size 17 by 22, as admitted by the Senator from Kansas—the weight of that paper will be at least 16 pounds to the ream.

Mr. BRISTOW. I beg the Senator's pardon; it would not be. There is very little of it used in correspondence that weighs as much as 16 pounds to the ream. Twelve and 14 pounds is the usual weight.

Mr. SMOOT. There is very little of it used of the size of 17 by 22——

Mr. BRISTOW. Seventeen by twenty-two?

Mr. SMOOT. And that is the size that must be taken into account. Take the proviso that is offered in this paragraph——

Mr. BRISTOW. I am considering paper 17 by 22 in size and 14 pounds to the ream, which is used more than any other kind. It is true that the duty on the heavy bond paper that goes into ledgers and which is used in large books by banking institutions is not increased, but the duty on the paper that is used by the mass of the people in conducting their correspondence is increased in this bill from 50 to 60 per cent over the Dingley rates, and there are no importations of any consequence. Millions of pounds of it are used in this country. The tables here show that in 1904 there was $22,000,000 worth of it used; and the importations last year amounted to less than $200,000 worth.

Mr. ALDRICH. Mr. President——

The VICE-PRESIDENT. Does the Senator from Kansas yield to the Senator from Rhode Island?

Mr. BRISTOW. Certainly.

Mr. ALDRICH. Mr. President, these changes are made to secure uniformity in rates as to all these classes of paper. While there may be a slight reduction in some sizes, there are considerable reductions in others. The kinds of paper which the Senator from Kansas is now talking about are made in this country. They will continue to be made in this country. There have been practically no importations, and it is simply for the purpose of getting better phraseology and better classification that these changes are proposed. The paper which the Senator from Kansas is talking about, bond paper, is sold, owing to domestic competition, at prices which nobody can find fault with at all. To simply change the rate upon a particular size would be to throw this paragraph out of harmony. It will not affect anybody. The people of the United States will pay the same price for their paper, and they will buy it as cheaply as they ought to, because, I repeat, domestic competition has brought down the price of paper in this country to a very low level—as low a level as is possible consistent with any reasonable profit.

Mr. BRISTOW. Mr. President, there was exported last year $1,200,000 worth of the character of paper described in this paragraph. There was consumed in the country, or made in the country, in 1904 more than $22,000,000 worth of it. There was imported last year, of all these papers, less than $200,000 worth. Why should the classification be changed so as to increase the rate from 50 to 60 per cent on the paper that is most universally used, if it is not going to affect the price? If it is not going to bring any additional revenue, what is the use of the increase?

Mr. ALDRICH. I explained to the Senator as well as I could that it is for uniformity of the schedule. All these rates apply to a great variety of articles. We have tried to simplify the schedule. The general average of rates is reduced. It is impossible to take any paragraph of this bill to which specific rates are applied and not find some article which will bear a higher or a lower rate than any Senator might think was desirable. I say to the Senator from Kansas again that the price of paper of the classes that he has named is not affected by this rate, and will not be affected by it. There is no trust in this business; it is an open competition; and there is nothing for the Senator from Kansas, or any other Senator, to be afraid of in these suggested changes.

Mr. BRISTOW. Well, I can do nothing but repeat that I do not see any use in raising rates if there is not anything to be accomplished by it. The Senator from Rhode Island admits that there is nothing to be gained by raising these rates; and, if not, why not leave them as they are or reduce the rates? On paper between 10 and 15 pounds is where the increase is. Those are the papers that are most universally used by the masses of the people. Why not strike out "fifteen" and say "not exceeding 10 pounds?" That would not disarrange anything; it would simply reduce the weight upon which the increased duty is paid to 10 pounds, instead of leaving it at 15.

It would not change the phraseology; it would simply permit the large amount of paper that is used to bear the same rate under this bill that it does under the Dingley law. If there is nothing to gain by the committee's proposition, I can not see why the committee can not consent to that change. If it is necessary, I will move an amendment. There was an amendment submitted to paragraph 409, was there not?

The VICE-PRESIDENT. The word "one-half" was stricken out, on line 11, on page 165, so that it reads "3 cents" instead of "three and a half cents." That was agreed to.

Mr. BRISTOW. I move that the word "three" be stricken out and "two" be inserted.

The VICE-PRESIDENT. The amendment will be stated.

The SECRETARY. On page 165, in the proposed substitute of the committee for paragraph 409, on line 11, strike out "three" and insert "two," so that it will read "2 cents a pound and 15 per cent ad valorem."

Mr. BRISTOW. That will leave the duty the same as it is in the Dingley law, except that it will be an increase of from 10 per cent to 15 per cent. It will make the rate 2 cents per pound and 15 per cent ad valorem, while under the Dingley law it is 2 cents per pound and 10 per cent ad valorem. On that amendment I ask for the yeas and nays.

The yeas and nays were ordered, and the Secretary proceeded to call the roll.

Mr. DILLINGHAM (when his name was called). In the absence of the senior Senator from South Carolina [Mr. TILLMAN], with whom I have a pair, I withhold my vote.

Mr. FRYE (when his name was called). I have a general pair with the senior Senator from Virginia [Mr. DANIEL].

Mr. JONES (when his name was called). I have a general pair with the junior Senator from South Carolina [Mr. SMITH]. He is not present, and therefore I withhold my vote.

Mr. McLAURIN (when his name was called). I am paired for the day with the junior Senator from Michigan [Mr. SMITH]. If he were present, I should vote "yea" and he would vote "nay."

Mr. TAYLOR (when his name was called). I am paired with the junior Senator from Missouri [Mr. WARNER], and therefore withhold my vote.

The roll call was concluded.

Mr. McCUMBER. I have a general pair with the junior Senator from Louisiana [Mr. FOSTER], who is absent. I transfer that pair to the junior Senator from Rhode Island [Mr. WETMORE], and vote. I vote "nay."

Mr. OVERMAN (after having voted in the affirmative). I wish to inquire if the senior Senator from California [Mr. PERKINS] has voted?

The VICE-PRESIDENT. The Chair is informed the Senator from California has not voted.

Mr. OVERMAN. I have a general pair with that Senator, and therefore withdraw my vote.

Mr. TILLMAN (after having voted in the affirmative). I inquire if the senior Senator from Vermont [Mr. DILLINGHAM] has voted?

The VICE-PRESIDENT. The Chair is informed that he has not voted.

Mr. TILLMAN. I am paired with that Senator, and therefore withdraw my vote.

Mr. MONEY. I wish to state that the senior Senator from Tennessee [Mr. FRAZIER] is absent sick, and is paired with the Senator from Wisconsin [Mr. STEPHENSON].

The result was announced—yeas 27, nays 35, as follows:

YEAS—27.

Bacon	Chamberlain	Davis	Money
Bankhead	Clapp	Fletcher	Newlands
Beveridge	Clay	Gore	Rayner
Bristow	Crawford	Hughes	Simmons
Brown	Culberson	Johnston, Ala.	Stone
Burkett	Cummins	La Follette	Taliaferro
Burton	Curtis	Martin	

NAYS—35.

Aldrich	Crane	Guggenheim	Page
Borah	Cullom	Hale	Penrose
Brandegee	Depew	Heyburn	Piles
Briggs	Dick	Johnson, N. Dak.	Root
Bulkeley	Dixon	Kean	Scott
Burnham	Dolliver	Lodge	Smoot
Burrows	Flint	McCumber	Sutherland
Carter	Gallinger	Nixon	Warren
Clark, Wyo.	Gamble	Oliver	

NOT VOTING—29.

Bailey	Foster	Owen	Stephenson
Bourne	Frazier	Paynter	Taylor
Bradley	Frye	Perkins	Tillman
Clarke, Ark.	Jones	Richardson	Warner
Daniel	McEnery	Shively	Wetmore
Dillingham	McLaurin	Smith, Md.	
du Pont	Nelson	Smith, Mich.	
Elkins	Overman	Smith, S. C.	

So Mr. BRISTOW's amendment was rejected.

The VICE-PRESIDENT. The question is on agreeing to the paragraph as amended.

The paragraph as amended was agreed to.

The VICE-PRESIDENT. There is a committee amendment pending to paragraph 412, which will be stated.

The SECRETARY. Paragraph 412, page 166, line 24, after the words "ad valorem," insert a semicolon and the following words:

Views of any landscape, scene, building, place, or locality in the United States on cardboard or paper, not thinner than eight one-thousandths of 1 inch, by whatever process printed or produced, including those wholly or in part produced by either lithographic or photo-gelatin process, except show cards and panels, occupying 35 square inches or less of surface per view, bound or unbound, or in any other form, 15 cents per pound and 25 per cent ad valorem; thinner than eight one-thousandths of 1 inch, $2 per thousand.

The VICE-PRESIDENT. The question is on agreeing to the amendment.

The amendment was agreed to.

The paragraph as amended was agreed to.

Mr. ALDRICH. This completes the paper schedule, except as to paragraphs 402 and 405; but the Senator from North Dakota [Mr. McCUMBER] has an amendment, I think, in regard to window glass, which I ask may now be taken up and disposed of.

The VICE-PRESIDENT. The amendment of the Senator from North Dakota will be stated.

The SECRETARY. On page 26, in lieu of paragraph 97, as printed in the House text, it is proposed to insert the following:

97. Unpolished, cylinder, crown, and common window glass, not exceeding 150 square inches, valued at not more than 1⅛ cents per pound, 1½ cents per pound; valued at more than 1¼ cents per pound, 1⅝ cents per pound; above that, and not exceeding 384 square inches, valued at not more than 1⅝ cents per pound, 1⅞ cents per pound; valued at more than 1½ cents per pound, 1¾ cents per pound; above that, and not exceeding 720 square inches, valued at not more than 2¼ cents per pound, 1⅞ cents per pound; valued at more than 2¼ cents per pound, 2⅛ cents per pound; above that, and not exceeding 864 square inches, valued at not more than 2¼ cents per pound, 2⅛ cents per pound; valued at more than 2¼ cents per pound, 2⅜ cents per pound; above that, and not exceeding 1,200 square inches, valued at not more than 2½ cents per pound, 2⅜ cents per pound; valued at more than 2½ cents per pound, 2⅝ cents per pound; above that, and not exceeding 2,400 square inches, valued at not more than 2⅝ cents per pound, 3¼ cents per pound; valued at more than 2⅝ cents per pound, 3⅜ cents per pound; above that, valued at not more than 3 cents per pound, 3½ cents per pound; valued at more than 3 cents per pound, 3⅝ cents per pound: *Provided*, That unpolished cylinder, crown, and common window glass, imported in boxes, shall contain 50 square feet, as nearly as sizes will permit, and the duty shall be computed thereon according to the actual weight of glass.

The VICE-PRESIDENT. The question is on agreeing to the amendment.

Mr. SCOTT. Mr. President, I have a communication here which I desire to have the Secretary read.

The VICE-PRESIDENT. In the absence of objection, the Secretary will read as requested.

The Secretary read as follows:

PATTERSON GLASS MANUFACTURING COMPANY,
Cameron, W. Va., June 16, 1909.

Hon. N. B. SCOTT,
United States Senate, Washington, D. C.

DEAR SIR: We are glad to note that you are using your efforts to prevent any reduction in the tariff on common window glass. The window-glass business is probably now in the worst condition of any industry in the country. Highly skilled workmen have had their wages gradually reduced to near common labor basis, and yet there is hardly a window-glass manufacturer who has made a cent for two years. In fact, most of them have lost money. And any material reduction will prevent the business ever being put on a profitable basis, for as soon as domestic conditions might be adjusted so that there is a living in it we will be crowded out by cheap foreign glass. We have the cheapest of fuel, and have practically not made a cent for over two years, while many of our friends have fared much worse. So we trust that you will use every effort to help out in the matter, as a reduction in the tariff will almost be an irrevocable blow. Assuring you of our appreciation for what you have done, with regards,

Very truly,

PATTERSON GLASS MANUFACTURING CO.,
G. B. PATTERSON, *Secretary.*

Mr. SCOTT. Mr. President, on yesterday morning I had a paragraph read from my home paper, which gave the information that the window-glass factory at Buckhannon, in my State, had gone into the hands of a receiver, with liabilities of $75,000, and without any assets. We have just had read at the desk a letter showing the condition at another point in my State, where, as that communication states, they have almost free fuel, and yet they are scarcely able to exist.

On the smaller sizes of glass, which the amendment proposed by the Senator from North Dakota most affects, the freight rate from my State to Gulf ports such as New Orleans and Galveston is 41 cents, while the freight rate from Belgium by water is only 13 cents to those same ports. If you reduce the duty on glass, I ask in all fairness of the Members of the Senate how you can expect us to compete and keep our window-glass industries going in West Virginia? It is one of the many industries in my State employing a great many people, and I do think it would be a great hardship if those who believe in the principle of protection, those who believe that the American workman and the American manufacturer should be protected against low labor in foreign countries and against cheap freight rates, should now adopt the proposition to reduce the duty on glass. I hope, Mr. President, that the Senate will not adopt this amendment offered by the Senator from North Dakota.

Mr. McCUMBER. Mr. President, if we were removing the duty from glass, the remarks of the Senator from West Virginia [Mr. SCOTT] would be very apt. But we are not removing the protective duty in the slightest degree, in my opinion, so as to impair a fair protection. The Senator is correct when he states that the condition of the glass trade in the United States to-day is deplorable, but what has brought about that condition? Not the tariff. The tariff has not affected it in the slightest degree, because there is not one pound of this window glass imported. What has affected it? They have gone into a rate warfare upon the price of this window glass until they are slaughtering each other; and because they are by their competition destroying each other they ask us to place a higher duty than we have now—a duty that will be above 100 per cent—to allow them possibly to recoup in the future when they get over this warfare. If I thought 100 per cent was not a fair duty, I would certainly be in favor of a higher one if it was necessary.

But considering the cost of production at home and abroad, as near as we could get at it, we felt that when the time should arrive when these companies should cease attempting to destroy each other and place their articles upon the market

at a fair and honest valuation, we would still have a sufficient duty to give them adequate protection. The trouble from which they are suffering now has nothing whatever to do with the duties or lack of sufficient duty upon glass.

Mr. BACON. May I make an inquiry of the Senator from North Dakota? I made an inquiry last evening of the chairman of the committee as to what would probably be the ad valorems under this amendment. The Senator was not then prepared to state. Do I understand the Senator from North Dakota correctly when I understand him to say that the duty under this amendment will be 100 per cent?

Mr. McCUMBER. You can easily see about what it will be. It ranges from a little above 100 to a little less than 100 per cent upon each bracket.

Mr. BACON. I am simply asking for information.

Mr. McCUMBER. Take, for instance, the first bracket. If it is valued at not over 1½ cents per pound, it would be 1½ cents per pound duty. If it is valued at over 1½ cents, it would be 1⅝ cents duty. Upon that bracket it would be slightly less than 100 per cent, and it would follow about that all through the brackets.

Mr. BACON. I will ask the Senator this: While the different gradations have been treated a little differently in the amount of duty imposed, is not the general average of the duties on common window glass about the same as under the Dingley law, or raised?

Mr. McCUMBER. Oh, no. It has been very much reduced.

Mr. BACON. Very much reduced?

Mr. McCUMBER. Yes.

Mr. BACON. Then, prior to that time it exceeded that amount?

Mr. McCUMBER. It exceeded that amount upon the present valuation of the glass.

Mr. BACON. Then I understand——

Mr. McCUMBER. Of course I may say that the price of glass at the time the Dingley bill was passed was probably more than it is now.

Mr. BACON. Yes.

Mr. McCUMBER. But taking the valuations as we have them to-day, it is considerable of a reduction.

Mr. BACON. Very well. I understand, from what the Senator says about none of this glass being imported, that the figures on page 11 refer to a different class of glass, used for other purposes—glass for photographers' purposes, and so forth.

Mr. McCUMBER. That is correct.

Mr. BACON. And do not relate in any manner to common window glass?

Mr. McCUMBER. They relate to the glass used for pictures.

Mr. BACON. And under the Dingley rate there is absolutely no importation of common window glass.

Mr. McCUMBER. That is absolutely correct at the present time.

Mr. BACON. I desire to offer an amendment to the amendment.

The VICE-PRESIDENT. The Senator from Georgia offers an amendment to the amendment. The Secretary will state it.

The SECRETARY. Strike out in the printed amendment all that appears on page 1 and the first 7 lines on page 2 and insert:

97. Unpolished, cylinder, crown, and common window glass, not exceeding 150 square inches, 1 cent per pound; above that, and not exceeding 384 square inches, 1½ cents per pound; above that, and not exceeding 720 square inches, 1⅝ cents per pound; above that, and not exceeding 864 square inches, 2 cents per pound.

Mr. OLIVER. Mr. President, I have received yesterday and to-day 20 telegrams from the different local presidents of the American Window Glass Workers' Association throughout the country protesting against any reduction in these duties. I ask to have one of them read and placed in the RECORD, together with a list of the others which I have received.

The VICE-PRESIDENT. The Secretary will read, without objection, and the list will be printed in the RECORD.

The Secretary read as follows:

INDEPENDENCE, KANS., *June 16, 1909.*

Senator GEORGE T. OLIVER,
Washington, D. C.:

This local protests against any decrease in duty on window glass. Any reduction means less work and lower wages.

F. E. DELGAUFFER,
Local President.

The list referred to is as follows:

LOCAL PRESIDENTS OF WINDOW GLASS WORKERS' ASSOCIATION PROTESTING AGAINST A REDUCTION OF DUTY ON WINDOW GLASS.

F. E. Delgauffer, Independence, Kans.
John Griffin, Caney, Kans.
G. B. Gundy, Chanute, Kans.
John F. Miller, Coffeyville, Kans.
Gustave Wery, Clarksburg, W. Va.
Aramis Joris, Clarksburg, W. Va.
George F. Ernst, Clarksburg, W. Va.
Joseph Mondron, Fairmont, W. Va.
Fred Brasseur, Mount Vernon, Ohio.
Dandoy, Sandusky, Ohio.
Ernest Lefevre, Maumee, Ohio.
A. P. Bonneau, Cleveland, Ohio.
Martin Clever, Kane, Pa.
John Hanley, Kane, Pa.
W. R. Keasle, Kane, Pa.
Arthur Vandermesse, Point Marion, Pa.
Henry Hubeau, Point Marion, Pa.
G. C. Wedkind, Wilcox, Pa.
Albert Brown, Port Allegheny, Pa.
Harry Skidmore, Dubois, Pa.

Mr. OLIVER. Mr. President, I can not let this amendment, as proposed by the committee, pass without registering my earnest protest in behalf of both the manufacturers and the workmen in this important industry, who are to-day in an impoverished condition. I wish now to take issue with the statement of the Senator from North Dakota, who offered the amendment, that there have been no importations of window glass since the adoption of the Dingley bill.

Mr. McCUMBER. Will the Senator allow me for a moment?

Mr. OLIVER. Certainly.

Mr. McCUMBER. I did not state that there had been no importations since the enactment of the Dingley bill. I say there are no importations now, and have not been for a year or so.

Mr. OLIVER. There are no importations now, simply because the times have been so bad for the last two years that there have been practically no building operations going on, and also the market for window glass has been so restricted and so narrowed that the American manufacturers have been selling glass below cost.

I have figures here to show that there were importations in the years 1901, 1902, 1903, and 1904, running up to such an extent that the manufacturers and the workmen met together, and for the sole purpose of meeting these importations and of enabling the manufacturers here to meet the prices named by their foreign competitors the workmen agreed to a reduction of wages so that the manufacturers could sell their glass at reduced prices. As a result, these importations, which were over a million boxes, of 52 pounds each, in the fiscal years 1902 and 1903, dropped in 1904 and 1905 to 296,000, and last year to only 274,000.

I was visited yesterday by the president of the American Window Glass Makers' Association. He told me their men were being scattered, driven into other employments, and that this reduction of duties on window glass would simply give certain markets which are now held by the American manufacturers, particularly the Gulf coast and the Pacific coast markets, directly into the hands of the Belgian manufacturers.

I am aware that this amendment proposed by the committee will be passed; but I can not allow it to be passed without registering a protest in behalf of these manufacturers who are being driven out of business and of those men who are being driven out of employment.

Mr. DICK. I should like to ask the member of the committee in charge of this matter what results he expects from the adoption of the amendment. What is to be expected from this legislation?

Mr. McCUMBER. I will say candidly that I expect this fierce contest which is at present going on between the manufacturers of glass to cease some time. I think it will have to cease, or they will all go under in a short time. When it does cease, then I want to give them sufficient protection, so that they can manufacture as against the foreigner. But I do not want to give them more, or, at least, any great amount more, than is necessary for fair protection, and I can but feel, as near as I can get information on the cost of production at home and abroad, taking into consideration freight, and so forth, that a duty averaging about 100 per cent is sufficient protection; that that is a duty which will give them a fair profit on their manufactures.

Mr. CURTIS. Mr. President——

The VICE-PRESIDENT. Does the Senator from Ohio yield to the Senator from Kansas?

Mr. DICK. Certainly.

Mr. CURTIS. I understand the Senator from North Dakota to say that the duties average 100 per cent. I am advised by gentlemen who have knowledge on the subject that the average is less than 80 per cent.

Mr. McCUMBER. The Senator can figure it out for himself.

Mr. CURTIS. I have not the time to figure it out.

Mr. McCUMBER. It is right here in the amendment. The amendment gives the figures. So the Senator can not make a mistake. I will take the third bracket—valued at over 2½ cents per pound, 1⅝; that is less. I am speaking now of the lower classes of window glass.

Mr. CURTIS. What is the average?

Mr. McCUMBER. I have not figured it out.

Mr. BACON. Mr. President, we can not hear a word. This is an important matter, and we can not hear a word.

Mr. McCUMBER. I have not averaged this upon the higher class, but by reading the amendment in the first three brackets it will be seen that it amounts to very nearly 100 per cent.

Mr. DICK. If I understand the reply of the Senator, it is expected by this reduction to force the manufacturers into a settlement of their difficulties.

Mr. McCUMBER. I do not so understand it.

Mr. DICK. Perhaps I misunderstood it.

Mr. McCUMBER. I do not think it will force them or have the slightest thing to do with them. The tariff, whether it has been 1 cent or whether 200 per cent, seems to have made no difference whatever in their contests with each other and in the low price they have fixed for their product. I stated—and I thought I stated clearly—that I expected this condition to cease some time and that they would put their window glass upon the market at a fair remuneration, and whenever they do that, then I want a tariff sufficiently high to give them fair protection, and I think that this does give them fair protection.

Mr. DICK. Then I misunderstood the Senator. I understood the Senator to say that after they settle their differences he expects to give them a tariff which would yield sufficient protection for the business.

Mr. MONEY. I suppose it is a very interesting colloquy which is going on on the other side, but not a word of it is being heard here.

The VICE-PRESIDENT. The Chair thinks it is due to the fact that there is much disorder in the Senate, and not that the Senators do not speak loud enough. If the Senate will be in order, and if there will be less conversation between Senators individually, the Senator could be more easily heard.

Mr. DICK. Mr. President, it is admitted that this business is in a demoralized condition. Large numbers of factories are closed. Thousands of men are out of employment. A reduction of the tariff in this instance invites importations and reduces the price of the home product. The wages of the men engaged in this business are fixed by the monthly price of the glass itself. It would seem to me that if any schedule of this bill might be left undisturbed, or as now fixed in the law, this is clearly one to be so taken, and I hope that nothing will add to the disturbance of the business, already in a demoralized condition, by changing the rates that have so long obtained and to which the business has adjusted itself.

There are 6,700 skilled window-glass workers in this country, all of whom are members of organized labor, capable of producing annually 11,000,000 50-foot boxes of the sizes and qualities required by American consumers.

This demonstrates the fact that if all the skilled American window-glass workers were employed at their respective trades in the making of window glass a sufficient number of boxes to supply the entire consumption of the country could be made in six months, thus compelling the forced idleness of the workmen during the remainder of the year.

I submit the comparative wages of American and foreign workmen:

American workmen: Blowers, $120.50 per month; gatherers, $90.25 per month; cutters, $124 per month; flatteners, $130 per month. Foreign workmen (I use the phrase "foreign" as referring particularly to the Belgian workers, our greatest competitors): Skilled workmen—Blowers, $60 to $80 per place; gatherers, $40 to $50 per place; cutters, $28 to $38 each; flatteners, $40 to $60 each.

In the case of a part of the more unskilled labor, the following were the wages shown by the figures that I was able to obtain:

Lehr tenders, $48 to $60 per month; shove boys, $48 to $60 per month; roller boys, $48 per month. Foreign unskilled labor: Lehr tenders, girls, $15 to $18 per month; shove girls—that is, in place of the boys used in this country—$15 to $18 per month; roller carriers, girls, $18 per month.

In addition, we might add to the American unskilled or perhaps semiskilled workmen what we know as the "snapper," one to each place, who receives an average of $48 per month. In Europe they dispense with the services of a snapper.

The price of American skilled labor is determined monthly by the selling price for the current month, while the price of foreign skilled labor is fixed annually.

To better understand these figures, it is necessary to bear in mind the fact that the American blower and gatherer work singly, or one to each place, while the foreign blower and gatherer work double, or two to each place. The latter condition is due to a surplus of workers. The American blower works one hundred and sixty hours per month and produces 1,440 rollers (you might know them better as cylinders), or 200 boxes of window glass, single strength. The foreign blower works one hundred and eighty hours per month, producing 2,200 cylinders, or 312 boxes of glass.

The average number of 50-feet boxes of common window glass imported annually for the last twenty-four years is 854,324, aggregating 20,503,776 boxes. A box consists of 50 square feet.

I believe that a lowering of the duty on common window glass would mean an increased importation of that article, comparative with the amount of the said reduction, and would work a corresponding injury to the window-glass workers and manufacturers alike of this country.

Mr. SCOTT. Mr. President, I presume most of the Senators are aware of the fact that the window-glass factories shut down usually the first week in June and resume again the first week in September, virtually putting the skilled labor and all other laber out of employment for three months. There is perhaps no other manufacturing industry that requires more skill or places a greater strain upon the mechanic than blowing glass. With a cylinder anywhere from 4 to 8 feet in length, with a man holding it on the end of a pipe, a pipe 4 or 5 feet long, you can well imagine not only the muscular strain, but also the amount of lung power he must necessarily have to blow that cylinder out.

These men are asked to come in competition with the window-glass blowers of Belgium, where, unless the conditions of wages have changed in the last four years, when I visited that country, the wages are not more than one-fourth of what the window-glass blower in this country gets.

It is all right to charge that it is a cutthroat business with the manufacturers themselves that has brought the price of glass where it is and ruination to themselves. Many of these window-glass factories in this country are what we call "co-operative." They are organized by the workingmen themselves—by men who have been frugal and saved a few thousand dollars. Eight or ten or fifteen of them pool their small savings and build a small factory. When the time comes that there is no demand for glass, these men have to earn, as it were, weekly stipends to keep their families. Consequently, they authorize the sale of the glass at a ruinous price in order that they may keep at work. Before the panic of 1907, when building in this country fell off, when people would not improve or build new houses, the window-glass business was fairly good under the protection we had under the Dingley law.

But conditions combined to put these men in a very bad shape. All they have in the world is invested in these small factories, and the legislation that is being offered here, proposing a reduction of the duties on glass, I want to say to my fellow-Senators, is a direct stab at the laboring men themselves and the mechanics engaged in the window-glass business.

I do not intend to detain the Senate, but I have tried in these few words to present this case as I know it exists. I do not believe there is a single window-glass factory in my State—I may be mistaken—that is not what we call "cooperative," belonging to the men themselves who operate and control the plant. I do hope it will not be the pleasure of the Senate to reduce the duty on glass.

Before taking my seat, however, I desire to present a letter from a glass worker. It is as follows:

WASHINGTON, *June 16, 1909.*

Hon. N. B. SCOTT,
United States Senate.

MY DEAR SENATOR: On behalf of 3,000 employed and over 3,000 idle window-glass workmen, members of the National Window Glass Workers' Association, of which I have the honor to be president, it becomes my duty to solemnly protest against the passage of the amendment proposed by Senator McCUMBER, now pending, or the passage of any measure that will reduce the duty on common window glass, especially referring to all sizes up to and including 24 by 30 inches square. I desire to call your attention to the fact that the window-glass industry is already in peril. More than 50 per cent of the hand-operating plants are out of blast, many of them are in the hands of a receiver, and those now operating are so doing without profit or at a loss. More than 50 per cent of the workmen are now idle, and those who are employed are receiving for their high skill and excessively hard labor lower wages than are paid in some fields of common labor. The manufacturers' selling price of glass being at an unprofitable figure, the workers receiving starvation wages, with half of them idle, and the selling price to the actual consumer as low or lower than for many years, why reduce the duty on glass? Is it to benefit the importer at the expense of the manufacturer and workmen? Imported window glass under the present rates can be laid down at San Francisco and New Orleans cheaper than domestic product. The extreme western and southern markets alone consuming one-fifth of such sizes, is it the intention to turn those markets over to foreign product?

Would not the proposed reduction be a palpable discrimination against both the American window-glass workers and manufacturers, and would it seem befitting the wisdom of the greatest legislative body on earth that this great American industry should be injured and the

workmen further impoverished without cause or reason save the pleas of interested importers?

The present rate of duty on the first two brackets is insufficient to duly and properly protect those sizes, and upon them the duty should be increased instead of being decreased.

I would respectfully yet earnestly urge that this protest of the National Window-Glass Workers be presented by you to the Members of the United States Senate. I have the honor to remain, sir,

Very sincerely, yours,

A. L. FAULKNER,
President National Window-Glass Workers.

Mr. CUMMINS. Mr. President, it may be remembered possibly that when we reached this paragraph when originally passing through the bill I offered an amendment to it slightly higher in rate than the amendment just offered by the Senator from Georgia, and slightly lower in rate than the amendment now offered on behalf of the committee by the Senator from North Dakota.

I presented at that time a table which indicated that one-half of the glass, counting now by brackets, under this paragraph was being sold—that is to say, that the market price for one-half of all the glass mentioned in this paragraph was being sold for a little less than the duty upon it. In other words, our selling price for our own article was less than the rate which had been imposed upon that article for importation under the Dingley law.

It would now be possible for the window-glass men to raise the price of their glass substantially 100 per cent and still prevent importations. A rate of that kind simply brings a tariff law into disrepute; it brings protection into disrepute. The rates now offered by the Senator from North Dakota, while not entirely acceptable to me, because I thought my amendment furnished sufficient protection, after all present a gratifying reduction and can not under any circumstances submit our glass blowers to unfair competition from abroad. The material for making glass of this character in our country is as cheap or cheaper than it is abroad, and the only difference, therefore, in the cost of production is the difference in the cost of labor.

The rates proposed by the committee now not only measure the difference between the cost of labor over there and here, but represent more than the entire cost of labor in the manufacture of glass.

I want these men to be amply protected. But to suggest that these rates will not enable them to raise the price of their glass to a point that will afford them ample profit is to disregard all the proof that has been submitted upon the subject.

It is true we have had some importations, but, as I endeavored to show then and as has been admitted since, these importations are not of window glass; they are crown and cylinder glass and unpolished glasses. Those imports have a value abroad, as I remember it, 50 per cent higher than the prices of glass of our own country, and the importations occur because we do not manufacture to any great extent or endeavor to manufacture that kind of glass, especially for pictures and for photographic processes. It is particularly——

Mr. OLIVER. Mr. President——

The VICE-PRESIDENT. Does the Senator from Iowa yield to the Senator from Pennsylvania?

Mr. CUMMINS. Certainly.

Mr. OLIVER. I should like to know where the Senator from Iowa gets authority for the statement that all the importations of glass coming under this paragraph are crown and cylinder glass—glasses of the finer grades. I can not find any authority for it.

Mr. CUMMINS. Possibly the Senator from Pennsylvania has not inquired from the proper sources.

Mr. OLIVER. I rather think the Senator from Iowa has not inquired from the proper sources.

Mr. CUMMINS. The Senator from Pennsylvania possibly has not inquired at all into these importations. I have. I have been told by those who use this glass. I am told, however, in a still more conclusive way, by the valuations upon the glass, as it will be discovered in the table before the Senator from Pennsylvania. He knows as well as he can know anything that window glass has not commanded in this country anything like the price attached to these importations at any time, either since the panic of 1907 or before the panic of 1907.

Mr. OLIVER. Mr. President——

The VICE-PRESIDENT. Does the Senator from Iowa yield to the Senator from Pennsylvania?

Mr. CUMMINS. I do.

Mr. OLIVER. The Senator very well knows that the rates placed in these schedules showing the price of glass that is imported simply show the average, and that may include some and exclude others. As I said before, the importations of common window glass in 1903 and 1904 were so large that in order to meet the prices quoted by importers, even under the Dingley rates, the manufacturers induced the men to accept a very great reduction in wages, and these reduced rates of wages are the ones which now prevail; and it is only because of these low rates of wages that this country is not flooded with Belgian glass. I say if these reductions in duties come, in certain districts far from the seats of manufacture foreign manufacturers will take the market on this class of glass.

Mr. BEVERIDGE. Will the Senator from Iowa permit me to ask the Senator from Pennsylvania a question?

Mr. CUMMINS. Certainly.

Mr. BEVERIDGE. The Senator from Pennsylvania in his last remark said if the decrease of duty reported by the committee should be adopted there are certain districts in Pennsylvania where the business would be entirely turned over to the foreigner. Is that correct?

Mr. OLIVER. I did not say that, Mr. President. I said there are certain districts in the country——

Mr. BEVERIDGE. Well, in the country. That is the same thing.

Mr. OLIVER. Where our manufacturers would not be permitted to retain the business in competition with foreign manufacturers. If the Senator will allow me to fully answer the question, as an instance of that I will cite New Orleans, where, from the nearest factory—not from Pennsylvania, but from the Kansas factories, which are the nearest—the freight rate is 41 cents per hundred pounds.

The freight rate from Antwerp is 13½ cents per hundred pounds. To San Francisco it is still worse. The rate of freight from Antwerp to San Francisco is 27.8 cents per hundred pounds. The rate from the nearest factory in the United States to San Francisco is 90 cents, more than three times the rate from Antwerp; and when you come to pay three times the freight and three times the wages, you can easily see the inevitable result.

Mr. SCOTT. Mr. President——

The VICE-PRESIDENT. Will the Senator from Iowa yield to the Senator from West Virginia?

Mr. CUMMINS. Certainly.

Mr. BEVERIDGE. I have not asked my question yet.

Mr. SCOTT. I wish to ask the Senator from Pennsylvania if he has the rate from Anderson, Ind., to Gulf ports or Pacific coast ports? I had a letter from there, and I wanted to know if the Senator has it also.

Mr. OLIVER. It is about the same as the Kansas rate; about 41 cents a hundred. I can not say precisely.

Mr. BEVERIDGE. This question occurred to me when the Senator made his statement, and that is the reason why I rose to ask the question. It is whether the Senator thought this committee, in fixing this duty, intended to turn these markets over to the foreigner?

Mr. OLIVER. Oh, I certainly acquit the committee of any such intention; but I do believe the committee had not accurate information on the subject. I know that I volunteered several times to appear before the committee and present this question, but, with the exception of one or two five-minute conversations with the Senator from North Dakota, I have never had an opportunity to do so.

Mr. CURTIS. Mr. President——

The VICE-PRESIDENT. Will the Senator from Iowa yield to the Senator from Kansas?

Mr. CUMMINS. Certainly.

Mr. CURTIS. I should like to ask the Senator if, upon his investigations of this question, he did not find that the manufacturers of glass were selling the smaller sizes at a loss.

Mr. CUMMINS. At least I believe that the window-glass manufacturers are not selling their smaller sizes at the present time at any profit. I do not know whether they are making losses upon their business or not. But, as I said before, they can increase their prices about 100 per cent without any danger of importations from any country.

I assume, I say, in response to the Senator from Pennsylvania, that we can not adjust our tariff rates upon the hypothesis that glass may be transported from one corner of the country to the other at an immense freight rate and protect that glass against every other freight rate that may reach a place or a port. For instance, I suppose if you should transport glass from Maine to California, even if it cost the manufacturers in Maine nothing to make the glass, they might not be able to reach some distant place in the United States as favorably as a foreign competitor. I do not understand that such extreme or unusual or extraordinary cases are to be provided for in the tariff bill. I repeat, the rates now suggested by the Senator from North Dakota will be more, and considerably more, than the entire labor proportion in the manufacture of glass, because, as he has said, very few of them are under

90 per cent, and some of them rise to 100 per cent, or in that neighborhood.

Notwithstanding the fact that I offered the amendment reducing the rates below those now suggested by the committee, I intend to vote for the committee amendment, believing that it is a fair disposition of the controversy.

Mr. ALDRICH. Mr. President, I hope we will be able to get a vote on this proposition.

Mr. BACON. Mr. President, I want to say a word.

The VICE-PRESIDENT. The Senator from Georgia.

Mr. BACON. Mr. President, it is very evident from what has been said by the Senator from North Dakota, which I understand to be conceded by Senators who occupy an antagonistic position, that the present low price of glass is not in any measure due to there being an inadequacy of tariff, so far as that may influence the high price of glass; that the price is away below anything that the tariff which is now imposed could affect; and that, as stated by the Senator from Iowa, the present prices could be raised 100 per cent and still be below the tariff wall which protects us against foreign importations.

The object I have in offering the amendment is this: I wish when the time comes that all Senators seem to anticipate, when there shall cease to be the competitive war which has resulted in these very low prices, that there may be a limitation upon the tariff which will prevent extortionate prices then from being exacted by any combination which may be made between the producers or manufacturers of this glass.

The ad valorem duty, as stated by the Senator from North Dakota, is now above normal, because of the fact that the price is below the normal. For that reason the present rate of duty is over 100 per cent, but even under the Dingley law on all common window glass at the valuation then existing the ad valorem ranged from some seventy-odd up to eighty-odd per cent. I will give it exactly. It ranged from 71.59 to 84.15; 71.59 heretofore and 84.15 at present. The only glass below that was the smaller size glass where the ad valorem at that time was only 41 per cent; but as to the general run of glass it ranged between the figures I have mentioned.

The point I wish to call attention to is that when normal conditions are restored by reason of the cessation of what is alleged to be a destructive competition, the ad valorem, if it goes back to the point it was at the time of the Dingley bill, will still be very highly protective.

The amendment which I have offered relates not to the larger glass, but to the glass which is commonly used in the construction of houses—common window glass—and the rate, I am very frank to say, is very much higher than I think it ought to be even when the normal conditions are restored. I therefore offer the amendment to the committee amendment.

Mr. ELKINS. Mr. President, I am sorry to detain the Senate by any remarks on this subject, but there are so many window-glass factories in my State that are idle and so many people out of employment that I can not refrain, in justice to my constituents, from protesting against any reduction of duties and furnishing to the Senate the information sent to me directly from those and other factories as to the disastrous results that would follow a further reduction of duties.

I believe this proposed reduction is unjust to this great industry. I believe it compels the American manufacturer to sell at a less price than the window glass can be imported from foreign countries.

I have a list here giving figures and facts, which is worth more than mere words, showing the condition of the window-glass factories throughout the country. It will be shown by this list, on May 15 the number of factories that were idle and those that were in operation. In New Jersey there were 160, all idle; 42 were idle in Stockton, Cal.; in Centralia, Ill., 30; in Danville, Ill., 34. Indiana has about 120 pots idle. There are various States given here, and I have added up those plants that are idle. There are about 108 idle in Pittsburg alone; in the State of Pennsylvania there are four or five hundred; in West Virginia they are nearly all idle.

The total number of hand-operated window-glass plants on May 15 in the United States were 3,080, of which 1,779 were idle. This seems to me to tell the story whether this industry that is now languishing needs a further reduction of the present duties. Why not rather increase the duty and better protect this great industry? These facts show that there are a great many more idle plants than there are active window-glass plants.

I have a letter just received this morning, dated June 16, from Morgantown, W. Va., from the president of the Marilla Window Glass Company. He says that he submits herewith some data, which I will not detain the Senate by reading. I will not detain the Senate by reading the figures and the table, but I will ask permission to insert them in my remarks.

The VICE-PRESIDENT. Without objection, permission is granted.

The matter referred to is as follows:

MARILLA WINDOW GLASS COMPANY,
Morgantown, W. Va., June 16, 1909.

Hon. S. B. ELKINS,
Washington, D. C.

DEAR SIR: In connection with the hearings now being given the tariff bill, we desire to submit some figures in relation to the tariff on window glass.

This data will show that, instead of a reduction, the duty should be raised at least a quarter of 1 cent per pound on all sizes under 20 by 30 if the American manufacturer is to be allowed to make a living profit as against foreign glass of these sizes.

On May 11 or 12 Senator CUMMINS, in discussing the window-glass schedule, submitted to the Senate a table of figures, which table, I understand, is now a part of the CONGRESSIONAL RECORD.

This table showed that the present selling price of American glass is below the price at which foreign glass can be imported. For example, it shows that a box of American glass, 10 by 15, is selling for $1.14 per box and the price of foreign glass plus the duty is $1.61, or a difference of 47 cents. That is, American-made glass, 10 by 15, is selling to-day for 47 cents less than the price at which foreign glass can be laid down in New York City.

A box of 14 by 20 American-made glass sells for $1.20 to-day, the same foreign glass being laid down in New York City at $1.93, or a difference of 73 cents.

A box of 16 by 24 American-made glass sells for $1.26, foreign $1.93, or a difference of 67 cents; and 20 by 30 American-made glass sells for $1.32, foreign $2.47, or a difference of $1.15; and so on through the list.

These differences between the cost or the selling price of American-made glass and the price, duties added, at which foreign glass is laid down in New York City are advanced as a reason for a reduction in the tariff on window glass.

The argument would be conclusive in favor of a reduction if the American manufacturer were making a profit, instead of taking a loss, at these prices, and if the American workmen in American window-glass manufactories were making fair, reasonable, or living wages at these prices; but such is not the case. The American manufacturer is losing money at these prices, and the workmen in his factory are working for the very lowest wages in the history of the industry in this country, and at much less wages than their character of work deserves. It should also be borne in mind that these figures cover the cost of the manufacturing of window glass in West Virginia, where it is produced at a lower cost than in any other section of the United States.

The present low prices for American window glass are due to the disastrous competition which is on between the American manufacturers by machine process and the manufacturers by hand process. In the industry of making window glass by hand thousands of skilled workmen are employed, and in this competition with machine production their wages have been reduced over 50 per cent, and at the same time both kinds of manufacturers have been producing at actual loss. If the thousands of skilled workmen mentioned and the manufacturers for whom they work are to survive this competition, the selling price of American-made window glass must be advanced to a proper and legitimate price. To even advance it to a point where the manufacturer might come out with a very slight profit, or even with cost basis, and at the same time continue paying the low wages now being paid, the tariff should be maintained. If it is not maintained, foreign glass will be imported in such quantities that it will be impossible for the American manufacturer to raise his price to a point where he can sustain himself and continue to employ the American laborer.

From the figures heretofore given you will note that we are selling a box of 10 by 15, single strength, for $1.14. This box actually costs us $1.33. This means an actual loss of 19 cents. The manufacturer, American, should be allowed a reasonable profit, which surely should be not less than 25 cents a box. The freight from this district to New York City or the eastern coast market is 12 cents. This makes a total of $1.70, the lowest figure at which the American-manufactured window glass can be manufactured and sold at a profit as against foreign glass, and this without increasing the present extremely low wages paid our workmen.

Under the present Dingley law the cost of this box of glass, 10 by 15, foreign made, plus the duty, delivered at New York City, is $1.61, or 9 cents less than the price at which the American manufacturer can make and deliver this same box of glass and make a small profit under the present low wage cost, if he overcomes the unfortunate competition now existing and advances his prices to a living or legitimate basis.

On this box of 10 by 15, of which the cost is $1.33, the labor item is 78 cents. Surely it is not unreasonable to say that the laborer should be advanced 25 per cent, which would be practically 20 cents on this box. This would make the cost $1.90 instead of $1.70, a still greater difference to the disadvantage of the American manufacturer and his workmen under the present law.

Raw material, due to the general business depression, is lower to-day than it will probably ever be again. To this extent the present cost is lower, and as material advances the cost must advance. As the total cost increases, the tariff must be higher to allow American glass to sell at its increased cost.

The above figures are given below in tabulated form, and the cost sheet referred to is also submitted. The cost sheet is a private paper, but we thought the matter so important that we add it to show the same differences exist in the other sizes.

Sizes 10 by 15 and under, per box of 50 feet.

Present selling price, American glass, at factory	$1.14
Loss at this price (cost $1.33)	.19
Reasonable profit should be allowed (18.8)	.25
Freight to New York City and eastern coast markets	.12
Lowest selling price with a profit for American glass	1.70
Selling price, foreign glass, plus duty and delivered at New York City, under present tariff	1.61
Disadvantage to American-made window glass, 10 by 15	.09

Respectfully submitted.

MARILLA WINDOW GLASS COMPANY,
By JO. L. KEENER, *President.*

All prices per box of 50 square feet.

SINGLE THICK.

	Foreign cost at Antwerp (without duty).	Duty at proposed Payne-Aldrich rates.	Foreign price and duties.	Selling price, American-made glass.
Not exceeding 10 by 15	$0.89	$0.72	$1.61	$1.14
Exceeding 10 by 15, not exceeding 14 by 20	.95	.98	1.93	1.20
Exceeding 14 by 20, not exceeding 16 by 24	.95	.98	1.93	1.26
Exceeding 16 by 24, not exceeding 20 by 30	1.23	1.24	2.47	1.32
Exceeding 20 by 30, not exceeding 24 by 30	1.32	1.24	2.60	1.35
Exceeding 24 by 30, not exceeding 24 by 36	1.32	1.44	2.76	1.40
Exceeding 24 by 36, not exceeding 30 by 40	1.40	1.70	3.10	1.51
Exceeding 30 by 40, not exceeding 30 by 50	1.53	1.96	3.49	1.73
Exceeding 30 by 50, not exceeding 30 by 54	1.65	1.96	3.61	1.88

DOUBLE THICK.

Not exceeding 10 by 15	$1.24	$1.10	$2.34	$1.51
Exceeding 10 by 15, not exceeding 14 by 20	1.33	1.50	2.83	1.65
Exceeding 14 by 20, not exceeding 16 by 24	1.33	1.50	2.83	1.77
Exceeding 16 by 24, not exceeding 20 by 30	1.85	1.90	3.75	1.97
Exceeding 20 by 30, not exceeding 24 by 30	1.78	1.90	3.68	1.99
Exceeding 24 by 30, not exceeding 24 by 36	1.78	2.20	3.98	2.02
Exceeding 24 by 36, not exceeding 30 by 40	1.91	2.60	4.51	2.17
Exceeding 30 by 40, not exceeding 30 by 54	2.10	3.00	5.10	2.37
Exceeding 30 by 54, not exceeding 30 by 60	2.28	3.00	5.28	2.42
Exceeding 30 by 60, not exceeding 30 by 64	2.77	3.00	5.77	2.62
Exceeding 30 by 64, not exceeding 30 by 70	3.24	3.00	6.24	2.68
Exceeding 30 by 70	3.87	3.00	6.87	3.19

Cost of different sizes of window glass.

SINGLE STRENGTH.

Bracket.	Size.	Labor.	Fuel, material, and other costs.	Total.	Selling price.		A.		B.	
					A.	B.	Loss.	Gain.	Loss.	Gain.
First	10 by 15	$0.82	$0.51	$1.33	$1.20	$1.14	$0.13		$0.19	
Second	14 by 20	.82	.55	1.37	1.26	1.20	.11		.17	
Third	16 by 24	.82	.55	1.37	1.35	1.26	.02		.11	
Fourth	20 by 30	.82	.59	1.41	1.42	1.32		$0.01	.09	
Fifth	24 by 30	.82	.59	1.41	1.47	1.35		.06	.06	
Sixth	24 by 36	.82	.63	1.45	1.56	1.40		.11	.05	
Seventh	30 by 40	.93	.71	1.64	1.72	1.51		.08	.13	

DOUBLE STRENGTH.

First	10 by 15	$1.22	$0.71	$1.93	$1.52	$1.42	$0.41		$0.51	
Second	14 by 20	1.22	.71	1.93	1.68	1.52	.25		.41	
Third	16 by 24	1.22	.71	1.93	1.84	1.68	.09		.25	
Fourth	20 by 30	1.23	.76	1.99	2.00	1.87		$0.01	.13	
Fifth	24 by 30	1.23	.76	1.99	2.06	1.89		.07	.10	
Sixth	24 by 36	1.23	.76	1.99	2.11	1.92		.12	.07	
Seventh	30 by 40	1.25	.81	2.06	2.27	2.06		.21		

Mr. ELKINS. On reflection, I think it better to insert in my remarks the list, dated May 15, from which I have just read some figures:

List of hand-operated window-glass factories.

NEW JERSEY.

Flood Glass Co., Atco, pots idle	8
T. C. Wheaton Co., Millville, pots idle	36
Vineland Glass Co., Vineland, pots idle	48
Cumberland Glass Manufacturing Co., Bridgeton, pots idle	52
Quinton Glass Co., Quinton, pots idle	16
Total pots idle	160
Getman Glass Co., Cleveland, N. Y. (cooperative), pots operating	24
Pacific Window Glass Co., Stockton, Cal., pots idle (financial trouble)	42
Alkison Window Glass Co., Centralia, Ill., pots idle (bankruptcy)	30
Sweet Glass Co., Danville, Ill., pots idle (financial troubles)	30

INDIANA.

Blackford Window Glass Co., Vincennes (cooperative), pots operating	30
Vincennes Window Glass Co., Vincennes (cooperative), pots idle (machines)	24
Princeton Window Glass Co., Princeton, pots idle (failed)	30
Loogootee Window Glass Co., Loogootee (cooperative), pots idle (failed)	18
Baur Window Glass Co., Eaton, pots idle	36
Johnston Glass Co., Hartford City, pots idle	60

OHIO.

Enterprise Glass Co., Sandusky (partly machines), pots (24 idle, 30 operating)	54
Case & Merry Co., Maumee, ex machine, pots operating	30
Columbus Plate and Window Glass Co., Lancaster (cooperative), pots operating	36
Central Window Glass Co., Utica (partially cooperative), pots operating	36
Licking Window Glass Co., Utica (partially cooperative), pots operating	36
Utica Glass Co., Utica (partially cooperative), pots idle (burned May 10, 1909)	36
Camp Glass Co., Mount Vernon, pots operating	48
C. P. Cole Glass Co., Lancaster, pots operating	45
Barnesville Glass Co., Barnesville (machines), pots idle	30
Eastern Ohio Glass Co., Barnesville, pots idle	36
Knox County Glass Co., Mount Vernon (cooperative), pots operating	36
Buckeye Window Glass Co., Columbus, pots operating	24
Findlay Window Glass Co., Findlay (failed), pots idle	30
Pittsburg Plate Glass Co., factory 11 (machines), pots idle	108

PENNSYLVANIA.

Ithaca Glass Manufacturing Co., Spring City, pots idle	24
Van Cleve Window Glass Co., Brownsville (failed), pots idle	60
Mountain Window Glass Co., Coudersport (reorganized), pots operating	42
Roulette Window Glass Co., Roulette (burned), pots idle	36
D. O. Cunningham Glass Co., Pittsburg, pots idle	30
Columbia Glass Co., Wellsboro, pots idle	36
Covington Glass Co., Covington (cooperative), pots idle	8
Fitzpatrick Glass Co., Falls Creek (machines), pots idle	48
Star Glass Co., Reynoldsville (machines), pots idle	36
Smethport Glass Co., Smethport (machines), pots idle	36
Pittsburg Window Glass Co., Washington, pots idle	36
McCoy Window Glass Co., Mount Jewett (machines), pots idle	60
Keystone Window Glass Co., Hazelhurst, pots idle	36
Port Allegany Window Glass Co., Port Allegany, pots (24 idle, 24 operating)	48
Palmer Window Glass Co., Shinglehouse (receiver), pots idle	60
Kervin Window Glass Co., Eldred, pots operating	30
George Window Glass Co., Wilcox, pots idle	24
Brookville Glass and Tile Co., Brookville, pots idle	30
Pennsylvania Window Glass Co., Kane, pots idle	60
Kane Window Glass Co., Kane, pots idle	60
Standard Window Glass Co., Kane, pots idle	54
Healy Window Glass Co., Hazelhurst (machines), pots idle	35

Federated Glass Co., Point Marion (cooperative), pots operating	30
Jeanette Window Glass Co., Point Marion (cooperative), pots operating	36
Point Marion Window Glass Co., Point Marion (cooperative), pots operating	12
Eldred Window Glass Co., Punxsutawney (cooperative), pots operating	24
A. F. B. Co., Dubois (cooperative), pots operating	30
New Bethlehem Window Glass Co., New Bethlehem, pots operating	30
Masontown Window Glass Co., Masontown, pots operating	36
Fairchance Window Glass Co., Fairchance (cooperative), pots operating	36
WEST VIRGINIA.	
State Window Glass Co., Buckhannon (machines), pots idle	36
Magnolia Window Glass Co., New Martinsville (leased to the Gas State Window Glass Co.), pots operating	24
Banner Window Glass Co., South Charleston (cooperative), pots operating	24
Dunkirk Window Glass Co., South Charleston, pots idle	36
Clarksburg Glass Co., Clarksburg (cooperative), pots idle	24
La Fayette Window Glass Co., Clarksburg (cooperative), pots operating	24
Tuna Glass Co., Clarksburg, pots operating	48
West Fork Glass Co., Clarksburg, pots operating	36
Peerless Window Glass Co., Clarksburg, pots operating	24
Crescent Window Glass Co., Weston, pots operating	48
Fairmont Window Glass Co., Fairmont, pots operating	36
Grafton Window Glass Co., Grafton, pots operating	36
Ideal Window Glass Co., West Union (cooperative), pots idle	24
W. R. Jones Glass Co., Morgantown, pots operating	48
Marilla Window Glass Co., Morgantown (cooperative), pots operating	30
Patterson Window Glass Co., Cameron, pots operating	14
Salem Window Glass Co., Salem (cooperative), pots operating	24
Independent Glass Co., Sistersville, pots idle	36
Huntington Glass Co., Huntington, pots idle	10
KANSAS.	
Sunflower Window Glass Co., Cofferville (cooperative), pots idle	30
Western Window Glass Co., Independence (cooperative), pots idle	12
Midland Glass Co., Independence, pots idle	24
Fredonia Window Glass Co., Fredonia, pots operating	48
Chanute Window Glass Co., Chanute, pots operating	30
Osage Window Glass Co., Independence (been idle one-half this year), pots idle half this year	30
Baker Bros. Glass Co., Caney, pots operating	30
Caney Window Glass Co., Caney, pots operating	30
Cheyenne Window Glass Co., Caney, pots operating	30
Coffeyville Window Glass Co., Coffeyville (burned), pots idle	30
Kansas Glass Co., Coffeyville, pots operating	12

NOTE.—The American Window Glass Company operate exclusively by machinery and claim to produce about 40 per cent of the glass used in the United States.

The cooperative factories as a rule pay the skilled trades whatever the business will allow, regardless of the scale of wages fixed between the manufacturers and the glassworkers' union. This plan works a hardship on both the skilled glassworkers and the owners of the plants not cooperative.

Fifteen plants have failed and practically none of the others have made any profits for the past three years.

	Pots.
Total hand plants operating	1,301
Total hand plants idle	1,779
Total	3,080

I will quote one or two sentences from the writer of the letter to which I referred. He is a man I know very well, a man of high character, and whose statements can be relied upon. He says:

This duty will show that instead of a reduction, the duty should be raised at least a quarter of 1 cent per pound on all sizes under 20 by 30, if the American manufacturer is to be allowed to make a living profit as against foreign glass of these sizes.

* * * * * * *

The argument would be conclusive in favor of a reduction if the American manufacturer were making a profit instead of taking a loss at these prices, and if the American workmen in American window-glass manufactories were making fair, reasonable, or living wages at these prices. But such is not the case.

* * * * * * *

From the figures heretofore given, you will note that we are selling a box of 10 by 15, single strength, for $1.14. This box actually costs us $1.33. This means an actual loss of 19 cents. The manufacturer—American—should be allowed a reasonable profit, which surely should be not less than 25 cents a box.

The writer of this letter is a Republican and a protectionist; he has some confidence in the Republican platform. He wants the difference in the cost of labor between the two countries and a reasonable profit guaranteed by the platform; and he is astonished that the Senator from North Dakota reports a reduction of present duties, wipes out all profit, and puts us on a level with European labor, giving employment to foreign labor to make goods we consume.

The Senator representing the committee comes from a State in which I do not know of a thing his State produces that is not protected. Barley is away up in the dutiable list; hay, wheat, corn, potatoes, cabbage—indeed, everything, nearly, that State produces, or that I can recall, is highly protected. Being a member of the Finance Committee, and able to secure these high duties, he comes in and pounces down upon the States producing things his State does not produce, and wants a reduction of duties. In this case he has restrained somewhat his free-trade tendencies by asking a reduction of duties, but on nearly all the products of West Virginia he wants them on the free list.

Mr. ALDRICH. In justice to the Senator from North Dakota, I will say that the Senator from North Dakota reported this amendment in accordance with the unanimous vote of the Committee on Finance.

Mr. ELKINS. I said I regretted that the Senator had the backing of the committee, that the committee was willing to put itself on record, favoring rather the destruction of an American industry than building it up. I did not put the responsibility entirely upon the Senator from North Dakota this time. Generally he is guilty, but the whole committee is particeps criminis now.

Mr. MONEY. Will the Senator permit me to interrupt him?

Mr. ELKINS. Certainly.

Mr. MONEY. I do not think he can say the whole committee have been particeps criminis, because this side has had nothing to do with it.

Mr. ELKINS. I mean the majority of the committee.

Mr. MONEY. I want to have the Democratic minority stand exactly right before the country.

Mr. ELKINS. I am sorry that the Senator has no voice in the committee. I regret it exceedingly, for I believe some of the minority would be more generous than the committee has been with this languishing industry. I do not know what they want, but it does seem to me the committee wishes to give our markets for window glass to foreign producers. I can not see why the distinguished chairman should so eagerly get up and declare with superb satisfaction that the Finance Committee is backing up the Senator from North Dakota in injuring an American industry.

Mr. ALDRICH. The conditions which the Senator is alluding to have nothing whatever to do with the tariff, and the Senator ought to know it as well as I.

Mr. ELKINS. Why did you reduce the duty if it has nothing to do with the tariff?

Mr. ALDRICH. The condition of affairs in the window-glass industry is entirely due to overproduction and overcompetition. It is simply taking up the time of the Senate, as the Senator from West Virginia knows as well as I do, in making statements of this kind, as to what the committee intend to do with this industry in the way of destroying it. The conditions, as the Senator from Iowa [Mr. CUMMINS] said, are entirely due to causes outside of the tariff in any way, and the industry will not be ruined if the amendment prevails, as I hope it will prevail.

Mr. ELKINS. I am a little astonished to see the Senator from Iowa and the Senator from Rhode Island and the committee all in accord to-day on the reduction of duties. I do not know what has come over the spirit of their dreams. I do not know what is the matter with the committee, but I do understand what is the matter with the Senator from Iowa; he is entirely consistent; he wants duties reduced.

Mr. KEAN. Why not let us vote?

Mr. ELKINS. Because I do not want to see a great American industry injured without as vigorous protest as I can possibly make in its behalf and in behalf of thousands of men out of employment, because many window-glass plants all over the country are idle.

I do not think the argument of the Senator from Rhode Island is good, that because there is a congested condition in the market, that because there is overproduction, therefore the duty should be reduced and the condition of this industry made worse. When this congestion is relieved, when this overproduction has ceased, then is this great industry to be left without protection? Is that the way to cure overproduction? Is the remedy to let the foreign producer supply all of our demands? I do not understand this process of reasoning.

The Senator from Rhode Island is generally clear-headed, and he generally wisely and promptly settles all tariff questions as far as I am concerned, because I willingly bow down at his feet and acknowledge his superior wisdom and judgment on this subject; but because we are conjested and overproduced in this country we must let Europeans come in and finish the destruction of a great industry. I have not asked in Pennsylvania, in New York, in New Jersey, or New England any reduction on any of their products, not one.

Mr. KEAN. The Senator just read from the list he has that the people engaged in this industry are out of employment in New Jersey.

Mr. ELKINS. Certainly; and what I am trying to urge on the Senator from New Jersey is that he ought to stand by his people and see to it that the manufacture of window glass is not destroyed and thousands of his people thrown out of employment.

Mr. KEAN. I do stand by my people.

Mr. SCOTT. My colleague does not know that the Senator from New Jersey was for free trade yesterday.

Mr. ELKINS. I am sorry to see that he voted for free zinc; he is rarely a free trader; generally he fights within protection lines.

Mr. ROOT. Mr. President——

The VICE-PRESIDENT. Does the Senator from West Virginia yield to the Senator from New York?

Mr. ELKINS. I do.

Mr. ROOT. The Senator asked a moment ago why the duty on common window glass should be reduced. Let me give him a reason from Bulletin No. 62 of the Census Bureau, published in 1907:

Since 1900—

Says the bulletin—

Since 1900 the glass manufacturers in the United States have made vast strides in the direction of cheaper production. Machines for mechanical manipulation in the production of window glass, for manufacturing narrow-necked bottles, and for conveying ware are some of the latest contributions to the industry. Some of these machines were perfected during the census year and are now in active operation, but their influence on industry was slight during 1904, as their operation in that year was more or less of an experiment. The general improvement in factory construction, furnace equipment, and installation of mechanical blowing machines is generally indicated by the figures presented in Table 1.

Table No. 1 shows an increase in the production of glass: For the year 1890, $41,000,000; in 1900, $56,000,000; in 1905, $79,000,000. So it appears by this data of the Government of the United States that the manufacturer of window glass shares in the general prosperity and enlargement of the trade, and that in this manufacture vast strides have been made in the direction of cheaper production through the introduction of mechanical appliances, necessarily reducing the proportion of labor involved. If that is not a reason for the reduction of duty upon an article of which there is now no importation, I do not know how any reason can be adduced for the reduction of any duty whatever.

Mr. ELKINS. Mr. President, the Senator reads from data furnished by the Census Bureau up to 1905. I am speaking in and for the year 1909. The Senator is four years out of his reckoning; he is four years behind time.

Mr. ROOT. We are not legislating for a specific period of depression in the building trade. We are legislating for a long period of years to come, and we must take our data not from the particular moment, but from the general course and development of the manufacture.

Mr. ELKINS. Mr. President, it will be remembered that the distinguished Senator from New York represents all sorts of people in the 7,000,000 of population among his constituents. In that number there is a large body of importers, and I do not fail to detect, running like a silver thread through the woof of his argument, the importers' interests. Now, let us deal with facts as they are, and up to date the window-glass business is prostrated. This tariff is going to last ten or fifteen years. You know and admit that the business is prostrated, but you say it is dull times, and, therefore, prostrated as it is, owing to these dull times, the duty should be reduced.

I do not think any such principle ought to enter into the making up of the tariff. The window-glass industry is a very large industry in the United States, as the Senator has shown. It employs a great many people; it gives homes to a great many more. It gave an ample return heretofore, in 1905, to those engaged in it, but it does not give any now. I showed by the table I read from there are 1,700 or 1,800 idle establishments in this country. I can not understand why the Senator from New York should agree, as he does, with the Senator from Iowa and the Finance Committee and the Senator from North Dakota that because here is a prostrated industry languishing, as they admit, we must further destroy it by reducing the duty and by letting in foreign glass. How does the Senator from New York or the Finance Committee hope or believe or ever expect this industry to revive if while languishing you kill it by letting in foreign glass, giving our market over to foreign importers and manufacturers? When or how can it ever recover? What is the use to appeal to a protection Senate, if it deserts protection all over this Republic?

The trouble about all this is that some duties are too high and some are too low. Now, I am not trying to reduce the duties on the products of New York. I abide by the judgment of the committee. I have voted in every instance, I believe, to sustain the report of the committee, and I have done so up to this moment on all the products of other States. This window-glass business is important in my State and in other States near by, and it is admitted that, in some way or other, this interest, if it can by protection be encouraged, ought to be encouraged instead of being discouraged.

Mr. President, I know how impatient the chairman of the committee is to have a vote. I regret that I was not in the Chamber earlier to speak more at length on this subject, but with the permission of the Senate, I will incorporate some statements in my remarks, which I will not take up the time of the Senate now to read.

The VICE-PRESIDENT. Without objection, permission will be granted.

The matter referred to is as follows:

S. R. WIGHTMAN GLASS COMPANY,
Morgantown, W. Va., May 13, 1909.

Senator S. B. ELKINS,
Washington, D. C.

DEAR SIR: We wish to add our protest to the reducing of the tariff on window glass and bottles. The window-glass business, while at the present time we are not manufacturers of same, but have been raised in the window-glass business—and with the tariff reduced, can not see but that it means the ruination of the window-glass industry of West Virginia.

We are more particularly interested in the bottle business, and would ask you to use every endeavor against making any change in the present rate on empty bottles.

Thanking you in advance for any favors you can show us along this line, we remain,

Yours, respectfully, S. R. WIGHTMAN GLASS CO.

THE CLARKSBURG GLASS COMPANY,
Clarksburg, W. Va., May 17, 1909.

Hon. STEPHEN B. ELKINS,
Washington, D. C.

DEAR SIR: The present tariff agitation is a matter with which you are quite familiar, but possibly not so familiar with the conditions confronting the window-glass manufacturers of the United States, of which product West Virginia is one of the largest producers. For your information would say that conditions over which the manufacturers have had no control have placed the business in a deplorable condition, both as regards manufacturers and workmen. The value of stocks held by the manufacturers of West Virginia have in the past four or five years decreased in value until about 50 per cent is worth no more than 25 per cent of par, while none is valued higher than par. The wages of the workers have been reduced to such an extent that at this time and for the past two years skilled men have been able to command but little more than the man without a trade.

A tariff reduction would inevitably cause the manufacturers of common window glass to lose heavily on their investments, possibly the savings of a lifetime, and force him from the line of business in which he has had a lifetime experience; furthermore it would enforce thousands of skilled workers, as well as thousands of unskilled workers, to seek other means of livelihood and leave the foreign worker the trades with which they have always been identified.

There is no question but that a tariff reduction at this time on window glass would be disastrous in its effect upon window-glass manufacturers and workers alike, and we respectfully petition you to use your influence to maintain the present tariff rates on this commodity and save to us our investments and trades, for which favor we most cordially thank you in advance.

Very truly, yours,

THE CLARKSBURG GLASS CO.,
By P. E. HOCHSTRASSER, *President.*

THE JOHNSTON GLASS COMPANY,
Hartford City, Ind., May 15, 1909.

Hon. STEPHEN B. ELKINS,
Washington, D. C.

DEAR SIR: We have noticed with considerable interest the recent discussions on window glass. It is a very difficult problem to solve. We feel that at least 50 per cent of the window-glass factories are insolvent at the present time, and continuation of the present ruinous methods will greatly increase the number of plants that are in financial difficulties.

As you have well stated in your remarks, factories in West Virginia and in other sections where they have practically free fuel are much better equipped to make glass at the least cost, but at the same time factories in your own State are not free from troubles, and at least half a dozen plants are now idle in West Virginia because they can not operate at a profit. There are quite a number of factories in West Virginia and elsewhere that are known as "cooperative" and are managed by glass workers. These skilled men were induced to engage in the business because they felt that their employers were not giving them proper periods of employment and were misrepresenting the actual conditions of window-glass manufacturing.

A very few years ago, when Indiana was blessed with natural gas, we had about 40 plants that were making window glass. We now have 6 factories, 3 of which are in operation. When the Indiana plants were on the wane about one-third of them were cooperative, and these factories neither made wages nor dividends for their owners. I believe the same condition exists in West Virginia and elsewhere where cooperation is in vogue.

There has been some talk about the formation of a window-glass combinations, and the manufacturers have tried to concentrate certain portions of their business, believing it would be productive of economy. They have met with but little success, and the indications are that their attempts will be a failure. There are about 3,000 pots, which are known as "hand-operated factories." These hand-operated plants are supposed to make not more than 60 per cent of the window glass used in this country; this leaves about 40 per cent of the glass to be made by machine interests or by the American Window Glass Company. There are at least 6 or 8 other factories that are trying to make glass by machinery, but have not as yet made a commercial success of their devices.

I attach a memorandum of the hand factories in the United States, with a memorandum of their present condition as near as I can furnish them. The hand plants have been trying to benefit themselves by forming an association, and out of more than 3,000 pots they have managed to interest 1,344; this does not include the American Window

Glass Company. It is quite likely that this plan will be necessarily abandoned within a short time. Some authorities have accused us of trying to form a trust, but those who have given the question considerable thought advise us that such is not the case. Our affairs are in such desperate shape, however, that one of the gentlemen that recently attended one of our meetings stated that he did not see that it made much difference what public institution the glass makers occupied, as there did not seem to be much choice between prisons, charitable institutions, and asylums.

Just at this time it is not the intention to give you figures on foreign costs, but much of the difference can be accounted for by the employment of women and children in the semiskilled trades, such as lehr tenders, roll carriers, shove-in boys, etc. Such labor abroad receives from one-third to 40 per cent of the amount we pay for similar service, and in order to reduce their cost to a minimum, window-glass plants in Belgium are operated seven full days each week.

It is our opinion that if there is any reduction in tariff on window glass that the industry will be speedily ruined, and we do not believe that the plant of Mr. Jones, of Morgantown, would ever operate again if his suggestions were carried out.

There are several reasons for present depressed conditions, one being overproduction; the second, machine competition; and the third, labor troubles, which we have experienced almost continuously during the past two or three years. Both labor and the costs of material are lower than we have experienced in recent years and there would be little, if any, room to make further reductions in our cost if the tariff were lowered.

Yours, respectfully, J. R. JOHNSTON, *President.*

Mr. CURTIS. There have been established a number of glass plants in the gas belt of Kansas. The operators ask that the present duty be retained; that is, the Dingley rate. We have the glass sand and the natural gas. We hope that other factories will be established, and believe that they will be if the Dingley rates upon glass are retained.

The VICE-PRESIDENT. The question is on agreeing to the amendment offered by the Senator from Georgia [Mr. BACON] to the amendment of the committee.

Mr. BACON. On that I ask for the yeas and nays.

The yeas and nays were ordered.

Mr. ELKINS. I should like to know what the amendment is.

The VICE-PRESIDENT. The question is on the amendment of the Senator from Georgia to the amendment of the committee.

Mr. BACON. Mr. President, Senators in the rear do not understand what the amendment is, and I ask that it may be again stated.

The VICE-PRESIDENT. Without objection, the Secretary will again state the amendment proposed by the Senator from Georgia to the amendment.

The SECRETARY. It is proposed to strike out all of the printed amendment down to and including the word "pound," at the end of line 7, on page 26, and to insert in lieu thereof the following:

97. Unpolished cylinder, crown, and common window glass, not exceeding 150 square inches, 1 cent per pound; above that, and not exceeding 384 square inches, 1¼ cents per pound; above that, and not exceeding 720 square inches, 1½ cents per pound; above that, and not exceeding 864 square inches, 2 cents per pound.

Mr. BACON. I simply desire to say that the amendment relates only to common window glass, and not to the larger sizes of glass.

The VICE-PRESIDENT. The Secretary will call the roll.

The yeas and nays were taken.

Mr. FLINT. I am paired with the senior Senator from Texas [Mr. CULBERSON]. I transfer that pair to the senior Senator from Delaware [Mr. DU PONT] and vote. I vote "nay."

Mr. ELKINS (after having voted in the negative). I now remember that I am paired with the junior Senator from Texas [Mr. BAILEY]. I do not see him in the Chamber, and I ask if he has voted.

The VICE-PRESIDENT. The Senator from Texas has not voted.

Mr. ELKINS. Then I withdraw my vote.

The result was announced—yeas 25, nays 52, as follows:

YEAS—25.

Bacon	Fletcher	Money	Smith, S. C.
Bankhead	Gore	Newlands	Stone
Bristow	Hughes	Overman	Taylor
Chamberlain	Johnston, Ala.	Owen	Tillman
Clay	La Follette	Paynter	
Daniel	McLaurin	Rayner	
Davis	Martin	Simmons	

NAYS—52.

Aldrich	Clapp	Frye	Oliver
Beveridge	Clark, Wyo.	Gallinger	Page
Borah	Crane	Gamble	Penrose
Bourne	Crawford	Guggenheim	Perkins
Brandegee	Cullom	Hale	Piles
Briggs	Cummins	Heyburn	Root
Brown	Curtis	Jones	Scott
Bulkeley	Depew	Kean	Smith, Mich.
Burkett	Dick	Lodge	Smoot
Burnham	Dillingham	McCumber	Sutherland
Burrows	Dixon	McEnery	Warner
Burton	Dolliver	Nelson	Warren
Carter	Flint	Nixon	Wetmore

NOT VOTING—14.

Bailey	du Pont	Johnson, N. Dak.	Stephenson
Bradley	Elkins	Richardson	Tallaferro
Clarke, Ark.	Foster	Shively	
Culberson	Frazier	Smith, Md.	

So Mr. BACON's amendment to the amendment was rejected.

The VICE-PRESIDENT. The question recurs on agreeing to the amendment reported by the Committee on Finance.

The amendment was agreed to.

The paragraph as amended was agreed to.

Mr. ALDRICH. Now, Mr. President, I ask to take up paragraph 405, with a view of completing the paper schedule. I move, on page——

Mr. CUMMINS. Will the Senator from Rhode Island yield to me for just a moment?

The VICE-PRESIDENT. Does the Senator from Rhode Island yield to the Senator from Iowa?

Mr. ALDRICH. I do.

Mr. CUMMINS. Before the paragraph referred to by the Senator from Rhode Island is taken up, I should like to recur to paragraph 192, and suggest an amendment, which I believe will lead to no debate and which has received the assent of the Committee on Finance, as I understand. I propose the amendment to that paragraph which I send to the desk.

The VICE-PRESIDENT. The amendment proposed by the Senator from Iowa will be stated.

The SECRETARY. In paragraph 192, page 67, at the end of the paragraph, it is proposed to insert the following proviso:

Provided further, That paper, cardboard, or pasteboard wrappings or containers that are made and used only for the purpose of holding or containing the article with which they are filled, and after such use are mere waste material, shall not be dutiable unless their contents are dutiable.

The VICE-PRESIDENT. The question is on agreeing to the amendment proposed by the Senator from Iowa [Mr. CUMMINS].

The amendment was agreed to.

The paragraph as amended was agreed to.

Mr. BACON. I should like to make an inquiry of the Senator from Rhode Island in regard to the matter which has just been passed on. Of course, I know the Senator's intention, but I merely wish to ask whether or not what has previously been provided with reference to sardine boxes would be affected by the amendment which has just been agreed to?

Mr. ALDRICH. It would not. The amendment does not affect that kind of containers at all.

Mr. BACON. I did not know but that qualification might restore it.

Mr. ALDRICH. Oh, no.

Mr. BACON. Very well; I am willing to rest on the judgment of the Senator from Rhode Island in regard to that.

Mr. BURKETT. I should like to ask the Senator from Rhode Island if he would permit me to offer an amendment in the paragraph which was under consideration last evening on page 215, as to which the Senator from Massachusetts [Mr. LODGE] and myself have had some conference?

Mr. ALDRICH. To what does the Senator from Nebraska refer?

Mr. BURKETT. I propose an amendment in paragraph 657, on page 215, line 13. After the word "scientific," I propose to insert the word "fraternal."

Mr. LODGE. That is all right, Mr. President. There is no objection to that amendment.

Mr. ALDRICH. There is no objection to that amendment.

The VICE-PRESIDENT. The amendment proposed by the Senator from Nebraska will be stated.

The SECRETARY. In paragraph 657, page 215, line 13, after the word "scientific" and the comma, it is proposed to insert the word "fraternal."

The VICE-PRESIDENT. The question is on the amendment proposed by the Senator from Nebraska.

The amendment was agreed to.

The paragraph as amended was agreed to.

Mr. ALDRICH. I now ask that paragraph 405 be taken up; and I move, on page 157, in line 21, to strike out "one-tenth" and insert "two-tenths." This is the paragraph with reference to paper used for printing newspapers, what is known as "news print."

The VICE-PRESIDENT. The amendment proposed by the Senator from Rhode Island will be stated.

The SECRETARY. In paragraph 405, page 157, line 21, it is proposed to strike out the word "one-tenth" and to insert in lieu the word "two-tenths."

Mr. BEVERIDGE. Mr. President, may I ask the Senator from Rhode Island what is meant by the insertion of those words?

The VICE-PRESIDENT. Does the Senator from Rhode Island yield to the Senator from Indiana?

Mr. ALDRICH. I do.

Mr. BEVERIDGE. The rate in the bill as it came from the House on this character of paper, I believe, is $2 a ton, and that is raised to $4.

Mr. ALDRICH. It is raised to $4. The present law imposes a duty of $6 a ton on this paper; the House bill proposes a duty of $2 a ton, and the Senate Committee on Finance recommend a duty of $4 a ton.

Mr. BROWN. Mr. President, I wish to propose an amendment to the amendment by moving, in line 20, to strike out, beginning with the word "valued," after the word "section," all the rest of line 20, all of line 21, and the word "pound" and the semicolon in line 22. I ask that the Secretary state the amendment.

Mr. CLAY. What is the object of the Senator's amendment?

Mr. BROWN. I will state the object as soon as the amendment is reported from the desk.

Mr. CLAY. I ask that the amendment be stated.

The VICE-PRESIDENT. The Secretary will state the amendment.

The SECRETARY. In paragraph 405, on page 157, in lines 20, 21, and 22, it is proposed to strike out the following words:

Valued at not above 2¼ cents per pound, one-tenth of 1 cent per pound.

Mr. BROWN. Mr. President, the effect of my proposition is to put news print paper upon the free list. My understanding of the parliamentary situation is that I must first move to strike from this paragraph the provision in regard to print paper and afterwards follow it with an amendment to put it on the free list, which I intend to do.

This subject is a most interesting one, yet I am not disposed to keep the Senate here any length of time in its discussion. While I do not want to start any trouble in this Chamber, I have made up my mind, at the risk of starting a panic in this body, to read a line from a message sent to Congress by President Roosevelt:

There should be no tariff on any forest product grown in this country; and, in especial, there should be no tariff on wood pulp; due notice of the change being of course given to those engaged in the business, so as to enable them to adjust themselves to the new conditions. The repeal of the duty on wood pulp should if possible be accompanied by an agreement with Canada that there shall be no export duty on Canadian pulp wood.

Mr. President, I have read these lines from our last great Republican President for two reasons. First, I want to call the members of the Finance Committee back into the Republican party on this question. It was one of the declared policies of President Roosevelt, spoken not alone in this message, but at other and different times, to bring about a reduction of the duties on all products of wood grown in this country.

Mr. HEYBURN. Mr. President, may I ask the Senator a question?

The VICE-PRESIDENT. Does the Senator from Nebraska yield to the Senator from Idaho?

Mr. BROWN. Certainly.

Mr. HEYBURN. When did the Republican party stand for free trade, that it should now be called back, and whence is it called back to this supposed home?

Mr. BROWN. The Republican party never stood for free trade and the Republican party never will stand for free trade; but the Republican party will stand for putting those things on the free list which ought to be there. Will you undertake to tell the country that this bill, which has a free list covering several hundred articles, is a free-trade bill or an unrepublican bill?

Mr. HEYBURN. Does the Senator desire an answer now?

Mr. BROWN. I asked the question argumentatively, but the Senator may reply if he wants to.

Mr. HEYBURN. Then I will defer a reply until such time as I may fully know what the Senator thinks about it.

Mr. BROWN. Very well. Mr. President, as I said before, this was one of the standing and publicly declared policies of the late President, Mr. Roosevelt. I call the attention of Republicans in this Chamber to the fact that the plank in the last national platform that won the election for the presidency last year was the plank that pledged the carrying out and fulfillment of the Roosevelt policies. My friends on the Finance Committee and other friends off of that committee must not point their fingers at those of us who are fighting now to carry out one of those policies. We are the Republicans on this issue.

Mr. President, there is another reason I read this extract, and that is because it calls the attention of Congress to the fact that this paper and pulp industry differs from the ordinary industries of the country. In what regard? In this regard, that it is so situated that it ought to be a subject of treaty or agreement between the two countries, Canada and the United States. That proposition is based upon the fact that in our country the raw material out of which paper is made is fast disappearing. Its disappearance is rapid and certain. The spruce tree, out of which print paper is most commonly made, is disappearing so fast that at the end of a few years, under present consumption, it will be entirely gone.

The only country from which we can get spruce is our neighbor across the line. Canada has a supply of spruce that is practically inexhaustible. Such is the testimony of everybody who has investigated the subject. Canada can furnish us her wood and we can make the pulp out of the wood and paper out of the pulp; but should trouble ever come between these two countries over tariff duties with respect to these products Canada has the power to say: "We will prohibit the exportation entirely of this raw material." Can any Senator in this body contemplate the disaster which would come to our industry and to our people if Canada should prohibit the exportation of spruce?

Some Senator a little while ago suggested to me that such a proposition was entirely mythical; that it was a dream; that Canada never would do such a thing. Mr. President, let me call the Senate's attention to a speech made by the premier of Quebec upon the second day of this month:

[From correspondence of the Paper Mill.]

Ottawa, Can., June 2, 1909.—At the banquet given last night to Sir Lomer Gouin, premier of Quebec, by the Reform Club of Montreal, in the Windsor Hotel, Montreal, the government leader definitely stated that as soon as the Crown lands act could be amended to permit of the changes necessary, the province would prohibit the export of raw material for paper making.

Taking up the question of Crown lands the premier foreshadowed certain changes which would take place, declaring that stumpage would be considerably increased. In making his important announcement as to exporting pulp, he said that public opinion was now evidently ripe for a change. The forests of the United States, he added, had become so depleted that the pulp manufacturers on the other side of the line were obliged to come to Canada for their raw material.

Does anybody dispute that proposition? Last year there was imported from Canada almost a million cords of spruce for paper purposes.

Mr. HEYBURN. Mr. President——

The VICE-PRESIDENT. Does the Senator from Nebraska yield to the Senator from Idaho?

Mr. BROWN. Certainly.

Mr. HEYBURN. I only interrupt the Senator to call his attention to the impending peril. In the beginning of his remarks he said that disaster would come to our people if Canada should put a duty on this, and now he reads us an official statement that Canada is going to do it. What are we going to do?

Mr. BROWN. I said disaster would come to us if Canada prohibited the exportation of her spruce.

Mr. HEYBURN. It looks as though we are going to catch it, so I guess we had better get ready for the storm.

Mr. BROWN. The trouble with this bill, Mr. President, is that it invites the storm. Situated as we are, at the mercy of the Dominion of Canada, that has this lumber and this spruce wood, it does not become us to strike the first blow by putting a duty on that country's product. It becomes our duty, if we want to protect our country, to make the first advance, and make it now by saying to Canada, "We will take your wood and we will let your products in free."

Mr. HEYBURN. All of them?

Mr. BROWN. All wood products; yes, sir.

Mr. GALLINGER. Why not all the rest?

Mr. BROWN. The premier proceeded to say:

He believed the time had now arrived to put a stop to this policy—

That is the policy of exporting to this country a million cords of spruce every year for paper purposes. This has nothing to do with the lumber proposition for lumber purposes—

He believed the time had now arrived to put a stop to this policy, although, of course, they could not prevent private owners from doing as they liked with their product, but the government had now decided that in the near future all pulp wood coming off the public domain and destined for the United States would have to be manufactured on this side of the line. Certain private interests perhaps, he said, would suffer, but he believed it would be necessary in the interests of the Province to adopt a similar policy to that of Ontario.

In Ontario the exportation of spruce from the crown lands is prohibited. In the Province of Quebec the stumpage for spruce collected by the government is 65 cents a cord, but with the provision that 25 cents is remitted to the lessee, provided the tree is manufactured or kept on that side of the line; in other words, there is a 25-cent export duty now on spruce coming across the line.

The importance of this subject I do not think can be exaggerated. Heaven is my witness that I would not hurt an industry if it could be avoided. I would not close a mill if it could be avoided; and I would not present this amendment if I had any idea at all that it would disastrously affect a single industry in this country; but, Mr. President, even if it did sacrifice a few private interests I want to say that the public welfare must be served first, and if it can not be served without the sacrifice the sacrifice must be made.

Mr. CLAPP. Mr. President——

The VICE-PRESIDENT. Does the Senator from Nebraska yield to the Senator from Minnesota?

Mr. BROWN. Certainly.

Mr. CLAPP. It just occurred to me that we are taking the wrong end of this proposition first. I ask the Senator whether he would be in favor of putting a finished manufactured product on the free list and leaving the raw material from which it is made on the protected list?

Mr. BROWN. No, sir; I am in favor of putting them both in this schedule on the free list.

Mr. CLAPP. Well, supposing the Senator might be able to put the finished product on the free list and then, when it came to the raw material that went into that product it would be found impossible to put that on the free list, would it not present a condition in which the Senator would hardly want to find himself? In other words, would it not be a wise thing to first take up the pulp question itself and dispose of that?

Mr. BROWN. I call the attention of the Senator to the fact that I am not taking these paragraphs and schedules up; it is our distinguished Committee on Finance that takes them up. They have taken this one up first.

Mr. CLAPP. It is well within the constitutional prerogative of a Senator to move to vary an order imposed by the committee, and take it up in a logical order. It seems to me that is the way we ought to get at this.

Mr. BROWN. There might be some better logic in proceeding the other way, but the committee has invited a challenge and a fight along this line, and, so far as I am concerned, I think it is wholly immaterial as to which paragraph is taken up first.

To my mind there will be no doubt, provided the Senate puts print paper on the free list, that it will decide to put pulp upon the free list. Of course, the fact remains that pulp is now substantially upon the free list because of the proviso which says that there shall be no duty collected provided no export duties are levied by any country, province, or other territory.

This question was suggested by President Roosevelt at the first session of the last Congress. At the same time there were presented petitions to Congress, and I do not intend to take the time of the Senate by reading them, but merely to describe them. Here is a sample. It is an appeal purporting to come from 100,000 workers employed in newspaper and printing offices protesting in their own interest against duties on the product of which their employers are the consumers. Whether their complaint that their interests are being jeopardized is true or not I am not here to say. I am simply presenting the petitions and the complaint that the Senate may understand that there are laboring men in this country outside of those employed in the paper mills asking Congress for relief by having this duty removed.

Mr. STONE. Mr. President——

The VICE-PRESIDENT. Does the Senator from Nebraska yield to the Senator from Missouri?

Mr. BROWN. Certainly.

Mr. STONE. The Senator is reading from various people who want free wood pulp. I wish to ask whether it is his purpose to quote the Democratic platform on that subject?

Mr. BROWN. I should like to quote it, but I am afraid it would prejudice my cause with so many Democrats over on the other side that I will not do it.

On April 22 of this year the Newspaper Publishers' Association, a national organization, held their annual convention in New York and passed certain resolutions which I have here. They recite the same complaint. I think I will read part of this because it comes from a body of men who are not importers. The committee is in no danger of going into hysterics, because not one of them is an importer. They are the fellows who when Congress adjourns at night send to their home papers sometimes what we write about ourselves happening during the day. They are the fellows who have stood as watchmen on the tower for good government ever since our Government has stood. I do not care how miserable the politics of the newspaper man may be, editorially the newspaper editor preaches the gospel of morality and civic virtue all the time. They are a reputable and intelligent element in our society, and they have a right to be heard in Congress as well as have other people. They say:

> For a period of years the American newspapers have been the victims of paper combinations, mergers, corners, discriminations, and secrecy in paper quotations. The failure of paper makers to employ technical skill in the operation of their plants has increased the burdens of consumers. We want to put an end to these abuses by broadening the market and by stopping schemes such as that planned in the creation of the International Paper Company, which aimed to destroy competition and to give value to a collection of antiquated mills by bringing them under one control with 7,000 square miles of timber land and undeveloped water powers to the extent of 194,000 horsepower. We object to these gigantic speculations at our expense.

This is signed by E. H. Baker, the secretary of the American Newspaper Publishers' Association, giving the resolutions passed by that body of men.

Mr. HALE. Does the Senator's amendment run in the line of the last suggestion made by the newspaper association—that it wants no change in the House bill? As I heard the Senator's amendment it occurred to me that he does not even adopt the House bill, but wants print paper to be absolutely free, while the newspaper association asks that the rate of the House remain.

Mr. BROWN. The Senator is correct. I ask that it be put upon the free list, as they have always asked and have made a fight for; but afterwards, when the House committee reduced the tariff from $6 to $2, they said "We will take that rather than lose that much."

To-day I have no doubt that the newspaper publishers of this country would be very much gratified if they knew that this rate, brought in by a compromise, of $4 a ton would be defeated and the House rate sustained.

Mr. DIXON. Mr. President——

The VICE-PRESIDENT. Does the Senator from Nebraska yield to the Senator from Montana?

Mr. BROWN. In just a moment. The House rate is $2; the existing law is $6 a ton. Our friends on the Finance Committee compromised by making it $4. I have offered an amendment here to put it upon the free list, but I am frank enough to say to the Senate that I will quit this debate now if you will compromise between my amendment and the report of our Finance Committee, leave it where the House put it—at $2 a ton.

Mr. GALLINGER. We must decline that.

Mr. BROWN. That does not go against the merits of the proposition that the product ought to be upon the free list.

Mr. DIXON. Now, will the Senator yield?

Mr. BROWN. With pleasure.

Mr. DIXON. The price of print paper in the market is about $45 a ton, I believe.

Mr. BROWN. It depends from whom you are buying. If you have a stand-in with the International Paper Company you may get it for less.

Mr. DIXON. On the open market about $45 a ton is the price, is it not?

Mr. BROWN. The price varies in different markets at all times. There is no quoted price. If my friend wanted to buy paper for his splendid newspaper in Montana, the first thing he would have to do would be to consult the selling agent of this combination, and the selling agent would not talk prices to you or to any other purchaser until he found out where you lived and the location of your paper—in other words, in whose territory you were. Then, if you were in his territory, he would quote you a price, and if you were not he would tell you he did not have any paper to sell.

Mr. DIXON. With a tariff duty of about 10 per cent on print paper, when the committee has reported a tariff bill that averages about 40 per cent, on what grounds of equity, morality, or decency can this one industry in this country ask to have their material placed entirely on the free list when every other industry and every other commercial institution under the flag is living under about a 40 per cent tariff? What is the equity, what is the fairness in this demand, that we shall place print paper alone on the free list?

Mr. BROWN. The interrogatory does great injustice to my distinguished friend, the Senator from Montana——

Mr. DIXON. Perhaps in the eyes of my friend, the Senator from Nebraska.

Mr. BROWN. In supposing he can figure it out on the basis of averages, you would not have any free list in this bill under your logic—none at all. The duty on print paper must rest upon some fact, some necessity, some condition, or else it ought not to have any resting place at all in this bill.

In view of these petitions and appeals, and in obedience to the command of the President when he sent the message I read, Congress took action. The House, at the other end of this

building, heard the voice of the President, and they provided for a committee to investigate this very fact—not to find out some way by which they could excuse a tariff or abolish a tariff, but a committee charged with ascertaining the truth about the conditions of business here and elsewhere. That committee consisted of four Republicans, I think, and two Democrats. They made an investigation that lasted ten months, and during that time they visited the mills of this country and the forests of this country. They visited Canada and her mills and forests, In addition they sent experts to Germany. They sent experts to Sweden. In addition to themselves they had experts in Canada. And all for what purpose? To find out the truth about this business. That is all they had in view.

In pursuance of that purpose the committee formulated this circular which I have in my hand. It is a letter of inquiry, and they sent it to every paper mill in America, as well as to every paper mill in Canada. The Senate will understand how full the information would be if response had been made to the inquiry. Let me give you an idea by just reading you some of the questions:

The name of company making the report; capital invested (include value of lands, buildings, machinery, tools and implements, etc.); timber land owned, distant or adjacent to mill; all other lands; salaried employees; salaried officers of corporations; superintendents, managers, etc.; average number of wage-earners employed during the year; total amount paid in wages during the year; total amount paid for rent, taxes, insurance, interest, repairs, advertising, and other miscellaneous expenses; cost of materials used during the year.

Then follows the number of cords of wood for pulp; the wood fiber purchased—ground; sulphite; soda; all other; fuel; all other materials, including mill supplies; the total cost of all materials; the pounds of newspaper manufactured; the per cent of total cost represented by wages; the per cent of total cost represented by materials; the per cent of total cost represented by all other expenses.

Then come prices—what they sold their paper for during all the months of the two preceding years; the name, location, and capacity of their mills.

That circular answered truthfully by the print-paper millers of this country would disclose the facts about their business, would it not? I want to say that of the print-paper mills to which this inquiry was sent, 188 mills responded in detail and fully, and the chairman of the select committee in his address to the Members of the House on the subject said that these responses came from all the big mills in the United States, except those in Maine and New Hampshire. I do not know why Maine and New Hampshire should turn their backs on Congress when it was undertaking to investigate a fact, a fact that it is necessary to know in order to legislate to protect them. There was not an enemy of the mill on that committee—not one. They were all friends of the industry.

Mr. President, I want to have read briefly the conclusions of the House select committee on that subject after making this investigation. I will ask the Clerk to read the matter within brackets.

The PRESIDING OFFICER (Mr. JOHNSON of North Dakota in the chair). Without objection, the Secretary will read as requested.

The Secretary read as follows:

[Your committee has taken a vast amount of testimony, which is acknowledged to be of great benefit in the pulp and paper trade. We have collected a large amount of information which, both at present and in the future, will prove of immense service to those who are interested in the use or production of pulp or paper. Your committee personally has visited and inspected carefully a large number of pulp and paper mills, have inspected and examined forests, both in the United States and in Canada, have given long study to the woods used, have considered every phase of the subject concerning which information was available, and have reached the conclusions hereinabove stated. It is not practicable, or, in the opinion of your committee, necessary for the committee in this report to set forth in detail or even in a general way the results of the information obtained.

The committee has obtained from a large number of newspaper publishers of the United States schedules showing the cost to them of paper through a series of years, which schedules have been tabulated and published in the committee's hearings.

The committee has also obtained schedules from the pulp and paper manufacturers of the United States, giving information concerning the capital invested, the cost of production, the percentage of cost paid in wages, the selling price of the articles produced, the quantity of production, etc., which schedules have been reduced to general tabulations and the tabulations published in the hearings.

The committee has also carefully investigated, through schedules and through the aid of the Department of Labor, the percentage of wages going into the cost of production of pulp and paper, and the cost of labor per unit both for pulp and paper, including the cost from the forest to the finished product, all of which tables are published in the hearings.

The committee has also investigated through statements obtained from manufacturers in Canada and through personal investigation by the Department of Labor the wage cost in Canadian mills. The committee has also obtained information concerning the wage cost and cost of production in Sweden. The committee has also obtained through the Treasury Department full information as to the importations of pulp wood, wood pulp, and print paper into the United States from different places and at different ports of entry. The committee has also obtained full and complete information as to the exportation and importation of paper and paper-making materials from and to the different countries of the world. All of this information has been published in the hearings of the committee, comprising between 3,000 and 4,000 pages of printed testimony, and all of which has been carefully and conscientiously considered by the committee in forming its decision.

The members of your committee, when appointed, had no special or general knowledge of the subject. They have labored diligently and as effectively as they could. The effort of your committee has been to arrive at facts and just conclusions, regardless of personal bias or partisan considerations. The recommendations which the committee present are the unanimous views of the entire membership of the committee.]

Mr. BROWN. It seems to me no argument is needed to persuade the Senate to give some consideration and some weight to the findings of the committee that pursued the investigation as recited by the committee itself.

Mr. President, this finding was based upon testimony, and it is to the testimony briefly that I want to invite the attention of the Senate. My theory is that the committee, in their final determination to fix the tariff at $2 a ton, decided every disputed question—every one—in favor of the tariff and in favor of the claimants for a high duty. I undertake to say that an analysis of the testimony will convince any open-minded man that no protective duty is necessary to keep the New England mills or any American mill open and busy.

Here are the elements in the cost of paper. It is the cost of wood—that is, spruce. The other cost is labor. The other costs are lime, coal, and the necessary expenses in manufacturing the article. The cost elements and factors that should control us, it seems to me, largely are the wood cost and the labor cost; and upon that question, Senators, I submit there will be but one verdict, and that is the verdict which was submitted by the chairman of the committee, when he said that print paper can be produced in America about as cheaply as it can be in Canada. The facts show that labor is higher in the mills in Canada, or some parts of the labor is, than it is in America. Let me give you the testimony on the cost of wood as the first element.

Mr. HALE. Mr. President——

The VICE-PRESIDENT. Does the Senator from Nebraska yield to the Senator from Maine?

Mr. BROWN. Certainly.

Mr. HALE. Has the Senator before him that part of the report in which the House committee state that the difference in labor and the cost of maintaining the mills is about $2—the labor difference and the cost of materials in maintaining the establishments—without going into the question of wood in any way?

Mr. BROWN. Did the Senator ask me a question?

Mr. HALE. Yes; whether he has that?

Mr. BROWN. I have the report; I just sent it to the desk.

Mr. HALE. Has the Senator that particular part of the report in which the basis is stated as $2 difference in labor, without going into the wood matter at all?

Mr. BROWN. No, I have not; I have not seen that part of the report.

Mr. HALE. The Senator will see it before the discussion is over.

Mr. BROWN. I should like to see that part of it because it is repeatedly said by members of the committee—and I will read what they say—that there is practically no difference in the labor cost, and if there is any difference at all it is in the cost of the wood. I had understood that the fight was made before our Committee on Finance on the difference in the cost of wood alone, and it is that consideration which brought in the $4 duty.

I should like to inquire of the Senator from Maine—he is on the Committee on Finance—if the committee based its recommendation on the difference in the cost of wood or of labor, or both?

Mr. HALE. The committee did not in its recommendation as presented by the chairman of the committee this morning go to the extent that the investigation of the committee shows the difference of wood in Canada and here to be. Had it done so it would have reported not a compromise measure of $4, but five or six dollars.

Mr. BROWN. Then they did not consider at all the difference in the cost of wood?

Mr. HALE. They certainly did.

Mr. BROWN. Did they of labor?

Mr. HALE. That is the main difference. The difference in labor is about $2. The difference in wood in round numbers is just about $6.

Mr. BROWN. Does the Senator mean to say that a cord of spruce wood in Canada costs $6 less than a cord in America?

Mr. HALE. Undoubtedly. The investigation showed that perfectly clearly and perfectly plainly, and the MANN committee did not go into that, but states that its basis is the difference in labor—about $2. It does not go into the question of the great difference, the enormous advantage that Canada has over us in her wood supply.

Mr. BROWN. Let me refresh the Senator's recollection as to what that committee found in reference to the cost of wood. I think my distinguished friend the Senator from Maine has not read the report.

Mr. HALE. Yes, I have read the report.

Mr. BROWN. Of Mr. MANN?

Mr. HALE. I have read it very carefully.

Mr. BROWN. Here are some of the words Mr. MANN delivered to the House the other day.

Mr. HALE. I am talking about the report.

Mr. BROWN. I understand—and MANN made the report, and MANN based his argument on the report and referred to it frequently—that it was a unanimous report, signed alike by Democrats and Republicans.

Mr. HALE. I am talking about the report.

Mr. BROWN. Yes.

Mr. HALE. Not about a speech.

Mr. BROWN. I am speaking about his report.

Mr. HALE. I am talking about the report itself.

Mr. BROWN. This is what the chairman said:

> The Booth mills at Ottawa, Canada, paid $8 per rough cord for pulp wood in log lengths at the mill during 1908. As shown by the returns to the special committee from the pulp and paper manufacturers using 1,677,000 cords of pulp wood for 1907, the average price per cord was $7.76.

Here is the chairman of the committee quoting the testimony that says wood was worth less in the United States than it was in Canada.

Mr. TILLMAN. Mr. President——

The PRESIDING OFFICER. Does the Senator from Nebraska yield to the Senator from South Carolina?

Mr. BROWN. Certainly.

Mr. TILLMAN. Does the Senator have the information, or can he tell us what a cord of wood for paper purposes is; what are the dimensions of a cord of wood for paper?

Mr. BROWN. I have forgotten the number of cubic feet.

Mr. TILLMAN. I know what a cord of firewood is. It is the same? Four by four by eight?

Mr. BROWN. It takes a cord and two-fifths.

Mr. HALE. It is 128 solid feet.

Mr. TILLMAN. We have billions and billions of pine to make it of in the South.

Mr. BROWN. Have you spruce down there?

Mr. TILLMAN. Spruce has green turpentine in it, and if you can make it out of one wood you can make it out of the other.

Mr. BROWN. I am talking about spruce out of which you can make print paper.

Mr. TILLMAN. We have not any spruce, but we have the other stuff by the billion.

Mr. BROWN. But you have not the spruce.

Mr. TILLMAN. Is the Senator prepared to say that spruce is the only wood out of which print paper can be made?

Mr. BROWN. That is the testimony of all the experts—by the mechanical process. Hemlock may be used, but very little of it is used. Spruce is the only wood existing in any amount in this country known to science which you can grind mechanically and make print paper. This print paper——

Mr. TILLMAN. I want to know if the Senator knows; or is it a guess?

Mr. BROWN. I am telling the fact about it. I am not guessing at anything.

Mr. SIMMONS. I do not understand the Senator as saying that you can not make wood pulp out of anything except spruce.

Mr. BROWN. You can make it chemically out of anything, by using soda and sulphur and that process; make it chemically.

Mr. SIMMONS. Can you not make paper out of any pulp except that from the spruce?

Mr. BROWN. It would be very costly. You can not make cheap print paper used for newspapers out of any wood except spruce.

Mr. SIMMONS. There must be some misunderstanding about this matter. There is located in North Carolina——

Mr. BROWN. Soda sulphite.

Mr. SIMMONS. Very large mills,

Mr. BROWN. Soda sulphite.

Mr. SIMMONS. I do not know exactly the process by which they make the wood pulp, but I know they make it out of the ordinary pine. There is in one place in my State a mill which has just been finished at a cost of, I think, a million and a half. They are using this new Swiss machinery, I believe it is, although I am not sure about this, very little of which has been introduced into this country at the present time, and the representatives of that mill have been here—I am expressing no opinion about it; I am just stating facts—recently telling me that they can make paper cheaper than anybody can make it in this country out of that pine. I do not know, of course, what kind of paper it is, but they spoke of making paper.

Mr. BROWN. That is the whole gist of the difference of opinion. Will the Senator allow me to explain in a moment that cheap print paper—the kind covered by my amendment—is made by the grinding process out of mechanically ground pulp? This pulp is the result of grinding wood. It is the most cheaply manufactured of all the pulps. No chemicals are used in its manufacture at all. And the power used to run the mill is cheap water power.

Mr. SIMMONS. Let me state that the mill I referred to is run by water.

Mr. BROWN. There is no doubt of that. Many of the soda and sulphite mills are making paper down there, not out of spruce but out of poplar and other woods. You can make paper out of any wood on earth by using caustic soda as a chemical, but you can not make cheap print paper out of it. You could make print paper out of poplar, but it would cost a hundred dollars a ton or more.

Mr. SIMMONS. And chestnut also.

Mr. BROWN. Certainly; but by the soda or sulphite process. They could make it out of almost any wood except poplar until some genius discovered a way to subtract from the poplar an ingredient that was foreign to usable pulp for paper purposes. At the mill in my friend's State they have a machine that segregates the different parts of the poplar wood. It extracts the foreign part and leaves the rest. I am not discussing chemical wood pulp at all. The duty on chemical wood pulp is fixed by other provisions in this bill. The proposition before us is mechanical wood pulp.

Mr. SIMMONS. I would ask the Senator for information because I know very little about this matter of course. Do I understand the Senator to say that we can make all kinds of paper out of our common pine and scrub pine? We have a million acres of scrub pine down in North Carolina. Some of it is made out of chestnut. They first peel off the bark and get the extract out of it and then use the balance to make pulp. Do I understand the Senator to say that they can make all kinds of paper out of these woods except print paper?

Mr. BROWN. Yes; and they can also make print paper out of them, but it is very costly.

Mr. SIMMONS. I mean commercially, as a question of value.

Mr. BROWN. It is not done anywhere as a commercial proposition. The soda and sulphite process is used to make costlier paper. The manila and all the other forms of high-grade papers are made by the chemical process of manufacturing the pulp. It was only about sixty years ago that a Dutchman by the name of Keeler over in Germany discovered a method by which you could grind spruce and get cheap wood pulp. In 1855 up in Pennsylvania the first mill of that kind was set up in this country——

Mr. GALLINGER. The Senator from Nebraska is doubtless aware of the fact that print paper is not made exclusively of ground wood pulp, but that from 20 to 25 per cent of the sulphite fiber is used.

Mr. BROWN. I was going to explain that they mix it in order to give the paper a little better cohesive power. Some use 20 per cent sulphite and some 15.

Mr. GALLINGER. And some more.

Mr. BROWN. I do not think in the testimony here it is shown that anybody uses over 20 per cent.

Mr. GALLINGER. Then again, if the Senator will permit me a moment, if he will turn to the report of the committee he will find that they are not so clear themselves as to whether spruce wood is the only wood that can be used for print paper. The report says:

> Whether other kinds of wood besides spruce can be profitably used for the production of cheap print paper is a matter concerning which there is some difference of opinion.

Mr. FRYE. Poplar wood is just as good as hemlock.

Mr. BROWN. I am not speaking of the manufacture of print paper from poplar by chemical process. It is so costly that nobody manufactures print paper out of poplar. There

is not a mill in New England that makes a pound of print paper out of poplar.

Mr. TILLMAN. There is very little poplar in New England.

Mr. GALLINGER. It is almost an unknown wood with us.

Mr. TILLMAN. But I wish to ask the Senator how long ago the discovery was made that spruce was the cheapest and almost the only product from which we could get print paper?

Mr. BROWN. Print paper was made prior to the discovery of the grinding process in 1844 out of the vegetable wastes of the country—straw, flax, hemp, jute, old ropes, canes, bamboo, and other cellulose fibers.

Mr. TILLMAN. I know what the old ordinary paper used to be made out of—rags.

Mr. BROWN. That is it exactly.

Mr. TILLMAN. But I wanted to know how long since they discovered that they could make print paper out of nothing but spruce.

Mr. BROWN. In 1844 they started to do it. It was always known that you could make print paper out of spruce, but to make it by the grinding or mechanical process was never known to the commercial and scientific world until 1844.

Mr. TILLMAN. Its general use has been much more recent.

Mr. BROWN. It has been used all the time.

Mr. TILLMAN. But its general use has been much more recent than 1844?

Mr. BROWN. I do not understand the Senator's question.

Mr. TILLMAN. What I mean is that we were not dependent on spruce even twenty-five years ago.

Mr. BROWN. No; because we used rags and waste.

Mr. TILLMAN. I will say to the Senator the nut of this proposition to me is this: The subscription rates on the New York Sun, for instance, are the same that they were when this discovery was first made. Are they going to reduce them any if they get paper free?

Mr. BROWN. You will have to write to the Sun to find out. I do not know.

Mr. TILLMAN. The Senator is here in the interests of free newspapers and is advocating free paper. Of course, I understand the political significance of that, and I wanted to know if it involves a terrible catastrophe to and an obliteration of these headlights of information—the newspapers. If they get free paper from Canada, will they sell their papers at half a cent apiece instead of a cent, or will they cut the price from 3 cents down to 1 cent? Tell us what will be the ultimate result of this. Who are the beneficiaries?

Mr. BROWN. I will ask the Senator from South Carolina if these improved processes reduced the price of paper?

Mr. TILLMAN. That has nothing to do with the case. I want to know where your interests lie.

Mr. BROWN. My interest is with the consumers of this country.

Mr. TILLMAN. The ultimate consumer is the man who buys the newspaper.

Mr. BROWN. He is the ultimate consumer.

Mr. TILLMAN. The question is whether he is going to get more newspapers for the money than he gets now.

Mr. FRYE. Mr. President——

The PRESIDING OFFICER. Does the Senator from Nebraska yield to the Senator from Maine?

Mr. BROWN. Certainly.

Mr. FRYE. In reply to the question asked by the Senator from South Carolina I will state that every newspaper man who was asked the question whether or not he would reduce the price of his paper with paper and pulp on the free list promptly replied, "No." He was then asked if he would reduce the price of advertisements, and he said, "No."

Mr. TILLMAN. I just wanted to know where the interest in this question comes.

Mr. BROWN. I have no such direct information from the publishers, and it is wholly immaterial whether they do or not, to my mind.

Mr. TILLMAN. It is the principle involved.

Mr. BROWN. The question is whether we are going to put a duty on it. If a duty is necessary it ought to be on, and if it is not it ought to be taken off.

Mr. OWEN and Mr. GALLINGER addressed the Chair.

The PRESIDING OFFICER. Does the Senator from Nebraska yield, and to whom?

Mr. BROWN. I yield to the Senator from Oklahoma first.

Mr. OWEN. I respectfully suggest to the Senator from Nebraska that because the newspapers do not consent to reduce the cost of the paper from 2 cents to 1 cent or from 1 cent to a half a cent, and do not consent to change their charge for advertising as a condition precedent to lowering or removing this duty, has nothing to do with the case. To change 2 cents to 1 cent or from 1 cent to a half cent in the cost of newspapers would be an amazing change in per cent and volume, and considering the corresponding benefit to them of the reduced cost of the paper it would be entirely unjustified. That they should enter into a contract in advance to change the charge for the use of their advertising columns because of this change in the cost of paper is ridiculous. They ought not to be expected to do so. The important fact that the newspapers of this country comprise one of the greatest agencies for the education of the American people, comprise the greatest agency for the publicity in public affairs, in business matters, and in promoting commerce; in creating activity of business, and the enormous benefit of cheap paper to the people of this country in promoting their welfare, can not be exaggerated.

In my judgment instead of reducing this rate it ought to be absolutely eliminated and paper be made as free as water, or air, or sunlight, or any other providence of God. Paper, newspaper, is the basis of all modern civilization. We should glory in our magnificent public press—and except the teachers of religion—it is the most powerful and valuable of all agencies in the advance of the human race and gives more in return for what it receives than any commercial agency on earth. They should have every advantage we can give them and should have cheap paper. They make a magnificent use of it. There can be no exaggeration of the value of cheap paper.

Mr. TILLMAN. Will the Senator from Nebraska allow me a moment?

Mr. BROWN. Certainly.

Mr. TILLMAN. Agreeing to all that has been so eloquently said by the Senator from Oklahoma [Mr. OWEN] the point with me is to find out how it is and why it is that the Senators on the other side who are so solicitous about the welfare of American industries in protecting them and looking after labor and all that kind of thing have found it in their hearts to interfere with the spread of light by newspapers; and, wonder on top of wonders, some of these very newspapers are the headlights of protection that are clamoring for free trade for the articles which they use, and deny me the opportunity to buy this coat without a protective tariff, these pants, these shoes, everything that I have. They are humbugs and whited sepulchers—that is what they are.

Mr. BROWN. Mr. President, I do not care to be diverted to a discussion of whether the newspaper men are humbugs or not.

Mr. TILLMAN. I said the protective-tariff advocates among the newspapers were humbugs.

Mr. BROWN. If I went into the question of the humbug business I would have to read to my friend from South Caroline his platform and ask him why he is repudiating it from time to time.

Mr. TILLMAN. Go ahead and read it; I will answer.

Mr. BROWN. It is just the plan of the enemies of this proposition to put print paper on the free list to have the discussion sidetracked.

Now, I want to get back to the meat of this question. I started to read the statement of the chairman of the Mann committee with reference to the cost of wood. I beg the pardon of the Senator from New Hampshire; he wished to interrupt me a little while ago.

Mr. GALLINGER. I will not interrupt the Senator now.

Mr. BROWN. I read this statement as to the Booth mills at Ottawa, the very largest mills in Canada:

> The Booth mills at Ottawa, Canada, paid $8 per rough cord for pulp wood in log lengths at the mill during 1908. As shown by the returns to the special committee from the pulp and paper manufacturers using 1,677,000 cords of pulp wood for 1907, the average price per cord was $7.76—

Or 24 per cent more in Canada than on this side of the line.

> In Maine, seven establishments, using 125,000 cords, reported the average price as $6.81; in New Hampshire, eight establishments reported the average price at $7.89; while some of the large mills, like the Great Northern Company, W. H. Parsons & Co., and the Berlin Mills Company, refused to make out the schedules for the committee; yet the other companies reporting in Maine and New Hampshire show that the price paid for pulp wood in those States was not high. When the Wisconsin mills in 1907 purchased 50,000 cords of spruce pulp wood in Quebec they paid $6.50 per cord f. o. b. cars there. The Wisconsin mills paid $6.50 f. o. b. cars in Quebec early in the year 1907 before the scare about wood commenced, while the average price paid in Maine during that year was $6.81 at the mill.
>
> Certainly $6.50 per cord in Quebec on cars at the shipping point is not a lower price than $6.81 in Maine delivered at the mill.

So it seems to me the senior Senator from Maine was mistaken when he said the committee had not investigated the cost of wood and brought no information and no report back to Congress on that question, because the chairman has shown you it costs more in Canada than it does on this side of the line.

Mr. President, here is some other testimony that was taken before the committee. The American consul in the Province of Quebec was asked to investigate the cost of wood pulp and of print paper in that country. This is his report, and it is a letter addressed to the Secretary of State.

Mr. GALLINGER. Where was the letter written?

Mr. BROWN. It was written at the American consulate, Three Rivers, Province of Quebec, May 14, 1908.

No. 220.] AMERICAN CONSULATE,
THREE RIVERS, PROVINCE OF QUEBEC,
May 14, 1908.

The ASSISTANT SECRETARY OF STATE,
Washington, D. C.

SIR: I have the honor to acknowledge receipt of your dispatch No. 109, dated May 6, 1908 (file No. 8712–34), and in reply beg to state:

(1) The price of pulp wood in the rough has within a year held at $5 per cord; at less, at very great distance from transportation facilities. Farmers who have no stumpage tax to pay have sold as low as $4.50 and in rare instances at $4 per cord.

(2) The rossing or peeling of the pulp wood costs from $2 to $3 per cord, making the price of such peeled pulp wood $7 to $8 per cord.

(3) The stumpage tax on wood for consumption in Canada is 40 cents per cord, but for export 65 cents per cord. For stumpage, the Canadian government estimates 600 feet to the cord, but in the trade 1,000 feet are taken as the measurement for 2 cords.

According to the local manager of the Union Bag and Paper Company, the cost of such pulp wood is $7.13 to $7.65 per cord, laid down at this port without any charges against the capital invested by purchase money in the limits, losses by fire, floods, etc.

That statement of our consul in Canada, together with the testimony and the reports from the mills of New Hampshire and Maine, show that the cost was about the same in the two countries.

In addition to that, we have the testimony of our Chief Forester, Mr. Pinchot, who said:

From the reports which the Forest Service received from manufacturers it is shown that the average price for pulp wood in 1905 was $5.56 per cord f. o. b. shipping point, and in 1906 $7.21 per cord at the mill.

That is, in this country it is less than the price fixed by our consul in Quebec.

The testimony further showed that on over a million and a half cords of wood actually bought by our mills and manufactured in 1907 they paid $7.76 a cord delivered.

Here is some further testimony that was taken. The treasurer of the Berlin Mills Company testified—you will find his testimony on page 1391—"that the spruce wood for that large paper mill cost $6.20 per cord delivered in 1907."

That is in Ontario.

Mr. GALLINGER. No; that is in New Hampshire.

Mr. BROWN—

The Minnesota and Ontario Power Company announces that it has contracted for a supply of 500,000 cords of spruce at prices ranging from $3.50 to $5 per cord delivered.

* * * * * * *

The American companies which shipped pulp wood from Canada to the United States and which had no incentive for undervaluation, because the wood was free of duty, reported to the Canadian government at Ottawa that the value of the wood shipped by them was—

And you will find this on page 1040 of the testimony—

1905, 593,642 cords, valued at $2,600,884=$4.38 per cord.
1906, 614,286 cords, valued at $2,649,106=$4.31 per cord.
1907, 628,844 cords, valued at $2,748,909=$4.37 per cord.

The figures are borne out by the invoices furnished to the United States authorities at 17 ports for seventeen months ending June 1, 1908 (p. 2359 of Paper Investigation), and show a sworn cost averaging $5.02 per cord, as follows:

	Quantity, in cords.	Value.	Average price per cord.
Alburg, Vt	181,225	$702,700	$4.20
Bangor, Me	14,502	56,232	3.84
Buffalo, N. Y	10,650	58,122	5.45
Champlain, N. Y	264,670	1,396,216	5.23
Chicago, Ill	3,421	10,284	3.00
Detroit, Mich	10,110	68,157	6.84
Erie, Pa	20,768	112,480	5.41
Marquette, Mich	31,333	146,089	4.65
Newport, Vt	404,910	2,117,401	5.20
Milwaukee, Wis	12,255	67,757	5.52
Niagara Falls, N. Y	24,940	123,899	4.96
Ogdensburg, N. Y	8,760	44,143	5.03
Oswego, N. Y	10,942	62,411	5.70
Port Huron, Mich	24,573	109,322	4.44
Richford, Vt	5,021	25,577	5.09
St. Albans, Vt	26,270	136,269	5.18
Total	1,073,113	5,397,322	5.02

Mr. GALLINGER. I will interrupt the Senator to ask him where it was that wood pulp was purchased at $3 a cord, as I understood him to say?

Mr. BROWN. "The Minnesota and Ontario Power Company announces that it has contracted for a supply of 500,000 cords of spruce at prices ranging from $3.50 to $5 per cord delivered."

Mr. GALLINGER. I confess I do not know, and I should like to know, who contracted for that wood. Was it in this country or Canada?

Mr. BROWN. I do not recall certainly, but I am reasonably certain it is a firm in the State of Minnesota. Your manufacturers ought to know. They buy almost a million cords of wood.

Mr. GALLINGER. The Senator ought to know; he is giving us information on the subject, or trying to do so.

Mr. BROWN. I am making the effort; that is true.

Mr. GALLINGER. I appreciate that.

Mr. BROWN. The exact location of that mill I do not remember, but, as I said, I think it is an American firm.

Mr. OWEN and Mr. GORE addressed the Chair.

The PRESIDING OFFICER. To which Senator does the Senator from Nebraska yield?

Mr. BROWN. I yield to the junior Senator from Oklahoma.

Mr. GORE. Mr. President, those mills, I understand, are situated in International Falls, Minn. I should like to say while I am on my feet, if it will not interrupt the Senator too much, that the International Paper Company buys and imports many thousand cords of wood from Canada. It makes its purchases largely from the St. Lawrence Lumber Company of that country, one of its subsidiary concerns. Now, I am informed that the International Paper Company or its subsidiary company has certified to the Canadian government that the pulp wood which it has been importing into this country is worth less than $5 a cord. That is a matter of official report and the Finance Committee has doubtless given it thorough investigation.

Mr. GALLINGER. But, if the Senator will permit me, that does not accord with the argument the Senator has so repeatedly made, that the wood costs more in that country than it does in this country. He says it costs $7 or $8 a cord here.

Mr. BROWN. My attention was diverted.

Mr. GALLINGER. That ought to be worked out.

Mr. BROWN. I did not hear the statement of the Senator from Oklahoma [Mr. GORE].

Mr. OWEN. I call the attention of the Senate to the report, Bulletin No. 80, Census of Manufactures, 1905, on paper and wood pulp. It shows the cost of material as reported by the factories themselves, and goes directly to the point of the costs. The material used in 1905 of Canadian pulp wood, spruce, for ground wood, was 245,087 cords, at a cost stated by the manufacturers themselves at $2,173,612, while the cost of ground wood, spruce, domestic, for 881,106 tons, was $6,355,563. Practically, therefore, the cost was almost the same, taking the general average of all the material referred to by the Senator from Nebraska.

Mr. BROWN. I thank the Senator.

Mr. FRYE. Mr. President——

The PRESIDING OFFICER. Does the Senator from Nebraska yield to the Senator from Maine?

Mr. BROWN. Certainly.

Mr. FRYE. It is fair to say that the wood which we purchase in Canada for our mills is transported by rail to our mills, and the average cost of transportation is $4 a cord. It takes a cord and a half to make a ton of paper. That would be $6 added to whatever price is paid in Canada as our cost for the raw material.

Mr. OWEN. Mr. President, I call the attention of the Senator to the fact that that is the cost stated at the mills and not with the freight added.

Mr. FRYE. Oh, it is no use to talk about the cost to our mills importing wood from Canada as being $3 or $4 a cord.

Mr. OWEN. I will call the attention of the Senator to the tables as to the costs, not at the particular mill to which he has reference, but the cost of the Canadian pulp wood to the mills of the United States as a class.

Mr. FRYE. To-day that wood costs in the State of Maine $10.08 a cord delivered at the mills.

Mr. BROWN. If that is true, why would not the Maine mills make that statement to the committee that was investigating that subject when they were called upon for that very information?

Mr. FRYE. The sworn testimony taken by the committee shows that the cost of making paper in the United States was $7 or $8 more than it was in Canada. That is the sworn testimony taken before the House committee. The Booth mill was the only exception, and there was no sworn statement from the Booth mill at all. There was an investigation there just at the time the Booth mill was going through a state of reorganization. It was at a time when they were paying $7 or $8 to get wood from Nova Scotia on account of drought, and the Ottawa mill did not get its pulp wood down to its pool. That is the only reason they paid $8.

Then, again, in the matter of sulphite, they undertook to make their sulphite. They had to make a reorganization of the machinery they had just put into their mill, and three times they were obliged to sacrifice this sulphite and pour it into the sewer. Sulphite cost them twice as much as it ought to have cost. The Booth mill to-day can make it cheaper than any other mill in Canada or in the United States.

Mr. BROWN. But at the time as to which the Senator spoke it cost more.

Mr. FRYE. At the time I speak of they were just at a reorganization of that mill, and anybody who knows the meaning of a reorganization, adding machinery, and getting employees who have the skill to make paper, will understand perfectly well that it would cost 25 or 30 per cent more during the reorganization of a mill than it would two years afterwards.

Mr. BROWN. Does the Senator from Maine state to the Senate that spruce wood by the cord in Maine, delivered at the mills, costs over $10 a cord?

Mr. FRYE. At many of the mills it costs over $10. I think the average was $10.02.

Mr. BROWN. But was their testimony to that effect before the committee?

Mr. FRYE. The Senator will find any quantity of testimony will be furnished by the Committee on Finance of the Senate before this debate is through.

Mr. BROWN. But nobody gets to see the testimony before that committee; and here was a committee which was in session for ten months, which invited these fellows from Maine to come and tell them what it costs, and they did not come. I want to say further that if the Senator will point me to a witness who shows that he had reliable sources of information, who testified that a cord of spruce costs $10, so far as I am concerned I will surrender this debate and vote for a duty of $6 and not of $4.

Mr. CLAPP. Mr. President——

The PRESIDING OFFICER. Does the Senator from Nebraska yield to the Senator from Minnesota?

Mr. BROWN. Certainly.

Mr. CLAPP. Does the Senator happen to have a copy of the House hearings before him?

Mr. BROWN. Yes; but I shall refer to them later on.

Mr. CLAPP. I want to call the Senator's attention to the reference on pages 1038 and 1039 of the pulp and paper testimony in those hearings.

Mr. BROWN. I have not that matter here, but I have quotations which I expect to use.

This committee of which I am speaking took the testimony and made the investigation. My dear friend, the junior Senator from Maine [Mr. FRYE], said there was no investigation up there. This committee——

Mr. FRYE. I said there was no sworn testimony.

Mr. BROWN. Yes; but the committee were there; they made an investigation in person and inquired what the cost of wood pulp was in Canada; and this is their finding: $6.50 per cord in Quebec on the cars at the shipping point. That is certainly a lower price than $6.81 in Maine delivered at the mills. What did Mr. MANN base that statement on?

Mr. GORE. Mr. President——

The PRESIDING OFFICER. Does the Senator from Nebraska yield to the Senator from Oklahoma?

Mr. BROWN. Certainly.

Mr. GORE. Mr. President, I should like to suggest to the Senator from Nebraska that the Senator from Maine [Mr. FRYE] proved a little too much in his contention. He stated that the freight and other charges were equivalent to about $6 per ton. That is a natural protection, which takes the place of a tariff for the owners of spruce forests and the owners of paper and pulp mills in the State of Maine. If that wood should be converted into paper in the Dominion of Canada, the railroads certainly would not deliver it to this country free of charge. The finished product would pay a higher rate than the raw material.

Mr. BROWN. Mr. President, the other element in the cost of production of this article is the labor cost; I have a statement that was put before the Finance Committee a long time ago, away back in 1888, when the Finance Committee had under consideration the schedule for print paper and wood pulp. The only witness that I recall—there may have been others there—was the senior Senator from Maine [Mr. HALE]. He testified as to conditions; and in his testimony he put in a statement which was made by the men who were engaged in this business and, of course, knew its conditions. In that statement—and I think it was expressly indorsed by the Senator from Maine—it was declared that at least 80 per cent of the cost of print paper was made up of labor. The labor begins with the rough logs; it follows to the place where they are floated or freighted to the mill, and on to the car that carries them to their destination. Labor strips the bark; it cuts and sizes the wood into strips about 2 feet long; labor applies and controls the machines that press this wood against the grindstone; and it is labor that carries the product away. Labor follows it through all its processes, until finally it comes out print paper, for sale. The testimony is—if the Senator from Maine was right, and I think he is right on that point—that 80 per cent of the cost of production of print paper consists of labor. As, under our theory of fixing a tariff law here, labor is one of the factors to be considered, we have a right to inquire what the difference in the cost of labor is in this country and in Canada in the pulp and paper industries. On that there was a great deal of testimony which I desire to submit to your consideration.

As the first witness I call as a witness again our consul at Quebec, who, at the suggestion of our Secretary of State, investigated the condition of labor and its price in the Canadian mills. On May 14, 1908, he sent this information to the Secretary of State:

> Labor in the Canadian paper mills is as high as in the United States, yea, oftentimes even higher.

Not some labor; not a little labor; but labor. It means all labor in these particular industries involved in this discussion.

Mr. GALLINGER. We all know better than that.

Mr. BROWN. He continues:

> Many of the workmen employed in Canadian mills are French Canadians, generally naturalized American citizens who have returned because of the good wages obtainable in their parent country. Formerly cheaper living and lower rents, especially in the Province of Quebec, were additional inducements for their home-coming, but these no longer prevail, as the prices for provisions are at times even higher than in the States bordering on this province, and rents have risen in manufacturing and harbor towns from 50 to 100 per cent and more within the last three years.
>
> The skilled mechanics employed in the Canadian paper mills are generally native Americans. They receive even higher wages than in the United States, as an inducement to leave their home and country.

Mr. ALDRICH. When was that?

Mr. BROWN. On May 14, 1908.

Mr. FRYE. Mr. President——

The PRESIDING OFFICER. Does the Senator from Nebraska yield to the Senator from Maine?

Mr. BROWN. Certainly.

Mr. FRYE. Mr. President, only 20 per cent of labor in the making of paper is skilled labor. The Canadians have very largely drawn from the States for that skilled labor, and they do pay for such labor as high wages as are paid in the United States; but 80 per cent of the labor employed in Canada receives at least 30 per cent less wages than labor does in the United States, and Mr. MANN, in his speech practically admitted that there was a difference in the cost of labor between the two countries.

Mr. BROWN. Let me read Mr. MANN's speech, so that we shall not have any dispute about that.

Mr. FRYE. Well, not only does he admit that, but the Senator from Nebraska fights shy of the Mann report. He is quoting the Mann speech, but the Mann report in terms states, without regard to going into the matter of wood, that the difference beween Canada and the United States in labor and in the maintenance of the establishment is $2, and not in the material, of course.

Mr. BROWN. I do not construe the report in that way. I will read the report in a moment. The chairman of the committee who made the report did not construe the report in that way.

Mr. FRYE. As I made the statement, I should like to prove it.

Mr. BROWN. I should be very glad to have some testimony on that point.

Mr. FRYE. This is from Mr. MANN himself——

Mr. ALDRICH. From the report of the committee?

Mr. FRYE. Yes. The report states:

> The retention of a duty of one-tenth of 1 cent per pound, as suggested, is justified both on the principles of a tariff for revenue and a tariff for protection. It is not desirable to strike down or injure the present paper mills in the United States. To do so would not only be very expensive to the present paper-mill owners and employees, but would, probably, in the future, enhance the cost and price of paper.

Now, listen to this:

> The duty proposed is about equal to the additional cost of labor in the United States and the additional cost of materials used by the paper mills caused by other tariff provisions.

Mr. HALE. Wood is left out entirely.

Mr. FRYE. Yes; wood is left out entirely.

Mr. BROWN. There is no question but what the committee had as a basis for putting on any tariff at all a difference——

Mr. HALE. In labor.

Mr. BROWN. A difference in cost of production. Some difference, else it would not have put a tariff on at all. I am

undertaking to show you, first, what the chairman of the committee said, and second, the testimony upon which it was based. The testimony which supported the report, not only supported the report, but supports my contention that the labor cost is more per ton of print paper in Canada than it is here.

Mr. ALDRICH. Mr. President——

The PRESIDING OFFICER. Does the Senator from Nebraska yield to the Senator from Rhode Island?

Mr. BROWN. Certainly.

Mr. ALDRICH. The portion of the report read by the Senator from Maine [Mr. FRYE] was from the unanimous report of the committee, consisting of four Republicans and two or three Democrats, and it is a signed report of the facts found by the committee.

Mr. BROWN. Is the Senator willing to take their findings?

Mr. ALDRICH. I am willing to take their findings to this extent, that when they say that $2 a ton simply equalizes the difference in the cost of labor and the tariff on materials, that is a justification to them perhaps of $2 a ton duty, but when they leave out entirely the calculation of the difference in the cost of wood, which, in my judgment, is at least $5 a ton of paper, or $3 and something over per ton of wood, between the United States and Canada, they only furnish to my mind a justification for an increased rate.

Mr. BROWN. I am glad if the Senators are willing to take the findings of the committee to a certain length. I wish they would take the findings of the committee to the end. I will yield my judgment upon the proposition that this product ought to be free, if you will follow that committee to the end, and not pick out here and there a sentence of the report.

Mr. HALE. Mr. President——

The PRESIDING OFFICER. Does the Senator from Nebraska yield to the Senator from Maine?

Mr. BROWN. Certainly.

Mr. HALE. If the Senator would follow the report of the committee—not the speech of one member—but the report of the committee to the end—it is not a large or voluminous document; and any Senator can read it in twenty minutes—he would find that the end and conclusion of the report, the result arrived at, is that the difference, without counting wood in the least, is $2 as the basis. It is not a particular part of the report that is selected that treats of this to that end, but it is the summing up of the committee and its conclusion, and is, to use the Senator's metaphor, the end and result of their investigation. Nothing could be plainer.

Mr. BROWN. Let me ask the Senator——

Mr. HALE. I ask every Senator to read the report of the MANN committee.

Mr. BROWN. Let me ask the Senator, does he think Mr. MANN who made the report knows less about what the report contained and said than some Senator who did not make it?

Mr. HALE. No; I do not think anyone else knows anything more about it.

Mr. BROWN. Then let me read what he says about his own report.

Mr. HALE. The Senator fights shy of the report.

Mr. BROWN. You fight shy of the interpretation made by the man that made the report.

Mr. HALE. The interpretation is just as plain as day to everyone who reads it, and that is the basis of the action proposed here.

Mr. BROWN. If it were the basis, there would not be this rate of $4 a ton brought in here. I wish it were the basis.

Mr. HALE. That is, to provide for the wood item, which was not treated by the Mann committee at all.

Mr. ALDRICH. Will the Senator from Nebraska allow me to ask him a question?

Mr. BROWN. Certainly.

Mr. ALDRICH. If the committee present to the Senate evidence which is conclusive that the cost of wood in the United States is over $2 a ton more than it is in Canada, will he vote for the duty as reported here?

Mr. BROWN. I will vote for the House report.

Mr. ALDRICH. Why?

Mr. BROWN. Because the House put the duty at $2 a ton.

Mr. FRYE. That represents the difference in the labor cost.

Mr. BROWN. And besides, the testimony the Senator promises to produce is not in existence. I challenge you now to get ready during this debate and produce that testimony before the bar of this Senate.

Mr. ALDRICH. It will be presented, and there will be no question about it when it is presented.

Mr. BROWN. It has been hidden and concealed up to date. I have been trying to find out what testimony the committee had, and must confess my effort was wholly fruitless.

I want to read just a few lines from the chairman who made the investigation and made the report referred to. The Senators from Maine and the Senator from Rhode Island are banking their conclusions on a part of the report. Let us see what their investigation and the testimony shows with reference to the cost of labor in this country and in Canada.

Mr. ALDRICH. Mr. President——

The VICE-PRESIDENT. Does the Senator from Nebraska yield to the Senator from Rhode Island?

Mr. BROWN. Does the Senator from Rhode Island want me to show him the truth about this matter?

Mr. ALDRICH. Before the Senator goes on, I should like to say a word. He says we are banking our conclusion upon this report. We are banking our conclusion upon that part of the report which admits there is $2 a ton difference between Canada and the United States in the production of paper in the cost of labor and materials affected by the tariff. We are simply adopting the report to that extent; we are taking the conclusions of the committee as to that amount; and then we take up the other items in controversy, and add less than the difference in the cost of the wood alone to the duty as fixed in the House bill.

Mr. BROWN. Now, if I may be permitted, I want to put the chairman of the House committee on the stand and let him testify about what the facts are with reference to the cost of labor in Canada and in this country:

Mr. MANN. While it would be a pleasure to me to continue the discussion all the afternoon, and might be to a few gentlemen, I know how those would feel who wish to follow me on the floor, and they have my consideration.

Now, if the gentlemen will pardon me, I will say that we had investigations made in 15 eastern paper mills, in 3 western paper mills, and in several Canadian paper mills—these mills having been run for a number of years—making comparisons from 1895 to 1907. The Booth mill at Ottawa, Ontario, is a fair sample of a modern, up-to-date Canadian paper mill. It probably could make paper as cheap or cheaper than any other mill in Canada. In the paper mills which we have examined we took several—three—fair samples of Wisconsin mills. We examined 17 eastern ground-wood mills and 15 paper mills—

Now, listen to this—

It has been asserted that the labor cost is much greater in the United States than in Canada. I have not time to go into that subject very extensively. In my opinion, from the reports which are made to us, both as to the daily wage and the cost of production—

That is the wage cost and the cost of wood, the two principal factors making the total cost of production—

I am prepared to say that the daily wage paid in the Canadian mills is about the same as paid in the American mill. I am inclined to think that the daily wage on an average is somewhat less in the Canadian mills than in the American mills. On the other hand, the labor cost of production of ground wood and sulphite paper generally is more in Canada than in the United States. While, on the whole, the daily wage on an average may be slightly less in Canada, the efficiency is considerably less in Canada. Many of the skilled workmen in the paper mills of Canada are brought from the United States. On an average the daily wage in the Canadian mills is higher than in the United States. In the eastern mills it is higher than the western, and in the Canadian it is higher than in the eastern mills.

Mr. HALE. Will not the Senator read that portion of the report which he has just read, referring to the efficiency of Canadian mills and labor?

Mr. BROWN. I will read it again.

While, on the whole, the daily wage on an average may be slightly less in Canada, the efficiency is considerably less in Canada.

Mr. HALE. Now, I call the Senator's attention to the fact that a great item in this newspaper crusade against our print paper manufacturers has been that the efficiency of our mills was not equal to that of the Canadian mills; that there was a lack of good management; and that the fault was in the management of our own mills, and yet the Senator just now reads a statement which shows the precise opposite, namely, that the efficiency of the Canadian mills is less than ours. I only call the attention of the Senator to the fact that part of the crusade has been that our mills did not understand their own business.

Mr. BROWN. I call the Senator's attention to the fact that where the publishers of the country have referred to inefficient mills and shop-worn enterprises, bought at high-tidewater prices, the charge did not apply to all the paper mills in this country. Very few of them are in Maine. The Great Northern, one of the greatest mills in this country, is not in the aggregation against which the publishers bring this complaint. Their complaint was against the International people, who combined a number of broken-down mills, and capitalized them in at a figure so full of water that it was necessary to rob the publishers and the people in order to pay dividends on the capitalization. That has accounted for the "hold-up" prices of print paper in this country in the last two years.

Mr. GALLINGER. Mr. President——

The VICE-PRESIDENT. Does the Senator from Nebraska yield to the Senator from New Hampshire?

Mr. BROWN. Certainly.

Mr. GALLINGER. The Senator talks of "hold-up prices" of paper in this country. In what other country is print paper as cheap as in this country?

Mr. BROWN. I do not think they sell it any cheaper in other countries, or so cheap as they do here.

Mr. GALLINGER. They do not.

Mr. BROWN. It costs less in the United States to produce print paper used by the newspapers than any other country.

Mr. HALE. Does the Senator know of any other country that does not, in legislating upon this question, impose a very much larger rate of duty on such importations than we do here? Does he know of any country where the rates are—I will not say as low as our rates—but does he know of any other country where the rates growing out of legislation in protecting these industries are not from three to five times our own rates in this country?

Mr. BROWN. The facts are that the rates of other countries, except England, I think, are as high or higher than ours. Canada to-day has a duty on print paper. For what purpose? To protect her labor, she says, against our cheap labor in this country. The Canadian government had a commission that investigated this question seven or eight years ago, and they made a report, in which they found that it cost more to manufacture paper in Canada than it did here. On that report as a basis the Canadian government was asked to continue the 25 per cent duty on print paper to protect her against the pauper labor of the United States.

Mr. GALLINGER. Mr. President——

The VICE-PRESIDENT. Does the Senator from Nebraska yield further to the Senator from New Hampshire?

Mr. BRQWN. Certainly.

Mr. GALLINGER. Has the Senator ever discovered an American in a paper mill in Canada, except in the higher grades of labor—skilled labor?

Mr. BROWN. I do not recall whether or not the testimony shows that Americans are employed in the mills in the lower grades of labor; but I do not think that is very material.

Mr. GALLINGER. If the Senator will visit the mills of this country we can show him a great many Canadians working in those mills. The men who go back, of whom the Senator spoke a little while ago, because they can live better in Canada and get better wages, go back there because they have accumulated money enough in the United States to enable them to go back and live in comfort.

Mr. BROWN. Does the Senator want to be understood as contending that there is any substantial difference between the labor cost in print paper mills in Canada and those in the United States?

Mr. GALLINGER. I wish to be understood exactly as saying that; and I will endeavor to demonstrate it in my own time.

Mr. BROWN. I shall look with great pleasure upon that demonstration.

Here is the labor cost as found by the committee, and as set forth by the chairman of the committee that made the investigation—not only the labor cost in our country but in the country to the north of us.

Mr. HALE. Is the Senator reading from the report?

Mr. BROWN. I am reading from the supplemental report, made by the chairman of the committee when he addressed the House of Representatives.

Mr. GALLINGER. He forgot his report then, did he not?

Mr. BROWN. No, indeed; he did not forget his report.

Mr. HALE. The Senator fights shy of that report.

Mr. BROWN. There are three reports; first, a preliminary report; afterwards, what was called a final report, and then the chairman of the committee made a supplemental report in a speech of six hours in the House of Representatives. I quote from his testimony. Certainly Senators do not contend that the chairman of the committee reported one thing and then got up on the floor of the House and told his colleagues another?

Mr. HALE. Certainly he forgot the report.

Mr. GALLINGER. His speech was so long he forgot the report.

Mr. BROWN. Here are the figures he gave, and he says they are based on the testimony:

Wage cost per ton, 1907.

GROUND WOOD MILL.

Eastern mills	$3.05
Western mills	2.57
Average, 20 United States mills	3.00
St. Regis mill	2.06
International Paper Company mills	2.87
Booth mill	3.29

The Booth mill is the Canadian mill.

The cost in the American mill is $2.06, and in the Canadian mill $3.29—the labor factor in the production. And yet you tell this Senate that labor is higher in these factories in the United States than it is in Canada.

Mr. GALLINGER. Mr. President, I ask the Senator, in all seriousness, does he believe what he is now stating to be the fact?

Mr. BROWN. This testimony convinces me; yes. I would not be here if I were not convinced of that fact.

Mr. GALLINGER. Has the Senator been in Canada and given any attention to the laboring people of that country?

Mr. BROWN. No, sir; I have not; but I will take the testimony of Members of Congress who visited Canada, charged with the official duty of ascertaining the truth, who could have no object except to find out and report the truth.

Mr. GALLINGER. I have been there fifty times, when Members of Congress have been there once; and the Senator has got——

Mr. BROWN. Then you dispute the fact?

Mr. GALLINGER. I do that fact.

Mr. BROWN. You take detached sentences from this report as fairly reliable, but you will not take all the detailed facts as true.

Mr. GALLINGER. I will not take the extract from Mr. MANN'S speech.

Mr. BROWN. You expect a Congressman to tell the truth outside of the Chamber but not when he is addressing his colleagues.

Mr. FRYE. He may be mistaken. Of course he tells what he thinks to be the truth.

Mr. HALE. Which does the Senator think, in considering the action of the House, is the most conservative and careful statement—if we are to depend upon either—a majority report, in fact, the unanimous report of the committee, signed and submitted to the House, or a speech afterwards made by one of the members of the committee? Which has the most authority—the committee report or the speech?

Mr. BROWN. I say they should be taken together. The one being no better authority than the other. The truth about this report and this speech is that they are in perfect harmony. There is no discord, as I will show you before I get through, if you will stay to hear it. There is absolutely no discord between the original report and the speech.

Mr. HALE. The Senator, in whatever he may say, will fight shy of the conclusion of the Mann committee presented in their report, signed by every member, a unanimous report. He will fight shy of that and the conclusion he arrives at that the difference, without regard to the wood product, is $2. He will fight shy of that all through, as he has already.

Mr. BROWN. No, indeed. I will say to the Senator that I am going to read that whole report before I get through. I am going to show that the report simply states the conclusion, while the speech made by the chairman, who made the report, states the details and facts upon which the conclusions are based.

I want to ask Senators now who are disputing this report or this argument of that House committee whether you know what the cost of ground-wood pulp per ton was in 1907 at the St. Regis mill in this country?

Mr. GALLINGER. I can give it to the Senator in a little while, but I will not take the time.

Mr. BROWN. The Senator informed me a little while ago that I had never been to Canada and he had, and that he knew more about this question than I do. I have read the figures of those who were there in the performance of official duty. It seems to me I have a right to rely upon this report unless a colleague of mine, of whom I think as much as I do of the Senator from New Hampshire, shows by evidence I am wrong.

Mr. GALLINGER. In my own time I will submit the facts upon which I base my conclusion. The Senator of course is acting with entire good faith in presenting his views here.

Mr. BROWN. Very well. Here is the per cent of labor cost in a ton of print paper. This is simply the labor cost in the print mill. It has nothing to do with the labor required to convert wood into pulp. It is the print mill labor. This committee report as follows: In the eastern mills of this country, $4.54; the western mills, $3.68; the average of 18 mills, $4.46; the St. Regis mill, $4; the International Paper Company mills, $4.72; the Booth paper mill, $4.57. Now all the mills in the United States made, at a less price of labor, a ton of print paper than the Canada mills did except the International combination, and it cost that trust, according to its own figures, only 15 cents more a ton, and yet the committee proposes to levy a duty of $4 a ton. A fair test as to what the conditions are and what are the prices of labor and raw material is to find the total cost of producing the finished article. The committee found the total cost per ton of print paper to the International Paper Company was $33.57; the International Paper Company, Hudson River

mill, $28.63; the Gould Paper Company, $29.57; the St. Regis Company, $31.92; the Lisbon Falls, $37.05; the Booth mills, $34.11 These are all American mills except the Booth mill, which is located at Ottawa, Canada. In all the mills in the United States except one, the Lisbon mill, it costs less under this testimony to produce a ton of print paper in America than it does in Canada.

Let me present another witness on this question. He was a member of the House committee and personally made this investigation with his associates. He also supplemented his formal report with an address to his colleagues in the House. Mr. Stafford said with respect to labor cost:

> Prior to the hearing much was heard in justification of the old tariff, that labor was cheaper in Canada than in the American mills; but the testimony discloses, without contradiction, that skilled labor in the Canadian paper mills proper receives as high wages, and in some instances higher, than in the States.

Mr. GALLINGER. Skilled.

Mr. BROWN. Do we all agree on skilled labor? Let us understand it. We all agree now that skilled labor over there is higher than here.

Mr. FRYE and Mr. GALLINGER. No.

Mr. HALE. About the same.

Mr. BROWN. About the same? Then the man who investigated it was mistaken when he said it was higher.

I wish some member of the Finance Committee or some member of the Senate who is now admitting that skilled labor is as high and may be a little higher in Canada than in America would state what reason exists for other than skilled labor being cheaper in Canada than in America.

Mr. HALE. Every reason.

Mr. BROWN. Every reason? The same reason that would make labor cheaper in Canada than here would control the skilled as well as the unskilled.

Mr. FRYE. They get it from the States.

Mr. BROWN. They get it from the States because they pay higher wages than in this country.

Mr. FRYE. No.

Mr. BROWN. That is the testimony of our consul in Quebec. I never was in Quebec, but our consul was in Quebec and he said——

Mr. GALLINGER. I will ask the Senator what becomes of the Canadian skilled labor that we displace. Where does it go?

Mr. BROWN. What becomes of any laborer displaced by a man who takes his job? He hunts another job probably. Why do not these Americans stay in America and work in the American mills if the wage is as high here as it is in Canada?

Mr. GALLINGER. We have a surplus here.

Mr. BROWN. A surplus?

Mr. GALLINGER. Yes.

Mr. FRYE. We have a tremendous population of French Canadians. They are just as loyal and devoted to their native country as any people I ever saw. They come down to our mills; they are educated and trained in those mills, and they go back home and would work there as skilled laborers in the manufacture of paper, even if the wages were 10 or 15 per cent less, because they would be at home.

In my city of not over 30,000 people there are 10,000 French Canadians. They have to have a French clerk in almost every large store. What are they there for? They are there because they can get more wages than at home. In our forests over half the cutting is done by French Canadians. Why? Because they get more wages than at home. There is not any question about it. I am familiar with wages in Canada. I have spent a good deal of time in Canada in the last thirty years. I can get two first-class guides in Canada, with a birch canoe, for $3 a day, and at the lakes in my State I pay $3 a day for one.

Mr. BROWN. That is a different class of labor.

Mr. HALE. It is all labor.

Mr. BROWN. I am trying to discuss the labor in this line of business, the print-paper industry. I have no testimony on labor cost in other industries. My friend the Senator from Maine may know more about the price of labor in the paper mills in Canada than these men who investigated, and more than our consul, who is there and is charged with our Government the finding out the conditions. But his report, it seems to me, ought to be reliable, and he says they pay higher wages in the paper mills, not less, than we pay in our mills.

Mr. GALLINGER. I will ask the Senator how much time the members of this committee spent in Canada?

Mr. BROWN. I do not know how much time was spent in Canada. They were ten months on the investigation.

Mr. HALE. They stayed there overnight.

Mr. BROWN. The consul is there all the time.

Mr. HALE. Before this matter passes from the Senate it will be brought out how superficial and inadequate was this so-called examination made by this committee into the conditions of labor affecting this industry in Canada.

Some of us, Mr. President, have passed our lives on the border, and we go into Canada, and we see the condition of labor compared with our labor. I know what it is in the State of Maine, across an imaginary line, a part of the way between Maine and New Brunswick, and when you pass from Maine and its industries and its population and its manner of living into New Brunswick you pass as clearly into a new condition as if you went into another generation. My colleague and I know this. It is knowledge from constant experience and observation. It is knowledge that comes from observation of conditions; and it is worse than useless, and to us it is not much better than nonsense, to talk about the equality of wages and the price of wages in Canada and the United States. I know it by observation, traversing hundreds of miles repeatedly, and it is a part of the policy of this warfare that is made by the newspapers against this industry to ignore what some of us know to be the difference between the conditions in labor here and there.

Mr. BROWN. Does the Senator from Maine contend that the House committee which spent ten months on this proposition made a superficial investigation?

Mr. HALE. I contend that so far as their knowledge of anything in Canada is concerned—the number of mills they visited and the actual examination or investigation which they made—it was of the most unsatisfactory and superficial kind; and that will be shown.

Mr. BROWN. Does the Senator contend that the investigation made by that committee covering this one subject, which lasted ten months, was more superficial than that which has been made by the Committee on Finance of the Senate in the last ten weeks covering thousands of subjects?

Mr. HALE. I think the examination and the facts which have been brought out by the Committee on Finance on this subject are immeasurably more to be depended upon than anything that the MANN committee has reported and immeasurably more in accordance with the real conditions.

Mr. BROWN. But up to the present time the Senate has not one of those facts before it.

Mr. HALE. But it will have.

Mr. BROWN. There is something very significant to my mind about the history of this legislation. In the first place here is a schedule that involves not only the paper-mill industry of the country, but thousands and thousands of men employed in the paper and periodical industries of the country. A hearing was had and investigation made. The constituents of my friend, the Senator from Maine, were invited to come before the committee with the facts, and they turned their back on the committee and furnished none. I have not time to quarrel with the committee personally right now. The truth is I never in my life knew an aggregation of men of whom I thought so much individually and so little of collectively as our Finance Committee. But for ten weeks now they have had this bill, and with this important schedule before it, and no report on it until a couple of hours ago, and no testimony yet produced, and now because I am reading what testimony is in sight I am discredited and disputed because I do not live on the border and have not been in Canada and do not know what I am talking about.

Mr. HALE. It would be pretty hard to satisfy the Senator and other Senators who are cooperating with him.

Mr. BROWN. I am easily satisfied, but this committee has given us nothing. It is hard to be satisfied with nothing.

Mr. HALE. If the committee had reported earlier it would have been said that it was precipitate in its action, that it did not take time to investigate it. I have in my mind now Senators who have repeatedly stated to the Senate that the Committee on Finance was hurrying these matters unduly and was bringing in conclusions when we ought to wait nights and days. Now the Senator finds fault with us for just the reverse—for investigating, examining, comparing, and arriving at a reasonable result—and he says that he likes the members of the committee personally, but collectively they are an unsuitable organization to do the business of the Senate.

Mr. BROWN. I entirely reagree with the Senator on that proposition.

Mr. HALE. The committee has a hard job with the men who want it to hurry and the men who do not want it to hurry, and neither are satisfied whatever we do.

Mr. BROWN. I am willing you should hurry if you will give us something on which to base our action. That is the trouble. I have been interrupted several times this afternoon with interrogatories and with voluntary statements of information, and when I ask for the witness I have usually been put off with the proposition, "I will furnish the name of the wit-

ness in my own time." I hope that will be done, but I do not want in the meantime to have my colleagues find fault with my sources of information, because up to date they are the only sources that are visible.

Now, then, if I may be permitted to return to the labor proposition again, I want to quote another member of the House committee who made that investigation; and my friends make a mistake when they say the investigation in Canada was superficial. Not only did the committee go to Canada, but they sent their experts to Canada. They investigated the books of the companies—those who would let them. They visited our consuls there, and got what information they could, and to aid the committee our own State Department put into action representatives of the Government there. That is the best testimony I have, and I want to say, too, Senators, that when the American people come to measure the merits of this proposition they will look to testimony like this.

I do not dispute the information and the statements of friends who live on the border as to conditions at their homes. But it must be remembered that there are paper mills in this country that can not be found right close to the border; there are great mills in New York; there are some in Pennsylvania; some in Wisconsin and Minnesota. The House committee made an exhaustive investigation, not a superficial one. Here is the testimony of Mr. Stafford in respect to it:

But the testimony discloses, without contradiction, that skilled labor in the Canadian paper mills proper receives as high wages, and in some instances higher, than in the States. This is ascribable to their having been induced to leave employment in American mills, for which they demanded a higher wage. So also in the scale of wages paid to the unskilled labor in the paper mills.

I understood a minute ago some Senator to say that skilled labor was about the same, but unskilled labor was way down below, much cheaper; but here is the testimony of a man who was there, charged officially to find out the fact. He stands up and tells his colleagues and the country that unskilled labor, just as skilled labor, is as high and sometimes higher there than here.

Mr. GALLINGER. Mr. President, will the Senator point me to the pages of the testimony that show the investigation made by Mr. Stafford or the experts there?

Mr. BROWN. Yes; I have all the pages marked here.

Mr. GALLINGER. I should like to look it over.

Mr. BROWN. I have them all marked.

So also in the scale of wages paid to the unskilled labor in the paper mills. Their wages are generally on a par with those in this country, and if time permitted I would read the average wages paid in all classes of employment in the eastern and western American mills and in the Booth mill, which is an up-to-date Canadian mill, located at Ottawa.

That sort of a statement can not be brushed aside lightly, Senators. The testimony that the Senate committee has, if it has any to the contrary, ought to be produced to the Senate now.

On pages 883 and 1866 of the investigation you will find the wages of men employed in these mills in Canada and America, not by the day nor by the week, but by the hour. It has been frequently stated that we could not make a comparison of relative wages because in foreign countries they work twelve hours and only eight hours here. I want to say to the Senate that in all the paper mills in this country making print paper to-day—I think outside of 15—the laborers work twelve hours. The International Company has put them on a three-tour system. As I understand, all the western mills still retain the two-tour system—twelve hours each. But here is the per hour wage, so that whether he is working twelve or eight hours makes no difference. His labor is measured and paid for by the hour. This testimony is found on pages 883 and 1866.

Let me give the Canadian mills first. The Laurentide Canadian mill machine tender hourly gets 48 cents. The International people of this country pay that man 42 cents an hour. The Canada Paper Company (Canadian) pays him 50 cents an hour. The Booth mill pays him 35 cents an hour. The Booth mill is the only one in Canada that does not pay that man more than he gets in the United States per hour. The Laurentide and the Canadian Paper Company are on the eight-hour-a-day system, too. The Booth mill is on the twelve-hour. The second man who works gets in the Canadian mill 31 cents; in the International, 26 cents an hour. The third hand gets hourly in Canada 22 cents; from the International he gets 21 cents; and so on.

The per hour wages of every man given shows a wage advantage to the American miller over the Canadian paper miller.

You know I get just a trifle out of patience at times with a good argument that is sometimes put to a mighty poor use. For instance, I think it a good argument and a sound contention that a protective tariff is necessary in order to protect the labor employed in our country if conditions show that protection is needed. But whether or not protection is needed, you find men all the time shouting, "We will protect American labor with this tariff. That is what it is for." I want to say that in these paper mills, according to the official reports, not only of the federal census officials, but according to the statement of officials reporting on the conditions of labor, it appears that the laborers who have been employed by these American mills in making paper have been robbed of their share of the profits.

Mr. HEYBURN. Mr. President——

The VICE-PRESIDENT. Does the Senator from Nebraska yield to the Senator from Idaho?

Mr. BROWN. Certainly.

Mr. HEYBURN. I am impelled to ask the Senator, Is it the object of his amendment that we shall buy this product in Canada and pay them the wages, or that we shall compel American producers to sell it cheaper?

Mr. BROWN. No.

Mr. HEYBURN. Neither?

Mr. BROWN. My proposition is to broaden the market for two purposes—to conserve our spruce wood here first, and second, to protect the American consumer from the extortion of a combination which is here asking a duty when none is needed.

Mr. HEYBURN. If the Senator would not think me too persistent, is it, as a result, that we shall buy and consume the Canadian product or that we shall lower the price of the American product? It must be one or the other.

Mr. BROWN. No, indeed. My proposition is—and I think the subject ought to be left altogether to the Governments to be decided by treaty—that this vast supply of raw material, spruce wood, in Canada shall be opened to this country, to be available to it.

Mr. HEYBURN. That still does not answer the question.

Mr. BROWN. That is one proposition. My next proposition is that the raw material should be and will be manufactured here, just as it has been, and that no protective duty is necessary to protect our labor in producing paper here, because our labor is cheaper in that industry than the labor of our competitor. Why put a tariff on an article if it is not to protect us against lower wages in foreign countries?

Mr. HEYBURN. Then the last part of the question remains unanswered. Are we, because of these conditions which the Senator from Nebraska says are favorable to us, to lower the price of our product or of our labor?

Mr. BROWN. Not to lower the price of our labor.

Mr. HEYBURN. Are we to lower the price of the product?

Mr. BROWN. The result of the amendment will be to lower, in my judgment, the price of print paper, as it ought to be.

Mr. HEYBURN. Then who will be the loser? Will it be the labor? Might there be less labor employed or more?

Mr. BROWN. There will be the same amount of labor employed exactly. There is no reason to suppose that if you take the duty off, our labor will go out of employment.

Mr. HEYBURN. Will it change or affect the number of men employed in the United States to put paper on the free list?

Mr. BROWN. Not in the factories.

Mr. HEYBURN. Then why is the discussion material?

Mr. BROWN. The discussion is material because the print paper using people are entitled to have a product that is not protected by a barrier and a law which allows combinations to speculate and to appropriate the labor of others as the paper trust has been and is doing.

Mr. HEYBURN. We have no method by which we can compel Americans to produce this product, and if we can not compel them to do it we would have to risk a foreign market, would we not?

Mr. BROWN. Our American manufacturers are going to Canada now for a million cords a year. We are absolutely at the mercy of that country to-day so far as raw material is concerned in the paper business.

Mr. HEYBURN. That is the exhaustion of our natural resources.

Mr. BROWN. Oh, yes; that meets with great disgust, I know, from Idaho, but it is undisputed, in this testimony here, that the spruce forests of Maine, based on the present annual consumption, will not last to exceed twenty-eight years, and in New Hampshire it is about fifteen, and in New York eight and one-half. That is the result of the computation made by our Forester to conserve the forests, and there is no guesswork about his conclusion in that regard. He testified before the committee. My friend scouts the idea that there is any danger of losing this raw material. You can not reforest it inside of seventy-five or one hundred years. That is the undisputed testimony. The spruce tree is a much slower growing tree than the ordinary tree. They have in the Agricultural Department spruce trees an inch and a half in diameter that

are thirty-nine years old, trees picked out of the forest. Under the most favorable conditions the testimony is that you can not produce a spruce tree from the seedling to a diameter of 10 inches short of seventy-five years.

Mr. HEYBURN. When we had occasion to discuss this question six years ago the limit of timber was exactly the same figure they put it now. We have certainly used some timber in six years. The whole supply of timber was to be exhausted in nineteen years. That was six years ago. Now it should be thirteen years, and in another six years it should be seven years. Yet I find the Senator and I find the same Forester using exactly the same figures that they used six years ago.

Mr. BROWN. It is conceded by everybody that there is not enough spruce to furnish paper for this country to exceed twenty-five years.

Mr. HEYBURN. That is conceded, so far as I know, only by these self-constituted philosophers and by people who live so far from a forest that they only know from a railroad window what a forest looks like.

Mr. BROWN. Mr. President——

Mr. GALLINGER. If the Senator will permit me, is he sure that before this time of devastation arrives we will not have a substitute for spruce wood out of which to make paper?

Mr. BROWN. It is to be hoped we will.

Mr. GALLINGER. The probability is that we will.

Mr. BROWN. The Government to-day is spending thousands of dollars every year in trying to discover something out of which to make pulp for paper purposes to take the place of spruce.

Mr. GALLINGER. And they are doing it, too.

Mr. BROWN. I take a good deal of pride in informing the Senate that a distinguished fellow-citizen of my own home town, Mr. George Sherwood, about twenty years ago, I think, discovered a process by which to make print paper out of cornstalks, and to-day cornstalks make the finest chemical pulp in the world. The trouble with the cornstalk is that while the stalk is cheap, to transport it to the mill and to keep it from decaying makes it a costly and hazardous undertaking.

Mr. BACON. Will the Senator from Nebraska permit me?

Mr. BROWN. Certainly.

Mr. BACON. Simply as a contribution to the information which the Senator is now giving, and I do not wish to be understood as taking issue with his position relative to the duty on paper, for what I shall say has no reference to that, I wish to state that there has recently been an experiment made in my State in the production of print paper out of okra stalks; that owing to the large product of okra to the acre a very large product of paper is possible; and that a factory is now being built in my town for the manufacture of paper out of that article. Whether it is print paper or the other kind, I do not know. I will simply state that a sample was sent to me and I showed it to the Senator from Massachusetts [Mr. CRANE], who is a paper manufacturer.

Mr. HALE. What is the stalk? We did not hear the Senator.

Mr. BACON. The okra stalk. It is of a vegetable character. It grows 8 or 10 feet high in a warm climate and a very rich soil, and a very large product is possible on an acre. An experiment which has been made in the manufacture of it has been so satisfactory that capital has been enlisted and a factory is now being built in my town for the manufacture of paper out of okra. But I repeat, I do not know whether it is the kind of paper the Senator speaks of, which can only be made as stated by him, from the spruce pine. I simply mention it is a matter of information.

Mr. HALE. Will the Senator permit me? He is very indulgent.

Mr. BROWN. Certainly; with pleasure.

Mr. HALE. On this important phase of the subject, the conservation of the forests, I want to bear some testimony in favor of this industry, which to-day is so seriously attacked. I had never known in Maine anything like good husbandry and good housekeeping in the care of timber lands until the introduction of the pulp-paper mills and the accumulation of large tracts of land which furnish the supply largely for these mills. The inspection, the guardianship, the system of cutting and preserving the smaller trees is all a part of the work and the management of the pulp and paper mills.

Mr. FRYE. And precautions against fire.

Mr. HALE. The precautions also, as my colleague has said, against fire, which our people in a reckless way never considered before, but always are a part and parcel of the general management of these companies that are assailed so fiercely here. The track of fire from railway trains, from sportsmen, from hunters, from tramps, does not visit the land of the pulp and paper companies, because they assume at all times the protection and conservation of these great products of wood and lumber.

Moreover, it is to the credit of those companies and their management that instead of cutting and slashing broad and large, and clipping off and leaving waste thousands and tens of thousands of acres which they might do, they, by a careful conservation, supplement their supplies in the purchases that they make of the Canadian product at a sacrifice.

I know something about this industry in Maine. My colleague and I know how they have revolutionized the care and conduct and preservation of the forests. If you legislate against them and throw it into the hands of their Canadian competitors, but one result is inevitable. They are obliged then in a short time to cut and sweep off and destroy the lands that they own in the State of Maine to do their business, and that we are seeking to protect them from. That is a feature which has not been thought of and has not been considered by many Senators, but we know what it is in the State of Maine and how they are conducting their business and saving our forests. It is one of the beneficent things for which they should be given credit.

Mr. BROWN. Mr. President, the New England paper mill manufacturers are doing and have done, as my good friend from Maine has said, everything within their power and at their command to protect their spruce forests. They go to the expense of employing expert foresters to look after their property. Admitting it to be patriotic to save the forests of the Nation, it might be added that there is another reason, and that is that they want the wood for paper purposes, and they know that paper wood is disappearing. Compelled, Mr. President, not only to buy up all the spruce forests that they can, these great companies in this country have gone to Canada and bought 6,000 square miles of spruce timber.

Mr. HEYBURN. Mr. President——

The VICE-PRESIDENT. Does the Senator from Nebraska yield to the Senator from Idaho?

Mr. BROWN. Certainly.

Mr. HEYBURN. It has perhaps not occurred to the Senator from Nebraska that it has now been demonstrated beyond the point of experiment that as good paper fiber can be made from sagebrush as from spruce, and we have a thousand million tons of it.

Mr. BROWN. Double it.

Mr. HEYBURN. We have 200,000,000 acres of sagebrush land in this country to make paper of. So do not despair that we will be left in Stygian darkness for want of newspapers.

Mr. BROWN. That is light on the subject. I never heard before that sagebrush was capable of convertibility into print paper.

Mr. HEYBURN. It has been absolutely demonstrated; there is no question of it.

Mr. BROWN. It has been demonstrated, but the fact remains that it has never been used.

Mr. HEYBURN. Demonstration will make it a reality.

Mr. BROWN. You demonstrate that it can be done, but you never do it. That is the trouble.

Mr. HEYBURN. They are doing it.

Mr. BROWN. Where is there a sagebrush mill making print paper? I will move to Idaho if they can make print paper out of sagebrush.

Mr. HEYBURN. Let us face the hour of necessity and, like the human race in all times, we will be equal to it.

Mr. BROWN. It is all right to be courageous and to protest that we are not afraid of these disappearing forests. There never has been a government that thought enough of itself to plan for its perpetuity which did not give grave consideration and attention to the conservation of its natural resources. Of course the Senator from Idaho is afraid of nothing. He thinks the Lord will provide the forests if the paper-mill manufacturers have a free hand to use those we have now. He may be right about it. I hope he is.

Mr. President, the limit of this source of supply is confessed by all men who use it. They are not using their own forests now. They are conserving them themselves and buying their spruce now from our competitor. Our friends from Maine say it is very cheap in Canada. Our manufacturers go to Canada and get it and are manufacturing it to-day. A third of the spruce comes from Canada that is made into print paper every year.

Not only that, but our manufacturers do not even cut off their own timber in Canada. They buy from other folks themselves. They are not so courageous as the Senator from Idaho. They see the spruce disappearing.

Mr. FRYE. Mr. President——

The VICE-PRESIDENT. Does the Senator from Nebraska yield to the Senator from Maine?

Mr. BROWN. Certainly.

Mr. FRYE. We should not be silly enough to buy raw material from Canada at $8 a cord.

Mr. BROWN. No; and outside of the intimation of the Senators from Maine there is no testimony that the lumber in Canada costs $8 a cord.

Mr. FRYE. The Senator himself stated in the course of his speech that Mr. Booth paid $8 a cord.

Mr. BROWN. It costs more than $8 a cord over there. It costs more in Canada than it does in your own State, according to the testimony upon which the committee based its report.

Now, Mr. President, my friend from Maine, just before he took his seat, said we ought not to destroy this industry. I agree to that proposition. If the industries that are making paper need protection, I am willing to vote them protection. The laborers in that industry need the same protection that the laborers do in all others, but when there is no need of protection for them, when you are paying them in your mills less than our competitors pay, do you not think the argument falls that a duty is necessary in order to protect that labor?

There is another class of laborers, Mr. President, who ought to have some consideration in this debate. In my own State there are $250,000 in wages paid to men employed by newspapers and periodicals more than are paid in wages in all the paper mills of Massachusetts, Vermont, Michigan, Minnesota, and California combined. If this is to be a war between classes of labor, the numbers and the army are with the newspapers and the periodicals.

The number of news print mills in the United States to-day that are making news print paper is 59. The number of newspapers and periodicals amount to 21,394. The number of persons employed in the news print mills is, in round numbers, 20,000. The number of persons employed in newspapers and periodicals runs to 145,000, more than seven times as many. The amount of wages in round numbers paid to the men in the print mills is $10,000,000 annually, while the wages paid to the men in the newspaper and periodical industries run to $106,000,000.

Senators, that accounts for the petition that I read to you, in the first place, where the representatives of a hundred thousand of these men petition you that their employers, the newspaper publishers, have some rights in this legislation, as well as the men who sell their employers print paper.

Mr. President, in addition to the facts with reference to there being no need of protection on account of the cost of wood or pulp, or the labor in its manufacture, does it occur to Senators that the United States has other advantages over Canada which far exceed any difference in wages, even if the contention of the Senator from Maine is true?

Mr. ALDRICH. Mr. President——

The VICE-PRESIDENT. Does the Senator from Nebraska yield to the Senator from Rhode Island?

Mr. BROWN. Certainly.

Mr. ALDRICH. Before the Senator leaves the point which he has just been discussing, I should like to ask him a question. As I understand his proposition, it is that if it should appear that in some branch of some industry the labor in the United States was cheaper than it was in the competing country, then all the products of that labor should be put on the free list.

Mr. BROWN. That is not my proposition at all.

Mr. ALDRICH. That is what I understood the Senator to state.

Mr. BROWN. That is not my proposition at all. I said if the labor that goes into a particular article costs less in this country than it does abroad, no Republican can justify a protective tariff on that article in order to protect our labor.

Mr. ALDRICH. What do you think Republicans ought to do, then? Ought they to put the articles on the free list?

Mr. BROWN. I think where our laborers can make things cheaper than other people we ought not to be compelled——

Mr. ALDRICH. Does the Senator think all those articles ought to be put on the free list?

Mr. BROWN. No; I am not talking of all articles or the classes of labor generally. I am talking about this industry and this labor.

Mr. ALDRICH. The Senator is assuming that in all this industry the cost of labor is less in the United States than Canada, and therefore he proposes to put paper on the free list. I do not know whether he intends that as a general rule or whether there is something about this particular industry that takes it out of the general rule.

Mr. BROWN. It is the contention of the Senator from Rhode Island, and he has taught us that lesson here on no less than thirty occasions at this extraordinary session, that the protective tariff is put upon an article to protect us because our labor is paid more for making it here than is paid abroad by our competitor.

Mr. ALDRICH. But, Mr. President, if some man assumes or it is proved that in some particular occasion or some particular day the labor cost is less in the United States than it is in some other country or some other part of the world, I know of no protectionist who wants to put the articles on the free list. That is no part of my theory.

Mr. BROWN. I have considered both the labor cost and the wood cost and all the cost that goes into the product of a ton of paper, not for one day or on one occasion, but for the last two years.

Mr. ALDRICH. Does the Senator assume that printing paper can be made and sold at a less cost in the United States than in Canada?

Mr. BROWN. Yes, sir; we can undersell the world because we can make it cheaper than any competitor on the face of the globe.

Mr. ALDRICH. The House put a duty of $2 per ton on this paper. The American Publishers' Association, who represent the newspapers of the United States, have asked us to retain that duty.

Mr. BROWN. Will you retain it? I will withdraw my amendment now if you will retain the House rate.

Mr. ALDRICH. My examination of this question for a number of weeks past has shown me conclusively that the facts are not as stated by the Senator from Nebraska. I disagree with him entirely as to the facts all along the line, as to labor, as to cost of material, and every other item.

Mr. BROWN. I call the Senator's attention to the fact that I have given him the pages where the testimony will be found, and I have named my witnesses.

Mr. ALDRICH. These statements of witnesses have been submitted to the committee with a great variety of testimony of a number of other witnesses, and the conclusions of the committee are entirely opposite from those of the Senator from Nebraska.

Mr. BAILEY. I should like to ask the Senator——

The VICE-PRESIDENT. Does the Senator from Nebraska yield to the Senator from Texas?

Mr. BROWN. I do.

Mr. BAILEY. I should like to ask the Senator from Nebraska if it is his opinion that it will reduce the price of this paper to put it on the free list?

Mr. BROWN. That is my judgment.

Mr. BAILEY. Then, Mr. President, it is true that the tariff does increase the domestic price in our country.

Mr. BROWN. I do not care to get into that discussion as a general proposition. I say that the condition of this industry is such that, according to the testimony of one of the officers of the International Company itself, in his judgment it would reduce the price of paper.

Mr. BAILEY. Then, Mr. President, if the Senator will permit me, I should like for him to draw an amendment which will give free paper to those newspaper men who know enough to know that that will reduce the price, and leave protection on those newspaper men who teach that tariff duties do not increase the domestic prices.

Mr. BROWN. I will leave it to the Senator from Texas to draw his own amendment.

Mr. BACON. Will the Senator vote for it?

Mr. BROWN. I will decide that when the amendment is offered. I am not in a humor to have much opposition from that side of the aisle to my proposition.

Mr. BACON. I do not want the Senator to understand that my question indicates that. It was only intended as a pleasantry.

Mr. BROWN. I believe I ought to have a solid backing over on that side of the aisle on this amendment.

Mr. ALDRICH. I have heard it repeatedly stated within a few days from the other side of the Chamber that a revenue duty of 10 per cent was certainly justifiable under any circumstances; and this is—if it has no other virtue—a revenue duty of 10 per cent.

Mr. BROWN. Yes; and how much revenue do you get under the 10 per cent duty?

Mr. ALDRICH. We get a very great deal of revenue.

Mr. BROWN. On news print paper?

Mr. HALE. We get $4,000,000.

Mr. BROWN. That does not come from news print paper.

Mr. HALE. In this whole schedule.

Mr. BROWN. I am talking about news print paper; I am not talking about other papers.

Mr. HALE. We get from four to five million dollars on the paper schedule.

Mr. BROWN. We are selling print paper in England to-day. Why? Because we can make it cheaper than it can be made in England. Doubtless we do not sell it to any great extent; but we sell it. Last year we exported a small amount. We exported news print paper to Africa. We exported even to Canada. I have the report of the exportations here, if there is any dispute about it.

Mr. ALDRICH. We imported 17,000,000 pounds.

Mr. BROWN. What is 17,000,000 pounds compared with 1,200,000 tons? Nothing. It comes over, when it does come, from Canada, because the price here has been boosted so high that the Canadian can pay $6 and get over the wall, and then compete with us after paying his laborers more than we pay ours.

Mr. BAILEY. Would the Senator state whether the price has been boosted this high by the tariff?

Mr. BROWN. By the combination.

Mr. BAILEY. And aided by the tariff.

Mr. BROWN. No.

Mr. BAILEY. Then why does the Senator want to reduce the tariff?

Mr. BROWN. You fellows say the tariff helps the combination; I am not certain about it. I know it does the public no good service on this article, therefore I want to take the tariff off.

Mr. BAILEY. I should like to ask the Senator if he knows exactly the point in Africa to which this paper was exported last year. [Laughter.]

Mr. BROWN. In addition to the cost of labor and the cost of the raw material, there are other advantages which exist in favor of the American mills. Let me enumerate some of them. One of the officers of the International Paper Company, which alone controls—owns fifteen paper mills, testified that the American mills have an advantage in freight rates to market on the finished product, as compared with the Canadian mills, equal to 75 cents per ton.

That testimony can be found on page 6316 of the hearings. It is admitted by that great company itself that it has an advantage on account of the freight rates alone of 75 cents a ton. That takes 75 cents of the duty off, does it not? I want to even up matters for our mills on as high a level as the mills of our competitors.

Here are those advantages: Not only have we the advantage of freight rates, but in the price of coal alone the Canadian mills have to pay from $1 to $1.50 more for a ton of coal.

Mr. ALDRICH. Mr. President——

The VICE-PRESIDENT. Does the Senator from Nebraska yield to the Senator from Rhode Island?

Mr. BROWN. I do.

Mr. ALDRICH. I think the Senator from Nebraska had better have a conference with the Senator from West Virginia [Mr. ELKINS] on that subject.. We are asked to put a high rate of duty on coal on the theory that Canadian coal would come in here and ruin our coal industry. I do not see that it costs them a dollar more for coal than coal costs in the United States. How would that proposition work?

Mr. GALLINGER. Mr. President, if the Senator will permit me, we know from experience, when we had coal on the free list a few years ago, that a million tons of it went into the port of Boston from Canada in competition with our American coal.

Mr. BROWN. Does the Senator from New Hampshire mean to say that coal costs the paper miller more in the United States than it does in Canada?

Mr. GALLINGER. Undoubtedly coal is cheaper in Nova Scotia.

Mr. BROWN. In Nova Scotia; but that is not the Province of Quebec, where these mills are.

Mr. GALLINGER. But the Province of Quebec is in Canada.

Mr. BROWN. Certainly; but Nova Scotia is a long way from the location of these mills.

Mr. ALDRICH. It is nearer to Quebec than it is to New England.

Mr. BROWN. How do they get it?

Mr. ALDRICH. Both by water transportation and by railway transportation. The Senator has not been there, apparently.

Mr. BROWN. No; and I am derided again because I have not been somewhere.

Mr. GALLINGER. You ought to go there.

Mr. BROWN. I should like to go there. But when I find on the record here testimony that coal costs the people up there more than it does us, and it is not disputed, I am inclined to take their word for it.

Mr. GALLINGER. Why did we put coal on the free list when we were in distress?

Mr. BROWN. I do not want to get into a row with my friend from West Virginia [Mr. ELKINS]. He is a "near-insurgent" now, and I do not want to offend him——

Mr. GALLINGER. The Senator from Nebraska is an "insurgent" without the "near."

Mr. BROWN. After he has been with us long enough we will take him into full membership.

Here is another advantage that we have over Canada. What are the articles that are used in the manufacture of print paper? There is machinery, there is structural steel, and penstock plates, there are belts, there is alum, there is wire, there are screen plates, there are felts, and there are pulp stones; nine articles. Where does Canada get those articles which are just as essential to the making of print paper as is wood? She imports them from the United States.

Mr. ALDRICH. Mr. President, the Senator is equally astray on that proposition. Steel is produced in Canada in very large quantities and at less cost than it can be produced in the United States.

Mr. BROWN. Of course there is not much steel used. I do not suppose that amounts to very much; practically it may be a negligible quantity, but it is something. But does Canada produce her belting?

Mr. ALDRICH. Undoubtedly.

Mr. BROWN. And her alum, her wire, her screen plates, her felts, and her pulp stones?

Mr. ALDRICH. Undoubtedly.

Mr. HALE. She produces every one of them.

Mr. BROWN. Is it not funny, Mr. President, that we should get that kind of information here, when the Canadian manufacturers themselves testified that they could not get their machinery there, and that they had to come to America for it? The truth of the matter is, that the Canadian manufacturers did not know what they were talking about. They had not heard from the Senators from Rhode Island and Maine when they testified.

Mr. ALDRICH. Mr. President, when did the Canadian manufacturers so testify? That will not do.

Mr. BROWN. I will give the Senator the page from the record.

Mr. ALDRICH. I shall be very glad to have it.

Mr. HALE. But does not the Senator from Nebraska know——

Mr. BROWN. Not much according to the Senator. [Laughter.]

Mr. HALE. My form of inquiry is based on the supposition that the Senator does not know too much. But does not the Senator know that the development of Canada in the last ten or fifteen years, since the amplification of their great railway lines throughout the Dominion, has been very great, and that Canada is becoming a hive of industry and with a high protective tariff upon everything is producing the very articles to which the Senator has referred, particularly steel. She is not the Canada of a few years ago. She is not dependent upon us. She is becoming not only a great granary, but a most formidable competitor, a great manufacturing community, and a great commercial community. She is a different country; Canada is not what she was twenty years ago. The physical advantages, instead of being with us, are all with Canada. She has immense forests untouched by the hand of man, lying at near approach, and never visited by the ax; she has waterways and water power, and she has almost unlimited agricultural resources, capable of marvelous development in the future. So, I repeat, the physical advantages in this industry are all with Canada, and not with us. This industry is contending against these mighty forces which nature has arrayed for Canada and against us. This industry is fighting against all of these; and the Senator is fundamentally and profoundly wrong when he says that the advantages are with us.

Mr. BROWN. If it be true that they have to import the manufactured articles, they will have to pay freight from this country or from any other country to get them there. Is not that true?

Mr. HALE. If they do import them, undoubtedly.

Mr. BROWN. Certainly, they have to pay freight, and not only that, but they have the Canadian duty to pay on them. Nearly all their duties run from 15 to 62 per cent. They begin

on a level with our low duties, and run up to 62½ per cent. Mr. Campbell in his testimony said that these articles were purchased in this country.

Mr. HALE. Some of them.

Mr. BROWN. He said all of them.

Mr. HALE. He is wrong.

Mr. BROWN. And he discussed the advantages in favor of the American mills.

Mr. GALLINGER. Mr. President——

The VICE-PRESIDENT. Does the Senator from Nebraska yield to the Senator from New Hampshire?

Mr. BROWN. Certainly.

Mr. GALLINGER. I will ask the Senator if Mr. Campbell, whoever he may be, gave an estimate as to how much it would increase the cost of a ton of paper even if all the articles to which the Senator has referred were imported?

Mr. BROWN. There was an estimate made. It runs to at least $2.

Mr. GALLINGER. In what?

Mr. BROWN. The advantage of the American mill in railroad freight of the finished product to the consumer, together with the coal freight to the mill, the coal duty in Canada, and the cheaper cost of labor in the United States is stated at a total of $2.71, and, in addition to that, for cost of sulphur, cost of lime, cost of wires, cost of felts, cost of oils, cost of alum, cost of repair materials, cost of renewing materials, cost of belting, cost of pulp stones, cost of clay, cost of size, cost of color, cost of screen plates, and cost of finishing materials, the advantage in favor of the American mill is estimated at $2 per ton of paper.

Mr. HALE. For all of those?

Mr. BROWN. All of those.

Mr. ALDRICH. How does the Senator explain the fact that the Mann committee that he is talking so much about decided to give the United States a duty of $2 per ton to offset the advantage the other way.

Mr. BROWN. Because they were persuaded——

Mr. ALDRICH. They must have made a mistake as to the side of the ledger on which these amounts were posted.

Mr. BROWN. They were persuaded, just as I am afraid the Senate will be persuaded by the appeals of men whom we all respect and love, that their home industries will be stricken down if we do not give them the duty proposed, when, as a matter of fact, the testimony does not justify us in voting that duty. That is the trouble.

Mr. CLAY. Will the Senator permit me to interrupt him?

The VICE-PRESIDENT. Does the Senator from Nebraska yield to the Senator from Georgia?

Mr. BROWN. Certainly.

Mr. CLAY. If I recollect correctly, in the last Congress a committee was appointed by the House of Representatives to thoroughly investigate this subject, and that committee was engaged in that work for about nine months. That committee unanimously reported to the House that the duty ought to be reduced from $6 to $2 per ton, and the House in framing the bill made that change, placing the duty at $2 per ton. I have read that report most carefully, and my recollection is that it was unanimous, every Republican and Democrat on the committee insisting that the duty ought to be reduced from $6 to $2 per ton. The Senator has moved, as I recollect, to put print paper on the free list. I understand him, however, to be willing to accept $2 per ton as passed by the House. My recollection is that that committee said distinctly that labor in the United States did not cost quite as much as it did in Canada.

Mr. GALLINGER. Oh, no.

Mr. CLAY. I think they did. I do not think I am mistaken.

Mr. BROWN. That is their statement.

Mr. CLAY. I have a synopsis of that report here. My recollection in regard to the scarcity of timber is that the committee stated that the International Paper Company owned enough lands now to supply that company for more than two hundred years.

Mr. OWEN. Mr. President, will the Senator allow me a moment?

Mr. CLAY. Yes.

Mr. OWEN. I would suggest that that one company has, according to the Manual of Statistics, 3,000,000 acres in Canada under their control and 1,000,000 acres of fee land which they have available for this purpose.

Mr. CLAY. With the Senator's permission, my recollection is that all this trouble in regard to paper came from the fact that the International Paper Company closed down more than half of its plants, brought about a scarcity of paper, and increased its price, and that that was the reason this investigation was made. With the permission of the Senate, I will read:

> Paper makers control 5,000,000 acres of spruce land in the United States and 10,000,000 in Canada, a total of 23,437 square miles.
>
> The International Paper Company has acquired 6,269 square miles of woodlands—1,426 in the United States and 4,843 in Canada (page 1029 of Paper Investigation). It figures that it has gained $10,000,000 by their appreciation in values. Applying Forester Pinchot's formula (page 1370 of Paper Investigation) for paper-cutting needs, the International Paper Company has acquired two and one-half times as much woodland as is necessary for a perpetual supply of wood to insure its present output of paper. Instead of cutting all that it needs from that land, it buys three-fourths of its wood supply from outsiders (page 1055 of Paper Investigation), thereby artificially inflating wood prices and promoting its gigantic speculation in timber tracts. It pays a high price to outsiders, while refusing to cut from its own cheap lands—lands that are inventoried at $1.70 per acre.

Mr. FRYE. By whom is that signed?

Mr. CLAY. It is signed by the chairman representing the American Newspaper Publishers Association, John Norris, who I understand to be a very honorable and upright man. It is true that he is representing the interests of the newspapers, but if we have reached the point in the Senate in the framing of this bill where we do not expect to consider the testimony of those who are interested, we have certainly changed front during the last two or three months.

Mr. BROWN. Recurring to the advantages which I undertook to detail which the American mill has over the Canadian mill, and in reply to the Senator from Rhode Island [Mr. ALDRICH], I want to call the Senator's attention to the fact that the manager of a Canadian paper mill company located in the Province of Quebec filed an affidavit with the Committee on Finance in which he states the advantages I have undertaken to enumerate. The original affidavit, I am informed, was delivered to the Senate. This affidavit was made by F. J. Campbell, who was the general manager, I understand, of the Windsor Mills at Quebec. In speaking of Mr. Mann's committee that went to Canada to find out what the cost of labor was in Canada, he states:

> Mr. Mann's committee obtained our labor cost, but I do not think he got our actual cost of production, and while I do not like exposing details too greatly, I nevertheless advise you that our actual cost of producing news throughout the year 1908 was $33.80 per ton at the mill. Of this I figure the labor cost from the rough wood was $8.62 per ton.

I do not care so much about that, but here is a list he gave of the advantages the American mill has:

> We buy our coal both here and in the United States, its cost running from $4.50 to over $5 per ton.
>
> In comparing cost of supplies, I might say that our lime costs us $5.60 per ton, but I do not know the price of this in the United States.
>
> For our fast news machines we import felts, making them cost us 35 per cent more than they cost manufacturers in the United States.
>
> Our wires cost us nearly 25 per cent more.
>
> Our screen plates nearly 30 per cent more.
>
> Our belting and repair materials 27½ per cent more; this being a very serious matter in the case of rubber-covered rolls, the work on them being largely done in Boston.
>
> Our stones cost us 15 per cent more, and, as you know, our capital outlay is about 25 per cent more than in the United States, nearly all our paper-making machinery being of United States manufacture.

Senators, those are natural advantages; those are advantages that protect our mills and protect our people. The freight advantage alone, which I have not mentioned at all, is almost as much as the duty proposed by the House of $2 per ton.

Mr. ALDRICH. Mr. President——

The VICE-PRESIDENT. Does the Senator from Nebraska yield to the Senator from Rhode Island?

Mr. BROWN. Certainly.

Mr. ALDRICH. To illustrate one of the peculiarities of this discussion and contention, we have two different affidavits in relation to the cost of making paper in the Canadian paper mills, and they vary about $6 a ton.

Mr. BROWN. The cost is different in different mills.

Mr. ALDRICH. No; in this same mill.

Mr. BROWN. You will find no difference. Does the Senator mean that he has testimony that disputes this statement I have just read? Have you not the testimony of Mr. Campbell?

Mr. ALDRICH. I think so.

Mr. BROWN. Have you not also the testimony of Mr. Pottle?

Mr. ALDRICH. We have a great deal of testimony on this subject, which we are——

Mr. BROWN. Does the Senator decline to tell me whether he has Mr. Pottle's testimony?

Mr. ALDRICH. I am not sure about the gentleman's name in this case.

Mr. BROWN. I think the Senator has some affidavits.

Mr. ALDRICH. We certainly have two affidavits from this same company, or from the same mill, showing a difference in cost of production of $6 a ton in the same year.

Mr. BROWN. It becomes very material who the witness is who makes the affidavit.

Mr. ALDRICH. I think very likely, as it seems to me in this case, it is very material who furnished the affidavit.

Mr. BROWN. The Senator has been furnished with both of them. Now, what is the fact about it? We have the information first, of the House committee that went there; of the experts that it sent there, and of our American consul, who lives there and reports.

In addition to that we have the testimony which I have read of a general manager of a mill. Summon in to testify anyone you please and show me that the witness has sources of information better than the man who owns the mill.

Mr. OWEN. Will the Senator from Nebraska permit me for a moment?

Mr. BROWN. Certainly.

Mr. OWEN. I should like to inquire whether this testimony under oath on one side and the other side continually contradicting itself through these schedules has ever been brought to book by the Finance Committee holding to account for perjury somebody who contradicts somebody else on a vital fact.

Mr. HALE. The Senator is a student and he investigates subjects carefully. But if he had had more experience in taking testimony as to labor and the cost of labor and the different kinds of labor in other countries, he would have learned what every committee that has investigated has learned—that all these statements are various. They proceed on different bases as to different kinds of labor, and no committee will ever investigate or attempt to investigate the cost of labor in a foreign country, whether it be Canada or Germany or England or France or any other country, that it will not find itself beset by the plainest contradictions at every step of the investigation. That has always been so and always will be so; and therefore, when general conditions are established and when we know what is the demonstration of the difference between the pay of labor abroad and here; the conditions of labor; that our labor lives better, is housed better, has better accommodations, and has better life, showing that its wages are higher—that fundamental fact is better than all the investigations.

The Senator himself may start a committee as to the cost of labor in Germany—and he has taken an interest in that—and he will find himself beset by these contradictions at every turn of the way. It is really a useless task for anybody to undertake.

Mr. OWEN. Mr. President, while of course human beings with inaccurate powers of observation, with minds which draw inaccurate conclusions from given observations, will arrive at varying results, and therefore testimony may be innocently offered which is at variance with other testimony, both of the witnesses intending to speak the truth, that does not at all reach the suggestion which I made—whether or not any witnesses have been held to book for a deliberate false statement made to these committees. If there has been, I should like to know it.

Mr. ALDRICH. In this particular case we have no jurisdiction, I suppose, over Canadian general managers.

Mr. OWEN. That is not an answer to my question.

Mr. ALDRICH. It is sufficient for my purpose. I want to ask the Senator from Nebraska a question.

Mr. OWEN. I understand, then, that there is no answer.

Mr. ALDRICH. The Senator can understand it that way; yes.

I should like to ask the Senator from Nebraska a question. Has he in his possession a statement of the Belgo-Canadian Company as to the cost of making paper at their mills?

Mr. BROWN. I think I have.

Mr. ALDRICH. That was the only statement submitted by these contending factions to the Committee on Finance that was agreed upon by both parties. It was for June, 1908, I think.

Mr. BROWN. I am not certain without going through my papers whether I have that one or not. I have three or four mills in that country. But I want——

Mr. ALDRICH. There was one statement of the Belgo-Canadian Company showing to the minutest detail the cost of producing paper in their mills, and that statement was furnished both by the newspaper people and by the paper people, and that shows the cost in Canada to be $27.57 a ton.

Mr. BROWN. I want to call the Senator's attention——

Mr. ALDRICH. That is based upon a cost of wood of $5 a cord. That statement is undisputed. I think it is the only statement made by either party that has not been discredited by the other.

Mr. BROWN. Who are the people who agreed on this statement?

Mr. ALDRICH. Mr. Norris presented it to us for the American Publishers' Association and Mr. Chisholm presented it to us as representing the paper manufacturers of the United States.

Mr. BROWN. Is Mr. Chisholm an officer of the association? I am trying to locate him.

Mr. ALDRICH. Mr. Chisholm is an ex-president of the International Paper Company, and I presume the Senator from Nebraska will have no difficulty in locating him any more than I would have in locating Mr. Norris.

Mr. BROWN. I know Mr. Norris, and he has done a great work in letting in the light on these questions that have been mooted and disputed the last two years. He has come before this committee and the other committee indorsed by all the great newspapers of this country.

Mr. ALDRICH. I am not in any way mentioning Mr. Norris with a view of deprecating his position or disparaging his character or anything else. I simply say I presume the Senator from Nebraska knows both of these gentlemen and knows who they are.

Mr. BROWN. I knew Mr. Norris, but I did not know the latter gentleman. But here is the difficulty that the committee finds itself in now. This report is made, based, I suppose, upon this undisputed and consented stipulation.

Mr. ALDRICH. In part.

Mr. BROWN. Where are we? We have the testimony that covers 3,500 pages taken by the sworn officers of this Government, Members of Congress. We have it laid aside. We have all the other testimony that comes from our other sources, official sources also, laid aside.

Mr. ALDRICH. Mr. President——

Mr. BROWN. And at the eleventh hour, just before the roll call, we are informed that two men have agreed as to what the cost was in one mill in Canada, and that fixes the cost of wood, and therefore we will write their agreement into the tariff law. The duty shall be based on that agreement.

Mr. ALDRICH. Mr. President——

Mr. BROWN. I want something else than the agreement of two men on the cost of print paper in one mill to determine the cost of producing print paper in Canada.

Mr. ALDRICH. Before the House committee the only testimony of any kind taken, showing the cost of the production of paper in the Dominion of Canada, was in one instance. There was no other attempt made to show the cost of producing print paper in Canada, and in that particular instance the testimony of that particular concern has been absolutely discredited.

Mr. BROWN. But the committee itself was there.

Mr. ALDRICH. The committee themselves did not undertake to make any statement about the cost of production except one based upon this one mill in Canada, and the statement has been shown over and over again not to be accurate. There was no other testimony.

When the Finance Committee took up this matter I said to Mr. Norris, and I said to the representatives of the paper manufacturers of the United States, "so far as my action is concerned—and I think that is the position of the Committee on Finance—we must know what is the relative cost of producing print paper in Canada and the United States. We desire you to furnish us with testimony, not hearsay, not anything that the Mann committee has done, but new, original testimony showing the actual cost of production in the two countries." They have produced not one single particle of testimony, except this Belgo-Canada statement, that was not promptly disputed by the other side, and there has been no testimony submitted to the Committee on Finance, and there was none before the Mann committee that shows the relative cost of production, which both parties agree is correct, except this one statement of the Belgo-Canadian Company.

Mr. BROWN. Does the Senator inform the Senate that having gone through the Mann testimony on the basis of a personal examination of those volumes, he undertakes to say there is no testimony there about the cost of production?

Mr. ALDRICH. In Canada? I undertake to say exactly that. I have not read the three or four thousand pages of testimony, and I assume that the Senator from Nebraska has not.

Mr. BROWN. I may have missed a few pages, but I read hundreds of pages upon this subject.

Mr. ALDRICH. Not from any reliable source or from any source that pretended to be reliable.

Mr. BROWN. Why not reliable? The men who run the mills?

Mr. ALDRICH. Oh, no.

Mr. BROWN. The men who own them?

Mr. ALDRICH. No. They are not there at all.

Mr. HALE. The Senator from Rhode Island has gone over this testimony, so called, of the House committee. This is a matter of very serious import to my constituents, and I will not say as Macaulay said, that to know your English you must give your days and nights to Addison, but I have given a good many days to rummaging the testimony of the Mann committee, and the Senator from Rhode Island is precisely and exactly right. There is no instance, aside from that of the one mill, where the committee took testimony or showed anything they saw, beyond that one mill——

Mr. BROWN. That is the Booth mill?

Mr. ALDRICH. The Booth mill.

Mr. HALE. The Booth mill. If the Senator will read the report, he will be surprised and mortified, claiming as he does here that this whole thing was investigated, at the incomplete and the superficial nature of the examination made by that committee.

Mr. BROWN. It ought not to have taken the House committee ten months to make a superficial investigation and an inaccurate report. He is now contented that our finance committee should base its report upon an agreement between two men as to the cost in one mill. The agreement is not sworn to, even.

Mr. HALE. I do not know how you can get at what apparently is the presentation of two sides better than to take an admittedly competent and able man, representing the one side, and an equally admittedly competent and able man—and honest man—on the other side, where they agree upon certain figures.

Mr. ALDRICH. The Senator from Nebraska evidently does not understand my statement. I stated that at the beginning of this controversy I said to Mr. Norris, who represented the American Publishers' Association, who is their accredited representative—and the Senator from Nebraska knows that as well as I do; he is here appearing for the American Publishers' Association, and has been here all the time—I said to Mr. Norris: "This committee, so far as I am concerned, intend to base their action upon the relative cost of producing print paper in Canada and the United States, and I do not care to hear from you theories as to whether this thing or that thing is proper. I want you to furnish the committee the actual testimony as to the cost of producing paper in Canada and in the United States." I said the same thing to the representatives of the paper men, to Mr. Chisholm and the other gentlemen who appeared before us representing the American paper mills. I asked them to submit not theories, not talk, but actual facts as to the cost of producing paper in the United States and Canada. They came to us finally with affidavits stating what their view was—affidavits of the Canadian companies, of the Belgo-Canadian Company, and different affidavits of other people, as to the cost of producing paper in Canada.

Mr. BROWN. Did the affidavits agree?

Mr. ALDRICH. They did not agree, except in the one case.

Mr. BROWN. That is the case you pick out to fix the tariff on.

Mr. ALDRICH. We picked that out because both parties agreed that this was a credible witness. They furnished it. We did not pick it out. Both parties agreed that this witness was a credible witness, and the statement was furnished in minute detail showing the actual cost at every step.

The Senator says we based our report upon that. We did not base our report upon that. But what I am saying to the Senator is that that is the only item of uncontradicted evidence presented to the committee as to the cost of producing paper in Canada.

Mr. BROWN. I understood the Senator to say—and I still think he did—that when he found that these two forces had agreed upon the cost price in Canada the committee acted.

Mr. ALDRICH. I did not say that; it was very strong evidence to my mind, however, as to the facts.

Mr. BROWN. As to that mill; but does the Senator from Rhode Island undertake to tell the country that he will determine the cost of making a ton of paper in Canada by finding out what it is at one mill?

Mr. ALDRICH. Oh, no.

Mr. BROWN. Certainly not. Then, why emphasize this agreement that you talk about?

Mr. ALDRICH. There is no agreement about it. These gentlemen presented these affidavits. Among the affidavits presented was one as to the cost in one mill in one given month, and it was the only piece of uncontradicted testimony which appeared as to the cost of paper.

I will say to the Senator from Nebraska that we had very many other reasons for fixing the rate as we did, and when we come to occupy the floor ourselves, when we do not have to infringe upon the time of the Senator from Nebraska, we will show him, I think, that we did make an investigation which was much deeper than he thinks.

Mr. BROWN. I am a little suspicious of such investigations since the Senator has spoken so reliantly of the fact that he had found out to a dead certainty what was the cost of making a ton of paper in Canada, because one mill had said what it would cost. The mills in New England and other States vary from $3 to $6 in the cost of making a ton of paper. It is not uniform anywhere. If there is plenty of water and it runs the year round and the orders are for a kind of paper which fits the machine, it costs less. You can not figure the cost of this commodity at all by taking the cost of one mill or two mills or three mills. You have to take the average of all of them. That gives the condition in each country. The average of all mills in Canada shows the cost to be in excess of what it costs here. That is the truth.

Mr. ALDRICH. Mr. President——

The VICE-PRESIDENT. Does the Senator from Nebraska yield to the Senator from Rhode Island?

Mr. BROWN. Certainly.

Mr. ALDRICH. There was no testimony in the Mann report except as to one mill. There has been no testimony submitted to the Committee on Finance as to six mills—no testimony of any kind, whether it is reliable or unreliable.

Mr. BROWN. The House Committee went there and investigated all the mills, presumably. They say they did. They say, "We went to Canada and visited the forests and mills." Why does the Senator from Rhode Island impeach this committee; tell me?

Mr. ALDRICH. I am not impeaching the committee. I state what is a fact, that the committee presented a report as to only one mill, and they did not themselves state what the cost of production was in any other mill in Canada.

Mr. BROWN. The committee reported in detail the cost of but one mill, as coming from the mill owners themselves. That is true. The Booth mill manager said, "Here are our books." He opened them up. He showed them the cost of production; every detail of everything. The International people on this side reported their mills differently; showed their books in some cases; in some they did not. But the committee say, "We investigated into the labor conditions in the mills," not in one mill alone, but only one mill was given in detail in the report to the House. That was all. It was a sample Canadian mill.

Mr. ALDRICH. The Mann committee made no statement as to the cost of any other mill. As to the cost in this country, the International Paper Company have submitted to the Committee on Finance their books as to the cost in every one of them, by items and in detail.

Mr. BROWN. I am very glad to hear that.

Mr. ALDRICH. They have.

Mr. BROWN. I am very glad to hear it. The Senator no doubt has observed, if he has examined their statements, that the cost varies in different mills.

Mr. ALDRICH. Undoubtedly, and in different seasons.

Mr. BROWN. And in different seasons?

Mr. ALDRICH. It does in every kind of manufacturing dependent as this upon seasons and high and low water. That is a self-evident proposition.

Mr. GORE. Mr. President——

The VICE-PRESIDENT. Does the Senator from Nebraska yield to the Senator from Oklahoma?

Mr. BROWN. Certainly.

Mr. GORE. The Senator from Rhode Island states that there were a number of estimates as to the cost of producing wood pulp in Canada, and that there is only one upon which an agreement was reached. What was the lowest estimate of all of those submitted, if the Senator remembers?

Mr. ALDRICH. When I address the Senate upon this subject, or when the Senator from Utah does, we will put in all these figures.

Mr. GORE. If the Senator from Utah is going to address the Senate, I will bide with pleasure the time.

Mr. ALDRICH. Our friends upon the other side of the Chamber desire, I think, to have a conference this afternoon at about this hour, and I therefore move that the Senate adjourn.

The motion was agreed to; and (at 3 o'clock and 53 minutes p. m.) the Senate adjourned until to-morrow, Friday, June 18, 1909, at 10 o'clock a. m.

HOUSE OF REPRESENTATIVES.

THURSDAY, *June 17, 1909.*

The House met at 12 o'clock noon.

Prayer by the Chaplain, Rev. Henry N. Couden, D. D.

The Journal of the proceedings of Monday, June 14, was read and approved.

MESSAGE FROM THE SENATE.

A message from the Senate, by Mr. Crockett, one of its clerks, announced that the Senate had passed bill of the following title, in which the concurrence of the House of Representatives was requested:

S. 2493. An act to make Scranton, in the State of Mississippi, a subport of entry, and for other purposes.

SENATE BILL REFERRED.

Under clause 2, Rule XXIV, Senate bill of the following title was taken from the Speaker's table and referred to its appropriate committee, as indicated below:

S. 2493. An act to make Scranton, in the State of Mississippi, a subport of entry, and for other purposes—to the Committee on Ways and Means.

MESSAGE FROM THE PRESIDENT OF THE UNITED STATES.

A message, in writing, from the President of the United States was communicated to the House of Representatives by Mr. Latta, one of his secretaries.

CORPORATION TAX.

The SPEAKER laid before the House a message from the President of the United States (S. Doc. No. 98), which was read and referred to the Committee on Ways and Means and ordered to be printed.

[For message see Senate proceedings of June 16, 1909.]

BOLL WEEVIL.

Mr. HOBSON. Mr. Speaker, I ask unanimous consent for leave to print in the RECORD information on combating the boll weevil prepared by the Department of Agriculture.

The SPEAKER. The gentleman from Alabama asks unanimous consent to print in the RECORD certain information touching the boll weevil. Is there objection? [After a pause.] The Chair hears none.

WAGES AND MANUFACTURES IN FOREIGN COUNTRIES.

Mr. HULL of Tennessee. Mr. Speaker, I ask unanimous consent for the presenf consideration of the following privileged resolution which I send to the Clerk's desk.

The SPEAKER. What is the gentleman's request?

Mr. HULL of Tennessee. The request is for the present consideration of the privileged resolution which I send to the Clerk's desk, and to that end I move that the Committee on Ways and Means be discharged from the further consideration of the resolution in order that it may be considered at this time.

The SPEAKER. The resolution has been referred to a committee?

Mr. HULL of Tennessee. Yes; more than seven days ago.

The SPEAKER. To what committee?

Mr. HULL of Tennessee. To the Committee on Ways and Means.

The SPEAKER. On account of the lapse of six days without report, the gentleman from Tennessee moves to discharge the Committee on Ways and Means from the further consideration of the resolution, which the Clerk will report.

The Clerk read as follows:

House resolution 72.

Resolved, That the President of the United States, if not incompatible with the public interest, be, and he is hereby, requested to transmit to the House of Representatives, copies of all correspondence and papers received by the Department of State through diplomatic channels from any foreign government, except Germany, upon request or suggestion of any Member of Congress, or department, or other official of the United States Government, pertaining to wages or manufactures in the countries from which such information has been received.

Mr. PAYNE. I do not suppose the motion is debatable.

The SPEAKER. The motion to discharge is not debatable under the rules.

Mr. PAYNE. The motion to discharge the committee from the present consideration of the resolution?

The SPEAKER. The Chair understands that that is the meaning of the gentleman's motion. The gentleman moves to discharge the committee from further consideration of this resolution, which was introduced on June 7 and referred to the Committee on Ways and Means. Of course, if the committee should be discharged, then it would be for the House to dispose of the resolution as might seem proper. The question is on the motion——

Mr. HAY. Mr. Speaker, a point of order. The committee does not have to be discharged. The rule itself discharges the committee from the consideration.

The SPEAKER. The Chair does not understand that to be the case.

Mr. HAY. I understand it is a resolution of inquiry?

The SPEAKER. Yes.

Mr. HAY. A privileged resolution?

The SPEAKER. It is a resolution of inquiry referred under the rules to the Committee on Ways and Means. Now, it takes a vote to discharge the committee from the consideration of that resolution.

The question is on the motion to discharge the committee.

The question was taken, and the motion was agreed to.

Mr. HULL of Tennessee. Mr. Speaker, I desire to offer the following amendment:

In line 6, after the word "government," amend by inserting the words "or from our diplomatic or consular officials."

Also amend by inserting, at the end of the resolution, the following:

Together with all correspondence relating thereto.

I move the adoption of those amendments.

The SPEAKER. The Clerk will report the amendments.

The Clerk read as follows:

On line 6, after the word "government," insert "or from our diplomatic or consular officials."

At the end of the resolution add:

Together with all correspondence relating thereto.

Mr. PAYNE. Mr. Speaker, when this resolution was introduced and sent to the Committee on Ways and Means——

The SPEAKER. Does the gentleman from Tennessee [Mr. HULL] yield to the gentleman from New York [Mr. PAYNE]?

Mr. HULL of Tennessee. I do.

Mr. PAYNE (continuing). I sent it with a letter asking information from the Secretary of State in regard to it, and yesterday I received this letter, which I will send to the Clerk's desk and ask to have read as a part of my remarks.

The SPEAKER. The Clerk will read.

The Clerk read as follows:

DEPARTMENT OF STATE,
Washington, June 14, 1909.

The Hon. SERENO E. PAYNE,
Chairman Committee on Ways and Means,
House of Representatives.

SIR: I have the honor to acknowledge the receipt of your letter of the 8th instant inclosing copy of a House resolution which has been referred to the Committee on Ways and Means calling for information pertaining to wages or manufactures in foreign countries other than Germany and furnished by the respective governments upon request.

In reply, I have the honor to inform you that the department has no correspondence or papers which answer precisely to the description contained in the resolution. The department has not failed to transmit to the Committee on Ways and Means copies of all reports on industrial conditions received in answer to the general circular issued to our consular officers under date of June 15, 1908, and also copies of such notes relative to tariff matters from the diplomatic representatives of foreign governments at this capital as have seemed to the department to pertain to the general subject under consideration. These documents, however, do not meet the requirements of the resolution.

I have the honor to be, sir,
Your obedient servant,
HUNTINGTON WILSON.
Acting Secretary.

Mr. PAYNE. Now, Mr. Speaker, I want to say that a year ago, in June, under the direction of the chairman and clerk of the committee, circular letters were prepared with a good deal of care and elaboration and sent to our diplomatic officers abroad, asking them to gather such information as they were able on this subject, and from time to time the consuls and other diplomatic agents have sent in these reports to the State Department. They were submitted as confidential reports. The information was given as confidential information, to be transmitted to the Government, and when the information came to the Ways and Means Committee it was submitted to them as confidential and at the same time——

Mr. HULL of Tennessee. Will the gentleman yield for a question?

Mr. PAYNE. When I finish this statement.

And at the same time the names of the manufacturers were carefully cut out of these letters of information—these answers to questions. Even where they were carefully cut out it was not difficult in some cases to trace the source. The committee have treated these matters as confidential. They have been used to confirm or disaffirm statements made by parties here as to wages, and so forth, abroad, and have been kept upon the confidential files because of the nature of the transmittal of this information to the committee. And I would dislike very much to see this published, not for any other reason than because it was transmitted to the committee as confidential information. I do not think the House ought to cause it to be published under those circumstances.

Mr. HULL of Tennessee. I desire to ask the gentleman if it is not true, according to the terms of the correspondence, that only the names of the manufacturers or organizations or individuals furnishing this information were to be kept confidential, and not the information itself; but that the information, on the contrary, was to be laid before Congress for its consideration and information?

Mr. PAYNE. That was not my understanding of it, or the understanding of the committee. It was to be confidential information. Even if you give information of manufacturers in a particular town, without giving the names, you give the means of identifying about as fully as though you gave the names. The committee would have considered the resolution, but they had no time after the information was received from the State Department to get together and consider it. That is the reason that they are in laches in not reporting one way or another upon the resolution itself. We asked the information as soon after the resolution was introduced as possible, and only received the letter yesterday.

Mr. HULL of Tennessee. I would like to inquire of the gentleman from New York what purpose the Committee on Ways and Means had in seeking this information, if they intended to keep it confidential from Members of the House of Representatives and Senate, whose rights and duties were equal to those of the members of the Ways and Means Committee in asking for that information and utilizing it?

Mr. PAYNE. The committee have never refused to allow any Member of the House to examine it, where application was made. There was no effort on the part of any Member of the Senate, so far as I know, to examine this information. Members can examine it, as the committee who received it, as confidential information.

Mr. HULL of Tennessee. Will the gentleman from New York inform me whether the minority members of the Committee on Ways and Means had the benefit of this information?

Mr. PAYNE. They had, if they asked for it; I do not know whether they asked for it or not.

Mr. HULL of Tennessee. Does the gentleman from New York know whether they knew of its existence?

Mr. PAYNE. I took particular pains, as far back as the fall of last year, to tell them what we had done and that these reports were coming in.

Mr. HULL of Tennessee. May I ask the gentleman from New York this further question?

Mr. PAYNE. I am just told by the clerk of the committee that some members of the minority did come and look over the files, as well as other Members of the House.

Mr. HULL of Tennessee. There is some allusion in the letter just read from the Acting Secretary of State as to the whereabouts of this information. There seems to be some doubt as to whether it is in the possession of the Ways and Means Committee or the State Department.

Mr. PAYNE. All the copies of these reports that have been sent to the Ways and Means Committee are now in our files, in the possession of the committee, and can be seen at any time, and any one of them can be called up at any time on a moment's notice. They are all there.

Mr. HULL of Tennessee. Mr. Speaker, the gentleman from New York correctly states that during last year the Ways and Means Committee requested the assistance of the State Department to secure, through our consular service, certain information relating to the cost of production, wages, other facts, and data that might be of benefit to the Members of this Congress in connection with the framing of the present tariff bill. I see from the correspondence, a portion of which has just been sent to the Senate, a statement that the consular officers were directed by the Secretary of State, in a circular letter prepared in part by the clerk of the Ways and Means Committee, officials of the State Department, and the Department of Commerce and Labor, among other things, to secure this information from producers directly or from authentic statistical reports of the localities and for the year 1907. Elaborating further, the circular letter instructs them as follows:

> You are instructed to obtain this information from the producing establishments in your district or from any other sources that may be available to you.

The letter of the Acting Secretary of State recites the fact that only the names of the manufacturers or organizations or persons furnishing this information to the officials of the consular service were to be kept secret and confidential, and there is no pretense in this entire correspondence that any secrecy should obtain with reference to this information which is sought save as to the identity of the parties furnishing it to the officials of our consular service.

Some days ago the Secretary of State transmitted to the Senate the information received through this medium from the German Government. This circular letter was sent by the State Department to our consular or diplomatic officials throughout the world, including Germany, and I understand from this correspondence that has been made public that our consular officials undertook to secure this information for Congress in all the countries except Germany. They made a like undertaking there, but were thwarted in their effort by the indisposition of boards of trade, manufacturers, and other business firms to disclose the cost of production, wages, prices, and other material facts sought. As a result of that failure, the Secretary of State instructed our ambassador to intercede with the German Government to exercise its good offices to procure this information, and through that means it was to be obtained by the Committee on Ways and Means and through the State Department.

This was done, and finally the information as to Germany has been laid before the Senate; but I reliably understand that the consular officials of almost every other country in the world, in response to this letter of instructions, have sent to the Department of State reports from their respective countries embracing the desired information.

But, Mr. Speaker, I offer these amendments just submitted in order to more clearly identify the character of the information and the nature of the documents or reports sought to be transmitted from the Department of State to the House of Representatives. When the resolution was framed, I was under the impression that the American Government, through diplomatic channels, had requested directly each of the foreign governments to secure and furnish the information, as had been done in the case of the German Government, but since reading the correspondence this morning, I find that this circular letter was sent only to the consular service, and that they have complied with its instructions and gathered, compiled, and collated the desired data and sent it to the Department of State.

I notice that this was sent in the case of Germany to the Finance Committee of the Senate and afterwards returned by that committee to the Department of State and in turn was transmitted to the Senate in response to a Senate resolution. I judge that, from the vague and indistinct character of the information that seems to exist relative to the whereabouts of these other documents and this information from other countries, that there is some question as to whether a portion or all of it is now in the possession of the Ways and Means Committee, or whether a portion or most of it yet remains in the possession of the State Department, or has been first sent to the Ways and Means Committee and afterwards returned to the Department of State, where it now is.

I therefore move, Mr. Speaker, the adoption of the two amendments offered, in order to recite that the information desired of the State Department is the reports of our consular officials, made in direct response to the circular letter sent by the Department of State at the instance of the Ways and Means Committee.

Mr. PAYNE. If the gentleman from Tennessee will yield for a moment——

Mr. HULL of Tennessee. Certainly.

Mr. PAYNE. I desire to say further that many of these reports received from the consular agents contained in them the statement that the information was given to the consular agents confidentially and that they transmitted them under that statement, and that is the reason the Ways and Means Committee have considered it in that way. I think we had better continue that consideration if we ever expect to show our faces before the world and ask for further information in the future. When we get confidential communications we had better keep them confidential. As to the last suggestion, that, perhaps, there are other reports in the State Department that have not been transmitted, it is idle to make such a suggestion, as these reports have been transmitted from time to time to the Committee on Ways and Means by the department as fast as they have been received.

I want at the proper time to move to lay this resolution on the table.

Mr. FITZGERALD. Mr. Speaker, the gentleman from Tennessee has the floor, and he is going to move the previous question.

Mr. PAYNE. Any Member has a right to move to lay the resolution on the table.

Mr. FITZGERALD. Not after the previous question has been moved, and I suggest to the gentleman from Tennessee to move the previous question.

Mr. HULL of Tennessee. I make that motion, Mr. Speaker, on the amendments and the resolution.

Mr. PAYNE. I never can keep the order of these privileged resolutions in my head, but I desire to make a motion at the proper time to lay this resolution and amendments on the table.

The SPEAKER. The gentleman from Tennessee has the floor.

Mr. HULL of Tennessee. I move the previous question, Mr. Speaker, on the amendments and the resolution.

The SPEAKER. The gentleman from New York has given notice to the House that he desires to make a motion to lay the resolution on the table.

Mr. FITZGERALD. I suggest that the Speaker has no right to inform the House or to intimate to the House that if they vote down——

The SPEAKER. The gentleman from New York will be in order. The gentleman from New York [Mr. PAYNE] has given notice that he desires to move to lay this resolution on the table, but the gentleman from Tennessee had the floor. The gentleman from New York could not take him from the floor within the hour to make that motion or for any other purpose except on a question of order.

Mr. FITZGERALD. I suggest to the Speaker, that the Speaker should not intimate to the House that by defeating the motion of the gentleman from Tennessee the motion of the gentleman from New York would then be in order.

The SPEAKER. The Chair is not attempting to do that, but the gentleman from New York [Mr. PAYNE] gave notice within time yielded to him——

Mr. FITZGERALD. But the gentleman did not give notice. He tried to take the gentleman from Tennessee [Mr. HULL] from the floor to make the motion.

Mr. PAYNE. Oh, Mr. Speaker, the gentleman from New York [Mr. FITZGERALD] is entirely mistaken in that assertion. I said I proposed at the proper time to make that motion, and I asked the gentleman from Tennessee [Mr. HULL], turning to him, in reference to it, what he wanted to do.

Mr. FITZGERALD. Oh, I would not suggest that my colleague would take advantage of the gentleman from Tennessee [Mr. HULL] by making a motion out of order, if he could do it. I would not think even that he would be guilty of anything like that. [Laughter on the Democratic side.]

Mr. PAYNE. Mr. Speaker, if the gentleman from New York would let go of the House for a few minutes, we might get along. Now, I think a motion to lay upon the table takes precedence of a motion for the previous question, and I make that motion.

Mr. HULL of Tennessee. I do not desire to yield to the gentleman from New York for the purpose of making that motion, Mr. Speaker.

The SPEAKER. The Clerk will read section 4 of Rule XVI.

The Clerk read as follows:

When a question is under debate, no motion shall be received but to adjourn, to lay on the table, for the previous question (which motions shall be decided without debate), to postpone to a day certain, to refer, or to amend, or postpone indefinitely; which several motions shall have precedence in the foregoing order; and no motion to postpone to a day certain, to refer, or to postpone indefinitely, being decided, shall be again allowed on the same day at the same stage of the question.

The SPEAKER. It is evident that the motion of the gentleman from New York [Mr. PAYNE] under the rule takes precedence of the motion of the gentleman from Tennessee [Mr. HULL].

Mr. FITZGERALD. Mr. Speaker, I make the point of order that it does not; that the latter clause of the rule refers to the order of precedence of the subsidiary motions. There is no ruling that when the previous question has been demanded it is in order to then lay the other motion on the table. If the previous question had been ordered, a motion to lay on the table would not be in order. I suggest that the latter part of the paragraph refers to the order of precedence of the subsidiary motions, and not to those first enumerated.

The SPEAKER. It is perfectly patent, as the Chair recollects the practice, that after the previous question is ordered then, under the rule, the motion to lay on the table would not be in order; but pending the motion for the previous question under the rule, it seems to the Chair that if at the proper time any Member sees proper to interpose the motion to lay upon the table, that motion takes precedence by the very terms of the rule. The recollection of the Chair is that this matter has been ruled upon from time to time by the Speaker.

Mr. HENRY of Texas. Mr. Speaker, a parliamentary inquiry.

The SPEAKER. The gentleman will state it.

Mr. HENRY of Texas. When the gentleman from Tennessee [Mr. HULL] has yielded to the gentleman from New York [Mr. FITZGERALD] for the purpose alone of asking a question, is it then in the power of the Speaker, when the gentleman from New York has been yielded time only for that purpose, to recognize the gentleman from New York for the purpose of making a motion to lay on the table, which would take the gentleman from Tennessee off his feet?

The SPEAKER. That is a question very interesting, indeed, if there was a fact pending to call for its decision.

Mr. HENRY of Texas. I make the point that there is a point pending.

Mr. FITZGERALD. Mr. Speaker, I wish to call the attention of the Chair to what he has overlooked. It has been repeatedly held that a motion for the previous question can not be laid on the table, and the effect of this motion of the gentleman from New York [Mr. PAYNE] would be to carry the motion for the previous question to the table. That being so, I call the attention of the Chair to the ruling of the Chair on page 565 of the Digest prepared for the Fifty-eighth Congress, third session. Evidently the gentleman's motion to lay on the table can not be admitted at this time. To make his motion in order it is necessary that the House defeat the demand for the previous question.

The SPEAKER. The Chair understands this to be the situation now: The gentleman from Tennessee [Mr. HULL] called up a privileged resolution, took the floor, and was entitled to an hour. He yielded to the gentleman from New York [Mr. PAYNE] for debate only. The gentleman from New York [Mr. PAYNE], so far as the Chair recollects, did not seek to make the motion to lay on the table, but gave notice that at the proper time under the rules he would make that motion. The gentleman from Tennessee resumed the floor, made some remarks, and then moved the previous question. By that act he yielded the floor in so far as to enable the gentleman from New York [Mr. PAYNE] to come in with a preferential motion, or yielded it entirely, as the case may be; it is not material. Now, this preferential motion could not be made until the gentleman from Tennessee had yielded the floor by moving the previous question, and if it can not be made at that time, it can never be made.

Mr. FITZGERALD. Oh, yes; it can be made after the House refused the demand for the previous question. I call the attention of the Chair to a ruling in the——

The SPEAKER. The Chair will suggest that he is entitled to at least half the time on this question. [Laughter.]

Mr. FITZGERALD. Oh, I think the Chair is having more than half the time.

The SPEAKER. This preferential motion provided for expressly in the rule takes precedence of a motion for the previous question by the very terms of the rule.

Mr. FITZGERALD. Not in this respect, Mr. Speaker. The rule has been that when a resolution is called up and the gentleman who calls it up tries without debate to demand the previous question, a motion to lay on the table by some other Member has preference, and the gentleman could be taken off the floor by the motion to lay on the table and thus shut out the demand for the previous question; but here is a rule which the House prints for the information and advice of the Speaker——

The SPEAKER. The Chair will be glad to hear any precedent which the gentleman has.

Mr. FITZGERALD. It provides that when a motion for the previous question——

The SPEAKER. Give the page.

Mr. FITZGERALD. Page 565 of the Digest, third session Fifty-eighth Congress: "A motion for the previous question may not be laid on the table." (955) 2-29; Journal, page 262; Globe, page 982.

The SPEAKER. It is not proposed by this motion to lay the motion for the previous question on the table.

Mr. FITZGERALD. But it does, Mr. Speaker. The motion carries everything to the table. It carries the main question, it carries the amendments, and it carries the incidental motion of the gentleman from Tennessee. There is only one time the motion to lay on the table would be in order. There having been no debate, a gentleman would be entitled to make that motion in preference to any other, or it would be in order if the previous question had not been demanded after debate had occurred; but the gentleman, having been recognized and having debated the question, then having demanded the previous question, the House is entitled to determine, first, whether it shall decide to vote on the main question, or if it does not determine to vote on the main question, then to take any other action that may be proper. Then the gentleman's motion to lay on the table would have preference over any other motion; but the Chair can not find, even with the assistance of the very distinguished aide who is at his side, any precedent that will sustain a ruling that after the previous question has been demanded a motion can be made to lay on the table before a vote is taken on that motion.

Mr. DALZELL. Mr. Speaker, I desire to call the attention of the gentleman from New York to this: A motion to lay on the table has precedence given it by the rule and may not be made after the previous question has been ordered.

Mr. FITZGERALD. That is one rule.

Mr. DALZELL. It may be made before the previous question is ordered.

Mr. FITZGERALD. Oh, no——

Mr. DALZELL. Why, the rule expressly provides so; otherwise it is senseless.

Mr. FITZGERALD. That statement has reference to a well-known condition. A ruling had been made early in the practice of the House that a motion to lay on the table could be made after the previous question had been ordered, but the Speaker pointed out at this very session that that practice has been reversed, and a number of decisions are given here in the Digest to the effect that under the practice now the motion is not admissible.

The SPEAKER. Will the gentleman be kind enough to cite the precedents and pages?

Mr. FITZGERALD. Well, I have given the Chair a citation. Here is a later decision, in the Fifty-sixth Congress, that has been handed to me, where the previous question demanded on a resolution, and the yeas and nays ordered on that demand, a motion to lay the resolution on the table was not in order. That is in the Fifty-sixth Congress.

The SPEAKER. That is absolutely correct——

Mr. FITZGERALD. Yes; and absolutely in accordance with the position here.

The SPEAKER. Now, if the gentleman from New York will be kind enough to refer the Chair to the next precedent to which he desires to call attention. The Chair has the precedent which the gentleman has cited.

Mr. FITZGERALD. Here is this ruling. It may be that the House was dividing; I do not know.

The SPEAKER. The Chair has just sent to the Speaker's room for the volume referring to the second precedent mentioned by the gentleman.

Mr. FITZGERALD. If the first sustains the position taken by the gentleman from New York, I hope the Chair will not bother with the second.

The SPEAKER. When the gentleman completes his statement the Chair will make a ruling. The Chair caused to be read by the Clerk Rule XVI, clause 4. The Chair will read it again, and ask the attention of the gentleman from New York and the other Members of the House:

When a question is under debate, no motion shall be received but to adjourn, to lay on the table, for the previous question (which motions shall be decided without debate), to postpone to a day certain, to refer, or to amend, or postpone indefinitely; which several motions shall have precedence in the foregoing order.

Now, the rule speaks for itself. There can be no mistaking of its language. Now, on the first motion, the Chair again says the gentleman from Tennessee [Mr. HULL] was entitled to an hour. The gentleman yielded the floor by moving the previous question and, then, what motion was in order? It was the motion to adjourn.

The gentleman could not have been taken off of his feet for an hour by a motion to adjourn unless he should yield. No motion to adjourn was made. The second motion is "to lay on the table." What is the third? It is "for the previous question." Now, the gentleman moved the previous question. Can it be contended for a moment that, pending that motion, it would not be in order to move to adjourn? Certainly not. By the express terms of the rule, the motion to adjourn would be in order. Again, "to lay on the table," which precedes the "previous question." Now, the gentleman from New York [Mr. PAYNE] at that point interposes the motion, which is a preferential motion by the express terms of the rule, to lay on the table. If the gentleman could not make the motion at that time, he could not make it at any time until the previous question had been decided. This rule deprives the House of no power. It is a mere question of precedence of motions. If the House desires to dispose of this resolution by a motion to lay on the table, it has the opportunity under the rule to dispose of that business before it orders the previous question, which, if ordered, leads up to either the passage of the resolution or the defeat of the resolution. Now, the gentleman refers to a certain precedent.

Mr. LIVINGSTON. Mr. Speaker——

The SPEAKER. The Chair prefers not to yield at present, but will yield in a moment.

Mr. LIVINGSTON. I simply want to ask a parliamentary question.

The SPEAKER. The Chair will entertain that a little later. The gentleman relies on this precedent, but the Chair wishes to call the attention of the gentleman from New York [Mr. FITZGERALD] to it, as follows:

On January 28, 1847, the House was considering a motion to reconsider a vote limiting the time of debate on the naval appropriation bill in Committee of the Whole House on the state of the Union.

Mr. George W. Hopkins, of Virginia, moved the previous question on the motion.

Mr. Joseph M. Root, of Ohio, moved that the motion for the previous question be laid on the table.

The Speaker decided that a motion to lay on the table a motion for the previous question was not in order.

Mr. Root having appealed, the decision of the Chair was sustained, yeas 134, nays 1.

Now, that is not this case. This is not a motion to lay on the table a motion for the previous question, but to lay the resolution itself upon the table. Upon that point the Chair will read the following:

On February 19, 1837, the House was considering resolutions relating to the proposed censure of Mr. John Quincy Adams, of Massachusetts, for having presented certain petitions, when Mr. Aaron Vanderpoel, of New York, moved the previous question on the resolutions, and, in accordance with the usage at that time, the demand for the previous question was seconded by a majority of the Members present. Thereupon Mr. William Kennon, of Ohio, moved that the resolutions lie upon the table. This motion was entertained and voted on by the House.

Mr. FITZGERALD. But, Mr. Speaker, that practice has been changed. The Chair will find in the Digest a number of decisions.

The SPEAKER. Not at all. The Chair knows of no such decision——

Mr. FITZGERALD. The Chair itself——

The SPEAKER (continuing). And the Chair does not care to hear further upon this point of order unless the gentleman can cite a precedent that is in point. The precedent which he relied upon as being in point with such great confidence, when it is read and considered, is not in point, but, on the contrary, against the contention of the gentleman. The Chair overrules the point of order.

The gentleman from Georgia desires to ask a question.

Mr. LIVINGSTON. It was in reference to the decision of the Chair. I wanted to suggest the preferential right of the motion to adjourn; and, second, to lay on the table and the previous question. The gentleman from New York made neither of the motions, and the gentleman from Tennessee called for the previous question. They are laid down in that order, just as I have named them.

The SPEAKER. Precisely. Now, then, let us see where that construction of the rule would take us. The gentleman from Tennessee had the floor for an hour. He could not be taken from the floor to enable anybody to move the previous question. But he moved the previous question, thereby yielding the floor; and then, for the first time, a Member had the right, under the rule, to make the preferential motion—the motion to lay the resolution on the table—the same right that he would have to move to adjourn, second only to the more preferential motion to adjourn. The Chair overrules the point of order. The question is on the motion of the gentleman from New York, that the resolution lie on the table.

The question was taken, and the Speaker announced that the ayes seemed to have it.

Mr. HULL of Tennessee. Division, Mr. Speaker.

The House divided, and there were—ayes 102; noes 87.

Mr. HULL of Tennessee. Mr. Speaker, I make the point of no quorum.

The SPEAKER. The point is sustained. The Doorkeeper will close the doors; the Sergeant-at-Arms will notify absentees——

Mr. PAYNE. Mr. Speaker, I think that there will be a quorum next Monday; and I move that the House do now adjourn.

The question was taken, and the Speaker announced that the ayes seemed to have it.

Mr. CLARK of Missouri. Yeas and nays!

The yeas and nays were ordered.

The question was taken; and there were—yeas 88, nays 76, answered "present" 6, not voting 219, as follows:

YEAS—88.

Alexander, N. Y.	Dalzell	Hamilton	Kopp
Austin	Denby	Hammond	Kronmiller
Barnard	Dodds	Haugen	Langley
Bartholdt	Douglas	Hayes	Lenroot
Bennet, N. Y.	Driscoll, M. E.	Henry, Conn.	Longworth
Bingham	Dwight	Hill	Loudenslager
Brownlow	Ellis	Hinshaw	Lovering
Burke, S. Dak.	Elvins	Hubbard, Iowa	McGuire, Okla.
Butler	Englebright	Hull, Iowa	McKinney
Campbell	Esch	Humphrey, Wash.	Madison
Cole	Gaines	Kendall	Martin, S. Dak.
Cooper, Wis.	Gillett	Kennedy, Iowa	Miller, Minn.
Cowles	Graff	Kennedy, Ohio	Morgan, Mo.
Creager	Gronna	Kinkaid, Nebr.	Morgan, Okla.
Crumpacker	Hamer	Knapp	Murdock

Murphy	Scott	Tawney	Vreeland
Needham	Smith, Cal.	Taylor, Ohio.	Wheeler
Parker	Smith, Mich.	Thistlewood	Wiley
Payne	Sperry	Thomas, Ohio	Wilson, Ill.
Plumley	Steenerson	Tilson	Wood, N. J.
Reeder	Sterling	Townsend	Woods, Iowa
Roberts	Swasey	Volstead	Woodyard

NAYS—76.

Aiken	De Armond	Humphreys, Miss.	Rauch
Alexander, Mo.	Dickson, Miss.	Jamieson	Richardson
Ashbrook	Dies	Johnson, S. C.	Rothermel
Bartlett, Ga.	Edwards, Ga.	Jones	Rucker, Colo.
Beall, Tex.	Fitzgerald	Kinkead, N. J.	Rucker, Mo.
Boehne	Floyd, Ark.	Latta	Russell
Borland	Garner, Tex.	Lee	Sherley
Burgess	Garrett	Livingston	Sims
Burleson	Gilmore	Lloyd	Sisson
Burnett	Hamlin	Macon	Small
Byrns	Hardy	Maguire, Nebr.	Spight
Candler	Hay	Martin, Colo.	Stephens, Tex.
Clark, Mo.	Hellin	Mays	Taylor, Ala.
Cline	Helm	Morrison	Taylor, Colo.
Collier	Henry, Tex.	Oldfield	Thomas, Ky.
Covington	Hitchcock	Page	Thomas, N. C.
Cox, Ind.	Hobson	Patterson	Tou Velle
Craig	Howard	Pou	Watkins
Cullop	Hull, Tenn.	Ransdell, La.	Wickliffe

ANSWERED "PRESENT"—6.

Bartlett, Nev.	Goulden	Hawley	Loud
Chapman	Hardwick		

NOT VOTING—219.

Adair	Estopinal	Johnson, Ky.	Palmer, H. W.
Adamson	Fairchild	Johnson, Ohio	Parsons
Allen	Fassett	Joyce	Pearre
Ames	Ferris	Kahn	Perkins
Anderson	Finley	Keifer	Peters
Andrus	Fish	Keliher	Pickett
Ansberry	Flood, Va.	Kitchin	Poindexter
Anthony	Focht	Knowland	Pratt
Barchfeld	Foelker	Korbly	Pray
Barclay	Fordney	Küstermann	Prince
Barnhart	Fornes	Lafean	Pujo
Bates	Foss	Lamb	Rainey
Bell, Ga.	Foster, Ill.	Langham	Randell, Tex.
Bennett, Ky.	Foster, Vt.	Lassiter	Reid
Booher	Foulkrod	Law	Reynolds
Boutell	Fowler	Lawrence	Rhinock
Bowers	Fuller	Lever	Riordan
Bradley	Gallagher	Lindbergh	Robinson
Brantley	Gardner, Mass.	Lindsay	Rodenberg
Broussard	Gardner, Mich.	Lorimer	Sabath
Burke, Pa.	Gardner, N. J.	Lowden	Saunders
Burleigh	Garner, Pa.	Lundin	Shackleford
Byrd	Gill, Md.	McCall	Sharp
Calder	Gill, Mo.	McCreary	Sheffield
Calderhead	Gillespie	McDermott	Sheppard
Cantrill	Glass	McHenry	Sherwood
Capron	Godwin	McKinlay, Cal.	Simmons
Carlin	Goebel	McKinley, Ill.	Slayden
Carter	Goldfogle	McLachlan, Cal.	Slemp
Cary	Good	McLaughlin, Mich.	Smith, Iowa.
Cassidy	Gordon	McMorran	Smith, Tex.
Clark, Fla.	Graham, Ill.	Madden	Snapp
Clayton	Graham, Pa.	Malby	Southwick
Cocks, N. Y.	Grant	Mann	Sparkman
Conry	Greene	Maynard	Stafford
Cook	Gregg	Miller, Kans.	Stanley
Cooper, Pa.	Griest	Millington	Stevens, Minn.
Coudrey	Griggs	Mondell	Sturgiss
Cox, Ohio	Guernsey	Moon, Pa.	Sulloway
Cravens	Hamill	Moon, Tenn.	Sulzer
Crow	Hanna	Moore, Pa.	Talbott
Currier	Harrison	Moore, Tex.	Tener
Cushman	Heald	Morehead	Tirrell
Davidson	Higgins	Morse	Underwood
Davis	Hollingsworth	Moss	Wallace
Dawson	Houston	Mudd	Wanger
Dent	Howell, N. J.	Nelson	Washburn
Denver	Howell, Utah	Nicholls	Webb
Diekema	Howland	Norris	Weeks
Dixon, Ind.	Hubbard, W. Va.	Nye	Weisse
Draper	Huff	O'Connell	Willett
Driscoll, D. A.	Hughes, Ga.	Olcott	Wilson, Pa.
Durey	Hughes, N. J.	Olmsted	Young, Mich.
Edwards, Ky.	Hughes, W. Va.	Padgett	Young, N. Y.
Ellerbe	James	Palmer, A. M.	

So the motion to adjourn was agreed to.

The following pairs were announced:

For the session:

Mr. McMORRAN with Mr. PUJO.

Mr. WANGER with Mr. ADAMSON.

Mr. CURRIER with Mr. FINLEY.

Mr. BRADLEY with Mr. GOULDEN.

Until further notice:

Mr. BARCHFELD with Mr. BARNHART.

Mr. AMES with Mr. ANSBERRY.

Mr. KAHN with Mr. ANDERSON.

Mr. HUGHES of West Virginia with Mr. ADAIR.

Mr. HOWLAND with Mr. JAMES.

Mr. HUBBARD of West Virginia with Mr. HUGHES of New Jersey.

Mr. HOWELL of New Jersey with Mr. HARRISON.

Mr. HOLLINGSWORTH with Mr. HAMILL.

Mr. GUERNSEY with Mr. GREGG.

Mr. GRIEST with Mr. GORDON.

Mr. GREENE with Mr. GOLDFOGLE.

Mr. GRAHAM of Pennsylvania with Mr. GODWIN.

Mr. GOOD with Mr. GLASS.

Mr. GOEBEL with Mr. GILLESPIE.

Mr. GARNER of Pennsylvania with Mr. GILL of Maryland.

Mr. GARDNER of Michigan with Mr. GALLAGHER.

Mr. GARDNER of Massachusetts with Mr. WILSON of Pennsylvania.

Mr. FOULKROD with Mr. WILLETT.

Mr. YOUNG of New York with Mr. WEISSE.

Mr. WASHBURN with Mr. WALLACE.

Mr. WEEKS with Mr. WEBB.

Mr. TIRRELL with Mr. UNDERWOOD.

Mr. SULLOWAY with Mr. TALBOTT.

Mr. STURGISS with Mr. SULZER.

Mr. STEVENS of Minnesota with Mr. STANLEY.

Mr. SIMMONS with Mr. SPARKMAN.

Mr. RODENBERG with Mr. SMITH of Texas.

Mr. PRINCE with Mr. SLAYDEN.

Mr. PRAY with Mr. SHERWOOD.

Mr. PERKINS with Mr. SHARP.

Mr. PEARRE with Mr. SHACKLEFORD.

Mr. PARSONS with Mr. SAUNDERS.

Mr. OLMSTED with Mr. SABATH.

Mr. OLCOTT with Mr. RHINOCK.

Mr. NYE with Mr. REID.

Mr. NORRIS with Mr. RANDELL of Texas.

Mr. MUDD with Mr. RAINEY.

Mr. MOORE of Pennsylvania with Mr. PETERS.

Mr. MOON of Pennsylvania with Mr. O'CONNELL.

Mr. MILLINGTON with Mr. NICHOLLS.

Mr. MILLER of Kansas with Mr. MOSS.

Mr. MADDEN with Mr. MOORE of Texas.

Mr. McLAUGHLIN of Michigan with Mr. MOON of Tennessee.

Mr. McCREARY with Mr. MAYNARD.

Mr. LOWDEN with Mr. McHENRY.

Mr. LORIMER with Mr. McDERMOTT.

Mr. LAWRENCE with Mr. LINDSAY.

Mr. LAW with Mr. LASSITER.

Mr. LAFEAN with Mr. LAMB.

Mr. KNOWLAND with Mr. KITCHIN.

Mr. CALDER with Mr. KORBLY.

Mr. CUSHMAN with Mr. A. M. PALMER.

Mr. FULLER with Mr. GRAHAM of Illinois.

Mr. CHAPMAN with Mr. ROBINSON.

Mr. FAIRCHILD with Mr. HOUSTON.

Mr. McKINLEY of Illinois with Mr. FOSTER of Illinois.

Mr. LOVERING with Mr. JOHNSON of South Carolina.

Mr. BURLEIGH with Mr. BOOHER.

Mr. ALLEN with Mr. LEVER.

Mr. McCALL with Mr. HARDWICK.

Mr. ANTHONY with Mr. CRAVENS.

Mr. SOUTHWICK with Mr. CONRY.

Mr. MALBY with Mr. D. A. DRISCOLL.

Mr. HUFF with Mr. HUGHES of Georgia.

Mr. ANDRUS with Mr. RIORDAN.

Mr. NELSON with Mr. CLARK of Florida.

Mr. CAPRON with Mr. JOHNSON of Kentucky.

Mr. COUDREY with Mr. GILL of Missouri.

Mr. BOUTELL with Mr. GRIGGS.

Mr. McKINLAY of California with Mr. BARTLETT of Nevada.

Mr. LOUD with Mr. PADGETT.

Mr. FOSTER of Vermont with Mr. FLOOD of Virginia.

Mr. FOSS with Mr. FERRIS.

Mr. FORDNEY with Mr. ESTOPINAL.

Mr. FOCHT with Mr. ELLERBE.

Mr. CROW with Mr. DIXON of Indiana.

Mr. FISH with Mr. DENVER.

Mr. DUREY with Mr. DENT.

Mr. DIEKEMA with Mr. COX of Ohio.

Mr. DAVIS with Mr. CLAYTON.

Mr. DAWSON with Mr. CARTER.

Mr. DAVIDSON with Mr. CARLIN.

Mr. COOPER of Pennsylvania with Mr. CANTRILL.

Mr. COOK of Pennsylvania with Mr. BYRD.

Mr. COCKS of New York with Mr. BROUSSARD.

Mr. CASSIDY with Mr. BRANTLEY.

Mr. CARY with Mr. BOWERS.

Mr. BURKE of Pennsylvania with Mr. FORNES.

Mr. BATES with Mr. BELL of Georgia.

Mr. HIGGINS with Mr. KELIHER until June 10.

Mr. HAWLEY with Mr. SHEPPARD from June 9 until June 16.

Mr. SMITH of Iowa with Mr. STEPHENS of Texas until tariff bill passes Senate.

Mr. TILSON. Mr. Speaker, I notice that I am recorded as paired with Mr. JOHNSON of Kentucky. By agreement that pair was transferred to Mr. CAPRON.

LEAVES OF ABSENCE.

Pending the announcement of the vote the following leaves of absence were granted:

To Mr. RODENBERG, for ten days, on account of sickness in the family.

To Mr. ADAMSON, indefinitely, on account of sickness in family.

The vote was then announced as above recorded.

Accordingly (at 1 o'clock and 24 minutes p. m.) the House adjourned until Monday next.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of Rule XXIV, the following executive communications were taken from the Speaker's table and referred by the Speaker as follows:

A letter from the assistant clerk of the Court of Claims, transmitting a copy of the conclusions of fact and law in the French spoliation cases relating to the schooner *Liberty*, Josiah Rich, master (S. Doc. No. 100)—to the Committee on Claims and ordered to be printed.

A letter from the assistant clerk of the Court of Claims, transmitting a copy of the conclusions of fact and law in the French spoliation cases relating to the sloop *George*, John Grant, master (S. Doc. No. 101)—to the Committee on Claims and ordered to be printed.

A letter from the assistant clerk of the Court of Claims, transmitting a copy of the conclusions of fact and law in the French spoliation cases relating to the ship *Minerva*, Solomon Hopkins, master (S. Doc. No. 102)—to the Committee on Claims and ordered to be printed.

A letter from the assistant clerk of the Court of Claims, transmitting a copy of the conclusions of fact and law in the French spoliation cases relating to the schooner *Nancy*, Henry H. Kennedy, master (S. Doc. No. 103)—to the Committee on Claims and ordered to be printed.

A letter from the assistant clerk of the Court of Claims, transmitting a copy of the conclusions of fact and law in the French spoliation cases relating to the brig *Anna*, Benjamin Chase, master (S. Doc. No. 104)—to the Committee on Claims and ordered to be printed.

A letter from the Secretary of the Treasury, transmitting a reply to the inquiry of the House of Representatives as to river and harbor expenditures (H. Doc. No. 59)—to the Committee on Appropriations and ordered to be printed.

PUBLIC BILLS, RESOLUTIONS, AND MEMORIALS.

Under clause 3 of Rule XXII, bills, resolutions, and memorials of the following titles were introduced and severally referred as follows:

By Mr. COWLES: A bill (H. R. 10757) to reenact sections 5506, 5511, 5512, 5513, 5514, 5515, and 5520 of the Revised Statutes of the United States, which were repealed February 8, 1894—to the Committee on Election of President, Vice-President, and Representatives in Congress.

By Mr. HUBBARD of West Virginia: A bill (H. R. 10758) to provide for the purchase of a site and the erection of a public building thereon at Weston, W. Va.—to the Committee on Public Buildings and Grounds.

By Mr. MURPHY: A bill (H. R. 10759) to extend the provisions of the pension act of June 27, 1890, to each and every company and organization organized for the defense of the Union in Missouri during the war of the rebellion—to the Committee on Invalid Pensions.

By Mr. AUSTIN: A bill (H. R. 10760) to provide for the erection of a statue or monument to the memory of Gen. John Sevier—to the Committee on the Library.

By Mr. JONES: A bill (H. R. 10761) to amend an act entitled "An act to establish a Code of Law for the District of Columbia"—to the Committee on the District of Columbia.

By Mr. BENNET of New York: A bill (H. R. 10762) to reduce postal rates, to improve the postal service, and to increase postal revenues—to the Committee on the Post-Office and Post-Roads.

By Mr. STANLEY: A bill (H. R. 10763) to prevent the use of coupons and other devices—to the Committee on Ways and Means.

By Mr. GRAHAM of Pennsylvania: A bill (H. R. 10764) for the erection of a monument to the memory of Lieut. Friend W. Jenkins—to the Committee on the Library.

By Mr. HULL of Tennessee: A resolution (H. Res. 78) requesting certain information from the Postmaster-General—to the Committee on the Post-Office and Post-Roads.

By Mr. ESCH: Memorial of the legislature of Wisconsin, respecting national aid for the construction of main highways—to the Committee on Agriculture,

Also, memorial of the legislature of Wisconsin, asking Congress to remove the tariff on lumber—to the Committee on Ways and Means.

By Mr. KOPP: Memorial of the legislature of Wisconsin, respecting national aid for the construction of main highways—to the Committee on Agriculture.

Also, memorial of the legislature of Wisconsin, asking Congress to remove the tariff on lumber—to the Committee on Ways and Means.

By Mr. LENROOT: Memorial of the legislature of Wisconsin respecting national aid for the construction of main highways—to the Committee on Agriculture.

Also, memorial of the legislature of Wisconsin, asking Congress to remove the tariff on lumber—to the Committee on Ways and Means.

Also, memorial of the legislature of Wisconsin, asking Congress to enact a law providing for the physical valuation of railroads—to the Committee on Interstate and Foreign Commerce.

Also, memorial of the legislature of Wisconsin, relating to federal cooperation in the work of road improvement—to the Committee on Agriculture.

Also, memorial of the legislature of Wisconsin, asking Congress to enact a law to prohibit railroads from increasing their rates and charges except upon notice—to the Committee on Interstate and Foreign Commerce.

By Mr. COOPER of Wisconsin: Memorial of the legislature of Wisconsin, requesting the aid of Congress in the permanent construction of highways in the different States—to the Committee on Agriculture.

Also, memorial of the legislature of Wisconsin, asking Congress for the speedy abolition of the tariff on lumber—to the Committee on Ways and Means.

PRIVATE BILLS AND RESOLUTIONS.

Under clause 1 of Rule XXII, private bills and resolutions of the following titles were introduced and severally referred as follows:

By Mr. ALEXANDER of New York: A bill (H. R. 10765) granting an increase of pension to Beverly M. Stanton—to the Committee on Invalid Pensions.

By Mr. AUSTIN: A bill (H. R. 10766) granting a pension to Thomas Cheatham—to the Committee on Invalid Pensions.

Also, a bill (H. R. 10767) granting a pension to Polly A. Blair—to the Committee on Invalid Pensions.

Also, a bill (H. R. 10768) granting a pension to Mary A. Bronson—to the Committee on Invalid Pensions.

Also, a bill (H. R. 10769) granting a pension to Isaac Price—to the Committee on Invalid Pensions.

Also, a bill (H. R. 10770) granting a pension to Burrell F. Badget—to the Committee on Invalid Pensions.

By Mr. BARCHFELD: A bill (H. R. 10771) granting an increase of pension to August Noll—to the Committee on Invalid Pensions.

Also, a bill (H. R. 10772) granting an increase of pension to Henry Krug—to the Committee on Invalid Pensions.

By Mr. BARNARD: A bill (H. R. 10773) to pay damages and losses sustained by certain citizens of the United States on account of naval operations in and about the town of Apia, in the Samoan Islands, by the United States and Great Britain in March, April, and May, 1899—to the Committee on Claims.

By Mr. BUTLER: A bill (H. R. 10774) granting an increase of pension to Isaac E. Rice—to the Committee on Invalid Pensions.

Also, a bill (H. R. 10775) granting an increase of pension to Thomas E. Frame—to the Committee on Invalid Pensions.

Also, a bill (H. R. 10776) granting an increase of pension to Elliett L. Brown—to the Committee on Invalid Pensions.

Also, a bill (H. R. 10777) granting an increase of pension to Thomas Grant—to the Committee on Invalid Pensions.

By Mr. BYRNS: A bill (H. R. 10778) for the relief of Baxter Smith, administrator of the estate of Hugh C. Jackson, late of Davidson County, Tenn.—to the Committee on Invalid Pensions.

By Mr. CREAGER: A bill (H. R. 10779) to provide for the honorable discharge of David H. Mathews—to the Committee on Military Affairs.

Also, a bill (H. R. 10780) to provide for the honorable discharge of F. M. Terry—to the Committee on Military Affairs.

By Mr. DENBY: A bill (H. R. 10781) granting a pension to Mary Boyd—to the Committee on Invalid Pensions.

Also, a bill (H. R. 10782) to correct the military record of Shibley Shepherd—to the Committee on Military Affairs.

By Mr. DODDS: A bill (H. R. 10783) granting a pension to James H. Seward—to the Committee on Invalid Pensions.

Also, a bill (H. R. 10784) granting an increase of pension to Charles Finch—to the Committee on Invalid Pensions.

Also, a bill (H. R. 10785) granting an increase of pension to Judson M. Francis—to the Committee on Invalid Pensions.

Also, a bill (H. R. 10786) granting an increase of pension to Alexander C. Hanchett—to the Committee on Invalid Pensions.

Also, a bill (H. R. 10787) granting an increase of pension to Francis M. McClintic—to the Committee on Invalid Pensions.

Also, a bill (H. R. 10788) granting an increase of pension to David Duncan—to the Committee on Invalid Pensions.

By Mr. EDWARDS of Kentucky: A bill (H. R. 10789) for the relief of William McGee—to the Committee on Claims.

Also, a bill (H. R. 10790) for the relief of Isaac Cornett, Fred Benge, and James Benge—to the Committee on Claims.

Also, a bill (H. R. 10791) for the relief of Hugh Washam—to the Committee on Military Affairs.

Also, a bill (H. R. 10792) for the relief of Francis Williams—to the Committee on Military Affairs.

Also, a bill (H. R. 10793) for the relief of John Downey—to the Committee on Military Affairs.

Also, a bill (H. R. 10794) for the relief of Henry Marlow—to the Committee on Military Affairs.

Also, a bill (H. R. 10795) for the relief of John W. Hardwick—to the Committee on Military Affairs.

Also, a bill (H. R. 10796) for the relief of C. B. Kinnett—to the Committee on War Claims.

Also, a bill (H. R. 10797) for the relief of Jane Todd—to the Committee on War Claims.

Also, a bill (H. R. 10798) for the relief of the estate of M. G. Horton, deceased—to the Committee on War Claims.

Also, a bill (H. R. 10799) granting a pension to Catherine Bunch—to the Committee on Pensions.

Also, a bill (H. R. 10800) granting a pension to George W. Estep, alias Milton Pickles—to the Committee on Pensions.

Also, a bill (H. R. 10801) granting a pension to Absalom Grubb—to the Committee on Invalid Pensions.

Also, a bill (H. R. 10802) granting a pension to Mary A. S. Campbell—to the Committee on Invalid Pensions.

Also, a bill (H. R. 10803) granting a pension to Isham D. Scott—to the Committee on Invalid Pensions.

Also, a bill (H. R. 10804) granting a pension to Columbus Johnson—to the Committee on Invalid Pensions.

Also, a bill (H. R. 10805) granting a pension to Ellen M. Evans—to the Committee on Invalid Pensions.

Also, a bill (H. R. 10806) granting a pension to Elizabeth Centers—to the Committee on Invalid Pensions.

Also, a bill (H. R. 10807) granting an increase of pension to James Smith—to the Committee on Invalid Pensions.

Also, a bill (H. R. 10808) granting an increase of pension to Jesse Wilder—to the Committee on Invalid Pensions.

Also, a bill (H. R. 10809) granting an increase of pension to John W. Huff—to the Committee on Invalid Pensions.

Also, a bill (H. R. 10810) granting an increase of pension to Thomas Price—to the Committee on Invalid Pensions.

Also, a bill (H. R. 10811) granting an increase of pension to George F. Bretz—to the Committee on Invalid Pensions.

Also, a bill (H. R. 10812) granting an increase of pension to Joseph K. Keeler—to the Committee on Invalid Pensions.

Also, a bill (H. R. 10813) granting an increase of pension to Hiram B. Burris—to the Committee on Invalid Pensions.

Also, a bill (H. R. 10814) granting an increase of pension to Peter Broughton—to the Committee on Invalid Pensions.

Also, a bill (H. R. 10815) granting an increase of pension to Abner Dicken—to the Committee on Invalid Pensions.

Also, a bill (H. R. 10816) granting an increase of pension to Francis M. Haynes—to the Committee on Invalid Pensions.

Also, a bill (H. R. 10817) granting an increase of pension to Green Evans—to the Committee on Invalid Pensions.

Also, a bill (H. R. 10818) granting an increase of pension to James K. P. Davidson—to the Committee on Invalid Pensions.

Also, a bill (H. R. 10819) granting an increase of pension to Henry Lemmert—to the Committee on Invalid Pensions.

Also, a bill (H. R. 10820) granting an increase of pension to Perry Wells—to the Committee on Invalid Pensions.

Also, a bill (H. R. 10821) granting an increase of pension to Nathaniel J. Smith—to the Committee on Invalid Pensions.

Also, a bill (H. R. 10822) granting an increase of pension to Preston Thomas—to the Committee on Invalid Pensions.

Also, a bill (H. R. 10823) granting an increase of pension to John Loveless—to the Committee on Invalid Pensions.

Also, a bill (H. R. 10824) granting an increase of pension to Governor H. Hood—to the Committee on Invalid Pensions.

Also, a bill (H. R. 10825) granting an increase of pension to John M. Sims—to the Committee on Invalid Pensions.

Also, a bill (H. R. 10826) granting an increase of pension to Monroe Godby—to the Committee on Invalid Pensions.

Also, a bill (H. R. 10827) granting an increase of pension to Stephen A. Harper—to the Committee on Invalid Pensions.

Also, a bill (H. R. 10828) granting an increase of pension to Russell M. Cole—to the Committee on Invalid Pensions.

Also, a bill (H. R. 10829) granting an increase of pension to Counsel F. Dye—to the Committee on Invalid Pensions.

Also, a bill (H. R. 10830) granting an increase of pension to James H. Carr, alias Joseph Smith—to the Committee on Invalid Pensions.

Also, a bill (H. R. 10831) granting an increase of pension to Thomas C. Ashinhurst—to the Committee on Invalid Pensions.

Also, a bill (H. R. 10832) granting an honorable discharge to Alfred Childers—to the Committee on Military Affairs.

Also, a bill (H. R. 10833) granting an honorable discharge to Lewis Bryant—to the Committee on Military Affairs.

By Mr. ELLIS: A bill (H. R. 10834) granting an increase of pension to Eli Summer—to the Committee on Pensions.

Also, a bill (H. R. 10835) granting an increase of pension to Albert J. Perkins—to the Committee on Invalid Pensions.

Also, a bill (H. R. 10836) granting an increase of pension to Wilbur F. Thompson—to the Committee on Invalid Pensions.

Also, a bill (H. R. 10837) granting an increase of pension to R. S. Allen—to the Committee on Invalid Pensions.

By Mr. ESCH: A bill (H. R. 10838) granting an increase of pension to George K. Redmond—to the Committee on Invalid Pensions.

By Mr. FOCHT: A bill (H. R. 10839) granting a pension to L. W. Sieber—to the Committee on Invalid Pensions.

By Mr. GRAHAM of Pennsylvania: A bill (H. R. 10840) for the relief of W. J. Kountz—to the Committee on War Claims.

Also, a bill (H. R. 10841) granting a pension to Elizabeth Higgenbotham—to the Committee on Invalid Pensions.

Also, a bill (H. R. 10842) granting a pension to Margaret A. Hazlett—to the Committee on Invalid Pensions.

Also, a bill (H. R. 10843) granting an increase of pension to William Bright—to the Committee on Invalid Pensions.

Also, a bill (H. R. 10844) granting an increase of pension to Andrew D. Taylor—to the Committee on Invalid Pensions.

Also, a bill (H. R. 10845) granting an increase of pension to Margaret C. McClellan—to the Committee on Invalid Pensions.

Also, a bill (H. R. 10846) granting an increase of pension to Elizabeth J. Coates—to the Committee on Invalid Pensions.

Also, a bill (H. R. 10847) granting an increase of pension to William Arbogast—to the Committee on Invalid Pensions.

Also, a bill (H. R. 10848) granting an increase of pension to Anna K. Rhoades—to the Committee on Invalid Pensions.

Also, a bill (H. R. 10849) granting an increase of pension to Rachel I. Holloway—to the Committee on Invalid Pensions.

Also, a bill (H. R. 10850) granting an increase of pension to George W. Fair—to the Committee on Invalid Pensions.

By Mr. GUERNSEY: A bill (H. R. 10851) granting a pension to Celestia M. Lull—to the Committee on Invalid Pensions.

By Mr. HAMLIN: A bill (H. R. 10852) granting an increase of pension to Thomas Cossins—to the Committee on Invalid Pensions.

By Mr. HENRY of Texas: A bill (H. R. 10853) for the relief of the heirs of Nancy Senter, late of Morristown, Tenn.—to the Committee on War Claims.

By Mr. HULL of Iowa: A bill (H. R. 10854) to pay to Nancy J. Gilliland the sum of $173.13—to the Committee on War Claims.

By Mr. HUMPHREY of Washington: A bill (H. R. 10855) granting an increase of pension to Thomas Wickersham—to the Committee on Invalid Pensions.

By Mr. KENNEDY of Ohio: A bill (H. R. 10856) granting a pension to Susanna Vernon—to the Committee on Invalid Pensions.

Also, a bill (H. R. 10857) granting an increase of pension to Eugene Davenport—to the Committee on Invalid Pensions.

By Mr. KINKAID of Nebraska: A bill (H. R. 10858) to grant title in fee to Fred G. Smith and Lulu Smith to the east half of the southwest quarter and the east half of the northwest quarter of section 7, township 24 north, range 13 west, sixth principal meridian, to which George Smith, deceased, made homestead entry—to the Committee on the Public Lands.

By Mr. KRONMILLER: A bill (H. R. 10859) granting a pension to Sarah Holley—to the Committee on Pensions.

Also, a bill (H. R. 10860) granting an increase of pension to William B. McElden—to the Committee on Invalid Pensions.

Also, a bill (H. R. 10861) granting an increase of pension to William Kelso—to the Committee on Invalid Pensions.

Also, a bill (H. R. 10862) to correct the military record of Charles Jones—to the Committee on Military Affairs.

Also, a bill (H. R. 10863) to amend an act to remove the charge of desertion from the military record of Anton Ernst—to the Committee on Military Affairs.

By Mr. LENROOT: A bill (H. R. 10864) granting a pension to Henry C. Fisher—to the Committee on Invalid Pensions.

Also, a bill (H. R. 10865) granting an increase of pension to John Lees—to the Committee on Invalid Pensions.

By Mr. LINDSAY: A bill (H. R. 10866) granting a pension to Celia Cornell—to the Committee on Pensions.

Also, a bill (H. R. 10867) granting an increase of pension to John B. Liddle—to the Committee on Invalid Pensions.

Also, a bill (H. R. 10868) granting an increase of pension to John Soehnlein—to the Committee on Invalid Pensions.

By Mr. McHENRY: A bill (H. R. 10869) granting a pension to Charles W. Faux, alias Charles M. Ward—to the Committee on Invalid Pensions.

Also, a bill (H. R. 10870) for the relief of J. K. Beltz—to the Committee on Military Affairs.

By Mr. McMORRAN: A bill (H. R. 10871) granting a pension to Emma R. Anderson—to the Committee on Invalid Pensions.

By Mr. MOORE of Pennsylvania: A bill (H. R. 10872) granting an increase of pension to Lewis C. Grubb—to the Committee on Invalid Pensions.

By Mr. MURPHY: A bill (H. R. 10873) granting an increase of pension to John M. Squires—to the Committee on Invalid Pensions.

By Mr. OLDFIELD: A bill (H. R. 10874) granting an increase of pension to Henry B. Combs—to the Committee on Invalid Pensions.

By Mr. RICHARDSON: A bill (H. R. 10875) for the relief of Elijah A. Kilburn—to the Committee on Military Affairs.

Also, a bill (H. R. 10876) granting a pension to Lovina Montgomery—to the Committee on Invalid Pensions.

Also, a bill (H. R. 10877) granting an increase of pension to Nannie Layman—to the Committee on Invalid Pensions.

Also, a bill (H. R. 10878) granting an increase of pension to William Redus—to the Committee on Invalid Pensions.

By Mr. STERLING: A bill (H. R. 10879) granting an increase of pension to Absolom Wood—to the Committee on Invalid Pensions.

By Mr. THOMAS of Kentucky: A bill (H. R. 10880) granting a pension to Susan Clark—to the Committee on Invalid Pensions.

By Mr. WHEELER: A bill (H. R. 10881) granting an increase of pension to William W. Brubaker—to the Committee on Invalid Pensions.

By Mr. WICKERSHAM: A bill (H. R. 10882) granting an increase of pension to Edward G. Cannon—to the Committee on Pensions.

By Mr. WICKLIFFE: A bill (H. R. 10883) for the relief of Arthur B. Arbour, administrator of the estate of Frederick Arbour, deceased—to the Committee on War Claims.

By Mr. WOODYARD: A bill (H. R. 10884) granting an increase of pension to Charles W. Ebert—to the Committee on Invalid Pensions.

PETITIONS, ETC.

Under clause 1 of Rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

By Mr. BARCHFELD: Paper to accompany bill for relief of Henry Krug—to the Committee on Invalid Pensions.

By Mr. COOK: Petition of Philadelphia Produce Exchange, against increase of duty on potatoes from 25 cents to 45 cents per bushel—to the Committee on Ways and Means.

By Mr. ESCH: Paper to accompany bill for relief of George K. Redmond—to the Committee on Invalid Pensions.

By Mr. HAMLIN: Paper to accompany bill for relief of M. C. Bixby, Samuel Paxton, and Jonathan C. Crane—to the Committee on Invalid Pensions.

By Mr. HAYES: Petition of Merchants' Association of San Francisco, Cal., favoring a bill entitled "An act concerning baggage and excess baggage carried by common carriers, and prescribing duties of same," etc.—to the Committee on Interstate and Foreign Commerce.

By Mr. HENRY of Texas: Paper to accompany bill for relief of Mrs. George A. Hodges—to the Committee on War Claims.

By Mr. HOLLINGSWORTH: Petition of Thoburn Post, No. 72, Grand Army of the Republic, Martins Ferry, Ohio, against engraving of Jefferson Davis's portrait on silver service of battle ship *Mississippi*—to the Committee on Naval Affairs.

By Mr. KRONMILLER: Paper to accompany bill for relief of Charles Jones—to the Committee on Military Affairs.

By Mr. LENROOT: Papers to accompany bills for relief of John Lees and Henry C. Fisher—to the Committee on Invalid Pensions.

By Mr. MARTIN of South Dakota. Petition of Western South Dakota Stock Growers' Association, favoring retention of present duty on cattle, etc.—to the Committee on Ways and Means.

By Mr. MOORE of Pennsylvania: Petitions of Franterna Independente and Society Maria S. S. del Parmône, favoring October 12 as a holiday in honor of Columbus—to the Committee on the Judiciary.

SENATE.

FRIDAY, *June 18, 1909.*

The Senate met at 10 o'clock a. m.

Prayer by Rev. Ulysses G. B. Pierce, D. D., of the city of Washington.

The Journal of yesterday's proceedings was read and approved.

DEATH OF REV. EDWARD E. HALE.

The VICE-PRESIDENT. The Chair lays before the Senate a note which, while framed in personal terms, as it relates to the action of the Senate, the Chair thinks it appropriate the Senate should hear.

The Secretary read as follows:

39 HIGHLAND STREET,
Roxbury, June 15, 1909.

MY DEAR MR. VICE-PRESIDENT: The beautiful engrossed copy of the resolutions passed in the Senate last week has reached us, and I can not tell you what a treasure it will always be to us. I am sure the Senate knows how much my father cared for his relation to it, and this last mark of affection and appreciation would have moved him as it does my mother and all of us. Believe me,

Most truly, yours,

ELLEN DAY HALE.

PETITIONS AND MEMORIALS.

The VICE-PRESIDENT presented the petition of Charles A. Park, of Indianapolis, Ind., praying for the adoption of certain amendments to the general land laws, which was referred to the Committee on Public Lands.

He also presented a petition of sundry members of the Patriotic Order Sons of America, of Brooklyn, Md., and a petition of sundry members of the Patriotic Order Sons of America, of Linglestown, Pa., praying for the termination and abrogation of the extradition treaty with Russia; which were referred to the Committee on Foreign Relations.

He also presented petitions of sundry citizens of New York, South Carolina, Arkansas, Michigan, Georgia, Alabama, California, Pennsylvania, North Dakota, Illinois, and of the Territory of Alaska, praying for a reduction of the duty on raw and refined sugars; which were ordered to lie on the table.

Mr. OVERMAN presented resolutions adopted by the Tobacco Board of Trade of Winston-Salem, N. C.; which were ordered to lie on the table and to be printed in the RECORD, as follows:

Resolutions of the Tobacco Board of Trade of Winston-Salem, N. C.

At a meeting of the Tobacco Board of Trade of Winston-Salem, N. C., held June 10, 1909, at 10 o'clock a. m., the following resolutions were adopted:

Whereas a bill has been introduced in the Congress of the United States known as the "free-leaf bill," which has for its purpose the giving to tobacco growers the right to stem, twist, or otherwise manipulate their leaf tobacco and sell same free of the internal-revenue tax, we beg to earnestly protest against the passage of such a bill for the following reasons:

First. That the farmers now have the right under the law to sell their leaf tobacco in its natural state, and if they should be permitted to stem, twist, or otherwise manipulate the same without paying the internal-revenue tax it would open opportunities for others than those who are actually engaged in the production of tobacco to become directly or indirectly interested in farms, thereby defeating the object of this bill.

Second. It will induce the culture of tobacco in localities all over the country unsuited to its growth, and thereby place upon the market in these localities an inferior product at a low price, in competition with the product of the sections now engaged in the production of, and suitable to the growth of, tobacco, causing overproduction of the cheap grades and the lowering of prices, thereby materially injuring the present tobacco farmer.

Third. It will take away the safeguard of the Internal Revenue Department and offer temptations for thieving that would be disastrous to everyone in the tobacco business—farmers, dealers, and manufacturers—and would absolutely do away with the safeguard that now exists; and

Whereas a bill has been introduced to increase the tax on manufactured tobacco, therefore we hereby offer our earnest protest against this proposed increase, as it will further demoralize business, injuring everyone connected with the trade—farmers, dealers, and manufacturers—and we hereby request that you use your best efforts against the passage of this bill.

TOBACCO BOARD OF TRADE OF
WINSTON-SALEM, N. C.
F. A. COLEMAN.
C. I. OGBURN.
R. C. NORFLUT.

Mr. OVERMAN presented resolutions adopted by the Tobacco Board of Trade of Wilson, N. C., which were ordered to lie on the table and be printed in the RECORD, as follows:

At a meeting of the Wilson Tobacco Board of Trade the following resolutions were offered and adopted:

Whereas a bill has been introduced to increase the tax on manufactured tobacco, therefore we hereby offer our earnest protest against

this proposed increase, as it will demoralize business to the extent of injuring everyone connected with the trade—farmers, dealers, and manufacturers—and we hereby request that you use your best efforts against the passage of this bill.

Whereas a bill has been introduced, known as the "free-leaf bill," which has for its purpose giving the right to the farmers to stem, twist, or otherwise manipulate their tobacco and sell same free of tax, we beg to submit our earnest protest against the passage of same, for the following reasons:

First. That the farmers have every right under the present law to sell; and if they are permitted to twist or otherwise manipulate it, it will open opportunities for others to become interested in farms, and the whole object and aim of this bill will be done away with.

Second. It will cause tobacco to be raised in new communities and supply their vicinities, much to the injury of the present growers; and if developed to any extent, overproduction, with lower prices, will follow.

Third. It will take away the safeguard of the Internal Revenue Department and offer temptations for thieving that would be disastrous to everyone in the tobacco business—farmers, dealers, and manufacturers—and would absolutely do away with the safeguards that now exist.

WILSON TOBACCO BOARD OF TRADE,
W. J. BOYKIN, *President*,
H. P. WATSON, *Secretary*.

Mr. PERKINS presented a petition of the Department of California and Nevada, Grand Army of the Republic, and a petition of Whipple Post, No. 49, Grand Army of the Republic, of Eureka, Cal., praying for the enactment of legislation to extend the provisions of the general pension laws to the officers and privates of the First Battalion Mountaineers, California Volunteers, and to their widows and minor children, which were referred to the Committee on Pensions.

Mr. LODGE presented a petition of the Board of Trade of Greenfield, Mass., praying for a removal of the duty on hides, which was ordered to lie on the table.

Mr. DEPEW presented memorials of members of the Klebold Press composing room chapel, of New York City; of members of the New York Journal electrotype chapel, of New York City; of the stereotypers and electrotypers employed by the Troy Record Company, of Troy; and of members of the New York Herald stereotypers' chapel, of New York City, all in the State of New York, remonstrating against the inclusion in the new tariff bill of any duty on news print paper and wood pulp, which were ordered to lie on the table.

BILLS INTRODUCED.

Bills were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. WARREN:

A bill (S. 2626) granting to the Montana, Wyoming and Southern Railway Company additional lands for terminal purposes on the Fort Keogh Military Reservation, Mont.; to the Committee on Military Affairs.

By Mr. BRANDEGEE:

A bill (S. 2627) granting an increase of pension to George F. Keeling; to the Committee on Pensions.

By Mr. PERKINS:

A bill (S. 2628) to provide for the naturalization of aliens who have served or shall hereafter serve five years in the United States Navy or Marine Corps; to the Committee on Naval Affairs.

By Mr. PILES:

A bill (S. 2629) granting increase of pensions to survivors of the Indian wars under the acts of July 27, 1892, and June 27, 1902; to the Committee on Pensions.

By Mr. OWEN:

A bill (S. 2630) for the erection of a statue of Sequoyah, a Cherokee Indian, the inventor of the Cherokee alphabet; to the Committee on the Library.

A bill (S. 2631) to establish a fish hatchery at or near Tahlequah, Okla.; to the Committee on Fisheries.

A bill (S. 2632) for the relief of the Miami Indians; to the Committee on Indian Affairs; and

A bill (S. 2633) for the establishment of a probation system in the United States courts, except in the District of Columbia (with an accompanying paper); to the Committee on the Judiciary.

CHAPLAIN OF THE SENATE.

Mr. HALE submitted the following resolution (S. Res. 58) which was considered by unanimous consent, and agreed to:

Senate resolution 58.

Resolved, That until otherwise ordered Rev. Ulysses G. B. Pierce, D. D., shall act as the Chaplain of the Senate.

THE TARIFF.

The VICE-PRESIDENT. The morning business is closed, and the first bill on the calendar will be proceeded with.

The Senate, as in Committee of the Whole, resumed the consideration of the bill (H. R. 1438) to provide revenue, equalize duties, and encourage the industries of the United States, and for other purposes.

The VICE-PRESIDENT. The pending amendment is that offered by the Senator from Rhode Island [Mr. ALDRICH] on behalf of the Committee on Finance.

Mr. ALDRICH. I beg the Chair's pardon. I think the pending amendment is the one offered by the Senator from Nebraska [Mr. BROWN] to the amendment of the committee.

The VICE-PRESIDENT. The motion of the Senator from Nebraska is practically a motion to strike out. The Chair thinks that the text should be perfected before the motion to strike out is considered.

Mr. BURKETT. Very possibly my colleague [Mr. BROWN] will want to continue his remarks this morning. I suggest the absence of a quorum.

Mr. BEVERIDGE. The Senator from Nebraska [Mr. BROWN] is on his way here now. I think that course is very advisable.

The VICE-PRESIDENT. The Senator from Nebraska suggests the absence of a quorum. The Secretary will call the roll.

The Secretary called the roll, and the following Senators answered to their names:

Aldrich	Clay	Gamble	Page
Beveridge	Crane	Guggenheim	Paynter
Borah	Crawford	Hale	Penrose
Brandegee	Culberson	Heyburn	Perkins
Briggs	Cullom	Hughes	Piles
Bristow	Cummins	Johnson, N. Dak.	Root
Brown	Davis	Johnston, Ala.	Scott
Bulkeley	Depew	Jones	Simmons
Burkett	Dillingham	Kean	Smoot
Burnham	Dixon	Lodge	Sutherland
Burrows	Dolliver	McLaurin	Tillman
Burton	Fletcher	Martin	Warner
Carter	Flint	Nelson	Warren
Chamberlain	Foster	Nixon	Wetmore
Clapp	Frye	Oliver	
Clark, Wyo.	Gallinger	Overman	

The VICE-PRESIDENT. Sixty-two Senators have answered to the roll call. A quorum of the Senate is present.

Mr. BROWN. Mr. President, I desire to say that I have about concluded my remarks at this time.

The evidence conclusively shows a combination and conspiracy on the part of the print-paper manufacturers to control the production, fix the price of print paper, and to maintain it at excessive and extortionate rates, all at the expense of the newspaper publishers of the country and to the injury of the general public. I present the following evidence to sustain this charge, compiled from the testimony before the House committee:

THE PAPER SITUATION IN 1907.

"In September, 1907, newspaper publishers had notice from the president of the American Paper and Pulp Association that consumption had overtaken production and that a real scarcity was likely in the year 1908 (p. 182). The International Paper Company had told paper consumers that it had oversold 18,000 tons on its production and to that extent must cancel contracts with regular customers for 1908 (p. 92), and that it could not sell them paper, notably the Philadelphia Inquirer (p. 393), even at 5 cents per pound. The Springfield (Mass.) Union was notified by the International Paper Company that the allotment for New England had been curtailed, and its supply of paper to that publication must be stopped (p. 74); that the International Paper Company had given out generally it would make no contract for more than one year (p. 114). It had refused to sell to the Farm and Fireside (p. 82) or to the Newark Evening News (p. 91).

The publisher of the New York Journal of Commerce has been told to act promptly or get left (p. 82).

The Philadelphia Inquirer has been allowed twenty days in which to accept an advance of $12 per ton on 13,000 tons, a total increase of $156,000 per annum, or go without any prospect of a supply.

The Philadelphia Inquirer, as well as many other newspapers, had been informed that other paper makers were not in position to make quotations.

Many newspapers had been notified that the paper mill which they had then contracted with could no longer supply them because the mills were oversold; other newspapers had been told by paper companies that they had no paper for sale; that they were buying paper elsewhere to meet their contracts; and that the market was bare.

The Paper Trade Journal had announced $3.10 on July 1, 1907, as the maximum price for news print paper. The paper-trade publications printed a report in September of a meeting of paper makers which advanced prices $3 per ton and fixed rates for that period at $2.60 for less than 1,000 tons and $2.85 for sheets.

Mr. K. B. Fullerton, of the Manufacturers' Paper Company, announced that he had sold 300 tons at 3 cents per pound, that the entire surplus stock of 60,000 tons of news had disappeared, that the American mills were unable to supply the demand, that they were obliged to look to Canadian mills for all that they

could spare, and that there had never been such a boom in the American paper trade in thirty-five years.

It was stated to the Ways and Means Committee that John A. Davis had bought up 20,000 tons of paper in 1907, to starve the market, and that in March, 1908, in common with others, he had, by threats, driven the Belgo-Canadian supply of 10,000 tons from the American market.

The publishers furnished to the House committee a list of 48 instances wherein paper makers refused to quote prices or to make contracts for paper. They gave 6 references to instances where quotations were made subject to change without notice or for twenty-four hours only.

They furnished testimony of a threat of 3-cent paper by a director of the International Paper Company to Mr. Haines, of the Paterson (N. J.) Evening News.

The House committee record shows that the Cheboygan Paper Company refused to sell at any price (p. 45); that the publisher of the Poughkeepsie (N. Y.) Star was told by selling agents that the price was going to 3 cents (p. 46); that the publisher of the Adrian (Mich.) Telegram had been told by selling agents that the price was likely to go to 3 cents (p. 81); that the Ohio Daily Association, composed of 25 newspapers, had been informed prices will probably reach 3 cents (p. 82); that a representative of the International Paper Company had threatened the Allentown (Pa.) Item "that paper would be 3 cents before long" (p. 82); that a representative of the Chicago Paper Company had informed the Madison (Wis.) State Journal that prices would go to 3 cents (p. 83); that the Winfield (Kans.) Courier had been told the price would be 3 cents at mill (p. 83); that the Butler people of Chicago had predicted to the Danville (Ill.) Daily Press the price would be raised to 3 cents on January 1, 1908. The Tampa (Fla.) Tribune was raised to 3 cents (p. 394) and the publisher of the Tampa (Fla.) Times, after making a contract at $2.80, was notified that the price had been increased to 3 cents (p. 412).

The Columbus (Ga.) Enquirer-Sun was raised by the International Paper Company on yearly contract to $2.85 (p. 399); the Sioux City Tribune was raised to $2.50, with the information that the price would go to 3 cents (p. 401).

The International Paper Company price at Albany was raised from $2.75 in March, 1907, to $2.87 for April, 1908 (p. 405).

The Asheville (N. C.) Gazette News was raised to 3 cents (p. 406).

The Charlotte (N. C.) Observer was raised to $2.90 (p. 406).

The Newport (R. I.) Daily News was raised to $2.75 (p. 408).

The Chattanooga (Tenn.) News was raised to $2.17½ (p. 408).

The Roanoke (Va.) Evening World was raised to $2.80 (p. 410).

The Macon (Ga.) News was raised to $2.85 (p. 412).

Paper Trade Journal, March 14, 1907: "Story of a news combine, with two holding companies to divide territory." Also reference to knowledge of "how to escape legal pitfalls."

Paper Trade Journal, March 14, 1907: Article "With practically all the sources of supply under one head, the newspaper publishers must pay the price asked for at least two years, as it would take that long to start new mills."

Paper Mill, April 20, 1907, page 18: Article headed "The news market." A paper manufacturer is quoted as saying, "We are told that news is selling both in New York and Chicago for 3 cents f. o. b. mill, and consumers can not get it even at that price."

Paper Trade Journal, May 2, page 10: "The price of news is climbing steadily toward the 3-cent mark. The increased consumption of news during the past six months is roughly estimated at about 10 to 15 per cent, while the decrease in the normal output during that time, it is said, has been in about the same proportion. With the demand increasing and the output practically decreasing, the situation looks very serious. If there should be a prolonged drought during the summer, there is no telling where the price of news may go in its upward course."

Paper Trade Journal, May 2, 1907, page 60: "The price of news in the face of such conditions is gradually advancing toward the 3-cent mark."

Paper Trade Journal, June 13, page 8: "Manufacturers are talking of still higher prices for news before long."

Paper Trade Journal, June 13, page 60: "Prices, too, are showing a marked upward tendency, and the manufacturers seem to think that 3 cents for news will be a fact before long."

Paper Trade Journal, July 4: "Meeting of mill owners in Milwaukee at the Hotel Pfister in the latter part of June, 1907."

Correspondence in Paper Mill, of August, 1907, dated Appleton, Wis., August 19, 1907, reading as follows:

"Wild reports of print paper going to double its present price are heard daily, there being a general belief that as soon as the big merger is consummated the price will jump at least 3 or 4 cents a pound. Newspaper correspondents, gloating over the opportunity of filling the public prints with sensational matter concerning the monster trust, are sending out dispatches indicating that within a year newspapers of the country will be paying again as much for their stock as they are at present."

Paper Trade Journal, September 26, 1907, editorial: "The product of Canadian mills is contracted for, and only 100 tons a day is available for this (United States) market."

Paper Trade Journal, September 26, 1907: "No relief through Department of Justice, because Bonaparte said: 'No additional trust busting can be handled by this department. The seven now on are all the department can possibly handle during the present administration.' No readjustment of tariff until 1909."

Paper Trade Journal, September 26, 1907: "Instead of quarreling with the manufacturers of paper over the present prices of paper, the publishers should take counsel with them and should willingly cooperate with the mill owners to the end that manufacturing conditions may not double the cost of news paper within the next few years."

Paper Trade Journal, October 17, 1907, page 12: "News paper has lost none of its previous strength. Prices remain firm at the advanced figures. Some of the publishers are finding difficulty in getting additional supplies at any price. A number of eastern manufacturers are refusing to quote contract price for the next year."

Mr. President, to recapitulate my argument, I submit that the amendment by the Finance Committee, by which it is proposed to increase the low rate fixed by the House, is inexcusable and indefensible from any standpoint. I undertake to say, and I challenge the committee and its members for a contradiction based on facts in existence, that the print paper industry in this country needs no protection. These mills already have an advantage over every foreign print mill, whether it stands in Scandinavia, Germany, or Canada.

Canada is our only competitor in this market. The seas and the inferior product of other countries than Canada protect the mills of the United States against all competition worth mentioning.

This question depends upon the cost of production at home and abroad. If foreigners can manufacture print paper for less than it costs Americans, the amendment of the Finance Committee might find justification. If the fact be, as I have proved it is, that print paper can be made, and is being made, at a less cost here than elsewhere, then any duty in any amount is wholly wrong in principle and utterly unendurable and extortionate in practice.

Canada had an investigation into the subject in 1901. The testimony in that investigation showed that the American mills had an advantage of $5 per ton in the cost of production of print paper, for the reason that the American mills are so much nearer the great market for the finished product, thereby allowing our mills to fill larger orders near the factories. On this account, the continuance and uninterrupted operation of the mills becomes necessary and lessens the cost of production. Following that report, the manufacturers of Canada petitioned their government to continue the 25 per cent ad valorem duty levied on paper importation.

Does it not seem a little strange that Canada should levy any duty at all on the paper importations, if paper could be made more cheaply in Canada than in the United States? The truth is Canada investigated the facts just as the select committee of the House investigated the facts and found it costs more to produce paper in Canada than it does in the United States, and for that reason the Dominion undertook to protect her manufacturers against the competition of the American by levying a duty on print paper of 15 per cent.

The statement of the Booth mills in Canada shows the cost of production to be $34.11 per ton. The testimony before the House committee shows the cost per ton of the print paper made by the International Paper Company of the United States to be $27.74. Another significant fact shown in the hearing before the select committee of the House is that western publishers testified that they bought paper from the Booth mills in Canada and paid the duty and then got it for less than they could have purchased it from the trust.

Our consul in the Province of Quebec reported that the laborers in the Canadian mills receive as high if not higher wages than those in American mills. It is undisputed by the testimony taken by this committee that many of the workers in Canadian mills are American citizens and receive higher wages than when in the United States. Indeed, they were induced to leave their native land by the offer of higher wages by the Canadian paper manufacturers.

If the committee can not argue for a protective duty by reason of the old reliable demand "to protect American labor from the ruinous competition of cheap foreign labor," on what do they base their anxiety for an increase in the rate over that fixed by the House after an exhaustive investigation? Surely the number of laborers on the newspapers and periodicals in this country which are demanding a lower rate ought to be considered. The print paper for these men is the raw material, and the finished product goes into 10,000,000 homes as the great practical means for education and culture. The newspaper has become a common necessity in every home.

Why, there are 59 news print paper mills all told in the country. I compile from the report of the Census Bureau for 1905 and the House committee hearing. In those mills were employed approximately 19,449 persons. At the same time there were employed on the newspapers and periodicals 145,638 persons—more than seven times as many as in the paper mills. Every laborer on the great papers is affected by the remarkable increase in the rate of paper which took place within the past few years. The total wages and salaries paid by the print paper mills amounted in 1908 to approximately $10,030,632 annually, while that of the newspapers and periodicals in 1905 reached the enormous sum of $106,949,199. In Nebraska the newspapers alone paid out in 1905 more by $200,000 in wages and salaries than did the paper mills in six of the leading paper-making States.

Is it in accord with the Republican principles of protection to protect 19,000 laborers, who do not need protection and who are monthly emigrating across the border into Canada to accept higher wages, and at the same time strike a blow direct at 145,000 of the most intelligent and progressive workers of the country? You can not question my loyalty to the doctrine of protection where protection is needed to develop an industry and maintain a high rate of wages for Americans, but I will not remain silent when extortion is demanded in the name of protection. The testimony before the House committee shows that the International Paper Company itself went into Canada and purchased a large amount of print paper to keep the American publishers from buying it, and this they parceled out among their foreign customers. Because of this purchase of the foreign paper, the trust had too great a supply on hand and was compelled to shut down 24 paper machines while the surplus was being consumed in American presses. And the protected laborers on these 24 machines were compelled to find other jobs.

Print paper was originally made from the waste of the wardrobe and the flax and grain fields. In 1844 a German by the name of Kellar invented a machine for converting wood into paper. While wood had been used prior to that time for paper, no way had been discovered for its conversion into the finished product except with the aid of chemicals. The invention of this machine made it possible three years later to establish the first pulp and paper factory in this country. The industry has grown and prospered since then, until to-day American mills produce more than 1,200,000 tons of print paper annually and are able to supply the American market.

Ground wood pulp is made very largely from the spruce tree, with a limited amount from the hemlock. The spruce is already nearly exhausted in the United States. Science has not yet discovered any other tree which may satisfactorily be converted into pulp by the grinding process. The extent of our spruce supply in America therefore becomes a question of commanding importance.

The domestic consumption of print paper amounts to 1,200,000 tons annually. The total consumption of spruce wood for paper purposes in the United States amounts to 2,700,000 cords per annum. One-third of this amount comes from Canada, the remainder from American forests.

There is no accurate information available to show the extent of the spruce forests in the United States except in the eastern part of the country. The Government Forest Service has made a survey and investigation, and its estimate may therefore be taken as approximately correct. The Forest Service estimate that there are 15,000,000 acres of spruce forests east of the Rocky Mountains. Maine heads the list with approximately 10,000,000 acres. New Hampshire follows with 1,200,000 acres. The spruce on the Pacific coast is more valuable for lumber, and it is used only in limited quantities for paper making. Computing the exhaustion of these spruce forests, on the basis of western consumption for paper purposes, Forester Pinchot estimates they will be exhausted as follows: Maine in twenty-eight years, New Hampshire in twenty-five years, Vermont in eleven years, New York in eight years. He also estimates that Minnesota, with her great forests of black spruce, can not continue her present output and have any left at the end of nine years. Mr. Pinchot also testified that it would be impossible to avoid the exhaustion by reforestation, for the reason that spruce trees require from seventy-five to one hundred years to reach a diameter of 10 inches. His testimony may be found on page 1367 of the hearings before the Mann committee.

Mr. President, after a long and careful study of the questions that arise from a discussion of the paper and pulp industries, I believe I am justified in drawing the following conclusions:

1. Our pulp-wood supply is nearly exhausted.
2. The pulp-wood supply of Canada is apparently inexhaustible.
3. Free pulp would tend to conserve our pulp wood.
4. The production cost of print paper is less in the United States than in Canada.
5. A ton of news print paper costs in Canada $34.11 to manufacture; in the United States it costs $27.74.
6. The print-paper market is controlled in the United States by combination, and whatever duty the law may fix will assist the combination in that control in violation of the law of competition, to the injury and outrage of the public.
7. By reason of such control the cost of print paper to the consumer has been arbitrarily advanced to an unreasonable and unconscionable profit to the manufacturer.
8. Print paper advanced from $38 in 1907 to $42 and $50 per ton in 1908.
9. The importation of print paper for all time has been negligible.
10. The proposed duty on pulp and print paper is therefore not necessary for protective purposes nor useful for revenue purposes. It is an outlaw duty, and should be stricken from this bill.

I ask leave to have the report of the House Select Committee on Pulp and Paper Investigation printed in the RECORD without reading.

The VICE-PRESIDENT. Is there objection to the request of the Senator from Nebraska? The Chair hears none.

The report referred to is as follows:

Wood pulp, print paper, etc.

PRELIMINARY REPORT OF SELECT COMMITTEE ON PULP AND PAPER INVESTIGATION.

The Select Committee of the House, appointed under House resolution No. 344, to inquire into the elements and conditions involved in the production and supply of wood pulp and print paper in so far as the same are or may be affected by any combination or conspiracy to control, regulate, monopolize, or restrain interstate or foreign commerce and trade in the manufacture, supply, distribution, or sale of wood pulp or paper of any kind, or any of the articles entering into the same, or any of the products of paper, and how far the same may be affected by the import duties upon wood pulp or paper of any kind, and how far the same may be affected by the rapid destruction of the forests of the United States and consequent increase in the price of wood which enters into the manufacture of wood pulp, and also to inquire whether the present prices of print and other paper are controlled in whole or in part by any combination of persons or corporations engaged in commerce among the several States or with foreign nations, and, if so, to inquire into the organization, methods, and practices of such corporations or persons, and also to inquire into certain alleged facts and to obtain all possible information in regard to the same, beg leave to submit a partial and preliminary report and to say that since its appointment the committee has been diligent in making its investigation, and the members of the committee have devoted practically their entire time since appointment to the work of the committee, neglecting their other official duties for that purpose.

The committee listened with interest, attention, and care from April 25 to May 14 to the witnesses appearing in behalf of the contentions of the American Newspaper Publishers' Association, and followed with painstaking care the statements made and evidence presented by Mr. John Norris, who appeared as the special representative of that association. Every opportunity has been given to newspaper publishers to present evidence before the committee, though not all of the publishers who offered to appear or whom the committee would like to hear have yet been examined.

In addition to the testimony presented before the committee, your committee sent out, on May 6, 7,000 letters to various newspapers and other publications throughout the country, asking that a schedule inclosed to them be filled out and returned to the committee, giving certain information as to prices, etc., which schedules, as rapidly as returned, were, up to May 21, turned over to the Census Office for tabulation, and the results of which tabulation have been carefully examined by your committee and are printed in the hearings. Of the schedules which were thus sent out, 919 have been returned and tabulated.

Schedules asking for information were also sent, under the supervision of the Census Office, by your committee to the paper and pulp manufacturers of the United States, but sufficient time has not yet elapsed to have obtained very complete returns from such schedules.

CONTENTION OF PUBLISHERS.

It has been the contention of the newspaper publishing interests—

First. That the price of news-print paper was advanced in September, 1907, to $50 per ton in New York, and correspondingly elsewhere, a figure that was claimed to be $12 per ton in advance of the price of two years previous, and that a still further advance was threatened of $10 per ton more, thereby planning, as claimed, an advance of $22 per ton.

Second. That the advance actually made and the planning of a further advance were both the result of a combination or conspiracy entered into by the news-print paper manufacturers or their selling agents.

Third. That such advance in price and such combination to make further advance were caused, or at least in part aided, by the tariff duties imposed on wood pulp and print paper, and hence that, in jus-

tice to the newspaper and other printing and publishing interests of the country, the duties on pulp and paper should be repealed.

Fourth. That the decree of the United States court dissolving the General Paper Company had been willfully violated by paper manufacturers in Michigan, Wisconsin, and Minnesota, parties to that decree, who had in violation of the decree acted in concert and agreed as to prices and to the imposition of conditions upon the manufacture, sale, and distribution of the paper manufactured.

The above may not completely state the contention of the newspaper publishers, but it gives a general and fair idea of their claims.

One of the inquiries submitted to your committee was as to the effect of the destruction of the forests of the United States upon the production, supply, and price of wood pulp and print paper.

In the examination of the subject-matters your committee, in addition to the evidence presented to it by the newspaper interests and the pulp and paper manufacturing interests, have had the courteous, attentive, and valuable assistance of the Census Office, the Bureau of Statistics, the Bureau of Labor, the Division of Forestry, and the State and Treasury Departments. Every branch of the administrative service of the Government which has been called upon by your committee has rendered prompt and efficient aid in obtaining valuable information, both at home and from abroad, for the use of the committee and for the benefit of the industries interested.

Prior to the appointment of your committee the statement had been widely circulated that the advance in prices, together with the threatened advance, would entail upon the printing and publishing interests of the United States an additional cost of $60,000,000 per annum. Subsequently it was explained by the same authority that the actual and threatened advance in news print paper would be over $24,000,000 per annum.

NEWS PRINT PAPER.

Ordinary news print paper is composed mostly of ground wood. The process of grinding wood consists of pressing it with hydraulic pressure against rapidly revolving grindstones, operated usually with water power. In fact, steam power would be too expensive to grind the wood at the present price of paper. When this wood is ground into pulp and made clean of extraneous matter by various processes, it has mixed with it 20 to 25 per cent of wood pulp or fiber produced by chemical processes, clay to fill the paper to an evenness, coloring matter, etc. The ground pulp is the cheaper, but there is not long fiber enough in it to hold it well together, and the chemical pulp, usually called "sulphite fiber," made from the same wood, is added to give the paper strength.

ESSENTIALS OF CHEAP PAPER.

There are two primary essentials to cheap paper. First, cheap power; second, cheap pulp wood. The cheap power can only be obtained by the development of water power. The use of wood in paper making, while old in various forms, is quite modern in the form of ground wood pulp and the price of printing paper has been greatly reduced in recent years following the development of the ground wood-pulp industry. Probably the lowest price for news-print paper was reached in 1897, though it has been difficult to ascertain the prices at different periods. Most of the news-print paper is sold to the publishers on time contracts and the paper supplied directly from the paper mills.

Usually contracts for news print paper provide that the manufacturer or other seller shall deliver the paper to the publisher, who is the buyer, so that the contracts generally include both the price of the paper and the freight rate. Just how low the average price of news-print paper went in 1897, along with other things at that general period of depression, we have as yet been unable to ascertain, though it would appear that some paper was sold at about 1½ cents a pound.

The tabulation of the returned schedules of newspapers by the Census Office covers but few of the large metropolitan dailies, which are the heavy consumers. From these returns the average price at present, including in many cases freight charges, to 919 newspapers is $2.86 per hundred pounds of paper; that of these, 361 using paper in rolls have an average price of $2.54 per hundred pounds, and 558 an average price of $3.07 for paper in sheets. From these same returns it appears that in 1890 108 of these publishers paid an average price of $2.84; in 1894, 132 publishers paid an average price of $2.46; in 1897, 206 paid an average price of $2.16; in 1900, 364 paid an average price of $2.10; in 1905, 636 paid an average price of $2.43; in 1907, 815 paid an average price of $2.38 per hundred pounds. It seems probable that publishers paying high prices most readily responded to the inquiries of the committee.

It appears that the average price received by the International Paper Company for paper delivered was, in 1900, $2.06; in 1901, $2.12; in 1902, $2.07; in 1903, $2.14; in 1904, $2.12; in 1905, $2.07; in 1906, $1.99; in 1907, $2.05; and for the first three months of the current year, $2.20 per hundred pounds.

The average selling price of the St. Regis Paper Company per hundred pounds of news-print paper f. o. b. mill for January, 1903, was $1.75; January, 1904, $1.75; January, 1905, $1.74; January, 1906, $1.47; January, 1907, $1.75; January, 1908, $2.13. The evidence shows that at this mill, while the selling price f. o. b. mill had increased from $1.75 in January, 1903, to $2.13 in January, 1908, the cost of production, excluding interest and depreciation, had increased from $1.30 in January, 1903, to $1.61 in January, 1908, and that in January, 1906, while the average selling price was $1.47 the average production cost was $1.54.

While there appears to have been complaint on the part of paper manufacturers that the selling price of paper for 1906 was too low to be fairly remunerative, yet we are inclined to think that it was not until the summer of 1907 that there was a general increase in print-paper prices. That a general increase was in fact put into effect on new contracts appears to be unquestioned. Some of the contracts then outstanding were five-year contracts, which had several years yet to run. This appears to have been quite generally true of the large metropolitan dailies, who are the principal consumers of news-print paper. In some of these contracts the prices of paper are based upon the cost of production at certain mills. Others are based upon the annual market price with a maximum price named, and others upon different terms. In one long-term contract still in force covering 90,000 tons of paper a year the price is $1.88 per hundred pounds delivered to the publisher.

It has been impossible for your committee yet to ascertain what proportion of the print-paper consumption in the United States is under new contracts or at advanced prices. But it appears that the International Paper Company, the largest producer of news-print paper, determined in June, 1907, to advance its price of paper on new contracts to $2.10 per hundred pounds f. o. b. mill, and at a meeting of its selling committee, held October 11, 1907, it was the unanimous sense of that committee that contracts with large customers for 1908 should be based upon $2.50 per hundred pounds delivered. Other news-print paper makers generally advanced their prices, so far as your committee has ascertained, about the same time or shortly thereafter.

The advance in price made by the International Paper Company on new contracts was close to 50 cents per hundred pounds, or $10 per ton. While this advance has applied up to the present time on probably less than one-half the news-print paper consumption, yet, if the advance which was made should be applied to the entire consumption of news-print paper in the United States, it would probably amount to an advance of about $10,000,000 per annum.

This advance in the price of paper to the publisher on new contracts was in a degree coincident with the decline in the quantity of advertising which followed the recent panic.

COMBINATION IN RESTRAINT OF TRADE.

The evidence before the committee so far fails to prove any combinatin of print-paper manufacturers to advance prices or otherwise in restraint of trade, but considerable evidence was presented which might excite suspicion that such a combination had been made and was in existence. Evidence was presented in relation to a combination of manila and fiber manufacturers, and it seems to be admitted that that combination did exist, has since been dissolved with a fall in the price of its products, and is now under investigation through the Department of Justice in the United States court at New York.

Such of the paper manufacturers as have appeared before your committee during its hearings have strenuously and completely denied under oath the existence of any combination, agreement, or understanding of any nature whatever among the paper manufacturers or their selling agents to regulate, control, or advance the price of paper, the asignment of customers, or for any other purpose in restraint of trade.

INCREASED COST OF PRODUCTION.

The mill owners insist that there has been a decided increase in the cost of producing paper, caused—

First. By increase in the cost of pulp wood and wood pulp.

Second. By increase in the wages of the employees.

Third. By reduction of the hours of labor per employee per day.

Fourth. By the increase in the cost of other articles which enter into the production of paper.

INCREASED COST OF WOOD PULP.

There seems to have been a decided increase in the cost of pulp wood. This is admitted by everyone. The average cost to the International Paper Company of pulp wood in the rough, per cord, delivered at the mill, from 1898 to 1908, is stated to us as follows:

1898	$5.33
1899	5.26
1900	6.07
1901	6.43
1902	6.83
1903	6.77
1904	7.49
1905	7.79
1906	8.00
1907	8.54
1908 (first 3 months)	10.14

The average cost to the Northwest Paper Company, at Cloquet, Minn., for pulp wood per cord, in the rough, 8-foot lengths:

1902	$3.15
1903	3.40
1904	3.60
1905	4.10
1906	5.15
1907	7.40

The average cost of rossed pulp wood per cord to the Remington group of mills, delivered at the mill, was—

1904	$11.00
1905	11.12
1906	11.50
1907	13.30
1908 (first 3 months)	14.00

The average cost of rossed pulp wood per cord to the Frank Gilbert Paper Company, delivered at the mill, was—

1894	$6.25
1895	8.12
1896	8.12
1897	8.12
1898	8.50
1899	8.75
1900	8.30
1901	8.50
1902	9.00
1903	10.50
1904	11.00
1905	11.21
1906	11.61
1907	13.30
1908 (first 3 months)	13.80

The evidence so far taken would seem to indicate that last summer there became a genuine scare among the mill owners as to the supply of pulp wood for 1908. For the first time the Wisconsin mills purchased pulp wood in Quebec, 1,400 miles distant. Owing to the shortage in the western available supply of pulp wood, the western mills purchased 50,000 cords of pulp wood in Quebec during 1907. It is possible this had much to do with the increase in the price of pulp wood and more or less to do with the increase in the price of paper.

COST OF GROUND PULP.

According to the books of the International Paper Company, the average cost to it of producing 1 ton of ground-wood pulp in 1907 was $14.42, composed of the following items:

Pulp wood	$9.50
Wages	2.55
Grindstones	.11
Felts	.13
Wires	.04
Screen plates	.05
Belting	.07
Lubricants	.04
Repair material	.77
Repair labor	.32

Fuel	$0.03
Barn expense	.02
Miscellaneous operating	.07
Office expense	.02
Water rents	.40
Insurances and taxes	.15
Administration expense	.15

The average cost of the amount of ground pulp used in the production of 1 ton of news-print paper was—

1907	$12.22
1906	11.49
1905	11.08
1904	11.56
1903	10.24
1902	9.41
1901	10.00
1900	9.54
1908 (January and February)	12.77

The cost of production of ground pulp by the Northwest Paper Company per ton, dry weight, was—

1902	$10.60
1903	12.20
1904	9.87
1905	9.39
1906	13.52
1907	17.10

The cost of production of ground pulp to the St. Regis Paper Company, of the State of New York, per hundred pounds, dry weight, was—

1902	$0.55
1903	.59
1904	.62
1905	.64
1906	.68
1907	.74
1908 (first two months)	.77

During 1907, ground-wood pulp sold in the market as high as $30 per ton.

The cost to the International Paper Company of sulphite fiber, per ton, was—

1901	$25.85
1907	31.38

The cost of production of sulphite fiber to the St. Regis Paper Company, per hundred pounds, dry weight, was—

1902	$1.36
1903	1.41
1904	1.46
1905	1.46
1906	1.54
1907	1.50
1908	1.61

The average cost to the International Paper Company of the materials used in the manufacture of 1 ton of paper in 1901 was $21.49, as follows:

Ground pulp	$10.00
Sulphite fiber	9.02
Sundry fibers	.36
Waste paper	.06
Wrappers	.76
Fillers	.67
Alum	.27
Bleaching	.10
Coloring	.10
Sizing	.15

In 1907 the total cost of materials per ton of paper was $23.27.

LABOR COST.

The average cost to the International Paper Company of labor in the production of 1 ton of paper from the prepared materials was—

1900	$3.80
1901	4.00
1902	4.11
1903	4.15
1904	3.94
1905	3.83
1906	3.80
1907	4.19
1908 (January)	4.29
1908 (February)	4.38

The average cost to the International Paper Company of labor in the production of 1 ton of paper from the delivery of the pulp wood at the mill was—

1900	$7.74
1901	8.02
1902	8.13
1903	8.18
1904	8.04
1905	7.86
1906	7.63
1907	8.52
1908 (first 3 months)	8.81

In the Northwest Paper Company the average cost of labor in the pulp and paper manufacture in 1907 was 18 per cent higher than in 1904.

In the John Edwards Mill, of Wisconsin, the cost of labor in the manufacture of 1 ton of paper from the prepared materials was—

1899	$3.26
1900	3.00
1901	3.22
1902	3.28
1903	3.32
1904	3.12
1905	3.12
1906	3.25
1907	3.88

In the Northwest Paper Company the cost of labor in 1 ton of paper from the tree in the forest to the completed paper in rolls is stated at $16.23 in 1907, divided as follows:

Labor in 1 ton of paper from tree to the paper mill, including preparation of the materials	$10.61
Labor in the paper mill proper	5.62

There seems to have been a considerable increase in the average weekly wage of the employees in the paper and pulp mills. This increase has not been greater than seems to your committee to have been necessary, owing to the increased cost of living, and the wages now paid in the paper and pulp mills would not be generally considered high as compared with other skilled labor, though this may be largely owing to the fact that the mills are generally located on streams apart from large centers of population.

HOURS OF LABOR.

Owing to the fact that the machinery is largely operated in the mills by water power, it is economical to run them night and day. Up to about 1900 or 1901 the employees worked on what is known as the two-tour or two-shift system—that is, an employee would work one week eleven hours during the daytime for six days, or sixty-six hours, and the next week thirteen hours during the night for six nights, or seventy-eight hours.

There were and are, of course, some employees about the mill who work only during the day, but the employees connected with the making and preparation of pulp and the making of paper work at machines that run day and night. About 1901 the hours of labor in the eastern news-print paper mills of the United States were generally reduced, so that an employee alternately worked one week eleven hours per day, or sixty-six hours, and five nights per week of thirteen hours each, or sixty-five hours. Under this system the mills shut down Saturday night. This reduction of hours was accomplished without reduction in wages, and, in fact, it would appear that notwithstanding the reduction in hours there were some increases in wages.

In 1906 and 1907 the International Paper Company and a large number of other eastern news-print paper mills put into effect what is called "the three-tour system," under which there are three shifts of men, each working eight hours per day for six days in the week. This shortening of hours was accomplished without reduction in the wages of the men per week, and in some cases the wages have been increased, so that they are now higher under the eight-hour system than they were under the longer hours.

The reduction in the hours of labor has not been adopted in the Wisconsin and other western mills, where the hours still alternate between sixty-six and seventy-eight hours per week, or an average of twelve hours per day.

In the opinion of your committee it would be very unfortunate to adopt any legislation which would result in a return in the eastern news-print mills to the former system of twelve hours' work per day or which would operate to continue such system in the western mills. While the adoption of the three-tour system instead of the two tour does not advance the wages paid in the mill to the extent of one-half, yet it makes a very considerable and decided increase in the number of employees paid and the total amount of the wages paid out.

According to the advance figures from the Twenty-second Annual Report on Factory Inspection of the New York State department of labor, kindly furnished to the committee by Hon. L. W. Hatch, chief statistician, it appears there were 14,004 employees in 198 paper and pulp mills in New York State, exclusive of New York City, in 1907. Of these, 4,050, or 28.9 per cent, worked less than fifty-one hours per week; 6,302, or 45 per cent, worked more than sixty-three hours per week. In 1906, 3.9 per cent of the employees worked less than fifty-one hours per week, and the number in 1907 was 28.9 per cent. In 1906, 599 employees worked less than fifty-seven hours per week. In 1907 the number was 5,267.

SOME INCREASE IN THE PRICE OF PAPER JUSTIFIED.

It would appear that the increase in the value and cost of pulp wood, the increase in wages, the decrease in the hours of labor of many of the employees, and the increase in the cost of other materials used, justified some increase in the price of paper over the prices previously prevailing, notwithstanding some economies perfected in the production of pulp and paper. The International Paper Company is the largest producer of news-print paper in the United States and produces from 30 to 40 per cent of the entire output.

The evidence shows that the net earnings of that company for the fiscal year ending June 30, 1901, were $3,054,000; that the average net earnings of the company for the fiscal years from 1899 to 1905, inclusive, were $2,316,000; that for the fiscal year ending June 30, 1906, the net earnings fell off to $1,985,000, and for the fiscal year ending June 30, 1907, to $1,623,000, and for the first six months of the calendar year 1907 to $777,000; that about the middle of the calendar year 1907 the manufacturing department of the said company submitted reports showing an estimated increased cost of production for the calendar year of 1908 of $1,500,000 over that for the fiscal year ending June 30, 1907, based on the same quantity of paper. This estimate followed the introduction of the eight-hour system in its mills and was coincident with the scare in reference to the supply and cost of pulp wood. The estimate was based upon an increase of $300,000 in the cost of labor and $1,200,000 in the cost of pulp wood.

The evidence shows that at the Hudson River mill, the best equipped of the International Company, the cost of production per ton of news-print paper in 1907, excluding depreciation, interest, and administration expenses, was $27.50, and for the first three months of 1908, $30.34. At one of the mills of the International Company the same cost for 1907 was $37.10.

At the St. Regis mill, one of the modern mills, the cost of production at the mill of news-print paper, excluding depreciation and interest, as shown by the books of the company, was—

	Per 100 pounds.
1902	$1.34
1903	1.39
1904	1.42
1905	1.55
1906	1.53
1907	1.60
1908 (January and February)	1.66

At the Northwest Paper Company the cost was—

	Per 100 pounds.
1903	$1.58
1904	1.50
1905	1.52
1906	1.70
1907	1.94

At the Dells Paper and Pulp Company, Eau Claire, Wis., the cost was—

	Per 100 pounds.
1902	$1.45
1903	1.49
1904	1.48
1905	1.45
1906	1.49
1907	1.79

At the Dells Paper and Pulp Company the difference between the actual cost of production and the selling price per hundred pounds of news-print paper was—

1902	$0.50
1903	.51
1904	.53
1905	.44
1906	.23
1907	.15

This last represents the net profits excluding any charge for interest or depreciation.

The sworn evidence in behalf of the International Paper Company, based upon its books, shows that the average total cost to it of news-print paper delivered to the customer was $40.09 per ton for the calendar year 1907, composed of the following items:

Cost of production, including materials, labor, taxes, insurance, and other mill expenses	$32.38
Cost of administration	1.04
Interest on bonds	1.99
Expenses of delivery	4.68
Total	40.09

Under the estimate submitted by the manufacturing department of the increased cost of production for 1908, it was estimated that the cost in 1908 of paper delivered would be $43.41. During the first three months of 1907 the International Paper Company delivered 111,718 tons of news print paper, which were billed to consumers at $40.90 per ton, or $4,569,000. For the first three months of 1908 the same company delivered 90,791 tons, which were billed to the consumers at $44.14 per ton, or $4,008,000.

The evidence shows that the grand total of contracts for paper on the books of the International Paper Company May 1, 1908, called for 427,622 tons at an average price of $44.53 delivered. The evidence shows that the average selling price of the International Paper Company of news-print paper at the mill, not including cost of delivery, on both domestic and foreign business, was as follows:

Fiscal year.	Domestic.	Foreign.
1900	$35.54	$38.02
1901	36.28	38.78
1902	35.80	36.82
1903	37.70	36.48
1904	37.80	37.76
1905	36.94	38.48
1906	35.52	37.76
1907	36.64	37.04

THREE-CENT PAPER.

One of the claims urged by the Publishers' Association was that it was the intention of the paper manufacturers to further increase the price of paper on a basis of 3 cents per pound, or $60 per ton, delivered at New York, with prices corresponding elsewhere. Such a condition would add more than $10,000,000 above the present cost of paper. The paper manufacturers strenuously denied there having ever been such an intention, and from the evidence submitted to the committee we find that such an advance was never contemplated.

CANADIAN COMPETITION.

The principal competition with the news print paper and pulp mills of the United States comes from the Canadian mills. From Canada we import a large and rapidly increasing amount of pulp wood. We also import a considerable quantity of wood pulp and are now importing some quantity of news print paper.

Consul-General Foster, at Ottawa, Ontario, reports that the average price of news-print paper at the Laurentide Paper Company mill, at Ottawa, per ton was—

1902	$38.41
1903	38.83
1904	38.17
1905	37.46
1906	36.41
1907	36.16

While the average price of news print paper at the Canadian mills may be now a trifle less than in the United States, it was until the last year apparently *as high, or higher, at the Canadian mills* than at the mills in the United States. It is claimed by the paper manufacturers that the low prices now prevailing at the Canadian mills are temporary in nature and the result of the depression in the news print paper market in England and Canada.

EXPORTATION FROM CANADA.

Some of the provincial governments in Canada now discriminate against pulp wood for exportation. It is said that most of the forests in the Provinces of Quebec and Ontario suitable for pulp wood are public, or Crown, lands belonging to the provincial governments. The Province of Quebec makes a license or stumpage charge of 65 cents for each cord of pulp wood cut on its Crown lands, with a reduction or rebate of 25 cents for each cord manufactured into pulp within the Dominion of Canada.

This amounts to an export charge of 25 cents per cord, or nearly 40 per cent of the original license or stumpage charge. It is from the Province of Quebec that most of the pulp wood now imported into the United States is obtained. Wisconsin and other western paper and pulp mills could much more cheaply obtain pulp wood from the Province of Ontario than from Quebec, but the Province of Ontario absolutely prohibits the exportation from Canada of any pulp wood cut on its public lands, though permitting such cutting for manufacture at home.

Canada has immense tracts of spruce forests, spruce being particularly well adapted for making paper. And while these forests have doubtless advanced more or less in value for the production of lumber, yet they ought, together with the spruce forests of the United States, furnish spruce pulp wood in sufficient quantities for paper making for a long time in the future, or perhaps indefinitely with proper conservation.

REMOVAL OF THE TARIFF.

The question as to the removal of the tariff on print paper and wood pulp is intimately connected with the conservation of the forest resources of the United States, as well as its effect upon the paper manufacturing industry and the newspaper-publishing industry. Your committee has taken in its preliminary investigation about 2,000 printed pages of testimony, involving many tables of cost and price.

The committee has not yet completed its investigations and is not yet prepared to make a recommendation as to the permanent policy of the United States in regard to the duty on paper and pulp, except that the commitee is firmly of the opinion that the tariff on news-print paper and on wood pulp should not be removed as to paper or pulp coming from any country or place which prohibits the exportation of pulp wood, or which levies any export duty on paper, pulp, or pulp wood, or makes any higher charge in any way upon wood pulp or pulp wood intended for exportation to the United States.

The evidence taken so far would seem to indicate that the temporary suspension or entire romoval of the present tariff would not have any great immediate effect, and if the tariff is removed at any time it should be coupled with the right to free exportation of pulp wood from the Canadian forests. The removal of the tariff on print paper and wood pulp, if followed by an export duty on pulp wood coming from Canada, would probably result in a considerable increase in the price of print paper and the early destruction of the pulp-wood forests in the United States.

A low or even moderate price for print paper in the future is dependent mainly upon the future supply and cost of pulp wood. About one-third of the pulp wood now consumed in the manufacture of paper by our mills is imported from Canada. If an export duty should be levied by Canada upon the exportation of pulp wood, or if the Province of Quebec should follow the example of the Province of Ontario and entirely prohibit the exportation of pulp wood cut on its crown lands, the cost of pulp wood in the United States would be greatly enhanced and the price of paper would go up.

A mistaken policy now adopted and put into effect by the United States upon this subject might easily prove of inestimable damage and cause the practical destruction of the cheap daily newspaper.

It would seem that for the American publisher to be assured of low prices for his paper, it is essential to maintain paper mills in the United States. Any policy that would give the Canadian mills a preferential advantage over American mills in obtaining the raw material at a lower price must inevitably result in the dismantling of American paper machines and the ultimate dependence of American publishers on Canadian mills. Under such conditions Canada could levy export duties on print paper that would result in enhanced prices without the presence of competition from American paper manufacturers.

So far as the information yet presented to the committee discloses the facts, your committee is inclined to the opinion that if the American pulp mills can obtain pulp wood from Canada on even terms with the Canadian mills, they can make ground wood pulp as cheaply as it can be imported from Canada free of any duty. What effect the removal of the tariff upon paper would have as to Norwegian and other European competition, your committee is at present unable to say, though it has been claimed before your committee that the wages paid in European countries are only one-third to one-half of the wages paid in the mills of the United States, and that under free-trade competition the low wages in the European countries would be disastrous to the wage scale and the hour scale in the American paper mills.

Your committee proposes during the summer vacation to continue its investigations and expects to be able to present to the House at the next session of Congress definite recommendations, based upon complete information thoroughly considered, as to the various matters of inquiry submitted to the committee. In not presenting at this time definite conclusions and recommendations your committee is guided in part by the fact that no combination in restraint of trade has been proven by the evidence to exist among the paper manufacturers, and that the evidence does not show any intention on the part of the paper manufacturers to further increase the present price of news-print paper, but that on the other hand the evidence does show that the upward tendency in the price of paper, which was so marked during the year 1907, reached its limit some months ago, probably as the result of economic conditions, and that at present the tendency of the news-print paper market is downward. One contract with a large daily paper was recently concluded on the basis of $2.20 per hundred, delivered in Chicago.

The scare of last year as to the future supply and price of pulp wood and as to the ability of the mills to furnish news-print paper enough to meet the demands of consumption has subsided, and when new contracts are made during the present year for pulp wood to be delivered in 1909 the price is likely to be lower than the prices now being paid for pulp wood on contracts made last year. The decreased consumption of paper consequent upon the general business conditions of the country means a lessened demand for pulp wood, and we believe a consequent return to normal prices.

THE STEVENS BILL.

The so-called "Stevens bill" (H. R. 18608) provides for the repeal of the tariff law so far as it applies to wood pulp and printing paper, with the proviso that if any country or dependency shall impose an export duty on pulp wood there shall be imposed a duty on wood pulp and print paper when imported from such country or dependency to the amount in the case of wood pulp of the export duty and to the amount in the case of printing paper of one-tenth of 1 cent per pound for each dollar of export duty per cord of pulp wood and proportionately for fractions of a dollar of such export duty.

The Stevens bill does not purport to repeal or change the tariff laws as to any class of paper or paper products except printing paper, though all other kinds of paper are affected by the same natural conditions

which have affected the supply and price of printing paper. We doubt whether anyone after full consideration would desire the enactment of the Stevens bill into law in its present shape. The bill makes no provision against the present order of the Ontario government prohibiting the exportation of pulp wood. It contains no safeguard against a similar order by the government of Quebec.

If the Stevens bill should be enacted into law in its present shape, and the Province of Quebec should by order provide that no pulp wood cut on Crown lands should be exported from Canada, it would cause an immediate rise in the price of paper; it would enhance greatly the price of pulp-wood timber in the United States; it would cause the destruction of American forests; it would cripple the paper-manufacturing industry in our country; it would in every way do much harm and prove of benefit in no way.

The spruce forests of Canada and the water-power development in the United States can profitably and economically be used together in the production of print paper at low prices. The necessary cooperation of these two great natural resources may be brought about by mutual agreement or treaty between our country and Canada or perhaps by thoroughly considered and well-safeguarded legislation. It would be much better to secure such cooperation by mutual agreement with the Canadian government, if that can be done. Just what obstacles may be in the way of such an agreement, by reason of the fact that the ownership of the Crown lands is in the provincial governments, or for other reasons, your committee has not fully considered.

As the present price of paper would not to any considerable degree be immediately affected by the repeal of the tariff, and as the passage of the Stevens bill in its present form might spell "ruin" to the paper industry and ruinously high prices for paper in the near future, your committee believe it the part of wisdom before making recommendations for positive legislation to await until its investigation has been completed and thoroughly digested.

All of which is respectfully submitted.

JAMES R. MANN,
JAMES M. MILLER.
WILLIAM H. STAFFORD.
HENRY T. BANNON.

VIEWS OF THE MINORITY.

The undersigned members of the Select Committee on Pulp and Paper Investigation, acting under House resolution No. 344, respectfully recommend the passage of H. R. 18608, introduced by Mr. STEVENS, of Minnesota.

An acute situation, which might be termed trade hysteria, was precipitated in 1907 in news-print manufacture when a group of sixteen Wisconsin mills, known as the Wisconsin Wood Pulp Association, bought 50,000 cords of pulp wood in the Province of Quebec, Canada. This purchase entailed a transportation of that material a distance of 1,500 miles. It introduced a new and unlooked-for factor into what was more or less of a speculative operation. It demoralized the pulp-wood markets of the United States, as well as of Canada, where nearly 1,000,000 cords of pulp wood are bought for export to the United States. It started paper quotations upward until one paper trade journal reported that the current prices for news-print paper on July 1, 1907, ranged from $52 to $62 per ton. (See Doctor North's letter to Mr. DALZELL, Hearings, p. 219.) This advance had been foretold by papers, salesmen, and others nearly a year prior to a so-called paper famine.

The Wisconsin and other mills are rapidly exhausting their supply of available spruce, as is shown by their effort to buy and ship wood a distance of 1,500 miles. More than one-half of the spruce wood used in American mills for making news-print paper comes from Canada. At the time that the Wisconsin purchase of Quebec wood caused the trade flurry the officials of the International Paper Company (a corporation producing about one-third of the entire supply of news-print paper manufactured in the United States) computed that the increased cost of their labor by reason of shorter hours had added $300,000 per annum, or 60 cents per ton, to their expenses, and that their wood would cost $1,200,000 additional, or $2.40 upon each ton of paper produced, a total of $3 per ton upon their entire output of about 500,000 tons for news, manila, and other varieties of paper. (Hearings, p. 1096.)

They also figured that of their news-print paper output, only 55 per cent could be taxed with these burdens because the other 45 per cent of their news-print production had been tied up with low-priced contracts covering the year. Accordingly, they decided upon $50 per ton delivered as their minimum upon all future sales, which substantially fixed that price for the entire market. This figure carried with it an average advance of about $10 per ton in a period of two years. The action was too abrupt. It provoked trouble and resentment at a time when newspaper revenues were shrinking because of depressed business conditions. It brought to the attention of the country a situation that demands rectification.

Immediately following the panic of October, 1907, the newspaper publishers sought to offset their losses caused by diminished advertising revenues and by increased cost of paper. They reduced the number of pages of their papers, resulting in a diminution of consumption. The paper mills, which had been taxed to supply the market, soon found their stocks accumulating, with decreasing demand for their product. The market was soon glutted, and paper makers were confronted with the alternative of reducing their prices or closing their mills and discharging their labor.

They decided to maintain the high prices, and this action on their part threw many of their employees into idleness. They kept their prices so far above the normal level that Canadian mills were able to pay the duty of $6 per ton and to underseli American mills in the American market, doing this while paying wages for labor that compared favorably with the wages paid by the American mills. (Hearings, pp. 691, 805, 995.) This maintenance of high prices under such conditions brought about the unlooked for result of giving to Canadian labor some of that work of production which otherwise would have gone to American labor.

Many cases of hardship have been brought to the attention of the committee. For instance, the Philadelphia Inquirer, using 13,000 tons of news-print paper annually, at a price of $38 per ton, was notified that it must agree within twenty days to pay an additional price of $12 per ton, aggregating $156,000 per annum, or take chances upon its supply of paper. (Hearings, p. 393.) Inquiries at that time showed that a supply elsewhere was not obtainable. The Baltimore American was notified that it must pay $12 per ton advance upon a consumption of approximately 5,000 tons per annum, or a total advance of $60,000 per annum, and it had no recourse but to pay. (Hearings, p. 242.)

Many papers published in small cities and towns yielding a meager income had found their entire profits to disappear with this advance. Inquiries made by them disclosed the fact that no other mill than the one from which they had previously obtained their paper could supply them. They were thus forced to the alternative of contracting at the higher price or a suspension of publication. Their embarrassment was aggravated by the inability of newspaper publishers to pass along these burdens of higher price for paper to their customers.

These hardships and this inability to have their customers share the added cost of paper present a case of urgency that differentiates this request for tariff removal from other pending propositions of similar character. The price of a newspaper is like the price of a postage stamp. It is measurably fixed. It can not be raised or lowered to meet the constantly changing prices of raw material. In this respect it is unique.

Evidence of concert of action on the part of the paper makers in obtaining higher prices are furnished by reports from many newspapers located in every part of the country, though actual violation of the criminal statutes has not been shown. However, the paper makers failed to explain the uniformity of price or to entirely justify their advance in price. They admit that numerous meetings of manufacturers have been held, but they deny that prices were definitely fixed at those meetings. They claim that the increased prices were forced upon them by reduction in the hours of labor and by the increased cost of wood.

The total labor cost of the International Paper Company increased 66 cents per ton from 1906 to 1907. An audit of the accounts of the largest mill operated by it (Hearings, pp. 705–710) disclosed the fact that the labor cost of a ton of paper had not increased in that mill in 1907 over 1906, but had diminished $1.13 per ton by reason of the introduction of improved machinery and of improved methods, and that this diminution in cost was possible and had been accomplished notwithstanding a reduction in the hours of labor of the entire mill force. The testimony also showed that the reduction in the hours of labor was not general throughout the entire country, though all mills raised their prices upon the allegation that "their labor cost had thereby been increased."

The claim that pulp wood had increased in price has more merit than the claim of increased labor cost, but the increase in wood cost did not justify the advances which the paper makers ultimately adopted. The high quotations for pulp wood are open to the suspicion that they are the results of the methods of the larger paper companies which engaged in a scramble for the ownership of timber lands and then bought their supplies in the open market upon the theory that they should conserve their forests and not cut from their own lands but buy from outsiders.

It was shown that the International Paper Company had acquired control of over 4,000,000 acres of spruce timber tracts in the United States and in Canada, and that other large investments by American paper makers had been made in Canadian woodlands. (Hearings, p. 486.) As appears from Canadian reports relating to the export of over 1,836,772 cords of pulp wood, there was no increase in cost during the years 1905, 1906, 1907. The average prices certified by the paper makers upon their exportations in these years were:

1905	$4.38
1906	4.31
1907	4.37

(Hearings, p. 483.)

These prices were certified by shippers who had no apparent incentive for undervaluation.

An extraordinary and unaccountable secrecy marked the relations of manufacturer and publisher; contracts with large consumers were made under obligations of confidence and secrecy. Requests by the select committee to publishers of metropolitan dailies for information which would illuminate the subject were almost uniformly disregarded. Mail and telegraphic invitations to them to appear and testify were accepted by few. The metropolitan dailies had the advantage of long-time contracts, which had been denied to others, and they viewed with a measure of indifference the burdens suddenly heaped upon a considerable number of smaller papers.

It is upon these publications issued outside of the big cities that the advance in paper prices has been made to fall heavily. Five newspapers in New York City, consuming about 550 tons of news-print paper per day, are practically exempt for the time being from additional cost on account of unexpired contracts.

When an industry is made the beneficiary of a protective tariff and consumers everywhere are taxed to support it, it assumes an obligation to provide for expansion as the needs of the country may require.

It is also under obligation to promote the interests of the labor employed in such protected industries. The testimony submitted to the committee indicates that these obligations were not regarded by the paper makers.

The bill which we recommend will check a destruction of our woodlands, which has been estimated to exceed 1,800 square miles per annum, solely for the purposes of pulp and paper manufacture. Mr. Pinchot, of the Forestry Bureau (Hearings, p. 1357), says that from the meager data at hand the available supply of pulp wood in the United States is as follows:

	Years.
New York (which is the principal paper-making State)	8½
Pennsylvania	9
Minnesota	9
Vermont	11
New Hampshire	25
Maine	28½

Every consideration of public policy suggests the conservation of our woodlands. When the trees are cut from the hills the land loses its absorptive qualities and the rain passes off as if from a tin roof, causing floods and subsequent droughts, carrying rich soil into the rivers, and entailing baleful consequences upon our national resources.

We find that the existing duties have raised the price of wood pulp and print paper not only in itself, but by giving to the paper manufacturers a shelter behind which they could organize combinations which, if not technically susceptible of proof as "unlawful trusts," are, in our opinion, in reality such. It is true that the tariff of itself, perhaps, might not account for the full advance in price, but the tariff plus the tariff-engendered combinations do account for all of it.

We find that the revenues derived from import duties on pulp and printing paper are so small, and the benefits to be obtained from the abolition of those duties are so considerable, that we urge the placing of pulp and printing paper on the free list. We believe that relief

from existing conditions can be fully and promptly secured only by the immediate consideration and passage of H. R. 18608, known as the "Stevens bill."

T. W. SIMS.
WILLIAM H. RYAN.

House of Representatives, Sixtieth Congress, second session, Report No. 2206.

Pulp and paper investigation.

February 15, 1909.—Referred to the Committee on Ways and Means and ordered to be printed.

Mr. MANN, from the Select Committee on Pulp and Paper Investigation, submitted the following report:

The Select Committee appointed under House resolution No. 344, to make investigations concerning pulp wood, pulp, and paper, beg leave to report as follows:

Papers are made from a large number of different materials originating from the fibrous portions of plants. The materials used are, generally speaking, in the nature of waste products. Linen and cotton rags, old papers of various sorts, straws, and the products of the forests not commercially profitable for the manufacture of lumber furnish in the main the raw material from which paper-making pulp is manufactured. Linen rags in the main constitute the material from which the highest grades of paper are made, cotton rags from which lower qualities of paper are made, and different kinds of wood producing different characters of wood pulp, out of which lower grades of paper are manufactured. The refuse material, such as straw, from various of the annual farm crops are also used to a large extent in the production of low grades of paper and strawboards.

There are three processes generally used in this country for the production of pulp or fiber from wood. These are the ground-wood process, sulphite process, and the soda process. The cheap production of the lower grades of paper depend largely upon the cheapness of the ground-wood process. Practically only one kind of tree is used to much extent in the ground-wood process, and that is the spruce tree, including its various varieties.

The ground-wood process consists in pressing a 2-foot stick of spruce wood by hydraulic pressure against a revolving grindstone, the power used being entirely water power capable of operating under favorable conditions twenty-four hours per day. By this process about a ton of ground wood can be obtained from a cord of spruce wood.

The sulphite process consists of a chemical treatment of chipped spruce or hemlock wood with sulphurous acid, by which 1,000 to 1,200 pounds of sulphite fiber may be obtained from a cord of wood.

The soda process consists of the chemical treatment of chipped woods of various kinds, including both soft and hard woods, with caustic soda, by which process about the same number of pounds of soda fiber can be produced from a cord of wood as in the case of the sulphite process.

The ground-wood process is by far the cheapest process known for producing pulp from raw material, and, in addition to being the cheapest process, it produces a larger quantity of pulp than can be produced by any other process from raw materials.

The cheaper grades of paper are usually produced by mechanically mixing ground wood pulp with other kinds of pulp in different degrees of percentage. The ordinary news-print paper is generally produced by the use of about 80 per cent of ground wood and about 20 per cent of sulphite fiber, though the exact percentages differ in different papers and in different mills, it depending somewhat upon the character of the paper to be produced and somewhat upon the character of the ground wood and the sulphite fiber used. Whether other kinds of wood besides spruce can be profitably used for the production of cheap print paper is a matter concerning which there is some difference of opinion, but as a matter of fact practically all of the ground wood manufactured to-day is manufactured by the aid of water power from the different varieties of spruce with a slight admixture of balsam.

So far as the investigations of the committee can indicate, it would seem that the production of news-print paper or the other very cheap grades of paper are to-day dependent upon the continuation of cheap ground wood produced from spruce trees, and that condition is likely to continue to prevail in the future. The amount of spruce forests throughout the world is, of course, limited. The largest spruce forests are in the United States, Canada, Norway, and Sweden. Spruce is used not only for the production of ground wood, but is also the material generally used for the production of sulphite fiber. Not only is this the case, but the best spruce trees of saw-log size are worth more for manufacture into lumber than they are for manufacture at present prices into pulp or fiber.

The amount of spruce consumed in the United States east of the Rocky Mountains during the year 1907, the last year for which we have complete reports, was about 1,260,000 cords for ground wood, about 1,420,000 cords for sulphite fiber, and about 1,300,000,000 feet b. m., equal to about 2,600,000 cords of lumber, making a total of about 5,280,000 cords. The amount of spruce imported from Canada into the United States for paper making during the fiscal year ending June 30, 1908, is stated at about 920,491 cords. The amount of standing spruce in the United States east of the Rocky Mountains is variously estimated with very rough estimates or guesses at about 35,000,000,000 feet, equal to about 70,000,000 cords, and the total annual production is estimated at about 770,000,000 feet, or about 1,540,000 cords. The amount of standing spruce in the Dominion of Canada can not to-day be safely estimated with any considerable degree of accuracy based upon our present knowledge.

The cheapness of ground wood depends upon cost and convenience of spruce wood, water power, established mills, and transportation. It is quite evident that there is not to-day enough spruce forests standing in the United States to furnish a future constant supply based upon the present methods of manufacture, the probable needs of the future, and the present methods of forest conservation and waste.

Your committee believe and recommend that both the General Government and the state governments, within the limits of their respective jurisdictions, should endeavor to encourage the production of spruce forests, both by giving a more adequate fire protection and by exempting as far as can be young forests from the ordinary rates of taxation. If adequate protection can be given from the danger of fire losses and young spruce forests can be exempted from taxation, private owners may be led to use lands which would often otherwise run to waste for the production of forests. The benefit to be obtained from continued production of spruce in the future will not go only to those who may own the forests, but the benefits through the cheapness of paper will be received by the entire population. A private owner can not in general afford to grow a crop which will not mature within from fifty to a hundred years, paying taxes each year upon the value of the ground and the crop and running the risk all the time of having his entire crop swept away by a forest fire started without his fault and against which his efforts are in vain. There should be organized fire protection in every considerable forest in the United States.

It would be quite possible for the National Government to start large tracts of young spruce forest. If our country should be shut off from the utilization of its present water powers and mills in grinding spruce wood imported from Canada, it would, we think, be the duty of the General Government or of the different state governments to organize, own, protect, and control large areas of young spruce forests, ready to furnish an adequate supply of spruce wood when the existing forests shall have in the main been exhausted.

It is highly probable, however, that there exists sufficient spruce forests and spruce forest lands in the United States and Canada which, if protected by any reasonable conservation and reproduction methods, will furnish a sufficient supply of spruce wood for paper making for all time to come.

We believe and recommend that the tariff on ground wood coming into the United States be removed and ground wood admitted free under certain conditions. Practically, the question relates in the main to our relations with Canada. In some of the Provinces of Canada pulp wood can not now be exported from the Dominion if cut upon the public lands, and in other Provinces there is a higher charge for pulp wood cut upon the public lands if such pulp wood is to be exported. We therefore recommend that in revising the tariff there be inserted the following schedule:

"Mechanically ground wood pulp, one-twelfth of 1 cent per pound, dry weight: *Provided, however*, That mechanically ground wood pulp shall be admitted free of duty from any country, dependency, province, or other subdivision of government which does not forbid or restrict the exportation of or impose any export duty, export license fee, or other export charge of any kind whatsoever, either directly or indirectly (whether in the form of additional charge or license fee, or otherwise), upon mechanically ground wood pulp or wood for use in the manufacture of wood pulp.

"Chemical wood pulp, unbleached, one-sixth of 1 cent per pound, dry weight; bleached, one-fourth of 1 cent per pound, dry weight; *Provided*, That if any country, dependency, or province shall impose an export duty or other export charge of any kind whatsoever, either directly or indirectly, on pulp wood exported to the United States, the amount of such export duty or other export charge shall be added as an additional duty to the duties herein imposed upon wood pulp when imported from such country, dependency, or province."

It can not be expected that Canada or its Provinces will remove the present discriminations as to the exportation of pulp wood to the United States or cease from adding additional discriminations unless we also lessen the tariff on the cheap paper which is made mainly from spruce wood.

The United States is amply able to protect its future supply of cheap paper and its future supply of spruce wood by undertaking the production of new spruce forests and the conservation and reproduction of existing spruce forests, but a very large proportion of the spruce forests of Canada, consisting of small, black spruce timber, is practically valueless for manufacture into lumber and profitable to cut only for the manufacture of ground wood and cheap paper. It would seem desirable, both for our own country generally, for the pulp and paper mills of our country now largely dependent upon the Canadian pulp-wood supply, as well as a matter of neighborly courtesy and interest, if we endeavor to utilize in our country with its great reading population those Canadian forests of spruce which if shut out of our country would be of little value; and we believe and recommend that in the long run it will be mutually profitable, both to the publishers and other users of cheap paper in the United States, to the mills producing print paper, to the owners of American spruce forests, to the owners of the Canadian spruce forests, and to the mutual good feeling and respect of our two countries, if a considerable reduction be made in the tariff on the cheaper grades of print paper, dependent, however, upon receiving from Canada (so far as the supply comes from her) the removal of all discriminations now existing in that country or its provinces against the exportation of pulp wood into the United States and the prevention of future discriminations in the exportation of either ground wood or paper. We therefore recommend that in the revision of the tariff the following schedule be inserted:

"Printing paper, unsized, sized or glued, suitable for newspaper and books, valued at not above two and one-fourth cents per pound, one-tenth of one cent per pound; valued above two and one-fourth cents and not above two and one-half cents per pound, two-tenths of one cent per pound; valued above two and one-half cents per pound and not above three cents per pound, five-tenths of one cent per pound; valued above three cents and not above four cents per pound, six-tenths of one cent per pound; valued above four cents and not above five cents per pound, eight-tenths of one cent per pound; valued above five cents per pound, fifteen per centum ad valorem: *Provided*, That if any country, dependency, or province shall impose an export duty or other export charge of any kind whatsoever upon pulp wood, wood pulp, or printing paper, exported to the United States, or if any country, dependency, or province forbids or restricts the exportation of pulp wood, wood pulp or paper to the United States in any way there shall be imposed upon printing paper, when imported from such country, dependency, or province, an additional duty of two-tenths of one cent per pound, if valued at two and one-half cents per pound or less, and in addition thereto the amount of the export duty or other export charge imposed by such country, dependency, or province upon the printing paper imported from such country into the United States."

The present tariff on print paper valued at 2 cents per pound or less is three-tenths of 1 cent a pound; valued at over 2 cents a pound and not over 2¼ cents a pound, four-tenths of 1 cent a pound. The schedule we propose is one-tenth of 1 cent a pound on paper valued at not over 2¼ cents a pound, and two-tenths of 1 cent a pound on paper valued above 2¼ cents and not above 2½ cents per pound. This in the main is a reduction in the tariff on ordinary news-print paper from $6 a ton to $2 per ton.

The retention of a duty of one-tenth of 1 cent per pound, as suggested, is justified both on the principles of a tariff for revenue and a tariff for protection. It is not desirable to strike down or injure the present paper mills in the United States. To do so would not only be very expensive to the present paper-mill owners and employees, but would, probably, in the future enhance the cost and price of paper. The duty proposed is about equal to the additional cost of labor in the United States and the additional cost of materials used by the paper mills caused by other tariff provisions.

The committee also recommend that the Bureau of Plant Industry make investigations in the procurement and breeding of annual and

perennial plants in the endeavor to find either some new plant or some existing plant which through breeding to that end can be profitably used for the commercial manufacture of paper, not believing, however, that it is possible to find or produce any annual or perennial plant which can successfully compete with spruce ground wood in the production of the cheaper grades of print paper. We recommend also that the Forest Service investigate the question of the production of ground wood and sulphite fiber from other kinds of wood than those now used. It is not unlikely in our opinion that by a difference in the mechanical treatment, or by some other slight treatment, it will be possible to successfully manufacture a good cheap grade of news printing paper by the ground-wood process from other than spruce.

That there is an enormous waste in the forests is conceded by everybody familiar with the facts. Much of what would otherwise be waste is now absorbed in pulp manufacture. A large proportion of the spruce wood used in the United States for ground wood would be valueless if not so used, and the same is true to a much greater degree in the case of woods used for sulphite and soda fiber. In many places in the eastern and southeastern States, and in some cases in western States, practically all of the waste from lumbering is saved and used in the production of either sulphite or soda fiber. This saving should be encouraged in every way practicable. In some of the eastern mills, where the trees are cut into saw logs and manufactured into lumber, the slabs and edgings, limbs and tops, in the proper kinds of wood, are used in the manufacture of sulphite, and the same is true of other kinds of wood which are manufactured into soda fiber. The manufacture of sulphite and soda from fibers is not overly profitable under existing conditions, and as the main competition with these products is from mills in Europe, where the labor is much cheaper and many of the articles which are used in the processes are much cheaper, we do not think that the present rate of duty on chemical pulp, consisting in the main of sulphite and soda fiber and also a sulphate fiber, should be disturbed, and in the recommendation we have made above we have recommended that the existing rates of duty upon chemical pulp should not be disturbed as they now exist.

Your committee has taken a vast amount of testimony, which is acknowledged to be of great benefit in the pulp and paper trade. We have collected a large amount of information which, both at present and in the future, will prove of immense service to those who are interested in the use or production of pulp or paper. Your committee personally has visited and inspected carefully a large number of pulp and paper mills, have inspected and examined forests, both in the United States and in Canada, have given long study to the woods used, have considered every phase of the subject concerning which information was available, and have reached the conclusions hereinabove stated. It is not practicable, or, in the opinion of your committee, necessary for the committee in this report to set forth in detail or even in a general way the results of the information obtained.

The committee has obtained from a large number of newspaper publishers of the United States schedules showing the cost to them of paper through a series of years, which schedules have been tabulated and published in the committee's hearings.

The committee has also obtained schedules from the pulp and paper manufacturers of the United States, giving information concerning the capital invested, the cost of production, the percentage of cost paid in wages, the selling price of the articles produced, the quantity of production, etc., which schedules have been reduced to general tabulations and the tabulations published in the hearings.

The committee has also carefully investigated, through schedules and through the aid of the Department of Labor, the percentage of wages going into the cost of production of pulp and paper and the cost of labor per unit both for pulp and paper, including the cost from the forest to the finished product, all of which tables are published in the hearings.

The committee has also investigated, through statements obtained from manufacturers in Canada and through personal investigation by the Department of Labor, the wage cost in Canadian mills. The committee has also obtained information concerning the wage cost and cost of production in Sweden. The committee has also obtained through the Treasury Department full information as to the importations of pulp wood, wood pulp, and print paper into the United States from different places and at different ports of entry. The committee has also obtained full and complete information as to the exportation and importation of paper and paper-making materials from and to the different countries of the world. All of this information has been published in the hearings of the committee, comprising between 3,000 and 4,000 pages of printed testimony, and all of which has been carefully and conscientiously considered by the committee in forming its decision.

The members of your committee, when appointed, had no special or general knowledge of the subject. They have labored diligently and as effectively as they could. The effort of your committee has been to arrive at facts and just conclusions, regardless of personal bias or partisan considerations. The recommendations which the committee present are the unanimous views of the entire membership of the committee. In making its report to the House, the committee begs leave to express its thanks and appreciation for the services rendered to the committee by the President, by the State Department, by the Census Office, by the Bureau of Statistics, by the Bureau of Corporations, by the Bureau of Labor, by the Forest Service, and by the Bureau of Plant Industry. We also beg to acknowledge the courtesy of information freely and voluntarily furnished by many of the mill owners and by the American Pulp and Paper Association, as well as the American Publishers' Association, and the chairman of its committee on paper.

While your committee does not feel that it has exhausted the subject, it can only say it has done as well as its members knew how.

Your committee beg leave to state that unless otherwise directed by the House it will continue and complete the work of publishing and indexing the tabulations prepared and the evidence taken by the committee.

All of which is respectfully submitted.

JAMES R. MANN.
JAMES M. MILLER.
WILLIAM H. STAFFORD.
HENRY T. BANNON.
THETUS W. SIMS.
WILLIAM H. RYAN.

Mr. HALE. The senior Senator from New Hampshire [Mr. GALLINGER] proposes to take the floor. He has been sent for and will be here in a minute or two.

The VICE-PRESIDENT. Is it the wish of the Senator from Rhode Island to dispose of the other committee amendments to the paragraph? That might be done while awaiting the return of the Senator from New Hampshire.

Mr. ALDRICH. I think we can not do that, because they are all dependent on the disposition of the pending amendment. We might take up some other matter. There is one amendment to paragraph 1 which we might take up in the absence of the Senator from New Hampshire.

The VICE-PRESIDENT. The Senator from Rhode Island, without objection, offers an amendment to paragraph 1.

Mr. ALDRICH. It is an amendment relating to boracic acid, which should have been made some time ago. It takes a pound and a half of borax to make a pound of boracic acid, and the rate should have been fixed at 3 cents a pound on boracic acid. I ask that that modification be made.

The VICE-PRESIDENT. The amendment will be stated.

The SECRETARY. In paragraph 1, page 2, line 15, after the words "boracic acid" and the comma, strike out "two" and insert "three," so as to read:

Boracic acid, 3 cents per pound.

The VICE-PRESIDENT. The question is on agreeing to the amendment.

The amendment was agreed to.

Mr. PENROSE. In line 20, I should like to move an amendment to place the duty on oxalic acid at 2 cents per pound.

The VICE-PRESIDENT. The Secretary will state the amendment.

The SECRETARY. In line 20, after the words "oxalic acid" and the comma, strike out "1 cent" and insert "2 cents," so as to read:

Oxalic acid, 2 cents per pound.

The VICE-PRESIDENT. The question is on agreeing to the amendment.

The amendment was agreed to.

The VICE-PRESIDENT. The paragraph as amended will be agreed to, without objection.

Mr. ALDRICH. I offer an amendment to paragraph 86, page 20, in regard to Keene's cement. I will not ask to have it considered now, but ask to have it printed in order that the Senate may be advised of its character.

The VICE-PRESIDENT. The amendment will be received and printed.

The amendment is, on page 20, to strike out all of line 12 and to insert the following:

If valued at $10 per ton or less, $3.50 per ton; if valued above $10 and not above $15 per ton, $5 per ton; if valued above $15 and not above $30 per ton, $10 per ton; if valued above $30 per ton, $14 per ton.

Mr. GALLINGER. Mr. President, I have persistently refrained from unnecessarily occupying any time in the discussion of abstract tariff matters, feeling an intense desire to have this bill become a law at the earliest possible moment. The great business interests of the country are anxiously watching our proceedings, and the laboring men are hoping and praying for a settlement of the controversy, believing that industrial activity will then be accelerated and added employment be given to the class to which they belong. But notwithstanding my disinclination to occupy the attention of the Senate, I feel constrained to submit some observations against the proposed reduction of duties on print paper and wood pulp, and especially to enter my solemn protest against the free-trade argument of the Senator from Nebraska and the industrial war scare that he has raised between this country of 85,000,000 people and the Dominion of Canada, with six or seven million population. With some knowledge of the relations between the United States and Canada, neither the heated speech of the Senator from Nebraska nor the heated speech of the premier of the Province of Quebec—not the premier of the Dominion—will alarm me in the least.

Mr. President, it is interesting to note the fact that Senators who live in States where trees are as scarce as hen's teeth assume to instruct some of the rest of us on questions that presumably we fairly well understand.

They see devastating floods, disastrous droughts, and all kinds of damage to property interests if those who own forests, and who largely derive a living from forest products, are not by legislation regulated and restrained in their legitimate pursuits. But, Mr. President, from the time of the first memorable flood to the present day the earth has been visited by floods and droughts and pestilence, and doubtless will be to the end of time. Very likely the ruthless and indiscriminate removal of the forests has had a tendency to disturb the equal and normal flow of water in the streams of the country, but the ex-

tent to which this has occurred has been greatly exaggerated. The truth is that under modern methods of lumbering many of the evils of the past have been cured and the dangers from floods have been reduced to the minimum.

As an illustration of what New Hampshire is doing in the direction of forest preservation, I beg to call attention to some of the provisions of our statutes on that subject.

For many years New Hampshire has had a forestry commission, appointed by the governor, and in addition public-spirited citizens several years ago organized a voluntary commission which has done splendid work. Our laws have been designed to conserve the timber lands of the State along practical lines, and at the last session of the legislature the laws were amended and strengthened so as to provide for the appointment of a state forester and fire wardens in every town and city of the State, their duties being clearly defined, and largely following the provisions of the statutes relating to our national forest reserves. The law is complete in its details and can not fail to adequately protect the forests of the State. Reforestation is also being carried on with a view to the indefinite perpetuation of the timber supply.

It will thus be seen that New Hampshire is not unmindful of the best interests of her forests, and what is true of New Hampshire is relatively true of the other States where trees are a valuable asset to the owners of the land. Marvelous progress has been made in that direction of late years, and the profligacy and vandalism which formerly prevailed, and which we all deplore, will inevitably come to an end.

At a very largely attended meeting of Adirondack timber-land owners, held in Watertown, N. Y., on the 9th of March last, the following resolutions were adopted:

Resolved, That this conference of owners of 1,250,000 acres of timber lands in the Adirondack region declare itself in favor of the adoption by all timber-land owners of such practical methods as will insure the conservation of the Adirondack forests, and in favor of legislation which will accomplish this end.

Resolved, That this conference of owners of 1,250,000 acreage of timber land in the Adirondacks declare its belief that the removal or reduction of present duties on lumber, paper, or other forest products will not lead to the conservation of the forests, but to their speedy destruction, and will discourage any effort on the part of timber-land owners to adopt approved forest methods and reforestation.

The observations I have made, Mr. President, are preliminary to a discussion of the proposition embodied in the bill as it came from the House, to put wood pulp on the free list and reduce the duty on print paper from six to two dollars per ton. I shall endeavor to point out that no reduction whatever should be made, but if it should be decided to act otherwise the reduction should not be so sweeping and cruel as to destroy one of the leading industries of the United States and transfer it to our neighbors on the North. It has been truthfully represented that the reduction of these duties will seriously injure the industry without any corresponding advantage in any direction. Thirty-two States have paper and pulp mills, and there are great possibilities for the industry if not destroyed by tariff legislation.

The value of the paper and pulp produced in the United States during 1907 is estimated to be $250,000,000, and the total value of news print paper produced during 1907 in the United States is estimated to be $50,000,000.

A year ago the demand was made that Congress should immediately take the duty off from print paper and pulp, allegations being made that the whole industry consisted of a monopoly and that extortionate prices were being demanded under the shield of the tariff. A special committee of investigation was appointed by the House of Representatives, with the result that it has been conclusively shown that there is no monopoly in the business or any branch of it; that there is no combination in restraint of trade among the manufacturers of news print paper; and that the recent small increase in price was due to natural causes, such as increase in cost of labor and of wood. Prices were shown not to be exorbitant. It has also been shown that the tariff has not been responsible for any rise in the price of paper. These conclusions were foreshadowed by the preliminary report of the investigating committee and confirmed by their final determination.

Nevertheless, the committee, from a process of reasoning not easily understood, recommended the removal of all restrictions on the importation of ground wood pulp and a decrease in the duty on news print paper from $6 to $2 per ton, such privileges to be enjoyed by such countries or dependencies as give us pulp wood on equal terms with the domestic consumer. Practically speaking, this means that the Province of Quebec can get the benefit of these concessions by lowering its charge for pulpwood stumpage by an amount equal to 37½ cents per ton of paper. The eastern mills depend for from only one-fourth to one-third of their supply upon the Provinces of New Brunswick and Quebec. New Brunswick has no export duty or other form of embargo on pulp wood. Quebec charges 25 cents per cord more for stumpage on wood pulp cut from crown lands if such wood is exported to the United States. The utmost the American manufacturers can gain, therefore, is the removal of this 25-cent discrimination, in return for which it is proposed to give a reduction of $4 per ton in the duty on paper.

As most of the Canadian paper and ground wood pulp is produced in Quebec, the competition in this country will be felt principally by the eastern mills. In other words, the eastern mills will gain practically nothing in the way of concessions by Canada, but will suffer greatly from our own concessions. The duties are now so low as to afford no sound excuse for repeal or reduction on any economic grounds, or for complaint by Canada, which country has equal duties in her tariff against us.

Mr. President, if the principles of the Republican party and platform were adhered to, the duties on paper and pulp might rightly be increased rather than diminished. The Republican party, in its platform, made a specific avowal of its intention in regard to the revision of the tariff along lines of protection to all industries. The Democratic platform made a specific avowal of its intention to remove the duty on paper and pulp. It now remains to be seen whether Congress will follow out the principles of the Republican party or yield to the unreasonable and unreasoning demands of the Democratic party.

The grounds on which the Democratic platform proposed to remove the duty from paper and pulp have been shown to be erroneous. The chief reason advanced was the preservation of our forests. The American people have recently learned a good many things about the relation of the paper industry to the forests which they did not know before. Less than 2 per cent of the total consumption of wood in this country is domestic pulp wood. Further consideration of the relation of the tariff to forest conservation has persuaded many people that lowering the tariff on paper or removing it would tend to destroy rather than to conserve the forests in this country and compel the owners of timber lands to strip them promptly before being driven out of business or over to Canada. The forestry commissioners of the States of New York, Maine, Vermont, and New Hampshire have all stated that this will be the result.

The forestry commissioner of the State of Maine very truthfully says:

Since the advent of the pulp and paper industry in Maine, covering a period of less than twenty years, the system of handling our forest lands has been completely revolutionized. Prior to ten years ago, in cutting logs in the woods, it has been demonstrated by actual tests and measurements that only from 60 to 65 per cent of the volume of lumber trees actually cut was saved and utilized for lumber purposes, while since that period, on account of the paper industry, it has been demonstrated by later measurements and experiments that from 80 to 85 per cent of the volume of the lumber trees is actually utilized, and what is of far greater importance is the fact that crooked, seamy, and defective trees, as well as all of the undersized trees formerly cut and destroyed in swamping roads and in making yards and landings, are now all utilized.

The forestry commission of the State of New Hampshire memorialized the congressional delegation from that State in these words:

To the New Hampshire congressional delegation:

GENTLEMEN: The New Hampshire forestry commission, believing that the removal or substantial reduction of the existing tariff rates on print paper, wood pulp, and lumber would work a serious and irreparable injury to two of our most important industries, upon which several thousand of our people depend for a living, and compel the rapid stripping of our forests of all soft-wood trees now usable for lumber or pulp, earnestly protest against the removal or reduction of the existing duties, and ask our Senators and Members of the House of Representatives in Congress to do everything in their power to retain the duties upon print paper, wood pulp, and lumber as they now are.

ROBERT E. FAULKNER, *Secretary*,
ROBERT P. BASS,
JASON E. TOLLES, *President*,
New Hampshire Forestry Commission.

CONCORD, N. H., *March 17, 1909.*

Mr. President, as a matter of fact, the paper manufacturers have for eleven years advocated the adoption of practical forestry methods and conservation of the forests in this country, and it is with this object that they have acquired timber lands in Canada, and now own twice as much forest area in Canada as in the United States. Some of the largest holders of timber lands in the United States for years have been operating their timber lands in accordance with the advice of the Forestry Department in Washington. A concerted movement has recently been started, representing three-fifths of the paper manufacturers' holdings of timber lands, for the purpose of extending the application of forestry principles not only on the part of paper manufacturers, but to make an example to be followed by other industries. This movement will surely be killed if the paper industry is deprived of adequate protection, and the value of 2,700,000 acres of timber lands in New England owned by paper manufacturers will be seriously jeopardized.

No valid argument for lowering the duty on paper has been advanced. The principles of the protective tariff and the pledges of the Republican party, the conservation of the forest and the perpetuation of the paper industry in this country, and particularly in New England, the welfare of the numerous communities largely dependent upon the paper industry, as well as the general prosperity of the country, are all positive reasons why the tariff should not be lowered. The present duty on print paper is only 15 per cent ad valorem, being among the lowest duties in the bill. The proposed duty of $2 per ton, or about 5 per cent, on print paper would not cover the difference in labor alone, while in addition there is a difference of $7 or $8 per ton in the cost of wood in favor of Canadian mills. Such a reduction as is proposed would inevitably lead to a readjustment of wages and hours of many thousands of wage-earners in this industry, if, indeed, it did not blot the industry out of existence. The simple truth is that removal or reduction of duty will increase the profit of the Canadian manufacturer, deprive our Government of much-needed revenue, encourage the building of mills in Canada, and discourage the building of mills in the United States. That will be the inevitable result.

New Hampshire has 28 paper mills, the estimated capital being $16,000,000; number of wage-earners, not including operations in the woods, 4,000; wages paid annually, $2,000,000; value of products, about $10,000,000. The yearly capacity of the mills are: Paper, 200,000 tons; ground wood, 200,000 tons; sulphite, 150,000 tons. They have 40,000 horsepower. The timber lands owned by paper makers in the State aggregate 700,000 acres. These timber lands can not be conserved unless the industry is on a profitable basis.

New Hampshire ranks seventh in capital and output among the States manufacturing paper.

Maine has a much greater stake in this matter than New Hampshire, which will doubtless be adverted to by the Senators from that State.

At this point, Mr. President, I ask permission to insert, without reading, a brief table showing the enormous increases in the importation of paper and pulp under the rates of the Dingley law.

The PRESIDING OFFICER (Mr. PAGE in the chair). Without objection, the matter will be inserted in the RECORD.

The matter referred to is as follows:

Statement showing increase under Dingley Act of imports of paper and pulp into the United States, 1898–1909.

[Compiled from the reports of the Bureau of Statistics, Department of Commerce and Labor.]

Fiscal year.	Printing paper, valued at not over 2 cents per pound.[a]			Mechanical ground wood pulp.[a]			Chemical pulp, bleached and unbleached.[b]			Total imports of pulp, paper, and manufactures of paper. (Schedule M.)	
	Quantity.	Value at shipping point.	Duties collected.	Quantity.	Value at shipping point.	Duties collected.	Quantity.	Value at shipping point.	Duties collected.	Value.	Duties collected.[c]
	Pounds.			*Pounds.*			*Pounds.*				
1898				48,270,574	$277,536.17	$40,225.50	16,170,510	$296,311.00	$33,536.40	$6,324,372.00	$1,004,947.65
1899	50	$1.00	$0.15	49,033,269	287,795.43	40,861.68	22,877,915	300,554.98	44,786.27	6,943,510.00	1,103,563.44
1900	171,424	3,411.00	514.27	70,222,823	491,889.36	58,519.04	110,320,755	1,914,208.36	200,628.87	9,772,901.00	1,628,180.61
1901	36,277	724.00	108.83	22,979,155	146,920.27	19,149.32	79,425,575	1,430,097.50	145,869.67	9,371,927.00	1,507,229.01
1902	98,586	1,927.47	295.77	42,892,200	286,221.89	35,743.53	105,752,161	1,781,286.58	197,396.67	10,414,190.00	1,690,866.87
1903	41,306	763.00	123.92	87,350,675	567,141.81	77,661.51	168,595,354	2,831,730.56	339,957.58	12,444,744.00	2,091,798.03
1904	3,781,160	70,281.00	11,351.12	160,136,127	1,113,698.14	145,177.46	139,098,375	2,497,519.51	280,224.83	13,449,941.00	2,274,167.91
1905	6,633,242	124,563.00	19,899.76	232,757,369	1,602,611.25	206,924.02	143,221,154	2,833,537.00	290,387.94	14,714,452.00	2,542,106.70
1906	3,576,718	64,382.00	10,730.15	182,044,993	1,237,628.65	154,583.34	169,392,862	3,339,109.61	238,784.80	17,183,651.00	2,978,498.25
1907	17,466,620	312,772.00	52,619.42	235,413,303	1,528,975.04	201,970.69	242,099,569	4,860,156.65	477,190.95	23,528,051.00	4,231,262.49
1908	29,058,120	546,772.81	88,418.96	256,790,634	1,749,250.31	217,638.87	286,159,107	5,540,553.56	540,878.96	25,573,077.00	4,725,399.84
1909[d]	[d]42,102,819	[d]791,533.00	[d]126,308.45	[e]303,388,500	[e]2,427,108.00	[e]252,823.75	[f]353,403,604	[f]6,553,328.00	[f]547,109.76	[g]24,510,931.00	4,545,765.84

[a] Imported entirely from Canada.
[b] This pulp comes from Canada, Norway, Sweden, Finland, and Germany.
[c] Estimated at 21 per cent on dutiable imports on basis of collections of 1907.
[d] Printing paper exported from Canada to United States, March 31, 1908–9, as per official statement of Dominion government. Quantity not specified; estimated at 1.88 cents per pound. Duty, three-tenths cent per pound.
[e] Exported from Canada to United States, as per official statement of Dominion government. Value not specified; estimated at eight-tenths cent per pound. Duty, one-twelfth cent per pound.
[f] Estimated for the full fiscal year of 1909 on basis of figures for nine months, viz, 265,052,703 pounds; value, $4,914,996.
[g] Estimated for the full fiscal year of 1909 on basis of figures for nine months, viz, $18,383,198.

Mr. GALLINGER. It appears from this table that in 1899 we imported 50 pounds of print paper, while in 1908 we imported 29,058,120 pounds, and the estimate for 1909 is over 42,000,000 pounds. Of mechanical ground pulp, we imported in 1898, 48,270,574 pounds, and the estimate for 1909 is 303,388,500 pounds. Of chemical pulp, we imported in 1899, 16,170,510 pounds; in 1908, 286,159,107 pounds; and the estimate for the present year is 353,403,604 pounds.

Mr. FRYE. And full duty was paid on all of it.

Mr. GALLINGER. As the Senator from Maine very aptly suggests, the full duty was paid on all these importations, aggregating an enormous amount of foreign product.

The rates of duty on print paper in our various tariff laws have been 7½ per cent in 1789, 30 per cent in 1846, 35 per cent in 1862 and 1872, 15 per cent in 1883, 1890, and 1897, and it is now proposed by the House bill to reduce it to 5 per cent, or $2 per ton, the lowest rate ever known in the history of the country. It is in striking contrast to the duties in other countries. In Austria-Hungary the duty is $16.44; in Finland, $71.55; in France, $22.58; in Germany, $21.42; in Italy, $26.06; in Norway, $7.24; in Sweden, $24.12; in Canada, $6 to $6.75; and in Mexico, $33.62. I do not vouch for the absolute accuracy of those figures, but they are certainly approximately correct.

Now, let us look at the average price at which paper was sold to consumers in Great Britain, France, Germany, and the United States in the years 1890, 1895, 1900, 1905, and 1908:

	Great Britain.	France.	Germany.	United States.
1890	$77.72	$77.05	$64.68	$68.00
1895	50.53	55.29	49.58	45.00
1900	46.00	58.46	56.05	43.64
1905	42.92	54.12	47.44	42.75
1908	44.20	55.80	46.35	44.41

It will be seen that the price in the United States has averaged considerably less than in the other countries named, including free-trade Great Britain, so that on this ground there is no excuse whatever for lowering the duties. The price has been kept down by domestic competition.

Mr. SIMMONS. I do not know that I understood the Senator correctly. Did I understand the Senator to say that print paper is cheaper in the United States than anywhere else?

Mr. GALLINGER. The figures that I have submitted show that, and I believe them to be accurate.

Mr. SIMMONS. That is print paper?

Mr. GALLINGER. Print paper.

It is conceded that no trust exists; that there is no combination to advance prices, and the importations of paper at $6 and of pulp wood at existing rates is reasonably heavy. Why then should this industry be singled out for slaughter?

Is it because of the clamor of a portion of the newspaper press of the country? If so, it can well be ignored, as they are now purchasing print paper at a less cost than it can be obtained in free-trade England, or any other leading country of the world.

The truth is, scores of the leading newspapers of the country are opposed to the proposed reduction. I will not burden the RECORD by reproducing their utterances, but will ask to insert a strong editorial from the Albany Evening Journal, one of the most stalwart Republican papers of the country. Under the heading "An imperiled industry," that great newspaper says:

Washington correspondents' prognostications of the United States Senate's action in the highly important matter of duties on wood pulp and print paper are naturally conflicting since they are all guesswork.

According to some reports, a compromise schedule is likely to be enacted which will restore the duty on pulp and increase that prescribed for paper in the bill that came from the House.

Other reports have it that unless stronger effort is made by the advocates of protection of the pulp and paper industry there is likelihood that the Senate will pass the pulp and paper schedule as the House fixed it.

In the meantime, powerful publishers' associations have adopted resolutions asking for free pulp and a merely nominal duty on paper.

Among the newspapers in the membership of those associations are many which would oppose with all their might any proposition to leave other industries equally exposed to foreign competition.

Selfishness has strangely blinded the great majority of these to the necessarily all-inclusive scope of the principle of protection. Because they hope to get cheaper paper through abolition of the tariff on pulp and the reduction of the duty on paper, they demand these things regardless of the certainly detrimental and possibly ruinous effects upon great industries in which Americans have millions invested and which give employment to thousands of American workmen. This is virtually a demand for legislation favoring special interests. Most of the newspapers that make it would severely condemn a similar demand coming from any other source.

In order to gain increased circulation, the newspapers of this country have decreased the price of their publications to a nominal sum, which in many cases does not cover the cost of publication. Now, most of them are proceeding on the theory that the makers of pulp and paper should be compelled to reduce the prices of their products to a level at which the reduction would be sufficient to reimburse the makers of newspapers for the reduction which they made in the price of newspapers; and the publishers are pursuing this course in total disregard of the interests of the manufacturers of pulp and paper, who have no source of revenue aside from their output which would correspond to the publishers' advertising columns to make up the loss from sales.

Stated in plainest terms, the proposition to establish absolute free trade in wood pulp and virtual free trade in print paper is one to transfer the prosperity of the owners of the pulp and paper mills of the United States—and the term "owners" includes, of course, every holder of even a few shares of the stock of these properties—to the Canadian pulp and paper mills, with the sole object in view that American publishers may get cheaper paper to recompense them for price reduction of their publications, which most of them now believe they carried too far to be consistent with sound business policy.

The Evening Journal has previously pointed out that the blow, if the Congress should deliver it, would fall with especially crushing effect upon the pulp and paper manufacturers of the Eastern States. For them there could be no possible compensating benefit, since pulp wood is admitted free, and the Canadian Provinces from which they get part of their supply impose no export duty or its equivalent.

Western pulp and paper manufacturers think they see a possible benefit coming to them because the Canadian Province from which they get part of their supply of pulp wood imposes an export tax, which possibly might be removed in consideration of the free admission of Canadian pulp and paper.

But even they would doubtless find themselves to be losing winners when the product of the Canadian mills would come into their markets.

In brief, then, this is the situation which confronts the Congress: On the other hand, the consumers of paper, expecting benefit to their business, and the western pulp and paper manufacturers, who hope for benefit of exceedingly doubtful value, are demanding free trade in pulp and paper, regardless of whom that would ruin; on the other hand, the pulp and paper manufacturers of the Eastern States make the wholly fair demand that protection from unfair and possibly ruinous foreign competition be not taken away from them.

Between these conflicting contentions the United States Senate, in duty and in honor bound to give equal consideration to all interests, should not find it at all difficult, if it holds closely to the course of impartial justice, to make a decision, which ought to be in favor of the manufacturers whose business, representing millions of invested capital, has been placed in jeopardy by the action of the House, yielding to the clamor of special interests.

A very large number of similar utterances from leading newspapers are in my possession, but I will not burden the RECORD with them.

A New York gentleman, who is the second largest stockholder in one of the leading dailies of the country, recently wrote me protesting against the reduction of duty on the ground that it will inevitably result in an advance of price to the American consumer. What he says is well worth heeding. These are his words:

The United States manufactures half of the white paper output of the world, and the northeastern section of the United States, including the States of Maine, New Hampshire, Vermont, and Pennsylvania, manufactures more than 70 per cent of the domestic output. I know that free trade in wood pulp will close every wood-pulp manufactory in the Northeast, and I am satisfied that the reduction from $6 to $2 a ton in the duty on white paper will put an end to scientific forestry and result in the ripping and tearing out of all the spruce and balsam timber in the Northeast without reference to size in the deadly competition with Canada, which will inevitably ensue under a 66⅔ per cent reduction in the duty on white paper, and will mean eventually the transfer of the paper-making machinery to Canadian soil. As a newspaper man, I respectfully submit that the Northeast, where the pulp and paper mills are located, the strongest Republican section of the United States outside of Pittsburg and Philadelphia, should not be betrayed in the house of its friends.

Mr. President, I can not refrain from quoting a letter written by Mr. A. P. Moore, president and editor in chief of the Pittsburg Leader, addressed to the chairman of the Finance Committee. It is so entirely just that it ought to appeal to every fair-minded man. Mr. Moore says:

Coming from Pittsburg, which naturally is a tariff-protection center, I am interested in the tariff legislation. We want a tariff on iron and steel, and, while it might be possible I could secure print paper somewhat cheaper for a time if the tariff on print paper and wood pulp was taken off, I feel that in fairness to all American industries it would not be right to take the tariff off paper and pulp. If paper is put on the free list, it means that a great American industry, employing perhaps a hundred thousand men, will be driven from this country to Canada. As an American business man, I do not want to be compelled to buy my paper in Canada and be subject to the whims of the Canadian manufacturer. The indications are that if paper and pulp are admitted free, the Canadian government will place an export duty on these materials, and the result will be that the American publisher will be at the mercy of the foreign manufacturers, and we then can not employ our antitrust laws to get at them. What the American publisher wants is stability in price and quality. When the tariff is adjusted, it will be possible for us to make contracts with the American paper manufacturers for a term of years, say, for five or ten, and we will know exactly what we are doing. If the tariff is taken off, it will mean that we will have to make contracts from year to year, with the chance that the company we are dealing with will go into bankruptcy and we will be at the mercy of some foreigner. A newspaper must have paper every day in the year. It can not shut down for a single day, and can not take the chances the iron and steel or any other business takes. This is a grave question, and I am afraid some of my brother publishers who are taking only a selfish view of this question will live to regret their action if paper and pulp are admitted free into this country. It will drive our own industries out, and if any one of them fails for a single day's production it will almost mean ruination to them.

In round figures, I purchase for my publication $150,000 worth of paper a year. I am naturally anxious to buy it as cheaply as possible, but I am not in the business for a week, a month, or a year, but must go on indefinitely. If your committee will go into this matter as we have had to do and get a thorough understanding, I am sure you will permit the tariff to remain on paper and pulp as it is. If I can assist in any way with information, I will only be too glad to do so, as I think it is the duty of any newspaper publisher to do.

These quotations are sufficient to show that the newspapers of the country are far from being united on this question, and the same thing can be said of the magazines. Indeed the clamor largely comes from the cheap and sensational part of the newspaper press.

And again I am tempted to inquire: "Why single out this industry for slaughter?"

Think of the injustice that is proposed! The average ad valorem duties in the bill is about 45 per cent, and it is solemnly proposed that pulp wood shall be free, and the duty on print paper be fixed at 5 per cent. Surely the Senator from Nebraska, when he looks at the duties on the products of his own State, will blush to think that he is about to do so flagrant an injustice to other sections of the country.

In addition to the immense harm that will come to the manufacturers and workingmen directly engaged in the industry, another class will be made to suffer serious loss, and that is the 69 builders of machines for making paper who have petitioned the Senate against the proposed reduction of duties. The invested capital in that line of business is $7,650,000; the annual output is $4,000,000; and the number of employees is about 3,000. These men import nothing, but use American iron, copper, and lumber in their industry. Surely they, too, deserve consideration at the hands of the Republican party. On what hypothesis is it to be denied?

I ask permission, without reading, to insert a statement of the men who are engaged in building machines for paper making; also statement of the American manufacturers of machinery for paper making; statement of the American manufacturers of paper makers' felts and jackets; statement of the American manufacturers of wire cloth; and an appeal of southern paper clay producers to Congress for protection to the paper industry which affords the only market for paper clay. These statements are of the greatest possible importance, and I trust that they will receive the careful consideration of the Senate.

The PRESIDING OFFICER. Without objection, it will be inserted.

The matter referred to is as follows:

Statement of the American builders of machines for paper making.

To the Senate and House of Representatives:

GENTLEMEN: The builders of paper-making machines in the United States, engaged exclusively in that branch of industrial development, are 10 in number.

We respectfully represent to you:

First:

Our invested capital is	$7,650,000
Our annual output is	$4,000,000

The number of employees engaged by us is, approximately, 3,000 men.

Second. The materials consumed in our business are exclusively American products, chiefly iron, copper, and lumber. We import absolutely nothing for the manufacture of these machines.

Third. Our labor is chiefly highly skilled mechanical labor, and the wage paid these men, on an average, is 100 per cent higher than in Germany, France, and England.

Fourth. Our business has been created by and depends absolutely for its existence upon the life and continuous development of the paper industry in the United States.

Fifth. Our equipment and the talent employed in all departments of our business is peculiarly adapted and arranged, and our factories built for the sole purpose of manufacturing paper-making machines, and can not be successfully diverted to any other use. Hence, any legislation which would tend to injure or destroy the paper-making industry as it exists at the present time in the United States must, in the same measure, injure and destroy our business.

The undersigned corporations have been and are conducting their business with absolute independence, each of the other; and there is not at this time, nor has there ever been, any alliance or combination of interests among us whatsoever.

We have met this day in Washington, and this document has been jointly prepared by us for the sole purpose of asking you to protect our industry, and thereby our individual interests, being driven to make this appeal to you through the fear of the enactment of adverse legislation

affecting the paper-making industry by any reduction in the tariff on paper and wood pulp.

The Bagley & Sewall Company, Watertown, N. Y., Stuart D. Lansing, secretary; Rice, Barton & Fales Machine and Iron Company, Worcester, Mass., Charles S. Barton, president; The J. H. Horne & Sons Company, Lawrence, Mass., B. F. Horne, president; The Smith & Winchester Manufacturing Company, South Windham, Conn., W. P. Barstow, secretary; The Pusey & Jones Company, Wilmington, Del., Stirling H. Thomas, general manager; Beloit Iron Works, Beloit, Wis., A. Aldrich, president; The Moore & White Company, Philadelphia, Pa., John H. White, president; Sandy Hill Iron and Brass Works, Sandy Hill, N. Y., R. C. Tefft, president; The Black-Clauson Company, Hamilton, Ohio, F. C. Trowbridge, secretary-treasurer; Downingtown Manufacturing Company, East Downingtown, Pa., Guyon Miller, secretary and manager.

WASHINGTON, D. C., *May 6, 1909.*

Statement of the American manufacturers of machinery for paper making.

To the Senate and House of Representatives:

GENTLEMEN: The manufacturers of machinery in connection with paper making in the United States respectfully represent to you:

The materials consumed in our business are almost exclusively American products, chiefly iron, copper, brass, and lumber. We import practically nothing for the manufacture of these machines.

Our labor is chiefly highly skilled mechanical labor and the wage paid to these men, on an average, is 100 per cent higher than in Germany, France, and England.

A proportion of our business has been created by and depends absolutely for its existence upon the life and continuous development of the paper industry in the United States.

The equipment and the talent employed in our departments arranged for that particular branch of our business is peculiarly adapted to the purpose of manufacturing paper and pulp machinery and supplies and can not be successfully diverted to any other use. Hence any legislation which would tend to injure or destroy the paper-making industry as it exists at the present time in the United States must, in the same measure, injure and destroy our business.

The undersigned corporations have been, and are, conducting their business with absolute independence, each of the other; and there is not at this time, nor has there ever been, any alliance or combination of interests among us whatsoever.

This document has been jointly prepared by us for the sole purpose of asking you to protect our industry, and thereby our individual interests, being driven to make this appeal to you through the fear of the enactment of adverse legislation affecting the paper-making industry by any reduction in the tariff on paper and wood pulp.

Respectfully submitted.

Bath Iron Works, Bath, Me.; The Portland Company, Portland, Me.; Waterville Iron Works, Waterville, Me.; Improved Machinery Company, Nashua, N. H.; Bellows Falls Machine Company, Bellows Falls, Vt.; Boston Woven Hose Company, Boston, Mass.; Manhattan Rubber Company, Boston, Mass.; Meisel Press and Manufacturing Company, Boston, Mass.; Revere Rubber Company, Boston, Mass.; Mr. Otto Wandel, East Walpole, Mass.; D. M. Dillon Steam Boiler Works, Fitchburg, Mass.; Union Screen Plate Company, Fitchburg, Mass.; Norwood Engineering Company, Florence, Mass.; Deane Steam Pump Company, Holyoke, Mass.; Holyoke Machine Company, Holyoke, Mass.; Holyoke Steam Boiler Works, Holyoke, Mass.; Messrs. J. & J. W. Jolly, Holyoke, Mass.; Dillon Machine Company, Lawrence, Mass.; Emerson Manufacturing Company, Lawrence, Mass.; Hamblet Machine Company, Lawrence, Mass.; Lawrence Steam Pump Company, Lawrence, Mass.; Clark Machine Company, Lawrence, Mass.; Frank H. Davis, 75 Crescent avenue, North Cambridge, Mass.; E. D. Jones & Sons Company, Pittsfield, Mass.; James Leffel & Co., Springfield, Mass.; McMahon & Co., Worcester, Mass.; Mr. Frederick Fuller, Providence, R. I.; Farrel Foundry and Machine Company, Ansonia, Conn.; Morris Machine Works, Baldwinsville, N. Y.; Continental Iron Works, Brooklyn, N. Y.; Carthage Machine Company, Carthage, N. Y.; Ryther & Pringle Company, Carthage, N. Y.; Dilts Machine Works, Fulton, N. Y.; Glens Falls Machine Works, Glens Falls, N. Y.; The Noble & Wood Machine Company, Hoosick Falls, N. Y.; Racquette Foundry and Machine Company, Messina, N. Y.; New York Belting and Packing Company, 91 Chambers street, N. Y.; Dobbie Foundry and Machine Company, Niagara Falls, N. Y.; Crescent Paper and Machine Company, Phoenix, N. Y.; Friction Pulley and Machine Works, Sandy Hill, N. Y.; G. S. Witham, jr., Sandy Hill, N. Y.; Baker & Shevlin Company, Saratoga Springs, N. Y.; Goulds Manufacturing Company, Seneca Falls, N. Y.; Ticonderoga Machine Works, Ticonderoga, N. Y.; Harmon Machine Company, Watertown, N. Y.; Stebbins Engineering and Manufacturing Company, Watertown, N. Y.; Risdon-Alcott Turbine Company, Mount Holly, N. J.; Robins Conveying Belt Company, Passaic, N. J.; Annandale Screen Plate Company, Paterson, N. J.; Taylor & Styles Manufacturing Company, Riegelsville, N. J.; George W. Newhall Engineering Company, Philadelphia, Pa.; R. D. Wood & Co., Philadelphia, Pa.; S. Morgan Smith Company, York, Pa.; Lobdell Car Wheel Company, Wilmington, Del.; J. Morton Poole Company, Wilmington, Del.; Biggs Boiler Works, Akron, Ohio; B. F. Goodrich Company, Akron, Ohio; Hill Clutch Company, Cleveland, Ohio; The Jeffrey Manufacturing Company, Columbus, Ohio; Dayton Globe Iron Works Company, Dayton, Ohio; H. L. Ormann, Dayton, Ohio; Seybold Machine Company, Dayton, Ohio; Sandusky Foundry and Machine Company, Sandusky, Ohio; M. J. Roach, Anderson, Ind.; The Webster Manufacturing Company, 1075 West Fifteenth street, Chicago, Ill.; Werner & Pfleiderer, Saginaw, Mich.; Appleton Machine Works Company, Appleton, Wis.; Valley Iron Works Company, Appleton, Wis.; Manitowoc Boiler Works, Manitowoc, Wis.

JUNE, 1909.

Statement of the American manufacturers of paper-makers' felts and jackets.

To the Senate and House of Representatives:

The manufacturers of paper-makers' felts and jackets in the United States respectfully represent to the United States Senate and the House of Representatives:

A felt is an endless woolen belt or blanket in size from 11 feet long by 36 inches wide to 170 feet long by 176 inches wide.

The felt is made entirely of wool and used exclusively in the manufacture of pulp and paper.

This industry is represented by the following 12 independent companies: Knox Woolen Company, Camden, Me.; Draper Brothers, Canton, Mass.; Albany Felt Company, Albany, N. Y.; F. C. Huyck & Sons, Albany, N. Y.; H. Waterbury Sons Company, Oriskany, N. Y.; Waterbury Felt Company, Skaneateles, N. Y.; Lockport Felt Company, Lockport, N. Y.; Philadelphia Felt Manufacturing Company, Philadelphia, Pa.; Heathcote & Sons, Glen Rock, Pa.; Orr Felt and Blanket Company, Piqua, Ohio; Shuler & Benninghofen, Hamilton, Ohio; and Appleton Woolen Mills, Appleton, Wis.

The capital invested in the industry is about $7,000,000.

The labor employed in the felt industry is highly skilled, requiring long apprenticeship, and the average wage is about three times that paid in any other country for similar work.

Special and expensive machinery is necessary, and the business is absolutely dependent upon the continued operation of the paper industry. Most of our machinery would be useless for any other line of work.

From our necessarily thorough knowledge of the paper industry, we positively know that any reduction in the present tariff on news print paper and wood pulp would drive the industry into Canada. It would follow that the felt industry would be destroyed, there being no other outlet for our production, as the Canadian duty and antidumping law, together with their preferential duty in favor of England, absolutely prohibit export.

We therefore urge the retention of the present duties on news print paper and wood pulp.

Respectfully submitted.

APPLETON WOOLEN MILLS,
ORR FELT AND BLANKET COMPANY,
LOCKPORT FELT COMPANY,
ALBANY FELT COMPANY,
F. C. HUYCK & SONS,
Committee.

Statement of the American manufacturers of Fourdrinier wire cloth.

To the Senate and House of Representatives:

GENTLEMEN: The manufacturers of Fourdrinier wires in the United States respectfully represent:

DESCRIPTION OF FOURDRINIER CLOTH.

1. The Fourdrinier wire is a wire cloth ranging in size from a cloth 33 feet long by 43 inches wide to a cloth 70 feet long by 168 inches wide. This wire cloth is used exclusively and without exception in the manufacture of paper. It follows, therefore, that the paper trade is the sole consumer and customer of the Fourdrinier wire industry. There is no other outlet or demand for the Fourdrinier wires.

NUMBER OF AMERICAN MANUFACTURERS.

2. The Fourdrinier wire industry is represented by about 16 independent manufacturers in the United States, as follows:

The William Cabble Excelsior Wire Manufacturing Company, New York City; the Eastwood Wire and Chemical Company, Belleville, N. J.; Cheney Biglow Wire Works, Springfield, Mass.; Buchanan & Bolt Wire Company, Holyoke, Mass.; The W. S. Tyler Company, Cleveland, Ohio; The Lindsay Wire Weaving Company, Cleveland, Ohio; De Witt Wire Cloth Company, New York City; Federal Wire Cloth Company, Harrison, N. J.; Globe Wire Company, Harrison, N. J.; The Thistle Wire Cloth Company, Lee, Mass.; The Appleton Wire Cloth Company, Appleton, Wis.; Wisconsin Wire Works Company, Appleton, Wis.; Thomas E. Gleeson, East Newark, N. J.; H. T. McCluskey & Sons, New Haven, Conn.; J. Walter Perry, Southport, Conn.; The Brown & Sellers Company, Holyoke, Mass.

ANNUAL OUTPUT.

3. The total annual output of this industry in the United States is of the value of about $2,500,000.

WHERE SOLD.

4. The entire product of this American industry is sold solely in the United States. It has no material foreign market, as the same wires are made more cheaply in Great Britain, Germany, France, and other countries abroad.

For the last-mentioned reason there is no export possibility, and on the basis of cost of manufacturing Fourdrinier wires in the United States, it is impossible for the manufacturers in this country to export Fourdrinier wires to foreign countries in competition with the Fourdrinier wires made in England, Scotland, France, Germany, or, in fact, any foreign country.

CANADIAN DUTY.

Canada has a duty of 25 per cent on Fourdrinier wires imported from the United States, but even were this duty removed and were American manufacturers allowed to sell their wires in Canada free of duty, they could not, as above stated, compete with other foreign manufacturers. The truth of this is evidenced by the fact that American labor used in the manufacture of Fourdrinier wires is two and one-half times as much as in Scotland and England, and three and one-half to four times as much as in Germany, France, and other foreign countries where Fourdrinier wires are manufactured.

CAPITAL INVESTED.

5. The capital invested in this industry (exclusively in the United States) is about $5,000,000.

NUMBER OF EMPLOYEES.

6. The plants above mentioned furnish employment to about 3,000 employees at rates of wages, as above stated, from two and one-half to four times higher than foreign manufacturers pay their labor.

7. The Fourdrinier wires industry is not protected by patent or patent monopoly and is an open trade.

8. Congress has recognized in the successive tariff laws and in the pending tariff bills the propriety and justice of giving reasonable protection to this industry, which could not exist without such protection; and no complaint is made by the undersigned upon that score, although they seriously feel the growing competition of foreign importations of Fourdrinier wires constantly imported into this country from foreign countries where cheap labor enables them to manufacture at less cost, pay the duties, and successfully meet our prices.

NO TRUST OR COMBINATION IN THIS TRADE.

9. There is no combination, trust, or agreement of any description between the American manufacturers, nor any concerted method of sale or of maintaining prices for the goods of American manufacture; and there is now, and there has always been, the sharpest competition between the American manufacturers. The American public has received the benefit of this active, independent, and genuine competition.

10. The margin of profit in this American industry has always been so small that the American consumer has found no cause for complaint and has never sought to interfere with the continuance of the manufacture of these goods in this country; in other words, the American consumer is satisfied with the product and the prices.

11. The industry was established in this country more than fifty years ago and has continuously furnished employment for American labor at high rates of wage.

AMERICAN MANUFACTURERS SOLE CONSUMERS.

12. As the sole consumers of the product of this wire industry are the manufacturers of paper in the United States, the successful continuance of paper manufacturing is vital to the maintenance of the Fourdrinier wires industry, and the latter is absolutely dependent upon the former.

We are familiar with the conditions of the manufacturer of paper in the United States and abroad, and earnestly state that the paper manufacturing industry can not be successfully maintained under a material reduction of the protection covered by the existing tariff laws on paper and wood pulp. This is particularly true as to the raw material—wood pulp.

Unlimited Canadian forests with cheaper labor and cheap water powers make it utterly impossible for American wood pulp to be produced on equal terms with Canadian, as proposed by the pending bills; and reasonable protection is an absolute condition of the maintenance of that great industry.

The facts concerning the paper and wood pulp business of the United States have been presented in the hearing before the Ways and Means Committee of the House, and their conclusions are based on an absolutely unfair comparison—we know they can manufacture paper for from $7 to $8 per ton less in Canada than it can be produced for in the United States per ton, and we respectfully refer to the same as a part of this statement.

EMPLOYEES ALL AMERICANS AND WAGES HIGHER THAN IN ALL FOREIGN COUNTRIES—EFFECT OF PROPOSED DUTIES.

13. We beg leave to call special attention to the fact that the Fourdrinier wires industry is distinctively American; that its entire force is American; that its rates of wages are from two and one-half to four times higher than those paid in foreign countries where similar product is made; that thousands of American laborers are dependent for their livelihood upon the continuance of this business, in which they have become skilled; that the diminished duties proposed by the pending tariff bills (free wood pulp and $2 per ton on paper) would practically wipe out the Fourdrinier wires industry and build up Canadian, French, German, and other foreign competition at the cost of the life of a worthy American industry; that in consequence the large invested capital which has become enlisted in this industry, in unquestioning reliance upon reasonable American protection against foreign cheap labor, would be practically wiped out, except, of course, such of it as remained in the form of factory property, which even then would have diminished value for any other purpose.

We freely proffer the fullest investigation of our business and the conditions herein briefly stated, and respectfully urge that this independent and competitive American industry, which has for fifty years served the American public to its complete satisfaction at reasonable prices and most moderate profit upon the invested capital, is entitled to the just consideration of Congress and to protection against practical annihilation, which would follow the passage of the proposed tariff bill with respect to the paper and wood pulp industry, upon which the Fourdrinier wires manufacture is solely dependent.

At a recent conference of a number of the above manufacturers, called solely to consider this common peril to their respective businesses, the undersigned were constituted a committee to present this statement and to furnish such information as may be desired by any committee of the Senate or House or any Member of either body, and to respectfully urge the maintenance of the present protective duties on Fourdrinier wires and reasonable protective duties on paper and wood pulp.

Dated Washington, April 30, 1909.

WILLIAMS L. RICE, *Chairman*,
CHARLES SMITH,
PROCTOR PATTERSON,
J. C. CABBLE,
J. W. LAFFEY,
GEORGE ROBERTS,
By J. W. LAFFEY,
JOHN EASTWOOD,
Committee of American Manufacturers of Fourdrinier Wires.

Appeal of southern paper-clay producers to Congress for protection to the paper industry which affords the only market for paper clay.

To the Senate and House of Representatives:

The American Clay Producers' Association, with headquarters at Macon, Ga., in behalf of the owners and operators of the paper-clay deposits in the States of North Carolina, South Carolina, Georgia, Florida, and Alabama, desires to make respectful but earnest protest against the reduction of the tariff on pulp and paper as proposed by the Payne bill recently approved by the House of Representatives, and to briefly set forth herein its reasons for such action.

In all of the States above named there are extensive deposits of clay peculiarly suited for the use of news paper manufacturers, and in most localities the lands under which these beds are found were comparatively valueless, worth perhaps about 50 cents per acre, until the mining of clay for use in the paper industry was begun, some twenty-five years ago. Since that time the industry has materially increased, its development being accurately measured by the growth and prosperity of the paper-making industry in the United States.

At the present time there are certainly not less than 100 separate and distinct operations mining and shipping paper clay from the territory mentioned; and the lands underlaid by these deposits have enhanced to a value of from $250 to $500 per acre, it being estimated that the industry to-day represents a total investment of at least $3,000,000.

The output of paper clay from these sources may be figured at about 150,000 tons per year, representing a product costing the paper manufacturers approximately $1,500,000 per year and an expenditure of something like $500,000 in wages to those directly employed in mining this clay.

The clay produced by the operators represented by this association is fitted for and used almost exclusively in the manufacture of news paper, there being practically no other market for it—certainly not sufficient demand from other sources to justify its operation. Any legislation, therefore, tending to destroy the paper-making industry in the United States must at the same time be destructive of the paper-clay industry, since the American clay producers can not export their product and compete with the producers of other countries, which leaves them absolutely dependent upon the domestic market.

If, by the reduction of the tariff on pulp and paper, the manufacturers of those commodities should be driven from the United States, the mining of paper clay would of necessity be at once abandoned, and any action of legislation tending to cripple the paper industry would to the same extent work injury to those engaged in the production of paper clay.

There is at this time an annual consumption of clay by paper makers amounting to something like $3,000,000, which affords a market for our product and which must be sustained if we continue to live. About one-half of this consumption is supplied by importation, but there is no reason why we should not ultimately produce the entire amount in this country.

The paper-clay producers have been encouraged by the growth of their industry and the increasing demand for their product to make investments before mentioned in clay properties and in the improvement of their facilities for mining and preparing the clay for paper-making uses, relying upon the continuance of a policy which would not only preserve their market—the paper industry—but greatly enhance it. If now that market is to be destroyed by reduction of the tariff on pulp and paper, the investments and efforts of our people go for naught.

The experiments which have been recently made, with results which promise success, have likewise led us to believe that in the near future the cotton stalks and straws produced in the South would be made to supply a large part of the fiber used in the manufacture of paper, resulting in the location of paper mills in that locality and providing a still further demand for our paper clays at our own doors. This development, however, is, we believe, dependent upon the paper industry being encouraged by at least such protection as has been given it in the past. While not prepared to speak of the paper producers themselves, our dependence upon them for our market has led us from time to time to inquire into the condition with which they have to contend, and the conclusion has been forced upon us that such reduction of the tariff on pulp and paper as is suggested would be utterly ruinous to the industry.

In view of the foregoing, we earnestly request that your influence may be used to preserve the enterprise, and to save us from the industrial destruction which would certainly come to the American producers of paper clay in the event of any material injury to the paper-producing industry of the United States.

AMERICAN CLAY PRODUCERS' ASSN.,
J. C. LAMAR,
C. B. LAMAR,
J. F. MARSH,
Committee.

MACON, GA., *May 1, 1909.*

Mr. GALLINGER. The builders of paper machines proper are 10 in number. and the capital and output given applies to this class of manufacturers; but, in addition, there are 69 concerns that make various kinds of machinery used in paper mills, although their whole output is not taken by paper mills. The capital of these 69 concerns is not determined, but is very large, enormously in excess of the $7,650,000 stated. In addition there are 26 large concerns that make paper-machine clothing, like felts and wires, exclusively, and producers of paper clay, for which there is no other demand. It was claimed by the Senator from Nebraska that Canadian mills have to pay more for machine clothing and supplies on account of their duties against the United States. As a matter of fact, these United States manufacturers of machine clothing and supplies can not compete for Canadian trade to any considerable extent, because the Canadian duties against England are much less than against the United States, and Canada gets most of these articles cheaper from England than we get them from our domestic manufacturers.

A great deal of misinformation has been put in circulation concerning the cost of making print paper in this country. In seeking information on that subject, I was pleased to receive the following letter from Mr. Arthur C. Hastings, president of

the American Paper and Pulp Association. It sheds a flood of light on the question:

WASHINGTON, D. C., *April 14, 1909.*

Hon. JACOB H. GALLINGER,
United States Senate, Washington, D. C.

DEAR SIR: Our attention has been called to a letter addressed to Members of the United States Senate, in which it is stated that print paper needs no protection, for the reason, as alleged, that the Great Northern Paper Company can produce paper at a cost of $4 per ton less than the best-equipped Canadian mills. This generalization would by no means follow from the premise, even if it were correct; but it is absolutely false. The letter goes on to state that Canadian mills can produce paper at $29.54 per ton. It is thus implied that the Great Northern Paper Company can produce paper at $25.54 per ton. This is in direct conflict with the testimony of that company before the Finance Committee, and, moreover, no mill in the United States can approximate that figure.

The letter further states that the annual reports of the International Paper Company discloses an average cost for ten years of $27.74 per ton. This statement is likewise absolutely false. The annual statements do not disclose the average cost of paper, for the reason that they do not disclose the number on tons manufactured, without which data it is impossible to derive the average cost per ton. Furthermore, the International Paper Company can prove that the average cost for ten years has greatly exceeded $27.74 per ton.

In view of the fact that the cost of wood, which constitutes 40 per cent of the cost of paper, has doubled in price in ten years, and that the average wage rate has increased at least 75 per cent, it is manifestly absurd to gauge the present or future need of protection by the average cost of production for the last ten years, even if the average cost were correctly stated.

The detailed statement which accompanies the letter referred to is a tissue of sophistry and falsehood, and we deem it unworthy of specific or detailed rebuttal.

The manufacturers of paper have submitted their evidence to the Finance Committee, and, so far as we know, it has not been successfully controverted before that body. We are content to rest our case upon the conclusion which may be reached by the Finance Committee, based upon the evidence which we have submitted, and will submit, and we merely ask you not to be prejudiced against our industry by misrepresentations intended to befog the issue as to whether our industry is entitled to the protection which we ask, namely: Six dollars per ton of print paper, equivalent to less than 15 per cent on the market price. Our contention is that the average cost of manufacture in the United States is approximately $8 more than the cost in first-class Canadian mills, due to the advantage which the Canadian mills have in the cost of wood and labor.

Yours, respectfully,

AMERICAN PAPER AND PULP ASSOCIATION,
ARTHUR C. HASTINGS, *President.*

Mr. President, the select committee of the House of Representatives which made the recent paper and pulp investigation submitted a report in five large, printed volumes. Much of the testimony is conflicting, and the findings of the committee rather unsatisfactory; but, on the whole, it is favorable to the retention of the existing duties. For instance, on page 1982 of the report these words occur:

A low or even moderate price for print paper in the future is dependent mainly upon the future supply and cost of pulp wood. About one-third of the pulp wood now consumed in the manufacture of paper by our mills is imported from Canada. If an export duty should be levied by Canada—

Which is sure to follow, Mr. President, if we deliver over this industry to our Canadian neighbors—

upon the exportation of pulp wood; or if the Province of Quebec should follow the example of the Province of Ontario and entirely prohibit the exportation of pulp wood cut on its crown lands, the cost of pulp wood in the United States would be greatly enhanced, and the price of paper would go up.

It would seem that for the American publisher to be assured of low prices for his paper, it is essential to maintain paper mills in the United States.

That is the opinion of the select committee which has been so often quoted. The committee further says:

Any policy that would give the Canadian mills a preferential advantage over American mills in obtaining the raw material at a lower price must inevitably result in the dismantling of American paper machines and the ultimate dependence of American publishers on Canadian mills. Under such conditions Canada could levy export duties on print paper that would result in enhancing prices without the presence of competition from American paper manufacturers.

Again, on pages 1983–1984, the committee says, in reference to a bill pending before the House of Representatives:

The so-called "Stevens bill" (H. R. 18608) provides for the repeal of the tariff law so far as it applies to wood pulp and printing paper, with the proviso that if any country or dependency shall impose an export duty on pulp wood there shall be imposed a duty on wood pulp and print paper when imported from such country or dependency to the amount in the case of wood pulp of the export duty and to the amount in the case of printing paper of one-tenth of 1 cent per pound for each dollar of export duty per cord of pulp wood and proportionately for fractions of a dollar of such export duty.

The Stevens bill does not purport to repeal or change the tariff laws as to any class of paper or paper products except printing paper, though all other kinds of paper are affected by the same natural conditions which have affected the supply and price of printing paper. We doubt whether anyone after full consideration would desire the enactment of the Stevens bill into law in its present shape. The bill makes no provision against the present order of the Ontario government prohibiting the exportation of pulp wood. It contains no safeguard against a similar order by the government of Quebec.

If the Stevens bill should be enacted into law in its present shape and the Province of Quebec should by order provide that no pulp wood cut on crown lands should be exported from Canada, it would cause an immediate rise in the price of paper; it would enhance greatly the price of pulp-wood timber in the United States; it would cause the destruction of American forests; it would cripple the paper manufacturing industry in our country; it would in every way do much harm and prove of benefit in no way.

As the present price of paper would not to any considerable degree be immediately affected by the repeal of the tariff, and as the passage of the Stevens bill in its present form might spell ruin to the paper industry and ruinously high prices for paper in the near future, your committee believe it the part of wisdom before making recommendations for positive legislation to await until its investigation has been completed and thoroughly digested.

Notwithstanding this declaration, a tariff bill was sent to the Senate which, in my judgment, spells ruin to the paper industry of the country and which will create ruinously high prices for paper in the near future, and this Senate is solemnly asked to pass that bill. Surely no such act of legislative folly will be committed.

Mr. BROWN. Mr. President——

The PRESIDING OFFICER. Does the Senator from New Hampshire yield to the Senator from Nebraska?

Mr. GALLINGER. With pleasure.

Mr. BROWN. The Senator from New Hampshire has quoted from the preliminary report. Is not that true?

Mr. GALLINGER. I quote from pages 1983 and 1984, which must be from either the third or fourth volume.

Mr. BROWN. One can not tell what volume of the report the Senator is quoting from; but it is not a part of the final report. I hold in my hand here the preliminary report, No. 25, published by the House of Representatives, and the words which the Senator has just read are in the preliminary report, before the investigation had been finished, and that report is only signed by a portion of the members of the committee.

Mr. GALLINGER. Well, Mr. President, I think I have made no mistake in the pages cited. If I have, it is a mistake on the part of the stenographer, but it does not make any special difference. That was the opinion of the committee at any rate at one stage of their proceedings. I think their final report does not change their attitude materially.

But, Mr. President, not only are we to be put at the mercy of Canada if the House bill becomes a law, but beyond doubt Norway, Sweden, Denmark, and Finland will enter our markets. The paper mills in these countries aggregate 112, divided as follows: In Norway 23, Sweden 67, Denmark 3, and Finland 19, Finland particularly has enormous forest reserves, excellent water power, and the paper-making industry in that country is in its infancy. The cost of production in these mills is much lower than the cost of production in the United States, owing to cheaper wood and much cheaper labor. Most of them are situated within easy reach of seaboard, whence the rates of freight to the United States are as low in most cases as the rates from our mills to points of consumption in this country, and undoubtedly a large amount of paper produced by these countries will find its way here if the present duty on news print paper is largely reduced.

The chief excuse urged for the proposed legislation is that an increase has been made in the price of print paper and that it will conserve American forests. So far as American forests are concerned, it will have the opposite effect. As soon as it is settled that Canada is to have practical free trade in pulp and paper every American owner of spruce lands will strip them as soon as possible, not exercising much care in the process, the only consideration being to get as much as possible out of the lands before the industry is transferred to Canadian soil. That will be the inevitable result. As to the increased cost of paper, it has been less in percentage than almost any other American product and, as before pointed out, is selling in the United States for less than in other countries. It should be kept in mind that it costs much more to produce a ton of paper in the United States than in Canada. On this point there is a controversy, the question of wages entering into it. Fortunately, we have an official statement bearing on this subject, which ought to put the matter beyond further contention. On pages 3258–3269 of the report of the special committee of the House of Representatives, Hon. Charles P. Neill, Commissioner of Labor, supplies a table that deserves attention, from which it appears that the wages paid in this country in the paper industry are approximately 33¼ per cent above those paid in Canada. I have had a careful synopsis made of those tables, which I will ask leave to insert in my remarks, and to which I call the special attention of the Senator from Nebraska [Mr. BROWN].

The PRESIDING OFFICER. Without objection, the request will be granted.

The synopsis referred to is as follows:

Rate of wages paid in news print mills during 1907 in Canada and the United States, based on eight or nine hours' work.

Section.	Hours work.	Rate per day.		
		Canada.	United States.	International Paper Co.
BEATERS.				
Head beater man	8	$2.52	$2.49	$2.52
Beater man	8	1.08	1.69	1.69
Clay and size man	8	1.17	1.37	1.54
PAPER MACHINES.				
Machine tender	8	3.50	3.47	3.39
Back tender	8	2.38	2.20	2.08
Third hands	8	1.69	1.73	1.69
Fourth hands	8	1.40	1.65	1.68
Fifth hands	8		1.77	1.68
Broke hustler	8	.96	1.69	1.68
FINISHING.				
Head finisher	9	1.89	2.36	2.47
Finisher	9	1.48	1.76	1.74
Counter	9	1.14	1.19	1.58
Cutter man	9	1.65	1.67	1.70
Cutter girl	9	.97	1.02	1.09
Rewinder	9	.98	1.71	1.58
Weigher	9	1.52	1.97	1.82
Core maker	9	1.46	1.62	
Baling press	9	1.29	1.75	1.65
GRINDERS.				
Head grinder man	8	1.68	1.90	1.82
Baling press	8		1.70	
Grinder man	8	1.25	1.71	1.70
Block handlers	8	1.16	1.74	1.63
GROUND-WOOD SCREENS.				
Head screen man	8	1.76	1.93	
Screen man	8	1.15	1.55	1.66
GROUND-WOOD PRESSES.				
Head pressman	8	1.34	1.76	1.87
Pressman	8	.96	1.62	1.65
ACID PLANT.				
Acid maker	8	1.78	2.10	2.14
Acid maker helper	8	1.12	1.85	
Tower man	8	1.25	1.51	1.40
DIGESTERS.				
Head cook	8	3.60	2.79	2.50
Cook	8	2.00	2.51	1.89
Cook helper	8	1.14	1.60	1.68
Blow pitman	8	1.13	1.69	1.73
SULPHITE SCREENS.				
Head screen man	8	1.36	2.22	
Screen man	8	1.09	1.59	1.68
SULPHITE PRESSES.				
Head pressman	8	1.36	2.20	2.02
Pressman	8	1.07	1.70	1.68
WOOD PILING AND HAND.				
Head wood handler	9	$1.50	$2.30	$2.15
Wood handlers	9	1.32	1.64	1.69
River man	9	1.13	1.64	1.68
Teamsters	9	1.30	1.47	1.59
WOOD ROOM.				
Head preparer	9	$1.98	$2.43	$2.12
Wood handler	9	1.28	1.61	1.68
Conveyer man	9	1.27	1.63	1.71
Sawyer	9	1.72	1.73	1.78
Barker	9	1.31	1.69	1.69
Splitter	9	1.33	1.81	1.70
Chipper	9	1.33	1.86	1.68
INDOOR, MISCELLANEOUS.				
Head paper load	9	1.80	2.15	2.01
Paper loader	9	1.31	1.67	1.72
Head pulp shipper	9	2.43	1.80	
Weigher	9	1.26	2.00	1.83
Pulp shipper	9	1.22	1.35	
Oiler	9	1.31	1.73	1.83
Cleaner	9	1.26	1.61	1.58
Filter man	9	1.35	2.14	1.86
Watchman	9	1.19	1.56	1.74
Felt man	9	1.22	1.74	1.58

Rate of wages paid in news print mills during 1907 in Canada and the United States, based on eight or nine hours' work—Continued.

Section.	Hours work.	Rate per day.		
		Canada.	United States.	International Paper Co.
OUTDOOR, MISCELLANEOUS.				
Racks	9	$1.22	$1.97	$1.85
Barn boss	9	1.93	1.84	1.62
Teamster	9	1.25	1.53	1.58
Laborer	9	1.18	1.61	1.60
STEAM PLANT.				
Engineer	8	1.38	2.24	2.19
Dynamo man	8	1.96	2.01	1.73
Head fireman	8	1.44	2.17	2.28
Fireman	8	1.19	1.87	1.92
Coal handler	8	1.02	1.71	1.69
Ash handler	8	1.25	1.80	1.71
REPAIRS.				
Head machinist	9	3.37	2.96	3.25
Machinist	9	2.14	2.53	2.52
Machinist helper	9	1.33	1.69	1.85
Head millwright	9	3.08	3.16	2.90
Millwright	9	1.93	2.39	2.40
Millwright helper	9	1.53	2.00	1.77
Carpenter	9	1.77	2.37	2.28
Head piper	9	2.34	2.86	2.84
Piper	9	1.57	2.21	2.24
Blacksmith	9	2.29	2.51	2.57
Blacksmith helper	9	1.46	1.79	1.77
Mason	9	3.47	2.76	2.93
Mason helper	9	1.46	1.80	1.62
Painter	9	1.78	2.20	2.05
Knife grinder	9	1.44	1.82	1.71
Saw filer	9	2.34	2.07	1.74
Electrician	9	2.48	2.18	2.48
Lead burner	9	2.70	2.70	2.34
Average	8	1.35	1.78	1.78

Mr. GALLINGER. Again, Mr. President, the value of the raw product, as it stands in the woods of this country, is much greater than in Canada, which means that the total difference in the cost of producing a ton of paper in the United States is greatly in excess of the Canadian cost.

Recently I was handed a comparative statement of the cost of rough wood delivered at various mills in Canada and the United States, compiled from affidavits and audit certifications submitted to the Finance Committee of the Senate, from which it appears that in certain mills in New York and Wisconsin the cost is $10.21 per cord; in Maine, New Hampshire, Vermont, Massachusetts, and New York, of the International Paper Company, $10.38; the Oswego Falls Pulp and Paper Company, of New York, $10.35; while in Canada the cost in various mills is as follows: Canada Paper Company, St. Francis mill, Quebec, $5; Belgo-Canadian Paper Company, Quebec, $5.97; Chicoutimi Pulp Company, Quebec, $4.25; Laurentide Paper Company, Quebec, $5.80; Montmorency Lumber Company, Quebec, $4.45; Gres Lumber Company, Quebec, $5.31; Dalhousie Lumber Company, Quebec, $5.60; St. Maurice Lumber Company, Three Rivers mill, Quebec, $4.72; Batiscan mill, Quebec, $6.02; Pentecost Lumber Company, Quebec, $5.54; Miramichi Lumber Company, Morrison mill, $5.27; Chatham mill, $5.38; D. S. Cowles, New Brunswick, $5.50; St. George Pulp and Paper Company, New Brunswick, $5.14; and the Spanish River Pulp and Paper Company, Ontario, $4.30. It is proper, Mr. President, that I should say that these mills are not all print-paper mills, but it will be observed that no quotation in the entire list is above $6.02.

This shows an average in the United States of $10.31, as against $5.21 in Canada, the difference in favor of Canada being $5.10. As it takes 1½ cords of wood to make 1 ton of paper, Canada has the advantage in wood of $7.65 per ton. In view of that fact, it is remarkable that the price of the product has been kept at as low a figure in this country as it has. Compare it with the increased cost of almost every other staple article, and see how wonderfully the price has been kept down. Compare it with the products of the farm, all of which are highly protected in this bill, and note the discrimination. The following table was furnished to me by the Secretary of Agriculture, which shows the range of wholesale prices for corn, wheat, oats, barley, and beef for the last nine years, and it is so instructive that I will read it.

Range of wholesale prices for corn, wheat, oats, barley, and beef in Chicago for years 1898–1907.

Calendar years.	Corn, contract.		Wheat, contract.		Oats, contract.		Barley, choice to fancy.		Beef, extra mess (per 100 pounds).	
	Low.	High.	Low.	High.	Low.	High.	Low.	High.	Low.	High.
1898	$0.26	$0.38	$0.62	$1.85	$0.20½	$0.32	$0.33	$0.55	$7.75	$11.50
1899	.30	.38½	.64	.79½	.19½	.28¼	.38	.55	7.75	9.25
1900	.30½	.49½	.61½	.87½	.21	.26½	.39	.67	7.75	9.25
1901	.36	.67½	.65½	.79½	.23¼	.48½	.51	.64½	8.00	9.00
1902	.43¾	.88	.67½	.95	.25	.56	.53	.73	8.50	12.00
1903	.41	.53	.70½	.93	.31¼	.45	.50	.62	7.25	11.00
1904	.42¾	.58½	.81½	1.22	.28¼	.40	.45	.61	7.50	9.00
1905	.42	.64½	.77⅞	1.24	.25	.34½	.43	.55	7.50	10.00
1906	.39	.54½	.69½	.94½	.28⅝	.42¾	.45	.58	7.50	10.00
1907	.39½	.66⅛	.71	1.22	.33½	.56¾	.51	1.10	8.50	11.50

Prices of corn, wheat, and oats as reported by Howard, Bartels & Co., and barley and beef as given in Chicago Board of Trade reports.

It will be seen from this table that the price of corn has risen from 26 cents, lowest quotation, in 1898 to 66½ cents, highest quotation, in 1907; wheat, from 62 cents in 1898 to $1.22 in 1907; oats, from 20¼ cents in 1898 to 56¼ in 1907; barley, from 33 cents in 1898 to $1.10 in 1907; and beef, from $7.75 per hundred pounds in 1898 to $11.50 in 1907. This means that the price of corn has advanced since 1898 150 per cent, wheat 100 per cent, oats 175 per cent, barley 225 per cent, and beef 49 per cent; and yet it is proposed by the Senator from Nebraska to put paper and pulp on the free list, while at the same time he votes for increased duties on agricultural products. Oh, consistency, consistency.

Mr. BROWN. Mr. President——

The PRESIDING OFFICER. Does the Senator from New Hampshire yield to the Senator from Nebraska?

Mr. GALLINGER. I yield.

Mr. BROWN. Mr. President, we are confronted very frequently with the proposition that the prices of agricultural products have advanced so high that, therefore, any failure in the increase of the price of other products is an evidence that the agricultural interests of the country have been protected to the prejudice and disadvantage of some of the manufactured articles. Now, I call the Senator's attention to the fact that the price of all agricultural products is dependent solely on what it costs to produce them, the supply that results, and the demand for them. Is not that true?

Mr. GALLINGER. Mr. President, I ask the Senator if the recent increase in the price of wheat has resulted from the causes which he has enumerated, in view of the exploitation in the Chicago market?

Mr. BROWN. Of course, those exploitations are exceptions and ought not to be suggested seriously by the Senator as a reason controlling our judgment on this question.

Mr. GALLINGER. That depends entirely——

Mr. BROWN. The tariff did not cause it, did it?

Mr. GALLINGER. Certainly not. Neither did the tariff increase the cost of paper.

Mr. BROWN. Now, here is the point: The price of the production of a ton of paper has not only failed to increase, but has decreased ever since the invention of the machines and the time when they were first put in operation. Let me call the Senator's attention to the fact that these paper rolls are made on machines of a different width——

Mr. GALLINGER. Mr. President, I understand that. I have been in paper mills a great many times. The Senator need not instruct me on that point.

Mr. BROWN. I am not undertaking to instruct the Senator. I simply call his attention to the fact so that the Senate may hear my observation. To-day a machine can manufacture at the same cost a roll of print paper twice as wide and twice the dimensions it could formerly do.

Mr. GALLINGER. And what about the agricultural machines as compared to the old ones?

Mr. BROWN. In the last ten years there has been no such development in agricultural machines; but take the International Company itself with its 31 machines, I think, and 15 used exclusively for print-paper purposes. Some of them have a capacity of several tons a day, perhaps 50 tons more than others. Why? Because they are the improved machines, the enlarged machines. The cost of manufacture of print paper has decreased, but the cost of agriculture has not.

Mr. GALLINGER. And the cost of labor in those paper mills has increased 75 per cent.

Mr. BROWN. That is disputed by the testimony. I read from the testimony yesterday, and it failed to show any such increase in wages.

Mr. GALLINGER. The statistics I have presented to-day clearly show it. But I have made no war upon the duties upon agricultural products. The Senator says the tariff has not increased the price of agricultural products. I am not so sure about that. I venture to say, Mr. President, that if there was not a duty on Canadian hay, eggs, potatoes, and many other agricultural products, what little agriculture we have left in New England would very soon be wiped out.

Mr. BEVERIDGE. Mr. President——

The PRESIDING OFFICER. Does the Senator from New Hampshire yield to the Senator from Indiana?

Mr. GALLINGER. Certainly.

Mr. BEVERIDGE. I understood, perhaps incorrectly, the Senator from New Hampshire to say, in response to the query of the Senator from Nebraska, that the extraordinary and phenomenal advance in the price of wheat could not have been caused by such and such conditions, whereupon he referred, as I suppose the Senator did refer, to the great wheat corner recently had in Chicago. I understood the Senator from Nebraska instantly to reply to the Senator from New Hampshire by a question, "Well, did the tariff cause that?" I did not understand the Senator from Nebraska——

Mr. GALLINGER. Of course the tariff did not cause that.

Mr. BEVERIDGE. Certainly not.

Mr. GALLINGER. The Senator from Nebraska intimated that some suggestion I made was unworthy to be advanced in this discussion, and that question of the Senator's was certainly unworthy of a schoolboy.

Mr. BEVERIDGE. No; the Senator from New Hampshire referred to the increase of various prices, and said to the Senator from Nebraska, "Did those extraordinary causes produce the recent sensational advance in wheat?" and the Senator from Nebraska made the statement that that was not worthy, and immediately made the retort, "Did the tariff cause it?" Of course neither caused it.

Mr. GALLINGER. Certainly not. As I was remarking, I have made no war, and propose to make no war, on the duty on agricultural products. I make no war on the increased duty above that of the Dingley law that Senators from the agricultural States have thought it necessary to put on barley and other grains. A large amount of these products is consumed in my State, and doubtless those who use them would like to get them as cheap as possible. I make no war on the duty above the Dingley law that the Senator from Nebraska has had put on pumice stone. I suppose that is a very important industry in the Senator's State; but I make no war on it.

Mr. BROWN. Mr. President——

The PRESIDING OFFICER. Does the Senator from New Hampshire yield to the Senator from Nebraska?

Mr. GALLINGER. Yes.

Mr. BROWN. That is a fair illustration of the weight of the argument that the friends of this measure——

Mr. GALLINGER. I do not yield to the Senator to be offensive.

Mr. BROWN. I beg the Senator's pardon.

Mr. GALLINGER. If the Senator has anything to say in courteous response to my courteous yielding, I will listen to him.

Mr. BROWN. I want to be courteous, and I shall be courteous; but I suggest that when we are discussing a schedule that affects 1,200,000 tons of print paper and 2,700,000 cords of spruce wood in this country, an industry that spends millions every year, and the Senator suggests at the same time that we should levy a duty on that industry because a little industry that, all told, does not consume 20,000 tons of pumice manufactured in this country——

Mr. GALLINGER. Now, Mr. President, the Senator is misrepresenting me.

Mr. BROWN. And an infant industry at that, a small affair——

Mr. GALLINGER. The Senator is putting me, or attempting to put me, in a wrong position. I called attention to the fact that the Senator stands for these high duties on agricultural products; his State is interested in them. I called attention to the fact that he was very diligent in hunting out a little industry that his State is interested in; he wanted it protected to a prohibitive point, and his wish was gratified; and yet a great industry—and it is great as concerns those of us who have those industries in our States—is singled out by the Senator for slaughter. I think, Mr. President, that it is more important to look after a great industry than it is the industry of pumice stone.

Now, I will proceed. If we are to have low duties or no duties on paper and pulp at the behest of the Senator from Nebraska and other Senators, and at the demand of the cheap newspapers of the country, why not low duties on wheat and corn and oats and barley and beef for New England?

Mr. BRISTOW. Mr. President——

The PRESIDING OFFICER. Does the Senator from New Hampshire yield to the Senator from Kansas?

Mr. GALLINGER. Yes; I expected to hear from the Senator from Kansas; and I yield.

Mr. BRISTOW. I am glad the Senator was expecting it. I feel perfectly assured in saying that the Senators representing agricultural States will be delighted to have the duties reduced on agricultural products if they can be reduced on manufactured products correspondingly. They, indeed, would be glad to have the duties taken off if the duties on manufactured products can represent the difference in the cost of product here and abroad, and no more.

Mr. GALLINGER. Mr. President, I have no doubt the Senator is entirely willing to do that if we allow him to destroy the manufacturing industries of the United States. I have no question of that, but I must decline the proposition.

New England is entirely dependent on the great West for agricultural products, and their high value is a great hardship to our people. New England consumes five or six million barrels of western flour each year. If lowering duties lessens the price to the consumer, as the Senator from Kansas and certain other Senators contend, why should not New England demand lower duties on wheat and flour? New England does not do this, for the reason that New England believes in applying the protection policy equally to all sections of the country. But while doing this why should this great industry of New England be sacrificed on the altar of free trade?

Mr. President, from affidavits submitted to the Finance Committee of the Senate as to the cost of manufacturing print paper in the United States and Canada, it appears that in 10 mills in Wisconsin and Minnesota the cost per ton is $37.36, in 11 mills in New York and Maine $34.30, while the cost to the International Paper Company is $35.23, being an average in the United States of $35.63.

Mr. BROWN. Mr. President——

The PRESIDING OFFICER. Does the Senator from New Hampshire yield to the Senator from Nebraska?

Mr. GALLINGER. Yes.

Mr. BROWN. This is the second or third time that my friend has referred to affidavits submitted to the Committee on Finance, and I should like to ask him where those affidavits are, if he knows?

Mr. GALLINGER. If the Senator will apply to the chairman of the Finance Committee, I think they will be shown him.

In Canada, statistics cover the Belgo-Canadian Paper Company, the Canada Paper Company, and the Laurentide Paper Company, from which it appears that the average price in those mills is $26.90 per ton, showing a difference in favor of Canada of $8.73 per ton. It thus appears that not only does Canada get her wood at a cost of approximately $8 per ton less than the United States, but that, in consequence of cheap labor, she can produce paper at $8.73 per ton less than we can in this country.

The increase in the price of paper has been comparatively slight, and yet that increase has been urged with a great deal of vigor, energy, and denunciation as a reason for removing the duty on print paper. If that policy should prevail, this bill would be made up of a free list, and nothing else.

I want to repeat, that if the increase in the price of an article is a reason for putting it on the free list, this bill ought to be made up of a free list, and nothing else.

Even the special committee of the House admitted in their report that an increase in the price of paper was justified, their exact words being:

> It would appear that the increase in the value and cost of pulp wood, the increase in wages, the decrease in the hours of labor of many of the employees, and the increase in cost of other materials used, justified some increase in the price of paper.

Of course it did, and what folly it is to use that circumstance as a reason for removing or lowering the duty.

The Senator from Nebraska charged that in 1907 the International Paper Company closed down a portion of its mills, and that it followed that action by curtailing the production and increasing the price of print paper.

The fact is that the company made 9,500 tons more paper in 1907 than in any other year of its existence.

It is also true that the company sold paper cheaper in 1907 than in any other year between 1900 and 1908, with one exception, the price for the exceptional year, 1906, being 74 cents per ton less than in 1907. Here are the figures both as to production and price:

Year.	Production.	Price.
	Tons.	
1901	355,163	$42.80
1902	358,901	41.88
1903	359,142	43.20
1904	386,578	42.92
1905	377,711	42.14
1906	403,180	40.58
1907	412,654	41.32

Now, look at the price they paid for wood:

	Per cord.
1900	$5.83
1901	6.33
1902	6.58
1903	6.76
1904	7.32
1905	7.71
1906	7.92
1907	8.30
1908	9.87

The cost of making a ton of ground wood pulp in 1900 was $10.84, and in 1908, $16.70.

The increase in the cost of wood in 1908 over 1900 was 70 per cent, and the increase in the cost of making a ton of ground wood pulp was over 50 per cent, and yet the price of paper was not largely increased.

The growth of the paper industry in this country has been phenomenal, and it deserves fair treatment at the hands of Congress. Look at these figures compiled by the Census Office:

	Number of establishments.	Capital.	Officials, clerks, and wage-earners.	Wages.	Value of product.
1880	742	$48,139,652	25,631	$8,970,133	$57,306,880
1890	649	89,829,548	31,050	13,204,828	78,937,684
1900	763	167,507,713	40,646	20,749,426	121,326,162
1905	761	277,444,471	66,964	32,019,212	188,737,189
1909	.....	[a] 369,925,000	87,988	42,692,000	258,282,916

[a] Estimated.

Mr. BROWN. Mr. President——

The PRESIDING OFFICER. Does the Senator from New Hampshire yield to the Senator from Nebraska?

Mr. GALLINGER. Yes.

Mr. BROWN. Of course the Senator is quoting now figures covering all the paper mills of the country, is he not?

Mr. GALLINGER. Yes.

Mr. BROWN. There are over 700 of those and less than 70 of the print-paper mills, are there not?

Mr. GALLINGER. A large proportion of them are not print-paper mills. I said that the growth of the paper industry in this country had been phenomenal. The Senator need not split hairs.

Mr. BROWN. I am not splitting hairs, but we are discussing the print-paper paragraphs and not the other paragraphs.

Mr. GALLINGER. Well, Mr. President, the Senator can discuss that in his own time; I will discuss this question in my own way.

And now I will call attention to what the Senator is interested in, namely, the manufacture of news print paper, the growth of which has been as follows:

	Tons.	Value of product.
1880	149,177	.....
1890	196,052	$13,106,934
1900	568,291	20,091,874
1905	912,822	35,906,160
1909 (estimated)	1,200,000	50,000,000

The manufacture of mechanical ground wood pulp shows this result:

	Own use.	To sell.	Total.	Value.
	Tons.	*Tons.*	*Tons.*	
1880	.....	.....	.....	$2,256,946
1890	288,300	78,700	367,000	5,871,426
1900	306,322	280,052	586,374	9,278,502
1905	695,576	273,400	968,976	15,309,820
1907	.....	.....	1,225,000	24,500,000

Showing that from 1890 to 1907 the value of the product of mechanical wood-pulp mills has increased 500 per cent.

Sulphite fiber has increased as follows:

	Own use.	To sell.	Total.	Value.
	Tons.	*Tons.*	*Tons.*	
1900	142,810	273,420	416,230	$16,649,200
1905	379,082	376,940	756,022	30,240,880
1907 (estimated)	.....	.....	1,000,000	40,000,000

Why destroy an industry such as that? Why not let our mills manufacture pulp and paper instead of transferring the entire business to foreign countries?

Mr. President, the American Paper and Pulp Association—a witness that will probably be discredited by some because it is a corporation—submitted a brief to the Finance Committee which is so exhaustive and convincing that I will incorporate it in my remarks. It will be said that it is from interested parties. But why should not a great industry protest against hostile and destructive legislation? The brief follows:

The Republican platform promised revision on the basis of "such duties as will equal the difference between the cost of production at home and abroad, together with a reasonable profit to American industries." The paper industry was satisfied with this principle, and it asks for itself only the same application that is accorded to other industries.

We ask only enough protection to enable us to meet such conditions imposed on our industry by nature or law as we can not overcome by capital, energy, and brains. We want merely such duty as will make it unremunerative for foreign manufacturers to sell in this country at our rock-bottom prices. We want the existing business, and we want the increment that is bound to come with the further development of the country; but we are not averse to the duties being so low that some inconsiderable quantity of paper may come into this market, believing as we do that the stimulus of potential foreign competition is not a bad thing for the industry and that high duties invite criticism and attack.

In fact, we believe that when business is good and the demand is equal to the supply, the tariff has little or no direct influence upon prices, and that its chief function is, during times of depression, to prevent outside supplies coming into a market already congested. Then it is that every ton of paper or pulp imported increases our unemployed labor and capital. There is now coming into this country a large quantity of Canadian pulp and paper. There are shipments also from Germany, Norway, and elsewhere, although many of our paper and pulp mills are running on short time from lack of orders.

The duties on paper are substantially the same as they were both under the so-called "Wilson revenue" act and under the avowedly high-protection McKinley Act, and are, on the whole, less than one-half the general average. The duty on ground wood pulp, reduced to an ad valorem basis, amounts to from 8 to 13 per cent, according to market prices; on chemical pulp, about the same; and on news paper it amounts to about 15 per cent.

The total value of paper and manufactures of paper imported increased from $2,838,738 in 1898 to $10,727,885 in 1907, and of pulp from $601,642 to $6,348,857. It is certain that with higher duties much of this paper and pulp could have been displaced by domestic product.

Some European countries make various grades of paper requiring great skill and experience and the application of much labor, the manufacture of which could doubtless be established in this country by means of higher duties.

Capital is turned over in the manufacture of paper more slowly than in most industries, which means that the profit on the output ought to be correspondingly larger to make a fair return. This would entitle paper to higher duties than other commodities rather than lower if the attempt is to be made to protect a "reasonable profit."

While the industry has grown enormously, as a whole it has never been extremely profitable, competition frequently having been so fierce as to be destructive. Even before the prevailing depression most branches of the business had reached an acute state of unprofitableness, and it is certain that the lowering of tariff rates, extending as it would the scope of competitive production, would prove very disastrous.

Capital employed in the paper business has been frightened by the attacks which have been made upon it under the leadership of some of the newspaper publishers; and the Republican party, now in power, should deal with the revision of the paper schedules in a liberal and reassuring manner. The opportunities for further development in this country have by no means been exhausted, but progress is certain to be arrested by any reduction in the tariff.

The proposition to repeal the duty on ground wood pulp has no more merit than the similar proposition in reference to paper. The fact is ignored that pulp wood is on the free list. We do not need to import both pulp and pulp wood. It is certainly better for the country to have the latter imported and manufactured here into pulp. The pulp industry is in itself an important one, the amount of pulp made to sell amounting in value to many millions of dollars a year. Pulp is therefore far from being a raw material, and it would be manifestly a discrimination against pulp manufacturers to deny them the same kind and degree of protection accorded to other industries. Moreover, pulp making is a most important part of the process of paper making where the two processes are combined in one plant, as in the majority of cases. It requires proportionately as much capital and labor as the after process of converting the pulp into paper. It would be extremely illogical to cut the process of paper making in two in the middle and provide less protection for one half than for the other.

Certain newspaper publishers have demanded free paper and pulp. Among the reasons they have advanced are that putting these articles on the free list will prevent the destruction of our forests; that there is a monopoly of production in this country; that there are combinations in restraint of trade, resulting in extortion; and that the alleged high price of paper is a "tax upon intelligence." Their aim is to keep down the price of news print paper, irrespective of the welfare of the paper industry or of the importance of this industry to the country in the development of its natural resources, in the employment of capital and labor, in the support of allied industries, and in the traffic it affords to transportation companies.

It would be impracticable to admit print paper and wood pulp free of duty or to reduce the duty thereon without disturbing the whole industry. Wood pulp is the chief ingredient of half the paper made in this country and is used to some extent in almost every grade. In 1850 the value of the total output of paper in the United States was about $10,000,000; in 1905 the value of the output of the paper and pulp mills was $188,715,000. This rapid growth has been maintained up to the close of 1907. The output for that year must have reached $250,000,000.

It would seem to be the utmost folly to tamper with any policy or conditions precedent to such results. It is no less the function of a protective tariff to maintain and promote the growth of industries than it is to set them upon their feet. This industry that appeared full grown in 1895 has almost doubled in size since then. Under wise guidance the industry can and will maintain this rapid rate of growth and improvement in methods for a long period to come if protection is not withdrawn. For example: In the South are abundant water powers and ample supplies of suitable wood, to say nothing of the annual waste of hundreds of thousands of tons of materials, such as cotton stalks and seed hulls and, in various sections of the country, flax and other fibrous plants. Whether the industry extends to the South and West or to Canada depends on the tariff.

Besides upward of 4,000,000 tons of annual product, the paper mills furnish freight in the way of raw materials, supplies, etc, to the common carriers of the country, roughly estimated at 4 tons for every ton of product, or 20,000,000 tons of freight annually. They consume annually not less than 3,000,000 tons of domestic coal and sustain a large number of establishments which manufacture wholly or to a large extent machinery and supplies used only in paper mills. They furnish employment directly to nearly 100,000 operatives in the manufacturing plants and to probably 50,000 in the woods, besides indirectly supporting the labor entering into the manufacture of the machinery and supplies which they purchase. It has been estimated that for every dollar which the consumer pays for paper, 70 cents goes into the common wage fund of the country. Paper manufacturers in many sections of the country have been the pioneers, stimulating the building of railroads to new points, building up thriving villages, and even cities, and utilizing water powers that had previously gone to waste, for which there might not be any other demand for years to come. In 1905, 43 per cent of all the water power developed in the United States was used by paper and pulp mills.

The industry furnishes one of the most valuable uses to which certain kinds of wood may be put. Timber that has a value on the stump of, say, $4, by the application of American labor and the use of American materials is converted into a product worth from $40 to $100, according to the kind of paper for which it is used. All these facts, and many more which might be adduced, serve to demonstrate the seriousness of taking a step that would surely check the growth of the industry, if not partially ruin it.

We have as our neighbor on the north a country which has at least equal natural advantages for making some kinds of paper, where, without question, the industry would have reached much larger proportions but for the fact that our duty upon paper and pulp heretofore has given to the United States manufacturer a slight advantage in supplying our market. The result is we have not only an abundant supply of paper, but the industry as well.

Has the effect been to increase the price of paper in the United States? On the contrary, the price has, with slight fluctuations, gone steadily downward. Better news paper, for example, is furnished to-day at 2¼ cents per pound than was furnished twenty-five years ago for from 6 to 8 cents. The cheapening of paper has in turn increased the demand enormously, but the increase in the capacity of our mills has never failed to keep pace with the requirements of publishers and other consumers. The normal condition, in fact, has been one of overproduction.

Being assured by the existence of the tariff that the natural increase in demand in this rapidly growing country would inure to the benefit of domestic manufacturers, capital has been readily available. Only in a country where practically an unlimited demand for its product was assured could the scale of manufacture have reached such proportions as it has in this country. Throughout all the processes of manufacture of pulp and paper larger units prevail here than in any other country, except to the extent that American machines, ideas, and methods have been appropriated elsewhere. Our pulp machines, our paper machines, and our plants are larger than in any country in the world. Thus, to the conservation of our market is directly traceable the cheapening of production, resulting in lower prices, although we pay higher wages than are paid in the paper mills of any other country, two or three times those in European countries and considerably higher than in Canada.

If the duty is removed, we must either force down wages in this country or transfer a large part of the industry to Canada. It would seem that this industry had justified its claim for future protection by past performance.

It has been urged that the duty should be taken off wood-pulp papers in the interest of forest preservation. There is no ground whatever for the claim that the removal of the duty would be for the benefit of our forests. Many erroneous impressions prevail on this subject. In the first place, there is no duty whatever upon pulp wood. As long as we can get pulp wood free of duty there is no substantial advantage to be gained by having free paper, or even free pulp. In the second place, great as is the quantity of wood used by our mills, it is, according to the Forestry Department of the United States, less than 2 per cent of the total annual drain upon our forests, and, according to the best estimates available, the quantity of any one species used for paper is less than the annual growth. More wood is used for railroad ties than for pulp, and more for shingles, and vastly more for fuel. Almost every form of forest product, excepting pulp wood, is protected by a duty. If the forests are to be preserved for use, which is the doctrine of the Forestry Service of the Government, for what better purpose could the wood be used than to supply an industry which adds so great an increment to its value before it reaches the consumer in the form of a most indispensable commodity? Finally, if the duty were removed from paper and pulp, or reduced, the manufacturers who own timber lands would be compelled to strip them, as they could not afford to continue their present conservative methods of lumbering in the face of competition with Canadian mills.

One of the reasons given in the Democratic platform for the removal of the duty from paper and pulp is the alleged existence of combinations or monopolies. It is only necessary to treat this phase of the subject in connection with news print, as newspaper publishers are the instigators of this charge, and they are avowedly interested only in so far as the price of news paper might be affected. In the recent con-

gressional investigation of the paper industry, the newspaper publishers signally failed to show any combination in restraint of trade, or any other combination which in any way controlled the price or production of news print. The paper makers, on the other hand, proved that while an advance in the price of news paper took place last year, other grades also advanced and prices went up simultaneously in the principal markets of the world. The advance in this country was shown to be due to natural causes, such as the increase in the cost of labor and pulp wood. They showed that there had been absolutely no curtailment of production, which has since been confirmed by government statistics showing a large increase in the consumption of pulp wood in 1907 over 1906. They showed that a large number of news print mills were manufacturing and selling their product entirely independent of each other, and that the largest producer made less than 35 per cent of the total output, whereas ten years previously it made more than 60 per cent.

It was developed at the investigation also that the manufacturers of news print paper were not making any inordinate profit, but, on the contrary, that most of them were securing but meager returns. The Department of Justice also has failed to find any infraction of the anti-trust laws on the part of the news print paper manufacturers.

This same cry of combination and extortion, raised by the newspapers, has filled the ears of the public spasmodically for many years, and will probably continue to be raised, regardless of facts, as long as there is a protective tariff and free-trade papers to carp at it. They have groaned under the burden of the price of paper while it has been going down from 25 cents to 2 cents a pound, and have charged restriction in production while the tonnage of news print paper has gone up from a few thousand tons a year to over 1,100,000 tons. Should there at any time be any ground for such complaints, surely the law of the land is sufficient to deal with the violators without recourse to so drastic a measure as practically removing protection from the print-paper industry, thus making the innocent suffer with the guilty.

Finally, it is claimed that the duty on paper is a "tax on intelligence." It is doubtful if any intelligent person would indorse this plea.

Mr. President, much has been said in this debate about wages, and some Senators have exerted themselves to prove that wages in foreign countries are at as high a level as in the United States. Every man who has investigated that subject knows to the contrary. Look at the report of Special Agent Clark, who has been frequently quoted in this debate. He says that in the textile industry we are paying twice the wages that are being paid in Great Britain. While the difference is not so great between the wages in this country and Canada, the difference is sufficient to place us at a great disadvantage. And yet it has been claimed, over and over again, that there is practically no difference in the wages paid in this and other countries. Truly it is a remarkable contention.

As I have before stated, the figures submitted by the United States Commissioner of Labor, Mr. Neill, put the difference in wages in the paper mills of the United States and Canada at about 33⅓ per cent.

Personally, I know something about this matter, derived from my frequent visits to Canada and my association with the people of that country. Aside from farmers going to the northwest Canadian Provinces, there is no emigration from this country to Canada, while Canadians flock to our forests and our mills in great numbers, simply because the wages are greater on this side of the line. In Senate Document No. 16, printed only a few days ago, our consul at Owen Sound, Ontario, speaking of lumber, says:

The cheaper labor in the woods and mills will more than offset the duty.

That is undoubtedly true, and it has an important bearing on the subject under discussion.

I have some familiarity with the paper mills of Canada. I have talked with Canadian public men and associated with the laboring men of the Dominion. I know something about the industrial condition there as compared with the industrial condition in the United States. I could cite, if it were necessary, instances with which I am familiar of men working in the paper mills of Canada, and could compare their wages with those of men in this country. But that is not necessary. But I assert it as a fundamental and unanswerable fact that the wages in this country in all our industries, paper making included, are on an average at least 30 per cent in advance of the wages paid in any Province of the Dominion of Canada.

If it were not so, Mr. President, the mills of our Eastern States, the forests of our Eastern States, the brickyards of our Eastern States, would not be filled with men coming from Canada to this country. They would remain at home. They surely do not come for their health.

It was asserted yesterday that they were better off there than here. If that be so, it is a most astounding fact that men will emigrate from their own country to a country which gives them less opportunity for comfort, happiness, and prosperity than they could get on their own farms or in their own mills or in their own forests. Who believes it?

Mr. President, nothing but an overwhelming sense of duty could have tempted me to occupy the attention of the Senate as I have for so long a time, but the people whom I represent are entitled to consideration in this matter, and in their name I demand evenhanded justice—nothing more, nothing less.

Mr. President, this matter has not escaped the attention of the labor interests of the country. The congress of the Knights of Labor has put itself on record against the proposed legislation, closing their earnest protest in these words:

Without the existing protection the great paper industry will be crippled and the wage-earner, the forest, and ultimately the consumer will be endangered by driving the industry to Canada.

It is astonishing to me how acute is the mind of some of these labor leaders, how accurately they gauge a great public question. These men know that if this industry is transferred to Canada, as it will be transferred to Canada unless it is adequately protected, the men whom they represent will be turned out of employment and suffer the consequences of such a foolish legislative act on our part. This great organization continues:

Should this industry decline it means a deathblow to many communities clustered about the paper mills.

The Senators from Maine knows how that is. They know how towns and villages have been built up in Maine, clustered around paper mills, entirely dependent upon the employment they there receive. Blot them out and those communities will be like some of the mining communities where the mineral has refused to give itself up to the labor that formerly produced it. I continue to quote:

Should this industry decline it means the deathblow to many communities clustered about the paper mills and the breaking up of American homes and migration of our skilled labor to Canada and the forcing of the unskilled into other channels, now overcrowded.

In justice to American labor and industry and in the name of the vast army of American workmen who are dependent upon the paper industry for a livelihood, we ask that the existing duty of $6 per ton on print paper and $1.66 per ton on wood pulp be maintained in the tariff bill now pending before Congress.

Of the numerous letters received from labor men and organizations, I will content myself by inserting three, two from Berlin, N. H., and one from Watertown, N. Y. I will ask the Secretary to read the first letter.

The VICE-PRESIDENT. Without objection, the Secretary will read as requested.

The Secretary read as follows:

INTERNATIONAL BROTHERHOOD
PULP, SULPHITE, AND PAPER MILL WORKERS,
Berlin, N. H., May 28, 1909.

Hon. JACOB H. GALLINGER,
Washington, D. C.

DEAR SIR: We are desirous at this time of calling your attention to a proposed reduction in the duty on ground wood pulp and print paper, which is contained in the Payne bill now before Congress.

The Dingley bill calls for a duty on print paper amounting to practically $6 per ton, and on ground wood pulp a duty amounting to practically $1.67 per ton, or at the rate of 15 per cent ad valorem in the one case and 8½ per cent ad valorem in the other case.

It would appear as if this duty was no more than a revenue duty; but owing to the attitude of the newspapers, which are desirous of getting cheaper paper, an agitation has been going on some time for lower duties.

This organization is very strongly represented in the various paper mills throughout the Eastern and New England States, and our people express themselves in no uncertain terms, stating that should a reduction be made on the duty, as proposed, $2 a ton on print paper and free wood pulp, it will seriously affect the paper-making industry throughout the country, and the inevitable result will be longer hours and less wages. A reduction of 66⅔ per cent on print paper and the total elimination of all duty on ground pulp can not fail to work serious consequences; and if this happens, it must surely have a very serious effect upon the interest of organized labor.

We have been convinced that paper can be made at least $8 per ton cheaper in Canada that it can be made in this country. Should the proposed duties be enacted into law, the results will be the almost complete abandonment of American mills and great loss of employment to American labor.

We do therefore appeal to you to vote and work against any reduction in the duties on print paper and wood pulp contained in the Dingley tariff.

In conclusion, we assure you that we will appreciate any effort which you may put forth in behalf of this industry, which is being so unfairly attacked.

We are, with sincerest regards,
Very truly, yours,
NELSON GAY, *President.*
[SEAL.] GEORGE SNOW, *Secretary.*

Mr. GALLINGER. I will ask that a brief letter from the International Brotherhood of Paper Makers, Watertown, N. Y., be likewise read.

The VICE-PRESIDENT. Without objection, the Secretary will read as requested.

The Secretary read as follows:

INTERNATIONAL BROTHERHOOD OF PAPER MAKERS,
Watertown, N. Y., April 20, 1909.

To the honorable Members of the United States Senate:

GENTLEMEN: On behalf of the wage-earners of the paper and pulp industry in the United States we make this last urgent appeal to you for the retention of the present protective duty on print paper. * * * We are not making this appeal in the interest of the paper manufacturers, but for the thousands of employees who are practically helpless and upon whom any reduction will immediately react.

We know the actual condition of the print-paper industry. The labor cost of producing paper is much cheaper in Canada; the raw material is very much cheaper there; the present tariff rate is absolutely necessary to maintain the standard of wages and hours of service now in

vogue, and we rely upon your sense of fairness and good judgment to protect American labor; for if the proposed reduction goes into effect, it will be a terrible blow to the wage-earner of the paper industry, and, at the same time, will not benefit a single individual in the United States, with the possible exception of a few opulent newspaper publishers.

INTERNATIONAL BROTHERHOOD OF PAPER MAKERS,
J. T. CAREY, *President.*
J. J. O'CONNOR, *Secretary.*

Mr. GALLINGER. The other letter referred to is as follows:

INTERNATIONAL BROTHERHOOD
PULP, SULPHITE, AND PAPER MILL WORKERS, LOCAL No. 23,
Berlin, N. H., March 22, 1909.

Hon. JACOB H. GALLINGER,
United States Senate, Washington, D. C.

DEAR SIR: We are led to believe that Congress, now in extra session, is preparing to pass a new tariff bill. Accordingly, we, the workers in the pulp and paper mills, feel that our means of gaining a livelihood will be greatly impaired, if not totally destroyed, if the duty on pulp and paper is removed or reduced. There is considerable difference in the wages paid the pulp and paper mill employees in Canada and this country, and with a low tariff, or no tariff at all, it would enable the Canadian manufacturers to manufacture paper some cheaper, if only the difference in labor were taken into consideration. Many of the pulp and paper mill employees would be ruined by such an act; they have built homes in the paper and pulp mill towns in this section, under the assumption that they would be allowed to enjoy many years of happiness and prosperity in their chosen towns.

We all feel very nervous over the present situation, and beg to advise you that our members and the employees in general in paper and pulp mills in this section join in petitioning you to use your utmost influence in preventing the removal or a reduction in the present duty on paper. Some people in some parts of the country may be benefited by such a move, but we, your constituents, will be greatly harmed.

We sincerely trust that you will use your best endeavors to prevent any such action by Congress.

We beg to remain,
Very truly, yours, LEWIS W. STEUART, *President,*
[SEAL.] HERBERT W. SULLIVAN, *Secretary.*

Mr. President, only a moment longer.

Surely the protest of these laboring men, pleading for their families and their homes, deserves consideration and ought to be heeded in preference to the demands of opulent and selfish newspaper publishers.

Berlin is a city of 12,000 inhabitants, situated near the Canadian border, its chief industries being lumber and the manufacture of pulp and paper. Naturally they are alarmed, foreseeing, as they do, the inevitable destruction of their industries if hostile legislation is enacted; and in their behalf I appeal for justice in this matter. In 1880 Berlin had a population of less than 1,000, and the place has grown to its present proportions largely as a result of the development of the paper and pulp business, and other towns in southern New Hampshire have also had a phenomenal growth from the same cause.

Mr. President, I am gratified that the Committee on Finance, after patient investigation, have reported an amendment increasing the duties on print paper to $4 per ton, but at the same time it is a matter of sincere regret to me that they did not see their way clear to recommend the continuance of the existing rate. Six dollars per ton does not measure the difference between the cost of production in Canada and the United States, and the reduction to $4 will be a severe blow to an industry that deserves better treatment. The committee's proposed reduction of 33⅓ per cent from the rates of the Dingley law is a far greater reduction than is made in any other schedule of the bill, and I confess that I can find no adequate excuse for it. If this industry is to be sacrificed at the behest of a portion of the newspaper press of the country, we may well inquire into the motives of the agitation.

For my part, I can find neither justice nor reason in the demand, and profoundly regret that this schedule has not been accorded as considerate treatment as was given to the other schedules of the bill. The best I can do is to register a protest against it, knowing that it is hopeless to attempt to secure a higher rate against the conclusions of the Finance Committee and the pronounced hostility of the House of Representatives. Events will justify the views I have expressed, for when Canada gets possession of the business and has imposed an export tax on the product, even the newspapers that have created such a clamor will be rewarded by increased prices of news print paper. There will be no escape from that, just as there seems to be no escape to-day from legislation that will inevitably work serious harm both to those who have invested their money in the enterprise and the many thousands of men who are employed in the industry. It is a blow to American capital and American labor that ought not to be inflicted by the American Congress. But as the proposed amendment of the Finance Committee is so much better than the provisions of the bill as it came from the House, I trust that it may be agreed to, notwithstanding it is my impression that it will not properly protect the great industry for which I plead, and I fear that it will stand as a monumental error on the part of the Congress of the United States.

Mr. MONEY. Mr. President, I wish to correct an error of my own making. Some days ago, by permission of the Senator from Wisconsin [Mr. LA FOLLETTE], I was allowed to lay before the Senate a table of comparative wages in this country and three or four countries abroad. Day before yesterday I received a letter from a very intelligent gentleman in this city, who informed me that I had made a very great mistake. Under the head of "Engineering" in this table, which is to be found in the RECORD of the 15th instant, fitters, turners, and smiths received $25.39 per week wages. I find that my correspondent was correct. Instead of $25 it should have been $15. I had the matter examined into and discovered that the original manuscript was $15.39, and the error was caused by the typewriter, who inserted "2" instead of "1." I desire that this table shall stand corrected—$15.39. I will send it up to the Clerk, that he may make the necessary correction.

I wish also to express my obligation to my correspondent for calling my attention to an unintentional mistake, and I desire to correct it.

Mr. OWEN. Mr. President, I wish to call the attention of the Senator from New Hampshire [Mr. GALLINGER] to the fact that in quoting the change of prices of agricultural products he took approximately the lowest price at which corn had been and compared it with the highest price.

Mr. GALLINGER. I so stated.

Mr. OWEN. I suggest that the comparative prices of agricultural products are shown by Table 194 of the Statistical Abstract of the United States for 1907, which shows that corn No. 2 in 1884 was 60 cents, in 1907 it was 64 cents; that wheat No. 2 was 97 cents in 1884 and 96 cents in 1907; that in 1891 wheat was $1.09 and in 1907 it was 96 cents; that in 1891 corn was 70 cents a bushel and in 1907, 64 cents a bushel.

I wish to call attention to the table, because it ought to be clearly understood that agricultural products in this country, where the agricultural area is limited and the population has been rapidly growing, ought to advance by virtue of the growing demand from our own number of people, who are consumers of agricultural products, and that, notwithstanding this fact, taking the averages in a reasonable way, there has been no great increase in agricultural products.

The reverse ought to be true with regard to manufactured products. While population increases, it can not increase in the same ratio as the output of manufactured products, due to wonderfully improved machinery and to the greatly increased use of water power and all other forms of power which are made available for turning out manufactured products. I simply wanted to call attention to that, so that it might not be lost sight of in the consideration of this matter.

Yesterday I called attention to the fact that no man had ever been held to account for perjury before any of these committees, and yet this debate has been full of contradictory statements. Each one takes a part of the testimony and proves what he likes, and while always there must be, and should be, an abundant latitude allowed for the inaccuracy of observation and inaccuracy of conclusion on the part of witnesses testifying, there is a point at which the inaccuracy of the human mind ceases and willful and deliberate perjury begins. It seems to me there ought to be some review of the testimony given, and where it is found that men have falsely sworn for the purpose of pecuniary profit from the shaping of the tariff law, they ought to be held to a strict criminal account. It is a crime to swear falsely for the purpose of influencing the legislation of Congress, and there ought to be some limitation to the effrontery with which that is done.

Mr. HEYBURN. Mr. President——

The VICE-PRESIDENT. Does the Senator from Oklahoma yield to the Senator from Idaho?

Mr. OWEN. I do.

Mr. HEYBURN. I should like to inquire of the Senator if he desires us to understand that in all controversies where there is conflicting testimony in regard to the facts, it is proper and necessary that criminal suits should be commenced at the end of the trial? Has it been the Senator's practice in the trial of cases to prosecute the witnesses on the losing side who have testified to facts that were not sustained?

Mr. OWEN. The Senator has no ground so to interpret my remarks, because I have stated that, granting every privilege that could be reasonably accorded to the inaccuracy of observation and of the conclusion of witnesses, there was a limit where the inaccuracy of the human mind ceased and the deliberate crime began.

Mr. HEYBURN. I think it is always safest to leave the question of determining which side is right until after the final judgment has been entered in a case, and in this case the final judgment has not been entered.

Mr. OWEN. It will suffice my purpose to call attention to the fact that no man has ever been held to account for a false statement made before these committees.

Mr. GALLINGER. I should like to ask the Senator, as a lawyer—I ask him from the standpoint of a layman—inasmuch as the men who made these two conflicting affidavits are subjects of the Dominion of Canada, does he think we ought to pursue them into Canada and prosecute them for perjury?

Mr. HEYBURN. Or extradite them.

Mr. GALLINGER. Or should we ask for their extradition?

Mr. OWEN. I shall be content if the committees of Congress should hold to account those whom they are satisfied are guilty of deliberate crime in submitting testimony to the committees.

Mr. BEVERIDGE. Will the Senator from New Hampshire permit me to ask my friend from Oklahoma a question?

Mr. GALLINGER. I yield for that purpose.

Mr. BEVERIDGE. Does the making of a false affidavit constitute the crime of perjury?

Mr. OWEN. I am inclined to think it does constitute the crime of perjury under the statutes of the United States.

Mr. BEVERIDGE. I ask as a legal proposition.

Mr. OWEN. I am answering as a legal proposition.

Mr. BEVERIDGE. It is novel to me. Of course, as a legal proposition, false affidavits do not constitute perjury. I think they ought to, myself; but, as a matter of fact, they do not.

Mr. OWEN. That is a matter of opinion, and in that I differ with the Senator from Indiana. I call his attention to the statutes of the United States with regard to perjury.

Mr. BEVERIDGE. I shall be glad if the Senator is right about it.

Mr. OWEN. If the Senator will allow me, I will answer. Section 5392 states, in describing what perjury is, that—

> Every person who, having taken an oath before a competent tribunal, officer, or person, in any case in which a law of the United States authorizes an oath to be administered—

Then falsely swears to a material fact. An oath is authorized to be administered by section 101 of the Revised Statutes, which is in the following language:

> SEC. 101. The President of the Senate, the Speaker of the House of Representatives, or a Chairman of a Committee of the Whole, or of any committee of either House of Congress, is empowered to administer oaths to witnesses in any case under their examination.

In my opinion, therefore——

Mr. BEVERIDGE. Will the Senator permit me? I do not know that it is very material, but was this affidavit made before the chairman of the House committee, or was it made before a notary public?

Mr. OWEN. I am not referring to any particular affidavit. I am referring to 3,500 pages of evidence, a large part of which is declared to be unworthy of trust in this debate.

Mr. BEVERIDGE. Then, I misapprehended what was in the mind of the Senator. I thought he referred to a false affidavit as being a crime of perjury, and I thought the Senator, as a lawyer, would not want to let that go.

SENATOR FROM ILLINOIS.

Mr. CULLOM presented the credentials of WILLIAM LORIMER, chosen by the legislature of the State of Illinois a Senator from that State for the term beginning March 4, 1909, which were read and ordered to be filed.

The VICE-PRESIDENT. The Senator-elect will present himself at the desk and take the oath of office.

Mr. LORIMER was escorted to the Vice-President's desk by Mr. CULLOM, and the oath prescribed by law having been administered to him, he took his seat in the Senate.

THE TARIFF.

The Senate, as in Committee of the Whole, resumed the consideration of the bill (H. R. 1438) to provide revenue, equalize duties, and encourage the industries of the United States, and for other purposes.

The VICE-PRESIDENT. Without objection, the question will be first put on the motion of the Senator from Nebraska [Mr. BROWN].

Mr. ALDRICH. On that I ask for the yeas and nays.

The VICE-PRESIDENT. Is there a second to the request?

Mr. BROWN. Wait a moment.

Mr. BEVERIDGE. What is the question?

The VICE-PRESIDENT. The yeas and nays have been called for. Is the demand seconded?

Mr. BEVERIDGE. The Senator from Nebraska was addressing the Chair at that time, and I merely wanted to make a parliamentary inquiry.

The VICE-PRESIDENT. The Senator will state it.

Mr. BEVERIDGE. I was busy here at my desk and I did not understand what the question was on which the yeas and nays were demanded.

The VICE-PRESIDENT. The Chair is disposing of the question whether the yeas and nays are to be ordered.

Mr. BEVERIDGE. I desire to know before the yeas and nays are ordered.

The VICE-PRESIDENT. The question is on the motion of the Senator from Nebraska [Mr. BROWN].

Mr. BROWN. I want to be heard a moment on that.

The VICE-PRESIDENT. Is there a second to the demand for the yeas and nays?

The yeas and nays were ordered.

The VICE-PRESIDENT. The Senator from Nebraska will proceed.

Mr. BROWN. Mr. President, I desire to call the attention of the Senate for just a moment to the situation of this amendment and some of the arguments that have been made this morning.

I undertook, as best I could, to present to the consideration of the Senate three propositions. The first was the report of the select committee, which was made after an investigation of ten months by Members of the House of Representatives, charged with the duty of obtaining the truth about the conditions of this industry. I went beyond that to inquire upon what testimony that report was based, and undertook to present it to the Senate. I call the attention of the Senate this morning to the fact that not only have we the report of that select committee and the evidence upon which they acted before the Senate, but we have also the report of the Committee on Ways and Means of the House, consisting of entirely different Members of that body, who reached the same conclusion with regard to the facts as did the other committee.

So we have the testimony of this array of officers, charged with ascertaining the truth, presented to this body.

We are confronted this morning with what? With the testimony of a single witness before either one of those committees? No; not one. The only testimony presented was that of affidavits which our friend from New Hampshire said he filed with the Committee on Finance of the Senate, and when I asked him who the names of the men were who made the affidavits he declined to answer and referred me for information to the Finance Committee.

Mr. President, I want the Senate to understand when it votes upon this proposition it is voting, so far as we are concerned, upon information received from our committee in dead darkness. Not a word has come from one member of that committee as to a single fact or the name of a single witness who testified before it by affidavit or otherwise.

Now, Mr. President, I have just this suggestion to make: We have the choice of discarding the work of all the men charged with ascertaining the truth and reporting it, and discarding it upon the plea alone of Senators who claim that the industry is local and who assert their belief, unsupported by the testimony of a single witness, that it will be destroyed if we pass this law.

I want to say to the Senate, I want to say to the Finance Committee, that notwithstanding the fact we have shown by the reports and by the testimony that no duty at all is required, I am here to get results, if I can, upon this proposition approximately as near right as possible, and therefore, Mr. President, I am going to withdraw my motion to amend by putting print paper on the free list and ask the Senate to stand by the report and the bill of the House, that was based upon the testimony of sworn witnesses before that body.

The VICE-PRESIDENT. The yeas and nays have been ordered. It will require unanimous consent. Is there objection to the Senator from Nebraska withdrawing his motion?

Mr. ALDRICH. What was the request?

The VICE-PRESIDENT. That the Senator from Nebraska withdraw his motion.

Mr. ALDRICH. I object to its withdrawal.

The VICE-PRESIDENT. Objection is made.

Mr. BEVERIDGE. Mr. President, that is precisely the reason why, as soon as I heard the yeas and nays called for, I rose and insisted upon the matter being put before the yeas and nays were ordered. I was not certain when I rose what the question was, because my attention had been occupied at this desk. I had known that the Senator from Nebraska had intended to exercise his right to withdraw his amendment.

Mr. ALDRICH. He has no such right.

Mr. BEVERIDGE. He certainly had a right before the yeas and nays were ordered.

Mr. ALDRICH. Not at all, except by the unanimous consent of the Senate.

Mr. BEVERIDGE. Very well; it does not make any difference. In any event, the Senator from Nebraska should have been heard before the yeas and nays were ordered.

It is of no avail at this particular moment to call attention to that. I do not think the rules have been in the least violated; but I do suggest this thought as growing out of this incident: That in the future it is necessary to careful legislation that when the yeas and nays are called for and a Senator rises before they have been ordered, it is not the right of the Senator calling

for them to demand a show of hands, because that very Senator himself may want to either make remarks or withdraw the motion or indulge in some other parliamentary device necessary to the interests of the legislation that he is pressing.

But if that can be done, if in a case as was cited by the Senator from Georgia [Mr. BACON] the other day, the yeas and nays having been ordered and a Senator rising in his place and not being heard by the Chair, and the clerk promptly beginning the roll call and the first name promptly answering it, not only is the debate cut off, which is not very important, but every possible parliamentary right which a Senator might have had if the Chair had heard him would also have been lost.

I do not suggest that in any way the rules have been violated, but I do suggest that in matters of legislation so grave as nearly every feature of this bill is the largest toleration should be exercised toward Senators who are on their feet concerning a motion or an amendment which they are presenting.

Before I had addressed the Chair the Senator from Nebraska was on his feet, and for that purpose. Of course it is perfectly clear what the Senator from Rhode Island has in mind by objecting to a withdrawal of the amendment. He is exercising the perfectly permissible strategy that is at his disposal under the rules. He is not at all to blame for that.

The Senator from Nebraska feels that testimony has been presented to the Senate, formally taken by committees, printed by the House, which has not been answered and which justifies his original motion. But he said what he wanted was results; and perhaps that motion could not get as many votes as would a motion for the proposition to stand by the House rate upon paper, which is $2, the Senate rate making it 100 per cent more. But after that vote is taken, I hope the Senator from Rhode Island does not think that because Senators may see fit to vote against the proposition to put paper on the free list, therefore, by that vote, he will be able to show them that they are committed to vote against the House rate, because they are two different propositions. I think it permissible to point that out at this juncture.

Mr. BACON. Mr. President, I unfortunately was called from the Chamber at the time the yeas and nays were called for. I rise to a parliamentary inquiry. Do I understand the Chair correctly in ruling that the yeas and nays having been ordered, the Senator from Nebraska was cut off from a right to make a motion?

The VICE-PRESIDENT. No question of order was raised. Certainly the Chair would not hold anything of that kind.

Mr. BACON. I am asking for information.

The VICE-PRESIDENT. No question of order has been raised. The Chair has made no decision.

Mr. BACON. I understood the Chair to say—I may be mistaken in my understanding—that the yeas and nays having been ordered, the Senator from Nebraska could not withdraw his motion or his amendment without unanimous consent.

Mr. BEVERIDGE. That is correct.

The VICE-PRESIDENT. The Chair did rule that.

Mr. BACON. That is what I thought, and that is the point to which I direct my inquiry. I simply desire to suggest that whatever right the Senator had prior to the order of the yeas and nays was not, in the absence of the beginning of the roll call, lost by the fact that the yeas and nays were ordered. I do not know of any parliamentary law which changes the situation by reason of the fact that the yeas and nays have been ordered, because if that were the case, debate would have been cut off and the last speech made by the Senator from Nebraska could not have been heard. It is true that after the first name is called all right to any action is debarred by our rules, but the simple fact that the yeas and nays have been ordered, I respectfully submit, does not cut off the right to debate or the right to make any motion.

The VICE-PRESIDENT. Certainly not.

Mr. BACON. I am not discussing the question whether a Senator has a right to withdraw an amendment at any time unless there is unanimous consent. I am not addressing my remarks to that question at all.

The VICE-PRESIDENT. May the Chair inquire of the Senator from Georgia if he contends that the Senator from Nebraska could have withdrawn his amendment except by unanimous consent?

Mr. BACON. I am not addressing myself to that contention. I am simply contending that whatever right he had was a right which was not lost by the fact that the yeas and nays had been ordered, at a time when the roll call had not been begun. That is the only point.

The VICE-PRESIDENT. Evidently the Senator from Georgia and the Chair do not differ.

Mr. BACON. I misunderstood the Chair when I understood him to say that the yeas and nays having been ordered, for that reason the Senator from Nebraska could not withdraw his amendment without unanimous consent. I may have misunderstood the Chair in that particular.

The VICE-PRESIDENT. The Chair used those words. The Chair said that the Senator from Nebraska could not withdraw his amendment except by the consent of the Senate.

Mr. BACON. Not on the ground that the yeas and nays had been ordered.

The VICE-PRESIDENT. It was not necessary to have stated that ground.

Mr. BACON. That was the statement made by the Chair to which I directed the inquiry. Of course, if I misunderstood the Chair, I will not pursue it further.

Mr. BAILEY. Mr. President, I simply desire to detain the Senate long enough to emphasize that even a Republican will admit the tariff is a tax when he wants to take it off. The Senator from Nebraska [Mr. BROWN] has based his whole advocacy of this amendment transferring print paper to the free list upon the ground that he would thus reduce the price of paper to the publishers of newspapers throughout the country. I thoroughly subscribe to that opinion, and I only ask him then to agree with me that the same effect would occur with every other reduction of the tariff. While I agree with him that we can reduce the price of printing paper by removing or reducing the tariff, I want him to agree with me that we could also reduce the price of cotton or woolen clothes by removing or reducing the tariff.

Mr. President, I have been many times impressed by the inconsistencies of Senators on the other side and occasionally I have been impressed with the inconsistency of a Senator on this side. When a Republican Senator is defending the general tariff policy of his party he affirms that the tariff is no tax, or if it is a tax at all it is a tax which the foreigner pays for the privilege of selling his goods in the United States. If that is true, I have no objection myself to the Canadian manufacturer of paper paying this tax. But the Senator from Nebraska says that is not true, that the American publishers will pay the tax, and it is for their relief that he seeks to remove the duty.

I want to reenforce the argument of the Senator from Nebraska by reading the testimony of a Republican manager and part owner of a newspaper printed in the State of Massachusetts. This testimony was delivered before the committee of the House which had been appointed and charged with the duty of investigating this question. The publisher, or rather, he says, he was the business manager, and in connection with one other gentleman owned a controlling interest in the paper, was summing up the cost of his paper and he found it to be $2.30. Here is the way he made up the items—$1.80 at the mill, 20 cents for freight, and 30 cents for tariff. Mr. SIMS, a member of the committee and a Democratic Member of the House, inquired:

> Mr. SIMS. What is the amount you are paying for it at Springfield?
> Mr. PLUMMER. Two dollars and thirty cents. That would be 20 cents for freight and 30 cents a hundred for duty.
> Mr. SIMS. That is the full duty, is it?
> Mr. PLUMMER. Yes.
> The CHAIRMAN. Is your paper a Republican paper?
> Mr. PLUMMER. It is Republican.
> The CHAIRMAN. Does it believe in the protective system?
> Mr. PLUMMER. It believes in protection where it is necessary, but I think that if the experience of other people who deal in protected goods is the same as it is in this case, that I do not believe in it, because it is evident from our experience that the International Paper Company are taking advantage of the situation, and that they are lining up the thing so that they are getting all there is in it.

In other words, Mr. President, it makes a great difference whose ox is gored. Plummer's ox was gored in that case, and Plummer did not believe in protection. The people's ox is gored all the time by these excessive tariff rates; and yet, while these Republicans are trying to take the duty off of print paper, they vote to leave it on the clothing of the American people.

Do you doubt that the woolen manufacturer adds the duty to his clothes the same as the printing-paper manufacturer adds it to his paper? The only Republican who has delivered a speech that can be defended from a Republican standpoint, and yet admit this doctrine that the tariff does increase the price, is the Senator from Wisconsin [Mr. LA FOLLETTE]——

Mr. ALDRICH. Mr. President——

Mr. BAILEY. Let me finish the sentence. The Senator from Wisconsin admits that the tariff increases the price, and admits that he is willing to increase the price to the American consumer in order to insure protection for the American laborer, That is the admission of his speech, and upon that I can understand how a man can be a Republican. I can understand that a man can obtain his consent to tax everybody else to pay a higher wage to the American laborer; but I can not understand how a Republican in one breath can deny that the tariff increases the cost of the domestic article, and then in the next

breath move to take it off of some domestic article for the purpose of relieving some consumer or class of consumers. If the tariff does not increase the cost to the American consumer, then it is the same whether the tariff is 5 per cent or 500 per cent, and why reduce it?

Mr. ALDRICH. Will the Senator permit me?

Mr. BAILEY. I will.

Mr. ALDRICH. Does the Senator from Texas think that the Senator from Nebraska was speaking for the entire Republican Senate? If so——

Mr. BAILEY. No; he was——

Mr. ALDRICH. If so, I beg to disabuse the Senator's mind.

Mr. BAILEY. He was speaking for the smaller part in number, but the better part in patriotism.

Mr. BROWN. Mr. President——

Mr. BAILEY. I want to include in what I said about the Senator from Wisconsin [Mr. LA FOLLETTE] the Senator from Iowa [Mr. CUMMINS], too. He does admit that the tariff is a tax. Now I will yield to the Senator from Nebraska.

Mr. BROWN. I simply rose to say that I can not consent either to be disinherited by the Senator from Rhode Island or adopted by the Senator from Texas. [Laughter.]

Mr. BAILEY. Mr. President, unless the Senator from Nebraska reforms, there is no danger of anybody on this side wanting to adopt him. [Laughter.] Yet, sir, the argument which he has made on this question is a serviceable one to the country, and my whole purpose in taking the floor at this time is to emphasize this Republican admission that the tariff is a tax.

But, Mr. President, another curious phase of this proposition is to see a Republican newspaper that fills four columns with protection doctrine arguing that the tariff is not a tax, then devoting one column to advocacy of free paper on which to print its protection editorials.

I myself am not willing to relieve the newspapers entirely of their part of the tax. Like everybody else, I think they are entitled to be taxed less than they are; but if we could make that kind of a law and it would not lack the uniformity which essential justice requires in all taxation, I might allow a newspaper whose editor was wise enough to understand and admit that the tariff is a tax import his free, and require that the other editor, who insists that the tariff is not a tax, when tested by everybody's article but his own, shall be compelled to pay his tribute to the domestic manufacturer when he buys the paper produced in this country, and the duty to the Government when he buys imported paper.

The VICE-PRESIDENT. The question is on the motion of the Senator from Nebraska, on which the yeas and nays have been ordered.

Mr. JONES. I desire to state that on yesterday, in the colloquy with the Senator from Nebraska, the chairman of the committee controverted several of the statements he made with reference to the cost of production in this country and abroad. He stated that the committee had the proof and would furnish it to the Senate. I have not heard any of it. It seems to me it is due the Senate that the chairman of the committee should submit any proof that he may have. I have felt disposed to follow the House committee and the action of the House, in view of what has been urged very strenuously here.

Mr. ALDRICH. If the Senator from Washington will permit me, this vote is to put paper on the free list. The next vote will be the committee amendment. When that committee amendment is before the Senate, the committee will state all the facts pertaining to the duty proposed.

Mr. BROWN. I submit that now is the time; that this testimony and these affidavits are material now on this question, if they are on the other. I want to know why it is that we have been postponed and delayed and put off until now, when we are about to vote upon the proposition that involves the very question you disputed, you say you will present the testimony after the vote is taken.

Mr. ALDRICH. To a protectionist, it needs no argument to vote against a proposition to put a manufactured article on the free list.

Mr. BROWN. Then, why put anything on the free list? There are manufactured articles on the free list. I have undertaken to show, and I think I partially succeeded in showing, that no protection is necessary on this article. I have done it as a protectionist. If protection is necessary, I am for a duty on it. I presented all the witnesses I could find. I presented them to this body, and I have been crying for evidence on the other side, and not a word is furnished. I say now is the time for the testimony they promised yesterday instead of waiting to give it on the other proposition.

The VICE-PRESIDENT. The question is on the motion of the Senator from Nebraska [Mr. BROWN], in paragraph 405, on page 157, in lines 20, 21, and 22, to strike out the words, "Valued at not above 2¼ cents per pound, one-tenth of 1 cent per pound."

The Secretary will call the roll.

The Secretary proceeded to call the roll.

Mr. JOHNSTON of Alabama (when his name was called). I am paired with the junior Senator from Kentucky [Mr. BRADLEY]. If he were present, I should vote "yea."

Mr. TAYLOR (when his name was called). On this vote I am paired with the Senator from Wisconsin [Mr. STEPHENSON].

The roll call was concluded.

Mr. PAYNTER. I desire to announce that my colleague [Mr. BRADLEY] is absent from the Chamber on account of illness.

Mr. FOSTER (after having voted in the affirmative). Mr. President, may I inquire if the senior Senator from North Dakota [Mr. MCCUMBER] has voted?

The VICE-PRESIDENT. The Chair is informed that he has not voted.

Mr. FOSTER. Then I withdraw my vote, as I am paired with that Senator.

The result was announced—yeas 29, nays 52, as follows:

YEAS—29.

Bacon	Culberson	McLaurin	Shively
Bankhead	Daniel	Martin	Simmons
Beveridge	Davis	Money	Smith, S. C.
Bristow	Fletcher	Newlands	Stone
Brown	Frazier	Overman	Tillman
Burkett	Gore	Owen	
Chamberlain	Hughes	Paynter	
Clay	McEnery	Rayner	

NAYS—52.

Aldrich	Crane	Gallinger	Oliver
Bailey	Crawford	Gamble	Page
Borah	Cullom	Guggenheim	Penrose
Bourne	Cummins	Hale	Perkins
Brandegee	Curtis	Heyburn	Piles
Briggs	Dick	Johnson, N. Dak.	Root
Bulkeley	Dillingham	Jones	Scott
Burnham	Dixon	Kean	Smith, Mich.
Burrows	Dolliver	La Follette	Smoot
Burton	du Pont	Lodge	Sutherland
Carter	Elkins	Lorimer	Warner
Clapp	Flint	Nelson	Warren
Clark, Wyo.	Frye	Nixon	Wetmore

NOT VOTING—11.

Bradley	Foster	Richardson	Talianferro
Clarke, Ark.	Johnston, Ala.	Smith, Md.	Taylor
Depew	McCumber	Stephenson	

So Mr. BROWN's amendment was rejected.

Mr. STONE. Mr. President, I desire to offer as an amendment a substitute for paragraph 405.

The VICE-PRESIDENT. The amendment proposed by the Senator from Missouri will be stated.

The SECRETARY. It is proposed to strike out all of paragraph 405, after the numerals, and to insert:

Wood pulp; printing paper, suitable for books and newspapers, shall be admitted free of duty.

Mr. STONE. Mr. President, I shall not detain the Senate beyond a few moments. I sought recognition yesterday to present this amendment, but the Senator from Nebraska [Mr. BROWN] was recognized, and made his motion to amend. That motion having been disposed of, I now offer the amendment I intended to propose, which has a wider scope than that offered by the Senator from Nebraska. The amendment of the Senator from Nebraska proposed to put print paper used in the publication of newspapers on the free list. My amendment proposes to put all kinds of print paper, and wood pulp also, on the free list.

Mr. President, the Senator from Nebraska on yesterday, speaking to his amendment, discussed the whole subject of both wood pulp and print paper exhaustively, and it would be practically a waste of time for me to occupy the attention of the Senate to supplement at any length what he said with such clearness and force, and to most of which I agree.

The Senator from Minnesota [Mr. CLAPP] stated during the argument on the amendment of the Senator from Nebraska that he thought the two paragraphs 402 and 405 were taken up in the wrong order. He thought paragraph 402, relating to wood pulp, should have been first considered. The Senator from Nebraska answered that he could not control that, but was obliged in that respect to follow the lead of the chairman of the Finance Committee, who called up paragraph 405 for action in advance of paragraph 402. Of course, there is nothing in the suggestion of the Senator from Minnesota; still, if any of our Republican friends actually voted against putting print paper on the free list for the reason that they wanted first to know what was to be done with pulp, I have now proposed to put both wood pulp and printing paper on the free list. I

know, of course, that my amendment will meet the same fate as that of the Senator from Nebraska.

Mr. President, the national Democratic convention assembled at Denver last year made this declaration:

Existing duties have given the manufacturers of paper a shelter behind which they have organized combinations to raise the price of pulp and of paper, thus imposing a tax upon the spread of knowledge. We demand the immediate repeal of the tariff on wood pulp, print paper, lumber, timber, and logs, and that those articles be placed upon the free list.

Mr. ALDRICH. Mr. President——

The VICE-PRESIDENT. Does the Senator from Missouri yield to the Senator from Rhode Island?

Mr. STONE. I would rather not be interrupted just now.

Mr. ALDRICH. Mr. President, I was going to ask the Senator from Missouri if this was the same document I heard him reading from the other day?

Mr. STONE. I pass that by as unworthy of notice; only, Mr. President, I might say that, whether I read from it the other day or not, it is a document I have frequently read from, and shall frequently read from again.

Mr. ALDRICH. And follow sometimes.

Mr. STONE. The Senator says "And follow sometimes." His observation is indefinite. I ask him to be specific. When have I failed to follow it?

Mr. ALDRICH. Mr. President, perhaps——

The VICE-PRESIDENT. Does the Senator from Missouri yield to the Senator from Rhode Island?

Mr. STONE. I do.

Mr. ALDRICH. Perhaps I am mistaken in the document or in the author. Perhaps the Senator from Missouri was addressing himself to the Democratic candidate rather than to the Democratic platform in the observations to which I listened the other day.

Mr. STONE. Mr. President, I do not think the Senator from Rhode Island is quite so obtuse. He knew I was reading from the Democratic platform. However, I will say that on three occasions I followed the Democratic candidate to whom he refers and did what I could to make him President, and regretted deeply in each instance that he failed of election.

Mr. President, I was a member of the convention that assembled at Denver last year, and was a member of the platform committee. I was also a member of the subcommittee appointed to make a tentative platform for submission to the whole committee. The declaration I have read is a part of that platform, and, carrying out the declared policy of the Democratic party, voiced in the supreme tribunal of that party, and also expressing my own view, I offer this amendment. That is all I care to say or need to say. The merits of the question have been already amply discussed, and I have no wish uselessly to detain the Senate.

Mr. BROWN. I desire to inquire of the Senator if the proposed amendment covers my proposition and adds thereto wood pulp——

Mr. STONE. Wood pulp; yes.

Mr. BROWN. And paper for making books?

Mr. STONE. Yes.

Mr. BULKELEY. In view of the quotation from the publisher of a Republican paper, I desire, without detaining the Senate by any remarks, to have read a letter from the editor and publisher of the leading Democratic journal of my own State on this question.

The VICE-PRESIDENT. Without objection, the Secretary will read as requested.

The Secretary read as follows:

THE HARTFORD TIMES,
April 7, 1909.

Hon. NELSON W. ALDRICH,
Chairman United States Senate Finance Committee,
Washington, D. C.

DEAR SIR: Recognizing the peril now confronting a New England industry, whose volume of business reaches the great sum of $100,000,000 annually, I write at this time to outline a number of objections to the proposed reduction in the duty on white paper and the admittance of wood pulp free. And in doing this I am simply reaffirming the position I took in an editorial in April, 1908, a copy of which I am inclosing herewith.

At that time it was plain that the demand for free pulp came almost entirely from certain publishers who were offering for sale a finished product at a price that did not cover the cost of raw material. I could find no logical reason for giving support to this movement, and when the material advance in the cost of print paper added $1,000 a month to the running expenses of the Times, I found by thorough investigation that the demand was just. Within ten years the cost of labor has increased 30 to 50 per cent, and raw material, in some cases, as much as 100 per cent.

I believe a reduction in the duty on paper and pulp would surely bring about a far greater increase in the cost of paper than could come from any other source. Canada, with her immense resources, would first drive the American paper makers from the field, and then, in all probability, increase the export duty to such an extent that the cost of paper would be far greater than it ever can be under the present tariff.

I know that you and your committee will give this matter due consideration, and act for the best interests of a New England industry that produces nearly one-half of the country's output of white paper, and when you protect New England in this respect you are protecting every paper maker from the Atlantic to the Pacific.

Very truly, yours,

W. O. BURR,
Editor and Publisher.

Mr. BULKELEY. Now, Mr. President, I desire to ask to have inserted in the RECORD, without reading, excepting a few lines, an editorial published in the Boston Herald, under date of April 7, 1909, entitled "Why enrich Canada?" I read the concluding lines:

The public seems to have assumed that the newspaper publishers of the country were a unit in their demand for the removal of the duty on wood pulp and news paper. But 1,800 publishers have not been heard from. Among these will be found many who apply the rules of sound business management to their enterprises and who put a price on their product commensurate with its cost. Such publishers are not complaining. They realize that there is a single interest in all industry, and that each industry interlocks and is interdependent on others. They do not seek their own advantage by tearing down an industry that contributes to the general welfare. Many newspaper publishers, occupying this point of view, will indorse Congressman CURRIER in his protest against injustice to an industry which is an important factor in New England's prosperity.

I ask that the entire editorial be printed in the RECORD.

The VICE-PRESIDENT. In the absence of objection, permission is granted.

The editorial referred to is as follows:

WHY ENRICH CANADA?

Congressman CURRIER, of New Hampshire, told the House at Washington on Friday that if the news paper and pulp schedule of the Payne bill were enacted the paper and pulp industry of New Hampshire would be ruined. The pulp and paper mills in that State represent an investment of $16,000,000. They pay $2,000,000 a year in wages to 4,000 people. Maine is similarly interested. Massachusetts has an important paper industry. Five years ago more than $275,000,000 had been invested in the paper and pulp business in this country. Within the past five years this investment has been increased at least one-third. If such an industry is to be singled out and subjected to a reduction of 66⅔ per cent in the protective duty on its products, there should be, in reason, some recompense to the public. But the advocates of this revision suggest no advantages to be gained, save in the increased earnings of certain newspapers which sell their product at a price so low that they are compelled to look to Congress for aid.

The agitation for a revision of the news print and pulp schedules was inaugurated by publishers of 1-cent newspapers. It was alleged that the price of news paper had been arbitrarily advanced to an exorbitant point. It was further asserted that the product was controlled by a trust, which was fattening off exaggerated profits. In the course of a long series of hearings before a select congressional committee, these two statements were disproved. Nominally the petitioning publishers were seeking a lower price for the material used in their product. But during the course of the hearings many of the petitioners admitted that they did not believe that the removal of the duty "would have any appreciable effect on prices in the American market." Even with the existing duty on paper, about 15 per cent ad valorem, the Canadian product enters this country in competition with American paper.

Many witnesses at these hearings testified that the removal of the duty on wood pulp and paper, or its radical reduction, would force American capital to cross the border and invest in Canadian mills, where the manufacturing cost would be less than here. Leading Canadians have not hesitated to assert that this result should be the objective of legislation by Dominion or Provincial governments. The Montreal Star, in a recent issue, contemplating the proposed reduction in American duties, warned its public that "the American pulp and paper people will come over to Canada in a hungry horde," and urged the necessity of legislation to prohibit the export of unmanufactured timber. This need, says the Star, "has become suddenly urgent, owing to the effort of the Americans to coax us into permitting them to have our raw and semiraw materials without let or hindrance."

The Halifax Herald, commenting on the paper and pulp schedule of the Payne bill, assumes that Canada must be the main source of supply for the United States. Therefore it refuses to be scared by the countervailing threat of the Americans. "Why not," says the Halifax paper, "go ahead with the development, impose what regulations are needed to keep our raw materials at home, and pay no attention to the penalty clauses of the Payne tariff? The mills are bound to come to the spruce if the spruce does not go to the mills." The Province of Ontario already levies an export duty on wood pulp. The penalty of the Payne bill would not disturb existing conditions there. Other provinces might impose forest regulations which would be as effective as export duties in compelling the Canadians to manufacture their own timber products. No sane man can believe that the Canadians will permit the deforestation of their timber lands without let or hindrance, in order that certain American newspaper publishers may continue to sell their product below cost.

The inquiries of the congressional committee conducting the paper tariff investigation were addressed to 2,400 newspaper publishers. Only 436, or 18 per cent, favored the removal of the duty; 18 were opposed. Nearly 75 per cent were unable to discover a prospect of reduction in paper cost sufficient to inspire an answer. The public seems to have assumed that the newspaper publishers of the country were a unit in their demand for the removal of the duty on wood pulp and news paper. But 1,800 publishers have not been heard from. Among these will be found many who apply the rules of sound business management to their enterprises and who put a price on their product commensurate with its cost. Such publishers are not complaining. They realize that there is a single interest in all industry, and that each industry interlocks and is interdependent on others; they do not seek their own advantage by tearing down an industry that contributes to the general welfare. Many newspaper publishers occupying this point of view will indorse Congressman CURRIER in his protest against injustice to an industry which is an important factor in New England's prosperity.

Mr. JOHNSON of North Dakota. I ask that the Secretary read an article from this morning's Washington Post, which I send to the desk.

The VICE-PRESIDENT. In the absence of objection, the Secretary will read as requested.

The Secretary read as follows:

LAMB CRITICISES SENATORS—DANIEL, SIMMONS, AND NEWLANDS, HE SAID, FOUGHT REFORM AT DENVER.

INDIANAPOLIS, IND., *June 17.*

John E. Lamb, former Representative from Indiana, said to-day:

"Having served on the committee on resolutions in the Democratic national convention at Denver last year with Senators SIMMONS of North Carolina, DANIEL of Virginia, and NEWLANDS of Nevada, I was not surprised to see them lining up on the tariff question with Republicans in the Senate, as they had led the fight in the committee on resolutions against the tariff-reform planks which were adopted.

"The contest in the committee on the question of placing articles which enter into competition with trust-controlled products upon the free list was warmly contested, and was only carried in the committee by a few votes after a strenuous contest, but the plank in the Democratic platform demanding the immediate repeal of the tariff on wood pulp, print paper, lumber, timber, and logs, and that these articles be placed upon the free list was carried by a vote practically unanimous and this was afterwards ratified by more than 1,000 delegates in convention assembled without a dissenting vote.

"There is consequently no excuse for any man who pretends to be a Democrat to cast his vote against free wood pulp, print paper, lumber, timber, and logs, all of which articles are of prime necessity in everyday life."

Mr. JOHNSON of North Dakota. Mr. President, it has been said that the tariff ought to be revised by its friends. This plank in the Democratic platform indicates that if that party were intrusted with the revision of the tariff it would not even have been revised by its acquaintances. There were six Democratic Senators on that committee, at least two ex-Senators that I know of, and perhaps others. The men who wrote that platform were leading Democrats, and they adopted this plank demanding the immediate repeal of the tariff on logs, on pulp wood, and on cord wood. They ought to have known that those things are on the free list now, and have been on the free list for twelve years.

I felt the claw and tooth of that in the last campaign, and I think it is not improper to make the protest here. They made the people believe that there was a duty on those things. They might just as well have said that they demanded the immediate repeal of the Sherman silver law or the proclamation for the emancipation of the slaves—things that we had done years and years ago.

The people of North Dakota and the people in the great prairie States, reading in the newspapers this plank, were led to believe that there was a duty on cord wood, on pulp wood, out of which paper is made, and on logs. The fact is, that not only are those things on the free list, but ship planks are on the free list, ship timber is on the free list, shingle bolts and handle bolts, out of which we make ax handles and pick handles, are on the free list, and even gunstocks, if planed on one side, are on the free list. Yet we were put in the attitude of resisting this Democratic platform, which demanded the immediate repeal of the tariff on these things that we had repealed years and years ago. It was a load that we had to carry, and it was an unfair and a very heavy load in the prairie States.

Mr. STONE. Mr. President, just a word in reply to the Senator from North Dakota. The platform adopted at Denver demanded the repeal of the tariff on wood pulp, print paper, lumber, timber, and logs. The Senator from North Dakota [Mr. JOHNSON] says that lumber, timber, and logs were then and still are on the free list.

Mr. JOHNSON of North Dakota. Not lumber—logs.

Mr. STONE. Timber and logs.

Mr. JOHNSON of North Dakota. Well, ship timber. I said ship planks.

Mr. STONE. Is all timber on the free list?

Mr. JOHNSON of North Dakota. Round timber, unmanufactured, of every kind is now on the free list.

Mr. STONE. Mr. President, paragraph 194 of the present law, the Dingley Act, reads as follows:

194. Timber, hewn, sided, or squared (not less than 8 inches square), and round timber used for spars or in building wharves, 1 cent per cubic foot.

That is the law now in force. The Senator from North Dakota says that logs are on the free list. Now, without entering into any controversy as to whether some logs are on the free list, I will ask him if all logs are on the free list?

Mr. JOHNSON of North Dakota. I think all logs, all unmanufactured timber not further advanced than the cut logs, are on the free list.

Mr. STONE. Mr. President, if a car were loaded in Canada with pieces of timber 20 feet long, just as they were taken from the tree when it was felled, nothing being done to the trunk of the tree except to sever it into those given lengths, those would be logs, rough logs, not subject to duty. But suppose two sides of those logs should be squared, though ever so slightly, in order to make the loading easier, the carrying more convenient, and to save waste in weight, would that product be subject to duty?

Mr. JOHNSON of North Dakota. Yes, sir.

Mr. STONE. I do not know what the Senator from North Dakota would call a carload of that stuff, but I would call it a carload of logs. And that is what it would be—logs, and nothing but logs. No, Mr. President, when the convention declared for the removal of tariff duties on logs, it spoke advisedly and correctly. Even though some logs were on the free list, others were on the dutiable list; and so if the convention desired, as it did, to have all logs put on the free list, the phraseology used in the platform was the exact phraseology that ought to have been used, and it is not subject to the criticism of the Senator from North Dakota. I advise the Senator to read up a little himself before he attempts to arraign the Democratic convention for ignorance.

Mr. BAILEY. Mr. President, if this motion should be adopted, it would remit about $800,000 of revenue which the Government now collects, and the only people who would receive any benefit from that remission constitute a single, small, and special class. I can not myself consent to lift this $800,000 of taxation from the shoulders of these people when I know I will be compelled to lay it on the shoulders of some other people. For my part, I would infinitely prefer to vote for free rough lumber rather than for free wood pulp and print paper. It is true the people whom I represent and among whom I live would find no relief in the removal of the duty on lumber, because it is not possible, on account of freight rates, for Canadian lumber ever to find a sale in the Texas market.

But the relief from the lumber tax would undoubtedly have reduced the price of lumber to all the people who live along the Canadian border, and though they constitute but a small per cent of the population of the United States, they still constitute a larger per cent than the beneficiaries of this amendment. In fact, the people who would have enjoyed the remission of the $1,700,000 represented by the duty on rough lumber number three times those who will receive the benefit of this; and as I was not willing to follow the platform in respect to free lumber, neither will I follow it in respect to wood pulp and print paper.

Of course, I shall not have so much company on this question, because the newspapers are concerned, and I can understand how every Senator feels that the newspapers, both great and small, should be emancipated from this tax. But I prefer to take the tax off of the newspaper man's clothes and hats and shoes before I take it off his printing paper, because when I take it off his printing paper I benefit him alone, for no man pretends to think that the price of newspaper subscriptions or newspaper advertising will be less with this duty repealed than it is to-day. But if I can take it off of his hats and shoes and clothing, or if I can reduce it to the extent of $700,000, I not only would benefit the newspaper man, but I would benefit every other man, woman, and child in this community.

I am not willing to be bound by a convention of delegates who assemble in a room without any knowledge of this question—for whatever the Senator from Missouri may say about it, that platform does commit the absurdity of being in favor of repealing the duty on logs when logs are already on the free list.

Mr. President, the story of that convention need not be told. I know it, but I need not tell it. That platform was the work of one man, and every man who will be candid with himself knows it was. Even those who did not agree with the man who was to be nominated on it consented that he should have his way in making it. This particular free-lumber proposition, the Senator from North Dakota knows, was put in there to carry two or three of the Northwestern States. It did not carry them, and I think the consideration for the promise failed.

Mr. President, I can not believe that the Democratic party is serious in commanding us to take the duty off of lumber and wood pulp and still leave the duty on steel products, the manufacture of the most gigantic trust ever organized in the history of the world. Do you tell me that I am commanded to raise revenue on steel products, controlled by a trust whose capital aggregates the stupendous sum of more than a billion dollars and whose rival companies dare not reduce prices for fear of a price war—that I must leave duties on the commodities of a trust like that in order to raise revenue, and yet I must take it off of the newspapers' material?

They tell me we favor the repeal of the duty on every trust-manufactured commodity. I know as well as anybody that that could not be applied. Reflect a moment. Repeal the duty on

every article controlled by a trust and what happens? The sixty millions on sugar goes; the twenty millions on tobacco goes; the twenty-odd millions on steel products goes; and, one after another, we would find ourselves compelled to repeal more than one-half of the revenue now collected under our tariff law. That is a wholly impracticable plan.

They even go so far now as to demand that you repeal the duty on the raw material of a trust, which would be a benefaction to it.

Oh, no, Mr. President. Everybody in this country must be required to pay their taxes, share and share alike, and these gigantic corporations whose shadows fall across the pathway of commercial and industrial progress must be removed in some other way. Not by taxing the people who use one article and emancipating the people who use another will we ever be able to solve that question. If we put one trust-controlled article on the free list, we must put them all, or else we discriminate as between the trusts; and if we put them all on the free list, we remit $150,000,000 of revenue at one stroke of the pen.

Now let us be practical men. The remedy is not to put the trust-controlled articles on the free list, but the remedy is to put the trust-controlling magnates in the penitentiary. That is the way to solve it, and that is the way it will be solved.

I want to leave my prediction here and now, in the hope that somebody will probably read it when I am gone. The American people must face this problem. They must solve it by the execution of the criminal laws or else abandon the whole war against the trusts. I do not hesitate to incorporate that prophecy in this RECORD. It is a mere sham battle that you fight against them when you talk about fining them and punishing them by repealing their tariff duties. You can not injure the trusts in that way without injuring somebody else.

Now let me show you what would happen. Let us imagine that you are going to repeal the duty on refined sugar, controlled by the sugar trust. What an absurdity it would be to put refined sugar on the free list and leave raw sugar on the dutiable list! If you do that, you would not import a pound of raw sugar. It all would be refined. Thus you would sacrifice, according to the Republican theory, the producer of cane sugar and beet sugar, who had been made the victims of the trust, to punish the trust. Does anybody suppose that that kind of policy will ever be adopted?

Let us go further. I saw some honorable and splendid gentlemen vote to put iron ore on the free list, because they said they wanted to give an advantage to the independent steel companies, and they were sincere about it. I do not think they were wise, but I know they were honest. They voted for free iron ore because they wanted to help the independent steel companies; and yet if we attempt to punish the steel trust by repealing all duties on manufactured steel products, what would happen?

These same independent steel companies would suffer even more than the trust. Shall we give them to the knife for the offenses of their great and odious rival? Does anybody believe that that is feasible or practicable? In seeking to punish the trust in that way we would punish everybody else in the same line of business, sacrifice the public revenue, and violate the Democratic demand for equal taxation. That is not a feasible, that is not a sensible way to deal with it, and I feel compelled to say so. I dislike to differ with anybody, and most of all I dislike to differ with the leaders of my party. But I am not an intellectual slave and never intend to be. When I know a thing can not be done I shall hope always to have the courage to say it. I know that the only way to disorganize the trusts is to make it not only unlawful but unsafe to operate them in this country by putting stripes on the men who violate the law.

I think there is no more important policy in this American Republic than that which demands that these obstructions to free competition shall be removed. I would no more allow a man to escape just punishment who violates the prohibitions of the antitrust law than I would allow the man guilty of theft, murder, or arson to escape.

Mr. TILLMAN. Mr. President——

The VICE-PRESIDENT. Does the Senator from Texas yield to the Senator from South Carolina?

Mr. BAILEY. I do.

Mr. TILLMAN. I wish to call the attention of the Senator to the fact that the testimony of Mr. Carnegie explicitly declares that there are no independent steel companies; that while there may be no written agreement, there is an understanding that these so-called "independents" dare not break, and that the price is fixed by the trust, and these others are subsidiary, and therefore in a way compelled to conform to the prices that the trust fixes.

Mr. BAILEY. The Senator from South Carolina and I concur in that opinion. But Senators, respectable in number as well as in character and in capacity, differ with him and me about it. They believe that there are independent steel companies, and, in the hope of aiding them in their struggle against the steel trust, they voted to emancipate them from the tax on their iron ore. And this only illustrates the endless confusion in which we involve ourselves when we first undertake to ascertain the character of these different organizations here, and to deal with them in this manner.

Mr. President, although I am opposed, on principle, to employing the taxing power of the Government for any purpose except to raise revenue, I will forego my scruple in that regard and vote to put on the free list every trust-controlled commodity in America; and yet I know that if we could carry such a motion, we would be compelled to supplement the loss of revenue by issuing and selling the bonds of this Republic. In order that we may read those men an impressive lesson, I will do that; but I will not consent to pick one article here and another there, because they so frequently pick the articles on which my people pay no duty, because they import none of it, and because no import duty can affect the price in our market; they do not even pay an indirect bounty to the manufacturer. I will not let you select, from time to time, the article which your interest or the interest of your constituents may indicate; but I will vote, once for all, to tell the American trust magnate that when he absorbs his rival company to avoid domestic competition, we will expose him to the competition of the world. But I will not do this in spots or by piecemeal.

Mr. NEWLANDS. Mr. President, I was on the platform committee of the Denver convention, and I was also on the subcommittee which framed the platform, and I observe that I am the subject of criticism on the part of Mr. Lamb, of Indiana, a fellow-member of the committee. I remember Mr. Lamb as a man of very intemperate judgment, who was urging extreme views in that committee. I did not value his good opinion or deprecate his bad opinion, and will therefore not address myself further to Mr. Lamb.

I will say, however, that in that committee I opposed this plank in the platform referring to trust-controlled products, and I presented there substantially, though not so forcibly, the same argument that has been presented here by the Senator from Texas [Mr. BAILEY]. We were beaten, I believe, by 1 vote. I filed no minority report. The platform went before the convention without a minority report, and, so far as I am individually concerned, I feel bound by that platform. I have not sought, however, to criticise any man on this floor who has deviated from it.

When the question of free iron ore came up, the evidence seemed to me to be conclusive that the iron ore of the country was practically under the control of the great steel trust. I realized that there were independent organizations in rivalry with the steel trust. The question came up whether iron ore should have a moderate duty or be admitted free.

I do not believe, as a matter of principle, in enlarging the free list. I believe that almost everything should be upon the revenue list, but, obedient to that plank, a plank which I originally opposed, but to which I had submitted, I voted against the duty upon iron ore upon my belief that iron ore was a trust-controlled product.

I have never seen any reason why there should not be a duty on lumber. I can see no objection to the moderate duty—merely a revenue duty, I believe, of 14 or 15 per cent imposed by this bill upon lumber—and if I had been entirely free to use my own judgment I should have voted for a duty on lumber. I believe that any Democrat has the right in considering these questions of the necessaries of life to vote to put such commodities either upon the revenue list or upon the free list, as he sees fit, and that the Democracy of no man can be questioned who votes either one way or the other.

My disposition would have been to vote for a duty upon lumber. But there again I was confronted by this plank of the platform which I had fought in committee, but which I had acquisced in when it came before the convention; and, feeling bound by my action there, I voted for free lumber.

Now, with reference to wood pulp and print paper, my disposition would be to place a moderate revenue duty upon wood pulp, but the convention declared otherwise, and I acquiesced in its decision. I believe that the convention of a great national party has the power and has the right to instruct upon questions of policy of this kind, and I yield my individual judgment to the action of the convention. And so I have voted recently upon the amendment presented by the Senator from Nebraska for free wood pulp and print paper, and I propose to support the amendment offered by the Senator from Missouri.

Mr. President, I realize, as does the Senator from Texas, that these platforms are often ill-considered and immature productions. Our whole method of making platforms is, in my judgment, a wrong one. We send a great convention to the meeting place, where the absorbing question is one of candidates, and the committee on platform is selected, representing the different sections of the country, and there, in the heat of the convention, they are expected to formulate with unerring certainty the principles and the policies of the party. The session of the committee on platform is long and is continuous. The session at Denver lasted continuously, I think, or almost continuously for thirty-six hours. Meanwhile the convention was ready to act. Messengers were clamoring at our doors for the speedy termination of our labors and the submission of the platform to the convention.

It is utterly impossible under such conditions to frame a platform with that deliberation which the subject deserves. I am inclined to think that we in Congress are, in a measure, responsible for the immature way in which these platforms are framed. For years I have been contending, both in the House and in the Senate, that the Democrats in both bodies should confer more frequently; that they should have some method of conferring, one House with the other, through a committee of conference analogous to the committees of conference that prevail in our legislation; and that at the end of every session, and particularly before every election, the Democrats of the House and the Senate, through committees organized by them, should make an address to the country, presenting those matters in which the Republican party has failed to perform its duty to the country; presenting the action of the Democratic party in legislation—in defeating legislation, in passing legislation—in some logical and consecutive form; stating to the country in clear and definite form the issues upon which, in their judgment, the Democracy should go before the country for the verdict of the people.

I believe that such a formula of work done by the Democracy, such an indictment, presented by men familiar with the action of Congress, of the Republican party for its acts of commission and of omission that are subject to criticism, would impress the mind of the entire country and would be persuasive in the final determination of the platform at the nominating convention, and that we would in this way substitute consideration and deliberation for precipitate action.

There is another provision in this platform which calls for moderate action in reducing excessive duties.

This platform says:

> Gradual reductions should be made in such other schedules as may be necessary to restore the tariff to a revenue basis.

I am proud to say I fought for the insertion of the word "gradual" in that platform, and that I have voted in accordance with it; and when an amendment was presented here to a certain schedule by a Democrat in whose ability and judgment I have great confidence—an amendment immediately reducing all the excessive duties of that schedule to a revenue basis—I rose and requested to be excused from voting, on the ground that whilst I realized that the duty fixed might be a reasonable revenue duty, I felt it would be revolutionary to go from the excessive duties of the existing law to this revenue duty at one step, and that if we had the power and should pursue this course we would produce an industrial readjustment in this country that would not only disturb seriously the business of the country, but would immediately drive us out of power. So I favored action, in accordance with our platform, calling for a gradual reduction in excessive duties, and having in view always the goal of ultimate accomplishment, a tariff for revenue.

So, I pass by the criticism of Mr. Lamb with this statement of my action upon the bill and with this statement of my views regarding the present objectionable method of making party platforms and regarding the reforms which should be inaugurated in that direction.

Mr. HUGHES. Mr. President, I do not know how far it is proper, under the rules which prevail in this body, to read or cause to be read here newspaper articles impugning the honor and good faith of Senators, but it seems that it is deemed legitimate when the purpose is to foment differences, if possible, between Democrats. I do not know whether we shall expect in to-morrow's paper an announcement by Mr. John E. Lamb that he never had the interview or not. I do know that this same paper a few days ago published a very bitter arraignment of the Democracy as it is represented here now as coming from a letter written by Mr. Mills, of Texas, and I know that in this morning's paper Mr. Mills unequivocally denounces as false the statement that he had ever written a letter of that kind. So I believe we might pass without further comment or inquiry into the truth or falsity of these rumors that spring up so often and are so frequently found to be utterly without foundation.

I wish to say something, however, Mr. President, concerning the Democratic platform of the Democratic convention that met in Denver and the position that I occupy and shall occupy with reference to it; by the votes that I have cast and the votes that I shall cast whenever the principles announced by that platform are involved.

I was a delegate to that convention. I was the chairman of the state delegation. At my instance, upon my nomination, the Democratic member of the committee on resolutions from Colorado was selected, and I know that in all the hosts of Democracy in this Nation, from ocean to ocean, there is not a truer Democrat, a more gifted intellect, or a man more devoted to principle than the Hon. Charles S. Thomas, who took part in the deliberations of that committee as the representative, the fully equipped and authorized representative, of the Democracy of that State.

I have heard it said here over and again, in tones of reproach, that it was known who wrote that platform. I know that no single man wrote that platform. I know that three of the most important planks in it, upon the most delicate subjects involved, never passed under the eye of the distinguished Democrat to whom reference is thus covertly made. But I wish to say, Mr. President, that had the pen of William J. Bryan written every word in that platform it would be none the less from that fact commended to me as a Democrat who aided in converting a State which gave 34,000 majority for Theodore Roosevelt for President in 1904 into a Democratic State that gave nearly 5,000 majority for Mr. Bryan in 1908. I could find nothing to militate against the force, the clearness, and the Democracy of that platform in the fact, if it were true, that Mr. Bryan himself wrote every word in it. I am not willing to support the candidacy of a man for President and then be unwilling to stand upon a platform for which I voted in the convention because he wrote it.

I apprehend that the references by our Republican friend the senior Senator from Nebraska, who said he could tell who wrote it and where it was written and when, were but a charge that Mr. Bryan, at his home in Nebraska, had written that platform. I know differently from that. But I repeat that if this charge were true, the inquiry would still be a different one, that of determining whether or not the principles it contained are Democratic and how far Senators in this body may individually feel that they should follow the course which it indicates as a matter of political obligation.

Upon that subject, Mr. President, I shall have nothing to say. That is a matter for each Senator to determine according to his judgment and his conscience. But for me in every vote I shall cast in this body I shall vote according to the platform upon which I went to the people of my State, then pronounced hopelessly Republican, and came out of the fight with 73 members of the total of 100 which composed our legislature, and all state officials, from governor down the line, Democrats for the first time in the history of the State, and with four supreme judges elected upon the Democratic ticket, a thing never known in that State before.

FAITH PLIGHTED TO PEOPLE.

I feel that in some measure my faith was plighted to the people to whom I made a pledge by appealing to them upon that platform, so far as I may, to embody the principles it announced in the legislation here. I know how utterly powerless we are to do that. I know that in the campaign our Republican adversaries challenged the wisdom of sending a Democrat to the Senate from Colorado, claiming that he would be a member of a hopeless and ineffectual minority. My response was that the history of this Republic announces that there are no hopeless or ineffectual minorities. The minority to-day is the majority to-morrow if it can win the confidence and convince the judgment of the people. I was quite content to come and sit here and cast my vote unavailingly for a time in behalf of my principles, with the hope that conviction would spread throughout the Nation and in the end the minority of to-day will be the majority of to-morrow, just as it had been so often the majority of the past.

The committee that framed this platform was made up of leading Democrats from all over the Republic. It devoted not a few moments but hours to its discussion, and at 3 o'clock in the morning it came to a waiting convention and announced that its report was the unanimous determination of that committee. For that reason, believing that whatever differences which had existed had been removed, the platform received the unanimous approval of the convention itself.

I believe, Mr. President, that in each of the principles involved in the plank made the basis of the amendment offered

by the Senator from Missouri there is an announcement of a principle honestly believed in, and it is not a mere device to catch a few votes in some doubtful State in the Northwest, not with the object of simply trying to defeat the Senator from Dakota. That was not the purpose of that platform. It would be a reproach to something over 1,000 representative Democrats who sat in that convention, honestly bent upon announcing the real principles to which they adhered and honestly believing their success would be for the welfare of the entire people of this country, to suppose that they were resorting to some petty device to capture a vote or two in some doubtful Western State.

I do not think the convention has deserved that reproach. I know, for myself and others who participated in its deliberations, that such was not the fact.

I want in what I have said to let it be known that I have not always in everything agreed with Mr. Bryan, nor do I now; nevertheless I have seen this man in the ranks of private life, without power behind him, attain a commanding influence in this Republic and is unmatched by any other living man to-day, and at any time in these later days, unless we resort to the huntsman by the rivers of Africa.

Mr. President, for these reasons I favor, and I shall vote for, the amendment offered by the Senator from Missouri. It is within the declarations of our platform. The noise of the campaign has hardly died away in which we stood before the people and, because of these declarations, urged them to give their support to the party. How long and in what bodies the platform of a defeated party shall control its members is a question of political casuistry to which I shall give neither time nor thought. It is enough for me to know that in the first session of this body in which I have had an opportunity to take part in important legislation I stand upon the platform which procured the votes which enabled me to come here. These reasons, personally, I think, vindicate my position upon that subject.

HAD HOPED FOR HARMONY.

But, Mr. President, allusions have been made to other votes and to other policies and to other platforms. I had hoped that in these hours, when our platform was winning its way even among our political opponents, until the President of the United States had sent a special message here in which he put the weight of his approval by recommendation upon a central plank in this Democratic platform, we might devote our time and attention to the dissensions and the weaknesses which have grown up in another party, which was forgetting and neglecting the platform upon which it had won the confidence of the people and secured success at the last election.

In this same platform, the Democratic platform adopted in Denver, written, if all written by one pen, by the pen of Mr. Bryan, according to veiled suggestions, there is this provision——

Mr. BAILEY. Mr. President, the Senator from Colorado, I think, is not willing to keep repeating covert and veiled suggestions. I indicated Mr. Bryan as clearly as I thought parliamentary practice was justified in doing; and when the Senator knows me a little better he will know that I neither veil my allusions nor make them under cover. I hope he will not labor under that impression. I still hope more that he will not repeat the statement.

Mr. HUGHES. The Senator from Texas well knows he is not the first or the only one who made that statement. It fell first from the lips of the Senator from Nebraska, who said he could tell the hour and the place where it was written.

Mr. BAILEY. Mr. President——

Mr. HUGHES. He remembers that the Senator from Montana indulged in the same strictures. We all knew this morning to whom the Senator from Texas referred.

Mr. BAILEY. Though I made that perfectly plain, I want to say to the Senator I had not heard the statement of the Senator from Nebraska. My attention was diverted.

Mr. HUGHES. It was not made this morning, but some days ago.

Mr. BAILEY. I had not heard it then.

Mr. HUGHES. I now call attention to another plank of the Democratic platform, because it would seem that planks in the Democratic platform are not only the subject of thought by Democratic Senators, but are giving concern to Republican Senators and find their way in some mysterious manner into the executive chamber at the White House. It contains this language:

We favor an income tax as part of our revenue system, and we urge the submission of a constitutional amendment specifically authorizing Congress to levy and collect a tax upon individual and corporate incomes, to the end that wealth may bear its proportionate share of the burdens of the Federal Government.

If Senators will turn to page 3344 of the RECORD they will find this language in the special message from the President of the United States:

Again, it is clear that by the enactment of the proposed law the Congress will not be bringing money into the Treasury to meet the present deficiency, but by putting on the statute book a law already there and never repealed will simply be suggesting to the executive officers of the Government their possible duty to invoke litigation. If the court should maintain its former view, no tax would be collected at all. If it should ultimately reverse itself, still no taxes would have been collected until after protracted delay—

PRESIDENT SUPPORTS PLATFORM.

And, further, the suggestion to this body that an amendment to the Constitution be adopted authorizing an income tax. There is at least one who is not deterred from giving his adherence to this doctrine through apprehension that Mr. Bryan wrote that plank in the platform.

We have now, after months of labor devoted to the revision of the tariff upon the solemn pledge of a party historic in its character and claiming to possess all the political virtues of the Republic, urged on by a President who advocated honest revision when he was a candidate for the Presidency, and in the sincerity of whose declarations upon that subject I have never had the shadow of a doubt, the majority party trying to revise in accordance, we are told, with the Republican platform, yet failure to follow the platform and its construction by the President appears thus far in every amendment made and in every paragraph written. When this condition has been reached and the danger appears imminent that the united forces in this body are going to adopt an income-tax provision, and once again invite the attention of the Supreme Court to its constitutionaltiy, a special message comes and recommends exactly what the Democratic plaform has suggested, that a constitutional amendment be adopted upon this subject and for this purpose.

Mr. President, it appears to me that the message which reached us was an emergency message, prepared in haste and delivered in equal haste, because I can not believe that the great judge who is the Chief Executive of this Nation would have fallen into the error appearing upon the face of it if he had been given full time and opportunity to bestow upon it mature thought and thorough examination; nor do I believe that the able lawyers who sit about him in his Cabinet or the other great lawyers who were called in, if the public prints are to be accepted as accurate, to aid in the consideration of this message would have permitted a record to have been made that is not in exact accordance with the statutes as they are to-day. You will recall it is said in this message:

That by the enactment of the proposed law the Congress will not be bringing money into the Treasury to meet the present deficiency by putting on the statute book a law already there and never repealed.

Permit me to call attention to the fact that by section 27 of the income-tax act of August 27, 1894, it is provided:

SEC. 27. That from and after the 1st day of January, 1895, and until the 1st day of January, 1900, there shall be assessed, levied, collected, and paid annually upon the gains, profits, and income received in the preceding calendar year by every citizen of the United States. * * *

So that if the Supreme Court had sustained instead of annulling the law it would have perished by its own terms nine years ago.

In addition to that fact the Supreme Court, when the matter came before it the second time upon a rehearing in Pollock *v.* Farmers' Loan and Trust Company (158 U. S., p. 635), ruled all sections establishing the income tax to be absolutely null and void.

POLLOCK V. FARMERS' LOAN AND TRUST COMPANY.

[158 U. S. Repts., pp. 635–637.]

Being of opinion that so much of the sections of this law as lays a tax on income from real and personal property is invalid, we are brought to the question of the effect of that conclusion upon these sections as a whole.

It is elementary that the same statute may be in part constitutional and in part unconstitutional, and if the parts are wholly independent of each other, that which is constitutional may stand, while that which is unconstitutional will be rejected. And in the case before us there is no question as to the validity of this act, except sections 27 to 37, inclusive, which relate to the subject which has been under discussion; and as to them, we think the rule laid down by Chief Justice Shaw in Warren *v.* Charlestown (2 Gray, 84) is applicable; that if the different parts "are so mutually connected with and dependent on each other, as conditions, considerations, or compensations for each other, as to warrant a belief that the legislature intended them as a whole, and that, if all could not be carried into effect, the legislature would not pass the residue independently, and some parts are unconstitutional, all the provisions which are thus dependent, conditional, or connected must fall with them." Or, as the point is put by Justice Matthews in Poindexter *v.* Greenhow (114 U. S., 270, 304), "It is undoubtedly true that there may be cases where one part of a statute may be enforced as constitutional and another be declared inoperative and void because unconstitutional; but these are cases where the parts are so distinctly separable that each can stand alone, and where the court is able to see and to declare that the intention of the legislature was that the part pronounced valid should be enforceable, even though the other part should fail. To hold otherwise would be to substitute, for the law intended by the legislature one they may never have been willing

by itself to enact." And, again, as stated by the same eminent judge in Spraigue *v.* Thompson (118 U. S., 90, 95), where it was urged that certain illegal exceptions in a section of statute might be disregarded, but that the rest could stand, "The insuperable difficulty with the application of that principle of construction to the present instance is that by rejecting the exceptions intended by the legislature of Georgia the statute is made to enact what confessedly the legislature never meant. It confers upon the statute a positive operation beyond the legislative intent and beyond what anyone can say it would have enacted in view of the illegality of the exceptions."

According to the census the true valuation of real and personal property in the United States in 1890 was $65,037,091,197, of which real estate with improvements thereon made up $39,544,544,333. Of course from the latter must be deducted, in applying these sections, all unproductive property and all property whose net yield does not exceed $4,000; but, even with such deductions, it is evident that the income from realty formed a vital part of the scheme for taxation embodied therein. If that be stricken out and also the income from all invested personal property, bonds, stocks, investments of all kinds, it is obvious that by far the largest part of the anticipated revenue would be eliminated, and this would leave the burden of the tax to be borne by professions, trades, employments, or vocations; and in that way what was intended as a tax on capital would remain in substance a tax on occupations and labor. We can not believe that such was the intention of Congress. We do not mean to say that an act laying by apportionment a direct tax on all real estate and personal property or the income thereof might not also lay excise taxes on business, privileges, employments, and vocations. But this is not such an act, and the scheme must be considered as a whole. Being invalid as to the greater part, and failing, as the tax would, if any part were held valid, in a direction which could not have been contemplated except in connection with the taxation considered as an entirety, we are constrained to conclude that sections 27 to 37, inclusive, of the act, which became a law without the signature of the President on August 28, 1894, are wholly inoperative and void.

OTHER EXPRESSIONS OF PRESIDENT.

That is not all, Mr. President. I sat here and listened with pleasure to the reading by the senior Senator from Indiana [Mr. BEVERIDGE] of extracts couched in clear and forcible English announcing the position of the President-expectant of the United States at that time in his construction of the Republican platform. I shall call attention also to some expressions upon the income-tax law and the propriety of bringing to the attention of the Supreme Court again the constitutionality of such an act uttered by the same distinguished author in an address delivered before the Buckeye Club at Columbus, Ohio, August 19, 1907. He said:

A graduated income tax would also have a tendency to reduce the motive for the accumulations of enormous wealth, but the Supreme Court has held an income tax not to be a valid exercise of power by the Federal Government. The objection to it from a practical standpoint is its inquisitorial character and the premium it puts on perjury. In times of great national need, however, an income tax would be of great assistance in furnishing means to carry on the Government, and it is not free from doubt how the Supreme Court, with changed membership, would view a new income-tax law under such conditions. The court was nearly evenly divided in the last case, and during the civil war great sums were collected by an income tax without judicial interference and, as it was then supposed, within the federal power.

I know that in 1896 an allusion in the Democratic platform to a possible change in the position of the Supreme Court was denounced as a threat to pack that court, but I presume it is not improper when one, now the President, and who for many years graced the bench, alludes to the personal make-up of the Supreme Court to call attention to that fact. New judges appointed by a President who repeatedly declared for an income tax, and a graduated income tax at that, now aid in making up the membership of that body. If in 1907 there was reason to doubt that the Supreme Court would announce again the views it had announced, assuredly no greater reason exists to-day than then against entertaining doubts upon that subject.

That is not all. In accordance with the practice of parties, upon the 28th of July, 1908, at Cincinnati, Ohio, Mr. Taft accepted the Republican nomination for the office of President of the United States, and he then had before him this plank of the Democratic platform which I have read. He felt that it was proper to comment upon it, and he did so in these words:

The Democratic platform demands two constitutional amendments, one providing for an income tax and the other for the election of Senators by the people. In my judgment an amendment to the Constitution for an income tax is not necessary.

If not necessary July 28, 1908, what in the exigencies of political parties makes it necessary now?

I believe that an income tax, when the protective system of customs and the internal-revenue tax shall not furnish income enough for governmental needs, can and should be devised, which, under the decisions of the Supreme Court, will conform to the Constitution.

"I believe" it "can and should be devised." "In my judgment an amendment to the Constitution for an income tax is not necessary."

Mr. BROWN. Mr. President——

The PRESIDING OFFICER (Mr. CARTER in the chair). Does the Senator from Colorado yield to the Senator from Nebraska?

Mr. BROWN. I invite the Senator's attention to the fact that perhaps his conclusion may be an injustice to the President.

Mr. HUGHES. Nothing is further from my desire.

Mr. BROWN. I have no information about the opinion of the President, and am not authorized to speak for him, but I will call the Senator's attention to the language which he quoted. The language is that "in my judgment" an income-tax amendment "is not necessary." But it is necessary in the judgment of the court. The court has declared that to impose an income tax the Constitution must be amended. That is the latest pronouncement of that court, at least on that question——

Mr. HUGHES. He was a judge——

Mr. BROWN. So it may be that in the judgment of the President it is not necessary; and yet the President realizes that he is not on the bench, and that the court is——

Mr. HUGHES. But he was a judge.

Mr. BROWN. And, therefore, whatever his opinion may be as to the opinion of the court, he realizes that an amendment to the Constitution is necessary so long as that judgment of the court last pronounced stands.

Mr. HUGHES. He was a judge, and he knew the casuistical attacks that would be made upon the proposition he thus announced. He knew that already a debate was running about this country as to whether the Republican party was honest in its announcement as to the revision of the tariff; whether it meant reduction or revisiting by the pale glimpses of the political moon the scenes of earlier legislation. [Laughter.] Therefore he did not stop in giving his judgment about it not being necessary, but he went on and said:

I believe that an income tax—

Leaving out some words about the customs—

can and should be devised, which, under the decisions of the Supreme Court, will conform to the Constitution.

He did not leave a crack or a cranny through which the smallest political mouse could escape from that conclusion.

WHAT CHANGE HAS OCCURRED?

I repeat, what change has occurred in the make-up of the Supreme Court since the speech at Columbus, since the acceptance at Cincinnati, that would indicate that great body will not, as it has done again and again, and as every lawyer who practices before it knows, reach conclusions differing from those which it first entertained, and reach the conclusion which the President believes is the correct one, which the vast majority of lawyers throughout the country have always believed is the correct one? Presented again the court will have before it for consideration a number of important arguments which have been presented in the debates here that never were before that court. For whatever the reasons may be which induced that omission, historic and legal considerations have been exhibited here in the arguments by the Senator from Texas [Mr. BAILEY], by the Senator from Idaho [Mr. BORAH], and by the Senator from Oklahoma [Mr. OWEN], which are not in the briefs and were not in the arguments of the great lawyers who debated that question before the Supreme Court, and which are not touched upon in the opinion itself.

But, Mr. President, it has become almost a political principle in the history of this Government not to be content with one decision upon great constitutional disputes by the Supreme Court when that decision is by a divided court and by a casting vote. When the second bank act was adopted and sent to President Jackson for signature, and he raised a constitutional objection to it, some of his advisers said, "That question has been passed upon by the Supreme Court, and it is your duty to yield to that court's decision;" but in his message he said, "No," and he vetoed it. We know the honesty of his purpose and his high respect for the courts. When Mr. Lincoln came into office he was confronted with a decision by the Supreme Court, and in his message to Congress he declined expressly to be bound in executive action by one expression of that court in a case in which there was a marked division among the judges.

Mr. CLAPP. Mr. President——

The PRESIDING OFFICER. Does the Senator from Colorado yield to the Senator from Minnesota?

Mr. HUGHES. I do.

Mr. CLAPP. Mr. President, I know the Senator from Colorado would not purposely criticise any man unjustly. I have no authority to speak for the President—I have not been in his confidence in the preparation of this message to the Senate—but it does occur to me—and I make that suggestion in all fairness and candor to the Senator from Colorado—that this may have been the situation: While it is true that the court held the law wholly invalid, it was because the provisions of that law were so interwoven, as I recall the language, that the court held, within the rule of reciprocal provisions, the entire law had to fail; but I think it was generally conceded that, notwithstanding that decision, an income-tax law could be framed that would meet certain conditions.

The Senator must not misunderstand me. I do not think that such an income tax would have reached sufficient property to have even warranted its passage, perhaps, and would have been probably unfair, in view of the power of Congress and of the States to amend the Constitution so as to broaden the scope of that law, but it does occur to me that the President may at that time have had in mind the possibility of an income tax, which might have been framed in the light of the decision, leaving the decision itself unchallenged, which would have met certain conditions; and as men grow and progress in the development of these matters, it became evident later that such a law would not be sufficiently broad, and that the only way from his standpoint to reach it in its entirety would be by an amendment. It just occurred to me, from my own suggestion, that that might explain the apparent inconsistency between the two utterances—the one in that speech and the other in the message.

TRIBUTE TO PRESIDENT TAFT.

Mr. HUGHES. Mr. President, I know that the Senator himself would not be unfair, and I know that I would not be unfair intentionally in this discussion. I want to say just here in that behalf, that I welcomed with pleasure the nomination of Mr. Taft last year, notwithstanding it was my determined purpose to elect his opponent if any act of mine could bring about that result; but as an American citizen, desirous that whoever filled that great office should be one who believed in the Constitution and kept a copy of it in his office, that he should be one who observed the law, when he required others to observe it, and would be fair and just to opponents as well as to friends; and knowing the vicissitudes of politics, though we are a hopeful set on our side.

I was glad to know that, if we could not elect our candidate, a man of the character, a man of the ability, and a man of the temperament of Mr. Taft would be the next President of the United States. I repeat, I believe that he was honest and sincere when, for the first time in the history of the Republican party, it found it necessary to send its candidate out upon the stump—a practice which they had so much reprehended when indulged in theretofore by Democrats, adding one more to the repeated instances in which that party follows in the wake of progressive Democracy—and gave his own unequivocal reading of his party's platform, and which with any other interpretation would have been a political evasion. I was glad to know that, if our candidate should not be elected, still a man of that type and character would sit in the White House.

I believed in the perfect sincerity of his promises, and I believed in the soundness of his construction of the Republican platform. I doubted then—I do not doubt now—his ability to carry out his purpose. I believed he would try, but I feared he would not succeed. I know he has not. Therefore in what I have said in asking for this reason for this sudden departure from these earlier expressions I was seeking light rather than making a criticism intended to be hurtful. I wished to know why this change had occurred. It might be, as the Senator from Minnesota [Mr. CLAPP] suggests; but let me call his attention to the fact that the income tax is postponed to the Greek Calends by the suggestion made. Is there a man here who believes that, if this amendment is submitted to action in this body, the majority of the majority, with a sincere desire for its adoption, will speed it on its way and aid in securing its adoption by the necessary number of the legislatures of the States?

WHY INCOME-TAX AMENDMENT MAY FAIL.

Through the prudent wisdom of the founders of this Republic 12 States can set their veto power against the adoption of an amendment and all the other 34 may rage for it as they may, but it will never become a part of the organic law. I can count blindfolded more than that many States under the influence—the control—of those devotedly attached to the highest character of protective tariff, and who will never permit the entering wedge of an income tax to be inserted into the revenue system of the United States so long as they have the power to prevent it.

I remember—for the sound of his voice so declaring has hardly yet died out in this Hall—when the chairman of the Finance Committee, whose little finger is of such great weight in the deliberations here, denounced those who favored an income tax as anarchists, Socialists, and some kind of Democrats or other; and I remember that during this session his attention was called to those utterances, and that he said the statement was historically accurate. Just what that meant I have never been able to discover; but one thing I know—he has not yet recanted his opposition; he has not yet announced his adhesion to the adoption of an income tax; and I believe that it is within the power of the Finance Committee alone, by means of the influences its members control, to secure votes of the legislatures of 12 States to make it impossible to adopt that amendment, or, at least, to adopt it, if ever, for a long, long time. The substitute for it, now suggested, it is said, will produce $20,000,000 of revenue. You can get a stamp tax without much trouble which will readily produce more. But that is not the point to which I wish to call attention.

Mr. SUTHERLAND. Mr. President——

The PRESIDING OFFICER. Does the Senator from Colorado yield to the Senator from Utah?

Mr. HUGHES. I do.

Mr. SUTHERLAND. Before the Senator passes from a discussion of the income tax, I want to submit a question to him. Under the division of powers of the Constitution, the Supreme Court of the United States is made the final arbiter upon the question as to whether or not a law passed by Congress is in accordance with the Constitution. The Supreme Court has declared that the income-tax law of 1894 is unconstitutional. The Senator from Texas [Mr. BAILEY] now proposes an amendment to this bill providing for an income tax in practically identical terms with that law which has been declared unconstitutional. I want to ask the Senator this question: If Congress should now pass that amendment, which, as I say, is in identical terms practically with the law already declared to be unconstitutional, what would be the duty of the executive officers of this Government under such circumstances—to follow the decision of the Supreme Court of the United States, which had declared this law to be unconstitutional, or to follow the law passed by Congress, which has no power to say whether or not in the final analysis the law is constitutional?

Mr. HUGHES. It would be their duty to follow the law. I do not agree with a single one of the propositions announced by the Senator from Utah. I do not believe that the Supreme Court is by the Constitution made the only and final arbiter in determining the constitutionality of laws; nor do I believe that the Supreme Court has yet settled the law on the subject; nor do I believe that one decision in one case upon a great constitutional question, the result of which is to strip the Government of a great and necessary power, is enough to settle that question, when I know that again and again in private litigations that court has departed from its earlier decisions.

Mr. SUTHERLAND. Will the Senator permit me there?

OFFICERS MUST EXECUTE LAW.

Mr. HUGHES. I repeat that I think it would be the duty of the officers under the law to execute the law until that execution was properly challenged in some legal way, and then to submit it to the proper tribunal for determination.

Mr. SUTHERLAND. Let me ask the Senator this question: The income-tax law of 1894 was upon the statute books and did not expire by limitation until 1900. The Supreme Court in 1895 declared that law to be unconstitutional. Will the Senator say that the executive officers of this Government would have been justified, after the decision of the Supreme Court declaring that law to be unconstitutional, to have undertaken to enforce that law?

Mr. BORAH. Mr. President——

The VICE-PRESIDENT. Does the Senator from Colorado yield to the Senator from Idaho?

Mr. HUGHES. I do.

Mr. BORAH. Does the Senator from Utah make no distinction between a law which of itself has been declared unconstitutional and a law similar to it which has been reenacted and which is a reexpression of the legislative power of the Government?

Mr. SUTHERLAND. I do not think in principle there is any distinction. When the Congress of the United States has passed and put upon the statute books a law which has been declared to be unconstitutional by the Supreme Court, I do not think it is a seemly or a proper thing for the Congress of the United States to immediately turn about and reenact that same law. I am not certain but that it would be the duty of the executive officers of the Government, if Congress should pass a law in identical terms with one declared by the Supreme Court to be unconstitutional, to decline to enforce it.

Mr. RAYNER. Mr. President——

The VICE-PRESIDENT. Does the Senator from Colorado yield to the Senator from Maryland?

Mr. HUGHES. Certainly.

Mr. RAYNER. Do I understand the Senator's proposition to be, if you pass a law here to-day, that because a similar law has been declared unconstitutional the people have a right to refuse to pay taxes until that law is tested again by the Supreme Court of the United States?

Mr. SUTHERLAND. I have not said so. I have said that when the second enactment is in identical terms with the first, which has been declared to be unconstitutional, my judgment is that the executive officers of the Government might well

follow the decision of the Supreme Court, because the executive officers of the Government are every one of them sworn to support and uphold the Constitution of the United States; and an unconstitutional law is no law. It is so much blank paper.

Mr. RAYNER. The federal statutes provide that the executive officers of the Government must execute the federal statutes. Persons taxed must pay taxes, and, if they want to recover them, they pay them under protest. A federal officer in a case of that sort would have no discretion. His duty would be to execute the law of Congress. It would not be for him to inquire into the fact as to whether or not a law identical or substantially similar had been passed upon by the Supreme Court of the United States. I submit that is an entirely novel proposition, and one I never heard announced before.

Mr. SUTHERLAND. Let me submit the question to the Senator from Maryland that I submitted to the Senator from Colorado, if the Senator will permit me? Does the Senator from Maryland think, after the Supreme Court had determined the law of 1894 to be unconstitutional, that the executive officers of the Government would have been justified in undertaking to execute that law?

OUT OF LIPS OF PRESIDENT TAFT.

Mr. HUGHES. Let me answer that question out of the lips of William H. Taft. In 1907 he said it was a proper thing to reenact that law, and try the Supreme Court again in its changed personnel; and I am willing to stand by him in that proposition. After that decision had stood for eleven years, a great judge, trained upon the bench, dealing every day with the decisions of that tribunal, knowing the history of that decision, as the whole country knew it, talks about the changed personnel. Does that mean to wait? Does that mean to accept as eternal a decision made in that way? I am not going to be drawn off from that proposition by inquiring into what some tax officer might have found it necessary to do in a time that has passed. I want to deal with an emergency here now.

Mr. TILLMAN. Mr. President——

The VICE-PRESIDENT. Does the Senator from Colorado yield to the Senator from South Carolina?

Mr. HUGHES. I do.

Mr. TILLMAN. I would call the Senator's attention to the fact that it is not anything new to have a question resubmitted to the Supreme Court. I recall that even in the Legal Tender cases the first opinion of the court was changed, as some have said, by putting new judges on the bench and enlarging its number.

Mr. HUGHES. Let me call, Mr. President, the Senate's attention to the fact that in a little book—the last that came from the hands of George Bancroft, except a magnificent eulogy that he delivered in the House of Representatives—entitled "A Plea for the Constitution of the United States of America, Wounded in the House of Its Guardians," he discussed the fact that if Roscoe Conkling, Hamilton Fish, and George F. Edmunds had gone upon the Supreme Court bench, in accordance with the wishes of President Grant, the first decision would have stood; but as two others went there as judges, they changed the judgment of that court, reversed its former decision, and accomplished the very character of result suggested by Judge Taft in his speech at Columbus, Ohio.

Mr. BAILEY. Will the Senator permit me to add there that they did that without even passing a new law? It was the same law.

Mr. SUTHERLAND. The case to which the Senator from Colorado directs attention, as I understand, was a case where the Supreme Court had reversed its former opinion. Did I understand correctly?

Mr. HUGHES. The Supreme Court faced about upon the same law, and held in one opinion that it was unconstitutional and in another that it was constitutional.

Mr. SUTHERLAND. Yes; but does the Senator know of any case where the Supreme Court of the United States having declared that an act of Congress was unconstitutional, Congress has turned around and reenacted that same law? Does the Senator recall any case in all the history of this Government where that has been done?

Mr. HUGHES. I fear that the Senator, like some lawyers, is hunting a turkey case just now and will not accept a principle. He wants something to be identical. The first of those cases that occurs must make its own precedent, but the principle is there. The principle involved is whether it is proper for the Congress of the United States to abdicate a constitutional power necessary to the life of the Republic because a divided court by a casting vote in a doubtful decision, where the entire question was not presented, have so held once. To that I say no. I say that I can find in the decisions of that court 100 decisions, not so prominent or important as the Legal Tender cases perhaps, but like in the result. Take the Driven Well cases that attracted so much attention a few years ago throughout Ohio, Indiana, Illinois, and elsewhere. There was one opinion of the court in the spring and a reverse decision of the court in the fall.

I am not one of those who impugn or impeach the integrity or the ability of that great court for these reasons, nor because many important questions are decided by a bare majority, for, in the very nature of things, there come to that tribunal for determination doubtful, serious, and complicated questions, in the solution of which judges are inevitably, beyond their power to disenthrall themselves, affected in their judgment by the personal equation. I only wonder that these conditions do not oftener occur; but that they do occur, and occur for these reasons, thus making it proper, in my judgment, to go there again with this question.

But I was not presenting my opinion upon this important issue as worthy of the consideration of this body; I was invoking a mightier voice, appealing to a more matured judgment, and to a greater authority. When Senators ask me if I believe that a like or the same law should be enacted now, I would ask them, What was it that was talked about by Judge Taft in the speech of 1907? For seven years, at that, by the limitation contained in its own terms, the income-tax provision of the law was a dead statute. For ten years it had been dead by the pronouncement of the Supreme Court, and yet Judge Taft says:

> It is not free from doubt how the Supreme Court, with changed membership, would view a new income-tax law under such conditions. The court was nearly evenly divided in the last case, and during the civil war great sums were collected by an income tax without judicial interference and, as it was then supposed, within the federal power.

Why did he suggest that? Because every lawyer knows that while the decision of a court by three to two is as much the law in the case in which it is delivered as though the five had united, all lawyers know that it does not have the weight, the endurance, the persistence, or the force with lawyers, courts, legislators, or with the general public which is given a unanimous opinion has. All these elements go to determine the weight of the decision. Judge Taft was presenting a serious matter, for he was out there in Ohio discussing the Republican party and its work, past and future, discussing this very question, which had become a pressing one, and he said, in the language to which I have called attention, that the court was nearly equally divided in the last case, and he evidently thought that in this fact he had found a reason for believing that the court with its changed membership should be appealed to again.

He says that there has been a change in its personality, and in that change he seems to find a reason for going there again. That is the effect of it, and that is what was about to be done here if the weather signs did not all fail.

I want to say further that it was never accepted, either in the formation of the Constitution or by the executive or legislative departments, that they had no voice in passing on the constitutionality of laws. I have called attention to the message of President Jackson; I have called attention to the message of President Lincoln; and I might call attention to repeated expressions of the same tenor in writings of Thomas Jefferson and of Mr. Madison, in which all of these four great men, representing every phase of political opinion the country has known, have taken the other view.

As a lawyer, I have always believed in submitting these great questions to the Supreme Court; but, after all, courts as well as Congresses are human and may err, and repeatedly that high court has displayed its most praiseworthy attitude and its highest integrity in righting an error of the past. I think it might be permitted to do this again.

Mr. SUTHERLAND. Mr. President——

The VICE-PRESIDENT. Does the Senator from Colorado yield to the Senator from Utah?

Mr. HUGHES. I do.

Mr. SUTHERLAND. Just one further question. As I understand the position of the Senator, he is not willing to accept the decision of the Supreme Court in the Pollock case?

Mr. HUGHES. If the Senator means "willing" in any sense I know the word, I was very unwilling to have it made, and I was very much surprised when it was made. I would say to the Senator that a number of the wealthiest men in the State of Colorado submitted that question to me. I worked on it as well as I knew how, taking time for the investigation, and formed and gave an opinion that the law was, in my opinion, constitutional; and I regretted to be "turned down" even by one majority of the Supreme Court.

Mr. SUTHERLAND. The Senator evidently has some preconceived notions on the subject.

Mr. HUGHES. I do not know whether they are preconceived or not. They are the result of study and investigation.

Mr. SUTHERLAND. They are preconceived so far as this debate is concerned.

Mr. HUGHES. I had them yesterday. I had them before I got up.

Mr. SUTHERLAND. The question I wanted to ask the Senator is this. The Senator says he is not willing to accept the decision of the Supreme Court in the Pollock case. Suppose this law should be reenacted——

Mr. HUGHES. Just a moment. I am unwilling to accept as a final determination of the power of Congress to pass an income tax that decision rendered as it was rendered.

Mr. SUTHERLAND. Yes. I have not misstated the Senator's position. He is unwilling——

Mr. HUGHES. I thought I stated it for myself. I recognize, however, that perhaps the Senator has stated it much better for me than I have been able to do.

Mr. SUTHERLAND. What I wanted to ask the Senator is this: Suppose Congress should reenact that law, as the amendment of the Senator from Texas proposes, and the Supreme Court should again determine by a 5 to 4 decision that it was unconstitutional, would the Senator be willing to accept it then, or would he still want to reenact the law and give the Supreme Court another trial?

AGREES WITH THE PRESIDENT.

Mr. HUGHES. I am peculiarly constituted. I am like the witness who was asked to suppose an impossibility and then to state what he would do. He said he would balk at the first bridge.

I have read and I heard the argument of the Senator from Utah, with all its wealth of learning and argument; I have read it carefully, and I am still, notwithstanding I have read it, unable to believe that the Supreme Court will again announce that result. If it does, when I have seen how it is done, I will try to make up my mind again. But until then I think the court ought to have the opportunity to reconsider the question. The President of the United States seems to have thought it should have that opportunity. He announced that a constitutional amendment was not necessary. I agree with that opinion. He has not yet said that, in his opinion, it is necessary.

I do not know just why the enactment of this character of law should be shunted off at this time. If it is to get revenue, the substitute for it will tax every corporation that is organized under state law to sell peanuts upon the corner, to work a farm in Colorado, to dig a ditch, to operate a mine, to run a laundry or a dry goods store or a grocery store, and these every-day corporations will pay more than their shares of the revenue of the Government, while the untaxed wealth against which the income tax was invoked by President Roosevelt, the amendment suggested by President Taft, and advocated here, will escape as scathless against taxation as it is to-day.

Therefore I have called attention to these matters, knowing, of course, that in the fullness of time they will receive their perfect explanation. Just now I am groping a little in the dark around them.

Mr. President, I desire to say a word in confirmation of my suggestion that perhaps an emergency had arisen which required a little haste, with the consequent inadvertencies which always follow that method of dealing with difficult and important subjects—so often illustrated here, when the Committee on Finance proposes one amendment to-day and amends the amendment to-morrow. It is suggested in this message that national banks are "otherwise taxed." I, as a lawyer, have been doing business with and around our national banks for twenty-five years, and I do not know just where that tax is laid. I know of the slight tax on circulation; but I do not know how the banks are taxed with the kind of tax proposed by the message to be laid upon other corporations, state banks, and from which the national banks are to be exempted.

Mr. President, I did not rise for the purpose of discussing the income tax, as the Senator from Utah seems to think.

That was not my purpose. That has already been discussed here extensively, learnedly, convincingly, and, I believe, conclusively. I wished to call attention to a matter which had presented itself to my mind when newspaper clippings were being read for the purpose of embroiling Democrats. I wished, then, to call the attention of those who might hesitate about standing wholly at all times upon the Democratic platform to the fact that now is not a good time to get scared away from it when the President of the United States is planting the weight of his great personality right on the middle plank of one of the most important declarations made at Denver. It is a good time to still stand at least on the circumference of that platform.

WILL NOT CRITICISE OTHER VOTES.

I desire to say further that I have never criticised, nor shall I, the vote of any Democrat here. I am not going to do it. I believe they are all conscientious and honest. I do not believe they should be or should have been criticised outside this Chamber for such votes. I am not going to criticise the votes of Republicans, nor determine, or attempt to do so, their propriety; that is for them to determine.

ANANIAS CLUB.

My own vote has been that which I thought was proper under all the circumstances. I know of the many and oftentimes conflicting and confusing influences which pull this way and that way, and he must be a strong and well-anchored man who, when it is all over, can say, "I followed the plain path that was white with the light of absolute consistency." When some one says that, I fear he should be nominated for membership in the Ananias Club, unlimited, rejuvenated by the senior Senator from Maryland. [Laughter.]

It all shows how men animated by the same sincere motives will differ. The Senator from Texas voted for the duty on iron ore because he was opposed to the steel trust. I voted against it, not that I loved the steel trust; I have no reason to do so; but I found on investigation, as I thought, that about 80 per cent of all the iron ore there is in this country was under its control. I found that there were some struggling independents—as independent as the tariff system will permit them to be—who could better make their fight if they had ore free, and then I found, what was more convincing to my mind, that after this iron ore came in and the importers of it went through the form of paying the duty upon it into the Treasury, they turned a few pages, over to the drawback clause, and under its provisions took it virtually all, 99 per cent of it, out again; that the people who shipped the iron abroad and sold it when manufactured into machinery to foreigners cheaper than to Americans at home, at the same time used that duty as a color for raising the price to the Americans, put the duty back into their own pockets. Under those circumstances I thought, where there was this conceded freedom of choice, I would choose to vote as I did, for free iron ore.

Mr. President, I do not find in all this changed situation in the plans of those in authority here and elsewhere concerning an income-tax law much for discouragement. For, of course, when these things are explained which look dark now, as they will be, it will all be made to appear proper, right, and necessary, but I do wish—I will not say to predict, because how cheap is prophecy, and the statute of limitations always run on it before the time for its fulfillment comes or something occurs to render excusable its failure, the failure of those who accept the proposed amendment for the pending income-tax amendment—but to call attention to the fact that the income-tax constitutional amendment is not now delivered into the hands of its friends. The constitutional amendment message is not now under committee consideration by those who would see it made a part of the Constitution. The action proposed will, I believe, result in putting aside, deferring, thrusting off, and thus making impossible its enactment, while at the same time such action by Congress will be hailed as in itself an announcement to the Supreme Court and to the world that Congress acquiesces in the decision here and elsewhere so much discussed that it believes and holds that the only possible way in which such a law may ever be validly enacted is by adopting such an amendment of the Constitution. I am not willing just yet to commit myself to that proposition.

I do not now think it is necessary to do this, and I can see that this action might be most hurtful to the cause which so many believe is founded essentially on justice. It would seem to be welcomed, however, by those who openly, honestly, and frankly announce that they are opposed to an income tax because of its nature, because of what they allege are inherent objections; and more, and most of all, by some because they look upon it as the nose of the camel as it comes into the protection tent to walk away with it in the course of time.

RESPECT FOR OPEN OPPOSITION.

I have respect for open, undisguised opposition. If Senators who are opposed to it say "We will fight forever against the income tax because we believe that if it is adopted it will grow and spread to every subject of income until there will be nothing left to be cared for by custom-house duties, and for the sake of protection we are utterly against it," we can understand their palpable position. That is a frank and open declaration which, while erroneous in itself, commands a measure of respect by its

boldness. But I can not understand why the friends of an income law should join in thrusting it aside or should join in postponing it to what must inevitably be only an evil day.

Mr. STONE. Mr. President, I wish to say a few words more before this debate closes.

I agree entirely with much the Senator from Texas said, and particularly when he said that the most effective way of dealing with great industrial monopolies is to invoke the criminal law against those responsible for violating the statutes of the country. There is nothing in what the Senator said upon that line about which we could have any controversy. But when the Senator substantially charges the Denver convention with ignorance because it declared in favor of putting logs on the free list, I join issue with him. Whatever other possible fault the declaration in question may be charged with, I deny that the declaration was made in ignorance. The convention knew exactly what it was doing.

Of course some logs are on the free list, and some are not. Let me give an example of dutiable logs: If a tree 4 feet in diameter and 60 feet high standing in a Canadian forest should be felled and the trunk severed into two principal parts, each 20 feet long, everybody would call those parts "logs." If some woodman should then take his ax and hew two sides of one of those logs, slightly squaring the sides, it would still be a log. It could not be anything else. But that log could not be brought from Canada into this country without paying a duty, while the other log, in the natural state, could be brought in free. Thus, it will be seen that there are logs on the dutiable list as well as on the free list. I asked the Senator from North Dakota, when he raised this question, if what I have just said was not true, and he admitted that my statement was correct.

And, Mr. President, it is correct. If the Denver convention deemed it wise, as it did, to declare in favor of the admission of all logs free of duty, it was an entirely correct thing for it to say so in the very language used. The criticism made in this behalf by my friend from Texas and by the Senator from North Dakota is not well founded.

Now, a word as to the convention which framed the platform and I am done. The Senator from Texas declared in substance that it was well known that one man had made that platform. I deny that. He is mistaken. The Senator from Colorado is nearer right in what he said. One man did not make the platform. As the Senator from Nevada stated a moment ago, the committee which made the platform was in session for nearly two days, debating the provisions of the platform and compromising differences. If the platform had come to us ready-made from the hands of a single individual, and if it was to be adopted as furnished, it could have been adopted in an hour. The statement of the Senator is unwarranted and unfortunate.

In that convention and on that committee were several Senators now holding seats on this floor; several distinguished Members of the House of Representatives; ex-Senators and ex-Members of the House; governors of great States and ex-governors; judges and ex-judges; business men of large affairs; and last, but by no means least, our former candidate for the Presidency, Judge Alton B. Parker, was a member, and one of the most active and influential members of both the platform committee and the convention.

The Senator from Colorado and the Senator from Nevada are both correct when they say that the important provisions of the platform were fully discussed; amendment after amendment and change after change was made by the committee, and the work was so arduous and so prolonged that the convention became impatient with waiting and more than once sought to hurry the committee with its work. That does not look as if we were merely adopting a ready-made platform.

Moreover, Mr. President, suppose it were true that Mr. Bryan, who is here charged with the authorship of the platform, had prepared it. What of that? When he knew and everybody knew he would be nominated, is it surprising that he should have sent and had submitted his suggestions as to the platform? Has that not always been the usual course in such cases, with Republicans as well as Democrats?

The same thing was done at the Chicago convention. Everybody knows that Mr. Taft and President Roosevelt prepared and sent suggestions to the Chicago convention as to what should be embodied in the Republican platform. There is nothing unusual about that, and nothing deserving of condemnation.

Mr. President, that is all I care to say. Feeling no resentment, I do not wish to say anything to excite acrimony or resentment on this side or on that. Nevertheless, I have felt that I ought to say this much, as one of the members of the convention and of the platform committee, that the real truth of the situation, known to those of us who were there, may not be misrepresented or misunderstood.

Mr. DANIEL. Mr. President, in a few words only, I hope I may dispose of my connection with an incident of to-day's session.

While I was out of the Chamber for a few moments on public business, which necessarily called me away, I heard that a Senator here had introduced in the Senate some criticism made upon myself, amongst others, by a current newspaper. This morning I noticed two articles in that newspaper, comment from correspondents, one in reference to an alleged interview with the Hon. Roger Q. Mills, in which he was alleged to have made very disagreeable remarks about some of his former colleagues. In this morning's Post I observe that he has a short note, in which he says:

> Your article on the front page of the Washington Post of June 14, quoting from a letter said to have been written by me, is without foundation. I have not written a single word on this subject to anyone. Please correct.

I also notice for a moment some alleged criticisms of Messrs. DANIEL, SIMMONS, and NEWLANDS, alleged to have been made by Hon. John E. Lamb, a former Representative from Indiana. I know that gentleman pleasantly. I have served with him. I have never had any reason to suppose that he would push himself into the press and make comments of this kind upon his former associates and friends, and I do him the honor to doubt whether he ever did it.

The Republican party, being occupied now with the gravest concerns that could affect this Government and the people of the United States in many directions, it is very pleasing to discover that some of them are by no means weighed down or bothered about those burdens, and that they have plenty of time to pick up and to occupy the attention of the Senate with the little trivialities of daily newspaper correspondents. I congratulate the man who has so frolicsome a disposition of mind and who can treat with such levity the grave concerns of state.

Mr. President, I have had several adventures of one sort and another with certain correspondents. As a rule I do not notice their animadversions on myself. They are often able and good men; some of them who have concerned themselves adversely and without provocation with my name have been fond of trivialities, and have not seemed to care whether they were true or not. I saw a notice not long ago that I had startled the Senate by beginning a speech with the announcement that I was for the protection of American interests, and going on to represent myself as having turned from my steady and lifetime Democracy over to the Republican party. I did not notice it, and I do not think anybody would have noticed it seriously but for the fact that some of our newspapers have no correspondents at Washington. They know no more about what goes on here, through any special agent of their own or by the privity of personal knowledge, than they do about what goes on in the mountains of the moon; and when correspondence is sent to them, either from a press association or by an individual, they publish such articles as these without inquiry of the person possibly affected and without knowledge as to the truth or falsity of the matter.

The fact is, Mr. President, it is perfectly true that in the public life of his country—as, indeed, largely it is true about the public life of all countries—each man "walks with his head in a swarm of poisonous flies." I never feel like noticing them further than to say "Shoo, fly; don't bother me." But they will bother you, especially if you give them any attention.

A year ago it was fulminated all over this country, as if it was a matter of great public importance, that I had rudely treated the Democratic candidate for the Presidency, and had said this and that. It was not true. That made no difference. I am not customarily, either in the mood or disposition or of the character, to be impolite to anybody. I treat every man as a gentleman, and I expect and generally find everybody so treats me. In this case certain newspaper men had it as a matter of public importance and news.

In the course of time I found out who the correspondent was. I found out that he had not heard a word which he had undertaken to attribute to me, and the result of it was that he wrote me a very polite expression of regret, stating that he had ascertained the untruthfulness of what he had said, and placing himself in a most respectful manner as the wrongdoer. I was pleased that he had acted so much as a gentleman, and said to him, "Very well, the matter is long over; and, accepting your statement, I shall not even give to the press your retraction."

Mr. President, I do not think it is necessary for me to say more except to express my pleasure that we have Members of this body who are in no wise concerned about income tax or corporation tax or the ponderosities and difficulties of the tariff, but who have leisure to occupy their idle hours in such stuff as that to-day brought before you.

I ask leave to print as an appendix to my remarks a publication of the Representative of the same district and a citizen of the same town that I represent. He is Hon. CARTER GLASS, of Lynchburg, a lifelong Democrat, the proprietor of our leading journal, a man whose utterances are those of a thoughtful student and a considerate patriot. He is a man who has built himself up from the bottom, entering the press as a typesetter and rising to the foremost rank in his profession, as well as in political life, in success and honor, by reason of his diligence, his talents, and his principles. I ask leave to append it to my remarks.

The VICE-PRESIDENT. Without objection, permission is granted.

The matter referred to is as follows:

CARTER GLASS EXPLAINS VOTE—DID NOT AFFECT QUESTION OF FREE LUMBER, VIRGINIAN DECLARES—DENIES HE WAS BOUND BY DENVER PLATFORM—DOES NOT CONSIDER IT HIS DUTY TO JOIN IN PUTTING SOUTH'S PRODUCTS ON THE FREE LIST—SAYS PAYNE BILL PERPETUATES SYSTEM OF SECTIONAL INEQUALITY—CRITICISED FOR DECLINING TO SANCTION DISCRIMINATION.

[From the Norfolk Landmark, April 22, 1909.]

LYNCHBURG, *April 21.*

Congressman CARTER GLASS has only recently seen the criticism by several Virginia newspapers of the vote cast by him and four other Virginia Congressmen, Messrs. LAMB, SAUNDERS, LASSITER, and MAYNARD, on the lumber schedule of the Payne tariff bill. Touching this criticism, Mr. GLASS said to-day:

"I will not assume to speak for my Democratic colleagues who voted as I did; but for myself, I have no excuses to make to anybody. In my own district, or anywhere for that matter, it would give me great satisfaction to justify my vote before an audience of intelligent Virginians. But in my district there has been no complaint; the criticism is from the outside, and the comment that I have seen is based on a total misconception of the facts, and evinces vastly more heat than judgment.

"In the first place, no vote cast by a Virginia Democrat in the House affected the question of free lumber one way or another. The general debate on the tariff in the Committee of the Whole House was merely academic and the voting largely tentative. Everybody familiar with the procedure understood that the real party test would be upon the bill itself as reported from the Republican Committee on Ways and Means, amended as agreed to by the Republican party in the House.

When that proposition was submitted, every Virginia Democrat voted against the bill. Every Virginia Democrat likewise voted for Mr. CLARK'S motion to recommit the bill with instructions to report it back with amendments that would make it accord with the Democratic theory of a tariff for revenue, thus making up his party record.

Had the Democratic party in Congress been charged with tariff revision, the bill presented to the House would have illustrated the traditional and just Democratic doctrine of a tariff for revenue, which means neither free trade on the one extreme nor high protection on the other; but there was no earthly chance for tariff revision for revenue. The country at the last election overwhelmingly rejected the Democratic method of dealing with the tariff question, and charged the Republican party in Congress with the duty of revision on distinctly protection lines. Anybody who pleases to think that, under these circumstances, it was the duty of a Southern Democrat to sit in the House and, merely to exploit a theory which he was powerless to make effective, see the industries of his own State and section sacrificed to the rapacity and utter selfishness of another section, is quite welcome to that opinion. I am not that much of a doctrinaire nor that sort of a dreamer. On the contrary, it seems to me that, being compelled by the verdict of the country and the power thereby lodged with the Republican party to vote on a purely protective tariff bill, it was my business to prevent, to the very uttermost, every threatened discrimination against my State and section.

NOT DEALING WITH A THEORY.

We were not dealing with a theory. We were confronted with the plain certainty of tariff legislation by the Republican party in Congress on strictly protection lines; and, this being the case, I did not consider it my duty to join with a score of Canadian-border and Middle West Republicans to put certain products of Virginia and the South on the free list for the peculiar advantage of their constituents, only to see these same Republicans a moment later unite again with the rest of their party and tax the people of my State and section beyond endurance on the products of the North and the Middle West.

The suggestion that the Denver platform bound me to thus immolate my State and section is all moonshine. I was nominated for Congress before the Denver convention met; and in nearly every speech I made in the campaign for reelection I emphasized the sectional phases of Republican tariff legislation, and, from the hustings, as I have done for years through the columns of my newspaper, protested against the policy that would compel Virginia and the South to sell their raw materials to northern manufacturers in competition with the world, and at the same time force our people to purchase the products of these northern manufacturers from the shelter of a high protective tariff.

IS A TARIFF FOR REVENUE DEMOCRAT.

I am a "tariff for revenue" Democrat. I stand for equalising duties; but I distinctly reject the Utopian idea of yielding every advantage that incidental protection affords the products of the South in order to give the industries of another section the double advantage of our materials free at one end of the proposition and high protection for their products at the other end.

PUTTING LUMBER ON FREE LIST NOT "HISTORIC DEMOCRATIC DOCTRINE."

The talk about "free lumber" being "historic Democratic doctrine," and about the Denver convention having declared for putting this "prime necessity of life on the free list," and about the failure of five Virginia Congressmen to heed the demand for "cheaper building material," is utterly at variance with the facts. Not one of the three contentions can be maintained. Putting lumber on the free list is not "historic Democratic doctrine." A "tariff for revenue" is the historic Democratic doctrine. * * *

The general declaration of the Denver platform on the tariff question was for a "gradual reduction of duties" to a "revenue basis." Nobody will deny this. Then, distinctly and notoriously, in response to the outcry of the American press, Republican as well as Democratic, against the exactions of the print paper trust, and the demand that it be punished by putting on the free list everything entering into or affecting the production of print paper, the convention made this separate declaration, not of "historic party doctrine," but of immediate public policy:

DEMOCRATIC PLATFORM.

"Existing duties have given to the manufacturers of paper a shelter behind which they have organized combinations to raise the price of paper, thus imposing a tax upon the spread of knowledge. We demand the immediate repeal of the tariff on pulp, print paper, lumber, timber, logs, and that these articles be placed on the free list."

No candid disputant would contend that this was a demand to put lumber distinctively on the free list. It was a specific statement of a condition that prevailed in the paper trade, involving a tax on the spread of knowledge, and a comprehensive demand that this particular evil be corrected by putting on the free list all articles affecting the production of print paper; and the declaration enumerates the articles. Obviously lumber was included only because the tariff on lumber affected the price of Canadian logs, and because the law could readily be evaded by an inexpensive process had the terms "lumber" and "timber" been omitted.

Now, what was the response of the Payne bill to this demand? It in reality put none of these things on the free list. It made a pretense of putting wood pulp on the free list, but saved it by a "joker." It made a pretense of reducing the duty on print paper, but shrewdly tacked on a countervailing condition. It did not pretend to put lumber on the free list, but reduced the duty from $2 to $1 per thousand feet. And then what? By rule, the Republican majority denied the House the right to vote on the question of unconditional free pulp and unconditional free print paper, because 95 per cent of these things are made in Republican States at the North.

It gave the House the right to vote for free lumber, because it is a great industry of the South; so that, under this Republican rule, the comprehensive demand of the Denver platform to have the tariff taken off everything affecting the production of print paper was disregarded as to those things produced in New England and the Lake States, but the great southern product of lumber, which is chiefly sold in these States, was put up as a target for those Republicans in Congress who believe in protection for everything they sell to us and free trade in everything they buy from us. And southern Congressmen are criticised for declining to sanction any such wretched discrimination.

TAWNEY PROPOSED TO PROTECT MILLS AND FACTORIES OF HIS OWN STATE.

But suppose it be momentarily admitted that the Denver platform had a broader meaning than I have indicated, and that the demand was for a repeal of the duty on lumber as a necessity of life, then those who have criticised the five Virginia Congressmen have totally misapprehended the action of the House, for there was never the remotest prospect of doing this. If the Denver platform demanded free lumber in this sense, it meant that all lumber must be free and not simply certain grades of lumber. But the Tawney amendment, which our newspaper critics so highly praise, and the only one that came within gunshot of passage, placed only rough lumber on the free list. It retained a high protective tariff on all other grades. In short, this distinguished Minnesota Republican proposed to give the great planing mills and furniture factories of his and other States their lumber free of duty, and then to coolly protect those mills and factories by a high tariff on everything they manufactured, from a hoe handle to a dining table, from a singletree to a bedroom set. The southern lumberman must pay a high tax to the northern manufacturers on the ax with which he fells the tree and the helve with which he wields the ax; must pay a high tax to the northern manufacturer on the chain and harness with which he drags the log and on the equipment by which he ships it; must pay a high tax to the northern manufacturers on the saw and boiler and engine and on everything he buys to prepare his lumber for the market. And then, when he comes to sell it to the northern manufacturers who have thus robbed him under the guise of a high protective tariff, this southern lumberman must sell to the robbers in competition with the world.

And that is gravely set us as historic Democratic doctrine! Everybody knows that the expensive material of a respectable dwelling, however humble, is not the rough lumber entering into its construction. It is the dressed lumber, the doors, floors, blinds, sash, framing, mill stuff of all kinds; but the Tawney amendment did not propose to free these things of tax. It merely proposed to relieve the lumber manufacturers of Michigan and other Northern States by giving them rough lumber free of duty, leaving them, under the shelter of a high tariff, to extort all they could from the house builder and furniture buyer and consumer generally.

I do not know what my four Democratic colleagues from Virginia think, but I am glad to be numbered among those southern Democrats who protested against this outrageous species of tariff jugglery.

The only proposition made to put all lumber on the free list was embodied in the amendment offered by Mr. DE ARMOND to the Payne bill; and then Mr. TAWNEY and the other Republicans, who tried to put southern rough lumber on the free list and retain the tariff on their manufactured stuffs, lined up with their party and snowed under the De Armond amendment by a vote of 244 to 131—less than one-third voting for it.

SMALL DUTY ON LUMBER NOT A PROTECTIVE TARIFF.

As to the nature of the small duty on lumber, it is not a protective tariff in the sense that it adds one thrip to the price of rough lumber to the general consumer. Nobody in Congress or out who knows anything about the subject and has any regard for his intellectual integrity would pretend to say to the contrary. The duty does not increase the cost of lumber one farthing to a single consumer in Virginia or the South or to any resident of the United States, outside a narrow zone of competition on the Canadian border. It is distinctly within the Democratic doctrine of a tariff for revenue, yielding, as I recall the figures, $1,600,000 to the Federal Treasury. It incidentally preserves to Virginia and the South the lumber markets for New England and other Northern States easily reached by Canadian lumber. One will search the tariff speeches in vain to find any serious contention that the dollar duty on lumber could increase the price one cent to a single inhabitant of the United States outside a very limited territory, whose people for half a century have grown rich by collecting tariff tribute from the balance of the country, and whose Congressmen stood out in the House recently for the highest degree of protection for their own products and free trade in the products of other sections.

To the extent that the House of Representatives was permitted by the Republican rule to participate in the work of making a tariff law, I

voted my best judgment and my clearest conception of sound Democratic doctrine.

Knowing, as everybody did know, that it must be a protective-tariff law, I unhesitatingly declined to yield every advantage that Virginia and the South have under the revenue features of the existing law, while every product of northern mills and factories was being highly protected.

REFUSED TO SURRENDER PALTRY TRIBUTE NORTHERN MANUFACTURERS PAY TO THE SOUTH.

I refused to surrender the paltry tribute which a few northern manufacturers of lumber pay to the South, while their Congressmen were intent on exacting greater tribute from all the people of my State and section. In no case did I cast a vote that increased a single burden on a single inhabitant of Virginia or the South; nor did I, in any event, fail to cast my vote for the relief of my people from the onerous exactions of a high protective tariff. But I make no concealment of the fact—indeed, I want it distinctly understood—that in considering the Payne bill I did not pursue the path of a political visionary, but followed the course of a practical man who felt that he was sent to Congress to safeguard, and not to sacrifice, the interests of his people. There was never a moment when I would have hesitated to requite fair treatment by fair treatment, to have made concessions in return for concessions, to have subordinated any district, state, or sectional interest to the common welfare of the country. On the other hand, I did not cast a vote to concede anything touching the material welfare of Virginia and the South to any section which refused to yield anything to my people or the country.

Pursuing this policy, when the bill was perfected and presented for final action, I voted for CHAMP CLARK's motion to recommit and alter (which, by the way, contained in its schedule not the faintest reference to free lumber). When that motion failed, I voted against the bill, because it did not, in any fair degree, represent the Democratic theory of a "tariff for revenue," but simply perpetuated the system of sectional inequality and general pillage under which the South has been staggering for fifty years. On this record I am perfectly content to stand, only asking that it be not misrepresented, but fairly considered.

Mr. SIMMONS. Mr. President, I, like the Senator from Virginia [Mr. DANIEL], was surprised when I read the news item in the Washington Post this morning, which the Senator from North Dakota [Mr. JOHNSON] has caused to be read at the Secretary's desk, being an interview imputed to Mr. John D. Lamb, of Indiana, who was a member of the committee on platform and resolutions at the Denver convention.

I do not know whether Mr. Lamb is correctly reported in this interview, but I do not believe that he is. I do not believe that he made this statement, because it is at variance with the facts, as I recollect them, and with the recollection of my colleagues in this body who were members of that committee, and is misleading. I do not think it necessary to make a reply to this alleged interview, but a short general statement of what occurred with regard to this matter will not be inappropriate.

If Mr. Lamb made the statement attributed to him, I must believe that he has confused what occurred in the subcommittee of which I was not a member with what occurred in the general committee.

In the general committee there was considerable difference of opinion, as was natural, as to a number of matters contained in the report of the subcommittee; and there was much informal and general discussion with regard to the tariff, the trusts, and the injunction and labor planks, and so on.

There was considerable discussion over an amendment to the tariff plank offered by ex-Senator Smith, of New Jersey, proposing to insert certain language alleged to have been used by Mr. Cleveland in 1892, either in his letter of acceptance or in a letter addressed to the voters just before the election—I do not recall which—with reference to labor and the attitude of the party toward labor.

I think there was a vote on this amendment.

There was also some discussion over a proposition suggested by Senator NEWLANDS with respect to a declaration as to trust-controlled articles. I think there was a vote in regard to that, and that the proposition was defeated by a small margin.

There was a long controversy over the provision requiring certain corporations to secure a federal license to do interstate business.

I shall read the section of the platform referred to. It is as follows:

Second, a license system which will, without abridging the right of each State to create corporations or its right to regulate as it will foreign corporations doing business within its limits, make it necessary for a manufacturing or trading corporation engaged in interstate commerce to take out a federal license before it shall be permitted to control as much as 25 per cent of the product in which it deals, the license to protect the public from watered stock and to prohibit the control by such corporation of more than 50 per cent of the total amount of any product consumed in the United States; and, third, a law compelling such licensed corporations to sell to all purchasers in all parts of the country on the same terms, after making the allowance for the cost of transportation.

There were disagreements as to other matters which were discussed. After a number of disagreements of this kind had been discussed without action, a recess was taken—as all understood—for the purpose of allowing the chairman, Governor Haskell, to confer with Mr. Bryan with respect to these matters of difference.

When the committee reconvened Governor Haskell stated in substance, as I recall it, that he had conferred with Mr. Bryan, and that Mr. Bryan insisted that provisions of the platform relating to trusts and the tariff, as reported by the subcommittee, should not be changed. As the result of this statement, after some little informal conference, those members of the committee who had urged modifications and changes decided that as Mr. Bryan was to be the candidate his wishes as to the platform should be respected, and further opposition was withdrawn and the planks were agreed to by a pro forma vote, and there was no further contest. Some things were added to the platform; but there was no change affecting the substance of the matters embraced in the report of the subcommittee.

This is my recollection of the matter. There was no minority report; but that a number of the members of the committee did not approve of certain provisions of the platform was known and understood by all. They held their views in abeyance, and in the interest of harmony gave a tacit assent to the platform as reported to the convention.

Now, one word about this lumber matter. In the speech I delivered in the Senate some weeks ago upon that subject, in response to an inquiry addressed to me by the Senator from Montana with reference to our platform declaration on this subject, I stated pretty fully the reasons why I did not consider my present attitude upon that subject in conflict with that declaration. I do not consider that that specific declaration should be taken as separate and independent of its general declaration upon the tariff. I have been a lawyer long enough to know that every document should be construed as a whole, and where there are two declarations about the same subject they are to be taken in pari passu. There was a general declaration in our platform in regard to the tariff. It was in effect a declaration in favor of a tariff for revenue.

I stated then, and I repeat now, if the Republican majority would put iron and steel and cement and all the different things that enter into competition with lumber and into the cost of its production upon the free list, I would vote for free lumber. I insisted then, and I insist now, that the tariff be equal and fair not only to every section, but to all of the products that are embraced in the bill; that it be equal in its burdens and equal in its benefits; and that if lumber was to be hampered and burdened by the tariff, that it should at least have enough of its benefit to offset and compensate for these burdens.

I can not conceive that the Democratic party meant to say that in a tariff bill framed as this one, upon protective lines, lumber should be placed on the free list, while the things that compete with it in the form of structural materials or that enter into the cost of its production in the form of machinery are to remain on the protected list at a rate of from 25 to 50 per cent. I do not believe the platform means that, and I refuse to give to the declaration in question that interpretation.

Mr. President, the leader in this criticism of Democratic Senators, I regret to say, is Mr. Bryan. I have very great respect for Mr. Bryan. While I was not in favor of his nomination in the last contest, after he was nominated I gave him, as I always have, a loyal support, and I have nothing to say against him; but I feel that he, at least, is estopped from criticising any Democrat who has voted for free lumber on account of the platform declaration upon this subject. Mr. Bryan has had some experience with platform declarations that did not suit him, that he thought were not in the interest of his constituency, and that he and his constituents did not approve. It was in 1894 when the matter with respect to the tax on state-bank issues was before the other House of Congress. The national Democratic platform of 1892 declared in favor of the repeal of the 10 per cent tax on state-bank issues.

In 1894 a vote was taken in the House of Representatives, of which Mr. Bryan was a Member, upon a resolution or an amendment—I do not remember exactly the form it was in—providing for the repeal of the tax of 10 per cent on the issue of state banks. A yea-and-nay vote was taken and Mr. Bryan voted against the repeal of that tax. On the day before he undertook to make an explanation of his intended vote upon that subject. He said that he had been criticised because of his position in reference to the matter on account of the plank in the Democratic national platform upon the subject. He said nobody was bound by a platform except those who run on it or who were nominated by a convention indorsing the platform; and that this platform was adopted after the district convention had nominated him. He said he did not know of a single human being in his congressional district who was in favor of a tax

upon national-bank issues; that his constituents were almost unanimously against it, and that his judgment was against it. For these reasons he declared this declaration was not binding on him.

Now, Mr. President, if these conditions furnished a justification for Mr. Bryan's vote on this question in 1894, the conditions with respect to putting lumber on the free list which exist today in North Carolina, and which existed there during the late campaign, furnish ample justification for the vote of the Members of Congress from that State in favor of a duty on lumber, despite our platform declaration.

This plank of our platform met with general disapproval in my State. I do not remember, and I took part in that campaign, a single Democratic speaker who gave it unqualified indorsement upon the stump. I do not believe there was a single Democratic candidate for Congress in that State who so supported it in his campaign.

I do not recall a single Democratic newspaper published in North Carolina which openly and warmly advocated it during that campaign. On the contrary, I am advised that some of our Democratic candidates gave assurance, if not in public, in private, that they were not in sympathy with it, and I am told that one Democratic candidate for Congress in a public speech openly repudiated it.

The feeling against this plank was so strong in the State that the Democratic executive committee of the State felt impelled to take action in regard to it. I hold in my hand a statement made under his own signature by a gentleman who was associated at party headquarters with the chairman of our state executive committee, stating that what I am going to read was put in circular form and in the form of supplements to newspapers and 200,000 copies of the document were circulated throughout the State during that campaign. It was published in many newspapers of the State. It was circulated in every hamlet of the State and accepted by the people as an assurance given by the executive committee of the party in the State. Here is what he says:

In the effort to meet the dissatisfaction which the injustice of this plank in the platform produced in North Carolina—

Referring to the lumber plank—

there was published and sent out from Democratic state headquarters 200,000 copies of an article from which the following are extracts:

"The manufacture of lumber is one of the great industries of the South, and one which would for this reason appeal with especial force to the best wishes and protection of the Democratic party."

And further:

"They may rest assured that the Democrats would not put lumber on the free list, it being a southern product, unless there should be coupled with it the placing upon the free list of all articles entering into competition with trust-controlled articles as their platform demands, and which would tend to largely cheapen the expenses of the manufacture of lumber."

That assurance—

Says this writer—

was scattered broadcast over the State, and if any Democrat or Democratic paper criticised it I never heard of it.

In the light of these facts, I submit if Mr. Bryan was justified by the reasons he gave in 1894 in voting against a plank in the Democratic platform of 1892, so are the Senators and Representatives from North Carolina for their vote upon lumber, which he now criticises on account of the plank on that subject in the platform of 1908.

I do not, Mr. President, wish to be understood as justifying my vote solely upon that ground. I contend that my vote is consistent with that declaration. I say that the declaration in the Democratic platform was predicated upon certain conditions and that those conditions do not exist. If those conditions existed, I would vote for free lumber; but the conditions do not exist, and I have cast my vote against free lumber and shall cast it for a duty upon lumber when I have an opportunity to do it. I am satisfied with that vote, and I do not concern myself about the criticism of those who seek to impugn my Democracy or my motives; but I do not intend that the facts shall be perverted or misrepresented.

Mr. BAILEY. Mr. President, I was not a member of the Denver convention, although chosen a delegate to that body. I was at that time recovering from a severe spell of illness, and I did not even read the newspaper accounts of what transpired there. The statement I made this morning that the platform was, in effect, the brain work of a single man may be, as the Senator from Missouri [Mr. STONE] and the Senator from Colorado [Mr. HUGHES] think it was, a mistake; but if so, it was not my mistake, except by repetition, because I have been told repeatedly what I said to the Senate this morning, and I was told by a man who said he had talked with Mr. Bryan, that Mr. Bryan insisted upon this free-lumber plank, and that he insisted upon it for the reason which I have suggested.

I have no criticism to make of Mr. Bryan. I am less disposed to criticise now than ever before. Some of those who were so swift to praise him when his star was a rising one are more swift to criticise him than I now am. I did not overpraise him then; I will not dispraise him now. But I will say to those who think that loyalty to him is a test of Democracy, that I do not subscribe to that opinion.

Mr. Bryan was nominated for the Presidency and defeated by 500,000 votes; he was nominated a second time and defeated by 700,000 votes; he was nominated a third time and defeated by twelve hundred thousand votes. I hardly think that the Democratic party will take the chance of encountering that geometrical progression again. [Laughter.]

Nor, Mr. President, will I hesitate here or elsewhere to say that the attempt to deal with the trust question as was proposed is an absurdity, and I am going to illustrate the absurdity by the position of the Senator from Colorado. When the lead schedule was before this body, the charge was made that lead ore was controlled by a trust. Here are the words of the Senator from Wisconsin [Mr. LA FOLLETTE], and I pay him the compliment of saying that he knows more about the combinations in this country than any other man of my acquaintance. The Senator from Wisconsin said:

Personally I do not believe that it is possible under existing conditions in the lead industry to affect materially by any duty imposed the wages paid to miners employed in mining lead in this country, because I believe the lead-producing properties in this country are controlled by a combination which regulates prices in every branch of that industry.

He followed that statement by printing a telegram which had appeared the day before in one of the important newspapers of the land. Yet when they came to take that vote, with this declaration that the lead-producing properties were controlled by a trust, the Senator from Colorado did not accept it, and voted with the Republicans against the Democrats. The Senator from Colorado was the only Democrat who answered that roll call in company with the Republicans.

Mr. HUGHES. Mr. President——

The VICE-PRESIDENT. Does the Senator from Texas yield to the Senator from Colorado?

Mr. BAILEY. I do.

Mr. HUGHES. The Senator from Texas should be accurate. I voted to establish a differential, because I know—and I do not take my information at second hand—that without it the lead trust in this country would use the pig lead to force further down the prices paid to the miner and then use the duties upon the ore to force the price up to the lead purchaser.

Mr. BAILEY. Mr. President, I was not seeking to criticise the Senator from Colorado.

Mr. HUGHES. Do not do so, then.

Mr. BAILEY. Nor was I seeking to avoid it. He has illustrated exactly the point I wanted to enforce; and that is, that the best, the most honest and ablest of men differ when you come to deal with the trust question in that way. I do not think the Senator from Colorado is any more or less patriotic than the Senator from Wisconsin; but the Senator from Wisconsin says one thing and the Senator from Colorado says another.

Mr. HUGHES. Mr. President——

The VICE-PRESIDENT. Does the Senator from Texas yield to the Senator from Colorado?

Mr. BAILEY. I do.

Mr. HUGHES. That was an error. The Senator from Wisconsin does not state another thing. I did not discuss that matter. I know, and before this Congress adjourns I shall tell, why, in my opinion, the vote which was cast by the Senator—if any vote is to be criticised as resulting in an absurdity—would produce that result, because it armed an already organized trust with the power further to lay the weight of its crushing hand upon a struggling and almost dying industry by wiping out the differential between pig lead and lead in the ore, and permitting the shipping of free ore from Mexico to New Jersey at 50 cents a ton, while $20 a ton must be paid by the lead miner of Colorado as freight to the same destination. There ought to be a differential, or else there ought to be no duty at all. I am ready now to reduce the duty on lead and on every other product that has a duty on it before this Congress——

Mr. BAILEY. Mr. President, the Senator evidently means that I gave a bad vote. I did not vote on that question. I happened to be absent.

Mr. HUGHES. Neither did the Senator from Wisconsin vote.

Mr. BAILEY. But the Senator from Wisconsin excused himself upon the ground that he had a personal interest, owning some lead-bearing and zinc-bearing lands.

Mr. HUGHES. I understood that it was lead.

Mr. BAILEY. He stated that those lands were producing both, and excused himself from voting.

But, Mr. President, it is not a question whether the Senator from Colorado is right or wrong in that vote. If he was right, every Democrat in the Senate who voted was wrong. If the Senator's vote was against the trust, then every Democrat in the Senate voted for the trust, because every Democrat in the Senate voted exactly the opposite to what he did.

Not only so, but if the Senator was right in casting that vote to destroy the trust, then the Republican majority was right, because they voted the same way. I do not impeach the fidelity of the Senator from Colorado to his people or to his party or to his convictions; I know something of his character and standing, and no man possesses a higher one. There is not a man whose judgment expressed about a matter within his personal knowledge that I would accept more unhesitatingly than I would his; and yet, when we come to deal with the trust question in this way, the Senator from the State of Colorado, a great lead-producing State, declared that there is one way to deal the trust a blow, and every other Democrat in the Senate expressed by his vote the other view.

That is not the only vote. When the question was upon reducing the duty from two and one-half to one and seven-eighths of a cent per pound the Senator from Colorado again voted with the Republicans, and every Democrat in the Senate who voted at all voted against him. I do not say the Senator from Colorado was wrong, but I say that if he was right every other Democrat in the Senate was wrong.

So it will be, Mr. President, when we undertake to curb the trusts by our tariff legislation. The most upright, the most learned, the most excellent and patriotic men will differ as to the effect of this regulation or of that; but no honest man will differ as to the effect of a jail sentence on a trust magnate. We all know what that means, and there can be no obscuring that issue. We all know the effect that will produce.

Mr. President, I have this satisfaction: I do not say a Senator votes for 2½ cents duty on lead because he happens to represent a State that produces lead; I do not say that. I am willing to say that the Senator understands the lead industry better than the rest of us because he lives in a State which produces lead; but I enjoy the supreme satisfaction of knowing that I have not voted for any high protective duty on any article that happens to be produced in Texas, nor will I do it.

Mr. President, the Senator says the consistent men are to be inducted into the resurrected Society of Ananias.

Mr. HUGHES. I did not say that.

Mr. BAILEY. I understood the Senator to say that.

Mr. HUGHES. I did not.

Mr. BAILEY. I understood the Senator to say that everybody who claimed that every vote of his was consistent——

Mr. HUGHES. I said that when I found the man who announced that all of his own votes from beginning to end have followed the white path of absolute consistency, I should nominate him for membership in the revived Society of Ananias to be reorganized by the Senator from Maryland [Mr. RAYNER].

Mr. BAILEY. I suppose one must be a member of that society before he can nominate others for membership in it. [Laughter.]

GOOD CREDENTIALS NECESSARY.

Mr. HUGHES. I want to say that he will have to bring some credentials that will entitle him to get into pretty good society.

Mr. BAILEY. That is true, because some very distinguished men belonged to it before it was disbanded. [Laughter.]

Mr. President, I had no thought of making any personal application of the impossibility of solving the trust question in that way until the Senator from Colorado rather mildly lectured me about my unwillingness to be bound by a Democratic platform. Now, the Senator from Colorado, being bound by that platform, would be compelled to vote to put every one of those trust-controlled articles on the free list, including lead ore, if the Senator from Wisconsin [Mr. LA FOLLETTE] is right about the lead companies being in a trust. I have not indulged in this assertion myself, but I have heard more than whispers—I have almost heard loud talk—that not only was there a lead trust, but that some Senators were interested in it. I do not repeat gossip of that kind; I do not know that there is a lead trust. I ought perhaps to be more familiar with the industrial conditions of the country, and yet I take the word of the Senator from Wisconsin that there is such a trust. The Senator from Colorado thinks that the way to punish the lead trust is to increase the duty on certain products.

Mr. HUGHES. Mr. President, I neither believe so, nor have I said anything that anybody, even the bitterest partisan enemy, could use as justifying an insinuation to that effect.

Mr. BAILEY. Mr. President, I do not class myself, nor will I allow myself by the Senator to be classed, as his enemy, either partisan or personal.

Mr. HUGHES. Then, the sweetest friend I ever had, who in honeyed phrase is attempting to praise me, will not attribute that to me.

Mr. BAILEY. I am not the "sweetest friend" the Senator ever had, either [laughter]; but I am a fellow-Democrat, with a high respect for his character and ability; and I feel that, if I can show that the Senator from Colorado can not solve the trust question along the lines he has laid down for me, I have relieved myself of the necessity of following those lines.

The Senator from Iowa [Mr. CUMMINS] moved to amend the committee amendment by providing for a duty in paragraph 180 of 1⅛ cents, as against the committee amendment of 2½ cents.

They called the roll on that question, and the vote stood 35 yeas and 44 nays. Mark you, that was on the question to strike out 2½ cents on the lead products provided for in paragraph 180 and to substitute 1⅛ cents; and on that roll call all but two of the Democrats voted "yea," and nearly all of the "insurgents," as they are called, voted with them. The Senator from Colorado voted "nay." Here is the RECORD. That vote is recorded on page 1886, and this is the roll call:

NAYS—44.

Aldrich	Crane	Heyburn	Perkins
Borah	Curtis	Hughes	Piles
Bradley	Depew	Johnson, N. Dak.	Richardson
Brandegee	Dick	Jones	Root
Briggs	Dixon	Kean	Scott
Bulkeley	du Pont	Lodge	Smith, Mich.
Burnham	Flint	McEnery	Smoot
Burrows	Frye	Nixon	Stephenson
Burton	Gallinger	Oliver	Sutherland
Carter	Guggenheim	Page	Warner
Clark, Wyo.	Hale	Penrose	Wetmore

There is not a Democratic vote among those names against that amendment, except that of the Senator from Colorado and one other. Those who voted in favor of the amendment were:

YEAS—35.

Bacon	Clay	Gore	Shively
Bankhead	Crawford	Johnston, Ala.	Simmons
Beveridge	Culberson	La Follette	Smith, Md.
Bristow	Cummins	McLaurin	Smith, S. C.
Brown	Daniel	Nelson	Stone
Burkett	Dolliver	Newlands	Taliaferro
Chamberlain	Fletcher	Overman	Taylor
Clapp	Frazier	Paynter	Tillman
Clarke, Ark.	Gamble	Rayner	

I had been called away, and was not present at the session either on that day or for two or three days.

Now, Senators, I make no criticism against the Senator from Colorado; and whether he accepts my statement that I do not want to criticise him or not, I still assert that my whole purpose is to show that it is impossible for us to deal with the trust question in that way. You will find one Senator just as wise as another who thinks that an article ought to be transferred to the free list. The Senator took occasion to instance the question of iron ore. I will not detain the Senate now on that matter, but I promise to inflict it at an early day with a discourse on that and kindred questions, and I will leave it until then.

But, Mr. President, here is my creed: Put the men who violate the antitrust laws in the penitentiary and put all of their products at the lowest duty consistent with the revenue necessities of the Government.

One Senator asked me, when I resumed my seat this morning, if I believed in placing anything on the free list, and I answered that I believed in a free list that shall ultimately include every necessity of life, and I shall bend every energy of my mind to the accomplishment of that great end; but I will never vote to put anything on the free list which men purchase for the sake of making money out of it until every article that men and women are bound to have for the sake of decency and of comfort is on the free list. That is my creed.

If a man wants to buy something to make into something else to realize a profit on it, let him pay his tax until first you have untaxed the clothes of men and women and children. I have always contended against a doctrine that will put raw material on the free list and leave what is made out of that material on the dutiable list. To illustrate, the manufacturer imports wool, not out of the benevolence of his heart, but because he wants to make a profit out of manufacturing it into woolen goods. We all know that. Are you going to take the tax from him, and yet leave it on the man who is compelled to buy those woolen goods; not only compelled for the sake of comfort and of decency, but compelled by the law to do so, for men must wear wool or some other kind of clothes if they expect to go about the public streets? So on an article not only neces-

sary for the sake of comfort and decency but made absolutely essential by the law of the land you levy a tax, and then exempt the millionaire woolen manufacturer from the payment of a duty on his wool.

Do you believe that right? Take the question just in hand. You exempt the white printing paper of these great newspapers, whose profits in some cases run into the millions, and yet you leave the tax on the shoes and coat and hat which every printer in their establishments must buy. Do you believe it right? I do not, and I shall not, therefore, vote to do it.

I heard to-day that a platform was binding on a Democrat and a decision of the court was not binding on a Senator—a strange doctrine. If I am to accept what the convention of my party says as infallible, I do not know what right I have got to deny the infallibility of the Supreme Court when it decides a question before it. I accept neither when it offends my conscience and my judgment.

I am as good a party man as lives. I never have scratched a Democratic ticket in my life. I never carry a lead pencil with me to the polls. I am such a good Democrat that rather than scratch the ticket I have voted for myself. The first ballot I ever cast I voted for myself. I was on the ticket as a nominee for elector; and when I started from my law office over to the polling place I met the sheriff. The Senator from Mississippi remembers him. He was as brave and as true a man as ever kept the peace in a commonwealth. He asked me if I was going to vote for myself. I looked him square in the face and I said: "I am too good a Democrat to scratch or be scratched," and I voted the ticket just as my party made it. I have done it all my life.

But because I support the nominee I have not surrendered my power to think nor my privilege to express the thought when once I have formed it in my mind. I am for my party; I am for it, right or wrong. When it is right, I want to keep it right, and when it is wrong I want to set it right. That is my philosophy, and that is or ought to be the philosophy of every Democrat here or elsewhere. If we are bound to vote that way here, then we are bound to vote that way every time we come to vote anywhere, and there would be no possibility of correcting a mistake.

But, Mr. President, I apologize to the Senate for having detained it with these immaterial matters. I only wanted to illustrate to Senators and to the country the insuperable difficulties that surround us whenever we attempt to deal with the tariff question according to a state of facts, because about that state of facts wise men and honest men will differ, and the only way is the direct and straight way—when a trust manager violates the law, send him to jail.

TO COMPOSE PARTY DIFFERENCES.

Mr. HUGHES. Mr. President, in the guileless innocence which belongs to a novitiate in this body I spoke this morning for the purpose of composing, so far as it was in my power to do so, differences within the party which I believed to be inconsiderable; to rebuke, so far as I had the capacity to do it, the attacks of the common enemy; and to point out the fact that we had, as Democrats, occasion to be hopeful, because we had recently, upon one great principle, added much to our party strength by the unanimous support of an important plank in our recent national platform, to which the President of the United States apparently finds less difficulty in giving allegiance than does the Senator from Texas in giving allegiance to other planks.

I had no purpose that they should be, and I believe that when the few remarks I have made are read they will be found to support no charge that they are, in criticism of any Democrat or his votes in this body. I expressly said that I felt it was for each one to determine, according to his judgment and his own conscience, to what extent the planks of a party platform bound him.

I said, however, that so far as I was concerned, I was a member of the convention which made the platform; that I either affirmatively declared for the planks of the platform or I lifted no voice against them in the convention. I feel, therefore, that by every principle that controls in party organizations, I should, in the work done here, stand by them. "The very head and front of my offending" has been this and nothing more, and yet this RECORD has been culled to find a vote or two of mine to criticise and hold up in the presence of the Nation as a rebuke to the principles I profess, and all through friendship and a desire that the united ranks of Democracy, dwindled and diminished as they are, may present an unbroken front to the powerful enemy.

NEVER CONNECTED WITH TRUSTS.

I wish to say to the Senator from Texas that no man will find in any utterance of mine a provocation for a difference with another Democrat. I wish to admonish him here and now that much as he looms on the horizon of debate in the Senate he is no inch taller than I when it comes to the avowal of principles and the right to speak and be heard unchallenged, uncriticised, and undominated by any influence save my own judgment and my own political conscience. He speaks of masters. I know none. He speaks of members of trusts. He should be specific. I desire to say that if that is intended for me, nothing falser or further from the truth could be uttered.

Mr. BAILEY. Mr. President——

Mr. HUGHES. I have never had any connection with them, and such a suggestion should not be made here.

Mr. BAILEY. Mr. President——

The VICE-PRESIDENT. Does the Senator from Colorado yield to the Senator from Texas?

Mr. HUGHES. I do.

Mr. BAILEY. The Senator from Colorado knows, I think, that I had absolutely no reference to him.

Mr. HUGHES. You were talking about me.

Mr. BAILEY. Yes; I was talking about you, but I had just declared that you were an honorable man, and although you give some provocation, I will not modify that opinion. I still think you are, although I think that is not the way to talk about a brother Senator—yes; and if and if and if, then it is false. I will tell the Senator from Colorado that whenever I get ready to make a charge I do not make it by indirection, and the Senator will find that out, and the Senator will find, furthermore, that I never pretend to respect a man if I do not. I do not affront the Senate by telling all Senators what I think about them, but I never pretend to cherish a respect for one unless I am sincere in that expression, and nothing was further from my thought than to suggest that the Senator from Colorado was subject to any influence other than that of an honorable man.

Mr. HUGHES. Mr. President, I knew my name had been mentioned, and small as my share in the politics of this Nation has been and unimportant—as I know better than anybody else—as it is and is apt to remain, my vote has been challenged, and, while I did not believe that the Senator would make so unfounded a charge as that, I did believe that the manner in which that statement was made and the subsequent discussion might give an excuse to others, coupling the two together, to imply a charge that had not been made. I believed I had a right to call attention to it because elsewhere such charges have been hinted.

Mr. BAILEY. I am glad the Senator did, because I had never seen any intimation of that kind, and if it could possibly have been misconstrued anywhere or at any time, I am glad the Senator has called attention to it.

Mr. HUGHES. I wish to say, Mr. President, that I did not discuss this morning, and I am not going to discuss now, the best way to deal with the trusts; not because I have not given thought and study to the question, but because that was not a matter about which I then sought to speak.

But I know that the vote I cast upon the lead question carried no comfort to the lead trust. I know that there came into this body a bill to put the duty on pig lead and lead in the ore at the same rate; and I know that the Wilson bill, for which I believe the Senator from Texas voted, made a differential between the duty on lead ore and pig lead, because it was known then that the duty on pig, being the same as upon lead ore, would necessarily drive down the price of lead ore and would give no relief to those who bought the lead product itself.

That is a plain mathematical proposition. It does not require any profundity of thought or that anybody be lassoed and hanged to a lamp-post, if that is the remedy to be adopted for the offending trust magnates of the country, in order that the purpose, the effect, and the propriety of these votes shall be discerned. Whenever it becomes necessary I shall discuss that vote and the methods of dealing with trusts. I have not yet had made clear to my mind why my attitude and my vote upon that subject should have been deemed important in connection with the trust question. But I would say that I am not yet fully convinced you are going to be rid of the trusts if you rely forever only upon these threats—never yet executed—of putting the magnates, the great malefactors, in jail.

DEALT WITH TRUSTS IN COLORADO.

Out in Colorado we have dealt with them. We had a trust there in articles of food. We haled it into court and enjoined it and dissolved the trust, and it is not now doing business there.

While it is true no magnate concerned in it is languishing in durance vile, that trust has disappeared from the face of the earth. Make your criminal statutes and enforce them, but at the same time break up by legitimate legislation and court proceedings the trust itself. It would be but poor satisfaction, I

think, to the country to have somebody in jail if, while that magnate was in jail, the trust went on committing its ravages uninterfered with and undismayed.

It may be that sending somebody to jail will break them up, and I hope it will; but I find nothing in this platform that tends in the slightest degree to prevent that being done, and one of the chief criticisms made upon Mr. Bryan is that he has repeatedly asked the question why some great malefactor has not been imprisoned. That question was pronounced by the President and the ex-President as something akin to an impertinence.

Mr. President, I have not contended that the Senator is bound by a Democratic platform. I do not know that anybody in any party is bound by any kind of platform very tight or very hard or very fast. All that I said upon that subject, granting to every man the utmost liberality of self-construction and application to his own duty and his own opinion, was that that was a matter for his own individual determination. I felt in this instance, the first session of Congress I had ever attended, my first adventure into the field of legislation, that, having stumped my State from one corner to the other, standing upon the platform which was made in my State, that so far as my vote would go I would vote in accordance with it—not that everything in it was exactly in accordance with my judgment. I have also thought that when men of different views but of the same political party get together in a convention each should surrender something of judgment, though nothing of conscience, and should try to agree, and then should accept that which the majority thought best; and if it turned out not to be, then the next time perhaps other judgments might obtain. That is all I have thus far indicated in that direction, and I have been most moderate.

ALWAYS SHALL SELECT OWN COURSE.

I wish to say I never have defined and I never shall undertake to define the duty of somebody else. But while I always have selected and always shall select my own course, criticism will be welcome when it is intended to enlighten. Otherwise it will be dealt with as in my judgment its motive and substance may deserve.

I had not apprehended that anything I said this morning had given the slightest occasion for offense to anybody. I knew I had not so intended it, and I could not understand why it had.

I heard the Senator from Texas speak upon this difference of views as to duties on raw material. I have studied that question some. A man does not have to be a Member of the House or of the Senate to become interested in these subjects. I know that, whether rightly or wrongly, some of the greatest Democrats in this Nation believe in that condemned doctrine. We have been advised that the policy of the party has been changed since the Senator and those who think like him have come into power. That may be. It may be for the better. But that is a matter for further consideration.

The Senator says he did not attend the Democratic convention. We all know that. Many regretted that he was not there. Many hoped that, notwithstanding he might differ from those who were there, that upon the arena of that convention there might be that high debate which men of principle hold when they are preparing a platform of principles upon which to appeal to the conscience and intelligence of a free people. He had occasion, as we all knew and understood and regretted, to be absent from that convention. But those of us who were there had a duty. Some of us, with the feeling we bore and bear yet, with relation to the utterances of that convention, had hoped that at least for one short extraordinary session of Congress it should have a controlling part in our deliberations.

When the time comes, if it ever comes, or it becomes important for me to explain any vote that I have cast, I will explain it. I desire to call this much to the attention of the Senator from Texas, in view of his reference to the senior Senator from Wisconsin: That I have had the pleasure of voting many times with the Senator from Wisconsin. I have listened with interest, pleasure, and profit to his development here of the result of his industry, devoted to an honest effort to learn the meaning of these schedules. I have not always agreed with the results he has reached. I have not always voted with him, nor he with me. I have had and now have admiration for the sincerity and effectiveness of his efforts. Our political differences have never led me to vote against him or to criticise where I thought he was right, nor will my regard for him prevent me from differing from him in my vote when I think he is wrong.

I am not going in this way to be drawn into a controversy with the Senator from Wisconsin. I have none with him. He is not a member of my party; even if that fact gave me the poor privilege of wounding a Democrat at a time when, if ever in the history of the party, personal feeling and ambition and any other motives that might lead us to stand fast by our own preconceived ideas ought to be mitigated, and I submit that such mitigation would be in the interest of a great party, which is to be the only opposition of strength and organization for years to come to the dominant party in this country. All will concede that strength in such an opposition is not only good for the Republic, but a tonic for the majority party itself, and therefore an efficient aid to good government.

I would say one word more. Without abating my rights in the slightest degree as a Member of the Senate, I shall never train my guns so as to wound those within the ranks of my own party, even if provoked by a retort which would justify and vindicate that sort of thing. When my wit becomes so blunted that it must impute something to a Democratic Senator or remain unuttered the jest shall perish unspoken.

I may say to the distinguished Senator from Texas that a man can nominate another for a position without being in possession of the honor himself. I was nominated for a position in this body by a gentleman who never held a seat here. The President of the United States was nominated by a gentleman who has not yet become a President of the United States. It is possible to nominate men for high positions without sharing such honors with them, or being inside and inviting them to come along. While the jest may be a keen retort, it is hardly an answer to the suggestion.

In conclusion, Mr. President, I wish to apologize to the Nation and to the Democratic party for having had exhibited here as the ground of difference between Democrats any vote of mine, whether it is registered along with Republicans or with Democrats. I am too unimportant to be used for that purpose, and I have no estimate of my importance which would put me in that position. This is my first effort in this body at anything like protracted remarks, and of course it shall be an everlasting regret, I hope not of my own alone, that it should have been made the occasion of an attempted rebuke in culling from the RECORD and commenting upon some votes I have cast.

I have witnessed the fact that new Members of this body must be extremely cautious lest they be checked and reprimanded, and I believe they call it "hazed" or put through some other kind of corrective process to teach them to be wiser and more cautious in the future. I witnessed something of that kind quite early in the session, and it had a deterrent effect upon me until to-day, and I now learn that it ought to have had the effect for a few days longer.

I wish to say to the Senator from Texas that if he will permit my explanation of my vote rather than the keenness of a desire to score against remarks which he has without occasion assumed criticised him, when nothing was further from the purpose, to control his judgment in this matter, he will find regret for not having voted as I did or else my judgment is much at fault.

The VICE-PRESIDENT. The question is on agreeing to the amendment of the Senator from Missouri [Mr. STONE]. [Putting the question.] By the sound, the "noes" have it.

Mr. STONE. Mr. President, the last vote established very clearly what this vote will be if taken by yeas and nays, and we have taken so much time that I shall not myself call for the yeas and nays.

The VICE-PRESIDENT. The noes have it, and the amendment is rejected.

The question is on agreeing to the amendment offered by the Senator from Rhode Island.

Mr. LA FOLLETTE. Is that the committee amendment?

The VICE-PRESIDENT. It has been so long since it was stated that the Secretary will again report the amendment, without objection.

The SECRETARY. On page 157, line 21, in paragraph 405, strike out "one-tenth" and insert in lieu thereof "two-tenths," so that if amended it will read:

Valued at not above two and one-quarter cents per pound, two-tenths of a cent per pound.

Mr. LA FOLLETTE. May I inquire of the Senator from Rhode Island is this the amendment which increases the House duty to $4 per ton upon print paper?

Mr. ALDRICH. It is.

The VICE-PRESIDENT. The question is on agreeing to the amendment.

Mr. LA FOLLETTE. I wish to submit an amendment to the amendment of the Senator from Rhode Island.

The VICE-PRESIDENT. The Secretary will state the amendment.

The SECRETARY. In line 22, page 157, after the word "pound," insert the following:

Provided, That this rate shall be effective until July 1, 1912, after which time the rate shall be one-tenth of 1 cent per pound.

Mr. LA FOLLETTE. Mr. President, when a former Congress first engaged in the consideration of changing the duties upon print paper, I had formed the opinion that no duty was required to protect the manufacturers of print paper in this country. I believed that judgment based upon sufficient data; but subsequent investigation has compelled me to modify it. Such examination as I have since made of the testimony taken before the Ways and Means Committee and the select committee appointed by the House of Representatives to investigate the subject, together with other information that has come to me, which I deem reliable, has convinced me that a duty of $2 per ton on print paper is necessary to afford protection to the manufacturers of that product in this country, and I am convinced that it is ample protection to the paper industry generally from Canadian competition.

What I have to submit to the Senate will take but a few moments. The data I have been able to obtain indicates a duty of $2 per ton will cover the difference in the wage cost between this country and Canada. Two dollars per ton is not sufficient to preserve the print-paper industry in Wisconsin and perhaps in other States located as the mills of Wisconsin are located with respect to the raw material. The transportation charge for pulp wood has become so large by reason of the distance of the spruce timber from the mills that even a rate of $6 per ton will not be sufficient to equalize the difference in cost of production between the Wisconsin and Canadian mills.

Mr. President, there are, I think, some 15 or 16 mills engaged in the manufacture of print paper in Wisconsin. The conclusion which I have arrived at with respect to this important industry in my State is the result of a conscientious investigation of the subject, in so far as I am competent to make it.

But, sir, important as those industries are to Wisconsin, I do not believe that we can consistently expect to preserve the Wisconsin print-paper industry by the imposition of tariff duties. Print paper can not be economically manufactured in Wisconsin at so great a distance from the source of the supply of the raw material. I believe that Wisconsin manufacturers and others similarly located should be given an opportunity to adjust themselves to changed economic conditions, to replace the manufacture of print paper with other forms of paper manufacture which do not require spruce wood, which must be transported from a great distance.

The transportation charge from the forests where spruce wood is to be found at the present time to the mills of Wisconsin makes up the difference, as I worked it out, between a $2 protective duty and a duty of something like $7 per ton, which would at least be necessary to measure under these uneconomic conditions the difference in the cost of production.

Mr. HEYBURN. Mr. President——

The VICE-PRESIDENT. Does the Senator from Wisconsin yield to the Senator from Idaho?

Mr. LA FOLLETTE. I do.

Mr. HEYBURN. Will the Senator permit me to ask him a question? Is it the purpose of the Senator's amendment to give the paper makers of Wisconsin an opportunity to liquidate and go out of business?

Mr. LA FOLLETTE. Not at all. I have stated the purpose of the amendment, and if the Senator from Idaho had been following me, he would not have asked the question. I had stated that the purpose of the amendment was to enable the mills now manufacturing print paper in Wisconsin to so adjust themselves with respect to the manufacture of paper not requiring spruce wood that they could manufacture it economically without changing the location of those plants. The Wisconsin mills can prosper and furnish employment permanently to the thousands of laboring men now employed in the industry by changing from the production of print paper, in so far as they are now manufacturing it, and engaging in the making of other forms of paper, the raw materials for which can be as economically supplied in Wisconsin as elsewhere. To effect this change a reasonable time should be given to enable our manufacturers gradually to readjust their plants to other forms of paper production.

What appears to me to be the most reliable information upon the difference in labor cost between this country and Canada in the manufacture of print paper is found in the statistics furnished by the Bureau of Labor of the United States to the Mann committee and printed in the hearings. These figures were obtained by the agents of the Labor Bureau from the actual pay rolls and record books of the paper manufacturers in this country and Canada. They are not offered by interested parties, but by disinterested, trained investigators of the Government.

Pages 3258–3269 of the Mann committee hearings contain an extended table of wage comparisons taken from the books of American and Canadian mills by agents of the Bureau of Labor. Just what use the Mann committee made of these statistics is not clear. It is stated in the final report that they were considered by the committee in arriving at its conclusions. But these figures were not summarized or averaged, and it is difficult to see how anyone could draw any reliable conclusions from them in the form in which they appear in the printed hearings. At my request, the Bureau of Labor has taken these figures and computed the average wage for each occupation and has furnished me with a table of these averages.

I have had the averages of that table further summarized and reduced to a final average for all occupations, weighting the average for the number of employees included in each occupation, and this result I will incorporate in detail in the RECORD. It may be that this average is not exact as the average wage for the entire industry in both countries for the reason that a few employees are not included because of the dissimilarity of classification between the two countries, but, on the whole, I am of the opinion that this variance, if any, would not be material. The average wage which I have arrived at is the exact mathematical average for the employees included. I will not go further into the analysis of the result than to state that it shows an average wage for 1,209 paper and pulp mill employees in Canada of 17.1 cents per hour and for 4,344 employees in the United States of 22.5 cents per hour. The wages in this country average 31.5 per cent higher than in Canada. In other words, the wage cost in this country is about 130 per cent of the wage cost in Canada. On a basis of a $9 labor cost per ton of paper in this country this would give a labor cost in Canada of $6.92, or $2.08 less than in the United States. On an $8 basis in this country the Canadian labor cost would be $6.15 per ton, or $1.85 less than the labor cost in the United States.

I believe that, on all the evidence, including a number of affidavits and cost sheets giving in detail the cost of production in mills in both countries, no injustice will be done any interest by placing the difference in labor cost between the two countries at $2 per ton against the United States.

The paper manufacturers' representatives have not, so far as I am aware, claimed any greater difference in labor cost than $2 per ton between this country and Canada. I ask leave to print with my remarks the recapitulation which I have prepared from the table furnished me by the Bureau of Labor.

The VICE-PRESIDENT. Leave is granted to print the table in the RECORD, without objection.

Mr. LA FOLLETTE. The recapitulation which I have prepared is as follows:

Occupations.	Canada.			United States.			Per cent excess, United States over Canada.
	Number of employees.	Average wage per hour.	Total wage per hour.	Number of employees.	Average wage per hour.	Total wage per hour.	
Paper mills:							
Beatermen	67	$0.158	$10.586	377	$0.227	$85.579	43.6
Machine tenders and hands	118	.272	32.096	751	.288	216.288	5.8
Finishing hands	61	.156	9.516	248	.181	44.888	16.0
Wood-pulp mills:							
Grinders	108	.154	16.632	414	.215	89.010	39.6
Screenmen (wood)	21	.143	3.006	107	.193	20.651	34.9
Pressmen	44	.123	5.412	164	.205	33.620	66.6
In sulphite mills:							
Acid makers, etc	14	.169	2.366	42	.243	10.206	43.8
Digester men	17	.167	2.839	70	.236	16.520	41.3
Screenmen (sulphite)	19	.140	2.660	49	.208	10.192	48.6
Pressmen (sulphite)	26	.139	3.614	90	.221	19.890	59.0
Ground wood and sulphite mills:							
Wood handlers	148	.145	21.460	276	.185	51.060	27.6
Wood-room hands	149	.149	23.201	355	.190	67.450	27.5
Paper, ground wood, and sulphite mills:							
Indoor, miscellaneous	84	.144	12.096	272	.190	51.680	31.9
Outdoor, miscellaneous	59	.133	7.847	320	.184	58.880	38.3
Steam-plant hands	111	.150	16.650	454	.244	110.776	62.7
Repair hands	163	.224	36.512	355	.262	93.010	17.0
All occupations	1,209	.171	206.490	4,344	.225	979.700	31.5

Mr. LA FOLLETTE. Now, for the reasons which I have submitted. I believe the rate recommended by the Finance Committee of the Senate of $4 per ton should be adopted to remain in force only until July 1, 1912, within which time it will be possible for all print-paper mills in Wisconsin, and all mills in other States located as the Wisconsin mills are, at remote distances from raw material, to readjust themselves to the conditions which will compel and ought to compel them to change from the production of print paper to the production of

other paper which can be produced economically in such mills. After July 1, 1912, or by that time, my amendment provides that the rate of duty shall be $2 per ton, which will cover for every industry in this country which can legitimately claim protection the actual difference in the cost of production in this country and Canada. As I said before, it will amply protect all paper mills advantageously situated for the production of print paper. If the amendment I propose is rejected, Mr. President, I can not, for the reasons already stated, support as a permanent policy a tariff rate on print paper of $4 per ton, and must vote against the same as economically unsound.

Mr. CLAPP. Mr. President, the question now before us involves two propositions. The first is, What is a fair, necessary, and reasonable rate upon this particular product? It has been my privilege to be with those during this controversy who have contended that within the limits of a reasonable protection there should in the main be a reduction of duties. At the same time it was my privilege to announce early in this controversy that I would under no circumstances vote for a rate which, in my judgment, would injure an American industry. Those of us who have taken this view have differed, and may differ to-day, not in the principle upon which we stand with relation to this revision, but from the standpoint of our individual judgment as to what particular rate may be necessary in a particular case.

Coming from a State largely and vitally interested in lumber, with an experience more or less related to that industry in past years, it has been my opinion for years, and is to-day, that no duty whatever is necessary upon lumber, but having had also some observation of this other question, it is equally my conviction that a duty considerably lower than the Dingley rate, but higher than that imposed by the House, is necessary upon this paper. It may be a little unfortunate that I have to take this position, because I realize that perhaps there is no item of the bill that will subject one to so much criticism as this particular item; but we would be false to our duty if we allowed that consideration to deter us in its performance.

I have viewed with very little credence upon either side the details and figures, the declarations and pleas of the respective parties, and in saying this I would not be understood as impugning the integrity of the people who have made the respective claims before the committee and in the general public prints.

Mr. BROWN. Mr. President——

The VICE-PRESIDENT. Does the Senator from Minnesota yield to the Senator from Nebraska?

Mr. CLAPP. With pleasure.

Mr. BROWN. I should like to inquire upon whom the Senator would rely? If he will not give credence to the statements of parties interested on the opposite sides, on what information would the Senator rely?

Mr. CLAPP. It may sound egotistical and the result may discredit my source of information, but from boyhood I have had to fight my own battles; I have had to reach my own judgment upon every great question that I have been obliged to confront; and there are always broad principles and indisputable facts upon which men may with some safety rely in forming their judgments.

There are three general tests which seem to me are reasonably safe in determining whether existing rates are too high and what would be a reasonable rate: First, has an article increased disproportionately in price to other things? Second, have those engaged in its production been able not only to hold our own market, but have they been able to any great extent to invade foreign markets? and, third, what relation does the increase in price bear to the increase in price of those things which enter into its production? The second question involves, of course, the relative importation of the article into our market and the relative exportation of the article into foreign markets; and our exports will naturally depend upon the price we get abroad, which, if less than the price in our own market, is considered as evidence that the protection is too high. Let us apply these rules to the case in hand.

In regard to this particular question, the Dingley law has been in force something like ten or eleven years. The operation of the American industries in the light of that law affords some criterion by which we may guide ourselves in our deliberations. During that ten years America has witnessed a more or less increased cost in nearly everything, so that in measuring the increased price of any one item we must take into account that there has been a general increase. But when you find an item that has been within the protection of the Dingley law during the last ten or eleven years, and in the face of the general uplift of American prices you find that particular article has not advanced very much, it is safe to conclude that it has had but little, if any, unnecessary protection. There is a principle upon which I first plant myself in reaching a judgment upon any items of this schedule.

Mr. BROWN. Mr. President——

The VICE-PRESIDENT. Does the Senator from Minnesota yield?

Mr. CLAPP. In just a moment. Some particular mill, some particular plant, may be able to cope with conditions, but I am speaking of the proposition applied generally to an industry.

Mr. BROWN. I understood the Senator to say that the price of print paper had not made much of an increase as compared with the prices of other articles. Did I understand the Senator correctly?

Mr. CLAPP. You did, sir.

Mr. BROWN. I call the Senator's attention to that part of the Mann report, on page 1974, in which the committee has this finding:

> The advance in the price made by the International Paper Company on new contracts was close to 50 cents per hundred pounds, or $10 per ton.

That was in 1907. Does the Senator conclude that the increase of price on a product from $40 to $50 a ton is not a substantial increase?

Mr. CLAPP. That depends on the basis of the increase.

Mr. ALDRICH. I wish the Senator from Nebraska would tell us what is the present price.

Mr. BROWN. The price is not quite so high now. They are undertaking to chloroform Congress now by putting the price down; that is all.

Mr. GALLINGER. If the Senator from Minnesota will permit me, I should like to ask the Senator from Nebraska if the International Paper Company sold a pound of paper at the rate of $50 a ton?

Mr. BROWN. Here are the figures of the committee that you rely upon now.

Mr. GALLINGER. The committee do not say that they sold paper at that price.

Mr. ALDRICH. The International Paper Company never sold paper at $50 a ton, nor any other company.

Mr. BROWN. They threatened to sell it at $60 a ton, and refused to sell it at $50.

Mr. GALLINGER. They sold it in 1907 cheaper than any year since 1899 with one exception.

Mr. BROWN. "The advance in price made by the International Paper Company on new contracts was close to 50 cents per hundred pounds, or $10 per ton." That is the finding of the committee. Does the Senator from New Hampshire dispute that?

Mr. GALLINGER. I dispute the fact that the International Paper Company ever sold paper at $50 a ton, or any price approaching it; I do not care what the report says.

Mr. BROWN. I should like to inquire where the Senator gets his information.

Mr. GALLINGER. I get the information from sources absolutely reliable.

Mr. BROWN. Name one source.

Mr. GALLINGER. The books of the International Paper Company.

Mr. BROWN. At what mills?

Mr. GALLINGER. At all their mills.

Mr. BROWN. The books of the International Paper Company, or their itemized statement, are in the report of this committee.

Mr. GALLINGER. Does it show that they sold paper at $50 a ton?

Mr. BROWN. It shows this report to be true.

Mr. GALLINGER. Does it show that they ever sold paper at $50 or $45 a ton? There is nothing of the kind.

Mr. BROWN. Here is the judgment of the committee which says they did it, and in the 3,500 pages of testimony the books are copied item by item.

Mr. GALLINGER. I thought the Senator said yesterday they would not exhibit their books.

Mr. BROWN. That shows a misunderstanding. I said that the great mills of the State of New Hampshire and the great mills of the State of Maine were the only mills that refused to show their books. The International Company did. This report goes on to say that the independent mills followed the rise in price made by the International Paper Company.

Mr. CLAPP. Now, Mr. President, as we get further into the analysis of the matter we find, within the first broad basis which I have taken, points where we may get fairly definite information, and, again, others where we may get information

that is not definite. So far as the cost of print paper is concerned, I shall not cite that, because I question, perhaps, the absolute accuracy of such figures with reference to any article. But prices of the commodity which goes into paper and of paper itself are reasonably certain and safe to rely upon.

Taking that as a basis, we find that pulp, which in 1902 cost $6.33, in 1907 cost $9.66, and that paper which sold in 1902 for $1.92, with some variation in price in the interval, in 1907 sold for $1.96; and I undertake to say that, measuring the price of paper by the cost of the wood, which was on the free list, the advance in paper has not been particularly marked or unreasonable. I submit that statement for insertion in the RECORD.

The VICE-PRESIDENT. Without objection, the statement will be printed in the RECORD.

The statement referred to is as follows:

Summarized from Mann committee testimony.

[Items stated in dollars and cents per 100 pounds.]

	1902.	1903.	1904.	1905.	1906.	1907.
Cost of manufacturing paper	1.49	1.53	1.57	1.59	1.66	1.84
Selling price of paper at mill	1.92	2.01	2.01	1.87	1.75	1.96
Cost of manufacturing ground wood	.60	.66	.66	.68	.77	.87
Cost of pulp wood per cord	6.33	6.27	7.36	7.58	7.66	9.66

Mr. CLAPP. The same fact appears in another form, and that is upon the percentage basis. Taking 100 per cent as the basis for 1902, we find that the selling price in 1907, although there had been variations in the meantime up and down, is 102.08 per cent; we find that the cost of pulp wood, figuring on a basis of 100 per cent in 1902, has advanced to 152.61 per cent in 1907. I ask permission to insert the statement in the RECORD.

The VICE-PRESIDENT. Without objection, permission to do so is granted.

The statement referred to is as follows:

Summarized from Mann committee testimony.

[Items stated in percentage, the year 1902 being the base.]

	1902.	1903.	1904.	1905.	1906.	1907.
Cost of manufacturing paper	100	102.68	105.38	106.71	111.41	123.35
Selling price of paper at mill	100	104.68	104.68	97.40	91.15	102.08
Cost of manufacturing ground wood	100	109.68	105.38	106.71	111.41	123.35
Cost of pulp wood per cord	100	99.05	116.27	119.75	121.01	152.61

Mr. SUTHERLAND. Mr. President, I want to see if I understand the Senator from Minnesota.

The VICE-PRESIDENT. Does the Senator from Minnesota yield to the Senator from Utah?

Mr. CLAPP. With pleasure.

Mr. SUTHERLAND. Do I understand that while the price of wood pulp mentioned by the Senator has advanced in the neighborhood of——

Mr. CLAPP. Pulp wood is on the free list.

Mr. SUTHERLAND. Has advanced in the neighborhood of $3 per ton, the paper itself has only advanced about 4 cents per pound?

Mr. CLAPP. Three dollars a cord.

Mr. ALDRICH. The increase has been four dollars and a half a ton, estimating a cord and a half of wood to make a ton of paper.

Mr. SUTHERLAND. But paper itself has only advanced about 4 cents a pound.

Mr. CLAPP. About 4 cents a hundred pounds.

Mr. BROWN. Does the Senator from Minnesota contend that the price of spruce wood by the cord has increased in price $3 per cord?

Mr. CLAPP. Yes; since 1902.

Mr. BROWN. I call the Senator's attention to the supplemental report of the Census Bureau of the Department of Commerce and Labor, which was issued May 15, 1909, in which is given the price of spruce, domestic and imported. In 1907 the price in this country was $8.21 and $8.05 for domestic spruce.

Mr. ALDRICH. What is the paper from which the Senator from Nebraska is reading?

Mr. BROWN. I am reading from a report of the Department of Commerce and Labor.

Mr. ALDRICH. I asked the Census Bureau several weeks ago if they had ever made an investigation of this kind, and they said they had not. They said that one of their assistants had helped the American Publishers' Association, or somebody else, and the Mann committee, perhaps, in getting up some tables for submission; but that the bureau itself had not made any investigation upon the subject.

Mr. BROWN. I hope the authenticity of this will not be questioned. I got this from the document room of the Senate. I sent for Bulletin No. 80 of the Census on Manufactures of Paper and Wood Pulp. I have copies of it. Here is one. I supposed it was made up in the department. I may be mistaken, though I do not think I am.

Mr. ALDRICH. The Senator from Nebraska must realize that the only investigation made by the department was made in 1905, and these statements——

Mr. BEVERIDGE. This is in 1907.

Mr. ALDRICH. It was printed in 1907, but the investigation was made in 1905, and these statements are not from the bureau at all.

Mr. BROWN. That is a very serious statement. I undertake to say that these are from the department. I shall send a page up and find out. I talked with them over the telephone in order to ascertain whether it was really true. It was first published in a paper last Monday. This is an advance copy of the investigation which they are making.

Mr. ALDRICH. I asked the Director of the Census if his bureau had made an investigation as to the cost of the production of wood pulp and paper in the United States, and he said they had not; but I was informed that one of the men in their employment—one of the experts of the department—had compiled some tables for the Mann committee, or for somebody else, and that the bureau had no responsibility for the inquiry or for its results. I think the Senator will find that this is true; but that has nothing to do with this subject, and is not important, perhaps.

Mr. BROWN. It is quite important. If the statement of the Senator from Minnesota [Mr. CLAPP] is true, it is most important, because I do not want to fix any duty here or to take any away if there has been such an increase as $3 recently in the price of American wood.

There has been an increase of two dollars and a half and a little more—$2.57—in imported spruce in the last three years; but domestic spruce has increased less than a dollar, and in the last year 16 cents is the increase on domestic spruce.

Mr. CLAPP. The table which I have submitted shows that during this series of years the increase in the price of wood which comes in free has been out of all proportion to the increase in the price of paper, which has been protected.

Mr. GALLINGER. And, Mr. President——

Mr. CLAPP. This is the first point I make.

The VICE-PRESIDENT. Does the Senator from Minnesota yield to the Senator from New Hampshire?

Mr. CLAPP. I do.

Mr. GALLINGER. I will say to the Senator from Minnesota that, from some investigations I made, which I think are reasonably accurate, the Senator's suggestion that the price of wood has increased $3 a ton is below rather than above the actual figures.

Mr. CLAPP. I think so; but I wanted to be within a safe limit. The statement was taken from these various documents which I have examined.

Mr. President, the next test of whether the tariff is too high is to be found, in my judgment, in the question of how far that tariff enables a man within the tariff wall to dump goods at a less cost upon foreign countries than he sells them for in his own market. Measured by that test, we find that the present law has not unduly accentuated or developed the making of paper in this country and the sale of it in foreign countries at less than in our home market.

In 1890, in free-trade Great Britain, paper was selling at $77.72 per ton. In that same year it was selling in France at $77.95, in Germany at $64.68, and in this country at $68. These figures are taken from these investigations.

For 1908 the price in free-trade England had fallen to $44.20, in France to $55.86, in Germany to $46.35, and in this country the very highest price was $44.41. I shall not read the figures for the intermediate years, but I ask permission to have the table inserted in the RECORD.

The VICE-PRESIDENT. Without objection, permission is granted.

The table referred to is as follows:

Average price at which paper is sold to consumers in the important countries in the world from 1890 to 1909.

	Great Britain, free trade.	France, duty $22.80 per ton.	Germany, $12.80.	United States, $6.
1890	$77.72	$77.95	$64.68	$68.00
1895	56.52	55.29	49.58	45.00
1900	48.06	58.46	56.05	43.64
1905	42.92	54.12	47.44	42.75
1908	44.20	55.86	46.35	44.41

The United States produces over 40 per cent of the news production of the world.

Mr. CLAPP. The next consideration in testing the question of whether a tariff has gone beyond fair protection to the American public is in the relation of that tariff to American production, to tariff conditions and productions of other countries. Measured by that test, it is seen that this tariff has not been unduly high. The United States could only export, under all economic conditions last year, 40,000 tons of paper; but Canada was able to export 70,000 tons. There is a fact that means more than all the tables that statisticians could ever contribute to the compilation of—a fact that shows that we can not successfully meet the foreign market in competition with the Canadian market. I ask that that table also be inserted in the RECORD.

The VICE-PRESIDENT. Without objection, permission is granted.

The table referred to is as follows:

News print paper industry.

Capital invested in news print paper industry in United States, approximately	$130,000,000
Of the above the permanent investment in mills and plants is	100,000,000
Value of production per annum	50,000,000

This industry employs in mills and in providing raw material for same, 250,000 men.

Average delivered prices in 1880, $140 per ton; 1890, $68 per ton; 1900, $43.60 per ton; 1907, $42.88 per ton; 1908, $44.41 per ton.

Prices in news print paper have not advanced, while labor and all other commodities have.

NEWS PAPER EXPORTED.

From United States, tons per year (4 per cent of production)	40,000
From Canada, tons per year	70,000
From Norway and Sweden, tons per year	100,000
From other foreign countries, tons per year	200,000
Total	[a] 410,000

PRODUCTION.

United States, tons per year	1,200,000
Foreign countries, tons per year	1,200,000

Canada, Norway, and Sweden have extensive timber limits and cheap powers and manufacture news at a lower cost than other countries.

COST OF WOOD.

United States, per rough cord	$10.00
Canada, per rough cord	6.00
Norway and Sweden, per rough cord	6.50
United States, per ton of paper	15.00
Canada, per ton of paper	9.00
Norway and Sweden, per ton of paper	9.75

It requires 1½ cords of wood to make 1 ton of news paper.

LABOR COST PER TON OF PAPER.

United States	$8.00
Canada	6.00
Norway and Sweden	4.00

AVERAGE FREIGHT TO LARGEST MARKETS IN UNITED STATES.

From United States mills	3.20
From Canada	3.70
From Norway and Sweden	4.00

Advantage.	mills. Canadian	Norway Sweden and mills.
Wood	$6.00	$5.25
Labor	2.00	4.00
Total	8.00	9.25
Less freight	.50	.80
Total	7.50	8.45

With present tariff of $6 per ton, Canadian mills will have an advantage of $1.50 per ton, and Norway and Sweden $2.45 per ton. Tariff on news print paper into Canada is 12½ per cent, or approximately $5.50 per ton.

Capital invested in entire paper industry, including all kinds of paper, is	$350,000,000
Number of mills	770
Value of product per annum	$250,000,000
Number of employees in all departments approximately	500,000

Mr. BRISTOW. Mr. President——

The VICE-PRESIDENT. Does the Senator from Minnesota yield to the Senator from Kansas?

Mr. CLAPP. With pleasure.

Mr. BRISTOW. I should like to inquire what, in the Senator's judgment, is the reason that we did not export more paper?

Mr. CLAPP. Evidently because it was not a sufficiently inviting field to American capital and American industry.

Mr. BRISTOW. But why was it not? What was the reason that prevented capital from going into that industry? Does not the Senator know that it is because the spruce wood from which this paper is made is becoming scarce and hard to get, and that our own mills are buying it from Canada? That is the main reason they are offering for this. The claim will then be that next year there will not be so much, and that finally we shall have to import, and shall not export any because we will have nothing to make it from.

[a] Equals one-third consumption of United States.

Mr. CLAPP. That was the next point that I intended to reach—the cost of production. While I have often said, and I say again, that, while I attach little importance to detail figures trying to show just what it costs to produce a thing in a mill or factory, yet the broad determination is made upon prices; and when we compare the price of Canadian pulp wood with American pulp wood we find there a reason why the American manufacturer should receive this protection in addition to the difference in the cost of labor itself. Measured by that test—I will not weary the Senate with a recital of all the figures—the figures show conclusively that year after year the cost of wood in this country has been more than the cost of wood in Canada. I ask permission to submit that and have it inserted in the RECORD.

The VICE-PRESIDENT. Without objection, permission is granted.

The matter referred to is as follows:

First. Figures given in testimony of the Pulp and Paper Investigation Hearings, as price per cord of peeled wood, f. o. b. cars at Grand Trunk points, Canada.

Second. Average cost per cord at 28 mills of the International Paper Company for wood in the rough.

Third. Average cost at same mills for prepared wood.

Fourth. Average delivered price for news print paper for certain dates (pages 3288 and 3290 of Hearings).

Year.	First.	Second.	Third.	Fourth.
	Per cord.	*Per cord.*	*Per cord.*	*Per ton.*
1880	[a]	[a]	[a]	$140.00
1890		[b] $2.75	[b] $4.75	68.00
1895	$3.25			
1897				
1898		5.46	7.53	
1899		5.41	7.47	
1900	3.75	5.83	8.06	43.60
1901	4.00	6.33	8.66	
1902	4.75	6.58	8.96	
1903	5.30	6.76	9.19	
1904	5.35	7.32	9.98	
1905	6.00	7.71	10.40	
1906	6.00	7.92	10.76	
1907	6.25	8.30	11.42	42.88
1908	6.00	9.87	13.46	44.41
January, 1909		10.42	14.00	
February, 1909		10.37	13.88	

[a] Wood pulp in its infancy.

[b] Price paid at various mills before organization of the International Paper Company.

As to your questions regarding quantity and relative prices of paper exported by our mills, I would respectfully refer you to pages 1155, 1156, 1157, and 1168 of the Pulp and Paper Investigation Hearings. The International Paper Company is practically the only exporter.

This testimony shows:

Year.	Amount exported.	Price at mill exported paper.	Price at mill paper sold in United States.	Difference per ton.
	Tons.			
1900	26,365	$38.02	$35.54	+$2.48
1901	22,261	38.78	36.28	+ 2.50
1902	19,150	36.82	35.80	+ 1.02
1903	23,552	36.48	37.70	− 1.22
1904	34,929	37.76	37.80	− .04
1905	36,198	38.48	36.94	+ 1.54
1906	44,797	37.76	35.52	+ 2.34
1907	18,167	37.04	36.64	+ .40

The reasons for the decrease in 1902 and 1907 are also given in the testimony.

Yours, truly,

KARL MATHIE,
Manager Watab Pulp and Paper Company.

SARTELL, Minn.

Number of tons of No. 2 news print paper made daily, 3,800.
Number of tons of No. 1 news print paper made daily, 200.

Mr. BROWN. Mr. President——

The VICE-PRESIDENT. Does the Senator from Minnesota yield to the Senator from Nebraska?

Mr. CLAPP. With pleasure.

Mr. BROWN. I should like to ask the Senator if he knows what the price of spruce wood per cord is in his State?

Mr. CLAPP. Mr. President, I do not exactly; the figures are the averages taken from the documents. I am not standing here alone for any industry limited to the State of Minnesota.

Mr. BROWN. It would be no discredit if the Senator were. I was trying to find out, in order to get the cost of production, the price of this wood; what it is worth in his State.

Mr. CLAPP. I can not give the Senator the figures. These figures have simply been taken on the average of the testimony given before the committee and before the commission.

Mr. BROWN. Will the Senator allow me briefly to call his attention to some figures?

Mr. CLAPP. With pleasure.

Mr. BROWN. I call his attention to a prospectus issued by the Minnesota and Ontario Power Company, which is a corporation in the Senator's own State, which has organized and built a mill at International Falls, and has its stocks and its bonds on the market. This witness, from my friend's own State, says that they propose to make print paper out of wood that will cost less than $6.50 a cord. They go on further to state that the total cost of producion of a ton of paper in the State of Minnesota at their own mill will only aggregate $23 per ton.

Mr. CLAPP. Mr. President, the prospectus of a party of gentlemen who seek to exploit an enterprise and desire to attract capital has no force, to my mind, against the figures that show the importations one way and the exportations the other. That is what tells the story as to which country can make paper the cheaper.

Mr. BROWN. The thing that tells the story, if the Senator will permit me, is the fact whether they are making print paper and what it costs to make it. This company certifies here that they are under contract to furnish a large amount of paper based upon that cost of production.

Mr. CLAPP. Mr. President, if the American manufacturer can furnish paper cheaper than the Canadian manufacturer, I should like to know how it happens that the American manufacturer, with his usual activity and desire for commercial conquest, would permit the imports of printing paper to run from nothing in 1899 to 42,000,000 tons in 1909.

Mr. BROWN. Mr. President, I know the Senator does not want to be mistaken. He said "42,000,000 tons."

Mr. CLAPP. If I said "tons," it was a mistake. It should be 42,000,000 pounds.

Mr. BROWN. What is 42,000,000 pounds when the country is consuming 1,200,000 tons?

Mr. CLAPP. Forty-two million pounds is precisely forty-two million times one pound.

Mr. BROWN. The Senator is correct in his mathematics.

Mr. CLAPP. The argument holds that if the importation was practically nothing in 1899 and rose to 42,000,000 pounds in 1909, American manufacturers have been unable to stay that importation, while during the same time the export of the American manufactured article has only been a slight fraction over 3 per cent.

Mr. ALDRICH. Mr. President——

The VICE-PRESIDENT. Does the Senator from Minnesota yield to the Senator from Rhode Island?

Mr. CLAPP. Certainly.

Mr. ALDRICH. The prospectus which the Senator read from is a prospectus of an international paper company, whose mill, I think, is on the Rainy River in Canada. The Senator from Minnesota should introduce an amendment to this bill to allow its product to come in free, as it is on the boundary line between the two countries.

Mr. BROWN. A great many of our mills are on the boundary line. This company owns mills on both sides; but the securities referred to are for the mill on this side. The cost of production is for print paper on this side, and not on the other.

Mr. ALDRICH. I do not know how the Senator knows that from the prospectus. I could not tell that by examining it.

Mr. CLAPP. It does seem to me, with all deference to my friend from Nebraska, that a prospectus put out to float bonds and securities would be a poor basis upon which Congress should deal with industries involving the wages, the living, the happiness, and the security of people who are engaged in other mills in this industry from one end of the country to the other.

Mr. BROWN. That is undoubtedly true, but the source from which this prospectus comes is to be considered. It comes from Minnesota. They certainly are not trying to "gold brick" the people up in Minnesota. This is from one of the Senator's constituents, and I am using him as a witness against the Senator's argument.

Mr. CLAPP. And this was sent down to Wall street. It was not to "gold brick" Minnesota, but to "gold brick" Wall street if anyone. [Laughter.]

Mr. TILLMAN. Mr. President——

The VICE-PRESIDENT. Does the Senator from Minnesota yield to the Senator from South Carolina?

Mr. CLAPP. Certainly.

Mr. TILLMAN. Does the Senator say that some speculators in Minnesota are supposing that they can "get even" with Wall street?

Mr. CLAPP. Well, Minnesota has sent one man to Wall street, and Wall street has not succeeded in getting the better of him yet. [Laughter.]

Mr. TILLMAN. That is not the point. I am talking about the people in Minnesota. Are some of the innocents up there thinking they can go into Wall street and cheat it and get even with it?

Mr. CLAPP. Minnesota has been built up largely because Minneapolis men and St. Paul men were able to secure capital in the East.

Mr. TILLMAN. I merely wanted to know whether the Senator supposed he had anybody in Minnesota who could gamble with those fellows over there and get out.

Mr. CLAPP. So far as the Minnesotans are concerned, those who have gone to Wall street, they have successfully maintained themselves so far.

Mr. TILLMAN. I do not doubt that the Minnesota gamblers will compare with the Wall street gamblers; but I am just speaking about the lambs from Minnesota who go to Wall street.

Mr. CLAPP. Now, Mr. President, taking these broad principles, the increase in the price of raw material that goes into this product, the importation from Canada, the fact that this industry has never been able to dump its goods in any foreign market at a less price than at home, all have satisfied me that this duty has not worked injuriously to the American people in the protection which it has accorded to this particular industry.

Last fall I heard a great deal about the advance in the price of paper. During the campaign I asked a great many men in our State who are publishing newspapers about it. Their universal verdict was that there had been no startling increase in the price of paper, viewed in the light of the general uplift of prices in this country in the past few years. During the winter I wrote letters to a number of those publishers, and but one of them has complained of that increase.

Petitions have been presented here asking for the removal of this duty from the standpoint of labor. Mr. President, we also have petitions here from labor organization after labor organization asking that this duty be retained at the rate which it has been understood for some time would probably be the report of the committee. There are two sides to this labor question. There are thousands of people employed in these mills, and perhaps there is no other industry in this country that appeals to the poor in its neighborhood as do these mills. These mills, as a rule, are located on the frontier.

I know something of what the people on the frontier have to endure; and I have received letters from those people urging us to maintain a tariff that will insure the permanence of this industry, because the settler finds the mills will take wood which would otherwise be refuse on his land, and he gets a little return in clearing his land.

There is one other phase of this question—I had not intended to take so long; I had intended merely to put these concrete facts before the Senate—but there is another proposition, and that is the question of Canada.

I have believed for years, living in Minnesota and on the boundary between Canada and the United States, that the time will come when we can no longer maintain an artificial line where there is no great natural difference of climate, production, or race of people.

I am inclined to think that sooner or later we shall have to recognize that condition. It would be immaterial to me whether I voted to-day to put this duty at $4, believing that $4 is a necessary duty to-day, with the idea of changing that duty if we can so change our relations with Canada—as I hope and believe we shall be able to do—or leave it in the form in which the Senator from Wisconsin has placed it, so that automatically it will be reduced in 1912, unless within that time we find the attitude of the Canadian government and our own economic conditions will prevent our making that reduction.

So in the first instance I shall vote for the amendment of the Senator from Wisconsin; and having studied this question and established these concrete facts, which can not be disputed, I believe that $6 the present rate may well be reduced to $4, and in fixing it at $4 the committee has made a fair and material reduction upon this particular item; and so believing I for one am disposed to vote for $4, for this is a reduction of one-third from the Dingley rate and is along the line I have urged during this session, a reduction fair to all.

Mr. CLAY. Mr. President, I do not intend to occupy more than two or three minutes of the time of the Senate to explain my vote.

In my State a portion of my constituents are very much in favor of a duty of $5 instead of $4 on paper, and another por-

tion of my constituents are very much against it. I base my vote in this instance entirely upon the report of the special committee appointed by the Speaker of the House of Representatives to investigate this subject. That committee was in session for ten months. It made a most critical examination into the affairs of the different paper-mill companies throughout this country and in Canada, and, after that investigation, that committee reported to the House unanimously in favor of a duty of $2 per ton on this paper.

Mr. President, I do not desire to criticise the Finance Committee. I am fully aware of the fact that the Finance Committee has had before it a herculean task to look after the different items in this bill, and I deny that the Finance Committee has had the opportunity to give to this schedule the time that was given to it by the special committee of the House; and taking that report from beginning to end I am unable to reach any other conclusion than that $2 per ton is ample for the purpose of taking care of the interests of this country.

That report I have before me. The select committee caused investigations to be made in 15 eastern paper mills, 17 eastern ground-wood mills, 3 western paper mills, and several Canadian mills, covering a period of thirteen years; that is, from 1895 to 1907. The result of that investigation is stated by Mr. MANN, page 819, of CONGRESSIONAL RECORD, as follows:

The daily wage paid in the Canadian mills is about the same as in the American mills. Many of the skilled workmen in the paper mills of Canada are brought from the United States.

Now what does this committee say—the committee which investigated this question for ten long months? That in 15 eastern mills it cost for labor $8.52 per ton to make paper; in 3 western mills, $7.52 per ton; in the St. Regis mill, $6.89 per ton; the International Paper Company's mills, $8.33 per ton; the Booth mill, in Canada, $9.05 per ton.

If that committee found the truth, after a careful examination of their books, they found that the cost of making paper was greater in Canada than in the United States.

Mr. GALLINGER. I think the Senator has made a mistake in saying that that is the cost of making a ton of paper. He stated it inadvertently, of course, and I presume he does not want it to go into the RECORD. It is the cost of pulp.

Mr. CLAY. No; it is the cost of labor.

Mr. GALLINGER. I beg pardon.

Mr. CLAY. It is not the cost of the wood or the materials. I understand the average profit on a ton of paper is $8, and that is what the committee appointed by the House find. I did not intend to convey the impression that the wood and the labor cost the respective amounts that I have just set forth. The Senator is correct.

If the inquiry into the cost of labor in news print paper be approached from the basis of the living wage, we find that Canada is on the same level as the United States.

I am anxious to have a vote on this measure, and I do not desire to read this entire report, but I will ask that a part of the report I have marked be inserted in the RECORD without being read.

Mr. ALDRICH. What is the Senator reading from?

Mr. CLAY. I am reading, from a synopsis of the report, the evidence taken by the committee appointed by the House to make this investigation.

Mr. ALDRICH. No; I mean what paper is the Senator now reading from?

Mr. CLAY. I am reading from a letter addressed by Mr. Norris to the Finance Committee, and these facts are taken from the evidence furnished by that report, and I have compared these facts with that report, and I find it to be correct.

Then, Mr. President, if wages cost more in Canada than they do here, I am unable to understand why we ought to place a duty of more than $2 on print paper. I simply ask that these facts be inserted in the RECORD to justify my vote, and, as I am as anxious as is the chairman of the committee to get through with this schedule, I will close my remarks.

The VICE-PRESIDENT. Without objection, permission is granted.

The matter referred to is as follows:

Total labor cost from rough wood to paper.

[Page 652 of CONGRESSIONAL RECORD.]

	Per ton.
15 eastern mills	$8.52
3 western mills	7.52
18 United States mills	8.43
St. Regis mill	6.89
International Paper Company's mills	8.33
Booth mill (Canadian)	9.05

If the inquiry into the cost of labor in news print paper be approached from the basis of the living wage, we find that Canada is on the same level as the United States, as is shown by testimony of David S. Cowles (p. 908), George Chahoon, jr. (p. 805), Carl Riordan (p. 805), F. B. Lynch, of Minneapolis (p. 2400), and J. R. Booth (p. 3361).

Mr. J. T. Carey (p. 1376), president of the International Brotherhood of Paper Makers, testified that his union controlled 5 or 6 mills in Canada; that the wages in the Laurentide mill, the Belgo-Canadian mill, the Windsor Locks mill, were practically the same as in the United States.

The United States consul at Three Rivers said the wages were higher in Canada, because all the skilled labor came from the United States and inducements were offered those men to leave home and country.

Mr. Cowles had declared that the pay was, if anything, higher in Canada than in the United States, and that this applied to unskilled as well as to skilled labor. The figures which I attach in comparative tables of pay of positions give the relative pay for each position so far as received and establish absolutely and without qualification that the living wage in the Canadian mill is the same, if not more, than the average of all the American news print mills.

Mr. Carl Riordan, of Montreal (p. 806), summarized the entire situation in a dispatch submitted to the committee that common labor was paid an average of $1.75 in Michigan and New York, $1.50 in Maine, $2 in northern Ontario, $1.50 to $1.60 in southern Ontario, and $1.25 in Quebec and New Brunswick.

The amounts paid by various companies for labor on paper machines—that is, for machine tenders, back tender, third hand and fourth hand—may be stated as follows:

	Hourly rate.				Total per hour.
	Machine tender.	Back tender.	Third hand.	Fourth hand.	
Berlin	$0.50	$0.37½	$0.25	$0.22½	$1.35½
St. Regis	.47	.32	.24	.20	1.24
Laurentide (Canadian)	.48	.31	.22	.19	1.21
Canada Paper Co. (Canadian)	.50	.31	.21	.15	1.18
Cliff	.41	.29	.25	.19	1.15
International	.42	.26	.21	.21	1.10
Booth (Canadian)	.35	.25	.17½	.14	.92½
Everett	.37	.21	.16	.16	.90
Cloquet	.32	.23	.18	.16	.89
Consolidated	.33½	.22	.16	.13½	.85½
Flambeau	.32	.20	.16	.15	.83
Wisconsin	.32	.21	.15	.11	.79
Gould	.27	.16	.13	.12	.68
Gilbert	.27	.15	.12	.12	.66

Comparisons of pay of positions.

Page.	Hours.	Mill.	Machine tenders.	Back tenders.	Third hand.	Fourth hand.	Beater engineer.	Beaters.	Grinders.	Finishers.	Screen men.	Laborers.	Firemen.
807	12	Bureau of Labor (p. 807), 1906	$2.88	$2.06				$2.07	$1.77	$1.78		$1.56	
	8	International (average)	3.16	2.08	$1.70	$1.68	$2.30	1.68	1.65	1.75	$1.65	1.65	$2.60
1592	8	Cliff	3.92	2.34	1.82	1.50	2.31	1.82	1.82	2.00	1.82	1.50	2.25
1091	12	Gould	3.25	2.00	1.50		1.87½	1.50		2.00	1.50	1.80	1.75 2.00
1410	12	Gilbert	3.40	1.87	1.50		2.62	1.80		1.62		1.80	2.57
			3.15	1.77	1.37								
937	8	St. Regis	4.00	2.75	2.00		3.00	1.50	1.50				1.65
			3.75	2.50	1.90	1.65							
	8	Pejepscot	3.50										
			4.00										
1093	12	John Edwards	3.50										
1676	12	Cloquet	3.75	2.40			2.75	1.80	1.80			1.70	2.25
1784	12	Flambeau	3.85	2.76	2.16	1.92	2.76	1.92	1.92				2.04
1712	12	Consolidated	3.84	2.40	1.92	1.80	2.76	1.92	1.85	1.75	1.60	1.75	1.92
1871	12	Niagara (Wisconsin)	4.00	2.64			3.00	1.92	2.00	2.00			1.75
1861	12	Wisconsin Paper and Pulp Co	4.35	2.50	1.92	1.65	3.09	1.80	1.80			1.65	
1860	12	Everett	3.84	2.52	1.80	1.35	2.76	1.80	1.80	1.75			1.92
			4.45	2.50	2.00		3.00	2.25		2.50		2.25	2.35
805	8	Laurentide	4.00	2.50	1.80	1.50							
			3.75										
	8	Canada Paper Co	4.00	2.50	1.75	1.25							
883	12	Booth	4.25	3.00	2.00	1.75	3.00	1.75	1.70–2.50	1.50–1.75			1.75
1100	8	Berlin mills	4.00	3.00	2.00	1.80	3.50	2.00	1.80	1.64	1.80	1.52	1.85

In preparing this formulation I have restricted my statement to cost of production, as you indicated. I have therefore omitted other matters which I believe are pertinent, such as:

The combinations of paper makers.

The unjustifiable advance in 1907 of $10 per ton in the price of print paper.

The merger into the International Paper Company and excessive capitalization of mills that were fit only for the scrap heap.

The oppressions upon publishers.

Thanking you for this opportunity to submit these figures relating to cost of production, I am,

Yours, truly,

JOHN NORRIS,
Chairman of Committee on Paper,
American Newspaper Publishers' Association.

Mr. ALDRICH. Mr. President, the amendment of the committee involves questions of national and international importance which ought to have serious consideration on the part of Senators. Since the Mann report was made and since this bill passed the House of Representatives the Canadian government has officially announced its purpose to transfer the pulp and paper industry from the United States to Canada. That purpose has been understood in Canada for some time, but it has never until recently been officially announced.

The Province of Ontario some time ago inserted provisions in the crown leases which made impossible the exportation of logs and of pulp wood from that country. Now, the premier of the Province of Quebec has announced in a public statement that the same policy is to be adopted in that Province. It is stated unofficially that the premier of the Province approves this policy.

Now, what is this policy? It is to prevent and forbid the exportation from Canada of logs and pulp wood. Canada is going back to the middle ages and adopting the policy which was adopted in England two or three hundred years ago, of forbidding the exportation of machinery and of forbidding the exportation of gold and silver. The only theories of the past are revived and reenacted in the Dominion of Canada at this moment for the deliberate and avowed purpose of transferring the entire industry of making pulp and paper from the United States to Canada, and we are asked in the Senate of the United States to put those products upon our free list or to substantially reduce the duty for the purpose of assisting the Dominion of Canada in this work of destruction.

I think it is time that the American Senate should stop to consider this question from that standpoint as well as from another, to which I will call the attention of the Senate later.

Now, what is the purpose? The purpose of these gentlemen can be carried out, perhaps, if we give them ingress into the markets of the United States, which is the great paper market of the world. This announced purpose of the Canadian Government was not known at the time that the Mann committee were considering this question and when they made their report. It was not known when the House of Representatives passed this bill, and is it the desire of the American Congress and the American people to facilitate this work of destruction, to tear down the walls which protect the American market? Then we should adopt the progressive amendments which have been suggested by the Senator from Nebraska and the Senator from Missouri and the Senator from Wisconsin and remove the obstacles, so as to enable Canada to carry out this new policy of hers.

Mr. BROWN. Mr. President——

The VICE-PRESIDENT. Does the Senator from Rhode Island yield to the Senator from Nebraska?

Mr. ALDRICH. I do.

Mr. BROWN. Does the Senator refer to the address of the premier which I read yesterday morning?

Mr. ALDRICH. I am not sure about the Senator reading it. I am referring to the address of the premier of the Province of Quebec, in which he says they proposed to adopt the policy of forbidding the exportation of logs and pulp wood from the Province of Quebec.

Mr. BROWN. That is it.

Mr. ALDRICH. That is the question. I do not care——

Mr. BROWN. I understand. I want to get at your remedy. It is not desired by us to have exportation prohibited?

Mr. ALDRICH. I am going to make some remarks on that subject later.

Mr. BROWN. Can I not ask just one question now?

Mr. ALDRICH. Of course you can.

Mr. BROWN. It is not a result we want—to have exportation of spruce from Canada prohibited?

Mr. ALDRICH. In its results it is a thing we do not want at all.

Mr. BROWN. That is what I say. We do not want it.

Mr. ALDRICH. No.

Mr. BROWN. Then, so that Canada may not impose that prohibitory law, you favor putting a high duty on her products, to keep all the rest of the products out?

Mr. ALDRICH. What does the Senator——

Mr. BROWN. You are following the policy of the premier. You would make importations from Canada to this country of the raw material we must have more difficult. I ask that of the Senator from Rhode Island. We must have it for our mills.

Mr. ALDRICH. That is hardly a question now. I will take it up later. We are on the other side of this line.

Of course we would regret seeing Canada put an export duty upon logs or forbid their exportation. That goes without saying, I think; but if she threatens us in that direction, what shall we do? Shall we tear down the walls and give them our markets, she retaining her pulp wood and pulp in Canada?

What is the duty of the American Congress in this emergency, because it is an emergency. Canada has an unlimited amount, as the Senator says, and we all agree——

Mr. BROWN. Mr. President——

Mr. ALDRICH. Wait a moment.

Mr. BROWN. Let me ask the Senator——

Mr. ALDRICH. Not just now.

Mr. BROWN. A little one.

Mr. ALDRICH. Not just now.

The VICE-PRESIDENT. The Senator from Rhode Island says "Not just now."

Mr. ALDRICH. The Dominion of Canada has an unlimited amount of wood; she has water power; she has everything else that America has; she intends deliberately to produce wood pulp and paper in her Dominion; and in order to do that, she is throwing a line of prohibition around the United States. What ought we to do under those circumstances? That is the question. What is our duty? Is it the purpose of the Senator from Nebraska and the Senators who are associated with him in this matter to remove the duties entirely for the purpose of giving this market to Canada and to aid them in carrying out this purpose? It ought to be our purpose to put such restrictions upon our markets, to put such conditions upon the entering into our markets, as will make it impossible, so far as the action of the United States is concerned, to carry out successfully this new policy of the Canadian government. That is my notion about it. I would——

Mr. BROWN. Mr. President——

Mr. ALDRICH. I would provide for the imposition of such duties as would make it impossible for those people to come here and take possession of our markets in competition with our own paper men.

Mr. BROWN. How would the duty of $4 a ton on print paper stop the hand of the Canadian government from passing a law prohibiting exportations?

Mr. ALDRICH. It might not stop the hand of the government.

Mr. BROWN. How would it tend to stop it?

Mr. ALDRICH. I will explain that to the Senator if he would like. I will show exactly how it would stop it. We have in the United States invested in paper making $250,000,000.

Mr. FRYE. Three hundred and fifty million dollars.

Mr. ALDRICH. Three hundred and fifty million dollars. I will accept the suggestion. We have $300,000,000. We have an amount of timber which will last this country for a hundred years at least; I think, myself, a great deal more than that. I think, as I stated the other day, with the processes of reforestization that are now going on in this country and with the immense amount of wood which is now in existence in every Southern State and in every Western State and in every Northwestern State, we have wood enough in this coutnry to-day to go on indefinitely in the manufacture of paper.

What do we need to carry on that manufacture successfully? Do we need to tear down the barriers which have existed, when under a rate of $6 a ton the importations have been increasing in the last few years very rapidly; or do we need to put such restrictions as we propose in this bill upon articles imported under these conditions from Canada as will prevent the successful carrying out of this plan?

Mr. TILLMAN and Mr. BROWN addressed the Chair.

Mr. ALDRICH. I yield to the Senator from South Carolnia.

Mr. TILLMAN. I want——

Mr. BROWN. He wants to speak. I want to ask a question.

Mr. TILLMAN. I wish to ask the Senator from Rhode Island if his information is the same as that of the Senator from Nebraska, that spruce wood alone can be used for the production of print paper?

Mr. ALDRICH. It is not.

Mr. TILLMAN. I could not see how it was possible, but that was the information I got; and I want to say to the Senator from Rhode Island, while I am on my feet, that he is entirely right in saying there is enough timber in the South and enough

that is coming and will keep on coming as long as it continues to rain to make paper pulp for a million years.

Mr. ALDRICH. It is made of poplar, white birch, spruce, hemlock, and a dozen different varieties which are found in this country and in every part of the country from Maine to Texas, and there is no possibility of there being such a shortage of wood in this country as will prevent our mills from making indefinitely all the print paper that can be used.

Mr. BROWN and Mr. BRISTOW addressed the Chair.

The VICE-PRESIDENT. Does the Senator from Rhode Island yield, and to whom? Two Senators have addressed the Chair.

Mr. ALDRICH. I will yield first to the Senator from Nebraska, for a question only.

Mr. BROWN. If it be true that we have wood in this country to run our mills indefinitely, why have these companies bought 12,000 square miles of spruce in Canada?

Mr. ALDRICH. Because they could buy it cheaper there than they could in the United States. That is the reason.

Mr. BROWN. When they owned in this country 8,000 square miles?

Mr. ALDRICH. That may be.

Mr. BROWN. If they have a supply at home, why did they go across the line and buy more land?

Mr. ALDRICH. If they could buy woodland in Canada cheaper than in the United States, they would undoubtedly buy it.

That is a business proposition to which everybody will assent, I think. It is an investment. They may be caught in this trap which is being set for them by the Canadian government and not be able to get the timber out. What the Canadian government is trying to do is to force these people to come there and build paper and pulp mills. That is the purpose of the scheme, undoubtedly.

Now I yield to the Senator from Kansas.

Mr. BRISTOW. I want to ask the Senator from Rhode Island if he means to say that print paper used in the publication of newspapers is made from poplar and birch?

Mr. ALDRICH. I do; and hemlock and spruce and fir and a great variety of other trees—cottonwood.

Mr. BRISTOW. Mechanically ground?

Mr. ALDRICH. Yes; mechanically ground, of course—any kind of grinding. Has the Senator any other question?

Mr. BRISTOW. I want to say that the sulphite process makes these other timbers into paper, but that the Senator is entirely in error when he says that for print paper the pulp is made from anything except spruce, with a mixture of sulphite.

Mr. ALDRICH. Senators representing paper States are all around me, and I am willing to take their testimony as against that of the Senator from Kansas.

There is no question about the fact that print paper is being made to-day from at least 8 or 10 different woods, and those woods are found in every section of the country. There are mills engaged at this moment in making paper in Virginia, North Carolina, and in several other Southern States.

Mr. BROWN. Sulphite.

Mr. ALDRICH. What difference does it make whether it is sulphite or not?

Mr. BROWN. It makes a big difference.

Mr. ALDRICH. Why?

Mr. BROWN. Because it increases the cost.

Mr. ALDRICH. That is so much more the reason why we should have protection upon print paper—because it can be made in the Southern States by the sulphite process. Then we should give the mills in the Southern States protection against Canada, especially under existing conditions. Has the Senator anything more to say?

Mr. BROWN. Yes; I have.

Mr. ALDRICH. I hope the Senator will confine himself to questions.

Mr. BROWN. I want to say a word.

Mr. ALDRICH. Later on I will be glad to yield.

Mr. BROWN. Let me suggest to the Senator that this is the first time in all the discussion and consideration and study of this question that I have ever heard anybody contend that the sulphite mills were making print paper. It is the mechanical ground mills that use spruce and use it exclusively. You can make paper out of any wood on earth. I did not say you could not. But when it is made from any but spruce by the mechanical process it costs so much it can not be used for print paper.

Mr. ALDRICH. The Senator from Nebraska is a novice. He has just commenced the study of this question, evidently, if he thinks that print paper can not be made from pulp produced by the sulphite process. It is made every day, and a large part of the print paper that you are using in this country is so made.

Mr. BROWN. I should like to have mentioned one witness's name who will sustain that proposition—just one; just one news paper man to sustain that proposition; just one mill owner who will do it.

Mr. ALDRICH. I am not so well acquainted with news paper men as is the Senator from Nebraska.

Mr. BROWN. Then I am not the only novice there is in the house.

Mr. ALDRICH. No; but I do know that five years ago almost the entire print paper made in the United States was made by the sulphite process, and a large part of it is so made to-day. It may be made by these different processes, but what difference does it make what the process is? That is not the question I am discussing. I am discussing the question whether there is in the United States wood enough to supply the people of this country with print paper; and I say, without the slightest hesitation, that there is, scattered all over the United States. What is the duty——

Mr. BROWN. Mr. President——

Mr. ALDRICH. What is the duty of Congress under those conditions? Is it the duty of Congress to tear down these walls, as I have already stated, and reduce the duty on paper? My own judgment is we ought to put such restrictions upon the importations of paper from Canada and make the rate of duty so high that it would not be possible for the Dominion of Canada to carry out this new plan. But the amendment of the committee was not prepared for the purpose of prohibiting the importation of pulp wood or logs or paper from Canada into the United States.

When this bill came before the Committee on Finance, they determined if possible to find out what was the relative cost of its production in the United States and Canada, with a view of recommending the imposition of such a duty as would equalize the difference between the cost of production in Canada and the United States.

These new conditions to which I have alluded had not then arisen and do not form a part of the judgment that is incorporated in the amendment suggested by the committee.

Now, the committee asked the representatives of the Publishers' Association and the representatives of these paper companies to furnish us testimony as to the difference in the cost of production between the two countries. As I stated yesterday, the statements furnished by these gentlemen were conflicting in their character.

There was only one statement which was agreed by the representatives of both interests as a correct one. I do not mean to say that we based our judgment upon that statement. As I said yesterday, according to that statement the cost of producing paper was stated at $31.38 a ton in Canada. It included, however, $0.56 per ton as insurance and taxes, $1.31 for general expenses of the company in Brussels, Belgium——

Mr. BROWN. Mr. President——

Mr. ALDRICH. Now, wait a moment; and included $1.92 a ton for bonding, which has nothing to do, of course, with producing paper; thus reducing the mill cost of paper, from the logs to the paper—that is, the cost of conversion, and the cost of the logs—to $27.59 a ton.

Now, that was one statement. The committee had a great variety of other statements in Canada and the United States. The result of our investigations as to the cost of producing paper in the United States, investigations made of the books of the companies themselves, investigations covering a great variety of mills under a great variety of circumstances, led me to the conclusion, which I think is absolutely correct, that it would cost $31.50 a ton under the most favorable circumstances, and only taking into consideration the items which were taken in this Belgo-Canadian statement to produce that paper in the United States. That is the very lowest price in the very best mills in the United States.

Beyond that the committee were satisfied from a very exhaustive examination (the Senator from Utah [Mr. SMOOT] has the details and the figures, I will not take the time of the Senate to go into the matter) that the cost of wood between the United States and Canada is at least $4 a ton on the paper, which is the amount of the duty that we suggest should be paid in this case. The Mann committee found that there was a difference in the cost of labor and an average on material of $2 a ton, but we do not take that into consideration. We are certain from our investigation that the value of wood in the United States is at least $4 a ton more than it is in Canada. The estimates which are given to us by the paper makers is vastly in excess of that in some parts of the country. The Senator from Wisconsin [Mr. LA FOLLETTE] said a few minutes ago that the cost is very much greater in Wisconsin. The cost of producing paper in this country is very much greater, as is

shown by the sworn statement of the Audit Company, of New York, from $39.50 a ton in all the mills in Wisconsin as against $27.59 in Canada, in every case there being a difference of $10. Under other conditions the difference was less. The mills in Wisconsin are not as well located with reference to wood as some of the other mills. If the price of wood was precisely the same in Canada and the United States, then the difference in the cost of transportation would equal at least the amount of duty that we should get. In other words, taking the Canadian timber from the Canadian forests and transport it to the Canadian mills, in the average American mills it would cost at least $4 a ton more than it would to take those same logs from the Canadian forests to the Canadian mills.

I am not undertaking to go into details about this matter. I will not weary the Senate. I could go on indefinitely. The committee have affidavits and statements without number bearing upon this question. I am perfectly certain that no intelligent man could take this testimony and read it carefully, having in view the result which we are all anxious to accomplish—the finding out the approximate cost between the two countries—without being satisfied that $4 a ton is not sufficient to equalize the cost of production in this country and in Canada.

Mr. BEVERIDGE. May I ask the Senator a question? What testimony is it he refers to?

Mr. ALDRICH. The testimony and the statement made by the manufacturers of paper.

Mr. BEVERIDGE. Before the committee?

Mr. ALDRICH. Before the committee.

Mr. BEVERIDGE. Has it been laid before the Senate?

Mr. ALDRICH. It has not been laid before the Senate.

Mr. BEVERIDGE. Then it would not have been possible for any Senator to have read it.

Mr. ALDRICH. I am not suggesting that it would. I am stating upon what testimony the judgment of the committee was based. I say I can not go into the details of it. It would take a week probably for the Senator from Indiana to read it, if he did not do anything else.

Mr. BEVERIDGE. Has the Senator himself read it?

Mr. ALDRICH. I have.

Mr. BEVERIDGE. Then it did not take the Senator a week.

Mr. ALDRICH. It did not.

Mr. BEVERIDGE. He read it very rapidly?

Mr. ALDRICH. I did not read it so rapidly, but I read it in connection with other matters from time to time.

Mr. BEVERIDGE. Then it must have taken an entire week probably. I do not claim to understand with the same speed. So the Senator says upon this particular thing it has taken him a week to read it.

Mr. ALDRICH. I say the testimony is before the Committee on Finance, and it is open to the Senator from Indiana if he wants to read it, and it would take him a week to read it. There is enough testimony for that; and I hope the Senator will not interrupt me further.

Mr. BEVERIDGE. I am not going to interrupt the Senator except to say that the Senator has made somewhat of a reflection upon Senators for not having read this testimony which he says will prove so and so. I was curious to know where it was. The Senator says it is upon the files of the committee, and it has not been laid before any Senators so that they could read it to verify the conclusions of the committee.

Mr. ALDRICH. I said nothing about the testimony in the way of a reflection on anyone. That was said by the Senator from Indiana. I did not suggest that it was necessary for anybody to read the testimony. I stated that with this testimony before us our best judgment is, and it is the unanimous report of the committee, that the cost of producing paper in Canada is more than $4 a ton less than it is in the United States, and I say that no intelligent man can read this testimony and ascertain the facts without coming to that conclusion. I say that without reference to the international situation, which I think is a most serious one for the United States and a most serious one where the Dominion of Canada has, as I said, adopted the method of the middle ages.

Mr. GALLINGER. Has threatened to adopt it.

Mr. ALDRICH. They have announced, practically, that they are going to do it. One of the provinces has already adopted it, and I have not the slightest doubt but that the Province of Quebec will adopt this policy. When the Province of Quebec adopts the policy, that means practically the Dominion of Canada, because Ontario and Quebec cover the pulp-producing part of that country. So, if that happens in Canada, there will be an absolute prohibition upon importations to the United States of logs and pulp wood. If it is our purpose to quietly submit to that sort of thing and suggest to our neighbors across the lines that if all they have to do is to make a threat of this kind and the American Senate prostrates itself before them, then we will reduce this duty or repeal it. If we intend to protect this great industry in the United States, then we ought to strengthen the duty. We ought to put on the importation of pulp and pulp wood and paper in the United States such restrictions as will notify the Dominion of Canada that this is not entirely a one-sided proposition, that we have some interests to serve, and that we have some rights to maintain on this side of the line.

The Senator from Nebraska [Mr. BROWN] the other day said that only 180,000 men, or something like that, are employed in the pulp and paper mills of the United States. I do not remember the number he stated, but I think he said that more men than that are employed in the newspaper offices of the country. Does the Senator think that the employees of the newspaper offices of this country are to lose their occupation or have their wages reduced on account of a duty of $4 or a difference of $2 on print paper? Is it a matter of life and death——

Mr. BROWN. I should like to answer the Senator.

Mr. ALDRICH. Wait just a moment. Does the Senator think that the reduction of $2 from the Dingley rate and an increase of $2 above the House rate will operate to reduce the prices of the newspaper proprietors and publishers in the United States? Does he think that the circulation of the papers is to be reduced, that their advertising charges are to be reduced, or that the pay of their employees is to be reduced on account of this reduction? Certainly not. But if Canada succeeds in closing the paper mills of the United States, you put actually out of employment and banish from their homes the people who are engaged in the business in this country.

Mr. CUMMINS. Mr. President——

The VICE-PRESIDENT. Does the Senator from Rhode Island yield to the Senator from Iowa?

Mr. ALDRICH. Certainly.

Mr. CUMMINS. I take it the Senator from Rhode Island believes that Canada will shortly impose a heavy duty on pulp wood?

Mr. ALDRICH. No.

Mr. CUMMINS. An export duty?

Mr. ALDRICH. No; I think not. That is not the proposition. It is to forbid the exportation from Canada.

Mr. CUMMINS. If Canada forbids the exportation of pulp wood into the United States and the maximum and minimum feature of the bill, which is shortly to be considered, becomes a part of it, as I have no doubt the Senator from Rhode Island believes it will, and print paper is worth $40 a ton, there would then be an import duty upon it of $10 a ton; would there not?

Mr. ALDRICH. Mr. President, the committee have amendments to these pending paragraphs, 402 to 405, which have not as yet been read, making a direct application of the maximum and minimum provisions to pulp and pulp wood and paper. They will be taken up immediately after the pending paragraphs or these amendments are disposed of.

Mr. CUMMINS. In the midst of the discussion it seemed to me that the fear entertained by the Senator from Rhode Island was groundless, inasmuch as the conduct of Canada which he anticipates would be immediately followed by an import duty on print paper coming from Canada much larger than he himself or his committee proposes. I can not see, therefore, any reason for increasing the duty on print paper in order to anticipate the effect of this action upon the part of the Dominion of Canada.

Mr. ALDRICH. Of course, if you put pulp paper on the free list, then it would not be affected. If we reduce the duty to $2 a ton, then it would not be affected by the increase which is suggested.

Mr. CUMMINS. Mr. President——

Mr. ALDRICH. The Senator will pardon me. The committee suggests in connection with this duty provisions which, I think, will prevent the prohibition suggested by the Canadian government. But I will take up that matter later, when we reach those provisions of the bill. I prefer that course, if the Senator does not mind.

Mr. CUMMINS. I think the Senator from Rhode Island did not quite express himself accurately, because, no matter what the specific duty here imposed upon print paper may be, if you attach to the bill the provision that if any country, or the province of any country, shall discriminate against us so that our relations will be unfair, then the duty shall be 25 per cent, not of the duty here imposed, but 25 per cent ad valorem. That would give to our paper mills, it seems to me, absolute protection against the contingency which has been suggested by the Senator from Rhode Island.

Mr. ALDRICH. That would depend entirely upon whether the President of the United States thought the prohibition of

exportation was an undue discrimination against the United States. It will be very difficult, I think, for the President to say that a prohibition which was general in its terms, while it might be directed particularly toward the United States, is to be held to be an undue discrimination as against the United States, unless it was of such a character that it did not apply to any other nation.

Of course, that would not be true in this case. I am extremely doubtful, and the committee is extremely doubtful, as to whether it is possible under the maximum and minimum provision of the bill to guard against this danger. For that reason they have suggested to put into the bill in terms in these particular paragraphs, 402 to 405, special provisions safeguarding the interests of the United States with reference to these discriminations, and not to leave it to maximum and minimum provisions, as, in the opinion of the committee, it is very uncertain whether they would have application to this case.

Mr. CUMMINS rose.

Mr. ALDRICH. If the Senator will pardon me——

Mr. CUMMINS. May I ask another question?

Mr. ALDRICH. Certainly.

Mr. CUMMINS. Does the suggestion of the Senator from Rhode Island apply also to the paragraph with regard to wood pulp?

Mr. ALDRICH. It does. The committee will suggest to the Senate the adoption of specific provisions as to both these paragraphs.

Mr. CUMMINS. I have been utterly unable to understand how the committee could report free wood pulp and at the same time logically insist upon a duty on print paper, because wood pulp is simply one of the stages at which wood arrives before it finally becomes paper.

Mr. ALDRICH. I think the Senator will understand that fully when the paragraph in regard to wood pulp is taken up.

Mr. CUMMINS. It may be.

Mr. ALDRICH. I will try to explain it to the satisfaction of the Senator then.

Mr. CUMMINS. Hitherto it has been very mysterious.

Mr. ALDRICH. We have not reached the subject yet. The committee did not feel obliged to discuss or explain the paragraphs of the bill until they are reached.

Now, let us look a little at the character of this duty. Senators upon both sides of the Chamber have been inclined to impose small duties upon articles either for purposes of protection or for purposes of revenue.

This duty is about 10 per cent. It has very many features which are quite like the lumber business, although, of course, print paper is a more advanced product than any kind of lumber. The duty upon these articles under the suggestion of the committee is the lowest of any duty in this whole schedule. It is not excessive and can not be construed to be excessive. If the newspaper publishers of the United States had to pay this total amount it would make a difference of only $4 a ton on the paper which they used. I do not believe that the newspaper publishers of the United States are here asking for anything in charity. I believe that the great mass of the newspaper publishers of the United States want to have the paper industry treated fairly. I know perfectly well that there are certain newspapers in this country that by covert threats and the abuse of Senators and Members of the House and everybody else who did not agree with them as to what should be done with this duty upon paper have been trying to force us to adopt these low rates or to put this paper upon the free list; but, in my judgment, those men represent a very small and a very unimportant minority of the great newspapers of the United States, whose treatment of public questions is not affected by their material interests. The class who can only see an additional cost of perhaps $2 a ton in the paper in the discussion and disposition of a great question like this are so unimportant that they should not be considered here.

It is our duty, representing the people of the United States, to take care of these questions with fair treatment to all the people of the country, in whatever interests or whatever industries they are engaged, including the newspapers; but what is there in this that can possibly be construed to be unfair treatment of the newspapers? It is quite as much for the interests of the newspaper publishers of the United States to have this industry maintained in this country in a fairly profitable condition and in a fairly prosperous condition as it is for anybody else. If you destroy this industry here, who knows what the price of print paper will be in the next ten years? As the Senator from Minnesota [Mr. CLAPP] has shown conclusively, there have been no great advances. It is true that the paper companies did consider an advance, which perhaps was not justified, at one time, in 1907; they talked about it. They put up their prices, but never sold any paper at those prices; the price of paper went back, and it is now sold at not above what has been the average price for the past ten years. I think the Senator from Nebraska will have to concede that.

I have stated as concisely as I could the reasons which actuated the Committee on Finance in making this recommendation. They have desired to be perfectly fair in their treatment both of the newspapers and of the paper industry, and I believe that their judgment should be confirmed by the Senate.

The VICE-PRESIDENT. The question is on agreeing to the amendment offered by the Senator from Wisconsin [Mr. LA FOLLETTE.]

Mr. GORE. Mr. President, the Senator from New Hampshire [Mr. GALLINGER] this morning registered his protest against the reduction of the duty on print paper from $6 per ton, as it now stands in the Dingley Act, to $4 a ton, as proposed by the pending amendment brought in by the Finance Committee. I desire now to register my protest against the increase of the duty on print paper from $2 per ton, as proposed in the House bill, to $4 per ton, as proposed in the pending amendment.

It seems to me, Mr. President, that this is one question which ought to rise above the ordinary considerations that determine either partisan or political issues. It seems to me that this is one question upon which Democrats and Republicans could alike agree and unite for the purpose of promoting so vast and so beneficent an industry as the publication of newspapers, magazines, and other periodicals in this country.

It has already been suggested that the Democratic platform adopted at Denver declared in favor of placing wood pulp and print paper upon the free list. I may be pardoned for saying that platform promises have a strong and binding force with me. I might almost say that they impose a sacred obligation upon me. I shall not now discuss the academic question as to whether or not circumstances might in certain cases remit that obligation; but, Mr. President, I do desire to say that I favor free wood pulp and free print paper, not because the Denver platform declared in favor of those propositions, but I favor placing those articles on the free list because, sir, that action is right, and because it is founded on just principles and sustained by sound and wise policy.

The late President of the United States, Mr. Roosevelt, in his annual message in 1907, recommended to Congress that wood pulp and print paper be placed upon the free list. The imputation cast at certain Senators that this proposal commits them to free trade assuredly can not be hurled at the recent Republican President.

The Senator from New Hampshire this morning, with tears in his voice, expatiated upon the distressful condition which this proposition would bring upon the laboring men in the State of New Hampshire. He painted in vivid and lurid colors the poverty and distress which would overcome them. It can not be said that President Roosevelt was in favor of remanding those laborers to a condition of poverty, to a condition of squalor, to a condition of misery. I leave that issue to be settled between the Senator from New Hampshire and the ex-President; and I will allow their friends and the newspapers to determine which is the better Republican, and which is the better friend alike to the laboring man employed in the pulp-paper mills and those employed in the print shops of the country.

Mr. President, the Republican platform adopted at Chicago announced the principle upon which this tariff revision was to be conducted. A sufficient rate only was to be imposed to cover the difference between wages at home and abroad plus a reasonable profit to the manufacturer. I am perfectly aware that this tariff measure ought to be drawn in accordance with the principles thus enunciated by the dominant party.

Mr. President, there are three points to be considered in determining the rate of duty which ought to be imposed upon print paper—the elements which are employed in its production and which constitute its cost. I refer to the cost of power, the cost of labor, and the cost of the raw material.

Wood pulp and paper are largely produced through the agency of water power in this country; and it has not been denied, and can not be denied, that the United States is unexcelled in this particular by any other country engaged in the manufacture of these products. Fortunately, at least for this industry, the water power is situated in the very vicinity of the spruce forests—the raw material. According to the census of 1905, 44 per cent of all the water power used in the United States was employed in the production of pulp wood and print paper. So far as cheap power is concerned, we are as well, if not better, situated than any country under the sun.

The next element of cost is that of labor. I attach no sanctity to statistics. I know the wilderness of figures with which the Senate has been perplexed during this discussion; but I send

to the desk an authority which, it seems to me, ought to be conclusive as to the labor cost in the United States and in Canada with respect to the production of wood pulp and print paper.

The VICE-PRESIDENT. In the absence of objection, the Secretary will read.

The Secretary read as follows from page 908, Paper and Pulp Investigation Hearing, House of Representatives, volume 2:

Mr. COWLES. It is a fact that Canadian labor has gotten on a par now with labor in the United States. If anything, I should say that labor is higher in Canada than it is in the United States.

The CHAIRMAN. Do you mean skilled labor?

Mr. COWLES. I mean skilled labor and cheap labor, both. That was not formerly so, but it is so to-day. That is my own experience and my own observation.

Mr. GORE. Mr. President, Mr. Cowles is the former president of the American Pulp and Paper Association, a corporation which received the indorsement of the distinguished Senator from New Hampshire this morning. Mr. Cowles, as I understand, produces something like 170 tons of paper or pulp per day. He is interested in three mills situated in the great State of Maine. It is a fundamental principle of law and a fundamental dictate of common sense that the situation of a witness with respect to the facts ought to have some bearing upon the weight to be attached to his testimony. I mean to offend no one when I refer to a principle of law or common sense in this Senate. I am aware that in a tariff revision they have absolutely no weight and absolutely no influence; but here is the ex-president of the American Pulp and Paper Association, a man largely engaged in the production of those articles, and one, as I understand, who owns or is connected with three different mills in the State of Maine, and he says that labor is higher in Canada than it is in the United States, and states this to be true both from his experience and from his observation.

Ordinarily we would attach a great deal of weight to the statement and testimony of this witness; but, sir, on yesterday the distinguished Senators from Maine bore witness in the Senate that labor is cheaper in Canada than it is in the United States, and, to fortify their statements, they assured the Senate that they had visited the Dominion of Canada. Of course, the statement of a Senator upon his personal responsibility must be conclusive with his fellow-Senators; but I say that when a man engaged in the business, and with a large experience, declares that labor is cheaper in the United States than it is in Canada, that generally would carry conviction to the ordinary and unprejudiced mind. But of course I would not set up the testimony of Mr. Cowles against the evidence of a Senator who had visited the Dominion of Canada.

It seems to me that this statement, corroborated by the hearing before the House committee, ought to justify us in the conclusion that labor is at least as cheap in this country as it is in Canada. I may say in this connection that in 1901 a royal commission reported to the Canadian government, on the 15th of November, that the cost of producing paper in the United States and in that country was practically the same. That was the report of a royal commission, not designed to deceive or mislead the Finance Committee or the Senate.

Sir, we have the evidence of that commission from the Canadian side; we have the evidence of Mr. Cowles from the American side, agreeing that Canada has no advantage in point of labor as compared with the United States. Whenever a condition is found to exist, it is presumed to continue until the contrary is shown. The Mann committee has proved that this condition still continues; that labor is as cheap here as it is in Canada.

Mr. President, the other remaining consideration is that of the cost of material, including machinery. It has often been stated and admitted that machinery costs about 25 per cent more in Canada than in the United States. There are several material elements entering into the production of paper apart from pulp wood, and I understand that the American mills have considerable advantage in those particulars over the Canadian mills; but, with respect to the prime raw material—pulp wood—how does the account stand?

I believe the Senator from Nebraska [Mr. BROWN] said a few moments ago that the Minnesota and Ontario Paper Company had issued a prospectus, in which it represented to the public that it had contracted for half a million cords of pulp wood at a price ranging from $3.50 to $5 per cord. The mill of that company is situated at International Falls, Minn. I was astonished to hear the honor and integrity of that company impeached upon the floor of the Senate. It was said that we should not be governed by a prospectus, which was merely issued to deceive the investing public, to deceive and entrap the widow and the orphan, of whom we hear so much, and of whom we see so little in these speculative transactions. If companies issuing a prospectus like this will deceive the investing public, is it not possible that interested concerns, like the International Paper Company, might possibly deceive the Finance Committee? Why should we attach credence to them in the one case and disbelieve them in the other?

But, sir, the statement of this particular company in its prospectus is not such an extravagant representation after all. I hold here a volume of the hearings on wood pulp and paper, and on page 2359 it appears that during the calendar year of 1907 we imported from Canada 750,000 cords of pulp wood. They came through 17 different ports, through 17 different gateways into the United States. The average price of this vast amount of cord wood was less than $5 per cord—to be exact, I believe it was $4.98 per cord.

It is possible that these import figures were falsified, as false weights have sometimes been employed. But I fancy there was no such motive to misstate these figures as actuated the falsification of the sugar weights. If 750,000 cords of wood were imported into the United States at an average valuation of less than $5, where is the justification for the claim that the wood costs $4 more in the United States than it does in the Dominion of Canada? There is no justification.

Mr. FRYE. Mr. President——

The VICE-PRESIDENT. Does the Senator from Oklahoma yield to the Senator from Maine?

Mr. GORE. Yes, sir.

Mr. FRYE. The average freight, the transportation, of that wood to our mills was $4 a cord, which would make it $6 for the cord and a half that it takes to make a ton of paper, making it cost us nearly $10 when we get it at our mills.

Mr. GORE. Assuming that the Senator's guess as to the freight paid is as nearly accurate as is his guess as to the amount of cord wood used in manufacturing a ton of pulp, these results follow: In the first place, let me say that the Senator has stated before and the Senator from Rhode Island restated, that a cord and a half of wood was used in the production of a ton of paper pulp. All the authorities that I have consulted agree that 1½ cords of wood are necessary to produce a ton of pulp.

With reference to the freight rates, I suggest that many of the American mills are situated approximately as near to the forests as are certain of the Canadian mills, and in Canada some of this wood is floated 300 miles on the river, and the loss from sinkage is from 12 to 15 per cent.

I ask the Senator from Maine what is his authority for saying that the charge is $4 a cord? On the face of it, it is unreasonable; and unless he can produce a bill of lading or some other authenticated statement, he ought not to expect the Senate to accept it with absolute confidence.

Mr. FRYE. Mr. President, the freight is by rail and not by water when we buy pulp wood in Canada.

Mr. GORE. How many mills in your country import wood by water and how many by rail?

Mr. FRYE. None of them import by water from Canada, unless it comes from Nova Scotia. From Nova Scotia we can import by water. We can not import it otherwise by water.

Mr. GORE. I wish the Senator had some authority for that statement—I mean the statement that the freight is $4 per cord.

Mr. ALDRICH. On this side of the Chamber a statement from the Senator from Maine does not need an affidavit to corroborate it.

Mr. GALLINGER. That is right.

Mr. GORE. We on this side repose perfect faith in the Senator's character and credibility. No statement from any source designed to increase a rate of duty needs any corroboration in the mind of the chairman of the Finance Committee. I repeat, no one challenges the sincerity or veracity of the Senator from Maine.

I have heard no denial of the figures that imported pulp wood was worth less than $5 a ton, and I have seen a statement that some Maine mills have purchased Canadian pulp wood at $3.75 a cord.

Mr. President, the most thorough investigation which has been made upon this subject was made by the House committee, consisting of a majority of Republicans. The most thorough and searching investigation yet made with reference to any schedule or with reference to any section of the pending bill was made by that committee. We ought not to be asked to repudiate that official report, except after another investigation more thorough and after another report judicial and authoritative.

We have heard vague hints about affidavits in the possession of the Senator from Utah [Mr. SMOOT]. He is prolific in affidavits. But, sir, an elaborate report by a legally constituted committee ought to have more weight in the Senate than unpublished affidavits from unknown and unnamed affiants. An ex parte committee has conducted an ex parte examination of

ex parte witnesses and judgment is returned 21,000 editors and publishers.

It has seemed to me that the pulp-wood situation has been solved by the Senator from Idaho. He suggested yesterday that they had millions of acres or millions of tons or some other millions of sage grass in the western part of this country from which paper could be manufactured. I take it, that sagebrush or sage grass is a voluntary native and indigenous growth in that section, and certainly American sage grass needs no protection against Canadian sage grass. It has occurred to me that paper manufactured from sage grass possibly accounts for the yellow journal, which has recently made its advent in the journalistic field of this country.

In the fiscal year 1907 we exported, as I remember, 121,000,000 pounds of paper of various kinds to foreign countries. We imported only 21,000,000 pounds. Our exportations were six times as large as our importations, a conclusive proof that the tariff was not necessary.

Mr. President, I observe that we shipped 48,000,000 pounds to Great Britain, 18,000,000 pounds to the Japanese Empire—let this be remembered by those who think we can not compete with the world—we exported 12,000,000 pounds to the Argentine Republic, and, sir, we exported 8,000,000 pounds to Australia, New Zealand, and Tasmania. Our mills have been selling their products in those bright, warm isles which gem the oriental seas. Our mills ship their products all over the world, and the foreigner, with his subsidized ships, with his cheaper freight rates, with his pauper labor, has not been able to undersell the American or to drive him out of the foreign market, even in the remotest regions of the earth. What higher proof could be required that the American mills do not need this protection?

I have a letter, transmitted by the American consul to the Department of State, which I shall print in the RECORD, showing that when prices were quoted at $50 in New York, delivered, the American mills delivered print paper in Bristol, England, at $43.50 per short ton, a difference of $6.50 in favor of the foreigner and against the American consumer.

For my part, I condemn the practice. I think the American manufacturers ought to sell to their friends and fellow-citizens at home as cheap as they sell to the alien and the stranger across the deep. But that is a fundamental difference between the Democratic and the Republican party. In the Republican campaign book of 1906 they declare that if any American manufacturer had sold his products cheaper abroad than at home, it was to the glory and the honor of such manufacturer.

Mr. President, the fact that we compete in all the markets of the world, with all the countries of the world, and that we sometimes sell cheaper abroad than at home, takes away from these paper manufacturers every claim and title to this tariff protection.

The Senator from New Hampshire proved to his own satisfaction that it cost $8.57 more to manufacture a ton of paper in the United States than it did in Canada. No other argument was necessary to convince me that the tariff ought to be removed. But this is another fundamental distinction between the two political parties of this country. I believe every man has a right to buy in the cheapest and to sell in the highest market. I believe if the American editor can buy print paper for $8.57 less in Canada than he can buy it in the United States, he has a sacred and an indefeasible right to make the purchase there. I believe there is neither moral nor constitutional right for this Government to thrust its hand into the pockets of an American editor and take out $8.57 in order to pension a wood pulp or paper manufacturer in the State of New Hampshire or the State of Maine.

The right to exchange property is as sacred as the right to own property. Trade is a blessing and not a curse. But I shall not urge these considerations further now, because I realize that this measure must be framed along protectionist lines, and it ought to be framed in pursuance of the Republican platform and in bona fide redemption of its pledges.

If the Senators on the other side are really solicitous to promote the prosperity of the laboring man; if they really desire to secure the greatest good to the greatest number, then this tax on pulp and paper should be removed. By the federal census of 1905 there were nearly four times as many people employed in the print shops of this country as in the pulp and paper mills. The number engaged in the various printing establishments was 251,000, and the number engaged in the pulp and paper mills was only 70,000.

Mr. President, I voted the other day to place printing presses on the free list, to reduce the duty on linotypes to 10 per cent, and for the same considerations I voted to-day to place wood pulp and print paper on the free list. I agree, however, that it would not be amiss to insert a provision which would protect us against retaliatory legislation on the part of the Canadian government.

But, sir, let me say that Canada is the best customer of the United States. We sell her $20 per capita. We sell Canada twice as much as she sells us, and if we insist upon excluding her finished products, can we seriously complain if she prohibits the exportation of her raw materials? The instinct of self-preservation might possibly justify such a course.

The chairman of the Finance Committee complains that Canada's proposal to prohibit the exportation of pulp wood is a return to the methods of the dark ages. I would remind the Senator that prohibitory taxes on exports and prohibitory taxes on imports are twin relics of the dark ages. We enjoyed reciprocity with Canada for ten years, and a return to that policy, in accordance with McKinley's last words, would be fruitful of infinite blessings to both countries.

I wish to say in passing that, in my judgment, every man should be allowed to buy his tools untaxed. The farmer should be allowed to buy his plow, the carpenter his plane, the miner his pick, and the manufacturer his machinery, untaxed. Let us encourage industry rather than discourage it; and if any man desires to toil, desires to add to the Nation's wealth, in God's name, let him toil untaxed.

Not only does the Government tax the press, tax the type, and tax the paper of the editor and printer, but it enters into active competition with them. The Government advertises for business, solicits business, and accepts contracts to print private cards, or, rather, to print the names of private parties upon stamped envelopes. There are many socialists in this country, and when their theories are adopted in practice, then, and not till then, should the General Government enter into competition with the private citizen for private business of this description.

A letter was read here this morning which, it seemed to me, cast an unwarranted and unprovoked reflection upon the publishers of this country. The letter charged that free paper was being urged solely "for the benefit of the opulent editors." There are, indeed, a few editors who have waxed wealthy, but there is a vast majority, approaching nigh to unanimity, who were born poor and have held their own ever since. There are many who would not have to journey to Africa in order to find the tracks of the wolf. There are many weekly editors I know who have to wrestle with the bread question like St. George of old with the dragon.

It is not within my jurisdiction to pass upon the debt owing by the Republican party to the Republican press of this country, but I may be pardoned for saying that the obligation can not be overestimated. I wish to say that the Republican party is indebted to the Republican press for its triumphs and its victories. The panic of 1907 could have been made a thousandfold worse if the press had been disposed to aggravate its evils. It was the spirit and tone of optimism which characterized the press from day to day that averted an unspeakable calamity on that occasion. From day to day they represented the conditions as improving, that the stress and distress were passing, and by those representations, which they made perhaps with greater constancy than truth, they preserved the Republican party from shipwreck and from ruin.

Now, sir, what obligation the Republican party may owe the press for that service and that assistance it is not my part to estimate or to determine, but it does seem to me that the party is giving its press justification to exclaim, "Ingratitude, thou marble-hearted fiend!" I say this because I despise the ingrate, whether he be a Democrat or a Republican. But, sir, that is an issue to be fought out and determined between the Republican press and the Republican party. If that press is as persistent in demanding the recognition of this interest as are the manufacturers of New England, within less time than three years wood pulp and print paper will be on the free list. If the Republican press chastises those who are disloyal to its interests, as in my judgment it should, within less than three years a measure will come from a Democratic House into this Chamber placing wood pulp and print paper on the free list, and this Republican Senate, arrogant and omnipotent as it now fancies itself to be, will not refuse that demand of the American newspapers on the eve of a presidential election. If the press will but strip its enemies naked and will scourge their quivering flesh with the whip of scorpions and of fire it will triumph.

Now, that contest should not be predicated upon the demand merely for free wood pulp and print paper. That is too narrow a field upon which to wage so mighty a contest or upon which to achieve so glorious a victory. The press should demand tariff revision downward in good faith and in good earnest. They

should demand the revision of the tariff downward on the great necessaries of life that enter into the daily consumption of every household in the Nation.

They should demand the reduction, not the revision of the tariff. They should demand a reduction of duties on woolen goods, on blankets, on cotton fabrics, on building materials of various kinds, and on the tools of the various trades, implements, and the machinery of various industries. Waged upon that ground, the press will triumph in the coming contest for itself and for the people.

This schedule proves to the press, as every schedule proves to the people, that it is more important that certain statesmen be placed on the retired list than that any one article should be placed on the free list. The little finger of a Senator from New Hampshire or Maine outweighs the whole loins of the 21,000 torchbearers of the United States. This should remind both the press and the people that the manufacturers stand by their interest regardless of party, and that the people and the press alike stand by their party regardless of interest.

Mr. President, I do not look upon this question as being on an absolute level with other industrial and commercial questions which have been debated and decided pending this tariff revision. I think there are other and higher considerations. I know there are those who reduce every proposition to a common denominator of dollars and cents. They have no patience with any proposal which can not be expressed with the dollar mark and a decimal. There are those who have deified the dollar and who have worshiped gold as their god. I know that considerations of humanity, of progress, and enlightenment do not appeal to those idolators. But it seems to me that this proposition to reduce the tariff on print paper rests upon the very highest considerations of patriotism and of public policy.

Mr. President, we expend $343,000,000 every year in the common schools of the country for the education of the youths of the land, a larger sum, as I remember, than was ever raised in a single year by any tariff law ever enacted during the history of this country. We have 17,000,000 children enrolled and nearly half a million good men and women consecrated to the education of our children. Yet we impose a tax of from ten to twelve dollars a ton on the paper that is used in the manufacture of schoolbooks for our children. We largely neutralize the benefits and blessings of this taxation dedicated as a sacred fund to the education of the coming men and the coming women of America, the men who must fight our battles in the future and the women who must mother the generations of unborn Americans.

In my judgment a tax on print paper is a tax on intelligence. It is a fine on knowledge. It sets a premium upon ignorance and a penalty upon learning. A tax on print paper is a shade on the lamp of enlightenment and a cloud over the sun of civilization.

It is as true as it is ancient that a free press is the palladium of liberty. Tyrants, sir, have never been able to thrive in that white light which a free press sheds upon the throne. It is the sacred duty of the press to speak truth to the king in the hearing of the people and to the people in the hearing of the king.

Mr. President, the first recorded utterance of the most high God was "Let there be light." This has ever been the battle hymn of human progress. This has ever been and must ever be the watchword of advancing civilization. The nation that forgets this mandate must relapse into social chaos and intellectual night. There are kindreds among the sons of men who are still thralled to the power of darkness. There are Senators who seem to prefer darkness rather than light.

Notwithstanding the first fiat of Omnipotence was, "Let there be light," yet this Senate, in defiance of the decree, sets up its puny enactment, "Let there be night."

Mr. President, whether physical, intellectual, or moral, light is a blessing to be sought and not an evil to be shunned. I would not place a meter upon the eyelids of the people and charge them for the joyous sunbeams. I would not annul or defy the ordinance of the Almighty. I would say now and forever, "Let there be light."

The first word of the Deity should be the first and last word of humanity. The first luminous edict of man's Divine Maker should be the first and last precept of those who were made in the divine image.

Mr. GORE subsequently said: I ask that certain documents may be printed in the RECORD in connection with my remarks.

The VICE-PRESIDENT. Is there objection to the request of the Senator from Oklahoma to print certain statements in connection with his speech?

Mr. ALDRICH. None whatever.

The VICE-PRESIDENT. The Chair hears no objection.

The matter referred to is as follows:

DIXON LETTER.

[From p. 2020 of Pulp and Paper Investigation.]

The correspondence from the American consul relating to the sale of American paper at Sheffield, England, is as follows:

AMERICAN CONSULATE,
Sheffield, England, May 26, 1908.

The ASSISTANT SECRETARY OF STATE,
Washington, D. C.

SIR: I have the honor to transmit herewith copy of a letter I recently received, which speaks for itself.

The writer of this letter, Mr. Joseph Dixon, is the proprietor of large paper mills at Oughtibridge, near this city, and at Grimsby; he is known to me personally as a thoroughly reliable man, and upon receipt of the letter I had an interview with the writer, and pointed out that I could not use the letter as he suggested unless the ban of privacy was removed, and asked him if he was willing to be quoted in the matter. I then asked if the statements made by him were susceptible of proof; he said the yearly quantity stated was based upon his knowledge of the requirements of the purchasers here; the rail and ocean freights can be readily verified. The price per pound, Mr. Dixon says, was furnished him by the proprietors of two newspapers here, who are customers of his for a part of their paper supply at a somewhat higher price than they are paying the American paper makers; but whether they would, if called upon, produce bills to prove his statement, he was not prepared to say.

In view of the conflicting interests involved, I forward the letter for such action as the circumstances may seem to warrant.

I have the honor to be, sir,
Your obedient servant,

CHARLES N. DANIELS, *Consul.*

(Peter Dixon & Son, paper makers, West March Paper Works, Grimsby, Head Office, Spring Grove Mills.)

OUGHTIBRIDGE, NEAR SHEFFIELD,
May 19, 1908.

DEAR MR. DANIELS: An inquiry is now being held in Washington on paper. The Government there is trying to find out if the American paper makers are selling cheaper to foreigners than to United States publishers. It might be useful to know if you were to tell your Government that 3,000 tons or more United States newspaper has come into Sheffield yearly for two or three years at 1¼d. (2½ cents) per pound, less 14 per cent, equal to £10 ($48.67) per ton (2,240 pounds) net in Sheffield. The carriage from Hull is 10s. 10d. ($2.63) per ton, and must be 15s. ($3.65) sea freight, or, say, £8 14s. 2d. ($42.38) f. o. b., and the price in New York is £10 5s. 6d. ($50) or more.

Yours, very truly,

JOS. DIXON.

NOTE.—The conversions into United States currency, in parentheses, have been added by me.

CHARLES N. DANIELS, *Consul.*

Reducing the price to short tons, the figures $42.38 for a long ton become $37.84 for a short ton f. o. b. New York, or $12.69 less than the price to American consumers.

At a meeting of British paper makers held in London in October, 1903, J. Dixon, of Peter Dixon & Sons, used the following language:

"The International Paper Company and other trusts told me it paid them exceedingly well when they could only dispose of 90 per cent of their paper in their own country and sent the other 10 per cent over here (Great Britain) for what they could get for it."

The English publication known as the "Paper Maker and Paper Trade Journal" gave the details of the American made news in London at 1¼d., less 15 per cent, or £9 18s. 4d. for a ton of 2,240 pounds, equal to $42.45 per ton of 2,000 pounds, or $2.21 per 100 pounds. At that time the International Paper Company was asking $2.35 for paper in New York City. The charges for freight to London would be 10s.; London clause, 1s. 9d.; sorting, 2s. per ton; damage and deterioration, 2s.; or a total of £1 8s. 6d.; so that the price on that basis would net the maker f. o. b. New York, £8 9s. 10d, or $1.80 per 100 pounds, a difference of 55 cents per 100 pounds, or $11 per ton, between paper sold in New York for domestic consumption and paper sold in New York for export.

At the annual meeting of the American Newspaper Publishers Association, held in New York, April 22, 1909, the following was adopted:

Resolved, That the American Newspaper Publishers Association approves the acts and methods of the chairman of the committee on paper. It congratulates him upon the progress thus far made in the work assigned to him and bids him continue upon the same lines.

Paper and wood pulp.

[Census of 1905.]

Number of establishments	761
Capital	$277,444,471
Salaried officials, clerks, etc	3,778
Salaries	$6,097,032
Wage-earners, average number	65,964
Total wages	$32,019,212
Miscellaneous expenses	$16,440,041
Cost materials used	$111,251,478
Total value of products	$188,715,189

Printing and publishing.

Number of establishments	26,422
Capital	$385,008,604
Salaried officials, clerks, etc	64,969
Salaries	$63,036,582
Wage-earners, average number	185,180
Total wages	$108,882,518
Miscellaneous expenses	$102,466,410
Cost of materials used	$123,470,804
Value of products	$496,061,357

Newspapers and periodicals.

Number of establishments	18,033
Number of publications reporting	21,394
Capital	$239,505,949
Salaried officials, clerks, etc	48,781

Salaries	$47,127,711
Wage-earners, average number	96,857
Total wages	$59,821,488
Miscellaneous expenses	$67,635,238
Cost of materials used	$70,354,474
Pounds of paper used for newspapers and periodicals	1,821,629,830
Total value of products	$309,301,854

Book and job printing.

Number of establishments	8,389
Capital	$145,502,655
Salaried officials, clerks, etc	16,188
Salaries	$15,908,871
Wage-earners, average number	88,323
Total wages	$49,061,030
Miscellaneous expenses	$34,831,172
Cost of materials used	$53,116,330
Total value of products	$186,759,503

Minutes of the United States circuit court, showing pleas of guilty June 22, 1908, by the members of the fiber and manila pool.

The passing of judgment and the sentence of the court upon Allen Brothers Company, Analomink Paper Company, Bayless Pulp and Paper Company, Bedford Pulp and Paper Company, Brownville Paper Company, Champion Paper Company, Central Paper Company, Continental Paper Bag Company, De Grasse Paper Company, The Dexter Sulphite Pulp and Paper Company, Detroit Sulphite Pulp and Paper Company, Fletcher Paper Company, Gould Paper Company, Hartje Paper Manufacturing Company, The Island Paper Company, Island Paper Company, The Jefferson Paper Company, Newton Falls Paper Company, Orono Pulp and Paper Company, Parsons Pulp and Paper Company, The Racquette River Paper Company, York Haven Paper Company, Munising Paper Company (Limited); Charles W. Pratt and John W. Moyer impleaded.

MINUTES.

FRIDAY, *June 19, 1908.*

The court meets and is opened by proclamation.

Present: Hon. Charles M. Hough, judge.

United States *v.* Allen Brothers Company, Analomink Paper Company, Bayless Pulp and Paper Company, Bedford Pulp and Paper Company, Brownville Paper Company, Champion Paper Company, Central Paper Company, Continental Paper Bag Company, De Grasse Paper Company, The Dexter Sulphite Pulp and Paper Company, Detroit Sulphite Pulp and Paper Company, Fletcher Paper Company, Gould Paper Company, Hartje Paper Manufacturing Company, The Island Paper Company, Island Paper Company, The Jefferson Paper Company, Newton Falls Paper Company, Orono Pulp and Paper Company, Parsons Pulp and Paper Company, The Racquette River Paper Company, York Haven Paper Company, Munising Paper Company (Limited); Charles W. Pratt and John W. Moyer impleaded.

On motion of United States attorney, ordered, arraignment.

Messrs. Stroock & Stroock, appearing on behalf of the above-named defendants, entered a plea of guilty.

Adjourned to June 22 for sentence.

(An extract from the minutes.)

JOHN A. SHIELDS, *Clerk.*

MONDAY, *June 22, 1908.*

The court meets and is opened by proclamation.

Present: Hon. Charles M. Hough, judge.

United States *v.* Allen Brothers Company, Analomink Paper Company, Bayless Pulp and Paper Company, Bedford Pulp and Paper Company, Brownville Paper Company, Champion Paper Company, Central Paper Company, Continental Paper Bag Company, De Grasse Paper Company, the Dexter Sulphite Pulp and Paper Company, Detroit Sulphite Pulp and Paper Company, Fletcher Paper Company, Gould Paper Company, Hartje Paper Manufacturing Company, the Island Paper Company, Island Paper Company, the Jefferson Paper Company, Newton Falls Paper Company, Orono Pulp and Paper Company, Parsons Pulp and Paper Company, the Racquette River Paper Company, the York Haven Paper Company, Munising Paper Company (Limited), Charles W. Pratt, and John W. Moyer, impleaded.

On motion of United States attorney, ordered, sentence.

The court thereupon proceeds to pass judgment and sentence: Allen Brothers Company, to pay a fine of $2,000; Analomink Paper Company, to pay a fine of $2,000; Bayless Pulp and Paper Company, to pay a fine of $2,000; Bedford Pulp and Paper Company, to pay a fine of $2,000; Brownville Paper Company, to pay a fine of $2,000; Champion Paper Company, to pay a fine of $2,000; Central Paper Company, to pay a fine of $2,000; Continental Paper Bag Company, to pay a fine of $2,000; De Grasse Paper Company, to pay a fine of $2,000; the Dexter Sulphite Pulp and Paper Company, to pay a fine of $2,000; Detroit Sulphite Pulp and Paper Company, to pay a fine of $2,000; Fletcher Paper Company, to pay a fine of $2,000; Gould Paper Company, to pay a fine of $2,000; Hartje Paper Manufacturing Company, to pay a fine of $2,000; the Island Paper Company, to pay a fine of $2,000; Island Paper Company, to pay a fine of $2,000; the Jefferson Paper Company, to pay a fine of $2,000; Newton Falls Paper Company, to pay a fine of $2,000; Orono Pulp and Paper Company, to pay a fine of $2,000; Parsons Pulp and Paper Company, to pay a fine of $2,000; the Racquette River Paper Company, to pay a fine of $2,000; the York Haven Paper Company, to pay a fine of $2,000; Munising Paper Company (Limited), to pay a fine of $2,000; Charles W. Pratt, to pay a fine of $1,000; and John W. Moyer, to pay a fine of $1,000.

(An extract from the minutes.)

JOHN A. SHIELDS, *Clerk.*

FRIDAY, *July 10, 1908.*

Before Hon. Charles M. Hough, judge.

The United States *v.* Petoskey Fiber Company, impleaded.

On motion of United States attorney, ordered, arraignment.

Messrs. Stroock & Stroock, appearing on behalf of the above-named defendant, pleads guilty.

On motion of United States attorney, ordered, sentence.

The court thereupon proceeds to pass judgment and sentence the defendant to pay a fine of $2,000.

(An extract from the minutes.)

JOHN A. SHIELDS, *Clerk.*

Text of the decree of the United States Circuit Court against The General Paper Company et al., defendants.

IN THE CIRCUIT COURT OF THE UNITED STATES FOR THE DISTRICT OF MINNESOTA, THIRD DIVISION.

United States of America, complainant, *v.* General Paper Company, The Itasca Paper Company, Hennepin Paper Company, Wolf River Paper and Fiber Company, Atlas Paper Company, Kimberly & Clark Company, Riverside Fiber and Paper Company, Wausau Paper Mills Company, Centralia Pulp and Water Power Company, Combined Locks Paper Company, Dells Paper and Pulp Company, Grand Rapids Pulp and Paper Company, Menasha Paper Company, The C. W. Howard Company, The Nekoosa Paper Company, The Falls Manufacturing Company, Flambeau Paper Company, The John Edwards Manufacturing Company, The Wisconsin River Paper and Pulp Company, Tomahawk Pulp and Paper Company, Northwest Paper Company, Consolidated Water Power and Paper Company, The Petoskey Fiber Paper Company, Rhinelander Paper Company, defendants.

The President of the United States of America to General Paper Company, the Itasca Paper Company, Hennepin Paper Company, Wolf River Paper and Fiber Company, Atlas Paper Company, Kimberly & Clark Company, Riverside Fiber and Paper Company, Wausau Paper Mills Company, Centralia Pulp and Water Power Company, Combined Locks Paper Company, Dells Paper and Pulp Company, Grand Rapids Pulp and Paper Company, Menasha Paper Company, the C. W. Howard Company, the Nekoosa Paper Company, the Falls Manufacturing Company, Flambeau Paper Company, the John Edwards Manufacturing Company, the Wisconsin River Paper and Pulp Company, Tomahawk Pulp and Paper Company, Northwest Paper Company, Consolidated Water Power and Paper Company, the Petoskey Fiber Paper Company, and Rhinelander Paper Company, and to your counselors, attorneys, solicitors, trustees, agents, clerks, employees, servants, and workmen, and to each and every of you—

GREETING:

Whereas it hath been represented to the judges of our circuit court of the United States for the third division of the district of Minnesota in chancery sitting, on the part of the United States of America, complainant, in its certain bill of complaint, exhibited in our said circuit court on the chancery side thereof, before the judges of said court, against you, the said General Paper Company, the Itasca Paper Company, Hennepin Paper Company, Wolf River Paper and Fiber Company, Atlas Paper Company, Kimberly & Clark Company, Riverside Fiber and Paper Company, Wausau Paper Mills Company, Centralia Paper and Water Power Company, Combined Locks Paper Company, Dells Paper and Pulp Company, Grand Rapids Pulp and Paper Company, Menasha Paper Company, the C. W. Howard Company, the Nekoosa Paper Company, the Falls Manufacturing Company, Flambeau Paper Company, the John Edwards Manufacturing Company, the Wisconsin River Paper and Pulp Company, Tomahawk Pulp and Paper Company, Northwest Paper Company, Consolidated Water Power and Paper Company, the Petoskey Fiber Paper Company, and Rhinelander Paper Company, defendants.

That the defendants and each of them, in violation of the provisions of sections 1 and 2, respectively, of the act of Congress approved July 2, 1890, entitled "An act to protect trade and commerce against unlawful restraints and monopolies," did enter into an agreement, combination, and conspiracy with one another to restrain the trade and commerce among the several States, and to control, regulate, and monopolize said trade and commerce in the manufacture of news print, manila, fiber, and other papers, and in the distribution, sale, and shipment thereof among the several States, as is more particularly alleged in the bill of complaint, and that in pursuance of said combination and conspiracy in restraint of trade and to monopolize said trade and commerce as aforesaid, the said defendants did cause to be organized under the laws of the State of Wisconsin a corporation, to wit: The General Paper Company, defendant, with a capital stock of $100,000, divided into 1,000 shares of $100 each, which were pursuant to said common understanding, distributed among the defendants upon the basis of the estimated relative productions of such kinds and grades of paper made by the respective defendants, and that the said stock was owned by said defendants, respectively, and that each of said defendants by a contract created the General Paper Company its exclusive selling agent for any and all box, lining, hanging, novel, print, and manila paper manufactured by each of said defendants, respectively, and conferred upon the said General Paper Company absolute power to control and restrict the output of each of them, and to fix the price at which all paper manufactured by the said defendants should be sold throughout the States of Illinois, Wisconsin, Minnesota, Iowa, North Dakota, South Dakota, Montana, Utah, Colorado, Kansas, Nebraska, and other States, and to determine to whom and the terms and conditions upon which said paper should be sold, into what States and places it should be shipped, and what publishers and other customers the mill of each of the said defendants should supply.

That the said General Paper Company was and is controlled and governed by a board of directors, upon which board each of the defendants other than the General Paper Company was and is represented by one of its principal officers, and that the number of said board has been from time to time increased, as new manufacturing corporations have entered into contracts with the said General Paper Company making it their exclusive selling agent, as aforesaid, so as to permit representation thereon by said new corporations.

And that your actings and doings in the premises are contrary to equity and good conscience, and that said combination is unlawful and in derogation of the common rights of the people of the United States, and in violation of the acts of Congress of July 2, 1890, as aforesaid, and it being ordered that a writ of permanent injunction issue out of said court upon said bill restraining you and each of you, as prayed for in said bill.

We therefore, in consideration thereof and of the particular matters in said bill set forth, do strictly command you, the said General Paper Company, the Itasca Paper Company, Hennepin Paper Company, Wolf River Paper and Fiber Company, Atlas Paper Company, Kimberly and Clark Company, Riverside Fiber and Paper Company, Wausau Paper Mills Company, Centralia Pulp and Water-Power Company, Combined Locks Paper Company, Dells Paper and Pulp Company, Grand Rapids Pulp and Paper Company, Menasha Paper Company, the C. W. Howard Company, the Nekoosa Paper Company, the Falls Manufacturing Company, Flambeau Paper Company, the John Edwards Manufacturing Company, the Wisconsin River Paper and Pulp Company, Tomahawk Pulp and Paper Company, Northwest Paper Company, Consolidated Water Power and Paper Company, the Petoskey Fiber Paper Company, and Rhinelander Paper Company, that you and each of you, and all and each

and every of your respective directors, officers, agents, servants, and employees, and all persons acting under or through you or in your behalf, or claiming so to act, be, and you and they and each of you and them are hereby, perpetually enjoined, restrained, and prohibited from doing any act in pursuance of or for the purpose of carrying out the said combination, conspiracy, and agreement in restraint of trade and commerce, as aforesaid, and from monopolizing said trade and commerce as aforesaid.

That you, the said General Paper Company, your officers, agents, servants, and employees, be, and hereby are, enjoined from acting as the sales agent of said defendants, or any of them, and from selling or fixing the price at which news print, manila, fiber, and other papers of the various defendant corporations shall be sold and into what States it shall be shipped and sold, and all contracts, agreements, and understandings by which you, the said General Paper Company, were and are acting as the general sales agent of the defendants and each and every of them be, and hereby are, declared unlawful and canceled, annulled, and set aside, and you and each of you are hereby enjoined and restrained from making, executing, or carrying out any such contract, agreement, or understanding in the future.

That you, the said Itaska Paper Company, Hennepin Paper Company, Wolf River Paper and Fiber Company, Atlas Paper Company, Kimberly and Clark Company, Riverside Fiber and Paper Company, Wausau Paper Mills Company, Centralia Pulp and Water-Power Company, Combined Locks Paper Company, Dells Paper and Pulp Company, Grand Rapids Pulp and Paper Company, Menasha Paper Company, the C. W. Howard Company, the Nekoosa Paper Company, the Falls Manufacturing Company, Flambeau Paper Company, the John Edwards Manufacturing Company, the Wisconsin River Paper and Pulp Company, Tomahawk Pulp and Paper Company, Northwest Paper Company, Consolidated Water Power and Paper Company, the Petoskey Fiber Paper Company, and Rhinelander Paper Company, and each of you, your officers, agents, servants, and employees, are hereby jointly and severally restrained and enjoined from continuing the agreements made between each of you and the said General Paper Company, and all agreements heretofore made whereby the said General Company was and is constituted the sales agent of any and all news print, manila, fiber, and other papers, and all contracts and agreements and understandings by which the said General Paper Company was and is so constituted the selling agent of you and each of you, are declared to be unlawful and are hereby canceled and annulled, and you and each of you are hereby restrained and enjoined from making, executing, or carrying out any such contract, agreement, or understanding in the future, and from authorizing the said General Paper Company to sell, fix the price of and terms of sale of the products of, or to control or regulate the output of each of your mills and manufactories, or to dictate and determine the persons, corporations, or newspapers to which it shall be sold, or the States into which the same shall be shipped and sold.

That you and each of you, and all and each and every of your respective directors, officers, agents, servants, and employees, and all persons acting under or through you or any of you, or in your behalf, or claiming so to act, be, and you and they and each of you, and them, are hereby, enjoined, restrained, and prohibited from entering into, taking part in, or performing any contract, combination, or conspiracy, the purpose or effect of which will be, as to trade and commerce in news print, manila, fiber, and other papers manufactured by you, between and among the several States and Territories and the District of Columbia, a restraint of trade, or a monopolization of, or an attempt to monopolize trade, in violation of the provisions of the act of Congress approved July 2, 1890, entitled "An act to protect trade and commerce against unlawful restraint and monopolies," and the acts amendatory thereof, either by agreeing or contracting together or with one another, expressly or impliedly, directly or indirectly, with respect to the manufacture, price, sale, shipments, and disposition of news print, manila, fiber, and other papers manufactured, sold, and distributed by you or any of you, or by contracting and agreeing together or with one another expressly or impliedly, directly or indirectly, as to the prices at which the said paper or any part or grade thereof shall be sold, as to the persons or corporations to whom it shall be sold, as to the territory in which any of such paper shall be shipped, sold, or otherwise disposed of, or as to the amount or quantity of such paper, or any grade thereof, which shall be manufactured, sold, or distributed by you or by any of you, or by agreeing or contracting together or with one another with a view to the imposition of any burden or condition upon the manufacture, sale, or disposition of such paper manufactured by you or any of you. Hereof fail not, under the penalty of what the law directs.

Witness, the Hon. Melville W. Fuller, Chief Justice of the Supreme Court of the United States of America, this 18th day of June, 1906.

Issued at my office in the city of St. Paul, under the seal of said circuit court, the day and year last aforesaid.

[SEAL.] HENRY D. LANG, *Clerk.*

UNITED STATES OF AMERICA,
District of Minnesota, Third Division, Sct.:

I, Henry D. Lang, clerk of the circuit court of the United States for the district of Minnesota, do hereby certify that I have carefully compared the foregoing paper writing with the original thereof, which is in my custody as such clerk, and that the said paper writing is a correct copy of such original and of the whole thereof, in the cause therein named.

Witness my hand as clerk, and the seal of said court. Done at my office in St. Paul, Minn., this 18th day of June, A. D. 1906.

HENRY D. LANG, *Clerk.*

Text of indictment of the fiber and manila pool.

Comprising Allen Brothers Company, Analomink Paper Company, Bayless Pulp and Paper Company, Bedford Pulp and Paper Company, Brownville Paper Company, Champion Paper Company, Central Paper Company, Continental Paper Company, De Grasse Paper Company, The Dexter Sulphite Pulp and Paper Company, Detroit Sulphite Pulp and Paper Company, Fletcher Paper Company, Gould Paper Company, Hartje Paper Manufacturing Company, The Island Paper Company, Island Paper Company, The Jefferson Paper Company, Newton Falls Paper Company, Orono Pulp and Paper Company, Parsons Pulp and Paper Company, the Racquette River Paper Company, York Haven Paper Company, Munising Paper Company (Limited), Charles W. Pratt, and John W. Moyer, impleaded.

In the circuit court of the United States of America for the southern district of New York of the May term, in the year 1908.

FIRST COUNT.

Southern district of New York, ss: The grand jurors for the United States of America, empaneled and sworn in the circuit court of the United States for the southern district of New York, and inquiring for that district, upon their oath present, that for two years and upward prior to the day of the finding and presentation of this indictment, the following-named corporations, respectively organized and existing under and authorized by the laws of the several States herein named in connection with them, respectively, and hereafter in this indictment called "defendants" and "corporation defendants," to wit:

Allen Brothers Company, a corporation of New York; Analomink Paper Company, a corporation of Pennsylvania; Bayless Pulp and Paper Company, a corporation of Pennsylvania; Bedford Pulp and Paper Company, a corporation of Virginia; Brownville Paper Company, a corporation of New York; Champion Paper Company, a corporation of New York; Central Paper Company, a corporation of Michigan; Continental Paper Bag Company, a corporation of Maine; De Grasse Paper Company, a corporation of New York; The Dexter Sulphite Pulp and Paper Company, a corporation of New York; Detroit Sulphite Pulp and Paper Company, a corporation of Michigan; Fletcher Paper Company, a corporation of Michigan; Gould Paper Company, a corporation of New York; Hartje Paper Manufacturing Company, a corporation of West Virginia; The Island Paper Company, a corporation of New York; Island Paper Company, a corporation of Wisconsin; The Jefferson Paper Company, a corporation of New York; Newton Falls Paper Company, a corporation of New York; Orono Pulp and Paper Company, a corporation of Maine; Parsons Pulp and Paper Company, a corporation of West Virginia; Petoskey Fiber Paper Company, a corporation of West Virginia; The Racquette River Paper Company, a corporation of New York; and The York Haven Paper Company, a corporation of Pennsylvania have carried on business as manufacturers of and dealers in, among other things, fiber and manila papers, which have been and are useful and valuable articles of merchandise; that the following-named persons, hereafter in this indictment called "defendants" and "individual defendants," to wit, John W. Moyer and Charles W. Pratt, partners under the firm name of Moyer & Pratt, in their several capacities as partners in, and in behalf of those firms, respectively, and in the names of the said firms, have carried on the business aforesaid; that the following-named partnership duly organized and existing under and by virtue of the laws of the State of Michigan, hereinafter in this indictment called "defendants" and "corporation defendants," to wit, Munising Paper Company (Limited), has carried on the business aforesaid; that in so carrying on the said business the said defendants have manufactured large quantities of the said merchandise at the mills operated by them in the several States at the several points named in the following list, to wit:

Allen Brothers Company, at Sandy Hill, N. Y.
Analomink Paper Company, at North Water Gap, Pa.
Bayless Pulp and Paper Company, at Austin, Pa.
Bedford Pulp and Paper Company, at Big Island, Va.
Brownville Paper Company, at Brownville, N. Y.
Champion Paper Company, at Carthage, N. Y.
Central Paper Company, at Muskegon, Mich.
Continental Paper Bag Company, at Watertown, N. Y.
De Grasse Paper Company, at Pyrites, N. Y.
The Dexter Sulphite Pulp and Paper Company, at Dexter, N. Y.
Detroit Sulphite Pulp and Paper Company, at Detroit, Mich.
Fletcher Paper Company, at Alpena, Mich.
Gould Paper Company, at Lyons Falls, N. Y.
Hartje Paper Manufacturing Company, at Steubenville, Ohio.
The Island Paper Company, at Carthage, N. Y.
Island Paper Company, at Menasha, Wis.
The Jefferson Paper Company, at Black River, N. Y.
Newton Falls Paper Company, at Newton Falls, N. Y.
Orono Pulp and Paper Company, at Orono, Me.
Parsons Pulp and Paper Company, at Parsons, W. Va.
Petoskey Fiber Paper Company, at Petoskey, Mich.
The Racquette River Paper Company, at Potsdam, N. Y.
The York Haven Paper Company, at York Haven, Pa.
Moyer & Pratt, at Lyons Falls, N. Y.
Munising Paper Company (Limited), at Munising, Mich.

And have sold such merchandise to retail dealers in and consumers of the same located in the said States where the said mills were situated and also in the other States of the United States, and particularly in the said southern district of New York, and preliminary to and in pursuance of such sales of such merchandise have shipped large quantities thereof from their said mills to their agents and to such retail dealers in and consumers of the said merchandise; that in shipping the said merchandise from the said States above named into and through other States under the circumstances aforesaid, that being the major portion of their said business, the said defendants have been engaged in trade and commerce among the several States of the United States of America within the meaning of the act of Congress approved July 2, 1890, and entitled "An act to protect trade and commerce against unlawful restraints and monopolies;" and that John H. Parks, late of the city of New York, in the said southern district of New York, also herein called "defendant" and "individual defendant," at the time and place hereinafter mentioned, formulated the plan and solicited and induced the making by the several members of the association hereinafter mentioned of the contract hereinafter described, and since then has continuously performed the duties of and acted as secretary and treasurer of said association.

And the grand jurors aforesaid, upon their oath aforesaid, do further present that because the said corporation defendants and the said firm before and during the two years last past, have been in fact separate and distinct from each other, their said interstate business, trade, and commerce should have been conducted strictly on a competitive basis, and would have been so conducted but for the unlawful contract in restraint of the said business, trade, and commerce in this count of this indictment next mentioned.

And the grand jurors aforesaid, upon their oath aforesaid, do further present, that the said defendants, on the 13th day of September, in the year 1906, at and within the said city of New York, in the said southern district of New York, unlawfully and knowingly, through the organization and by the means of the association hereinafter described, did make a certain contract in restraint of the said interstate business, trade, and commerce so then and since then carried on by them as aforesaid; that on the day and year last aforesaid a certain association was organized by the said corporation and individual defendants by them called the "F. & M. Association," which said association adopted and maintained a constitution and by-laws in writing,

in terms unknown to the said grand jurors, and which, therefore, can not be here set forth in full, but which provided among other things that the said corporation defendants and the said firms should severally be admitted to membership in such association, and have proportionate interests in the same, in accordance with a rating ascertained by determining the ratio of the output of such merchandise by each member to the total output of all the members during its best six of the twelve months just previous to the formation of the said association; that the said association should have a president, a vice-president, and a secretary and treasurer; that the headquarters and offices of the said association should be located in the said city of New York; that the members of the said association were to make to the secretary and treasurer thereof true daily reports received for and of all shipments made by them, respectively, of such merchandise; that the secretary and treasurer of the said association should keep all the reports, records, books, and papers pertaining to the business thereof, and should have power to visit and inspect the mills and examine the books and business of the several members; that meetings of representatives of the members of the said association should be held in the said city of New York every quarter, at which meetings the prices at which the said merchandise was to be sold by the several members of the said association during the coming quarter were to be agreed upon and fixed by such representatives, which prices were not to be changed or departed from during the quarter otherwise than by the unanimous consent of the members of the association; that at each such quarterly meeting the aggregate output of the members of the said association and the share thereof allotted to each member was to be prescribed for the ensuing quarter, it being provided that any member might exceed its allotment in case it purchased the right so to do from some other member falling short of its allotment; that the said association should have a contingent fund, made up in part of contributions by the several members in the nature of admission fees in proportion to their said ratings, and in other part by the monthly additions hereinafter mentioned; that the said several members were to contribute monthly $5 for each ton of merchandise shipped by them, respectively, during the month to a general fund, from which fund the expenses of the said association were to be paid, and 25 cents for each ton of said merchandise so shipped was to be transferred from the said general fund and added to the said contingent fund, the balance being distributed monthly among the said members in accordance with their said ratings; and that the interest of any member in the said contingent fund should be forfeited upon such member withdrawing from the said association.

And the grand jurors aforesaid, upon their oath aforesaid, do further present that since the day in this count aforesaid, under the terms and operation of the said contract, competition as to the prices at which the said merchandise has been sold and delivered by the said corporation defendants and the said firms in the said business, trade, and commerce, and which before then had existed between them as aforesaid, has been in fact prevented, eliminated, and destroyed by the fixing of arbitrary, uniform, and noncompetitive prices for the said merchandise so sold and delivered, and by the selling and delivering of such merchandise in the said business, trade, and commerce at the prices so fixed, the same being prices greatly in excess of the prices which but for the said unlawful contract would have prevailed for the said merchandise in the said business, trade, and commerce since the making of the said contract, and being prices through and by which an unlawful tax has been levied upon the people of the United States amounting to a large sum of money, to wit, $1,000,000 annually.

And so the grand jurors aforesaid, upon their oath aforesaid, do say that the said Allen Brothers Company, Analomink Paper Company, Bayless Pulp and Paper Company, Bedford Pulp and Paper Company, Brownville Paper Company, Champion Paper Company, Central Paper Company, Continental Paper Bag Company, De Grasse Paper Company, the Dexter Sulphite Pulp and Paper Company, Detroit Sulphite Pulp and Paper Company, Fletcher Paper Company, Gould Paper Company, Hartje Paper Manufacturing Company, the Island Paper Company, Island Paper Company, the Jefferson Paper Company, Newton Falls Paper Company, Orono Pulp and Paper Company, Parsons Pulp and Paper Company, Petoskey Fiber Paper Company, the Racquette River Paper Company, the York Haven Paper Company, Munising Paper Company (Limited), Charles W. Pratt, John W. Moyer, and John H. Parks, on the said 13th day of September, in the year 1906, at the said city of New York, in the said southern district of New York, in manner and form in this count of this indictment aforesaid, unlawfully did make a contract in restraint of trade and commerce among the several States, against the peace and dignity of the said United States, and contrary to the form of the statute of the same in such case made and provided.

SECOND COUNT.

And the grand jurors aforesaid, upon their oath aforesaid, do further present that the said corporation and individual defendants named in the first count of this indictment, under the circumstances and conditions in that count particularly set forth, in and by carrying on the business, trade, and commerce in the same count described under and according to the terms of the contract in the said first count mentioned, during the period of time from the said 13th day of September, in the year 1906, to the day of the finding and presentation of this indictment, at and within the said city and southern district of New York, and in and by committing the overt acts in this count hereafter set forth, unlawfully and knowingly have engaged in a combination and conspiracy in restraint of the said business, trade, and commerce among the several States, against the peace and dignity of the said United States, and contrary to the form of the statute of the same in such case made and provided.

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OVERT ACTS.

1. And the grand jurors aforesaid, upon their oath aforesaid, do further present that in pursuance of the said unlawful combination and conspiracy, and to effect the object of the same and as an act on his part of engaging in the same, the said John H. Parks, on the 17th day of September, in the year 1906, at and within the said city of New York, in the said southern district of New York, unlawfully did prepare and mail to each and all of said defendants a certain writing of the tenor following, that is to say:

Minutes of meeting of the F. & M. manufacturers, held at room 903, Century Building, 1 West Thirty-fourth street, New York City, September 13, 14, and 15, 1906.

* * * * * * *

Met at 11 a. m., Thursday, September 13, 1906.
Acting President H. H. Everard in the chair.

Present:
1. Analomink Paper Company.
2. Bedford Pulp and Paper Company.
3. Bayless Pulp and Paper Company.
4. Champion Paper Company.
5. De Grasse Paper Company.
6. Dexter Sulphite Pulp and Paper Company.
7. Detroit Sulphite Pulp and Paper Company.
8. Fletcher Paper Company.
9. Island Paper Company, of Carthage, N. Y.
10. Moyer & Pratt.
11. Munising Paper Company.
12. Petoskey Fiber Company.
13. York Haven Paper Company.
14. Allen Brothers Company.

Mr. J. H. Parks stated that in view of the conditions of the letter of escrow having been fulfilled, he had felt himself justified in declaring the deal operative, in pursuance of which he had, on Monday, telegraphed each signer of the L/E accordingly. The present meeting is for the purpose of adopting prices, formulating a constitution and by-laws, and to get the association fully "launched;" in other words, to complete the organization.

Referring to the Hartje Paper Manufacturing Company, the committee appointed originally to secure the cooperation of said company reported that it had agreed with the company that it might sell its product at $3 per ton less than the fixed association selling prices, if it desired to, but was to pay the same pool tax on its shipments as all other members.

Voted, that we proceed to read, discuss, and adopt a constitution and by-laws for this association, substantially in accordance with the plan submitted by Mr. J. H. Parks.

The secretary accordingly read the constitution and by-laws, section by section; and same were adopted, with such amendments as seemed advisable.

Adjourned until 2 p. m. to-day, Thursday, September 13, 1906.

* * * * * * *

Met at 2.30 p. m. Thursday, September 13, 1906.
Acting President H. H. Everard in the chair.

Same manufacturers present as at this morning's session, with the addition of Central Paper Company and Newton Falls Paper Company.

The reading of the constitution and by-laws was continued, the same being acted upon, section by section.

At this point Mr. Cheeseman begged to be excused.

Voted, that consideration of paragraph No. 27 of the constitution be laid on the table for future action.

Voted, that a committee of three be appointed by the chair, to prepare a resolution to be presented to our meeting to-morrow morning, covering the matter of pool contributions on shipments of old and new orders.

The president appointed Messrs. Bayless, Allen, and Fletcher as this committee.

Adjourned until 8 p. m. to-day, Thursday, September 13, 1906.
Met at 8 p. m. Thursday, September 13, 1906.
Acting President H. H. Everard in the chair.

Same members present as at afternoon session, except Analomink Paper Company, Champion Paper Company, and De Grasse Paper Company.

DISCUSSION.

THEME—SELLING PRICES.

Adjourned, to meet at 10.30 a. m. to-morrow, Friday, September 14, 1906.

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Met at 10.30 a. m. Friday, September 14, 1906.
President H. H. Everard in the chair.

Same members present as at yesterday afternoon's session, except Petoskey Fibre Company and Central Paper Company.

A telegram was received from Mr. W. P. Herring, of the Jefferson Paper Company, that he would be in New York this evening, which was the earliest he could get here.

Mr. Sparks, of the Union Bag and Paper Company, met with us. Mr. Sparks stated that his company makes but 30 to 35 tons per day of manila papers, including screenings. That they are anxious to do everything possible for the improvement of the business, and if anything occurs which is likely to cause trouble, if they are advised thereof, they will do what is necessary on their part to correct the situation. The question was asked Mr. Sparks as to whether they would agree to curtail their production, in cases where the other mills found it advisable to do so. Mr. Sparks stated they had but one machine, and would probably have to keep it running, but in such a case as spoken of, would probably be willing to meet the association more than they would at this time be willing to agree to absolutely.

Voted, that the selling-price list recommended by the committee be taken from the table.

Voted, that the selling-price list submitted by the committee be adopted, and be put into effect to-day, Friday, September 14, 1906.

The committee appointed to adjust the matter of selling prices on the Bedford Pulp and Paper Company's product reported.

Voted, that the report of the committee on Bedford Company's selling prices be accepted and adopted.

Voted, that actual specified orders accepted September 12, 1906, or earlier, as per lists filed with Mr. Parks on or before September 18, 1906, be exempt from pool contribution, provided such orders are shipped on or before October 20, 1906. During this period, said members are to pay their full fixed percentages of association expenses, but their participation percentages shall be reduced in the ratio that their exempt sales bear to their total sales. All orders received after September 12, 1906, and all shipments made after October 20, 1906—whether taken at old prices or new prices—shall be subject to the regular pool contribution of $5 per ton.

Adjourned until 2.30 p. m. to-day, Friday, September 14, 1906.
Met at 2.30 p. m. Friday, September 14, 1906.
Acting President H. H. Everard in the chair.
Same members present as at morning session.

Voted, that each manufacturer shall file with the treasurer, on or before September 18, 1906, a complete memorandum of his unfilled orders and contracts in hand September 14, 1906, giving number of pounds and kinds of paper, sizes and selling prices due each customer on September 14, 1906.

It was also agreed that each mill should acquaint the treasurer with the designation of the grades they make, compared with the designations of the official price list.

DISCUSSION.

THEME—PARTICIPATION PERCENTAGES.

Voted, that the treasurer be instructed to forward a copy of our official price list to Mr. Sparks, of the Union Bag and Paper Company, and one to Mr. Waller, of the International Paper Company, for their guidance.

Voted, that no member shall quote the complete price list to any one customer.

The following motion was not acted upon, but is to be placed on the "order of business" for consideration at our next meeting, viz:

"Moved, that each member of this association shall participate in same only to the extent of his actual monthly percentage of shipment of preamble goods, unless said mill is shut down for reasons beyond control or by the approval or under the direction of this association. Each member shall be required to mail to the treasurer, on or before the 5th of each month, a correct statement of his shipments of preamble goods and nonpreamble goods during the previous month."

Further reading of the constitution and by-laws and the adoption of same, section by section.

Voted, that a special meeting of the association be held at the treasurer's office in New York City on Thursday, October 11, 1906, at 11 o'clock a. m.

Voted, that the president be, and he is hereby, authorized to appoint such committees as may be needful during the recess of the association.

Voted, that the treasurer be authorized to follow such course as to the preparation and circulation of the constitution, votes, etc., as in his judgment may be most advisable.

Voted, that such payments as have been made by the Ypsilanti Paper Company be returned to them by the treasurer.

Voted, that the temporary officers be made permanent officers of the organization, viz: Mr. H. H. Everard, president; Mr. J. E. Campbell, vice-president; Mr. John H. Parks, secretary-treasurer.

Adjourned.

Attest:

A. P. PLUMB,
Secretary pro tempore.

And the grand jurors aforesaid, upon their oath aforesaid, do further present that further in pursuance of the said unlawful combination and conspiracy, and to effect the object of the same, and as an act on his part of engaging in the same, the said John H. Parks, on the 24th day of September, in the year 1906, at and within the said city of New York, in the said southern district of New York, unlawfully did mail a certain circular letter to each and all of said defendants—that is to say, a letter which, without the printed letter head thereof, then and there was of the following tenor, to wit:

SEPTEMBER 24, 1906.

To the members of the F. and M. Association.

Re contingent fund.

GENTLEMEN: I received checks and drafts from 25 "associates," amounting to $17,127.75 for account of your "contingent fund."

The Second National Bank, New York, reports regarding the above that it has collected $17,127.75; less collection charges, $13.83; to our credit September 22, 1906, $17,113.92.

Re your statistics for participation percentages.

Following is a copy of your resolution on this subject, viz:

"Paragraph 10. Each member shall be entitled to a fractional part or share of the profits of the association, ascertained and determined as per paragraph 3, said shares to be established as follows, viz, participation percentages to be determined upon the basis of one factor, viz, (1) the factor of production, meaning thereby the actual average production of preamble goods made by any member in any six self-selected calendar months during the period from July 1, 1905, to July 1, 1906, as shown by the gross machine reports of each company. The relative percentage of each member as regards this factor shall be determined in parts of 100, expressed decimally. Said result will and shall constitute said member's participation percentage in the net profits of the association. Members shall at the outset furnish the secretary with a detailed statement of their sales as hereby required, which statement shall be verified in such manner as the association may determine.

"Participation percentages, when once established, may be decreased by the admission or increased by the withdrawal of members, calculated as previously stated in this paragraph, but can not be otherwise changed."

Please send me promptly your statement of your claims under said resolution, in order that I may proceed to have them verified without undue delay.

Respectfully submitted.

Yours, truly,

J. H. PARKS.

And the grand jurors aforesaid, upon their oath aforesaid, do further present that further in pursuance of the said unlawful combination and conspiracy, and to effect the object of the same, and as an act on his part of engaging in the same, the said John H. Parks, on the 25th day of September, in the year 1906, at and within the said city of New York, in the said southern district of New York, unlawfully did mail a certain circular letter to each and all of said defendants—that is to say, a letter which, without the printed letter head thereof, then and there was of the following tenor, to wit:

SEPTEMBER 25, 1906.

To the members of F. and M. Association.

Re price list.

GENTLEMEN: I beg to call your attention to the following resolution adopted by you at your September 13, 1906, meeting, viz:

"Voted, that no member shall quote the complete price list to any one customer.

I trust, for obvious reasons, that each of you will be governed strictly by the provisions of this resolution; and that in placing prices in the hands of your salesmen they should comprise only the grades manufactured by the individual member.

Yours, truly,

J. H. PARKS.

And the grand jurors aforesaid, upon their oath aforesaid, do further present, that in pursuance of the said unlawful combination and conspiracy, and to effect the object of the same, and as an act on his part of engaging in the same, the said John H. Parks, on the 25th day of September, in the year 1906, at and within the said city of New York, in the said southern district of New York, unlawfully did prepare and mail to each and all of said defendants a certain writing of the tenor following, that is to say:

RULES AND REGULATIONS.

* * * * * * *

SUPPLY OF VOUCHERS.

Rule 1. Members will be supplied by the secretary with the following vouchers and such other vouchers as the executive committee may prescribe.

Vouchers of shipments for a daily report of shipments to accompany copies of invoices sent to the secretary.

Voucher of remittance for advices to the secretary of pool contributions on sales shipments to customers and sent to the secretary therewith; also to show authorized discounts and allowances.

SUPPLY OF COPY BLANK SHEETS.

Rule 2. Members will also be supplied by the secretary with copy blank sheets.

OTHER STATIONERY.

Rule 3. Members must give due notice to the secretary when needing a new supply of the above voucher blanks. All other books and stationery required by members must be supplied by members themselves.

LISTS OF SELLING AGENTS.

Rule 4. Members must send to the secretary lists of their several stores, selling agents, and commission houses.

SYNDICATE BUYERS AND COMMISSION HOUSES.

Rule 5. Jobbing houses and syndicate buyers can not be appointed as selling agents or commission houses.

STOCKS OF GOODS WITH JOBBING HOUSES.

Rule 6. No member of this association will be allowed to carry a stock of goods with any jobbing house.

STOCKS AT STORES AND SELLING AGENCIES.

Rule 7. Stocks of goods at stores and selling agencies will be treated as a part of the stocks on hand of the several members maintaining the same, and sales therefrom shall be reported and be subject to the same pool contributions as from factories. (See Rule 10.)

REPORTING SALES FROM STORES AND AGENCIES.

Rule 8. Stores and selling agents must invoice their sales in the names of the members whom they severally represent.

REGULATION OF SELLING PRICES BY STORES AND AGENCIES.

Rule 9. Stores and selling agents must conform in every particular, in selling goods, to the prices, terms, and regulations established for members.

RENDERING INVOICES FROM STORES AND AGENCIES.

Rule 10. Each store and selling agent must send to the secretary daily a press, or hand-written, copy of each invoice of goods sold that day, and must make a list of said invoices on a voucher of shipments, stating purchaser's address and shipping marks and numbers, and must send the voucher to the secretary with the copies of invoices attached. A special form of voucher of shipments will be furnished to members for their stores and selling agents.

PRICE CHANGES UNANIMOUS.

Voted, after our prices are once established they shall not be changed, except by unanimous vote.

DEAL OPERATIVE.

Voted, that when the initial contributions to the contingent fund and the letters of escrow are placed in Mr. J. H. Parks's hands, in accordance with the terms of the letter of escrow, he be authorized to notify every manufacturer immediately, by wire, that the deal becomes operative at once.

OFFICIAL PRICE LISTS.

Voted, that only one copy of the official price list be furnished each member.

CONSIGNMENTS.

Voted, all shipments from the mail shall be considered as sales; and no consignments shall be made after the agreement takes effect.

LETTER OF ESCROW.

Voted, that the treasurer be requested to send to each member a suggested form of letter of escrow, which may be used by the members to accompany their remittances for the pool contributions on their first month's sales.

DIVERSION OF EXPORT SHIPMENTS.

Voted, if a member shall make a sale of goods for export, and such goods afterwards appear not to have been actually exported, the same shall be accounted for, and pool profits contributed thereon, in the same way in all respects as if sold to domestic trade. The quantity of goods contained in such sale shall be deducted from the member's quota.

SELLING PRICES EFFECTIVE.

Voted, that the selling price list submitted by the committee be adopted, and be put into effect to-day, Friday, September 14, 1906.

REVISION OF PARTICIPATION PERCENTAGES, ETC.

Voted, that actual specified orders accepted September 12, 1906, or earlier, as per lists filed with Mr. Parks on or before September 18, 1906, be exempt from pool contributions, provided such orders are shipped on or before October 20, 1906. During this period said members are to pay their full fixed percentages of association expenses, but their participation percentages shall be reduced in the ratio that their exempt sales bear to their total sales. All orders received after September 12, 1906, and all shipments made after October 20, 1906, whether taken at old prices or new prices, shall be subject to the regular pool contribution of $5 per ton.

OFFICIAL PRICE LISTS TO NONMEMBERS.

Voted, that the treasurer be instructed to forward a copy of our official price list to Mr. Sparks, of the Union Bag and Paper Company, and one to Mr. Waller, of the International Paper Company, for their guidance.

"AD INTERIM" COMMITTEES.

Voted, that the president be, and he is hereby, authorized to appoint such committees as may be needful during the recess of the association.

CIRCULATION OF VOTES, ETC.

Voted, that the treasurer be authorized to follow such course, as to the preparation and circulation of the constitution, votes, etc., as in his judgment may be most advisable.

YPSILANTI PAPER COMPANY.

Voted, that such payments as have been made by the Ypsilanti Paper Company be returned to them by the treasurer.

PERMANENT OFFICERS.

Voted, that the temporary officers be made permanent officers of the organization, viz, Mr. H. H. Everard, president; Mr. J. E. Campbell, vice-president; Mr. John H. Parks, secretary-treasurer.

GUARANTIES.

Voted, that guaranties on prices, terms, or conditions shall not be made.

REJECTED PAPER.

Voted, where any member has rejected paper, the facts and circumstances regarding any settlement or disposition which he may make of such rejected paper shall be submitted to the secretary for his approval, together with the original correspondence, if required. The pool contribution shall be recharged, if same has meantime been credited back to the member.

LISTS OF UNFILLED ORDERS.

Voted, that each manufacturer shall file with the treasurer on or before September 18, 1906, a complete memorandum of his unfilled orders and contracts in hand up to and including September 14, 1906, giving number of pounds and kinds of paper, sizes, and selling prices, due each customer on date of commencement of organization.

TIME LIMIT ON ORDERS.

Voted, that order specifications for our preamble goods shall not be taken for delivery shipment beyond the last day of the quarterly sales periods following the dates of our regular quarterly meetings.

VOTING AT MEETINGS.

Voted, that it is the duty of every member to attend each meeting of the association and all of its sessions. If unable to attend, he should give a proxy authorizing absolutely some other person to vote for him. Failing to do either of these things, the requirement of a unanimous vote in changing the established prices shall be settled by the full affirmative vote of those present. No member shall have any right to protest against, or dissent from, any action taken by reason of failure to be present, or to give a proxy or to vote when present.

DEPOSITORY.

Voted, that the funds of the association shall be deposited in the National Park Bank, New York City, to the credit of the "F. and M. Association."

PROVISION FOR RUNNING EXPENSES.

Voted, that the president, vice-president, and treasurer, conjointly, be, and they are hereby, empowered to borrow from the contingent fund whatever amount may be found necessary for the running expenses of the association up to the time when pool contributions on September, 1906, sales are paid in.

SPECIAL 70 PER CENT DISTRIBUTIONS.

Voted, that the treasurer be, and he is hereby, authorized and directed to make a special distribution of, say, 70 per cent of the net proceeds of the pool contributions derived from the sales of any calendar month within fifteen days after they have all been paid in, commencing with pool contributions paid November 15, 1906.

COLLECTIONS.

Voted, that in case of costs on local checks for pool taxes, such costs shall be charged to the members sending such checks.

SPECIAL AGREEMENT ON TONNAGE REPRESENTATION.

Voted, that when it shall appear that any mill has not been operated to its reasonable capacity within the period mentioned in our resolution for establishing tonnage for the basis of computing percentages, a committee shall be appointed to fix a fair tonnage for such member. Should the member object to the tonnage allowed him by the committee, the matter shall be adjusted by arbitrators, one to be selected by the association, one by the complaining member; and if these two can not agree, they to choose a third arbitrator. The action of a majority of these three arbitrators to be final and binding.

EMPLOYMENT OF TREASURER.

Voted, that we employ Mr. John H. Parks as secretary and treasurer of the F. and M. Association, at a salary to be computed at the rate of 10 cents per ton on all our sales from the date on which the organization takes effect, which salary shall amount to a monthly compensation of not less than at the rate of $25,000 per annum. It is expressly provided, however, that his employment by us, as above, may be terminated, and shall cease, and the said salary be discontinued on the first day of any calendar month after the expiration of three months after written notice of our desire and intention to terminate the same.

POOL CONTRIBUTION ON RETURNED GOODS.

Voted, that no pool contributions shall be refunded to any member, which were paid on preamble goods returned to him by a customer; except in the case of unused goods, and in the latter case, such refund shall be conditional upon the treasurer being satisfied that the particular goods in question were sold by the member during the life of the association. In case of any such refund, the same pool contribution shall be refunded as was charged and paid on the goods when originally shipped by the member.

REPORTS OF SHIPMENTS OR NONSHIPMENTS.

Voted, that all shipments must be reported to the treasurer not later than three days following the date of shipment; that if no shipment be made on any day, notice shall be sent to the treasurer, stating that fact; and if the treasurer fails to receive from any member notice of shipment or nonshipment for a space of six days—excepting holidays and Sundays—he shall demand explanation of the delinquent member, and shall file such explanation; and if the explanation does not show the delinquency to have been reasonably unavoidable, it shall be the duty of the treasurer to report the correspondence to each member.

REPORTS OF ORDERS RECEIVED.

Voted, that members shall report to our treasurer, on the 1st and 10th days of every month, the total of orders received by them in tons, since the first day of the current quarter, less cancellations made by customers.

TRAVELING EXPENSES.

Voted, the legitimate railroad traveling expenses of each member when attending meetings, shall, when a written expense account is rendered, be paid by the treasurer out of the general fund of the association; provided such member has been present at all first roll calls and final adjournments, unless excused by the unanimous vote of the members present.

PER DIEM ALLOWANCE.

Voted, that in addition to the payment of the railroad traveling expenses of members heretofore provided for, $5 per day will be paid to each member while in actual attendance at association meetings.

PARLIAMENTARY RULES.

Voted, that we adopt parliamentary rules for the conduct of all our meetings.

PRELIMINARY EXPENSE FUND.

Voted, that each manufacturer immediately advance to the treasurer $1 per ton on his estimated daily capacity, to be used to defray the preliminary and early running expenses of the association, said amounts to be repaid out of the first available funds of the association.

TRAVELING EXPENSE BILLS.

Voted, that the traveling expense bills rendered by members shall be laid over until after the October, 1906, pool contributions are received by the treasurer.

NEW YORK FUNDS.

Voted, all remittances to the association shall be in New York funds.

AUDITING.

Voted, that the books and accounts of the treasurer shall be audited by expert examination, or otherwise, as the association may determine, and not less frequently than once in six months.

EMPLOYMENT OF AUDITOR.

Voted, that the president be authorized to employ an expert accountant to audit the books and accounts of the treasurer.

INOPERATIVE FACTORIES.

Voted, that if in case of fire or other casualty, or from any cause or reason whatsoever, and factory shall become inoperative, the member of the association owning such factory shall continue to draw his proportional part of the profits from the pool, the same as if he were in active operation, for one year from the time he ceases to operate, provided such time shall not extend beyond the life of the association.

ADOPTION OF CONSTITUTION AND BY-LAWS.

Voted, that the constitution and by-laws as read, amended, and adopted, section by section, be now, and they are hereby, adopted as a whole.

And the grand jurors aforesaid, upon their oath aforesaid, do further present, that further in pursuance of the said unlawful combination and conspiracy, and to effect the object of the same, and as an act on his part of engaging in the same, the said John H. Parks, on the 3d day of October, in the year 1906, at and within the said city of New York, in the said southern district of New York, unlawfully did mail a certain circular letter to each and all of said defendants; that is to say, a letter which, without the printed letter head thereof, then and there was of the following tenor, to wit:

[Confidential.]

NEW YORK, *October 3, 1906.*

To the members of the F. and M. Association.

Re Canada.

GENTLEMEN: Messrs. Jenkins & Hardy, of Toronto, Canada, wrote, 10/1/06, that they have been "secretary-treasurer of the Canadian Paper Manufacturers Association for several years." They ask me to send them a copy of your "plan," and say, viz:

"It may be that in the near future we shall be glad of your assistance and cooperation in this country (Canada)."

I scarcely need say that I have not sent, and will not send them a copy of your "plan."

Some of the association's "clearing" through my office here have been able to obtain liberal monthly stipends from their Canadian competitors to "keep our products out of Canada." The low Canadian customs tariff enables American manufacturers in certain industries to advantageously export to Canada, whereas the high American customs tariff prevents Canadian manufacturers in the same lines from retaliating in kind.

Query, whether an international agreement with the Canadian paper manufacturers would be an advantage to you (?). Please post me.

Respectfully submitted.

Yours, truly,

J. H. PARKS.

—

And the grand jurors aforesaid, upon their oath aforesaid, do further present that, further, in pursuance of the said unlawful combination and conspiracy, and to effect the object of the same, and as an act on his part of engaging in the same, the said John H. Parks, on the 12th day of October, in the year 1906, at and within the said city of New York, in the said southern district of New York, unlawfully did mail a certain circular letter to each and all of said defendants—that is to say, a letter which without the printed letter head thereof then and there was of the following tenor, to wit:

NEW YORK, *October 12, 1906.*

To the members of the F. and M. Association.

Re pool taxes on new business.

GENTLEMEN: This refers to your contribution of "pool taxes" on your sales at your advanced selling prices—i. e., "new business."

No member can properly estimate the pecuniary value to himself of a "pool" by his "pool-taxes" contributions. It is what he gets out of the "pool," not what he pays in, that determines its value to him.

There is perhaps nothing more difficult than to state a fact simply and convincingly, but the truth of the foregoing statement is self-evident.

Your "cost-schedule" prices undoubtedly represent the maximum prices which you could obtain on an "open market." By "cost-schedule prices" I mean your established official selling prices, net, with the pool taxes deducted, per ton. Probably on many sizes and kinds they are above the prices that would prevail in an "open market." Therefore it is clear that whatever prices you are now able to obtain on your sales above your cost schedule are wholly due to your association.

Without your association you would, in an "open market," undoubtedly be now selling your outputs at prices as much below your present selling prices as is represented by your "pool-taxes" contributions, if not more. Therefore it is equally clear that all the money you now obtain on your sales above your "cost-schedule values" is the property of the association.

Why? Because all you get above your cost schedule is "artificially" created for you by means of your cooperative "pool" agreement.

A GLARING EXAMPLE.

Suppose your "association sales" for a given period were 1,000 tons, sold at $30 a ton, net. The sellers would receive $30,000 therefor. If the cost-schedule value was, say, $24 a ton—i. e., $24,000—the pool taxes thereon would be $6,000, net.

Now suppose said sales of 1,000 tons were all made by only one of our members, whose participation percentage is, say, 10 per cent. None of the other members sold anything. What would the resulting distribution be? Note:

Said 10 per cent member would "pay in" pool taxes of $6,000 D/S; $600, 10 per cent, he would receive back from the "pool" $600; $5,400, 90 per cent, leaving for distribution to the other (90 per cent) members $5,400; $6,000, 100 per cent.

Has said 10 per cent member gained or lost by the transaction? Is it not perfectly obvious that he has gained $600 net? He has paid $5,400 to make the $600. True; but he could not have made it otherwise. He thus received $24,600 net cash for the 1,000 tons he sold, whereas without the "pool" he would not have received over $24,000.

It is therefore obvious that a member might "pay in" to our "pool" $1,000 and receive back therefrom but $10, and yet he would be a "gainer" to the extent of said $10. In fact, if he received back anything, if it is not more than a nickel, he "comes out ahead," for whatever he receives, if anything, from a "pool" such as yours, whether little or much, is a net gain over and above what he could obtain in an "open market."

Re expenses of "pool."

The expenses of the "pool" are not paid by its members. The expenses of the "pool" are paid by the public. Said expenses are paid out of the excess price obtained above your "cost schedule," which the "pool" requires the public to contribute.

Barring "old orders," it is not what you pay in, but what you get out of your "pool" that determines its value to you, respectively.

A member says that he estimates that he will have to "pay in" in "pool taxes" more than he will probably "draw out," etc.

Hence my foregoing comments.

Re "new business."

I repeat: "Barring 'old orders,' it is not what you will pay in, but what you will get out of your 'pool,' that will determine its value to you respectively."

Respectfully submitted.

Yours, truly, J. H. PARKS.

And the grand jurors aforesaid, upon their oath aforesaid, do further present, that further in pursuance of the said unlawful combination and conspiracy, and to effect the object of the same, and as an act on his part of engaging in the same, the said John H. Parks, on the 24th day of October, in the year 1906, at and within the said city of New York, in the said southern district of New York, unlawfully did mail a certain circular letter to each and all of said defendants—that is to say, a letter which, without the printed letter head thereof, then and there was of the following tenor, to wit:

OCTOBER 24, 1906.

To the members of the F. and M. Association.

Re accountings.

GENTLEMEN: Under your rules this office is required to send you a detailed statement on or before the 10th day of each month, showing the amounts respectively due from you for pool contributions for the preceding calendar month. Said pool contributions are to be paid on or before the 15th day of each month, for the preceding calendar month, if you wish to avail of the 10 per cent cash discount. In order to enable us to place such monthly statements in your hands by the 10th, it is essential that you should forward to me, daily, your voucher of shipments, with copies of invoices annexed, covering your shipments each day; or, if you have not made any shipments on any given day, please send a slip stating that you have not. Our ledger accounts with each of you are kept in the following form, viz.,

Date.	Dr.	Amount.
1st—	For pool contributions,	
2d—	No shipments,	
3d—	For pool contributions,	Amount
4th—	Do.	Amount
5th—	No shipments,	

Each day is to be accounted for.

It is also important that you enable me—by daily reports of your shipments or nonshipments, as above—to render you your monthly statements on or before the 10th, because it is your intention to send me your respective checks for "pool contributions" as an escrow, no one or more of which are to be used, unless all members pay. In other words, the checks from any one, or more, less than all, members, for pool contributions, will not be available.

Therefore, (1) to avoid all cross purposes, and (2) to give every member an equal opportunity to save the cash discount, and (3) to insure prompt "distributions," please send me your V/S reports daily. Prompt daily reports of shipments or nonshipments, from all members, are indispensable to the efficiency of this office, and, otherwise expressed, are indispensable to the efficiency of your organization. No matter whether you always agree with the policy of the association or not, that is a matter which can be debated and settled at your meetings, or by circularized discussions, but your accountings and financial adjustments through this office, your "clearing house," must always be rigidly exact and regular, in accordance with your rules and regulations, in order to make your organization "a perfect price machine."

All of the successful "price-machine" associations with which I have been connected have been remarkable not only for their general scope and vigor, but for their minute attention to the details necessary to make their "clearing house" precise and efficient in all of its functions.

Respectfully submitted.

Yours, truly, J. H. PARKS.

And the grand jurors aforesaid, upon their oath aforesaid, do further present that further in pursuance of the said unlawful combination and conspiracy, and to effect the object of the same, and as an act on his part of engaging in the same, the said John H. Parks, on the 11th day of June, in the year 1907, at and within the said city of New York, in the said southern district of New York, unlawfully did mail a certain letter to the said Parsons Pulp and Paper Company—that is to say, a letter which, without the printed letter head thereof, then and there was of the following tenor, to wit:

JUNE 11, 1907.

Answering your E/10th instant.

PARSONS PULP AND PAPER COMPANY, *Philadelphia, Pa.*

Re excess shipments—Quarter ended March 31, 1907.

GENTLEMEN: I beg to refer you to the following vote, adopted at the February 26, 1907, meeting, viz.: "Voted: That shipments of 'exemption list' goods shall be charged against the quota rights of members;" from which you will note that shipments of both preamble and "exemption list" goods are chargeable against the quota rights of members.

Yours, truly,

J. H. PARKS, *A. P. P.*

And the grand jurors aforesaid, upon their oath aforesaid, do further present that further in pursuance of the said unlawful combination and conspiracy, and to effect the object of the same, and as an act on his part of engaging in the same, the said John H. Parks, on the 18th day of June, in the year 1907, at and within the said city of New York, in the said southern district of New York, unlawfully did mail a certain letter to the said Jefferson Paper Company—that is to say, a letter which, without the printed letter head thereof, then and there was of the following tenor, to wit:

JUNE 18, 1907.

JEFFERSON PAPER COMPANY, *Black River, N. Y.*

GENTLEMEN: I received your telegram this morning, reading as follows, viz:

"Conditioned on our making 450 tons this month, what quota rights can we sell? Ignore our letter yesterday. Wire answer."

To which I have replied by wire as follows, viz:

"Telegram received. Estimated balance would be 250 tons."

	Tons.
Your share of the quota allotment for quarter ending June 30, 1907, roughly estimated, will be	1,633
Your actual shipments thus far have been as follows:	
April, 1907	413
May, 1907	505
	918
	715
Allowing that you will make in June, 1907	450
Would leave you with a balance to sell of	265

As your share of the quota allotment given above (1,633 tons) will undoubtedly be changed in the final adjustment for the quarter, we wired you a conservative estimate of what you would have to sell, but would ask you to kindly bear in mind that those figures are subject to revision.

Yours, truly, J. H. PARKS.

And the grand jurors aforesaid, upon their oath aforesaid, do further present, that further in pursuance of the said unlawful combination and conspiracy, and to effect the object of the same, and as an act on his part of engaging in the same, the said John H. Parks, on the 9th day of May, in the year 1907, at and within the said city of New York, in the said southern district of New York, unlawfully did mail a certain letter to the said the Dexter Sulphite Pulp and Paper Company; that is to say, a letter which, without the printed letter head thereof, then and there was of the following tenor, to wit:

MAY 9, 1907.

DEXTER SULPHITE PULP AND PAPER COMPANY,
Dexter, N. Y.

GENTLEMEN: I am to-day in receipt of a letter from one of the members, in response to my circular-letter inquiry of May 6, 1907, advising that he will sell 200 tons of quota rights applying to the current quarter at $2 per ton.

This is the only "offer to sell" I have yet received. As soon as I have others in hand, I will duly advise you.

Yours, truly, J. H. PARKS.

And the grand jurors aforesaid, upon their oath aforesaid, do further present, that further in pursuance of the said unlawful combination and conspiracy, and to effect the object of the same, and as an act on his part of engaging in the same, the said John H. Parks, on the 3d day of July, in the year 1907, at and within the said city of New York, in the said southern district of New York, unlawfully did mail a certain letter to the said Bedford Pulp and Paper Company; that is to say, a letter which, without the printed letter head thereof, then and there was of the following tenor, to wit:

JULY 3, 1907.

BEDFORD PULP AND PAPER COMPANY,
Richmond, Va.

GENTLEMEN: I am to-day in receipt of a letter from the Fletcher Paper Company, advising that your Mr. Marcuse will sell them what quota rights they require for quarter ended March 31, 1907. I am therefore transferring 109.862 tons of your quota rights for said quarter to the account of the Fletcher Paper Company, and notifying them accordingly, which I trust will be satisfactory to you.

Yours, truly, J. H. PARKS.

And the grand jurors aforesaid, upon their oath aforesaid, do further present, that further in pursuance of the said unlawful combination and conspiracy, and to effect the object of the same, and as an act on his part of engaging in the same, the said John H. Parks, on the 8th day of July, in the year 1907, at and within the said city of New York, in the said southern district of New York, unlawfully did mail a certain letter to the said Hartje Paper Manufacturing Company; that is to say, a letter which, without the printed letter head hereof, then and there was of the following tenor, to wit:

JULY 8, 1907.

C. F. BRIGGS, Esq.,
Care of Hartje Paper Manufacturing Company,
Pittsburg, Pa.

Answering your E/6th inst.

DEAR SIR: I note, with much pleasure, that your interview with Mr. Thornton, secretary and treasurer of the Richmond Paper Manufacturing Company, Richmond, Va., was an encouraging one, and I congratulate you on securing his promise to meet with you at my office on the 20th instant with a view of having his company affiliate with the F. and M.

Association. I hope when the conference is held that we will be successful in satisfying Mr. Thornton on all points, and that we will be able to induce him to join our association at the coming meeting.

Yours, truly,

J. H. PARKS.

And the grand jurors aforesaid, upon their oath aforesaid, do further present, that further in pursuance of the said unlawful combination and conspiracy and to effect the object of the same, and as an act on his part of engaging in the same, the said John H. Parks, on the 12th day of July, in the year 1907, at and within the said city of New York, in the said southern district of New York, unlawfully did mail a certain letter to the said Munising Paper Company (Limited), that is to say, a letter which, without the printed letter head thereof, then and there was of the following tenor, to wit:

JULY 12, 1907.

MUNISING PAPER COMPANY,
Munising, Mich.

GENTLEMEN: This is an additional reply to your June 18, 1907, letter and refers also to my circular letter to the members of the F. and M. Association dated June 22, 1907, and question No. 71.

The following is a summary of the votes on said question: Yes, 11; no, 9; not replied, 4; total, 24.

Of the number of votes cast, a majority have, as you will note, voted to grant your request; but only 20 votes were cast, and it requires 13 affirmative out of 24 votes to carry. Therefore, although it is time for you to receive a reply to your June 18 inquiry, I regret to say that I am unable to give you one as yet. I have to-day written to the four members who have not replied and urged them to immediately respond so that I may give you a definite answer without further delay.

Yours, truly,

J. H. PARKS.

And the grand jurors aforesaid, upon their oath aforesaid, do further present, that further in pursuance of the said unlawful combination and conspiracy and to effect the object of the same, and as an act on his part of engaging in the same, the said John H. Parks, on the 17th day of July, in the year 1907, at and within the said city of New York, in the said southern district of New York, unlawfully did mail a certain letter to the said Orono Pulp and Paper Company, that is to say, a letter which, without the printed letter head thereof, then and there was of the following tenor, to wit:

JULY 17, 1907.

ORONO PULP AND PAPER COMPANY,
Bangor, Me.

Re V/S No. 102 (your No. 2.)

GENTLEMEN: This refers to the following resolution, adopted at the November 15–16 meeting of the association, which reads as follows:

"Voted: That the Orono Pulp and Paper Company be exempt from pool tax on a contract entered into with one of their customers, whose name they will furnish the treasurer, for deliveries to that customer up to July 1, 1907."

The shipments reported on your above-mentioned voucher is marked as being "On exemption list," and, as permission was given you to ship on the contract mentioned in the resolution only until July 1, I have transferred this shipment to the preamble account, assuming that your making of the invoice was a clerical error in your office. I trust, however, that you will confirm the correctness of the charge.

Thanking you in advance for your prompt attention hereto, I am,

Yours, truly,

J. H. PARKS.

And the grand jurors aforesaid, upon their oath aforesaid, do further present, that further in pursuance of the said unlawful combination and conspiracy and to effect the object of the same, and as an act on his part of engaging in the same, the said John H. Parks, on the 7th day of August, in the year 1907, at and within the said city of New York, in the said southern district of New York, unlawfully did mail a certain letter to the said the Island Paper Company, that is to say, a letter which, without the printed letter head thereof, then and there was of the following tenor, to wit:

AUGUST 7, 1907.

ISLAND PAPER COMPANY,
Carthage, N. Y.

Re quota rights—Quarter ended June 30, 1907.

GENTLEMEN:

	Tons.
Your share of the sales allotment for April, 1907, was	517
Your share of the sales allotment for May, 1907, was	508
Your share of the sales allotment for June, 1907, was	507
Total for quarter	1,532

Against this, your shipments have been:

	Tons.	
April, 1907	561–423	
May, 1907	510–264	
June, 1907	505–868	
		1,576–1575
Making shipments in excess of your allotment of		44–1575

The following vote was adopted by the association at the January, 1907, special meeting, viz:

Voted, any member who shall ship in excess of his allotted and acquired quota rights shall pay to the association a penalty of $1 per ton on such excess shipments.

By purchasing quota rights, however, to cover your said excess shipments, you may avoid the penalty above mentioned, and I would state that the following members did not ship up to their allotments for last quarter, and have therefore probably quota rights for sale, viz:

Analomink Paper Company, North Water Gap, Pa.; Bayless Pulp and Paper Company, Austin, Pa.; Bedford Pulp and Paper Company, Richmond, Va.; Champion Paper Company, Carthage, N. Y.; Central Paper Company, Munising, Mich.; Continental Bag and Paper Company, 17 Battery place, New York City; Detroit Sulphite Pulp and Paper Company, Detroit, Mich.; Fletcher Paper Company, Alpena, Mich.; Island Paper Company, Menasha, Wis.; Jefferson Paper Company, Black River, N. Y.; Moyer & Pratt, Lyons Falls, N. Y.; Munising Paper Company, Munising, Mich.; Newton Falls Paper Company, Newton Falls, N. Y.; Orono Pulp and Paper Company, Bangor, Me.; L. H. Cheeseman, esq., care L. H. Cheeseman Company, Detroit, Mich.; York Haven Paper Company, Bowling Green building, New York City.

Kindly advise me as promptly as may be of such purchase as you may make, so that I may balance your quota rights account for the last quarter.

Yours, truly,

J. H. PARKS.

And the grand jurors aforesaid, upon their oath aforesaid, do further present that further in pursuance of the said unlawful combination and conspiracy, and to effect the object of the same, and as an act on his part of engaging in the same, the said John H. Parks, on the 8th day of August, in the year 1907, at and within the said city of New York, in the said southern district of New York, unlawfully did mail a certain letter to the said Petoskey Fiber Paper Company; that is to say, a letter which, without the printed letter head thereof, then and there was of the following tenor, to wit:

AUGUST 8, 1907.

CHARLES JONES, Esq., *Detroit, Mich.*

Answering your E, 5th instant, re western prices.

DEAR SIR: Referring to your inquiry relative to the prices for quotations to Oregon, Washington, Montana, etc., I would refer you to the fourth paragraph, which appears on sheet 3 of the official association price list, which reads as follows, viz:

"On all shipments to territory west of Minneapolis and north of Omaha, including Sioux Falls, there shall be charged an advance of 10 cents per hundred pounds above list prices."

My interpretation of this resolution is that the 10 cents per hundred pounds extra on shipments to the points mentioned shall be over and above the prices listed on the price list for western deliveries.

I trust this is the information you desire.

Yours, truly,

J. H. PARKS.

And the grand jurors aforesaid, upon their oath aforesaid, do further present that further in pursuance of the said unlawful combination and conspiracy, and to effect the object of the same, and as an act on his part of engaging in the same, the said John H. Parks, on the 12th day of August, in the year 1907, at and within the said city of New York, in the said southern district of New York, unlawfully did mail a certain letter to the said Fletcher Paper Company; that is to say, a letter which, without the printed letter head thereof, then and there was of the following tenor, to wit:

AUGUST 12, 1907.

A. M. FLETCHER, Esq., *Chairman,*
Care of Fletcher Paper Company,
Alpena, Mich.

Re Munising Paper Company's job lot shipment.

DEAR SIR: On July 29, 1907, the Munising Paper Company wrote me as follows, viz:

We have in hand order No. 6443 for * * * calling for 30,000 pounds No. 166 Yellow Tiger. This is a car of paper which was made up by us for another concern, but owing to a mistake on the part of our Chicago office the paper was made the wrong shade, and we were obliged to put this paper in stock and run the order a second time. This first lot is covered by the above-mentioned order, and for your information will say that we secured for the paper, which is in all sulphite dry finish, the following prices:

35-pound	$3.25
30-pound	3.40
25-pound	3.75

All f. o. b. St. Joseph, 3 per cent, thirty days. As this is a legitimate job-lot sale, we presume you will have no objection to passing our invoices.

On receipt of the above I wrote the Munising Paper Company, July 31, 1907, as follows, viz:

Answering your E/29th inst.

I note your explanation in regard to the "job lot" of 30,000 pounds sold to * * * after having originally been made up for another customer, but rejected on account of wrong shade.

I have no personal authority whatever to "pass" your invoice at the prices secured for the paper. This is a matter which the association, by express vote at the February 25, 1907, meeting, placed in the hands of the Ways and Means Committee, viz:

"Voted, that any member desiring to dispose of job lots at prices below the association prices shall submit a list of the goods and samples to the chairman of the ways and means committee, whose decision shall be final; but the pool tax must be paid on all such sales."

I would suggest that you forward samples of the paper, with full explanation, to Chairman A. M. Fletcher, at Alpena, Mich., asking him whether he will rectify the sale already made, and to advise me regarding the matter, so that I may "pass" the invoices, if may be.

Did the Munising Paper Company write you on the subject? If so, please write me your ruling thereon.

If the Munising Paper Company did not write you regarding the matter, possibly you can give me your instructions with the above details before you, and thus, providing your ruling is in its favor, avoid the necessity of my bringing the matter before the association unnecessarily.

Thanking you in advance for your kind attention hereto, I remain,

Yours, truly,

J. H. PARKS.

And the grand jurors aforesaid, upon their oath aforesaid, do further present that further, in pursuance of the said unlawful combination and conspiracy, and to effect the object of the same, and as an act on his part of engaging in the same, the said John H. Parks, on the 20th day of August, in the year 1907, at and within the said city of New York, in the said southern district of New York, unlawfully did mail a certain letter to the said Continental Paper Bag Company; that is to say, a letter which, without the printed letter head thereof, then and there was of the following tenor, to wit:

AUGUST 20, 1907.

JOHN SMITH, *New York City.*

Re quota rights—Quarter ended June 30, 1907.

DEAR SIR: Indorsed to the order of I. Kuhe, I inclose herein check for $108.50, in payment of 217 tons of quota rights, applying to the above quarter, purchased from the Hartje Paper Manufacturing Company. With the return of the inclosed receipt, duly signed, will you kindly authorize me to transfer said 217 tons of quota rights from your account to that of the Hartje Paper Manufacturing Company, and oblige,

Yours, truly,

J. H. PARKS.

And the grand jurors aforesaid, upon their oath aforesaid, do further present that further, in pursuance of the said unlawful combination and conspiracy, and to effect the object of the same, and as an act on his part of engaging in the same, the said John H. Parks, on the 20th day

of July, in the year 1907, at and within the said city of New York, in the said southern district of New York, unlawfully did mail a certain letter to the said Allen Brothers Company; that is to say, a letter which, without the printed letter head thereof, then and there was of the following tenor, to wit:

JULY 20, 1907.

Messrs. ALLEN BROTHERS COMPANY,
Sandy Hill, N. Y.

Answering your E/17th inst.

GENTLEMEN: At the May 25, 1907, meeting of the association, a committee was appointed to consider the matter referred to in your letter of the above date, with the result that the following recommendation was made by the committee and adopted by the association, viz:

"A statement shows that they will have had returned to them $600 more than they have contributed, including their original payment to the contingent fund. Inasmuch as this is a very good showing, and particularly inasmuch as our by-laws distinctly state that the initial contribution shall not be returned in case of the withdrawal of a member, we recommend that there be no refund to them of their share of the contingent fund. Especially as this is a precedent the rule should be lived up to."

Respectfully submitted.

Yours, truly, J. H. PARKS.

And the grand jurors aforesaid, upon their oath aforesaid, do further present that further in pursuance of the said unlawful combination and conspiracy, and to effect the object of the same, and as an act on his part of engaging in the same, the said John H. Parks, on the 22d day of August, in the year 1907, at and within the said city of New York, in the said southern district of New York, unlawfully did mail a certain letter to the said Bayless Pulp and Paper Company; that is to say, a letter which, without the printed letter head thereof, then and there was of the following tenor, to wit:

AUGUST 22, 1907.

BAYLESS PULP AND PAPER COMPANY, *Austin, Pa.*

Re quota rights—quarter ended March 31, 1907.

GENTLEMEN: I inclose carbon copy of my June 6, 1907, letter to you on this subject.

I do not seem to have received instructions from any member to transfer to your account the necessary quota rights to cover your overshipment for quarter ended March 31, 1907. Did you make a purchase? If not, will you kindly do so, so as to enable me to close the allotment account for said quarter, and oblige?

Awaiting your advice, I remain,

Yours, truly, J. H. PARKS.

And the grand jurors aforesaid, upon their oath aforesaid, do further present that further in pursuance of the said unlawful combination and conspiracy, and to effect the object of the same, and as an act on its part of engaging in the same, the said Petoskey Fiber Paper Company, on the 5th day of October, in the year 1907, at Petoskey, in the State of Michigan, unlawfully did mail a certain letter to the said John H. Parks; that is to say, a letter which, without the printed letter head thereof, then and there was of the following tenor, to wit:

OCTOBER 5, 1907.

Mr. JOHN H. PARKS,
1 West Thirty-fourth street, New York City.

DEAR SIR: Your letter of October 3 received. We have written the mill, asking why they have not sent copies of shipments made.

I am having a very difficult time in keeping the mill in the association, and I believe that we will be obliged to go out and operate the same as the western mills are doing. We are under the same injunction as they and several of our directors are very uneasy; in fact, the secretary has written demanding that we withdraw.

We have a letter from Thomas Barrett & Son, of New York, asking quotations on a certain grade of paper which we have made for them for one year's contract. They are obliged to take the contract that way from their customer. We should like permission to quote them.

Yours, truly,

PETOSKEY FIBER PAPER COMPANY,
By L. H. CHEESEMAN.

And the grand jurors aforesaid, upon their oath aforesaid, do further present that further in pursuance of the said unlawful combination and conspiracy, and to effect the object of the same, and as an act on his part of engaging in the same, the said John H. Parks, on the 21st day of October, in the year 1907, at and within the said city of New York, in the said southern district of New York, unlawfully did mail a certain letter to the said Analomink Paper Company; that is to say, a letter which, without the printed letter head thereof, then and there was of the following tenor, to wit:

OCTOBER 21, 1907.

ANALOMINK PAPER COMPANY,
North Water Gap, Pa.

Answering your E/14th inst. Re job lots.

GENTLEMEN: In order that I may have a record of the arrangement which permits you to ship the job lot, mentioned in your above letter, at less than current association prices, will you kindly send a sample of this paper to the chairman of the ways and means committee, and ask him to officially authorize me to "pass" such invoices as cover this lot. The resolution covering such matters, reads as follows:

"Voted (2/25/07), that any member desiring to dispose of job lots at prices below the association prices, shall submit a list of the goods, and samples, to the chairman of the ways and means committee, whose decision shall be final, but the pool tax must be paid on all such sales."

Yours, truly,

J. H. PARKS.

And the grand jurors aforesaid, upon their oath aforesaid, do further present, that further, in pursuance of the said unlawful combination and conspiracy, and to effect the object of the same, and as an act on his part of engaging in the same, the said John H. Parks, on the 24th day of October, in the year 1907, at and within the said city of New York, in the said southern district of New York, unlawfully did mail a certain letter to the said Continental Paper Bag Company; that is to say, a letter which, without the printed letter head thereof, then and there was of the following tenor, to wit:

OCTOBER 24, 1907.

JOHN SMITH, Esq., *New York, N. Y.*

Answering your E/22nd inst.

DEAR SIR: There is no article in the constitution containing a provision that the contingent-fund share may be returned to any retiring member by a majority vote. Please not, however, the following paragraph of the constitution which refers to a change therein, viz:

"Paragraph 25, page 11. These articles of agreement may be changed at any meeting by the consent of three-fourths of all members of the association."

Under this paragraph the money might be refunded to you by the consent of three-fourths of all members, provided notice is given, in the call for the meeting, that a change in the indenture of agreement is proposed.

Confirming my telephone conversation, I inclose check for $949.30, being an additional payment on account of the September distribution, of which kindly acknowledge receipt.

We are now making up revised distribution for July and August, so that the balance due you for those months may be ascertained and paid as promptly as may be.

I inclose a copy of the resolution adopted by the ways and means committee at the last meeting here, at which you were present.

Yours, truly,

J. H. PARKS.

And the grand jurors aforesaid, upon their oath aforesaid, do further present, that further in pursuance of the said unlawful combination and conspiracy, and to effect the object of the same, and as an act on his part of engaging in the same, the said John H. Parks, on the 11th day of May, in the year 1907, at and within the said city of New York, in the said southern district of New York, unlawfully did mail a certain letter to the Manufacturers Paper Company; that is to say, a letter which, without the printed letter head thereof, then and there was of the following tenor, to wit:

MAY 11, 1907.

MANUFACTURERS PAPER COMPANY,
No. 41 Park Row, New York.

Answering your E/3rd inst.

GENTLEMEN: I am to-day in receipt of a letter from the chairman of the ways and means committee, to the effect that a majority of said committee voted in favor of allowing you to make the contracts desired, viz:

1. With a southern jobber for 7 cars, to be taken from July 1, 1907 to July 1, 1908.

2. With a New York jobber for 300 tons No. 2 Manila, to be taken during the months of July, August, and September, 1907.

I presume you will file with me the details of these contracts, so that I may check same on the invoices which you will render.

Yours, truly,

J. H. PARKS.

And the grand jurors aforesaid, upon their oath aforesaid, do further present, that further, in pursuance of the said unlawful combination and conspiracy, and to effect the object of the same, and as an act on his part of engaging in the same, the said John H. Parks, on the 14th day of May, in the year 1907, at and within the said city of New York, in the said southern district of New York, unlawfully did mail a certain letter to the said Brownville Paper Company; that is to say, a letter which, without the printed letter head thereof, then and there was of the following tenor, to wit:

MAY 14, 1907.

BROWNVILLE PAPER COMPANY, *Brownville, N. Y.*

Answering your E/13th instant., re current pool contribution.

GENTLEMEN: At the February 26, 1907, meeting, following closely upon the advance in prices then voted, the following resolution was adopted, viz:

"Voted unanimously, that the 'pool contribution' for the ensuing quarter be fixed at $5.50 per ton, with 50 cents a ton discount if paid on or before the 15th day of the month. This pool contribution to apply on all shipments beginning April 1, 1907."

It was, of course, in conformity with this resolution that my monthly statement to you was made up.

Yours, truly,

J. H. PARKS.

And the grand jurors aforesaid, upon their oath aforesaid, do further present that, further, in pursuance of the said unlawful combination and conspiracy, and to effect the object of the same, and as an act on his part of engaging in the same, the said John H. Parks, on the 14th day of May, in the year 1907, at and within the said city of New York, in the said southern district of New York, unlawfully did mail a certain letter to the said Newton Falls Paper Company—that is to say, a letter which, without the printed letter head thereof, then and there was of the following tenor, to wit:

MAY 14, 1907.

JAMES L. NEWTON, Esq.,
Treasurer Newton Falls Paper Company, Newton Falls, N. Y.

Answering your E/10 inst., re pool taxes.

DEAR SIR: I have carefully gone over the association price lists covering the several advances made, including the initial advance of $5 when the association was first organized. I find that while prices on the standard manila and fiber papers have been advanced $10 per ton, the pool tax is to-day but $5 net. This, of course, has operated to advance the cost schedule $5 per ton.

On the bag papers the advance on the 100 per cent and 80 per cent has been but $5, but on the 50 per cent the advance has been $7 per ton, making an advance in the cost schedule on that grade of $2.

Of course the fixing of the selling prices is entirely in the hands of the manufacturers, as is the rate of pool tax; and, properly, the amount paid into the association as a pool tax should represent the actual difference between the association selling prices and the cost of manufacturing the goods. If an advance in the selling price of bag papers is necessary to reach this state of affairs, this certainly should be made if it is possible to do so, taking into consideration existing market conditions.

I am inclined to agree with you that it would be difficult, if not impossible, to secure a mail vote advancing the selling prices of bag papers as the next meeting is so near at hand, and members will probably prefer to have a full discussion of the matter at that time. I have, therefore, entered an item concerning it on the order of business, which I understand to be in accordance with your desire.

Yours, truly,

J. H. PARKS.

And the grand jurors aforesaid, upon their oath aforesaid, do further present that, further, in pursuance of the said unlawful combination and conspiracy, and to effect the object of the same, and as an act on his part of engaging in the same, the said John H. Parks, on the 16th day of May, in the year 1907, at and within the said city of New York,

in the said southern district of New York, unlawfully did mail a certain letter to the said Moyer & Pratt—that is to say, a letter which, without the printed letter head thereof, then and there was of the following tenor, to wit:

MAY 10, 1907.

C. W. PRATT, Esq.,
Island Paper Company, Moyer & Pratt,
Carthage, N. Y.

Re sales allotment.

DEAR SIR: On February 27, 1907, I wrote calling your attention to the folowing vote adopted at the February 26, 1907, meeting, but up to date do not find that I have received advices from you as to the two concerns chosen:

"Voted, that Mr. Pratt, as representative of Moyer & Pratt and of the Island Paper Company (New York) be allowed to name two sales agents in New York City and vicinity to whom he shall be allowed to pay commissions not exceeding 2½ per cent of the regular association price delivered at this point; no cartage allowed."

Will you not kindly notify me by return mail regarding the matter, thereby obliging

Yours, truly, J. H. PARKS.

And the grand jurors aforesaid, upon their oath aforesaid, do further present, that further in pursuance of the said unlawful combination and conspiracy, and to effect the object of the same, and as an act on his part of engaging in the same, the said John H. Parks, on the 4th day of January, in the year 1908, at and within the said city of New York, in the said southern district of New York, unlawfully did mail a certain letter to one George A. Kies; that is to say, a letter which, without the printed letter head thereof, then and there was of the following tenor, to wit:

JANUARY 4, 1908.

GEORGE A. KIES, Esq., *Clinton, Mich.*

Re Petoskey.

DEAR GEORGE: Supplementing my recent letter to you, wherein I stated that we had not heard either from Mr. Cheeseman or from Mr. Furnell, in regard to October and November, 1907, payments for contingent fund and share of expenses, account Petoskey, I would state that Mr. Parks thinks it most important that we should bring this matter to a focus at once. The new interests in that mill must be brought into line, as the concern has always had the reputation of a "price cutter," and it would seriously disorganize the western market if they are allowed to run along loosely, without feeling that they are thoroughly affiliated and identified with us.

The fact that they have not sent us a check for the amounts due from them is most significant. Please follow this matter up closely and keep us posted as to results.

Yours, very truly, J. H. PARKS, *App.*

Dictated by A. P. Plumb, secretary.

And the grand jurors aforesaid, upon their oath aforesaid, do further present, that further in pursuance of the said unlawful combination and conspiracy, and to effect the object of the same, and as an act on his part of engaging in the same, the said John H. Parks, on the 12th day of December, in the year 1907, at and within the said city of New York, in the said southern district of New York, unlawfully did mail a certain letter to one George A. Kies; that is to say, a letter which, without the printed letter head thereof, then and there was of the following tenor, to wit:

DECEMBER 12, 1907.

Messrs. G. A. KIES, H. I. GOLDSMITH,
CHARLES F. CLARE, JOHN W. PARKS.

Conjointly. Re Checking "shut downs."

GENTLEMEN: At the last meeting of the F. and M. Association, the following vote was adopted, viz:

"Voted, unanimously, that it is the sense of this association that all the mills should shut down all their paper machines for six regular working days between now and January 1, 1908, and that those mills that can do so are recommended to shut down Thanksgiving morning and remain shut down for one week." (A yea-and-nay vote was called on this resolution, with the result that it was unanimously adopted, as above noted.)

At the last meeting of the Paper Board Association an agreement was reached, which was not expressed in the minutes, but which was substantially as follows, viz:

Each mill present agreed, upon a roll call, that it would shut down its full production for two weeks prior to January 15, 1908; and in the case of the United, they agreed that while they would not shut down all their machines for the same period, they would at least shut down each machine for a space of two weeks during said period. The same would, of course, apply to any other member running more than one machine.

Therefore, at each place you visit, ascertain whether they have not shut down for the period required; and if so, verify the shut down and send us a letter certifying that your investigations show that the machines, or mill, as the case may be, was shut down from such and such a date to such and such a date. If the shut down has not yet occurred, ascertain when they intend to do so, and notify us accordingly. Be very careful in checking up these shut downs, and do not fail to render prompt report in each case.

Yours, truly, J. H. PARKS.

And the grand jurors aforesaid, upon their oath aforesaid, do further present, that further in pursuance of the said unlawful combination and conspiracy, and to effect the object of the same, and as an act on his part of engaging in the same, the said John H. Parks, on the 23d day of November, in the year 1907, at and within the said city of New York, in the said southern district of New York, unlawfully did mail a certain letter to one A. M. Fletcher; that is to say, a letter which, without the printed letter head thereof, then and there was of the following tenor, to wit:

NOVEMBER 23, 1907.

A. M. FLETCHER, Esq., *Alpena, Mich.*

DEAR SIR: As per your request, I have to-day sent the following letter to the manufacturers named, each written on plain paper, and dated simply "New York," viz:

"At a conference of the western fiber and manila mills, held last Tuesday, it was agreed that they would all shut down, commencing Thursday morning next, for the balance of the week, provided the eastern manufacturers would do the same.

At a meeting held in New York 22 of the manufacturers agreed to close down, starting Thursday morning, and staying down for a week at that time, or three days then and three days in the future, between now and December 31. The western men, I am positive, will agree to this and do the same.

The time to take a little medicine is when you are sick, not after you have gotten over the trouble. Consequently, if you will join in this movement and shut down your paper machines for a week, it will certainly relieve the pressure on the market and keep prices from breaking. We feel that a few of us have carried the burden of this advance for some time, and that you at least might do this much to help out in the emergency.

Trusting to receive your assurance that you will do this, either commencing Thursday or some time between now and the 31st of December, and hoping to receive a reply from you, which please address to me at Alpena, Mich., I remain,

Yours, truly, A. M. FLETCHER.

This letter went to J. & J. Rogers Company, Ausable Forks, N. Y.; Henry Paper Company, Lincoln, N. H.; Odell Manufacturing Company, Boston, Mass.; Cushnoc Paper Company, Augusta, Me.; Hollingsworth & Whitney, Boston, Mass.; Cherry River Paper Company, Philadelphia, Pa.; Carolina Fiber Company, Hartsville, S. C.; Marietta Paper Mills, Marietta, Ga.

I was unable to find, from any of our records in this office, the address of the Roanoke Rapids Paper Company, and I am, therefore, holding this letter to them, awaiting your advices as to where I shall send it.

Yours, truly, J. H. PARKS.

And the grand jurors aforesaid, upon their oaths aforesaid, do further present, that further, in pursuance of the said unlawful combination and conspiracy, and to effect the object of the same, and as an act on his part in engaging the same, the said John H. Parks, on the 11th day of January, in the year 1908, at and within the said city of New York, in the said southern district of New York, unlawfully did mail a certain letter to the said H. H. Everard; that is to say, a letter which, without the printed letter head thereof, then and there was of the following tenor, to wit:

JANUARY 11, 1907.

H. H. EVERARD, Esq.,
President, Kalamazoo, Mich.

Re Petoskey Fiber Co.

DEAR SIR: Here is what Mr. Kies writes, viz:

"I went to Detroit this morning and had a talk with Cheeseman re Petoskey. He said he had not heard from Mr. Fernell; that he himself would have to pay the expense bills; that he would attend the meeting next week, and would pay then, if he could raise the money. He showed me a letter, dated September 28, from E. D. Warner, secretary Petoskey Fibre Company, a religious crank. He wrote that he had been looking up records of the General Paper Company injunction, and instructed Mr. Cheeseman to withdraw from the association, as he felt that he could not continue violating the law. Mr. Cheeseman said he was for continuing as members; that Mr. Cunningham probably would, but they were only two of the board of directors; that it would not do me any good to make a special trip to Petoskey. You will probably have a talk with him at the meeting, so I will not go to Petoskey until my regular trip in about two weeks, unless you think it best to go sooner."

I am submitting it to you verbatim, so that you may have it Monday morning in case you wish to say anything to Mr. Cheeseman before he starts for the East to attend our next week's meeting.

Yours, truly, J. H. PARKS.

And the grand jurors aforesaid, upon their oath aforesaid, do further present, that further in pursuance of the said unlawful combination and conspiracy, and to effect the object of the same, and as an act on his part of engaging in the same, the said John H. Parks, on the 4th day of November, in the year 1907, at and within the said city of New York, in the southern district of New York, unlawfully did mail a certain letter to the said Gould Paper Company; that is to say, a letter which, without the printed letter head thereof, then and there was of the following tenor, to wit:

NOVEMBER 4, 1907.

G. H. P. GOULD, Esq.,
President Gould Paper Company, Lyons Falls, N. Y.

Answering your E/2nd inst.

DEAR SIR: In preparing our distribution sheets we follow, as closely as we can, the legislation of the association; and then, after we have prepared the sheets, we call in the association auditors, who are expert accountants, to verify our figures or to make corrections if there are any errors. No money is paid out to any member until our distribution sheets have been O. K.'ed by said expert auditors. Therefore, so far as the figures are concerned, they are unquestionably correct.

But as to the theory upon which the distributions are made, that is another question. The same "exemption rule" that applies in the F. and M. Association prevails in the other associations. It may be, however, that the conditions in the F. and M. are such that it would warrant the changing of one feature; that is to say, to have the expenses charged up to members on the basis of their revised percentages rather than on the basis of their fixed percentages. If this were done, it would make a material difference in the net results to you, but some of the other members might object to it. It seems to me, therefore, that it might be well, if you wish it, to make it a question for debate at our next meeting; and if you would like to have me make it an item on the order of business, please so advise me.

The theory of a "pool," however, is that the active members must contribute to the passive members. To induce members to refrain from making cut prices in order to market their products a "pool," properly organized, will yield them just as much profit if their mill is shut down; and therefore such members are usually satisfied to take their compensation from the "pool" rather than to endeavor to obtain it through sales in the market. The direct result of this is to tone up the prices. I will not undertake, in a letter, to go into all the details of this argument; but, speaking in general terms, I would say that it is not what a member pays into a "pool," but what he draws out of a "pool," that constitutes the profit. And in this respect I beg to call your attention to the inclosed circular letter, which was issued some time ago on the subject.

Your, truly, J. H. PARKS.

And the grand jurors aforesaid, upon their oath aforesaid, do further present that, further in pursuance of the said unlawful combination and conspiracy and to effect the object of the same, and as an act on its part of engaging in the same, the said the Racquette River Paper Company, on the 9th day of January, in the year 1907, at Potsdam, in the State of New York, unlawfully did mail a certain letter; that is to say,

a letter which, without the printed letter head thereof, then and there was of the following tenor, to wit:

JANUARY 9, 1907.

Mr. JOHN H. PARKS,
1 West Thirty-fourth street, New York City, N. Y.

DEAR SIR: The several members who have written you expressing themselves as more or less disappointed at the inadequacy of their respective sales allotments for the current quarter have evidently not given careful study to the percentage schedule issued by you January 4.

The sum of the respective tonnages shows a gross production for three months to be 64,000 tons, and our decision as an association to make the total sales allotment 50,000 tons figures nearly 22 per cent shrinking of the output.

This applies equitably to each member's product, and will put most mills in the position that, if they desire to make full production, they must buy quota rights from mills that are not operating.

It may possibly be that we set our sales allotment too low, and, considering the present demand, I am inclined to think that this is true; nevertheless, the effect upon the demand will be most salutary, so that we will be in the best possible shape to make an advance in price for the next quarter.

Members should be a little patient with seeming discrepancies, and at the next meeting everything can be worked out to general satisfaction.

Yours, truly,

THE RACQUETTE RIVER PAPER COMPANY,
By G. W. SISSON, Jr.

And so the grand jurors aforesaid, upon their oath aforesaid, do say that the said corporation and individual defendants, during the period of time first aforesaid, at and within the said city of New York, in the said southern district of New York, in manner and form in this count of the indictment aforesaid, unlawfully did engage in a combination in restraint of trade and commerce among the several States, against the peace and dignity of the said United States, and contrary to the form of the statute of the same in such case made and provided.

THIRD COUNT.

And the grand jurors aforesaid, upon their oath aforesaid, do further present that the said corporation and individual defendants named in the first count of this indictment, under the circumstances and conditions and by the means and methods in that count particularly set forth, and in and by engaging in the combination and conspiracy in the second count of this indictment mentioned and through the committing of the overt acts in the said second count set forth during the period of time from the said 13th day of September, in the year 1906, to the day of the finding and presentation of this indictment, at and within the said city and southern district of New York, unlawfully have knowingly attempted to monopolize the part in the said first count mentioned and described of the trade and commerce among the several States of this Union—that is to say, the interstate trade and commerce in fiber and manila papers—there mentioned, against the peace and dignity of the said United States, and contrary to the form of the statute of the same in such case made and provided.

HENRY L. STIMSON,
United States Attorney for the Southern District of New York.

Mr. BROWN rose.

Mr. BAILEY. Unless the vote can be taken at once, I shall be compelled to call for the regular order, which will bring to the consideration of the Senate the income-tax amendment.

Mr. ALDRICH. I hope the Senator will allow a vote to be taken.

Mr. BROWN. I did not want to take five minutes.

Mr. BAILEY. Of course I have been patient, and I will still be. For five minutes I will make no objection, but I feel that at the conclusion of that time it will be my duty to call for the regular order.

Mr. BROWN. I thank the Senator. I would not detain the Senate a moment, but I feel, under the circumstances, Mr. President, that I ought to express my judgment finally upon the proposition now pending. I am thoroughly of the opinion that there is no defense or justification for any tariff at all on print paper. I believe that the testimony and the records sustain my view. But with the appearances in the Senate, I expect one to be voted there. I had hoped it would be the $2 rate, passed and recommended by the House. I hope so still. If that can not be done, I hope the amendment of the Senator from Wisconsin [Mr. LA FOLLETTE] will prevail.

Before I take my seat permit me to express one regret. It is that after two days' debate and after two days' promise by our committee, there is not a syllable of testimony before us upon which to sustain a vote for any tariff at all. Affidavits, anonymous, are spoken of, but not a name is given, not one. I interrogated the Senator from New Hampshire [Mr. GALLINGER]. He referred me to the committee. The committee come in and say here are affidavits, but not a man's name mentioned, not an affidavit is put in the RECORD.

I say that is not treating us fairly. When we come to vote, Senators, we ought to have something upon which to base that vote. The word of the Senator from Maine is good, absolutely as good as that of any Senator, but it only applies to a few mills. Let me call his attention to the fact that the undisputed testimony is that the Maine mills make print paper for less than any other mills in the country, notwithstanding a freight of $4 was paid.

I leave the question with the Senate.

Mr. OWEN. I want to remind the Senator from Nebraska——

Mr. SMOOT. Mr. President——

Mr. ALDRICH. I hope the Senate will allow the Senator from Utah to put in the RECORD certain statements in justification of the action of the committee.

Mr. BROWN. Is it expected that we are to vote before we can read them? What are the statements?

Mr. ALDRICH. Statements showing what has already been shown, that there is a difference of more than $4 a ton between the United States and Canada.

Mr. BROWN. What are they? Affidavits?

Mr. SMOOT. I have not only affidavits, but also invoices and bills of lading showing the exact cost of pulp wood in Canada and in the United States, but will only incumber the RECORD with a few of the affidavits.

Mr. BROWN. Now it is invoices. Why did we not have them before?

The VICE-PRESIDENT. Is there objection to the request of the Senator from Rhode Island that the statements presented by the Senator from Utah be printed in the RECORD.

Mr. BROWN. I have no objection, if I may be permitted to put in affidavits in dispute of it.

The VICE-PRESIDENT. The Chair hears no objection to the request of the Senator from Rhode Island.

The matter referred to is as follows:

Cost of pulp wood in the United States as per accompanying statement, freight bills, and affidavit.

CANADIAN WOOD.

[Oswego Falls Pulp and Paper Company, Fulton, N. Y.]

Invoice, July, August, etc.....cords	1,215.65
Freight ($8.30 per cord)	$10,090.79
Total cost	$17,625.95
Rossed, per cord, delivered	$14.50
Equivalent per rough cord, delivered at mill	$10.35
Rossed, per cord, at point of shipment	$6.20
Equivalent cost per rough cord, at point of shipment	$4.125

FULTON, N. Y., *October 31, 1908.*

AUGER & SON, *Quebec, Canada:*

10/2. Car 306662, 11.625 cords, at $14.50	$168.56
Less freight	94.53
	74.03

FULTON, N. Y., *September 30, 1908.*

AUGER & SON, *Quebec, Canada:*

Car No.—	Cords.	Feet.
15648	13	88
27561	13	10
50067	14	8
303091	13	124
13019	13	100
309309	13	124
303570	13	124
15429	13	88
15043	13	124
22650	15	
22175	10	40
24201	10	
55575	10	70
53947	13	124
28363	10	40
	186	1,064
	8.40	
Total	194.40/128	

194.31, at $14.50	$2,817.50
Less freight	1,314.34
	1,503.16

Oswego Falls Pulp and Paper Company to Auger & Son, Dr.
AUGUST 31, 1908.

Car No.—	Cords.	Feet.
14905	13	100
1707	10	
51243	13	100
50457	13	112
26579	9	88
50263	13	112
13302	13	100
50314	12	86
55580	10	70
25132	10	75
27585	10	
61127	13	124
25205	10	75
300415	13	100
7690	13	34
33243	13	100
50171	13	112
16261	13	100
303824	13	100
15024	13	100
15595	13	88
47661	13	113
21855	13	10
26598	10	40

Oswego Falls Pulp and Paper Company to Auger & Son, Dr.—Continued.

Car No.—	Cords.	Feet.
5043	12	72
55944	16	112
12378	13	100
10073	13	100
302972	13	100
74326	16	112
304627	13	100
300715	13	100
14823	13	100
303744	13	100
3223	12	72
50119	13	124
13076	13	124
16326	13	100
24602	10	40
15572	13	112
61190	16	107
14941, 5151	12	56
13700	13	124
25889	10	
18651	13	108
14872	13	100
64570	17	28
55715	10	20
305507	13	124
1104	11	80
9476	12	90
27425	10	40
13834	13	100
50309	13	88
50576	13	88
55654	11	72
18538, 1526	10	24
303057	13	124
6696	13	4
300736	18	5
300708	13	124
15120	13	112
12507	12	106
527672	13	10
27660	10	40
16070	13	88
15427	13	88
16006	13	88
15936	13	88
15966	13	88
4309	12	48
3973	12	72
15974	13	88
11773	13	124
9025	13	124
Total	941	6,125

941 + 47.85 cords=988.85 cords.

988.85 cords, at $14.50	$14,338.33
Less freight	7,592.43
	6,745.90

Oswego Falls Pulp and Paper Company to Auger & Son, Dr.
JULY 31, 1908.

Car No.—	Cords.	Feet.
17904	14	27
19599	14	105
15845	17	32
2601	10	64
15595	15	4
15978	15	4
14161	13	61
15278	13	112
19987	14	64
60138	17	102
15746	14	8
22221	12	
19595	4	64
17598	15	3
15958	13	64
15427	13	64
17058	14	48
3962	12	72
12781	13	124
10879	13	124
12466	13	124
15791	15	88
16059	15	110
26491	13	
17741	13	101
25949	11	44
19254	14	79
15960	14	124
27889	12	43
19533	13	110
16224	14	55
301086	13	124
14993	13	58
1160	10	106
15310	16	24
10012	13	51
13071	13	121
60165	17	88
15593	14	14

Oswego Falls Pulp and Paper Company to Auger & Son, Dr.—Continued.

Car No.—	Cords.	Feet.
11800	13	124
24574	10	
15177	13	113
3075	8	16
304399	13	100
15831	13	100
2631	12	48
15365	13	112
304337	13	100
300803	13	61
12273	13	100
16040	13	112
13178	13	124
13732	13	124
15906	13	112
50287	14	58
20044	15	5
20089	15	5
18929	14	37
19383	14	37
50239	14	8
19473	13	120
1706	7	
41384	13	39
3436	9	96
10704	13	124
26480	9	48
25252	8	32
14039	13	124
7812	13	28
304128	13	124
16236	13	124
50332	13	112
2626	12	
19178	10	40
303078	13	112
15877	13	112
29662	12	48
14080	13	112
28436	10	40
15276	13	112
50556	14	32
15424	13	112
16080	13	112
24909	10	
17367	13	97
21031	12	114
18899	14	27
18566	14	36
302678	13	124
9348	12	72
10233	12	114
Total	1,165	6,483

1,165 + 50.65=1,215.65, at $7.50	$9,117.38
Less $1 per cord on 140.55	140.55
	8,976.83
To make price $14.50 per cord f. o. b. Fulton	8,509.55
	17,486.38
Less freight, as per bills attached	10,090.79
	7,395.59

COUNTY OF OSWEGO, *State of New York, ss:*

H. Lester Paddock, being duly sworn, deposes and says that he is president and general manager of the Oswego Falls Pulp and Paper Company, a corporation doing business in the city of Fulton, State of New York; that during the year 1908 he made purchases of pulp wood of Auger & Son, of Quebec, of which the attached statements are true and correct copies; and that the price paid for said wood was $14.50 per cord, delivered f. o. b. cars Fulton, and that settlements and payments for said wood were made on this basis.

H. LESTER PADDOCK.

Subscribed and sworn to before me this 21st day of May, 1909.

[SEAL.] A. M. HUBD, *Notary Public.*

MONTMORENCY LUMBER COMPANY,
Portland, Me., June 3, 1909.

Statement covering the Montmorency Lumber Company's cost of operating in Quebec, Canada, during he two years 1907–8 and 1908–9. This statement includes all cost involved in direct connection with the logging operation, even after charging off from 25 per cent to 33⅓ per cent of the cost of river improvement, and, too, of the value of outfit and equipment used in connection therewith:

1907–8 SEASON.

Number of cords cut, 14,000.
Length of wood, 4 to 12 feet.

	Per cord.
Logging cost	$3.15
Driving cost	.35
Seminary dues (stumpage)	.30
River improvement	.10
Depreciation	.20
Salaries	.20
Sinkage (5 per cent)	.20
Aggregate cost	4.35

1908–9 SEASON.

Number of cords cut, 27,500.
Length of wood, 12 to 16 feet.

	Per cord.
Logging cost	$3.15
Driving cost	.45
Seminary dues (stumpage)	.30
River improvement	.10
Depreciation	.20
Salaries	.10
Sinkage (5 per cent)	.20
Aggregate cost	4.50

GEORGE A. BRIDGE,
Vice-President and General Manager.
JUNE 3, 1909.

STATE OF MAINE, *Cumberland, ss:*

Then personally appeared George A. Bridge, vice-president and general manager Montmorency Lumber Company, and made oath that the above statement by him subscribed is true, to the best of his knowledge and belief.

Before me,
[SEAL.] JOSIAH H. DRUMMOND,
Notary Public.

The attached affidavits and audits are herewith submitted, in addition to those heretofore filed with you, which show as follows:

First. Affidavit of Edgar G. Murphy, general manager of the St. George Pulp and Paper Company, St. George, New Brunswick, giving the cost of spruce pulp wood, delivered at said mill, $5.14 per cord, and the cost of manufacturing mechanical-ground wood pulp, dry weight, at $8.96 per ton.

Second. Audit of Loomis, Conant & Co., certified public accountants, of New York, of the books of the St. Maurice Lumber Company, operating 3 mills in the Province of Quebec, as follows:

	Per cord.
Three Rivers mill, cost of rough spruce wood	$4.72
Batiscan mill, cost of rough spruce wood	6.02
Pentecost mill, cost of rough spruce wood	5.54

Third. Similar audit of Loomis, Conant & Co., certified public accountants, of the books of the Miramichi Lumber Company, operating 2 mills in New Brunswick, Canada, as follows:

Morrison mill, cost of rough spruce wood	5.27
Chatham mill, cost of rough spruce wood	5.38

Fourth. Affidavit of A. H. Hilyard, manager of the Dalhousie Lumber Company (Limited), of Dalhousie, New Brunswick, showing a cost of 5.60

Fifth. Telegram from David S. Cowles, showing a cost of $5.50 per rough cord and $6.75 per cord for peeled wood, both f. o. b. Canadian shipping point. The cost of the peeled wood is equivalent to about $5.50 per rough cord 5.50

Sixth. Statement of the treasurer of the Union Bag and Paper Company, showing a cost for rough wood, f. o. b. boats, at their mills in Canada of $5.56. This includes the 25 cents per cord extra which they must pay for wood intended to be exported to the United States, making a net cost for Canadian consumption of 5.31

Seventh. Affidavit of George A. Bridge, vice-president and general manager of the Montmorency Lumber Company (the original of which was filed with Senator SMOOT), which shows the following results:

1907–8 operation, amounting to 14,000 cords	4.35
1908–9 operation, amounting to 27,500 cords	4.50

This is the cost delivered in the water in front of the mills of this company on the Montmorency River, about 10 miles from Quebec.

Average cost	5.21

I am also attaching to these papers a brief in relation to the importance of the mechanical-ground wood-pulp industry of the United States.

Respectfully, yours,

Edgar G. Murphy, being duly sworn, deposes and says that he is the general manager for the St. George Pulp and Paper Company, a corporation engaged in the manufacture of wood pulp at St. George, New Brunswick, Canada, and paper at Norwalk, Conn.

That he is familiar with the costs of manufacture, and that the company's spruce pulp wood, delivered at its mill in St. George, New Brunswick, does not exceed $5.14 per cord of 128 cubic feet.

In addition to this fact, that he knows of other spruce pulp wood being sold in Canada at a price not higher than the above.

That the cost of making a ton of mechanical pulp at St. George suitable for news-print paper, exclusive of pressing and baling, would not exceed $8.96, itemized as follows:

Pulp wood	$5.55
Labor	2.00
Felts	.05
Miscellaneous	1.36
Total, per ton, dry weight	8.96

The wages paid are as follows:

	Per day.
Foreman	$3.00
Tour bosses	2.00
Grinder men	1.83
Pressmen	1.83
Sawyer	2.00
Barker men	1.75
Laborers	1.50 to 1.75

EDGAR G. MURPHY.

STATE OF CONNECTICUT, *County of Fairfield, ss:*

NORWALK, *May 20, 1909.*

Personally appeared Edgar G. Murphy, signer of the foregoing statement, and acknowledged the same to be true, to the best of his knowledge and belief, before me.

ELSIE M. SCHUMANN,
Notary Public.

LOOMIS, CONANT & CO.,
New York, May 28, 1909.

Mr. CHESTER W. LYMAN,
Washington, D. C.

DEAR SIR: As requested, we have made an examination of the books, records, and accounts relating to the cost of wood operations for the season of 1908 of the following-named companies: St. Maurice Lumber Company, Three Rivers, Province of Quebec, Canada; St. Maurice Lumber Company, Batiscan Station, Province of Quebec, Canada; St. Maurice Lumber Company, Pentecost River, Province of Quebec, Canada; Miramichi Lumber Company, Chatham, New Brunswick, Canada.

Our examination was made for the purpose of ascertaining the actual cost per cord of rough wood of each of these operations; the costs to include all expenses of forest operations, driving, rafting and booming, crown and company stumpage, depreciation on river improvements and booms, general expenses, etc.

As a result of our examination, we hereby certify that the total number of cords of rough wood received at the mill booms of the above-named companies during the season 1908 was as follows:

	Rough cords.	Average cost per cord.
St. Maurice Lumber Co.:		
Three Rivers	42,735.00	$4.7175
Batiscan	11,358.79	6.01875
Pentecost	5,053.33	4.5405
Miramichi Lumber Co.:		
Morrison mill	51,139.51	5.26879
Chatham mill	25,706.48	5.3798

Very truly, yours,

LOOMIS, CONANT & CO.,
Certified Public Accountants.

DALHOUSIE LUMBER COMPANY (LIMITED),
Dalhousie, New Brunswick, May 24, 1909.

C. H. GRIFFING, Esq.,
St. Maurice Lumber Company, New York.

DEAR SIR: Your wire of the 24th to hand, asking me to send you a statement showing cost, without company's stumpage, of last year's logs landed at the mill, on the rough cord basis. Beg to advise that our logs cost us, on this basis, $10 per thousand superficial feet, delivered here at our mill, or equal to $5.60 per rough cord.

Trusting this is the information you require, we remain,
Yours, very truly,

DALHOUSIE LUMBER CO. (LIMITED),
A. N. HILYARD, *Manager.*

I hereby certify the above to be correct.

WM. F. CORNEAU,
Justice of the Peace for Restigouche County, New Brunswick.

Cost of pulp wood in the United States.

SUMMARY.

	Cords.	Rossed per cord delivered.	Equivalent per rough cord delivered.	Equivalent per rough cord f. o. b. point of shipment.
DOMESTIC.				
Cliff Paper Co	4,501.28	$15.31		
Pettebone-Cataract	1,139.87	14.89		
	5,641.15	15.23	$10.90	
Knowlton Brothers	42.24		11.83	
St. Regis Paper Co	5,000.00		10.40	
Wisconsin Mills	187,452.00		10.18	
Pettebone-Cataract	124.00	[a]12.90	11.06	
Total	193,259.39		[b]10.21	
CANADIAN.				
Cliff Paper Co	61.27	14.04	10.00	$5.51
Do	503.66	13.82	9.84	
Pettebone-Cataract	276.89	14.65	10.46	5.51
Do	999.55	14.59	10.42	
Cliff Paper Co	92.34	[a]11.00	9.43	
Total	1,933.71		[b]10.20	

[a] Peeled. [b] Average.

Total, Canadian and domestic, 200,193.10 cords. Average cost, per rough cord, delivered at mill, $10.21.

Cost of pulp wood in the United States as per accompanying invoices, freight bills, and affidavits.

DOMESTIC WOOD.

[Cliff Paper Company, Niagara Falls, N. Y.]

Invoice.	Cords.	Rossed per cord.	F. o. b. point of shipment.	Freight paid.	Total cost.	Cost per rossed cord delivered at mill.
December, 1907	420.03	$11.75	$4,935.35	$1,041.67	$5,977.02	$14.23
January, 1908	184.24	11.75	2,164.82	456.91	2,621.73	14.23
Do	339.46	11.75	3,988.66	840.66	4,829.32	14.22
February, 1908	297.75	11.75	3,498.56	736.91	4,235.47	14.22
March, 1908	543.82	11.75	6,389.89	1,348.83	7,738.72	14.23
April, 1908	353.05	11.75	4,148.34	875.66	5,024.00	14.23
May, 1908	259.08	14.00	3,627.12	641.82	4,268.94	16.47
June, 1908	310.98	14.00	4,353.72	771.92	5,125.64	16.48
August, 1908	228.39	14.00	3,197.46	567.55	3,765.01	16.22
September, 1908	181.37	14.00	2,539.18	459.41	2,998.59	16.53
October, 1908	187.20	13.50	2,527.20	465.04	2,992.24	15.98
November, 1908	445.77	13.65	6,084.76	1,101.29	7,186.05	16.12
December, 1908	750.14	13.75	10,314.42	1,859.46	12,173.88	16.22
Total	4,501.28	[a]12.83	57,769.48	11,167.13	68,936.61	[a]15.31

[a] Average.

Average cost per rough cord, $9.10, f. o. b. point of shipment.
Average cost per rough cord, delivered at mill, $10.96.

NOTE.—To develop the average cost per cord of rough wood: Convert rossed cords into rough cords by deducting 70 cents per cord for rossing, and take 75 per cent of the remainder, as 1 cord of rossed wood is the equivalent of 1¼ cords of rough wood.

Cost of pulp wood in the United States.

CANADIAN WOOD.

[Cliff Paper Company, Niagara Falls, N. Y.]

Invoice.	Cords.	Per cord, rossed.	Cost f. o. b. point of shipment.	Freight paid.	Total cost.	Cost per cord delivered at mill.
March, 1908	12.18	$8.05	$98.05	$91.94	$189.99	$15.59
April, 1908	49.09	8.05	395.17	275.04	670.21	13.65
Total	61.27	[a]8.05	493.22	366.98	860.20	[a]14.04

[a] Average.

Average cost per rough cord f. o. b. point of shipment, $5.51.
Average cost per rough cord delivered at the mill, $10.

[Price based on mill delivery.]

	Cords.	Total cost.	Cost per cord delivered at mill.
May, 1908	166.72	$2,414.95	$14.50
June, 1908	[a]16.62	224.44	13.50
July, 1908	[a]131.89	1,780.53	13.50
October, 1908	[a]188.43	2,543.68	13.50
Total	564.93	7,823.80	[b]13.55

[a] Denotes fee land pulp wood from the Province of Ontario.
[b] Average.

Average cost per rough cord, delivered at the mill, $9.86.

PEELED.

[Price based on mill delivery.]

	Cords.	Total cost.	Cost per cord delivered at mill.
June, 1908	65.09	$715.99	$11.00
July, 1908	27.25	299.75	11.00
Total	92.34	1,015.74	[a]11.00

[a] Average.

Average cost per rough cord, delivered at the mill, $9.43.

NOTE.—To convert rossed cords into rough cords, deduct 70 cents per cord for rossing and take 75 per cent of the remainder, as 1 cord of rossed wood is the equivalent of 1¼ cords of rough wood.

To convert peeled wood into rough wood, deduct one-seventh of the price.

Cost of pulp wood in the United States.

DOMESTIC WOOD.

[Pettebone-Cataract Paper Company, Niagara Falls, N. Y.]

Invoice.	Cords.	Per cord, rossed.	Cost f. o. b. point of shipment.	Freight paid.	Total cost.	Cost per cord delivered at mill.
1907.						
December 16	142.16	$12.00	$1,705.92	$352.53	$2,058.45	$14.48
December 23	78.51	12.00	942.12	195.64	1,137.76	14.49
1908.						
January 13	123.76	12.00	1,485.12	306.91	1,792.03	14.48
February 29	131.34	12.00	1,576.08	324.39	1,900.47	14.47
March 16	138.28	12.00	1,659.36	343.15	2,002.51	14.48
April 15	94.60	12.00	1,135.20	233.76	1,368.96	14.47
April 25	114.69	12.00	1,376.28	282.53	1,658.81	14.46
August 31	101.39	13.75	1,394.11	252.52	1,646.63	16.24
November 30	215.14	13.40	2,882.88	533.79	3,416.67	15.88
Total	1,139.87	[a]12.42	14,157.07	2,825.22	16,982.29	[a]14.89

[a] Average.

Average per rough cord, f. o. b. point of shipment, $8.79.
Average per rough cord, delivered at the mill, $10.64.
July 6, 1908, 124 cords, delivered at mill, $1,599.60; $12.90 peeled.
Average per rough cord, delivered at the mill, $11.06.

CANADIAN WOOD.

Invoice.	Cords.	Per cord rossed.	Cost f. o. b. point of shipment.	Freight paid.	Total cost.	Cost per cord delivered at mill.
1908.						
April 20	82.30	$8.05	$662.52	$473.56	$1,136.08	$13.80
April 30	61.27	8.05	493.22	398.68	891.90	14.55
May 19	133.32	8.05	1,073.22	955.38	2,028.60	15.21
	276.89	8.05	2,228.96	1,827.62	4,056.58	[b]14.65
June 16	56.25	(a)	(a)	(a)	815.64	14.50
June 25	67.78	(a)	(a)	(a)	982.10	14.50
Do	77.84	(a)	(a)	(a)	1,128.70	14.50
Do	87.89	(a)	(a)	(a)	1,274.41	14.50
Do	99.12	(a)	(a)	(a)	1,437.46	14.50
July 31	59.30	(a)	(a)	(a)	859.85	14.50
August 6	149.25	9.20	1,373.10	884.42	2,257.52	15.12
September 2	42.52	(a)	(a)	(a)	616.54	14.50
Do	49.46	(a)	(a)	(a)	717.17	14.50
September 3	47.78	(a)	(a)	(a)	692.81	14.50
September 4	64.16	(a)	(a)	(a)	930.03	14.50
Do	40.67	(a)	(a)	(a)	589.72	14.50
September 5	64.32	(a)	(a)	(a)	932.64	14.50
September 7	65.29	(a)	(a)	(a)	946.71	14.50
September 9	27.97	(a)	(a)	(a)	405.56	14.50
Total	1,276.44				18,643.23	[b]14.60

[a] Price based on mill delivery. [b] Average.

Average per rough cord, f. o. b. point of shipment, $5.51.
Average per rough cord, delivered at the mill, $10.43.

Cost of pulp wood in the United States.

DOMESTIC WOOD.

[Knowlton Brothers, Watertown, N. Y.]

Invoice.	Cords.	Per rough cord.	Cost f. o. b. point of shipment.	Freight paid.	Total cost.	Cost per cord delivered at mill.
1908.						
December 16	10.50	$10.00	$105.00	$18.00	$123.00	$11.71
December 18	10.62	10.00	106.25	22.91	129.16	12.16
December 21	10.87	10.00	108.75	18.32	127.07	11.68
Do	10.25	10.00	102.50	18.00	120.50	11.75
Total	42.24	10.00	422.50	77.23	499.73	[a]11.83

[St. Regis Paper Company, Watertown, N. Y.]

1909.						
February 23	12	$8.00	$96.00	$30.76	$126.76	$10.56
Do	11	8.00	88.00	27.43	115.43	10.49
January 13	15	8.00	120.00	36.00	156.00	10.40
January 19	16	8.00	128.00	39.69	167.69	10.44
Total [b]	54	8.00	432.00	133.28	565.28	[a]10.47

[a] Average.
[b] Which is part of 5,000 cords; cost per rough cord, $8; per cord delivered at mill, $10.40.

As per affidavit submitted by David M. Anderson, general manager, St. Regis Paper Company, Watertown, N. Y.

Cost of pulp wood in the United States to paper mills in Wisconsin (per affidavit).

DOMESTIC.

F. o. b. point of shipment.	Cords.	Per rough cord.	Average freight per cord.	Cost per cord delivered at mill.
Duluth, f. o. b. cars	60,452	$7.25	$3.36	$10.61
Do	67,000	6.28	3.43	9.71
Do	60,000	6.79	3.47½	10.26½
Total	187,452			a 10.18

aAverage.

STATE OF NEW YORK,
County of Jefferson, City of Watertown, ss:

G. Seymour Knowlton, being duly sworn, says that he resides in the city of Watertown, N. Y., and is the secretary and treasurer of Knowlton Brothers (Incorporated); that said corporation is engaged in the manufacture of paper at the city of Watertown, N. Y.; that said corporation purchases its supply of pulp wood in the open market and has no timber lands of its own; that said corporation purchases 4-foot rough spruce wood and rosses the same at its plant at Watertown, N. Y.; that during the year 1908 the price paid by said corporation for such rough pulp wood, 4 feet long, was $10 per cord f. o. b. shipping point; that during the year 1908 said corporation purchased rough spruce pulp wood from the Post & Henderson Company, of Oswego, N. Y., whose mills are situate in the Adirondacks, the shipping point being Benson Mines, N. Y.; that said wood cost deponent's company $10 per cord f. o. b. Benson Mines, N. Y.; that the freight from Benson Mines to deponent's mill at Watertown is 4½ cents per hundredweight; that hereto attached and made a part of this affidavit are four invoices of such pulp wood, showing the price and also the freight bills for each invoice, and showing the freight rate on such pulp wood; that this wood cost deponent's company $11.75 per cord delivered at its mill in Watertown, N. Y.; that said price was the average price that deponent paid for 4-foot rough spruce pulp wood delivered at its mills in Watertown, N. Y., during the year 1908.

G. SEYMOUR KNOWLTON,
Secretary and Treasurer of Knowlton Brothers (Incorporated).

Sworn to before me this 30th day of April, 1909.
J. C. MCCORMICK,
Notary Public.

STATE OF NEW YORK, *County of Jefferson, ss:*

David M. Anderson, being duly sworn, deposes and says that he resides in the city of Watertown, N. Y., and is general manager of St. Regis Paper Company and Taggarts Paper Company, of Watertown, N. Y.

That said companies are engaged in the manufacture of news print paper at Feits Mills, Deferiet, and Great Bend, Jefferson County, N. Y.

That on the 6th day of October, 1908, deponent, for his companies, purchased 5,000 cords of rough pulp wood at $8 per cord f. o. b. Downey, N. Y.

That the contract for the purchase of this wood was made with Horace W. Downey, of Potsdam, N. Y.

That this wood was all cut on timber lands in Franklin County, N. Y.

That almost the entire amount of this contract, 5,000 cords, has been shipped to deponent's mills at a freight rate of $2.40 per cord, which deponent's companies have paid in addition to the purchase price of $8 per cord, making a total cost for rough pulp wood f. o. b. cars at deponent's mills of $10.40.

That attached hereto are four freight bills for wood shipped on this contract, and same are made a part of this affidavit.

DAVID M. ANDERSON.

Subscribed and sworn to before me this 30th day of April, 1909.
[SEAL.] O. R. OWENS, *Notary Public.*

STATE OF MINNESOTA, *County of St. Louis, ss:*

George W. Martin, being first duly sworn, deposes that he is a resident of Duluth, St. Louis County, State of Minnesota, and that he is a member of the firm of Martin Brothers, whose principal business is dealing in forest products, including spruce pulp wood; and that during the three seasons, beginning December 1, 1906, he has had contracts for the delivery of spruce pulp wood to paper mills, including news print paper, in Fox River Valley, Wis., notably at Appleton, Kimberly, Little Chute, Combined Locks, and Kaukauna, Wis.

And that during said three seasons its contracts were for a total of 67,000 cords of 128 cubic feet each, and that the average price for said three seasons was $6.82 per cord of 128 cubic feet f. o. b. cars Duluth, Minn. And that the freight rates from Duluth to Fox River points is 8 cents per hundred, and that the freight per cord was from $3.36 to $3.50.

GEORGE W. MARTIN.

Subscribed and sworn to before me this 30th day of April, 1909.
W. C. VINCE,
Notary Public, St. Louis County, Minn.
(My commission expires April 14, 1910.)

L. R. MARTIN TIMBER COMPANY,
Duluth, Minn., April 28, 1909.

To whom it may concern:

This is to certify that we have furnished the following mills—The Nekoosa Edwards Paper Company, Nekoosa, Wis.; the John Edwards Manufacturing Company, Port Edwards, Wis.; the Centralia Pulp and Water Power Company, Grand Rapids, Wis.; the Grand Rapids Pulp and Paper Company, Grand Rapids, Wis., for the past three years with all their spruce pulp wood, and the price received for same was $7.25 per cord free on board cars at Duluth, Minn., and that the freight rate from Duluth was 8 cents per hundred pounds to the above mills, and that the amount of freight on each car was arrived at on the basis of 4,200 pounds to the cord.

L. R. MARTIN TIMBER CO.,
By H. P. GARDINER, *Manager.*

Witnesses:
W. C. VINCE,
ANNA PROVINSKI.

STATE OF MINNESOTA, *County of St. Louis, ss:*

On this 28th day of April, A. D. 1909, before me, a notary public within and for said county, personally appeared H. P. Gardiner, manager of the L. R. Martin Timber Company, to me known to be the person described in and who executed the foregoing instrument, and acknowledged that he executed the same as his free act and deed.
[SEAL.] W. C. VINCE,
Notary Public.

STATE OF MINNESOTA, *County of Hennepin, ss:*

M. H. Coolidge, being first duly sworn, on oath says that he is president of the Coolidge-Schussler Company; that during the past three years, beginning with the fall of 1906 to the spring of 1909, the Coolidge-Schussler Company sold for delivery to various print paper mills in Wisconsin approximately 60,000 cords of spruce pulp wood (128 cubic feet), at an average price of $6.79 per cord on board cars Duluth, Minn.; that the freight rate from Duluth to Grand Rapids and other Wisconsin River points is 8 cents per hundredweight, making the freight from $3.35 to $3.60 per cord.

M. H. COOLIDGE.

Subscribed and sworn to before me this 28th day of April, 1909.
[SEAL.] WM. M. MARTIN,
Notary Public.

Mr. BROWN. I ask for the yeas and nays on this question.

Mr. BEVERIDGE. What is now the question?

The VICE-PRESIDENT. The amendment submitted by the Senator from Wisconsin [Mr. LA FOLLETTE]. On this question the Senator from Nebraska demands the yeas and nays.

The yeas and nays were ordered.

Mr. FRYE. Mr. President——

Mr. BAILEY. I was on the floor to give notice that if we can now take a vote, I shall not make any objection.

The VICE-PRESIDENT. The yeas and nays have been ordered on agreeing to the amendment of the Senator from Wisconsin. The Secretary will call the roll.

The Secretary proceeded to call the roll.

Mr. FLINT (when his name was called). I am paired with the senior Senator from Texas [Mr. CULBERSON]. In his absence I withhold my vote. If he were present, I should vote "nay."

Mr. FRYE (when his name was called). I have a general pair with the senior Senator from Virginia [Mr. DANIEL], but on these votes I am authorized to vote in his absence. I vote "nay."

Mr. JOHNSTON of Alabama (when his name was called). On this question I am paired with the junior Senator from Kentucky [Mr. BRADLEY]. If he were present, I should vote "yea."

Mr. SMITH of Maryland (when his name was called). I am paired with the senior Senator from Oregon [Mr. BOURNE].

Mr. TAYLOR (when his name was called). I am paired with the Senator from Wisconsin [Mr. STEPHENSON].

The roll call was concluded.

Mr. FOSTER (after having voted in the affirmative). I inquire if the senior Senator from North Dakota [Mr. MCCUMBER] has voted?

The VICE-PRESIDENT. The Senator has not voted.

Mr. FOSTER. Then, I recall my vote. If he were present, I should vote "nay."

Mr. BAILEY (after having voted in the affirmative). I desire to ask if the Senator from West Virginia [Mr. ELKINS] is recorded?

The VICE-PRESIDENT. The Senator has not voted.

Mr. BAILEY. Then, I withdraw my vote, as I have a general pair with that Senator.

Mr. FLINT. I will transfer my pair with the senior Senator from Texas [Mr. CULBERSON] to the senior Senator from New York [Mr. DEPEW], and vote. I vote "nay."

The result was announced—yeas 31, nays 44, as follows:

YEAS—31.

Bacon	Clay	Hughes	Paynter
Bankhead	Cummins	La Follette	Rayner
Beveridge	Curtis	McLaurin	Shively
Bristow	Davis	Martin	Simmons
Brown	Dolliver	Money	Smith, S. C.
Burkett	Fletcher	Newlands	Stone
Chamberlain	Frazier	Overman	Tillman
Clapp	Gore	Owen	

NAYS—44.

Aldrich	Crawford	Heyburn	Perkins
Borah	Cullom	Jones	Piles
Brandegee	Dick	Kean	Root
Briggs	Dillingham	Lodge	Scott
Bulkeley	Dixon	Lorimer	Smith, Mich.
Burnham	Flint	McEnery	Smoot
Burrows	Frye	Nelson	Sutherland
Burton	Gallinger	Nixon	Taliaferro
Carter	Gamble	Oliver	Warner
Clark, Wyo.	Guggenheim	Page	Warren
Crane	Hale	Penrose	Wetmore

NOT VOTING—17.

Bailey	Daniel	Johnson, N. Dak.	Stephenson
Bourne	Depew	Johnston, Ala.	Taylor
Bradley	du Pont	McCumber	
Clarke, Ark.	Elkins	Richardson	
Culberson	Foster	Smith, Md.	

So Mr. LA FOLLETTE's amendment was rejected.

The VICE-PRESIDENT. The question is on agreeing to the amendment offered by the Senator from Rhode Island [Mr. ALDRICH] on behalf of the committee. The Secretary will state the amendment.

The SECRETARY. On page 157, line 21, in paragraph 405, strike out "one-tenth" and insert "two-tenths," so as to read:

Valued at not above 2¼ cents per pound, two-tenths of 1 cent per pound.

Mr. OVERMAN. On that amendment let us have the yeas and nays.

The yeas and nays were ordered, and the Secretary proceeded to call the roll.

Mr. FLINT (when his name was called). I am paired with the senior Senator from Texas [Mr. CULBERSON]. I transfer that pair to the senior Senator from New York [Mr. DEPEW] and vote. I vote "yea."

Mr. FOSTER (when his name was called). I am paired with the Senator from North Dakota [Mr. MCCUMBER]. If he were present, I should vote "nay."

Mr. JOHNSTON of Alabama (when his name was called). On this question I am paired with the junior Senator from Kentucky [Mr. BRADLEY]. If he were present, I should vote "nay."

Mr. MCENERY (when his name was called). On this amendment I am paired with the senior Senator from Delaware [Mr. DU PONT], and therefore withhold my vote. If he were present, I should vote "nay."

Mr. SMITH of Maryland (when his name was called). I am paired with the Senator from Oregon [Mr. BOURNE].

Mr. TAYLOR (when his name was called). On this question I am paired with the Senator from Wisconsin [Mr. STEPHENSON]. If he were present, I should vote "nay."

The roll call was concluded.

Mr. BAILEY (after having voted in the negative). The recapitulation shows that the Senator from West Virginia [Mr. ELKINS], with whom I am paired, has not voted, and I therefore withdraw my vote.

The result was announced—yeas 44, nays 32, as follows:

YEAS—44.

Aldrich	Crane	Hale	Penrose
Borah	Crawford	Heyburn	Perkins
Brandegee	Cullom	Johnson, N. Dak.	Piles
Briggs	Dick	Jones	Root
Bulkeley	Dillingham	Kean	Scott
Burnham	Dixon	Lodge	Smoot
Burrows	Flint	Lorimer	Sutherland
Burton	Frye	Nelson	Taliaferro
Carter	Gallinger	Nixon	Warner
Clapp	Gamble	Oliver	Warren
Clark, Wyo.	Guggenheim	Page	Wetmore

NAYS—32.

Bacon	Cummins	Hughes	Paynter
Bankhead	Curtis	La Follette	Rayner
Beveridge	Daniel	McLaurin	Shively
Bristow	Davis	Martin	Simmons
Brown	Dolliver	Money	Smith, Mich.
Burkett	Fletcher	Newlands	Smith, S. C.
Chamberlain	Frazier	Overman	Stone
Clay	Gore	Owen	Tillman

NOT VOTING—16.

Bailey	Culberson	Foster	Richardson
Bourne	Depew	Johnston, Ala.	Smith, Md.
Bradley	du Pont	McCumber	Stephenson
Clarke, Ark.	Elkins	McEnery	Taylor

So Mr. ALDRICH's amendment was agreed to.

Mr. BAILEY. Mr. President, I call for——

Mr. ALDRICH. Is the Senator from Texas willing that we should get through with these amendments?

Mr. BAILEY. I am afraid to take that chance. There are only twenty-five minutes remaining until the Senate adjourns by regular order.

Mr. ALDRICH. All right; go ahead.

Mr. BAILEY. But, having the floor, I will say that I have no objection to the Senator from Rhode Island presenting any matter, if it will not take much time.

Mr. ALDRICH. I have some amendments to paragraph 202, but perhaps we had better dispose of the other matter first.

Mr. BAILEY. I think we had. I ask that the regular order, which is the income-tax amendment to the bill, be laid before the Senate.

The VICE-PRESIDENT. The Chair lays before the Senate the amendment referred to by the Senator from Texas, which will be stated by the Secretary. Unless it is especially asked for, the Secretary will not read the entire amendment, as it has been read heretofore.

The SECRETARY. An amendment proposed by Mr. BAILEY, as modified, to the bill (H. R. 1438) to provide revenue, equalize duties, and encourage the industries of the United States, and for other purposes, viz: On page 73, after paragraph 213, to insert——

Mr. CUMMINS. Mr. President——

The VICE-PRESIDENT. Does the Senator from Texas yield to the Senator from Iowa?

Mr. BAILEY. I yield.

Mr. CUMMINS. Mr. President, I hope the Senator from Texas will permit me to make a suggestion, which I have twice before made, I believe, and which I hope may be received with more universal favor than it has hitherto met.

In view of the general understanding, which is that the Finance Committee will presently offer an amendment to the pending bill, which is intended as a substitute for the amendment offered by the Senator from Texas [Mr. BAILEY], I assume that there is not any objection anywhere to a direct decision and vote upon this subject. Therefore, I renew my request, made, as I have said, twice before, for unanimous consent to an agreement that upon the conclusion of the paragraphs in this bill relating to dutiable articles and the free list, the Senate shall enter upon the consideration of the income-tax amendment and continue that consideration until it is disposed of by direct vote.

Mr. ALDRICH. Mr. President, this matter has been discussed in the Senate on several occasions. I am ready now, as I have been heretofore, to agree to every portion of the suggestion of the Senator from Iowa, except that the matter shall be disposed of by direct vote. It must be disposed of, of course, under the rules of the Senate. I have not changed my opinion as to how it should be disposed of, for that, as a matter of course, is within the disposition and control of the Senate.

Mr. BAILEY. It would still be disposed of and controlled by the Senate if the Senate would give its consent to the request preferred by the Senator from Iowa.

Mr. ALDRICH. Mr. President, in my long service in the Senate I have never known of a request of this kind to be either made or granted. It is an entirely novel proposition. The majority of the Senate will dispose of the amendment as they may see fit at the time. I am perfectly willing to agree to a proposition that, when the schedules and the free list are disposed of, the amendment of the Senator from Texas [Mr. BAILEY] shall be taken up and continued before the Senate until disposed of.

Mr. BAILEY. Let me supplement what the Senator from Iowa [Mr. CUMMINS] has said. If the Senator from Rhode Island [Mr. ALDRICH] desires to avoid a precedent of that kind, which he says has never been known in the Senate; if he will say to me—I would take his word outside of the presence of the Senate—but if he will say to me in the presence of the Senate that he will not make a motion to refer this matter to a committee, but will come to a direct vote between the proposition which he has been dragooned into supporting and the proposition which the Senator from Iowa and myself so heartily support, I will agree then to consent to the request preferred by the Senator from Iowa.

Mr. MCLAURIN. What is the objection to taking a vote right now on this amendment? The Senator from Rhode Island has said that it has been debated sufficiently. We have some twenty minutes in which we can take a vote on it and dispose of this matter right now. I suppose all Senators have made up their minds.

Mr. BAILEY. The Attorney-General has not prepared the proposition for the other side yet.

Mr. MCLAURIN. That proposition will not be interfered with at all by taking a direct vote now on this amendment. It seems to me we might do that and dispose of it one way or the other; and it might obviate the necessity of any vote on the substitute, or it might obviate the necessity of the Finance Committee considering any further income-tax provision.

Mr. HALE. Mr. President——

The VICE-PRESIDENT. Does the Senator from Texas yield to the Senator from Maine?

Mr. BAILEY. I yield if the Senator from Mississippi is through.

Mr. MCLAURIN. I am through.

Mr. HALE. Let me ask the Senator from Texas and the Senator from Iowa, is it in their mind to prevent the Senate from voting upon any substitute for their amendment?

Mr. CUMMINS. It is not in mine.

Mr. BAILEY. Nor is it in mine.

Mr. CUMMINS. It is perfectly well understood, I think, Mr. President, among Senators, that the Senate Finance Committee will very soon introduce an amendment to the bill, which the committee propose to offer as a substitute for the pending amendment; and in asking for unanimous consent for an agreement to dispose of the matter directly, I did not, of course, intend to exclude the proposed substitute.

Mr. HALE. But some Senators fear that, if that is agreed to in terms, it implies a vote direct on the income-tax proposition. Does not the proposition of the Senator from Rhode Island cover all that—that when this question comes up it shall continue and be considered until the Senate finally disposes of it?

Mr. ALDRICH. To the exclusion of other business.

Mr. HALE. To the exclusion of all other business.

Mr. BAILEY. Let me say this to the Senator, and I am sure the Senator from Iowa and myself are at perfect agreement on that: We know, of course, that the majority of the Finance Committee will report a proposition.

Mr. HALE. A substitute.

Mr. BAILEY. Whether it is a substitute for the inheritance provision of the House bill or whether it is a substitute for the pending amendment, of course, I suppose, has not been finally determined.

Mr. ALDRICH. I will say very frankly that it is my purpose and my expectation, when the matter is taken up, to offer a substitute for the proposition of the Senator from Texas. I have no other purpose in view at all, and I expect the matter to be continued from day to day until it is finally acted on.

Mr. BORAH. Mr. President——

The VICE-PRESIDENT. Does the Senator from Texas yield to the Senator from Idaho?

Mr. BAILEY. I do.

Mr. BORAH. May I ask the chairman of the Finance Committee when this substitute will likely be reported to this Chamber?

Mr. ALDRICH. It is my purpose to report the substitute as soon as possible, certainly within twenty-four hours at least, before the matter is taken up. As soon as it can be perfected, it will be presented to the Senate.

Mr. BORAH. Mr. President, I know that the chairman of the Finance Committee, as well as the rest of us, is anxious to get through, but I suggest that the bill will be in the Chamber longer than twenty-four hours before he disposes of it.

Mr. ALDRICH. The Senator did not understand me. I said I would surely have the substitute here and offer it twenty-four hours before the matter is taken up. The committee will prepare a substitute, or be ready to present a substitute, as soon as possible; I should say not later than Monday.

Mr. McLAURIN. Mr. President, I ask the Senator from Rhode Island what is the objection to taking a vote now on this matter? That will dispose of it. The riders are up, and we could get through in a few moments.

Mr. ALDRICH. The substitute is not ready. If the Senator from Mississippi is willing to trust the committee to prepare a substitute and adopt it in advance, perhaps I might be willing.

Mr. BAILEY. I think you would get as many votes for it in that way as you will after you have prepared it.

Mr. McLAURIN. It is not the substitute that I propose a vote on, but the amendment now before the Senate. What is the objection to that? We could get it out of the way, either by adopting it, which would obviate the necessity for any substitute, or by rejecting it; and then the committee's action would be to bring in an amendment——

Mr. ALDRICH. Mr. President, my friend from Mississippi is not so innocent as he looks. [Laughter.]

Mr. McLAURIN. I was innocent enough to believe that we just wanted to find out what was the judgment of the Senate as to the amendment that is now before the Senate, whether a majority of Senators favored it or not. I understood the Senator from Rhode Island to say that it had been fully debated, and that everybody understood his mind on the matter. If that be so, we could then record our votes upon it, and have it settled at once whether we will adopt this amendment or not. We could have done that while we have been wrangling about it.

Mr. ALDRICH. Knowing the Senator's good judgment, I expect he will vote for the substitute which we shall present.

Mr. McLAURIN. No, Mr. President. Knowing the opposition the Senator from Rhode Island has to the income-tax amendment, I well know that he and his committee will not prepare any substitute for which I could vote; and I am satisfied with this amendment providing for an income tax.

Mr. ALDRICH. Has the Senator seen it?

Mr. McLAURIN. Oh, yes.

Mr. BEVERIDGE. Mr. President——

The VICE-PRESIDENT. Does the Senator from Texas yield to the Senator from Indiana?

Mr. BAILEY. I do.

Mr. BEVERIDGE. I understood the Senator from Rhode Island to say that he would agree, so far as he was concerned, to unanimous consent to take this matter up at a time that either the Senator from Iowa or the Senator from Texas would request, and that it might be considered from day to day until disposed of. As I understand, that is the broadest form of a unanimous-consent agreement possible in a general way, because it absolutely excludes any other business whatever from the time we begin the consideration of the amendment until the final vote is taken. I want to call the attention of the Senator from Iowa to the fact that I believe that is the broadest form of unanimous-consent agreement possible, because no other business whatever will be transacted—and it might as well be understood now—or under such a form of unanimous consent could possibly be conducted from the time we began the consideration until the time we concluded it except by unanimous consent.

Mr. CUMMINS. Mr. President——

The VICE-PRESIDENT. Does the Senator from Texas yield to the Senator from Iowa?

Mr. BAILEY. I do.

Mr. CUMMINS. Mr. President, I understand perfectly that the agreement as suggested by the Senator from Indiana would be very broad and general. It does not, however, exclude the very thing for which we have been contending from the beginning, namely, an effort upon the part of the Finance Committee to dispose of the amendment through a motion to refer to some committee. It seems to me that, as we are in accord with regard to the methods which will be resorted to to settle this question, we ought to have no difficulty whatever in expressing it. The Senator from Rhode Island says the committee intends to bring in an amendment, which it will offer as a substitute for the amendment now pending. That is a direct disposition of the pending amendment and comes directly within my original suggestion.

All I want is that when this amendment is taken up—and I have from the very first agreed it should be taken up at the end of the consideration of the paragraphs that impose duties—it shall then be considered and determined fairly upon its merits. The Senator from Rhode Island heretofore has not been willing to consent to that suggestion. Why? Because it was then in his mind—and I am not at all quarreling about that—that he could more conveniently dispose of it by moving to refer it to some committee, and he was unwilling to surrender that advantage. But now the whole situation has changed. The Finance Committee seems to be convinced that there is some supplement to our revenue necessary, and it proposes, as we understand, an income amendment which differs from ours only in this: That ours proposes a tax upon all the large incomes, whether they are individual or corporate, while the amendment, if we are to be advised by the papers and the influences which are now controlling, proposed by the Committee on Finance, is an income-tax amendment, to be imposed only upon the stockholders of corporations, whether their incomes be large or whether they be small. Here is an issue joined, and my suggestion now is for unanimous consent to decide that issue in a fair, clear vote between the proposal that will be made by the committee and the proposal already before the Senate.

I have no ulterior purposes. I have no ulterior motives. The Senator from Rhode Island knows that I have been anxious from the beginning to reach just this conclusion, and I hope it will be agreed to in some form that will enable us to reach the conclusion. As we now are, there is no time save the present for the consideration of the amendment, and if we do not reach a conclusion harmoniously and amicably with regard to it, then we must necessarily consider another motion, to postpone the income-tax amendment to a day certain, a result which I am sure is not looked upon with favor by anyone who believes in the principles of an income tax.

Mr. LODGE. Mr. President——

The VICE-PRESIDENT. Does the Senator from Texas yield to the Senator from Massachusetts?

Mr. BAILEY. I will.

Mr. LODGE. Mr. President, I think we are all agreed as to taking up the income-tax amendment after the conclusion of the schedules and continuing its consideration until it is disposed of. The question arises on excluding a certain motion at that time.

It is the custom in the House to bring in special orders, specifying what motions can be made and excluding others. That has never been done here. I have no more doubt than that I am standing here that the amendment of the Finance Committee will be offered as a substitute for the amendment of the Senator from Texas; but I object on general principles to adopting the system of cutting off the right to make a regular parlia-

mentary motion provided in the rule. I do not think it is a good practice. It never has been done under our unanimous-consent agreements, and I think every Senator should at least have reserved to him the right under the rule to make any regular parliamentary motion.

The VICE-PRESIDENT. The Chair understands the Senator objects to the request of the Senator from Iowa?

Mr. LODGE. I do.

Mr. ALDRICH. I think the Senator from Texas will agree with me. There will be no trouble here. We have been here together a long time. We on this side are not trying to get an agreement that will be different from what is expressed here. We will go on in the regular way. There is no trouble whatever about it. I have no intention at present to make a motion to refer; but I do not think it is desirable that we should be cut off from making proper motions with respect to the disposition of this subject.

Mr. BAILEY. Complying with the suggestion of the Senator from Massachusetts, who repeated the suggestion of the Senator from Rhode Island, that that kind of unanimous consent was unprecedented, or at least unusual, in the Senate, I agreed to waive that and to take the Senator's word that he would not make a motion to refer. But I do not deem it half so important now as it has been heretofore. Heretofore the plan of campaign mapped out by the Senator from Rhode Island was to move to refer this amendment to the Judiciary Committee, and that plan of campaign was based on the belief that they could cast more votes for a motion to refer than they could for a motion to defeat. That was the whole purpose. I was not altogether a novice at matters here, and I knew what the Senator intended to do and why he intended to do it, just as well as he did. Consequently I iterated and reiterated, with some degree of persistence, that that was what he intended to do, with the direct and specific object of preventing him from doing it. At least we have brought everybody in the United States Senate and everybody in the country to understand that a vote to refer is a vote to defeat, and he can now poll about as many votes against the amendment as he can on the motion to refer it.

The Senator from Rhode Island found that out, and so did the President of the United States find it out, and straightway, although the President, as has been recited here to-day, had declared that an amendment to the Constitution was unnecessary, and had made that declaration the basis of a criticism against the Democratic party, he now goes to the declaration of the Democratic platform; and I think if we could have a week or ten days longer, and we were blessed with the kind of progress that the last ten days has brought, the country would witness the unlooked-for spectacle of the Senator from Rhode Island even consenting to an income-tax amendment.

The VICE-PRESIDENT. May the Chair interrupt to suggest that it is very near 7 o'clock?

Mr. ALDRICH. I ask that the unanimous consent be granted.

Mr. BAILEY. The matter is now before the Senate. Let it go over, and it will be the pending question in the morning.

Mr. ALDRICH. It will not go over as the pending question.

Mr. BAILEY. Oh, yes.

Mr. LODGE. It will have no privilege in the morning.

Mr. ALDRICH. It will have no privilege to-morrow.

Mr. BAILEY. It will not?

Mr. ALDRICH. No.

Mr. BAILEY. When an amendment is pending——

Mr. ALDRICH. Oh, no.

Mr. BAILEY. Then I will ask unanimous consent to withdraw it, and I will offer it again when I can.

The VICE-PRESIDENT. Is there objection to that request?

Mr. ALDRICH. The Senator does not need to withdraw it. It falls at 7 o'clock.

Mr. BAILEY. Will it not be pending to-morrow?

Mr. ALDRICH. No.

Mr. BAILEY. I will ask the Chair for a construction of the parliamentary rule. If we adjourn without any action on it, does the amendment lapse or will it be pending when we again meet?

The VICE-PRESIDENT. The impression of the Chair is that the amendment would lapse.

Mr. BAILEY. The amendment would lapse? We ought to have a little more time——

Mr. ALDRICH. Will the Senator allow me to ask unanimous consent that this amendment be taken up immediately after the disposition of the schedules and continued from day to day until disposed of? I ask unanimous consent for that.

Mr. BAILEY. The Chair wishes to say something.

The VICE-PRESIDENT. The Chair wants to correct a misapprehension. The Chair was under a misapprehension. The Chair understands now, from what the clerk tells him, that—the present occupant of the chair was not here when the original agreement was made—the amendment now having been brought up, it is regularly before the Senate. The Chair thinks——

Mr. ALDRICH. But it would have no privilege to-morrow unless——

The VICE-PRESIDENT. It would be the pending proposition. That is the impression of the Chair.

Mr. HEYBURN. I do not understand the amendment has been brought up in that sense.

Mr. ALDRICH. I ask the Chair to put the request for unanimous consent.

The VICE-PRESIDENT. What was the request of the Senator—that it go over until to-morrow?

Mr. ALDRICH. That the pending amendment be taken up immediately after the disposition of the schedules and be continued from day to day until disposed of.

The VICE-PRESIDENT. Is there objection to that request?

Mr. HEYBURN. I should like to understand the term "disposed of." The term "disposed of" does not imply a vote.

Mr. BEVERIDGE. Certainly.

Mr. HEYBURN. Not upon the amendment.

Mr. BEVERIDGE. That means subject to any rule of the Senate.

Mr. HEYBURN. I want that to appear in the RECORD.

Mr. BAILEY. Mr. President, I dislike to take myself off the floor, but I make the point of order that the hour of daily adjournment has arrived.

The VICE-PRESIDENT. The point of order is well taken. The hour of 7 o'clock having arrived, the Senate stands adjourned until to-morrow, Saturday, June 19, 1909, at 10 o'clock a. m.

SENATE.

SATURDAY, *June 19, 1909.*

The Senate met at 10 o'clock a. m.

Prayer by the Chaplain, Rev. Ulysses G. B. Pierce, D. D.

The Journal of yesterday's proceedings was read and approved.

FINDINGS OF THE COURT OF CLAIMS.

The VICE-PRESIDENT laid before the Senate communications from the assistant clerk of the Court of Claims, transmitting certified copies of the findings of fact filed by the court in the following causes:

In the cause of Jacob M. Davis and sundry other claimants of the League Island Navy-Yard *v.* United States (S. Doc. No. 107);

In the cause of Otto Seiler, administrator of the estate of Carl Weiland, deceased, *v.* United States (S. Doc. No. 106); and

In the cause of Hans Anderson and sundry other claimants of the Brooklyn Navy-Yard *v.* United States (S. Doc. No. 108).

The foregoing findings were, with the accompanying papers, referred to the Committee on Claims and ordered to be printed.

ALASKA-YUKON-PACIFIC EXPOSITION.

The VICE-PRESIDENT. The Chair lays before the Senate a telegram in the nature of an invitation to the Members of the Senate, which will be read.

The Secretary read as follows:

EXPOSITION GROUNDS,
Seattle, Wash., June 18, 1909.

Hon. JAMES S. SHERMAN,
Vice-President, Washington, D. C.:

Yourself and Members of the United States Senate are cordially invited to attend Alaska-Yukon-Pacific Exposition, now being held at Seattle, to continue until October 16. Journey to this section, we believe, would be instructive and pleasant to the Members of Congress.

J. E. CHILBERG, *President.*

The VICE-PRESIDENT. The telegram will be referred to the Select Committee on Industrial Expositions.

PETITIONS AND MEMORIALS.

Mr. GALLINGER presented a petition of the National Federation of Remedial Loan Associations, praying for the enactment of legislation to regulate the money-loaning business in the District of Columbia, which was referred to the Committee on the District of Columbia.

Mr. DEPEW presented memorials of sundry citizens of Chateaugay, Beaver Falls, New York, Potsdam, and Watertown, all in the State of New York, remonstrating against any reduction from the Dingley rates on news print paper and wood pulp, which were ordered to lie on the table.

Mr. PILES presented a petition of the Pacific Coast Lumber Manufacturers' Association, praying that an appropriation be made to enable the Interstate Commerce Commission to make valuation of the railroad property in the United States, which was referred to the Committee on Interstate Commerce.

BILLS INTRODUCED.

Bills were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. SMOOT:

A bill (S. 2634) granting an increase of pension to George W. Goshen (with the accompanying papers); to the Committee on Pensions.

By Mr. BACON:

A bill (S. 2635) for the relief of Martin Ball; to the Committee on Claims.

By Mr. GALLINGER:

A bill (S. 2636) to provide for participation by the United States in certain industrial expositions of products and manufactures of the United States exclusively, to be held in the principal cities of South America; to the Select Committee on Industrial Expositions.

By Mr. MONEY:

A bill (S. 2637) to carry into effect the findings of the Court of Claims in the matter of the claim of Mattie H. Jarnagin (with the accompanying papers); to the Committee on Claims.

By Mr. OWEN:

A bill (S. 2638) for the relief of the Saginaw Swan Creek and Black River band of Chippewa Indians in the State of Michigan; to the Committee on Claims.

IRON AND STEEL PRODUCTS.

On motion of Mr. PENROSE, it was

Ordered, That the paper entitled "Percentages of Increase and Decrease of Rates of Schedule C of H. R. 1438, Iron and Steel Products," be printed as a document (S. Doc. No. 109).

DUTY ON OIL.

On motion of Mr. OWEN, it was

Ordered, That a memorial on behalf of the independent oil producers and independent oil refiners, praying for a tariff on oil, be printed as a document, including the map (S. Doc. No. 88, pt. 2).

THE WOOLEN INDUSTRY.

On motion of Mr. WARREN, it was

Ordered, That 3,000 copies of Senate Document No. 70, Sixty-first Congress, first session, on the wool trade of the United States, be printed.

COMMITTEE SERVICE.

Mr. ALDRICH submitted the following resolution, which was considered by unanimous consent and agreed to:

Resolved, That the Senator from Illinois [Mr. LORIMER] be appointed to fill the vacancy in each of the following committees:
On Expenditures in the Navy Department (chairmanship);
On Manufactures;
On Pacific Islands and Porto Rico; and
On Private Land Claims.

THE TARIFF.

The VICE-PRESIDENT. The morning business is closed, and the first bill on the calendar will be proceeded with.

The Senate, as in Committee of the Whole, resumed the consideration of the bill (H. R. 1438) to provide revenue, equalize duties, and encourage the industries of the United States, and for other purposes.

Mr. HEYBURN. Mr. President, I suggest the absence of a quorum.

The VICE-PRESIDENT. The Secretary will call the roll.

The Secretary called the roll, and the following Senators answered to their names:

Aldrich	Clapp	Gamble	Penrose
Bacon	Clark, Wyo.	Gore	Perkins
Bailey	Culberson	Guggenheim	Piles
Bankhead	Cullom	Hale	Rayner
Beveridge	Cummins	Heyburn	Root
Borah	Curtis	Hughes	Scott
Brandegee	Daniel	Johnson, N. Dak.	Simmons
Briggs	Davis	Johnston, Ala.	Smith, Md.
Bristow	Depew	Jones	Smith, S. C.
Brown	Dick	Kean	Smoot
Bulkeley	Dillingham	Lodge	Stone
Burkett	Dolliver	McLaurin	Sutherland
Burnham	Fletcher	Martin	Tillman
Burrows	Flint	Nelson	Warner
Burton	Foster	Oliver	Warren
Carter	Frye	Overman	Wetmore
Chamberlain	Gallinger	Page	

The VICE-PRESIDENT. Sixty-seven Senators have answered to the roll call. A quorum of the Senate is present.

Mr. ALDRICH. Mr. President, the matter which was before the Senate last night at the adjournment was with reference to the income-tax amendment of the Senator from Texas [Mr. BAILEY]. It is my purpose to ask the Senate to proceed to the consideration of that amendment immediately after the disposition of the schedules and the free list, whether any agreement is reached or not, and to continue its consideration before the Senate from day to day until it is disposed of. I would suggest with that understanding that the matter may go over.

Mr. BAILEY. Mr. President, after conferring with a number of Senators who feel that it is inconvenient and undesirable for this matter to be postponed at one time until another time and then until a further time, there being uncertainty as to whether it would then be taken up or postponed again, and it also being the opinion of the Republican Senators who favor an income tax that the proper place to dispose of it is after the schedules have been completed, I am myself disposed to assent to any arrangement that will make it clear and definite.

I do not concur in the opinion that the proper place to dispose of this question is after all the other schedules have been disposed of, and I concur less now that the President of the United States and the chairman of the Committee on Finance recognize that it is necessary to supplement the revenues of this bill by some internal-revenue taxation.

Mr. ALDRICH. Mr. President——

The VICE-PRESIDENT. Does the Senator from Texas yield to the Senator from Rhode Island?

Mr. BAILEY. I do.

Mr. ALDRICH. I am not authorized to speak for the President of the United States, but so far as the chairman of the Committee on Finance is concerned, the Senator is inaccurate in that statement.

Mr. BAILEY. Well, Mr. President, I will be glad to have it appear in the RECORD that the Senator denies the necessity of raising additional revenue and yet intends to report and support a proposition to do it.

Mr. ALDRICH. Mr. President——

Mr. BAILEY. I leave that for the Senator to settle with himself and his constituents.

Mr. ALDRICH. I think I will be able to make a statement upon that subject that will be satisfactory to the Senate. I certainly can make one that will be satisfactory to myself.

Mr. BAILEY. I have no doubt the Senator from Rhode Island will be able to make some kind of defense for this advance that will at least pass, even if it is not accepted by his friends on that side. But all the time until within the last week the whole objection to this income-tax amendment has been, I mean so far as announced on the floor and as it appears in the RECORD, that it was unnecessary taxation, and therefore unwise taxation. I perfectly understand that that is not the whole objection to it which Senators feel, and which Senators, whenever required to do so, would proclaim, but so far as the RECORD appears, that has been the sole argument against it.

If it be true that the bill under consideration will raise through its tariff schedules ample revenues to support the Government, then, obviously, no further money ought to be collected from the people, and, as obviously, if we are going to raise this $80,000,000 on the incomes of the country, we ought to reduce the collections by $80,000,000 on the consumption of the country. Holding to that view, I still contend that the first thing that ought to have been done in the consideration of this bill was to decide this income-tax amendment, so that if we did determine to raise a given amount of money in that way, we would raise that much less money in the other way.

But the two votes of the Senate have made it manifest that a majority, including some sincere friends of the income-tax amendment, desire it to go over. I believe I state the views of the Republican Senators who are cooperating in this; they have voted rather under protest heretofore; and in order to relieve them of that embarrassment, or, rather, to relieve them of the necessity of voting to take it up at once, when they think it would be and could be more properly disposed of at last, I am willing to agree to the arrangement of the Senator from Rhode Island, with the assurance, and that is all I ask—I do not ask even that it shall be made under the unanimous-consent agreement—with the assurance that there shall be no motion made to refer this subject to the committee or to any committee.

The VICE-PRESIDENT. If the Chair understands the request of the Senator——

Mr. HEYBURN. Does the Senator from Texas yield the floor?

Mr. BAILEY. I yield it for the present.

Mr. HEYBURN. Mr. President, I do not desire to be contentious in this matter. I have pretty well defined views in regard to what I shall feel compelled to do in regard to these proposed measures. No one is or will be authorized to promise for me that I will not object or that I will not make a motion to refer this to a committee.

Mr. ALDRICH. There is no agreement suggested in regard to that.

Mr. HEYBURN. I will not comment upon anything the Senator from Rhode Island has said. I merely desire that no

one shall be misled; that there shall be hereafter no question about it.

It is not my intention to vote for an income-tax bill to tax the net incomes of corporations or any other subterfuge for the purpose of raising money enough to pay the expenses of the Government outside of the custom-house dues and the internal revenue. I have very clearly defined views. I have some responsibility, at least to the extent of my constituency, and I desire that there shall be no misunderstanding about it. It makes no difference in what shape the income-tax bill may come into the Senate, it makes no difference in what shape a bill may come into the Senate proposing to tax net incomes of corporations or any other income of corporations, until a constitutional method for raising the money to pay the expenses of the Government is shown to be inadequate I will not give my support to extraordinary measures. I belong to the Republican party. I speak its principles. I am not ready to about face at the demand of anybody. We were marching and will continue to march, in my judgment, to a determination based upon the protective-tariff policy of the Republican party, and I certainly shall never admit defeat until after the battle is long over.

Mr. CUMMINS. Mr. President——

The VICE-PRESIDENT. Will the Senator from Idaho yield to the Senator from Iowa?

Mr. HEYBURN. Yes.

Mr. CUMMINS. I could not hear the early sentences in the remarks of the Senator from Idaho.

Mr. ALDRICH. I appeal to the Senator from Idaho not to discuss this matter until we can get through the schedules of the bill. If we expect to pass the bill at all, we must go ahead with it and not discuss questions not before the Senate. I appeal to the Senator——

Mr. CUMMINS. I do not desire to discuss the income tax. I rose to ask if the Senator from Idaho objected.

Mr. ALDRICH. There is no request for unanimous consent. I simply made the statement that after the paragraphs are disposed of I shall myself ask the Senate to consider these amendments from day to day and time to time until they are disposed of, a suggestion which the Senator from Texas accepted. There is no request for unanimous consent before the Senate.

Mr. CUMMINS. That is entirely satisfactory to me, but I could not hear what the Senator from Idaho was saying.

Mr. HEYBURN. I will try to speak so that anyone will hear me. I would prefer to have the judgment of the Senator as to the wisdom of what I do after I say it rather than before.

Mr. ALDRICH. I am anxious to get along with the bill.

Mr. HEYBURN. So am I; no Senator here is more anxious than I am to finish this business, and the minute or two I shall occupy in stating my position here will not be, in my judgment, very expensive in point of time.

We are going forward to the consideration of the tariff schedules that are framed upon the protective-tariff principle, and whether or not those schedules are going to be whittled down now so as to leave a margin of necessity for some other legislation is a question of very great importance to me. I have voted against every reduction in existing duties, because I believe that the promise that was made, and always is made, by the Republican party that it will pay the expenses of the Government through the means of the custom-house and by internal revenue is the most sacred promise that the Republican party ever made to the American people. I for one propose to stand for it here or elsewhere, wherever it may arise.

I am not going to enter into any considerable discussion of this question, but, with all due deference to the chairman of the Committee on Finance, I have been accustomed always through my life to participate in the deliberations and the discussions of any body of which I am a member, and I shall have to insist upon that privilege here.

Now, I can see this danger facing the Republican party right now: That, resting upon the fancied security of ample revenue from other sources they may say: "Oh, well, no matter much whether this duty is high or whether low." For one, I shall still continue to march along the line of high protective duty, for the dual purpose of producing revenue and paying the expenses of this Government. And I will be no—what do they call it?—discontent or rebel.

Mr. ALDRICH rose.

Mr. HEYBURN. I think the Senator will probably wait until I have yielded the floor.

Mr. ALDRICH. Certainly.

Mr. HEYBURN. I am not very patient of intolerance when my rights are involved, and I am not very apt to yield to the dictate of any schoolmaster tactics. I say this with all respect, but it is not the first occasion in which I have felt inclined to say it. When I take the floor by right in the Senate, I will hold it by right on my own judgment, subject always to the rules of courtesy.

Mr. NELSON. Mr. President——

Mr. HEYBURN. But I am not to be taken off the floor like a schoolboy; not for a moment.

The VICE-PRESIDENT. Does the Senator from Idaho yield to the Senator from Minnesota?

Mr. HEYBURN. I yield, with pleasure.

Mr. NELSON. The Senator seems oblivious to the fact that the higher you raise the duties the less the revenue.

Mr. HEYBURN. I am not going to discuss that now at all. I will discuss the question of protective tariff when it is up in order to be discussed, and not before; but at this particular time I am not going, so far as my vote or my consent is concerned, to make way for any substitute for the principle of protection. I want no substitute for it. We promised the people that we would stand for protection, and we did not promise them that we would stand for any substitute for it. Now I yield the floor.

The VICE-PRESIDENT. Does the Chair understand the Senator from Texas to withdraw his amendment?

Mr. ALDRICH. I ask that it may go over, or the Senator can withdraw it and offer it again.

The VICE-PRESIDENT. Does the Chair understand the Senator from Texas to withdraw it?

Mr. BAILEY. I first desire the ruling of the Chair whether the amendment is now before the Senate.

The VICE-PRESIDENT. The Chair held last evening that it would be before the Senate this morning.

Mr. BAILEY. I so construed the ruling of the Chair, but I wanted to be certain.

The VICE-PRESIDENT. The Chair thinks the Senator is right.

Mr. BAILEY. Having it before the Senate, I shall have to insist that the Senator from Rhode Island exercise the right and power of the majority to postpone it.

The VICE-PRESIDENT. Then the Senator from Rhode Island, as the Chair understands, asks unanimous consent, in accordance with the request made last night, that the pending amendment be taken up after all these schedules of the pending bill are disposed of——

Mr. ALDRICH. And the free list.

The VICE-PRESIDENT. And that it be considered from day to day, to the exclusion of other business, save morning business. The Chair assumes the Senator meant until finally disposed of. Is there objection?

Mr. BORAH. I do not rise to object, but I want to suggest again that, in order to make headway in this matter, the committee shall not delay bringing in the corporation tax, for we want to take some time to consider it before we take up the question for the purpose of discussion.

Mr. ALDRICH. I might as well say now, perhaps, as at any time, that the committee have requested the Attorney-General, and the President has requested the Attorney-General, to prepare an amendment; and the Attorney-General, under the direction of the President, is preparing an amendment which will reflect the views of the administration. That amendment will be considered by the committee as soon as its consideration is possible, and it will be reported to the Senate, I hope, not later than Monday morning. That is my present hope, but it certainly will be presented immediately after it is perfected for the consideration of the Senate, and certainly at least a day before any suggestion is made for taking it up. I hope very much——

Mr. BAILEY. I understand the Constitution requires bills for raising revenue to originate in the House of Representatives and not in the White House.

Mr. ALDRICH. This is not a question of a bill for raising revenue. The President of the United States has sent a message here upon this subject, and it is desirable, in my opinion, that we should have the ideas and recommendations of the President in reference to the matter.

Mr. BAILEY. Well, the Constitution——

Mr. ALDRICH. The amendment will be reported by the Committee on Finance, and the Committee on Finance will be responsible for it. I do not mean to say that the Committee on Finance will have to take the suggestions of the Attorney-General or of the President; but it is my judgment that we should have the views of the President. He has expressed in a general way his ideas upon the subject, and I think it is desirable that we should have his views in concrete form. There is no concealment about this matter. It is not that the Committee on Finance is bound to accept the suggestions of the Attorney-General and of the President, but we do desire to know

exactly the form in which they would be glad to have the amendment put.

Mr. BORAH. I would be very glad myself, of course, to have the views of the Attorney-General upon this matter, but it will evidently take some time for the Senator and his committee to frame a new system of taxation. I only suggest that as a reason why it will take a considerable time to dispose of it after it is brought in.

Mr. ALDRICH. I appreciate that fully.

The VICE-PRESIDENT. Is there objection to the request of the Senator from Rhode Island?

Mr. BAILEY. Before assenting to that request, I want to ascertain exactly what my rights would be. I have no expectation that the Attorney-General will prepare an amendment or that the Finance Committee will report an amendment which I could support, but, as they are making progress, it might be that it would be safe and wise to leave ourselves in a position to accept their proposition, if it be one that would at all be in accordance with our views. Before I assent to the request, I want to ask, as a matter of parliamentary procedure, if I would be entitled as a matter of right to withdraw the pending amendment, if I chose to do it for any reason.

The VICE-PRESIDENT. The Chair assumes the Senator is familiar with paragraph 2, of Rule XXI, which reads:

> Any motion or resolution may be withdrawn or modified by the mover at any time before a decision, amendment, or ordering of the yeas and nays, except a motion to reconsider, which shall not be withdrawn without leave.

Mr. BAILEY. I was familiar with the rule, but I understood the Chair the other morning to hold that a motion could not be withdrawn after the yeas and nays were ordered, and then the Senator——

The VICE-PRESIDENT. The Chair did so hold.

Mr. ALDRICH. That is the plain provision of the rule.

Mr. BAILEY. Then the Senator from Georgia raised the question, and the Chair then held that it being in the possession of the Senate it could not be withdrawn, without reference to whether the yeas and nays were ordered. The RECORD, of course, will show that; I have not examined it, but I remember the occurrence. I had this very matter in my mind then. With the understanding that I can do that, I myself would have no objection to the request of the Senator from Rhode Island.

Mr. ALDRICH. Mr. President, every Senator will have all the rights he is entitled to under the rules of this body, if my suggestion is carried out.

Mr. BAILEY. That is altogether too general. I want to know specifically.

Mr. ALDRICH. The Senator undoubtedly, under the rule which has just been read, would have the right to withdraw the amendment, either temporarily or permanently, if he should so desire.

Mr. BEVERIDGE. At what time?

Mr. ALDRICH. At any time before the yeas and nays were ordered.

Mr. BEVERIDGE. That was just the point I made. The Senator from Texas is quite right. I made that point first the other day. The Senator from Nebraska asked to withdraw his amendment.

Mr. KEAN. The yeas and nays had been ordered.

Mr. BEVERIDGE. Yes; the yeas and nays had been ordered, and I rose then to protest against it. I was on my feet when the yeas and nays were called for, addressing the Chair. I remember the incident, because I raised it. Before I was recognized a sufficient number had responded to order the yeas and nays. Then the Chair recognized the Senator from Nebraska, and he asked leave to withdraw his amendment. After the yeas and nays had been ordered he could not do it without unanimous consent. The Senator from Rhode Island promptly objected to that. Then the point was made by the Senator from Georgia and the Senator from Maine that it did not make any difference about ordering the yeas and nays at any time, for he could not withdraw his amendment without unanimous consent.

Mr. ALDRICH. Mr. President——

Mr. BEVERIDGE. Pardon me just a moment, because I should like to get this matter straight on the record. So far as that incident came about, it is exactly as the Senator from Texas has stated it, and as I clearly remember it. I myself, when the yeas and nays were called for, rose and demanded recognition, but I was not recognized until a sufficient number had raised their hands to second the demand for the yeas and nays. Then the Senator from Nebraska was on his feet at the same time asking to withdraw his amendment.

Now it appears that he would have had the right to withdraw the amendment if it had not been for the ordering of the yeas and nays. It is a very excellent thing that at this particular moment this incident shall be referred to again in order that we may be clear hereafter as to whatever right any Senator may have who has offered an amendment, and that when he has risen for the very purpose of exercising his parliamentary right to withdraw it he shall be recognized before a show of hands ordering the yeas and nays.

Mr. ALDRICH. Mr. President, I want to be frank with the Senator from Texas about this matter. There is no reason why there should be any concealment.

Mr. BAILEY. I think we can reach an agreement now.

Mr. ALDRICH. The Senator from Texas asks if he can withdraw his amendment. My understanding is that the consideration of this amendment of his is to be proceeded with until it is disposed of. Of course, if he withdraws it that disposes of it. There is no question about that. That is a perfectly plain proposition. The Senator from Texas has the right to withdraw it at any time, and that disposes of it until he offers it again, or he may never offer it again, if he pleases. No Senator loses his rights by any suggestion I have made. He has all the rights which he is entitled to as a Member of the Senate. I have no disposition to deprive and I am sure I could not deprive the Senator from Idaho of any rights which he has. Our experience in the past has shown that the Senator is not inclined to permit anybody to infringe upon his rights, and I certainly have no disposition to do so. But I assure the Senator that all the rights which he is entitled to under the rules of the Senate will be accorded to him. We can not help ourselves. The proceeding will be under the rules of the Senate from the moment the proposition is taken up.

Mr. BAILEY. Now, Mr. President, with this matter clarified, and while I have no earthly expectation that any amendment will be reported for which I would be willing to vote, while still pressing the proposition which I now have pending, I still want the right to do that if Republicans should progress that far in so short a time.

With that understanding now I will not say that I am perfectly willing, but I am willing in a spirit to accommodate those who are cooperating with me, that this matter shall be laid aside until we have finished the schedules which levy duties and the free list, except that this amendment is to come as an amendment to the sugar schedule, and of course that could not be disposed of before this was taken up. But I am perfectly willing to do that, and I am constrained to agree to that arrangement for the further reason that Senators on both sides desire to know exactly when they will be required to be here. Some Senators who are either sick themselves or detained from the Senate by the sickness of their families will know the matter is to come up. They do not desire to be called back from their homes on Tuesday to have it postponed until Thursday and on Thursday to have it postponed until Monday.

Mr. CLAY. Will the Senator permit me?

Mr. BAILEY. Certainly.

Mr. CLAY. I do not know that I understood the Senator thoroughly. Do I understand the Senator to say that when this amendment is called up under the rules of the Senate the Chair has stated the Senator will have a right to withdraw the amendment?

Mr. BAILEY. That is so.

Mr. CLAY. Suppose some Senator should object to the withdrawal of the amendment; under the rules of the Senate, the amendment being in the possession of the Senate, would not the Chair be compelled to put it to the Senate as to whether or not the amendment should be withdrawn?

Mr. BAILEY. The Chair has already stated otherwise, and read the rule. The Senator from Rhode Island himself concurs in the opinion that I have a right to withdraw it, and that that right could not be defeated by a single objection.

Mr. CLAY. I understood the Chair to rule the other day that after an amendment is in the possession of the Senate and any Senator objected to its withdrawal, the question must be put to the Senate as to whether the amendment could be withdrawn.

The VICE-PRESIDENT. When it was in the possession of the Senate as defined by the rule, and the rule says that it is in the possession of the Senate so that it can not be withdrawn after an amendment or after ordering the yeas and nays.

Mr. CLAY. That would change the rule, then.

Mr. BAILEY. The only mistake the Chair made, then, was merely a mistake in saying that he would have held the same way if the yeas and nays had not been ordered. His ruling in that case was unadvised.

The VICE-PRESIDENT. The Chair did not make that statement.

Mr. BEVERIDGE. It was the Senator from Georgia and the Senator from Maine who made that statement.

Mr. BAILEY. The Chair very clearly holds according to the rule.

The VICE-PRESIDENT. The Chair, then, hears no objection to the agreement as stated by the Chair, and that is the order of the Senate.

Mr. BROWN. I desire leave to extend in my remarks tables and statistics that I used the other day.

The VICE-PRESIDENT. Without objection, leave to print certain papers with the remarks of the Senator from Nebraska will be granted.

Mr. BACON. I did not hear the request.

Mr. BROWN. I ask leave to insert in my remarks statistics and tables which I used the other day.

The VICE-PRESIDENT. Is there objection? The Chair hears none.

Mr. GALLINGER. Mr. President, I desire to correct a statement I made on yesterday in answer to an interrogatory from the Senator from Nebraska [Mr. BROWN]. I then stated that the International Paper Company had not sold paper at even so high a price as $45 per ton. I made a mistake, which was somewhat natural, from the fact that the company had not sold paper covering the entire year at an average as high as that, but that the company sold paper in small lots at a higher rate than I stated is undoubtedly true.

The VICE-PRESIDENT. The Secretary will report the pending amendment submitted by the Senator from Rhode Island on behalf of the Committee on Finance.

The SECRETARY. On page 156, Schedule M, Pulp, Papers, and Books, in lieu of paragraph 402 as printed in the bill, the committee proposes the following substitute:

402. Mechanically ground wood pulp, one-twelfth of 1 cent per pound, dry weight: *Provided, however,* That mechanically ground wood pulp shall be admitted free of duty from any country or dependency (being the product of any such country or dependency), when and so long as such country or dependency, or any province or subdivision thereof, does not forbid or restrict the exportation of or impose any import or export duty, export license fee, or other export charge of any kind whatsoever, either directly or indirectly (whether in the form of additional charge or license fee or otherwise), upon mechanically ground wood pulp, logs, or wood for use in the manufacture of wood pulp. Chemical wood pulp, unbleached, one-sixth of 1 cent per pound, dry weight; bleached, one-fourth of 1 cent per pound, dry weight: *Provided,* That if any country, dependency, province, or any subdivision thereof shall impose an export duty or other export charge of any kind whatsoever, either directly or indirectly, on pulp wood or logs exported to the United States, the amount of such export duty or other export charge shall be added as an additional duty to the duties herein imposed upon wood pulp when imported, directly or indirectly, from such country or dependency: *And provided further,* That in case any such country, dependency, province, or subdivision thereof shall forbid, directly or indirectly, the exportation of any wood pulp, logs, or wood for use in the manufacture of wood pulp, an additional duty equal to the rates of duties imposed by this paragraph upon wood pulp shall be imposed upon any wood pulp imported from such country or dependency.

Mr. CLAPP. Mr. President, I first want to call the chairman's attention to what may be rather technical, because the amendment deals of course with pulp wood. The language is pulp wood and logs. To avoid any possible question I would suggest the inserting of "pulp logs."

Mr. ALDRICH. That is what is intended, although logs are on the free list now in this country.

Mr. CLAPP. But this proposes a duty in certain cases.

Mr. ALDRICH. I am quite willing to modify it. I think logs and pulp wood cover the purpose of the amendment, but I am quite willing to accept the modification.

Mr. CLAPP. There is another matter to which I wish to call the attention of the committee very seriously. I have no doubt the committee will differ with me, but I believe we are making a great mistake in these measures in treating the dependencies and provinces as separate units. I can readily see how, if they wanted to resort to such a measure, they could impose an export duty in those districts which have but little timber, leaving the district in which the mills are located without any restrictive measure, and thus give to that district with its mills the entire American market, and yet perhaps seriously interfere with American mills adjacent to those other provinces where there would be some stuff to bring in, and yet there would be no mills located in those provinces.

Mr. ALDRICH. Mr. President, the Senator from Minnesota does not understand the purpose and the effect of the amendment. If the Province of Quebec, for instance, puts a prohibition upon the exportation of this article, then the duty is imposed. If the Senator will examine the matter, he will find that the proposition as made by the committee is——

Mr. CLAPP. Then why use the words "province or dependency?" Why not limit it plainly to one governmental subdivision?

Mr. ALDRICH. I think, if the Senator will examine carefully the substitute proposed by the committee, he will find that his idea has been carried out exactly by the terms of the amendment as offered. I will say that if Senators will now allow this amendment to be agreed to, and on further examination they do not find it is as I have stated, or if there should be any objection to it, I will agree to have it taken up hereafter for consideration.

Mr. CLAPP. I confess, Mr. President, that simply from hearing the amendment read I can not pit my construction of it against the construction placed upon it by the Senator from Rhode Island, who prepared it, but I will accept the Senator's proposition.

Mr. BROWN. Mr. President, it seems to me that it is almost impossible to gather the import of this proposed substitute from hearing it once read. This is one of the most important paragraphs in this schedule; it reaches one of the basic factors of this question; and it does seem to me that we should not be asked this morning to vote upon this substitute without having an opportunity to read it over. I want to appeal to the Senator from Rhode Island to let this paragraph go over until 10 o'clock on Monday. If the correct interpretation is such as he gives it, I do not know that there would be any serious objection to it.

Mr. ALDRICH. I have suggested that if the paragraph is now agreed to, I shall go back to it and myself ask to have it reconsidered if there is subsequently any objection to it.

Mr. BROWN. I will accept that assurance, if the Senator says that by request he will ask to have the amendment reconsidered.

Mr. ALDRICH. I will.

Mr. BEVERIDGE. At any time?

Mr. ALDRICH. At any time when it is reached.

Mr. BROWN. In the meantime, let the amendment be printed.

Mr. ALDRICH. Yes; it will be printed.

Mr. DANIEL. Mr. President, I ask to return to paragraph 647.

The VICE-PRESIDENT. The pending amendment has not yet been disposed of.

Mr. DANIEL. I thought it had, Mr. President.

Mr. NELSON. Mr. President, I rise to say a few words about the amendment. This amendment is of a piece with the provision that was contained in the House bill with reference to the lumber schedule. The effect of it is practically to absolutely prohibit the importation of mechanically ground pulp from Canada. A good deal of the timber lands in Canada are known as "crown lands." That is the case in Ontario, and I am inclined to think it is in the other Provinces east of that. The Canadians do not sell the timber lands, but they simply sell a license or a permit to cut timber at a given rate for a given period; and those licenses or permits contain the restriction that the timber cut must be manufactured in Canada. If spruce timber is cut under such a permit, it has to be manufactured either into lumber or into pulp wood in Canada. The effect of this is practically to exclude the pulp of that country. It amounts to a prohibition and a restriction.

This amendment is even worse than the original provision in the bill as it passed the other House. If Senators believe in the idea of giving to the owners of forests of spruce timber suitable for paper making in this country a complete monopoly, and excluding the spruce-timber supply of Canada, this amendment will effect that purpose. If Senators believe that the paper mills in this country should have an opportunity, where it is convenient, to secure Canadian wood pulp in order to enable them to get cheaper raw material and to some extent conserve our forests, they ought to vote against this amendment. It is one of the most dangerous amendments in the entire bill.

Mr. ALDRICH. Mr. President, the Senator from Minnesota evidently does not understand either the purport of the amendment or its effect.

Mr. NELSON. I think I do understand it.

Mr. ALDRICH. I think not. I am sure the Senator does not understand it. There is no prohibition against the importation of pulp into the United States at all. The substitute provides for the importation of this article into the United States free of duty, unless Canada or any other country imposes unreasonable restrictions upon the exportation of wood pulp.

Mr. NELSON. If the Senator will allow me, suppose the Canadian government requires that timber cut on crown lands shall be manufactured into wood pulp in that country; is not that a restriction?

Mr. ALDRICH. That would be a very unreasonable restriction, in my judgment, on the exportation of wood pulp. In that

case they would have to pay one-twelfth of a cent a pound additional. There is no prohibition about it.

Mr. NELSON. That is the amount of duty they would have to pay?

Mr. ALDRICH. As duty they would pay two-twelfths of 1 cent a pound, or one-sixth of a cent a pound in case they prohibited the exportation of logs from the Dominion of Canada.

Mr. HEYBURN. That is the penalty?

Mr. ALDRICH. One-twelfth of a cent is the penalty.

Mr. NELSON. I want to say to the Senator that there is no prohibition in the Canadian law. Logs are free under the Canadian tariff law. The law only relates to lands that are owned by the several Provinces that are known as "crown lands." When the government sells the right to cut timber on those lands a condition is inserted in the timber license or the permit that the timber cut must be manufactured either into lumber or pulp in that country. That is the restriction.

Mr. ALDRICH. And what we propose to do——

Mr. NELSON. And you have limited it so as to hit each and every one of those Provinces.

Mr. ALDRICH. Mr. President, we have simply said to them, "If you do not impose unreasonable restrictions upon the exportation of logs or pulp to the United States, we will admit the Canadian ground wood pulp into this country free; but if you do impose unreasonable restrictions or prohibitions upon the exportation to the United States, then you must pay a penalty of an additional duty equal to one-twelfth of 1 cent a pound." There is no prohibition about it at all. They simply pay the penalty of their own unreasonable treatment of the United States.

Mr. NELSON. Is that an unreasonable condition where they sell the right to cut timber at a reasonable figure, and say, "If you cut timber on our lands, we want you to manufacture that timber in this country?"

Mr. ALDRICH. Well, it is unreasonable, so far as we are concerned; and it makes no difference to us whether that prohibition is made by a Province which is under the control of the Dominion government or made directly by the Dominion government. It makes not the slightest difference in its effect upon us. If the Provinces of Canada can legislate against the interests of the United States in that particular, they may legislate against the interests of the United States in every particular. They may prohibit the exportation of wood of all kinds, or they may prohibit the exportation of any other article to the United States that we are now buying from Canada. If you allow this subterfuge of getting behind the right of a Province to do things which we hold the Dominion of Canada responsible for, there will be no limit to what may be done in that direction.

Mr. CRAWFORD. Mr. President——

The VICE-PRESIDENT. Does the Senator from Rhode Island yield to the Senator from South Dakota?

Mr. ALDRICH. I do.

Mr. CRAWFORD. Mr. President, will not the penalty really be paid after all by the American people? For instance, if an export duty is imposed by Canada upon an article that we must have, and then we turn around for the purpose of punishing them and impose a retaliatory duty, are we not fining ourselves, and will not the penalty rest upon the American people?

Mr. ALDRICH. That would undoubtedly be true if it was a necessity to import these articles from Canada; but the contention which I made yesterday, and which I believe to be correct, is that we have in this country available timber for the production of all the wood pulp and all the paper that the people of the United States desire. We are simply asking them, in a persuasive way, to remove unreasonable restrictions which they are placing upon the export of articles to the United States.

Mr. CRAWFORD. Mr. President——

The VICE-PRESIDENT. Does the Senator from Rhode Island yield to the Senator from South Dakota?

Mr. ALDRICH. I do.

Mr. CRAWFORD. Mr. President, one reason why I voted for the $4 rate upon this article was that a condition of things existed, such as was disclosed by the distinguished Senator from Wisconsin [Mr. LA FOLLETTE], which indicated, even though we put the duty at $4, spruce wood was becoming so scarce and the supply so far removed from the mills that by the year 1912 the Wisconsin mills would be compelled to abandon the manufacture of print paper. It also appears that wood pulp is being imported. The Senator from Maine spoke about the rate of $4 a cord that they had to pay on the importation of the wood to mills in Maine. So we are dependent upon the spruce in Canada, to a large extent, and are compelled to import wood pulp. If that be true, when we undertake to impose a penalty upon Canada for imposing an export duty, who will pay that penalty? It seems to me that, necessarily, the manufacturer of print paper in the United States will pay it, and that we are simply, through this provision, imposing a penalty upon ourselves.

Mr. ALDRICH. Mr. President, if the premises of the Senator from South Dakota were correct, his deductions would undoubtedly be correct; but the amount of pulp wood which is imported from Canada, compared with the total consumption in the United States, and compared with the total amount that is available in the United States, is a negligible quantity.

Mr. BROWN. Mr. President——

The VICE-PRESIDENT. Does the Senator from Rhode Island yield to the Senator from Nebraska?

Mr. ALDRICH. I do.

Mr. BROWN. The Senator from Rhode Island, I presume, does not want to be understood as saying that the importation of more than one-third of the wood that is used in our paper mills is a negligible quantity. That was the amount which was imported last year.

Mr. ALDRICH. I said with reference to the supply of the United States which is available for the purposes of making paper. I think that statement is correct.

Mr. BROWN. That statement is contradicted by all the testimony. It is testified that we have not enough spruce in this country to last over twenty years; and, assuming that only two-thirds of that is used in paper making now——

Mr. ALDRICH. I do not know what the Senator from Nebraska calls "testimony."

Mr. BROWN. I mean the testimony that was sworn to and reported by the legislative committee that gave the legislative bodies of this country all the evidence that was taken.

Mr. ALDRICH. There has been no testimony given upon that subject in that direction which satisfies me that there is any force in it whatever. I am perfectly satisfied that there is wood enough in the United States to supply the paper demand in this country indefinitely.

Mr. CLAPP. Mr. President, I had intended to say a word in regard to this amendment and the amendment which I suppose is to follow with reference to the paper itself. I think the committee have improved the amendment, if they have broadened it so as to make the entire Dominion government responsible for the action of its Provinces; but, at the same time, I very much fear that the plan in the mind of the committee is not a plan that can be made successful. We occupy a very peculiar relation to Canada.

While it is true that we have large quantities of pulp wood in this country, it is equally true that that wood costs more; it is not as plentiful and is not as cheap as Canadian pulp wood. That is one reason why, at least, some of us recognize the necessity of giving a duty for the time being to the paper industry. I voted for that with the firm conviction that it will be only a little while until the American print-paper mills will have to change their process and abandon the making of print paper, because I do not believe, in the long run, that they can maintain themselves against the advantages which Canada has in that respect, unless they may be able to find something else out of which cheaply to make print paper. For that reason I voted for the amendment.

Mr. ALDRICH. Mr. President——

The VICE-PRESIDENT. Does the Senator from Minnesota yield to the Senator from Rhode Island?

Mr. CLAPP. With pleasure.

Mr. ALDRICH. I think I yielded to the Senator from Minnesota.

Mr. CLAPP. The Senator yielded to me.

The VICE-PRESIDENT. The Senator from Rhode Island did yield to the Senator from Minnesota.

Mr. ALDRICH. I was going to say, in answer both to the Senator from Minnesota [Mr. CLAPP] and the Senator from South Dakota [Mr. CRAWFORD], that it is very evident from public declarations that it is the purpose of Canada to extend the prohibition, which is now applicable in Ontario, to other Provinces, especially to the Province of Quebec, which is the principal exporter of wood to the United States. Those Senators must see that the prohibition of the exportation of spruce or other logs for paper use or for pulp use is inevitable. So that the argument of both Senators that we shall be paying the penalty ourselves by putting on these provisions does not apply. The prohibition upon wood, which the Senator from Nebraska [Mr. BROWN] is so desirous of having come from Canada, is almost certain, so that wood will not come here. What we say to Canada is, "If you will not let your wood come here"—and according to the contention of both Senators, it is desirable and necessary that it should come for our paper mills—"if you will

not let your paper come here, you must pay a little higher duty upon pulp and upon paper." That is the whole proposition.

Mr. CLAPP. Mr. President, without certainly meaning any sarcasm—for I believe the American public are confronted with a serious proposition in their trade relations with Canada—it still does seem to me that we are cutting off our nose to spite our face. If Canada prohibits the exportation of an article, certainly the imposition by the American Government of a duty will cut no figure, because——

Mr. ALDRICH. Mr. President——

Mr. CLAPP. Just a moment, if the Senator will permit me, so that I may finish that one suggestion, although I admit I am on the floor by his courtesy. The imposition of a duty would cut no figure. If, instead of prohibiting the exportation, they simply put on an export duty, which adds to the cost of it—still, if we are to use that at all, the addition of an import duty upon our part would simply add to the burden of our own people. It seems to me that we are there confronted with a proposition where we are not even candid with Canada, and we can not meet her with that kind of legislation.

Mr. ALDRICH. The Senator from Minnesota, from my standpoint, does not quite appreciate the purpose and effect of the amendment. He is speaking of logs as though we were putting a duty on logs to prevent the making of a prohibition in Canada against their exportation; but that is not the purpose. We are simply saying to Canada: "If you refuse to allow logs or pulp wood to be sent to the United States at all"—there is no question here about a duty on either—"if you refuse to have logs and pulp wood sent to the United States at all, then, if you send the products of your own logs to the United States, you must pay a little higher rate of duty upon the products"—not upon the logs. It does not touch the question of pulp wood or of wood at all; it is not a question of wood. If they say they will not send any spruce to the United States, which the Senator from Minnesota and the Senator from Nebraska say it is necessary for us to have for use in the mills of the United States, then they pay a little higher duty on the products of that wood when manufactured in their own country. It strikes me that that is not a proposition which is an unfair one. We do not propose to put a prohibition upon either pulp or upon paper or any of the products of wood. We simply say, "You will pay a little higher duty if you do that."

Mr. CLAPP. I understand that, and stated that, in this connection, I was dealing with the question involved in both these paragraphs of the bill. Canada can only avail herself of the right to say that she will either prohibit or tax exportations upon the ground that she has those products cheaper than we have; otherwise, to attempt to prevent their exportation would be an absurdity. That is where Canada has the advantage of us in this matter. Canada says, "We shall prohibit the exportation of pulp or pulp wood." We say, "If you do that, we will probihit the importation of your paper."

Mr. ALDRICH. Oh, no.

Mr. CLAPP. Before we get through we do.

Mr. ALDRICH. Oh, no; we do not. We simply say, "You will pay a little higher duty."

Mr. CLAPP. Exactly. I understand that.

Mr. ALDRICH. And the higher duty is a duty which is less than the average revenue duty imposed by this bill.

Mr. CLAPP. That may be, Mr. President, but we have to get right back to the proposition that we have fixed a duty upon print paper which we believe, especially in view of the exigencies of the situation, is a protective duty upon American print paper. If we go beyond that, we go beyond the limit of a protective duty; and while we attempt to punish Canada for prohibiting or taxing the exportation of her wood and pulp, the only way we get at it is, in the last analysis, by adding to the cost that we pay for our own paper.

Mr. ALDRICH. Mr. President, I still think the Senator is mistaken about this provision. Let me recall it to him again in detail.

We will assume that it is desirable to have the logs and pulp wood imported from Canada to the United States; we will assume that the Senator from Nebraska is correct, that the Senator from South Dakota is correct, that the Senator from Minnesota is correct, and that it is desirable to continue the importation of wood from Canada into the United States. We are confronted with the proposition that a prohibition will be established against sending any wood to the United States. We say to Canada, "If you remove your prohibition against the importation into the United States, or the exportation to the United States, of wood and logs, we will admit mechanically ground wood pulp free into the United States; but if you insist upon that prohibition, we ask that you shall pay an additional duty; if you are going to try to force into Canada this business of producing pulp, then we ask you to pay a little higher duty when these goods are brought into the United States," amounting, as I have said, in the aggregate to only one-sixth of a cent a pound, which is less than the average of the "revenue duties," so called, imposed by this bill. That is all there is in this provision except this—and that was the House proviso, and it is in the existing law—if they pay an export bounty on pulp, as they are doing indirectly to a certain extent, that the amount of the export bounty shall be added to the duty. That is all there is to it. This is a provision for reciprocity of treatment; you might say a retaliatory provision, if you please, in which we simply say to Canada, "If you will not continue to allow logs to come to the United States; that is, if you insist upon your prohibition, you then must pay, not an additional duty upon logs, but upon the products which you are trying to force us to use from Canada;" and we only make a very small penalty in the way of a retaliatory duty.

Mr. CLAPP. Mr. President, the point I am making is that we can not——

Mr. NELSON. Mr. President——

The VICE-PRESIDENT. Does the junior Senator from Minnesota yield to the senior Senator from Minnesota?

Mr. CLAPP. With pleasure.

Mr. NELSON. I want to explain to the Senator before he proceeds that in this matter the Canadian government is utterly powerless. The Dominion of Canada has a tariff law of its own. That tariff law does not interfere with the different Provinces in the management and disposal of their public lands. A Province in the Dominion of Canada is like a State in this Union. Those Provinces own what are called "crown lands." Instead of selling the fee of those crown timber lands, they simply sell the timber rights or sell licenses to men who purchase the right to cut the timber; and those crown licenses from the different Provinces contain these conditions. That is a right that belongs to each Province and the Canadian government is utterly powerless regarding it. It is a matter of contract. It would be as powerless as our Government would be if the State of Minnesota—and the State of Minnesota has considerable timber land in its domain—were to sell me a license right to cut timber on a section of land on the condition that that timber should be manufactured in the State of Minnesota into either lumber or pulp wood. Our federal tariff law could not affect that or interfere with it.

Mr. ALDRICH. That is where the Senator is very much mistaken.

Mr. NELSON. In this instance we are attempting to inject into the law a penalty against the Canadian government for something the Canadian government as a government is entirely powerless to remedy. It is a matter that reaches to the different Provinces.

Mr. CLAPP. Mr. President, while that is all——

Mr. BEVERIDGE. Mr. President——

The VICE-PRESIDENT. Does the Senator from Minnesota yield to the Senator from Indiana?

Mr. BEVERIDGE. I merely want to ask the Senator from Minnesota——

Mr. ALDRICH. I think I have the floor.

The VICE-PRESIDENT. The Senator from Rhode Island has the floor.

Mr. ALDRICH. I think I will have to resume the floor for the purpose of answering the last suggestion of the Senator from Minnesota [Mr. NELSON].

Mr. BEVERIDGE. Before the Senator does that, with the permission of both Senators, I should like to ask the Senator from Minnesota, merely as a lawyer, whether or not he suggested that any State in this Union could put an export duty on anything.

Mr. ALDRICH. Or an export prohibition?

Mr. BEVERIDGE. Certainly; they could put a prohibition on it if they could put an export duty.

Mr. NELSON. There is no export duty, if the Senator will allow me. It is simply a condition that the timber shall be manufactured there. The Provinces have no right to levy an export duty.

Mr. BEVERIDGE. Of course not. I go further than that. Does the Senator say that a State, as a legal proposition, could in anywise directly or indirectly prohibit the exportation of any of its products not only to another State but to a foreign country? I agree with the Senator on his main proposition, as I understand it; but upon this legal proposition I do not think the Senator from Minnesota would perhaps want that to go as broadly as he stated it.

Mr. ALDRICH. The Imperial British Government, of course, controls in the last analysis the legislation of the Dominion of Canada.

Mr. BEVERIDGE. Oh, no.

Mr. ALDRICH. They have the right to do it.

Mr. BEVERIDGE. The British Parliament?

Mr. ALDRICH. They certainly——

Mr. BEVERIDGE. To control the legislation?

Mr. ALDRICH. Not to control legislation, but to legislate for Canada, if they see fit.

Mr. BEVERIDGE. The Senator had better think that over.

Mr. SMITH of Michigan and Mr. CLAPP addressed the Chair.

The VICE-PRESIDENT. To whom does the Senator from Rhode Island yield?

Mr. ALDRICH. I will not raise that question. I can see that I am getting into a subject on which I would differ with many lawyers in the Senate, and I do not intend to get into that kind of a discussion; but I do say that in dealing with the Dominion of Canada we have to deal with the Dominion government. We make our tariff with reference to the Dominion government; and if any part of the Dominion of Canada does anything that is against our interests, we have a right to retaliate, if we see fit.

Mr. SMITH of Michigan. Now, Mr. President, on that point——

Mr. ALDRICH. We are bound not to deal with the Provinces; we have no authority to deal with the Province of Ontario and the Province of Quebec——

Mr. SMITH of Michigan and Mr. CLAPP addressed the Chair.

The VICE-PRESIDENT. To whom does the Senator from Rhode Island yield?

Mr. ALDRICH. I yield, first, to the Senator from Michigan.

Mr. SMITH of Michigan. On that particular point I desire to interrogate the Senator. This limitation is intended to apply either to the Dominion government or any subdivision of that government?

Mr. ALDRICH. Oh, no; we deal entirely with the Dominion government on this proposition.

Mr. SMITH of Michigan. I understand that you hold the Dominion primarily responsible, but you also say that if any subdivision imposes any license or restriction, for the time being, and in that particular case, the additional duty must be added.

Mr. ALDRICH. We do not say that. We say we will hold the Dominion responsible for it; that is all.

Mr. SMITH of Michigan. What I desire to ask the Senator is this: Does he believe that this substitute will encourage the importation of pulp wood into this country without duty?

Mr. ALDRICH. That is the purpose of it.

Mr. SMITH of Michigan. That is the purpose?

Mr. ALDRICH. That is all; and we offer them inducements in the direction of free pulp.

Mr. SMITH of Michigan. This question suggests itself to me: The Senator from Minnesota says that some Province or some subdivision holding crown lands may put an export duty or license fee upon the exported article.

Now, that could not inure to the advantage of that subdivision or Province, because any export duty that was to be realized from the exportation of this product must find its way into the general Dominion treasury, and not into the treasury of the Province imposing the restriction. Therefore, as a subdivision could not profit by a restriction, and could find a market for its product, I can not believe that it would not act in harmony with the Dominion government.

I desire to make it easy to supply pulp wood to the paper manufacturers of this country, for the purpose of retaining the manufacture here. The diminishing supply of material suitable for that purpose is recognized by everyone. It is recognized even by the Senator from Rhode Island in his substitute, and the desirability of enlarging the field from which to draw this material is impressed upon us all. Therefore, if the effect of this substitute is to make it easy for paper manufacturers to get the pulp wood free, I desire to see it ratified.

Mr. ALDRICH. That is certainly the purpose of the committee.

Mr. SMITH of Michigan. I hardly think——

Mr. HEYBURN. I desire to know——

The VICE-PRESIDENT. Does the Senator from Rhode Island yield to the Senator from Idaho?

Mr. ALDRICH. I do.

Mr. HEYBURN. The question raised, which has been somewhat overlapped now, is whether we might deal with or consider a Province rather than the Dominion. The Dominion of Canada is not restricted in the passage or enactment of special laws. She gives some of her Provinces the right to impose restrictions and duties that she does not give to others. That is the condition of the law to-day. So, under our treaty relations we can not deal with the Provinces at all. We must deal with the Dominion, and we only do that by virtue of the consent of the general government.

Mr. SMITH of Michigan. I agree entirely with the statement of the Senator from Idaho, which has been perfectly clear and plain to me from the beginning.

Mr. HEYBURN. It eliminates the question as to what the separate Provinces may——

Mr. SMITH of Michigan. No.

Mr. HEYBURN. May desire to do.

Mr. SMITH of Michigan. But I had in mind above and beyond what appears on the surface of this amendment the question whether we were approaching it in a manner best calculated to give us this pulp wood free. Upon that question I have some doubts.

It seems to me if we were to carefully consider with the representatives of the Canadian government this entire proposition, we would be much more likely to get an amicable arrangement than by an apparent retaliatory or threatening method which involves possible difficulty with the local governments of Canada.

Mr. ALDRICH. The Senator will excuse me here. If I was certain that all these questions would be taken up by the President under the maximum and minimum provisions which the committee have adopted and hope the Senate will adopt, I certainly would be in favor of removing all these duties. But the trouble is, I am not certain whether the prohibition on exportations, applicable, of course, to all countries, would be held by the President of the United States to be unduly discriminatory against the interests of the United States. That is the whole proposition. If the lawyers of the Senate are able to assure me that that question could and would properly come up under the maximum and minimum provisions, I certainly should prefer that we should go into negotiations with the Canadian government rather than to adopt specific retaliatory duties under this act.

Mr. CLAPP. I suggest to the Senator that while I think there is a great deal of force in his position in reference to any proposed or present language, I do not see why that language could not be so modified and framed as to authorize the President to meet the conditions presented here.

Mr. ALDRICH. Possibly we might say in this provision that if the President of the United States finds that the action of the Canadian government is unduly discriminatory, these duties shall be imposed. The committee have no purpose in this except to do whatever the Senate desires to do; that is, to continue the importation into the United States of logs and pulp wood without restriction.

Mr. CLAPP. That is exactly what I desire to discuss whenever I can get the floor.

Mr. ALDRICH. Perhaps, under the circumstances, I had better let this amendment go over and allow it to be printed.

Mr. BROWN. I wish the Senator would do that.

Mr. ALDRICH. I will do it. I imagine that is the best way to limit the discussion.

Mr. BRISTOW. Let me understand now. This goes over, and the amendments will be printed.

Mr. ALDRICH. It goes over to be printed both in the RECORD and as an amendment.

Mr. BRISTOW. It will not be taken up now?

The VICE-PRESIDENT. The Senator simply withdraws the amendment.

Mr. ALDRICH. No; I do not. I offer it.

The VICE-PRESIDENT. It goes over for the present.

Mr. ALDRICH. It will be printed as an amendment and in the RECORD.

The VICE-PRESIDENT. It goes over subject to be called up by the committee.

Mr. ALDRICH. The committee have some other amendments. These amendments do not apply to the paper question at all. That is, they do not apply to this particular question.

Mr. DANIEL. Mr. President——

Mr. ALDRICH. I yield to the Senator from Virginia.

Mr. DANIEL. On page 213, paragraph 647, there are various provisions putting upon the free list certain articles, as follows:

Philosophical and scientific apparatus, utensils, instruments, and preparations, including bottles and boxes containing the same, specially imported in good faith for the use and by order of any society or institution incorporated or established solely for religious, philosophical, educational, scientific, or literary purposes, or for the encouragement of the fine arts, or for the use and by order of any college, academy, school, or seminary of learning in the United States, or any state or public library, and not for sale, subject to such regulations as the Secretary of the Treasury shall prescribe.

I move to insert the words "any city or," so that it will read:

For the use and by order of any city or any college, academy, school, or seminary of learning in the United States, or any state or public library, and not for sale, subject to such regulations as the Secretary of the Treasury shall prescribe.

The VICE-PRESIDENT. The question is on agreeing to the amendment proposed by the Senator from Virginia.

The amendment was agreed to.

Mr. ALDRICH. In paragraph 405 the committee suggests, in line 25——

The VICE-PRESIDENT. The Chair suggests to the Senator that the committee amendments reported in that paragraph have not yet been agreed to. The Chair refers to those printed in the bill.

Mr. ALDRICH. I ask that they be agreed to.

The VICE-PRESIDENT. They will be stated.

The SECRETARY. On page 157, paragraph 405, line 15, after the word "paper," insert, within parentheses, the following words:

Other than paper commercially known as handmade or machine handmade paper, japan paper, and imitation japan paper, by whatever name known.

The amendment was agreed to.

The SECRETARY. In line 19, after the word "bindings" and the comma, insert "not specially provided for in this section."

The amendment was agreed to.

The SECRETARY. In line 24, before the word "of," strike out "two-tenths" and insert in lieu thereof "three-tenths."

The amendment was agreed to.

Mr. ALDRICH. The next amendment is to strike out the word "three," in line 25, and insert the word "four." The effect of that will be to reduce the duty on paper between 3 and 4 cents from six-tenths to five-tenths.

The amendment was agreed to.

Mr. ALDRICH. Now strike out the next bracket, "valued above 3 cents and not above 4 cents per pound, six-tenths of 1 cent per pound." That goes out entirely.

The SECRETARY. On page 157, line 26, after the words "per pound" and the semicolon, strike out the words "valued above 3 cents and not above 4 cents per pound, six-tenths of 1 cent per pound."

The amendment was agreed to.

The SECRETARY. The next amendment printed in the bill is on page 158, line 6, to strike out the words "other subdivision of government" and insert "any subdivision thereof."

The amendment was agreed to.

The SECRETARY. In line 10 strike out the words "other subdivision of government" and insert in lieu——

Mr. ALDRICH. In line 7, after the word "shall," insert the words "directly or indirectly."

The amendment was agreed to.

Mr. ALDRICH. In line 12 after the word "of," insert the word "logs" and a comma.

The amendment was agreed to.

Mr. ALDRICH. In line 12, after the word "of," insert the word "logs."

Mr. NELSON. Those amendments are in line with the other amendments?

Mr. ALDRICH. We have not reached the point where there is a difference of opinion between the Senator from Minnesota and the committee. I suppose the Senator does not object to inserting the word "logs?"

Mr. BEVERIDGE. They are subject to reopening, anyhow.

Mr. ALDRICH. Yes; these amendments are only formal. The real amendments—the substantive amendments—will come later on, and they will go over and be considered in connection with paragraph 402. But these amendments simply change the phraseology.

Mr. NELSON. The paragraph will not be acted upon now?

Mr. ALDRICH. In reference to these retaliatory provisions——

Mr. BRISTOW. The only difference between these amendments and that proposed in the former paragraph is that that applies to higher-priced paper. The effect is just the same, is it not?

Mr. ALDRICH. I do not understand the question.

Mr. BRISTOW. The amendment to the paragraph that went over virtually prohibited the importation of wood pulp to certain mills in the United States. That would have been the effect of it.

Mr. ALDRICH. The Senator assumes a purpose and an effect to which the committee do not agree.

Mr. BRISTOW. I should have expressed myself differently. The effect would be to prevent certain mills in the United States from getting pulp in Canada with which to run their mills

Mr. ALDRICH. There an assertion and a question are mixed together. If the Senator will put his question——

Mr. BRISTOW. I am perfectly willing to stand by the assertion if the committee——

Mr. ALDRICH. The committee disagree with that.

Mr. BRISTOW. Doubtless. But it has the same effect as that which relates to these higher-priced papers; and I should like for this paragraph to go with the other.

Mr. ALDRICH. I do not know what the Senator means by higher-priced papers.

Mr. BRISTOW. I mean paper higher priced than in the other paragraph.

Mr. ALDRICH. No papers at all are referred to in the other paragraph.

Mr. BRISTOW. It is the same thing, and it has practically the same effect. This is a higher grade of paper.

Mr. ALDRICH. The Senator may desire to obscure the issue, but I do not know——

Mr. BRISTOW. It may be, but the effect of this legislation is not obscure to those who understand it.

Mr. CLAPP. It does seem to me that the suggestion of the Senator from Kansas has weight with reference to the suggestion that this idea or plan of imposing a retaliatory duty shall go into an amendment, to be printed and lie over.

Mr. ALDRICH. That is what I have stated as definitely and as plainly as I could. I am only saying that these amendments which we have already acted upon are amendments to the phraseology, and do not affect the general question.

Mr. CLAPP. It seems to me that it does affect it. [Reading:]

That if any country, dependency, province, or any subdivision thereof shall impose an export duty or other export charge of any kind whatsoever upon pulp wood, wood pulp, or printing paper exported to the United States, or if any country, dependency, province, or any subdivision thereof forbids or restricts the exportation of pulp wood, wood pulp, or paper to the United States in any way, there shall be imposed upon printing paper, when imported, either directly or indirectly, from such country, dependency, province, or any subdivision thereof, an additional duty.

That is the very question we have been discussing.

Mr. ALDRICH. I must have been very unfortunate in the use of language if I did not bring to the attention of the Senator from Minnesota that when those particular sentences were reached I intended to let them go over.

Mr. CLAPP. It seems to me if that statement had been made to the Senator from Kansas it would have cleared the whole matter.

Mr. ALDRICH. I made it three or four times. I am not responsible for the understanding of every Member of the Senate; but I certainly made the statement that I intended to let this go over.

Mr. BEVERIDGE. Then, everybody does understand that now.

Mr. ALDRICH. I hope so.

Mr. BEVERIDGE. I suppose that disposes of this schedule.

Mr. ALDRICH. There is a pending amendment putting in the word "logs" before the word "pulp."

Mr. BEVERIDGE. That is subject to the same understanding?

Mr. BRISTOW. Mr. President——

The VICE-PRESIDENT. Does the Senator from Rhode Island yield to the Senator from Kansas?

Mr. ALDRICH. I do.

Mr. BRISTOW. Do I understand that this paragraph is to go over?

Mr. ALDRICH. Not this paragraph, but the portion of it which refers to these retaliatory provisions after being amended.

Mr. BRISTOW. How can they go over without the paragraph going over?

Mr. ALDRICH. They can go over easily enough. There is no trouble about a portion of the paragraph going over. Certain provisions have been voted in. I do not intend to have them open.

Mr. BRISTOW. I understand this provision is before the Senate for any amendment.

Mr. ALDRICH. It is. Any amendment is in order now.

Mr. BRISTOW. And the Senator from Rhode Island has offered certain amendments?

Mr. ALDRICH. I have offered committee amendments to the phraseology, and I have stated that after the amendments are made I am willing that the proviso to the paragraph contained on page 158 shall go over for subsequent consideration.

Mr. BRISTOW. I understand that a part of the paragraph can not go over without the whole paragraph going over.

Mr. ALDRICH. Certainly it can; there is no trouble about that. If the Senator has any amendment to offer to the preceding clauses of the paragraph, it is in order now.

The VICE-PRESIDENT. In the meantime the paragraph as a whole has not been agreed to.

Mr. ALDRICH. That is right.

Mr. BRISTOW. That is satisfactory. The reason I make these inquiries is because I understand that these amendments now being offered by the Senator from Rhode Island increase the duty on all the paper referred to in this paragraph.

Mr. ALDRICH. The proviso has a provision, as it came from the House, that under certain circumstances the rates upon certain classes of paper—print paper, for instance—should be increased. That is a provision which came from the House, and that provision I am willing should go over. But the other provisions can not go over—that is, as to the rate—unless a reconsideration is had in the Senate. I think the Senator——

Mr. BRISTOW. I may not understand, but I thought the paragraph was before the Senate and had already been reconsidered.

Mr. ALDRICH. The provision is before the Senate, but the Senate itself has adopted the rates, but has not adopted the proviso, and the proviso will be open and the rates will not be. That seems to be perfectly plain.

The VICE-PRESIDENT. The question is on agreeing to the amendment.

The amendment was agreed to.

The VICE-PRESIDENT. There are four other amendments printed in the bill.

Mr. ALDRICH. I do not ask to have those adopted now, as the proviso will go over, to be considered in connection with paragraph 402.

Mr. BEVERIDGE. Mr. President——

The VICE-PRESIDENT. Does the Senator from Rhode Island yield the floor?

Mr. ALDRICH. That completes the paper schedule, with the exception of the provisos.

Mr. BEVERIDGE. When the Senator gets through with the proviso I desire——

Mr. ALDRICH. The Senate is through with the paper schedule, with the exception of those two provisos. I have another——

Mr. BEVERIDGE. Go ahead. I have no desire——

Mr. ALDRICH. I am afraid I shall not get through with all these amendments. The other schedules——

Mr. BEVERIDGE. I mean the paper schedule.

Mr. ALDRICH. No more as to paper.

Mr. BEVERIDGE. If the bill is in the Committee of the Whole and open to amendment, I call the attention of the Senator from Rhode Island to paragraph 194 and specifically direct his attention to the subject of cash registers and would like to know——

Mr. BURTON. We are unable to hear what paragraph it is.

Mr. BEVERIDGE. Paragraph 194.

The VICE-PRESIDENT. Page 68.

Mr. BEVERIDGE. Page 68. I should like to know whether the Senate or House committee made any investigation of the subject of cash registers?

Mr. ALDRICH. I will say for the Finance Committee that we have not.

Mr. BEVERIDGE. I thought so.

Mr. ALDRICH. And so far as I know no investigation was made by the House.

Mr. BEVERIDGE. Then upon that statement I will move to amend paragraph 194 as follows, by inserting, after the words "Cash registers," the words "15 per cent ad valorem," so as to take cash registers out of the ad valorem for the remainder of the paragraph.

I think the Senator from Rhode Island and the Finance Committee will doubtless accept this amendment. Indeed, I think the undenied and undeniable facts would justify putting cash registers on the free list. The cash-register monopoly is perhaps one of the most curious monopolies that have grown up in the country. I dislike to use that word, because I know the improprieties that are often committed in using it. But in this case the evidence seems to show that it is entirely justified; and I was satisfied that the Senator from Rhode Island had not, nor the House committee either, investigated the facts, but that merely for purposes of classification had taken cash registers out of the unclassified list of manufactures of machinery not otherwise provided for, and for the purpose of better classification had put them in 194.

The duty is now, under the old classification, 45 per cent. This bill makes it, I believe, 30 per cent. Am I correct?

Mr. ALDRICH. Yes.

Mr. BEVERIDGE. I propose to reduce it to 15 per cent, and in view of the facts which I shall lay before the Senate in the space of about five minutes, I think all will agree that it might well go on the free list, though I am not going to ask that.

Mr. President, every storekeeper of every kind in every village, as well as every city in the whole Nation, now uses cash registers as a necessity of business. There have been 500,000 of these indispensable machines sold in this country at an expense to the American people of $75,000,000. The sales of this necessary commercial commodity amount to $10,000,000 a year; and as I shall demonstrate in a moment—and I use the word "demonstrate" advisedly—the American people are paying $5,000,000 more than the English people are paying to the same concern for the same machines.

Mr. ALDRICH. Is the manufacture of the article in the United States controlled by patents?

Mr. BEVERIDGE. The article is controlled, I think, by patents and by buying up patents. I will come to that in a minute. That would not make any difference. It might add to the reason for reducing the tariff.

If other countries were to imitate us, if they should do precisely as the Senator from Rhode Island has suggested this morning that which the Canadian policy is to be, and were to impose a duty at all comparable to ours at present, it would utterly ruin the foreign trade, even of this monopoly itself. The monopoly itself, while not an absolute one, is perhaps as complete a one as exists in the United States. I refer to the National Cash Register Company. This concern, in driving out competitors, in forcing them to the wall, not only in underselling them, but in the use of absolutely every device known to the science of crushing competition, has probably not been exceeded in the atrocity of its practices by perhaps any other similar concern in the country, unless it might be the Standard Oil Company, even if the things that are alleged about that corporation are true.

I hold in my hand a list of other cash-register machines and the places where, once, they were made, that this company has driven out of business. It has notoriously violated the Sherman antitrust law. The distinguished junior Senator from New York [Mr. ROOT] years ago, in the courts of New York, sued this concern, and was successful in that suit under the antitrust law. Since that time this monopoly has gone on applying every method that human ingenuity and a merciless rapacity could suggest, until to-day it is practically the sole manufacturer of these machines with perhaps one or two insignificant exceptions.

I ask permission to put into the RECORD the list of the firms which this concern has either forced to the wall or has forced into its arms.

The VICE-PRESIDENT. Without objection, permission is granted.

The matter referred to is as follows:

Cash registers now off the market.

	Place.
Acme	Brooklyn, N. Y.
Adams	New York, N. Y.
Aldrick	Dayton, Ohio.
Allman	Detroit, Mich.
American	Philadelphia, Pa.
Do	Wakefield, Mass.
Do	Syracuse, N. Y.
Anderson	Lakemills, Wis.
Atlantic	East Stroudsburg, Pa.
Automatic Money Changer	Chicago, Ill.
Badger	Plymouth, Wis.
Bensinger	Chicago, Ill.
Boring	Dayton, Ohio.
Boston	Northampton, Mass.
Buell	Chicago, Ill.
Bundy	Binghamton, N. Y.
Burt	Dalton, N. Y.
Capital	Troy, N. Y.
Do	Washington, D. C.
Bailey	Rockford, Ill.
Carrara	Do.
Twentieth Century	Do.
Cutter	Do.
Diamond	Do.
Casey	Jersey City, N. J.
Cash Indicator	Portland, Me.
Cash recorder	Toronto, Ontario
Cashier	Detroit, Mich.
Centigraph	New York, N. Y.
Century	Detroit, Mich.
Bostonian	Do.
Security	Do.
America	Do.
Puritan	Do.
Illinois	Do.
Hamilton	Do.
Columbia	Do.
Champion	Chicago, Ill.
Do	Springfield, Ohio.
Chicago	Chicago, Ill.
Clark	Cleveland, Ohio.
Cleasby	Hartford, Conn.
Cleveland	Cleveland, Ohio.
Coles	Owosso, Mich.
Columbia	Detroit, Mich.
Do	Binghamton, N. Y.
Do	Erie, Pa.
Do	New Haven, Conn.
Do	Miamisburg, Ohio.
Combination cigar and cash register	Chicago, Ill.

	Place.
Commercial	Albany, N. Y.
Continental	Detroit, Mich.
Do	Lynn, Mass.
Crawford's	Columbus, Ga.
Cuckoo	Detroit, Mich.
Denominational	Springfield, Ohio.
Detroit	Detroit, Mich.
Deveron	Chicago, Ill.
Diamond	Bethel, Conn.
Dominion	Montreal, Quebec.
Dreyfus	New York, N. Y.
Dunham	Williamsport, Pa.
Eagle	Milford, Conn.
Empire	Troy, N. Y.
Do	New York, N. Y.
Eureka cash and credit system	Scranton, Pa.
Fidelity	Springfield, Ohio.
Frick	Waynesboro, Pa.
Gem	Philadelphia, Pa.
Globe	Detroit, Mich.
Do	Greenfield, Ohio.
Greene	Chicago, Ill.
Guardian	Northboro, Mass.
Hamilton	Hamilton, Ont.
Hayden	Kansas City, Mo.
Hopkins & Robinson	Louisville, Ky.
Do	Do.
Hubinger-Carroll	New Haven, Conn.
Hume	Atkinson, Kans.
Ideal	Boundbrook, N. J.
Do	Chicago, Ill.
Imperial	Detroit, Mich.
Keystone	Chicago, Ill.
Kruse	New York, N. Y.
Kubec	Chicago, Ill.
Lamson	Lowell and New York.
Latimer	Detroit, Mich.
Leader	Lexington, Ky.
McCaskey	Alliance, Ohio.
McEwan	Detroit, Mich.
McGill	Washington, D. C.
Merchants'	Chicago, Ill.
Metropolitan	New York, N. Y.
Miles	Boston, Mass.
Monitor	Northboro, Mass.
Guardian	Do.
Perfect	Do.
Musical	Cincinnati, Ohio.
Natick	New York, N. Y.
Nelson	Chicago, Ill.
Newman	Lansing, Mich.
New York	New York, N. Y.
Osborn	Detroit, Mich.
Peerless	Do.
Perhacs	Brooklyn, N. Y.
Philadelphia	Philadelphia, Pa.
Pierce	Cincinnati, Ohio.
Pioneer V	Chicago, Ill.
President	Detroit, Mich.
Quantograph	Youngstown, Ohio.
Quigley & Mullen	Wilmington, Del.
Reid & Sharpe	Toronto, Ontario.
Reliable	Boston, Mass.
Rex	Toronto, Ontario.
Roberts	Harriman, Tenn.
Sebastian	Salem, Ill.
Standard	New York, N. Y.
St. Louis	Detroit, Mich.
Seymour	Do.
Simplex	Greenfield, Ohio.
Do	Columbus, Ohio.
Standard Key Machine	Orange, N. J.
Sun	Greenfield, Ohio.
Do	Columbus, Ohio.
Sharpe	Toronto, Ontario.
Star	Hartford, Ohio.
Do	Memphis, Tenn.
Toledo	Toledo, Ohio.
Do	Do.
Troy	Troy, Ohio.
Telephone	Atchison, Kans.
Tuerk's	Fulton, N. Y.
United States	Boston, Mass.
Do	Cincinnati, Ohio.
Do	Stoughton, Mass.
Do	Detroit, Mich.
Union	Trenton, N. J.
Universal	Greenfield, Ohio.
Do	Columbus, Ohio.
Universal Adding Machine	Cleveland, Ohio.
Universal	Lynn, Mass.
Do	Philadelphia, Pa.
Victor	Detroit, Mich.
Victorette	Do.
Weiler	Do.
Williams	Pittsburg, Pa.
Worcester	Worcester, Mass.
World	Detroit, Mich.
Yale	Chicago, Ill.
Yonkers	Yonkers, N. Y.
York	Detroit, Mich.
Cash-register agents and second-hand dealers having been bought out by the National Cash Register Company.	
Ike Freeman	San Francisco, Cal.
Foss Novelty Company (Foss & Rost, proprietors)	Cleveland, Ohio.
Southern Cash Register Company (Delkin & Ladd, proprietors)	Atlanta, Ga.
Atlanta Cash Register Company (William Oldknow, proprietor)	Do.
Tuckhorn & Co	Chicago, Ill.
A. Thomas Cash Register Exchange	Do.
Fred. Brainen	New York, N. Y.
M. W. Lucy	Baltimore, Md.
C. J. Heinz	Dayton, Ohio.
Charles T. Walmsley	Chicago, Ill.
Norton Brothers	Minneapolis, Minn.
Minneapolis Cash Register Exchange (Edward Rexer, proprietor)	Do.
Western Cash Register Company (Mont Tennes, proprietor)	Chicago, Ill.
Grobet & Grobet	New York, N. Y.
Lippincott	Pittsburg, Pa.
Bockhoff & Miller	Indianapolis, Ind.

Mr. BEVERIDGE. So great is the enormity of its offenses that I predict the Federal Government itself will ere long take the proper steps for its prosecution under the statutes of the United States made and provided in such cases. Indeed, the facts which I have before me might perhaps better be laid before a court than before the Senate of the United States in the consideration of a tariff bill.

Coming to the tariff, I could not find in the tables that have been prepared by the committee nor in any other publication any statements of exports. So I wrote to the Treasury Department to find out whether any cash registers whatever were imported, and I will ask the Secretary to read the reply.

The VICE-PRESIDENT. The Secretary will read as requested, if there be no objection.

The Secretary read as follows:

TREASURY DEPARTMENT,
OFFICE OF THE SECRETARY,
Washington, June 5, 1909.

Hon. ALBERT J. BEVERIDGE,
United States Senate.

SIR: I have the honor to acknowledge the receipt of your letter of the 4th instant, requesting information concerning the imports of cash registers and for what purposes same are made.

In reply, I have to advise you that the records of the department do not, nor do the reports from the Bureau of Statistics of the Department of Commerce and Labor, show the importation into the United States of cash registers.

Respectfully,

J. B. REYNOLDS,
Acting Secretary.

Mr. BEVERIDGE. But, Mr. President, the extent of this export business, while it may not perhaps be exactly determined, may be judged of by the following table, which I shall take the time of the Senate to read, although I do not know that I ought, because I am satisfied the committee see the wisdom of this action. I have here a list of the prices at which this concern on May 22, 1909, were selling these machines to American storekeepers, to American business men, and the price at which they are selling the very same machines to the people doing the same business in England. When I read the startling differences in these figures, I want you to remember also that the English price includes freight, transportation, and insurance:

Style No. 451, American price, $250; English price, $135.

Style No. 452, American price, $300; English price, $150.

I will not take further time of the Senate by representing that price list, but will insert it in my remarks.

The list referred to is as follows:

Present American and English prices of National cash registers, May 22, 1909.

Style No.		Description.	American price.	English price, including transportation and insurance.	
451	91	5 bank detail strip printer	$250	$135	£27
452	95	5 bank detail strip and check printer	300	150	30
453	96	5 bank detail strip and sales slip printer	300	150	30
454	94	5 bank stub check printer	300	150	30
468	99L	5 bank detail strip and check, with number printer (L device)	325	175	35
462	90	6 bank detail strip and check printer	350	175	35
463	99½	6 bank detail strip and sales slip printer	350	175	35
464	98	6 bank stub check printer	350	175	35
465	99L	6 bank detail strip and check, with number printer (L device)	375	200	40
346	37½	27 key total adder, with tape	175	65	13
347	47½	do	175	65	13
348	65½	do	175	80	16
357		33 key total adder, with tape	200	80	16
366	49½	37 key total adder, with tape	225	95	19
215	5	11 key detail adder	40	30	6
235	8	25 key detail adder	60	40	8
245	9	30 key detail adder	70	50	10
		Multiple drawer cabinets:			
		2 drawer counter cabinet	20	10	2
		3 drawer counter cabinet	40	20	4
		4 drawer counter cabinet	60	30	6
		5 drawer counter cabinet	80	40	8
		6 drawer counter cabinet	100	50	10
		2 drawer floor cabinet	40	20	4
		3 drawer floor cabinet	60	30	6
		4 drawer floor cabinet	80	40	8
		5 drawer floor cabinet	80	40	8
		6 drawer floor cabinet	100	50	10
		9 drawer floor cabinet	160	80	16
		Electric motors, direct or alternating current; any voltage from 110 to 250	50	25	5

Mr. GALLINGER. I will ask the Senator——

Mr. BEVERIDGE. It is absolutely correct.

Mr. GALLINGER. What is his authority for it? That is all I wanted to know.

Mr. BEVERIDGE. The Senator may judge for himself. There is a photographic reproduction of the price list [exhibiting].

Mr. GALLINGER. I am not questioning it at all, but I simply wanted to know the authority.

Mr. BEVERIDGE. I was going to show this to the Senate. It has been taken from price lists published by the National Cash Register Company here and abroad at the same time.

Mr. GALLINGER. That would seem to be satisfactory.

Mr. BEVERIDGE. In fact, I think I will pass it around the Senate in case anyone is curious. These are photographic reproductions with the dates and everything. You see that they are the same machines and described as the same machines, the English price and the American price.

Mr. LODGE. Is that also covered by patents?

Mr. BEVERIDGE. I do not know whether they are covered by patents or not in England. I assume they are.

Mr. LODGE. I mean here.

Mr. BEVERIDGE. Here they are covered by patents and renewals, but whether the original patent has expired I do not know. My purpose is to call attention to the fact, because I am sure I know the Senator's statement showed that it was an oversight of the committee in merely making a better classification to put a duty of 30 per cent on these machines. I think they ought to go on the free list, but I am willing to reduce them to 15 per cent from 45 per cent, as they are at present, and from 30 per cent, as they are under the Senate bill. I point out to Senators the dangers to the trade, even if there was not any other concern that was struggling to get on its feet in this country. If we wanted foreign trade, and foreign countries should treat their tariff as we have done with ours in this case, they could utterly destroy any foreign trade that attempted to do a cash-register business in their countries.

Mr. BURKETT. May I ask the Senator a question?

Mr. BEVERIDGE. Certainly.

Mr. BURKETT. Does the Senator know whether they have a factory in any foreign country besides the one here?

Mr. BEVERIDGE. No; they have not.

Mr. BURKETT. Some of our manufacturers, I will say, have.

Mr. BEVERIDGE. This concern has not.

Mr. BURKETT. That would make some difference in the price.

Mr. BEVERIDGE. I think they intend to build one in England, but they have none there now. They are selling these machines abroad which they make here; and they are selling them there at half the American price. I hope, after the Senator from New Hampshire gets through, the Senator from Nebraska will look at this photographic reproduction of their price lists.

I want to say one word, because I do not want anybody to think that in this case the process of selling abroad cheaper than at home is like those justifiable cases where that is done—cases which furnish no reason for reducing the tariff in such cases. I think I pretty thoroughly understand why it is necessary sometimes for manufacturers to get rid of the surplus of their product, to sell abroad cheaper than they do at home. The manufacturers of every country in the world do that. But this is no such case. I submit, with the suggestions and the facts I have laid before the committee, the advisability of accepting the amendment. I am sure it was only a classification as the Senator suggests.

Mr. BURTON. Has the Senator from Indiana concluded?

Mr. BEVERIDGE. I have, for the present.

Mr. BURTON. Mr. President, it seems to me that this is a most unprecedented motion and, I may almost say, an unprecedented proceeding. Here is an item relating to cash registers, about which there is not a shred of testimony before the Committee on Ways and Means, and, so far as we are informed, there is nothing before the Committee on Finance. No request has been made for any change in the duty, either for raising it or for lowering it. The Senator from Indiana comes here and makes a motion to reduce the duty, which, as I understand him, under the present law is 45 per cent.

Mr. BEVERIDGE. No; under the present law there is a duty of 45 per cent merely because, as in so many hundreds of other cases, it was not classified, and it fell under the manufactures of machinery unclassified.

Mr. BURTON. At any rate, there is a duty of 45 per cent. It is specifically mentioned in the pending bill, and the duty is reduced to 30 per cent. Now the Senator from Indiana proposes to reduce it still further, to 15 per cent, and he strengthens that contention with a bitter attack upon a corporation which has had no opportunity to defend itself, which has had no hearing, which is accused as a monopoly and as a trust.

The establishment which manufactures this article is a leading industry in my own State. However, I have not heard a word from it. If they have any wishes in regard to the tariff they have not communicated them to me, and I understand that the same is true of my colleague [Mr. DICK]. It may be that they care nothing about the tariff; but I do submit that to come in here and attack them because of the manner in which they are conducting their business is without warrant. Let them have a chance to be heard. If there is any action to be taken on this paragraph, it should be postponed until there may be an opportunity for that fair play to which every individual and every corporation alike is entitled. Let them have a chance to be heard.

Mr. BEVERIDGE. Will the Senator permit me to ask him for some information, if the Senator is defending this corporation? Does he know that its officers were indicted in the State of Massachusetts for their illegal methods of conducting business?

Mr. BURTON. I know nothing about it.

Mr. BEVERIDGE. Were they not sued under the antitrust law by the junior Senator from New York [Mr. ROOT] when he was district attorney, and even in that day was not the prosecution successful?

Mr. BURTON. I know nothing about it.

Mr. BEVERIDGE. The records of the court show it.

Mr. BURTON. I have performed my duties as a Representative or a Senator here without keeping track of the criminal prosecutions in the country; and I would say that the Senator from Indiana himself intimated that this is a question for the courts rather than for Congress. If they are violators of the law, let them be punished by the law. If there is ground for action against them in the courts, let the courts take action.

I think, Mr. President, we have had a little too much of this style of argument when duties are under consideration here. If anyone desires to lower a duty or raise a duty or advance any wish of his, he can come in here and shout with clenched fists: "Trust!" "Monopoly!" "Octopus!" Perhaps he might go on with all the rest of the animals, and very likely they have just as little to do with the business under consideration as any of the animals that might be mentioned.

I submit that this is a question not for settlement here in this Chamber, but in the courts, where judgments upon violations of the law belong. I have no commission here to defend this corporation, except that it is one of the best manufacturing establishments in the United States, and one of the most progressive, and I certainly am entitled to ask for them a fair hearing. There should not, without such hearing, be projected here in the midst of these proceedings an attack upon their manner of doing business and a motion that a duty be lowered which might bring upon them serious loss, cripple their operations, and cripple an American industry.

Mr. BEVERIDGE. Mr. President, I myself suggested and I quite agree with the suggestion of the Senator from Ohio, which he repeated from my own, that these facts seem to show that it is a subject for the courts. I shall not be surprised, indeed I venture to predict, that that event will be forthcoming at the hands of a righteous government.

Another thing. I said that I was sorry to have to use the word "monopoly" or "trust." Those names are so often misused that I do not like to use them. If only they will do right, I believe in the great organizations of business which our modern industrial civilization has developed. They serve the people as they could not otherwise be served, provided they do not take advantage of their power. But I want them to do right, as I want every man to do right. I want them to be honest, to obey the law, and to be reasonable in their business. They must not disregard common honesty and the laws of the land. That is my doctrine, which I have preached for years.

I do not believe in unfair competitive methods. I do not believe that their size and their usefulness to the public gives them a right to employ methods which no man or partnership would dare to use or for one instant would be permitted to use.

Mr. CRAWFORD. Mr. President——

Mr. BEVERIDGE. Just a moment. I will be through in a minute.

But that, Mr. President, was only introductory to this. My amendment rests upon the fact that there is not one single machine imported, that this monopoly is almost the sole manufacturer, and that to-day in England it is selling the same machines that they sell to the American storekeeper all over Ohio and the Nation at exactly half the price; and that half price, too, includes freight and transportation.

Mr. BURTON. Will the Senator from Indiana yield for a question?

Mr. BEVERIDGE. Certainly.

Mr. BURTON. Does he think the Senate ought to take the photographic material he has and his statement of facts and rely upon it as a basis for action without further proof or without at least allowing the company to answer these allegations? I will say I am myself——

Mr. BEVERIDGE. I will say this——

Mr. BURTON. A firm believer in reducing the tariff where as a matter of settled policy corporations sell their product for less abroad than at home, but we should not take, I maintain, any ex parte testimony on this subject.

Mr. BEVERIDGE. Mr. President, I first asked the chairman of the Finance Committee—for I had myself searched everywhere in the House hearings for any testimony upon the subject of cash registers—whether his committee had any information, and he told me, what I knew before was the truth, that they had not. The reason why cash registers are mentioned at all was for the purpose of classification. The subject never was brought before them. I have no doubt, upon the facts that I have given here as to differences in price, all the investigation in the world could not change a single fact. I hope the Senate will agree to the amendment.

Mr. DICK rose.

Mr. ALDRICH. Mr. President, I am inclined myself, to save time, to allow this amendment to be adopted; not, however, with a view of expressing any opinion one way or the other with reference to the statement made by the Senator from Indiana. I assure both Senators from Ohio that the conference committee will carefully investigate this matter and find out whether this duty ought to be reduced.

Mr. BURTON. Mr. President, does it seem to the chairman of the Finance Committee that a motion should be adopted before an investigation? Should a change be made now in the bill from the form in which it passed the House and has been reported to the Senate?

Mr. ALDRICH. I simply made the suggestion to save discussion here. I assure the Senator that no action will be taken finally without giving the Senator and the cash-register company full opportunity to be heard before the committee.

Mr. BURTON. If left for future action, it is not fair to leave it as it now is, there not having been, as I understand, a single petition coming from any portion of the United States for any reduction of this duty.

Mr. ALDRICH. If I can get rid of the discussion in that way equally with the other, I certainly am willing to follow the suggestion of the Senator.

Mr. BEVERIDGE. I prefer to have it to go on the bill, and then the Committee on Finance can consider it.

Mr. ALDRICH. Of course I desire to follow the inclination of the Senators in this case. If the Senator from Indiana desires to have a vote now——

Mr. BEVERIDGE. I thought the Senator was going to accept the amendment. There is not a single reason in the world against it, not one. The Senator knows that cash registers were mentioned for purposes of classification; everybody knows it; the Senators from Ohio know it; and there is not the slightest reason for a cent of duty upon the article——

Mr. DICK. Mr. President——

Mr. BEVERIDGE. Certainly not more than 15 per cent.

Mr. DICK. I prefer to express my own opinion about that, rather than to have the Senator from Indiana express it for me. I am perfectly willing that the amendment shall go over, as reported by the Committee on Finance, but I am unwilling that the amendment of the Senator from Indiana shall be adopted, even with the promise given that we shall return to it after the matter has been heard. I have no objection to having the amendment reported by the committee adopted, but I am unwilling and will not consent to the adoption of the amendment of the Senator from Indiana without debating it.

Mr. BEVERIDGE. I will say to the Senators that if they prefer this matter shall go over rather than have a vote now, until they can investigate it themselves, of course I shall do that as a matter of courtesy.

Mr. ALDRICH. I think that course had better be adopted.

Mr. DICK. I think, Mr. President, it might have been quite as well for the Senator from Indiana to have extended that courtesy earlier. Why did he not carry to the Committee on Finance his protests and his petitions, if there was any demand for a reduction of this duty, instead of bringing them here to the Senate unexpectedly and as a surprise, at a time when the committee and the Senate are in no mood to discuss the question?

Mr. BEVERIDGE. Very well; let it go over.

Mr. DICK. I have no objection to having the matter reopened for consideration in committee.

The VICE-PRESIDENT. Without objection, the amendment goes over without action.

Mr. KEAN. Mr. President, a parliamentary inquiry.

The VICE-PRESIDENT. The Senator will state it.

Mr. KEAN. I understand that the paragraph has already been agreed to.

Mr. BEVERIDGE. But my proposed amendment goes over.

The VICE-PRESIDENT. The paragraph has been agreed to, but that does not preclude the Senator from Indiana from offering an amendment.

Mr. KEAN. No motion has been made to reconsider it.

The VICE-PRESIDENT. The amendment goes over.

Mr. ALDRICH. On page 178, line 24, I move to insert a paragraph as paragraph 447½.

The VICE-PRESIDENT. The Secretary will report the amendment.

The SECRETARY. On page 178 it is proposed to add a new paragraph, to be known as paragraph 447½, as follows:

Hides of cattle, raw or uncured, whether dry, salted, or pickled, 15 per cent ad valorem: *Provided*, That upon all leather exported made from imported hides there shall be allowed a drawback equal to the amount of duty paid on such hides, to be paid under such regulations as the Secretary of the Treasury may prescribe.

Mr. CLAPP. Will the Secretary read it again? I did not catch the first sentence clearly.

The Secretary again read the amendment.

Mr. ALDRICH. I will say that is the provision of the existing law. It is a duplication.

Mr. CLAPP. Mr. President, it is not my purpose to detain the Senate very long upon the question of the tariff on hides. The subject is somewhat complicated by the fact that hides are not in themselves a distinctive subject of production. If they were, I might be constrained to support a tariff upon them. The hide is but an incident in the stock industry, and while at first glance it might seem as though a duty on hides was a benefit to the agricultural interests of the country, yet there again we are confronted by a peculiar condition.

I do not like to indulge in the tossing back and forth of terms obnoxious in themselves, but we must recognize that in the past few years there has grown up in this country a condition where combinations, call it what you may, have become an important factor in our industrial life, largely eliminating competition. This condition we have come to refer to as "the trust."

I believe that to-day the problem of American industrial and commercial life is not so much the tariff as it is the question how to keep alive the industrial life of this country and at the same time prevent a system and a process that is rapidly eliminating competition in our midst. In other words, I refer to that subject which, in broad terms, is embraced in the expression "the trust."

It so happens that what is known in the language of the day as the "meat trust" has secured a position in reference to the industry of stock raising, and the incidental production of hides, which has become a monopoly. I quite agree with the Senator from Texas [Mr. BAILEY] that, in the main, the trust problem can not be solved through the medium of a tariff bill; but it is equally certain, to my mind, that there are relations existing between the trusts and the products of this country where, at least, the possibility of a trust, for power in dominating and monopolizing markets, may in a measure be reached through the instrumentality of a tariff revision.

The Senator from Michigan [Mr. SMITH] a few days ago recounted in glowing terms the toil and the privations through which the brave Netherlanders had reared a dike around their country and had rescued their land from the dominion of the sea. He pictured in glowing terms how, with zealous care, the Netherlanders watched that dike, and how reluctant a Netherlander would be to permit any interference with that dike.

But we can not forget that in the hour of the crisis with that people, while they, with all their patience and industry, had reared those dikes, nevertheless they were ready to tear a gap in those dikes that they might rescue their land from a tyranny and a despotism that was unbearable. And it may yet come in the history of this Republic that we, who have so fondly reared this dike, who have so carefully guarded this dike, may be as ready as were the Netherlanders more than three hundred years ago to cut down the dike itself, if by doing so we can rescue ourselves from a more unbearable and intolerable tyranny.

I do not like to indulge in criticism, but I want to say that in all human history there never has been such absolute, inexcusable greed as is shown to-day in some of these great combinations—not a struggle for their own existence, not a struggle in honest competition with competitors, but, after stifling competitor after competitor, going on with merciless stroke to strike down simply that they may add to possessions beyond all human power of enjoyment or even hardly the concept of possession itself. That relation is sustained to this question of hides, and I am proud to stand on this floor and to represent

in part a people who are ready to bear their share of the sacrifice, if necessary, to rescue this country from that domination.

I have not participated in, nor have I looked with leniency upon, a proposition so often injected into this debate, of trading this thing or that thing, this section or that section, in a sort of compromise upon this measure. We have got to recognize here the principle of the greatest good for and to the greatest number. While it may be said that this proposition will, in a measure and to a certain degree, and in some remote instances, perhaps, lessen the profits of the man who produces stock in this country, yet, after studying this question fairly and diligently, I am thoroughly of the opinion that, in so far as it may possibly curtail the power and the profits of this trust, the benefit, when averaged to the American people, will exceed any possible loss.

Mr. WARREN. Mr. President——

The VICE-PRESIDENT. Does the Senator from Minnesota yield to the Senator from Wyoming?

Mr. CLAPP. I do.

Mr. WARREN. To what trust does the Senator from Minnesota allude? There are several to which he might allude.

Mr. CLAPP. There are several trusts, and I will say——

Mr. WARREN. I hope the Senator will, in his remarks, remember all of the trusts interested in this particular product.

Mr. CLAPP. Mr. President, I was going to say we should be fair, and while it seems to me we should take the duty from hides, I am not so clear but that in taking the duty from hides perhaps some one else than the ultimate user of the product of hides may be the beneficiary.

Mr. BORAH. Mr. President——

The VICE-PRESIDENT. Does the Senator from Minnesota yield to the Senator from Idaho?

Mr. CLAPP. With pleasure.

Mr. BORAH. Do I understand the drift of the Senator's argument to be that free hides would serve the trusts or would cripple the trusts?

Mr. CLAPP. The allowing of free hides will undoubtedly, in my opinion, lessen the power of one great trust—that which we call the "beef trust."

Mr. BORAH. Then, do I understand the Senator's argument to be that by tariff legislation we can affect the trusts one way or another?

Mr. CLAPP. Mr. President, if the Senator from Idaho had been in the Chamber, he would have heard me say that I quite agree that in the main I do not think perhaps the solution of the trust problem will be found in a tariff schedule; but, nevertheless, that there may be times, there may be instances, and there may be conditions, where tariff legislation bears an intimate relation to the prosperity, the power, and the monopoly of trusts.

Mr. BORAH. Mr. President, I was in the Chamber when the Senator from Minnesota made that statement; but I did not understand the effect of the phrase "in the main," because I did not understand how, in any measure, or at all, you were going to affect the trusts by tariff legislation. That statement has been made many times upon the floor of the Senate in the last few weeks. I am not criticising the Senator from Minnesota, but I have not yet been able to ascertain in what respect and how we are going to do the work.

Mr. CLAPP. I was proceeding to attempt to show its relation to this particular industry.

Mr. BORAH. Would it interfere with the Senator from Minnesota if I should read him a statement by one of the leaders of our party with reference to the effect of the tariff upon the trusts?

Mr. CLAPP. It would not interfere with me at all. I have been reading and hearing those things for some time.

Mr. BORAH. Then, I want to read this to the Senator. I think it comes from one who has won some distinction in that fight. He said:

> One point we must steadily keep in mind. The question of tariff revision, speaking broadly, stands wholly apart from the question of dealing with the trusts. No change in tariff duties can have any substantial effect in solving the so-called "trust problem." Certain great trusts of great corporations are wholly unaffected by the tariff. Practically all the others that are of any importance have, as a matter of fact, numbers of smaller American competitors; and of course a change in the tariff which would work injury to the large corporation would work not merely injury, but destruction to its smaller competitors; and equally, of course, such a change would mean disaster to all the wage-workers connected with either the large or the small corporations. From the standpoint of those interested in the solution of the trust problem, such a change would therefore merely mean that the trust was relieved of the competition of its weaker American competitors and thrown into competition only with foreign competitors, and that the first effort to meet this new competition would be made by cutting down wages, and would therefore be primarily at the cost of labor. In the case of some of our greatest trusts such a change might confer upon them a positive benefit. Speaking broadly, it is evident that the changes in the tariff will affect the trusts for weal or for woe simply as they affect the whole country. The tariff affects trusts only as it affects all other interests. It makes all these interests, large or small, profitable; and its benefits can be taken from the large only under penalty of taking them from the small also.

The Senator from Minnesota will, of course, recognize that as a speech delivered by ex-President Roosevelt in the Senator's own State, and at a time, I presume, when the Senator was with the President.

Mr. CLAPP. Mr. President, without any egotism or any reflection upon ex-President Roosevelt, I recognize it, with the exception of one single word, as the speeches and utterances of Republicans indiscriminately and everywhere. Perhaps he has put it a little better than I have been able to put it a hundred times on the stump, with the exception of one word there, and that word means everything. When any man says, speaking of problems as broad and as complex as the American economic problems, that no change can effect a given result, he is careless and indiscriminate in the use of language, because there are exceptions to all rules, and, I contend, this is an exception. More than that, at the very outset of my remarks, I pointed out the distinction between the ordinary trust, where the problem involves a tariff upon a distinct article, produced as a distinct article, and a problem like the one in hand, where it involves a tariff upon practically and incident to a greater production. It is true that if the United States Steel Company, for instance, absolutely required a duty to maintain its operations in this country, then to strike the duty off the article which that institution produces would not solve the trust problem, only in so far as it might produce chaos and disaster to an American industry; but if in a struggle between two corporations or trusts—and I may as well use the latter word—one of those trusts gets a great advantage over the other because that particular article is protected, and yet the protection upon that article does not involve the life or the vitality or the endurance of the trust, the removal of that duty is in the interest of competition and not destructive to any business condition or American economic or industrial energy. The beef trust gets this advantage.

Mr. WARREN. Mr. President——

The VICE-PRESIDENT. Does the Senator from Minnesota yield to the Senator from Wyoming?

Mr. CLAPP. I do.

Mr. WARREN. Mr. President, the Senator from Minnesota has evidently well stored his mind with information on this subject, and while speaking of trusts, including the meat trust and the leather trust, I should like to have him give me some explanation of this fact: When we were in the clutches of the leather trust, and before complaint had been made of the beef trust, and before the enactment of the Dingley law, hides in Chicago were 4 cents. I have the statement of the Boot and Shoe Recorder to prove that. They were so cheap that in remote places the farmers could not ship them to market, because the hides would not bring even the freight charges upon them. As I have said, we were then in the clutches of the leather trust, composed of hundreds of tanneries. Since the time the beef trust is alleged to have taken up the matter of hides, the prices have advanced, and the farmer gets the benefit of that advance; and yet those consumers who buy shoes pay exactly the same price for shoes that they paid then and before that time.

I should like to have the Senator show me and show the Senate to what trust he proposes to pay his respects and to what trust he thinks we should turn our attention and destroy. I should like to have him tell us, furthermore, how he is going to prevent the meat trust going to South America and buying hides and tanning them on the Atlantic coast, if that trust wishes to do so, the same as the leather trust does.

It seems to me that if we can get the trusts by the ears and competing against each other, so that both the producer and the consumer can have good results—the producer a higher rate and the consumer a lower, or, at least, no higher rate—then we had better permit the two trusts to go on in the laudable work of competing with each other, instead of surrendering one to the other, as the Senator's remarks would seem to indicate.

Mr. CLAPP. Mr. President, there is a good deal of force in that suggestion of "getting them by the ears." I believe—I may be mistaken, but I believe—that taking the duty off of hides would give one fellow as good a hold on the other's ears as the other has got now on his ears.

Mr. WARREN. Please explain, if the Senator will, why one has got the better hold now than the other.

Mr. CLAPP. In the first place, I have not announced that taking the duty off of hides would be a cure-all for the trust evil. I am simply urging that it may possibly equalize conditions.

Mr. STONE. Mr. President——

The VICE-PRESIDENT. Does the Senator from Minnesota yield to the Senator from Missouri?

Mr. CLAPP. I yield to the Senator from Missouri.

Mr. STONE. Why would it not be better to deal with both trusts at the same time and in the same way? I have thought a few times of offering an amendment to the amendment, putting not only hides, but leather, shoes, harness, and so forth, on the free list. Why not deal with the leather trust, if there be one, at the same time we deal with the hide trust, if there be one?

Mr. CLAPP. Mr. President, that reminds me of an incident some years ago, when, as a lawyer, I was employed by some gentlemen who were building a railroad. One of the promoters became very enthusiastic, and one day suggested that they would have to double track the road, but the wise old gentleman at the head of the combination suggested, "We had better build a single-track road first, and then, perhaps, double track it when occasion requires." While I, perhaps, would not go with the Senator from Missouri to put manufactured products of leather on the free list, I will, when the time comes, go with the Senator from Missouri in reducing the duty upon the manufactured leather product, for I think the duty is altogether higher now than it need be. We have got to vote for one suggestion or the other first, and my idea of the order in which we should consider these subjects in the relation of the raw material to the manufactured product is that we should deal first with the raw material, and then we have a safer guide to go by when we come to deal with the manufactured product; and, within the limits of a reasonable tariff, I will join the Senator from Missouri when that time comes.

Mr. DIXON. Mr. President——

The VICE-PRESIDENT. Does the Senator from Minnesota yield to the Senator from Montana?

Mr. CLAPP. With pleasure.

Mr. DIXON. I am very much interested in what the Senator from Minnesota is now saying. I first want to know his premises, so that I can follow his argument with some degree of intelligence. Do I understand the Senator from Minnesota at this time to advocate taking the duties off of hides entirely?

Mr. CLAPP. I think the duties should be absolutely removed from hides.

Mr. DIXON. Then, at the same time, what is the attitude of the Senator from Minnesota regarding the 40 per cent duty on the manufactured products of leather—would he put those on the free list also?

Mr. CLAPP. I have just said that perhaps I would not now go to the extent of taking all the duty off the manufactured article, but would certainly favor a material reduction of the duty on the completed article.

Mr. LODGE. If the Senator from Minnesota will allow me, the duty on the manufactured products of leather never has been 40 per cent or anything resembling that rate.

Mr. DIXON. Will the Senators from Minnesota and Massachusetts agree, then, if we put hides on the free list, to put leather and manufactured products of leather on the free list?

Mr. LODGE. It would be exactly like putting paper on the free list because you put pulp logs on the free list.

Mr. DIXON. Not in the least degree.

Mr. LODGE. Why not? One is the raw material of the other.

Mr. DIXON. Does the Senator from Massachusetts, whom we have followed patiently through all these tariff discussions, say, as a Republican, that hides should go on the free list and at the same time maintain the duty on leather?

Mr. LODGE. No; I do not say that.

Mr. DIXON. And leather products?

Mr. LODGE. I say the duties on leather should be reduced; and they are.

Mr. DIXON. The Senator from Massachusetts does not answer my question. Is there any consistency in the attitude of the Senator from Minnesota or that of the Senator from Massachusetts?

Mr. CLAPP. I beg the Senator's pardon. Another Senator can not answer as to my consistency. I will myself answer as to that.

Mr. LODGE. The Senator from Minnesota will take care of himself, and I will take care of the inconsistency part when I get the floor.

Mr. DIXON. All right. I will address my remarks specifically to the Senator from Minnesota. Is there any consistency in advocating the taking of the duty off of hides, which 5,000,000 farmers in this country produce——

Mr. CARTER. Nine million.

Mr. DIXON. I will accept the suggestion of my colleague—which 9,000,000 farmers in this country produce, and at the same time maintain any duty on leather or its products?

Mr. CLAPP. Mr. President, I have tried to make my position plain. In response to the question of the Senator from Missouri [Mr. STONE] I distinctly stated that when it comes to the manufactured product I probably would not put that product on the free list, but that I did believe the duty on the manufactured product in some cases, and especially in this case, ought to be reduced; and that we could best tell what the reduction ought to be after we had passed upon the question of the raw material that goes into it. I can not make that any plainer.

Mr. DIXON. Will the Senator yield just to one question further?

Mr. CLAPP. With pleasure.

Mr. DIXON. The Senator from Massachusetts [Mr. LODGE] stated that the duty on manufactured products of leather was not 40 per cent. I read from the bill, which we have been following here for three months, paragraph 449:

> And manufactures of leather, or of which leather is the component material of chief value, not specially provided for in this section, 40 per cent ad valorem.

That is in plain English in the bill, and if I have misquoted it it is because of my inability to read English. But I want to ask the Senator from Minnesota [Mr. CLAPP] this further question: Why should he advocate a duty on leather or the products of leather if at the same time and in the same speech he advocates taking the duty entirely off of hides, which is the raw product from which leather is made? What is the consistency of the attitude? How can Senators explain such an attitude?

Mr. CLAPP. We can advocate it upon this theory, and upon no other theory, that, as to hides, if a duty is not necessary, upon which Senators might differ, then there should be no duty on hides.

Mr. DIXON. That is perfectly apparent.

Mr. CLAPP. But if, when we come to leather and boots and shoes, if a duty is necessary, upon which Senators might also differ, then we should put a duty upon leather and upon boots and shoes.

Mr. DIXON. But the same state of facts which establishes the proposition that you should not put any duty on hides, at the same time establishes the argument that no duty should go on leather or its manufactured products. It is just as broad as it is long.

Mr. CLAPP. That may be true, but I do not think it is. That is a question that every Senator must answer for himself; but, after all, that question involves the question of whether or not there ought to be a duty on hides. If there ought to be, then a Senator so believing should vote for such a duty, and a Senator who does not so believe should vote against it. When it comes to boots and shoes and leather products, if a Senator believes that they need more protection or less protection or whatever protection he believes they need, he should vote accordingly. The two are only associated so far as a man in framing his judgment upon that question may see fit to associate them.

Mr. DIXON. Then, without interrupting the Senator any more than is necessary——

Mr. CLAPP. I do not object to interruptions. I believe that debate should be debate. I am not one of those who want to come into this body and deliver a prepared speech and then go back into the cloakroom.

Mr. DIXON. I wholly agree with the Senator from Minnesota in that view if we want to arrive at the truth; but he has arrived at a conclusion, based on conditions as they exist in this country, that there should be no duty on hides; and does not the same investigation inevitably lead him to the conclusion that there is no consistency in putting a duty on leather?

Mr. CLAPP. Not at all.

Mr. DIXON. Does the Senator at this time advocate a duty on leather and manufactured products of leather while advocating no duty on hides?

Mr. CLAPP. I have already stated that it is not certain now whether a duty should be retained on the manufactured article, although I rather incline just now to retaining some duty.

Mr. DIXON. That is the present position of the Senator from Minnesota?

Mr. CLAPP. Just how much duty should be imposed I would not say now, for I have not reached that question; but this is what differentiates hides from almost all other things: If the hide was something that was produced of itself and for itself, then perhaps, even under present economic conditions, it would not be warrantable to put it on the free list; but the boot and shoe is a distinct and complete article, made as a boot and a shoe, and into the making of that boot and that shoe enter all the qualifications that go to the price and the cost of that boot and shoe. If the hide could be raised and the farmer could get the benefit of the price of that hide in the field, then we would have a different question involved in this discussion; but the

hide is the incident. The farmer to-day is at the mercy of the beef trust; and the beef trust is slowly but surely dragging down and eliminating the tanning interest of this country. We desire competition. You may say there was a time when the tanning interest was a combination. You may say there will come another time when it will again become a combination if it survives this attack. If it does, then we will deal with it; but to-day it is in the death throes, because the beef trust has its clutch upon the throat of the tanning industry of this country.

The farmer, in the last analysis, is interested in having the prosperity of this country maintained and in having the workingmen of this country employed at remunerative wages, so that he may find a market for his farm products. I need not rehearse that statement of the broad proposition involved in protection. He can, in my judgment, better afford to forego what little he may get of this pitiful pittance of a tariff on hides, if by doing that it may possibly give the tanning industry an opportunity to survive this attack of the beef trust that is now slowly but surely eliminating the tanning industry.

Mr. WARREN. Right there——

The VICE-PRESIDENT. Does the Senator from Minnesota yield to the Senator from Wyoming?

Mr. CLAPP. Yes.

Mr. WARREN. I think this is particularly apropos just now. I have in my hand the Boot and Shoe Recorder. It is the official paper of the boot and shoe and tanning interests; and not only that, but this is a special issue. Of course you will notice it is yellow—merely a coincidence, perhaps.

But it devotes an entire page to the Senate and House of Representatives, and it is the boot and shoe and tanning interests' direct communication to us. Now, as to the duty on hides and whether it benefits the farmer or not, let us see what they say. They are undertaking to prove that it does not, and they prove too much. They say:

> Prior to the Dingley Act the price of packers' cow hides was 4 cents; to-day it is 13¾ cents.

Does the raiser of hides in the western country get any benefit from the difference between 4 cents and 13¾ cents; and if not, why not? I want to tell the Senator that during the period of free hides there was a group of States in which hides were hauled out and buried. The farmers there paid the duty on the harness worn by their horses, upon which 45 per cent tariff is imposed, and they paid 25 per cent duty upon boots and shoes worn by themselves while carrying those hides out for burial, because the leather trust in the East bore down on the price of hides and would pay the packers in Chicago but 3 and 4 cents. Therefore, and for that reason, the packers have gone into the business of tanning the hides, and have resurrected the farmers' values on hides. That fact and the Dingley law have put the far western farmers and cattlemen where they have been able to get some profit from the raising of cattle where they had none before.

Mr. CLAPP. Mr. President, I sincerely regret my lack of English, in which to pay fitting tribute to the philanthropy of those beef packers who went into this industry of eliminating the tanneries of this country simply in the interest of the American farmer.

Mr. CURTIS. Mr. President——

The VICE-PRESIDENT. Does the Senator from Minnesota yield to the Senator from Kansas?

Mr. CLAPP. With pleasure.

Mr. CURTIS. A moment ago the Senator referred to the poverty of the leather people. I should like to call his attention to one of the statements issued by the Vogel Leather Company.

Mr. CLAPP. Is the Senator referring to a statement of mine?

Mr. CURTIS. Certainly.

Mr. CLAPP. I have not reached the leather people yet.

Mr. CURTIS. I beg the Senator's pardon——

Mr. WARREN. We will show you, on the contrary, that it is one of the most prosperous industries in the United States to-day, next to the boot and shoe industry.

Mr. CURTIS. I should like to make this statement, if the Senator will permit me, just to show how they are financially situated: The Pfister & Vogel Leather Company, of Milwaukee, Wis., is incorporated in Wisconsin, and has plants located at Milwaukee, Wis., and Cheboygan, Mich. Its capital stock is $6,000,000, and, according to Moody's Manual for 1908, page 2458, its surplus on November 1, 1907, was $3,500,000.

Mr. CLAPP. The fact, nevertheless, remains that the independent tanner is being rapidly eliminated. I do not know—I wish we could know—whether this proposed change would restore him and put him in condition to meet the competition of the beef trust. But I know this: I know that when you fritter and filter this proposition through the beef trust, the effect to the farmer is absolutely reduced almost to a point where it can not be distinguished; and, if that be true, then I believe we at least can afford to try to give the tanner this opportunity to maintain the contest.

Mr. DIXON. Does the Senator really mean to contend here that the stock raisers of the country get nothing out of the hides of their cattle which they sell?

Mr. CLAPP. I do not suppose that if a farmer skinned his steer at home, and then took the skin to the market, he would get as much for the steer as he would with the skin on.

Mr. DIXON. Then does not that reduce the Senator's argument to an absurdity?

Mr. CLAPP. No, sir. When you take the percentage of this duty and apply it to the few classes of hides to which it is applicable, and filtered through the monopoly that in the main is the purchaser, it reduces the possible profit or benefit to the farmer under this 15 per cent rate to a point where it is no longer enough to be seriously considered or discussed.

Mr. DIXON. Will the Senator just let me read here the actual returns?

Mr. CLAPP. From cattle sold in the month of February of this year, and he can see what proportion the hides bear to the total value of the steer. It is so apparent that any man seeking light can not escape it.

Mr. GORE. Mr. President——

The VICE-PRESIDENT. Does the Senator from Minnesota yield to the Senator from Oklahoma?

Mr. CLAPP. The Senator from Montana has asked for the floor.

Mr. DIXON. I hold in my hand statements here from the Chicago Live Stock Exchange under date of January 22, 1909. I want the Senator to listen to it, with a real desire to find out the truth. A steer was sold and the credit memorandum, sent to the farmer in Iowa who sold the steer, was as follows: By 4 quarters of beef, 512 pounds, at 5.37 cents, $27.50 for the meat; by butter stock, 14 pounds, at 7.61 cents, $1.06; by 1 steer hide, 64 pounds, at 10.8 cents, $6.91; by head, tongue, and so forth, 60 cents; total, $36.07. From that steer $6.91 was from the hide. Would the Senator argue that in that particular case the value of the hide did not go into the constituent value of the steer itself?

Mr. CLAPP. It seems unfortunate that I can not make a statement which is understood. I never stated that the hide cut no figure. I said you take the present duty upon the particular class of hides to which this is applicable and when you have filtered that duty through the beef trust there is nothing, in my judgment, out of that duty to the farmer that is worthy of consideration.

Mr. DIXON. What proportion of the cattle of the country are slaughtered by the beef trust?

Mr. CLAPP. About 70 per cent.

Mr. WARREN. Less than 45 per cent.

Mr. CLAPP. I have misspoken myself.

Mr. DIXON. It is less than that.

Mr. CLAPP. I am not going to be diverted from the Senator's question. The Senator's question reminds me of what I have so often heard in this Chamber in the last few weeks. Some one will take the total cost of producing an article and figure that we have got to have a tariff to that amount, because that cost was all labor. The Senator falls into the same error. It is not a question of what the hide produces, but it is a question of what benefit the farmer gets from the duty on that hide.

Mr. DIXON. The Senator is wrong in the proportion of cattle slaughtered by the beef trust.

Mr. CLAPP. I corrected that.

Mr. DIXON. Out of 14,000,000 cattle, all that the great packers got was 5,000,000. Nine million were killed on the farms and in the little towns.

Mr. CURTIS. May I add to that the number of fallen hides, over 2,000,000, not included, which are not handled by the packers, but by the farmers and stock raisers?

Mr. DIXON. Out of the cattle slaughtered only 5,000,000 go into the hands of the great packers.

Mr. CLAPP. That is enough in a concrete form, controlled by one masterful power, to practically dominate largely the tanning industries in this country, in my judgment.

Mr. DIXON. Would the Senator now advance the duty on the leather made by the great packers in their tanneries at the same time that he wants free hides?

Mr. CLAPP. Every dollar of labor that goes into a piece of leather or into a shoe can be traced to that particular product, while the other is at the best only the incident of the greater.

Mr. DIXON. If the Senator——

Mr. DU PONT. Mr. President—

The VICE-PRESIDENT. The Senator from Oklahoma has been waiting some little time.

Mr. CLAPP. Yes; I yield to the Senator from Oklahoma.

The VICE-PRESIDENT. The Senator from Minnesota yields to the Senator from Oklahoma.

Mr. GORE. I desire to propound a question to the Senator from Montana and the Senator from Wyoming on account of their familiarity with this subject. I have heard the statement made, and have not been able to verify it, and if it be true it is very important, that since the panic of 1907, cattle have been lower than they were before the panic and hides have been higher, at least during a portion of the time. I should like to know whether that is true or not, if the Senators are able to furnish the information.

Mr. WARREN. I do not like to take the time of the Senator from Minnesota to answer the question now, unless he is willing. But I want to call his attention to this matter of the tanners, if I may have the privilege. I appeal to the Senator from Minnesota.

Mr. CLAPP. Certainly; with pleasure.

Mr. WARREN. As to the tanners, the number of establishments in 1880 was 5,628. This, it will be observed, was before the time of the tariff. The number of tanners in 1890, ten years of free hides, had been reduced from 5,628 to 1,787, and there was no talk in those days about the meat trust. The "meat trust," so called, was not then tanning any hides. The capital invested in 1880 was a little over $73,000,000, and it increased in that ten years to about $98,000,000, an increase under free hides of something over $24,000,000, or about two and a half millions per year.

Now, starting from 1900, after there had been a duty put upon hides, and running up to 1905—and I quote 1905 and 1900 so that we may have the official figures of the United States census—we find that, while the increase under free hides had been but two and a half million dollars a year, under dutiable hides, in the five years from 1900 to 1905 it had been thirteen and a half millions a year. In other words, the tanning industry increased over four times as fast under dutiable hides as under free hides. The value of the product from 1880 to 1890, ten years of free hides, had been reduced from two hundred million and something to a hundred and seventy-two million and something, showing a decrease in ten years of over $28,000,000.

Mr. CLAPP. What ten years?

Mr. WARREN. The ten years from 1880 to 1890, when hides were free. Instead of a decrease of $28,000,000 we have here an increase in the next five years of over $48,500,000 to the credit and success of the tanners, under dutiable hides.

Mr. CLAPP. The trouble about that is—and it often occurs here—you take different periods and compare them. That comparison does not show any such growth of the tanning industry in those five years between 1900 and 1905—years of unparalleled general growth of industrial life in this country—as it ought to show under good economic conditions.

Mr. WARREN. That will not do.

Mr. CLAPP. That in itself is, to my mind, a sufficient answer to the question.

Mr. WARREN. The Senator knows that business from 1880 to 1890 was not depressed to a degree that would show ten long years of bad business and of loss, while from 1900 up to 1905 the years were all good ones. That will not do. You can take any period, unless it be for two or three exceptional years, and you will find the same result. I have been through these figures, starting from the foundation of the business. You may take the boot and shoe business, the harness business. I am going to prove by absolute figures that they have never been as successful as since the imposition of a duty on hides. But in the last twelve years their success has been phenomenal under dutiable hides beyond anything they ever dreamed of before.

Mr. DU PONT. Mr. President——

Mr. CLAPP. I should like to——

The VICE-PRESIDENT. Does the Senator from Minnesota yield to the Senator from Delaware?

Mr. CLAPP. Certainly.

Mr. DU PONT. Referring to the contention of the Senator from Montana, that if hides go on the free list, therefore the manufactures of leather should be on the free list, I believe it is admitted by all statisticians that the average cost of material in manufactured articles is about 10 per cent, and the cost of labor about 90 per cent. Assuming that the cost of material in the manufactured products of leather is 10 per cent, or thereabouts, I fail to see the logic which would obtain that because 10 per cent of the total cost of the manufactured product is to be cheapened by being put on the free list, therefore the other 90 per cent of its cost should be also deprived of its value by being placed on the free list.

Mr. CLAPP. I have about concluded my remarks, with the exception of reminding the Senators that, so far as the information which I can gather shows, that not only is added to the purchase by the beef trust as a concrete force and form of the whole number purchased by the trust, but that largely the ratio of hides sold which the beef trust gets, as against the hides sold by the farmers on their farms, generally are the hides that are affected by the duty on hides.

Mr. CRAWFORD. Mr. President——

The PRESIDING OFFICER (Mr. JOHNSON of North Dakota in the chair). Does the Senator from Minnesota yield to the Senator from South Dakota?

Mr. CLAPP. Certainly.

Mr. CRAWFORD. I simply wish to suggest that the proposition is not quite fair, in which the Senator asks the representatives of the interests engaged in the production of cattle and hides, without knowing what the balance of the schedule is to be, without knowing what is to be the rate on leather products, to cast a vote here in favor of putting hides on the free list.

My suggestion to the Senator is that that is hardly fair. I have letters—I received one not long ago, which is in my office, from a leather manufacturer in Columbus, Ohio, who made the broad statement that if we would give to the manufacturers of boots and shoes free leather we could take the tariff off of the manufactures.

I have heard the remark made here more than once by representatives east of the Rocky Mountains that if they could get their raw material free we could take the tariff off of many things they manufacture.

The western farmer will at once ask you this question when you propose to take the tariff off hides: "What are you going to give us in return for it? Are you going to sell us cheaper shoes? Are you going to take the tariff off manufactured leather products? If not, we protest." And I for one shall not consent that the tariff be taken off of a product of the farm of this character, in which there is no question of exhausting the supply, because they are being raised every year and even in increased numbers, and when, in addition to that, there can not be a trust in the production of the articles. There is no combination of men who raise these calves and rear these cattle and sell this hide in the first instance. They are the millions scattered over the prairies and the farms of the West. The combination, if one exists, which deals in 40 per cent of the product, is a combination between them, somewhere, and the consumer. There is no combination of the producers. I will not vote to take the tariff off their products unless you have this schedule beyond the raw material established so that you can satisfy these producers that they are getting a corresponding reduction in the manufactured article; and I do not think it is fair to deal with that as an isolated fact here without knowing where we are with reference to the remainder.

Mr. RAYNER. Mr. President——

The PRESIDING OFFICER. Does the Senator from Minnesota yield to the Senator from Maryland?

Mr. CLAPP. With pleasure.

Mr. RAYNER. I do not know that it will have any effect, but right in this connection it might be proper to read a few lines of a letter written on this subject. Some years ago, when the McKinley bill was under consideration, it was proposed to put hides on the free list. I only want to read a few lines on that subject now.

Mr. WARREN. Allow me to say that I presume those lines have been printed in a great many documents, and every Senator's desk and office are full of them. They are the lines of a great statesman, written from his view point long ago.

Mr. RAYNER. I will be much obliged to the Senator if he will not interrupt me until I read them. I imagine there are a great many Senators who do not know what they are; and as for some of those who do know what they are, the lines do not seem to have had much effect upon them.

Mr. WARREN. I am glad I have——

The PRESIDING OFFICER. The Senator from Maryland has the floor, with the permission of the Senator from Minnesota.

Mr. CLAPP. With pleasure.

Mr. RAYNER. I read:

> DEAR MR. MCKINLEY: It is a great mistake to take hides from the free list where they have been for so many years. It is a slap in the face of the South Americans with whom we are trying to enlarge our trade; it will benefit the farmer by adding 5 to 8 per cent to the price of his children's shoes. It will yield a profit to the butcher only—the last man that needs it. The movement is injudicious from beginning to end, in every form and phase. Pray stop it before it sees light. Such movements as this for protection will protect the Republican party into speedy retirement.
>
> Yours, hastily, JAMES G. BLAINE.

Mr. WARREN. Will the Senator from Minnesota allow me to ask the Senator from Maryland a question? The Senator knows that the view of the then living James G. Blaine was accepted, in which he promised lower shoes and boots. Have we had them?

Mr. RAYNER. What is the question?

Mr. WARREN. I want to ask the Senator if we had what was promised there—that is, did we have lower priced boots and shoes when the duty was off of hides than when the duty was on?

Mr. RAYNER. If we have not had them, we ought to have had them. I am in favor of reducing the duty on manufactured articles if the raw material is free. I have always stood for the principle that if you reduce the raw material you ought to reduce the duty on the manufactured product, reduce the compensating duty; and if we reduce the duty on raw hides, I would not hesitate for a moment to vote for a reduction of the duty on its products. But, notwithstanding that fact, if, as appears to be the case, we are unable to reduce the duty on the manufactured products, I believe that if you give the manufacturer raw materials free, by forcing competition, you necessarily and inevitably bring down the price of the manufactured article.

Mr. WARREN. May I say just a word? They had for twenty-five long years free hides. Was there any reduction in the price of shoes? On the contrary, I have carefully gone through all the authoritative statements that are here before us from boot and shoe and leather men and tanners, and the only promise that I can find in all these papers—in fact, I find no promise of lower prices hereafter, but the only assertion made that we are liable to have lower prices if we remove the duty—is made by a man who makes soft-sole baby shoes, in which there is not an ounce of dutiable stuff, and he ventures the idea that if we had free hides we might have lower priced shoes.

Mr. RAYNER. That is a sample.

Mr. WARREN. Nobody claims—the tanners do not claim, the shoe men do not claim—that they are going to give us lower prices on shoes. You will still see the face of Douglas in every city above the legend "Douglas's $3.50 shoes," "Douglas's $4 shoes," and so forth, it makes no difference whether you raise or lower the duty on hides. It has been that way for years. It will undoubtedly remain that way.

Mr. RAYNER. The Senator is mistaken, because a Republican manufacturer, before the Ways and Means Committee——

The PRESIDING OFFICER. The Senator from Minnesota is entitled to the floor.

Mr. CLAPP. Let the Senator complete his statement.

The PRESIDING OFFICER. The Senator from Maryland.

Mr. RAYNER. Who wanted free hides, was perfectly willing to reduce the duty on shoes, and if the price of shoes was not reduced it is simply because the manufacturers have not kept their word when hides were free.

Mr. CLAPP. I must insist upon proceeding.

The PRESIDING OFFICER. The Senator from Minnesota is entitled to the floor.

Mr. CLAPP. While I like to be interrupted, and while I like to be asked questions, I should like to proceed.

I simply want to say a word in reply to the suggestion of the Senator from South Dakota. In the first place, he must bear in mind, and every other Senator, that it is only a very small proportion of the hides which the farmer, the ordinary farmer, sells, upon which the duty would be imposed if the provision was retained in the law. As I have already stated, the bulk of that class of hides goes to the great packers and their combinations.

If a man was going to build a house or build a pair of shoes or anything else, instead of guessing at the cost of the house he would start at the bottom and take one by one the items that would go into the cost of the house; and it does seem to me that the truly logical way to get at what we should do—I am speaking now from a protective standpoint—with the manufactured product is to begin with the raw material, and no one can safely determine what to do with the manufactured product unless he does know or believes he knows what will be done with the raw material that goes into the manufactured product.

Consequently, I believe the place to begin with any of these subjects is with the raw material and ascertain first whether we should put that on the free list or the dutiable list. Then we have a guide for our judgment when we come to determine what, if any, duty is necessary to protect the manufactured article.

Mr. McCUMBER. Mr. President——

The PRESIDING OFFICER. Does the Senator from Minnesota yield to the Senator from North Dakota?

Mr. CLAPP. With pleasure.

Mr. McCUMBER. I want to ask the Senator if he regards hides as raw material?

Mr. CLAPP. Practically as raw material, and especially as raw material when we consider and undertake to determine the cost of shoes, boots, and other leather products.

Mr. McCUMBER. I want to ask the Senator another question, and then I will put them both together. The Senator admits there should be some duty upon articles manufactured of leather.

Mr. CLAPP. At this point and until further examination I would not unhesitatingly say that I would put them on the free list.

Mr. McCUMBER. But I understand also that the basis of the calculation which the Senator has arrived at would be the question of foreign production. In other words, if the foreign production would be cheaper than in this country, he would then give the manufacturer a duty that would correspond with that increased cost of production. Am I right in that respect?

Mr. CLAPP. Substantially; yes.

Mr. McCUMBER. Will the Senator deny for one moment that the cost of producing a hide is immeasurably less in South America than it is in Minnesota or in North Dakota?

Mr. CLAPP. Undoubtedly.

Mr. McCUMBER. Then, if it is less, we come right up again to the manufacturing question. The farmer, before he starts to produce the hide, must invest a very large sum of money in the land; that is, his machinery. He must then plow that land; he must open up the farm. He must buy plows and harrows and tools. He must then plow his land. He must harrow it. He must raise his hay. He must dry that hay; he must stack it; he must bring it to his barn; and then for five long years, on the average, he must put that through the maws of a steer and convert it into a hide. If that is not a manufactured hide, requiring not only the process of years of labor, but also the investment of capital, then I would not know what you would call a manufactured article on the basis of labor going into the production of the article. If the farmer is entitled to the same protection that the manufacturer is entitled to, then the product which he has manufactured should have a duty on it commensurate with the difference in the cost of its production and the cost of the production of that hide in South America. Would not the Senator say that is a reasonable proposition?

Mr. CLAPP. That simply shows what the Senator has lost, if he has lost anything, by not being here while I was trying to discuss that phase of this question.

Mr. McCUMBER. I beg the Senator's pardon. I have heard every word and listened to it. I did not interrupt the Senator.

Mr. CLAPP. Sitting there?

Mr. McCUMBER. Yes; there and in the back part.

Mr. CLAPP. Yes; back there.

Mr. McCUMBER. I heard the Senator.

Mr. CLAPP. It is only a very small, I take it, an infinitesimal part of the hides that the farmer whom the Senator is talking about sells that are covered by this bill at all.

Mr. McCUMBER. Every steer that he sells he sells the hide with it.

Mr. CLAPP. Yes.

Mr. McCUMBER. No matter to whom he sells it.

Mr. CLAPP. But that is not affected by the tariff unless it comes within certain requirements prescribed by the tariff and the Treasury Department. If this was a duty upon all hides, so that the small farmer was getting some of it, it might present a different question. But it is limited only to a small class of hides; and with all the information I have been able to get—it may not be safe information, but it is the information upon which I am basing my position on this question—the hide which the farmer takes from the animal which he kills is not, as a rule, the hide covered by this tariff.

As a matter of concrete force the great mass of stock bought by the beef trust, the bulk of the hides that are covered by this particular tariff, are included in that class of hides; and, more than that, as I said at the outset, this is different from almost any other proposition, because the farmer never bought a farm to raise hides, he never bought a harrow to raise hides, he never bought a plow to raise hides. He bought his farm and his farm implements to carry on his farming business, and as an incident to that business, as an incident to the steer which the farmer raises, there is the hide. It is not unimportant at all, but it is again to be minimized and again to be divided upon the proposition that only a few of those hides come within the tariff requirements, and then that the tariff is so small that, while in the aggregate to a great trust it amounts to a vast weapon for the destruction of its competitors, to the farmer it is absolutely nothing.

Mr. McCUMBER. I will admit that the tariff is too small; I will admit that it does not cover all the hides that the farmer

produces; and I will admit that it ought to cover all of those hides. But the Senator is mistaken when he says that the purchase price of the farm is not for the purpose of raising hides, and that the purchase price of the material and the machinery that the farmer has used upon the farm is not for that purpose. It is true that many of the hides are raised out on what are now the plains, but a great bulk of them are raised upon the small farms. An immense number of steers are raised in the State of Iowa every year. The farm is utilized in raising hay; it is utilized in raising corn, and that corn and that hay are fed to the steer and converted into beef and into the hide. We are protecting those hides as near as we can.

But the Senator says that the beef trust will control as to the price. No doubt it does to a great extent both as to the hide and as to the beef itself, but it has not the complete monopoly. The great amount that it handles undoubtedly influences the price, but it handles less than 50 per cent, only about forty-odd per cent. Am I not correct, I will ask the Senator from Wyoming?

Mr. WARREN. Less than 44 per cent.

Mr. McCUMBER. Yes; less than 44 per cent of the hides raised in the United States. The Senator contends that, holding the control of that amount of hides, they are able to dominate and put out of business the tanner.

Mr. CLAPP. I call the Senator's attention to the fact that the Senator does not hold that; but he holds that when you take into account the fact that the percentage of stock which goes to the beef trust is the great hide-bearing stock of the hide that comes within the tariff regulation, it does enable them to control.

Mr. McCUMBER. But the Senator must remember that the price of hides is fixed by the demand for those hides to a great extent. Now, while the farmer who is asking for this protection has only the American field in which to sell his article, the tanner has the world in which to buy his article.

Mr. CLAPP. Mr. President——

Mr. McCUMBER. Just a moment. Let me call the Senator's attention to the fact that not only has the tanner 66 per cent of all the hides that are produced in the United States to go to, but he has 134,000,000 pounds of hides that are imported into this country. Now, he can get those hides just as easily as the beef trust. The only question is, Who will pay the most for them? If the tanner will pay as much for those hides as the beef trust will pay for those hides, he will get his share of the 134,000,000 pounds that are imported into this country.

Now, why do the tanners want this duty taken off of hides? There can be but one reason, and that is to get cheaper hides. Then, if they are to get cheaper hides, who is going to lose by it—the farmer or the beef trust? Somebody has to make up the difference between the higher and the cheaper hides. It may be that the beef trust will suffer its 44 per cent, but the farmers of the country will necessarily suffer their 66 per cent.

Mr. CLAPP. Does the Senator still insist upon repeating and repeating that of the class of hides upon which this duty attaches, or from which it may be taken, the farmer has 66 per cent and the beef trust only 44 per cent?

Mr. McCUMBER. I not only insist upon that, but more than that.

Mr. CLAPP. I deny it.

Mr. McCUMBER. The greater quantity of steers that are shipped to the great central markets of Chicago and Omaha and other places of that kind are the grown steers. The proportion of calves slaughtered at the great central markets is not nearly as great as those that are slaughtered on the farms and by the butchers, as I understand. So that which the beef trust gets is that upon which the duty is generally levied. I do not want to take up the Senator's time.

Mr. CLAPP. The Senator seems to concede what I have insisted upon.

Mr. WARREN. I wish to ask the Senator a question before he sits down. The Senator has, I think, a good many sheep in his State. Is that right?

Mr. CLAPP. We are gradually getting more sheep. We are not getting as many sheep as we ought to get under all conditions.

Mr. WARREN. What do the farmers raise sheep for, mutton or wool?

Mr. CLAPP. For both.

Mr. WARREN. Is that any different from the cattleman who raises cattle for both beef and hides?

Mr. CLAPP. In the first place, the word "both" would not bear the same relation when you come to apply it to the difference in the value of the pelt and the meat in the steer; and, in the second place, I am going to emphasize it just as long as the contrary is insisted upon here, that it is only a small part of that that the farmer raises that comes within the purview of this bill at all.

Mr. WARREN. The sheepskins are a less proportion of the total value of body and skin than cattle hides, except when the sheepskins have long fleeces on them. The larger proportion of mutton in this country to-day, in fact, nearly 90 per cent of it—certainly over 80 per cent—is killed before it is ever once shorn. So it is the same with sheep as with cattle.

Mr. LODGE. Mr. President, it is with very great reluctance that I oppose a recommendation of the Finance Committee, and I should not do so did I not believe that the duty upon hides is a heavy burden upon a great industry, with no corresponding benefit of a protective character to the farming and stock-growing interests of the country.

I am aware, Mr. President, that I shall be charged with inconsistency. The Senator from Texas [Mr. BAILEY] intimated it several days ago in debate. The Senator from Montana [Mr. DIXON] has suggested it to-day. But, Mr. President, a somewhat protracted observation of tariffs and tariff debates, extending now over twenty years, has made me a little skeptical as to the nature of inconsistency; I am quite indifferent to the charge myself and I have never found it necessary to suggest inconsistency on the part of anyone else. The reason why I have refrained from doing so in this debate, as in all other debates, is what experience of the tariff has shown me. I have never seen a tariff system, foreign or domestic, which did not contain in itself inconsistencies. I have never been through a tariff discussion without observing what would be called inconsistencies, tried by strict principles either of free trade or protection, both on the part of political parties and on the part of individuals. Only yesterday I heard suggestions of inconsistency made in this Chamber by our friends on the Democratic side, speaking of each other.

Mr. BEVERIDGE. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER (Mr. JOHNSON of North Dakota in the chair). The Secretary will call the roll.

The Secretary called the roll and the following Senators answered to their names:

Aldrich	Clay	Frye	Page
Bacon	Crawford	Gallinger	Paynter
Bankhead	Cullom	Gamble	Penrose
Beveridge	Cummins	Guggenheim	Perkins
Borah	Curtis	Hughes	Piles
Brandegee	Daniel	Johnson	Rayner
Briggs	Davis	Johnston	Root
Bristow	Depew	Jones	Scott
Brown	Dick	Kean	Smith, Md.
Bulkeley	Dillingham	La Follette	Smith, S. C.
Burkett	Dixon	Lodge	Smoot
Burnham	Dolliver	Lorimer	Sutherland
Burrows	Du Pont	McLaurin	Tillman
Burton	Elkins	Money	Warner
Carter	Fletcher	Nelson	Warren
Clapp	Flint	Overman	Wetmore
Clark, Wyo.	Foster	Owen	

The PRESIDING OFFICER. Sixty-seven Senators having answered to their names, a quorum is present. The Senator from Massachusetts will proceed.

Mr. LODGE. Mr. President, I was saying in regard to the matter of inconsistency, that I have never indulged in taunting anyone with inconsistency with regard to tariff matters, because my experience had led me to see that in all tariffs and in all constructions of tariff, inconsistencies were sure to arise. And they arise inevitably.

Let me take, however, some more general instances. I voted, I shall vote again, for free binding twine, but on the strict principles of protection there is no reason why that industry should not be protected as well as any other. I have, on the other hand, seen gentlemen from a State which is, if we may judge from its vote, hostile to protection, ask for an advance of duty on pineapples from 14 cents to 62 cents, which seems inconsistent with the pure doctrine of a tariff for revenue only. But in neither case do I think it necessary to find fault with things that are done or requested or the motives of the request or the action. We understand why such things are done. Other reasons which are both obvious and natural prevail over rigid economic principles. I have seen many a high protective duty appear in the guise of a duty for revenue only, but it seemed needless to call attention to it. I have often noticed in this debate, Mr. President, that when the hoary iniquity of the tariff has approached some local industry, even the most austere reformer of other people's industries "will take his shriveled hand without resistance and find him smiling as his step draws near." I have thought more than once of the familiar lines—

> 'Tis sweet to hear the watch-dog's honest bark
> Bay deep-mouth'd welcome as we draw near home.

Therefore, Mr. President, as I have never found occasion to point out inconsistencies in others, which is easily done, I am quite indifferent to the charge if made against myself.

Nevertheless, I should hesitate, Mr. President, very long before advocating the removal of this duty if I thought it was truly protective or of any advantage to the great class which it is designed to protect. I should hesitate still longer if the industry in whose behalf I speak was a local or a sectional industry, or if the article covered by the duty was a local or a sectional production.

Let me first, Mr. President, state briefly the history of the hide industry. For seventy years hides were free; for thirty years they have been dutiable. From 1789 to 1842 they were free. They were dutiable first in the tariff of 1842. There was a deficit to be met and a revenue duty of 5 per cent was put upon hides. It was reduced in 1857 to 4 per cent, raised in March, 1861, to 5 per cent, and in August, 1861, when every resource of taxation had to be drawn upon, to 10 per cent.

Mr. WARREN. Will it interrupt the Senator to ask him if he can tell us whether that applied to all hides and skins at that time and in all that period?

Mr. LODGE. Certainly; I was merely tracing it. At that time it was put on as a revenue duty to raise money.

Mr. WARREN. And therefore amounted to far more than the present duty on the small amount of hides now dutiable.

Mr. LODGE. My only object is simply to give the history of the duty on hides. There was a duty of 10 per cent in 1861. It was put on in war time, when they put a tax on everything in order to raise money from every possible source.

In 1872 the hide duty was removed. Hides were left free in the tariffs of 1875, 1883, 1890, and 1894.

Mr. WARREN. I was under the impression that in 1890 there was the imposition of a cent and a half a pound under certain conditions on the importations from certain countries.

Mr. LODGE. That was one of the reciprocity provisions. I should not say that this tariff imposes a duty on tea and coffee because under the maximum and minimum, under certain conditions, it might be imposed. It never was imposed, as a matter of fact.

Mr. WARREN. I think the Senator will find it was necessary later to except certain contracts that had been made that were being carried out under that provision.

Mr. LODGE. No duties were collected under it. At that time the question was mooted of putting a duty on hides, and Mr. Blaine, who was then Secretary of State, wrote a letter to Mr. McKinley, who was chairman of the Ways and Means Committee, April 10, 1890.

APRIL 10, 1890.

DEAR MR. MCKINLEY: It is a great mistake to take hides from the free list, where they have been for so many years. It is a slap in the face to the South Americans, with whom we are trying to enlarge our trade. It will benefit the farmer by adding 5 to 8 per cent to the price of his children's shoes. It will yield a profit to the butcher only, the last man that needs it. The movement is injudicious from beginning to end, in every form and phase. Pray stop it before it sees light. Such movements as this for protection will protect the Republican party into a speedy retirement.

Yours, hastily, JAMES G. BLAINE.

Mr. McKinley so far agreed with him that he did not put the duty in the bill; and if I err as a protectionist in my attitude on hides, I err in good company. There never have been two greater protectionists than Mr. Blaine and Mr. McKinley.

Mr. DIXON. Mr. President——

The VICE-PRESIDENT. Does the Senator from Massachusetts yield to the Senator from Montana?

Mr. LODGE. I do.

Mr. DIXON. The assertion which the Senator from Massachusetts has just read from Mr. Blaine's letter was that he undoubtedly believed at that time that an imposition of a duty on hides would raise the price of women's and children's shoes from 5 to 6 per cent, was it not?

Mr. LODGE. That is what he said.

Mr. DIXON. As a matter of fact, Mr. Blaine was wrong in his belief that that would be the result, was he not? Has not the experience of the last twelve years—during which time we have had a duty on heavy hides which only go into the soles of shoes, which the shoe men themselves admit, but under the most strained construction, would add about 3 cents to a pair of men's shoes—proved that Mr. Blaine was wrong in his assumption?

Mr. LODGE. I do not care to enter into a discussion about shoes at this time. There are certain boots and shoes that may be made entirely, or practically entirely, from dutiable hides. They are chiefly the large heavy shoes worn by workingmen. The shoes we export are principally of the finer grade, and dutiable hide is used only in the soles of the finer grade of shoes; but the heavy shoes, which are sold by the million, are made in all parts of the dutiable hides. I have the shoes, the different parts, and the whole thing here, and those shoes have very much advanced in price. I do not say it is because of the duty on hides, but it is owing to the general advance in the price of hides.

Mr. DIXON. I want to ask the Senator whether or not, as a matter of fact, in using Mr. Blaine in support of his present contention, Mr. Blaine was not absolutely wrong in the light of the experience of the last twelve years when he said it would add from 5 to 8 per cent to the price of shoes?

Mr. LODGE. I do not know what would have happened in 1890 if the duty had been added. I can not undertake to tell. It is a hypothetical question. I am not concerned in Mr. Blaine's argument.

Mr. CARTER. Mr. President——

The PRESIDING OFFICER. Does the Senator from Massachusetts yield to the Senator from Montana?

Mr. LODGE. I do.

Mr. CARTER. I suppose the Senator from Massachusetts will readily admit that nothing more disastrous could have occurred from a Republican point of view than occurred in consequence of the McKinley tariff bill?

Mr. LODGE. There is no doubt it was beaten; but it was not beaten owing to the duty on hides.

Mr. McLAURIN. Will the Senator from Massachusetts allow me to offer an amendment to the amendment, as I may be called from the Chamber, and I should like to have it pending?

Mr. BEVERIDGE. You can not do that under the rules.

Mr. McLAURIN. Yes; I can.

Mr. LODGE. I have no objection to yielding to the Senator from Mississippi if he wishes to offer an amendment.

The PRESIDING OFFICER. Does the Senator from Mississippi wish to have the amendment read?

Mr. McLAURIN. Yes; I should like to have the amendment read.

The PRESIDING OFFICER. The amendment proposed by the Senator from Mississippi will be read.

The SECRETARY. It is proposed to amend the amendment by adding:

The word "hides" as used in this bill shall be understood to include all skins of any and all kinds of cattle, of any weight or size of such skins, however small.

Mr. McLAURIN. I thank the Senator from Massachusetts for yielding to me.

The PRESIDING OFFICER. The Chair understands the amendment has been read for information.

Mr. McLAURIN. No, sir; the amendment has been read as pending to the other amendment.

The PRESIDING OFFICER. The amendment is offered as an amendment to the pending amendment.

Mr. LODGE. Mr. President——

Mr. WARREN. Will the Senator from Massachusetts yield to me a moment there?

Mr. LODGE. Yes.

Mr. WARREN. I simply want to call the Senator's attention to the fact that the letter of Blaine was written many years ago.

Mr. LODGE. Yes; I stated that.

Mr. WARREN. You did. The events have not carried out the prophecy that Blaine made.

Mr. LODGE. I did not say they had.

Mr. WARREN. Mr. Blaine in the meantime was one of the two Republican candidates who were not able to carry the country; and I think a review of where the votes were short might possibly throw some light upon the way that particular letter was received.

Mr. LODGE. Yes; but Mr. Blaine ran for the Presidency before that letter was written; so I do not think that letter had much effect on his running in 1884.

Mr. WARREN. His views, however, were as well known then as they were after he put them in writing.

Mr. LODGE. Yes; but the States which defeated him were not in the West and the States which largely nominated him were. Hides were free in the McKinley law. Hides were left free in the Dingley bill as it passed the House; but the duty was put on by the Senate. I was a Member of the Senate at that time, and my colleague, Mr. Hoar, and I were very much opposed to the imposition of the duty. The margin in favor of the bill, however, was a very narrow one, and Mr. Hoar and I decided that, obnoxious as this duty was to ourselves, our first duty was to secure the passage of that great measure, which we believed would be of immense benefit to the country, as it subsequently proved to be. I occupy no different attitude to-day, Mr. President. I desire simply to present the case as it stands in my mind to the country. The decision of the Senate and of the conference on the pending bill will be accepted by me in entire loyalty.

But, Mr. President, this general policy of the United States of leaving hides upon the free list has simply been the policy of all countries with large industrial establishments. Hides are free to-day, of course, in Great Britain and Ireland, which is a free-trade country, but they are also free in Austria-Hun-

gary, in Canada, in Denmark, in France, in Germany, in Italy, in the Netherlands, in Norway, and in Sweden. All those countries are countries with more or less high protection. Germany has a high protective tariff, but they leave hides free. They believe it is of great importance to their industries that they should be free. The countries in which hides are dutiable are Australia, which is an exporting country; Cuba, Greece, Japan, Mexico, Russia, Spain, Switzerland, and Turkey, practically none of them, except Japan and Switzerland, being industrial nations.

The reason for that policy, Mr. President, is that the supply of hides is not sufficient in any of those countries for the consumption. For instance, in England, France, and Germany, there is less than one head of cattle to each three of population. That of itself indicates the necessity of giving every opportunity to secure hides and skins required for the leather industry.

I want to say a word, as I have come to this point, about the extent of the use of leather. Unless they stop to think for a moment, people hardly realize what a necessity of life leather is. We all think first of boots and shoes. Yet leather is not only used to cover our feet, but it also binds our heads and covers our hands. It is used in the harness which we put upon our horses; it is used in saddles, with which we ride; it is not itself money, but it is the usual receptacle for money. We travel with it always; we run our machinery with it; we sit upon it every day in every chair that we occupy in this Senate. It is used throughout the furniture industry; and the books that we take in our hands are bound with it. Then there are the thousand and one articles of luxury and fancy into which it enters.

When the Senator from Montana [Mr. DIXON] spoke of paragraph 449 with a duty of 40 per cent, he referred to those articles like jewelry boxes, portfolios, etc., which do not carry an ounce of dutiable leather and which are very seldom made of hides.

This immense use of leather—and no substitute has ever been found for it—shows that it enters into the life of everybody in the country to a greater or less degree. It is so generally used that we are almost unconscious of its appearance.

Mr. WARREN. Mr. President——

The PRESIDING OFFICER. Does the Senator from Massachusetts yield to the Senator from Wyoming?

Mr. LODGE. I think I would rather proceed, Mr. President.

Mr. WARREN. I will not disturb the Senator.

Mr. LODGE. It seems to me I am making no allegation to cause dispute at this point.

Mr. WARREN. With that challenge, I will say what I was going to say, though I had not desired to interrupt the Senator.

Mr. LODGE. I will yield.

Mr. WARREN. The Senator certainly is not going to maintain that there are no substitutes for leather, which are very largely entering into furniture and all the other uses which he has mentioned, and which are taking the place of leather.

Mr. LODGE. Oh, Mr. President, there are imitation leathers, of course, used in certain articles of that kind. I meant there are no substitutes for it in the great necessities that leather makes. There has no substitute been yet found for it in the making of boots and shoes; and when they put in what is called a "substitute," when they put in leather board, which has a little leather in it, mixed up with pasteboard, they put in what is not leather. There has nothing yet been found to take its place in belting that runs machinery; there is nothing yet found that will take its place securely as harness. I am not saying that other belts can not be used, but nothing can take the place of a leather belt in itself. There are imitations of leather, of course. You can see them in every fancy goods shop, but I am speaking of it as one of the great necessities, and there, I say, no substitute that will fairly take its place can be found.

Mr. President, I want now to call attention to the extent of the industry of boots and shoes and tanneries. I will not go into the question of the smaller industries, the manufacture of harnesses and other articles and which are found in nearly every village of the country. The census report for 1905 is the last that I have been able to obtain. It shows the extent of the boot and shoe industry and the tanning industry in that year as follows:

Extent of industry.

Boots and shoes (Bulletin No. 72).

Number of establishments, 1905	1,316
Capital	$122,536,000
Salaried officials, clerks, etc	8,811
Salaries	$8,706,682
Wage-earners	149,924
Total wages	$69,059,680
Miscellaneous expenses	$19,293,634
Cost of material used	$197,363,495
Value of products	$330,107,458

TANNERIES.

1905.

Number of establishments	1,049
Capital	$242,584,254
Salaried officials, etc	3,251
Salaries	$4,451,902
Wage-earners	57,239
Total wages	$27,049,152
Miscellaneous expenses	$12,498,501
Cost of materials used	$191,179,073
Value of products	$252,620,986

Boots and shoes in 30 States.
Leather tanned, etc., in 32 States.
Both or one in 36 States.

Mr. President, in the tanneries and shoe factories in this country there are employed as wage-earners, to say nothing of those who are receiving salaries, over 200,000 persons. They represent undoubtedly nearly a million people who are supported by their wages. They are an industrious, hard-working, and very intelligent class of labor. I want to say here, coming to the point with which I started, that these boot and shoe factories are in 30 different States; the tanneries are scattered over 32 States; and there are either tanneries or shoe factories or both in 36 States. Therefore, it is as far as possible from being a local industry, confined within narrow bounds. Mr. President, these industries have not grown up by high-tariff protection. The duties on sole leather have ranged from 10 to 20 per cent and 20 per cent on upper leather. Thirty per cent has been the highest duty on boots and shoes. It was fixed at 25 per cent in the present bill on account of a duty on hides being placed there; and 25 per cent is the highest duty in the present law. This is the fifth tariff revision I have seen, and I have never known any effort made by any maker of boots and shoes or by a tanner or a dealer in sole leather in any of these tariff revisions to get the duties advanced or to make any outcry with regard to the subject. The reason is simple. The industry has been built up largely and has achieved success by means of extraordinary inventions in shoe machinery. Some of the most remarkable machines that the wit of man has ever devised are the machines for making shoes. Those machines, and the intelligence of our workingmen, gave us the markets of the world, so far as the duties of other nations would admit us. We surpassed all the world in price; that is, we furnished cheaper and better shoes here in the United States than could be found anywhere else. Now that machinery is going into other countries. The United Shoe Machinery Company is selling its machines all over the world, and it is sending its agents with them. I think it is making them in other countries, too, and it is sending its agents to teach workingmen in other countries to use the machines. So our advantage is disappearing very rapidly. The competition in foreign markets is getting more and more severe for the American shoemaker.

Mr. DIXON. Mr. President——

The PRESIDING OFFICER. Does the Senator from Massachusetts yield to the Senator from Montana?

Mr. LODGE. Certainly.

Mr. DIXON. The Senator from Massachusetts says that we are making shoes cheaper and better than they are made anywhere else in the world.

Mr. LODGE. I believe so.

Mr. DIXON. And this condition has taken place under the small duty of 15 per cent on hides, from which alone sole leather is made.

Mr. LODGE. It was built up by twenty-five years of free hides.

Mr. DIXON. I ask the Senator from Massachusetts if, since the day that the 15 per cent duty was put on heavy cattle hides—which only go into sole leather—if the exports of shoes and boots from the United States have not increased from 1897, when the duty went on, from $1,700,000 to over $11,000,000 last year.

Mr. LODGE. That is perfectly true.

Mr. DIXON. An increase of nearly 800 per cent.

Mr. LODGE. And the exports of sole leather have decreased.

Mr. DIXON. I beg to differ with the Senator from Massachusetts as to the exports of sole leather. The importer paying a 15 per cent duty, and having a rebate to him on the duty, absolutely can go into the market in competition with the world, because the duty he pays on Argentine hides is returned to him when he exports.

Mr. LODGE. Certainly.

Mr. DIXON. Then will the Senator from Massachusetts agree to the proposition that, if we put hides on the free list, we shall also put sole leather and boots and shoes in the same class and we will all vote for it?

Mr. LODGE. Mr. President, I will agree to put boots and shoes and sole leather on the free list if the Senate will vote to put paper on the free list, because wood pulp and pulp wood and logs, which are its raw material, are there, and if they

will also agree to put on the free list all the lumber because they let saw logs in free.

Mr. DIXON. I was addressing my remarks to the boot and shoe and leather schedule.

Mr. LODGE. Why should they be singled out from every other manufactured product?

Mr. DIXON. And why should hides of the western cattleman be singled out from any or every other product?

Mr. LODGE. Why should they let a saw log in free against the man who cuts one in the American forest?

Mr. DIXON. We are not discussing the saw-log schedule.

Mr. LODGE. I am discussing the saw-log schedule.

Mr. DIXON. I am not disagreeing wholly with the Senator from Massachusetts on that; but if we are going into the tariff-reform proposition and we are going to put hides on the free list—and nearly all of them come in now without duty—let us do the same with the products of the boot and shoe and sole-leather man.

Mr. LODGE. Very well. If we are going to adopt the principle that, because the basic raw material is admitted free, then every article of the finished product that comes from it is to be admitted free, I will live up to that principle in the shoe industry as in any other; but if you are going to let a pulp log in free, out of which to make paper, and put a duty on paper, and if you are going to admit a saw log out of which you make lumber free, and put a duty on lumber, then there is no justice in or reason for saying because you admit a hide free you must admit free everything that is made from it.

Mr. DIXON. But we are not exporters of paper, as I understand. Here is a case——

Mr. LODGE. It has been said on this floor a good many times that we are exporters of paper.

Mr. DIXON. Here is a case where we export $11,000,000 worth of shoes, and we make them cheaper than the outside world makes them, with a duty of 15 per cent on the hides out of which the sole leather is made.

Mr. ELKINS. I should like to ask the Senator from Massachusetts a question.

The PRESIDING OFFICER. Does the Senator from Massachusetts yield to the Senator from West Virginia?

Mr. LODGE. Certainly.

Mr. ELKINS. As I understand, we have a shoe store in every city in the world.

Mr. LODGE. Hardly that.

Mr. ELKINS. I understand so; at least in every large city in the world.

Mr. LODGE. Oh, no, Mr. President. I think it is likely we have shoe stores——

Mr. ELKINS. An ex-governor of Massachusetts, Mr. Douglas, has shoe stores all over the world.

Mr. LODGE. I do not think Mr. Douglas sells many shoes abroad. Mr. Keith is the man who sells shoes abroad.

Mr. ELKINS. Well, Douglas and Keith both?

Mr. LODGE. I can tell the Senator where we have got stores and where we have not, if he cares to know.

Mr. ELKINS. I want to ask the Senator, outside of the saw-log proposition, which so bothers him, if we vote to put hides on the free list, will he vote to put shoes on the free list, outside of the log-paper question or anything else?

Mr. LODGE. No; because we do not do it in other cases.

Mr. ELKINS. But the Senator voted in other cases for the highest possible duty on the products of his section. I agreed with him, and I voted every time with him.

Mr. LODGE. I did not. I voted for a great deal lower duties on some products than I should like to have voted for.

Mr. ELKINS. But the Senator from Massachusetts has some reluctance in voting for products——

Mr. LODGE. Mr. President, the House put hides on the free list; it cut down every one of the products of dutiable hides; it cut sole leather down to 5 per cent ad valorem, which is really a merely nominal duty and no protection whatever; and shoes were cut from 25 to 15 per cent.

Mr. ELKINS. Is the Senator willing to have shoes go on the free list?

Mr. LODGE. No; I draw a distinction between articles of the higher grade of manufacture and the lower grade. Every differential in the bill recognizes that principle.

Mr. ELKINS. How would his argument apply to oil and petroleum?

Mr. LODGE. Petroleum?

Mr. ELKINS. Yes.

Mr. LODGE. Does the Senator want me to vote to put all products of petroleum on the free list?

Mr. ELKINS. I did not ask the Senator to do that.

Mr. LODGE. That is the point.

Mr. ELKINS. I said crude petroleum

Mr. LODGE. The crude petroleum?

Mr. ELKINS. Yes; does the Senator want that on the free list for the reason that he wants hides on the free list?

Mr. LODGE. Crude and refined petroleum and its products were all put on the free list by the House. I myself do not believe in putting a duty on oil, but to put all its products on the free list, some 260 in number, was to my mind an absurdity in legislation.

Mr. ELKINS. I want to try to persuade the Senator to vote for a duty on oil. I do not like to see him balk at his own argument. If he will apply it to the products of my State, I will be satisfied, possibly even more than I am satisfied with the Senator's votes in the Senate; and it would be a great deal to say that I could be more satisfied than I am. If he will apply that argument to coal and petroleum, we will go through with this bill very easily.

Mr. LODGE. Does the Senator want me to apply it to coal?

Mr. ELKINS. The Senator has got smelts and eels on the dutiable list.

Mr. LODGE. At a lower rate.

Mr. ELKINS. It does not make any difference——

Mr. LODGE. The Senator is a good judge of eels.

Mr. DIXON. I want to suggest to the Senator from Massachusetts, whom I have always followed in my political allegiance with a great deal of loyalty, if the lesson that he is now teaching the Senate and the American people is this: Take the duty off the raw material made here at home and cut the duty on the manufactured products, but only to the extent that we have taken it from the raw product, and leave the manufactured products in the same relative position behind the bulwark of the tariff that they were before. In good faith and good conscience and with all sincerity, would not this lesson, if accepted, inevitably lead us to the point where we would throw down the protective principle for absolute free trade with the world?

Mr. LODGE. I do not think so for a moment. The tariff bill is full of just such things. We admit gold and silver to this country free. Would the Senator argue from that that the manufactures of gold and the manufactures of silver ought to come in free?

Mr. DIXON. In all fairness, that is not a fair comparison.

Mr. LODGE. It is the same principle.

Mr. DIXON. But the Senator is arguing for free raw material. I think the Senator from Texas [Mr. BAILEY] enunciated a principle the other day that is absolutely unassailable. The minute you say to the producer of the raw material "we will not protect your product but will protect the manufactured product"—when you teach that to the people of this country and write it into the law, that day, I think, strikes the death knell to the protective tariff system in the United States. I know how difficult it is for men, under pressure from home and the various localities that are affected sometimes adversely, not to yield.

All of us have voted for schedules in this bill that in some respects may have been adverse to the communities in which we live. The inconsistencies of which the Senator from Massachusetts speaks are the weaknesses of this tariff bill. The fewer inconsistencies we have the better. We want to be prepared to go to the country and say that we have passed a tariff bill "on the square" that recognizes all sections and all industries.

Mr. LODGE. Mr. President, I do not want in any way to injure the strength of protection, in which I firmly believe, or the strength of the Republican party, and I do not think that the vote of my State at the last election indicated any decline in Republican principles. I think they have stood about as steadily by the Republican party as any State; but, Mr. President, I have recognized in this debate, as I have done in other tariff debates, that we all have our inconsistencies, if you choose to call them so. I do not happen to think that in this particular case there is any inconsistency in my position, for I do not regard the duty on hides as protective to the farmer and cattle breeder. I may have been inconsistent as to some matters in this as in every bill, but I do not think this is such a case. If it is an inconsistency, it seems to me totally unimportant.

Mr. CARTER. Mr. President——

The VICE-PRESIDENT. Does the Senator from Massachusetts yield to the Senator from Montana?

Mr. LODGE. Yes, I yield.

Mr. CARTER. I ask the Senator if he will not concede that the tariff duties provided by the Wilson Act injuriously affected the manufacturing interests of New England?

Mr. LODGE. They injuriously affected the manufacturing interests of the entire country.

Mr. CARTER. I call the attention of the Senator to the fact that no protective tariff bill would have been written on the statute books of this country for the last twenty years had it not been for the votes of the States especially interested in protecting these ranchmen and farmers.

The Senator may as well now and henceforth understand that if everything we produce in the West and on the farms of this country is to be regarded by the manufacturers as a raw material, then the day has dawned when this system must fall. The Senator may as well take into account the fact that the farmer who sells the hide of the steer in open competition in the hide market of the world will no longer continue to pay a duty on the harness he puts on the horse or the shoes he puts on his feet.

Mr. LODGE. I yielded for a question and not for a speech.

Mr. CARTER. I will be glad to make this more clear to the Senator a little later on.

Mr. LODGE. I have no doubt of it. The Senator himself can see that it is only fair to let me complete my argument and not have a whole speech interjected.

Mr. CARTER. I think the Senator might possibly profit——

Mr. LODGE. I always profit by what the Senator from Montana says.

Mr. CARTER. It is well for the Senator to be advised of the condition in the Senate on the subject to which he is now addressing himself. He is a member of the Committee on Finance—a committee followed with a fidelity scarcely matched in parliamentary history on this floor. I want to say that before the voting on this subject is over that which he does not want will go with that which he so earnestly pleads for.

Mr. LODGE. Oh, well, Mr. President, there is no use in indulging in threats. I have the same right that every other Senator has to present what he thinks the proper view. The Senator from North Dakota, who is also a member of the Finance Committee, advocated, and very ably advocated on this floor, free lumber. It seemed to me it would have been needless to use such language to him. The Senator from Maine only the other day, although he was not present, was recorded as being against the committee on the duty affecting carded woolens. We can not select each other in this way and say, "If you advocate what you think right, you are to be read out of the party and your industries are to be ruined." Let us try to decide each question on its merits as it comes up.

Mr. CARTER. That is what I propose to do.

Mr. TILLMAN. Mr. President——

The VICE-PRESIDENT. Does the Senator from Massachusetts yield to the Senator from South Carolina?

Mr. LODGE. Certainly.

Mr. TILLMAN. I just simply want to make an inquiry as to how it is that the cordial agreement which has existed between the Senator from Montana and the Senator from Massachusetts has been broken up? I have watched the votes, and seen the lead of the Senator from Rhode Island with the Senator from Massachusetts close behind, followed always by the Senator from Montana. I thought the understanding was that the hide of the sheep growing wool, which was clipped, leaving the sheep on the ranch, must be protected, and I can not see why the hide of a cow or of a steer, after the steer has been killed and his carcass shipped off somewhere and therefore he is no longer an asset, should differ from the sheep hide; and the Senator from Massachusetts has been so eager to protect the wool off the hide that I do not see why he does not protect the hide off the steer.

Mr. LODGE. You can take the wool off the sheep every year, but you can take the hide off the cattle but once.

Mr. TILLMAN. I know. Therefore the steer's hide is the article that needs the greater degree of protection, because you can only protect it once, while you protect the sheep every year. [Laughter.]

Mr. LODGE. The sheep needs it every year. The hide needs it only once.

What the Senator from Montana has said leads me very naturally to the next point I was about to make and with which I started—this idea that cattle raising is a local industry. There is no greater mistake in the world. Vermont has more cattle than Utah. It has more cattle than Idaho. In New England alone, in that small area, there are over a million and a half of cattle. I include milch cows and other cattle in both cases.

Mr. CARTER. The Senator will discern by consulting the figures and the facts that under the free-hide system the individual in Vermont, being near the market, can get some price, whereas, as has been suggested by the Senator from Montana, the free-hide competition with the Argentine, taken into account in connection with the freight rates, leaves the man in Wyoming or Montana the only alternative of letting the hide bleach on the plains or bury it in the ground.

Mr. LODGE. The man in New England or New York is a great deal nearer the Argentine competition than Wyoming.

Mr. CARTER. He is nearer the tanner. He can sell the hides for something, and the freight rate does not consume the whole.

Mr. LODGE. Tanners are scattered all over this country in thirty-two States.

Mr. CARTER. In our country we have no tanners.

Mr. WARREN. I said I would not interrupt the Senator——

Mr. LODGE. I am delighted to have the Senator interrupt me.

Mr. WARREN. I am interested in his argument, and I think it will not detract from it for me to say that the cattle he speaks of in Vermont and in New England are very largely milch cows. That is right, is it not?

Mr. LODGE. About half and half in Vermont.

Mr. WARREN. The cows are kept for dairy purposes and are only turned into beef, if turned at all, when along in years—12 or 15 years old, perhaps—whereas the steer raised for beef is turned in at 1, 2, and 3 years old. Therefore a State in New England which might exceed a State in the West in the number of its cattle, in the number of dutiable hides would fall very far short.

Mr. LODGE. A milch cow is raised primarily for dairy purposes. The steer sent to Chicago is raised primarily for beef purposes. No cattle in the world have ever been raised for their hides or ever will be. The primary purpose in the one case is the dairy, and in the other it is the beef.

I know there is a difference in the life of the animal, but the hide is just as important to the dairyman as it is to the stock raiser and just as much protected. But no farmer in the East that I ever heard of thought that the duty was of the slightest benefit to him. I did not mention this, however, to dwell on that point. I did it merely to show that this great ownership of cattle is common to the entire country.

Now, there are $40,000,000 worth of cattle in the New England States alone. If this duty is of value to the cattle, I am asking to have it taken off of a product of my own part of the country just as much as off the product of another part of the country. Cattle are in every State.

Mr. CULBERSON. Mr. President——

The VICE-PRESIDENT. Does the Senator from Massachusetts yield to the Senator from Texas?

Mr. LODGE. I do.

Mr. CULBERSON. The Senator from West Virginia [Mr. ELKINS] asked the Senator from Massachusetts if he would vote for free shoes and free hides. I do not know that I caught the answer.

Mr. LODGE. My answer was no, Mr. President.

Mr. CULBERSON. Would the Senator permit me on that subject to read four or five lines from a shoe manufacturer on that subject, which I happen to have preserved?

Mr. LODGE. Certainly. I have no objection.

Mr. CULBERSON. It is addressed to me. I presume all Senators had one of the same kind, but I happened to preserve this one.

THE WOLFE BROTHERS SHOE COMPANY,
Columbus, Ohio, March 29, 1909.

Senator CHARLES A. CULBERSON,
Washington, D. C.

DEAR SIR: As one of the largest manufacturers of shoes in the country, we urge you to lend your influence to place shoes on the free list.

The American shoe manufacturer needs no protection. With free hides and cheap raw material the American shoemaker can shoe the world.

Very respectfully,

THE WOLFE BROS. SHOE CO.,
R. F. WOLFE, *President.*

I would be glad to have the observations of the Senator from Massachusetts with reference to this reciprocal proposition from Ohio.

Mr. LODGE. That letter was produced in the House of Representatives, and it is entirely familiar to me. There are certain——

Mr. DANIEL. If I do not interrupt the Senator from Massachusetts, I should like to lay before him and the Senate for their consideration another declaration made to the same effect by Governor Douglas, one of the leading shoe men of the country. I refer to William L. Douglas, late governor of Massachusetts. Here is what he says on this subject:

All we ask is a fair field, and no favor either in our own or in foreign markets. Take away the duties that prevent us from obtaining leather at the same prices paid by our foreign competitors and we will not only hold our own market, with or without a duty on shoes, but we will invade foreign markets on an extensive scale. In doing so we will provide additional work and good wages for our boot and shoe workers.

That is from Governor Douglas.

Mr. LODGE. Yes, I have the letter here. I think Governor Douglas altered his views a little on that point subsequently, but the fact is that there are certain grades of shoes which require no protective duty at all. There are other grades of shoes which are exposed to competition, and they are not the shoes affected by the dutiable hides. They are the finer grades, chiefly women's and children's shoes. That branch of the manufacture—and it occurs in certain towns in my State—has taken no

interest in the free-hide agitation. They prefer to let the duty remain on everything. But from my point of view it is necessary to look at what is the general interest of the entire industry, and it seems to me and has seemed all along that the interests of the industry would be in free hides and much lower duties than are now imposed by the Dingley law.

Mr. DANIEL. Will the Senator permit me again for just a moment?

Mr. LODGE. Certainly.

Mr. DANIEL. I have received a bushel or more of mail on this matter, and I have read everything that came; and I notice it is a very frequent expression of the manufacturers that if you will remove the hide-tax impediment, which is a very remote and very small interest of the farmers, they are ready and anxious to make their assault on the world's markets. They are at such a degree of perfection and readiness to work that, if you will not impede them in that work, they can hold themselves in advance of the world on the subject of shoes.

Now my question is this: The Senator is more familiar with the status of affairs than I am. I should like to ask him what reduction in the finished product he is willing to favor? I expect to vote for free hides, because I think it is a great step in the right direction, but I should like also to go as much farther as is possible.

Mr. LODGE. I think the reductions made by the House were sufficient.

Mr. President, the Senator from Montana alluded to the western agricultural interests as possibly not being taken care of. It seems to me we have done pretty well always for the agricultural interests. I have voted repeatedly, and have done so gladly, for all the duties. I want to call attention to the duties, not to find fault with them in the least, but simply to show that when they are massed together the farmer and the stock raiser and the agriculturist are not neglected. I take the average ad valorem—which I have had calculated by the expert of the Finance Committee—on agricultural products. Take raw sugar. The protection is based on the beet. It is the interest of the agriculturist, of the farmer, which leads us to protect the sugar interests. The average duty on raw sugar is 64.75 per cent; on wool, not manufactured, 40.39; on tobacco the average duty is 86.58; on fruits the average duty is 41.81; on wines, 70.17; on maple sugar, 49.65; on glucose or grape sugar, 55.39; on live animals, 20.86; on breadstuffs and farinaceous substances, 33.42; on dairy products, 35.15; on farm and field products, 34.73; on meat products and vinegar, 19.32. The average of all the duties is 46.01 per cent, which is just about the average of the entire tariff.

In this particular bill there have not been many increases. Very few of the increases have occurred in the industrial schedules. But I have here a table of increases in the agricultural schedule, and I find that live animals have been increased 25 per cent; buckwheat flour, 25 per cent; oats, 33.33 per cent; rice, cleaned, 33.33 per cent; rye, 100 per cent; wheat, 20 per cent; hops, 25 per cent; split pease, 12.50 per cent; plants, etc., 9.83 per cent; figs, 25 per cent; dates, 100 per cent; olives in other coverings, 33.33 per cent; grapes, 25 per cent; lemons, 50 per cent; and decreases have been made on corn meal, pease, green, in bulk, etc., seeds, celery, tallow, and starch, all other than potato. I will ask that these tables be printed in the RECORD.

The VICE-PRESIDENT. Without objection, the tables referred to will be printed in the RECORD.

The tables are as follows.

Average ad valorem on agricultural products.

Raw sugar	64.75
Wool, not manufactured	40.39
Tobacco, manufactured	86.58
Fruits	41.81
Wines	70.17
Maple sugar	49.65
Glucose or grape sugar	55.39
Live animals	20.86
Breadstuffs and farinaceous substances	33.42
Dairy products	35.15
Farm and field products	34.73
Meat products and vinegar	19.32
Average of these duties	46.01

Treatment of agricultural duties in this bill.

INCREASES.

Paragraph.	Article.	Increase.
		Per cent.
226	Live animals	25
230	Buckwheat flour	25
234	Oats	33.33
236	Rice (cleaned)	33.33
237	Rye	100
238	Wheat	20
256	Hops	25
258	Split peas	12.50

Treatment of agricultural duties in this bill—Continued.

Paragraph.	Article.	Increase.
		Per cent.
260	Plants, etc	9.83
271	Figs	25
271	Dates	100
271	Olives in other coverings	33.33
272	Grapes	25
273	Lemons	50

DECREASES—SCHEDULE G—AGRICULTURAL PRODUCTS AND PROVISIONS.

Paragraph of Senate bill.	Article.	Rates of duty—		Per-centage of reduction.
		Present law.	Senate bill.	
				Per cent.
232	Corn meal	20 cents per bushel of 48 pounds.	40 cents per 100 pounds.	4.00
258	Pease, green, in bulk, etc.	40 cents per bushel	25 cents per bushel.	37.50
262	Seeds, celery	30 per cent	10 cents per pound.	51.07
286	Tallow	¾ cent per pound	½ cent per pound.	33.33
292	Starch, all other than potato.	1½ cents per pound	1 cent per pound.	33.33

Mr. LODGE. I do not cite those duties for any other purpose than to show that there is certainly no intention or disposition on the part of myself or anybody else who thinks as I do about the question of hides to treat unfairly the great agricultural interest.

Mr. CARTER. Mr. President——

The VICE-PRESIDENT. Does the Senator from Massachusetts yield to the Senator from Montana?

Mr. LODGE. Yes.

Mr. CARTER. I think it well to state at this point that the great staples referred to are generally produced in this country in excess of home necessities and constitute our bulk of exports. That is true of wheat and meat products, and undoubtedly of corn. The duty on corn is as ridiculous as would be a duty on cotton.

Mr. LODGE. What has seemed to me the most vital point in this question has been the relation between the prices of hides and cattle, and I think that is the essential part of it. If the duty is not a benefit to the farmer and the stock grower, I doubt if anyone will think it necessary to keep it on for the benefit of the packers or for the benefit of the other trusts which may be in the business. It rests, as it must rest, on the question whether it is of benefit to that great element of the American people on whom in the main the entire prosperity of the country depends.

I have tried to study this question as well as I could. I have compared the population and the number of cattle, to see whether the cattle kept pace with the demand, and I find that, in proportion to the population, there is no substantial increase. There is still less than one head of cattle to one person in the United States. That means that we must import a certain amount of leather for our own consumption. Of course, they take very good care that all the sole leather they export shall be made from imported hides, because they get a drawback, and that the shoes they export shall be as far as possible from imported hides. Unfortunately, the shoes which they export carry only a very small amount of dutiable hides, but there remains a great mass of foreign hides which are needed in our own consumption. The world supply of hides and skins of all kinds is getting short in comparison with the consumption, just as the supply of what might be called the edible animals is becoming short. It is not increasing as fast as the demand.

Mr. McCUMBER. Mr. President——

The VICE-PRESIDENT. Does the Senator from Massachusetts yield to the Senator from North Dakota?

Mr. LODGE. Certainly.

Mr. McCUMBER. Can the Senator tell us why we are not producing a sufficient number of hides to supply the entire American demand?

Mr. LODGE. I can not tell the Senator why. I can only tell him that that is the fact and always has been the fact.

Mr. McCUMBER. Will the Senator allow me then to tell him why? We have the field, we have the plains upon which to raise this stock. If you give us the protection that we ought to have, as much protection as you get for your manufactured products, if you will give us the protection that will keep out the Argentine hides, in ten years—because it takes some time to build up the hide industry, in raising the stock—we will produce all the hides you need in the United States. The reason we do not produce them is because it does not pay to produce them, as we are importing one-fourth of the number to-day, and the little 15 per cent duty does not keep them out; and even of those that we are importing, a great proportion goes out again in

exporting shoes and so forth without paying duty. That is why we do not furnish all the hides we need.

Mr. LODGE. I do not believe any possible duty that could be put on could induce the raising of cattle simply for their hides. The demand for beef is very great and the price is high, to the consumer at least, and yet there is no increase as there ought to be to meet the needs. The edible animals of the world are falling short of the demand. The demand is outrunning the supply.

Now, Mr. President, I tried next to get at the average prices. I took them by decades, beginning in 1867 and running to 1872. I took that period of five years first in order to cover the time when there was a duty on hides, and then by decades.

I found that the average price in those forty years of all cattle was $21.96; for milch cows, $26.36; and for other cattle in the forty years, $17.57. The highest average of any decade was between 1883 and 1892, when the average price of "other cattle" was $18.90 and there was no duty. The next highest was between 1898 and 1908, $18.80, when there was a duty. It does not seem to me that those figures indicate any great effect of the duty upon the price of cattle.

Mr. WARREN. Will the Senator allow me there?

Mr. LODGE. Certainly.

Mr. WARREN. About 1895 or 1896 the value was $14 and a little over.

Mr. LODGE. From 1893 to 1897, which I put separately, as I thought it was the worst period, it was $15.

Mr. WARREN. The Senator will find, if he takes one year more, it was $14 plus.

Mr. LODGE. I have no doubt of it. We had free hides then unquestionably, and we had free hides between 1883 and 1892, when the average price was $18.90.

Mr. WARREN. We did not have the proportion of cattle then to the population that we have to-day.

Mr. SCOTT. Will the Senator yield to me for a moment?

Mr. LODGE. Certainly.

Mr. SCOTT. I really feel sorry for the Senator from Massachusetts in attempting to make a free trade speech when we know he is a good protectionist. I think we ought all to sympathize with him.

Mr. LODGE. The Senator need not worry over it. I am not making a free-trade speech, although he can not understand that fact. I am not in the least disturbed at anything of that sort. If the Senator had been here earlier he would have heard what I had to say about inconsistencies.

Mr. SCOTT. I heard the Senator.

Mr. LODGE. When I was interrupted I was considering the point which the Senator from Wyoming made. The number of cattle in 1890 was 52,000,000; population was 62,000,000. I take census years for the comparison. There were 10,000,000 less cattle than people.

Mr. WARREN. Perhaps the Senator will tell us, then, what we had in 1895.

Mr. LODGE. We had in 1897 46,000,000 cattle and in 1900 43,000,000.

Mr. WARREN. If the Senator will take it from that time on, he will find that the proportion is larger to-day per capita than it was then.

Mr. LODGE. The proportion to-day is 71,000,000.

Mr. WARREN. I will say that the number reported by the Boot and Shoe Recorder shows 73,000,000.

Mr. LODGE. I have taken the figures of the Agricultural Department, and they show a decline of 2,000,000.

Mr. WARREN. I thought the Senator wanted the benefit of the boot and shoe authority here, and they make it 73,000,000.

Mr. LODGE. No, I prefer the figures of the Agricultural Department, which make it less.

Mr. President, I have been unable to detect in those figures that the duty had any effect. Perhaps the Senator from North Dakota is correct, and the duty is too small, but we are discussing the duty reported by the committee, and it seems to me to be totally ineffective in raising the price of cattle.

I examined very carefully the price list to see if the price of cattle and the price of hides moved together. That seems to me to be a very important point. I have here comparisons of top prices running over a series of years from 1896 to 1905, which I will ask to have printed. I will not trouble the Senate with reading them.

The VICE-PRESIDENT. Without objection, the matter will be printed.

The matter referred to is as follows:

Boot and Shoe Recorder, May 12, 1909.

	Price of native steers on hoof per 100 pounds.	Percentage advance since April, 1897.	Price of heavy native hides per pound.	Percentage advance since April, 1897.	Price received by cattle growers for 50-pound hides.	Price received by beef packers for same hide.	Beef packers' gross profit on hide.	Beef packers' percentage of profit on hide.
1897:		*Per cent.*		*Per cent.*				*Per cent.*
April 3	$5.40		$0.09		$2.70	$4.50	$1.80	66⅔
July 3	5.15	D 5	.09		2.58	4.50	1.92	74
October 2	5.50	A 2	.10½	16	2.75	5.25	2.00	91
1898:								
January 1	5.40		.11	22	2.70	5.50	2.80	103
April 2	5.50	2	.11½	25	2.75	5.62	2.87	104
July 2	5.35	D 1	.12⅜	39	2.68	6.25	3.57	133
October 1	5.85	A 8	.11⅞	32	2.93	5.90	2.97	101
1899:								
January 7	5.95	10	.11½	28	2.98	5.75	2.77	93
April 1	5.80	7½	.11⅜	30	2.90	5.88	2.98	104
July 1	5.75	8	.12	33	2.89	6.00	3.11	107
October 7	7.00	28	.13½	47	3.50	6.62	3.12	89
1900:								
January 6	7.25	34	.13⅜	53	3.63	6.87	3.24	90
April 7	5.80	7½	.13⅛	46	2.90	6.56	3.66	126
July 7	5.70	5½	.11	22	2.85	5.50	2.65	93
October 6	6.00	11	.11½	25	3.00	5.62	2.62	87
1901:								
January 5	5.50	2	.12	33	2.75	6.00	3.25	118
April 6	6.25	16	.10⅜	16	3.13	5.25	2.12	68
July 6	6.40	19	.12⅜	42	3.20	6.38	3.18	99
October 5	6.85	27	.13	44	3.43	6.50	3.07	89
1902:								
January 4	7.75	44	.14	55	3.88	7.00	3.12	80
April 5	7.50	39	.12½	36	3.75	6.12	2.37	90
July 5	8.50	57	.13	44	4.25	6.50	2.25	53
October 4	8.30	43	.14½	58	4.15	7.12	2.97	71
1903:								
January 3	6.65	23	.13½	47	3.33	6.62	3.29	99
April 4	5.60	4	.11½	25	2.80	5.62	2.82	101
July 4	5.60	4	.12	33	2.80	6.00	3.20	114
October 3	6.00	11	.12	33	3.00	6.00	3.00	100
1904:								
January 2	6.65	23	.11½	25	3.33	5.62	2.29	69
April 2	5.80	7½	.10½	19	2.90	5.33	2.65	91
July 2	6.65	23	.11½	25	3.33	5.62	2.29	69
October 1	6.55	21	.10½	19	3.78	5.33	1.55	41
1905:								
January 7	6.00	11	.13⅜	53	3.00	6.82	3.82	127
April 1	6.35	18	.13½	50	3.18	6.75	3.57	112
August 5	5.90	10	.15½	72	2.95	7.75	4.80	163
September 23	6.40	19	.15½	72	3.20	7.75	4.55	142
General average		15½		36				96
April 6, 1906	6.00	11	.14½	66	3.00	7.37	4.37	146
April 6, 1907	6.80	26	.15	67	3.40	7.50	4.10	121
April 4, 1908	7.00	30	.10½	14	3.50	5.13	1.63	45
April 3, 1909	7.00	30	.14½	58	3.50	7.13	3.63	104

The above prices of cattle are taken from monthly summaries of United States Department of Commerce and Labor, for the specific dates mentioned. The prices of hides are taken from a table of "Comparative prices of leather and hides for ten years," published in the Shoe and Leather Reporter of August 10, 1905, and later numbers. The prices of both beef cattle and hides for the years of 1906, 1907, 1908, and 1909 are taken from market reports of Chicago papers.

Receipts and prices of cattle and hides at Chicago.

Fifty-two weeks of 1896.	Cattle at the stock yards.		Top price per 100 pounds for cattle on the hoof for each week.			Packers' native steers.	Packers' Texas steers.	Packers' Colorado steers.	Packers' heavy butt-branded steers.	Packers' heavy native cows.	Packers' light native cows.	Packers' branded cows.	No. 1 country buffs.	No. 1 country extreme light hides.	No. 1 country calf-skins.
	Receipts.	Slaughter.	Native steers.	Texas steers.	Cows and heifers.										
	No.	*No.*	*Dollars.*	*Dollars.*	*Dollars.*	*Cents.*	*Cents.*	*Cents.*	*Cents.*	*Cents.*	*Cents.*	*Cents.*	*Cents.*	*Cents.*	*Cents.*
January 1 to 4	22,062	8,287	4.75	3.75	3.75	8½	7½	6½	7½	7½	7½	6½	7½	8	9½
Week ending January 11	56,769	40,537	5.00	4.30	4.00	8½	7½	6½	7½	7½	8	6½	7	7½	9
Week ending January 18	62,025	44,617	4.85	4.25	3.75	8½	7½	6½	7	7½	8	6½	7	7½	9
Week ending January 25	50,036	33,923	4.80	4.13	4.10	8½	7	6½	7	7½	7½	6½	6½	7	9
Week ending February 1	47,675	22,272	4.70	3.85	4.00	8	7	6	7	7½	7½	6	6½	6½	9
Week ending February 8	39,475	23,387	4.75	4.00	4.00	8½	7	6½	7	7½	7½	6½	6½	7	8½
Week ending February 15	50,532	30,832	4.65	3.95	3.85	8½	6½	6½	7	7½	8	6½	7	7½	8½
Week ending February 22	56,778	37,340	4.60	3.90	3.85	8½	6½	6½	7	8	8	6½	6½	7	8½
Week ending February 29	44,908	28,365	4.65	3.75	3.80	8½	6½	6	7	8	8	6½	6½	7	8½
Week ending March 7	44,116	26,802	4.75	4.10	3.80	7½	6½	5½	6½	7½	7½	6½	6½	6½	8
Week ending March 14	43,413	28,215	4.70	4.15	3.85	7½	6½	5½	6½	7	7½	6½	6½	6½	8
Week ending March 21	55,565	37,250	4.70	4.40	3.85	7	6	5½	6	6½	6½	6	6	6½	8
Week ending March 28	46,143	26,933	4.50	4.00	3.85	6½	6	5½	5½	6½	6½	6	6	6½	8
Week ending April 4	28,883	18,307	4.50	3.95	3.95	6½	6	5½	5½	6½	6½	6	6	6½	7½
Week ending April 11	43,006	27,741	4.75	4.00	3.80	6½	6	5½	5½	6½	6½	6	6	6½	7½
Week ending April 18	44,536	28,811	4.75	4.10	3.95	6½	6	5½	6	6½	6½	6	6	6½	7½
Week ending April 25	50,309	32,643	4.20	3.80	4.00	6½	6½	5½	6	6½	6½	6	5½	6½	7½
Week ending May 2	39,913	19,892	4.25	3.55	3.90	7	6½	5½	6½	6½	6½	6½	5½	6½	7½
Week ending May 9	56,202	38,702	4.55	4.10	4.10	7½	6½	5½	6½	6½	6½	6½	5½	6½	8
Week ending May 16	43,310	30,573	4.40	4.15	3.90	8	8	6½	7	7	7	6½	6½	7	8½
Week ending May 23	47,492	31,827	4.30	3.90	4.10	8½	8½	7	7½	7½	7½	7	6½	7½	8½
Week ending May 30	52,803	41,381	4.40	4.25	4.25	8½	8½	7	8	7½	7½	7	6½	7½	9
Week ending June 6	47,428	33,683	4.50	3.85	4.00	8½	8½	7	8	7½	7½	7	6½	7½	8½
Week ending June 13	44,296	31,951	4.45	3.85	4.00	8½	8½	7	8	7½	7½	7½	6½	7½	8½
Week ending June 20	48,963	36,782	4.50	3.75	4.00	8½	8½	7½	8	7	7½	7½	6½	7	8½
Week ending June 27	48,947	34,365	4.55	4.08	4.10	8½	8½	7½	8½	7½	7½	7½	6½	7½	8½
Week ending July 4	48,719	32,884	4.65	4.10	4.10	8½	8½	7½	8½	7½	7½	7½	6½	7½	8½
Week ending July 11	43,915	31,659	4.50	3.75	4.35	9	8½	7½	8½	7½	7½	7½	6½	7½	8½
Week ending July 18	51,994	37,247	4.55	3.50	4.00	8½	8½	7½	8½	7½	7½	7½	6½	7½	8½
Week ending July 25	53,442	39,131	4.45	3.50	3.90	8	8	7	7½	7	7	7	6½	7½	8½
Week ending August 1	46,542	31,827	4.60	3.15	4.25	7	7	6	6½	7	7	6	6½	7	9
Week ending August 8	51,411	35,338	4.65	3.25	4.15	7	7	5½	6½	7	6½	5½	5½	7	9
Week ending August 15	52,339	36,671	4.75	3.15	4.25	6½	6½	5½	6	6½	6½	5½	5½	7	9
Week ending August 22	57,469	40,966	4.85	3.60	3.90	6½	6½	5½	5½	6	6	5	5½	6½	8½
Week ending August 29	56,002	39,065	4.90	3.50	4.25	7½	6½	5½	6	6½	6½	5½	5½	6½	7½
Week ending September 5	63,079	42,902	5.00	3.25	3.60	8½	6½	6½	7	7½	7½	6½	6½	7½	7
Week ending September 12	59,233	40,040	5.30	3.00	3.85	8½	7½	6½	7½	7½	7½	6½	7	7½	8
Week ending September 19	61,000	40,357	5.10	3.00	3.25	8½	7½	6½	7½	8	8	6½	7	7½	8½
Week ending September 26	44,980	28,991	5.10	3.00	3.50	8½	7	6½	7½	8	8	6½	7½	8	9½
Week ending October 3	57,683	41,282	5.10	3.30	4.05	9	7½	6½	7½	8½	8½	7	7½	8	9½
Week ending October 10	55,833	38,413	5.15	3.10	3.70	9	8	7	8	8½	8½	7	8	8½	10
Week ending October 17	57,883	39,919	5.25	3.15	4.25	9½	8½	7½	8	9	9	7½	8	8½	10½
Week ending October 24	55,608	39,350	5.15	4.10	3.35	9½	8½	7½	8½	9	8½	7½	8	8½	9½
Week ending October 31	40,714	23,848	5.15	3.50	3.30	10½	9½	8½	9½	10	10	8½	9½	9½	10½
Week ending November 7	36,857	27,440	5.25	3.95	3.85	10½	8½	8	8½	9½	9½	8	8½	9½	11
Week ending November 14	53,876	40,576	5.35	4.50	3.85	10½	9	8	7	9½	9½	8	9	9½	10½
Week ending November 21	62,061	43,859	5.10	4.25	3.85	10½	8½	8	8½	9½	9½	8	9	9½	11½
Week ending November 28	42,390	28,936	5.35	4.25	3.90	9½	8½	7½	9	8½	8½	7½	8½	8½	11
Week ending December 5	54,950	38,637	5.60	4.40	3.75	9½	8½	7½	8½	8½	8½	7½	8	8½	10½
Week ending December 12	55,950	40,187	5.90	4.25	3.70	9	8	7	8	8½	8½	7½	7½	8	10½
Week ending December 19	42,156	26,774	5.85	4.95	4.15	9	8	7	7½	8½	8½	7½	7½	8½	10½
Week ending December 26	35,432	23,311	5.50	4.25	4.00	9½	8½	7½	8½	9	9	8	8	8½	10½
December 26 to December 31, 1896	41,354	27,622	5.35	4.15	3.80	9½	8½	7½	8½	9	9½	8	8½	8½	10½
Total 1896	2,600,746	1,782,420													
Total 1895	2,588,558	1,803,466													

Saturday.	Cattle at the Chicago stock yards during week.		Top price per 100 pounds for cattle on the hoof for each week.			Hides.							
	Receipts.	Slaughter.	Native steers.	Texas steers.	Cows.	No. 1 packers' native steers.	No. 1 packers' Texas steers.	No. 1 packers' Colorado steers.	No. 1 packers' heavy butt-branded steers.	No. 1 packers' heavy native cows.	No. 1 packers' light native cows.	No. 1 packers' branded cows.	No. 1 country buffs.
1897.	*No.*	*No.*	*Dolls.*	*Dolle.*	*Dolls.*	*Cents.*	*Cents.*	*Cents.*	*Cents.*	*Cents.*	*Cents.*	*Cents.*	*Cents.*
January 5	61,005	37,953	7.20	5.75	5.75	16½	15½	14½	14½	15½	15½	14½	13
January 12	71,475	44,604	7.15	5.75	5.25	16½	15½	14½	14½	15½	15	14½	13
January 19	77,266	47,841	7.30	5.75	5.85	16½	15½	14½	14½	15	15	14½	13
January 26	73,163	41,802	6.90	5.75	5.50	16½	15½	14½	14½	15½	15	14½	12½
February 2	59,989	31,498	6.90	5.75	5.00	16½	15½	14½	14½	15½	15	14½	13
February 9	68,207	41,275	7.25	5.75	5.40	16½	15½	14½	14½	15½	14½	14½	13
February 16	61,491	32,744	6.90	5.75	5.25	16½	15½	14½	14½	15	14½	14½	13
February 23	61,826	32,708	6.75	5.60	5.10	15½	15½	14½	14½	14½	14½	14½	13
March 2	57,528	30,033	6.85	5.60	5.35	15½	15½	14½	14½	14½	14½	14½	12½
March 9	56,068	30,833	6.85	5.60	5.60	15½	15½	14½	14½	14½	14	14½	12½
March 16	64,855	34,180	6.75	5.50	5.50	15½	15½	14½	14½	14½	14	14½	12½
March 23	61,756	32,665	6.90	5.50	5.35	15	15½	14	14	13½	13½	14	11½
March 30	46,088	23,134	6.60	5.50	5.40	14½	15½	14	13½	13½	13½	14½	11½
April 6	52,708	27,948	6.60	5.50	5.40	14½	15½	13½	13½	14½	13½	14½	11½
April 13	56,569	31,196	6.75	5.50	5.75	14½	15	14	14	13½	13	14	11
April 20	68,020	38,673	6.70	5.50	5.50	14½	15	14	13½	13½	12½	14	10½
April 27	72,847	44,942	6.60	5.50	5.40	14½	15	13½	13½	13	12	13½	10½
May 4	58,339	31,978	6.25	5.40	5.35	14½	15	14	13½	13½	13	13½	10½
May 11	53,392	27,850	6.50	5.40	5.60	14½	15	14	13½	13½	13½	13½	11
May 18	60,316	34,782	6.50	5.40	5.60	15	15½	14	14	14	14	13½	12½
May 25	60,580	32,924	6.40	5.40	5.30	15	15½	14	14	14	14	13½	11
June 1	49,267	26,014	6.50	6.15	5.50	15	15½	14	14	13½	13½	13½	11
June 8	64,716	35,424	6.75	6.25	5.75	15	15½	14	14	13½	13½	13½	10½
June 15	69,028	39,793	6.90	6.25	5.30	15	15½	14	14	13½	13½	13½	10½
June 22	58,892	28,394	7.00	6.25	5.60	15	15½	14	14	13½	13½	13½	10½

Receipts and prices of cattle and hides at Chicago—Continued.

Saturday.	Cattle at the Chicago stock yards during week.		Top price per 100 pounds for cattle on the hoof for each week.			Hides.							
	Receipts.	Slaughter.	Native steers.	Texas steers.	Cows.	No. 1 packers' native steers.	No. 1 packers' Texas steers.	No. 1 packers' Colorado steers.	No. 1 packers' heavy butt-branded steers.	No. 1 packers' heavy native cows.	No. 1 packers' light native cows.	No. 1 packers' branded cows.	No. 1 country buffs.
	No.	*No.*	*Dolls.*	*Dolls.*	*Dolls.*	*Cents.*	*Cents.*	*Cents.*	*Cents.*	*Cents.*	*Cents.*	*Cents.*	*Cents.*
June 29	47,366	27,211	7.10	5.80	5.60	15	15	13¾	13¾	13¾	13¾	13	10
July 6	40,142	21,837	7.25	5.75	5.90	15	15	13¾	13¾	13¾	13½	13	11¼
July 13	67,631	33,199	7.30	5.80	6.15	14½	15	13¼	13⅜	13¾	13	12¾	11
July 20	67,686	43,414	7.35	5.75	6.00	14¾	15	13½	13⅜	13¾	13	12¾	11
July 27	57,138	34,869	7.35	5.15	6.00	14¾	14¾	13	13½	13¾	13	12½	11
August 3	45,928	26,715	7.50	6.50	6.25	14½	14½	13	13½	13¾	12½	11¾	11
August 10	54,437	34,986	7.60	6.75	6.25	14	14½	12½	13	13	12½	12	10
August 17	64,417	40,255	7.45	6.25	5.65	14	14	12	12½	12½	12	11	10¾
August 24	54,424	31,067	7.35	5.80	5.00	14	13¾	11½	12	12½	12	10½	10½
August 31	56,516	32,764	7.35	6.00	5.25	14	13	11	12	12½	12	10	10½
September 7	70,280	39,934	7.25	6.00	5.40	14	13	11	12	12½	11¾	10	10½
September 14	78,895	42,845	7.35	5.75	6.00	14	12¾	10¾	11¾	12½	11¾	9½	10½
September 21	79,691	46,537	7.15	6.60	5.75	14½	12¾	11	12	12½	12	9½	10½
September 28	64,251	33,886	7.25	6.20	5.50	14½	13	11	12	12½	12	9½	10½
October 5	76,769	43,080	7.30	6.20	5.30	14¾	13	11	12	12½	12	9¾	10½
October 12	87,950	49,746	7.35	6.20	5.40	14¾	13½	11¼	12½	12¾	12½	9¾	10½
October 19	90,486	49,909	7.45	6.20	5.00	14¾	13½	11	12½	12¾	12½	9¾	10½
October 26	93,110	53,100	7.35	4.60	4.00	14¾	13	11	12	12½	12	9¾	10½
November 2	58,208	27,879	7.00	5.45	4.75	14½	13	11	12	12½	12	9½	9¾
November 9	51,448	30,337	7.25	5.35	5.00	14	12¾	10¾	11½	12	11½	9	9½
November 16	74,489	41,951	6.70	5.40	5.50	13½	12½	10½	11½	10¾	10½	8½	8½
November 23	67,652	38,712	6.65	5.50	4.60	12½	12½	9¾	10½	10½	10	8	8
November 30	72,178	38,695	6.50	5.15	5.25	12	11½	9½	10	10	9½	7½	7
December 7	66,224	31,016	6.35	5.75	5.25	11½	11	9½	9¾	10	9	7½	7
December 14	83,534	47,049	6.35	5.25	5.60	12	11½	9½	9¾	9¾	9	8	7½
December 21	58,795	28,310	6.15	5.70	5.00	11¾	11½	9¾	9¾	9½	9	7¾	7½
December 28	46,061	22,935	6.30	5.80	4.75	11¾	11	9¾	9¾	9	8¾	7¾	7½

Comparisons of cattle, hide, and leather prices.

Year.	Top prices native steers on hoof, Chicago, per 100 pounds.	Heavy native steer hides, Chicago, per pound.	Sole leather union No. 1 mid. per pound.
1896:			
January		$0.08	$0.27
April		.06½	.26
July		.08¾	.26
October		.08	.25
1897:			
January		.08½	.30
April 3	$5.40	.09	.29
July 3	5.15	.09	.26
October 2	5.50	.10½	.30
1898:			
January 1	5.40	.11	.30
April 2	5.50	.11½	.29
July 2	5.35	.12½	.29
October 1	5.85	.11¾	.29
1899:			
January 7	5.95	.11½	.28
April 1	5.80	.11¾	.32
July 1	5.75	.12	.33
October 7	7.00	.13½	.36
1900:			
January 6	7.25	.13¾	.36
April 7	5.80	13½	.35
July 7	5.70	.11	.33
October 6	6.00	.11½	.30
1901:			
January 5	5.50	.12	.32
April 6	6.25	.10½	.33
July 6	6.40	.12½	.32
October 5	6.85	.13	.34
1902:			
January 4	7.75	.14	.35
April 5	7.50	.12½	.34
July 5	8.50	.13	.35
October 4	8.30	.14½	.35
1903:			
January 3	6.65	.13½	.35
April 4	5.60	.11½	.34
July 4	5.60	.12	.34
October 3	6.00	.12	.33
1904:			
January 2	6.65	.11½	.32
April 2	5.80	.10½	.32
July 2	6.65	.11½	.31
October 1	6.55	.10½	.32
1905:			
January 7	6.00	.13½	.35
April 1	6.35	.13½	.35
July 1	6.20		
August 5	5.90	.15½	.36
September 23	6.40		
November 1		.15½	.36

The above prices of cattle are taken from monthly summaries of United States Department of Commerce and Labor, and are taken for the specific dates mentioned. The prices of leather and hides are taken from a table of "Comparative prices of leather and hides for ten years," published in the Shoe and Leather Reporter, of August 10, 1905, and late numbers.

Mr. WARREN. Will the Senator permit me, right there?

Mr. LODGE. Certainly.

Mr. WARREN. I think the only argument upon which free hides can be based is that they do not always go up and down with the price of meat. I will ask the Senator what about mutton and wool, whether they go up and down together or not? What about ores containing silver and lead? Do they go up and down together or not? May not one be higher and the other lower, and yet may not the combined value of the two be what is of benefit to the producer?

Mr. LODGE. The argument is that the farmer gets the benefit of the duty on the hides.

Mr. WARREN. Absolutely.

Mr. LODGE. If that is the case, when hides go up, as a general rule, cattle will go up too; and when hides go down, cattle should go down. Otherwise the farmer, in selling his cattle to the packer in Chicago, is not getting the benefit of the duty.

Mr. WARREN. The Senator will not insist upon that. The percentage, we will say, of the hides as a whole is 10 per cent. That 10 per cent you may double, and even then the price of beef might be lower. But the point is, the farmer gets the benefit of the combined price of both, just as he does of wool and mutton, and it makes his business profitable or unprofitable as to the total return he gets from beef cattle when their price goes up and down.

Mr. LODGE. That may be true, but even an advance of 10 per cent on the value ought to show some advantage to the farmer.

Mr. BEVERIDGE. Will the Senator from Massachusetts permit me to ask the Senator from Wyoming a question?

Mr. LODGE. Certainly.

Mr. BEVERIDGE. I wish to ask the Senator from Wyoming this question: I understand him to be for a duty on hides?

Mr. WARREN. I am.

Mr. BEVERIDGE. Because he thinks that that makes a better price to the farmer for hides?

Mr. WARREN. There is no question about it.

Mr. BEVERIDGE. If that is true, it can only be true upon the theory that the duty is added to the consumer. If that is the case I advise the Senator from Rhode Island to take the Senator from Wyoming in charge upon that proposition.

Mr. WARREN. The Senator will not be so hasty. It will not be to the ultimate consumer; and the Senator knows without asking me that question that it does not raise the price of boots and shoes.

Mr. BEVERIDGE. Does it add the price to the farmer?

Mr. WARREN. It does.

Mr. BEVERIDGE. The farmer, then, gets that much more?

Mr. WARREN. He does; and it is absorbed between the time he produces it and the time it is placed on the market by

the retailer, and somebody, therefore, gets anywhere from 1 to 3 cents more on a pair of shoes if the duty on hides is removed.

Mr. BEVERIDGE. Who gets that 1 to 3 cents?

Mr. WARREN. It goes into the pockets of the tanners and manufacturers.

Mr. BEVERIDGE. I thought the position of the Senator, as a very earnest protectionist—and I am, too—is that the duty is never under any circumstances added to the price. Admitting that of course it is added to the price, it is a case worthy of the serious attention of both the Senator from Wyoming and the Senator from Rhode Island.

Mr. WARREN. The protective-tariff policy is upon the theory that it will protect and raise the price oftentimes to the producer, and the best part of it is that generally it does not raise the price to the ultimate consumer. There is not in all the history of the protective tariff so plain a case as this one is. The tariff upon hides has never cost the consumer of shoes or leather a penny, and yet it has added to the farmer sufficient to enable him to raise the price of hides. He formerly could get nothing for them in some of the remote sections of the country. It increases his profit and greatly enlarges the number of cattle to keep up with the growth of population here. As I said, whatever that difference is it is absorbed in between. If the Senator thinks the shoe manufacturers are reaping the whole benefit he is simply mistaken.

Mr. BEVERIDGE. That is to say, it is taken out partly from the pockets of the tanner, and in this case it happens to be the packers, and it is taken out of the pockets of other manufacturers. If that were true it would seem strange that the packers are the people who are most earnestly demanding a tariff on hides.

Mr. WARREN. There is no packer in the United States who has said a word here on the subject or who has made any such application. The Senator is mistaken. The packers are not here asking for a duty on hides. I challenge the Senator to produce any evidence of that kind.

Mr. BEVERIDGE. I do not say that they have come here in person.

Mr. WARREN. If the Senator has any idea that anybody is representing them here I ask him to indicate whom.

Mr. BEVERIDGE. Oh, no; the Senator misunderstands me.

Mr. WARREN. The packers are not here. All the packers have to do is to charge it back to the farmers.

Mr. BEVERIDGE. I have heard that argument before.

Mr. WARREN. The consumers of shoes are not here asking for removal of this duty; the packers are not here asking for it; the farmers are not here asking for it. The only men asking for it are the tanners and manufacturers.

Mr. BEVERIDGE. The tanners happen to be the packers, do they not, in the largest extent, at the present time?

Mr. WARREN. To the same extent that 39 tanners are, to a thousand and odd tanners who are not packers.

Mr. BEVERIDGE. Is it not true that the tanning business now shows that the independent tannery concerns are in process of rapid absorption by the packers? Is not that the case?

Mr. WARREN. By the Central Leather trust and the American Hide and Leather Company.

Mr. BEVERIDGE. I will not interrupt the Senator from Massachusetts further.

Mr. LODGE. The packers now take about 7,000,000 hides, and tan from 35 to 45 per cent of them themselves.

Mr. BURKETT. What percentage do I understand the Senator to say that they tan?

Mr. LODGE. About 35–40 per cent of seven million to seven million and a half hides. They tan that percentage. In the table of prices which will be printed I merely want to call attention to a few of them. To read all these tables would be simply confusing. Anyone can trace them down.

Mr. BURKETT. Before the Senator goes on, has he stated the names of the packers? I have not heard what packers he refers to.

Mr. LODGE. I have not stated it yet. I will give the names of the Chicago packers. They are Armour, Swift, and Morris.

Mr. DIXON. Has the Senator a list of the packers who are engaged in the leather business?

Mr. LODGE. I am going to give the list of tanners. Of course the Senator knows who they are.

Mr. DIXON. Are there any packers outside of the Chicago packers interested in tanneries?

Mr. LODGE. I do not know of any.

Mr. DIXON. As a matter of fact, the whole number of cattle slaughtered in Chicago amounts to less than 3,000,000 head of steers as against 17,000,000 hides. All of them go into the tanneries.

Mr. LODGE. The figures are different in different parts of the country. Chicago and Kansas City take in, as far as I can learn, 7,500,000.

Mr. DIXON. Not to exceed 5,000,000, I think, from the most accurate information.

Mr. LODGE. I have come to distrust all figures since this debate began, not only those of the Senator from Montana but my own.

Mr. DIXON. When I see the Senator from Massachusetts using figures for the purpose of the cause in which he is enlisted this afternoon, I am inclined to distrust all of them. I see him joining the ranks of the insurgents in a crusade against the cattlemen of this country and the farmers.

Mr. LODGE. If this is a crusade against cattlemen, it is a crusade against a large number of them in New England. The people who own the cattle of this country do not all live west of the Mississippi River. Most of them live east of the Mississippi.

In 1895, that was before the duty was imposed, the price of cattle ranged from $6 to $6.40 per hundredweight. Hides ranged from 7¼ to 13½ cents per pound.

That includes, of course, a very low period—bad times. In 1908 the price of cattle per hundredweight ranged from $5.30 to $6.65, and the average price of the hides was about 16 cents per pound. From January 1 to July 1—I take this from the Agricultural Department report—the average price to July 1, 1908, steers on the hoof $6.10, hides $11.17. July, 1908, to January, 1909, steers on the hoof averaged at $6, only a trifle lower than the previous six months, and hides went up to 15.69 cents a pound. It seems to me, if the two things go together, there ought to have been some corresponding rise in both.

I am not going into the question of the cost of shoes. The cost of shoes has advanced very much. That is owing to the advance in the price of hides; but I am not going to tell the Senate or anybody else that the great advance which has taken place in the world's price of hides is owing to a 15 per cent duty put on in this country. It is impossible to tell how much effect the duty on hides has had on the cost of a shoe, if any. In the exported shoe, the drawback sworn to amounts to about 2 to 3 cents a pair. On the heavy workingman's shoe, if they were exported, it would amount to 6 or 7 cents. That amount, if attributable to the duty, is a serious thing, because the margin of profit is a very small one on boots and shoes.

Governor Douglas is one of the greatest shoe manufacturers in the country. He sells a $3.50 shoe, I believe it is, in every town in the United States, and sells it at the same price everywhere, and a $4 shoe; but the shoe which he chiefly sells is the $3.50 shoe. He said in a speech that his margin of profit was about 6 or 7 cents a pair.

Mr. BURKETT. That price has not been raised?

Mr. LODGE. No; the Douglas shoe has not been raised. But the heavy workingman's shoe, the one that is made by millions in this country, has advanced in price; that is, they still sell a $2 shoe, but it is not so good a shoe in quality as it was. The shoe known as the kangaroo kip blucher, the heavy workingman's shoe, was sold at the factory for 85 cents and was retailed for $2.

Mr. GALLINGER. Eighty-five cents?

Mr. LODGE. The factory price was 85 cents, I think. I shall have to verify it.

Mr. CARTER. What year—1897?

Mr. LODGE. 1897.

Mr. CARTER. What is it sold for now?

Mr. LODGE. I thought that I had here the exact details of that price. I have mislaid the details, but it was something like 85 cents at the factory, $1.35 to the jobber, and it reached the consumer at $2. The price of that shoe has advanced in the last twelve years to $2.50. They can not sell it at that price, or a very small number. The people are used to a $2 shoe, and the result is that shoe.

Mr. BURKETT. How much was that shoe raised in price? When it was sold at $2, what was the factory price?

Mr. LODGE. The factory price went up to something over a dollar, as I remember. I am speaking from memory. I can not put my hand on the detail which I had.

Mr. CARTER. The shoe in question contains not to exceed 2 pounds of leather a pair, and a tariff of 15 per cent on the hide would not exceed 4 cents.

Mr. LODGE. It contains 46 ounces of leather by actual weight. I have the pieces of leather here of that shoe.

Mr. CARTER. Of course it contains more weight than the leather in the shoe. There is certain material aside from the leather.

Mr. LODGE. That is what it is wrapped in. It is only paper. There is nothing here but the leather.

Mr. CARTER. This added weight suggested, I will say to the Senator, is not over 5 pounds or 5 cents of duty on the hide.

Mr. LODGE. I said six.

Mr. CARTER. The shoe has gone up apparently from 85 cents to $2.50.

Mr. LODGE. No; the Senator wants to be fair. I started out by saying I never heard of such a claim as that and that I did not think it was important. I do not claim that the duty did it. I do not believe it at all. It is obvious on the face of it that the duty has not advanced the cost except on boots and shoes made of foreign hides.

Mr. CARTER. Does not the Senator contend that there is no relation between the selling price and the duty?

Mr. LODGE. I made no argument of that kind. I said I was not going into the question of the price of shoes for the simple reason that they had advanced, as everyone who has looked into it knows, with the advance in hides, but that it was impossible to say that the 15 per cent duty had raised the general price of hides, which had advanced all over the world.

Mr. DIXON. Will the Senator yield for a question? I am much interested in the statement of the prices. I think it carries out what the Senator from California earlier in the debate called the attention of the country to. I understand that the manufacturer gets only 85 cents a pair, and the Senator, I understand, says the shoes sell at $2 a pair in the retail stores.

Mr. LODGE. I wish I could find the exact figures. They used to retail for $2.

Mr. DIXON. An advance of $1.15 over 85 cents, the first cost. It is 3 cents a pair on the sole alone.

Mr. CARTER. Three cents a pair, at 85 cents.

Mr. DIXON. The only leather in that shoe is in the sole and in the heel that pays any duty.

Mr. LODGE. No; the shoe is made almost entirely of dutiable hide.

Mr. DIXON. Is the Senator fully advised on that point?

Mr. LODGE. I am absolutely certain of it. This whole thing was made up as an exhibit. It is made of splits and grain.

Mr. DIXON. Sole leather?

Mr. LODGE. Sole leather splits.

Mr. SCOTT. Of course the Senator from Massachusetts knows that they take a heavy hide and in all probability split it into three or four splits and make up the shoe. Consequently the statement by the Senator from Montana ought to be discounted about 2 or 3 cents more. That is one split of at least three.

Mr. McLAURIN. Will the Senator from Massachusetts allow me to ask him a question?

Mr. LODGE. Certainly.

Mr. McLAURIN. I desire to ask the Senator from Massachusetts the price at which he said the shoes in question were sold by the manufacturer.

Mr. LODGE. I was speaking from memory, and I am ashamed to say I can not find the details. I only know that the better shoe was sold at $2, and it is now sold at $2.50.

Mr. McLAURIN. What I want to know is what it is sold for by the manufacturer?

Mr. LODGE. If I could find my papers, which have been mislaid——

Mr. McLAURIN. Can the Senator give an estimate—approximately?

Mr. LODGE. I do not want to do that. On a thing like this I want to speak accurately.

Mr. McLAURIN. Something was said about 85 cents by the junior Senator from Montana [Mr. DIXON].

Mr. LODGE. I may have made that too low.

Mr. McLAURIN. I think so.

Mr. LODGE. I am ashamed to say that I am unable to find those figures, which I had made very carefully. Here, however, is a statement about what is known as the "brogan." Twelve years ago the brogan was sold to the jobber at 85 cents. At the present time it is sold to the jobber at $1.20. The retailer usually adds 50 cents per pair to the consumer on all kinds of cheap shoes.

Then comes the satin shoe. The satin shoe costs from $1.20 to $2 to the jobber. Fifty cents must again be added to the retailer. That does not give the exact figures on those shoes, but it gives them nearly enough.

Mr. McLAURIN. Mr. President, I wish to say a word in answer to what was said by the junior Senator from Montana [Mr. DIXON] about shoes being sold by the retailer bearing a higher profit than some other articles that the retailer sells. For instance, the small retailer buys a small lot of shoes, and when he sells——

Mr. LODGE. I have those figures now, Mr. President, if the Senator from Mississippi will excuse me.

Mr. McLAURIN. Yes, sir.

Mr. LODGE. I have the exact facts as to the shoes in question.

Of what is known as the "kangaroo kip blucher" in 1897 the factory price was $1.35, the jobber's price was $1.50 and $1.60, and the retailer's price was $2. In 1908 the factory price of that shoe was $1.50 and $1.55, and it was retailed from $2.25 to $2.50. But there is comparatively no demand for that style of shoe. The old brogan, about which I just spoke, has also been given up.

The modern leather shoe is the "creedmoor," so called. For the creedmoor boot the factory price was from 85 to 90 cents in 1897. Now it is $1.35. The retail price in 1897 was $1.25. Now it is $2. That gives the advance. Those advances, Mr. President——

Mr. McLAURIN. There is nothing in that which shows any extortion on the part of the retailer.

Mr. LODGE. There is a duty of 15 per cent on hides, of course, and it is stated that it takes at least 3 feet of stock to make a "blucher."

Mr. CURTIS. Mr. President, may I ask the Senator a question?

The VICE-PRESIDENT. Does the Senator from Massachusetts yield to the Senator from Kansas?

Mr. LODGE. I do.

Mr. CURTIS. I understand the shoe the Senator exhibited is made up entirely of dutiable leather?

Mr. LODGE. Practically all.

Mr. CURTIS. There are a large number of shoes made in which there is just a small amount of dutiable leather, are there not?

Mr. LODGE. Some are made in which there is none; some are made in which there is nothing but sole leather.

Mr. CURTIS. That is what I mean. The amount of dutiable leather used runs from 2 to 6 cents in a pair of shoes.

Mr. LODGE. Yes; as nearly as I can calculate; that is, the 2 to 6 cents represents the duty on the leather and not the whole value of the leather.

Mr. DIXON. Mr. President——

The VICE-PRESIDENT. Does the Senator from Massachusetts yield to the Senator from Montana?

Mr. LODGE. I do.

Mr. DIXON. Has the Senator from Massachusetts any figures showing an increase of the cost of shoes from 1907 to the present time in the class of shoes that have no leather made from the hide which carries a duty?

Mr. LODGE. I have not; but I have no question——

Mr. DIXON. I ask the Senator in fairness, do not those shoes show the same increase as those which have a sole made from dutiable hide?

Mr. LODGE. I hope the Senator will believe that I am not trying to say anything which I do not believe. I am trying to be intellectually honest, at least, and I believe that the shoes not having dutiable hides have advanced practically as much as the others, so far as I can tell. I may be wrong; but I believe that to be the case. So far as that goes, my point is that it is a needless burden on the manufacturer.

But, Mr. President, I have taken much more time than I meant to take. I want to say only a few words more in conclusion. I have spoken thus far about the shoe manufacturers. I wish now to say a word about the tanners. It is the tanners who are most seriously hurt. Their industry is very greatly affected. There is no doubt in my mind that there are a thousand tanneries scattered around the country which are being gradually extinguished by the packers, and that movement is progressing. I have here a list of the tanneries which have been taken possession of by the Chicago packers alone, and it shows a total of over 30 tanneries in 11 different States. I think they are going to put the independent tanners out of business. I think the two combinations in leather, the American and the United States leather companies, are bound to enter into combination with or be absorbed by the packers. I believe, in short, that the entire tanning business is destined to fall into the hands of the packers, and under one great concern.

Mr. WARREN. May I ask the Senator a question?

The PRESIDING OFFICER. Does the Senator from Massachusetts yield to the Senator from Wyoming?

Mr. LODGE. Yes.

Mr. WARREN. The Senator's figures about the meat trust and the 30 tanneries in 11 States I shall not deny, but will he tell us, if he knows, how many tanneries have been absorbed by each of the great trusts or combinations—the American Hide and Leather Company, and the United States Company, or Central Leather Company?

Mr. LODGE. I do not know how many there are, Mr. President; but it would only strengthen my argument if I knew that all the rest were in those trusts.

Mr. WARREN. Perhaps I ought to say, then, that the testimony of the president or of the secretary of the American Hide and Leather Company was that there were over 100 tanneries in that combination; and the best evidence that I can get regarding the Central Leather Company is that it has absorbed somewhere between one and two hundred; but even adding those together there is a very large number of tanneries outside.

Mr. LODGE. There are over 700 independent tanneries, roughly speaking.

Mr. WARREN. The Senator from Massachusetts will admit that this outcry against the meat trust is largely instigated by the Central Leather and American Hide companies.

Mr. LODGE. I know nothing of the Central Leather Company. I have not seen a member of it, I do not know anybody connected with it, and I have not been instigated against the Chicago meat trust by them or by anybody else. It requires no instigation for any thoughtful man to regard that combination or trust at Chicago with hostility. I am not a friend to trusts anywhere, nor do I pose as their especial enemy; but this is a combination which has been dealing in the food products of the people; the very things they eat and live upon; and we know what was done when we passed the meat-inspection bill; we know what an exhibition was then made as to the conditions in those yards in Chicago. It has been renewed again within a few days. Men who will tamper with the food supply of the people; who will resist to the utmost the attempt to put a date upon a can, showing when the article was put into it, are not men whom I, for one, need any instigation from anybody to oppose; and when I see a great industry passing helplessly into their hands, I should like to do anything in my power to stop it.

There are in the other two trusts 100 or 150 other tanneries. There are 700 independent tanneries in the country. You get them all into three great combinations, and how long will it be before they will all be under one head?

Mr. President, there is the real mischief in this thing. The packers are getting more and more control of the hides. They are not only taking their own by-product, but they are sending out their buyers to get what are known as the "country hides."

Mr. WARREN. Will the Senator permit me to ask him a question?

The VICE-PRESIDENT. Does the Senator from Massachusetts yield to the Senator from Wyoming?

Mr. LODGE. I do.

Mr. WARREN. Will free hides prevent their buyers going to South America or to any other country to buy hides and tan them as they are now doing?

Mr. LODGE. It will make it more difficult for them to do so. It is a bigger market for them to get control of. I do not mean to say that this syndicate can not get control of all the products of the world. It has been done by other syndicates, foreign and domestic. There are other syndicates, like the match trust, which has taken possession of the entire match production of the world. I do not mean to say that this trust could not do the same, but I do say that by our action we are helping this along.

I do not think, in fact I know, that there is no more complete fallacy in the world than the proposition that the duty is added to the cost of the protected article. In many cases that does not happen at all; in most cases it does not happen, and a mere glance at the price table will show it. There are hundreds of cases where it does not happen, because we can fill our own market and make our own prices here.

The Senator from Rhode Island [Mr. ALDRICH] stated on this floor the other day, with perfect accuracy, that as we had to buy 300,000 tons of foreign sugar, duty paid, all the rest of the sugar met that price in New York and got that price. This must always be the case when you are obliged to bring in a foreign article in order to meet the home demand. That is why I elaborated the point, perhaps to tedium, that we did not produce enough hides, and that there is no prospect of our doing so. We have to import them for our own use, and the 700 different independent tanneries know what that means, for otherwise they have to buy hides of their competitors. So, too, the sole leather trust have to buy of their competitors; but they can take care of themselves.

Mr. DOLLIVER. Mr. President——

The VICE-PRESIDENT. Does the Senator from Massachusetts yield to the Senator from Iowa?

Mr. LODGE. I do.

Mr. DOLLIVER. I do not like to disturb the Senator from Massachusetts——

Mr. LODGE. Not at all.

Mr. DOLLIVER. Mr. President, we have a number of small shoe factories in Iowa, and I have been making an honest effort to get at the real state of this case. Has the Senator from Massachusetts any information that will enable him to state whether the shoe manufacturers of the United States deal directly with the tanners for their material?

Mr. LODGE. I so understand.

Mr. DOLLIVER. I have noticed in every shoe factory I have visited great bales of sole leather cut into the form of soles and boxes of heels already manufactured, and I have wondered how many shoe factories there are in the United States which manufacture their own forms, including soles and heels.

Mr. LODGE. Mr. President, I know from my own observation near my own home that different parts of the shoes are made very often by themselves. A company will make soles or some one part of a shoe, but, as a rule, most of the factories make the shoe from the beginning to the end, and, whatever they are making they all buy from the tanner.

Mr. DOLLIVER. The shoe manufacturers that have presented their cases to me claim that the farmers are deprived of the advantage of the duty on hides on account of the beef trust.

Mr. LODGE. That is my honest belief.

Mr. DOLLIVER. And I have asked them how the shoe manufacturers managed to escape the clutches of this leather trust that they buy of; in other words, whether a farmer is not about as likely to be as able to handle the beef trust as the shoe manufacturers are to handle the leather trust, especially the sole leather trust, which seems to be almost a monopoly.

Mr. LODGE. Hardly that. As the Senator from Wyoming [Mr. WARREN] says—and I have no doubt he is correct—there are two, the American and the United States leather companies, and they control between them, I suppose, about 250 tanneries.

Mr. WARREN. The holding company is the Central Leather Company, which absorbed the United States Leather Company and various others; so that now there are the Central Leather Company and the American Hide and Leather Company.

Mr. LODGE. Those two control about 250 tanneries, as I understand. I have been informed that their money is made because they are the owners of large amounts of bark land, and the bark necessary for tanning is getting very scarce. That is the reason we are using so many extracts.

Mr. DOLLIVER. What bothers me is whether the shoe factories would not be just as likely to be robbed by those people as the cattlemen are to be robbed by the beef trust.

Mr. LODGE. I can only say that the manufacturers and the tanners stand together against the duty on hides.

Mr. DOLLIVER. And yet, between the shoe manufacturer and the tanners stands the man manufacturing vamps, forms, and soles.

Mr. LODGE. With us they are all classed as boot and shoe manufacturers.

Mr. DOLLIVER. Exactly, but while the boot and shoe manufacturers only get a nominal duty, the manufacturer of sole leather under this bill gets 5 per cent and the manufacturer of soles cut into shape gets 40 per cent, which seems to me——

Mr. LODGE. I think the Senator is mistaken about that.

Mr. DOLLIVER. I think I am correct about that. I notice that in paragraph 448 sole leather is made dutiable at 5 per centum ad valorem.

Mr. LODGE. Yes, 5 per cent. That is right. The Senator does not think 5 per cent is very high, does he?

Mr. DOLLIVER. But I notice in line 21 of the same paragraph the following:

Provided, That leather cut into shoe uppers or vamps or other forms, suitable for conversion into manufactured articles, and gauffre leather, shall be classified as manufactures of leather and pay duty accordingly.

I find as to manufactures of leather, including—

Bags, baskets, belts, satchels, card cases, pocketbooks, jewel boxes, portfolios, and other boxes and cases, made wholly of or in chief value of leather, not jewelry, and manufactures of leather, or of which leather is the component material of chief value, not specially provided for in this section, 40 per centum ad valorem.

I should like to understand how sole leather cut into shape, heels manufactured into form, and uppers and vamps stand in this bill with a duty of 40 per cent on them, when the leather out of which they are made is only taxed 5 per cent?

Mr. LODGE. To tell the truth my mind was entirely occupied with the question of the duty on hides. I have given little or no examination to this, except to the question of japanned and patent leathers, which are in the dutiable paragraph.

Mr. DOLLIVER. I felt constrained to write my shoe manufacturers that they ought to examine that paragraph as well as the hide paragraph.

Mr. LODGE. Forty per cent does not correspond with 5 per cent on sole leathers.

Mr. WARREN. Will the Senator permit a question?

Mr. LODGE. Certainly.

Mr. WARREN. I should like the Senator's statement as to how he views the exports. I am inclined to think he will admit that we are exporting far more leather in shoes and in leather products than we are importing in dutiable hides.

Mr. LODGE. The importation of hides is very easily obtained. We exported in 1907 31,900,868 pounds of sole leather and 31,189,897 pounds in 1908, valued at $7,024,313 in 1907 and $6,593,950 in 1908.

Mr. WARREN. I think drawbacks were allowed on those importations. I want to say to the Senator——

Mr. LODGE. Drawbacks amounting in 1907 to $955,456, and $889,942 in 1908.

Mr. WARREN. The Senator made the observation that we are not making leather enough to meet the demands of our own people.

Mr. LODGE. We are not. That is perfectly obvious from these figures.

Mr. WARREN. I differ with the Senator's proposition that we are the loser in the balance as to the duty. What I say is that the hides we are raising and those we are importing free of duty leave no room for introducing any dutiable hides as to total amount of leather for our own consumption, and that they are imported for the purpose of tanning in our country and are then exported, together with great quantities of boots and shoes, which consume vast quantities of leather.

Mr. LODGE. Mr. President, we imported over $3,000,000 of dutiable hides and we exported under all forms last year $889,000; in other words, we retained over $2,000,000 worth of hides in the country. Mr. President, I ask to have printed at the end of my speech the statement that I made in regard to the wage-earners, together with a letter from Mr. Hanan, president of the Boot and Shoe Manufacturers' Association, so that Senators may see what the shoe industry has to contend with.

The VICE-PRESIDENT. Without objection, the matter will be printed in the RECORD, as requested by the Senator.

[The matter referred to will be found at the end of Mr. LODGE's speech, marked "Appendix."]

Mr. LODGE. I desire now to conclude as soon as possible. I was interrupted when I was speaking about the question of independent tanneries. It is the independent tanneries that I have particularly at heart. I think that, if anything can be done to save them from extinction, it will be of great benefit not only to that industry, but to the farmers of the country, among whom they are now scattered and of whom they buy in competition. The Senator from Iowa [Mr. DOLLIVER] who interrupted me a moment ago, said in his first speech on the cotton industry:

> Therefore I think we ought to take these great materials that lie at the basis of our productive industries, which are monopolized by corporations organized for that purpose, and give to the young men of the United States in the next generation a free hand in these matters. It is not possible that all our iron and steel is to be made by one corporation. It is not fair to the next generation, and it is no improvement on the business methods of the past. It is not right that any great department of industry should be brought into one hand, whether individual or corporate, and therefore I should like to have the Senate study the question of putting within reach of the young men of the United States these great resources, and say to them "go into these enterprises, and wherever you find yourselves constrained in the purchase of your material we will give you relief," so that in no generation shall it be said that a single corporation owns and controls the basic materials that underlie the industries of the American people.

I received a letter, Mr. President, from a gentleman who has been all his life in the business of tanning, and who is a very intelligent man. I will not delay the Senate by reading the letter except one paragraph, which interested me because it seemed to show with some force the point to which the Senator from Iowa alluded:

> Personally, it makes but little difference to me. I have done my hard work in the tanning business. I am working for the young men who, with me, love the tanning industry, who are at present engaged in it, and the young men now coming on at 20 years of age, who may have a great opportunity for usefulness and success, provided they can have a fair chance at the hands of our Government.

I ask to have printed the portions of the letter which I have marked.

The VICE-PRESIDENT. In the absence of objection, permission is granted.

The portions of the letter referred to are as follows:

76 SOUTH STREET, BOSTON,
March 30, 1909.

Hon. HENRY CABOT LODGE,
Washington, D. C.

DEAR SIR: The boot, shoe, and leather trade in the United States is now in jeopardy over the tariff bill in Washington. * * * Only one condition can change this fact, and that is, that the Government give us free hides. The meat trust are now protected with a 15 per cent advantage over the rest of the world in disposing of their hides. No other country taxes raw hides.

There was no tanning done in the United States by the packers or meat trust until 1897, when they first got the duty on hides. From that day up to this they have each day and year made the most of their advantages, until now their names are the most prominent in the tanning business in the States. Following their advantage in tanning, natural conclusions will be that they will take up the manufacturing of shoes, and shoe and leather machinery, forming a combination that will make the steel trust look small.

The meat trust the past year have added new tanning plants all over the country and are tanning a very large share of the hides they produce. This is entirely new in the history of the business. They formerly sold these hides entirely to the independent tanners and the United States Leather Company. They also have opened hide depots in several large cities for the purpose of purchasing the hides called "country hides" to help sustain the value of what is called the "packer hide." This is done by their subsidiary companies.

Tanners and shoe manufacturers in the United States are thoroughly aroused under these conditions on the question of free hides. * * *

Fathers having boys coming up, of the age of going into business, expect to put their sons in the shoe and leather business all over the United States. During the past twenty-five years it has been second to none for young men both engaged in working out their future in the shoe business, tanning business, and shoe manufacturing, in all the different departments. You will realize how much of a chance our people are going to have to put their sons into this business, if it is carried on as a monopoly. It will simply become a place for rich men's sons at the head of different departments, with large salaries, where training does not count.

* * * * * * *

The writer has been in the tanning business for thirty years and speaks from knowledge. If the duty is kept on the packers or meat trust will gain great advantage, leading up to a control in the following commodities:

Control of all the hide business in the United States.
Control of all the tanning business in the United States.
Control of all the meat business in the United States.
Possible control of the shoe business in the United States.
Possible and probable control of all the shoe machinery business connected with leather and tanning.
Possible and probable control of all the glue business.
Possible and probable control of all the soap business.

Contrary, if we should have free hides, the independent tanners, who are trained in tanning and shoe making, will continue in control of the tanning and shoe business, in place of being a small minority.

* * * * * * *

We can not go on in the business and purchase our raw material hides, as we are now being forced to do, under this tariff of the packers, as they are our competitors, and they will not sell us at fair prices as they wish to do the business themselves, unless they can do so at prices at which we can not afford to operate. They make a price and say if you do not wish to buy we will tan the hides ourselves. Our only alternative is free hides in the world like other countries enjoy. Give the independent tanners what the rest of the world has and we will beat the world with our economies and skill, making cheaper leather and cheaper shoes, making for lower values of all the allied interests, for which the people will receive the benefit. In other words, we must have free hides to do this. If we can not have them, we must get out of the way and let our favored competitors, the packers, have the field.

We want free hides; all the rest of the world have them. Statistics show this country has not enough hides of our own, therefore we must import them for necessities. The West are clamoring for a duty for the benefit of the farmer. We are satisfied that this is directed by the meat trust and the middlemen who get the benefit of high-priced hides, and get the benefit of government protection over all the other people in the world. Meat has changed in value on the hoof scarcely perceptible since the tariff of 1897. Hides changed 25 to 75 per cent owing to the manipulation of the middlemen and trust, whereas they have bought their beef through the same manipulation at practically the same prices on the hoof from the farmer for twelve years.

The average farmer in the United States kills for his farm two to three cattle per year, the amount growing less each year owing to the packers locating in their States with their refrigerator plants, taking the place of the old slaughtering houses of the farmer, and to-day the farmer is not a slaughterer in any sense, that business being done by the packer.

Has the ways and Means Committee had before them a delegation of actual western farmers? Have they been examined as to how many cattle they kill per year, and what actual benefits really accrue to them from that average kill? I think not.

Has the Chicago packer appeared in person? I think not. Why not? An intelligent cross-examination of the farmer, middleman, and packer, such as was given to the shoe and leather delegation in Washington, would bring this fact out plainly, namely, that the advantage in the duty goes to the packer and middleman, and that the farmers' position is number three, and a very small percentage at that. In connection with this sympathy in the West it is worth noting that the Chicago packers alone employ thousands of men for office work only, and their influence is felt throughout the Western States.

On the opposite side of the question, if we had free hides the tanner could make this leather cheaper, as his competition forces him to sell his leather to the shoe manufacturer at a moderate profit over the cost, the shoe manufacturer in turn sells to the retailer under the same conditions, therefore the farmer does actually and will get a benefit on every pair of shoes he and his family consume. This is also true on trunks, dress-suit cases, furniture, harness, and other commodities into which leather goes.

In my mind this competition of the independent tanners and shoe manufacturers will benefit the farmer and all other people purchasing these necessities. However, if the meat people secure a control in the business it is well known that their policy is for large profits, and will make for materially higher prices for boots and shoes, etc., which in itself alone is enough to overcome the benefit of the duty on hides.

At present, two years out of three we can not sell abroad as the packers keep our raw material prohibitive in prices. Above a certain point we can not send any leather abroad, that is, if the value is high, we can not ship; they have substitutes.

* * * * * * *

Personally, it makes but little difference to me; I have done my hard work in the tanning business; I am working for the young men, who with me, love the tanning industry, who are at present engaged in it, and the young men now coming on at twenty years of age, who may

have a great opportunity for usefulness and success, provided they can have a fair chance at the hands of our Government.

* * * * * * *

The tanner is absolutely honest in his proposition regarding the tanning business and its effect upon the people regarding the industry.

* * * * * * *

Very truly yours,

ELISHA W. COBB,
Swampscott, Mass.

Dictated by E. W. C.

Mr. LODGE. Mr. President, it is because I think that the independent tanners will be put out of existence, and that to give them an opportunity in the world's markets would save the industry from the course on which it is now traveling, that I feel a great and especial interest in this schedule. If I believed that this duty went into the pockets of the farmers I should hesitate very long before I took this position, but I have never been satisfied that it did. In fact, I honestly believe that it does not; that, if it exists, it is absorbed elsewhere. For that reason, Mr. President, I have done what I was very reluctant to do—made up my mind to oppose the recommendation of the Finance Committee.

Now, I want to say a word on a subject not especially related to that which I have been discussing.

Mr. McCUMBER. Before the Senator leaves this subject, will he allow me to ask him a question?

Mr. LODGE. Certainly.

Mr. McCUMBER. If I understand the Senator correctly, he wants to preserve the interests of the independent tanners by lowering the price of the raw material itself?

Mr. LODGE. No, Mr. President, I do not think——

Mr. McCUMBER. Let me ask how will they be protected or how would their interests be better subserved, unless the effect of it is to make the price of hides lower?

Mr. LODGE. I do not think it is going to affect the price of hides. The advantage to them will be that they will no longer be at the mercy of the packers, who control the hides.

Mr. McCUMBER. That is just the question I wanted to ask.

Mr. LODGE. If the packers will not sell their hides at a reasonable market price, they will have somewhere else to buy. They would rather buy the domestic hides. They are much better.

Mr. McCUMBER. As a matter of fact, have not the tanners free access to the markets of the United States, to hides aggregating about 73 per cent of the total production in the United States—that is, the hides that are not produced by the trusts? And in addition to that we imported, I notice, in 1907, 134,671,000 pounds of dutiable hides and 120,770,000 pounds of nondutiable hides, or 225,441,000 in round numbers.

What is to prevent the tanners of the country purchasing all of those hides if they pay the price for them? Certainly the trust has not a monopoly upon the hides that are imported. The trust has not a monopoly upon the 73 per cent of hides in the United States that are not controlled by the packers; and with all of that to draw from, I confess I can not understand why the tanners have not an open field for the purchase of their products, nor can I understand how they will be benefited only to the extent that taking off the duties lowers the value of the product.

Mr. BEVERIDGE. Will the Senator from Massachusetts permit me to give an illustration, in answering the query of the Senator from North Dakota?

Mr. LODGE. Certainly.

Mr. BEVERIDGE. It shows how the tanners would be benefited, regardless of the price, and that is the question the Senator raised. I give the illustration given me some days ago by a Senator whom I do not now see on the floor, or I know he would give it himself. It is something that came under his own observation.

There is an old-established tannery in his State, and a very large one. The man now running it had been preceded in the same business by his father, who established it. He found in the process of the business that he was compelled to go to the packers for his hides. For some reason or other—perhaps the price of hides or something or other—he determined he would pick up his hides in this market to which the Senator from North Dakota refers as being open to him.

Mr. McCUMBER. Why did he not go to the Argentine for his hides?

Mr. BEVERIDGE. Allow me for a moment. I am telling what happened. A fact is better than even the Senator's excellent logic. For two years he did that. He had the greatest difficulty in getting hides to tan. He was finally put to such straits to get them that he concluded that, after all, it would be better to buy them from the packers. He went back to the selling agent of the packers from whom he had purchased these hides and who was a good personal friend of his and proposed to purchase the hides as of old.

The agent of the packers who sold the hides said: "Where have you been getting your hides in the last two years?" "Oh," he, said, "I have just been picking them up here and there." The agent of the packers said, "Well, you had better continue to pick them up here and there," and declined to sell him the hides because he had dared to go out in this open market of which the Senator from North Dakota speaks. He quit that open market and went back to the packers as a business proposition, because he found it difficult, almost impossible, to get his hides there, and yet I understood from the Senator who told me very graphically this incident within his own personal observation, that that man, who was running a tannery established by his father and which had been growing constantly up to two years ago, has now concluded to quit the business, utterly driven out of it by being at the mercy of the packers, who sell him or do not sell him, just as they see fit. That is a fact.

Mr. LODGE. Mr. President, I desire to close, and I have a few words, not directly connected with hides, which I wish to say before I take my seat.

To the best of my ability I have tried to state the case for these great leather industries which extend into almost every part of the Union and which are so important, not only to those engaged in them, but to the great body of the American people who use and consume their product. Yet, despite the fact of the wide dispersion of these industries, I am fully aware that to my part of the country, and particularly to my own State, they are of especial moment. It would be hypocrisy to say that I am not influenced by the interests of my State and of New England. I not only am, but I should be unworthy to sit here if I were not profoundly interested in all that concerns the welfare of Massachusetts. I may add that I have not observed, in an experience of five tariff revisions, that any Representative or Senator was insensible to the wishes and hopes of his own State. Each one of us endeavors to do all that he possibly and honestly can for the interests of the people whom he immediately represents. He would be unfit for his trust if he did not do so. At the same time I have endeavored in all my dealings with the tariff to give to every part of the country the same consideration which I demanded for my own. In every tariff bill for which I have voted, and in this bill, for which I intend to vote, there are many items which I should oppose if I was willing to govern myself solely by local or selfish motives, but I have always felt that if we were to have protection it must be given to every person and every industry which could show a fair title to encouragement, and that if we were to have a free-trade tariff it must be free trade for everybody. In that specious and elastic formula of a "tariff for revenue only," which in essence means the protection you want for your own industry and free trade for your neighbor whose products you buy, I have neither belief nor sympathy. The one tariff which is certainly wrong and bad is the tariff which gives free trade to one man and protection to another when both are equally entitled either to protection or to free trade. Therefore, Mr. President, in view of my consistent attitude on this question, in view of the many votes which I have given and which I shall shortly give on tariff questions, I think I may say that, although I am wedded to the interests of my State, I endeavor not to be unduly biased by them to the injury of any other State. I certainly am not in the position I have taken in regard to hides, as I have repeatedly said.

In the course of the discussion aroused by this revision of the tariff a good deal has been said about New England; some attacks have been made upon that portion of our common country, and it has been charged that she has had an undue influence in tariff legislation. The rule of seniority has always been wisely and pretty strictly applied in the Senate of the United States, and if of the seven Senators longest in the service five are from New England that is merely an evidence of her good fortune, to which all other sections of the country can attain if they follow her example. I am proud to say that New England has always had a large influence in the legislation and the administration of the Government of the United States, but that that influence has been undue or improper, or has been willfully exercised to the injury of any other section of the country I wholly deny. We of New England know that the welfare of California, the development of her industries, and the exclusion of Asiatic competition from her coast are as important to us as they are to her, and to all that great and noble region of our country. We know that the prosperity of Kansas and Nebraska, and of all the great wheat-raising and corn-growing States of the West is vital to our prosperity. We feel more keenly, perhaps, than any other part of the country the importance of steady and widespread prosperity throughout the South, for on her great staple our largest industry depends. We have long since learned the lesson that our own prosperity is indissolubly bound up with that of all parts of our common coun-

try. All we ask is that the same feeling should be returned to us, and that our brethren of the other States should realize that in the East and in New England they find their best market, their best customers, and a great deal of the capital which they need for their own development. Our New England States are old in settlement and small in area, but voting is done by men and not by acres. We have 41 electoral votes which could ill be spared either by the Republican party or the cause of protection. We do not differ in our interests, our population, or our industries from the Middle Atlantic States. New York has 39 electoral votes, New Jersey has 12, Pennsylvania has 34, and Delaware has 3. It is needless to say that west of New York are also great industrial and manufacturing States reaching to the Mississippi and beyond and presenting large areas made prosperous by industries vitally concerned in the maintenance of the protective tariff. But to those 10 Eastern States which I have mentioned, and which are nearly identical in interest, I would call special attention as an example. They are old in settlement, I repeat, small in area compared to the rest of the country, but they cast 129 electoral votes, too large a number to be overlooked, too important in deciding the fate of government and parties to be lightly accused of undue influence. Nor are the Eastern States retrograding in population. At each of the last censuses Massachusetts gained a Congressman and the same is true of Pennsylvania and New York.

Mr. KEAN. And New Jersey also.

Mr. LODGE. And New Jersey.

There are a good many States in the Union, and some of them much younger than we are, which can not furnish this proof of steady and healthy growth.

We recognize the enormous debt we owe to the Union of States, but I do not think that we have ever shrunk from bearing our part of the burdens of the Nation. Concord and Lexington and Bunker Hill are our enduring monuments of the Revolution. In the hours of the darkest trial Massachusetts sent more than her quota—over 150,000 men—into the armies of the Union. We had no slaves to leave behind to carry on the work of the community, and yet that work went steadily forward all through the days of war, although one man of military age in every two went to the front. I do not mention this to arrogate to my State any peculiar distinction in patriotism, but merely to show that we have always been ready to do our share and more than our share when the country called upon us. Our States of New England are small in area and rich in natural beauty, but poor in natural wealth. We have no minerals, no vast tracts of fertile land. We have a severe climate, and the possibilities of our agriculture are limited by our northern temperature. Except for the power of our rivers and the forests of Maine, nature has conferred upon us no gifts which in themselves mean wealth and ease and prosperity. The one thing due to nature which can not be taken from us by more favored regions is our seacoast with its harbors. From the sea the New England colonies drew their wealth. Starting with the fisheries, the New England whalers, merchants, and sea captains pushed their commerce and bore their flag into every quarter of the globe. The embargoes, nonintercourse acts, and the war of 1812 fell with crushing effect upon New England and drove her seamen from the deck and the wharf to the farm and the factory. Despite all this, the tariff of 1816, carried under the leadership of Calhoun and the brilliant group of men who had come into Congress before the war, found New England still a commercial community, in the main a seafaring people, chiefly dependent on foreign trade and adverse to protective duties. Daniel Webster spoke against those duties, but the protective policy founded by Hamilton was too strong to be resisted, and New England adapted herself to the new policies which she had not forced upon the country, as she had already done to her hard natural conditions, and Webster became the great champion of protection.

In 1828, when the famous tariff bill of that year was before the Senate, Mr. Webster made a speech explaining his change of position. He said:

> New England, sir, has not been a leader in this policy. On the contrary, she held back herself and tried to hold others back from it, from the adoption of the Constitution to 1824. Up to 1824 she was accused of sinister and selfish designs, *because she discountenanced the progress of this policy.* * * * Under this angry denunciation against her the act of 1824 passed. Now the imputation is of a precisely opposite character. * * * Both charges, sir, are equally without the slightest foundation. The opinion of New England up to 1824 was founded in the conviction that, on the whole, it was wisest and best, both for herself and others, that manufactures should make haste slowly. * * * When, at the commencement of the late war, duties were doubled, we were told that we should find a mitigation of the weight of taxation in the new aid and succor which would thus be afforded to our own manufacturing labor. Like arguments were urged, and prevailed, but not by the aid of New England votes, when the tariff was afterwards arranged at the close of the war in 1816. Finally, after a winter's deliberation, the act of 1824 received the sanction of both Houses of Congress and settled the policy of the country. What, then, was New England to do? Was she to hold out forever against the course of the Government, and see herself losing on one side and yet make no effort to sustain herself on the other? No, sir. Nothing was left to New England but to conform herself to the will of others. Nothing was left to her but to consider that the Government had fixed and determined its own policy; and that policy was *protection.* I believe, sir, almost every man from New England who voted against the law of 1824 declared that if, notwithstanding his opposition to that law, it should still pass, there would be no alternative but to consider the course and policy of the Government as then settled and fixed, and to act accordingly. The law did pass; and a vast increase of investment in manufacturing establishments was the consequence.

I can add nothing to that lucid statement of the foundation of our protective policy and of the attitude of New England in regard to it.

There was one law and one policy for the whole country. Every State could avail itself of it. New England made the best of the situation. That was all, and it does not become those who declined to take advantage of what was common to all to censure New England for doing so. That protective policy has continued with fluctuations but always protective down to the present time. The only industry to which protection has never been extended is that of the shipowner, which was peculiarly a New England interest in the old days and owing to our refusal to protect that industry it has now disappeared from the face of the waters. Driven from the ocean, we of New England deserve praise, not blame, that we have turned with undiminished courage to a new scene and won prosperity on the land.

Thus shut out from her natural element, the whole energy of New England went into manufactures, and we have built up great industries and made populous and thriving States. The State I represent in part is, with four exceptions, the smallest in the Union. Fifth from the bottom of the list in area, we are seventh in population. Fifth from the bottom of the list in area, we are first in cotton textiles and in boots and shoes. We are one of the great woolen-making States. In 1905 our manufacturing production was over a billion dollars in value, and of that billion dollars small industries, with capital averaging not over a million dollars, produced in the aggregate over three hundred millions. With the exception of New York, New Jersey, and Pennsylvania, there is no State which has such a variety of industries. Four years ago there were over four hundred and eighty-eight thousand people employed in our industries, as operatives, which means, probably, at least a million and a half who drew their living directly from the wages paid; while of the remaining million and a half or more of our population, a very large proportion were directly or indirectly supported and sustained by the industries of the State. We paid out two hundred and seventy-two millions in wages and salaries in 1905. The capital invested was nine hundred and sixty-five million; the number of establishments nearly eleven thousand; the value of the stock six hundred and twenty million; and the value of the goods one billion one hundred and twenty-four millions. These Massachusetts operatives and workingmen and women have put over seven hundred millions into the savings banks of the State. It is all their money, for the average deposit is only $125, and the law prevents a larger deposit than $1,000 by any one person. It is their hard-earned money which has gone out to help in the building of railroads and the construction of public improvements in the newer States.

Do you not think that it is in the common interest of the entire Union that the wages of these thrifty, hard-working people should be maintained and that their opportunities of employment should be enlarged and not diminished? In my own lifetime I have seen the city of Lynn at my own doors grow from a country town into a great city of 80,000 people, built up on this single industry of boots and shoes of which she sends annually millions into the markets of the world. I have seen Brockton and Haverhill become great centers of the same industry and cities rise where villages stood before. Salem, once the home of the East India trade, whose ships clove the waters of every sea, deprived of her commerce has found a new life and a new prosperity in the leather industries which now fill her streets with an active, growing population who rejoice in her traditions, preserve the beautiful old houses of her merchants, and hold as consecrated the places which were touched and immortalized by the genius of Hawthorne. Far from coal and iron mines, Worcester has risen to be a great city and is to-day one of the centers of the metal industry. New Bedford, built up by whaling, and whose hardy seamen, penetrating in pursuit of their prey to the frozen regions of the poles, drew forth the eloquence of Edmund Burke, turned from the sea where a harvest could no longer be gathered and has become one of the leaders in making cotton goods. Fall River and Lowell and Lawrence are the great exemplars of what has been done in cotton and woolen textiles—a vast industry whose factories are scattered throughout the State.

Holyoke and Springfield, strong and prosperous, have found their success in making paper, and I might go on with a list of industries which would reach into every corner of the State and which, starting with the fishermen of Gloucester and Provincetown, would extend to the papermakers of Dalton and the cotton spinners of North Adams and would cover in its course almost all the important industries in which civilized man engages. I should be something worse than insensible if I did not feel a great and honest pride in such a record of achievement by the people of my State—the State of my birth, where I have lived all my life, where my kindred have lived before me from 1630 onward, and from which I hope never to be separated whether living or dead.

But I do not mention this in order to boast of that in which I feel a just pride. I use Massachusetts only as an example of New England and the East. We have won prosperity and we have won it through no chance gifts of Mother Earth, but solely by the brains and the energy, the intelligence, courage, tenacity, and education of our people—the naturalized and the adopted as well as the native born. We have not snarled or grumbled at the prosperity of any of the other States. We have not sought to injure or destroy the success of other Americans anywhere. We have rejoiced in it. We have been content to do the best we could under the conditions imposed by nature and by the legislation of the United States and we have succeeded and achieved a hard-won prosperity. Under the economic policies which the Government of the United States has adopted we have built up our industries and added thereby to the capital, the wealth, and the prosperity of the whole country. We do not come *in forma pauperis* to sue for favors, or in the guise of robbers to plunder others for our own benefit. We come to the council table of the Nation, to whose upbuilding we have contributed, with a deep consciousness that there is no prosperity worth having which is not part of the Nation's prosperity, and we ask only that we should be dealt with according to our merits and that our great industrial population should receive the same treatment and consideration as that which is accorded to all Americans in all parts of the United States.

APPENDIX.

[From No. 3499 of the Daily Consular and Trade Reports, published by the Department of Commerce and Labor, Bureau of Manufactures, under date of Saturday, June 5, 1909.]

ERFURT SHOE INDUSTRY.

GERMAN MANUFACTURERS WILL SEEK AMERICAN TRADE.

Consul Will L. Lowrie writes that three of the largest German shoe-manufacturing establishments in Erfurt are now in charge of experts from the United States. He also tells of their industrial operations:

All these factories are producing American-shaped shoes, which are meeting with ready sale in Germany. Certainly one, and perhaps all, of these concerns will make a display at the forthcoming shoe exposition in Boston (in September, 1909) and will try to secure a foothold in the American market.

The average wages paid are shown in the following table:

Class of employees.	Average weekly wages.
Females:	
Apprentices	$1.42 to $1.90
Closers on	3.33 to 3.57
Sewers	*4.28
Males:	
Apprentices	1.42 to 2.85
Upper cutters (hand)	5.23 to 6.42
Upper cutters (machine)	6.42 to 7.14
Machine hands:	
Edge trimmers	6.42 to 7.14
Heel trimmers	6.42 to 7.14
Edge finishers	6.42 to 7.14
Bottom finishers	4.28 to 4.76
Die cutters	*5.71
Eyeleting hands	*7.14
Heel builders	4.76 to 5.71

*Average.

As against the wages therein noted, I will not offer any statement; but would ask the Senators to secure from the statistics obtainable or from their constituents, shoe manufacturers, the average wages paid in America, for comparison with those above set forth.

It can therefore readily be appreciated that the only balance which could be resorted to for the protection of the industry, would be the reduction of the wages of the American shoemaker. Let us hope that this exigency may not occur. Let our tariff legislative policy continue as in the past, protective to American workmen.

Yours, truly,

JOHN H. HANAN.
SOL WILE, *Secretary.*

JUNE 8, 1909.

UNEXPENDED BALANCES OF APPROPRIATIONS.

Mr. FRYE. Mr. President, I wish to call the attention of the Senate to what I regard as rather an important matter.

In the sundry civil appropriation act there was a provision that all unexpended balances should be covered into the Treasury on the 1st day of July. There are now under way over 125 river and harbor improvements with unexpended balances. Some of them are of very great importance, like the Sault Ste. Marie locks, the dams of the Ohio, the Mississippi River. These improvements affect almost every State in the Union, commencing on the extreme south and going north, and on the western coast and around the Lakes. Unless there is a joint resolution passed now by Congress, every one of those improvements will stop absolutely the 1st day of July. The Committee on Commerce unanimously reported a joint resolution (S. J. R. 33) excepting the river and harbor improvement balances. I ask unanimous consent that the joint resolution may now be considered by the Senate.

Mr. ALDRICH. I will not object to it if it leads to no discussion.

Mr. FRYE. It will lead to no discussion, because I have stated everything that there is to be stated about it.

The PRESIDING OFFICER (Mr. ROOT in the chair). Is there objection to the present consideration of the joint resolution?

Mr. CULBERSON. Let the joint resolution be read first.

The PRESIDING OFFICER. It will be read.

The Secretary read the joint resolution (S. J. Res. 33) relating to the provisions of section 10 of the sundry civil act of March 4, 1909, as follows:

Senate joint resolution 33.

Resolved, etc., That the provisions of section 10 of the act entitled "An act making appropriations for sundry civil expenses of the Government for the fiscal year ending June 30, 1910, and for other purposes," approved March 4, 1909, shall not be construed as applying to the unexpended balance of any river and harbor appropriation the use of which may be essential, in the judgment of the Secretary of War, for the further maintenance or prosecution of the work to which it pertains as heretofore authorized by Congress.

Mr. DANIEL. Has the joint resolution been reported by a committee?

Mr. FRYE. It was unanimously reported by the Committee on Commerce.

Mr. DANIEL. I have no objection to it.

There being no objection, the joint resolution was considered as in Committee of the Whole.

The joint resolution was reported to the Senate without amendment, ordered to be engrossed for a third reading, read the third time, and passed.

Mr. FRYE. I am obliged to the Senator from Rhode Island.

THE TARIFF.

The Senate, as in Committee of the Whole, resumed the consideration of the bill (H. R. 1438) to provide revenue, equalize duties, and encourage the industries of the United States, and for other purposes.

Mr. WARREN. Mr. President, I think everyone within the sound of my voice will realize under what disadvantage I rise to address myself to the subject which has just been so ably handled by the talented Senator from Massachusetts [Mr. LODGE]. I want to thank that Senator for his frankness in discussing the question, and I want to assure him that the tribute he has paid to his part of the country, his own State of Massachusetts, has found as warm a response in my heart as it would be possible to find in his own heart.

But I want the Senator to remember that in the building up of Massachusetts and the great army that he proudly and justly boasts of sending out to the civil war, there were many Massachusetts sons who helped to fight the battles of that war and helped to build up that State and the others he has spoken of who are now yonder on the Pacific coast, in the Rocky Mountain country, in the Mid-West, and scattered all along over the country, who come back East with just as much love and reverence for the great States of New England as when they went away. But when they array themselves here in solid phalanx and vote for protective tariff on items by the thousands for New England and for the manufacturing States, they expect, upon raising their hands here in Congress for two or three items in which they are directly interested, that such items shall be justly and kindly considered. It does not rest in the mouth of any Senator, no matter how talented or distinguished, no matter what his accomplishments may be as a statesman and scholar, to assert that the farmer in the Rocky Mountain country does not get any benefit from this or that upon which the farmer desires protection.

An eastern Senator may not say that there shall be no duty upon hides because it does not do the farmers in the West any good, while meantime the western Senators stand here insisting that such duty does benefit the farmer, and are able abundantly to prove it.

After the eloquent peroration so splendidly delivered by the Senator from Massachusetts, devoted to his State and the adjoining country, I may respond in some faint echo from the

West before I have finished, but at present I want to call the Senator's attention to his suggestion—that if this product is proved to be one that needs protection, then he is willing to give it.

Mr. President, if there has been any argument presented here by him, or by anyone else, that serves to prove that the farmers do not get that benefit, I have failed to hear it.

Mr. President, during the sixty-seven years last past—and that length of time takes us back about as far as most of the Senators of this body can remember—hides have been taxed the greater portion of the time, forty-two out of the sixty-seven years (besides the period after 1890, when 1½ cents per pound was imposed under certain conditions), and including the twelve years last past.

The boot and shoe and leather business was never more prosperous during any period in the life of this Nation; in fact, never was as prosperous, according to the showing made by statistics, as during these last twelve years, when the tariff on hides has been exactly the same as that proposed by the Committee on Finance in the present bill.

For thirty years during the sixty-seven alluded to there was not only a tariff on hides such as now exists, but hides and skins of all cattle were included—calfskins and kipskins, as well as goatskins, sheepskins, and so forth; and the rate varied from 4 per cent to 10 per cent—during much of the time 10 per cent; and during all of the time it was practically a higher duty than that of the last twelve years, inasmuch as the lower rate upon all classes of hides and skins made the leather, as a whole, subject to higher duty than the 15 per cent on cattle hides alone amounted to under the Dingley Act.

The fact that hides have been duty free about one-third of the time seems to have had the same effect upon the leather trusts as the increasing hoard of the miser has upon him—that is, the more he gets the more he wants, and the more eager and unhappy he is.

It seems that the great profits of the leather trusts, and the generous profits of the boot and shoe people, through the high tariff imposed upon importations of boots and shoes brought into this country, while they had over 77 per cent free raw material, and only 23 per cent taxed at almost a nominal figure, have tended to enable them to accumulate a great fund with which to exploit free-trade doctrines.

The corridors of this Capitol and its annexes have been plentifully filled, and the mails of every Senator have been loaded, in season and out of season, with demands—importunate and continuous—from those favoring free hides; some hired as attorneys and agents to present the subject here; and some engaged in business affected by the tariff on hides, who appear in their own interests.

This lobby—if I may call it such—is numerically stronger and more insistent than any I have known in Washington during my years of service as a Member of this body.

But it must be observed in this connection that neither the producers of hides, who are also great consumers of leather in harness, saddles, footwear, and so forth, nor the consumers of the product—the ordinary wearers of boots and shoes—who pay the bills, are here, or are protesting against the Dingley Act.

There are good reasons why the wearers of shoes are not here protesting, for the fact is it has never made one penny's difference in the price of shoes, and never will. In fact, no reduction is now promised in the price of boots and shoes along with the demand for free hides.

And another fact curious to note is that the beef packers are not here through representatives, petitions, letters, or requests of any nature. Apparently they do not care a fig whether hides are free or taxed; and, of course, they can afford to be indifferent, because if the value of domestic hides is to be reduced by the removal of the tariff on hides, they have only to charge it back to the cattle grower, the farmer, as being just that much value legislated out of the farmer's pocket in favor of the middleman, who wants to import free his material in order to increase his swollen gains.

I have not received a single line or letter or expressed wish from the packers, through any source whatever, to the effect that they desire a duty on hides. If any other Senator has received any communication from the packers, I have not heard of it. I do not believe the packers are paying any attention to this legislation, notwithstanding the fact that every one of the communications from those who protest against a tariff on hides rails against the beef packers.

Those correspondents who are crowding this matter of free hides upon us so forcibly are the middlemen—those who make their profits from the handling of hides and leather, much of it for export—and who want to enlarge that profit to the injury of the producer and at the same time give no benefit to the consumer.

The tariff on hides has not affected the price of shoes one iota in the past, and will not in the future, for, confessedly, it would amount to but a few cents—less than 2 cents in some cases and possibly reaching 5 or 6 cents in others—in the price of a pair of shoes. As upper leather is subject to no tariff, and as only the hard sole leather is affected, soft-sole shoes for children's, ladies', and even men's wear are not affected.

I undertake to say that not a single term of years can be cited in all the years when hides were free in which the tanners or the boot and shoe men can show the amount of business, the amount of profit, or the growth that they have shown when hides were dutiable. It has been said that the boot and shoe men do not want a tariff on shoes if they have no duty to pay on hides. It has been said by others that they do. I want to say here and now, before proceeding further, that I want to be able to vote hereafter for a tariff on shoes and boots and harness and leather goods, but if it is insisted upon I am only too ready and willing to accept the challenge and say that they may have free hides when we have free boots and shoes and leather.

I may say still further, if I am any judge, there will be the opportunity very soon after hides are made free, if they should be left on the free list, to know what effect free boots and shoes and free leather will have on these industries.

Mr. President, there never has been since I have been in the Senate such a propaganda upon any subject as upon this free-hide campaign. There never have been as many lobbyists, hired and voluntary, about the corridors of this Capitol; there never has been such a load of written and printed material in the files of the Capitol as has come to the Senate favoring free hides; and in all this material—and I think I have seen it all—the arguments for free hides rest, and I say it with all respect to those who have been influenced by them, upon misrepresentation, as I will show.

I claim that the profits of the tanners and the shoe men have been much larger than ever under Dingley Act rates, and I am going to put the figures in the RECORD to prove it. I am going to say, on the other hand, that I can find no reason why the tanners are asking for this reduction in the tariff unless it be with the disposition of the miser referred to—the more he gets, the more he wants—and therefore the tanners, having had free hides for a few years, want to put that much more margin or profit into their nefarious pockets. No one promises lower prices for boots and shoes. You may find if you look over the papers that here and there some shoe man, on his own authority, says that; but you will find that their text-books and official association papers, one and all, carefully avoid the subject of lowering prices on shoes.

They bring in here the one proposition that the meat trust is the great bogey man and must be captured and destroyed. So far as the meat trust is concerned, this free or taxed hide subject was up twelve years ago, and the tanning, leather, and boot and shoe people were down here then, to some extent. They issued their regular text-book, and they did not then complain of the meat trust. They had nothing to say then about the meat trust, but they claimed that if we put on a duty of 15 per cent, they would all go to ruin in less than ten years, instead of which they have been gaining over 50 per cent per annum in increased exports of shoes and gaining largely all along the line in tanning and other business.

But, Mr. President, after there was a certain book written by one Upton Sinclair, a book called "The Jungle," the tanning trust immediately commenced to speculate upon the bad reputation of another trust; and the leather trust, upon the principle of the pot calling the kettle black, started the cry of the usurpation of its business by the meat trust.

Suppose we allow every claim they make against the meat trust. I have failed to obtain an answer from either the distinguished Senator from Minnesota [Mr. CLAPP] or the able Senator from Massachusetts [Mr. LODGE] to the question, What effect is it going to have on the meat trust if we put hides on the free list? What is to prevent that trust—so called—from going on just as it does now? I am yet pausing for answers to that interrogatory.

It has been said, and you will find it in all this literature, that the packers are here demanding a duty on hides. I have issued one challenge; I will issue another. If anything has been presented here by any packer in the United States, either directly, in conversation, or in letters, in the way of a request for a duty on hides, I hope some Senator will rise in his place and tell the extent of it, for, so far as I know, the packers are paying no attention whatever to the matter, and apparently are unconcerned as to whether hides shall be free or whether they shall be taxed.

The men who raise the cattle of this country are those who are interested in the question. The men who wear the boots and shoes of this country are not here demanding free hides. It is simply the middlemen, the tanners, and the manufacturers who hope to get in between the producer and the wearer and take a certain toll from the farmer without benefiting the ulti-

mate consumer. The free-hide advocates are asking 12,000,000 farmers to pay tribute to two hundred and odd thousand—according to the authority of the Senator from Massachusetts—workers in boot and shoe factories and in tanneries. They are asking the farmers to give up the little amount of 15 per cent upon cattle hides alone, which has heretofore rendered them some benefit. They are asking the farmers to give up their protection, and yet the manufacturers say: "You shall pay on boots and shoes; you shall pay on harness; you shall pay on leather; you shall pay on the leather in the lounge or chair you sit or recline upon; you shall pay on every item of leather that you have to use; and yet you, the producer of that leather, shall not have the one dollar or the dollar and a half protection upon each hide you may produce."

Mr. President, a beef hide that would spread over several chairs and pieces of furniture and make boots and shoes enough for several families is only subject to a duty, if we had to pay it, of a dollar, a dollar and a half, or such a matter.

During several long years in one group of Western States we had to bury cattle hides so that they would not become a nuisance around the houses, because we could not sell them for enough to pay the freight charges upon them. In the meantime, we had to submit to a 45 per cent ad valorem duty on harness and saddles, and also duties on every leather glove, every leather boot or shoe, and every other leather item about the place. All this time these farmers were thus contributing cash to line the pockets of the leather trust. While burying the cattle hides which they produced on their farms, they were compelled, because of free hides, to buy and bring in all their leather goods, every article of which was under a protective duty.

Mr. President, there have been eight or ten points alleged by those who authoritatively represent the advocates of free hides. I will give the points, and I want careful attention to them. They are as follows:

(1) That the tariff on hides was inserted in the conference on the Dingley bill—and they insinuate that there was something surreptitious and uncanny about it, and that neither the Senate nor the House gave its consent to the legislation prior to the meeting of the conferees.

(2) That the 15 per cent duty does not benefit the farmer.

(3) That the packer gets the only benefit and all the benefit.

(4) That to remove the tariff would affect the consumer.

(5) That the leather trade is languishing because of the tariff.

(6) That the boot and shoe trade is languishing because of the tariff.

(7) That the quantity of domestic hides is decreasing.

(8) That the present duty is not a protective duty.

(9) That the present duty is of no account as a revenue tax.

(10) That the packers absolutely control domestic hides and dominate the prices.

I deny the truth of each and all of these assertions.

As to the first point: The free-hide people, believing that Senators and Representatives and others are living in ignorance regarding this question, have issued what they term "The Free Hide Text-Book," published by the National Association of Tanners last November, following their meeting in August, at Chicago. It will be noted that they took time by the forelock, and were in the hedges, highways, and byways to meet Congress immediately upon its assembling last December.

I shall quote freely from their own statements and figures to show the fallacy of their arguments.

From page 3 of this book I quote:

> In the Senate, however, the tariff was put upon hides during the compromise hours.

From page 6 of this book I quote:

> In the conference hours before the final passage of the new revenue law—

Meaning the Dingley Act—

> a tariff of 15 per cent was put upon hides. Just how it was done has always been in dispute.

Another one of the official free-hide publications, entitled "A Common-Sense Appeal," has the following:

> It crept into the act during the conference hours, and was imposed without sufficient consideration being given to the interests of the tanners.

Another document of at least semiofficial boot and shoe origin states:

> Every Senator should know that the present duty was tacked on the Dingley bill at the eleventh hour in an unguarded moment.

And there are still other statements to the same effect which I will not take time to quote.

Now, Mr. President, every Senator in this body who was here during the consideration of the Dingley bill knows how utterly false these statements are.

It will be seen that after the assertion that the tariff on hides was inserted during the conference on the Dingley bill, they go on and insinuate that there was something surreptitious and underhanded about it.

When I speak of the official free-hide text-book I want to say that just as soon as the two great political parties had met and made their nominations, these free-hide men met in Chicago. They elected officers, a president, vice-presidents, secretaries, executive committee, and directors, an even hundred men appearing on the board of officers, and they issued the book to which I have referred, and sent it immediately to Senators and Members of the House.

Mr. President, this whole fabric, this whole scheme of free hides, is based upon the rankest kind of a misrepresentation, to call it by no uglier name.

I will state from memory the facts concerning the Dingley tariff bill; and if I am wrong, some Senator will correct me.

That bill went at once to a subcommittee of the Finance Committee of the Senate, and I recall that Senators Allison, of Iowa; Platt, of Connecticut; and Wolcott, of Colorado, all now deceased, were upon that subcommittee. I believe the present chairman of the committee was also a member of that subcommittee, but he can state whether that is correct or not. I recall with regret that the Senator from Rhode Island [Mr. ALDRICH] was ill during a portion of the time when the Dingley bill was under consideration.

One of the first things talked about was the tariff on hides. Before they had gone very far in that consideration a conference of Republicans was called, and they met yonder in the Marble Room, as usual. The subject was thoroughly discussed. The chairman of that caucus, now gone to the other side, Senator Allison, was in the chair. After a thorough discussion by other Senators, that Senator left the chair, took up the matter himself, and asked that caucus for taxed hides. A distinguished Senator on this floor from New England arose in his place and said: "While the people in my State are opposed to this, I can not sit here and consider the three or four thousand articles in by State to be benefited by this act, and then, when Senators have already stated that they have but three or four items in their States and that an important one is taxed hides, say them nay."

The Senator moved that the committee should put a duty upon hides which would be the equivalent of an ad valorem tax of anywhere from 15 per cent to 40 per cent, in the judgment of the committee, and upon that the committee inserted, if I remember correctly, and I think I do, 2½ or 1½ cents a pound upon hides. The bill was reported from the Finance Committee to the Senate May 4, 1897, containing the duty on hides as stated. When it passed the Senate, July 7, 1897, it passed with 20 per cent ad valorem duty on hides, and went to conference. Now, there are Senators here who know whether I am telling the truth or not. Yet you have here repeated and reiterated in these prints sent to us the statement that we surreptitiously, in conference, against the law and contrary to the rules of these two bodies, perpetrated a great wrong.

Mr. President, I have never seen an example of supreme effrontery equal to that in all the world. A body of men supposed to be educated men, supposed to be honorable men, come here, forgetting that there are old Senators who were here twelve years ago, and say to this Senate: "You shall take the duty off of hides because you stole it and wronged us twelve years ago."

Mr. President, let me say, in passing, that if it has been noticeable here on this floor that the representatives of the great Northwest have rallied around the Committee on Finance; if it has been noted that they have remained here and voted day in and day out, from 10 o'clock in the morning until 11 o'clock at night, to support item after item in which they had no direct interest, let me say that it has been largely due to just such acts as that of the distinguished Senator from New England, who rose in that caucus and proposed a duty on hides, even against the wishes of some people in his State, in order to insure harmony, to insure proper duties on many items in his own State, and to do as he would be done by; and of that other distinguished Senator, now rising in his place, who voted to place hides upon the dutiable list at 20 per cent ad valorem.

Mr. ALDRICH. Will the Senator permit me a moment?

The PRESIDING OFFICER. Does the Senator from Wyoming yield to the Senator from Rhode Island?

Mr. WARREN. I do.

Mr. ALDRICH. The subcommittee which drafted the Senate amendment to the act of 1897 placed the duty on hides by the vote of that subcommittee in the bill as it was originally drafted by them. I have before me that amendment, which is in the first print of the bill as prepared by the subcommittee. It contained this provision:

> Hides of cattle, raw or uncured, whether dry, salted, or pickled, 2½ cents per pound.

The same provision was in the bill as it was reported by myself from the subcommittee to the Senate in precisely the same language.

I stated the other day in the Senate the way this amendment was originally agreed to in the subcommittee. It was agreed to upon the special and personal appeal of the late Senator from Iowa, Mr. Allison. It had the support of the other members of the subcommittee, the then Senator from Connecticut, Mr. Platt, and the then Senator from Colorado, Mr. Wolcott, and myself. It was placed in that bill with the entire acquiescence and support of every member of the committee.

After the bill came into the Senate, the conference to which the Senator from Wyoming refers met, and it was agreed that the rate should be changed from 1½ cents per pound to 20 per cent ad valorem. It passed the Senate in that form and went to the conference committee. In the conference committee the reduction was made from 20 to 15 per cent. That, in brief, is the history of the duty on hides. There had not been a duty on hides since——

Mr. WARREN. Since 1872.

Mr. ALDRICH. Since 1872. It was put there deliberately; first, by a vote of the subcommittee; second, by a vote of the Senate; third, by a vote of the conferees; and, finally, of course, by the vote of the Congress.

Mr. WARREN. I thank the Senator for substantiating what I said. I knew I was right about it, but I call the attention of the Senate to the fact that I do not have to depend alone upon the memory of able Senators here. I call the attention of the Senate to the fact that those men who wanted free hides were here then in this Capitol building, in all of these corridors, as they are now, tweaking us by the elbows and asking us not to put a duty on hides.

They met here in this city soon after Congress convened in special session, and on the 14th day of April they issued their official free-hide text-book. I have here in my hand that text-book. The bill became a law late in July; and yet here on the 14th day of April, they had, after a month of skirmishing, put their objections into writing. They had come here with a text-book to teach Senators their places and what they should do. There is nothing in this book about a conference and a surreptitious adding of the duty on hides at the last moment. Here were some four months of their work, according to this text-book, laid before this Senate before we finally determined the matter. They had their day in court; but they are like the boy who invites a fight, is badly whipped, and then runs home and makes excuses for himself, saying that he stubbed his toe, or that he was sick, or that he was unfairly slugged.

The imposition of that duty was as straightforward, as honest, and as aboveboard as any other item that ever passed through this Senate, or that was put upon that or any other tariff bill. It was not only discussed in the subcommittee, but it was discussed in the caucus, in conference, in the full committee, and on the floor of the Senate.

But, Mr. President, it has been said, and truly said, that a chain is only as strong as its weakest link. Among the campaigners in this free-hide propaganda are honorable men asking for free hides who believe that they ought to have them; but when you trace it back, this false charge of wrong practice in inserting taxed hides in the Dingley bill undoubtedly originated with the leather trust, and possibly with some dishonorable or misinformed boot and shoe men. It originated with men who do not know any better than to come before us and tell us what we ourselves as Senators did, and tell us wrongfully at that. Such men as these are not in a position to teach me whether I, in raising cattle, get any benefit from a hide tariff or not. I do not have to go to Massachusetts nor to Pennsylvania nor to the leather trust nor to anybody to ascertain whether a farmer gets any benefit from the duty on hides.

The farmers are not here asking to have the duty taken off of hides. I know that there is one purported petition, with 17 names on it, in the archives of this Senate, in which the signers say they are farmers. I know, also, that there are some thousands of names here on other petitions—and I will refer to them later—where they have had these "patent-inside" prepared petitions sent, and with them letters of minute instruction, and they have been asking about everybody to sign and send them here.

Now, if we apply the rule, that a chain is only as strong as its weakest link, where does it land all these stereotyped arguments that are being sent in here, all, or nearly all, of which arise from one well-known source, and that a trust, if there is any such thing as a trust under the sun in the United States? Is this an uprising of the shoe men? Are they the initial movers? Not at all. I had occasion, during my recent trip West, to call upon some of the men who have sent letters and telegrams to me—and doubtless to others—suggesting in some cases, demanding in others, that we have free hides; and I asked them what were their reasons for and what their real interest in the letters and telegrams sent. I was informed in every case, by shoe men, bankers, and others—and I did not meet one among the number who gave me different information—as follows: "Why," the shoe men said, "the firms from which we buy shoes have asked us to do this, since the leather men declare that we must help them or they will have to increase their prices on leather." The bankers said: "We know nothing of the merits of the case; we were asked to approach our Representatives in Congress and our Senators by certain people who have done business through the bank and are interested, we suppose, in the tariff. Personally, we know nothing about the matter."

This brings me to the subject of the great leather trusts which were dominating the leather trade with almost a clear field until the packers were forced to tan some portion of their beef hides in self-protection, as the leather trust proposed to make prices on their raw material, in way of hides, and later on the leather sold to the manufacturers.

The public is interested, not in seeing trusts succeed, but in seeing competition. And even now there is a struggle between the great leather trusts—one of sole leather and one of upper leather—and the packers. And so, perhaps, in time the wearers and consumers of leather may get their rights.

Mr. President, I ask to submit certain facts and tables regarding the formation of the United States Leather Company, the Central Leather Company, and the American Hide and Leather Company for insertion in the RECORD.

The matter referred to is as follows:

MY DEAR SIR: Senators from all the States have received hundreds of telegrams, postal cards, and letters urging free hides. The phraseology of these communications, from many thousands of widely scattered communities in the United States, is strangely similar. The identical language which has come from all States of the West and the South is: "The people of Ohio," for instance, "are in favor of cheaper and better shoes and opposed to legislation in the interest of the beef trust." These communications come, as a rule, from retail shoe dealers, hide and leather dealers, and tanners. Being so similar in language, and coming from such similar sources in all States, suggests similar origin or inspiration. Many of the communications assert that the packers (none mention the two leather trusts) and not the farmers get this tariff-added value to the hide. The duty on hides means not less than $1.50 to the farmers and the cattlemen for every cattle hide raised in this country. There is only one way by which the Chicago packers or the two great hide and leather trusts of the East can deprive the farmers and cattlemen of that direct benefit in the tariff law, and that is by placing hides on the free list.

But there are trusts and trusts in the hide and leather industry. And since there has been so much publicity about the Chicago packers, for the evident purpose of doing injury to the farmers and cattlemen, the interests of the latter and circumstances in connection with the free-hide propaganda suggest that Senators and the public should be fully informed regarding some other trusts that have been keeping under cover and resting in fancied security.

Attention is therefore called to an advertisement which appeared in the New York Sun on Sunday, March 14, 1909. It is herewith, and marked "Exhibit A." Its title is "Shoe leather, etc." Upon reading this advertisement one will be struck by the beautiful picture which is there drawn of the United States Leather Company and its holding company, the Central Leather Company. Then look at the other picture of the Chicago packers. They are the "new element" that "has appeared recently in the sole-leather business of the country, which is giving the tanning fraternity in general as well as the shoe manufacturers much more concern than was felt when the United States Leather Company and the Central Leather Company were formed."

This trust's sympathy, as voiced in that advertisement, appears to be solely for the "independent tanners and shoemakers of the country." We now begin to realize where all the various kinds of literature with which the Senate has been deluged had its origin—with this leather trust. But read the advertisement. No other bit of literature uttered or printed in connection with the present revision of the tariff will afford so much amusement.

This advertisement naturally directs attention to Moody's Manual, that repository of an infinite amount of data concerning trusts. The United States Leather Company, as will be seen by its balance sheet, is a trust of the first magnitude. In 1907 its hides and leather were valued at $11,457,273; its bark at tanneries, $2,386,316; its tannery plants, etc., $6,924,693; stocks of other compaines, $58,172,225; bonds of other companies, $6,216,888. The figures of the foregoing items have varied from year to year during 1903–1907; but here is one item which did not change so much as a penny during that five-year period: "Good will, etc., $62,832,300." The "good will" may be valuable, and so, too, may the "etc.," but the consumers of leather goods of all kinds have no assurance on that point. So far as they know, this $62,832,300 may represent no value whatever, in which case the consuming public carry this deadwood for that trust; and this, too, out of a total capitalization of $167,496,705, or over 60 per cent "good will" on a capitalization but a trifle over $100,000,000 of real property. When we look closely at the amounts of the common stock and that of "good will" it looks very much as if the promoters of this trust, when with a stroke of the pen they created this common stock, looked over their figures and saw that they had no asset to match it. They then just as easily created an asset and named it "good will, etc.," and high finance scored another triumph. This conclusion will come unbidden to the minds of men of even ordinary perspicacity. The stocks and bonds of "other companies" owned by the United States Leather Company, which aggregate $64,389,313—its dividends and other receipts from these sources amounting to $2,098,710—tell a plain tale of many independent leather and tannery concerns swallowed by the octopus.

But this trust has in turn been swallowed by another trust, the Central Leather Company, incorporated under the laws of New Jersey April 12, 1905. It was organized "to acquire the stock of the United States Leather Company," and it was so successful that during the three

years ending December 31, 1907, its income account showed that it had received in dividends from the stock of the United States Leather Company $7,739,434. The combined balance sheet of subsidiary companies of the Central Leather Company, as of December 31, 1907, shows stated assets of $16,172,732. It was a lusty young trust that swallowed "subsidiary companies" with assets of such amount. But that was only an appetizer. Soon it became real hungry, and at one gulp it swallowed the United States Leather Company and its subsidiary companies, with assets totaling, in 1905, $151,165,739.

But all the interesting features of this hide and leather trust can not be referred to in this letter. This much has been cited for the purpose of awakening a public interest in a trust that wants free hides and is not particular how it gets them. Its appeal to public prejudice against another trust for the purpose of robbing the farmers and cattlemen of the country of upward of $20,000,000 annually is a strange reminder that the pot will call the kettle black.

For the full details of these two interwoven trusts, their subsidiary companies, income accounts, balance sheets, etc., see the accompanying statement from Moody's Manual for 1908, marked "Exhibit C."

But these are not the only trusts in the hide and leather business. There is the American Hide and Leather Company, incorporated under the laws of New Jersey, May 3, 1899. As will be seen, this trust "was formed for the purpose of carrying on the business of tanning and currying of all kinds; also to manufacture, cure, and trade in skins, hides, and leather of all kinds, to slaughter animals, and pack, preserve, buy, sell, and deal in the constituent parts of animals and animal products; also to purchase, hold, and dispose of the stocks and securities of other corporations. The company has power to carry on its business in any State of the United States and in foreign countries." From the foregoing statement it seems to have all the earmarks of a trust, even those of a "packer trust." It tells of having "acquired by absolute conveyance the lands, tanneries, factories, stock in trade, and good will of the business formerly belonging to 21 different concerns."

The company states that its "total capacity is 5,000,000 calfskins and about 2,750,000 hides per annum, this being approximately 75 per cent of the entire annual production of upper leather in the United States." Truly, this corporation is prepared to do business on a trust scale.

Its authorized capital stock, $17,500,000 and $17,500,000 7 per cent cumulative preferred stock. The latter is preferred as to assets as well as dividends. There had been issued and was outstanding June 30, 1907, $11,274,100 common and $12,548,300 preferred, par $100. On the preferred stock there had accumulated and remained unpaid, up to and including May, 1908, dividends amounting to 56 per cent.

The United States Leather Company employs hide buyers in foreign countries and handles 75 per cent of all the Argentine hides imported.

I trust that all of these matters may receive your attention and that of your fellow Senators.

Very respectfully.

J. L. KENNEDY.

HON. FRANCIS E. WARREN,
United States Senate.

[EXHIBIT A.]

SOLE LEATHER—ITS LOCAL HABITATION IN THE "SWAMP" DISTRICT.

[From the New York Sun, Sunday, March 14, 1909.]

Changes that have taken place—The formation of the The United States Leather Company and Central Leather Company—Present agitation of tanners and shoe manufacturers throughout the country for repeal of the duty on hides.

All New Yorkers know the "Swamp." It is the locality in the neighborhood of Gold and Ferry streets and has been for well nigh two centuries the seat of the leather trade of New York. Prior to the Revolutionary war tanneries were operated in this locality, and when afterwards these were removed to the rural districts where supplies of oak and hemlock bark could readily be obtained the Swamp became the locality where leather from these tanneries was received and sold. The leather merchants of the Swamp have always stood high in this commercial community. Their credit was not surpassed by that of any other trade. The names of Schultz, Thorne, Andrews, Hoyt, Lapham, Healy, Fraser, Bullard, Fayerweather, Palen, Buckley, and many others were well and favorably known in commercial circles of New York. Moreover, while competition existed among them, there was always a friendly and fraternal feeling in the trade, and their personal relations with each other were cordial.

As time went on changes naturally occurred, because even so conservative a body of men as were these old "swampers" could not resist modern commercial tendencies. Individual firms gradually grew larger, and as time went on the business, particularly in sole leather, became gradually concentrated in fewer and larger concerns and finally resulted in the amalgamation of more than twenty of them in one company or "trust," as it is called, under the name of The United States Leather Company.

Many regrets were expressed at the disappearance of the time-honored names of these old firms of tanners and dealers in sole leather. A good deal of apprehension was felt as to what might be the outcome of this concentration of the business and the adoption, in such an old-fashioned trade, of the modern system of combination. The so-called "outside" tanners throughout the country, and the shoe manufacturers as well, were at first in some trepidation lest it might be detrimental to their welfare, but as time went on this did not appear to be the case. The competition of the new company did not appear to be of a destructive character, and the shoe manufacturers found that there had been nothing in the nature of a monopoly created in the production and sale of leather, and in fact the effect had been to give a desirable degree of steadiness to the whole industry. Consequently it appears there has been surprisingly little complaint from other tanners or from shoe manufacturers during the fifteen years of the existence of this leather company, which has, in fact, never enjoyed anything like a monopoly of the business.

The Central Leather Company was formed in the year 1905 and is now the holder of nearly all the stock—to be exact, about 95 per cent—of the United States Leather Company, as well as other tanning interests of importance. As was the case with the formation of the United States Leather Company, it has been found that the Central Leather Company has had no injurious effect on the industry at large, but through its better and more efficient organization is able to conduct its business in a more advantageous manner.

Its organization can hardly be said yet to be quite complete, inasmuch as a small number of stockholders of the United States Leather Company—about 5 per cent of the whole—dissented from the plan for its amalgamation with the Central Leather Company, and took the matter into the courts of New Jersey, from which State both companies derived their charters. The decision of the courts has thus far been against the dissentists and in favor of the merger of the two companies. An appeal, however, was taken to the court of errors and argued last June, but that court has not as yet rendered its decision in the case. It is said that if the decision should affirm the judgment of the lower court and permit the merger of the two companies, the same would be distinctly advantageous to the interests of both companies in that it would permit a more perfect organization for conducting the business. It would be very desirable on this ground. But, on the other hand, if the decision should be adverse and the merger denied, the Central Leather Company could still advantageously conduct its business in the same manner as heretofore, and without any loss of its property.

A new element has appeared recently in the sole-leather business of the country which is giving the tanning fraternity in general, as well as the shoe manufacturers, much more concern than was felt when the United States Leather Company or Central Leather Company was organized. This is the entrance into the tanning business, upon a large scale, of the great Chicago packers—Armour, Swift, and Morris. They control the production of a large part of the sole-leather hides of the country, and, aided by the existing 15 per cent duty on foreign hides, it is feared they may be able to secure a greater monopoly in the tanning of leather than they have already in the production of beef.

It is this which has given added stimulus recently to the desire, long felt by the tanners and shoe manufacturers of the country, for the removal of the duty on hides. This demand is confined to no one section of the country, but the tanners and shoe manufacturers in every part of the country are united upon the question and are urging upon Congress, with great earnestness, the repeal of the duty on hides. They confidently expect that this duty will be repealed, because it seems to them impossible that Congress could be so unjust as to sacrifice the interests of the independent tanners and shoe manufacturers of the country by continuing a duty which would amount to special legislation to give a monopoly of the industry to the Chicago packers.

EXHIBIT B.

CENTRAL LEATHER ASSOCIATION.

[From Moody's Manual.]

Incorporated April 12, 1905, in New Jersey, to acquire the stock of the United States Leather Company, on terms shown in Moody's Manual for 1905, page 1637. Up to December, 1907, the company had acquired $62,084,200 of the $62,882,300 common and $57,807,200 of the $62,282,300 preferred stock of the United States Leather Company. Since organization the Central Leather Company has acquired the entire capital stocks (except qualifying shares) of the N. K. Allen's Sons Company, Union Tanning Company, Harrington & Co., Queen City Tannery, and Wallin Leather Company.

The United States Leather Company and its constituent companies, among other property, own the following securities:

All of the $34,450,600 capital stock (except 27 shares held by directors) of the Elk Tanning Company.

All of the $10,000,000 capital stock (except 24 shares held by directors) and all of the $9,000,000 outstanding 4 per cent gold debentures, due January, 1930, of the Central Pennsylvania Lumber Company.

All of the $1,212,100 outstanding capital stock (except 65 shares held by directors) and all of the $937,000 outstanding first fifty-year 5 per cent bonds of the Susquehanna and New York Railroad Company.

All of the $125,000 capital stock (except 60 shares held by directors) of the Long Valley Coal Company.

All of the $150,000 capital stock (except 39 shares held by directors) of the Leetonia Valley Railway Company.

All of the $500,000 capital stock (except 65 shares held by directors) of the Tionesta Valley Railway Company.

All of the $300,000 capital stock (except 25 shares held by directors) of the David Moffat Company.

The shareholders of the Central Leather Company on January 16, 1907, voted in favor of taking over the business and assets of the United States Leather Company, by means of a merger under the statutes of New Jersey, the securities of the latter unexchanged to receive the same treatment as under the reorganization plan of December 17, 1904. The lower court in October, 1907, vacated the injunction preventing the consolidation, the agreement therefor to be modified to permit United States Leather preferred stockholders to demand their share of surplus of latter, representing dividends, in lieu of new common stock offered under plan, but the merger has been enjoined pending appeal.

Capital stock.—Authorized, $40,000,000 common and $40,000,000 7 per cent, cumulative, preferred; outstanding, $38,409,952 common and $31,061,500 preferred; par $100. The preferred stock is preferred as to dividends at the rate of 7 per cent per annum, cumulative, from July 1, 1905, and, in case of liquidation, as to principal and unpaid accumulated dividends at par. It has equal voting power with the common. It is provided in the certificate of incorporation that "From time to time the preferred stock and the common stock of the corporations may each or both be increased according to law, as now or hereafter enacted, provided always, that at no time shall the preferred stock be increased without the assent of the holders of at least two-thirds in interest of the then outstanding preferred stock of the corporation." Dividends at the rate of 7 per cent per annum have been paid, quarterly, January on the preferred from October, 1905, to April, 1908, inclusive; checks mailed. No dividends have as yet been paid on the common shares. Transfer agent, Equitable Trust Company, New York. Registrar, New York Trust Company, New York. Listed on New York Stock Exchange.

Bonded debt.—Thirty-four million five hundred and twenty-six thousand six hundred dollars first-lien gold fives, dated April 1, 1905, due April 1, 1925; not callable; interest April 1 and October 1, at Central Trust Company, New York, trustee and registrar of bonds; coupon, $1,000; principal may be registered. The trust deed provides for fully registered bonds. Principal and interest are payable in gold, without deduction for any tax. Authorized, $45,000,000. Secured by a first mortgage on all the assets and lands acquired and, pending their physical acquisition, by the shares of the United States Leather Company acquired and all the stock and bonds of its subsidiaries, including $9,000,000 4 per cent gold debentures and the $10,000,000 stock of the Central Pennsylvania Lumber Company. The indenture provides that if the capital stock of the United States Leather Company shall be increased there shall be forthwith pledged and delivered to the trustee certificates for at least such part of said increased capital stock as shall be proportionate to the part of the entire capital stock of said company previously held thereunder. Listed on New York Stock Exchange.

Four million six hundred and eighty thousand dollars United States Leather Company debenture gold sinking-fund sixes, dated May 1, 1893, due May 1, 1913; interest May 1 and November 1, at National Park Bank, New York, and in Boston; denomination, $1,000. Central Trust Company, of New York, is trustee and registrar of debentures. A sufficient amount of the securities, stock, and bonds of the Central Leather Company is reserved for the retirement and redemption of these debentures. Authorized, $10,000,000. On or before August 1 in each

year the company is required to purchase and deliver to the trustee for cancellation an amount of debentures equal to 4 per cent of the total debentures issued, provided they can be purchased at less than 110 and interest. If debentures can not be purchased at the price stated, the company is required to deposit with the trustee such amount as may be necessary to fully satisfy the sinking fund, and the trustee will then draw by lot and pay for debentures so drawn at 110 and interest on the November 1 following. No bond or debenture other than those of this issue and no mortgage can at any time be made, assumed, or guaranteed by the United States Leather Company, or by any company a majority of the stock of which is owned or controlled by that company, without the consent of the holders of 80 per cent of the preferred stock of the United States Leather Company then outstanding. These debentures are to be specifically and equally secured pro rata with all other bonds or debentures secured by any mortgage hereafter issued. Listed on New York Stock Exchange.

Income account, Central Leather Company.

	Year ended December 31, 1907.	Year ended December 31, 1906.	Period ended December 31, 1905.
Earnings:			
Dividends on preferred shares of United States Leather Co. owned	[a]$3,463,825	[b]$3,432,126	[c]$843,483
Interest and discount	31,688	47,681	
Net earnings of subsidiary companies	663,717	821,274	[c]362,308
Total	4,159,230	4,301,081	1,205,791
Expenditures:			
Interest and discount			18,480
Organization and general expenses	113,190	299,875	122,246
Discount and commissions, bond sales		25,000	68,945
Bond interest	1,724,410	1,692,591	359,785
Dividends paid on preferred stock	2,170,285	2,125,317	518,297
Total	4,007,891	4,143,783	1,087,753
Undivided profits	151,339	157,298	118,038

[a] Dividends on 578,072 shares (on 2,722 shares only three dividends of $1.50 per share each were received; on 160 shares only two dividends were received, and on 10 shares only one dividend was received).

[b] Dividends on 575,180 shares (on 11,000 shares only three dividends of $1.50 per share each were received, and on 818 shares only two dividends were received).

[c] Dividends on 562,322 shares. During the period ended December 31, 1905, the company received only one dividend on its holdings in the United States Leather Company (these having been acquired July 2, 1905), and it had the benefit of the operations and earnings of the subsidiary companies for an average period of but one hundred and twenty days prior to December 31, 1905; consequently the statement of earnings and expenditures cover but a fractional part of the year.

Balance sheet of Central Leather Company, December 31.

	1907.	1906.
Assets:		
Stock of United States Leather Co.	$96,217,152	$95,679,570
Investments in subsidiary companies, including stocks	7,028,774	6,845,056
Bills receivable, Union Tanning Co.	4,332,000	2,705,000
Accounts receivable, Union Tanning Co.	376,006	2,826,351
Current accounts receivable	150,058	10,684
Accrued interest	35,905	15,529
Cash	51,381	370,918
Total	108,191,276	108,453,107

Balance sheet of Central Leather Company, December 31—Continued.

	1907.	1906.
Liabilities:		
Preferred stock	$31,061,500	$30,878,900
Common stock	38,409,952	38,161,570
Bonds outstanding	34,526,600	34,382,000
Bills payable	3,750,000	4,730,737
Accounts payable	16,549	24,563
Undivided profits	426,675	275,335
Total	108,191,276	108,453,107

Combined balance sheet of subsidiary companies of Central Leather Company as of December 31.

[Not including the United States Leather Company holdings.]

	1907.	1906.
Assets:		
Plants	$4,747,058	$4,406,318
Bark and timber lands, other real estate, and railroad property	1,352,385	1,285,973
Hides, leather, bark, extract, lumber, supplies, materials, and sundry personal property	7,483,977	8,234,523
Unexpired insurance	20,319	18,380
Bills receivable	701,953	420,453
Accounts receivable	1,765,088	1,993,865
Cash	96,952	99,210
Total	16,172,732	16,459,722
Liabilities:		
Capital stock	1,000,000	1,000,000
Surplus	4,631,475	4,631,475
Due Century Leather Co.	4,708,005	5,531,351
Mortgage due by Wallin Leather Co.	9,000	9,000
Bills payable	3,571,000	2,905,000
Accounts payable	1,357,329	1,097,622
Accrued interest	135,478	71,693
Undivided profits	730,445	1,183,581
Total	16,172,732	16,459,722

Income account, United States Leather Company, year ended December 31, 1907.

Profits on sales	$706,349
Profits on manufacturing, including tanning and extract	583,546
Commissions and cartage on purchases and sales for others, including subsidiary companies' products	2,067,891
Interest on advances to other companies and other loans and investments	673,113
Dividends and other receipts and income from subsidiary companies	2,098,710
Miscellaneous earnings and income	23,892
Total receipts	6,153,501
Deduct:	
Interest on debentures	288,800
Interest on bills and accounts payable	730,241
Administrative expenses	456,830
Taxes, insurance, legal and other expenses	254,501
Dividends paid	3,736,938
Total deductions	5,467,310
Surplus for year	686,191

General balance sheet of United States Leather Company December 31.

	1907.	1906.	1905.	1904.	1903.
Assets:					
Cash	$4,318,178	$2,505,159	$2,230,337	$2,420,667	$2,049,952
Accounts receivable	9,979,789	10,761,665	9,562,293	5,757,802	6,048,313
Bills receivable	3,569,624	1,277,339	243,507	549,117	140,897
Doubtful debtors, valued at	4,245	8,832	4,125	10,735	5,920
Other debtors		1,070,602	984,190	141,906	144,548
Hides and leather	11,457,273	15,209,784	12,716,388	9,814,944	10,328,626
Bark at tanneries	2,386,316	1,677,962	1,871,105	2,262,800	1,915,974
Sundry personal property	402,108	654,627	590,839	595,987	401,356
Advances to other companies	508,708	1,920,921	1,923,030	343,696	1,117,558
Drawbacks		464,492	508,223	559,485	467,718
Railroad mortgage	100,000	100,000	100,000	100,009	100,000
Tannery plants, etc.	6,924,693	6,847,706	6,756,081	6,696,069	6,313,295
Stocks of other companies[a]	58,172,225	56,760,181	52,823,603	50,515,443	49,142,022
Bonds of other companies	6,216,888	6,879,888	8,404,888	9,914,888	10,000,000
Real estate interests	501,116	490,235	232,625		
Treasury stock				100,000	100,000
Good will, etc.	62,832,300	62,832,300	62,832,300	62,832,300	62,832,300
Unexpired insurance	123,247	109,293	71,576	56,579	67,260
Total	167,496,705	169,627,987	161,855,116	152,672,469	151,165,739
Liabilities:					
Common stock	62,832,300	62,832,300	62,832,300	62,832,300	62,832,300
Preferred stock	62,282,300	62,282,300	62,282,300	62,282,300	62,282,300
Bonds	4,680,000	5,080,000	5,280,000	5,280,000	5,280,000
Accrued interest, etc.	52,470	67,960	59,550	26,254	17,549
Current accounts	342,461	609,585	679,949	285,620	334,394
Exchange not due	453,582	2,072,904	1,516,822	1,098,298	1,075,224
Bills payable	12,785,019	13,080,000	7,900,000	2,100,000	1,450,000
Reserve for fire insurance	419,172	639,729	632,666	517,685	309,587
Surplus	23,599,401	22,913,209	20,641,529	18,200,011	17,534,385
Total	167,496,705	169,627,987	161,855,116	152,672,469	151,165,739

[a] Represented by hides and leather, tannery plants, extract works, glue plants, sawmills, lumber, railroads, bark, timber, and lands in fee, bark contracts, bark at tanneries, personal property, cash, and sundry debtors.

Officers: E. C. Hoyt, president; A. A. Healy, first vice-president; W. G. Garritt, second vice-president; J. J. Lapham, third vice-president; D. P. Squire, fourth vice-president; J. R. Plum, treasurer; F. E. Knapp, secretary.

Directors: A. A. Healy, Frank Healy, E. C. Hoyt, L. C. Krauthoff, J. J. Lapham, L. H. Lapham, R. E. Paine, P. A. Valentine, New York; J. Ogden Armour, H. P. Darlington, Chicago; C. W. Allen, Nathan Allen, Kenosha, Wis.; G. W. Childs, Ridgeway, Pa.; S. P. Davidge, Short Hills, N. J.; W. G. Garritt, Boston; Eugene Horton, Middletown, N. Y.; Van A. Wallin, Grand Rapids, Mich.

Annual meeting, fourth Wednesday in February, at Jersey City, N. J. Offices, 52 William street and 26 Ferry street, New York. Corporate office, 15 Exchange place, Jersey City, N. J.

[EXHIBIT C.]

AMERICAN HIDE AND LEATHER COMPANY.

[From Moody's Manual.]

Incorporated May 3, 1899, in New Jersey; amended certificate of incorporation filed August 28, 1899. The duration of the corporation is perpetual. Company was formed for the purpose of carrying on the business of tanning and currying of all kinds; also to manufacture, cure, and trade in skins, hides, and leathers of all kinds, to slaughter animals, and pack, preserve, buy, sell, and deal in the constituent parts of animals and animal products; also to purchase, hold, and dispose of the stocks and securities of other corporations. The company has power to carry on its business in any State of the United States and in foreign countries. The company acquired, by absolute conveyance, the lands, tanneries, factories, plants, stock in trade, and good will of the business formerly belonging to 21 different concerns, a list of which is given in Moody's Manual for 1902, page 1305. Also owns the entire $50,000 stock, except 50 shares necessary to qualify directors of the Pennsylvania Hide and Leather Company, a Pennsylvania corporation, which has acquired the title, free from incumbrance, except as to the mortgage securing the bonds of the American Hide and Leather Company, to the plants formerly the property of Alley Brothers & Co., and B. F. Thompson & Co., at Curwensville, Osceola, and West Hickory, Pa.

The business carried on by the company is principally the manufacture of upper leathers of all kinds for shoes, including cowhide, leathers, black and Russia calfskins, enameled and patent leathers, which constitute over 90 per cent of the output of the company. Various grades of fine leather used in the manufacture of other articles and also a small amount of sole leather are manufactured. Total capacity is 5,000,000 calfskins and about 2,750,000 hides per annum, this being approximately 75 per cent of the entire annual production of upper leather in the United States.

Capital stock.—Authorized, $17,500,000 common and $17,500,000 7 per cent cumulative preferred, the latter being preferred as to assets as well as to dividends. Outstanding, $11,274,100 common and $12,548,300 preferred; par, $100. Dividends on preferred of 1 per cent each were paid February 15, May 15, and August 15, 1905; none since. Accumulated dividends to and including May, 1908, amount to 56 per cent. Transfer office, Trust Company of America, New York. Registrar, Farmers' Loan and Trust Company, New York. Listed on New York Stock Exchange.

Bonded debt.—Seven million one hundred and ninety-four thousand dollars first sinking fund gold sixes, dated September 1, 1899; due September 1, 1919; subject to call at 115 and interest on any interest date on thirty days' notice; interest March and September 1 at Trust Company of America, New York, trustees. Coupon, $1,000; principal may be registered Mortgage provides that the company shall, on September 1 of each year, beginning 1900, deposit with the trustee $172,500, which sum shall be sufficient to purchase $150,000 face value of bonds at not exceeding 115 and interest. If none or less than $150,000 of bonds can be purchased at or below 115 and interest, the sinking-fund payments are to be invested and held for further security of the bonds. Authorized, $10,000,000, of which $9,000,000 were issued for the general purposes of the company and $1,000,000 reserved to be issued for new properties acquired and subjected to the mortgage. Of the $9,000,000 of bonds issued, $7,194,000 are outstanding, $475,000 are in the treasury of the company, and $1,331,000 have been purchased and are now held by the trustee in the sinking fund. The first mortgage, dated September 20, 1899, securing these bonds, covers and is a first lien on the real estate, tanneries, factories, and plants, and the supplemental mortgage dated October 2, 1899, covers all skins, hides, leather, tan bark, stock in trade, and other supplies and raw materials; goods manufactured, unmanufactured, or in process of manufacture, horses, wagons, harness, furniture, duplicates, patents, and all other chattels and personal property owned by the company, or which it may hereafter acquire, and situated in or upon any of the company's properties in Massachusetts, Michigan, and West Virginia. Listed on New York Stock Exchange.

Income account of American Hide and Leather Company and its subsidiaries, years ending June 30.

	1906-7.	1905-6.	1904-5.	1903-4.	1902-3.
Trading profits	$1,151,048	$1,178,487	$1,374,432	$1,169,325	$853,424
Profit on bonds purchased for sinking fund, etc	14,332	3,297	31,755	35,276	32,690
Total	1,165,380	1,181,784	1,406,187	1,204,601	886,114
Deduct:					
Replacements, renewals, and repairs	159,055	167,505	190,291	196,895	200,377
Bad debts and reserve for doubtful debts	8,423	21,843	18,691	26,784	9,988
Interest on bonded debts	511,500	511,500	511,500	511,500	511,500
Other interest	66,066	86,547	29,708	28,150	65,182
Sinking fund appropriations	150,000	150,000	150,000	150,000	150,000
Dividends on preferred stock		[a] 125,483	[b] 250,966		
Miscellaneous					28,701
Total	895,044	1,062,879	1,151,245	913,330	965,748
Balance surplus for year	270,336	118,905	254,942	291,272	[c] 79,634

[a] 1 per cent includes $130,000 paid August 15, 1905, on $13,000,000 preferred stock, less $4,517 received on preferred stock held in trust.
[b] 2 per cent.
[c] Deficit.

Balance sheet of American Hide and Leather Company and its subsidiaries June 30.

	1907.	1906.	1905.	1904.	1903.
Assets:					
Cost of properties	[a] $26,479,073	[a] $26,482,282	[a] $26,458,528	[a] $26,466,346	[a] $26,441,072
Sinking fund	[b] 26,790	1,122,155	908,287	702,496	503,907
Materials and supplies	6,305,659	7,254,060	6,566,627	6,346,021	6,746,516
Bills and accounts receivable	[c] 2,170,705	[c] 2,099,857	[c] 2,018,878	[c] 1,686,828	[c] 1,764,413
Cash	298,337	284,591	288,112	286,526	428,451
Miscellaneous	76,773	78,243	81,423	108,313	115,009
Total	35,357,337	37,322,188	36,421,855	35,446,530	35,999,368
Liabilities:					
Preferred stock	13,000,000	13,000,000	13,000,000	13,000,000	13,000,000
Common stock	11,500,000	11,500,000	11,500,000	11,500,000	11,500,000
First-mortgage 6 per cent bonds	[d] 7,194,000	[d] 8,525,000	[d] 8,525,000	[d] 8,525,000	[d] 8,525,000
Current liabilities	823,209	1,063,031	1,396,471	880,878	1,923,579
Sinking fund, first-mortgage bonds	1,357,790	1,122,155	908,287	702,497	503,907
Surplus	1,482,338	1,212,002	1,093,097	838,155	546,882
Total	35,357,337	37,322,189	36,421,855	35,446,530	35,999,368

[a] Including 4,517 shares preferred and 2,259 shares common stock of the American Hide and Leather Company held in trust.
[b] Includes only cash and accrued interest (bonds in sinking fund, held by trustees, not treated as an asset as in former years).
[c] After deducting reserves for doubtful debts and discounts.
[d] After deducting each year $475,000 held in treasury and in 1907, $1,331,000 held in sinking fund. Bonds held in sinking fund are included in 1906 and in earlier years.

Officers: T. W. Hall, president; T. S. Haight, first vice-president; Aaron Hecht, second vice-president, New York; F. L. Roenitz, third vice-president, Chicago; C. P. Hall, fourth vice-president, Boston; G. A. Hill, secretary and treasurer, New York.

Executive committee: T. S. Haight, T. W. Hall, Aaron Hecht, New York; C. P. Hall, Boston; F. L. Roenitz, Chicago.

Directors: The foregoing and C. A. de Gersdorff, T. J. Ryan, Henry Seligman, Frederick Strauss, New York; C. H. Buswell, M. Robson, C. W. Tidd, E. L. White, Boston; James Skinner, Woburn, Mass.

Annual meeting first Wednesday in September at Jersey City, N. J.; main offices, 92 Cliff street, New York, and 17 East street, Boston.

Mr. ALDRICH. Mr. President——

The PRESIDING OFFICER. Does the Senator from Wyoming yield to the Senator from Rhode Island?

Mr. WARREN. I do.

Mr. ALDRICH. If the Senator will pardon me for another interruption, that bill, with this 15 per cent hide-tariff provision in it, was reported to the Senate on the 4th day of May, 1897.

Mr. WARREN. It was.

Mr. ALDRICH. And it passed Congress finally on the 24th of July.

Mr. WARREN. And the free-hide text-book, here in my hand, is dated April 14.

Mr. ALDRICH. Therefore the provision to which the Senator refers was before Congress and the public for two months and a half before final action.

Mr. WARREN. That is true. Now, they have one other proposition. Mr. President, I have not the gift of language, nor the terms to properly characterize it—asinine is not severe enough to cover the case. But I refer to their attempt to prove that, because the price of cattle goes up and down, if the price of hides does not go up and down at just the same time and dates, we, as farmers, do not get any benefit. That is one of their prize arguments. While the hide, according to their statement, amounts to one-tenth of the value of the animal (according to the facts, one-fifth would be nearer), it has no more to do with the difference in values of different parts of the animal at different times than has the rising of the new moon or the changes in the moon. The fact that you separate the hides from the meat, and have a market for hides and a market for meat, separate and apart from each other, is no more strange than that the price of lard does not always go up and down with that of pork, nor that the price of tallow does not go below that of beefsteak, nor that wool and mutton do not go together, up or down, in value.

Another thing I find here—and it is a funny sort of a fact—is that nearly all the official documents of the boot and shoe and tanning aggregation are printed on yellow paper. I will make no comment on it, but simply state the fact. One of the distinguished men selected by that great industry to represent them undertakes to prove that because a steer sells for $5.40 a hundred and hides bring 9 cents a pound, the packer makes the difference between $5.40 and $9 a hundred. The innocence of that man is surprising. I can not think that it is innocence; I think it is intent; and I can not help thinking thus, for there is scarcely a person who does not know that when you buy a steer at live weight upon the hoof you pay per pound what he weighs on the hoof, and when you slaughter a steer or other animal from 35 to 50 per cent of the total weight of the carcass is thrown away; and when you count net results, you must receive per pound nearly double the price for the net usable portion of the animal in order to get even your cost back. Then the cost of doing business and the profit must be added to that——

Mr. BEVERIDGE. Mr. President, will the Senator let me ask him a question?

The PRESIDING OFFICER. Does the Senator from Wyoming yield to the Senator from Indiana?

Mr. WARREN. I do.

Mr. BEVERIDGE. I did not quite catch what proportion of the animal the Senator from Wyoming said the hide represented.

Mr. WARREN. About a fifth or sixth usually. It depends on circumstances. It might run to a tenth sometimes, because the conditions vary.

Mr. BEVERIDGE. Does the Senator mean to say a fifth or 5 per cent—which one? Here is a statement, if I may interrupt the Senator——

Mr. WARREN. I care nothing about the statement. The statement that a hide is 5 per cent of the weight of an animal is too ridiculous even to listen to.

The PRESIDING OFFICER. The Senator from Wyoming declines to yield.

Mr. WARREN. No; I yield.

Mr. BEVERIDGE. I do not understand that the Senator declines to yield.

I refer the Senator, as to the divisions of the animal, to the statement made before the House committee by the representative of the packers. Before I read that statement, however, I want to call the Senator's attention to the fact that a moment ago, when we were discussing the benefit which the packers would receive from this, the Senator said, I believe, that no packers had appeared. As a matter of fact, I know he does not want that statement to go uncorrected. I find that the packers did appear through a Mr. Urion, who makes a very long statement, the purport of which is to prove that the duty on hides should be retained. He says that he has had twenty-two years' experience——

Mr. WARREN. Before the Senator goes through that, let me say I made that statement, as applied to the Senate, and I repeat it now. On the other hand, I am sure no one volunteered to appear and ask for anything for the packers before the House committee.

Mr. BEVERIDGE. Nobody knows, so far as that is concerned——

Mr. WARREN. The Senate is considering this subject now.

Mr. BEVERIDGE. The Senate is considering the subject; that is quite true, but I do not know whether the packers or anybody else appeared before the Finance Committee. I have no quarrel with the committee about that, but, as a matter of fact, we do not know who appeared or who did not appear. I understood the Senator to say that the packers had not appeared before the American Congress on this subject, and I find that they did.

Mr. WARREN. I did not use the term "American Congress."

Mr. BEVERIDGE. That is true; but the American Congress is passing this bill, and I assume that the Senator had reference to the American Congress.

Mr. WARREN. The Senate is just now considering it.

Mr. BEVERIDGE. That is true. We do not know who did appear or who did not appear before the Senate committee. Mr. Urion, who stated that he represented the packers and who said that he had about twenty-one or twenty-two years' experience in this business, said:

> The average value of a hide or the average of a hide is about 6 per cent of the total of an animal. As you know, the edible parts of a steer are only about 57 per cent. The other 43 per cent is made up of the hide, the tallow, and what we classify as "offal."

I want to stop there to say to the Senator that a moment ago he said it was 45 to 50 per cent of the animal; but that is not correct——

> Of the 43 per cent, the hide is the most valuable part; and, as I say, about 6 per cent.

That is, of the 43 per cent outside of the meat the hide is the most valuable part; and, as he says, it is about 6 per cent of the value. That would seem, if the representative of the packers is correct——

Mr. WARREN. I would rather go by actual transactions than by any quotations that the Senator from Indiana may read, even from a book of testimony taken by a committee of the House. I was talking about weight, while the Senator is talking about value. I have in my hand here——

Mr. BEVERIDGE. Just a moment. I am informed that there were three men representing the packers who were before the Senate Committee on Finance on the subject of a duty on hides.

Mr. ALDRICH. There was no man, so far as I know, representing the packers who appeared before the Finance Committee.

Mr. BEVERIDGE. Perhaps I was incorrect in the statement——

Mr. ALDRICH. There were parties who appeared before the committee urging the imposition of a duty on hides; but they all denied that they represented anybody except the cattle raisers and the farmers. They stated that distinctly.

Mr. PENROSE. They were from Texas, as I remember, and had no connection with the packers.

Mr. ALDRICH. They were all from Texas and Kansas.

Mr. BEVERIDGE. That straightens that matter out. We now know who did appear before the committee according to their own representations. It is true that the representative of the packers, frankly admitting himself to be such, did appear before the House committee. He made a very long statement and was subjected to a very long examination, in which he urged the retention of the duty. I merely meant to call the attention of the Senator to the fact that his division of the animal was not in accordance with the division made by this representative, who has been twenty-one or twenty-two years, as I think, in that business. I do not myself know which is correct.

Mr. WARREN. He might have been twenty-one years in the office or at the slaughtering pens. I have pulled the rope too many times and have seen too many cattle butchered to be unsure of my ground as to proportionate weight of hide to balance of carcass. I want to say another thing.

Mr. BEVERIDGE. Just a moment——

Mr. CARTER. Mr. President——

The PRESIDING OFFICER. Does the Senator from Wyoming yield to the Senator from Montana?

Mr. WARREN. Yes.

Mr. CARTER. Mr. President, the Senator from Wyoming is speaking, I imagine, of the proportion of value, whereas the Senator from Indiana is doubtless speaking of the proportion of weight.

Mr. WARREN. The Senator from Indiana first asked me about the weight; but now perhaps he is asking about value, and when he has finished I am going to give him the value by actual figures.

Mr. CARTER. The proportion of weight is between 6 and 7½ per cent, and the proportion of value is about 16 to 17 per cent.

Mr. BEVERIDGE. Mr. Urion uses the word "value;" and I will say to the Senator——

Mr. CARTER. He has simply confused the items.

Mr. WARREN. Mr. "Uriah" must not be Uriah Heep. I do not have the honor of knowing him, but I must defend him.

Mr. BEVERIDGE. He is not Mr. Heep. He is Mr. Urion. The Senator himself is not a better butcher or a more experienced butcher than Mr. Urion.

Mr. WARREN. I did not claim to be.

Mr. BEVERIDGE. The Senator said he had assisted in butchering too many cattle not to be familiar with the matter. I want to say that Mr. Urion is not an office man at all. According to his own statement, he has been a practical man, engaged in this business for years.

Mr. WARREN. I have no doubt. I will examine his testimony and remark upon it to-morrow. It is now so late I will not be able to finish to-day. I have in my hand five bills or invoices taken helter-skelter out of the bundle, and they average the return paid upon stock killed as to the percentage of weight and value of hides. These are actual transactions, returns made in the usual form long before this matter was up. They are the cash-account returns made to a man who shipped the stock. Here is one dated February 5, 1909:

[Duplicate.]

CHICAGO LIVE STOCK EXCHANGE,
OFFICE OF THE SECRETARY,
Union Stock Yards, Chicago, Ill.

Statement of the disposition of one carcass of beef and its offal, pronounced fit for food by the state veterinarian of the State of Illinois, at a post-mortem examination thereof, held in the city of Chicago on February 5, 1909.

Owner, Smith Brothers' Commission Company. Sold to J. Wall. Tag No. 377.

CREDIT.

By four quarters of beef, 745 pounds, $6.50	$48.42
By butter stock, 40 pounds, $7.65	3.06
By steer hide, 86 pounds, $12.30	10.58
By head, tongue, etc	.60
	62.66

DEBIT.

To slaughtering, dressing, chilling, and delivering carcass	$0.97	
To feed and petty incidental expenses	1.06	
		2.03
Net proceeds		60.63

Owner, J. H. Hall, Breckenridge, Mo.

Is the Senator satisfied with that? If not, I have four or five more that will show equally well. There is no question as to the proportions.

I desire to say that this matter of a duty on hides is no new imposition upon the boot and shoe makers. Even the Southern Confederacy during the life of their government levied a duty of 10 per cent ad valorem on hides; and I want to say now, before I pass over it, that that 10 per cent which they then levied and the 10 per cent, the 5 per cent, or the 4 per cent levied by our Government at various times covered all the hides and skins of cattle, including kips and calves; and also those of goats and sheep, and even with a duty of 4 per cent ad valorem the amount of protection enjoyed and the amount of revenue received exceeded that which we received later under a 15 per cent duty on hides of cattle alone as the law was administered.

The following was the hide and leather rate of duty under the Confederate States tariff of May 21, 1861:

Shoes and boots of all kinds, worn by men, women, or children, of whatever material composed, not otherwise provided for, 15 per cent ad valorem.

Saddlery of all kinds, not otherwise provided for, 15 per cent ad valorem.

Furs, hatters', dressed or undressed, not on the skin; furs, undressed, when on the skin, 10 per cent ad valorem.

Leather, tanned, band, sole, and upper of all kinds, not otherwise provided for, 10 per cent ad valorem.

Articles used in dyeing and tanning, 5 per cent ad valorem.

Live animals, free.

Articles not enumerated (among them hides), 10 per cent ad valorem.

Mr. ALDRICH. Mr. President——

The PRESIDING OFFICER. Does the Senator from Wyoming yield to the Senator from Rhode Island?

Mr. WARREN. Certainly.

Mr. ALDRICH. It is evident the Senator from Wyoming will not be able to complete his remarks to-day. It is my purpose to ask for an adjournment about 5 o'clock, and I have some unimportant amendments, largely of a verbal nature, making changes in phraseology, which I should like to offer and dispose of, if agreeable to the Senator, before we adjourn.

Mr. WARREN. Very well. That is perfectly agreeable to me, and I yield to the Senator.

Mr. ALDRICH. Mr. President, in paragraph 411 the amendment of the committee inserting the words "cardboard and bristol board" were inserted in the wrong line. They were inserted in line 26, after the word "press." They should have been inserted before the word "thirty-five," in line 25. The change will make no difference in the rate.

The PRESIDING OFFICER. The Secretary will state the amendment.

Mr. ALDRICH. The words "cardboard and bristol board" should come before the word "thirty-five," in line 25, after the word "designs."

The SECRETARY. On page 165, line 26, strike out the words "cardboard and bristol board," and insert the same in line 25, after the word "designs," so as to read "such designs, cardboard, and bristol board, 35 per cent," and a comma.

The PRESIDING OFFICER. The question is on agreeing to the amendment.

The amendment was agreed to.

The paragraph as amended was agreed to.

Mr. ALDRICH. I move to insert a new paragraph, to be known as "paragraph 194½."

The PRESIDING OFFICER. The amendment will be stated.

The SECRETARY. On page 68, it is proposed to add as a new paragraph, to be known as "paragraph 194½," the following:

194½. Nippers and pliers of all kinds, except blacksmith tongs, surgical and dental instruments or parts thereof, wholly or partly manufactured, 10 cents per pound and 40 per cent ad valorem.

Mr. CULBERSON. What is the exception in that amendment? I ask that the Secretary read it again, and I ask the Senator from Rhode Island why the exception is made.

The PRESIDING OFFICER. The Secretary will again state the amendment.

The Secretary again read the amendment.

Mr. ALDRICH. Blacksmith tongs are of much lower cost, and there is no reason why they should not bear the old rate.

Mr. CULBERSON. What is the old rate?

Mr. ALDRICH. Forty-five per cent ad valorem.

Mr. CULBERSON. I move to amend by striking out the exception.

Mr. ALDRICH. That will be to increase the rate on those articles named in the exception.

Mr. CULBERSON. No; it will leave it——

Mr. ALDRICH. I think the Senator is mistaken.

Mr. CULBERSON. It would leave the rate at 45 per cent.

Mr. ALDRICH. That is exactly what the exception does; it leaves those articles at 45 per cent.

Mr. CULBERSON. The amendment provides a duty of 10 cents a pound, I understand.

Mr. ALDRICH. No; 10 cents per pound and 40 per cent ad valorem.

Mr. CULBERSON. I misunderstood. I withdraw the amendment I suggested.

Mr. BURKETT. What was done with the amendment? Was some part of it stricken out?

Mr. ALDRICH. No; nothing was stricken out.

Mr. BURKETT. Does it include dentists' tools?

Mr. ALDRICH. Oh, no; it excepts them.

The PRESIDING OFFICER. The question is on agreeing to the amendment.

The amendment was agreed to.

Mr. ALDRICH. Mr. President, three or four amendments in relation to the duties upon band and saw steel strips have been heretofore adopted. Upon examination, the committee find they are not properly classified. They are in three or four paragraphs; and in order to make the rates symmetrical, it is necessary to make some changes in the phraseology. There will be no changes in the rates; but in order that steel strips for circular saws and for other saws may be properly classified, it is necessary to concentrate them into one paragraph.

I will ask to have these amendments adopted, and if there is any objection to them hereafter, I shall be very glad to take them up and consider them again. They make practically no increase. The rates are substantially the same. I will call attention to the paragraphs as I go on.

The PRESIDING OFFICER. Without objection, the paragraphs will be reconsidered.

Mr. ALDRICH. Paragraph 122 is the first one. I will send the amendment to the desk.

The SECRETARY. On page 35, in lieu of the matter stricken out in lines 10 to 14, insert a semicolon and the following:

bands and strips of steel, exceeding 12 feet in length, not specially provided for in this section, 35 per cent ad valorem.

Mr. ALDRICH. That is a reduction below the rate in the portion stricken out.

Mr. STONE. How much of an increase is that over the House rate?

Mr. ALDRICH. It is not an increase at all. It is a reduction.

Mr. STONE. A reduction?

Mr. ALDRICH. In place of the rate fixed by the House bill, 1½ cents per pound and 20 per cent ad valorem, and 3 cents per pound and 20 per cent ad valorem, it is a flat rate of 35 per cent ad valorem, which is much less than the House rate.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Rhode Island.

The amendment was agreed to.

The paragraph as amended was agreed to.

Mr. ALDRICH. The next amendment is in paragraph 129.

The SECRETARY. On page 37, line 20, strike out the words "steel band, circular, and other saw plates wholly or partially manufactured."

Mr. ALDRICH. That was an amendment that was inserted before. I move to strike it out.

The amendment was agreed to.

The SECRETARY. In the same paragraph, line 24, strike out the word "strips;" after the word "plates" restore the word "and" and strike out the word "of."

The amendment was agreed to.

The paragraph as amended was agreed to.

Mr. ALDRICH. The next is paragraph 134.

The SECRETARY. On page 40, paragraph 134, in lines 14 and 15, strike out the words "twenty-five one-thousandths of 1 inch thick, or thinner, made from wire or tempered steel-wire rods," and insert in lieu thereof the following: "Not thicker than No. 15 wire gauge and not exceeding 5 inches in width."

The amendment was agreed to.

The SECRETARY. In line 19 amend the committee amendment by striking out the word "forty" and inserting in lieu thereof "thirty-five."

Mr. ALDRICH. That is a reduction of 5 per cent.

The amendment was agreed to.

The paragraph as amended was agreed to.

Mr. ALDRICH. The next is in paragraph 136, on page 44, line 10.

The SECRETARY. On page 44, paragraph 136, line 10, strike out the word "saw" at the end of the line, so that it will read, "for steel plates."

Mr. CULBERSON. What paragraph is that?

Mr. ALDRICH. One hundred and thirty-six.

Mr. CULBERSON. What is the object of the amendment?

Mr. ALDRICH. The object is that the duties upon saw plates and steel bands and strips shall all be consolidated in one paragraph. The rates are reduced, and there is no change of any other character, except changing the phraseology.

Mr. RAYNER. I should like to ask the Senator from Rhode Island a question. He seems to be getting through all these amendments by his own vote. Nobody is paying any attention to them. I should like to ask him whether he has raised the duty on steel rails by any of these amendments?

Mr. ALDRICH. Not yet.

Mr. RAYNER. But the committee has reported such an amendment, and when he reaches it I want to know it.

Mr. ALDRICH. The committee have not reported any such amendment.

Mr. RAYNER. There has been an amendment put on the desks raising the duty on steel rails.

Mr. ALDRICH. I do not know where it came from. It certainly was not reported by the committee. I think the Senator from Maryland is probably mistaken.

Mr. RAYNER. No. I saw the amendment raising the duty on steel rails.

Mr. ALDRICH. It is not from the committee.

Mr. RAYNER. It is by some one——

Mr. ALDRICH. Or from any member of the committee.

Mr. RAYNER. It is by some one on a very intimate footing with them.

Mr. BEVERIDGE. I merely want to call the attention of the Senator from Maryland to the fact, which I take for granted, that I have understood the Senator from Rhode Island to say that all these amendments were unimportant and not substantial, and that they were more in the way of correcting phraseology, consolidating paragraphs, and did not materially affect the duties. I assume that is the reason why the Senate was not paying very much attention.

I myself do not understand just exactly what these amendments mean, but I have taken the word of the Senator from Rhode Island for it that these are unimportant little amendments which are necessary to straighten out the phraseology.

Mr. ALDRICH. I would not say they are unimportant. It is important that they should be correlated, so that there shall not be a rate upon steel bands and saw plates in one paragraph different from what it is in another.

Mr. BEVERIDGE. I think the Senate took the Senator's statement to mean that none of these amendments, important as they may be in the shaping of the bill, made any important or substantial change in the rates.

Mr. RAYNER. Is there any increase in duties by any of these amendments?

Mr. ALDRICH. My understanding of the effect of them is that the duties are lower in the paragraphs as they now stand than they were in the paragraphs as they were agreed to by the Senate several days ago.

Mr. BACON. Will the Senator permit me to make an inquiry? Of course the method by which the committee has proceeded is one recognized by all as entitling it to precedence in the making of amendments to these various schedules before individual amendments were offered. I desire to know from the Senator, before the metal schedule is entirely laid aside, if the same opportunity will be afforded to us as to this schedule that has been afforded in other schedules to offer any amendments we wish?

Mr. ALDRICH. I have heretofore stated to the Senate on many occasions that if there is any amendment to any of these paragraphs which the Senate thinks important, I shall have no objection to reconsideration. Of course I do not desire to have it reconsidered simply for the purpose of reopening the discussion.

Mr. BACON. I have some amendments which I wish to offer to the metal schedule. I do not wish to discuss them at all, because we have had very full discussion of that schedule.

Mr. ALDRICH. I certainly would object to reopening paragraphs that have already been discussed and on which the Senate has voted, except by a vote of the Senate for reconsideration; but in other cases——

Mr. BACON. As I understand, when the Senator has passed over all the paragraphs and offered such amendments as he desires, the bill will all have been passed upon.

Mr. ALDRICH. Oh, well, I do not intend to have them reopened by my consent, if the Senate has voted upon them, unless there is some very good reason. I certainly do not expect to go back and go over these paragraphs. They will all be open in the Senate of course.

Mr. OVERMAN. Is it understood we can offer amendments in Committee of the Whole after we finish the schedules?

Mr. ALDRICH. Not on matters already voted on.

Mr. OVERMAN. I understand the usual rule is that after a measure gets through the Committee of the Whole, we can introduce amendments to any schedule.

Mr. ALDRICH. Not to amendments already agreed to or paragraphs agreed to.

Mr. OVERMAN. Not those agreed to, but any subsequent amendments.

Mr. ALDRICH. After a paragraph is agreed to, there is only one way to amend it, and that is to move a reconsideration.

Mr. OVERMAN. Who controls that? Can not any Senator move to reconsider?

Mr. ALDRICH. The Senate controls it.

Mr. OVERMAN. Ah, the Senate controls it!

Mr. BEVERIDGE. Mr. President, I think this is a pretty important thing. This particular and precise point was discussed at the beginning of the consideration of the bill, and it will be found in the RECORD that after the discussion it was agreed by the Senator from Rhode Island that after the committee amendments had been adopted—of course there can be no amendments to those amendments, but to that part of the paragraph which is not a committee amendment itself—any Senator might offer any amendment.

Mr. ALDRICH. Without reconsideration?

Mr. BEVERIDGE. In Committee of the Whole.

Mr. ALDRICH. Without reconsideration?

Mr. BEVERIDGE. Not to a committee amendment, without reconsideration, but to a paragraph.

Mr. ALDRICH. These paragraphs have all been agreed to by the Senate, and we have discussed this question a dozen times.

Mr. BEVERIDGE. You will find it in the RECORD, as I have stated.

Mr. ALDRICH. It is not of record as the Senator states. It is not parliamentary law, and is not in accordance with the rules of the Senate. These paragraphs which have been agreed

to can only be amended now by reconsideration, and that reconsideration is in the power of the Senate.

Mr. BEVERIDGE. Further, in addition, I merely suggest my recollection——

Mr. ALDRICH. The Senator can find no agreement of that kind anywhere.

Mr. BEVERIDGE. That is a matter of research. The Senator himself did say, in connection with this discussion, that at any time, even on his amendments, that if any Senator wanted to introduce an amendment, he would consent to its reconsideration for that purpose. The Senator said that to two or three of us.

Mr. ALDRICH. The Senate and Senators will find me always willing to ask for the reconsideration of any of these paragraphs if it is the desire of Senators to move amendments to them, and if those amendments are of substance and have not already been voted on by the Senate. There is no doubt about that. But that we are going to reopen these paragraphs, or any of them, simply for the purpose of prolonging this indefinite and interminable discussion, I do not consent for one moment; and I shall not consent to it except by a vote of the Senate.

Mr. BEVERIDGE. I think the Senator is absolutely right about that, not only as a matter of procedure, but as a matter of propriety.

Mr. CRAWFORD, Mr. CUMMINS, and others addressed the Chair.

The PRESIDING OFFICER. Has the Senator from Rhode Island yielded the floor?

Mr. ALDRICH. I have some other amendments to offer when I have an opportunity.

Mr. CRAWFORD. Mr. President——

The PRESIDING OFFICER. Does the Senator from Rhode Island yield to the Senator from South Dakota?

Mr. ALDRICH. Certainly.

Mr. CRAWFORD. It is just for information. My understanding was just as the Senator from Rhode Island has stated, except—these rules are all new to me, and I want to ascertain—that the bill is being considered in Committee of the Whole, and I understood that when it was being considered by the Senate as the Senate amendments could be offered to it without reconsideration.

Mr. ALDRICH. Undoubtedly. The Senator is quite right about it. The whole bill will be open to amendment for its whole length and breadth when it gets into the Senate.

Mr. CULBERSON. I do not know that there is any necessity for making this statement, but I prefer to make it at all events. I call the attention of the Senator from Rhode Island to the fact that I have an amendment to paragraph 123, which has not as yet been disposed of.

Mr. ALDRICH. That has been passed over. It has never been acted upon, and it has never been agreed to.

Mr. CULBERSON. I want that distinctly understood. It relates to cotton ties, and is in the metal schedule.

Mr. ALDRICH. It has been passed over and never has been voted upon or agreed to in the Senate.

Mr. OVERMAN. What became of paragraph 100? Has that been passed over or accepted? It is the plate-glass schedule.

Mr. ALDRICH. It has been passed upon and agreed to.

Mr. OVERMAN. You think that is not subject to amendment?

Mr. ALDRICH. Not except on reconsideration of the paragraph.

Mr. RAYNER. Who controls the question of reconsideration?

Mr. ALDRICH. The Senate itself, and nobody else.

Mr. RAYNER. Who controls the Senate?

Mr. ALDRICH. I think the Senator from Maryland does as much in that direction as anybody I know of.

Mr. BACON. The Senator will remember that when we reached the woolen schedule, we acted upon it; and it was recognized that we could offer amendments, and they were offered and voted upon. I quite agree with the Senator. I myself would not be disposed to offer any amendments with a view to their discussion, especially as to matters which have already been discussed. I wish at sometime to offer some amendments to the metal schedule. I should prefer to do it in committee. If it can not be done in committee, I will do it in the Senate.

Mr. ALDRICH. The next is on page 47, line 25.

Mr. CUMMINS. Mr. President——

The VICE-PRESIDENT. Does the Senator from Rhode Island yield to the Senator from Iowa?

Mr. ALDRICH. Certainly.

Mr. CUMMINS. It is pretty difficult to get attention over here in the amen corner. I should like to ask the chairman of the committee whether at this time he has called attention to paragraph 119? I was out of the Chamber.

Mr. ALDRICH. One hundred and nineteen?

Mr. CUMMINS. Whether he has at this time sought to do anything with paragraph 119?

Mr. ALDRICH. I have not.

Mr. CUMMINS. May I ask what is the understanding of the Senator with regard to that paragraph?

Mr. ALDRICH. My understanding was that we had agreed to the paragraph as it stood, but with a further understanding that it might be taken up either by the committee or by the Senator for further amendment, if that was desired.

Mr. CUMMINS. My recollection is, while it is agreed to, the Senator from Rhode Island said that at some time it might be open, so that we could consider an amendment I want to offer. I think I would rather offer it in the committee than in the Senate.

Mr. ALDRICH. There will be no objection at all to that. In fact, the committee are themselves considering a different classification of structural iron provided for in that paragraph, and I will confer with the Senator from Iowa at some time that is convenient to him, and we will take up the matter with a view to considering the amendments to that paragraph.

The PRESIDING OFFICER. The Chair will inquire of the Senator from Rhode Island whether he has any further amendments to paragraph 136?

Mr. ALDRICH. I have not.

The PRESIDING OFFICER. Without objection, the paragraph as amended is agreed to.

Mr. ALDRICH. I offer the amendment I send to the desk.

The SECRETARY. On page 47, paragraph 150, line 25, it is now proposed to disagree to the amendment which strikes out "one-half" and inserts "three-fourths."

Mr. ALDRICH. That restores——

Mr. RAYNER. Is not three-fourths more than one-half?

Mr. ALDRICH. That is my understanding. I hope the Senator from Maryland agrees with me.

Mr. RAYNER. I do. Yet you said that you were reducing these duties.

Mr. ALDRICH. That is what we are proposing to do here.

Mr. RAYNER. What duty are you putting on?

Mr. ALDRICH. We are reducing it from one and three-fourths to one and one-half.

Mr. RAYNER. The Secretary read "one-half." I thought he said from one-half to three-fourths. We are going through these matters so fast that no one on this side understands what is going on, and the Senator from Rhode Island can get through anything he wants.

The PRESIDING OFFICER. The Secretary will again state the amendment.

The SECRETARY. It is proposed to disagree to the committee amendment striking out "one-half" and inserting "three-fourths."

Mr. RAYNER. Nobody can tell how that stands.

Mr. CULBERSON. Let it be read as it will read if amended.

Mr. RAYNER. That is what we want. How will it stand?

The SECRETARY. So that it will read:

If less than three-eighths of an inch and not less than one-fourth of an inch in diameter, 1½ cents per pound.

Mr. CULBERSON. As against 1¾ cents.

The PRESIDING OFFICER. The question is on agreeing to the amendment.

The amendment was agreed to.

Mr. ALDRICH. I offer another amendment.

The SECRETARY. On page 48, in line 2, after the word "pound" insert a colon and the following:

Provided, That no tubes, pipes, flues, or stays, made of charcoal iron, shall pay a less rate of duty than 1½ cents per pound.

Mr. ALDRICH. That provides that charcoal iron shall pay the rate of 1½ cents which we have just fixed; that all this iron and steel tube when made of charcoal iron shall pay the rate of 1½ cents.

Mr. RAYNER. The Senator from Missouri says to me he does not understand that.

The PRESIDING OFFICER. The question is on agreeing to the amendment proposed by the Senator from Rhode Island.

The amendment was agreed to.

The paragraph as amended was agreed to.

Mr. ALDRICH. I move that the Senate adjourn.

The motion was agreed to; and (at 5 o'clock and 5 minutes p. m.) the Senate adjourned until Monday, June 21, 1909, at 10 o'clock a. m.

SENATE.

MONDAY, *June 21, 1909.*

The Senate met at 10 o'clock a. m.

Prayer by the Chaplain, Rev. Ulysses G. B. Pierce, D. D.

The Journal of the proceedings of Saturday last was read and approved.

DEATH OF REV. EDWARD E. HALE.

Mr. PILES. I have a letter from Arthur Prague, manager of the Spokane Newsboys' Association, which I ask to have read at the desk.

The VICE-PRESIDENT. The Secretary will read as requested.

The Secretary read as follows:

SPOKANE, WASH., *June 14, 1909.*

Hon. SAMUEL PILES,
United States Senate, Washington, D. C.

DEAR FRIEND: The Spokane newsboys wish to say that the loss of their friend from the national capital, the late honored Reverend Hale, has caused saddened hearts among them. They remember those they realize as their friends with love as well as friendship.

As ever, your true young friend,

ARTHUR PRAGUE,
Manager Spokane Newsboys' Association.

PETITIONS AND MEMORIALS.

Mr. WARNER presented petitions of sundry citizens of St. Louis, Jonesburg, Sturgeon, Riggs, Harrisburg, Woodlandville, Hartsburg, St. Charles, and Center, all in the State of Missouri, praying for the repeal of the duty on hides, which were ordered to lie on the table.

Mr. JONES presented a memorial of Local Union No. 109, Cigar Makers' International Union, of Aberdeen, Wash., remonstrating against the repeal of the duty on cigars imported from the Philippine Islands, which was ordered to lie on the table.

He also presented a petition of the Trades Council of Olympia, Wash., praying for the imposition of a tax of from $4 to $10 per capita on immigrants into the United States, which was ordered to lie on the table.

Mr. DEPEW presented a memorial of Local Union No. 2, Cigar Makers' International Union, of Buffalo, N. Y., and a memorial of Local Union No. 417, Cigar Makers' International Union, of Dunkirk, N. Y., remonstrating against the repeal of the duty on cigars imported from the Philippine Islands, which were ordered to lie on the table.

Mr. PILES presented a memorial of Local Union No. 109, Cigar Makers' International Union, of Aberdeen, Wash., remonstrating against the repeal of the duty on cigars imported from the Philippine Islands, which was ordered to lie on the table.

BILLS INTRODUCED.

Bills were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. CHAMBERLAIN:

A bill (S. 2639) construing the provisions of section 2 of the pension act of June 27, 1890, and section 1 of the act of February 6, 1907; to the Committee on Pensions.

By Mr. GUGGENHEIM:

A bill (S. 2640) granting an increase of pension to Joseph P. Theobald; and

A bill (S. 2641) granting an increase of pension to Sarah E. Stephenson (with the accompanying papers); to the Committee on Pensions.

By Mr. GORE:

A bill (S. 2642) granting an increase of pension to Thomas L. Hamm; and

A bill (S. 2643) granting a pension to William H. Arvin (with the accompanying papers); to the Committee on Pensions.

POLITICAL DEVELOPMENT OF THE DISTRICT OF COLUMBIA.

Mr. GALLINGER. I have a very interesting paper by Henry E. Davis, a prominent member of the Washington bar, on the political development of the District of Columbia, taken from the proceedings of the Washington Academy of Science.

I ask that it be printed as a document (S. Doc. No. 110) and that 100 additional copies be printed for the use of the Committee on the District of Columbia.

There being no objection, the order was reduced to writing and agreed to, as follows:

Ordered, That the paper entitled "The Political Development of the District of Columbia," by Henry E. Davis, be printed as a document, and 100 extra copies for the use of the Committee on the District of Columbia.

THE TARIFF.

The VICE-PRESIDENT. The morning business is closed, and the first bill on the calendar will be proceeded with.

The Senate, as in Committee of the Whole, resumed the consideration of the bill (H. R. 1438) to provide revenue, equalize duties, and encourage the industries of the United States, and for other purposes.

Mr. STONE. Before the Senator from Wyoming [Mr. WARREN] resumes the floor, as I suppose he intends to do, I desire to offer an amendment to the amendment proposed by the Committee on Finance to the bill as passed by the House, so that it may be considered as pending.

The VICE-PRESIDENT. The Secretary informs the Chair that there is already an amendment to the amendment pending.

Mr. STONE. I ask to have it read and lie on the table.

The VICE-PRESIDENT. The Senator simply desires that it be read and printed for information.

Mr. STONE. Yes; printed, if the printing would not preclude its consideration during the day.

The VICE-PRESIDENT. Of course it can be offered after the amendment to the amendment is disposed of. It can not now be offered. The amendment submitted by the Senator from Missouri will be read.

The SECRETARY. After the word "pickled" at the end of line 1 of the printed amendment it is proposed to strike out the remainder of the amendment and to insert:

Leather made from the hides of cattle; boots and shoes made of leather, or of which leather is the component material of chief value; harness made of leather, or of which leather is the component material of chief value; belts made of leather used for machinery.

The VICE-PRESIDENT. The Journal clerk informs the Chair that the first information received was an error; that the proposition the Senator from Rhode Island offered was a substitute, and that this is a second amendment to the substitute and would be in order. So it may be considered as pending.

Mr. MCLAURIN. There is an amendment that I have offered to the amendment of the committee.

The VICE-PRESIDENT. The Chair so understands; but the proposition submitted by the Senator from Rhode Island is a substitute. The Senator from Mississippi offers an amendment to it, and the Senator from Missouri now offers an amendment to that amendment; that is all.

Mr. ALDRICH. I think the clerk is mistaken about the nature of the amendment which I offered. It was an amendment to the bill, and not a substitute.

The VICE-PRESIDENT. Then the amendment of the Senator from Missouri would not now be in order. The Chair assumes that what the Senator from Missouri desires has been accomplished—to have it printed in the RECORD for information.

Mr. STONE. That is it; that is all.

The VICE-PRESIDENT. The amendment will be printed.

Mr. WARREN rose.

Mr. CLARK of Wyoming. This is rather an important matter, and I suggest the absence of a quorum.

The VICE-PRESIDENT. The Secretary will call the roll.

The Secretary called the roll, and the following Senators answered to their names.

Aldrich	Clapp	Gamble	Penrose
Bacon	Clark, Wyo	Hale	Perkins
Bailey	Clay	Heyburn	Piles
Brandegee	Crawford	Hughes	Root
Briggs	Culberson	Johnson, N. Dak.	Scott
Bristow	Cullom	Johnston, Ala.	Simmons
Brown	Cummins	Jones	Smith, Mich.
Bulkeley	Curtis	Kean	Smoot
Burkett	Davis	Lodge	Stone
Burnham	Dick	McLaurin	Sutherland
Burrows	Fletcher	Nelson	Warner
Burton	Flint	Nixon	Warren
Carter	Foster	Overman	
Chamberlain	Gallinger	Page	

Mr. GALLINGER. Some days ago I was requested to announce that the junior Senator from Kentucky [Mr. BRADLEY] was ill. I understand his illness continues, and I take the liberty to make that announcement now.

The VICE-PRESIDENT. Fifty-four Senators have answered to the roll call. A quorum of the Senate is present. The Senator from Wyoming will proceed.

Mr. WARREN. Mr. President, in the brief time that I occupied Saturday afternoon I was able to show to the Senate that instead of the accusation made by the tanners, by the leather trust, that the Senate had wronged them by some midnight practice, while the Dingley bill was in conference, in inserting the duty on hides, being true, it seems to me that the Senate has been injured and insulted by these people. I do not think

that everyone who has written in the interest of free hides has been guilty of any intention of that kind, but the leaders, those who have started this campaign, those who take the credit of this campaign and who have scattered this literature broadcast throughout the country, who have raised the fund, which has been no small amount I can assure you, and distributed it among the workers—those men know better, as I was able to prove on Saturday from their own text-book, issued twelve years ago. I showed that twelve years ago they were here in force, as they are now. They had their day in court. They had nearly four months in which to represent their side of the case before the Senate, and the Senate deliberately, as the Senate considers all legislation, after weighing all sides of the case, adopted the policy of a duty on hides.

I want to remark as I go along that the duty proposed was 20 per cent ad valorem when the bill passed the Senate not only upon the heavy hides that are now bringing duty, and which are not 23 per cent of the total importations, but upon all hides and skins, and it was intended to be so applied. In conference the duty was reduced to 15 per cent ad valorem. The duty was collected at that rate upon small skins as well as large until the following year, in September, something more than a year, when the importers took the case up with the custom-house and obtained a ruling that calfskins and kipskins, anything weighing, green, less than 25 pounds, should be declared free, and only those skins that weighed above 25 pounds and another lesser weight given for dry skins should be dutiable.

I was able to prove by the record, and I was substantiated by the distinguished Senator from Rhode Island, and I, furthermore, was able to prove by the tanners' own text-book that the one foundation upon which their contention is based and the only thing that they have in their favor apparently is this misrepresentation, to call it by no worse name. The leather-trust people know better. They are seeking to get the support of the people upon the ground that they have been wronged and that the Senate wronged them. Having done the Senate this injury, they then insulted the Members of the Senate by calling attention to these text-books with this extraordinary falsehood in them, and some of the witnesses appearing before the House committee testified there to this falsehood. Probably most of the people who have reported this are innocent and simply repeat what they have been told; but the originators are a guilty lot.

Further, regarding the effect, we should take the figures and not the say-so of some one who has in turn taken the say-so of some other man. The statement they make that the packers get all the benefit is false; the statement that the farmers do not receive any protective benefit is false; the statement that the tanning business is languishing is notoriously incorrect. They testified to the contrary themselves when they appeared before the House Committee on Ways and Means.

I do not see the Senator from Indiana [Mr. BEVERIDGE] in his seat. He, with his usual industry and acuteness, brought up an alleged difference, and the authority therefor, when I was speaking Saturday, as to the percentage of value that a hide bears to a steer. I submitted it to the Senate, and I read one of several invoices I had in hand showing that my statement was correct—that the average value of a hide is from a tenth to a sixth of the total value of the steer. I am going to ask, without reading further in that line, that I may include in my remarks four or five of those invoices, which may show the fact in the case on animals, from small to great. These invoices do not represent any prepared testimony. The government inspectors discover at points where cattle are unloaded some steers and cows which have big jaws or swollen legs or something creating a suspicion that all may not be right. Such animals are cut out and taken to the nearest slaughtering establishment and slaughtered for the account of the owner, who may live a thousand or a hundred miles away. This is done under the supervision of the government officer whose duty it is to attend to it. These are the invoices of returns made to the farmers, and they show the price of each part of the animal, the hide in all cases being given as a separate matter as to both weight and value. In cases that I have seen, hides have run all the way from a tenth of the value to a fourth, but the average is from a sixth to a fifth in the hides that we are now discusing.

The VICE-PRESIDENT. Without objection, the request of the Senator will be complied with.

The matter referred to is as follows:

[Duplicate.]

CHICAGO LIVE STOCK EXCHANGE,
OFFICE OF THE SECRETARY,
Union Stock Yards, Chicago, Ill.

Statement of the disposition of one carcass of beef and its offal, pronounced fit for food by the state veterinarian of the State of Illinois at a post-mortem examination thereof held in the city of Chicago on January 22, 1909.

Owner, Iowa Live Stock Commission Company. Sold to M. O'Dea. Tag No. 743.

CREDIT.

By four quarters of beef, 387 pounds, $5.75	$22.24
By butter stock, 17 pounds, $7.61	1.30
By cowhide, 46 pounds, $10.80	4.97
By head, tongue, etc	.60
	29.11

DEBIT.

To slaughtering, dressing, chilling, and delivering carcass	$0.97	
To feed and petty incidental expenses	1.23	
		2.20
Net proceeds		26.91

Owner, Johnson Brothers, Round Lake, Minn.

[Duplicate.]

CHICAGO LIVE STOCK EXCHANGE,
OFFICE OF THE SECRETARY,
Union Stock Yards, Chicago, Ill.

Statement of the disposition of one carcass of beef and its offal, pronounced fit for food by the state veterinarian of the State of Illinois at a post-mortem examination thereof held in the city of Chicago on January 22, 1909.

Owner, Iowa Live Stock Commission Company. Sold to M. O'Dea. Tag No. 742.

CREDIT.

By four quarters of beef, 512 pounds, $5.37½	$27.50
By butter stock, 14 pounds, $7.61	1.06
By steer hide, 64 pounds, $10.80	6.91
By head, tongue, etc	.60
	36.07

DEBIT.

To slaughtering, dressing, chilling, and delivering carcass	$0.97	
To feed and petty incidental expenses	1.23	
		2.20
Net proceeds		33.87

Owner, J. W. Eddy, Osceola, Iowa.

[Duplicate.]

CHICAGO LIVE STOCK EXCHANGE,
OFFICE OF THE SECRETARY,
Union Stock Yards, Chicago, Ill.

Statement of the disposition of one carcass of beef and its offal, pronounced fit for food by the state veterinarian of the State of Illinois at a post-mortem examination thereof held in the city of Chicago on February 11, 1909:

Owner, Iowa Live Stock Commission Company. Sold to M. O'Dea. Tag No. 564.

CREDIT.

By four quarters of beef, 554 pounds, $6.62½	$36.70
By butter stock, 23 pounds, $7.65	1.76
By steer hide, 62 pounds, $11.15	6.92
By head, tongue, etc	.60
	45.98

DEBIT.

To slaughtering, dressing, chilling, and delivering carcass	$0.97	
To feed and petty incidental expenses	1.17	
		2.14
Net proceeds		43.84

Owner, I. R. Void, Aredale, Iowa.

[Duplicate.]

CHICAGO LIVE STOCK EXCHANGE,
OFFICE OF THE SECRETARY,
Union Stock Yards, Chicago, Ill.

Statement of the disposition of one carcass of beef and its offal, pronounced fit for food by the state veterinarian of the State of Illinois at a post-mortem examination thereof held in the city of Chicago on October 23, 1908:

Owner, Lee Live Stock Commission Company. Sold to M. O'Dea. Tag No. 8.

CREDIT.

By four quarters of beef, 765 pounds, $6.50	$49.72
By butter stock, 38 pounds, $8.55	3.25
By steer hide, 79 pounds, $11.38	8.99
By head, tongue, etc	.69
	62.56

DEBIT.

To slaughtering, dressing, chilling, and delivering carcass	$0.97	
To feed and petty incidental expenses	1.18	
		2.15
Net proceeds		60.41

Radcliffe Brothers, Dexter, Kans.

Mr. WARREN. The Senator from Indiana with some glee undertook to traverse my statement, which was that no packers

were present before the Senate committee to give testimony, that none demanded that a duty on hides should prevail, and that, if they have any feeling in the matter, they have not expressed it. Yet in every single letter that I have received and every single circular that I have seen, in all the free-hide literature one can hardly read a dozen lines before one comes to the accusation that the Chicago packers are the ones who are fighting for a duty on hides. I challenged it on Saturday, I make the challenge again now, that there has not been a single representative of the packers who has appeared here before the Senate or its committee or before the House or its committee, asking to have the duty on hides retained—not a single one. There is not a consumer, to my knowledge, who has been here asking for free hides. There has been just one class of people here, the tanners, the leather trust, and the boot and shoe men, those who stand between the farmer and the consumer, and demand that they shall take extra toll from us now by denying to the farmer the benefit of a protective tariff, amounting to a dollar and a half to two dollars a hide, insisting upon the benefit of the 1 to 3 cents that it is claimed is added by the tariff to the cost of every pair of shoes; this without giving any compensation to the farmer and without giving even a promise of compensation in the way of lower prices to the wearer of boots and shoes or the man who uses harness or leather goods, in case the tariff on hides is removed.

So here we are between 11,000,000 farmers or more—perhaps 12,000,000—as against less than a quarter of a million of workers in all kinds of tanning and manufacturing of leather. The latter propose to rob directly these 11,000,000 or more of people, or so many of them as may raise cattle, for the benefit not of the millions of wearers of shoes; they promise nothing of that kind; but they want somewhere between the tanner and the manufacturer of shoes to put this amount of duty money into their own pockets. The tanners come before us with a lie in their mouths as to what we have done heretofore. They come here with statements that can not be substantiated as to their industry, whether it is languishing or not, and it finally ends with the straight proposition that they want to make 1, 3, or 5 cents, as the case may be, on each pair of shoes for which they sell the leather, without giving any consideration either to the producer of the hides or to the consumer of the leather.

Now, this man whose testimony the Senator from Indiana [Mr. BEVERIDGE] cites, Mr. Urion, is the only man who by any possible construction can be said to have the slightest connection with the packers, and this man, it seems, did not voluntarily appear. He was summoned; he was sent for by the House committee, was brought before the bar of the committee on the other side, and submitted to the usual questions. Almost the first statement he made was:

> I represent Armour & Co., meat packers, of Chicago. I am here in response to the request of the committee, to be interrogated concerning the duty on hides. Armour & Co. are asking nothing in the readjustment of this tariff.

To make sure of that—as I said before, I am sorry the Senator from Indiana is not here—I am going to read from his testimony. Through all these hundreds of pages of testimony he is the only man who can in any way be connected with the packers. He says, after being sworn:

> My name is Alfred R. Urion. I represent Armour & Co., meat packers, of Chicago. I am here in response to the request of the committee to be interrogated concerning the duty on hides.
>
> The CHAIRMAN. You may proceed with your statement.
>
> Mr. URION. I have prepared no statement, for the reason that after reading the proceedings—

I want you to mark this—

> I concluded that only those who asked something at the hands of the committee in the readjustment of the tariff filed briefs or prepared statements.

He further says:

> Armour & Co. are asking nothing in the readjustment of this tariff. However, I shall be very glad, and I think it is my duty, to give any information I may be able to give on the subject.

Now, I submit to the honorable Senate that this man did not come before this Congress asking for a tariff on hides. But he was interrogated. His testimony runs along over many pages. Here comes the difference between the Senator from Indiana and myself, who stated that it was 6 per cent. Mr. Urion stated that the value of a hide was 6 per cent of the animal. Now, here is what he said. I will read his own words. He says, answering a question always:

> The average value of a hide, or the average of a hide, is about 6 per cent of the total of an animal.

And the weight is about 6 per cent. Then he goes on in various ways and comes to the price of hides. He says:

> A year ago hides were down as low as 8 cents. To-day they are up as high as 14 or 15 cents. At that time the cellars of the packers were overflowing; there were no buyers, and, of course, as the demand increased the supply has decreased.

The chairman asks—and I may say, I think, without offense to the chairman of the committee on the other side—that he is opposed to the duty on hides, and always has been. He so states there. He volunteers it two or three times. So the questions asked of the witness by the chairman were naturally not in favor of a duty on hides, as the chairman himself announced that he was opposed to it; and, furthermore, he summoned this witness, and naturally would bring out whatever he could. He said:

> When the buyer goes on the market to buy these cattle—

Speaking of the packers—

> he is in competition with from 150 to 200 buyers in the Chicago yards. He buys them, expecting, of course, to be able, so far as his judgment goes in judging the markets, to make a profit. It often happens that the beef is sold at a loss, and if the by-products make no profit there is a total loss on the purchase, which often happens.

He is asked by the chairman:

> It is stated that about 13,000,000 cattle are slaughtered annually, 5,000,000 by the packers. Do you think that is correct?

He replied:

> No; that was correct according to the last statistics, but those statistics are two years old. It is my understanding and my best information that there are in the neighborhood, or was for the year ending June 30 last, about 17,000,000, of which the packers—and when I say "packers" I refer to the largest packers of Chicago—killed about a little over 7,000,000.

Then he is asked this question by Mr. UNDERWOOD:

> Mr. UNDERWOOD. You stated a moment ago that the amount of cattle killed was 17,000,000, and that the amount killed by the packers was 7,000,000. I want to know, with respect to all of these cattle that are killed, whether their skins go into hides?

He replied:

> Certainly.

Then followed the questions and answers which I shall now read:

> Mr. UNDERWOOD. They go on the market as hides, and practically there is no material loss in the number?
>
> Mr. URION. That is, only a small number. Those are what are known as "packers' hides." There are a large number of hides known as "country hides" in addition to the packers' hides.
>
> Mr. UNDERWOOD. The 17,000,000 cattle include the country hides?
>
> Mr. URION. Yes, sir.
>
> Mr. UNDERWOOD. They do include them?
>
> Mr. URION. Yes, sir.
>
> Mr. UNDERWOOD. All the packers kill go into hides. Do all the country cattle killed go into hides?
>
> Mr. URION. Certainly; if a steer dies on the place, the first thing a farmer does is to skin it, because the hide has a value, and he knows it.
>
> Mr. UNDERWOOD. Do you packers purchase those hides?
>
> Mr. URION. No, sir; and I am glad to have an opportunity to correct a misstatement that has been made to the committee, viz, that the packers are engaged through their agencies in the country in buying hides.

Mr. PAGE. Mr. President——

The VICE-PRESIDENT. Does the Senator from Wyoming yield to the Senator from Vermont?

Mr. WARREN. If the Senator will let me finish this one statement I will be glad to yield.

Mr. Urion further said:

> I want to say for Armour & Co. that we buy no hides whatever, and we sell no hides excepting our own take-off—the hides which we strip from the cattle which we purchase; and I think that is true as to the other packers.

Mr. PAGE. Do you understand from the statement that the packers, then, confined themselves to the handling of their own hides and not to the handling of country hides?

Mr. WARREN. I am now quoting or cross-questioning a witness summoned by the Senator from Indiana, who takes a position opposite to me. I am reading here testimony given, I assume, under oath, remembering that the witness, Mr. Urion, was brought here under summons; that he stated that neither he nor his employers were here asking for anything; and I am assuming that he knows what he is talking about and that he is telling the truth. I have no personal knowledge whether Mr. Armour may buy a hide or not.

Mr. PAGE. I simply ask the Senator if he believes it to be the condition; that is all. I do not know.

Mr. WARREN. I have not the slightest doubt as to this testimony here from what I know personally.

Mr. PAGE. That is all I wanted to know.

Mr. WARREN. He is asked whether the farmer gets any benefit. He volunteers nothing.

I quote further from the testimony:

Mr. UNDERWOOD. Do you know whether, if hides were placed on the free list, it would in any way affect the price of domestic hides?

Mr. URION. I think it would open—in the first place, in my judgment, and my judgment is no better than anyone else's—it would destroy the home consumption, the home production.

Mr. UNDERWOOD. Have you considered the question as to whether the foreign freight rate and the domestic freight rate to the markets of consumption on the foreign hide would give any advantage in that market to the domestic hide?

Mr. URION. I do not think it would. I was looking for a table that I had. I cabled London on Monday to get the prices of hides there.

Mr. CRUMPACKER. You answered Mr. Underwood that the taking of the small duty, 15 per cent, off hides, would amount, according to your own statement, to only about 90 cents on a hide, or a steer, but that it would destroy the domestic production. What do you mean by that; that they would stop raising cattle?

Mr. URION. Not at all.

Mr. CRUMPACKER. Quit skinning cattle?

Mr. URION. Not at all.

Mr. CRUMPACKER. Or quit saving the skins?

Mr. URION. Not at all. But it would destroy the home market; it would open the home market to that extent.

Mr. CRUMPACKER. If it had any effect, it would reduce the price of hides, say, 90 cents on an average on each green hide?

Mr. URION. That would mean 90 cents of the farmers.

Mr. CRUMPACKER. Do you think the farmers get all of that?

Mr. URION. Yes, sir. He would be the first one to call for it if he did not get it.

Mr. CRUMPACKER. Is the foreign price here plus the tariff on hides?

Mr. URION. No, sir; that is what I was looking for. I cabled to London to get the prices of hides there.

Now, Mr. President, as I have said, this is the only man who has uttered a word that I can find in the way of evidence before either the House or Senate. He was brought down here on a summons. He says frankly that he represents Armour & Co. because he works for them. He states frankly conditions as he understands them. He states the fact as to Armour & Co. that they do not buy hides, that they sell hides; and I may say further that from other witnesses it is found that when Armour & Co. sell hides to so-called Armour tanneries, their own tanneries or tanneries in which they own a controlling interest, the hides are charged at exactly the same price charged to every other consumer who comes to buy hides of Armour & Co.

Now, an intimation was furthermore volunteered that there were others who had appeared here, and the Senator from Rhode Island stated that three or four parties had been before the Senate committee and represented themselves to be cattle growers and farmers. There is nothing on the side of this question I have espoused about which there need be the slightest doubt. Those who are standing by a duty on hides are as honest to-day as they were in 1897. From the commencement of the consideration of the tariff bill they made known their wishes. They are as honest to-day, and therefore expect as honest treatment, as when the House and Senate proceeded to place a duty on hides, exactly as they did upon other items in the bill.

I have stated the foundation of the free-hides movement. It is all a fabrication, the tale that anybody was wronged, that a wrong was done so many years ago, and that we must now right that wrong in the way of restitution.

I do not allege that all of those who appeared before the committee or all of those who have written letters made that idiotic and untrue statement, but I do allege that the managers of this campaign did start it. They are responsible for it and have made the statement over and over again, and it has been included in nearly all of what you might term the authoritative statements and text-books of the free-hide advocates, and seems to be believed generally up and down this land by those who have signed these petitions.

The only persons who have appeared here before the Senate to my knowledge—somebody will correct me if he has different information—were Judge Cowan, who represents two associations, one the National Live Stock Association of America and the other the Home Cattle Growers' Association of Texas. Judge Cowan represented these associations as their attorney, and said so when he appeared before the committee. Also, Col. Ike G. Pryor—I do not believe he was before the House, but he appeared on this side. He is ex-president of the Cattle Growers' Association of that State. There were also Murdo McKenzie, of Colorado, who is vice-president of the National Live Stock Association of America, and the association's secretary, Mr. Tomlinson; also a Mr. Potter, of Kansas, who was a member of the executive committee.

And there has been a representative here, Mr. J. L. Kennedy, the Washington representative of both associations. He has been on the ground to answer questions and furnish any information wanted by Senators, and I will submit that his work has been of a painstaking, practical, and most useful nature—a work in which he believed he was doing right. He has been active and reasonably aggressive. There can be no fault found with the manner in which he has presented his case.

The American Live Stock Association is composed of the various constituent associations of cattle growers and farmers throughout the Nation. One of the principal associations is the Corn Belt and Meat Producers' Association of Iowa, which has many thousands of members. There are farmers' and cattle-growers' associations of my State, and there are those of all the other States. So the farmers, relying upon friendship of the dominant party, and also of the minority party in the Senate, do not come here individually, but only through their regular accredited representatives. They have not, as a class, written letters. They have written some, it is true, and have sent a few resolutions of committees, but they have relied upon the fairness of Congress, which gave them twelve years ago some little protection, of the greater portion of which, however, they were robbed or separated from by the construction placed upon the law by the custom-house officials. They have said that the farmers have a vote which weighs in the balance of this Nation and which Congress should not fail to consider. Their cause is a just one, as shown by the fact that there has been a duty upon hides for forty-two years, and there was a duty on hides imposed during all of the confederacy upon those who were in the opposition during the war. The farmers have every reason to believe that they will be taken care of, for they deserve to be well cared for, and they appear here only in a regular and recognized way through their accredited representatives. They do not come to Congress resting their case upon misrepresentations, and they do not come with the expectation that the Members of the Senate and House have such wretched memories that they themselves do not know what they did twelve years ago regarding the duty upon hides in the Dingley bill. It seems we have to have men from the outside show up the real wickedness of our actions in order that we may know that at the time mentioned we were engaged in the tricky, midnight business of which they accuse us.

Mr. President, the next prominent feature of nearly all this literature has been the letter of James G. Blaine. I am not one who would discredit James G. Blaine. I was one of his admirers and followers. There never was an opportunity that I had either to deposit a vote in his interests or to say a good word for him when I was not for Blaine. The fact is that many years ago, when he was very enthusiastic over a certain line of reciprocity, he made the statement that hides should be free, and wrote the letter referred to in support of the great scheme of reciprocity which has been discredited by Congress and this country since. What has been done here in this body in carrying out what he laid down as the great principle which we should follow? Mr. Blaine may have been right from his viewpoint, but that declaration, along with some others, was perhaps what kept Mr. Blaine from occupying the White House; and Mr. Blaine's proposition of reciprocity has been laid aside as one of those valuable but not usable ornaments of the Nation.

The statement that the packer gets all the benefit of a hide tariff, if you will stop for a moment to consider it, is ridiculous. It is asinine. You might just as well say that the packer gets all the benefit of the beefsteak; that he gets all the benefit of the loin; that he gets all the benefit of the tallow. These are all component parts of the animal, and there is no part of the animal more distinct, more easy to decide the value of, than the hide. The hide is on the outside; it is stretched over the frame of the animal; it can be seen and felt; and the one who deals in cattle can tell more accurately at a glance what that hide is worth than he can tell what any other part of the animal is worth. As I have stated, it is worth from a fifth to a sixth of the value of the whole animal, and one might just as truthfully say that the only thing about the animal that the packer pays for is the beefsteak, because the man who buys it may not eat any other portion of the animal. But allowing it to be true that the packer does not pay the farmer, if he has the power to take without paying therefor one-fifth or one-sixth of either part of the animal when it comes to him, to take arbitrarily that which is in plain sight, to take arbitrarily that which the farmer himself can as well butcher or have killed for him, selling the beef in competition with the packer, and selling the hides the same way—if he can do that, it certainly rests in the packer's power to give the farmer whatever he likes for any portion or all of the animal. If we are in that condition, that we are so truly subservient to the packers that they can give us any price which they desire, you could not benefit our condition by taking off this tariff on hides, because the packer would then have an excuse with which to meet the farmer and say: "I will give you five or six dollars less per head for your animals, because the tariff has been removed on hides," and the farmer and stockman would have to stand it.

The important part played by the value of hides in the sale of cattle is well illustrated in the table which I send to the desk for insertion in the RECORD. Note the differences between prices of branded and unbranded hides. Cattle bring just that much more or less, according to the condition of their hides; and if hides are branded, the extent of the mutilation is considered.

The matter referred to is as follows:

Chicago packer hides—Monthly average prices of Chicago packer hides for 1908, with yearly comparisons.

	Native steers, heavy.	Butt branded steers.	Texas steers, heavy.	Texas steers, light.	Colorado steers.	Native cows, heavy.	Native cows, light.	Branded cows.	Native bulls.	Branded bulls.
	Cts.	Cts.	Cts.	Cts.	Cts.	Cts.	Cts.	Cts.	Cts.	Cts.
January	11.31	9.46	11.25	9.75	9.47	9.09	8.53	7.78	9.62	7.69
February	10.75	9.88	11.40	10.20	10.00	8.08	8.40	8.45	8.97	7.45
March	9.36	8.97	10.75	9.81	9.06	8.34	7.81	8.31	8.37	6.96
April	10.68	10.31	12.08	10.93	10.37	9.18	8.93	9.08	8.93	7.58
May	11.45	11.15	13.60	12.00	11.15	9.60	9.30	9.40	8.90	7.75
June	13.50	12.56	14.93	13.87	12.68	10.82	10.82	10.82	9.18	8.18
July	15.06	13.81	15.25	13.81	13.87	12.75	12.37	11.50	10.07	9.00
August	15.75	14.17	15.45	13.95	14.00	13.70	13.25	11.95	10.75	9.70
September	15.81	14.31	15.50	14.00	14.21	13.96	13.43	12.00	11.25	9.68
October	15.65	14.15	15.25	13.75	13.90	13.60	12.90	11.75	10.95	9.70
November	15.87	14.44	15.43	14.06	14.00	13.81	13.12	12.06	11.31	10.00
December	16.00	14.43	15.81	14.43	14.37	14.12	13.43	12.81	11.75	10.50
Average:										
1908	13.43	12.30	13.89	12.55	12.26	11.42	11.02	10.40	10.00	8.69
1907	14.56	12.20	14.09	13.23	11.82	13.12	12.72	11.88	11.85	9.99
1906	15.43	13.99	14.88	14.85	13.66	14.96	14.88	14.11	12.20	10.59
1905	14.36	13.26	14.45	13.91	13.13	13.18	13.10	12.90	10.80	9.78
1904	11.77	10.93	12.67	11.71	10.84	10.62	10.47	10.27	9.12	8.13
1903	11.72	10.62	12.71	11.14	10.47	9.92	9.59	9.19	9.61	7.68
1902	13.37	12.33	12.45	12.46	12.09	11.21	10.14	10.02	10.62	9.15
1901	12.40	11.46	12.93	11.52	11.23	10.68	10.12	9.91	10.17	8.52
1900	12.00	11.08	12.09	11.16	10.54	10.68	10.59	10.24	9.93	8.46

Mr. DIXON. Mr. President——

The VICE-PRESIDENT. Does the Senator from Wyoming yield to the Senator from Montana?

Mr. WARREN. I do.

Mr. DIXON. Mr. President, I think the Senators who are advocating a duty on leather and shoes and at the same time advocating free hides ought to hear the speech of the Senator from Wyoming, and I suggest the point of order that there is no quorum at this time, in order that the Senator may have a fuller audience.

The VICE-PRESIDENT. The Senator from Montana suggests the absence of a quorum. The Secretary will call the roll.

The Secretary called the roll, and the following Senators answered to their names:

Aldrich	Clapp	Gallinger	Page
Bacon	Clark, Wyo.	Gamble	Paynter
Bailey	Clay	Heyburn	Penrose
Bankhead	Crawford	Hughes	Perkins
Borah	Culberson	Johnson, N. Dak.	Piles
Brandegee	Cullom	Johnston, Ala.	Root
Briggs	Cummins	Jones	Scott
Bristow	Curtis	Kean	Simmons
Brown	Daniel	La Follette	Smith, Mich.
Bulkeley	Davis	Lorimer	Smoot
Burkett	Depew	McCumber	Stone
Burnham	Dick	McEnery	Sutherland
Burrows	Dixon	Money	Warner
Burton	Dolliver	Nelson	Warren
Carter	Flint	Oliver	
Chamberlain	Frye	Overman	

The VICE-PRESIDENT. Sixty-two Senators have answered to their names. A quorum is present.

Mr. WARREN. Mr. President, I was about to remark, when the absence of a quorum was suggested, that if it lies with the packer to make exactly the price to the farmer that he sees fit without let or hindrance, and if he makes the prices that much lower, as he certainly will if this tariff is removed, it will have the same effect that any other deterrent measure has upon the growth of an industry; it will cause the farmers, who are now making only an equal return and little or no profit upon their cattle, to turn their industry in another direction. The number of cattle will be less, and the price of beef will rise that much higher. But, Mr. President, there is once in a while an honest man, who, when he is in opposition, does not creep under falsehoods, but who tells the truth; and I have here in my hand a statement, to which I wish expressly to call the attention of the Senate. It is a written statement signed by the chairman of a great convention and by its secretary. The chairman was Carl H. Krippendorf; the secretary, Benj. J. Wolf. They state that they represent over 700 firms of boot and shoe makers. Their meeting was at Cincinnati, Ohio, May 6, 1909. The statement says:

> Why should the farmer, if hides are placed on the free list, be compelled to sell his cattle for less than when there is a tariff on hides?
>
> What prevents the packer paying the farmer a fair price for his cattle and charging a little more for beef or the other by-products of cattle if (in order to make a fair profit) the world's price of hides makes it necessary? It should therefore not make any material difference either to the farmer or to the beef packer if the tariff on hides is retained or removed.
>
> If hides are placed on the free list he will have to pay a little more for his beef.
>
> Assuming that by placing hides on the free list the market price of hides would decline to this extent, the difference which would have to be charged to the price of beef would be less than one-fifth of a cent a pound, as an average steer * * *.

What! Raise the price of beef one-fifth of a cent a pound to every consumer in the United States with its ninety millions of people just to accommodate the leather trust and the comparatively small number of people—less than a quarter of a million—engaged in all the trades pertaining to the leather and the boot and shoe business, according to the census?

Monstrous!

This enterprising document, this set of resolutions duly signed by chairman and secretary of allied leather industries, quotes the Hepburn law to support its position.

> Equal rights to all and special privileges to none.
>
> Also—
>
> The duty on hides aids the big packers.

So, Mr. President, when you get down, as we would say in the Middle Western States, a little nearer the trail, where the representatives of 700 firms get together and resolve to adopt as their motto: "Equal rights to all and special privileges to none;" and charge 90,000,000 people one-fifth of a cent a pound more for meat, you reach the milk in the cocoanut. And all this so that they can line the capacious pockets of a few men, to the detriment of the raiser of hides and the wearer of shoes. In all this there is no promise of lower shoes. They undertake to place themselves right with these eleven or twelve million farmers, by stating, "you shall have your price; you shall have that much more, one-fifth of a cent for beef, and we will make these 90,000,000 people contribute the one-fifth of a cent a pound for that which they must eat every day, in order that the people engaged in the tanning of leather and in the manufacturing of shoes may have the 1 or 2 cents, or 3 cents, or whatever it may be more of profit on a pair of shoes."

Has there ever been a more monstrous proposition before the Senate?

When they make the statement that not to exceed one-fifth of a cent a pound on beef to 90,000,000 people becomes necessary to enlarge the profits of tanners and shoemakers and those who are engaged in those industries, which, I believe, are more profitable than any other industries in this country, or in this part of the country at least, I want this Senate to demand the reason why. They enjoyed a continued period of prosperity under taxed hides—a measure of prosperity which they had never reached under free hides. I will not confine it to boots and shoes; I will not confine it to tanners; but I will take the entire hide and leather line, and show here, by the official figures of the United States, that they are not only making a large profit, but they are pushing their wares into every part of the world. They have increased in an almost geometrical progression in their exports. I want to absolve all those who have been imposed upon, as a few have been, by the leather trust, one of the most aggressive and soul-crushing trusts in this country.

I agree with the Senator from Massachusetts [Mr. LODGE] that we should stand in opposition to the great meat trust that undertakes to control food products. There never has been a month or an hour that I have not stood in opposition to that trust, or that association which you call a trust, meaning four different firms, when there was tenable ground to stand on in opposition, but I am not going to undertake to go in complaint to the people who raised the price of hides—according to boot and shoe authority—from 4 cents to 13 cents to the farmer, with the aid of the Dingley law, and gave us competition with the leather trust, and gave to the country both ends of the benefit—those who grow the hides and those who use them. I am not going to come in here and align myself through legislation with the trusts which boldly proclaim a readiness to raise the price of beef to 90,000,000 people merely in order that they can get a little more profit on their boots and shoes, and which, at that, do not even promise to the consumer a lower price on boots and shoes.

Mr. President, the senior Senator from Texas, with his usual ardor and industry, rose on Saturday at the proper place and time and had read a letter from a boot and shoe man. It was

open and positive. He said if you could take the tariff off of hides you could take it off of shoes. I want to compliment that Senator by telling him that, in all the tomes that I have gone through and in all the literature on this subject that I have examined, that is the only man, from first to last, who has avowed fairly and squarely that if you take the tariff off of hides you can take it off of boots and shoes.

It is true that perhaps scores of men appeared before the House and testified, as my good friend the Senator from Vermont will ascertain if he looks further in that book, that tariff might be taken off of shoes if taken off of hides, and it is also true that most of them appeared the second time and stated that they did not mean what they had said the first time; that they had changed their minds, or words to that effect; that they did not want a tariff on shoes; and they gave the very good reason—and I want to say it is a good one—that formerly they had, to use the phrase of the street, "a dead cinch" upon some of the shoe-manufacturing machinery because it was invented here; that they had obtained the right to use it in the making of shoes, and they could control the markets of the world; but now the machines were being sold in foreign countries, they were being accompanied by skilled workmen from this country, they were being set up abroad, and as leather was cheaper there than with the Yankee shoemaker and their foreign competitors now had the Yankee shoe machinery, they—the domestic shoe men—needed a duty to protect them from those foreign manufacturers; and I quite agree with them.

But, Mr. President, notwithstanding the fact that I agree with them as to that, I say to you here, the time has passed in this country when there can be an oligarchy of manufacturers, so to speak, decreeing that the finished product of the farm shall be free and the finished product of the manufacturer shall bear a tariff.

I want to say to my friend the Senator from Texas [Mr. BAILEY], who I am sorry is not in the Chamber, that he states what is a fact when he says that this country will not long support any tariff bill under which it is proposed to rob the agriculturist on the plea that his product is raw material. To the man who makes your clothes, Mr. President, the cloth is raw material; to the manufacturer who makes that cloth wool is the raw material; but to the man who raises the wool it is the finished product.

I want to say here that is simply the keystone of the arch of protection that these people propose to tear down when they undertake to call wool, coal, and hides "raw materials" and make them free, while protecting manufacturers of the same. Not only are the tanning industry and the great leather trust seeking to get free hides, but the nose of the camel is intruded into the tents in their desire to put every one of these items and others, especially the farmers' products, upon the free list.

The Senator from Massachusetts [Mr. LODGE]—and I am sorry he is not in the Chamber at this moment—knows that his State legislature passed repeated resolutions calling for free wool, free coal, free iron, and perhaps other so-called raw materials. Strike down the tariff on hides, and you strike down the duty upon raw materials; and down with it soon goes the tariff on wool and the tariff on all the other materials of that kind.

Before I had the honor of sitting in this body I met, many a time, the representatives of the wool growers and woolen manufacturers. The latter then demanded free wool, just as strongly as those now approaching us are demanding free hides.

I have here in a Boston paper a very late expression of that sentiment. I ask the Secretary to read that portion marked between the blue lines, and I ask the attention of the Senate, because the article is not long.

The VICE-PRESIDENT. In the absence of objection, the Secretary will read as requested.

The Secretary read as follows:

THE DUTIES ON RAW MATERIALS.

[From the Textile Manufacturers' Journal.]

There are duties on certain raw materials of manufacture, notably hides of cattle and wool of sheep, which were imposed under pretense of benefit to farmers, but which are doing them no good, while they are producing the opposite effect to that for which the protective tariff was devised. They are seriously hampering two of the most important manufacturing industries of the country.—New York Journal of Commerce and Commercial Bulletin.

Mr. WARREN. Mr. President, that comes from a journal that is interested in these two particular matters. I could send to the desk article after article in the same tone respecting other demands for so-called free raw material. I have among others an article from a Philadelphia paper, which goes over the list of wool, hides, and various other materials that they are going to have free. But let me state to you, sir, that the day has passed when the United States Senate will consent to that kind of business. When the time comes to take the blanket off and go into free trade, who will have the most to lose? Will it be the farmer out in the western country? Will it be the man who raises a cattle hide and gets 60 or 70 or 80 or 90 cents or a dollar and a half or two dollars' benefit upon it through the 15 per cent duty against foreign hides, and turns around and pays ten or twenty times as much for taxed harness and shoes, and so forth? Is he going to raise his product and have it free, in order to enlarge the profits of a small group of men in another part of the country, and then be held up by a duty all along the line, when he buys the manufactured products of the same?

Mr. President, the Constitution of the United States very wisely provided that there should be two Houses—that there should be a popular House, in which the States should be represented according to population, and that there should be another House, in which the various States should have equal representation. It is not strange that in the other House there may be propositions for free raw material incorporated in bills sent to this body, inasmuch as the State of New York has thirty-odd Members of that body, the State of Pennsylvania thirty-odd Members, and some of the New England States a score or so apiece, while the great body of Northwestern States have only one or two Members of Congress apiece. I think it was a wise provision originally incorporated into the Constitution and adhered to that there should be some protection to the States in the new and growing part of this country in this one body, where they can have sufficient representation meekly to present and support their rights.

That tariff bill which undertakes to make free raw material of the farmer's finished product, if carried through here once, will be the death knell of the protective tariff in the United States until there has been a new alignment and a new adjustment all around.

Mr. President, I know that statistics and tables of figures are dry, and I am only going to touch the high places, but I have several tables here which I have prepared with some care. I will read from them some figures, and I will ask that the tables and accompanying statements may be included in my remarks when printed.

The VICE-PRESIDENT. In the absence of objection permission is granted.

The matter referred to is as follows:

Facts about farms.

[Census figures, from Statistical Abstract, 1908.]

	1890.	1900.
Number of farms	4,564,641	5,739,657
Persons engaged in agriculture	8,565,926	10,438,219
Value farms and farm property	$16,082,267,689	$20,514,001,838
Value of products	$2,460,107,454	$3,764,177,706
Value of live stock	$2,808,767,573	$3,075,477,703

INCREASE ABOVE FORMER YEARS.

The farm value of farm products this year is $290,000,000 above the value for 1907, $1,023,000,000 above that of 1906, $1,469,000,000 above that of 1905, $1,619,000,000 above that of 1904, $1,861,000,000 above that of 1903, and $3,061,000,000 above the census amount of 1899.

Expressed in the form of percentages of increase, the amount for 1908 was 4 per cent greater than that for 1907, 15 per cent over that for 1906, 23 per cent over that for 1905, 26 per cent over that for 1904, 31 per cent over that for 1903, and 65 per cent over that for the census year 1899.

A simple series of index numbers shows the progressive movement of wealth production by the farmer in another form. The value of products in 1899, the census year, being taken at 100, the value for 1903 stands at 125, for 1904 at 131, for 1905 at 134, for 1906 at 143, for 1907 at 159, and for 1908 at 165.

During the last ten years the wealth production on the farms of this country has exceeded the fabulous amount of $60,000,000,000.

Statistics of cattle.

NUMBER AND VALUE OF MILCH COWS AND OTHER CATTLE, 1867–1908.

[From Agricultural Yearbook.]

January 1—	Milch cows.			Other cattle.		
	Number.	Price per head Jan. 1.	Farm value Jan. 1.	Number.	Price per head Jan. 1.	Farm value Jan. 1.
1867	8,348,773	$28.74	$239,946,612	11,730,952	$15.79	$185,253,850
1868	8,691,568	26.56	230,816,717	11,942,484	15.06	179,887,797
1869	9,247,714	29.15	269,610,021	12,185,385	18.73	228,183,001
1870	10,095,600	32.70	330,175,234	15,388,500	18.87	290,400,588
1871	10,023,000	33.89	339,700,528	16,212,200	20.78	336,859,617
1872	10,303,500	29.45	303,438,398	16,389,800	18.12	296,931,654
1873	10,575,900	26.72	282,559,051	16,413,800	18.06	296,448,036
1874	10,705,300	25.63	274,325,680	16,218,100	17.55	284,705,983
1875	10,906,800	25.74	280,700,645	16,313,400	16.91	275,871,664
1876	11,085,400	25.61	283,878,869	16,785,300	17.00	285,387,123
1877	11,260,800	25.47	286,778,030	17,956,100	15.99	287,155,528
1878	11,300,100	25.74	290,897,809	19,223,300	16.72	321,345,691
1879	11,826,400	21.71	256,720,779	21,408,100	15.38	329,253,631

Statistics of cattle—Continued.

January 1—	Milch cows. Number.	Milch cows. Price per head Jan. 1.	Milch cows. Farm value Jan. 1.	Other cattle. Number.	Other cattle. Price per head Jan. 1.	Other cattle. Farm value Jan. 1.
1880	12,027,000	$23.27	$279,899,420	21,231,000	$16.10	$341,761,154
1881	12,368,653	23.95	296,277,060	20,938,710	17.33	362,861,509
1882	12,611,632	25.89	326,489,310	23,280,238	19.89	463,069,501
1883	13,125,685	30.21	396,575,405	28,046,077	21.81	611,549,109
1884	13,501,306	31.37	423,486,649	29,046,101	23.52	683,229,054
1885	13,904,722	29.70	412,903,093	29,866,573	23.25	694,382,913
1886	14,235,388	27.40	389,985,523	31,275,242	21.17	661,956,274
1887	14,522,083	26.08	378,789,589	33,511,750	19.79	663,137,926
1888	14,856,414	24.65	366,252,173	34,378,363	17.79	611,750,520
1889	15,298,625	23.94	366,226,376	35,032,417	17.05	597,236,812
1890	15,952,863	22.14	353,152,133	36,849,024	15.21	560,625,137
1891	16,019,591	21.62	346,397,900	36,875,648	14.76	544,127,908
1892	16,416,351	21.40	351,378,132	37,651,239	15.16	570,749,155
1893	16,424,087	21.75	357,299,785	35,954,196	15.24	547,882,294
1894	16,487,400	21.77	358,998,661	36,608,168	14.66	536,789,747
1895	16,504,629	21.97	362,601,729	34,364,216	14.06	482,999,129
1896	16,137,586	22.55	363,955,545	32,085,409	15.86	508,928,416
1897	15,941,727	23.16	369,239,998	30,508,408	16.65	507,929,421
1898	15,840,886	27.45	434,813,826	29,264,197	20.92	612,296,634
1899	15,990,715	29.66	474,282,925	27,994,225	22.79	637,931,135
1900	16,292,360	31.60	514,812,108	27,610,054	24.97	689,486,260
1901	16,833,657	30.00	505,093,077	45,500,213	19.93	906,644,003
1902	16,686,802	29.23	488,130,324	44,727,797	18.76	839,126,073
1903	17,105,227	30.21	516,711,914	44,659,206	18.45	824,054,902
1904	17,419,817	29.21	508,841,489	43,629,498	16.32	712,178,134
1905	17,572,464	27.44	482,272,208	43,669,443	15.15	661,571,308
1906	19,793,866	29.44	582,788,592	47,067,656	15.85	746,171,709
1907	20,968,265	31.00	645,496,980	51,565,731	17.10	881,557,398
1908	21,194,000	30.67	650,057,000	50,073,000	16.89	845,938,000

Imports and exports of live cattle, with average prices, 1892–1907.

Year ending June 30—	Imports. Number.	Imports. Value.	Imports. Average import price	Exports. Number.	Exports. Value.	Exports. Average export price.
1892	2,168	$47,466	$21.89	394,607	$35,099,095	$88.95
1893	3,293	45,682	13.87	287,094	26,032,428	90.68
1894	1,592	18,704	11.75	359,278	33,461,922	93.14
1895	149,781	765,853	5.11	331,722	30,603,796	92.26
1896	217,826	1,509,856	6.93	372,461	34,560,672	92.79
1897	328,977	2,589,857	7.87	392,190	36,357,451	92.70
1898	291,589	2,913,223	9.99	439,255	37,827,500	86.12
1899	199,752	2,320,362	11.62	389,490	30,516,833	78.35
1900	181,006	2,257,694	12.47	397,286	30,635,153	77.11
1901	146,022	1,931,433	13.23	459,218	37,566,980	81.81
1902	96,027	1,608,722	16.75	392,884	29,902,212	76.11
1903	66,175	1,161,548	17.55	402,178	29,848,936	74.22
1904	16,056	310,737	19.35	593,409	42,256,291	71.21
1905	27,855	458,572	16.46	567,806	40,598,048	71.50
1906	29,019	548,430	18.90	584,239	42,081,170	72.03
1907	32,404	565,122	17.44	423,051	34,577,392	81.73

Number, average price, and farm value of cattle in the United States January 1, 1908.

State or Territory.	Milch cows. Number.	Milch cows. Average price per head Jan. 1.	Milch cows. Farm value Jan. 1.	Other cattle. Number.	Other cattle. Average price per head Jan. 1.	Other cattle. Farm value Jan. 1.
Maine	183,000	$31.00	$5,673,000	151,000	$16.00	$2,416,000
New Hampshire	128,000	32.50	4,160,000	103,000	17.00	1,751,000
Vermont	291,000	30.00	8,730,000	221,000	14.00	3,094,000

Number, average price, and farm value of cattle in the United States January 1, 1908—Continued.

State or Territory.	Milch cows. Number.	Milch cows. Average price per head Jan. 1.	Milch cows. Farm value Jan. 1.	Other cattle. Number.	Other cattle. Average price per head Jan. 1.	Other cattle. Farm value Jan. 1.
Massachusetts	196,000	$40.00	$7,840,000	92,000	$17.00	$1,564,000
Rhode Island	26,000	42.50	1,105,000	10,000	19.00	190,000
Connecticut	138,000	37.50	5,175,000	83,000	19.00	1,577,000
New York	1,789,000	33.50	59,932,000	907,000	17.00	15,419,000
New Jersey	190,000	43.00	8,170,000	82,000	21.00	1,722,000
Pennsylvania	1,152,000	36.00	41,472,000	965,000	18.00	17,370,000
Delaware	37,000	$36.50	$1,350,000	22,000	$20.00	$440,000
Maryland	155,000	32.00	4,960,000	140,000	20.00	2,800,000
Virginia	288,000	28.00	8,064,000	561,000	19.00	10,659,000
West Virginia	247,000	33.00	8,151,000	549,000	22.00	12,078,000
North Carolina	294,000	24.00	7,056,000	450,000	12.00	5,400,000
South Carolina	138,000	27.00	3,726,000	223,000	12.00	2,676,000
Georgia	308,000	25.00	7,700,000	680,000	11.00	7,480,000
Florida	91,000	29.00	2,639,000	664,000	10.00	6,640,000
Ohio	928,000	36.00	33,408,000	1,050,000	21.00	22,050,000
Indiana	660,000	33.00	21,780,000	1,096,000	21.00	23,016,000
Illinois	1,184,000	35.00	41,440,000	2,164,000	22.00	47,608,000
Michigan	849,000	34.00	28,866,000	1,063,000	16.00	16,048,000
Wisconsin	1,392,000	30.50	42,456,000	1,137,000	13.00	14,781,000
Minnesota	1,040,000	28.00	29,120,000	1,279,000	12.00	15,348,000
Iowa	1,555,000	30.50	47,428,000	3,881,000	21.00	81,501,000
Missouri	965,000	28.50	27,502,000	2,349,000	20.00	46,980,000
North Dakota	224,000	27.50	6,160,000	642,000	16.00	10,272,000
South Dakota	618,000	27.50	16,995,000	1,426,000	18.00	25,668,000
Nebraska	879,000	29.00	25,491,000	3,265,000	19.00	62,035,000
Kansas	722,000	29.00	20,938,000	3,577,000	20.00	71,540,000
Kentucky	398,000	27.50	10,945,000	714,000	18.00	12,852,000
Tennessee	331,000	23.00	7,613,000	595,000	12.00	7,140,000
Alabama	283,000	21.00	5,943,000	539,000	8.00	4,312,000
Mississippi	330,000	20.00	6,600,000	589,000	8.00	4,712,000
Louisiana	190,000	24.00	4,560,000	480,000	10.00	4,800,000
Texas	1,072,000	26.00	27,872,000	7,825,000	12.00	93,900,000
Oklahoma	338,000	26.00	8,788,000	1,814,000	16.00	29,024,000
Arkansas	384,000	18.50	7,104,000	695,000	8.00	5,560,000
Montana	69,000	36.00	2,484,000	879,000	20.00	17,580,000
Wyoming	23,000	38.00	874,000	838,000	24.00	20,112,000
Colorado	144,000	37.00	5,328,000	1,454,000	20.00	29,080,000
New Mexico	25,000	38.00	950,000	939,000	17.00	15,963,000
Arizona	23,000	43.00	989,000	603,000	17.00	10,251,000
Utah	79,000	31.00	2,449,000	324,000	17.00	5,508,000
Nevada	17,000	45.00	765,000	367,000	20.00	7,340,000
Idaho	69,000	32.00	2,208,000	344,000	17.00	5,848,000
Washington	184,000	37.00	6,808,000	389,000	18.00	7,002,000
Oregon	158,000	35.00	5,530,000	758,000	17.00	12,886,000
California	410,000	36.00	14,760,000	1,156,000	19.00	21,945,000
United States	21,194,000	30.67	650,057,000	50,073,000	16.89	845,938,000

Number of cattle received at markets named.

	1895.	1905.	1907.
Chicago	2,757,298	3,791,304	3,927,248
Kansas City	1,689,652	2,422,582	2,670,260
Omaha	586,103	1,026,392	1,158,716
St. Louis	851,275	1,254,236	1,323,208
St. Joseph	49,202	546,688	616,232
Total	5,963,530	9,041,202	9,695,664

The incidental branch of the live-stock industry, that of slaughtering and meat packing, not including retail butchering, ranks No. 1 in all of our industries in value of net products, the value in 1900 being $783,779,191. The present year it will reach $1,000,000,000.

Domestic exports of beef and its products from the United States.

[From Agricultural Department bulletins.]

Year ending June 30—	Cattle. Number.	Cattle. Value.	Beef, canned. Pounds.	Beef, canned. Value.	Beef, cured: Salted or pickled. Pounds.	Beef, cured: Salted or pickled. Value.	Beef, cured, other. Pounds.	Beef, cured, other. Value.	Beef, fresh. Pounds.	Beef, fresh. Value.
1890	394,836	$31,261,131	82,638,507	$6,787,193	97,508,419	$5,250,068	102,110	$9,223	173,237,596	$12,862,384
1891	374,679	30,445,249	109,585,727	9,008,906	90,286,979	5,048,788	1,621,833	147,518	194,045,638	15,322,054
1892	394,607	35,099,095	87,028,084	7,876,454	70,204,736	3,987,829	953,712	92,524	220,554,617	18,053,732
1893	287,094	26,032,428	79,089,493	7,222,824	58,423,963	3,185,321	898,920	87,776	206,294,724	17,754,041
1894	359,278	33,461,922	85,974,910	5,120,851	62,682,667	3,572,054	1,218,334	100,631	193,891,824	16,700,163
1895	331,722	30,603,796	64,102,263	5,720,933	62,473,325	3,568,290	821,673	73,569	191,338,487	16,832,860
1896	372,461	34,560,672	63,698,180	5,636,953	70,709,209	3,975,113	514,393	59,371	224,783,225	18,974,107
1897	392,190	36,357,451	54,019,772	4,656,308	67,712,940	3,514,126	939,448	93,701	240,395,930	22,653,742
1898	439,255	37,827,500	37,109,570	3,279,057	44,314,479	2,388,467	1,589,052	150,051	274,768,074	22,966,556
1899	389,490	30,516,833	38,385,472	3,503,293	46,564,876	2,525,784	1,579,313	145,996	282,139,974	23,545,185
1900	397,286	30,635,153	55,553,745	5,233,982	47,306,513	2,697,340	2,319,185	197,051	329,078,809	29,643,830
1901	459,218	37,566,980	53,445,521	5,307,501	55,312,632	3,145,219	780,285	72,677	351,748,333	31,851,361
1902	392,884	29,902,212	66,645,838	6,646,130	48,632,727	3,031,027	818,382	72,836	301,824,473	29,045,056
1903	402,178	29,848,936	78,307,114	7,916,928	52,801,220	3,814,671	1,126,032	102,184	254,795,963	25,013,323
1904	593,409	42,256,291	57,468,338	5,882,888	57,584,710	3,260,475	269,112	20,542	299,579,671	26,841,586
1905	567,806	40,598,048	66,688,563	6,568,958	55,234,705	3,095,304	136,476	14,057	236,486,568	22,138,365
1906	584,239	42,081,170	64,523,359	6,490,446	61,088,028	4,697,742	199,483	22,063	268,054,227	24,310,038
1907	423,051	34,577,392	15,809,826	1,615,808	62,645,281	3,740,212	1,053,287	107,966	281,651,502	26,367,287
1908	349,210	29,339,134	23,376,447	2,467,875	46,958,367	3,213,480	937,720	106,470	204,154,105	20,339,377

Domestic exports of beef and its products from the United States—Continued.

Year ending June 30—	Hides and skins, other than furs.		Oil, oleo.		Oleomargarine (imitation butter).		Tallow.		Total exports of beef and its products as far as ascertainable.
	Pounds.	Value.	Pounds.	Value.	Pounds.	Value.	Pounds.	Value.	Pounds.
1890		$1,828,635	68,218,098	$6,476,258	2,535,926	$297,264	112,745,370	$5,242,158	536,986,026
1891		1,333,655	80,231,035	7,859,130	1,986,743	255,024	111,689,251	5,501,049	589,447,206
1892		1,223,895	91,581,703	9,011,889	1,610,837	195,587	89,780,010	4,425,630	561,713,699
1893		1,497,003	113,939,363	11,207,250	3,479,322	416,386	61,819,153	3,129,059	523,944,938
1894		3,972,494	123,295,895	11,942,842	3,898,950	475,003	54,661,524	2,766,164	495,624,104
1895	36,002,859	2,310,323	78,098,878	7,107,018	10,100,897	992,464	25,864,300	1,293,050	432,799,823
1896	39,545,324	3,858,946	103,276,756	8,087,905	6,063,699	587,269	52,759,212	2,323,764	521,804,584
1897	31,119,166	2,388,530	113,506,152	6,742,061	4,864,351	472,856	75,108,834	2,782,595	606,547,427
1898	11,536,073	1,015,032	132,579,277	7,904,413	4,328,536	386,297	81,744,809	3,141,653	576,433,797
1899	10,140,840	929,117	142,390,492	9,183,659	5,549,322	509,703	107,361,009	4,367,356	623,970,458
1900	7,486,256	804,674	146,739,681	10,503,856	4,256,067	416,544	89,030,943	4,398,204	674,284,723
1901	11,161,749	1,064,962	161,651,413	11,846,373	4,990,699	484,501	77,166,889	3,848,561	705,104,772
1902	9,372,747	906,504	138,546,088	12,254,969	5,721,254	601,521	34,065,758	1,924,577	596,254,520
1903	12,859,549	1,224,409	126,010,339	11,981,888	7,645,652	798,273	27,368,924	1,623,852	546,055,244
1904	32,727,643	3,246,887	165,183,839	12,873,558	6,137,251	605,874	76,924,174	3,801,302	663,147,095
1905	10,268,722	1,051,641	145,228,245	11,485,145	7,863,164	711,038	63,536,992	3,022,173	575,874,718
1906	10,752,827	1,223,255	209,658,075	17,455,976	11,794,174	1,033,256	97,567,156	4,791,025	732,884,572
1907	15,396,806	1,760,032	195,337,176	16,819,933	5,397,609	520,406	127,857,739	7,182,688	689,752,420
1908	14,650,454	1,536,225	212,541,157	19,278,476	2,938,175	299,746	91,397,507	5,399,219	579,303,478

Mean prices of fresh beef in London in first week of each quarter, 1907–8.

[From Agricultural Department bulletins.]

[Cents per pound.]

Quarter beginning—	United States, refrigerated.		Argentina, refrigerated.		Argentina, frozen.	
	Hind quarter.	Fore quarter.	Hind quarter.	Fore quarter.	Hind quarter.	Fore quarter.
1907.						
January	11.3	7.4	7.9	6.3	7.2	6.1
April	11.0	7.3	8.7	6.1	6.5	5.2
July	11.6	7.9	8.9	6.6	7.6	6.1
October	12.7	7.8	9.1	5.4	7.2	4.9
1908.						
January	11.3	7.4	7.5	6.1	6.6	5.4
April	12.1	9.0	10.1	8.0	7.9	6.2
July	12.7	8.4	9.4	6.4	8.4	6.2

Agricultural exports (domestic) of the United States during the five years ending June 30, 1907.

Article exported.	1903.		1904.		1905.		1906.		1907.	
	Quantity.	Value.	Quantity.	Value.	Quantity.	Value.	Quantity.	Value.	Quantity.	Value.
ANIMAL MATTER.										
Animals, live:										
Cattle ..... number..	402,178	$29,848,936	593,409	$42,256,291	567,806	$40,598,048	584,239	$42,081,170	423,051	$34,577,392
Hogs ..... do....	4,031	40,923	6,345	53,780	44,496	416,692	59,170	630,998	24,262	309,440
Horses ..... do....	34,007	3,152,159	42,001	3,189,100	34,822	3,175,269	40,087	4,365,981	33,882	4,359,957
Mules ..... do....	4,294	521,725	3,658	412,971	5,826	645,464	7,167	989,639	6,781	850,901
Sheep ..... do....	176,961	1,067,860	301,313	1,954,604	268,365	1,687,321	142,690	804,090	135,344	750,242
Other, including fowls	.....	149,590	.....	111,129	.....	205,497	.....	267,690	.....	355,148
Total	.....	34,781,193	.....	47,977,875	.....	46,728,281	.....	49,139,568	.....	41,203,080
Beeswax ..... pounds..	70,811	21,337	55,631	16,545	85,406	24,966	101,726	29,894	117,169	36,392
Dairy products:										
Butter ..... do....	8,896,166	1,604,327	10,717,824	1,768,184	10,071,487	1,648,281	27,860,537	4,922,913	12,544,777	2,429,489
Cheese ..... do....	18,987,178	2,250,229	23,335,172	2,452,239	10,134,424	1,084,044	16,562,451	1,940,620	17,285,230	2,012,626
Milk	.....	921,026	.....	1,867,794	.....	2,156,616	.....	1,889,690	.....	2,191,111
Total	.....	4,775,582	.....	5,588,217	.....	4,888,941	.....	8,753,223	.....	6,633,226
Eggs ..... dozens..	1,517,189	325,571	1,776,632	396,408	2,475,884	543,386	4,952,063	1,038,649	6,968,985	1,542,789
Egg yolks	.....	48,108	.....	28,294	.....	917	.....	54,851	.....	11,565
Feathers	.....	141,257	.....	157,035	.....	239,256	.....	263,377	.....	316,306
Fibers, animal:										
Silk waste ..... pounds..	149,400	19,968	227,139	30,814	72,451	9,806	71,368	13,781	129,078	37,709
Wool ..... do....	518,919	71,818	319,750	37,171	123,951	15,068	192,481	29,095	214,840	48,820
Total ..... do....	668,319	91,786	546,889	67,985	196,402	24,874	263,849	42,876	343,918	86,529
Glue ..... do....	2,569,164	253,768	2,656,057	258,511	2,824,202	279,534	3,157,837	298,796	3,481,715	331,998
Honey	.....	64,220	.....	69,317	.....	63,367	.....	111,945	.....	99,690
Packing-house products:										
Bones, hoofs, horns, and horn tips, strips, and waste	.....	193,817	.....	208,523	.....	181,203	.....	212,516	.....	172,208
Bristles	.....	515	.....	1,808	.....	1,497	.....	329	.....	2,732
Grease, grease scraps, and all soap stock	.....	2,926,565	.....	3,311,777	.....	3,710,907	.....	4,138,333	.....	5,473,623
Hair	.....	616,133	.....	724,514	.....	778,471	.....	854,038	.....	938,433
Hides and skins, other than furs, pounds..	12,859,549	1,224,409	32,727,643	3,246,887	10,268,722	1,051,641	10,752,827	1,223,255	15,396,806	1,760,032
Lard ..... do....	490,755,821	50,854,504	561,302,643	46,347,520	610,238,899	47,243,181	741,516,886	60,132,091	627,559,660	57,497,980
Lard compounds ..... do....	46,130,004	3,607,542	53,603,545	3,581,813	61,215,187	3,613,235	67,621,310	4,154,183	80,148,861	6,166,910

Agricultural exports (domestic) of the United States during the five years ending June 30, 1907—Continued.

Article exported.	1903.		1904.		1905.		1906.		1907.	
	Quantity.	Value.	Quantity.	Value.	Quantity.	Value.	Quantity.	Value.	Quantity.	Value.
Packing-house products—Continued.										
Meat—										
Beef—										
Fresh ..... pounds..	254,795,963	$25,013,323	299,579,671	$26,841,586	236,486,568	$22,138,365	268,054,227	$24,310,038	281,651,502	$26,367,287
Cured—										
Salted or pickled ..... do....	52,801,220	3,814,671	57,584,710	3,260,475	55,934,705	3,095,304	81,088,098	4,697,742	62,645,281	3,740,212
Other ..... do....	1,126,092	102,184	269,112	20,542	136,476	14,057	199,483	22,065	1,053,287	107,956
Total ..... do....	53,927,252	3,916,855	57,853,822	3,281,017	56,071,181	3,109,361	81,287,581	4,719,805	63,698,568	3,848,168
Canned ..... do....	76,307,114	7,916,928	57,468,338	5,882,888	66,688,563	6,588,958	64,523,359	6,430,446	15,809,826	1,615,808
Total beef ..... do....	385,030,329	36,847,106	414,901,831	36,005,491	359,246,317	31,836,684	413,865,167	35,460,289	361,159,896	31,831,263
Canned meat, n. e. s.	.....	1,831,940	.....	2,254,235	.....	1,974,693	.....	1,593,497	.....	745,247
Mutton ..... pounds..	6,144,020	582,476	465,255	40,618	640,837	52,503	516,345	51,163	822,998	83,874
Pork—										
Fresh ..... do....	20,966,113	2,035,491	18,633,820	1,669,818	14,946,284	1,291,794	13,444,438	1,261,412	11,467,779	1,143,886
Cured—										
Bacon ..... do....	207,336,000	22,178,525	249,665,941	24,446,752	262,246,635	25,428,961	361,210,563	35,845,793	250,418,699	26,470,972
Hams ..... do....	214,183,365	25,712,633	194,948,864	22,293,867	203,458,724	21,562,204	194,267,949	20,075,511	209,481,496	23,698,207
Salted or pickled ..... do....	95,287,374	9,259,762	112,224,861	9,527,388	118,887,189	9,412,034	141,820,720	11,681,634	166,427,409	15,167,058
Total cured ..... do....	516,806,739	57,850,920	556,839,666	56,268,007	584,592,548	56,403,199	697,299,232	67,602,938	626,327,604	65,336,237
Canned ..... do....	13,590,897	1,369,687	9,479,312	963,321	10,254,239	993,394	12,699,800	1,215,857	2,710,369	287,469
Total pork ..... do....	551,363,749	61,256,098	584,952,798	58,901,146	609,793,071	58,688,387	723,443,470	70,080,207	640,505,752	66,767,583
Sausage and sausage meat, pounds	5,264,648	585,088	5,562,349	602,528	6,061,508	671,211	7,926,786	881,686	8,000,973	925,877
Total meat	.....	101,052,708	.....	97,804,018	.....	93,223,508	.....	108,006,842	.....	100,353,844
Oils—										
Lard oil ..... gallons..	356,658	306,334	376,826	244,499	260,697	154,409	298,103	180,474	234,730	144,063
Oleo oil ..... pounds..	126,010,339	11,981,888	165,183,839	12,873,558	145,228,245	11,485,145	209,658,075	17,455,976	195,337,176	16,819,933
Other ..... gallons..	221,669	159,505	452,481	273,481	377,777	217,596	338,687	224,991	503,234	292,381
Total oils	.....	12,447,727	.....	13,391,538	.....	11,857,150	.....	17,861,441	.....	17,256,377
Oleomargarine (imitation butter) pounds.	7,645,652	798,273	6,137,251	605,874	7,863,164	711,038	11,794,174	1,033,256	5,397,609	520,406
Sausage casings	.....	1,964,524	.....	2,358,167	.....	2,646,868	.....	2,572,479	.....	3,422,271
Tallow ..... pounds.	27,368,924	1,623,852	76,924,174	3,801,302	63,586,992	3,022,173	97,567,156	4,791,025	127,857,739	7,182,688
Other	.....	2,101,785	.....	2,062,813	.....	2,267,359	.....	2,633,986	.....	2,708,632
Total packing-house products	.....	179,412,354	.....	177,441,554	.....	170,308,231	.....	207,673,774	.....	203,456,136
Poultry and game	.....	1,079,056	.....	1,009,304	.....	897,425	.....	1,397,004	.....	1,086,618
Quills	.....	3,976	.....	23,164	.....	1,618	.....	150	.....	.....
Silk waste. (*See* Fibers, animal.)										
Wool. (*See* Fibers, animal.)										
Total animal matter	.....	220,998,208	.....	233,034,209	.....	224,000,796	.....	268,804,107	.....	254,798,329

CONSUMPTION OF MEAT IN MANY COUNTRIES.

The United States by far exceeds all other countries outside of Australasia in per capita meat consumption, and it is followed in order by Cuba, the United Kingdom, Germany, France, Denmark, Belgium, and Sweden.

Per capita consumption of meat, by principal countries.

[Expressed in pounds, probably of dressed weight for domestic slaughter unless otherwise stated.]

Country.	This bulletin and other authorities.	Royal Statistical Society, 1902.	Ostertag, for 1890.[a]	Mulhall, published in 1899.
Argentina	.....	.....	.....	140
Austria-Hungary	.....	.....	64	.....
Australian Commonwealth	.....	262.6	246	[b] 208
Belgium	.....	70	.....	.....
Belgium and the Netherlands	.....	.....	69	.....
Canada	.....	.....	.....	129
Cuba	124	.....	.....	.....
Denmark	.....	76	.....	.....
France	[c] 78.9	80	74	75
Germany	.....	99	70	[d] 74 / [e] 66
1906	98.7	.....	.....	.....
1905	101.1	.....	.....	.....
1904	108.5	.....	.....	.....
1894 (Lichtenfeld)	88	.....	.....	.....
Great Britain	.....	.....	105	[f] 115
Greece	.....	.....	.....	68
Italy	46.5	.....	23	27
Netherlands	.....	.....	.....	48
New Zealand	.....	212.5	.....	.....
Poland (Russian)	.....	.....	.....	62
Portugal	.....	.....	.....	44

[a] Quoted by Ostertag as the estimate of the "Statistisches Amt" in England for 1890. Handbook of Meat Inspection, p. 3.
[b] Including New Zealand.
[c] Imbart de la Tour.
[d] 1899.
[e] 1883.
[f] 1895.

Per capita consumption of meat, etc.—Continued.

Country.	This bulletin and other authorities.	Royal Statistical Society, 1902.	Ostertag, for 1890.[a]	Mulhall, published in 1899.
Russia	.....	.....	48	[b] 50
Spain	.....	.....	49	.....
Sweden	.....	62	.....	.....
Sweden and Norway	.....	.....	87	74
Switzerland	.....	.....	.....	75
United Kingdom	.....	[d] 121.3	.....	[c] 108 / [e] 93
United States:				
Dressed	185.8	[f] 150	120	141
Dressed and extra edible parts	220.5	.....	.....	.....
Edible dressed and extra edible parts	182.6	.....	.....	.....

[a] Quoted by Ostertag as the estimate of the "Statistisches Amt" in England for 1890. Handbook of Meat Inspection, p. 3.
[b] Excluding Poland.
[c] 1895.
[d] 1898–1902.
[e] 1875.
[f] 1885. Stated to be on authority of the United States Department of Agriculture.

DEPARTMENT OF AGRICULTURE, OFFICE OF THE SECRETARY,
Washington, D. C., June 14, 1909.

Hon. F. E. WARREN,
United States Senate, Washington, D. C.

DEAR SENATOR: In reply to your inquiry by telephone, I take pleasure in giving you the following information:

According to estimates of the Bureau of Statistics of this Department, the number of cattle in the United States on January 1, 1897, was 46,450,135, and the number on January 1, 1909, was 71,099,000.

The Bureau of Animal Industry of this department estimates that there are slaughtered annually in the United States about 13,000,000 adult cattle and 5,500,000 calves, and that consequently those numbers of hides are produced. The American National Live Stock Association estimates that in addition to these there are annually produced

about 1,000,000 "fallen hides;" that is, hides taken from cattle which die or are killed by accident. The total of these estimates gives 19,500,000 as the total annual hide production of the country.

During the fiscal year ending June 30, 1908, there were slaughtered by Armour & Co., Swift & Co., Morris & Co., and National Packing Company, under the inspection of the Bureau of Animal Industry, 4,045,357 adult cattle and 1,026,707 calves, making a total of 5,072,064 cattle. During the same period there were slaughtered at all establishments under federal inspection 7,116,275 adult cattle and 1,995,487 calves, a total of 9,111,762. By deducting from these figures the slaughter by the four firms above named it will be seen that the slaughter by all other establishments under federal inspectiin amounted to 3,071,918 adult cattle and 968,780 calves, a total of 4,040,698.

Very respectfully,

M. M. HAYS, *Acting Secretary.*

UNOFFICIAL ESTIMATES—HIDES—PRODUCTION, CONSUMPTION, AND SOURCE OF SUPPLY, CENSUS OF 1905, (CALENDAR YEAR 1904).[a]

The consumption of hides by the tanning industry was in number 17,581,013, valued at $89,126,593. On the basis of the estimated average value per pound of the cattle hides produced by the slaughtering and meat-packing establishments—9.66 cents per pound—the quantity consumed by the tanneries is estimated at 922,635,538 pounds.

The production of hides reported by the slaughtering and meat-packing establishments and the wholesale slaughtering establishments was 456,443,857 pounds, valued at $44,206,107. This, however, included calfskins. The production of cattle hides by these establishments, based upon the number slaughtered, is estimated at 447,530,167, pounds, valued at $43,225,601.

The importation of cattle hides for consumption for the fiscal year ending June 30, 1904, was 83,652,950, valued at $10,815,206, composed of buffalo hides, 7,887,971 pounds, valued at $997,518, and other cattle hides (not including calfskins), 75,764,979 pounds, valued at $9,817,688. This leaves 391,452,421 pounds as the estimated production of the retail slaughtering and butchering establishments, not included in the factory census, and hides from all other sources.

Hides—Consumption and production, census of 1905.

	Pounds.	Per cent.
Cattle hides consumed by tanneries, 1904	922,635,538	100.0
Imports for consumption, year ending June 30, 1904	83,652,950	9.1
Domestic production, 1904	838,982,588	90.9
Slaughtering and meat-packing and wholesale slaughtering establishments	447,530,167	.....
Retail slaughtering establishments and all other sources	391,452,421	.....

UNOFFICIAL ESTIMATES.

At the census of manufactures of 1905 (calendar year 1904) the number of calf and kip skins tanned and finished, as reported by the leather tanneries, was 12,355,765, valued at $23,372,365.

The imports for consumption of calfskins, raw or uncured, whether dry, salted, or pickled, have been as follows:

Year ending June 30—	Pounds.	Value.
1904	34,501,775	$5,862,988.99
1905	50,144,313	9,775,400.02
1906	56,102,594	11,466,027.64
1907	48,991,055	11,163,702.51

An estimate of the number of calves slaughtered in the United States, based upon the number of calfskins tanned, census of 1905, is 8,900,000, and an estimate based upon the statistics for cows and calves on farms and ranges, census of 1900, is nearly 10,000,000; a mean can be taken of approximately 9,400,000.

The deductions are as follows:

Calf and kip skins tanned and finished (1904)		12,355,765
Estimated weight, average of 10 pounds	pounds	123,557,650
Calfskins, raw or uncured, imported for consumption, year ending June 30, 1904	pounds	34,501,775
Domestic supply	do	89,055,875
Number of calves slaughtered, estimated at 10 pounds per skin		8,905,587
Source of domestic supply:		
Slaughtered in slaughtering and meat-packing, and wholesale slaughtering establishments, census of 1905		1,568,130
Slaughtering on farms and ranges, estimated number, census of 1900, 3,000,000 plus an estimated increase of 15 per cent to 1905		3,550,000
Balance slaughtered by retail slaughtering establishments and butchers		3,887,457
Total		8,905,587
Number of cows and calves on farms and ranges, as reported at the census of 1900:		
Dairy cows, 2 years and over		17,139,674
Other cows, 2 years and over		11,592,142
		28,731,816

[a] Imports, from report of Bureau of Statistics, Department of Commerce and Labor. The Foreign Commerce and Navigation of the United States, year ending June 30, 1904, page 793.

Domestic production from reports of the Bureau of the Census; Bulletin No. 72, Leather Tanned, Curried and Finished; Bulletin 83, Slaughtering and Meat Packing.

Estimated number of calves dropped (allowing approximately 16 per cent for barren cows, etc.)	24,000,000
Calves under 1 year, on farms and ranges	15,333,099
Difference, representing calves slaughtered on farms or ranges or shipped away during the year	8,666,901
Add estimated increase, 1900 to 1905, of 15 per cent	1,300,000
	9,966,901

HISTORY OF THE HIDE DUTY.

Hides were free until 1842, when the Whig tariff made them dutiable at 5 per cent ad valorem. This was continued in the Walker (Democratic) tariff of 1846. The duty was reduced to 4 per cent in 1857 and restored to 5 per cent in the Morrill tariff of 1861; raised to 10 per cent later that year, and so continued until 1872, when hides were placed in the free list. There they remained until 1892, when a duty of 1¼ cents a pound was imposed if they were imported from countries which failed to enter into reciprocal trade arrangements with the United States. A duty of 15 per cent was imposed by the Dingley law in 1897, which has remained to this day.

DECISIONS REGARDING HIDES AND SKINS.

Two kinds of dried skins and hides—the one being known as "flint dried," the other as "salt dried." Flint-dried skins or hides are cured by being dried in the sun, being sometimes arsenicated or preserved with the use of arsenic. The dividing line between what is known commercially as a "skin" and a "hide" of this kind of merchandise is 12 pounds. Dry-salted skins and hides, however, are subjected to salt in order to preserve them, and then are exposed to the sun and dried, the skin thus absorbing in its pores a considerable amount of salt, the Treasury decision on this matter stating the quantity of salt thus absorbed to be "no less than about 3 pounds." And the dividing line in trade and commerce, therefore, between what is commercially known as "dried salted skin" and "dried salted hide" is 15 pounds, those weighing 15 pounds or over being known as "hides" and those weighing less than 15 pounds as "skins." (Decision of United States General Appraisers at New York, February 5, 1890.)

"Hides" are separated from "skins" by weight. If more than 12 pounds in weight they are known as "hides;" if less they are known as "skins." (Decision United States circuit court of appeals, second district, February 1, 1906. Before Judges Lacombe, Townsend, and Coxe, circuit judges.)

Hides of American cattle, the growth of the United States, are dutiable as hides of cattle, and not free under paragraph 493, where the cattle had been exported alive, slaughtered in England, and the hides reimported after being salted and disinfected. (Treasury decision 4305, G. A. 4574.)

(Green salted hides under 25 pounds come in as skins, free.)

SOME FACTS ABOUT HIDES.

Since 1897, the year when hides were placed on the dutiable list, the number of cattle in the United States has increased from 46,000,000 to 71,000,000. (Reports of Bureau of Statistics, United States Department of Agriculture).

Hide production in the United States in 1908:	
Cattle hides	13,000,000
Calf hides	5,500,000
Fallen hides (taken from cattle which die or are killed by accident)	1,000,000
Grand total	19,500,000
Cattle and calves slaughtered during the fiscal year 1908 by Armour & Co., Swift & Co., Norris & Co., and National Packing Company (these are the four concerns alleged to constitute the so-called "meat trust"). (Figures are furnished by the Bureau of Animal Industry):	
Cattle	4,045,357
Calves	1,026,707
Total	5,072,064
Estimated number of cattle and calves slaughtered by independent packers, local butchers, and on the farm:	
Cattle	9,000,000
Calves	4,500,000
Total	13,500,000

The total slaughter by independent packers, local butchers, and farmers of 13,500,000 head of cattle and calves is 73 per cent of the grand total slaughter of the United States of 18,500,000 head.

According to Bulletin No. 83 of the Department of Commerce and Labor there are 929 packing establishments in the United States. The so-called "big packers" have 38 slaughtering establishments.

This slaughter by independent establishments, local butchers, etc., is carried on in every State and in nearly every community, and in each of them there is a hide buyer and a market for hides. The tanners and leather people have full opportunity to buy from these independent slaughterers and hide dealers 14,500,000 hides of cattle and calves, which is 74 per cent of the total hide production of this country.

For example, there are slaughtered at Cincinnati, Cleveland, and throughout the State of Ohio approximately 627,000 head of cattle and calves, and the so-called "meat trust" have not a slaughtering establishment in that State. In the State of Indiana there are slaughtered annually approximately 595,000 head of cattle and calves, and no meat trust is interested in the slaughter. In Pennsylvania there are slaughtered about 509,000 head of cattle and calves annually and in New York about 1,928,000.

In 1908, 44 per cent of the cattle received at the Chicago markets were sold out alive and were bought by numerous independent buyers. According to statistics of two bureaus of the Department of Commerce and Labor, namely, Census and Bureau of Statistics, the imported hides bear the relation stated below to the domestic production:

	Pounds.	Per cent.
Cattle hides consumed by tanneries, 1904	922,635,536	100
Average imports, 1898–1908	128,879,885	14
Domestic production	793,755,653	86

For so much of that 14 per cent of imported hides as are manufactured into shoes and other articles for export the manufacturer receives a rebate of 99 per cent of the 15 per cent duty. Therefore for the purposes of his export trade he has, under the Dingley law, practically free trade in hides.

It takes from 1½ to 2 pounds of dry hides to furnish the sole leather for an average pair of shoes—say 2 pounds, for example. The average value per pound of imported dutiable hides during 1907 was 15.3 cents, and the duty per pound would be 2.3 cents, and for 2 pounds 4.6 cents. No one seriously claims that the removal of the present 15 per cent duty on hides would cheapen shoes to the consumer 4.6 cents per pair, or any amount. The difference would be absorbed by the tanner and shoe manufacturer.

The average weight of cattle hide is 6½ to 7½ per cent of the total weight of the live animal, and the per pound value of the hide is double that of the per pound value of the balance of the carcass, making the total value of the hide from 13 to 15 per cent of the gross value of the animal.

Since 1897 the average price of American green hides has fluctuated between 8½ cents and 13½ cents per pound, and the price to-day ranges from 10 to 12½ cents per pound, according to quality. During the same period the foreign hide market has also averaged higher.

Branded hides sell from 1 to 3 cents a pound less than unbranded hides. Purchasers of live cattle pay from 10 to 40 cents a hundred less for branded than for unbranded cattle. There is in all hide markets a distinction made in the quotations of "clear" hides and "branded" hides. These facts show beyond controversy that there is everywhere a recognized distinction between the hide value and the meat value in an animal, and successfully answer the contentions of the tanners and shoe manufacturers, and prove that the raiser of live stock does benefit by the duty on hides. (See table inserted prior to this statement, showing difference in prices of branded and unbranded hides.)

The average duty on all dutiable articles under the Dingley law, year by year, from 1898 to 1907, has been as follows (taken from reports of Government):

	Per cent.
1898	48.08
1899	52.07
1900	49.24
1901	49.64
1902	49.78
1903	49.03
1904	48.78
1905	45.24
1906	44.16
1907	42.55

The duty on hides during those years has been 15 per cent ad valorem, which is vastly less than the average protection accorded other dutiable articles.

Argentine hides produce more leather per pound than American hides, and if the duty on hides is reduced, the American tanners will buy Argentine hides in preference to American produce. The United States produces from 85 to 90 per cent of the leather consumed. Free hides would mean an absolute loss of approximately 2 cents per pound on the 793,755,653 pounds of hides produced in this country, or $15,875,113 annually. The value of the cattle in the United States, exclusive of any investments in land, is estimated by the Government at $1,700,000,000, almost five times as much as the total capital invested in the tanneries and the boot, shoe, and other leather manufactures. The live stock and meat industry is the largest single industry in the United States, and upon it depends the prosperity of this country. Is it to be sacrificed for the benefit of a few tanners and leather manufacturers? Are the live-stock raisers and farmers to be punished simply because a few independent tanners can not get all the hides they want on their own terms?

The yearly average duty collected on hides during the last ten years was $2,344,827.95, the average yearly drawback during the same period has been $630,128.05, and the average net revenue collected has been $1,896,701.53. In order to save this amount of revenue, which the Treasury needs, the tanners and boot and shoe men ask the live-stock industry to stand a shrinkage of $15,875,113 per annum.

Number of hides and skins produced, 1900.

Class of animals.	Number of hides and skins.
CATTLE.	
Calves under 1 year	5,831,000
Steers:	
1 and under 2 years	1,687,000
2 and under 3 years	2,336,000
3 years and over	1,966,000
Total steers	5,989,000
Bulls 1 year and over	649,000
Heifers 1 and under 2 years	1,687,000
Cows 2 years and over	4,413,000
Total cattle, except calves	12,738,000
Total cattle	18,569,000
SHEEP.	
Lambs under 1 year	12,665,000
Sheep, except lambs	11,783,000
Total sheep	24,548,000

Consumption of beef hides, 1900.

Item.	Number of hides.
Cattle slaughtered (calves not included)	12,738,000
Imported hides, computed from dry weight, average of 1899-1901	3,130,000
Total	15,868,000
Deduct:	
Domestic exports, hides and skins, all kinds except furs, average of 1899-1901	130,000
Foreign exports (reexports) of "hides and skins" not deducted, partly because the above deduction necessarily includes skins, and also hides other than those of cattle, and partly because the statistics of foreign exports do not separate cattle hides	0
Consumption	15,738,000

Hides—Green, salted, packers'; heavy native steers.

[Price per pound in Chicago on the 1st of each month, 1890 to 1896, and average monthly price, 1897 to 1908. Quotations from the Shoe and Leather Reporter.]

Month.	1890.	1891.	1892.	1893.	1894.	1895.	1896.
January	$0.0925–$0.0950	$0.0950–$0.0975	$0.0975	$0.0900	$0.0675–$0.0700	$0.0800	$0.0850
February	.0900–.0925	.0875–.0900	.0950	.0900	.0650	.0775	.0800
March	.0800–.0813	.0900	.0850	.0875	.0575–.0625	.0750	.0800
April	.0800–.0813	.0888–.0900	.0750	$0.0750–.0800	.0550	.0875	$0.0650–.0675
May	.0800–.0825	.0888–.0900	.0775	.0750	.0550	$0.0925–.0975	.0675–.0700
June	.0800–.0825	.0900	$0.0725–.0750	.0675	.0500–.0513	.1250	.0825–.0850
July	.0675–.0900	.0925	.0800–.0900	.0650	.0500–.0550	.1350	.0850–.0875
August	.1050–.1075	.0975	.0800–.0925	.0600–.0625	.0550–.0600	.1325–.1350	.0700
September	.1075–.1100	.0975–.1000	.0950–.0975	.0900	.0675–.0725	.1200	.0750
October	.1050–.1075	.1025–.1050	.0900	.0750	.0800	.1200	.0875
November	.1000–.1025	.1025	.0900	.0775	.0775	.1000–.1100	.0925
December	.0975–.1000	.1025	.0925	.0725	.0775	.0800	.0975
Yearly average	.0933	.0951	.0870	.0749	.0641	.1028	.0811

Month.	1897.	1898.	1899.	1900.	1901.	1902.	1903.	1904.	1905.	1906.	1907.	1908.
January	$0.0920	$0.1116	$0.1149	$0.1355	$0.1194	$0.1327	$0.1311	$0.1100	$0.1380	$0.1537	$0.1627	$0.1116
February	.0921	.1130	.1172	.1315	.1165	.1242	.1243	.1075	.1349	.1509	.1620	.1037
March	.0922	.1100	.1160	.1224	.1097	.1206	.1183	.1052	.1300	.1424	.1531	.0944
April	.0888	.1061	.1168	.1223	.1054	.1189	.1130	.1071	.1311	.1433	.1441	.1050
May	.0873	.1168	.1192	.1184	.1119	.1255	.1166	.1094	.1345	.1484	.1437	.1175
June	.0931	.1242	.1194	.1118	.1207	.1285	.1186	.1118	.1342	.1490	.1488	.1325
July	.0995	.1222	.1204	.1045	.1295	.1319	.1168	.1131	.1413	.1502	.1472	.1500
August	.1056	.1176	.1233	.1087	.1258	.1458	.1137	.1186	.1525	.1572	.1411	.1563
September	.1105	.1173	.1281	.1130	.1292	.1491	.1194	.1175	.1519	.1645	.1411	.1575
October	.1117	.1181	.1325	.1162	.1375	.1454	.1134	.1231	.1534	.1633	.1470	.1565
November	.1125	.1111	.1358	.1267	.1400	.1444	.1085	.1369	.1566	.1637	.1364	.1581
December	.1102	.1128	.1382	.1217	.1389	.1382	.1086	.1395	.1577	.1650	.1185	.1600
Yearly average	.0996	.1151	.1235	.1194	.1237	.1338	.1169	.1166	.1430	.1453	.1455	.1336

Imports into the United States of hides and skins (not including goatskins), other than furs, 1898–1908.

[From Statistical Abstract of the United States.]

Year ending June 30—	Cattle hides.			
	Dutiable.		Nondutiable.[a]	
	Pounds.	*Dollars.*	*Pounds.*	*Dollars.*
1898	126,243,595	13,624,989	54,607,534	7,667,342
1899	130,396,020	13,621,946	66,965,785	9,877,771
1900	163,865,165	19,408,217	100,070,795	16,539,807
1901	129,174,024	14,647,413	77,989,617	12,995,567
1902	148,627,907	17,474,039	89,457,680	15,054,400
1903	131,644,325	16,159,902	102,340,308	16,942,982
1904	85,370,168	10,989,035	103,024,752	17,045,304
1905	113,177,357	14,949,628	126,893,934	22,898,797
1906	156,155,300	21,862,060	158,045,419	30,246,198
1907	134,671,020	20,649,258	135,111,199	30,841,989
1908	98,353,249	12,044,435	129,770,918	25,409,575
Averages:				
1898–1903 (expansion)	138,325,273	15,822,751	81,905,286	13,179,645
1904–5 (depression)	99,273,762	12,969,332	114,959,343	19,957,050
1906–7 (expansion)	145,413,160	21,255,659	146,578,309	30,544,094

[a] Includes flint-dried skins (arsenicated) of cattle weighing less than 12 pounds, dry salted skins weighing less than 15 pounds, and green salted hides weighing less than 25 pounds, but does not include goatskins.

Duty, drawback, and net revenue on cattle hides during the years 1898 to 1908, inclusive.

[From Statistical Abstract of the United States.]

Year ending June 30—	Duty paid.	Drawback.	New revenue.
1898	$1,824,269.45	$26,934.75	$1,797,334.70
1899	1,951,918.17	337,013.21	1,614,904.96
1900	2,727,435.99	800,179.14	1,927,256.85
1901	2,230,838.03	760,420.86	1,470,417.17
1902	2,650,420.05	693,823.10	2,010,596.95
1903	2,417,458.84	724,266.21	1,693,192.63
1904	1,621,827.28	631,443.91	990,383.37
1905	2,185,381.53	565,514.99	1,919,866.54
1906	3,284,521.11	683,992.39	2,600,528.72
1907	3,115,390.94	907,386.83	2,208,004.11
1908	1,786,654.14	845,433.24	941,220.90
Total	25,796,115.53	6,931,408.63	19,873,716.90
Yearly average	2,345,101.41	630,128.05	1,806,701.53

International trade in hides and skins.[c]

EXPORTS.

[Substantially the international trade of the world. This table gives the classification as found in the original returns, and the summary statements for "All countries" represent the total for each class only as far as it is disclosed in the original returns.]

[From Agricultural Yearbook, 1907.]

Country.	Year beginning—	Kind of hides and skins.	1902.	1903.	1904.	1905.	1906.
			Pounds.	*Pounds.*	*Pounds.*	*Pounds.*	*Pounds.*
Argentina	Jan. 1	Cattle, dried	58,550,351	51,239,825	50,466,002	53,457,674	51,149,435
		Cattle, salted	77,917,955	63,424,770	64,809,273	90,239,588	72,476,948
		Goat	3,625,215	3,113,899	3,961,693	4,205,350	4,164,987
		Horse, dried	4,354,053	2,870,826	2,152,791	2,801,828	680,007
		Horse, salted	4,187,878	4,921,984	4,591,951	1,731,726	3,507,389
		Kid	1,075,505	815,695	1,049,503	971,729	944,222
		Sheep	91,282,374	92,442,005	81,571,014	66,535,462	52,428,116
		Calf, dried	8,363,895	6,081,327	6,139,211	6,855,933	12,382,700
		Calf, salted	3,299,437	5,305,382	6,623,787	9,100,680	
		Cattle, dried	7,717,941	6,801,038	6,274,354	5,676,240	16,000,926
		Cattle, salted	10,025,959	12,569,873	9,172,109	13,682,766	
Austria-Hungary	do	Goat	2,679,840	2,004,442	2,542,591	1,977,987	2,542,150
		Horse, dried	1,802,940	1,313,514	1,033,747	2,297,437	5,281,382
		Horse, salted	869,062	2,162,293	2,495,853	3,808,485	
		Kid	1,362,015	1,431,241	2,120,626	1,836,009	[b]1,836,009
		Lamb	5,084,079	4,232,874	3,187,442	3,535,111	3,518,356
		Sheep	3,073,243	4,034,017	3,575,676	4,251,393	5,056,962
Belgium	do	Hides and skins	90,233,439	91,087,316	90,367,454	101,081,934	102,400,208
Brazil	do	Deer	339,935	265,401	262,167	176,295	
		Goat	3,271,247	4,193,246	5,556,633	3,361,740	3,842,815
		Hides, dried n. e. s.[c]	14,334,210	16,401,080	23,845,672	17,328,272	21,667,230
		Hides, salted, n. e. s.[c]	44,873,097	46,006,347	48,004,782	42,135,260	50,567,124
		Horse	(d)	88,194	245,716	28,936	18,600
		Lamb	33,881	67,296	280,196	5,143	64,218
		Sheep	615,134	588,573	1,042,429	939,755	860,295
		Other	8,426	9,262	28,911	33,113	
British India	Apr. 1	Hides and skins	102,390,104	104,922,115	120,635,178	166,161,155	174,292,118
Canada [e]	July 1	do	23,096,000	23,647,000	29,418,000	31,760,000	33,019,183
Cape of Good Hope	Jan. 1	Calf	13,710	69,317	90,391	96,562	
		Cattle	2,587,990	1,189,172	2,040,386	2,970,438	2,884,161
		Goat	4,491,204	5,217,449	4,928,951	5,461,295	18,750,766
		Sheep	14,304,556	12,602,310	11,602,058	11,713,800	
		Hides, n. e. s.[c]	13,940	8,545	637		
China	do	Hides	39,360,667	32,309,000	37,330,133	51,043,990	56,615,924
Cuba	do	Cattle	3,605,188	2,351,012	2,438,844	4,622,643	6,957,223
		Other	10,453	84,032	62,482	198,299	207,823
Denmark	do	Hides and skins	14,896,515	15,529,748	16,166,351	19,345,629	18,442,353
Dutch East Indies	do	do	13,530,863	13,729,290	13,940,625	14,039,571	[b]14,039,571
Egypt	Jan. 1	Cattle and calf	4,337,137	4,331,513	6,841,357	4,547,315	5,748,384
		Sheep and goat [f]	681,118	697,529	1,084,797	2,620,849	5,075,462

[a] See "General note," p. 615.
[b] Year preceding.
[c] N. e. s.=not elsewhere specified.
[d] Not separately stated.
[e] Estimated.
[f] Number of pounds computed from stated number of hides or skins.

International trade in hides and skins—Continued.

EXPORTS—continued.

Country.	Year beginning—	Kind of hides and skins.	1902.	1903.	1904.	1905.	1906.
			Pounds.	*Pounds.*	*Pounds.*	*Pounds.*	*Pounds.*
		Calf	(a)	(a)	21,348,790	17,430,187	23,497,700
		Goat	(a)	(a)	7,613,556	10,333,449	8,400,500
		Kid	1,014,770	1,198,100	875,649	626,944	937,800
France	Jan. 1	Lamb	903,981	1,145,708	1,096,486	1,446,190	1,325,000
		Large	61,585,683	48,863,350	53,066,971	61,880,962	69,136,300
		Sheep	9,624,639	8,517,409	9,047,394	10,009,143	11,967,300
		Other	27,562,511	27,052,872	3,035,932	7,776,412	6,723,900
		Calf, green	10,596,516	9,076,870	8,618,308	10,235,619	15,596,157
		Calf, dried	11,096,965	7,410,396	9,228,989	9,504,125	1,269,421
		Cattle, green	73,594,692	65,404,300	65,279,298	65,859,114	78,564,351
		Cattle, dried	10,400,084	9,406,240	9,416,161	11,561,258	1,870,181
Germany [b]	do	Goat, with hair on	3,516,593	3,350,364	4,021,451	3,744,110	3,162,310
		Goat, without hair	11,023	12,566	15,432	19,401	36,597
		Horse, green	9,690,416	10,715,124	8,345,156	16,149,958	17,739,050
		Horse, dried	1,488,561	1,711,448	1,782,878	1,629,216	316,804
		Sheep	585,548	811,521	385,147	823,206	137,568
		Other	711,432	607,814	698,865	604,507	610,235
		Cattle and calf	20,757,839	24,070,283	23,639,941	19,357,463	25,858,232
Italy	do	Sheep and goat	4,583,409	4,329,437	4,125,950	4,616,038	4,502,500
		Other	571,658	765,665	695,338	2,737,700	910,729
Korea	do	Cattle	3,981,600	5,525,600	4,755,600	2,273,200	2,209,733
		Skins	3,954,667	5,421,200	4,660,533	5,507,867	[c] 5,507,867
		Alligator	343,013	263,545	176,853	131,074	174,093
		Cattle	14,808,550	11,692,993	13,122,915	15,690,473	19,715,538
Mexico	July 1	Deer	723,398	627,292	583,367	636,765	843,980
		Goat	6,518,637	5,798,853	5,934,593	7,098,634	7,705,458
		Horse	41,213	35,020	28,418	50,243	
		Sheep	2,273	2,657	1,606	16,885	27,655
		Hides, dried	20,012,580	20,607,052	23,647,466	22,724,931	24,050,349
Netherlands	Jan. 1	Hides, fresh	271,541	414,482	301,548	236,435	237,965
		Hides, salted	32,387,467	33,893,118	31,865,968	32,383,298	34,507,035
		Sheep	3,227,362	2,309,591	2,708,125	1,664,492	1,322,985
		Calf [d]	50,152	23,136	29,862	103,286	276,056
New Zealand	do	Hides [d]	855,722	1,013,593	1,041,637	1,926,182	2,554,873
		Sheep	13,795,190	15,074,406	12,833,612	12,599,222	14,364,574
Peru	do	Hides and skins	5,324,480	6,009,920	6,717,760	6,954,866	[c] 6,954,866
		Hides, large	9,601,743	12,774,759	16,666,202	14,284,165	[c] 31,093,121
Russia	do	Hides, small	19,764,247	19,949,000	24,406,908	24,540,778	[c] 26,326,231
		Sheep and goats	15,289,329	17,884,900	22,220,675	19,206,232	[c] 35,462,770
Singapore	do	Hides	6,216,267	8,694,400	6,919,733	7,268,133	[c] 7,268,133
		Goat	3,158,648	2,628,269	2,014,515	1,748,702	1,017,973
Spain	do	Sheep	5,714,217	5,210,152	6,305,843	8,383,804	8,042,360
		Other	2,355,431	4,248,659	5,965,921	9,359,902	12,536,488
Sweden	do	Hides and skins	11,427,951	13,025,348	12,647,729	15,709,468	16,247,694
Switzerland	do	Hides	12,836,632	12,201,260	11,750,194	12,035,438	13,414,023
		Skins	4,976,493	5,041,530	5,544,404	6,062,490	5,744,584
United Kingdom	Jan. 1	Hides	21,075,264	17,451,168	21,128,464	29,427,328	31,359,776
United States	July 1	Skins [e]	32,081,620	44,795,145	49,864,593	46,964,937	37,835,419
		Hides and skins	12,859,549	32,727,643	10,268,722	10,752,827	15,396,806
		Calf	2,083,720	2,967,990	2,074,655	1,795,344	[c] 1,795,344
		Cattle, dried	22,575,437	15,019,462	13,852,273	14,056,903	[c] 14,056,903
		Cattle, salted [e]	33,994,970	35,823,436	41,159,472	30,875,494	[c] 30,875,494
Uruguay	do	Goat	1,277	1,414	9,539	34	[c] 34
		Horse, dried [e]	483,696	397,568	1,607,872	515,104	[c] 515,104
		Horse, salted [e]	1,946,505	1,751,352	504,196	124,608	[c] 124,608
		Lamb	358,738	608,383	406,598	346,719	[c] 346,719
		Sheep	14,670,201	19,397,852	16,033,901	14,990,823	[c] 14,990,823
		Cattle	4,346,829	8,366,624	[f] 6,356,726	7,929,730	[c] 7,929,730
Venezuela	do	Deer	100,654			349,459	[c] 349,459
		Goat	1,412,091	1,650,675	[f] 1,531,383	1,479,815	[c] 1,479,815
		Sheep	28,997				
		Hides:					
		Cattle	16,437,548	17,486,222	12,706,880	46,832,873	[c] 46,343,144
		Horse	33,486	80,026	348,784	471,232	[c] 384,143
		Large (not otherwise classified)	1,611,336	3,148,588	6,198,614	303,172	[c] 245,841
		Small (not otherwise classified)	501,523	1,352,037	1,915,667		
		Unclassified	14,424,497	14,085,945	8,906,979	14,384,816	[c] 20,335,396
		Skins:					
Other countries		Calf	2,392,438	1,799,084	2,183,255	2,435,640	[c] 2,448,174
		Deer	1,745,289	1,303,750	1,372,926	859,467	
		Goat	3,948,484	6,536,130	4,427,066	8,010,735	[c] 4,897,210
		Kid	66,932	21,786	40,836	1,040,412	[c] 1,634,845
		Sheep	3,173,604	3,313,301	2,942,913	11,014,904	[c] 12,771,969
		Sheep and goat, mixed	7,500,393	6,048,093	8,084,693	19,280,233	[c] 17,082,052
		Unclassified	147,072	73,145	66,311	5,805,481	[c] 1,381,611
		Hides and skins, unclassified	5,471,773	6,441,858	5,393,110	8,597,283	[c] 7,849,669
Total			1,313,009,102	1,318,431,233	1,342,565,755	1,516,304,852	1,570,003,744
RECAPITULATION.							
		Hides:					
		Cattle	340,545,094	306,300,567	301,859,293	365,728,394	351,033,767
		Cattle and calf, mixed	25,094,976	28,401,796	30,481,298	23,904,778	31,606,616
		Horse	24,897,810	26,047,349	23,137,372	29,608,773	28,567,167
		Large (not otherwise classified)	72,798,762	64,786,697	75,931,787	76,468,299	100,475,262
		Small (not otherwise classified)	20,265,770	21,301,037	26,322,575	24,540,778	26,326,231
		Unclassified	206,661,884	203,086,590	214,743,213	230,954,083	261,949,137
All countries		Skins:					
		Alligator	343,013	263,545	176,853	131,074	147,093
		Calf	37,896,833	33,583,502	56,337,248	57,557,376	57,265,552
		Deer	2,909,276	2,196,443	2,218,460	2,021,986	1,193,439
		Goat	31,434,259	34,507,307	42,557,403	47,441,252	37,249,349
		Kid	3,519,222	3,466,822	3,210,970	4,475,094	5,352,876
		Lamb	6,380,679	6,055,263	5,855,371	5,333,163	5,254,293
		Sheep	159,997,338	164,313,794	148,049,578	142,963,009	121,979,597
		Sheep and goat, mixed	28,054,249	28,959,959	35,516,115	45,723,352	80,873,550
		Unclassified	41,759,852	55,331,020	60,135,841	64,340,775	50,469,481
		Hides and skins, unclassified	310,450,085	339,879,542	316,032,378	395,112,666	410,260,334
Total			1,313,009,102	1,318,431,233	1,342,565,755	1,516,304,852	1,570,003,744

[a] Not separately stated.
[b] Not including free ports prior to March 1, 1906.
[c] Year preceding.
[d] Estimated.
[e] Number of pounds computed from stated number of hides or skins.
[f] Average, 1902 and 1903.

International trade in hides and skins—Continued.

IMPORTS.

Country.	Year beginning—	Kind of hides and skins.	1902.	1903.	1904.	1905.	1906.
			Pounds.	*Pounds.*	*Pounds.*	*Pounds.*	*Pounds.*
		Calf, dried	942,035	1,245,171	1,496,718	1,056,896	3,415,400
		Calf, green	1,066,155	1,716,078	1,449,759	994,505	
		Cattle, dried	22,938,651	22,300,192	29,398,855	25,180,311	75,516,461
		Cattle, green	18,459,961	18,503,392	27,347,454	17,540,414	
		Goat	1,027,354	1,100,547	1,588,430	1,410,076	1,243,407
Austria-Hungary	Jan. 1	Horse, dried	679,685	583,784	560,856	360,676	992,521
		Horse, green	75,178	125,223	153,662	224,871	
		Kid	776,688	844,591	1,046,093	723,557	[a] 723,557
		Lamb	9,869,872	9,627,600	10,328,434	8,602,435	10,548,675
		Sheep	5,477,163	5,391,403	5,041,309	5,031,592	6,856,374
Belgium	do	Hides, raw	115,127,382	128,694,622	122,539,211	135,911,437	142,197,407
British India	Apr. 1	Hides and skins	10,407,488	12,729,808	12,456,304	17,574,316	17,962,909
Denmark	Jan. 1	Do	8,013,801	5,766,189	6,962,196	7,848,454	10,294,482
		Hides, dried	714,805	1,560,180	1,869,515	1,898,433	2,631,124
Finland	do	Hides, green	3,789,873	5,907,507	5,780,115	4,263,421	5,529,891
		Sheep	23,420	45,380	89,521	56,061	68,050
		Calf	[b]	[b]	7,090,953	7,980,756	9,035,400
		Goat	[b]	[b]	17,899,172	23,110,243	23,276,400
		Kid	5,300,740	4,714,701	4,372,843	4,544,123	4,935,700
France	do	Lamb	212,442	441,758	370,533	378,553	374,600
		Large	80,509,184	89,049,162	85,214,688	98,515,340	106,831,100
		Sheep	3,848,128	3,032,612	2,630,226	2,532,200	3,201,300
		Other	28,625,723	28,990,427	2,063,720	3,209,189	1,674,900
		Calf, dried	23,886,198	18,793,521	21,104,405	22,145,869	18,811,819
		Calf, green	16,023,193	22,039,386	24,738,945	32,244,140	38,531,942
		Cattle, dried	46,048,822	60,664,363	63,954,541	70,228,234	77,797,583
		Cattle, green	122,198,450	146,242,719	152,057,850	143,851,586	177,694,958
Germany [c]	do	Goat, with hair on	8,591,191	9,266,908	11,272,453	11,042,952	14,541,907
		Goat, without hair	153,001	25,794	61,068	38,140	1,543
		Horse, dried	3,721,181	4,427,101	4,666,964	4,592,889	6,688,823
		Horse, green	28,144,866	30,128,805	27,629,866	25,891,742	30,573,918
		Sheep	562,840	737,005	1,126,562	746,485	882,510
		Other	2,207,268	3,032,017	3,515,711	3,340,443	2,157,002
Greece	do	Hides	5,565,407	5,674,975	7,004,659	6,055,809	5,286,284
		Cattle and calf	33,054,118	32,555,653	42,876,591	39,240,949	44,294,383
Italy	do	Sheep and goat	9,236,484	9,197,903	9,[illegible]520	8,740,884	11,596,532
		Other	287,703	136,687	89,287	181,881	277,782
Japan	do	Cattle	4,395,787	4,516,054	9,871,720	7,402,046	5,450,564
		Deer	353,188	437,982	373,908	426,217	700,708
		Hides, dried	26,123,959	28,746,002	28,190,550	29,700,509	30,643,584
Netherlands	do	Hides, fresh	14,218	3,486	1,080	15,141	5,404
		Hides, salted	21,767,787	24,734,682	25,207,165	21,586,003	27,913,694
		Sheep	2,578,768	1,631,356	2,084,239	2,367,808	2,004,329
Norway	do	Hides and skins	5,880,102	5,555,934	6,890,458	8,722,279	10,507,626
		Hides, dried	6,659,709	6,188,733	5,829,003	4,216,487	[c] 4,216,487
Portugal	do	Hides, green	1,455,366	507,616	243,906	181,630	[a] 181,630
		Hides, n. e. s	2,222	990	825	414	[a] 414
		Buffalo	422,935	160,214	39,361	83,987	[a] 83,987
		Calf	29,674	65,731	13,406	13,728	[a] 13,728
		Cattle	5,045,606	3,468,799	2,444,346	2,252,952	[c] 2,252,952
Roumania	do	Horse	2,491	8,014	22	3,490	[c] 3,490
		Sheep, lamb, and goat	722,428	610,125	400,000	157,536	[c] 157,536
		Other	820,025	158,376	163,773	132,822	[c] 132,822
Russia	do	Hides, dry	12,831,961	12,279,363	10,412,368	12,668,515	[d] 7,764,252
Singapore	do	Hides, green	52,627,183	55,754,913	48,126,842	51,753,326	[d] 45,538,241
Spain	do	Hides	10,275,333	10,258,000	10,554,133	8,191,200	[c] 8,191,200
Sweden	do	Hides and skins	25,794,130	22,716,150	17,857,559	14,247,484	17,280,965
		do	15,676,710	15,172,306	19,782,796	18,939,762	21,290,081
		Goat [c]	3,546,428	3,557,151	5,517,464	3,756,596	9,329,915
United Kingdom	do	Hides	73,656,912	62,491,856	61,636,848	60,628,848	70,661,696
		Sheep [c]	44,636,946	44,909,414	34,490,368	34,694,106	42,124,265
		Other	1,054,534	3,124,408	1,386,550	377,900	782,536
		Cattle	131,640,325	85,370,168	113,177,357	156,155,300	134,671,020
United States	July 1	Goat	85,114,070	86,338,547	97,803,571	111,079,391	101,201,596
		Other	102,340,303	103,024,752	126,893,934	158,045,419	135,111,199
		Hides:					
		Cattle	5,100,292	5,441,221	7,289,141	7,143,387	[d] 3,467,039
		Large (not otherwise classified)	412,785	438,504	1,054,916	328,180	[d] 5,190
		Small (not otherwise classified)	1,499	7,011	17,289	9,368,570	[d] 14,679,557
		Unclassified	5,590,463	8,100,685	4,932,465		
		Skins:					
		Calf	135,079	13,933	153,261	128,604	
		Deer	5,670	9,886	21,014		
		Goat	142,253	423,808	452,838	665,581	[d] 127,892
		Sheep	397,783	1,533,850	1,534,647	741,964	[d] 646,355
		Sheep and goat, mixed	25,854	22,447	10,416	3,849	[d] 61,619
		Unclassified	1,249,139	1,348,347	1,277,800	2,003,073	[d] 1,850,918
		Hides and skins, unclassified	2,365,315	3,330,259	1,321,133	839,318	[d] 903,410
Total			1,268,461,682	1,287,754,237	1,365,305,461	1,466,343,284	1,556,494,545
RECAPITULATION.							
		Hides:					
		Buffalo	422,935	160,214	39,361	83,987	[a] 83,987
		Cattle	355,827,894	346,506,908	405,541,264	429,754,230	476,850,577
		Cattle and calf, mixed	33,054,118	32,555,653	42,876,591	39,240,949	44,294,383
		Horse	32,623,401	35,272,927	33,011,370	31,073,668	38,258,752
		Large (not otherwise classified)	80,921,969	89,487,666	86,269,604	98,843,520	106,836,290
		Small (not otherwise classified)	1,499	7,011	17,289	346,439,743	365,440,865
		Unclassified	336,202,380	350,903,610	332,328,685		
All countries		Skins:					
		Calf	42,082,334	43,873,820	56,047,447	64,564,498	69,808,289
		Deer	353,188	437,982	373,908	426,217	700,708
		Goat	98,574,297	100,712,755	134,594,996	151,102,979	140,722,660
		Kid	6,077,428	5,559,292	5,418,936	5,267,680	5,659,257
		Lamb	10,082,314	10,069,358	10,698,967	8,980,988	10,923,275
		Sheep	57,525,048	57,281,020	46,996,872	46,200,216	55,873,183
		Sheep and goat, mixed	9,984,766	9,830,475	10,407,936	8,902,269	11,815,687
		Unclassified	1,249,139	1,348,347	1,277,800	2,003,073	1,850,918
		Hides and skins, unclassified	203,473,102	203,737,313	199,383,421	233,459,267	218,375,714
Total			1,268,461,682	1,287,754,237	1,365,305,461	1,466,343,284	1,556,494,545

[a] Year preceding.
[b] Not separately stated.
[c] Not including free ports prior to March 1, 1906.
[d] Preliminary.
[e] Number of pounds computed from stated number of hides or skins.

Leather—tanned, curried, and finished.

COMPARATIVE SUMMARY, WITH PER CENT OF INCREASE, 1850 TO 1905.

	Census.							Per cent of increase.					
	1905.[a]	1900.	1890.	1880.	1870.	1860.	1850.	1900 to 1905.	1890 to 1900.	1880 to 1890.	1870 to 1880.	1860 to 1870.	1850 to 1860.
Number of establishments	1,049	1,306	1,787	5,628	7,569	5,188	6,086	[b]19.7	[b]26.9	[b]68.2	[b]25.6	45.9	[b]22.4
Capital	$242,584,254	$173,977,421	$98,088,698	$73,383,911	$61,124,812	$39,025,620	$22,774,795	39.4	77.4	33.7	20.1	56.6	71.4
Salaried officials, clerks, etc., number	3,251	2,442	[c]2,635	(d)	(d)	(d)	(d)	33.1	[b]7.3	.....	.....	.....	.....
Salaries	$4,451,906	$3,158,842	[c]$2,735,890	(d)	(d)	(d)	(d)	40.9	15.5	.....	.....	.....	.....
Wage-earners, average number	57,239	52,109	42,392	40,282	35,243	26,246	25,595	9.8	22.9	5.2	14.3	34.3	2.5
Total wages	$27,049,152	$22,591,091	$21,249,989	$16,503,828	$14,505,775	$8,175,508	$6,541,678	19.7	6.3	28.8	13.8	77.4	25.0
Men 16 years and over	54,517	50,402	41,733	39,081	34,423	25,858	25,129	8.2	20.8	6.8	13.5	33.1	2.9
Wages	$26,321,552	$22,140,234	$21,094,335	(d)	(d)	(d)	(d)	18.9	5.0	.....	.....	.....	.....
Women 16 years and over	1,514	1,173	264	475	353	388	466	54.6	344.3	[b]44.4	34.6	[b]9.0	[b]16.7
Wages	$525,031	$339,167	$82,690	(d)	(d)	(d)	(d)	54.8	310.1	.....	.....	.....	.....
Children under 16 years	908	534	395	726	467	(d)	(d)	70.0	35.2	[b]45.6	55.5	.....	.....
Wages	$202,569	$111,690	$72,955	(d)	(d)	(d)	(d)	81.4	53.1	.....	.....	.....	.....
Miscellaneous expenses	$12,498,501	$7,023,416	$5,397,672	(e)	(e)	(e)	(e)	78.0	30.1	.....	.....	.....	.....
Cost of materials used	$191,179,073	$155,000,004	$122,946,721	$156,384,117	$118,569,634	$49,812,650	$26,429,881	23.3	26.1	[b]21.4	31.9	138.0	88.5
Value of products, including custom work	$252,620,986	$204,038,127	$172,136,092	$200,264,944	$157,237,597	$75,698,747	$43,457,898	23.8	18.5	[b]14.0	27.4	107.7	74.2

[a] Exclusive of the statistics of 12 establishments engaged primarily in the manufacture of other products. These establishments made leather to the value of $154,932.
[b] Decrease.
[c] Includes proprietors and firm members, with their salaries; number only reported in 1900 and 1905, but not included in this table.
[d] Not reported separately.
[e] Not reported.

Capital, with per cent each item is of total, 1905 and 1900.

	1905.		1900.	
	Amount.	Per cent of total.	Amount.	Per cent of total.
Land	$9,842,911	4.0	$14,179,485	8.2
Buildings	35,684,642	14.7	20,785,412	11.9
Machinery, tools, and implements	32,889,457	13.6	15,022,239	8.6
Cash and sundries	164,167,244	67.7	123,990,285	71.3
Total	242,584,254	100.0	173,977,421	100.0

Sole-leather exports.

[From Statistical Abstract of the United States.]

Year.	Pounds.	Dollars.
1884	22,421,293	4,613,106
1885	27,313,766	5,416,830
1886	24,265,880	4,825,615
1887	30,530,488	5,695,151
1888	28,712,673	4,959,363
1889	35,558,945	5,890,509
1890	39,595,219	6,420,134
1891	37,501,278	6,168,362
1892	37,053,381	5,783,555
1893	33,570,037	5,192,063
1894	42,877,497	6,481,257
1895	45,364,349	6,919,372
1896	41,818,503	7,474,021
1897	38,384,314	6,510,404
1898	37,813,019	6,644,553
1899	37,120,912	6,280,904
1900	34,060,296	6,433,303
1901	35,180,266	6,577,732
1902	36,454,284	6,569,857
1903	37,428,437	6,920,467
1904	36,830,717	6,978,497
1905	44,107,054	9,444,873
1906	40,548,767	8,186,279
1907	31,900,868	7,024,313
1908	31,189,897	6,593,960

In the House debate a free-hide advocate, for the purpose of making it appear that there had been a great falling off in exports of sole leather under the Dingley law, quoted the figures in the above table for the years 1895–1908, inclusive. He started in with the year of greatest volume of exports. Reading the table from 1895 back to 1884, it will be seen that the period of protected hides has the advantage in the comparison with the period of free trade in hides. The duty on hides became effective in July, 1897. (See CONGRESSIONAL RECORD, p. 357, Mar. 31, 1909).

Leather and manufactures of.

SOLE LEATHER.

Exported to—	1904.	1905.	1906.	1907.	1908.
Europe:	*Pounds.*	*Pounds.*	*Pounds.*	*Pounds.*	*Pounds.*
Austria-Hungary	75,849	41,508	61,064	88,480	34,755
Belgium	723,331	857,533	1,568,116	1,476,465	1,006,483
Denmark	201,048	467,089	278,047	68,547	12,660
France	.....	.....	30,601	33,070	1,800

Leather and manufactures of—Continued.

SOLE LEATHER—continued.

Exported to—	1904.	1905.	1906.	1907.	1908.
Europe—Continued.	*Pounds.*	*Pounds.*	*Pounds.*	*Pounds.*	*Pounds.*
Germany	10,375	41,931	23,341	131,845	165,430
Greece	5,186	.....	10,171	5,908	.....
Italy	86,694	83,554	51,356	27,862	10,768
Netherlands	206,584	169,156	35,236	131,457	99,290
Norway	1,307,985	763,553	764,029	805,299	370,865
Portugal	.....	100	.....	.....	.....
Russia in Europe	8,213	.....	.....	9,800	.....
Spain	.....	.....	.....	.....	21,250
Sweden	111,447	77,091	143,806	310,919	56,936
Switzerland	6,830	.....	.....	16,721	.....
Turkey in Europe	133,691	89,933	231,583	200,953	128,363
United Kingdom	30,630,314	24,090,449	31,629,136	24,696,636	25,633,544
North America:					
Bermuda	3,829	2,626	3,532	1,666	2,345
British Honduras	1,041	1,820	2,673	2,080	874
Canada	74,655	151,434	160,782	155,475	149,305
Newfoundland and Labrador	444,842	461,709	559,705	636,584	592,623
Central American States—					
Costa Rica	300	.....	5,800	.....	.....
Guatemala	3,494	11,786	2,080	46	167
Honduras	796	640	.....	67	400
Nicaragua	921	1,370	.....	6,051	2,609
Panama	206	1,286	681	.....	1,643
Salvador	31,532	23,373	794	1,545	5,117
Mexico	80,103	11,691	3,027	3,491	3,937
West Indies—					
British	12,432	5,562	5,645	2,520	3,348
Cuba	3,405	15,941	720	24,404	20,343
Danish	3,161	4,901	5,216	4,254	9,040
Dutch	172	.....	.....	130	98
French	.....	.....	.....	.....	83
Haiti	3,991	.....	600	.....	.....
Santo Domingo	1,163	.....	.....	.....	.....
South America:					
Brazil	1,275	.....	.....	.....	.....
Colombia	7,782	324	129	.....	195
Guiana—					
British	1,323	1,578	836	1,079	556
Dutch	142	.....	.....	.....	.....
Peru	1,119	962	.....	1,000	1,110
Uruguay	.....	370	250	.....	.....
Venezuela	5,031	595	.....	476	49
Asia:					
Chinese Empire	116,233	210,915	28,994	84,051	58,436
China—Russian	36,325	.....	.....	.....	.....
East Indies—					
British India	1,517	202	.....	21,699	.....
Dutch	.....	34,902	.....	.....	.....
French	.....	.....	.....	.....	1,775
Hongkong	3,152	2,215	963	1,722	10,143
Japan	2,141,722	16,029,446	4,637,071	2,638,502	2,599,158
Korea	.....	.....	.....	.....	3,790
Russia—Asiatic	135	40	36,025	20,299	25,977
Siam	.....	375	.....	.....	.....
Turkey in Asia	12,348	12,272	.....	1,968	.....
All other Asia	1,076	.....	.....	.....	.....
Oceania:					
British—					
Australia and Tasmania	120,298	101,970	56,441	61,174	13,392
New Zealand				19,076	19,420
French Oceania	2,206	1,708	446	375	726
Philippine Islands	11,551	36,039	15,469	22,328	47,229

Leather and manufactures of—Continued.

SOLE LEATHER—continued.

Exported to—	1904.	1905.	1906.	1907.	1908.
Africa:					
British Africa—	*Pounds.*	*Pounds.*	*Pounds.*	*Pounds.*	*Pounds.*
South	191,459	296,405	193,182	184,054	73,845
Portuguese Africa	280	560	110		
Turkey in Africa—					
Egypt	2,153	50	1,111	700	
Total	36,830,717	44,107,054	40,548,767	31,900,868	31,189,897
RECAPITULATION.					
Europe	33,507,547	26,681,897	34,826,486	28,004,052	27,542,144
North America	666,043	694,139	751,255	838,313	791,952
South America	16,672	3,829	1,215	2,555	1,910
Asia	2,312,508	16,290,457	4,703,053	2,768,241	2,699,279
Oceania	134,055	139,717	72,355	102,953	80,767
Africa	193,892	297,015	194,403	184,754	73,845
Europe:					
Austria-Hungary	$14,376	$8,060	$12,116	$19,366	$7,071
Belgium	145,451	175,904	316,903	340,205	244,694
Denmark	41,452	93,857	57,111	316,561	3,314
France			5,679	6,944	450
Germany	2,145	8,506	4,834	29,012	38,087
Greece	1,017		1,951	1,182	
Italy	16,857	16,372	10,131	6,101	3,642
Netherlands	40,412	32,779	7,512	31,273	23,300
Norway	264,188	154,987	158,480	174,657	82,017
Portugal		24			
Russia in Europe	1,432			2,017	
Spain					4,260
Sweden	21,946	14,055	29,857	60,041	12,569
Switzerland	1,395			4,419	
Turkey in Europe	24,531	16,835	45,222	40,285	25,104
United Kingdom	5,611,423	4,449,410	5,956,092	5,163,448	5,159,280
North America:					
Bermuda	989	705	965	420	618
British Honduras	194	378	537	405	188
Canada	16,980	33,301	46,408	47,315	42,570
Newfoundland and Labrador	80,157	84,218	107,348	125,911	114,882
Central American States—					
Costa Rica	65		1,092		
Guatemala	1,185	3,390	392	9	35
Honduras	155	194		16	84
Nicaragua	290	415		1,335	724
Panama	55	408	280		528
Salvador	9,539	6,947	200	455	1,632
Mexico	19,097	3,049	789	983	1,216
West Indies—					
British	2,768	1,214	1,309	711	908
Cuba	649	3,066	145	7,392	6,971
Danish	672	1,136	1,176	1,000	2,151
Dutch	41			44	24
French					19
Haiti	757		150		
Santo Domingo	284				
South America:					
Brazil	273				
Colombia	1,617	95	41		58
Guiana—					
British	281	295	179	260	135
Dutch	47				
Peru	335	259		231	266
Uruguay		86	50		
Venezuela	960	156		138	15
Asia:					
Chinese Empire	34,744	69,652	9,829	23,357	16,467
China—Russian	9,138				
East Indies—					
British India	423	70		4,166	
Dutch		8,218			
French					506
Hongkong	910	709	300	508	2,531
Japan	524,267	4,146,428	1,333,130	828,202	746,641
Korea					1,071
Russia—Asiatic	45	11	9,837	6,197	7,201
Siam		105			
Turkey in Asia	2,273	2,114		403	
All other Asia	195				
Oceania:					
British—					
Australia and Tasmania	34,509	30,608	18,020	17,870	4,173
New Zealand				4,702	5,748
French Oceania	701	570	163	117	239
Philippine Islands	3,332	10,267	4,978	7,046	15,270
Africa:					
British Africa—					
South	43,493	65,888	42,738	40,449	17,291
Portuguese Africa	57	120	25		
Turkey in Africa—					
Egypt	395	12	250	160	
Total	6,978,497	9,444,873	8,186,279	7,024,313	6,593,950
RECAPITULATION.					
Europe	6,186,625	4,970,789	6,665,888	5,904,511	5,603,788
North America	133,877	138,421	160,851	185,996	172,550
South America	3,513	891	270	629	474
Asia	571,995	4,227,307	1,353,096	862,833	774,417
Oceania	38,542	41,445	23,161	29,735	25,430
Africa	43,945	66,020	43,013	40,609	17,291

Leather and manufactures of—Continued.

UPPER LEATHER—KID, GLAZED.

Exported to—	1904.	1905.	1906.	1907.	1908.
Europe:					
Austria-Hungary	$2,675	$10,439	$3,095	$119,151	$17,258
Belgium	74,902	44,592	50,930	43,757	24,203
Denmark	3,758	4,747	15,632	158,839	57,852
France	88,374	57,209	6,328	170,769	60,618
Germany	75,563	85,591	72,097	800,613	217,164
Greece	691			1,100	5,230
Italy	255	4,981	2,460	45,839	7,836
Netherlands	141,210	169,182	248,864	546,978	342,542
Norway	1,141	78		4,999	6,186
Portugal	178	117			
Roumania				738	
Russia in Europe		375		4,847	28,182
Spain	46,231	67,063	67,428	83,503	69,758
Sweden	11,645	22,695	17,296	17,629	15,827
Switzerland		679			1,190
Turkey in Europe	3,526	473	279	3,681	2,760
United Kingdom	919,920	981,150	1,283,379	2,113,685	1,686,615
North America:					
Bermuda		87			43
Canada	1,925	37,154	79,358	54,827	49,776
Newfoundland and Labrador		2,622	8,677	9,011	15,831
Central American States—					
Costa Rica	2,690	3,943	606	884	474
Guatemala			198	3,986	4,520
Nicaragua	2,053	1,848	226	1,623	2,575
Panama		144	460		993
Salvador		355		1,440	14
Mexico	3,987	1,679	3,270	22,248	17,023
West Indies—					
British	1,057	2,227	1,155	483	374
Cuba	1,518	5,406	6,284	23,585	14,186
Danish					36
Dutch	135		90		
Haiti	38	363	175	188	805
Santo Domingo				223	267
South America:					
Argentina	1,352	1,707	770	7,789	6,864
Brazil	3,974	7,127	2,606	15,375	12,879
Chile	3,375	2,427	6,089	40,985	22,770
Colombia	277	431	10,881	6,222	2,724
Ecuador					1,250
Guiana—British	11			291	165
Peru	278	1,030	813	3,187	838
Uruguay	4,972	349		6,083	20,459
Venezuela	248	429	2,245	1,234	488
Asia:					
Chinese Empire		345			
East Indies—					
British India	120				
Dutch	220				
Japan		453		3,413	846
Turkey in Asia	180				202
Oceania:					
British—					
Australia and Tasmania	113,370	55,546	27,875	39,761	156,156
New Zealand				10,326	21,932
Philippine Islands				295	
Africa:					
British Africa—					
South			2,264		
Turkey in Africa—Egypt	330	1,161			258
Total	1,512,179	1,576,204	1,922,430	4,369,587	2,897,909
RECAPITULATION.					
Europe	1,370,069	1,449,371	1,768,388	4,116,128	2,543,221
North America	13,403	55,828	100,499	118,498	106,917
South America	14,467	13,500	23,404	81,166	68,437
Asia	520	798		3,413	1,048
Oceania	113,370	55,546	27,875	50,382	178,088
Africa	330	1,161	2,264		258

PATENT OR ENAMELED.

Europe:					
Austria-Hungary		$294	$100	$140	
Belgium	$49,235				
Denmark	20	1,035	1,128	905	$450
France	1,211	300	915		4,987
Germany	809		390	652	1,882
Italy	4,647	4,323	7,363	11,089	11,201
Netherlands	17,315	12,870	15,396	8,667	7,384
Norway	92				299
Russia in Europe	250			150	
Spain	5,544	14,383	80	934	10,180
Sweden			329		130
Turkey in Europe	3,700				300
United Kingdom	50,977	60,598	15,453	18,379	5,909
North America:					
Bermuda	150		26	50	54
Canada	13,223	31,194	41,411	53,501	39,223
Newfoundland and Labrador	141			151	102
Central American States—					
Costa Rica	68			59	
Honduras		14			
Mexico	1,812	1,602	630	299	3,594

Leather and manufactures of—Continued.

PATENT OR ENAMELED—continued.

Exported to—	1904.	1905.	1906.	1907.	1908.
North America—Con.					
West Indies—					
British	$535	$208	$1,243	.....	$186
Cuba	1,090	6,030	12,644	$15,189	6,382
French	119	.....	270	.....	.....
Haiti	63	.....	201	.....	105
Santo Domingo	.....	.....	17	.....	368
South America:					
Argentina	.....	.....	.....	978	1,440
Brazil	1,800	.....	221	.....	800
Chile	.....	.....	1,777	2,897	2,923
Colombia	.....	.....	14,941	206	213
Guiana—					
British	.....	.....	.....	294	.....
Dutch	.....	.....	.....	291	.....
Peru	626	1,321	265	1,035	271
Uruguay	.....	213	.....	.....	.....
Venezuela	1,141	2,334	.....	138	143
Asia:					
Chinese Empire	215	70	410	215	.....
East Indies—British India	749	225	465	520	338
Japan	2,713	2,110	1,210	170	765
Turkey in Asia	359	705	751	.....	.....
Oceania:					
British—					
Australia and Tasmania	9,402	17,802	18,879	21,718	23,783
New Zealand				1,782	2,945
Philippine Islands	.....	884	539	.....	608
Africa:					
British Africa—South	.....	1,780	3,756	2,014	1,864
Turkey in Africa—Egypt	2,904	6,025	2,780	14,665	2,345
Total	170,940	166,320	143,590	157,088	131,154

RECAPITULATION.

Europe	133,830	93,803	41,154	40,916	42,702
North America	17,201	39,048	56,442	69,249	50,014
South America	3,567	3,868	17,206	5,839	5,790
Asia	4,036	3,110	2,836	905	1,103
Oceania	9,402	18,686	19,418	23,500	27,336
Africa	2,904	7,805	6,536	16,679	4,209

SPLITS, BUFF, GRAIN, AND ALL OTHER UPPER.

Europe:					
Austria-Hungary	$32,428	$58,954	$108,280	$147,706	$139,117
Azores, and Madeira Island	360	877	1,058	2,905	2,100
Belgium	639,722	500,589	507,060	570,513	424,316
Denmark	183,319	253,701	367,927	599,658	406,371
France	435,458	486,280	1,323,190	1,268,305	727,926
Germany	719,118	904,494	1,539,733	1,595,919	945,521
Gibraltar	.....	.....	.....	2,563	.....
Greece	2,039	1,164	4,389	.....	3,700
Italy	66,377	58,253	165,032	220,688	64,432
Malta, Gozo, etc	671	.....	.....	.....	200
Netherlands	1,133,402	950,135	940,764	1,189,143	618,281
Norway	6,792	9,181	1,773	7,146	9,310
Portugal	3,876	5,350	1,754	741	384
Roumania	1,724	3,232	830	1,636	.....
Russia in Europe	2,472	1,783	1,460	3,556	64,517
Spain	129,837	162,038	174,331	122,351	170,224
Sweden	68,607	70,903	42,805	68,168	49,824
Switzerland	15,977	6,415	8,923	21,678	8,402
Turkey in Europe	42,181	45,544	24,888	33,652	13,151
United Kingdom	9,785,782	9,535,252	9,355,322	9,652,816	9,429,241
North America:					
Bermuda	868	603	939	255	242
British Honduras	.....	475	.....	.....	42
Canada	161,549	237,619	309,716	256,776	196,153
Newfoundland and Labrador	5,193	3,658	9,047	6,895	7,842
Central American States—					
Costa Rica	29,594	43,488	63,322	75,235	76,324
Guatemala	34,534	38,651	48,087	47,089	48,515
Honduras	806	1,227	1,357	2,880	5,435
Nicaragua	17,946	17,521	28,039	30,972	43,135
Panama	3,612	5,442	2,412	6,774	5,729
Salvador	13,978	30,084	41,640	62,126	96,837
Mexico	26,936	36,807	39,171	30,986	37,045
Miquelon, Langley, etc	164	90	111	64	.....
West Indies—					
British	14,845	16,342	12,443	4,153	7,835
Cuba	143,731	205,191	211,515	126,334	137,936
Danish	2,020	1,559	2,131	1,988	1,307
Dutch	2,441	3,317	2,492	901	1,574
French	1,314	332	897	905	123
Haiti	26,929	24,291	40,129	46,042	35,978
Santo Domingo	6,846	16,221	18,669	23,242	22,314
South America:					
Argentina	112,350	241,767	322,386	229,076	310,864
Bolivia	.....	.....	443	1,120	5,298
Brazil	110,225	96,489	155,974	137,079	155,095

Leather and manufactures of—Continued.

SPLITS, BUFF, GRAIN, AND ALL OTHER UPPER—continued.

Exported to—	1904.	1905.	1906.	1907.	1908.
South America—Con.					
Chile	$32,732	$35,238	$46,877	$47,651	$49,297
Colombia	39,910	22,902	41,954	32,080	65,460
Ecuador	10,404	12,225	11,064	31,084	31,787
Guiana—					
British	1,404	999	1,288	1,711	2,671
Dutch	404	183	1,013	731	686
French	.....	.....	.....	.....	50
Paraguay	19,824	17,555	23,286	.....	.....
Peru	.....	.....	.....	35,320	41,517
Uruguay	10,321	25,506	68,814	68,838	33,048
Venezuela	54,531	40,424	45,968	18,798	49,573
Asia:					
Chinese Empire	4,429	22,500	50,490	70,637	11,626
East Indies—					
British India	9,749	7,631	3,756	4,405	7,888
Straits Settlements	3,153	2,049	1,251	150	2,119
Other British	.....	.....	200	.....	.....
Dutch	1,828	1,706	6,127	1,514	245
Hongkong	388	100	1,081	5,386	6,009
Japan	53,699	210,188	469,498	206,124	128,722
Korea	.....	.....	.....	616	2,324
Russia—Asiatic	.....	470	1,407	225	.....
Siam	.....	170	.....	65	.....
Turkey in Asia	21,145	2,271	5,408	846	2,344
All other Asia	610	962	.....	340	.....
Oceania:					
British—					
Australia and Tasmania	747,868	444,440	563,068	469,144	522,224
New Zealand				58,913	50,066
French Oceania	.....	168	380	415	247
Philippine Islands	16,829	22,835	29,016	17,814	48,198
Africa:					
British Africa—South	10,184	6,391	11,810	2,066	7,113
East	.....	.....	.....	209	.....
Canary Islands	2,235	3,420	2,900	3,404	3,432
French Africa	983	.....	.....	700	100
Portuguese Africa	232	.....	10	.....	155
Turkey in Africa—Egypt	19,962	12,139	5,307	10,184	2,956
All other Africa	465	.....	.....	.....	.....
Total	15,049,602	15,057,791	17,242,011	17,779,716	15,342,497

RECAPITULATION.

Europe	13,270,142	13,144,145	14,509,518	15,509,144	13,077,017
North America	493,306	682,918	832,117	723,707	724,366
South America	392,395	493,288	719,067	603,688	745,346
Asia	95,001	248,047	548,218	380,288	161,277
Oceania	764,697	467,443	613,064	546,326	620,735
Africa	34,061	21,950	20,027	16,563	13,756

ALL OTHER LEATHER.

Europe:					
Austria-Hungary	$1,923	$2,165	$1,815	$16,382	$2,658
Azores, and Madeira Islands	.....	.....	26	.....	330
Belgium	19,699	13,617	9,064	7,871	20,993
Denmark	1,529	2,726	4,740	681	870
France	8,096	18,084	23,704	16,946	15,015
Germany	28,265	42,390	75,561	47,710	129,789
Greece	.....	.....	71	3,761	590
Italy	2,101	1,317	2,211	3,249	9,149
Malta, Gozo, etc	94	.....	.....	.....	.....
Netherlands	13,374	17,802	42,164	71,732	91,445
Norway	20	461	325	.....	897
Portugal	.....	.....	.....	407	541
Roumania	.....	.....	.....	1,762	167
Russia in Europe	.....	.....	90	8,301	2,147
Spain	303	697	395	4,179	12,510
Sweden	1,658	673	2,836	2,827	4,622
Switzerland	834	2,168	4,020	.....	148
Turkey in Europe	.....	221	.....	5,999	3,185
United Kingdom	588,432	495,078	620,596	1,051,644	680,084
North America:					
Bermuda	203	567	358	452	403
British Honduras	1,093	460	497	652	467
Canada	272,437	336,504	455,090	685,792	543,087
Newfoundland and Labrador	781	312	58	109	311
Central American States—					
Costa Rica	2,148	832	1,239	881	784
Guatemala	57	46	25	42	609
Honduras	107	284	291	439	298
Nicaragua	1,822	1,712	1,808	5,877	2,905
Panama	105	36	401	2,114	3,648
Salvador	637	1,690	822	1,378	.....
Mexico	29,827	36,989	45,592	42,391	28,690
West Indies—					
British	7,238	3,100	11,490	37,566	25,995
Cuba	4,255	19,939	37,626	156,221	65,816
Danish	489	489	30	.....	115
Dutch	470	90	966	3,620	3,448
French	428	279	162	.....	507
Haiti	4,796	4,687	1,663	4,476	13,430
Santo Domingo	1,571	4,897	2,632	12,815	12,659

Leather and manufactures of—Continued.

ALL OTHER LEATHER—continued.

Exported to—	1904.	1905.	1906.	1907.	1908.
South America:					
Argentina	$6,193	$5,247	$4,150	$4,277	$9,463
Brazil	818	1,409	249	5,784	4,106
Chile	281	415	6,848	32,950	13,491
Colombia	8,385	4,904	2,269	14,757	24,210
Ecuador	80	537		19	
Guiana—					
British	464	245	296	236	548
Dutch	238	110	293	1,362	673
Paraguay					315
Peru	214	17	1,998	884	9,592
Uruguay	1,206	399	1,503	2,530	594
Venezuela	11,532	9,755	14,395	57,539	33,832
Asia:					
Aden				25	
Chinese Empire	1,770	5,934	3,220	5,459	1,152
East Indies—					
British India	1,976	1,311	1,807	1,357	3,447
Straits Settlements	450	230		2,894	362
Other British		307	132		
Dutch	196	122	1,308	1,180	2,799
Hongkong	200	301	87	400	202
Japan	8,818	604,083	304,058	170,398	34,181
Korea		68			1,112
Russia—Asiatic				269	465
Turkey in Asia	100			2,656	750
Oceania:					
British—					
Australia and Tasmania	50,505	50,001	87,359	112,047	101,914
New Zealand				22,446	20,852
Philippine Islands	5,577	685	20,903	48,367	40,522
Africa:					
British Africa—South	36,669	25,973	22,124	26,310	10,294
Liberia			104		40
Portuguese Africa				42	
Turkey in Africa—Egypt		789	466	14,989	1,857
Total	1,140,364	1,813,154	1,822,537	2,727,513	2,004,022

RECAPITULATION.

Europe	667,228	597,399	788,218	1,243,451	984,149
North America	328,464	412,913	560,780	954,885	703,172
South America	29,411	23,038	31,971	120,338	96,824
Asia	13,510	702,356	310,612	184,638	44,470
Oceania	65,082	50,686	108,262	182,860	163,288
Africa	36,669	26,762	22,604	41,341	12,119

BOOTS AND SHOES.

Europe:	*Pairs.*	*Pairs.*	*Pairs.*	*Pairs.*	*Pairs.*
Austria-Hungary	6,991	8,880	20,277	41,257	47,938
Azores, and Madeira Island	159	244	323	405	37
Belgium	23,174	19,315	32,034	20,658	32,206
Denmark	14,080	12,904	29,589	9,356	8,291
France	30,817	21,292	40,220	87,097	73,654
Germany	166,606	137,229	227,565	164,480	211,153
Gibraltar		5		50	
Greece		72			100
Italy	3,022	3,993	11,838	14,282	14,343
Malta, Gozo, etc	42	35			
Netherlands	7,712	6,686	8,241	6,671	9,291
Norway	3,842	5,927	7,013	5,057	5,978
Portugal			840	428	2,865
Roumania		258			96
Russia	1,668	3,952	3,869	3,211	3,570
Servia					180
Spain	4,023	1,196	74	1,714	389
Sweden	637	1,721	1,120	874	90
Switzerland	1,772	3,449	6,961	9,623	11,190
Turkey in Europe	77	910	1,129	1,060	2,976
United Kingdom	849,817	921,831	806,211	848,605	817,302
North America:					
Bermuda	51,841	55,909	47,788	40,776	40,352
British Honduras	77,474	55,191	41,910	57,342	63,951
Canada	499,493	588,297	640,456	692,900	664,612
Newfoundland and Labrador	15,943	25,704	26,967	21,985	23,117
Central American States—					
Costa Rica	1,019	2,286	1,213	3,039	2,143
Guatemala	1,581	4,122	3,701	7,170	5,145
Honduras	32,689	23,608	17,842	29,303	32,167
Nicaragua	35,602	32,406	29,517	26,910	19,994
Panama	37,979	97,907	218,883	292,310	222,278
Salvador	89	372	242	170	683
Mexico	496,183	662,840	848,398	810,859	786,380
Miquelon, Langley, etc	420	168	144	72	
West Indies—					
British	331,680	356,106	356,756	453,376	399,562
Cuba	1,005,278	1,379,933	1,448,092	1,275,687	1,976,901
Danish	27,944	35,677	27,296	43,064	33,541
Dutch	11,132	13,353	4,166	11,270	9,492
French	481	26	299	321	786
Haiti	9,517	1,423	1,883	1,125	2,065
Santo Domingo	36,737	68,783	59,102	65,977	72,072

Leather and manufactures of—Continued.

BOOTS AND SHOES—continued.

Exported to—	1904.	1905.	1906.	1907.	1908.
South America:	*Pairs.*	*Pairs.*	*Pairs.*	*Pairs.*	*Pairs.*
Argentina	10,339	31,157	35,811	53,555	36,289
Bolivia	256	267	2,322	3,118	6,294
Brazil	12,572	14,485	36,085	32,706	51,146
Chile	5,104	6,259	10,817	13,387	11,774
Colombia	112,363	92,251	37,749	26,217	31,949
Ecuador	12,068	13,334	6,921	16,846	35,043
Guiana—					
British	39,286	34,824	33,309	46,874	32,171
Dutch	7,179	6,553	8,979	6,859	12,870
French				72	103
Paraguay		12		616	72
Peru	7,080	13,646	21,643	26,302	44,739
Uruguay	755	841	2,828	2,742	3,572
Venezuela	238	2,488	1,085	94	325
Asia:					
Chinese Empire	6,028	8,006	16,430	8,630	12,426
China—Japanese					55
East Indies—					
British India	6,777	13,885	14,124	7,206	6,000
Straits Settlements	1,220	3,497	2,253	797	2,495
Other British		357	446	366	170
Dutch	620	1,007	1,711	1,405	1,904
Hongkong	4,736	6,033	7,514	13,939	10,350
Japan	1,922	6,469	3,393	1,865	3,952
Korea	211	775	243	177	238
Russia—Asiatic	502	1,353	188	467	1,863
Siam		218	284	60	82
Turkey in Asia	82	616	412	816	708
All other Asia	80	56	76		
Oceania:					
British—					
Australia and Tasmania	443,083	256,463	208,065	108,260	89,992
New Zealand				80,623	46,822
All other	60	312	16	14	10
French Oceania	4,350	2,744	3,686	2,810	3,124
German Oceania	797	798	369	428	229
Philippine Islands	55,519	102,329	100,733	268,334	350,389
Africa:					
British Africa—					
West	1,705	2,270	1,825	2,342	2,958
South	112,633	116,377	68,399	41,740	53,808
East	131	6			
Canary Islands		94		18	112
French Africa		232	204		361
German Africa		84	36		50
Liberia	935	984	922	1,377	816
Portuguese Africa	345	3,619	2,650	1,434	963
Turkey in Africa—Egypt	5,857	5,928	9,062	12,006	9,399
All other Africa	177				
Total	4,642,531	5,315,699	5,672,249	5,833,914	6,552,412

RECAPITULATION.

Europe	1,114,439	1,149,899	1,257,004	1,215,428	1,241,649
North America	2,673,082	3,425,111	3,774,655	3,833,856	4,445,141
South America	207,240	206,117	197,549	229,478	266,347
Asia	22,178	42,332	47,074	35,706	40,242
Oceania	503,809	362,646	312,869	460,469	490,566
Africa	121,783	129,594	83,098	58,917	68,467

ALL OTHER.

Europe:					
Austria-Hungary	$16,458	$21,423	$42,094	$120,330	$140,440
Azores, and Madeira Island	215	732	1,105	1,636	81
Belgium	52,749	40,800	53,272	55,351	86,466
Denmark	26,360	20,680	38,542	22,645	23,001
France	87,553	64,723	126,239	202,485	238,702
Germany	332,619	327,784	387,025	495,891	589,288
Gibraltar		20		218	
Greece		200			150
Italy	4,797	6,941	22,597	40,120	29,973
Malta, Gozo, etc	64	75			
Netherlands	12,549	11,339	14,680	17,539	24,162
Norway	7,556	14,430	11,229	13,735	15,622
Portugal			1,550	1,701	3,725
Roumania		880			333
Russia	3,233	6,870	8,309	8,506	10,112
Servia					457
Spain	7,755	1,142	110	4,024	881
Sweden	1,547	2,759	2,117	1,380	220
Switzerland	4,789	7,320	16,233	28,454	31,170
Turkey in Europe	230	639	3,295	2,883	9,113
United Kingdom	1,868,894	1,943,845	1,862,747	1,986,090	1,950,261
North America:					
Bermuda	51,068	53,494	47,080	40,426	49,482
British Honduras	95,634	64,017	54,936	94,513	105,038
Canada	852,522	1,013,142	1,124,066	1,192,732	1,215,248
Newfoundland and Labrador	17,271	25,773	26,616	23,021	27,986
Central American States—					
Costa Rica	1,329	2,709	1,561	5,255	3,787
Guatemala	2,114	4,973	6,893	13,663	10,531
Honduras	43,832	32,427	24,702	49,045	56,178
Nicaragua	51,829	53,958	44,562	48,109	34,631
Panama	39,436	117,274	285,360	420,894	508,043
Salvador	64	500	321	283	914

Leather and manufactures of—Continued.

ALL OTHER—continued.

Exported to—	1904.	1905.	1906.	1907.	1908.
North America—Con.					
Mexico	$786,502	$1,116,598	$1,529,364	$1,569,321	$1,548,545
Miquelon, Langley, etc	1,337	491	575	291	
West Indies—					
British	292,955	309,089	350,829	417,774	395,059
Cuba	979,303	1,322,030	1,769,796	2,145,415	2,577,966
Danish	29,602	33,705	26,805	44,987	34,970
Dutch	10,364	13,850	4,047	11,061	9,341
French	497	31	455	1,220	951
Haiti	8,912	1,581	2,639	1,148	2,327
Santo Domingo	35,629	73,000	66,733	88,021	79,666
South America:					
Argentina	30,264	75,130	99,033	145,961	94,661
Bolivia	361	471	5,358	8,911	13,078
Brazil	25,190	33,379	90,046	90,652	151,407
Chile	10,852	14,904	21,955	31,024	28,196
Colombia	141,153	113,254	55,260	40,546	59,338
Ecuador	13,800	17,354	7,768	19,084	51,178
Guiana—					
British	38,248	30,491	28,312	41,492	29,726
Dutch	7,955	7,465	9,315	10,813	11,734
French				117	186
Paraguay		24		2,048	199
Peru	12,889	28,459	38,393	59,908	99,185
Uruguay	1,980	2,142	6,810	7,931	9,373
Venezuela	211	2,394	1,060	126	441
Asia:					
Chinese Empire	11,574	16,129	29,766	17,175	26,112
China—Japanese					52
East Indies—					
British India	13,301	21,880	22,449	13,738	13,939
Straits Settlements	1,925	5,636	3,379	1,220	5,339
Other British		415	599	444	505
Dutch	935	2,353	4,246	3,332	6,233
Hongkong	8,008	12,073	12,978	13,395	21,357
Japan	3,100	12,818	5,314	2,420	5,781
Korea	470	899	713	660	258
Russia—Asiatic	1,029	2,353	424	1,041	4,011
Siam		398	281	94	166
Turkey in Asia	143	2,200	617	1,263	2,235
All other Asia	187	123	102		
Oceania:					
British—					
Australia and Tasmania	829,082	499,702	367,458	202,605	184,593
New Zealand				155,694	96,004
All other	126	421	36	12	38
French Oceania	4,923	3,491	3,599	3,317	3,935
German Oceania	1,403	1,410	798	918	392
Philippine Islands	100,787	168,032	180,213	429,918	565,487
Africa:					
British Africa—					
West	2,266	3,580	2,903	3,305	3,759
South	211,650	243,948	153,467	86,309	135,212
East	123	5			
Canary Islands		178		46	155
French Africa		152	478		1,295
German Africa		168	62		220
Liberia	1,225	1,537	1,395	2,087	1,310
Portuguese Africa	667	10,331	6,854	4,156	2,998
Turkey in Africa—					
Egypt	15,310	10,748	22,814	35,020	24,707
All other Africa	325				
Total	7,238,940	8,057,697	9,142,748	10,666,949	11,469,559

RECAPITULATION.

Europe	2,447,368	2,472,608	2,591,144	3,062,988	3,154,107
North America	3,300,200	4,238,642	5,367,349	6,167,179	6,660,657
South America	282,903	325,467	363,310	458,613	548,702
Asia	40,672	77,277	80,868	54,782	85,988
Oceania	936,321	673,056	552,104	792,464	850,449
Africa	231,476	270,647	187,973	130,923	169,656

HARNESS AND SADDLES.

Europe:					
Austria-Hungary	$155	$715	$802	$1,850	$2,816
Azores and Madeira Islands		15	41	113	166
Belgium	596	448	541	2,614	2,241
Denmark	3,346	3,805	5,196	3,638	6,573
France	2,694	3,732	4,557	2,353	6,584
Germany	7,432	8,599	17,022	11,373	19,885
Gibraltar	104	50			
Greece	251				
Italy	717	512	593	499	1,099
Malta, Gozo, etc	240	22			25
Netherlands	717	1,419	2,221	3,695	3,329
Norway	777	345	545	511	1,269
Portugal	130	94	20	30	145
Russia in Europe	1,878	549	81	251	917
Spain	55	575	131	32	552
Sweden	1,070	1,156	1,644	1,686	1,834
Switzerland				109	7
Turkey in Europe		159		30	
United Kingdom	15,112	10,647	14,146	9,218	10,273
North America:					
Bermuda	2,116	4,049	2,119	747	768
British Honduras	1,651	1,070	1,544	1,644	1,741
Canada	138,150	119,847	147,894	197,590	89,204

Leather and manufactures of—Continued.

HARNESS AND SADDLES—continued.

Exported to—	1904.	1905.	1906.	1907.	1908.
North America—Con.					
Newfoundland and Labrador	$756	$1,025	$716	$909	$2,195
Central American States—					
Costa Rica	2,219	2,249	2,596	2,693	2,400
Guatemala	1,136	2,781	4,423	4,624	687
Honduras	3,112	2,462	2,044	4,280	5,934
Nicaragua	1,246	1,694	1,193	1,366	1,524
Panama	1,519	8,082	18,331	11,900	7,797
Salvador	4,322	339	355	386	1,136
Mexico	44,798	78,664	81,427	95,422	59,884
West Indies—					
British	7,683	7,564	9,677	12,894	9,969
Cuba	46,453	57,497	90,089	167,229	112,998
Danish	1,442	763	1,207	945	691
Dutch	1,597	523	455	679	836
French	1,457	1,007	744	500	716
Haiti	1,394	1,214	2,057	2,771	2,367
Santo Domingo	784	784	4,724	5,926	1,525
South America:					
Argentina	67,293	59,530	91,251	84,145	80,136
Bolivia		421	534	5,171	7,042
Brazil	2,377	1,611	2,271	3,595	8,345
Chile	2,737	6,942	6,510	8,719	8,023
Colombia	11,672	8,039	5,596	5,739	5,378
Ecuador	4,501	2,039	3,942	2,921	4,530
Guiana—					
British	197	451	374	271	278
Dutch	1,042	204	119	148	58
French	166	56	76	186	41
Paraguay			17		
Peru	2,957	4,724	6,990	8,493	9,266
Uruguay	459	236	872	3,443	719
Venezuela	2,497	2,623	3,197	2,799	2,173
Asia:					
Aden	315	75		162	151
Chinese Empire	2,115	15,084	1,640	5,765	1,551
China—					
Japanese					226
Russian	570				
East Indies—					
British India	2,710	1,125	1,604	10,217	2,936
Straits Settlements	446	911	634	579	194
Other British	70	61	198		
Dutch	501	1,741	304	956	1,860
Hongkong	518	252	296	92	
Japan	8,988	20,716	10,169	2,582	6,127
Korea	489	26	54	197	14
Russia—Asiatic	69	84	970	9,447	9,421
Siam		113	124	75	353
Turkey in Asia	253	184	554	1,086	326
All other Asia	2,092	239	40		
Oceania:					
British—					
Australia and Tasmania	28,137	23,340	23,798	25,484	19,831
New Zealand				6,773	8,121
All other	51		224		
French Oceania	3,038	1,974	1,379	2,049	2,372
German Oceania	1,098	1,084	720	208	86
Philippine Islands	98,740	13,871	99,384	21,834	65,569
Africa:					
British Africa—					
West	581	579	715	729	625
South	13,979	7,956	6,392	1,936	1,992
East	100	604	32	109	297
Canary Islands		100	30	282	138
French Africa	1,711	530	453	213	418
German Africa				230	273
Liberia				59	
Portuguese Africa	484	174	282	208	410
Spanish Africa			15	9	
Turkey in Africa—					
Egypt	213	396	680		176
Tripoli		100			
All other Africa	71				
Total	560,346	502,660	691,575	767,418	609,743

RECAPITULATION.

Europe	35,274	32,842	47,540	38,002	57,715
North America	261,835	291,614	371,595	512,505	302,372
South America	95,898	86,885	121,749	125,630	125,989
Asia	19,136	40,611	16,587	31,158	23,159
Oceania	131,064	40,269	125,505	56,348	96,179
Africa	17,139	10,439	8,599	3,775	4,329

ALL OTHER.

Europe:					
Austria-Hungary	$12,080	$11,036	$2,157	$5,536	$9,554
Azores, and Madeira Islands	25	8	141	229	1,124
Belgium	21,623	10,063	4,227	13,455	9,017
Denmark	10,565	8,469	4,480	18,567	6,687
France	10,700	4,068	9,282	20,378	17,896
Germany	63,857	122,230	164,933	295,215	252,322
Gibraltar		199			
Greece	1,471	1,411	145	100	
Italy	5,451	1,656	4,741	3,612	2,255
Malta, Gozo, etc		239		218	

Leather and manufactures of—Continued.

ALL OTHER—continued.

Exported to—	1904.	1905.	1906.	1907.	1908.
Europe—Continued.					
Netherlands	$21,686	$5,798	$11,509	$76,885	$9,696
Norway	3,205	844	943	2,113	1,490
Portugal	404	93			38
Roumania				294	204
Russia in Europe	1,240	4,411	1,727	28,391	11,322
Spain	581	971	1,056	179	3,534
Sweden	7,030	8,601	2,900	12,551	3,530
Switzerland	3,908	1,395	579	6,052	1,388
Turkey in Europe	36	2,653	26	3,237	
United Kingdom	176,296	210,061	178,240	270,440	202,782
North America:					
Bermuda	1,671	1,450	1,296	1,505	1,651
British Honduras	576	1,239	885	1,278	1,659
Canada	480,039	402,060	557,622	599,253	499,511
Newfoundland and Labrador	3,700	7,360	3,192	5,223	2,379
Central American States—					
Costa Rica	3,475	1,742	4,198	3,608	4,536
Guatemala	2,147	4,329	2,351	4,317	3,596
Honduras	1,255	1,242	1,274	1,938	3,256
Nicaragua	6,253	7,698	6,954	5,178	6,394
Panama	3,122	6,699	16,075	30,297	22,188
Salvador	8,469	5,446	2,480	1,316	3,682
Mexico	148,523	117,573	191,673	246,365	173,921
Miquelon, Langley, etc.		24			
West Indies—					
British	5,467	6,957	5,738	10,009	14,592
Cuba	77,820	69,031	74,163	66,489	59,745
Danish	450	763	575	1,142	454
Dutch	1,402	1,970	806	786	1,417
French	21	70	543	207	115
Haiti	4,152	1,190	1,782	1,514	2,825
Santo Domingo	2,919	4,793	11,466	7,631	6,571
South America:					
Argentina	14,308	9,692	7,191	21,033	12,702
Bolivia	12		51	345	1,216
Brazil	6,064	3,682	5,069	5,666	6,422
Chile	8,589	5,607	10,549	12,571	9,500
Colombia	8,878	10,643	3,795	5,354	12,095
Ecuador	3,466	3,194	2,698	4,741	6,106
Guiana—					
British	1,993	1,223	875	1,790	599
Dutch	63	710	378	538	593
French	8			16	40
Paraguay			270	14	400
Peru	3,651	3,100	6,347	4,784	17,497
Uruguay	1,847	1,621	563	423	2,157
Venezuela	7,756	5,846	10,466	6,036	5,176
Asia:					
Aden		198			
Chinese Empire	14,639	4,025	4,779	9,954	5,176
East Indies—					
British India	7,128	8,336	12,590	15,098	8,780
Straits Settlements	737	996	2,599	2,264	119
Other British	1,902	1,604	42	332	15
Dutch	127	772	313	2,175	1,843
Hongkong	1,744	2,187	6,618	1,923	527
Japan	22,665	32,678	15,149	28,938	27,011
Korea	1,422	1,292	215	463	1,732
Russia—Asiatic	12		129	258	323
Siam		52	337	56	135
Turkey in Asia	146	1,462	570	531	119
All other Asia	2,403	50			
Oceania:					
British—					
Australia and Tasmania	60,680	58,181	44,289	49,200	54,054
New Zealand				13,037	15,802
All other		62			
French Oceania	62	194	47	277	304
German Oceania		15	53		
Philippine Islands	43,310	10,646	71,302	81,118	83,092
Africa:					
British Africa—					
West	45		61	42	42
South	12,353	18,276	11,276	13,558	20,354
East			215		393
Canary Islands	11				32
French Africa		410			29
Liberia	18		8	125	78
Portuguese Africa	46	1,286	425	886	874
Turkey in Africa—					
Egypt	2,973	3,854	2,191	4,062	157
All other Africa	10				
Total	1,329,747	1,318,046	1,491,688	1,984,385	1,639,725
RECAPITULATION.					
Europe	340,218	394,206	357,146	757,052	532,779
North America	761,461	731,095	883,073	988,555	808,452
South America	56,635	45,328	48,252	63,311	74,503
Asia	42,925	54,552	42,350	62,592	45,780
Oceania	113,052	69,098	115,691	94,232	153,252
Africa	15,456	23,826	14,176	18,643	24,959

ANOTHER COLLECTION OF INTERESTING INFORMATION REGARDING THE LEATHER TRUSTS AND TANNERS WHO ARE LEADING THE CAMPAIGN FOR FREE HIDES.

The National Association of Tanners was organized last year for the avowed purpose of promoting sentiment favorable toward free hides. This association of tanners published what is denominated as "The Free Hide Text-Book," published in Chicago, November, 1908.

In that Free Hide Text-Book, the officers and executive committee are shown on the first page as follows:

President, Fred Vogel, jr., of Pfister & Vogel Leather Company, Milwaukee, Wis. This concern, the Pfister & Vogel Leather Company, is incorporated in Wisconsin and has plants located at Milwaukee, Wis., and Cheboygan, Mich. Its capital stock is $6,000,000; and, according to Moody's Manual for 1908, page 2458, its surplus on November 1, 1907, was $3,500,000.

Treasurer, J. D. Nelson, of the American Oak Leather Company, Cincinnati, Ohio. The American Oak Leather Company is incorporated in Ohio; and, according to Moody's Manual, is said to be one of the largest tanneries in the United States. It controls the Oak Extract Company, of Newport, Pa., and the Ohio Falls Oak Leather Company, of Louisville, Ky., and on January 1, 1907, acquired the plant of the American Oak Tanning Company at Decatur, Ala. Its capital stock amounts to $4,830,000, and its surplus is given as $960,543.

General secretary, John E. Wilder, of Wilder-Manning Tanning Company, Chicago, Ill., another very large concern.

Executive committee.—There are 12 members of the executive committee and of these 12, 6 represent large tanning interests and the tanning trusts, as follows:

H. H. Bechtel, representing the American Oak Leather Company, of Cincinnati, previously referred to.

August Vogel, of Pfister & Vogel Leather Company, Milwaukee, also referred to previously as another Vogel—Fred Vogel—is the president of this association of tanners.

F. L. Roenitz, of the American Hide and Leather Company. The American Hide and Leather Company was incorporated May 3, 1899, and the duration of the corporation is perpetual. It is authorized to manufacture and cure and trade in skins, hides, and leather of all kinds, and to slaughter live stock. This company acquired by absolute conveyance the factories and good will of 21 different concerns; also owns the control of the Pennsylvania Hide and Leather Company. According to Moody's Manual, the capacity of this concern is 5,000,000 calfskins and 2,750,000 hides per annum, this being approximately 75 per cent of the entire annual production of upper leather in the United States. The American Hide and Leather Company is said to be capitalized for $35,357,337. This concern is recorded as one of the big trusts in the leather trade.

A. Augustus Healy, of the United States Leather Company, of New York. This concern has common stock, $62,882,300; preferred stock, $62,282,300; bonds, $4,680,000. In the balance sheet of this company, as shown in Moody's Manual, the good will, etc., listed as an asset is valued at $62,882,300, or the total amount of its common stock. The United States Leather Company is said to do approximately 60 to 70 per cent of the tanning of hides in the United States. It is the concern that buys substantially 75 per cent of all the Argentine hides imported into this country. It not only maintains an independent hide buyer in the Argentine, but buys through all the other local concerns located there. It is the largest trust in the leather business, and its vice-president, Mr. Healy, is the leader in the propaganda for free hides and published the first article demanding free hides in the Annals of the American Academy of Political and Social Science.

T. E. McVitty, of Leas & McVitty, Philadelphia. This concern was incorporated in April, 1902, in New Jersey. Its plants are located at Salem, Buena Vista, and Bluff City, Va. Capital stock, $1,000,000; surplus, $1,000,000.

Nathan Allen, of N. R. Allen & Sons, Kenosha, Wis. N. R. Allen & Sons is one of the constituent companies of the United States Leather Company, it being owned by that concern.

From the foregoing it will be noted that six members of the executive committee and the two important officials, president and treasurer, are representatives of the great leather trusts of the country, and it has been estimated that the business done by their concerns represents between 80 and 90 per cent of the tanning business of the United States, both on domestic and imported hides.

Leas & McVitty (Incorporated).—Incorporated in April, 1902, in New Jersey for the purpose of tanning oak, sole, and belting leather. Plants located at Salem, Buena Vista, and Bluff City, Va. Capital stock, $1,000,000; par, $100. Dividends, formerly 10 per cent per annum, are now paid at the rate of 12 per cent per annum; payments quarterly, January 1. Surplus, $1,000,000. No bonds. Transfer office, 419 Market street, Camden, N. J. Officers and directors: T. E. McVitty, president; D. P. Leas, first vice-president; A. E. McVitty, second vice-president; L. P. Leas, secretary and treasurer. Annual meeting, first Tuesday in May. Office, 305 Vine street, Philadelphia, Pa.

American Oak Leather Company.—Incorporated in Ohio and operates a large plant at Cincinnati. It is said to be one of the largest independent tanneries in the United States. Company controls the Oak Extract Company, of Newport, Pa., and the Ohio Falls Oak Leather Company, of Louisville, and on January 1, 1907, acquired the plant of the American Oak Tanning Company, at New Decatur, Ala.

Capital stock.—Authorized, $5,000,000 common and $2,500,000 cumulative preferred; par $100. No bonds. Dividends at the rate of 5 per cent per annum are paid on the preferred quarterly, January 1, and on the common at the rate of 6 per cent per annum. Transfer office, Cincinnati, Ohio. In certain cases the preferred stock has equal voting power with the common. No mortgage can be created except with the assent of a majority of the preferred shareholders.

	1908.	1907.
Assets:		
Real estate and buildings	$1,350,871	$1,225,794
Machinery, furniture, etc	697,699	489,066
Material	3,174,242	2,661,699
Cash and debts receivable	2,050,680	1,985,089
Total	7,273,491	6,361,648
Liabilities:		
Capital stock	4,830,000	3,500,000
Accounts payable	143,069	395,094
Floating debt	1,339,897	1,271,840
Surplus	960,543	1,194,714
Total	7,273,491	6,361,648

Officers: J. E. Mooney, president; August Fabel, vice-president and treasurer; H. H. Bechtel, vice-president and secretary; C. L. Harrison, third vice-president; J. F. Taylor, assistant treasurer and assistant secretary; Frank Monk, manager. Directors: The foregoing and H. B. Beard, J. A. Gardner, J. D. Neilson, and R. B. Smith. Annual meeting, first Wednesday after January 10. Office, Cincinnati, Ohio.

Comparative summary, with per cent of increase, 1880 to 1905.

	Census.				Per cent of increase.		
	1905.	1900.	1890.	1880.	1900-1905.	1890-1900.	1880-1890.
Number of establishments	1,316	1,599	2,092	1,939	[a]17.7	[a]23.2	6.3
Capital	$122,526,098	$99,819,283	$95,282,311	$42,994,028	22.7	4.8	121.6
Salaried officials, clerks, etc., number	8,811	7,779	[b]5,643	(c)	13.3	37.9	
Salaries	$8,706,682	$7,669,949	[b]$5,707,981	(c)	13.5	34.4	
Wage-earners, average number	149,924	141,330	133,690	111,152	5.7	6.1	20.3
Total wages	$99,059,680	$58,440,388	$60,667,145	$43,001,438	18.2	[a]3.7	41.1
Men 16 years and over	95,257	90,415	91,406	82,547	5.4	[a]1.1	10.7
Wages	$80,394,644	$42,811,430	$46,905,974	(c)	17.7	[a]8.7	
Women 16 years and over	40,535	46,894	39,849	25,122	5.6	17.7	58.6
Wages	$17,681,703	$14,823,726	$13,393,611	(c)	19.3	10.7	
Children under 16 years	5,132	4,521	2,435	3,483	13.5	85.7	[a]30.1
Wages	$983,273	$805,727	$367,560	(c)	22.0	119.2	
Miscellaneous expenses	$19,206,634	$10,669,402	$9,217,519	[d]	80.8	15.8	
Cost of materials used	$197,363,495	$168,632,654	$118,785,831	$102,442,443	17.0	42.0	16.0
Value of products	$320,107,458	$258,969,580	$220,649,358	$166,050,354	23.6	17.4	32.9

[a] Decrease.
[b] Includes proprietors and firm members, with their salaries; number only reported in 1900 and 1905, but not included in this table.
[c] Not reported separately.
[d] Not reported.

Products, by kind, quantity, and value, with number of establishments reporting each kind, and per cent of increase, 1905 and 1900.

Kind.	Number of establishments reporting.		Value.		
	1905.	1900.	1905.	1900.	Per cent of increase.
Products, total value			$320,107,458	$258,969,580	23.6
Boots, shoes, and slippers:					
Total number of pairs			242,710,085	217,965,419	11.1
Total value			$215,987,387	$256,720,266	23.6
Men's boots and shoes	483	560			
Number of pairs			83,434,323	67,742,859	23.2
Value			$142,068,632	$108,105,928	31.4
Boys' and youths' boots and shoes	290	388			
Number of pairs			21,717,236	21,080,479	3.3
Value			$24,301,298	$20,739,297	17.2
Women's boots and shoes	404	588			
Number of pairs			69,479,876	64,972,652	6.9
Value			$98,262,016	$81,804,308	20.1
Misses' and children's boots and shoes	377	551			
Number of pairs			41,416,987	41,843,202	[a]1.0
Value			$34,056,919	$30,094,611	13.2
Men's, boys', and youths' slippers	108	135			
Number of pairs			4,408,097	4,446,965	[a]1.0
Value			$3,464,561	$2,800,213	23.7
Women's, misses', and children's slippers	230	278			
Number of pairs			13,115,194	12,645,876	3.7
Value			$10,592,271	$10,134,398	3.9
All other kinds	157	120			
Number of pairs			8,568,343	5,283,405	61.9
Value			$3,331,690	$2,041,511	63.2
All other products	122	161	$3,327,955	$2,175,739	53.0
Amount received for work done for others	89	148	$792,116	$1,073,576	[a]26.2

[a] Decrease.

Boots and shoes and slippers.

MASSACHUSETTS.

Year.	Number of establishments.	Value of product.
1905	887	$173,612,050
1907	729	253,025,182

35 per cent increase in two years.

Imports of boots and shoes into the United States dutiable at 25 per cent during the years ending June 30:

Year.	Value.	Duty.
1902	$159,790.41	$39,947.60
1903	143,201.64	36,550.47
1904	162,066.50	40,516.63
1905	149,417.37	37,354.41
1906	155,842.40	38,960.71
1907	164,509.30	41,127.46
1908	129,075.47	32,268.92

Exports of boots and shoes and leather.

Year.	Pairs.	Dollars.	Percentage of increase (pairs).	Percentage of increase (value).
1896	1,036,235	1,436,686	100	100
1897	1,224,484	1,708,234	118	119
1898	1,307,631	1,816,538	126	126
1899	1,934,277	2,711,385	187	189
1900	3,016,720	4,276,656	291	298
1901	3,492,041	5,526,290	337	385
1902	3,963,766	6,182,098	383	430
1903	4,197,583	6,695,017	405	464
1904	4,643,591	7,238,040	448	504
1905	5,315,699	8,057,697	513	561
1906	5,672,249	9,142,748	547	636
1907	5,833,914	10,636,949	563	742
1908	6,562,412	11,409,559	562	798

1895.	
Boots and shoes	$1,010,228
Total leather manufactures	15,614,407
1905.	
Boots and shoes	8,057,697
Total leather manufactures	37,936,745
1907.	
Boots and shoes	10,666,949
Total leather manufactures	45,476,969

Mr. WARREN. I have something here about the tanning business and the number of hides. The census of 1905 shows that the cattle hides consumed by the tanners in the year before that, in 1904—and I should like the Senate to give careful attention to these tables—was 922,635,538 pounds. We will call that 100 per cent for the calculation. There were imported in that year 83,652,950 pounds—that is, the number of hides imported was 9.1 per cent of the consumption, while the number of domestic hides was 838,982,588, or 90.9 per cent. On the other hand, there were slaughtered at places where the Government provides inspection, such as the four great slaughtering houses in Chicago and slaughtering houses elsewhere, 447,530,167 pounds. That does not apply to the cattle trust, so called, any more than it does to the other places where the Government sends inspectors. The Government sends inspectors to every establishment that slaughters meat with the intention of selling it in interstate commerce or in the markets of the world. So, of the larger establishments, including all of them under inspection by the Government, there were over 447,000,000 pounds of hides, while at the so-called "retail" slaughtering establishments, not inspected by the Government, there were 391,452,421 pounds, almost as much as that produced where the concerns are large enough to be inspected by the Government.

Mr. DIXON. Mr. President——

The VICE-PRESIDENT. Does the Senator from Wyoming yield to the Senator from Montana?

Mr. WARREN. I do.

Mr. DIXON. Do those figures apply to all the hides imported or merely to the heavy hides that carry the 15 per cent duty?

Mr. WARREN. I will give it to you as the department states it—"Imports and domestic production for consumption, not including calfskins."

Mr. DIXON. All classes of hides?

Mr. WARREN. I should not take it that way. This is a report from the Agricultural Department.

Mr. McCUMBER. I think they are only the dutiable hides.

Mr. WARREN. There are further figures here that may throw some light upon it. Of course you will understand that there is a constant trading in this way. We are importing hides that are dutiable and we are importing largely of hides that are not dutiable; and we are exporting generously of both. Some of the calculations which I shall make will be where one has been deducted from the other. I will proceed further with the figures that are furnished me from the same source, which is official.

Mr. DIXON. Are those not hides that are dutiable?

Mr. WARREN. Yes; we will see as we go further.

We have here some unofficial statements, but they are made up at the Agricultural Department from the experts' figures before them. I say "unofficial," because there has been no authoritative census made. The imports for consumption of calfskins, raw and uncured, in 1904, were thirty-four million and some odd pounds; in 1905, fifty million; in 1906, fifty-six million; in 1907, forty-eight million.

The values are given, but that cuts no figure. We are talking now of pounds. The estimated number of calves slaughtered in the United States, based upon the number of calfskins tanned, according to the census of 1905, was 8,906,000. They make an estimate from that of the statistics of cows and calves on the farms, and so forth, and bring out a table here of approximately 9,400,000. The deductions are as follows: Calf kip skins, tanned and finished, in 1904 were 12,355,763. The estimate in pounds, at 10 pounds each, would be 123,557,630 pounds. Calfskins, raw or uncured, imported for consumption to June 30, 1904, were 34,501,000 pounds. Of slaughtered calves, slaughtered on farms and ranges, the estimated number under the census of 1900 was three and one-half million plus, and the estimated increase of 15 per cent for 1905 makes 3,550,000 for that year; the balance, slaughtered at retail establishments and by retail butchers, was 3,887,467.

That is the number of calfskins. The world's export of cattle hides in 1906—we may as well get at the world's total export—was 476,850,577 pounds. Those are the total exports of the world. The total imports into the United States were 134,671,020 pounds. Those are cattle hides, and do not include calves. The total exports of all kinds of hides and skins in the world in 1906 were 1,556,494,545 pounds. The total imports of all kinds of hides and skins into the United States in 1906 were 370,983,815 pounds.

Mr. McLAURIN. What year was that?

Mr. WARREN. Nineteen hundred and six.

It has been claimed here that as a result of the duty upon hides the imports have been rapidly falling off. I do not find that to be true, except in taking one particular year, and that is 1908. I do not have to consume the time of the Senate to explain why the boot and shoe business might have been dull in 1908, as well as any other business, and hence the imports ran down; but I will start to show what that claimed decrease has been in ten years.

The tariff was placed upon hides in 1897. I am referring now to the amount of revenue; and I want to say to my friends that if there was ever a revenue tariff directly for revenue that had greater qualities and better qualities to commend itself to a people than that of 15 per cent ad valorem upon cattle hides, I do not know what it is. I claim openly and aboveboard that I support it because it is a protective tariff; but if I had not supported it for that, I would have supported it because it is a revenue tariff. It is a protective tariff with positive revenue. It is a revenue tariff with some incidental protection if I am right, but no protection if the tanners are right. Nevertheless, it is a source of revenue to the United States which does not cost the wearer of shoes one "sou marquee," and never has.

In 1898, the first year after the duty was imposed, the amount paid was $1,824,000 plus, and the drawback was only $27,000. The latter figure represents the exports of leather. It shows the kind of business that was being done in the way of exporting leather just before and just following this free-hide period, as we were "crossing the line," so to speak. Coming along up ten years to 1907, we find that the $1,824,000 has increased to more than $3,000,000—nearly three million and a quarter. We find that the $27,000 of drawback has increased to $907,000. This shows that the business of exporting leather has doubled, trebled, and gone up in a sort of geometrical progression.

I am not going to read all of these figures unless my statements are challenged, but I have them here. The great cry made in support of free hides is made by a class of tanners who say that the increase in business they desire to carry on is to bring over hides for tanning as ballast in the tramp ships from the Argentine Republic and strip the hills of New England and other States clean of hemlock and oak and chestnut bark, and then send the hides back to the old countries as leather. They are doing that to-day. They come in here and say that we have such an abundance of hemlock and chestnut and oak; that these woods are going to waste over this country, and they want to use the bark and employ laborers to tan the skins so that they may export them. How does that tally with the statements of those who want to preserve the forests of this country and the lumber of this country?

The great cry is, "We must export." Of what value is it to the United States to employ a baker's dozen of men in a tannery somewhere along the Atlantic coast, foreigners at that, probably, so that tramp ships may bring over as ballast the hides from the Argentine Republic, and that we may send them back in the shape of exported leather at the expense of stripping our great forests of tanning material? Of what value is it?

They say that they have exported less leather. That is hardly true, because the leather we have exported as such, plus what is used in exported boots and shoes and leather goods, will probably balance our imports. But suppose it were true? They have used it and made it into shoes, and have exported the shoes. For, as was so well stated yesterday by the junior Senator from Montana [Mr. DIXON], in the twelve years during which hides have been taxed they have increased the exports of shoes from between $1,000,000 and $2,000,000 worth to more than $11,000,000 worth—between 700 and 800 per cent. They have gone at a gait of more than 50 per cent advance every year over the year before in exporting boots and shoes. And even if they did export so much leather, which is the more valuable to this country—to ship the finished product of boots and shoes, in which labor is a large factor, and which takes only a small amount, proportionately, of tanning material, or to undertake to export the raw leather, which, as I said before, strips our forests and only gives labor to relatively a very few men?

This whole hue and cry has grown out of the efforts of that class of tanners who want to bring in hides free, and strip our forests of bark, and ship back to the other countries the leather. The shoe men—bless them, and I love them for their thrift—have been imposed upon in many ways by the tanners; never more so than when the shoe men fell in line behind this falsehood, in which, as has been stated, the tariff on hides was said to have been inserted in the Dingley bill in some crooked way, and that leather men were thus wronged by this Senate. The boot and shoe men are doing something for their country. They are exporting a product upon which there is a great amount of labor.

As a matter of revenue, we are receiving net duty on hides amounting to something over $2,000,000 a year. I claim that it

does not injure a single consumer; that it does not injure a single person, beyond taking some of what I believe is an illegitimate profit from certain parties between the producer of the raw skin and the wearer of the shoe.

I have further figures in this list—all official—which I shall ask leave to insert in my remarks at this point.

THE WORLD'S HIDES.

The total exports of cattle hides in the world in 1906 were 476,850,577 pounds.

The total imports of hides into the United States in 1906 were 134,671,020 pounds.

Total exports of all kinds of hides and skins in the world in 1906 were 1,556,494,545 pounds

Total imports of all kinds of hides and skins into the United States in 1906 were 370,983,815 pounds.

HIDES.

[See page 13, Free Hide Text-Book.]

	Pounds.
Imported, 1899:	
Dutiable hides	130,396,020
Free hides	66,965,785
	197,361,805
Imported, 1907:	
Dutiable	134,671,020
Free	135,111,199
	269,782,219

Statement that imports of kips and skins, free of duty, and exports of upper leather have increased (p. 3, Free Hides):

Imports of kips and skins.

	Pounds.	Value.
1898.		
Goat skins (free)	64,923,457	$15,776,601
Other skins (free)	54,607,534	7,667,342
Total	119,531,021	23,443,943
1907.		
Goat skins (free)	101,201,596	31,715,298
Other skins (free)	135,111,199	30,841,989
Total	236,312,795	62,557,287

Exports of upper leather.

Upper, value 1898	$10,293,430
Upper, value 1907	22,306,391

Imports of cattle hides.

Year.	Pounds.	Value.
1898	126,243,595	$13,624,089
1906	136,155,300	21,867,060
1907	134,671,020	20,649,258

Exports of sole leather.

Year.	Pounds.	Value.
1897	33,334,314	$6,510,404
1898	37,813,019	6,644,553
1906	40,548,767	8,186,279
1907	31,900,808	7,024,313
1908	31,189,897	6,593,950

Among the claims made here, one class of people represent that we are not growing cattle enough. Another class represent that we have a great surplus, and therefore ought to chip off what we can from the grower. It is said that that will not injure him; but if it does, let him charge a fifth of a cent a pound more for beef. That was stated here by resolution of an association of 700 boot and shoe makers after their mass meeting at Cincinnati.

Mr. DIXON. Mr. President——

The VICE-PRESIDENT. Does the Senator from Wyoming yield to the Senator from Montana?

Mr. WARREN. I do.

Mr. DIXON. What is the motto of these gentlemen who are asking protection on leather and shoes and at the same time asking for free hides and to put an additional charge of a fifth of a cent a pound on the consumers of beef? What is their motto? I should like to hear that read again.

Mr. WARREN. I had it here a moment ago. To tell the truth, they have mangled both truth and sentiment so much that my mind is not as clear as it was on the subject.

Mr. DIXON. But the Senator read the motto of these 700 men.

Mr. WARREN. If I remember it, it was "Equal rights to all and special privileges to none." I think that is the motto of the alleged 700 men that appeared here, through an official association document, suggesting that while an additional charge of a fifth of a cent per pound on meat will hardly be necessary; yet if necessary, it may be made, and 90,000,000 people may contribute every day to it.

Now, as to the number of cattle: The Boot and Shoe Recorder gives us credit for having between seventy-three and seventy-four million cattle. They are generous in that. The Agricultural Department gives us something over 71,000,000 on January or February 1, 1909. On January 1, 1897, we had not quite forty-six and a half million head. The increase during that period of ten years has all been under taxed cattle hides. It is true that the duty is small. The farmer supposed when the bill left the Senate that he was to have a duty of 20 per cent upon all hides of cattle, skins of calves and kips. He supposed when it came back from the conference that he was to have a duty of 15 per cent, as the bill read. He got that amount of protection for a little more than a year. Then the importers, who are always rapping at the door of the custom-house and always present, while the farmer is hardly ever there, succeeded in getting a ruling that calf and kip skins as commercially known were skins, and therefore not cattle hides, and so they suspended further collection of the duty. Then the farmer, always humble and patient, did not appear, but, through newspapers and letters, inquired: "Please tell us how you are going to know which is a kipskin and which is a cattle hide?" So the appraisers got together and concluded—and I submit that it was an arbitrary ruling—that 25 pounds should be the outside measure of a calfskin or a kipskin, and the underside measurement of a cattle hide.

It must have surprised even the calves and the kips to know that the time when the change from childhood to puberty came was when their skins weighed 25 pounds.

Well, Mr. President, there may be somebody on this floor who can explain this; and if there is, I hope he will tell us just how and just why a calf has to remain a calf or a kip remain a kip until its skin weighs more than 25 pounds. And just when he may arise and bellow in his place and say at the proper time, "I am now in the cattle class and no longer a kip or a calf, because my skin weighs 25 pounds." Alas, alas! the poor bull which might have that privilege in his lifetime, and might enjoy it, must be killed and dead and gone before his skin can be weighed.

Mr. HEYBURN. Mr. President, I should like to ask the Senator from Wyoming whether it is not true, also, that the improvement in the breed of cattle produces a lighter skin; that high-bred stock carries a lighter-weight skin than stock that is not finely bred?

Mr. WARREN. It is true.

Mr. President, I am now going to venture into that which I may not be able to prove so clearly as I did by the record yesterday, and may not have so important a witness to substantiate it. I refer to the way the language was changed from the old language in describing hide duties. I undertake to say that the subcommittee that framed that amendment, the committee that accepted it, the Senate that passed it, had no more idea that it was going to be construed as it has been than that the entire bill would be cast aside because of some error in construction. A member of that subcommittee was the late Senator Wolcott, of Colorado. He was from a cattle-growing country, and to a degree he represented on that committee that interest. Those with him were the Senator from Rhode Island, the Senator from Connecticut, and the Senator from Iowa.

The Senator from Iowa agreed with him that there should be a tax. But it was strongly represented by those who bring in sheepskins and goatskins in pickle, after the wooled skins have been taken out, that the children of the poor and the women of the poor largely wore shoes and gloves made from that class of leather, and that it did not conflict materially with any home industry, in that when we killed mutton we sold the hide with the wool on. So the old language of "all skins except furs" was dropped and they put in "hides of cattle," expecting to let in goatskins and sheepskins without wool free. Under another provision wool sheepskins were admitted at the duty on wool less 1 cent per pound. And, by the way, that was a concession. From time immemorial up to that time the tariff on sheepskins had been the same on wool skins as on wool itself. But 1 cent was taken off there to cover the expense of pulling and the possible injury that might come to the wool while preserving the hide.

That, Mr. President, is the way that discrimination occurred. I wish to remind the Members of the Senate that the farmers—long-suffering and enduring people under these circumstances—have not filled our archives with documents nor our corridors with representatives asking that that duty might be restored;

they have simply said they were sorry, and they did not think it was right; and they let it go at that.

I want to mark this proposition. I want at this point that the Senate should particularly note—as Senators will see if they will take up the testimony given over in the House—that the main complaint of the tanners and the heavy-weight shoe men is not that they are paying 15 per cent upon hides, but that calfskins and kips are let in free to compete with them and compete with sole leather, which bears a duty.

Now, I have finished on the hide question for the moment. I will next take up the tanning proposition, if I may have patient attention for a while. I will read not all of the figures, but a few of the more prominent, and will ask permission to include the others in my remarks. But I want to make this proposition—and I hope, if I am wrong, someone will correct me. I do not, however, want to be corrected only with assertions that are found in circulars. I want to be corrected with official figures to match mine that I produce from the files of the United States.

I want to say that the time when boots and shoes, when leather, when tanning, when all things connected with the hide and leather industry have been prosperous has been the time when there was a tariff on hides; and I am going to say that while there was a measure of prosperity when hides were free, that measure of prosperity was so much smaller that there is a glaring difference between the two, and it is always in favor of the time when we had a tariff on hides.

I do not say that all the rise in hides is because of the small tariff that we put upon hides. The hides of this country have been in greater demand. But it will not do, Mr. President, to say that in spite of the tariff, and with no credit to it, we have been prosperous, when you examine the figures and find that, without a single exception, taking a term of years, free-hide periods have been those of dullness and dutiable-hide periods have been those of prosperity.

The tanners are the ones who are making the greatest complaint. Now, let us see what the tanners have been doing.

We will take, in the first place, the period from 1900 to 1905, because that is the first period after the enactment of the Dingley law, for which we have official figures. We find that the capital invested in the tanning industry in 1900 was one hundred and seventy-three millions plus; that in 1905, five years later, it was two hundred and forty-two and one-half million dollars plus; that it had increased the first five years under a tariff 40 per cent in amount of capital invested. You may say that that may not show much. Well, let us proceed. During the same period the number of salaried officials increased 30 per cent. The salaries increased 50 per cent. It will be noticed that the salaries increased faster than the wage-earners. In this great industry that is so careful to provide for the wearers of shoes, it will not promise any relief except the back-handed proposition that they may pay a fifth of a cent a pound more for their beef in order to give a few tanners free hides. We find that while the salaries of a little over 3,000,000 people were raised 50 per cent, the salaries of the wage-earners, 57,000,000 of them and more, were only raised 10 per cent; but the total wages and salaries together amounted to 20 per cent more.

The only decrease that occurred was in the number of the tanneries. But I want to allude to the condition of affairs in 1880, and you will mark the date. It was right after they had had taxed hides. They had had taxed hides up to 1872, and in 1880 they had 5,628 tanneries. In 1890, after ten good years of business, ten long years of free hides, that number of tanneries had been reduced to 1,787, a reduction in ten years from over 5,600 to a little over 1,700.

Now, we will go back a little. Let us go to 1880, and see how much capital was invested. I will tell you. They had $73,000,000 and something invested, and they ought to have been prosperous in those times of free hides if their theory is correct. They ran it up to $98,000,000 only in 1890. That is an increase of $24,000,000 in ten years, or a little over—no; not quite—two and a half millions per year. That is pretty good under free hides. They did pretty well in those ten years. But, now, what happened? Why, we put a tariff on hides, and they increased in the next five years thirteen and a half million dollars per year, as against two and one-half under free hides. That is the gain made under the first period of five years of a tariff on hides. They gained over five times as fast under taxed as under free hides.

Again, the wage-earners increased under free hides 312 per year in number, and they increased 1,020 per year under taxed hides—three and one-half times as fast.

Now, let us go to the value of their product. The value of their product in 1880 was $200,264,944. These were the so-called "high and piping times of prosperity" under free hides! In ten years, in 1890, under free hides, their product decreased from two hundred and odd million dollars to $172,136,092—over $28,000,000 decrease in ten years under free hides, or 14 per cent decrease in ten years.

Following that decrease of $28,000,000 in ten years under free hides, we turn around, and in the first five years that follow, under taxed hides, there was an increase of over forty-eight and a half million dollars in the value of their product, or over 28 per cent.

Mr. PAGE. What year is that?

Mr. WARREN. These are the years, first from 1880 to 1890, then from 1900 to 1905. There was a decrease of more than 14 per cent under free hides and a gain of over 28 per cent under protected hides.

Mr. DIXON. Does the Senator mean 1905 or 1895?

Mr. WARREN. Nineteen hundred and five. I first gave the period from 1880 to 1890. That was the period of free hides. That is the full period between the censuses. I next gave you the period from 1900 to 1905, the first straightaway five years after we were under taxed hides. I will here submit the full tables from which I have quoted:

THE TANNING INDUSTRY.

That the tanning industry of the United States is in good condition and has not suffered because of the duty on hides, is shown by an examination of the reports made on the industry by the United States Census Bureau.

The capital invested in the tanning industry increased from $173,977,421 in 1900 to $242,584,254 in 1905.

The number of salaried officials, clerks, etc., increased from 2,442 in 1900 to 3,251 in 1905.

The salaries increased from $3,158,842 in 1900 to $4,451,906 in 1905.

The wage-earners increased from 52,109 in 1900 to 57,239 in 1905.

The total wages increased from $22,591,091 in 1900 to $27,049,152 in 1905.

The miscellaneous expenses increased from $7,023,416 in 1900 to $12,498,501 in 1905.

The cost of materials used increased from $155,000,004 in 1900 to $191,179,073 in 1905.

The value of products increased from $204,038,127 in 1900 to $252,620,983 in 1905.

The only decrease shown by the census statistics was in the number of establishments, from 1,306 in 1900 to 1,049 in 1905, this being due to consolidations and reorganizations.

These figures, covering five years of the history of the industry under the Dingley bill, show a commendable and uniform growth in the industry which does not accord well with the protestations in behalf of the tanners, not made by the tanners themselves, but mainly by the boot and shoe manufacturers.

In comparison with the business under 15 per cent tariff, let us take the figures under free trade in hides from the years 1880 to 1890:

The number of establishments decreased from 5,628 in 1880 to 1,787 in 1890.

The capital invested increased from $73,383,911 in 1880 to $98,088,698 in 1890, an increase of $24,704,787 in ten years of free hides as against the increase of $68,606,833 under dutiable hides in the five years 1900 to 1905. In other words, under free hides the increase was two and one-half millions per year and thirteen and one-half millions per year with dutiable hides.

The wage-earners increased in number from 40,282 in 1880 to 43,392 in 1890, an increase of 3,112 in ten years under free hides as against an increase in the five years under dutiable hides—1900 to 1905—of 5,130, being an increase under free hides of 312 per year as against an increase under dutiable hides of 1,020 per year.

The value of products decreased from $200,264,944 in 1880 to $172,136,092 in 1890, a decrease of $28,128,852 in ten years under free hides as against an increase of $48,582,859 in five years—1900 to 1905—under dutiable hides.

So much for the tanners. The next thing we turn to is boots and shoes. Let us see what the makers of boots and shoes in the United States did under free hides and under taxed hides.

The value of their product in 1880 was $166,000,000 plus. In 1890 it was $220,000,000 plus. In 1900 it was $259,000,000 minus. It will be observed that in that period of ten years when they had absolutely free hides they had increased only from $220,000,000 plus to $258,000,000 plus. From that time to 1905, five years instead of ten, they had increased to $320,000,000 plus.

Under free hides they increased 2½ per cent per year, and under dutiable hides they increased over 4½ per cent, about 100 per cent difference in favor of taxed hides to the boot and shoe makers in those comparative years.

AS TO MASSACHUSETTS.

In 1905 there were 887 boot and shoe establishments in Massachusetts. They decreased in number, and in 1907 there were 729 of them. But I want to say that in my research in the manufactures of woolens, the manufactures of leather, and the manufactures of shoes, and as far as I have gone in other manufactures, there has been, under free trade and under tariff, under the Wilson bill and under all, a like tendency toward reducing the number of establishments and increasing their size. So that when I make this statement about the number of boot and shoe establishments in Massachusetts decreasing, I want to state distinctly that the actual boot and shoe business there has greatly increased. Massachusetts is the great

capstone of this industry, and she has more boot and shoe manufacturers and does more of this business than any other State. In fact, she is the head and front and brains of this movement for free hides. If she gains it, Massachusetts should have all the credit.

Massachusetts has stood in her place all these years and demanded free raw materials with a consistency that I admire, although I do not sanction it. It has been "free wool" until most of our friends in Massachusetts have given that up. It has been, and is still, for "free iron ore;" I have letters not a month old from ex-governors and others asking that they may have free iron ore. Massachusetts wants free coal, of course. It is to its interest to have spotted protection. If it comes to that, that each man is for himself and the devil take the hindermost, then Massachusetts is right, and those who go with her can demand a tariff upon everything one sells and demand free trade for everything one buys. It is a glorious theory for the man who is rolling in wealth accumulated under the application of that doctrine. But, unfortunately, men do not always accumulate wealth under it. When you come down to facts, they really accumulate wealth more rapidly all around when they have a tariff, and have it on the raw material. And even with all respect to Massachusetts' judgment and to the distinguished senior Senator from Massachusetts, I am not going to permit Massachusetts, if I can help it, to come in here and commit hara-kiri and cut down her own profits and those of other States and people by having free raw material, when the record shows that they make more money when they do not have free raw material and when the producer of their so-called "raw material" has his part of the protective-tariff returns.

As to the amount of business, the value of the product of boots and shoes in Massachusetts alone shows an increase of 35 per cent in three years, or over 12 per cent per annum increase in the boot and shoe manufactures of Massachusetts alone.

Now we come to the imports of boots and shoes into the United States, and the exports of leather. Here are the imports of boots and shoes. I want to say—and I am glad to say it now while the Senator from Massachusetts is here—that Massachusetts and all the States that are making boots, shoes, and leather to-day are receiving the benefit of what we did in the Dingley Act of 1897, notwithstanding the damage claimed by reason of the imposition of a duty on hides, which it was also, but erroneously, claimed was only inserted in the conference at a late hour. Instead of the cattle raisers being humored by the Finance Committee in the Dingley bill of 1897 in a crooked transaction, as is sometimes claimed by the tanners and boot and shoe men, and being given a tariff in the dark, in the last hours of a conference Congress put a tariff on boots and shoes and leather higher as to some of them than ever before, with the distinct understanding that it was to be 20 per cent upon all hides and skins of cattle regardless of age and weight. When they took one-quarter of it off and reduced it to 15 per cent, Massachusetts and all the boot and shoe States interested with her had 25 per cent protection upon that which had received but 10 and 15 per cent at different times before, and on which she should have not more than a 10 per cent margin. So she has had in all these years since 1897 a tariff protection of 5 per cent extra, which may or may not account for the great prosperity which that great State has or which any State in the Union has obtained in this particular industry. All had the cream off of the transaction. Boots and shoes did not go down in the scale of protection in conference as the hide had to go down.

The boot and shoe industry we will take from 1900 to 1905: The capital invested in that industry increased from $99,000,000 plus to $122,500,000 plus, nearly 23 per cent. The increase of officials, and so forth, was from 7,700 plus to 8,800 plus, and the increase in salaries from $7,500,000 plus $8,500,000 plus. The increase in the wage-earners in number was from 141,000 plus to almost 150,000, and right here is where I want you to notice the disproportion between the increase of salaries of salaried officers and the pay of wage-earners. There is a sorrowful sequel to it, to which I will allude later, the disproportion in the expenditures, and all to the discredit and to the discomfort of the workingman, not to the salaried officer. Passing over the miscellaneous expenses and the cost of material, and so forth, all of which I have here and will insert, I come to the profit and I find that from 1900, when it fell as low as $168,000,000 plus, to 1905, it rose to $320,000,000 plus, almost double in five years under taxed hides. In all this great increase, in all this prosperity, I want to call attention to one fact, and it is a deplorable one. It is that every figure is on the increase until you come to the total of wages, and there we find the wages have decreased in boot and shoe manufacturing from $60,000,000 plus to $58,000,000 plus.

Mr. LODGE. The wage figure has not decreased. The wages are higher.

Mr. WARREN. I will state the facts nevertheless.

Mr. LODGE. That is, the number of factories has increased.

Mr. WARREN. I will be as fair as the Senator is. They have increased per capita; and I want to give credit to the Senator for improvements and machinery, which created a considerable expense in themselves but nevertheless cut down the proportion of man's labor and reduced the number of workmen. But here we are increasing along the whole line of expense. Higher salaries are being paid, but in the total pay to the wage-earner there is a visible decrease of $2,000,000. I am satisfied that is due partly to improved machinery that has gone into those factories, and until quite lately improved patented machinery has been one of the inestimable assets of the manufacturer. But to-day, as the Senator so well said, they are taking advantage of this machinery abroad; they are putting it up, and with skilled men taken from Massachusetts and other places who know how to run this machinery, foreigners are going to be formidable competitors. Therefore, as the distinguished Senator has said, there ought to be a tariff on boots and shoes, and there will be a tariff on boots and shoes so long as the farmers' products and the others along the line are protected. But when Massachusetts and other States here and there say it must be free trade upon everything they buy and tariff duty upon everything they have to sell, there will be a parting of the ways and a substantial change in the tariff situation of this country. The tariff map will look decidedly different when the matter is carried to a final issue.

I submit here some tables of figures about boots and shoes, from which I have quoted, and ask that they may be printed:

Boots and shoes manufactured in the United States.

	Value of product.
1880	$166,050,354
1890	220,649,358
1900	258,969,580
1905	320,107,458

Under free hides, 1880 to 1900, increase of 50 per cent, or 2½ per cent per year.

Under dutiable hides, 1900 to 1905, increase of 26 per cent, or 4½ per cent per year.

Imports into the United States of boots and shoes made of leather.

		Value.	Duty.
1904	duty, 25 per cent	$162,066.50	$40,516.66
1905	do	149,435.37	37,354.41
1906	do	155,842.40	38,960.71
1907	do	164,509.30	41,127.46
1908	do	129,075.47	$2,268.92

Decrease in imports into United States of 25 per cent in five years, or 5 per cent per annum decrease.

Exports.

	Pairs.	Value.
1898	1,307,031	$1,816,538
1899	1,934,277	2,711,385
1900	3,016,720	4,276,056
1901	3,492,041	5,526,290
1902	3,966,766	6,182,698
1903	4,197,566	6,665,017
1904	4,642,531	7,238,940
1905	5,315,699	8,057,697
1906	5,672,249	9,142,748
1907	5,833,914	10,666,949
1908	6,552,412	11,469,559

Increase in exports in ten years under dutiable hides of $9,653,021, or 500 per cent, over 50 per cent per annum increase.

Exports of leather and all manufactures of leather, including boots and shoes, have grown steadily from $23,466,985 in 1899 to $40,688,619 in 1908, nearly double.

These figures and statistics, apparently dull and meaningless, are fraught with interest when interpreted in relation to the industry of boot and shoe manufacture.

Think of it; under this iniquitous burden of 15 per cent duty on hides, the boot and shoe manufacturers of the United States have grown from $258,969,580, in 1900, to $320,107,458, in 1905, a gain of 26 per cent.

The exports of manufactures of boots and shoes has grown while this pernicious duty on hides has been in force from $1,816,538, in 1898, to $11,469,559, in 1908, an increase of over 500 per cent in ten years.

Against this enormous export trade the imports into the United States are almost nil. In 1904 they were $162,066.50; in 1908, but $129,075.47, a falling off of 25 per cent.

No other industry in the United States can make such a favorable showing: An increase in five years of 25 per cent, an increase in foreign trade in ten years of 500 per cent, a decrease in competition from abroad in four years of 25 per cent, and in Massachusetts an increase of business in three years of 35 per cent, or 12 per cent per annum. And all this with a duty of 15 per cent on hides.

The census statistics of the boot and shoe industry in the United States show a healthy condition in that industry.

The capital invested in the boot and shoe industry increased from $99,819,233, in 1900, to $122,526,093, in 1905, or 22.7 per cent.

The number of salaried officials, clerks, etc., increased from 7,779 in 1900 to 8,811 in 1905.

The salaries increased from $7,669,949 in 1900 to $8,706,682 in 1905.

The wage-earners increased from 141,830 in 1900 to 149,924 in 1905.

The total wages increased from $58,440,883 in 1900 to $69,059,680 in 1905.

The miscellaneous expenses increased from $10,669,402 in 1900 to $19,293,634 in 1905.

The cost of materials used increased from $168,632,654 in 1900 to $197,363,495 in 1905.

The value of products used increased from $168,632,654 in 1900 to $320,107,458 in 1905.

The only decrease was in the number of establishments, being from 1,599 in 1900 to 1,316 in 1905.

In comparison with the substantial increase in business in the "dutiable-hide" period, 1900–1905, the showing from 1890 to 1900, part of which was under "free hides," is not so favorable.

In this period the number of establishments decreased from 2,082 in 1890 to 1,599 in 1900.

The capital increased from $95,282,311 in 1890 to only $99,819,233 in 1900, an increase of but 4.8 per cent, as against an increase of 22.7 per cent from 1900 to 1905.

The number of officials, clerks, etc., increased from 5,643 in 1890 to 7,779 in 1900.

The salaries increased from $5,707,931 in 1890 to $7,669,949 in 1900.

The wage-earners increased from 133,090 in 1890 to only 144,830 in 1900.

The total wages decreased from $60,667,145 in 1890 to $58,440,883 in 1900, a decrease of 3.7 per cent, as against an increase of 18.2 per cent from 1900 to 1905.

Miscellaneous expenses increased from $9,217,519 in 1890 to $10,669,402 in 1900, an increase of 15.8 per cent as against an increase of 80.8 per cent from 1900 to 1905.

Cost of materials used increased from $118,785,831 in 1890 to $168,632,654 in 1900.

Value of products increased from $220,649,358 in 1890 to $258,969,580 in 1900, an increase of 17.4 per cent as against 23.6 per cent from 1900 to 1905.

Despite great gains made in many other States, Massachusetts retains its leadership in the industry.

The increase in capital reported for Massachusetts in 1905 as compared with 1900 was $11,952,098, or 31.8 per cent, and in value of products, $27,176,183, or 23.2 per cent. These are by far the largest absolute increases shown for capital and value of products for any State.

Mr. President, I have waited in vain, I expect to wait in vain, for any proof that the farmer does not get the benefit of the protective tariff on hides. The only attempt to prove the assertion is based upon the statement that there is a monstrous trust in Chicago which takes all the benefits, and that all the other tanneries are subservient, and all of the wearers of boots and shoes will soon be subservient, to that great trust. I have asked the question not once, but twice, and I will again ask it now, for anyone to answer if he can: How are free-hide advocates going to prevent the packers—the trust, if they wish to call it such; I will not quarrel about that, I will join them in regulating that trust and holding it down in any legitimate way—from reaping benefits in excess of those enjoyed by the leather trust in any tariff changes? I ask any Senator or anybody to answer the question, What difference is it going to make with the packers, who are able to go to Argentina and buy hides or buy them in any country, and to put their manufactories and tanneries along the Atlantic coast, if necessary, just as well as in any other place, and who now have only 27, some say 30, tanneries out of over a thousand? Ten years ago we had exactly those same old stereotyped statements in the free-hide text-books about the languishing industry of tanning and boots and shoes that are now put forth.

We did not, however, hear anything then about either the leather trust that was then oppressing the country or the cattle or packers' trust that since then has been discovered by this text-book. All that has been given out since Upton Sinclair's book, The Jungle, was published. Even the Senate was nearly by the ears at one time as to certain inspection laws, but the Senate very properly rose to the occasion and put a law upon the statute books that not only furnishes excellent protection for our own people as to clean meat, but also furnishes sufficient protection so that foreign countries can not raise their hands and say this inspection is paid for by the packers and is entirely in their interests. On the contrary, the meat is inspected in such a way that foreign buyers can say that the great Agricultural Department of the Government, under pay from the Government, inspects the animals before they are killed; also the meat after animals are killed; and, therefore, if this country has meat to export, foreigners will buy it.

How do you expect the farmers will feel about a tariff bill which exempts from duty and makes free those things upon which they are absolutely dependent for a reasonable profit, like hides, when at the same time they are called upon to submit to 35 per cent ad valorem protection upon harness, saddles, and other leather articles with which they conduct their business?

Is it not a little pathetic that when a Wyoming farmer kills a beef creature he may be compelled to haul the hide away and bury it to prevent its becoming a nuisance, while at the same time the boots he wears when doing this duty and the harness worn by his horses which haul the hide away to the dumping place or the saddle on which he rides and around which is fastened a protected piece of cordage, its end being looped about the hide to be pulled away and buried, have all been assessed against him at good rates?

And yet this is just what his condition was during the years when there was no tariff on hides and when the leather trust had full sway and brought in as ship ballast its foreign hides. Small wonder that the packer was driven to tan the hides taken from his slaughtered animals.

Is it fair to ask the farmer to destroy, to put out of existence, valuable property, as hides certainly are, simply for the lack of a 15 per cent revenue tariff, if you will, in order that foreign countries may be enabled to sell their hides to this country, transported to the leather trust by tramp ships, that have no reason to ask our protection, simply that the leather trust may make a little larger profit and pay a little larger percentage upon the swollen volume of watered stock that the parent company and the constituent companies of the trust have inflicted upon a long-suffering public?

This condition prevailed in the Western and Rocky Mountain States.

Yes, Mr. President, thanks to Upton Sinclair and other causes, it becomes safe for the beef trust, so called, to be pursued by another trust, more obscure, perhaps, just at present, but nevertheless with just as wide a maw for sucking down the profits arising from all industries which it reaches—that is, the leather trust.

Ah, but there are independent tanners, it is said. Yes; and there are independent packers, too; and we can assert without any fear of contradiction that the leather trust more completely dominates the price of leather than the beef packers dominate the price of beef. My information is that the leather trust has many more associate concerns and a much stronger hold upon them than the beef trust has in the case of its associates—this by their own statements.

I ask leave to print in the RECORD a list of tanners, as shown by the Shoe and Leather Reporter, in the year 1907.

TANNERS.

[From Shoe and Leather Reporter, 1907.]

Acme Leather Company, Central Falls, R. I.
Adams Brothers, Lebanon, Ind.
Adams, A. M., & Son, Johnstown, N. Y.
Aeppli & Erickson, Chicago, Ill.
Aiken & White, Cumberland, Ohio.
Alabama Harness Company, Guntersville, Ala.
Albany Tanning Company, Albany, Oreg.
Alexander, James C., Freedom, N. H.
Allen, Bona, Buford, Ga.
Allen, E. R., & Co., Jeareldstown, Tenn.
Allen, F. M., Lynn, Mass.
Allen, R. H., Buford, Ga.
Allen's, N. R., Sons' Tannery Company, Kenosha, Wis.
Alpena Hide and Leather Company, Alpena, Mich.
Altland, A. D., Dillsburg, Pa.
American Chrome Tanning Company, Newark, N. J.
American Hat Leather Company, Newark, N. J.
American Hide and Leather Company, New York City. (Tanneries in various parts of the country.)
American Lace Leather Company, Richmond, Va.
American Oak Tanning Company, Cincinnati, Ohio, and New Decatur, Ala.
American Oak Leather Company, Cincinnati, Ohio, Louisville, Ky., and Chicago, Ill.
American Oak Leather Tanning Company, Jacksonville, Fla.
American Patent Kid Company, Essington, Pa.
American Patent Leather Company, Newark, N. J.
Ammond, P. T., Rural Valley, Pa.
Andrews, J. J., & Son, Wolf Glade, Va.
Anniston Oak Tannery, Anniston, Ala.
Anstedt, C., Leather Company, Milwaukee, Wis.
Anti-Oak Leather Manufacturing Company, Los Angeles, Cal.
Argersinger, P. P., & Co., Johnstown, N. Y.
Argo Leather Company, Chester, Pa.
Argue & Wyles, Lockport, N. Y.
Armstrong Leather Company, Peabody, Mass.
Artzberger, L., Fairfield, Pa.
Ashland Leather Company, Chicago, Ill., and Ashland, Ky.
Ashtabula Hide and Leather Company, Ashtabula, Ohio.
Atlanta Tanning and Manufacturing Company, Atlanta and Duluth, Ga.
Atlantic Leather Company, Newark, N. J.
Auman, F. H., Asbury, N. C.
Austin, J. L., Salem, Mass.
Ayer Tanning Company, Ayer, Mass.
Ayers, S. M., Leather Manufacturing Company, Carnesville, Ga.
Badger State Tanning Company, Sheboygan, Wis.
Baker, W. W., Tanning Company, Hallsboro, Va.
Bakersville Hide and Leather Company, Bakersville, N. C.
Ballard Leather Company, Woburn, Mass.
Ballard Stone Japanning Company, Woburn, Mass.
Balz Brothers & Finkeldey, San Francisco, Cal.

Barber Leather Company, North Adams, Mass., Readsboro, Vt., and Rensselaer, N. Y.
Bardes, Christian, Sons, Cincinnati, Ohio.
Barlow, E. D., Watertown, Conn.
Barlow, H. P., Manufacturing Company, Watertown, Conn.
Barnes, H. K., Salem, Mass.
Barnet, J. S., & Son, Lynn, Mass.
Barnet Leather Company, Little Falls, N. Y.
Barr, J. C. & S. E., West Lebanon, Pa.
Barry, James F., Danvers, Mass.
Barth, August Leather Company, New Albany, Ind.
Bartlett, Charles O., Gloversvills, N. Y.
Bates, William, Blandford, Mass.
Baugher, H. G., Aspers, Pa.
Bayer Tanning Company, Des Moines, Iowa.
Bay State Belting Company, Salem, Mass.
Bay View Hide and Tanning Company, San Francisco, Cal.
Beatty, J. W., & Co., Saco, Me.
Beck Tannery Company, Spring Creek, Pa.
Beckwith & Hilteman Brothers, West Winfield, N. Y.
Beckwith Leather Company, Chadwicks, N. Y.
Beegar Tanning Company, Redwood City, Cal.
Beggs & Cobb, Winchester and Woburn, Mass.; Watauga, Tenn.; and Confluence, Pa.
Bennett, C. G., & Co., Rohnerville and San Francisco, Cal.
Bernard, Albert, Newark, N. J.
Bernstein Brothers, Newark, N. J.
Bertram, A. D., & Co., Keezletown, Va.
Besee, Everett F., Albion, Me.
Besse, Frank L., Clinton, Me.
Birely, George K., & Sons, Frederick, Md.
Bissinger & Co., San Francisco, Cal.
Blanchard Brothers & Lane, Newark, N. J.
Blank Brothers, Winchester, Mass.
Blanton, A. B., Tannery, Ellenboro, N. C.
Blatz, F. J., & Bro., Elizabeth, N. J.
Bleyl, J. C., Gloversville, N. Y.
Blissfield Robe and Tanning Company, Blissfield and Hudson, Mich.
Blodgett, George, Bucksport, Me.
Bloom, Samuel, & Sons, San Francisco, Cal.
Bluefields Tanning Company, Bluefields, W. Va.
Blue Ridge Tannery, Buena Vista, Va.
Boeshaar, Charles, & Son, Lower Salem, Ohio.
Bolard & Ross, Cambridge Springs, Pa.
Bond, C. W., Nickelsville, Va.
Bowersville Tannery Company, Bowersville, Ga.
Boyle, T. F., & Co., Woburn, Mass., and Milford, N. H.
Boyne City Tanning Company, Boyne City, Mich.
Bradford & Sons, Statesville, N. C.
Bradford Brothers, Glasgow, Ky.
Bradt, Harry R., Gloversville, N. Y.
Brainerd, C. R., & Co., Peabody, Mass.
Brand, Jacob, Marietta, Ohio.
Brandon & Delaperriere, Hoschton, Ga.
Brann, C. J., Philadelphia, Pa.
Bretney, H. V., Company, Springfield, Ohio.
Bristol Patent Leather Company, Bristol, Pa.
Britton Leather Company, Brewer, Me.
Bradley Leather Company, Salem, Mass.
Broderick's, John, Sons, Dorchester, Mass.
Brodie, Benjamin, North Evans, N. Y.
Brown, George, Concord, N. C.
Buchsieb, Charles W., Columbus, Ohio.
Buckman & Kean, Woburn, Mass.
Buffalo Leather Company, Buffalo, N. Y.
Burke, R., Johnstown, N. Y.
Burke Tanning Company, Morgantown, N. C.
Burt Wool and Leather Company, Ogdensburg, N. Y.
Butler, E. C. & Co., Scottsville, Va.
Byron, W. D. & Sons, Williamsport, Md.; Chambersburg and Mercersburg, Pa.
Caffrey Leather Company, Newark, N. J.
Cain, J. R., Kokomo, Ind.
Calais Tanning Company, Calais, Me.
Caldwell Tanning and Manufacturing Company, Auburn, Ky., and Nashville, Tenn.
California Oak Leather Company, Redwood City, Cal.
California Tanning Company, St. Louis, Mo.
Caller, George F., Chelsea, Mass.
Callery, James, & Co., Pittsburg, Pa.
Campbell, John, & Co., Monticello, N. Y.
Cannon Falls Tannery, Cannon Falls, Minn.
Cappon & Bertsch Leather Company, Holland, Mich.
Carlisle, F. W. & F., Saginaw, Mich.
Carr Leather Company, Salem, Mass.
Carroll Oak Tanning Company, Westminster, Md.
Cartwright-Mattson Company, Manitowoc, Wis.
Casco Tanning Company, Portland, Me.
Cavender, J. W., Tunnel Hill, Ga.
Century Enameling Company, Yardley, Pa.
Chalkley, B. D., & Co., Winchester, Va.
Chandler, Obed F., Strasburg, Va.
Cherry River Tanning Company, Richwood, W. Va.
Cherokee Tanning Extract Company, Andrews, N. C.
Chester Enameling Company, Chester, Pa.
Chicago Rawhide Manufacturing Company, Chicago, Ill.
Chicago Tanning Company, Chicago, Ill.
Chittenden, William, Racine, Ohio.
Chrome Tanning Company, Cincinnati, Ohio.
Cincinnati Chrome Leather Company, Cincinnati, Ohio.
Clark, A. B., Company, Bridgeton, Me., and Peabody, Mass.
Clark, H. W., Leather Company, Woburn, Mass.
Clerk, George, Peabody, Mass.
Cleveland Tanning Company, Cleveland, Ohio.
Coe & Brown, New Haven, Conn.
Cohn, Levin & Bro., Lancaster, Pa.
Colonial Leather Company, Chicago, Ill.; Milwaukee, Wis.; and St. Louis, Mo.
Concord Tannery, Concord, Pa.
Conduff, J. T., Willis, Va.
Cone Brothers, North Randolph, Vt.
Connelly, Mrs. J. E., Rome, Ga.
Conneaut Leather Company, Conneaut, Ohio.
Conrad Brothers, Milwaukee, Wis.
Conrad Tanning Company, Louisville, Ky.
Cook, J., Los Angeles, Cal.
Cool, Eli, Johnstown, N. Y.
Corder, T. W., Emeryville, Cal.
Cottle Leather Company, Woburn, Mass.
Corona Kid Manufacturing Company, Bristol, Pa.
Corwin Manufacturing Company, Peabody, Mass.
Counihan, John, & Sons, San Francisco, Cal.
Cover, F. P., & Son, Andrews, N. C.
Cover, J. R., & Sons, Elkton, Va.
Covington Tanning Company, Covington, Va.
Craft, Thomas, Vallonia, Ind.
Crawford, J. K., & Sons, Williamsport, Pa.
Creese & Crook Company, Danversport, Mass.
Crehore, J. S., & Co., Peabody, Mass.
Crescent Leather Company, Newark, N. J.
Crisler, B. F., Canton, Ga.
Crissman, A. J., New Paris, Pa.
Crosby Frisian Fur Company, Rochester, N. Y.
Crow Blacking Company, Canton Junction, Mass.
Cummings, E., Leather Company, Woburn, Mass.
Cummings, M. M., Newark, N. J.
Curtis, J. G., Leather Company, Ludlow, Pa.
Cutler & Heller, Millville, Pa.
Dahm, H. C., & Co., Grand Rapids, Mich.
Davis, J. W., Ashland, Ohio, and Winchester, Va.
Davis, Medary & Platz Company, La Crosse, Wis.
Day Leather Company, New Albany, Ind.
Deal Tanning Company, Dealville, N. C.
Dean, J. W., Bellefontaine, Ohio.
Deeds, J. C., Baltimore, Md. Tanneries at Covington and Luray, Va.
Degelow, Ernest, & Son, Shelbyville, Ind.
Deichsel Brothers, Johnstown, N. Y.
Devanney, Daniel, St. Louis, Mo.
Devlin, Thomas, Tanning Company, Arcata, Cal.
Divie Tannery, Bristol, Tenn.
Dodge, A. E. & H. E., Lynn, Mass.
Donohue Brothers Leather Company, Lynn, Mass.
Dorey, Daniel, Philadelphia, Pa.
Dorsey, J. L., Albertville, Ala.
Dowden, Joseph, Coldspring Harbor, N. Y.
Downes, W. J., Port Republic, Va.
Drueding Brothers, Philadelphia, Pa.
Dudley, Geo., & Son Company, Winsted, Conn.
Duffy, J. N., Leather Manufacturing Company, Eldred, Pa.
Duncan, H. J., Lynn, Mass.
Dunn, Green Leather Company, Hudson, Mass.
Duttera, V. W. S., Gettysburg, Pa.
Dysart, J. S., Marion, N. C.
Eagle Tannery, San Francisco, Cal.
Eagle Tanning Company, Elizabethville, Pa.
Eagle Tanning Works, Chicago, Ill., Grand Haven and Whitehall, Mich.
Eastman, H. E., Limerick, Me.
Eberhard Tanning Company, Santa Clara, Cal.
Eberle, Dominick, Baltimore, Md.
Eberle Tanning Company, Westfield, Pa.
Eclipse Leather Company, Toccoa, Ga.
Eclipse Tanning Company, Newark, N. J.
Ede Robe and Tanning Company, Dubuque, Iowa.
Edgerton, J. M., Goldsborough, N. C.
Eisendrath, B. D., Tanning Company, Chicago, Ill., and Racine, Wis.
Eisendrath, J. N., & Co., Chicago, Ill.
Eisendrath, Schwab & Co., Chicago, Ill.
Elkert Brothers, Milwaukee, Wis.
Elkins Tanning Company, Elkins, W. Va.
Elk Tanning Company, Ridgeway, Pa. (Tanneries in various parts of Pennsylvania.)
Elliott, John H., Newark, N. J.
Elysburg Tannery (William Pensyl), Elysburg, Pa.
England, Walton & Co., Philadelphia, Pa. (Tanneries in various parts of the South.)
Erie Leather Company, Erie, Pa.
Espe, H. O., Mattawana, Pa.
Essex Tanning Company, Peabody, Mass.
Essington Enamel Company, Essington, Pa.
Eureka Tanning Company, East Oakland, Cal.
Evansville Leather and Belting Company, Evansville, Ind.
Excel Leather Company, Danversport, Mass.
Excelsior Tannery, San Francisco, Cal.
Excelsior Oak Tanning Company, Louisville, Ky.
Falls City Tannery, Louisville, Ky.
Faust's, A. D., Sons, Ambler, Pa.
Faulk, S. G., Ringgold, Pa.
Fear & White, Gloversville, N. Y.
Federal Oak Leather Company, Columbus, Ohio.
Felton, Alonzo, Philadelphia, Pa.
Fesler, U. H., Penns Creek, Pa.
Feuerhenn, E. G., & Co., Amesbury, Mass.
Field, W. N., Company, Bangor, Me.
Filmer Brothers, Gloversville, N. Y.
Filmer, D., Gloversville, N. Y.
Findeiss & Heckel Oak Leather Company, Zanesville, Ohio.
Fisher & Bros., South Ostelic, N. Y.
Fisher, E. C., & Co., Bethel, Vt.
Fitzgerald, M., East Weymouth, Mass.
Fitzpatrick, C. J., Peabody, Mass.
Flaccus, William, Oak Leather Company, Allegheny City, Pa., and Buckhannon, W. Va.
Fleissner, Charles, Newark, N. J.
Flesher & Martin, Pennsboro, W. Va.
Flohr's, Charles, Sons, Altmar and Canisteo, N. Y.
Flowers, J. F., Downsville, N. C.
Foan Brothers, Peabody, Mass.
Foot, S. B., & Co., Redwing, Minn.
Foote & Coddington, Traverse City, Mich.
Ford, J. W., Zebulon, Ga.
Fort Wayne Sheepskin and Wool Company, Fort Wayne, Ind.
Foster, A. J., & Co., Merrimac, N. H.
Foster, Beriah, & Co., Haverhill, Mass.
Foster, F. J., Haverhill, Mass.
Foster Robe and Tanning Company, Minneapolis, Minn.
Foucar, M. M., Woburn, Mass.

Fox, Warren P., & Son, Woburn, Mass.
Fowle, E. P., Salem, Mass.
Frank, S. H., & Co., Redwood City, Cal.
Franklin Haddock Leather Company, Lynn, Mass.
Franklin Tanning Company, Franklin, W. Va.
Friese, Charles, & Sons, Baltimore, Md.
Fry, John, Gallatin, Tenn.
Furbush, F. H., & Co., Stoneham, Mass.
Gallun, A. F., & Sons, Milwaukee, Wis.
Gautt Harness Company, Belwood, N. C.
Garrett Leather Company, Hutton, Md.
Gastonia Tanning Company, Gastonia, N. C.
Gebhardt, A. L., Milwaukee, Wis.
Geitner, C. H., Hickory, N. C.
Gensemer, G. & H., Pine Grove, Pa.
Gensemer & Salem, Pine Grove, Pa.
George & Barry Leather Company, Peabody, Mass.
Gerber's, D., Sons, Fremont, Mich.
Gill, Peter R., Peabody, Mass.
Gildersleeve, J. H., Brookston, Pa.
Gillenwaters, O. R., & Co., Rogersville, Tenn.
Gillette Leather Company, Milwaukee, Wis.
Given, R., & Son Company, Sidney, Ohio.
Gleason, L. R., & Sons, Driftwood, Gleasonton, Medix Run, and North Bend, Pa.
Globe Tanning Company, Des Moines, Iowa, and Louisville, Ky.
Gochenour, H. D., Alonzaville, Va.
Goetz, Ferd., Sons Company, Reading, Pa.
Good, John F., Concord, Tenn.
Goodlet, M. W., Greenville, S. C.
Good, R. C. & H. B., Newark, N. J.
Goodman, J. C., & Sons, Polkton, N. C.
Gormley, James, Jamaica Plain, Mass.
Gottschalk, Charles G., Jersey City, N. J.
Graichen, F. A., Winchester, Va.
Graichen, W. C., Glove Company, Winchester, Va.
Graton & Knight Manufacturing Company, Worcester, Mass.
Gray, F., & Sons, Indianapolis, Ind.
Green, Austin, Cassville, Pa.
Green & Hickey Leather Company, Shrewsbury and Winchendon, Mass.
Greene, Calvin, & Son, Lewistown and Saltillo, Pa., and Gassaway, W. Va.
Greenebaum, J., Chicago, Ill.
Greul Tanning Company, Zanesville, Ohio.
Groezinger's, G., Sons, Lancaster, Pa.
Groover, W. J., Cumming, Ga.
Grossman Leather Company, St. Augustine, Fla.
Guigues, Albert, Newark, N. J.
Gunnison, Charles, & Co., Erie, Pa.
Gusdorf, S. M., & Co., Indianapolis, Ind.
Gutmann & Co., Chicago, Ill.
Guttschall, S. W., Blain, Pa.
Haffner Brothers Company, Cincinnati, Ohio.
Haffner, F. & C., Cincinnati, Ohio.
Hahn, H., & Stumpf, Harrison, N. J.
Haines, W. W., Tanning Company, Everett, Wash.
Hall & Johns, Gloversville, N. Y.
Halsey, J. H., & Smith, Newark, N. J.
Hambleton Leather Company, Hambleton, W. Va.
Hamburg Cordovan Leather Works, Newark, N. J.
Hammond & Co., Sparrowbush, N. Y.
Hancock Leather Company, Bangor and Riceville, Me.
Harden, W. B., Harper's Cross Roads, N. C.
Harmon, W. P. & E. F., Salem, Mass.
Harriman Leather Company, Harriman, Tenn.
Harrington, O. E., Imlay City, Mich.
Harrington & Knights, San Francisco, Cal.
Hart, W. I. & Co., Johnson City, Tenn.
Harrison & Co., North Leominster, Mass.
Harris-Rees Tanning Company, Sylvia, N. C.
Hartmann, E., Hide and Leather Company, St. Louis, Mo.
Haskin-Reid Leather Company, Chicago, Ill.
Haub, William, St. Louis, Mo.
Haubold, H., San Antonio, Tex.
Hayes, George N., & Son, Peabody, Mass.
Hayes, J. Frank, Belvidere, N. J.
Hays, Daniel, Company, Gloversville, N. Y.
Hawkins, William, & Co., Philadelphia, Pa.
Healey, Francis C., Woburn, Mass.
Heimerl Hide and Leather Company, Jefferson, Mo.
Helb, Fred, Railroad, Pa.
Helvetia Leather Company, Lancaster, Pa.
Hendrie, J. B., Luzerne, N. Y.
Hermann Oak Leather Company, St. Louis, Mo.
Hertz, Max, Newark, N. J.
Hess's, Adolph, Sons, Philadelphia, Pa.
Hess & Harburger, Newark, N. J.
Hess & Hopkins Leather Company, Rockford, Ill.
Hickory Tannery, Hickory, N. C.
Hirschberg, H., St. Louis, Mo.
Hoffmann & Son Tanning Company, Malta, Ohio.
Hoffmann, J. Edward, Rochester, N. Y.
Hoffmann, John G., & Sons Company, Wheeling and Gormania, W. Va.
Holden, Henry E., Peabody, Mass.
Hollinger, Amos, & Son, Lancaster, Pa.
Hollinger, Henry, Columbia, Pa.
Holmes, Henry, Philadelphia, Pa.
Holstein, L. C., Sharpsburg, Pa.
Hopkinson Leather Company, North Leominster and North Woburn, Mass.
Hopkins, William, Louisville, Ky.
Horn & Bevier Company, Chicago, Ill.
Horween, I., & Co., Chicago, Ill.
Hosick, H. M., Leather Company, Chicago, Ill.
Houck, J. P., Tanning Company, Harrisonburg, Va.
Howard, Franklin & Son, Witten Mills, Va.
Howard, J. W. & A. P., & Co., Corry, Pa.
Howard, W. H., Noise, N. C.
Howell, D. W., Brainards, N. J.
Howell, T. P., & Co., Newark, N. J.
Howell-Hinchman Company, Middletown, N. Y.
Hoyle, W. B., & Co., Rockdale, N. C.
Hubschman, E., Philadelphia, Pa.
Huch Leather Company, Chicago, Ill.
Hunnicutt, John, Ellijay, Ga.
Hunt, F. W. & Co., Bridgewater Center and Island Falls, Me.
Hunt, Walker & Co., Liberty, Me.
Hurkamp, John G., Company, Fredericksburg, Va.
Indiana Leather Company, New Albany, Ind.
Ingraham, J. F., Peabody, Mass.
Iowa Rendering and Hide Company, Des Moines, Iowa.
Ironton Tannery (R. S. Dupuy), Ironton, N. Y.
Irvin, William, Company, Big Run, Pa.
Janney, E. K., & Son, Philadelphia, Pa.
Jasper Tanning Company, Jasper, Ala.
Jenkins, H. M., Flat Ridge, Va.
Johnson, J. Peter, Waupaca, Wis.
Johnstown Mocha Mills Company, Johnstown, N. Y.
Jones, W. N. & Co., Petersburg, Va.
Jorns Oak Calfskin and Leather Company, Cleveland, Ohio.
Judd, N. J., Cookeville, Tenn.
Junaluska Leather Company, Waynesville, N. C.
Kabbes, J. H., tannery, Cincinnati, Ohio.
Katz & Co., Chicago, Ill.
Kaufherr & Co., Newark, N. J.
Kayser Raw Hide Company, St. Louis, Mo.
Keith Tanning Company, Denver, Colo.
Kelly, John F., Company, Newark, N. J.
Kelly, Michael, Salem, Mass.
Kelly & McLaughlin, Newark, N. J.
Kelton, Bruce, Manufacturing Company, Salem, Mass.
Kendall, James R., Woburn, Mass.
Kengott, Fred, Milwaukee, Wis.
Kessler, Anthony, & Sons, Leather Company, St. Louis, Mo.
Kimball & Brown, Manchester, N. H.
Kimball, B. F., & Co., Woburn, Mass.
Kings Mountain Tanning Company, Kings Mountain, N. C.
King & Walter, East Freedom, Pa.
Kingsbury Manufacturing Company, Newport, Me.
Kingsley, C. S., Mansfield, Pa.
Kinley, Adam, & Sons, Breesport and Olean, N. Y.
Kistler, Lesh & Co., Boston; tanneries at Morganton, N. C., Johnsonburg, Lock Haven, Mount Jewett, Pa.
Kitchen, E. B., Bolton, Va.
Klein, J. Ross & Co., Ridgway, Pa.
Klumpp, J. C., & Son, Marietta, Pa.
Knapp, J., Tapleyville, Mass.
Knapp, S. Everett, Danvers, Mass.
Knoff, H., Johnstown, N. Y.
Korn Leather Company, Salem, Mass.
Kornman, Louis, & Co., Baltimore, Md.
Kost, Jacob, Carlisle, Pa.
Kraft, F. W., Bronxville, N. Y.
Kreig Tanning Company, San Francisco, Cal.
Kroegel, Adolph, Crestline, Ohio.
Kroehle's, Adam, Sons Co., Cleveland, Ohio.
Kron Tanning Company, Santa Cruz and San Francisco, Cal.
Kullman-Salz & Co., Benicia, Cal.
Lackawanna Leather Company, Hackettstown, N. J.
Ladew, J. H., Company, Newark, N. J., and Chattanooga, Tenn.
Landers, W. J., & Co., Fayetteville, Tenn.
Lane, R. M., Mouth of Wilson, Va.
Lang, Henry, Company, Newark, N. J.
Lappe, J. C., Tanning Company, Allegheny City, Pa.
Laub's, George, Sons, Buffalo, N. Y.
Lawrence & Co., Malden, Mass.
Lawrence & Parkhurst, San Francisco, Cal.
Lawrence, A. C., Leather Company, Peabody, Mass.
Lawrence & Sullivan, Woburn, Mass.
Leas & McVitty, Philadelphia; tanneries at Buena Vista and Salem, Va.
Leavette, George, Chicago, Ill.
Lebenheim, J., & Sons Company, Gloversville, N. Y.
Lefler, John D., Johnstown, N. Y.
Legallet-Hellwig Tanning Company, San Francisco, Cal.
Leist, Val, Barboursville, W. Va.
Leidy, Andrew N., Souderton, Pa.
Le Maire Leather Company, Newark, N. J.
Lentz, J. W., & Bro., New Martinsville, W. Va.
Levin Tanning Company, Santa Rosa, Cal.
Leviseur & Conway, Peabody, Mass.
Levor & New, Gloversville, N. Y.
Levy, Isaac, San Francisco, Cal.
Lewis, G. B., Sioux City, Iowa.
Lewisburg Tannery, Lewisburg, Va.
Lichtman, J., & Son, Newark, N. J.
Lincoln, H. W., Lynn, Mass.
Lincoln Tannery, Lincoln, Nebr.
Linden Tanning Company, Linden, N. J.
Littauer Bros., Johnstown, N. Y.
Little, George D., Deering, Me.
Littlefield Leather Company, Berwick, Me.
Lloyd, James M., Peabody, Mass.
Lloyd & Richards, Camden, N. J.
Locke, E. S., Richford, Vt.
Loehnberg, A., & Co., Newark, N. J.
Loehnberg, Leopold, Newark, N. J.
Loehnberg, Louis, Newark, N. J.
Loescher, H., & Co., Chicago, Ill.
Loescher, J., Tannery Company, Muskegon, Mich.
Loffman, Jacob, East Tawas, Mich.
Logan Glove and Tanning Company, Logan, Utah.
Lohr, William H., Forest Hill, Pa.
Looney, Salem, Mass. (M. Looney).
Lorentz, W. J., & Co., Glenville, Va.
Louisiana Leather Manufacturing Company, New Orleans, La.
Louisville Leather Company, Louisville, Ky.
Luray Manufacturing Company, Snowhill, Md.
Lynch Brothers' Leather Company, Salem, Mass.
Machetanz, F., Kenton, Ohio.
Mackey, A. J., Logansport, Ind.
Maddux, N. G., Mechanicsville, Tenn.
Mahon, Mark W., Leather Company, Newark, N. J.
Manaho Leather Company, Newark, N. J., and Schenevus, N. Y.
Manchester Wool and Leather Company, Manchester, N. H.
Mannasse Block Tanning Company, Oakland and West Berkeley, Cal.

Mansur, C. W., Mount Vernon, Me.
Marion Leather Company, Marion, Ind.
Marsh & Parks, Nashville, Tenn.
Martin, George, Leather Company, Milwaukee, Wis.
Martin, W. J., Haverhill, Mass.
Mason, J. L., Newark, N. J.
Massachusetts Glove Company, Peabody, Mass.
Massachusetts Hide Corporation, Norwich, Conn.
Mathias, J., Bally, Pa.
Maylander Brothers, Johnstown, N. Y.
McBain, Thomas, Tannery, Napa, Cal.
McCabe Duprey Tanning Company, Eureka, Cal.
McCarthy, Edward, & Co., Peabody, Mass.
McCarthy, John, & Sons, Salem, Mass.
McCarty, Ellis, Academy, W. Va.
McClanahan Harness and Collar Company, Columbia, Tenn.
McConkey, H. D., Johnstown, N. Y.
McComb, Thomas, Wilmington, Del.
McConnell, J. C., Belting Company, Athens, Ga.
McCormick, E. H., & Sons, Newark, N. J.
McKay Leather Company, Benicia, Cal.
McLain, J. J., Kenton, W. Va.
McLeach, David, Johnstown, N. Y.
McLeod & Wolgamot, Brownsville, Oreg.
McMillan, John, New Lexington, Pa.
McMurran, W. F., Salem, Ind.
McNeill, Benjamin, Hoop, Tenn.
Meinke, George, Gloversville, N. Y.
Melby & Hanson, Momence, Ill.
Mendota Tanning Company, Mendota, Va.
Merrill Glove, Mitten and Tanning Company, Merrill, Wis.
Metten & Gebhardt, San Francisco, Cal.
Meyer, Richard, New Durham, N. J.
Michigan Leather Company, Detroit and Grand Rapids, Mich.
Middleburg Leather Manufacturing Company, Middleburg, Pa.
Milford Robe and Tanning Company, Milford, Ind.
Miller, Argersinger & Co., Johnstown, N. Y.
Miller & Eckstrom, Crookston, Minn.
Miller, M. D., Upper Strasburg, Pa.
Mills Brothers, Gloversville, N. Y.
Minneapolis Sheepskin Tannery, Minneapolis, Minn.
Minszer, Meyer, Ticonderoga, N. Y.
Missouri Belting Company, St. Louis, Mo.
Moak, F. P., Sherburne, N. Y.
Moench, C., Sons Company, Gowanda and Salamanca, N. Y., and Alpena, Mich.
Moffat, David, Company, Elizabeth, N. J., Irongate, Va., Davis, W. Va., and St. Louis, Mo.
Moffat, Henry C., Buffalo, N. Y., and Alden, N. Y.
Monarch Leather Company, Chicago, Ill.
Monson Leather Company, Chicago, Ill.
Monson, Andrew, Fargo, N. Dak.
Mooney, W. W., & Sons, Columbus, Ind.
Moore, Benjamin N., & Sons, Peabody, Mass.
Moore, J. M., Newark, N. J.
Moorison, McIntosh & Co., Grinnell, Iowa.
Mosser, J. K., & Co., Allentown, Mahaffey, Newberry, and Noxen, Pa., and Parsons, W. Va.
Mosser, W. F., & Co., Westover, Pa.
Mount Jewett Tanning Company (Kistler, Lesh & Co.), Mount Jewett, Pa.
Mount Union Tannery, Mount Union, Pa.
Moyer, S. C., Freeburg, Pa.
Moyers, G. J., Summerville, Ga.
Muehlhausen, A., & Son, Cleveland, Ohio.
Mullikin, W. L., & Co., Baltimore, Md.
Muller, Edw. A., Cambridge, Mass.
Munising Leather Company, Munising, Mich.
Murray Leather Company, Woburn, Mass.
Musgrave Leather Company, Baltimore, Md.
Musgrove, N. C., Frisco, W. Va.
Myers, Israel, Duhring, W. Va.
National Calfskin Company, Peabody, Mass.
National Oak Leather Company, Louisville, Ky.
National Tanning and Fur Company, Three Rivers, Mich., and Milwaukee, Wis.
National Wool and Leather Company, Peabody and Salem, Mass.
Nelson, Gustav, San Jose, Cal.
Neumann, R., & Co., Hoboken, N. J.
Newark Fancy Leather Manufacturing Company, Newark, N. J.
New Process Rawhide Company, Syracuse, N. Y.
Nieder, Charles, Newark, N. J.
Nieder, John, Newark, N. J.
North American Tannery, Lewistown, Pa.
North Star Tannage Company, Philadelphia, Pa.
Northwestern Leather Company, Manistique and Sault Ste. Marie, Mich.
Norton Tanning Company, San Francisco, Cal.
Occidental Tanning Company, San Francisco, Cal.
Ocmulgee Tannery Company, Macon, Ga.
Ohio and Kentucky Kid Leather Manufacturing Company, Cincinnati, Ohio.
Ohio Leather Company, Girard, Ohio.
Ohio Tanning Company, Cincinnati, Ohio.
O'Keefe, P., Peabody, Mass.
O'Keefe, William, Salem, Mass.
Olmer, George F., Baltimore, Md.
O'Malley, John, & Co., Baltimore, Md.
Oppenheimer, O. H., Newark, N. J.
Orndorf, W. B., Springfield, Tenn.
Osborne, C. P., Peabody, Mass.
Osborne, J. E., & Co., Peabody, Mass.
O'Shea, T. H., Peabody, Mass.
Page, W. D., Canton, Ga.
Parker, F. C., & Son, Arlington and Woburn, Mass.
Parker, J. W., Romney, W. Va.
Parker, R. B., Newark, N. J.
Park Run Tanning Company, Lancaster, Pa.
Parvin, M. S., East Berkeley, Pa.
Paskusz, J., & Son, Newark, N. J.
Passero & Getman, Johnstown, N. Y.
Patent Leather Company of America, Newark, N. J.
Patrick, A. B., & Co., San Francisco, Cal.
Patterson, W. C., Mooresville, N. C.
Peiffer Brothers Leather Company, Portland, Oreg.
Peirce, C. A., Leather Company, Woburn, Mass.
Pennsylvania Hide and Leather Company, Curwensville and Allegheny, Pa.
Pennsylvania Tanning Company, Great Bend, Pa.
Petaluma Tanning Company, Petaluma, Cal.
Petersburg Leather Company, Petersburg, Tenn., and Petersburg, Va.
Pfahler, C. P., Catawissa, Pa.
Pfister & Vogel Leather Company, Milwaukee, Wis., and Cheboygan, Mich.
Phelps, E. J., East Highgate, Vt.
Philadelphia Leather Company, Frankford, Philadelphia.
Phoenix Leather Company, Gloversville, N. Y.
Pierce, James, Leather Company, Olean, N. Y.
Pile, C. W., & Sons, Campbellsville, Ky.
Pitts, B. F., Grant, Pa.
Pittsburg Leather Company, Ebensburg and Pittsburg, Pa.
Place, W. B., & Co., Hartford, Wis.
Plummer, George, Leather Company, Girard, Pa.
Pocahontas Tanning Company, Durbin, W. Va.
Poehlmann, Frank, Tannery, Petaluma, Cal.
Poetsch & Peterson, San Francisco, Cal.
Poor, N. H., Leather Company, Peabody, Mass.
Popp, Charles V., Charleston, W. Va.
Porter, J. F., Red Wing, Minn.
Preston, Thomas F., Newark, N. J.
Printz, E., & Co., Philadelphia, Pa.
Proctor, Ellison & Co., Elkland, Pa.
Pruden, W. H., Dalton, Ga.
Pum, John, Watertown, S. Dak.
Pyle, C. & J., Company, Wilmington, Del.
Pyle, C. & W., Company, Wilmington, Del.
Quaker City Morocco Company, Camden, N. J.
Queen City Tannery, Titusville, Pa.
Quigley & Gay, Newark, N. J.
Quirin, W. C. A., Olean, N. Y.
Radel & Mentz Leather Company, Newark, N. J.
Ramsour, P. W., & Co., Lincolnton, N. C.
Rasche Brothers, Cincinnati, Ohio.
Raser Tanning Company, Ashtabula, Ohio.
Rate, E. F., & Sons, Iowa City, Iowa.
Rathbun, C. E., Canton Junction, Mass.
Reading Robe and Tanning Company, Reading, Mich.
Rees, Hans, Sons, Asheville, N. C.
Reid, W. W., Chicago, Ill.
Reilly, John, Newark, N. J.
Reliance Leather Company, Cape May Court House, N. J.
Remper, C. H., jr., Westport, Conn.
Renfro & Waldrum, Pulaski, Tenn.
Renz, S., & Co., Covington, Ky.
Renz, Samuel, & Co., Covington, Ky.
Reutersham, M., Santa Rosa, Cal.
Rex-Imperial Leather Company, Newark, N. J.
Reynolds, Frank, Ayer, N. C.
Reynolds & Blair, Tellico Junction, Tenn.
Reynolds, T. A., Los Angeles, Cal.
Rice, W. W., Leather Company, Petoskey, Mich.
Richmond Leather Manufacturing Company, Richmond, Va.
Richter, J. L., & Sons, Accident, Md.
Riddell, R. J., Oakland, Va.
Riddle & Saher, Johnson City, Tenn.
Rielly, P., & Son, Newark, N. J.
Rink, J. F., & Son, Light Street, Pa.
Rio Grande Woolen Mills Company, Albuquerque, N. Mex.
Rippman's, C. A., Sons, Millerstown, Pa.
Ritt, Thomas & Co., Newark, N. J.
Ritter, Richard, Louisville, Ky.
Riverside Japannery, Mansfield, Mass.
Robertson, James, Woburn, Mass.
Robinson, J. G., & Thomas, Gloversville, N. Y.
Rockwell, Theron, Brooklyn, N. Y.
Rogers & Smith, Gloversville, N. Y.
Rogers, Thomas, Rowlesburg, W. Va.
Rogersville Tannery, Rogersville, Tenn.
Rolfe Tanning Company, Johnsonburg, Pa.
Rome Tannery, Rome, Ga.
Rosenburg, Happ, & Siegel, Baltimore, Md.
Rosenthal Brothers, Columbus, Ohio.
Roser, Hermann, Glastonbury, Conn.
Ross, A. H. & Son, Chicago, Ill.
Roulette Leather Company, Olean, N. Y.
Ruddle, Isaac C., Franklin, W. Va.
Rueping, Fred, Leather Company, Fond du Lac, Wis.
Ruf Leather Company, Jackson, Ohio.
Rugg, Adelbert, Smyrna, N. Y.
San Mateo Tanning Company, San Mateo, Cal.
St. Mary's Tanning Company, St. Marys, Pa.
Santa Rosa-Vallejo Tanning Company, Santa Rosa and Vallejo, Cal.
Sawyer Tanning Company, Napa and San Francisco, Cal.
Schaeffer, F. A., Newark, N. J.
Scherer, H., & Co., Detroit, Mich.
Scherer, Oscar, & Bro., Newark, N. J.
Schieren, Charles A., & Co., Bristol, Tenn.
Schiegel, Henry, Leather and Bait Company, Lapeer, Mich.
Schlosser Leather Company, Walland, Tenn.
Schmidt, Carl E., & Co., Detroit, Mich.
Schmidt, Traugott & Sons, Detroit, Mich.
Schoellkopf & Co., Buffalo, N. Y.
Scholz Tanning Company, Chicago, Ill.
Scholze, Robert, Chattanooga, Tenn.
Schoepel Brothers, Menasha, Wis.
Schroeder, W. M., Anniston, Ala.
Schuff, William, & Co., Louisville, Ky.
Schultheis Brothers, Lima, Ohio.
Sears-Hitchcock Tannery Company, Berlin, Wis.
Seege Fur Tanning Company, Buffalo, N. Y.
Semmel, F. P., Neffs P. O., Pa.
Seaton Leather Company, Newark, N. J.
Sharadin, J. D., Kutztown, Pa.
Shaw Harness Company, Charlotte, N. C.
Shaw, W. F., & Co., Benicia, Cal.
Sheldon, Charles, St. Clair, Mich.

Shephard, George A., Sons Company, Bethel, Conn.
Shingledecker, S. P., Ringgold, Pa.
Shirk, C., Churchtown, Pa.
Shive, Daniel, & Bro., York, Pa.
Shotwell, A. D., & Co., Manchester, Va.
Shotwell, S. H., & Son, Gloversville, N. Y.
Shultz Belting Company, St. Louis, Mo.
Sim, Peter, & Sons, Salem, Mass.
Simon, Arnold & Co., Kalamazoo, Mich.
Sladek, Joseph, Tacoma, Wash.
Slater, B., Attica, N. Y.
Small & Houston, Belfast, Me.
Smith, A. J., Edray, W. Va.
Smith, C. H., Corryton, Tenn.
Smith, Hugh, Company, Newark, N. J.
Smith, J. O., McAlisterville, Pa.
Smith, J. J., & Sons, Catawaba, N. C.
Smith, L. M., & Sons, Newark, N. J.
Smith, L. W., Company, Canton, Me.
Smith, W. J., Jackson Center, Ohio.
Smoot, C. C., & Sons Company, Alexandria and Sperryville, Va., and North Wilkesboro, N. C.
Smyth, Charles, Newark, N. J.
Smyth Leather Manufacturing Company, Newark, N. J.
Sommer, H. F., & Co., Newark, N. J.
Sonoma Tanning Company, Petaluma, Cal.
Southern Oak Leather Company, Norcross, Ga.
Southwick, L. B., Company, Peabody, Mass.
Spangler, C. P., & Bro., Peterstown, W. Va.
Spohr, E., St. Louis, Mo.
Spring City Leather Company, Spring City, Tenn.
Spring Run Tannery Company, Abbottstown, Pa.
St. Paul Tannery, St. Paul, Minn.
Stafford, J. W., & Sons, Barnesville, Ga.
Standard Leather Company, Newark, N. J.
Standard Leather Company, Allegheny, Pa.
Stanton Tanning Company, Stanton, N. C., Richmond, Va., and Manchester, Va.
Starr, E. W., Gloversville, N. Y.
Stead Tanning and Supply Company, Lowell, Mass.
Steeber, Charles, St. Louis, Mo.
Steele Brothers, Gloversville, N. Y.
Stein, A. J., Vanceburg, Ky.
Stengel, George, Newark, N. J.
Stengel & Rothschild, Newark, N. J.
Sterling Leather Works, Newark, N. J.
Stern Brothers & Co., Philadelphia, Pa.
Sternitzky Brothers, San Francisco, Cal.
Stewart, Clarence, Gloversville, N. Y.
Stewart, D., & Sons, Johnstown, N. Y.
Stewart, George A., & Co., Johnstown, N. Y.
Stifel, Charles F., Company, Allegheny City, Pa.
Stockamore, J. H., Gloversville, N. Y.
Stoecker, Charles, & Son, Louisville, Ky.
Stone, C. Moulton, Providence, R. I.
Straus, M., & Sons, Newark, N. J.
Streuber, Emil, Erie, Pa.
Strong Leather Company, Bainbridge, N. Y.
Stuart, J. N., & Son, Chelsea, Mass.
Suhre's, Rudolph, Sons, Cincinnati, Ohio.
Sumner Tanning Company, Benicia, Cal.
Sunset Tanning Company, San Francisco, Cal.
Swavely, H. L., & Co., Clifton Heights, Pa.
Swisher, W. G., Berlin P. O., W. Va.
Swoboda, H., & Son, Philadelphia, Pa.
Sylvania Tanning Company, Sylvania, Ohio.
Taubert, M., Minneapolis, Minn.
Taylor, John, Petersburg, W. Va.
Taylor, William, Lyons, N. Y.
Thayer, Foss & Co., Peabody and Woburn, Mass.
Thomas Hide and Leather Company, Middleville, N. Y.
Thompson, L. C., Enigma, Tenn.
Thorne & McMann, San Francisco, Cal.
Thrailkill, R. J., Thrailkill, Miss.
Three Rivers Robe Tannery, Three Rivers, Mich.
Tigh, L. M., Peabody, Mass.
Tobin, M. J., Los Angeles, Cal.
Tolle, Gus., New Braunfels, Tex.
Topp & Vosburg, Johnstown, N. Y.
Topp, William, Company, Johnstown, N. Y.
Towle Leather Company, Salem, Mass.
Town Hill Tannery, Town Hill, Pa.
Toxaway Tanning Company, Brevard and Rosman, N. C.
Trier, Reuben, Newark, N. J.
Troeger, George, Jefferson, Wis.
Trostel, Albert, & Sons, Milwaukee, Wis.
Troutwine, George F., Gloversville, N. Y.
Tully, P., Salem, Mass.
Tuny, H., Rocheport, Mo.
Uber, Adolph, Owatonna, Minn.
Uber Brothers, Hartford, Wis.
Ukiah Tanning Company, Ukiah, Cal.
Ulmer Leather Company, Norwich, Conn.
Unaka Tanning Company, Newport, Tenn.
United States Leather Company, head office, New York City. (Tanneries located through the country.)
United States Tanned Pigskin Company, Peabody, Mass.
Universal Leather Company, Newark, N. J.
Van Dyne's, E., Sons, Troy, Pa.
Van Tassel, A. R., Du Bois, Pa.
Vaughn Calfskin Company, Peabody, Mass.
Veil, George J., Carlisle Springs, Pa.
Wagner, E. R., Shartlesville, Pa.
Wagner Leather Company, Stockton, Cal.
Wallace, E. G. & E., Rochester, N. H.
Wallace, L. M., Maynardsville, Tenn.
Wallin Leather Company, Chicago, Ill., and Grand Rapids, Mich.
Walsh, J. V., & H. M., Malone, N. Y.
Walters, J. E., Paducah, Ky.
Walters, Lewis, Philippi, W. Va.
Wampler, L. P., Crockett Depot, Va.
Ward, E. S., & Co., Newark, N. J.
Warren's, J., Sons, Auburn, Mass.
Warren Leather Company, Morrisville, Vt.
Warren's, W. G., Sons, Holden, Mass.
Waterhouse, R. D., Boston, Mass.
Watzke, Alex., New Orleans, La.
Wautauga Tannery, Wautauga, Tenn.
Way, Arthur T., Salem, Mass.
Wayland Tanning Company, Salem, Mass.
Weber, Frank I., & Sons, Walla Walla, Wash.
Weber Brothers, Portland, Oreg.
Webster & Co., Malden, Mass.
Wedekind-Hallenberg Tanning Company, Louisville, Ky.
Weigand & Doerzbacher, Newark, N. J.
Weil & Eisendrath, Chicago, Ill.
Weil, J. M., & V., Chicago, Ill.
Weil, S. & J., Newark, N. J.
Weisheit, Andrew, Ravenswood, W. Va.
Weisse, Charles S., & Co., Sheboygan Falls, Wis.
Werner, George F., & Sons, Jersey City, N. J.
Wertz, Abram, Falling Springs, Pa.
West Branch Tanning Company, Lock Haven, Pa.
West Coast Tanning Company, Ballard, Wash.
Western Leather Company, Milwaukee, Wis.
Western Robe Company, Detroit, Mich.
Western Tanning and Japanning Company, Flint, Mich.
Western Tanning Company, Louisville, Ky.
Wettach & Co., Allegheny, Pa.
Weyrauch, George, Newark, N. J.
Whitewater Robe Tanning Company, Whitewater, Wis.
Wilder-Manning Tanning Company, Waukegan, Ill.
Wiley, T. J., & Co., Piqua, Ohio.
Wilkinson, J. J., Morristown, Tenn.
Williams, Isaac B., & Sons, Dover, N. H.
Williams, G. S., & Sons, Chippewa Falls, Wis.
Willit's Tanning Company, Willitts, Cal.
Winchester Tannery Company, Nashua and Winchester, N. H.
Windt, Morris, San Francisco, Cal.
Winslow Brothers & Smith Company, Norwood, Mass.
Wintzer, Charles, Tanning Company, Wapakoneta, Ohio.
Wiftman, Joseph F., Philadelphia, Pa.
Woelfel Leather Company, Morris, Ill.
Wolfstein, Simon & Co., Cincinnati, Ohio.
Wood & Hyde, Gloversville, N. Y.
Worthing & Alger Company, Hillsdale, Mich.
Wright, J. M., Zone, Ga.
Wylie, J. C., Hickory, S. C.
Yocum Company, The, Newark, N. J.
Young, Richard, Company, Gloversville, N. Y.
Zeller, G. F., & Sons, Buffalo, N. Y.
Ziegel, Eisman & Co., Newark, N. J.
Zirkel, J. A., Rinkerton, Va.
Zimmerman, W., New Orleans, La.
Zohrlaut, Herman, Leather Company, Milwaukee, Wis.

Leather tanning, currying, and finishing establishments, 1850 to 1905.

	1905.	1900.	1890.	1880.	1870.	1860.	1850.	Percentage of increase.					
								1900 to 1905.	1890 to 1900.	1880 to 1890.	1870 to 1880.	1860 to 1870.	1850 to 1860.
Number of establishments	1,049	1,306	1,787	5,628	7,569	5,188	6,686	*19.7	*26.9	*68.2	*25.6	45.9	*22.4
Capital	$242,584,254	$173,977,421	$98,088,098	$73,383,911	$61,124,812	$39,025,620	$22,774,795	39.4	77.4	33.7	20.1	56.6	71.4

* Decrease.

In speaking of the Agricultural Department I want to say another thing. Among the complaints the free-hide men have entered here is a complaint that we are spending too much money on the Department of Agriculture.

The Free Hide Text-Book says:

The Federal Government now expends about $12,000,000 a year under the auspices of the Department of Agriculture. This does not include an outlay of $1,500,000 for the Weather Bureau, by which the agricultural interests of the country are benefited more directly than any other. In addition to these expenses the agricultural colleges of the country get $1,200,000 a year, which is expended through the Interior Department. Likewise the consular service, in the Department of State, is constantly showing where products of agriculture may find advantageous markets.

Mr. President, that may be $1 apiece for all the farmers in the country. But I will have all interested parties understand that when people in this country propose to blue pencil the farmer, either in politics or in tariff matters or in business or in the general welfare of the nation, they are attacking the very foundation stone of our national structure. The farmer,

as I have always insisted, is a long-suffering and patient man. He is at his plow or other implement attending to his business. He is not going into an association where the hat is passed and money is raised to send men down here to lobby for free this or free that. He is willing to pay for everything he buys the legitimate price that is necessary to protect the one part of the country engaged in manufacturing. All he asks is the poor privilege that when he sends a Senator or Member of the House of Representatives down here who stands in his place and supports the Committee on Finance on a thousand articles for the protection of the manufacturers of the East as against every one article on which the farmer asks protection, that when his representative humbly rises in his place and asks to have the two or three items in his State's interest protected mildly—for example, 15 per cent ad valorem upon 23 per cent of the imports of hides and skins—he shall not be turned back on the plea that he is not worthy of consideration, and that the Government is already expending $12,000,000 in the Agricultural Department for his benefit.

I stand for the farmer, Mr. President, and I shall continue to stand for the farmer. Let me say to those Senators who think that because of their heeding requests from local tanners who may live in their town or State, they are bettering their political fortunes by following these solicitations or desires, they may have in their States another class of people to meet when the time next comes, and that class is the farmers.

I can say to you that no tariff bill was ever made, and no tariff bill will ever be made, that will stand long which does not have the reasonable support of the farmer, and no representative can long have that support who maintains that the manufacturers of this country shall have protection, but that their raw material, which is the finished product of the farmer, shall be free. No man will be elected President of the United States, and no man will occupy office very long, in my judgment, who follows that policy.

The producer of beef, mutton, and the hides which grow upon them and are a part of them, should have his part of a protective tariff as a matter of right if he demands it. He demands but little, nothing compared with the others, but this he demands, just as the woolmen have demanded for years a tariff on wool.

During the debate upon this bill I have listened in vain for a statement from anybody, on this side of the Chamber at least, that there should not be a tariff on wool, yet I remember the time when the manufacturer of wool demanded free wool, exactly as the leather men now demand free hides. But the people interested in wool were, in early times, better distributed and better organized than the cattlemen. That is because in 1864 the woolgrowers formed an association and put vigorous men at the head of it, and it has been vigorously supported all the way through. It was finally recognized that the producer must have protection, provided the manufacturer had it.

So it will be with hides the same as with wool. You may say that wool may be less in some one year. I grant that it is in some cases, formerly in many cases, but to-day over 88 per cent of the mutton product in this country is killed before any fleece is taken from the back of the sheep or lamb. Therefore to-day nearly 90 per cent of the mutton is exactly the same as the beef which goes to the shambles. Its hide is sold on the market for what the hide is worth and then the mutton is sold on the market for what the mutton is worth. The hides may be high to-day and the meat may be low, and there is the best reason why hides should be low when beef is high. I will tell you why.

When meat is high every man who has an animal and can get it to market shoves it along to market, and consequently the men who buy and slaughter cattle handle a large number in a short time and have a great lot of hides. These are piled up in warehouses and in cellars, and prices go down because there is an unusually large supply taken off in short time and the tanner gets the benefit of this condition.

At the same time meat may have been high for a period. But in any business like that of slaughtering cattle there is a line of average. The man who buys the animal to-day and slaughters it has to wait perhaps six months before the hides go on to the market. They have to be salted and laid away.

Mr. LODGE. Will the Senator allow me a moment on the question of wages, to which the Senator alluded. The average number of wage-earners in 1880 was 111,000; in 1890, 133,000; in 1900, 141,000; and in 1905, 149,000.

The total wages in 1880 were $43,000,000—I gave only round numbers; in 1890, $60,000,000; in 1900, $58,000,000; and in 1905, which, I think, the Senator did not give, $69,000,000.

Mr. WARREN. I gave 1890 as $60,000,000 plus, and 1900 as $58,000,000 plus.

Mr. LODGE. Yes; and in 1905, $69,000,000. They have gone up again.

Mr. WARREN. I think the Senator will not complain when I admit that that may be accounted for to quite a little extent in the adoption of machinery, which did, in a large way, the manual labor.

Mr. LODGE. If the Senator will examine those figures—I have been examining them rapidly—it is perfectly apparent that the wages rose in fact from 1890 to 1895. The period between 1895 and 1900, as the Senator knows, included a long period of depression. They rose from 1900 to 1905. But the total number of shoes manufactured has decreased.

Mr. WARREN. But enlarged in capacity.

Mr. LODGE. Yes; enlarged in capacity. My own belief is—in fact, I know—that the wages in that, as in all other industries, have advanced during the last ten years.

Mr. WARREN. The Senator will admit that I quoted correctly the figures, and also that I made allowances which were reasonable.

Mr. LODGE. Certainly. But the Senator did not quote 1905, which showed an advance in wages and 10,000 more men.

Mr. WARREN. Taking up the latest Free Hide Text-Book, published by the National Association of Tanners, November, 1908, we find that it has every appearance of being official. The association took time by the forelock and met in Chicago in August and September, almost immediately after the presidential nominating conventions were held.

We find that the association has a president, a general secretary, a treasurer, 12 members in its executive committee, 18 vice-presidents, and 67 directors, making an even 100 officers.

On the first reading page, after the usual declaration that the Senate put a tariff on hides as a compromise in the closing hours of Congress, and that the farmer derives no benefit from the tariff on hides, but really is injured by it, it states that the "imports of cattle hides and the exports of sole leather have decreased as a result of the tariff on hides."

The answer to this is that it is not so. The official figures show:

Exports of sole leather.

Year.	Pounds.	Value.
1890	39,595,219	$6,420,134
1900	34,060,296	6,433,303
1905	44,107,054	9,434,873

This Text-Book further says:

As a producer of revenue the hide tax is of small consequence.

While to this we answer that the duty runs as high in some years as over three and one-quarter millions of dollars; that the drawbacks sometimes run as high as exceeding $900,000, and that the yearly average for the ten years—1898 to 1908—of the duty collected less drawbacks paid is nearly $2,000,000, still leaving about twice the amount of the revenue that the Free Hide Text-Book allows.

Next the Text-Book states:

Cattle in the United States are decreasing, while the population is increasing.

The book itself gives the present number of cattle as 73,246,573 head. The same book gives the number of cattle for 1899, ten years ago, as 43,984,340 head; increase in ten years of 29,262,233 head, or nearly 70 per cent. This is a larger increase, and not a smaller, than our increase in population, as the official figures will show.

Next the book states that in all former tariff bills, excepting that of 1897, it—

was always made to apply to all descriptions of hides and skins. The present law, therefore, was a new departure in hide tariffs, which has proved burdensome and oppressive in its operation.

I am glad to find some truth in the first statement, for it is true that in prior tariff acts the duty was imposed upon hides and skins of all descriptions, which included goatskins, sheepskins—without wool—hogskins, horsehides, and so forth. It will be observed that here is a valid complaint that the present duty is burdensome and oppressive, because it does not apply to the thin hides and skins; that it is not enough instead of too much.

It must be remembered that we all supposed the law of 1897 included kipskins and calfskins, and that the change from the wording in former laws only permitted goat and sheep skins to come in free. But after our custom-houses had collected the duties in this way for more than a year a new ruling was made, and kip and calf skins were excepted arbitrarily, and, I may say without fear of contradiction, unjustly; and this ruling made the weight of skins decide their character, and a dividing

line was drawn by which a green hide had to weigh 25 pounds and a dry hide had to weigh at least 12 pounds in order to bear the tax as dutiable hides.

This was an unexpected, and, I believe, an unjust, ruling.

The Free Hide Text-Book further avers that—

It is evident to those who investigate the matter that there is an attempt to make the farmer a cat's paw to drag other tariff chestnuts out of the fire.

It then further avers that the farmers lead all other classes of citizens in the consumption of leather, and yet, Mr. President, they would have the farmer pay a 45 per cent duty on harness and 25 per cent on boots and shoes, and at the same time put hides, which he raises, and which are a part of the material and the finished product of his efforts, on the free list.

The book further states that to produce hides it is necessary to raise an animal worth $100. This falls short, just about 100 per cent, of being the truth, for a $50 steer will carry a hide worth nearly or quite the amount stated.

We note another statement in the text-book as follows:

In any case it is inevitable that the United States will have to face the problem of foreign meat, as well as hide and skin, supply sooner or later.

And yet these petitioners would hasten the time by lowering the price of the farmer's product, or, failing in that, would increase the price of beef in order to make up the loss in hide value.

Then the books indulges in the following:

Cattle are raised in vast herds by large corporations, and it would seem that sufficient protection to the live-stock industry is furnished by the Government in the form of free grazing lands.

In this statement the free-hide people are very much behind the times. With probably less than half a dozen exceptions, there are now no vast herds owned by large corporations and no free grazing lands of consequence left, except in small areas that lie adjoining the lands of the farmers who are proving up upon homesteads, and improving their lands, and who keep a few head of live stock to graze upon the adjacent unoccupied land.

In some of the protests filed here against a duty on hides, it is stated that the domestic supply is growing less every year. This is untrue, notoriously so, for the official figures in the Census Office show a very large increase. The number of cattle slaughtered in 1905 was over 50 per cent greater than the number slaughtered in 1895, ten years earlier. The number slaughtered in 1907 was, in round numbers, three-quarters of a million greater than the number slaughtered two years before.

But the statements made by these petitioners for free hides are startlingly untrue in almost every particular. The stock argument in nearly all of their publications, letters, and addresses is as follows: In 1897, when the Dingley bill was in conference, the duty of 15 per cent on cattle hides was imposed. Since skins of all kinds and all hides except those of full-grown cattle were not taxed, it is evident that the new duty was not intended to produce revenue. If so, why is it that for every million dollars' worth of cattle hides imported, upon which 15 per cent duty is paid, nearly $5,000,000 worth of skins and hides come in duty free?

This statement has been made over the signatures of various presidents of manufacturing concerns, of societies, of mass meetings, and so forth; and, in fact, is the same statement as appears in a book issued by the leather interest, entitled "Free Hide Text-Book," of which I have spoken.

But the facts remain as clear as the noonday sun—that we must have revenue; that hides are going to be brought into this country; that we might as well collect, if we are to have any revenue from tariff, a duty on hides as well as on any other commodity that can be mentioned; and the present tariff of only 15 per cent ad valorem is surely not more than a revenue tariff, for it has been admitted upon this floor a number of times by those opposing a protective tariff—notably during the consideration of the Dingley bill and the present bill—that in support of the Government a revenue tariff of from 25 per cent to 45 per cent ad valorem should be required upon all imports, as nearly as could be approximated. If these figures are nearly correct, surely the 15 per cent duty on hides is less than it should be rather than more.

And be it remembered also, while on this point, that this Senate twelve years ago voted 20 per cent duty on hides and expected that that would apply to the hides of all cattle, regardless of age or weight of skin; but afterwards the Treasury Department ruled that since the tariff act specified "hides of cattle," and since certain hides were known commercially as "hides of cattle," while calfskins, notwithstanding the fact that calves are cattle, were known commercially as "calfskins" and not as "hides of cattle," calfskins must therefore come in under that clause in the free list which provides that certain furs and skins, naming a few, and "all others" (a sort of basket proposition) shall be free. The same proposition covered what is known as "kip skins," which may be the hides of yearlings or even 2-year-old cattle—yes, and some small cows.

The farmer being almost never present with the appraisers and customs officials, the importers and those purchasing from importers being always present in person or by representation, this point was easily gained by the importers—that calves were not cattle, and calfskins and kip skins were not cattle hides.

Then they were confronted by the interrogatory, When does a calfskin or kip skin become a cattle hide? Or when do calves become cattle? And after solemn conclave, with no questions or advice asked of the farmers, it was decided by the august officials of our Government that when a skin or hide reached a weight in excess of 25 pounds, green, it should be called a "cattle hide," while all hides weighing less than 25 pounds should be called "calf" or "kip" skins. And so calfskins, skins of small yearlings, hides of 2-year olds, and so forth, have come in free, with the result that a far greater tonnage of hides and skins of cattle have come in free than have been taxed; and as the calfskins and small hides are worth very much more per pound, the real duty that has been collected on all skins and hides of cattle would average probably less than 5 per cent ad valorem, instead of the 20 per cent ad valorem voted upon this commodity by this Senate, or the 15 per cent finally agreed upon by both Houses of Congress in conference upon the Dingley bill.

And now, having succeeded in reducing very materially this small protection intended for the farmer's finished product, cattle, and this revenue needed for the support of the Government, from 20 per cent ad valorem to about one-fifth of that percentage, these importers, the leather trusts, have become like wild animals, which, after devouring their weaker brethren and becoming intoxicated by the taste of blood, seek to destroy all who stand in their way.

They want absolutely free hides and skins and 35 or 45 per cent tariff upon harness and saddles, and a high tariff upon leather and everything made from leather, including boots and shoes. This is not a wild statement.

The figures show that in 1898 the value of dutiable hides imported was a trifle over thirteen and a half million dollars, which had increased in 1907—ten years, mind—only to a trifle over twenty and a half millions—about 50 per cent—while in free hides the figures show an increase in importations from a little over seven and one-half millions in 1898 to $30,840,000 and odd—between four and five hundred per cent increase in free hides, against but 50 per cent increase in dutiable hides imported.

The weight of dutiable hides imported increased only from 126,000,000 plus, in 1898, to a trifle less than a hundred and thirty-eight millions in 1908. The imports in free hides increased from a little over fifty-four and a half millions in 1898 to over 158,000,000 in 1906—about 300 per cent in weight in a period of nine years.

Now, suppose for a moment, for the sake of argument, that we allow the contention that the farmer gets no benefit from the duty—which I do not admit, for it is untrue: If the packer dominates absolutely the price of cattle to the extent that he can say the farmer shall receive nothing for the hide of his animal, as that is a by-product, then he can also say that the farmer shall receive nothing for the tallow; nothing for the various other parts that might be called by-products; and, in the same manner, it could be said that the farmer should get nothing for the forequarters of the beef, because the desirable parts and those which bring the great value in the market are the hind quarters, the roasts, the steaks, and so forth, while the soup bones and lean and tough parts, the tallow, hoofs, horns, and so forth, go for but a fraction of the price per pound that is brought by the choicest cuts.

If all this were true, and if it were true that the packer dominates and fixes the price that the farmer should get, then he surely would have the power to still further impose upon the farmer; and if you remove this small duty now assessed against hides, you will certainly place in the packer's hands additional weapons with which to oppress the farmer.

If the packer can now say to the farmer, "You shall have $25 for your animal and no more," and you reduce the value of a hide one or two dollars, then the packer surely must have the power to say to the farmer, "Congress has now removed the tariff on hides; therefore we will pay you three, five, or ten dollars less hereafter than we have paid you heretofore for your cattle," and the farmer would have to submit.

And so, if the packer absolutely makes the price now, he will certainly make it hereafter, and make it at a lower figure, having the power, because of our action, if we should remove the duty on hides.

Now, what will be the net final result of this? Cattle raising is not a very remunerative business at the present time. Aside from milch cows, there is little of profit to the farmer in the business. Many former raisers of cattle have already changed to the raising of sugar beets, wheat, and other products.

Just as fast as you reduce the price or value of cattle you lessen the number of cattle raised, and when you lessen the number of cattle, with our growing population, you make the meat product—beef—for the table that much higher.

And the ordinary consumer to-day of leather in boots, shoes, harness, and so forth, conceding that he would obtain a benefit from this proposed reduction on hides, which he will not, would dearly pay for it in the price of beef; and this applies to everybody.

The farmer, in the final analysis, always has to stand for reductions that may be made all along the line of agricultural productions. It is idle to contend that the beef packers compose the one class in all our country that can absolutely make prices at both ends of the line as to what they pay for their live stock and what their product must bring, regardless of circumstances.

It is claimed that the packer now makes leather from his hides, and therefore competes with the tanner. I regret this. I would have it otherwise. But the packer makes soap, too, from the tallow of animals, brushes from the bristles, extracts, and innumerable other articles. Will the removal of the little revenue tariff of 15 per cent ad valorem from cattle hides which weigh more than 25 pounds each stop the packers from making all of these various articles? Why, Mr. President, the removal of the tariff on hides would no more stop or interfere with the tanning of hides into leather by the Chicago packers than the removal of tariff on fertilizers would prevent the manufacture of that product. In fact, it is like "The flowers that bloom in the spring;" it has "nothing to do with the case."

The removal of the tariff on hides will lessen the value of every head of neat cattle in the United States, whether it be the poor widow's cow, the farmer's little bunch of beef stock, the cattle of the great feeders, who buy from the ranges and fatten the stock on grain in the Middle West, or the stock of the man on the plains who raises cattle for such feeding.

But stopping for a moment to dwell on the assertion made in nearly every document sent here at the behest of the leather trust demanding free hides, that the hides cut no figure with the price of cattle, let me state one or two propositions—and there are thousands of others that could be stated, but I do not wish to be tedious.

As the cattle come into any of the great markets from the plains country, the purchaser or his agent first looks them over to see what is the condition of their brands. If an animal is one which was branded as a calf with a large iron, perhaps on both sides, the brand growing as the animal grows, so that it plainly disfigures and harms the hide on both sides, a deduction is promptly made on that animal, varying from $2 to $5, according to the estimated damage to the hide. If an animal is branded on one side only with a large brand, a less deduction is made; if branded on one side with a smaller iron, still less reduction; if branded only on the jaw, scarcely any reduction; and if not branded at all, the cattle run in price from $2 to $5 a head, right through, higher than the branded ones.

Now, this statement can not be gainsaid. If the hide does not figure in the value of the animal, as do the steaks and roasts from the animal, there would not be this clean-cut transaction and understanding. In other words, every animal that goes into the market for beef, and every one that is killed at home for beef, varies in value—as it can not help doing—according to the condition of the hide.

To say to the farmers and cattlemen in my country that the packer takes all of the benefit of the value of hides and that the farmer gets nothing at once insults and outrages the farmer's intelligence.

This seems to be a case, as I have said, of the "pot calling the kettle black." The great leather trust of this country, which essays to control the price of leather, which dominates the boot and shoe and harness makers, and actually causes them to send in all these demands for free hides, is undertaking to get more firmly into the saddle by trading upon and capitalizing the bad reputation of the "beef trust," so called.

The cattle raisers and farmers have no commission or warrant to protect in any manner the beef packers, and if the removal of the tariff on hides would affect the packers alone, I do not know of a single cattle grower or farmer who would consider himself called upon to defend the duty on hides.

The Free Hide Text Book of April 14, 1897, made no complaint about the packer, although all kinds of disaster was prophesied for farmers and dealers of leather and makers of boots and shoes if a duty on hides was enacted. Upton Sinclair had not then written The Jungle, and it was not then as fashionable or effective as now to denounce the packers.

Mr. President, I do not suppose there has ever been a more perfectly organized literary bureau even in the heat of a political campaign of this country than our free hide friends have inaugurated, have sustained, and have pushed into every part of the United States. They have been exceedingly careful not to promise any lower prices for shoes, but they have used threats that there might be higher prices.

For instance, here is a little article which I found. I know the man well who is responsible for it, and I asked him where he got it and why he published it. He said it was sent to him with other like material, with compensation. He was asked to put it in his paper, and so he inserted it. I reads as follows:

> The next time you buy a pair of shoes you will pay 15 cents a pair more than you have ever paid for a similar pair of the same make before. This is the order of the trust that manipulates the price of leather goods.
>
> Shoe dealers received a notice yesterday that the advanced price would become effective at once, and that they must charge accordingly. The reason given is that the price of leather has increased considerably lately and that the manufacturers must have the extra 15 cents a pair. Of course nobody out this way, where we have hides to sell, has ever before heard—

These last are the editor's words—

> has ever before heard a suggestion of higher prices, but the trust says it is higher, and perhaps you will agree with them when you purchase that next pair of oxfords which you will be wanting soon for summer.

Just how it was done, as they say, nobody can find out. They have sent out all kinds of literature. This, for instance, was sent all over the southern country:

> DEMAND FREE HIDES—THIS AFFECTS YOU—WIRE OR WRITE YOUR SENATORS TO-DAY.
>
> Tariff affairs at Washington are at a critical stage. The Payne tariff bill, as it passed the House, provided for free hides, and at the same time reduced the duty on shoes from 25 per cent to 15 per cent. This was satisfactory to most shoe and leather interests, but it is now believed to be the purpose of the Senate to restore the duty on hides for the sole benefit of the beef trust.
>
> The domestic supply of hides is far short of the demand. This market is controlled by the beef trust, which is now tanning many of its own hides. The independent tanner must buy his hides from his competitor, the trust, thanks to the present tariff, which bars him out from the other markets of the world. With hides on the free list, South American hides would be imported in quantities and would be tanned here, prices would be governed by the law of supply and demand—the trust could not "fix" prices in the face of world competition.
>
> It is only the beef trust that gains by a tariff on hides. During the past fifteen years the value of the hides has increased ten times more than the value of cattle (on the hoof). See United States Census, 1894 and 1908.) It isn't the farmer that is hollering for protection. It's the trust demanding profits to which they are not entitled.
>
> Don't allow this duty to be placed on hides; don't jeopardize your interests by allowing the beef trust to dominate the shoe business as well as the packing and tanning industry. The next logical step is for the trust to establish its own shoe factories. Where would you come in then? You would be absolutely at their mercy. They could and would dictate the terms.
>
> Your Senators are at Washington to represent you; they are there to protect your interests. Insist that they do it. Write or wire your Senators to-day (irrespective of whether you know them or not) to stand pat on that section of the new tariff bill which calls for free hides, to vote against any amendment which shall put a duty on them. The danger is real; it is right now. Act.
>
> Yours, for a square deal,
>
> CRADDOCK-TERRY COMPANY,
> *Lynchburg, Va.*

One of the Members of this Senate received the following from a constituent—I refrain from using names:

> ——, ——,
> *April 26, 1909.*
>
> ——, ——,
> *Washington, D. C.*
>
> DEAR SIR: I am writing you on some business I do not exactly understand, as the friend of mine who explained to me and begged a promise of me to write you did not understand himself, but it is something concerning the "sole leather" being formed into a "trust," which, as I understand it with the explanation given me, will cause all shoes to be of a higher price, and if prevented will give a better shoe for the same money or the same shoe for less money. And I, together with my friend, wish to ask your honor please to overrule the bill when presented and give "free" hides, as my friend termed it, which I think means "free from tariff" (or trust). Perhaps you will know better what we want than he could explain to me.
>
> Hoping our names will count toward the interest and benefit toward the people generally, I am,
>
> Respectfully, yours, ——, ——.

Then here is a card marked "important," which says:

> IMPORTANT!
>
> Senator H. D. MONEY, of Mississippi, and Congressmen OSCAR W. UNDERWOOD, of Alabama, and JAMES M. GRIGGS, of Georgia, will be members of the conference committee which will finally shape the tariff bill. It is of the utmost importance that you write one or all of these gentlemen, urging them to vote in favor of free hides, in the interest of the consumer as against the beef trust. Do so at once.

Here is another style of communication:

Agents: Boston Rubber Shoe Company, Bay State Rubber Company.

GEDDES-BROWN SHOE COMPANY,
WHOLESALERS, 215–217 SOUTH MERIDIAN STREET
(BOTH PHONES 2076),
Indianapolis, Ind., April 6, 1909.

Mr. ——— ———,
———, *Indiana.*

DEAR SIR: At the request of the Indiana Free Hide League, we are sending you herewith three forms of blank petitions, two of which you will note are addressed to the Senators from Indiana, one to Hon. ALBERT J. BEVERIDGE and one to Hon. BENJAMIN F. SHIVELY, and the third to be addressed to the Congressman of your district.

We desire your hearty cooperation in urging the United States Senators and the Congressmen from Indiana to use their influence to remove the duty on hides. Will you please sign these three petitions and also circulate them in your city for as large a number of petitioners as possible to obtain among all classes of your citizens, especially among those of prominence, who are in favor of free hides? Have each signer sign all three petitions.

"We take it for granted that you are in favor of free hides as tending to prevent further advances in shoes, harness, and other leather goods, and in the interest of all consumers.

"Please write the name of your Congressman and the number of your district, and also the city and county, in large, prominent letters upon the space provided for same, and mail the petitions direct to Washington to the respective legislators, inclosing with each a short letter stating what the petition is and the number of signatures it bears. When you have done this, kindly fill out and mail the inclosed postal card to the league. It is necessary that immediate action be had if these petitions are to be of any avail, as they must reach Washington at once."

Very truly, yours,
GEDDES-BROWN SHOE CO.,
Per BROWN.

I do not claim that they have not a perfect right to do this, but I want to say it explains a great many of the petitions that have come here. I have given personal inspection to all the petitions that have come to the Senate in the days and weeks that we have been assembled in this extraordinary session, and they form a remarkable exhibit.

Mr. President, they are on two or three printed forms, usually with the names of the Senator or the Member of the House of the district printed in—everything ready for a starter. Somebody is hired to stand on the corner or to go through a railroad train and present it to every man who comes along and ask him if he wants to do something to break down the great wicked meat trust, and if he wants lower prices on boots and shoes. Of course he says, "Yes." "Well, then, sign this."

I will not take the time of the Senate to read them, but I have here a few of the blank forms—the Wisconsin, the Indiana, the Missouri, the South Dakota and Middle West forms, and others.

Their wonderful similarity throughout would awaken a suspicion in the mind of the least suspecting of persons that these petitions had originally emanated from one and the same source.

It is not hard to trace that source and to determine the originator. There is no doubt in my mind that the great leather trust, working through the various "free-hide leagues" organized throughout the country for the purpose of carrying on this warfare of petitioning, has sent these blanks to the wholesale leather houses, thence to the retailers, and thence into the hands of the petitioners in every community where there was thought to be any possibility of a favorable response.

The tactics can be best shown by the printed circular letters and their inclosures which I have here. A blank space is left for a superscription of the retailer's or merchant's name and address, in each case cleverly filled in by typewriter in ink to match, so that the letter might have the appearance of a personal appeal.

In some instances I found all the signatures in one person's handwriting, one of the many circumstances I might mention to impress upon you the valuelessness of all that mass of lists of proper names that has been handed to the desk during the past few weeks.

One petition showed that the signatures had been collected on board a train, the signers purporting to be citizens of one certain State. Indeed, the league's methods were devious and far-reaching. I have heard stories to the effect that many years ago the census, in some of the out-of-the-way portions of new Western States, was taken by enumerating all the tourists who passed through on the overland trains. Doubtless they were just as much a part of that locality's population as the signers of the free-hide petition, prepared on the train, were citizens of the State whence that petition came. Who knows that the list of names—alleged "signatures" prepared by one person's hand—was not made from an enumeration of the names of unfortunate individuals laid away in some remote cemetery?

Everyone knows what a simple matter it is to get signatures to a petition if it is being presented by an energetic canvasser. If a man is approached by such canvasser with the inquiry, "You are in favor of cheaper shoes and other leather goods, are you not?" and the demand, "Well, if you are, then sign your name here. Smith, Jones, and a lot of others have already signed," and that man is not sufficiently interested to inquire into the matter, in nine cases out of ten he will carelessly and good-naturedly affix his name to the list. It is often said that a petition could be successfully circulated praying for the hanging of a reputable citizen, if the right person had charge of it—one who could present the matter convincingly on the ground of moral reform.

In communities where factories are located it is very easy for the circulator of a petition to obtain signatures to his heart's content, if he has an argument to offer which will convince those whom he approaches that they are petitioning for benefits to themselves; but the farmer in an isolated spot, at work with his crops or his stock, is not going to leave them to take up the work of circulating petitions or training upon Congress countless letters, telegrams, and skilled lobbyists, with a view to furthering his interests at the expense of some one else's. He has confidence in the party which has heretofore protected his interests, and believes that they will continuously be protected.

This is a form of one of the petitions used:

To the Hon. ALBERT J. BEVERIDGE,
United States Senator from Indiana, Washington, D. C.:

Knowing that the duty of 15 per cent on hides, levied twelve years ago, has been unfair to the entire leather industry and a burden upon every consumer of leather in this country, and that it has not helped the farmer, as its advocates claimed it would, and has helped the large packers only, who are also tanning leather, we most earnestly urge you to use your influence to have the duty on raw hides removed.

——— ———.
——— ———.
——— ———.

I have received an immense mail of late from farmers and associations representing the other side of the proposition. I have not had their communications in the Senate, and will now insert only a few samples:

WYOMING STOCK GROWERS' ASSOCIATION,
OFFICE OF SECRETARY AND EXECUTIVE COMMITTEE,
Cheyenne, Wyo., April 12, 1909.

Hon. FRANCIS E. WARREN,
Washington, D. C.

DEAR SIR: Inclosed you will please find copy of resolutions adopted by our association at the annual meeting, held recently.

Very truly, yours,
WM. C. IRVINE, *President.*

Whereas the bill H. R. 1438, known as the "Payne tariff bill," has taken the present duty of 15 per cent off of hides and placed them on the free list; and

Whereas, on the other hand, the same bill has placed a protection tariff of 5 per cent to 75 per cent on all manufactured articles of leather; and

Whereas we believe this to be an unjust discrimination against cattle producers: Therefore be it

Resolved by the Wyoming Stock Growers' Association, That we do protest against any reduction of the present duty on hides, except on the basis of a maximum and minimum tariff, as we believe a reduction of tariff would mean a reduction in price of cattle on the hoof, with no corresponding reduction in the price of leather goods.

Resolved, That copies of these resolutions be forwarded to our Senators and Representatives in Congress.

LARAMIE COUNTY CATTLE AND HORSE GROWERS' ASSOCIATION,
Underwood, Wyo., April 19, 1909.

Senator F. E. WARREN,
Washington, D. C.

MY DEAR SENATOR: After a careful reading of the testimony offered pro and con in regard to the tariff on hides, the strength of the entire argument for free hides seems to be centered on two points:

First. To enable the manufacturers of leather and shoes to enter the foreign markets and compete or undersell the foreign manufacturers; and,

Second. To secure a club that will enable the same people to dictate to the so-called "packers' trust;" or, in other words, it is a case of trust fight trust.

The cattle grower has been eliminated from the discussion with the mere statement "that he does not secure a benefit of any kind from the present duty on hides, for the reason that he does not grow an animal for hides, but for beef."

The shoe manufacturers state that they are compelled to a great extent to ship their uppers to foreign countries and sell to foreign manufacturers, who place the soles and then put the finished article on the market. I fail to understand why this is necessary when they import the leather that constitutes the upper to export. It costs no more to import the leather for the sole than for the upper, if we accept their statement as to the kind of leather they use. The ruling of the Treasury Department practically allows them to now import a large portion of their hides free of duty, and the Dingley Act allows them a drawback on what they again export.

Because they see fit to buy the various parts of a shoe upper from different jobbers, and are therefore not able to claim the drawback does not seem a good argument why the cattle grower should stand a loss that they may secure a profit on goods to be sold in foreign markets. Again, they have not supplied any direct testimony to prove that they will ever reduce the price of shoes. To the average man the talk that they will improve the quality of the shoe, even if they do not lower the price, is not a very convincing argument. In their testimony they further state that the retailer always makes his advances in 25 and 50 cent jumps. If, on the other hand, the manufacturers only think they are going to be able to make a reduction of 10 cents a pair on shoes

to the wholesaler then it is again very apparent that the reduction by the wholesaler to the retailer will only be a mater of 4 or 5 cents a pair. If the retailer has recently made an advance of 25 cents on his lines of shoes, it is not very evident that he will reduce these lines 25 cents to meet the 5-cent reduction in cost to him.

Another of their sympathy-producing arguments is that which relates to the cheap shoe for the laboring man. The laboring man at present is receiving higher wages than ever before. The skilled men and all office help are about all protected with certain hours of labor. If his labor has become more valuable on shorter hours, then it is very evident that the necessities that he requires will also advance on about the same ratio. On the other hand, the cattle grower during the winter months is compelled to work every day, including Sundays, and from daylight to dark, and yet they say we receive no benefit from a tariff.

In the entire testimony I did not see one statement that would tend to show there would be a reduction on harness or saddles by the manufacturers of these articles if they received free hides, and yet the Payne bill has protected their industry with a 35 per cent duty. In fact, every article manufactured of leather has a protective duty of 5 per cent to 75 per cent, and they ask the producer of the hides to go on the free list and compete with the world. I note the shoe and leather people at first were willing to compete with the world with their goods and go on the free list, but later they returned and advised the Ways and Means Committee that they had misunderstood them—"that it would be very necessary that their manufactured articles should be retained on the duty list."

In their arguments against the packers it seems to me they have offered the best possible argument why hides should be retained on the duty list at 15 per cent. If, as they say, the packers maintain a trust and hold up the price of hides to the tanners, then, on the other hand, with a reduction of the duty the packers would certainly reduce the price of cattle on the hoof to the cattle grower. In fact, I do not see where the duty affects the packer one way or another. The reduction of the tariff would only reduce the value of his product 15 per cent, but it would certainly not compel him to run after the tanners and beg them to buy their hides. If they see fit to tan their own hides now, they will continue with a free-duty hide. If they hold their hides for better prices they are only acting human. If I think cattle prices will be better in October than September I certainly try to hold my cattle until then. Again, when the packer buys an animal he does not do so primarily for his meat. He uses the hides, hoofs, and offal. He pays as much per pound for these as he does for the meat. When I offer my stock for sale I consider the hide as much a finished product as the meat of the animals.

The cleaner and neater their hides are the more appealing the animals are to the eyes of the buyers. The argument that the hide is raw material is an absurdity. It may be a fact that we do not put any work on the hide alone, but it is impossible for us to produce a good beef animal and at the same time have a poor hide. The feed given the animal helps as much to make a good hide as good beef. Another point that I disagree with is the matter of the hide on a good animal and a poor one. They state the hide of a 1,200 pound steer that sells at 6 cents is no better than the hide of a 1,200 pound animal that sells for 3 cents. If the former goes for beef and the latter for a canner, it is very apparent that there is a great physical difference in their make-up or condition, and that condition will naturally affect the quality of the hide. Hides are always sold in different classes. It is very certain the hide of the poorer animal is somewhat diseased, like the animal, or it would bring a different price. Its hide would probably get a glue or third rating, while the hide of the good animal would no doubt get a No. 1 rating. In the testimony I also notice the statement that the reduction of the hide tariff would no doubt reduce the price of cattle at least 96 cents. It is not probable that the packer would figure that close without making it $1 if, as is stated, he now controls the price of hides to the tanners. If this is the case, then the loss to the cattle growers of the United States from this one cause will run $17,000,000 or better each year, yet the shoe and leather men are not willing to say there will be a reduction of one cent for a certainty in the price of leather goods. In fact, their own testimony goes to show that to-day there is an open bidding market for every hide that is taken off, and that a shortage is becoming more apparent every day. With this situation in view, it is not apparent that there will be any reduction in the price of leather goods.

The growing of hides is probably one of the most important industries in the United States to-day. Every man, woman, and child must have shoes, farmers must have harness, and manufacturers belting. Yet the producers of cattle are the least protected of all industries. We are not even allowed to put our business on a legal and solid basis. The Government says if we fence the public domain and try to control our herds that we are criminals in the sight of the law, yet it has absolutely refused to consider a proposition to sell or lease us these public lands that are only fit for grazing that we may legalize our business and run it as each individual sees best. I will venture to say that with the present policy of the Government in reducing fences without providing some legal way of protecting our herds that the production throughout the Northwestern States will fall off 50 per cent in the next five years. Already great numbers of cattle growers are expecting to reduce their she-cattle holdings to a great extent this year and expect to replace them with southern steers. Sections that have spent years in building up fine herds will in a short time be operating on a speculative basis with steers. Free hides and free grass will cause a shortage that not even the so-called "packers' trust" can be blamed for.

If the men who have endeavored to build up the West, who have paid the taxes to maintain the state governments, are to be kept in business, then it is to the interest of all Members of Congress to see to it that they are protected from foreign invasion in the matter of free hides and home protection in the matter of legalized ranges.

Very truly,

J. C. UNDERWOOD.

At a meeting of the board of directors of the South Omaha Live Stock Exchange held May 24, the following resolutions were adopted and I was instructed to transmit same to you.

The exchange, representing the largest single industry of the State you represent in Congress, hopes you can see your way clear to vote for the retention of the duty of 15 per cent on cattle hides, thus helping rather than injuring this industry.

Whereas Congress is now considering a change in the present tariff laws of the country; and

Whereas we understand there is an effort being made by the manufacturers of boots and shoes, harness, and other industries using leather in large quantities, to have removed the duty of 15 per cent on cattle hides, while at the same time they are also seeking to have the present tariff retained on the goods they manufacture; and

Whereas the removal of this duty will cause an immense loss to the cattlemen of the country, amounting to from $1.50 to $3 per head on all cattle raised and sold by the cattlemen; and

Whereas if this duty is removed the ones to gain thereby will not be the people at large, but the manufacturers above mentioned; and

Whereas the ones to lose thereby will not be the manufacturers of leather goods or the purchasers of the cattle, but the people who raise the cattle and those who have to purchase the meat of these cattle to eat: Therefore be it

Resolved by the board of directors of the South Omaha Live Stock Exchange in the interests of all of the stockmen of this and other States, That we request our Representatives and Senators in Congress to vote and work for the retention of the duty of 15 per cent on hides, and further request that they use their influence with Congressmen from other States who may not have had an opportunity to learn of the great injury the removal of this duty would be to one of the greatest industries of the country: And be it further

Resolved, That a copy of these resolutions be sent to each of our Representatives and Senators in Congress, and that copies be given our market paper and the daily papers of Omaha.

(Resolutions similar to the above were adopted by the Denver Live Stock Exchange, of Denver, Colo.; the Western South Dakota Stock Growers' Association; and the East Buffalo Live Stock Association, of East Buffalo, N. Y.)

AMERICAN NATIONAL LIVE STOCK ASSOCIATION
AND CATTLE RAISERS' ASSOCIATION OF TEXAS,
Washington, D. C., March 15, 1909.

Hon. FRANCIS E. WARREN,
Washington, D. C.

DEAR SIR: The membership of the American National Association comprises state and local organizations of stock raisers and farmers, as well as individual members from the States and Territories west of the Mississippi River, with headquarters in Denver, Colo. The Cattle Raisers' Association of Texas is composed of those engaged in raising cattle in Texas, Oklahoma, Kansas, Colorado, New Mexico, and Arizona, many of whom are also engaged in the same business in the Northwestern States.

Speaking for the live-stock industry, these associations, asking no special favors, seek only fair and equal treatment in tariff schedules on live stock and its products and the adoption of that policy which will give the widest market for our surplus in foreign countries.

It is the aim of these associations, through this office, to collect and disseminate such information relating to the live-stock industry as will aid in a correct understanding of the facts to secure these ends.

We urge that a reasonable tariff, consistent with the general policy of the law which shall be enacted, be retained on cattle and other live animals, and on hides and wool. We strenuously oppose placing hides on the free list, as is urged by tanners and manufacturers of leather and shoes, while retaining those articles on the dutiable list, and declare that it would be the worst sort of discrimination against the stock raiser and the farmer, with no resultant benefit to them or to the public.

We shall be glad to furnish information in support of these views, and invite you to call on us for the same.

We call your special attention to Judge Cowan's testimony and briefs in published hearings of Ways and Means Committee. (See pp. 3711–3774, 5559–5572, 6341–6343.)

Respectfully submitted.

THE AMERICAN NATIONAL LIVE STOCK ASSOCIATION,
H. A. JASTRO, *President, Bakersfield, Cal.*
T. W. TOMLINSON, *Secretary, Denver, Colo.*
THE CATTLE RAISERS' ASSOCIATION OF TEXAS,
IKE T. PRYOR, *President.*
H. E. CROWLEY, *Secretary, Fort Worth, Tex.*
S. H. COWAN,
Attorney for the Associations, Fort Worth, Tex.

Address: J. L. KENNEDY,
In charge of Washington Office.

Whereas there has been passed in the lower branch of the United States Congress the Payne tariff bill (H. R. 1438), wherein the hides of cattle have been placed on the free list, while on the other hand all manufactured articles of leather have been placed on the dutiable list at from 5 per cent to 75 per cent ad valorem; also all wools and woolen goods and all agricultural products of the farms are reasonably protected; and

Whereas the present Dingley Act provides by sufficient drawback-duty clauses and the interpretation of the law by the Treasury Department to protect the tanners and manufacturers of leather in the course of their foreign trade by virtually reducing the duties to the free list; and

Whereas the hides of cattle being a finished product to the producer any change in the present duty of 15 per cent would work a great injury to our industry; and

Whereas the present campaign for free hides is only a move to put the now-derived revenue to the credit of the tanner and manufacturer of leather and to give them an opportunity to dictate to the large killers of cattle and would never reduce the price of shoes or leather goods: Therefore be it

Resolved by the Laramie County Cattle and Horse Growers' Association on this 25th day of May, That we do protest against any change in the present Dingley duties.

The fact is, hides of cattle are no more a by-product of cattle than wool is of sheep.

While the duty on wool is not just now being generally protested against by eastern manufacturers, yet there are a few at the present moment who say the same thing regarding wool and mutton as the free-hide people say about hides and beef.

There have been long years of struggle between woolgrowers and manufacturers, until at last it seems to be recognized that it is the wool raiser's right to have a tariff. The same is true exactly in the case of the farmer and cattle grower. The only reason why we are now pursued by those desiring free hides is that only a few years have elapsed since they had free hides

for a time, and they are now hungry again for the little difference, even though it be a cent or a little more per pair of shoes, which the leather and shoe men make and which they have no intention of dividing with the consumer.

It is the same old time-worn and specious appeal of the free trader to the selfish side of the manufacturer's nature.

The dogmatic statement that the farmer gets no benefit from the 15 per cent duty on hides has been so often and aggressively made that possibly some of its advocates believe it. But I deny the truth of the assertion just as vigorously as they make it. The only proofs that are offered—and I find the statement running through all kinds of memorials, pamphlets, and letters sent to Members of Congress—consist in tables showing prices of beef at the packing houses in Chicago on different days in different months and the prices of hides at corresponding times, showing that sometimes beef is lower and hides are higher, and sometimes hides are lower and beef is higher. That forms the only argument and the sum total of proof offered in support of the oft-repeated dogma.

To those who know anything of the business, the proof is as convincing as that of the boy who undertook to prove the truth of the Mother Goose rhyme about the cow jumping over the moon. It happened to be a moonlight night. A cow stood under a neighboring tree calmly chewing her cud. The boy said: "Yes; I believe the cow jumped over the moon, and I can prove it. Just look over there—there's the moon; and just look under that tree—there's the cow. That proves that the cow jumped over the moon."

Of course the prices of hides and beef vary. One goes up and the other goes down, exactly as do the prices of mutton and wool. The market of one has nothing whatever to do with the market of the other. The price of beef may be, and generally is, high in late winter and early summer, and lower in late summer and fall, because in the one case there has been a large amount of grain or stall feeding necessary, and no beef has come directly from the grass, while in the other case the stock has been taken directly from the pastures and has not had a long season of expensive stall feeding.

Mutton may be high at a time when wool is low, or may be low when wool is high; but that does not prove that the wool on the sheep's back is a by-product and that the farmer gets no benefit from it. The cases are exactly parallel. It may be claimed by some that there is a difference in that sheep, or some of them, live after they are shorn; but against that lies the fact that some ten or twelve million sheep are slaughtered every year, a large proportion of which are lambs, a little less or more than a year old, that have never been shorn, and all the wool they have ever grown goes with their hides.

The Boot and Shoe Recorder, addressed especially to "Senators and Representatives at Washington," contains the usual declarations, first, that farmers and cattle growers derive no benefit from the duty on hides, and, second, that the beef packers are the sole beneficiaries from said duty.

It says:

The Dingley bill placing a duty of 15 per cent on hides became a law, I think, in July, 1897, and its effects on the price of hides were almost immediate. For illustration, please note that according to this table the price of native steers in Chicago, April 3, 1897, was $5.40 per hundred pounds, and the price of hides taken from the same animals on that date was 9 cents per pound.

On October 2, 1897, native beef steers had advanced to $5.50 per hundred pounds, or 2 per cent, while the hides taken from them had advanced 16 per cent above the price of April 3, 1897.

Of course it was expected that the imposition of the duty would raise the price of hides enough so that western stock growers could send their hides to market and have something to show for them over the freight paid. Before, the freight had amounted to more than they could obtain for their hides; consequently the hides were not marketed, but were buried or otherwise disposed of.

The claim is made by Mr. Goodbar, whose words I have just quoted, that the packer buys an animal at $5.40 per hundred pounds and gets 9 cents a pound for its hide, and consequently makes $3.60 per hundred profit. Evidently he never saw an animal butchered or he would know that an animal bought in gross weight shrinks nearly half after the wastes are thrown away, and therefore the hide, meat, and so forth must bring twice or more the price paid per pound on the gross weight, in order that the killer may get out even. And yet the editor of this yellow (in color) paper says that Mr. Goodbar's arguments in his letter are practically unanswerable, and that the gentleman has done some excellent campaign work in placing this large amount of valuable information before Senators and Representatives.

There are many correspondents to this paper whose letters are copied.

One says:

I believe we should have free hides and a high tariff on shoes.

Another says:

We are all aware of the fact that there does not exist any combination amongst the shoe manufacturers, but that there is a very strong one amongst the tanners.

And he therefore asks that Senators shall rescue the poor makers of foot wear from the clutches of the tanners. And, by the way, it is the tanners who are demanding free hides.

Another correspondent says:

Were the duty taken off, beef would be more in demand and could be retailed to the consumer at a price per pound within the means of the most humble laborer and his family, at the same time making a greater demand for beef as well as the hides.

And he adds:

Why not help the farmers?

Perhaps other Senators may catch the point of this lucid argument. I have been unable to do so.

Another correspondent says:

We have used all our powers of persuasion with our customers to induce them to take active steps in influencing public opinion in their own localities in favor of free hides.

And this correspondent adds:

Much talk has been made that if hides are put on the free list shoes would get somewhat cheaper. On the contrary we are firmly of the opinion that they are not going to be cheaper.

Then we find a number of other correspondents who take the same view. For instance, one says:

While advocating the removal of this duty, it is necessary to convert some of the absurd ideas now prevailing in the public mind and even finding lodgment in the ideas of many retail dealers, namely, that if the hide duty be removed shoes will be shaded the 15 per cent. In other words, a shoe now costing $3 can be then sold for $2.55, and so on down the line. We hope the Recorder will take hold of this erroneous idea, so that proper appreciation of correct conditions may be obtained.

We find reports from many other correspondents, such as the following:

Prior to the Dingley bill the price of packers' cowhide was 4 cents; to-day it is 13¾ cents.

The 4-cent market to which this man refers prevailed at the time I have described, when the western cattle growers were burying or otherwise disposing of their beef hides, as they were worth nothing for shipment, the freight being more than the hides would bring in market.

On the other hand, 15 per cent on a hide could not possibly account for any such difference as he records. It might raise the price 1 or 2 cents.

The same man says further:

Should the duty remain on hides, the shoe trade will suffer a setback from which it will take years to recover, as it will interfere with our small export business, which we are at present securing.

And so it is for the exporter, and not for the consumer, that he wants the tariff removed And he thinks a 500 per cent increase in exports, about 50 per cent a year, in a straight-away run of ten years is not rapid enough. In would seem to an ordinary business man, outside of the shoe business, that it would be "going some" to have the assurance that his business would increase 500 per cent in ten years.

Still another correspondent says:

The fine Italian hand of the packers, as was expected, put in an appearance at the last moment, and we are now facing an amendment proposed in the Senate retaining the duty on hides and a reduction of 40 per cent in the duty on shoes. The situation is alarming. * * * Will the packers again win out? If our people will only stand together, shoulder to shoulder, as they have been doing since this tariff agitation began, I believe the people will win out.

And finally, after searching throughout this remarkable document, which is officially directed especially to the Senators and Representatives in Congress by the boot and shoe trade, I find two things of remarkable prominence:

First. That not a single correspondent is willing to drop his protection on leather and shoes to obtain free hides; and, second, that with a single exception, not one promise or hint of a promise is contained as to lower prices on shoes.

Now, here is another yellow authority upon the subject of hides. This is styled "A common-sense appeal," and is addressed to the Congress. After stating that "it (meaning the duty on hides) crept into the act during the conference hours," and after the usual dogmatic declaration that the duty benefits only the packers, it says:

There are many substitutes for beef for food, but sole, harness, belting, furniture, and other leather can not be made from anything but cattle hides.

Then the document further states:

But since the imposition of the duty of 15 per cent, exports of leather made from dutiable leather have not increased and the exportation of heavy leathers made from the domestic hides has practically stopped. All other leathers made from nondutiable hides and skins have enjoyed

a steadily increasing export business. * * * They not only are turning back the tide of leather exports, but actually are invading our shores.

Both of these last assertions are as untrue as the first one. I have here [exhibiting] samples of different kinds of substitutes for furniture, carriage, automobile, and other leather, which are in very common use. Some of it can be found on the furniture in my committee room, and doubtless in most of the committee rooms, and in hotels, cars, carriages, and automobiles.

Why should we not increase our exports of sole leather when the exporter gets a drawback on exported leather of all the duty he paid on imported hides?

This sheet also says:

Testimony shows that on the high-priced shoes the value is affected 2 or 3 cents per pair by the duty.

And with generosity remarks that—

We are perfectly willing that we be given free hides, and ask that the duty on leather be cut in half—that is, reduced from 20 to 10 per cent.

It will be noted what a magnanimous offer that is—that the grower may give up all of his protection for the benefit of the leather man, while Mr. Leatherman is willing to forego a half of his protection in return. This seems to be a new way of doing things by halves.

Concerning letters, petitions, printed matter, and so forth, when I went home in April I took occasion to visit shoe stores in my town and the banks and asked them the authority under which they wrote and why they wrote suggesting free hides. Well, in two of the cases they knew nothing about it, but finally upon investigation a clerk said, "Yes; they came in with a petition and I signed it. I did not know what else to do with it." I went to a banker. He said, "I do not know anything about it, but I sent it down to you for what it is worth. I care nothing about what you do with it."

Similar explanations would account for many thousands of names that have been sent here in these petitions. I have presented the petitions; almost every Senator has presented them. It is the duty of a Senator to present petitions. It is the right of the American citizen to address the Congress by petition. We have had tons and tons, and I might say almost millions of tons, of them in the last hundred of years, and they have very much likeness one to the other.

I have here a great flaming placard covering the whole side of a newspaper that appeared in certain western publications as a paid advertisement. I have here papers showing the organization of the great Central leather trust.

They take in the New York Sun more than one-half of one of the pages, and put their advertisement in a reading-matter column. It is hard to discover as an advertisement, but almost a fortune is paid for its insertion, which shows the extravagance of the great Central leather trust, which swallowed up the United States trust and others; which represents hundreds of tanners—a trust that is at the bottom of these disturbances; a trust that does not care much what statements it makes and does not expect to be called upon to prove its statements; a trust that has shown an accretion of wealth and properties heretofore that ought to credit its officials with intelligence and integrity and prevent them from stating to the country and to the Senators such foolish falsehoods as the one about the hide duty being slipped into the Dingley bill while it was in conference twelve years ago.

I have here, but I will not take the time to read it, the exact property that this so-called "meat trust" or "packers' trust" own and use as tanneries. One of the largest packing concerns in Chicago—one of the "Big Four," the National Packing Company—has not a dollar of interest in any tannery, but sells all of its hides. All the packing concerns sell largely of their hides. No one of them tans all its hides, or expects to.

I will ask to insert in the RECORD the figures.

The VICE-PRESIDENT. Without objection, consent is granted.

The matter referred to is as follows:

WASHINGTON, D. C., *May 28, 1909.*

Hon. FRANCIS E. WARREN,
Washington, D. C.

MY DEAR SENATOR WARREN: In lieu of some data which was recently furnished you relative to the United States Leather Company, we are now furnishing you our latest information.

When the United States Leather Company was organized, it bought outright and has since operated about 100 tanneries scattered throughout the country. When, later on, the Central Leather Company was organized to take over the United States Leather Company, that concern (the Central Leather Company) absorbed about one dozen more tanneries. All these tanneries, with one or two exceptions, are now operated in the name of the United States Leather Company or the Central Leather Company. The American Hide and Leather Company owns and operates over 100 tanneries.

Armour & Co. only operate and own one tannery, and that is located in Sheboygan, Wis. That plant tans for Armour & Co. about 150,000 hides per annum. Armour & Co. produce about 1,250,000 hides per annum. All these hides produced by Armour & Co., including those tanned by its Sheboygan plant, are sold on the open competitive market; their Sheboygan plant buys the hides from Armour & Co. the same as any other tanning concern. Armour & Co. has no other tanning plant, or any contracts. Armour & Co., however, are interested in the concern of Winslow Brothers & Smith, of Massachusetts, by a small stock interest in that company. Winslow Brothers & Smith simply handle sheepskins.

Swift & Co. own the control of A. C. Lawrence & Co., of Peabody, Mass. This concern does a general tanning business, but most of its product is upper leather. Swift & Co., we understand, have tanned under contract a small percentage of their hides. On the whole, the tanning of Swift & Co., either under contract or through A. C. Lawrence & Co., is only a small percentage of their total hide production.

It is safe to estimate that the big packers have tanned themselves, or under contract, less than 25 per cent of their total output of hides.

Very truly, yours.

Mr. WARREN. But, Mr. President, I am very glad to say that we have men in New England, we have men in the Middle States, we have men in Massachusetts, who do not believe in free hides. With a timidity that prevents me from entering deeply into the subject in the absence from the Chamber just at this moment of both Senators from Massachusetts, I will not say what I think is the proportion of the Massachusetts people who favor free hides as against a tariff on hides, but I will admit that free hides is a great fad there. It is something like the hysteria, if I may term it such, that swept over the western country regarding silver some years ago.

There are men there who seem to rise in the morning with nothing in view but a calfskin or a steer skin. One of her governors, and a charming man he is, wrote to the President of the United States, after he had first seen him about the subject, asking that a message be sent to Congress advocating free hides.

To be more explicit, Governor Douglas, of Massachusetts—a great governor, representing the Democratic party and representing the shoe industry—and Curtis Guild, also a great governor, representing to a great extent the shoe people and sundry others, came to Washington to interview President Roosevelt, and to make sure that everything was right they put their prayers in writing. President Roosevelt answered them, and those documents have been printed and are here with us now.

I remember one expression of the President. Its meaning was burned in on my memory then and it has remained there; and, in my judgment, it was one of the bright jewels in the diadem of the man who had probably a greater vote and could have again had a still greater vote for President than any other American citizen. He said to these men: "I am glad to hear your complaints. I will look into this matter. If a wrong is being done, I will try to correct it." I am not giving his exact words.

"But," he said, "there are many localities to be considered in this great country. There are many subjects to be considered, interdependent subjects, and I can only promise you to give this matter my earnest attention." Those were the words of a statesman and a fair and generous man—Theodore Roosevelt.

Now, Mr. President, in that letter that I am speaking of the case was so urgent that our friend Governor Guild said to the President: "Free hides are an anathema in Massachusetts." Mr. President, has it come to a pass in Massachusetts that the difference between a curse and a blessing is only 15 per cent ad valorem upon 23 per cent of a product so base in fabric as the bad-smelling hide of a dead steer?

Shall it be bliss if they can wipe out a small benefit where it is announced by the governor of a great State to the President of the United States that a certain policy is a curse? Is this Senate ready to accept the statement that Massachusetts is under a curse, and that the trouble is so urgent that the President of the United States had to be sought? Why was he sought? He was sought and it was almost demanded of him that he send a message to Congress requiring them to undo the wrong that had been surreptitiously done—as was falsely represented—by the Senate of the United States in the expiring hours of a special session called to legislate on the tariff in 1897.

But they are not all that way, I may say; and I say it with pleasure. Here is one of the great builders and greatest manufacturers of Massachusetts, Mr. William Whitman, who says:

THE TARIFF REVISIONIST: AN EXAMPLE OF THE NATURE OF HIS DEMAND.

History repeats itself. As in 1871 and 1890, there is to-day a group of men in this Commonwealth who sound a note of discontent and clamor loudly for immediate tariff revision. The most persistent members of this group, the boot and shoe manufacturers, we may study as examples. They insist on the removal of the 15 per cent duty on hides imposed by the act of 1897, and they have joined in a petition to the Congress of the United States for a reduction or abolition of that duty among others. The petition is based upon the allegation that the manufacturing interests of the Commonwealth are not prospering; that they can only be restored to a condition of prosperity by abandoning the present broad scope of the protective policy and by granting free raw materials to certain manufacturers.

At the outset the allegation in the petition, that the industries of the Commonwealth are not prosperous, may be denied. The industries of Massachusetts are in a far more prosperous condition now than they have ever been. The census statistics of ten leading industries in the Commonwealth can only be interpreted as showing a marked advance in our industrial progress since 1900.

It is without any spirit of envy or malice that these statements are made with reference to the claims of the boot and shoe manufacturers. I wish success for the boot and shoe industry, as for all Massachusetts industries. I am in hearty sympathy with any legislation that will promote the prosperity of Massachusetts or of any industry in Massachusetts, for I believe that the true prosperity of any one industry adds ultimately to the prosperity of other industries and to the general welfare. (Industrial Interdependence, by William Whitman, Boston, 1906. An address.) I am opposed, however, and shall always be opposed, to any legislation which will favor Massachusetts at the expense of the country at large, or will favor any one industry in Massachusetts or elsewhere to the detriment of other kindred industries.

The 15 per cent duty on hides should not be removed, because its removal is sought on erroneous grounds and for selfish reasons. Its removal will be of no real advantage to the boot and shoe manufacturer, and will prove inimical to our other industries and to the true interests of Massachusetts.

* * * * * * *

The present agitation is dangerous. An effort to relegate to the free list the products of the farms and ranches of the Middle and far West will tend to alienate sections which have stood steadfastly for our present system. If such effort succeeds in spite of the opposition of the West, which is increasing rapidly in political power, retaliation will supplant cooperation, and when the next tariff law is to be framed the manifold interests of Massachusetts and New England may be less favorably treated than under the present act. This is my personal opinion, but it is shared also by Members of the House of Representatives, past and present, who know the temper of that body.

The mayor of Boston, though not a protectionist, recognizes the difficulty, if not the inconsistency, of the position taken by those participating in this agitation. In a recent speech to the New England Shoe and Leather Association, he acknowledged that "the men from the South and the West laugh when we appeal now for free hides, free coal, free lumber, and free wool, and say that Massachusetts has too long been feeding at the Treasury, and that it is now time that their sections get a chance. There is no question about this belief, and we must not only combat this opinion, but we must inform these men of the true state of affairs."

This is significant from an ex-Congressman, who is in hearty sympathy with the demands of the boot and shoe manufacturers. The Members of Congress from the Middle and far West, the sections of the country which will be affected by the changes urged, are at present strongly opposed to the extension of the free list to cover the productions of their States. Is it wise, therefore, to arouse their opposition?

* * * * * * *

THE DUTY HAS NOT HINDERED IMPORTATION OF HIDES.

Prior to 1873 there was a duty on hides. In 1873 that duty was removed, and yet from 1874 to 1876 the value of the imports of hides entered for consumption decreased from $13,524,733 to $10,242,874.

In 1882 the imports were valued at $23,026,402. Then began a decline, until in 1894 the imports were only $7,665,792 in value, less than one-half that of twenty years earlier. This enormous decline in importations took place under the law admitting hides free of duty. It is strange that such should be the case if the duty injures our import business, as alleged. But let us consider the more recent periods.

The imports of hides (now dutiable) for the five years—1893 to 1897, inclusive—were valued at $70,392,256, while those for the five-year period—1899 to 1903, inclusive—were valued at $79,853,805, or $9,461,549 more than in the earlier period when hides were free. It is interesting to note that during the past fiscal year our imports have increased about 46 per cent in value and 38 per cent in quantity over those of the previous year. These facts demonstrate that the duty has not caused diminished importation or rendered it more difficult to get supplies for the home industry.

EXPORT OF SOLE LEATHER UNABATED.

Nor has the duty prevented the export of sole leather and other leather by the tanners of the United States. An examination of the exports of sole leather for a dozen years or more discloses the fact that they have been practically the same since 1897 as before.

* * * * * * *

Our exports of sole leather alone in the year 1904 were 44 per cent in pounds of the hides imported. Had the sole leather that was exported been needed in this country, or could it have been marketed at as high a price in this country as in other countries, such exports would not have been made.

This was written, I may say in justice to this man, before we had suffered the dullness and panic, if you wish to call it such, of 1908.

There is your free-hide history for you. Commencing right at the initial point where hides were free, after the old tariff, which was 10 per cent upon all hides and skins, you find there commenced immediately a reduction; finally they rallied and had a small increase; but again they go along, and in a term of twelve years they tumble back from $23,000,000 to $7,665,000. This is the evidence of one of the manufacturers of Massachusetts. His are the official figures taken from United States authoritative publications.

The newspapers of Massachusetts are not all supporting free hides. I send an extract to the Secretary's desk, which I ask to have read.

The PRESIDING OFFICER (Mr. BURTON in the chair). If there be no objection, the extract referred to by the Senator from Wyoming will be read from the desk.

The Secretary read as follows:

No tariff law has ever been made solely in the interests of one State, and never will be. We can not have both free raw materials and protected finished products. If we are for protection, we must be willing to have protection granted to raw materials as well as to manufactured products. If we are for free trade, then we must have both free raw materials and free manufactured products. Massachusetts can not play both ends of the game.

Mr. WARREN. Mr. President, that is from the Springfield Union, of Springfield, Mass., a leading Republican newspaper of that State.

Here is an item taken from the Boston Advertiser, a very short one, of date November 6, 1905. It shows what the feeling was then. It opens another line, which I wish to approach for a moment.

The PRESIDING OFFICER. If there be no objection, the extract will be read by the Secretary.

The Secretary read as follows:

THE MASSACHUSETTS POSITION.

[From the Boston Advertiser.]

The threat that free hides may mean the loss of duties on leather goods will never frighten the Massachusetts men who are in the reciprocity movement. If our Washington contemporary means it as a threat, such a warning would be useless, for every Massachusetts man who is talking free hides also intends to submit gracefully to lose the duty on boots and shoes. That is felt to be only fair. So while the Washington comment may have been intended to frighten the manufacturers into silence as to the duty on hides, there is little doubt that some noted Boston people will say to the President that Massachusetts stands ready to see the duty taken off from protected boots and shoes, especially if the duty is taken from hides. That is one reason why the reciprocity campaign has come so near to success in this State. The manufacturers are the first to admit that this is the only logical course in the very nature of things.

Mr. STONE. What is that extract from?

Mr. WARREN. That is from the Boston Advertiser of five or six years ago. I want to explain that that was the position taken by the shoe men of Massachusetts, and I think by others at that time. That was at a time when they felt absolutely secure in their peculiarly invented machinery and felt that they were unassailable from every quarter. They were demanding free hides then as now, without any promise of a lowering of the price of shoes. Since that time, as I have explained, this new machinery has become the property of the world, to those who have the money to buy it, and while they commenced in the testimony before the other House that same style of independence and free shoes, of bravado, if I may be permitted to call it so—and I say it respectfully, for if there is any class of people in the world for whom I have respect, it is the thrifty manufacturer of Massachusetts, though I may differ from him in his judgment—one after the other they were forced into a different position. If we should take the duty off, they wanted to have free eyelets and the duty taken off of trimmings, linings, and so forth.

Yes; they would favor free shoes, provided they could have free eyelets, free linings, and several other things. Finally, we find as we go along that every last mother's son of them has, as near as I can find, with two exceptions, either come back by long letters or they have asked their friends to state that they wish to withdraw what might have been considered their consent to free boots and shoes, and they made then the sensible appeal for protection that they ought to have made in the first place, and dropped their bravado. They said they believed they ought to have a tariff on leather and on boots and shoes, because foreign countries had secured the Yankee machinery which had been invented in New England, and upon which the patents had expired, and were now able to compete successfully; so that in order to protect their operatives, they needed a tariff on boots and shoes.

I regret that it is necessary to offer criticism against any citizen or class of citizens of the Commonwealth of Massachusetts. But, disliking as I do to criticise, I think adverse comment is justifiable when we see a class of manufacturers protected by adequate duty levied upon importations of manufactured articles competing with their own, reaching out for still further benefits by demanding free material from abroad which competes with the productions of the farmer and stockman of the West and South.

I am glad to point out that there are other notable exceptions in Massachusetts to this spirit of self-benefaction. A notable instance is afforded in the publication the Protectionist, published in Boston by the Home Market Club and edited by a faithful and consistent Republican protectionist, Col. Albert Clarke, who, in a recent newspaper interview on the principle of mutuality of interests, said:

If we are to have a tariff on hides, we must have a tariff on leather and leather manufactures. * * * Since the Senate placed a duty on hides I have heard from the leather manufacturers. When the House took the duty off hides and leather they were satisfied, but now that the Senate has put back the duty on hides they insist that the Dingley rates on leather manufactures be restored. The leather men are willing to take their chances so long as they have free hides, but if they can possibly help themselves they will not stand for a duty on hides and no duty on manufactured articles.

Although published in the camp of the leather manufacturers and the tanners, who have been conducting the campaign for free hides, the Protectionist has had the courage of its convictions and has stood for tariff uniformity. In its issue of September, 1908, the following appears editorially:

HIDES OF CATTLE.

The agitation of this subject two or three years ago quieted down after the Democratic leaders in Congress gave notice to the shoe manufacturers that they would not consent to a repeal of the 15 per cent duty without a guaranty of reduction in the prices of shoes. As the shoe and harness industries have greatly prospered, the duty is not considered a serious burden, and the agitation for its repeal was largely political. One of the worst effects of the duty grows out of the drawback on exported leather. The foreign buyer demands and usually gets a concession of the whole or a part of this drawback, and thus has an advantage over the domestic buyer. A large manufacturer of shoes suggests that if the duty can not be repealed the drawback had better be.

In consistence with these views on hides, the same article refers to wool and woolens as follows:

WOOL AND WOOLENS.

This is the most difficult schedule in the entire tariff, because wool-growing must be protected and manufacturers must be allowed an extra duty to compensate for it. The present schedule is the result of years of conferences—"battles" some have called them—between the growers and the manufacturers and of long study by experts and by committees of Congress. While some of the manufacturers would like lower duties, particularly on carpet wool, and while dealers as well as manufacturers would like to substitute an ad valorem duty for a specific duty on heavy-shrinkage wools, so that they would not have to pay for grease and dirt, yet the difficulties of agreeing are so great that most of them say they prefer a continuance of existing arrangements to the evils that they know not of. In products which have to compete with cotton goods, like hosiery, the wool duty is said to force a large use of poor shoddy, but just how to remedy it and still protect wool is an unsolved problem.

Notwithstanding other branches of agriculture have been increasingly profitable and tempting, sheep husbandry has held its own and gained moderately as a result of protection. The gain would have been much larger, especially in New England, New York, and Ohio but for the dog nuisance. An increase of sheep for both wool and mutton is most desirable; hence, in the interest of consumers, tariff changes of a discouraging character should not be made.

The woolen and worsted manufacture has made gratifying progress. In 1905 the capital employed in it was $370,861,691, the wages paid $70,797,524, and the value of the product $380,934,003, the last item showing a gain of 28.3 per cent in five years. Improvement in the quality of the product was equally marked, some of the mills now turning out cloths that compare favorably with the best made abroad and at lower prices.

It remains true, as demonstrated by Senator ALDRICH in 1894, that if the whole duty on wool were added to the cost of a 5-pound suit that ordinarily retails for $20, it would increase the cost only about 65 cents, and most of it would be shared by the manufacturer and dealer.

In the issue of February, 1909, the Protectionist editorially emphasized the importance of consistency and uniformity in tariff legislation, as follows:

With adequate protection we have prosperity, unless some other cause than the tariff brings adversity. With inadequate protection we always have adversity, unless some other and paramount condition prevails. All the people desire prosperity. They expect Congress to give them the necessary tariff conditions. In case of doubt, it will be far better to fix duties too high than too low, for in the former case the law of supply and demand will keep the price reasonable, while in the latter case the supply will be diminished by closing industries. Employment, the general employment of the people, is the one great thing to be looked out for.

All this inevitably leads to the conclusion that there should be substantial uniformity of protection in all the schedules. Mr. Carnegie, who does not reason as a protectionist, but as one who thinks ultimate free trade is desirable, says the steel duties can be and should be heavily reduced or repealed, although he admits it would have little or no effect on prices. Why, then, run the hazard? When nothing is to be gained by repeal, the duties should stand as a safeguard against contingencies, the same as we keep a navy in time of peace. The Wilson law had a fairly good cotton schedule, and some of the cotton manufacturers thought they could prosper—perhaps all the better because the woolen mills had to shut down. They learned better. They learned the great lesson that all must prosper or none can in the long run. Hence scrapping between industries is a very narrow and dangerous policy. Hence piecemeal revision is unscientific and disturbing. Hence taking one industry at a time, as Cobden advised Louis Napoleon to do, and as Carnegie advises now, is to divide and be conquered.

Showing whether the New England shoe manufacturers and tanners would consent to have boots and shoes and leather-manufactured goods admitted free if hides were made free, the Protectionist published the result of a canvass on the question, as follows:

FREE SHOES FOR FREE HIDES—AN INTERESTING CANVASS BY THE BOSTON COMMERCIAL BULLETIN—NEW ENGLAND SHOE MANUFACTURERS, 311 FOR, 64 AGAINST—TANNERS, 29 FOR, 11 AGAINST.

The Boston Commercial Bulletin, always enterprising, trustworthy, and interesting, in the number for February 21, published the results of a canvass conducted by itself of all the shoe and leather manufacturers in New England on the inquiry: "If hides are made free, will you consent to have your products free?" The names of the persons, firms, or companies answering were published under "yes" or "no," the result being as stated in the heading.

Commenting upon this, the Protectionist said:

Protection is and must be national. Owing to differences in industries and in world competition, its direct benefit is less to some than to others and may be less needed at one time than at another; but it benefits all alike indirectly, and no class should permit itself to be turned from it by prosperity, by temporary conditions, by any conceit of superiority, by any mistaken conception of it as a "local question," or by the persistent efforts of the Cobdenites to "divide and conquer." Shoes and cottons and woolens and silks, the finished products of the farm and mine and the finished products of the factory, must stand together or they will fall together. Duties may be, and in due time should be, readjusted to conform to new conditions, but at no time and in no industry should the great and beneficent principle be abandoned or be considered no longer necessary, for, like an efficient navy, it defends us in war and secures us in peace.

The Massachusetts legislature is sometimes heard from as follows:

Resolutions relative to the removal of the duty on hides.

Resolved, That the general court of Massachusetts favors the removal of the duty upon hides.

Resolved, That copies of these resolutions be sent to each of the Senators and Representatives in Congress from this Commonwealth.

In senate, adopted, March 21, 1905.

In house of representatives, adopted in concurrence, March 24, 1905.

Resolutions relative to the removal of the duty on hides.

Resolved, That the general court of Massachusetts favors such action by the Congress of the United States as will cause the removal of the duty upon hides.

Resolved, That a copy of these resolutions be sent to each of the Senators and Representatives in Congress from this Commonwealth.

Resolutions relative to the temporary removal of the tariff upon coal.

Resolved, That the general court of Massachusetts hereby requests the Congress of the United States to take measures forthwith for the removal of the tariff upon the importation of coal so long as the present strike among coal miners continues.

Resolved, That a copy of these resolutions be sent to the presiding officers of both branches of Congress and to the Senators and Representatives in Congress from this Commonwealth.

I want to say that I stand here ready to give every manufacturer of leather and boots and shoes a proper tariff upon his product provided these manufacturers are willing to give every other manufacturer his meed of protection, including that which he may call his "raw material," though he may be the ignoble farmer.

Mr. President, next to Massachusetts, I think Wisconsin is probably in the forefront of this industry. I will send to the desk and ask to have read a little statement made by a Wisconsin man. It seems they are not all of one mind there. I ask the Secretary to read from where I have made the blue mark to the end.

The PRESIDING OFFICER. In the absence of objection, the Secretary will read as requested.

The Secretary read as follows:

The country is flooded with literature attempting to show that the price of shoes would be immensely reduced if the 15 per cent duty on hides were removed, and request all to impress this illusion upon their Congressmen. How ridiculous!

I am a protectionist, and opposed to free hides, which would be at the loss of one and to the benefit of another class. Why protect the tanner and shoemaker and not the hide maker?

I believe in protecting one and all.

Hides are not raw material to the farmer, herder, or cattleman. They put more labor into it than the tanner or shoemaker. It is a manufactured product with them. What is raw material?

In the forest the trees,
The fishes in the seas,
The ores in the ground
Wherever they are found.

This is the limit of raw material. After you have located it, then commences labor, mentally and physically, to catch the fish, dig out the ore, chop down the trees.

I do not believe in the assertion that the packers derive the only benefit of the 15 per cent duty on hides.

If they are so independently powerful, they will surely make the cattle raiser stand the resulting loss by the removing of the 15 per cent duty on hides.

I see it is claimed that the value of the leather contained in a pair of common shoes is 40 cents. I assume the hide value of this is 20 cents; 15 per cent duty on this is 3 cents; and this is all free hides could possibly cheapen a pair of shoes. And as the laboring class will use about one pair a year, I think, and so does everybody else, that they will gladly contribute 3 cents a year merely to be just and give all a square deal.

JOHN SCHUETTE.

Mr. WARREN. Now, Mr. President, to contribute to the gayety of nations, I send to the desk and ask to have read just a few lines from a paper published in Philadelphia, that great manufacturing center. I want to say beforehand that, in my opinion, it does not represent the opinion of the majority of the people of Pennsylvania. I will not ask to have it read, but I will read it myself, as it is but a few lines. This paper says:

A WIDESPREAD OBJECTION.

[From the Philadelphia Press, May 6, 1909.]

If Senator DOLLIVER expressed the opinion of only a Western State or two in his protest against the cotton and wool schedules of the Senate tariff, he would represent a Republican opposition calling for serious consideration.

But Senator DOLLIVER voices a widespread objection. It is not only in the West that many Republicans have no desire to see rates horizontally advanced by new classifications, whose effect is not clear and whose result can not be known, but which are certain to advance rates. A revision upward is not wanted or desired by public opinion. The

rates which were high enough twelve years ago in the Dingley tariff are certainly high enough now after twelve years' growth in our manufactures.

Changes made should be chiefly downward, and a broad change is wise if conservative in character and sufficient protection is retained to meet the difference between labor here and abroad and furnish American manufacturers a fair profit.

When the Senate tariff wiped out the reduction in the duty on carpet wools in the Payne tariff, the restoration of the old and heavy duty on this raw material worked directly against the carpet industry of Philadelphia. This city needs lower duties on wool, free iron ore, free hides, and free lumber. Philadelphia is protection to the core, but it is for the protection that widens markets and increases the demand for labor and not for an advance in duties, which narrows both.

There is philosophy and benevolence for you.

Mr. DIXON. From what paper is that?

Mr. WARREN. This is from the Press, of Philadelphia. On the other hand, we sometimes get something from the New England States. I will send to the desk and have read something from a Connecticut paper, starting with the lines which are marked.

The PRESIDING OFFICER. In the absence of objection, the Secretary will read as requested.

The Secretary read as follows:

Seriously, Senator BULKELEY, in a few timely and trenchant words, exposes the thorough selfishness, narrow-mindedness, and shallow 30-cent policy of that class of politicians and would-be political economists who practically cry "Everything for me and nothing for anybody else."

The Senators of Connecticut are representing steadfastly and honestly nine-tenths of the citizens and nineteen-twentieths of the business of Connecticut. More than that, they are representing the broad interests of all the people of all sections of the United States. For when you benefit one part of the Nation you benefit all. They are standing by the magnificent record of the Republican party, which not only preserved the Nation, but has given it the grandest government, based on the wisest policies and supported by the highest order of statesmanship of any government in the world.

Our honored Senators may well feel merry over the ridiculous figure cut by a certain free-trade sheet, whose old paint won't wash off or fade when posing as an advocate of the great material interests of Connecticut.

Mr. BULKELEY. Mr. President——

The PRESIDING OFFICER. Does the Senator from Wyoming yield to the Senator from Connecticut?

Mr. WARREN. I do.

Mr. BULKELEY. I should like to ask the Senator to give me permission to have that entire editorial article printed in connection with his remarks, as well as the portion of it which has been read.

Mr. WARREN. I ask that the whole editorial may go into the RECORD.

Mr. BULKELEY. It reflects, I think, the sentiment of nine-tenths of the people of my State, though it is not exactly in accord with the sentiment of some petitioners in the retail shoe business who have asked us to vote for free hides.

The PRESIDING OFFICER. Unanimous consent is asked that the entire editorial, a part of which has been read, be published in the RECORD. Is there objection? The Chair hears none.

The editorial referred to is as follows:

"MR. SAMUELS."

Connecticut's grave and reverend seniors of the United States Senate must have felt inordinately moved to merriment when they chanced to glance over (if they ever do) the columns of our inordinately funny State street contemporary of yesterday morning in which appeared a leading editorial entitled "Connecticut's Senators."

It seems that a certain "Mr. Samuels," of somewhere, who avers himself to be fervently in love with the shoe business, also somewhere, and who is said to be "intelligently converted to the prosperity which is believed to lurk in the policy of free hides," has written to Senator BULKELEY imploring him to use his influence to compel western and southwestern cattle raisers to submit to the loss of several million dollars annually upon hides (an important part of the cattle industry) in order that a few small shoe factories, somewhere, might save a few thousand dollars from free leather out of which to make shoes amply protected.

"Mr. Samuels" modestly shrinks from suggesting "free boots and shoes" as a complementing factor with free hides. So it is poor "Mr. Samuels" who is, after all, at "the old game of 'heads I win, tails you lose,' played without a blush." It is "Mr. Samuels" (whoever he may be) who is shrieking "deals! deals! deals!" in favor of protected shoes, and against protected hides.

Senator BULKELEY very courteously reminds "Mr. Samuels" that there is, after all, some fairness and propriety in giving "the other fellow" some show in the game; and that the stripping of the cattlemen of their coats and taking cloaks also may be a subject for some serious consideration.

"Mr. Samuels," in his appeal for the earth, reminds us of the "Good Samaritan" story, where a certain good man, going down to "Mr. Samuels's" Jericho, encountered that gentleman ready for business. The good man's hide and tallow were abstracted, and he was left on the free-trade side of the road, in a bad fix. Good Senator BULKELEY happens along shortly afterwards, picks up the good man, pours oil into his wounds, wraps him in a protective-tariff mantle, and carries him tenderly to a quick lunch near by; so the poor fellow's life was spared, and all after that went well.

Seriously, Senator BULKELEY, in a few timely and trenchant words, exposes the thorough selfishness, narrow-mindedness, and shallow, 30-cent policy of that class of politicians and would-be political economists who practically cry: "Everything for me and nothing for anybody else."

The Senators of Connecticut are representing steadfastly and honestly nine-tenths of the citizens and nineteen-twentieths of the business of Connecticut. More than that, they are representing the broad interests of all the people of all sections of the United States. For when you benefit one part of the Nation you benefit all. They are standing by the magnificent record of the Republican party, which not only preserved the Nation, but has given it the grandest government, based on the wisest policies, and supported by the highest order of statesmanship of any government in the world.

Our honored Senators may well feel merry over the ridiculous figure cut by a certain free-trade sheet, whose old paint won't wash off nor fade, when posing as an advocate of the great material interests of Connecticut.

Mr. WARREN. Some of our newspapers have not been so kind to the Senators. I submit items from Chicago Tribune and Washington Post:

LEATHER MEN ACT—DENOUNCE TARIFF—BIG MASS MEETING OF MANUFACTURERS INSISTS ON REMOVAL OF THE PRESENT DUTY ON HIDES—MAKES APPEAL TO TAFT—LETTER OF PROTEST IS ORDERED SENT TO VARIOUS MEMBERS OF THE UNITED STATES SENATE.

[From the Chicago Tribune, April 25, 1909.]

A deluge of protests against the maintenance of the duty on hides of cattle, destined to reach President Taft and every Member of the United States Senate, was launched yesterday afternoon at a mass meeting of 200 representatives of the leather industries at the Grand Pacific Hotel.

In ringing resolutions and speeches, in which they declared that they are fighting for their business lives against the meat packers, who are declared to be gaining control of the leather business of the country, the shoe, harness, trunk, and leather manufacturers called upon the Finance Committee of the Senate to follow the example set by the House by eliminating the duty of 15 per cent on hides of cattle, which they fear will stand in the Payne tariff bill, as it stood in the Dingley bill.

DIRECT APPEAL TO TAFT.

The meeting, which was presided over by Fred Vogel, jr., president of the Pfister & Vogel Leather Company, of Milwaukee, did these things:

Adopted a resolution urging the free import of cowhides and voted to send it to President Taft, every Member of the United States Senate, and to "Uncle Joe" CANNON, Speaker of the House of Representatives.

Appointed a committee to go to Washington to interview President Taft and Senators ALDRICH, CULLOM, WARNER, and LA FOLLETTE, considered by the leather men to be the most important targets for attack.

Appointed a committee to visit Mayor Busse and ask him to send a telegram to Senator CULLOM telling him that the sentiment of his supporters in Illinois is for free hides.

Voted to send individual telegrams to every Senator.

In dorsed letter to Senator DOLLIVER written by A. D. Browne, of St. Louis, setting forth the situation from the view point of the leather men of the Middle West and explaining that, inasmuch as the hides sold by farmers are the hides of calves and small cattle, the free import of cowhides will not cause them hardships. Copies of the letter, with the indorsement of the meeting, will be sent to leaders of the "doubtful" element in the Senate.

Incidentally, in the transaction of the aforementioned business, certain individuals had difficulty in restraining their indignation sufficiently to speak of Senator CULLOM'S stand on the hide question with the temperateness which they desired to cultivate, so far as verbal references to him were concerned. They made no secret of the fact that they wanted to make a noise in Washington that would be remembered.

HAMILTON-BROWNE SHOE COMPANY,
By A. D. BROWNE, *President*.

The letter is indorsed by Roberts, Johnson & Rand Shoe Company, Brown Shoe Company, Peters Shoe Company, Giesecke, D'Oench, Hayes Shoe Company, Friedman-Shelby Shoe Company, and Wertheimer-Swarts Shoe Company.

One of the telegrams to a Senator read at the meeting was as follows: "You must stand firm for free hides. The country outside the trusts demands it."

WANTS PRESSURE PUT ON CULLOM.

Mr. McFarland, whose firm is the M. D. Wells Company, in addressing the meeting, said:

"In 1897 a number of us put in a good deal of hard work in Washington. We got through the House all right, and were patted on the back, and were told we had a good thing. A representative of one of the largest packers said our efforts would be of no use. They were there lobbying to keep on the duty.

"Why is it they can control that Senate? We have a Senator, and why he says he is for tariff on cowhides I do not understand. We ought to bring something to bear on Senator CULLOM, and in strong language, too. He ought to stand with us. We are unanimous. We ought to do something to make him understand we mean business."

JUMP ON SENATOR SCOTT—FREE HIDE LEAGUE SORE BECAUSE OF HIS ATTITUDE.

[From the Washington Post, May 8, 1909.]

A delegation of tanners from West Virginia, representing what they call the "Free Hide League" of that State, to-day presented to Senator SCOTT the resolutions adopted at a recent meeting of the league deprecating his advocacy of the duty on hides. A statement given out by the league declares that the duty on hides is detrimental to the tanning industry and is helpful only to the meat packers, also fostering a monopoly to extort unreasonable prices on leather and leather goods. The resolution adopted by the league urged Senator SCOTT to reverse his position.

The statement given out to-day signed by the president and secretary of the league says:

"The delegation called upon Senator SCOTT. The interview was unsatisfactory. He said his first duty was to secure protection for coal, lumber, iron ore, and brass. He charged that the tanners were actuated by selfish motives in asking for free hides. He would not say what motives prompted his fight for a duty on coal. The delegation will report back the outcome of the interview to the league which will soon meet at Keyser."

OPPOSE DUTY ON HIDES.

[From the Washington Post.]

KEYSER, W. VA., *May 4.*

A meeting of tanning and leather interests of West Virginia was held here to-day, nearly all the tanneries of the State being represented. A permanent hide league was organized, with H. K. Grubb, of Parsons, president, and L. C. Dyer, of Hambleton, secretary. It is claimed that the duty on hides is a serious handicap to the score or more of independent concerns in West Virginia, and the purpose of the league is to carry on an active campaign for free hides.

There we have the official statement as to what the consumer may get. Let me inquire, on the other hand, what is asked? I will tell you what is asked. It is asked of the farmers in the West and the great Northwest, sections which are populated in part by men formerly from the manufacturing States, who at least are on a level in patriotism and intelligence with those who remain—it is asked by those manufacturing States that we shall take off the duty on hides on the assumed proposition that it will accrue to the benefit of labor on the Atlantic coast. They are asking us to reduce our products, which must reduce our wages to labor in a portion of the country where it costs more for labor, where it costs more to support labor.

They are asking us to humiliate and humble our laboring men in the interest of the foreigners who come to the Atlantic coast and who are engaged in tanning, shoemaking, and so forth. Where will that land us? It just as surely lands us in the employment of Chinese and Japanese labor and bringing in help from the oriental countries as it is possible for the reduction of pay to be compatible with having sufficient help. We are now paying the very lowest price that we can in conscience pay, and raising hides and beef in a section of the country where it means more for a day's work than going in an automobile to the office and from the office to the factory and back in a day. It means men stripped to the skin and working in manual labor day after day, exposed to the elements, and sleeping under the blue heaven, with nothing to cover them a great part of the time. You are asking those who are getting simply enough to provide homes at their homesteads for their wives and children to still further mortgage those homes and raise cattle at a loss, or else you are asking them to dispense with that intelligent class of American labor that they now employ and take to the Chinese and the Japanese.

Mr. President, it would seem that elementary discussion of the principle of tariff for protection should be unnecessary in this debate, for there is no phase of it on which the American public needs enlightening at our hands. Tariff for protection has been discussed on every platform, in every county crossroads grocery store, in every school and college lyceum, in the columns of the newspapers, and it is entirely safe to say that in these discussions the question is debated with as much sincerity and perhaps as much knowledge of the subject as can be found on this floor.

But, from current criticisms in the press of the manner in which this present tariff bill is being framed, we are forced to conclude that some discussion of the elementary ideas of the principle of protection is necessary.

Fault is found that there is an interchange of support between different portions of the country, and that the representatives of States which have certain products for which protection is desired vote for protective duties on the products, not of their own, but of other States, whose representatives in turn vote for protective duties on the products of the States whose representatives have aided them. Put in plainer language, criticism is severe on what is designated "trading" in framing a tariff bill.

Despite this criticism and despite the criticism that doubtless will be made on this argument, I venture the assertion that the method of framing a tariff bill by compromises and by considering the needs and desires of every part of the country is proper.

The method means that no single section can have the benefits of the principle of protection without giving due heed to the wishes of other sections.

If the industries of New England and the Middle States, for instance, are to have the benefit of protection on thousands of articles manufactured in that part of the country, consideration should be given the welfare of other parts of the country dependent upon the protection of articles classed, perhaps, as raw material, but which are, in reality, finished product.

We of the West, with less than a half dozen items of production, have been making sacrifices through which the East, which supplies us with thousands of manufactured articles, has prospered. We are asking nothing unreasonable when we look to the East to make concessions and sacrifices, if you will, on the material we produce. In fact, the principle of surrendering what may be the natural rights of one part of the country for the benefit of all is as applicable to tariff legislation as it is to common law and practically all legislation. That each individual must surrender some of his inherent natural rights for the benefit of the whole is the basis and foundation of all law. And individuals and communities must make concessions and sacrifices in tariff legislation if a perfect law, beneficial to all, is to be framed.

Mr. President, I am aware of the fact that States other than the one so ably represented by my friend from Massachusetts [Mr. LODGE] and his distinguished colleague [Mr. CRANE] will join in the demand for free hides, but it is nevertheless true that the brains and push of the leather trust and of all this free-hide movement lies in Massachusetts. I can not express the regret I feel that Massachusetts, the old Bay State, the State that is the beneficiary under the proposed bill, perhaps to a greater extent than any other State in the Union, should take the lead, through her brilliant representatives here, in the matter of opposing the States of the Northwest, which derive but little direct benefit from the protective tariff.

Mr. President, the manufacturers of the New England and near New England States are a thrifty, intelligent, enterprising, and deserving people; but they pursue their business with a vigor and close attention which leads, I fear, toward too acute concentration. They grow rich and fat and lusty with confidence in themselves and their business, and they become forgetful of their cooperative forces.

They forget the tremendous motive power of the growing West and the Middle West, that power which in reality has carried the Eastern States into the placid waters of success. These eastern manufacturers give their whole strength of body and mind to their business, and I honor them for it; and when, as it seldom happens, they take a few hours or a few days or a few months off for recreation they scud across the briny ocean to some foreign country, to enjoy vacations there instead of turning to the West, that broad, unfolding, teeming country of industry, that is contributing so continuously and so largely to the profits of the Atlantic States.

I wish they might turn their eyes westward instead of crossing over to Europe, and go where, within their own country, they can view at close range the wide and growing domain that lies over the mountains to the west; that they might view the broad and fruitful fields which a few years ago, when we were children, our geographies designated as the "Great American Desert," but which is now a panorama of cultivated fields and hives of industry.

Let these manufacturers who are now demanding their pound of flesh and even more—although it was never written in the bond—learn that, instead of the interior of North America being the "Great American Desert," there now exists a great and growing country, overflowing with enterprise and industry, which is contributing daily, hourly, constantly, in fact, with her great efforts, achievement, and accumulations, to the older manufacturing States.

For, be it known, the great West has sent back to the parent States on the Atlantic coast for years about all of her earnings; and these earnings finally rest in the capacious pockets of the eastern capitalists.

I would that these men, some of whom have become provincial and selfish in the contemplation and enjoyment of their own success, would not forget those who have most contributed to that success; that they might see and appreciate their own country and its development instead of scudding across the waters to spend their vacations in viewing the wretched conditions of foreign labor and its mode of living, as they must do in the old countries. Let them go into the heart of their own hemisphere and among its people; let them view labor conditions among a people who are properly compensated; let the manufacturers of Boston, New York, Philadelphia, and other industrial centers visit the great Mississippi Valley, the Missouri Valley, the intermountain and the Rocky Mountain country itself, instead of visiting the Old World and its 2 by 7 wonders when compared with the marvelous wonders of our own country. Let them go to the Grand Canyon of the Colorado, to the Yosemite Valley, and to the Yellowstone National Park.

Indeed, let them visit the country lying near the foot of the Rocky Mountains, formerly termed "The Great American Desert," and see the wonderful result of irrigation; see what intensive irrigation has done in Colorado, Idaho, Wyoming, Montana, on the Pacific coast, and in all of the great Western States lying between the mighty rivers and the Pacific coast. Let them go into Nebraska, Wyoming, Kansas, Colorado, and other Western States, where dry farming—the new method of farming—is being successfully practiced. Let them see how

enterprise, intelligence, and industry are being exerted in that great prairie country, which is being transformed from a sandy waste into a garden of productiveness.

Then these eastern manufacturers will better realize that they themselves are supplying all of this great and growing country with manufactured articles of necessity and luxury.

Let them remember, then, the fact that, with the thousands of articles upon which they have tariff protection, this protection can only be sustained and justified with the support of the great West and Middle West. Let them remember, Mr. President, that while they enjoy protection on thousands of articles in this tariff bill, there is only here and there an article upon which the West and Middle West can get the slightest direct benefit.

The very few articles which the West produces, and which are its finished products, and upon which it asks any protection at all, should be cheerfully granted protection, even without the asking, and in the fullest measure.

Do not try to teach us of the West that narrow proposition of selfishness—that very quintessence of selfishness—that goes to make up the policy of asking protection for everything one has to sell and free trade for everything one has to buy. Do not teach us of the West a theory of "spotted protection" (to borrow the phrase of the Senator from West Virginia, Mr. ELKINS), a protection granted to some States and denied to others. Do not teach us to forget the golden rule.

Of course, Mr. President, that Utopian condition that some of our manufacturing friends would like to enter upon—that everything they have to sell shall be protected, and everything they have to buy shall be free—is, like everything of an Utopian nature, unsafe to build upon.

Men and States that have pulled upon the rope long and faithfully to steer the eastern manufacturers' ship of fortune into a safe and comfortable harbor may sometime weary of their hold and refuse to longer bear so uneven a burden.

In former times, for many years and until quite recently, it has been necessary to bring to Washington at short intervals delegations from the different tribes of Indians to visit the "Great Father." The casual observer from the outside has seen little reason for doing this and has often cavilled about the expense entailed thereby. But, Mr. President, the philosophy of it becomes apparent to those who dwell near the Indians and know more of their thoughts and nature.

The young bucks and fighting men of the Indian tribes, born on the reservation, growing up there and seeing only the few white men that are near by, become imbued with the idea, as they become strong, robust, and of fighting age, that the Indians are very numerous and able, and that they can whip all the white men of the Nation, who, from the Indian's contracted view point, are weak and few in numbers, and could be easily routed if vigorous warfare were made.

So there grows up sometimes among an Indian tribe the idea that they can whip the whole United States, and this feeling, if not interfered with, would become so strong among them that an Indian war would follow, with all its horrors and bloodshed. Therefore, educational trips across the country are prescribed for the purpose of showing the Indians what they might have to contend with.

Mr. President, I sometimes think that the manufacturers, living, as they do, in these beautiful manufacturing villages and, for that matter, in the cities, become so intent and so engrossed in their thrifty and profitable business that they overmeasure their own importance and strength and underestimate the importance and strength of others. They are apt to look out upon those rural people, those many millions of farmers, most numerous in the West, who are contributing to their success, as being of an inferior intelligence, inferior industry, and as inferior in staying qualities, and so they sometimes feel safe in ignoring those who have done most to build them up. In other words, after ascending to the topmost rung of the ladder, and having made a safe landing, they are apt to indulge in the delightful diversion of kicking over the ladder and preventing the other fellow from coming up—the one over whose shoulder they have reached the top of the ladder and who has held it steadily in place for them while they have mounted to safe and impregnable heights.

Mr. President, I do not claim to be a prophet, or the son of a prophet, or to be related to a prophet in the remotest degree, but I indulged in a sort of quasi prophecy in this Chamber in 1901, about 6 o'clock one morning, during a toilsome and tiresome all-day and all-night session, in discussing irrigation matters, a discussion which only ended on March 4 at noon, when the gavel fell upon the old Congress and the new one commenced. I stated then, as firmly and sincerely as I was able to utter it, the sentiment and warning that, in my judgment, there would never be another rivers and harbors bill passed by the Senate making provisions for vast expenditures by this Government until the Government had made provisions for conserving the waters of the West in reservoirs for irrigation, through appropriations in the rivers and harbors bill or in an independent measure.

Mr. President, I happened to guess right, and before the next rivers and harbors bill was passed we enacted the great irrigation act, which marked the very highest notch in the high tide of Theodore Roosevelt's popular administration. Since that time the most tremendous development has taken place in the West, and there is probably no one in this Senate or in the House of Representatives who, if he voted against the reclamation act, is proud of his vote, or anyone who voted for the measure who would now change his "yea" to "nay" if he were again offered the opportunity to vote upon it.

While it is not a case of "You tickle me and I will tickle you," at the same time, if protection is desired and required upon one industry, there is no possible reason why it should not apply to another. And just so soon as you ever depart from that, with the Nation's strength distributed as it now is, just that soon will you tear down the whole fabric of a protective tariff.

I am going to be pretentious enough and rash enough, perhaps, to venture a prophecy that if this bill or any following bill shall undertake to predicate its action upon the assumption that manufacturers shall be protected, and that so-called "raw materials," which are really the finished product of other labor, shall be free, and this rule shall be applied at the behest of the manufacturer, that moment the death knell will have been sounded for protective tariff as an economic principle, either of the Republican party or of the Nation. There is the great South, growing rapidly in every way, adopting new industries and enlarging old. There is the great Middle West, rivaling even now in wealth and size her sister States on the Atlantic coast. Then come the intermountain country, the mountain country, and the Pacific coast region, and the entire area of the United States outside of the New England and the old so-called "Middle States."

My eloquent friend from Massachusetts gave us a beautiful and deserved eulogium regarding Massachusetts and New England; and I am going to claim that I enjoyed it as much as any one of his hearers. He told us of the strength in voting power, and the strength in finance of that region. I am not going to contend against a single figure or a single statement he made regarding the great success and importance of those States, for I gloried in everything that he said in commendation of them and of their great industries. But I want to remind him that the total area of the eastern New England and Middle Eastern States—Maine, New Hampshire, Vermont, Massachusetts, Rhode Island, Connecticut, New York, New Jersey, Pennsylvania, Delaware, Ohio, Indiana, and Illinois—is only 296,568 square miles, while the area of the West, Middle West, and South is 2,677,591 square miles. The population of the New England States, and so forth (census of 1900), is 32,730,987, while the population of the West, South, and so forth, is 43,263,588.

I want to remind him that the States in the Union whose percentage of increase in population was greatest, as shown in the two or three latest census returns, are the States of Idaho, North Dakota, Wyoming, Montana, and other States in that region. And I want to remind the Senate—and I do it with pride—that if there is any growth or any development in this Nation they have to look for it to a larger extent in the South, the Middle West, and the West, for development in those sections must naturally be greater than it is possible for them to expect in the overcrowded portions of the eastern part of the United States. It is well enough to look a little way into the future.

These Western, Middle Western, and Southern States have very few industries in any one section; in fact, taking them altogether and considering their vast area, you can almost count on the fingers of your two hands the industries which are directly and beneficially affected in any one State by a protective tariff. Does anyone suppose for a moment that these people are going to continue to send Senators and Representatives to Congress to stand in their places and sit in their seats during these long and laborious sessions, from early morn until late at night, day after day, and ask nothing but to vote "yea" while these schedules, containing from 3,000 to 4,000 items of benefit to each of a few manufacturing States, are being considered, and then be denied some one or two or all of the two, three, or half dozen items of the sum total of protection asked for their own States?

Will the State of Wyoming, which to-day can only be directly benefited by the protective tariff on three articles—hides, coal,

and wool—be satisfied to send men here who will vote favorably on every proposition proposed by the Committee on Finance to give direct protection to thousands of items, and then have the two or three items in which she is interested put upon the free list?

Coal, wool, and hides are all products of capital and labor. All are the results of the expenditure of money and human endeavor. Each is the manufactured product, respectively, of the coal miner, the farmer, or the stock grower of the prairies and plains just as much as cloth is, or leather, or any of the other items of the manufacturer. Cloth is raw material to the tailor; leather is raw material to the shoe or harness maker.

Nay, if you strike down even one of these few things in which a Western State is interested, you inflict an injury to that State proportionate to striking out, say, one-third of the numerous benefits granted in this bill to the manufacturers of some of the other States, amounting to thousands of articles. Are you willing to have this particular niche of territory—Massachusetts—although admittedly one of the richest States in the Union, draw a line between the thousands of articles in which it is the beneficiary and the very few items in which the great West, Middle West, and South are interested?

If so, I venture to say that you will find those whom you have placed on the other side, and who have only the position of adversary left open to them, not only ready but even willing to be adversaries after the first shock of their grief is over at being cut off from the affection and friendship—aye, the love and relationship—which they have previously borne to this cherished, old, rock-ribbed, and, I am afraid, hide bound, or "free hide bound," dear old New England.

Mr. President, the old Bay State and the States near by—the manufacturing States—are the depositories or financial repositories that absorb about all the money we have in the West, especially the new West, for which we, of course, get value in consumption; they make profit.

It sometimes occurs to me to inquire of the manufacturing States where their market would be and what their support, except for the great West and South. We buy our boots and shoes and clothing of them. We buy largely of articles of food and drink, the tools we work with, the books we read, our life insurance to provide for those who come after us, and insurance to protect us against loss by fire or accident. The profit from all these lines finds its last resting place in Yankee land and the localities mentioned.

About all of the money we accumulate in the West goes to that group of States. They are the beneficiaries of thousands of articles under a protective tariff, while the great group of Northwestern States is directly benefited by only a baker's dozen or so. Therefore it seems to me the most spotted kind of protection for the State of Massachusetts to break out from the fold of protected industries, or, rather, I should put it, to draw the fold of protected industry around the commodities she makes or wishes to sell, leaving outside in the cold the Western States which have so lately stood by the principles of protection, although they meant thousands of dollars to the extreme East as compared with dimes to the Northwest.

Mr. President, there is a picture of a well-known man, whose face greets us in every city or town of any size in this country and extends to us an earnest appeal to read the legend under it. The legend under this picture of a bald-headed, pleasant-faced gentleman entreats us to "Buy Douglas $3.50 shoes; buy Douglas $4 shoes."

These prices never change. Hides may go up, or they may go down; hides may be free, or they may be taxed; but it is always the "$3.50 Douglas shoe." This man, although not the only one who advocates free hides, is universally acknowledged as the prime factor and leader of the movement. This face I speak of haunts me sometimes; and I almost believe that some of my friends may see it, as I sometimes think I see it, arising in the political horizon beyond the old Bay State. It seems to me that his free-hide banner must look more formidable and dangerous to those in the East and near by than it does to those at a distance and outside the borders of this man's native State.

If the correct way to vanquish a political opponent is to adopt his doctrines, then I can understand how certain persons, not on this floor, and certain newspapers adopt the free-hide banner, assuming, it is supposed, that by some legerdemain one may undertake to sit in two political chairs at one time without inviting a fall.

The great Douglas of Scottish warfare, we are told, was wont to cast the heart of Bruce far to the front of the line of battle and into the enemies' ranks, so that his men would push forward fighting to recover it. This modern Douglas's talisman is a free hide, and not only does he call upon political friends, but political enemies to assist him in his warfare, and sorry I am to see them aid him.

It may be possible for a State with every one of her own products carrying abundant protection to rule that everything she is compelled to buy shall be free, but I beg that Commonwealth to consider from whence will come the support of that doctrine or plan after it is fairly entered upon.

In the Massachusetts legislative assembly resolutions have heretofore been presented, and most or all of them have been passed at different times, demanding free hides, free coal, and free wool, free iron ore, and so forth, and that her delegation in Congress should act accordingly.

Notwithstanding the State of Wyoming has but three articles from which she receives direct benefit through tariff legislation—coal, hides, and wool—the representatives from Wyoming in this body, during the consideration of the present bill, as in legislation heretofore which affected the tariff, have voted "aye" upon every proposition that the Committee on Finance has brought in for protection of the thousands of articles that Massachusetts desires to have protected.

Now, Mr. President, I beg the Senate to look upon these two statements.

Into that infant State of Wyoming—one which has perhaps greater undeveloped resources and industries than any other in the Union—went many natives of Massachusetts and of other Eastern States—New York, New Jersey, Pennsylvania, Delaware, and all New England—old manufacturing, commercial Commonwealths. Some went, as I did, directly to the Rocky Mountain country. Others went first to western New York or, mayhap, as far as Ohio, and from there later on to Illinois or Iowa, and still later made another move to Nebraska or Kansas, and from there to the Great Plains.

All of them revere—yea, love—the land of their birth and early environment, and they have hoped and believed that affection and a desire for cooperation might exist in the East, from whence they came. It will be a rude awakening to those stanch lovers of the "'Way back East" to find that, commercially at least, they must seek other alliances, even in the South, where political differences have existed, but where to-day there are sympathy and friendship and a desire to extend commercial support.

The Senator from West Virginia [Mr. ELKINS]—the north of the South—recently stated upon this floor that he had discovered that the protection policy of some people was "protection in spots," and the Senator from Texas [Mr. BAILEY], in the extreme South, not only reiterated that statement, but announced the fairest proposition, it seems to me, that can be made regarding a protective policy, to say nothing of tariff for revenue—that the raw material of the farmer must receive protection, and the farmer himself must be protected, or there can be no successful policy of protection, and no tariff act that can be long sustained by the votes of this Union. I indorse fully that statement.

We farmers of the West are the hewers of wood and the drawers of water for the opulent East, and willingly so, but we must not be stripped entirely of our wage, or our allowance of corn, wine, and oil. Even the worm will turn.

Does Massachusetts wish to change her alignment? Shall the Douglas of the far East force the Republicans of Massachusetts to adopt his policy of free hides? And, if so, will he reciprocate and become a supporter of the Republican leaders of that State?

I do not know what may be the best policy in Massachusetts, but in other localities the safest position for the party is to stand upon its own principles and smite the enemy hip and thigh, and not lose from the tail gate of the wagon scores from its own forces while pulling in over the dashboard a few of the enemy's no-account stragglers.

Mr. President, I stated yesterday that I wished to invite the attention of the Senator from Massachusetts and others in the Eastern States to the fact that the great success they have boasted of, the great war to which they contributed so valiant a force, has also been largely contributed to by the States for which I am now speaking, comprising the great Northwest.

Who will say that those who went out after being reared and educated in those great States did not carry as correct ideas of principles of protection, of morality, and of business integrity, as those who remained behind? Bred in the same way, of the same blood, why not give them credit for standing at least equal with these great States that have not only had the efforts of those who now represent them, but that are to-day basking in the sunshine of the success wrought in part by the efforts of those of us who spent our early lives there and then went out to build new States in a new country and contribute anew to the great power and wealth of the Nation?

All of these men revere and love the States from whence they came. I meet in my daily rounds, when at home in the new State of Wyoming, 2,000 miles from here, men who came from every one of the New England and Middle States. We meet as brothers and are proud of our lineage, proud of the States we left.

We meet men from New York; we meet men from Pennsylvania; we meet men from Delaware; we meet men from the South, from the Pacific coast, and all over. Who shall say that we have gone wrong on these financial questions or on these political questions, made up as we are from those who have been drawn from all the old States, with all the experience and education that those States were able to furnish us in our time, and having added to that the experience and practical education of a new country and a busy life since?

Mr. President, I was born in the State of Massachusetts. I grew up in that State. I left there when a stripling, with a gun over my shoulder, under her flag and that of the United States, to serve her and the Nation in the civil war. And after the war was over, when so many of her sons had returned to their homes—but had left so many more on the battlefields where they had fallen—I moved from her borders with regret. There seemed to be no room then in the industries of that Commonwealth for the home-coming thousands, whose places in the industries had been filled while they were at the front. The industries of Massachusetts seemed, after the war, not to demand the influx of the remnant of her forces which had been loaned to the Union. And so, more than forty years ago, I joined with other pioneers, who, with gun and ax and spade in hand, went in advance of railroad and other civilization to that broad expanse of country, the "Desert." It fell to my lot to settle in what was then a part of Dakota, which afterwards became Wyoming Territory and later the great State of Wyoming.

I have loved, and do love, that old Commonwealth that gave me birth, with its vigorous, thrifty, and cultured people. I love her meadows, pastures, and woodlands, her granite hills and rugged climate, and I shall never lose my interest in her populous cities, her humming factories, and busy looms and spindles, which have made her such a power in the commercial world.

But I also love the State of my adoption—a land also habited by a vigorous, virile, and provident people. Every mountain and valley, every stretch of plain, every mountain stream and spring of clear, cold water, and every natural and acquired advantage with which Wyoming is blessed is dear to me.

And it is but a slight expression of my feeling to say that I am grieved to the heart—and I say this in sorrow, and not in anger—by the knowledge that Massachusetts—she who ought to be and has been in many ways the great leader in principle and progress and enlightenment—should seem, commercially speaking, to have forgotten the golden rule, to do as she would be done by, or at least as she is done by, and to be insisting that her distinguished representatives on this floor shall also forget or disobey it.

I submit, Mr. President, that no man from those States of which we are so proud, and from which we came, ever came to visit our country to ask assistance or anything that we had to give without being extended a welcoming hand.

We glory in the success of Massachusetts; we glory in the success of New England; we glory in the success of the Middle States and all their manufactories as we do in our own lives and pursuits. When we go back to these States, or when we meet in interest, as we do here, as friend to friend, we respectfully solicit and urge a return in some degree for the consideration and loyalty which we have so freely given all through these long days and nights, standing behind the committee in charge of this tariff bill, accepting its judgment upon all of these various products, and granting the protection asked. In the waning hours of the consideration of this subject shall the guns of the citadel be turned upon us, the sentries and reserves who have stood outside to protect it, and shall we be annihilated for our very loyalty to those forces?

Mr. President, to-day I stand here suffering as you all do from the heat, my mind filled with the pleasures that I hope to experience back in the old Massachusetts homestead, where I toiled barefooted and under a straw hat in the early days of my life. I hope to go back there for a short visit and be taken by the hand by my old Yankee friends whom I have always remembered. Do not let me—do not let the other men born in these States, who have spent their lives in building up a new State, meantime giving the most loyal support to the old States—feel that although we have spent all these years going on under a full head of steam, working for ourselves, it is true, but more largely for our "home States," as we term them, feel that now at this late day we are cut off entirely and are virtually orphans.

Mr. President, I apologize to the Senate for the length of time I have used. I will ask, Mr. President, that I may include so many of these tables made up from official statistics as I have not already obtained permission to include with my remarks.

The VICE-PRESIDENT. The Senator from Wyoming asks unanimous consent to insert certain tables in the RECORD. Is there objection? The Chair hears none, and permission is granted.

Mr. CARTER. Mr. President, should I yield to my impulses in treating this subject, I would be content with the citation of a very few figures, and they would apply to the voting strength in this Chamber and the consequences to follow, placing this particular article on the free list.

With some amazement I listened to the mixture of eloquence, argument, and apology by the senior Senator from Massachusetts [Mr. LODGE]. While listening to what he said I could not but recur to the pages of this bill over which we have passed and consider what had been done. In this bill we have protected every product of New England and the Eastern States generally, whether of wood, or iron, or cotton, or wool, or any of the great staples entering into daily consumption in all avenues of life. Of course, all products of the hides of animals are protected according to the judgment of those engaged in the business to the measure of protection required.

Not content with protecting the print-paper pulp, not content with protecting cotton and woolen goods and cutlery and all manufactures of iron, we actually were called upon by the senior Senator from Massachusetts to stop an inundation of eels coming in as a supposed product of the pauper labor of Europe. The call for protection came from all along the New England coast, and, strange to say, we from the Rocky Mountain States, who never see an eel except when visiting the seacoast, voted to put a duty on eels; and then, in order that no raw material might escape, we actually went up to Vermont and put a duty on the sap running out of the maple trees. If you can point to anything manufactured or produced along the northeastern coast that is not provided for by some kind of protection in this bill, I am sure some Senator from that vigilant New England band will come forward to offer a rate of specific duty for its protection.

We are called upon to put a duty on the combination of sand and natural gas, the one found in the channel of the stream and the other flowing out of the earth, as the raw material of glass. This raw material is to be protected, and the protection increases when it reaches certain forms of plate glass. The knife we use to skin the beef is subject to a protective duty; the shoes the farmer wears you will find in this same bill with a protective duty; the harness on the horse, the saddle upon which the farmer rides, are all protected amply; yet the senior Senator from Massachusetts [Mr. LODGE] rises in this Chamber to echo the voice of a propaganda which had its origin not in a desire to alleviate the sufferings of any class of people, not to cheapen a necessity of life, not to give another day's labor to any human being, but to increase the already swollen profits of the most gigantic leather trust the world has ever known.

It may be well to take into account the arguments used. It has been suggested that if we take the 15 per cent duty off of hides, the laborer making the shoes will be paid a little more, the farmer will buy his shoes cheaper, and then the retail merchant can make a better profit. The Senator from Massachusetts readily concedes that the industry of making shoes, the making of harness, and all the products of leather is generally in a prosperous condition. It is useless to argue otherwise, because it is a notorious fact that greater progress has been made in this line of industry than in any other of all the chief industries of the country.

Now, mark you, the average difference in the cost of a pair of shoes would be at most 5 cents, if you assume that all the duty would be added to the cost. They propose to divide this 5 cents by giving the laborer who makes the shoes a little more, the middleman who handles the shoes in trade a part of it, and the farmer still another part; yet it is said that in the trade no account is taken of fractions of 25 cents.

A pair of shoes is either sold for a dollar and a quarter or a dollar and a half, or a dollar and seventy-five cents or two dollars, or two dollars and a quarter. The increase is always by the quarter, and sometimes by the half dollar. The 5 cents are to be divided up between the shoemaker, the retailer, the jobber, and the man who wears the shoes! Is there anyone sufficiently unsophisticated in this Chamber or elsewhere to believe that the 5 cents involved in the pair of shoes in consequence of the duty on hides would make one farthing's difference in the wages of the shoemaker; add one iota to the profit of the jobber or of the retail dealer, or that the man buying the shoes would buy them 5 cents cheaper? There is no pretense that

any such distribution would be made, and it is well to say, no such promise is made.

Mr. President, the raising of cattle is a great industry, widely scattered over the country. The farmers are about 9,000,000 in number, and, counting five to the family, there are between forty and fifty million people raising cattle, to a greater or less extent, on the farms large and small. To these people the crusaders for free hides present these arguments: "First, you will get the products of labor cheaper; you do not get the benefit of the present duty anyhow; you are cheated out of it by the packers; and the best thing for you, Reuben, is to take this 15 per cent out of the equation and let the hides you have to sell go on the free list, while we keep all the things you have to buy that are made of leather on the dutiable list."

If a confidence man at a circus ever presented a less plausible proposition to a farmer than that, he certainly was wanting in wit. [Laughter.]

The farmer has been the victim of many curious games of confidence, but never before has his intelligence been so discounted as in that form of presenting this argument: "First, the duty does you no good; we will therefore take it off; but the duty on leather will do the man who makes it some good; the duty on shoes will be of benefit to the manufacturer of shoes; and the duty on harness will benefit the manufacturer of harness; and therefore we will leave these duties on; and you buy in this protected market and sell in the open markets of the world the thing you have to sell."

Mr. President, as representing a State having a large number of farmers, I want to sum up the position in a very few words; and I believe there are 22 Senators on this floor who have with fidelity supported this bill who are prepared to say the same thing and act in accordance with the declaration, to wit: "If you desire that what the farmers have to sell shall be sold in the open market without any protection, we shall regard it as our duty to see that the things they buy are bought where they can be bought the cheapest in so far as leather products are concerned." How can the Senator from Vermont [Mr. PAGE], whose maple sugar has been protected, ask us to continue to sustain a proposition like that; or the Senator from Massachusetts [Mr. LODGE] ask us to stand by the duty on eels, which he regards as a manufactured product, no doubt, while we except this great product, amounting to $16,000,000 a year in protective duties to the farmers of the country, from the dutiable list and place them in competition with the Argentine and other cattle raisers?

It was alleged by the Senator from Massachusetts that to place hides on the free list will benefit the farmer. Let us carry that proposition to its ultimate and logical end. Remembering that the retail price of manufactures of leather will not be lowered by removal of the hide duty, let us calculate. For instance, we will just assume that each farmer has only one beef to sell in a year. The duty would be a dollar and a half on the hide of the beef. We will assume now that he has three children, that there are five in the family, and that each member of that family has to buy 3 pairs of shoes a year, which will make 15 pairs of shoes.

Mr. WARREN. Will it disturb the Senator if I make a suggestion at that point?

Mr. CARTER. I should like to finish the calculation. I am not very good at mathematics and might forget the figures.

Mr. President, 15 pairs of shoes for the use of 5 members of the family might be subject to a tax on account of this duty, if the duty is added to the cost, of 75 cents. Five times 15 will make 75, according to Dayball's Arithmetic. The whole duty on all the shoes the family buy during the year will amount to 75 cents, and he will get a dollar and a half profit on that single hide as the result of the duty. Now I yield to the Senator from Wyoming.

Mr. WARREN. Mr. President, in speaking of the farmer a moment ago, I did not mention the fact, which ought to be mentioned, that there are anywhere from one to two million hides called "fallen hides." A hide taken from an animal that is killed by accident or dies is the only return the farmer gets for that animal. That is all he has to sell of that animal, which has cost him as much as the rest.

Mr. PAGE. Mr. President——

The VICE-PRESIDENT. Does the Senator from Montana yield to the Senator from Vermont?

Mr. PAGE. I want to interrupt the Senator just for a moment right there.

Mr. CARTER. I shall be glad to hear the Senator.

Mr. PAGE. The Senator says that the duty on a hide is $1.50.

Mr. CARTER. I assume that hide will be worth $10; and 15 per cent of that is $1.50.

Mr. PAGE. Now, if the Senator from Wyoming and myself are correct——

Mr. CARTER. Which you probably are.

Mr. PAGE. I know—for I have tried it year after year—that the average of the New England hide is 48 pounds cured. The average of a steer hide will run, perhaps, 80 or 90 pounds; I should say in New England it is not over 80 pounds. Forty-eight pounds cured, based upon—we will call it 10 cents, if you will, which is more than the average for the last ten years for cows—would mean 10 cents a pound. Fifteen per cent would be 1½ cents on a pound. If a hide weighs 48 pounds, 1½ cents a pound is 72 cents. The duty on the great bulk of hides is 72 cents, instead of $1.50. That is susceptible of the same arithmetic that the Senator from Montana used in his computation.

Mr. CARTER. Then, Mr. President, you simply give back to the farmer the duty he pays on the shoes. For instance, if you take the duty off the hides altogether, the price of shoes will remain the same, unquestionably, and you will simply cheat the farmer out of 75 cents. That is the sum and substance of the transaction, according to the Senator's own figures.

Mr. PAGE. I should like to have the Senator from Montana correct the statement.

Mr. CARTER. If it is 72 cents, the farmer must lose 3 cents on the transaction. Assuming that the duty on the single hide would only be 72 cents, he would pay for 15 pairs of shoes an extra price of 75 cents during the year. Thus the duty on the hide of a single steer would offset the increased cost of all the family shoes for a year, leaving the remaining hides sold to swell net farm receipts.

Mr. PAGE. If the Senator will allow me, that is just what I was trying to show—that is, that the loss which the farmer sustains on the shoes and the harness he buys is just about offset by the gain he receives on the hides which he sells.

Mr. CARTER. I think that is probably true, where one or two hides are marketed. Now, certain Senators, well knowing—and no one claiming to the contrary—that the price of harness will not be changed and that the price of shoes will not be reduced, but will remain the same or go upward, insist that the pittance which comes to the farmer on the initial transaction of selling the hide, shall be taken from him without any compensating benefit whatever, thus compelling him to sustain a protective system in which he is denied direct participation.

Mr. President, coming from a State which, as I have said, is largely interested in cattle and only interested to a limited extent in manufacturing articles of any kind, I feel, as most of my colleagues from that section naturally feel, that I am justified in demanding that the protective-tariff doctrine shall not apply to our country wholly on the articles produced in other sections; that we shall not, in other words, be compelled to bear the burden and reap none of the benefits at all except by remote indirection. We have stood by this protective-tariff doctrine because we believed it was a broad and enlightened national policy.

The subdivisions embraced in the general term "Europe" cover a stretch of country bounded on the east by a line drawn from the Caspian Sea to the mouth of the Don, and extending a little east of the Ural Mountains, and taking all the country west thereof and north of the Mediterranean Sea on the other side of the Atlantic. That region embraces all the various nations of Europe, from Russia with its 2,095,500 square miles in Europe, with 129,000,000 of European population, down to the little gambling center at Monaco, with 8 square miles and 13,000 population.

The total population of this aggregation of states in Europe is 413,181,000 and the total square miles 3,789,540. We have in the United States, including Porto Rico, Hawaii, and Alaska, 3,612,655 square miles, with a population of approximately 90,000,000, equal to practically one-fourth of the population of all Europe and very nearly as many square miles as the total area of the countries of Europe. We have a great diversity of climate and we have resources equal to the resources of Europe, with the advantage that many of our resources remain to be developed, whereas the European condition is one of comparative exhaustion in many particulars. The European peoples have conditions so dissimilar from our own with standards of living, to which we do not desire to sink, that it has always appeared to me to be wise national policy for us to develop in the United States with the great homogeneous people we have, with the harmony existing under regular constitutionally defined limits between States and Territories and the Nation itself, a mighty, self-reliant, independent people capable of forging their way in the world according to standards of civilization and morality never before known in the history of mankind.

This protective-tariff policy merely vouchsafes to the people abiding here the benefit of the home market as against the heterogeneous mass of competitors living in the various states of Europe and Asia. The policy has proven good thus far. Our standards of living have been elevated, possibly, beyond the point where they can be permanently maintained. Our educational system is expensive; our methods of traveling to and from place to place are modern and expensive; but with them, and with the resources we have in the country, coupled with the genius and capacity of the people, we can under the protective system maintain the high standard of life which we have built up for ourselves against the competition of the copper-colored man in Asia and the mass of underpaid and underfed and poorly clothed people of Europe. But, Mr. President, the policy can not be maintained on partial lines, nor can it be maintained if it becomes an instrument for the oppression of the agricultural population of the United States.

The farmers of Colorado and Wyoming and Montana and all the sparsely settled Western States have had an intuitive sense of self-preservation in their devotion to this policy of protection. They have always had the American market, and they have recognized that it has been the best market in the world in which to sell the things they raise; but now comes forward the doctrine that these farmers as to an important staple, of which we do not produce a surplus, must go at once into competition with all the producers of the earth, while remaining subject to protective duties on the finished product of their so-called "raw material."

Let those who seek by their votes to saddle that policy on this country bear in mind that, before the voting is done on this leather schedule, they will have boots and shoes and harness and saddles and everything made out of the cowhide put upon the free list, where the cowhide is placed. There is no threat about that; it is a plain policy of justice.

The figures to which the Senator from Vermont [Mr. PAGE] subscribed demonstrate that the small farmer with only one animal to sell just gets out even with this duty levied upon hides in his behalf when compelled to buy the leather in a protected market.

But there is another argument brought forward, and that is that this duty on hides does not tend to close the gap between the needs of the leather market and the production of hides. That is not true, unless the figures are at fault, because we find that since 1897 the cattle in the United States have increased, in round numbers, from 46,000,000 head to 71,000,000 head; and if that ratio of increase is continued for ten years more, we will be producing all the cattle hides our home consumption demands.

I do not claim that the increase in the number of cattle is wholly due to the duty on hides. The cattle product of the country would have increased materially if there had been no such duty.

I am not prepared to say that if the tallow had no commercial value at all, the stock of cattle would have diminished; but surely, Mr. President, the animal prepared for the market has a value made up of the value of its different parts. If you subtract the value of the hide, it is not as profitable to raise the animal. If you subtract the value of the tallow, you subtract another element of value, and therefore discourage the raising of cattle to the extent that the tallow adds to the market value.

The hide production in the United States, including the so-called "fallen hides," in 1908 was 19,500,000. I will, if there be no objection, insert in my remarks a statement with reference to the number of cattle hides, so as to avoid detaining the Senate.

Mr. ELKINS. Mr. President——

The VICE-PRESIDENT. Does the Senator from Montana yield to the Senator from West Virginia?

Mr. CARTER. Certainly.

Mr. ELKINS. Do the figures the Senator gave, namely, 19,500,000, represent the cattle production in the United States outside of imported hides?

Mr. CARTER. Outside of imported hides.

Mr. ELKINS. As I understand, we import about 5,000,000.

Mr. CARTER. We import about from 14 to 20 per cent of the total consumption and export, and I suppose that is about 5,000,000.

Mr. ELKINS. Five million, I think.

Mr. CARTER. That makes 25,000,000 hides, in round numbers, then, consumed in and exported from the United States, as I understand, of which we produce substantially 20,000,000. The cattle and calves slaughtered during the year 1908 by Armour & Co., Morris & Co., and the National Packing Company amount to only 5,000,000, or to one-fourth of the total, whereas it has been suggested that they control the hide market of the country. The total slaughter of independent packers, local packers, and farmers was 13,500,000 head of cattle. That is 73 per cent of the total.

There were slaughtered, for instance, at Cincinnati, Cleveland, and throughout the State of Ohio approximately 627,000 head of cattle and calves, and in the State of Indiana there are slaughtered annually approximately 595,000 head. In these States there is no pretense that there is any combine of packers at all. In 1908 44 per cent of the cattle received at Chicago markets were sold alive, and were bought by numerous independent packers. As I have said, Mr. President, I will insert this statement in my remarks, with the permission of the Senate.

The VICE-PRESIDENT. If there be no objection, permission is granted.

The matter referred to is as follows:

SOME FACTS ABOUT HIDES.

Since 1897, the year when hides were placed on the dutiable list, the number of cattle in the United States has increased from 46,000,000 to 71,000,000. (Reports of Bureau of Statistics, United States Department of Agriculture.)

Hide production in the United States in 1908:

Cattle hides	13,000,000
Calf hides	5,500,000
Fallen hides (taken from cattle which die or are killed by accident)	1,000,000
Grand total	19,500,000

Cattle and calves slaughtered during the fiscal year 1908 by Armour & Co., Swift & Co., Morris & Co., and National Packing Company (these are the four concerns alleged to constitute the so-called "meat trust"). (Figures are furnished by the Bureau of Animal Industry):

Cattle	4,045,357
Calves	1,026,707
Total	5,072,064

Estimated number of cattle and calves slaughtered by independent packers, local butchers, and on the farm:

Cattle	9,000,000
Calves	4,500,000
Total	13,500,000

The total slaughter by independent packers, local butchers, and farmers of 13,500,000 head of cattle and calves is 73 per cent of the grand total slaughter of the United States of 18,500,000 head.

According to Bulletin No. 83 of the Department of Commerce and Labor, there are 929 packing establishments in the United States. The so-called "big packers" have 38 slaughtering establishments.

This slaughter by independent establishments, local butchers, and so forth, is carried on in every State and in nearly every community, and in each of them there is a hide buyer and a market for hides. The tanners and leather people have full oporptunity to buy from these independent slaughterers and hide dealers 14,500,000 hides of cattle and calves, which is 74 per cent of the total hide production of this country.

For example, there are slaughtered at Cincinnati, Cleveland, and throughout the State of Ohio approximately 627,000 head of cattle and calves, and the so-called "meat trust" have not a slaughtering establishment in that State. In the State of Indiana there are slaughtered annually approximately 595,000 head of cattle and calves, and no meat trust is interested in the slaughter. In Pennsylvania there are slaughtered about 509,000 head of cattle and calves annually, and in New York about 1,928,000.

In 1908, 44 per cent of the cattle received at the Chicago markets were sold out alive and were bought by numerous independent buyers for slaughter or feeding. According to statistics of two bureaus of the Department of Commerce and Labor, namely, Census and Bureau of Statistics, the imported hides bear the relation stated below to the domestic production:

	Pounds.	Per cent.
Cattle hides consumed by tanneries, 1904	922,635,538	100
Average imports, 1898-1908	128,879,885	14
Domestic production	793,755,653	86

For so much of that 14 per cent of imported hides as are manufactured into shoes and other articles for export the manufacturer receives a rebate of 99 per cent of the 15 per cent duty. Therefore, for the purposes of his export trade, he has, under the Dingley law, practically free trade in hides.

It takes from 1½ to 2 pounds of dry hides to furnish the sole leather for an average pair of shoes—say 2 pounds, for example. The average value per pound of imported dutiable hides during 1907 was 15.3 cents, and the duty per pound would be 2.3 cents, and for 2 pounds 4.6 cents. No one seriously claims that the removal of the present 15 per cent duty on hides would cheapen shoes to the consumer 4.6 cents per pair, or any amount. The difference would be absorbed by the tanner and shoe manufacturer.

The average weight of cattle hide is 6½ to 7½ per cent of the total weight of the animal, and the per pound value of the hide s double that of the per pound value of the balance of the carcass, making the total value of the hide from 13 to 15 per cent of the gross value of the animal.

Since 1897 the average price of American green hides has fluctuated between 8½ cents and 13½ cents per pound, and the price to-day ranges from 10 to 12½ cents per pound, according to quality. During the same period the foreign-hide market has averaged higher.

Branded hides sell from 1 to 3 cents a pound less than unbranded hides. Purchasers of live cattle pay from 10 to 40 cents a hundred less for branded than for unbranded cattle. There is in all hide markets a distinction made in the quotations of "clear" hides and "branded" hides. These facts show beyond controversy that there is everywhere a

recognized distinction between the hide value and the meat value in an animal, and successfully answer the contentions of the tanners and shoe manufacturers, and proves that the raiser of live stock does benefit by the duty on hides.

The average duty on all dutiable articles under the Dingley law, year by year, from 1898 to 1907, has been as follows (taken from reports of Government):

	Per cent.
1898	48.08
1899	52.07
1900	49.24
1901	49.64
1902	49.78
1903	49.03
1904	48.78
1905	45.24
1906	44.16
1907	42.55

The duty on hides during those years has been 15 per cent ad valorem, which is vastly less than the average protection accorded other dutiable articles.

Argentina hides produce more leather per pound than American hides, and if the duty on hides is reduced the American tanners will buy Argentina hides in preference to American product. The United States produces from 85 to 90 per cent of the leather consumed. Free hides would mean an absolute loss of approximately 2 cents per pound on the 793,755,653 pounds of hides produced in this country, or about $16,000,000 annually. The value of the cattle in the United States, exclusive of any investments in land, is estimated by the Government at $1,700,000,000, almost five times as much as the total capital invested in the tanneries and the boot, shoe, and other leather manufactures. The live-stock and meat industry is the largest single industry in the United States, and upon it depends the prosperity of this country. Is it to be sacrificed for the benefit of a few tanners and leather manufacturers? Are the live-stock raisers and farmers to be punished simply because a few independent tanners can not get all the hides they want on their own terms?

Mr. CARTER. The claim that the packers are the beneficiaries of the duty on hides is clearly exploded by the figures. They butcher but about one-fourth of all the cattle butchered in the country. So I think, Mr. President, we will have to go further and look into this trust interest a little more in order to find the real point to this agitation for free hides.

I think the crusade for free hides is the most remarkable that has been waged with reference to any article in this tariff bill. The volume of literature would fill one of the rooms of the Capitol. It comes to every Senator, and it has been transported to every shoe dealer and harness maker in all the country. The expense must have been enormous, and I believe it was all borne by the Central Leather Company, which is said, on good authority, to own two-thirds of the principal tanneries in the United States.

I have before me a statement taken from Moody's Manual for 1908, showing the condition of one of these leather companies. It has a total showing of $167,000,000. Its common stock is sixty-two million and odd dollars; its preferred stock is $62,000,000 plus; its bonds amount to $4,680,000. It has bills payable, reserve fund, insurance, and so forth, running up to $167,000,000. One of the curious items in this statement is "good will, etc., $62,832,300." A large number of dollars' worth of good will on which the American people are expected to pay dividends; and the first levy is to be made on the American farmer, by keeping him subject to the leather duty while taking off the duty on hides.

Mr. PAGE. Mr. President——

The PRESIDING OFFICER (Mr. KEAN in the chair). Does the Senator from Montana yield to the Senator from Vermont?

Mr. CARTER. Certainly.

Mr. PAGE. Mr. President, I may be able to give the Senator some light on that question.

Mr. CARTER. The question of good will?

Mr. PAGE. That seventy-two millions of good will, or sixty-two millions—I forget whether it is sixty-two or seventy-two——

Mr. CARTER. Sixty-two.

Mr. PAGE. That is pure water and air. There is not a dollar of assets in it. They started their organization several years ago, and agreed to pay a certain stated dividend on their preferred stock. That became a lien upon the stock of that company. Those dividends accumulated until their debt for dividends due was more than 40 per cent. Then the corporation tried to get a new corporation, known as the "Central Leather Company," to take it up. But it is a fact known to every hide dealer and every tanner in this country that that concern never has been a successful concern. Never since its organization, never after the first year, have the people of this country regarded it as a trust, because it was an unsuccessful corporation, not making money. I think you will find, if you go back, that the last dividend it paid on its preferred stock was a very small one—from 1 to 4 per cent.

Mr. CARTER. Mr. President, I notice that this concern has cash in its treasury amounting to $4,318,178; that its cash increased between 1905 and 1907 from $2,230,000 to $4,318,000; that the accounts receivable have increased considerably; that the bills receivable have increased from $243,000 in 1905 to $3,569,000 in 1907.

Mr. PAGE. Mr. President——

The PRESIDING OFFICER. Does the Senator from Montana yield to the Senator from Vermont?

Mr. CARTER. Yes.

Mr. PAGE. Will the Senator please give us, in the case of that enormous concern, the amount that stands on the assets side for leather in process of tanning?

Mr. CARTER. They seem to have sundry items of personal property. They have bark at the tanneries amounting to $2,386,316. They have hides and leather on hand amounting to $11,457,273.

Mr. PAGE. What are their total assets, as given there?

Mr. CARTER. Their total assets? One hundred and sixty-seven million dollars.

Mr. PAGE. Now, Mr. President, I should like to ask the Senator a question on another point.

Mr. CARTER. How does the Senator dispose of this cash, if it is a bankrupt concern?

Mr. PAGE. I will do that. This is a concern that started in to tan leather a few years ago. They bought up the tanneries of Pennsylvania, but with those tanneries they acquired very large properties in timber lands. It is the opinion of good judges that but for those timber lands this corporation would be out of business to-day. Year by year they have been selling those timber lands, which have been very valuable and have appreciated in value every year.

In that way they have kept their cash on hand and their bark at a fair amount. But, Mr. President, an asset of $11,000,000, representing the entire hide and leather business of a $170,000,000 corporation, shows upon its face that it is not a successful concern; that it can not be called a "trust;" and that it does not dominate the leather market in any sense at this time.

Mr. CARTER. Well, Mr. President, this company seems to be a rather strong, lusty concern. It may not be organized on principles of common decency and fair play to the outside; but, somehow or other, it has accumulated a surplus of $23,599,401. It has between four and five million dollars of cash on hand. It has $9,979,000 accounts receivable. It has $3,569,000 bills receivable. It has no doubtful debtors. It has on hand hides and leather of eleven millions and more. It has bark at the tanneries of over two million and a quarter dollars. It owns a railroad mortgage of $100,000. It has advanced to other companies $58,000. It has sundry personal property of $402,000. It has tannery plants, and so forth, to the value of $6,924,000. It has stock of other companies to the value of $58,152,000, and bonds of other companies to the value of $6,216,000. It has real estate interests of $501,000. And it seems to me, with this good will of $62,000,000 thrown in, that they are doing pretty well, all things considered. If this is a poor leather company, I should like to have the Senator state his estimate of a prosperous one.

Mr. PAGE. Mr. President, I heard of a set of corporations that went to J. P. Morgan & Co. a few years ago and wanted to have a consolidation. They consolidated all their interests; and when they got through a certain stockholder said that the only change in the interests was that they had the same property, and J. P. Morgan & Co. had $6,000,000 of their money. I should like to have the Senator read the whole of that item. I think he will find it is "good will and expenses of organization, $62,000,000." And, with all of that to the good, they are still owing forty-odd per cent of accumulated dividends which they can not pay.

Mr. CARTER. Mr. President, this item is covered up under the very general and comprehensive expression "good will, etc." I will attach the statement to my remarks.

UNEXPENDED BALANCES OF APPROPRIATION.

Mr. HALE. Mr. President——

The PRESIDING OFFICER. Does the Senator from Montana yield to the Senator from Maine?

Mr. HALE. Does the Senator yield to permit me to make a privileged motion?

Mr. CARTER. Certainly.

Mr. HALE. I wish to enter a motion to reconsider the vote by which Senate joint resolution No. 33 was passed, and to request the House to return the joint resolution to the Senate.

The PRESIDING OFFICER. The Senator from Maine enters a motion to reconsider the vote by which Senate joint resolution No. 33 was passed.

Mr. HALE. I make the motion to reconsider.

Mr. ELKINS. What is the motion?

The SECRETARY. To reconsider the vote by which Senate joint resolution No. 33, relating to the provisions of section 10 of the sundry civil act of March 4, 1909, was passed.

The PRESIDING OFFICER. Does the Senator move that the vote by which the joint resolution was passed be reconsidered?

Mr. HALE. I will make the motion. I do not want to take it up until my colleague is here.

The PRESIDING OFFICER. The Senator makes the motion to reconsider, and asks that notice of that motion be sent to the House of Representatives.

Mr. HALE. And that the joint resolution be returned.

The PRESIDING OFFICER. And that the joint resolution be returned.

Mr. CULBERSON. Mr. President, let us understand what this is.

Mr. HALE. It is a joint resolution passed by the Senate in my absence, relating to certain unexpended balances of river and harbor appropriations. Had I been present, it would not have been passed, but I was not here. All that I ask now is to enter a motion to reconsider and that the joint resolution be returned to the Senate. When my colleague is present, I wish to confer with him about the language of the joint resolution. There are some things in it that ought to be changed. I have examined it very carefully; and while I do not object to the general scope of the measure, I do not want it to apply to any matters of the kind in the future. My colleague and I can easily arrange that when the joint resolution is returned.

Mr. CULBERSON. I understand, then, that the motion of the Senator from Maine to reconsider does not contemplate anything further now?

Mr. HALE. Nothing further.

Mr. FRYE. But it ought to be disposed of immediately, because July 1 comes very shortly.

Mr. HALE. When we come to look at the language of the joint resolution, I do not think there will be any difficulty in arriving at an amendment that can be disposed of as soon as the joint resolution is returned.

Mr. FRYE. But it has already passed the House.

Mr. HALE. Yes; I know; but I was not present, Mr. President, when the matter was brought up. Had I been, it would not have moved an inch. I have looked at the resolution very carefully, and I do not want to convey the impression that any advantage was taken of my absence. I do not ask anything unreasonable; I simply enter a motion to reconsider and to have the joint resolution sent back from the House. Then my colleague and I will look into its language, and it can be returned at once.

Mr. FRYE. I was not aware that my colleague was absent when I asked the unanimous consent of the Senate to proceed to the consideration of the joint resolution. But if I had known that he was absent, I think I should have made the same request, whether he was present or not, on account of the short time which intervenes between now and July 1. For that reason it is was absolutely necessary to have action, in order not to stop all operations of this character. When the Senator from Ohio [Mr. BURTON] asked unanimous consent, my colleague objected; but he objected on the ground that it was against the order of the Senate. His objection was not against the merits of the resolution at all, and I did not suppose he had any objection to the resolution itself. He only objected to having the order of the Senate laid aside.

Mr. HALE. When I came to examine the joint resolution, I found that there were certain things in it that ought not to be there and that are not needed to have it operate efficiently, as my colleague desires. I desire an opportunity to examine it in connection with my colleague and any other Senator who is interested in the passage of the resolution. There is plenty of time between now and the 1st of July for the passage of any proper resolution that will not hinder, but will help, the proper expenditure of money on these valuable public works. I do not object to anything of that kind, but I have no doubt that I shall be able to show to my colleague that there ought to be a modification of the language of the resolution to cover simply what he desires and nothing more.

Mr. FRYE. It was referred to the War Department and came back with their approval.

Mr. HALE. That is not absolutely sufficient, of course. The War Department wants all that it can get. It has too much in the resolution. I simply ask, Mr. President——

Mr. BURTON. Mr. President——

Mr. ELKINS. Mr. President, I think this debate is out of order.

Mr. BURTON. Does the Senator from Maine yield to me for a suggestion in regard to this matter?

Mr. HALE. Mr. President, some one has suggested that the debate is out of order. I did not suppose that any objection would be made to my request.

Mr. BURTON. Mr. President, I will state to the Senator from Maine that the language of the resolution was very carefully guarded. It provides that this provision—

> shall not be construed as applying to the unexpended balance of any river and harbor appropriation the use of which may be essential, in the judgment of the Secretary of War, for the further maintenance or prosecution of the work to which it pertains as heretofore authorized by Congress.

This carries out the spirit of the provision of the sundry civil act, which is that balances that are not needed of appropriations made a considerable time ago go to the surplus fund of the Treasury; but in case they are essential, in the judgment of the Secretary of War, for the further maintenance or prosecution of work, they are still made available. I will state that unless there is some such provision as that, there will be serious difficulty with many important public works. I wish to state another practical fact—that the House does not meet until Thursday, and does not at every meeting have a quorum; so that we could not be assured, at any rate, of a modification in the House. It was passed there to-day in the presence of a quorum.

Mr. HALE. Mr. President, I should like to ask the Senator first whether he proposes that this shall operate in cases where no contracts have been entered into?

Mr. BURTON. If there have been no contracts, and the money is needed, it would nevertheless be applied upon the work. It would be applied where recommendations have been made, or where in the judgment of the Secretary of War the amount is needed.

Mr. HALE. Although no contracts have been made?

Mr. BURTON. Yes; although no contracts have been made.

Mr. HALE. That is, these appropriations that have lain for years without being used, and no contracts have been made for five years, shall now be revived and used?

Mr. BURTON. The Senator from Maine will note that since the early seventies the law has been that these balances remain to the credit of the respective public works for which they were appropriated. After careful consideration, an exception was made in the case of river and harbor appropriations, because of the well-known fact that emergencies are likely to arise by reason of storms, by reason of the necessity of restoring a channel or such a structure as a breakwater; and for twenty-five years the law has been that those balances remain to the credit of the respective works. I can state that the most important——

Mr. ALDRICH. Mr. President——

Mr. HALE. If the Senator will permit me one moment, I wish to call attention to another matter.

Mr. BURTON. I will state further to the Senator from Maine that the most important case is that in which these balances are required, with appropriations made by the last river and harbor act, to complete a public work. In some cases those are matters of emergency.

Mr. HALE. Let me say, Mr. President, that the points already touched upon are not the main things. But I call the attention of the Senator from Ohio and my colleague—and I will not take much of the time of the Senator from Montana—to this language:

> Shall not be construed as applying to the unexpended balance of any river and harbor appropriation, the use of which may be essential, in the judgment of the Secretary of War.

The Senator can not object, I take it, nor would my colleague object, to the introduction, after the words "unexpended balance of any river and harbor appropriation," of the words "heretofore made," so that this shall not be claimed to be an exemption of all these funds in the case of future appropriations. That was not contemplated, I take it, when the resolution was drawn.

Mr. BURTON. I do not see how that would change the meaning of the resolution.

Mr. HALE. It is a matter of doubt as it stands. It might be claimed that this language would not only apply to appropriations heretofore made, but it should be the rule hereafter for this particular branch of the service and for no other branch. I take it the Senator does not want that.

Mr. BURTON. I would suggest to the Senator from Maine that that can be very readily taken care of whenever a further appropriation is made for rivers and harbors, notwithstanding the fact that for more than a quarter of a century, for reasons which seemed to be conclusive when the subject was discussed, these appropriations have been exceptional in their nature. They are on a different footing from the great majority of other appropriations. There is almost always something to do,

and no engineering officer can foresee when some expenditure may be necessary to maintain important public works.

Mr. CARTER. Mr. President, I rise to a question of order. I know how interminable these river and harbor discussions are.

Mr. HALE. The Senator must know, because he has had some experience along this line.

Mr. ALDRICH. I must call for the regular order, Mr. President. The Senator from Maine has a right to make the motion, but——

Mr. HALE. Yes; I will simply make the motion.

MESSAGE FROM THE HOUSE.

A message from the House of Representatives, by Mr. W. J. Browning, its Chief Clerk, announced that the House recedes from its disagreement to amendment No. 15 of the Senate to the bill (H. R. 1033) to provide for the Thirteenth and subsequent decennial censuses, and agrees to the same; further insists upon its disagreement to the residue of the amendments of the Senate to the bill; agrees to the further conference asked for by the Senate on the disagreeing votes of the two Houses thereon; and had appointed Mr. CRUMPACKER, Mr. BURLEIGH, and Mr. HAY managers at the conference on the part of the House.

The message also announced that the House had passed the joint resolution (S. J. R. 33) relating to the provisions of section 10 of the sundry civil act of March 4, 1909.

The message further announced that the House had passed a joint resolution (H. J. Res. 59) amending an act concerning the recent fire in Chelsea, Mass., in which it requested the concurrence of the Senate.

UNEXPENDED BALANCES OF APPROPRIATIONS.

Mr. HALE. Mr. President, I am advised that the joint resolution, as to which I made a motion to reconsider, has passed the other House. I therefore withdraw my motion.

The PRESIDING OFFICER. The Senator from Maine withdraws his motion to reconsider the vote by which Senate joint resolution No. 33, relating to the provisions of section 10 of the sundry civil act of March 4, 1909, was passed.

HOUSE JOINT RESOLUTION REFERRED.

H. J. Res. 59. Joint resolution amending an act concerning the recent fire in Chelsea, Mass., was read twice by its title and referred to the Committee on Naval Affairs.

THE TARIFF.

The Senate, as in Committee of the Whole, resumed the consideration of the bill (H. R. 1438) to provide revenue, equalize duties, and encourage the industries of the United States, and for other purposes.

Mr. CARTER. Mr. President, the United States Leather Company, pronounced by the Senator from Vermont [Mr. PAGE] to be a struggling concern and the poorest of them all, is a fair sample of the estimate placed on prosperity by the individuals and combinations behind this movement for free hides. One of the most active concerns connected with the movement is the Pfister & Vogel Leather Company, of Milwaukee, in the State of Wisconsin. The statement of that company was placed in the RECORD yesterday, at the suggestion of the Senator from Kansas [Mr. CURTIS], but it is well to call it to the attention of the Senate again in this connection. Its capital stock is $6,000,000, and, according to Moody's Manual for 1908, page 2548, its surplus on November 1, 1907, was $3,500,000.

That is not much better as a showing of surplus, and yet it is a little better, than the $23,599,401 of surplus shown by the struggling United States Leather Company, the poorest managed and the least favored of them all, according to the Senator from Vermont [Mr. PAGE].

Manifestly, Mr. President, if this concern, the United States Leather Company, which has increased in such a remarkable way of late, is the poorest of all the dealers in this product, no change of tariff is needed to give to the entire leather combination the full measure of prosperity which even rapacity might claim.

Do the shoe manufacturers require any radical change of the basis on which they are operating in order that they may be prosperous? I rather think the figures will show that the boot and shoe industry is and has been most remarkably prosperous during the last twelve years. The number of pairs of shoes exported from the United States in 1898 was 1,307,031. In 1907 we exported 5,833,914 pairs, of the value of $10,666,000. The exports of leather and manufactures of leather in 1897, when the present duty was placed on hides, were $19,000,000 plus. In 1907 the exports and manufactures of leather had reached $45,476,969.

A study of the exports of hides is interesting.

Mr. PAGE. Mr. President——

Mr. CARTER. I shall be glad to have the Senator permit me to put these figures in the RECORD. I shall put the tables in later, and shall then be glad to answer any questions.

The exports of hides have, of course, been less, because they have been consumed at home; and much of the exports of boots and shoes have been made up of leather made from hides imported and then exported, with a drawback of 99 per cent to the manufacturers. We exported in 1897 31,000,000 pounds of hides. In 1907 exports of hides had been reduced to $15,000,000 plus. Thus, whether we consider the subject from the standpoint of the exports of the manufactured article—boots and shoes—or the marvelous increase in the exports of sole leather and all forms of tannery products, or as measured by the remarkable increase in the profits of the concerns engaged in the manufacture of boots and shoes and other manufactures of leather, we find no consolation whatever in seeking to justify this effort to remove the duty on the so-called "raw material" purchased from the farmers. If the industries were languishing, if the tanneries were doing ill or making no profit, if the shoemakers were doing a losing business or their trade was failing, we might, with propriety, direct our attention to the cause. And if, in seeking to ascertain the cause, we found that some burden should be placed upon the farmer in order to rescue the sinking manufacturing establishment, the poor, honest, public-spirited countryman would no doubt respond, as he has often done before, to an additional load, in order to maintain the prosperity of the country.

But, sir, when a combination of gigantic corporations, with good will and wind as capital to a degree marvelous to contemplate, with dividends paid upon nothing at all, and profits that are enormous, join in with the boot-and-shoe men, who can not point in all their history to a period of greater prosperity than that during which this tariff has been laid on the raw material—when, I say, they combine to tell us that the farmer must be made subject to the burden while being deprived of the benefits of the system, I insist that radical measures, if need be, should be resorted to in order to prevent this injustice being perpetrated upon a worthy and supremely important part of our citizenship.

Mr. President, I am glad to say that, in my humble judgment, there is not a Republican Senator or a protectionist on this floor whose honest conviction would support this proposition to strike down this duty on hides while maintaining the duty on manufactures of leather. I believe the Members of this Senate who subscribe to the doctrine of protection are sufficiently broad and enlightened to say that the whole country must be considered if this policy is to endure; that they are broad and enlightened enough to know that if the protective tariff is to be made the instrument of oppression in one section for the benefit of some other section, it will not long remain on the statute books.

I am permitted by the secretary and general counsel of the Home Market Club, of Boston, Mr. Albert Clarke, one of the most thoroughly informed protectionists in this country, to submit to the Senate as a part of my remarks a letter written by that gentleman to a Senator from New England, which states this case from the enlightened New England protective standpoint more clearly than I can hope to state it. I will ask the Secretary to read it, omitting the name of the Senator to whom the letter is addressed. The copy was delivered to me by Mr. Clarke.

The PRESIDING OFFICER. Without objection, the Secretary will read as requested.

The Secretary read as follows:

HOME MARKET CLUB,
Boston, Mass., June 14.

MY DEAR SENATOR: Not knowing your views on the subject of free hides, but knowing that you have long been a conspicuous advocate of national and impartial protection, I venture to invite your attention to some considerations which arise from our New England point of view and are different from those which special interests have brought into prominence.

More important, it seems to me, than any single interest is the great fundamental principle of protecting every domestic product that is exposed to foreign competition. Some exceptions to this rule have been made for local or political reasons, but they are uneconomic and do not justify further exceptions. Repealing the duty on hides would not have the poor excuse of being necessary to the prosperity of industries to which they go as a raw material, for those industries are prosperous, having greatly advanced under the Dingley law in both the home market and foreign markets. Every State has a considerable interest in cattle, and the aggregate value of the cattle of all the States is estimated by the Department of Agriculture at the large sum of $1,566,699,000. For both business and political reasons this interest is too large to be discriminated against.

In my opinion, the shoe manufacturers are making a great mistake in advocating free hides and offering as a consideration for the boon to accept a reduction of the duty on shoes from 25 per cent to 15 per cent. If, as some of them say, they do not need any protection because they have no foreign competition, their concession is illusive and of no

account. But the day is near when they are sure to have competition from several countries, which will show them the need of even a higher duty than 25 per cent. American shoe machinery has recently been introduced in every country which manufactures shoes. Skilled instructors are sent with it, and they stay with it until the foreign operatives develop a high state of efficiency. American shoes are imitated so perfectly that only experts can tell the difference, and they are just as good. On the continent of Europe the labor cost of their production is only about 40 per cent of that in this country, and in Japan it is lower still. Even in Scotland, according to the testimony of Mr. Charles H. Jones, of Boston, they are produced 20 cents a pair more cheaply than in Massachusetts. As Mr. Jones is an advocate of free hides, this testimony is to be taken most strongly against his cause.

I know it is said that the shoe manufacturers must be supposed to understand their business. In respect to technique, organization, and management they do; but they have not had occasion to study the effect of foreign competition as other manufacturers have, and one of their leaders, former Governor Douglass, of Massachusetts, in his enthusiasm for free trade, has publicly predicted that if they could get free materials they could export $100,000,000 worth of shoes each year, little knowing that the shoe export of all nations aggregates but about $37,000,000. We must face the fact that most foreign peoples are going to manufacture the greater portion of the shoes they wear and that before long, now that they have adopted American styles, machinery, and methods, some or all of them will compete in our market the same as they do in textiles, metal goods, gloves, chinaware, and a long list of other elegant manufactures.

There is no promise that our shoe manufacturers will get cheaper sole leather if hides are made free, and in turn they make no promise to reduce the price of shoes to the consumers. There has been a great deal of loose talk about this, but in the nature of the case no promise. Mr. Jones testified that shoes change by quarter and half dollars. Is it probable that the manufacturer, who will save only 2 cents on a pair of light shoes and only 10 cents on a pair of heavy shoes, of which both the shoes and the uppers may be cowhide, will reduce his price 25 cents? If he must, then it is to be remembered that Mr. Jones also testified that there are ways of covering up defects in quality. In my opinion, it would be the greatest possible mistake for New England, whose many manufactures enjoy national and even world-wide reputation for excellence, to bring about an economic condition which will induce depreciation in actual worth.

If the policy invoked should result in injury to the great shoe manufacturing interest in New England, as I am almost certain it would, our other industries would not escape. The people engaged in those industries have a right to protest against anything which threatens the displacement of labor and the impairment of the purchasing power of large numbers of people. The promised benefit is too remote, contingent, and uncertain to justify the risk.

Thus far I have presented only such general considerations as the tariff and industrial questions suggest. On its own merits the duty on hides seems to me perfectly justifiable. First, it raises more than $2,000,000 of much-needed revenue. Second, the proof is ample that it benefits the cattle growers. Third, it logically calls for a continuance of adequate duties on the manufactures of leather. I am aware that popular prejudice against the duty has been created by the claim that the packers get the sole benefit and that the packers are in a great trust. I have investigated this and am convinced that whatever may be the desire of the packers, the real, the great, and the dangerous trust to be guarded against is the Central Leather Company, which controls two-thirds of the principal tanneries in the country, and is the chief promoter of the campaign for free hides. The farmers, the packers, and the small collectors all over the country have hides to sell. If the leather trust can import hides free of duty, it will use the fact to beat down the price, and there will be no sufficient economic force to compel it to extend the benefit to its own customers, the users of leather. I do not think that trusts can be regulated through the tariff, but a protective duty, by developing and preserving some degree of domestic competition, tends to curb their exactions, and in the interest of both producer and consumer should be preserved.

Begging your pardon for imposing upon you so long a letter, I have the honor to be, with high respect,

Very truly, yours, ALBERT CLARKE.

Mr. CARTER. Mr. President, I venture to say that any Senator here who will carefully consider the question at issue will reach the conclusion substantially as stated by Mr. Clarke, of the Home Market Club. If we are to have free hides, of course we will have free leather and everything made of leather, in so far as this bill is concerned. I should think little of either the judgment or spirit of a Senator from one of our Western States who would not very promptly and very emphatically resent such a discount on our intelligence or fidelity to our constituents as to expect that we would take any other course than to "let the tail go with the hide," as the Senator from Wyoming so well said.

If it is desired that leather and all the products of leather shall be free, well and good. The farmers of my section will be content, but they will not be content to leave the products of the hides on the dutiable list while they sell in competition with the man from the Argentine Republic.

Our people know something about this subject. I will insert in the RECORD a letter from Mr. Boardman, one of my respected constituents. He gives a very clear and lucid explanation of the effect of this duty upon the market price of hides. It will be perceived that in the market at Chicago a range steer branded heavily on both sides is sold at from 2 to 3 cents a pound less on the total weight of the animal than in the case of an animal that is not branded at all or is branded with some degree of care.

It will not answer for us to go home and repeat to our constituents, who know better, the puerile and trifling suggestions here made that they receive no benefit from the duty on hides, and therefore it is just as well to take it away from them. They are not children. You are dealing with a good, husky, lusty, vigorous body of people, who know something about their own business and are determined to have their rights in a general adjustment of affairs; and every Senator from that section of the country is here to maintain those rights. If those who elect to break down the protective-tariff policy persist in beginning the operation on the farmer they will find a resistance that will be most wholesome and effective. While I believe in the general prosperity brought to the country by preserving the American market to the American workman, the farmer of the United States must not be excluded from the body of toilers entitled to the benefits, and we do not propose to see him excluded in this case. That had just as well be understood now, and for good.

Mr. President, I will, with the permission of the Senate, abridge my remarks by inserting in the RECORD certain tables, figures, and letters bearing upon market quotations and statements therewith connected, which, I think, put together, will demonstrate that the benefit of this small duty does pass to the farmer and stock raiser and not to the special use and benefit of the packer. We have all the trouble we need to keep even with the packer, and we do not wish Congress and the Republican majority in the Senate to join the leather combine in helping the packers to fleece us out of what little we do get from the duty on hides.

I ask permission to append the statements as a part of my remarks.

The PRESIDING OFFICER. The Chair hears no objection to the request of the Senator from Montana.

The statements referred to are as follows:

APPENDIX C.

	Area.	Population.
	Sq. miles.	
United States	3,022,600	*87,971,000
Porto Rico	3,606	953,243
Hawaii	6,449	154,001
Alaska	580,000	
Total	3,612,655	89,078,244

* Including Alaska.

European countries.

[The International Geography (edited by Mill), by 70 authors. Table compiled by G. C. Chisholm, M. A., B. Sc.]

	Area.	Population.
	Sq. miles.	
Russia	2,095,500	129,000,000
Austria-Hungary	261,000	45,400,000
German Empire	210,000	56,400,000
France	207,200	38,600,000
Spain	195,000	18,300,000
Sweden	171,000	5,100,000
Norway	125,000	2,200,000
United Kingdom	121,700	41,600,000
Italy	111,000	32,400,000
Turkey	65,000	6,100,000
Roumania	50,600	6,000,000
Bulgaria	37,300	3,700,000
Portugal	34,500	5,400,000
Greece	25,300	2,400,000
Servia	18,700	2,500,000
Switzerland	16,000	3,300,000
Denmark	15,300	2,400,000
Netherlands	12,700	5,180,000
Belgium	11,373	6,700,000
Montenegro	3,500	228,000
Luxemberg	1,000	236,000
Andorra	175	6,000
Liechtenstein	61	10,000
San Marino	23	8,000
Monaco	8	13,000
Total	3,789,540	413,181,000

According to the International Geography:

The area to be assigned to the Continent of Europe depends upon the limits assumed, which vary partly in accordance with physical and partly in accordance with political considerations. In the southeast the limit usually adopted is that of the valley of the Manych, stretching from the Caspian Sea to the mouth of the Don, and nearly coinciding with the administrative boundary of the lieutenance of the Caucasus, the whole of which is thus assigned to Asia. In the east the most obvious physical boundary is formed by the Ural Mountains and the Ural River. The area of mainland and the adjacent islands within these limits is about 3,750,000 square miles. The addition of Iceland and Nova Zembla brings it up to 3,820,000 square miles, and the further addition of Spitzbergen to nearly 3,850,000.

In the east of Russia, however, the political boundary extends some distance beyond the Urals so as to include all the mineral wealth of that region, and, on the other hand, it runs partly along the edge of a low plateau some distance to the west and northwest of the Ural River. If this political boundary is followed, it adds to the area of Europe about 100,000 square miles.

APPENDIX C 2.

Table showing imports of hides of cattle, dutiable, for ten years, their value, and amount per pound.

[From Statistical Abstract, Commerce and Labor, for 1907, p. 434.]

Year.	Pounds.	Value.	Per pound.[a]
			Cents.
1898	126,243,595	$13,624,980	10.8
1899	130,396,020	13,621,946	10.4
1900	163,865,165	19,408,217	11.8
1901	129,174,624	14,647,413	11.3
1902	148,627,907	17,474,039	11.8
1903	131,640,325	16,150,902	12.2
1904	95,370,168	10,989,035	12.8
1905	113,177,357	14,949,628	13.2
1906	156,155,300	21,862,360	13.9
1907	134,671,020	20,649,258	15.3

[a] Estimate ours (only approximate).

Tables showing imports of hides, other than goats and cattle, not dutiable, for ten years, and their average value.

[Taken from Table 161, Statistical Abstract, Commerce and Labor.]

Year.	Pounds.	Value.	Per pound.[a]
			Cents.
1898	54,007,534	$7,667,342	14
1899	66,965,785	9,877,771	14.7
1900	100,070,795	16,539,807	16.5
1901	77,989,617	12,995,567	16.6
1902	89,457,680	15,054,400	16.8
1903	102,340,303	16,942,982	16.5
1904	103,024,752	17,045,304	16.5
1905	126,893,934	22,868,797	18
1906	158,045,419	30,246,198	19
1907	135,111,199	30,841,989	22.8

[a] Estimate ours (only approximate).

APPENDIX C 3.

Table showing for ten years exports of boots and shoes.

[From Statistical Abstract, Commerce and Labor, 1907.]

Year.	Pairs.	Value.	Per pair.[a]
1898	1,307,031	$1,816,538	$1.39
1899	1,934,277	2,711,385	1.40
1900	3,016,720	4,276,656	1.41
1901	3,492,041	5,526,190	1.58
1902	3,966,766	6,182,098	1.56
1903	4,197,566	6,665,017	1.59
1904	4,642,531	7,238,940	1.56
1905	5,315,699	8,057,697	1.51
1906	5,672,249	9,142,748	1.61
1907	5,833,914	10,667,949	1.83

[a] Estimate ours (only approximate).

APPENDIX C 4.

Not only have our exports of boots and shoes increased largely, but also our exports of leather and its manufactures have increased, as the following table will show:

Exports of leather and manufactures of leather.

1907	$45,476,969
1906	40,642,858
1905	37,936,745
1904	33,980,615
1903	31,617,389
1902	29,798,323
1901	27,923,653
1900	27,293,010
1899	23,466,985
1898	21,113,640
1897	19,161,446
1896	20,242,756
1895	15,615,407
1894	14,283,492
1893	11,912,154
1892	12,084,781
1891	13,278,847

These exports have doubled in value under the protective tariff on cattle hides.

The manufacturers of leather goods, like all the manufacturers in this country, have practically free raw materials for the goods which they manufacture for export. This is due to the "drawback" clause, so called, which has been a part of our last three tariff acts. By virtue of that provision an American manufacturer can receive back from the Treasury of the United States any duty he may have paid upon the materials used by him in the manufacture of articles exported by him. This provision is not only a Republican or protectionist measure, but a Democratic or free-trade measure as well, for it was incorporated not only in the McKinley and Dingley bills, but in the Wilson-Gorman law also. Under its operation it is possible for a small percentage of the goods manufactured in America to be sold abroad for less than they are sold at home, because, if advantage is taken of the drawback, the cost of manufacture for export is reduced.

A study of our exports of hides is of interest:

Year.	Pounds.	Value.
1907	15,396,806	$1,760,032
1906	10,752,827	1,223,255
1905	10,268,722	1,051,641
1904	32,727,643	3,246,387
1903	12,859,949	1,224,409
1902	9,372,949	906,504
1901	11,161,749	1,064,952
1900	7,486,256	804,674
1899	10,140,840	929,117
1898	11,536,073	1,015,032
1897	31,119,166	2,338,530
1896	39,545,324	3,858,946
1895	36,002,859	2,310,323

During the year 1895, 1896, and 1897, when the industries of this country were idle and our farmers were receiving low prices for their grain and the wage-earners were paid small wages and our consumption was small, we exported about 35,000,000 pounds of hides each year. But with a return of a protective tariff and new conditions and the opening of our factories and the revival of agriculture, we kept our raw material at home and did our own manufacturing and sold to our own people and paid wages to our own wage-earners, and for six years our exports of this raw material were only about 10,000,000 pounds annually.

APPENDIX C 6.

PIONEER CATTLE COMPANY,
GENERAL MANAGER'S OFFICE,
Helena, Mont., April 10, 1909.

Hon. T. H. CARTER,
United States Senate Chamber, Washington, D. C.

DEAR SENATOR: I am writing you in regard to the irreparable damage that will result to the live-stock industry of the United States if, in the passage of the new tariff bill, hides are put on the free list.

If you allow the eastern shoe and leather manufacturers tariff protection in addition to their manufacturers trade profit, you immediately, by governmental sanction, transfer to them the present value of the hide that rightfully belongs to the farmer and stock grower.

The farmer is a consumer as well as a producer of hide products, and by this free-trade process you "flimflam" from him a double tribute to the protected manufacturers of all hide products. The present tariff adds from $1.50 to $3 valuation to every beef animal in the United States, and the nearer the farmer is to the hide market the greater value in the hide.

This valuation is not guesswork or a mere estimate, as I will cite you from our own company books and experience: Two years ago this spring, and following the hard winter of 1906 and 1907, during which time many of our cattle had died, there was within a radius of 3 miles from our company's home ranch and in our feed lots a number of dead cattle; these cattle were skinned to the number of 167 head, all ages and classes. On May 22, 1907, we hauled these hides to our nearest railroad station, a round trip of 20 miles, and where a hide buyer was waiting to inspect and purchase these hides by weight. For these 167 hides he paid us $500.59, or nearly $3 each, all around. He in turn shipped these to the Chicago market, a distance of 1,179 miles. This is only one example. There are hundreds of other stockmen and farmers who did the same thing.

Under "free trade conditions" these hides would not have been worth skinning. This fact I also know from experience, as I have been engaged in the business of raising cattle for the past thirty years, and during all that time when hides were on the free list we never sold one. There was no market for them. Consequently no one saved the hides from butchered or dead animals; they rotted on the farms and ranches.

The present 15 per cent ad valorem duty on hides means an increased valuation of about $3 per head for every beef animal now owned by the farmers and stock growers of the country. Put hides on the free list and you give this valuation of $3 per head to the shoe manufacturers and leather men.

For an approximate valuation of tariff protection to the middle west farmers and stock growers, take the Chicago cattle and calf receipts for the past ten years ending December 31, 1908:

Cattle.

1898	2,480,897
1899	2,514,446
1900	2,729,046
1901	3,031,396
1902	2,941,559
1903	3,432,486
1904	3,259,185
1905	3,410,469
1906	3,329,250
1907	3,305,314
1908	3,039,206
Total	33,473,254

Calves.

1898	132,733
1899	136,676
1900	136,310
1901	181,824
1902	251,747
1903	271,743
1904	267,499
1905	380,835
1906	413,269
1907	421,934
1908	421,671
Total	3,016,241

These cattle were not all slaughtered by the Chicago packers, but were all killed and went into general consumption during the years specified, the largest percentage of them, however, being slaughtered

in Chicago. Taking the hides of these animals at the low valuation of $2 per head for the cattle and $1 per head for the calves, and you have a total of $69,962,749. Add to this the receipts and corresponding value of the same classes of cattle received at the other stock markets of the country, and you have a sum equal to $125,000,000.

Can our Government consistently take this valuation from the property of the farmer and stock grower and legislate it into the pockets of the tariff-protected eastern leather manufacturers? To place hides on the free list while retaining leather and shoes on the dutiable list would be the worst sort of discrimination against the farmer and stock grower, with no benefit to the public.

Looking at this question from another standpoint, namely, the health and sanitary condition of the live-stock industry, the late Nelson Morris, of Chicago, sounded the keynote of warning when he stated that the importation of hides into this country free of duty without disinfection would sooner or later result in a national calamity, as it was the greatest menace to the health and welfare of our live-stock industry, as with the importation of foreign hides into our seaports, and from there transported by rail in cars to the different tanneries located at various points through the country, would be the carrying disease of all kinds, and that if once our herds were inoculated with any of those diseases so common in foreign and South American cattle, the National Treasury would be exhausted in trying to stamp it out.

We ask no special favors; only fair and equal treatment in tariff schedules on live stock and its products and the adoption of a policy that will give the widest markets for our live-stock products both at home and abroad. To this end we urge that a reasonable tariff, consistent with the general policy of the law which shall be enacted, be retained on cattle and other live-stock animals and on hides and wool.

No doubt you have heard from other Montana stockmen upon this subject, and your know full well what protection will mean to our live-stock interests. The welfare of this industry is in your hands, and I trust you will use your influence to the utmost to give us the necessary protection in the passage of the new tariff bill.

When you have time, let me hear from you as to your views upon the final passage of this bill.

With kind regards, I remain,

Very sincerely, yours, J. M. BOARDMAN.

APPENDIX C 7.

PIONEER CATTLE COMPANY,
GENERAL MANAGER'S OFFICE,
Helena, Mont., April 13, 1909.

Hon. T. H. CARTER,
United States Senate Chamber, Washington, D. C.

DEAR SENATOR: In Representative PAYNE'S argument when supporting the new tariff bill favoring free hides I notice his statement was that the packers would be the only parties benefited by the tariff.

This is a fallacy, as my letter of a few days ago states. In further support of my statement I herewith inclose you an account of sales for 32 hides that I shipped some time ago from Oswego. These hides were shipped in the name of the Montana Hide Company, of this city, but were sold for our Pioneer Cattle Company.

These were all small hides, mostly from 2-year-old heifers that we killed at the ranch for beef during the past year. You will notice they have netted us $110.11, or a little over $3.44 each.

I take it that you may find some satisfaction in support of your ideas for tariff on hides in showing this account of sales at this time to some of your friends who may argue in favor of free hides.

Do not let them beat us out, as this tariff means too much to the stockmen and farmers.

Very sincerely, yours, J. M. BOARDMAN.

JOHN MILLER & CO.,
HIDE COMMISSION MERCHANTS,
Chicago, April 9, 1909.

Loaded at Oswego, Mont., by Pioneer Cattle Company.

For account of Montana Hide Company, Helena, Mont. Shipment March 2.

21 D. F. fr. hides, $588.18½		$108.78
1 D. F. fallen hides, $23.15½		3.56
3 D. F. dwgd. kip. and lt., $41.17		6.97
7 D. F. bd. dwgd. hides, $85.11½		9.77
Trimmings		.38
32		129.08
Charges:		
Advances, per cent for handling	$3.23	
Freight	15.24	
Cartage	.50	
		18.97
Net proceeds		110.11

Inclosed we hand you our check No. —— for net proceeds as per statement.

Yours, truly, JOHN MILLER & CO.
Per H. W.

APPENDIX C 8.

ROSENBAUM BROTHERS & CO. (INCORPORATED),
LIVE STOCK COMMISSION MERCHANTS,
Union Stock Yards, Chicago, Ill., October 8, 1907.

Sold for account of Pioneer Cattle Company. Sale No. 24360, shipped by ——— ———, Oswego.

State board, 2 steers, passed	$72.08
State board, 1 steer, passed	30.54
Total	102.62

Held from sale September 23, 1907.
Credit account.

CHICAGO LIVE STOCK EXCHANGE,
OFFICE OF THE SECRETARY,
Union Stock Yards, Chicago, Ill.

Statement of the disposition of one carcass of beef and its offal, pronounced fit for food by the state veterinarian of the State of Illinois, at a post-mortem examination thereof, held in the city of Chicago on September 27, 1907.

Owner, Rosenbaum Brothers & Co. (Incorporated). Sold to M. O'Dea. Tag No. 989.

CREDIT.

By 4 quarters of beef, 690 pounds, $3.75	$25.87
By butter stock, 22 pounds, $5.61	1.23
By steer hide, 85 pounds, $10.30	8.75
By head, tongue, etc	.60
	36.45

DEBIT.

To slaughtering, dressing, chilling, and delivering carcass	$0.97	
To feed and petty incidental expenses	1.01	
		1.98
Net proceeds		34.47

CHICAGO LIVE STOCK EXCHANGE,
OFFICE OF THE SECRETARY,
Union Stock Yards, Chicago, Ill.

Statement of the disposition of one carcass of beef and its offal, pronounced fit for food by the state veterinarian of the State of Illinois at a post-mortem examination thereof, held in the city of Chicago on September 27, 1907.

Owner, Rosenbaum Brothers & Co. (Incorporated). Sold to M. O'Dea. Tag No. 988.

CREDIT.

By four quarters of beef, 714 pounds, $4	$28.56
By butter stock, 26 pounds, $5.61	1.46
By steer hide, 87 pounds, $10.30	8.97
By head, tongue, etc	.60
	39.59

DEBIT.

To slaughtering, dressing, chilling, and delivering carcass	$0.97	
To feed and petty incidental expenses	1.01	
		1.98
Net proceeds		37.61

CHICAGO LIVE STOCK EXCHANGE,
OFFICE OF THE SECRETARY,
Union Stock Yards, Chicago, Ill.

Statement of the disposition of one carcass of beef and its offal, pronounced fit for food by the state veterinarian of the State of Illinois, at a post-mortem examination thereof, held in the city of Chicago on September 27, 1907.

Owner, Rosenbaum Brothers & Co. (Incorporated). Sold to M. O'Dea. Tag. No. 940.

CREDIT.

By 4 quarters of beef, 669 pounds, $3.62	$24.24
By butter stock, 12 pounds, $5.61	.67
By steer hide, 70 pounds, $10.30	7.21
By head, tongue, etc	.40
	32.52

DEBIT.

To slaughtering, dressing, chilling, and delivering carcass	$0.97	
To feed and petty incidental expenses	1.01	
		1.98
Net proceeds		30.54

ROSENBAUM BROTHERS & CO. (INCORPORATED),
LIVE STOCK COMMISSION MERCHANTS,
Union Stock Yards, Chicago, Ill., August 17, 1906.

Sold for account of Pioneer Cattle Company. Sale No. 13200. Shipped by ——— ———, Oswego.

State board, 1 steer, passed	$34.73
State board, 1 steer, passed	36.13
Total	70.86

Held from sale August 6, 1906.
Credit account.

CHICAGO LIVE STOCK EXCHANGE,
OFFICE OF THE SECRETARY,
Union Stock Yards, Chicago, Ill.

Statement of the disposition of one carcass of beef and its offal, pronounced fit for food by the state veterinarian of the State of Illinois at a post-mortem examination thereof held in the city of Chicago on August 10, 1906:

Owner, Rosenbaum Brothers & Co. Sold to Marsh. Tag No. 160.

CREDIT.

By four quarters of beef, 664 pounds, $4	$26.56
By butter stock, 31 pounds, $4.53	1.40
By steer hide, 76 pounds, $10.75	8.17
By head, tongue, etc	.60
	36.73

DEBIT.

To slaughtering, dressing, chilling, and delivering carcass	$1.72	
To feed and petty incidental expenses	.28	
		2.00
Net proceeds		34.73

CHICAGO LIVE STOCK EXCHANGE,
OFFICE OF THE SECRETARY,
Union Stock Yards, Chicago, Ill.

Statement of the disposition of one carcass of beef and its offal, pronounced fit for food by the state veterinarian of the State of Illinois at a post-mortem examination thereof, held in the city of Chicago on August 10, 1906:

Owner, Rosenbaum Brothers & Co. Sold to Marsh. Tag No. 161.

CREDIT.

By four quarters of beef, 740 pounds, $3.58	$27.04
By butter stock, 20 pounds, $4.53	.91
By steer hide, 91 pounds, $10.75	9.78
By head, tongue, etc	.40
	38.13

DEBIT.

To slaughtering, dressing, chilling, and delivering carcass	$1.72
To feed and petty incidental expenses	.28
	2.00
Net proceeds	36.13

ROSENBAUM BROTHERS & CO. (INCORPORATED),
LIVE STOCK COMMISSION MERCHANTS,
Union Stock Yards, Chicago, Ill., October 30, 1906.

Sold for account of Pioneer Cattle Company. Sale No. 16062. Shipped by ——— ———, Oswego.

State board, 1 steer passed $38.28

Held from sale October 17, 1906.
Credit account.

CHICAGO LIVE STOCK EXCHANGE,
OFFICE OF THE SECRETARY,
Union Stock Yards, Chicago, Ill.

Statement of the disposition of one carcass of beef and its offal, pronounced fit for food by the state veterinarian of the State of Illinois at a post-mortem examination thereof held in the city of Chicago on October 19, 1906.

Owner, Rosenbaum Brothers & Co. Sold to Standard Slaughtering Company. Tag No. 57.

CREDIT.

By four quarters of beef, 735 pounds, at $3.50	$25.72
By butter stock, 24 pounds, at $5.25	1.26
By steer hide, 100 pounds	12.60
By head, tongue, etc	.60
	40.18

DEBIT.

To slaughtering, dressing, chilling, and delivering carcass	$0.77
To feed and petty incidental expenses	.93
	1.90
Net proceeds	38.28

ROSENBAUM BROTHERS & CO. (INCORPORATED),
LIVE STOCK COMMISSION MERCHANTS,
Union Stock Yards, Chicago, Ill., October 11, 1906.

Sold for account of Pioneer Cattle Company. Sale No. 14343. Shipped by ——— ———, Oswego.

State board, 1 steer passed $34.31

Held from sale September 20, 1906.
Credit account.

CHICAGO LIVE STOCK EXCHANGE,
OFFICE OF THE SECRETARY,
Union Stock Yards, Chicago, Ill.

Statement of the disposition of one carcass of beef and its offal, pronounced fit for food by the state veterinarian of the State of Illinois at a post-mortem examination thereof, held in the city of Chicago on September 28, 1906:

Owner, Rosenbaum Brothers & Co. Sold to Standard Slaughtering Company. Tag No. 170.

CREDIT.

By four quarters of beef, 774 pounds, at 3¾ cents	$26.11
By butter stock, 20 pounds, at $5.02	1.00
By steer hide, 83 pounds, at $10.60	8.80
By head, tongue, etc	.60
	36.51

DEBIT.

To slaughtering, dressing, chilling, and delivering carcass	$1.72
To feed and petty incidental expenses	.48
	2.20
Net proceeds	34.31

ROSENBAUM BROTHERS & CO. (INCORPORATED),
LIVE STOCK COMMISSION MERCHANTS,
Union Stock Yards, Chicago, Ill., October 18, 1906.

Sold for account of Pioneer Cattle Company. Sale No. 15687. Shipped by ——— ———, Glasgow.

State board, 1 steer, passed $18.46

Held from sale October 2, 1906.
Credit account.

CHICAGO LIVE STOCK EXCHANGE,
OFFICE OF THE SECRETARY,
Union Stock Yards, Chicago, Ill.

Statement of the disposition of one carcass of beef and its offal, pronounced fit for food by the state veterinarian of the State of Illinois, at a post-mortem examination thereof, held in the city of Chicago on October 5, 1906.

Owner, Rosenbaum Brothers & Co. Sold to Standard Slaughtering Company. Tag No. 518.

CREDIT.

By four quarters of beef, 553 pounds, at 1¾ cents	$10.37
By butter stock, 8 pounds	.42
By steer hide, 72 pounds	9.07
By head, tongue, etc	.60
	20.46

DEBIT.

To slaughtering, dressing, chilling, and delivering carcass	$1.72
To feed and petty incidental expenses	.28
	$2.00
Net proceeds	18.46

ROSENBAUM BROTHERS & CO. (INCORPORATED),
LIVE STOCK COMMISSION MERCHANTS,
Union Stock Yards, Chicago, Ill., October 16, 1907.

Sold for account of Pioneer Cattle Company. Sale No. 24640. Shipped by ——— ———.

State board, 1 cow passed $36.19

Held from sale September 25, 1907.
Credit account.

CHICAGO LIVE STOCK EXCHANGE,
OFFICE OF THE SECRETARY,
Union Stock Yards, Chicago, Ill.

Statement of the disposition of one carcass of beef and its offal, pronounced fit for food by the state veterinarian of the State of Illinois at a post-mortem examination thereof held in the city of Chicago on September 27, 1907.

Owner, Rosenbaum Brothers & Co. (Incorporated). Sold to L. Wall. Tag No. 123.

CREDIT.

By four quarters of beef, 649 pounds, $4.50	$29.20
By butter stock, 38 pounds, $5.61	2.13
By cowhide, 63 pounds, $9.80	6.18
By head, tongue, etc	.60
	38.11

DEBIT.

To slaughtering, dressing, chilling, and delivering carcass	$0.97
To feed and petty incidental expenses	.95
	1.92
Net proceeds	36.19

ROSENBAUM BROTHERS & CO. (INCORPORATED),
LIVE STOCK COMMISSION MERCHANTS,
Union Stock Yards, Chicago, Ill., October 30, 1908.

Sold for account of Pioneer Cattle Company. Sale No. 1709; shipped by ——— ———, Oswego.

State board 5 steers passed $214.33

Held from sale October 15, 1908.
Credit account.

CHICAGO LIVE STOCK EXCHANGE,
OFFICE OF THE SECRETARY,
Union Stock Yards, Chicago, Ill.

Statement of the disposition of one carcass of beef and its offal, pronounced fit for food by the state veterinarian of the State of Illinois at a post-mortem examination thereof held in the city of Chicago on October 16, 1908.

Owner, Rosenbaum Brothers & Co., Union Stock Yards, Chicago, Ill. Sold to M. O'Dea. Tag No. 766.

CREDIT.

By four quarters of beef, 724 pounds, $4.25	$30.77
By butter stock, 26 pounds, $8.55	2.23
By steer hide, 68 pounds, $10.63	7.23
By head, tongue, etc	.60
	40.83

DEBIT.

To slaughtering, dressing, chilling, and delivering carcass	$0.97
To feed and petty incidental expenses	1.00
	1.97
Net proceeds	38.86

CHICAGO LIVE STOCK EXCHANGE,
OFFICE OF THE SECRETARY,
Union Stock Yards, Chicago, Ill.

Statement of the disposition of one carcass of beef and its offal, pronounced fit for food by the state veterinarian of the State of Illinois, at a post-mortem examination thereof, held in the city of Chicago on October 16, 1908.

Owner, Rosenbaum Brothers & Co., Union Stock Yards, Chicago, Ill. Sold to M. O'Dea. Tag No. 767.

CREDIT.

By four quarters of beef, 797 pounds, $4.25	$33.87
By butter stock, 30 pounds, $8.55	2.56
By steer hide, 79 pounds, $11.38	8.99
By head, tongue, etc	.60
	46.02

DEBIT.

To slaughtering, dressing, chilling, and delivering carcass	$0.97
To feed and petty incidental expenses	1.00
	1.97
Net proceeds	44.05

CHICAGO LIVE STOCK EXCHANGE,
OFFICE OF THE SECRETARY,
Union Stock Yards, Chicago, Ill.

Statement of the disposition of one carcass of beef and its offal, pronounced fit for food by the state veterinarian of the State of Illinois

at a post-mortem examination thereof held in the city of Chicago on October 16, 1908.

Owner, Rosenbaum Brothers & Co., Union Stock Yards, Chicago, Ill. Sold to M. O'Dea. Tag No. 768.

CREDIT.

By four quarters of beef, 762 pounds, $5.25	$40.00
By butter stock, 16 pounds, $8.55	1.37
By steer hide, 75 pounds, $11.38	8.54
By head, tongue, etc	.60
	50.51

DEBIT.

To slaughtering, dressing, chilling, and delivering carcass	$0.97	
To feed and petty incidental expenses	1.00	
		1.97
Net proceeds		48.54

CHICAGO LIVE STOCK EXCHANGE,
OFFICE OF THE SECRETARY,
Union Stock Yards, Chicago, Ill.

Statement of the disposition of one carcass of beef and its offal, pronounced fit for food by the state veterinarian of the State of Illinois at a post-mortem examination thereof held in the city of Chicago on October 16, 1908.

Owner, Rosenbaum Brothers & Co., Union Stock Yards, Chicago, Ill. Sold to Armour & Co. Tag No. 769.

CREDIT.

By four quarters of beef, 869 pounds, $4.50	$39.10
By butter stock, 22 pounds, $8.55	1.88
By steer hide, 92 pounds, $11.38	10.47
By head, tongue, etc	.60
	52.05

DEBIT.

To slaughtering, dressing, chilling, and delivering carcass	$0.97	
To feed and petty incidental expenses	1.00	
		$1.97
Net proceeds		50.08

CHICAGO LIVE STOCK EXCHANGE,
OFFICE OF THE SECRETARY,
Union Stock Yards, Chicago, Ill.

Statement of the disposition of one carcass of beef and its offal, pronounced fit for food by the state veterinarian of the State of Illinois, at a post-mortem examination thereof, held in the city of Chicago on October 16, 1908.

Owner, Rosenbaum Brothers & Co., Union Stock Yards, Chicago, Ill. Sold to M. O'Dea. Tag No. 770.

CREDIT.

By four quarters of beef, 676 pounds, at $3.75	$25.34
By butter stock, 20 pounds, at $8.55	1.71
By steer hide, 67 pounds, at $10.63	7.12
By head, tongue, etc	.60
	34.77

DEBIT.

To slaughtering, dressing, chilling, and delivering carcass	$0.97	
To feed and petty incidental expenses	1.00	
		1.97
Net proceeds		32.80

APPENDIX C 9.

Hides, green, salted, packers'; heavy native steers.

[Price per pound in Chicago on the 1st of each month, 1890 to 1896, and average monthly price, 1897 to 1908; quotations from the Shoe and Leather Reporter.]

Month.	1890.	1891.	1892.	1893.	1894.	1895.	1896.
January	$0.0925-$0.0950	$0.0950-$0.0975	$0.0975	$0.0900	$0.0675-$0.0700	$0.0800	$0.0850
February	.0900-.0925	.0875-.0900	.0950	.0900	.0650	.0775	.0800
March	.0800-.0813	.0900	.0850	.0875	.0575-.0625	.0750	.0800
April	.0800-.0813	.0838-.0900	.0759	.0750-.0800	.0550	.0875	.0650-.0675
May	.0800-.0825	.0888-.0900	.0775	.0750	.0550	.0925-.0975	.0675-.0700
June	.0800-.0825	.0900	.0725-.0750	.0375	.0500-.0513	.1250	.0825-.0850
July	.0875-.0900	.0925	.0800-.0900	.0650	.0500-.0550	.1350	.0850-.0875
August	.1050-.1075	.0975	.0800-.0925	.0600-.0325	.0550-.0300	.1325-.1350	.0700
September	.1075-.1100	.0975-.1000	.0950-.0975	.0900	.0675-.0725	.1200	.0750
October	.1050-.1075	.1025-.1050	.0900	.0750	.0800	.1200	.0875
November	.1000-.1025	.1025	.0900	.0775	.0775	.1000-.1100	.0925
December	.0975-.1000	.1025	.0925	.0725	.0775	.0800	.0975
Yearly average	.0933	.0951	.0870	.0749	.0641	.1022	.0811

Month.	1897.	1898.	1899.	1900.	1901.	1902.	1903.	1904.	1905.	1906.	1907.	1908.
January	*$0.0920	$0.1116	$0.1149	$0.1355	$0.1194	$0.1327	$0.1311	$0.1100	$0.1380	$0.1537	$0.1627	$0.1116
February	*.0921	.1130	.1172	.1315	.1165	.1242	.1243	.1075	.1349	.1509	.1620	.1037
March	*.0922	.1100	.1160	.1221	.1097	.1206	.1183	.1052	.1300	.1424	.1531	.0944
April	*.0888	.1061	.1168	.1223	.1054	.1189	.1130	.1071	.1311	.1433	.1441	.1050
May	*.0873	.1168	.1192	.1181	.1119	.1255	.1166	.1094	.1345	.1481	.1437	.1175
June	*.0931	.1242	.1194	.1118	.1207	.1285	.1186	.1118	.1342	.1490	.1488	.1325
July	*.0995	.1222	.1204	.1045	.1295	.1319	.1168	.1131	.1413	.1502	.1472	.1500
August	b.1056	.1176	.1233	.1087	.1258	.1458	.1137	.1183	.1525	.1572	.1411	.1563
September	b.1105	.1173	.1281	.1130	.1292	.1491	.1194	.1175	.1519	.1645	.1411	.1575
October	b.1117	.1181	.1325	.1162	.1375	.1454	.1134	.1231	.1534	.1633	.1470	.1565
November	b.1125	.1111	.1358	.1267	.1400	.1444	.1085	.1369	.1536	.1637	.1364	.1581
December	b.1102	.1128	.1382	.1217	.1389	.1382	.1086	.1395	.1577	.1650	.1185	.1600
Yearly average	.0996	.1151	.1235	.1194	.1237	.1338	.1169	.1166	.1430	.1543	.1455	.1336

* Free-hide period.

b Dutiable-hide period.

APPENDIX C 10.

Actual returns to owners of cattle suspected of disease, which, after post-mortem examination, were pronounced pure and fit for food. These cattle were held by order of federal and state inspectors for post-mortem examination. They were then killed, skinned, and quartered, after which the post-mortem examination was made. The Chicago Live Stock Exchange in each case made report to the owners of the cattle as follows. About 200 to 300 "suspect" cattle are handled on Chicago market weekly in this manner.

Particular attention is called to the differences between the meat and hide prices; also the varying prices at different dates.

[Duplicate.]

CHICAGO LIVE STOCK EXCHANGE,
OFFICE OF THE SECRETARY,
Union Stock Yards, Chicago, Ill.

Statement of the disposition of one carcass of beef and its offal, pronounced fit for food by the state veterinarian of the State of Illinois, at a post-mortem examination thereof, held in the city of Chicago on February 5, 1909.

Owner, Smith Brothers Commission Company. Sold to J. Wall. Tag No. 377.

CREDIT.

By four quarters of beef, 745 pounds, $6.50	$48.42
By butter stock, 40 pounds, $7.65	3.06
By steer hide, 86 pounds $12.30	10.58
By head, tongue, etc	.60
	62.66

DEBIT.

To slaughtering, dressing, chilling, and delivering carcass	$0.97	
To feed and petty incidental expenses	1.06	
		$2.03
Net proceeds		60.63

Owner, J. H. Hall, Breckenridge, Mo.

[Duplicate.]

CHICAGO LIVE STOCK EXCHANGE,
OFFICE OF THE SECRETARY,
Union Stock Yards, Chicago, Ill.

Statement of the disposition of one carcass of beef and its offal, pronounced fit for food by the state veterinarian of the State of Illinois, at a post-mortem examination thereof held in the city of Chicago on January 22, 1909.

Owner, Iowa Live Stock Commission Company. Sold to M. O'Dea. Tag No. 743.

CREDIT.

By four quarters of beef, 387 pounds, at $5.75	$22.24
By butter stock, 17 pounds, $7.61	1.30
By cow hide, 46 pounds, $10.80	4.97
By head, tongue, etc	.60
	29.11

DEBIT.

To slaughtering, dressing, chilling, and delivering carcass	$0.97
To feed and petty incidental expenses	1.23
	$2.20
Net proceeds	26.91

Owner, Johnson Brothers, Round Lake, Minn.

CHICAGO LIVE STOCK EXCHANGE,
OFFICE OF THE SECRETARY,
Union Stock Yards, Chicago, Ill.

[Duplicate.]

Statement of the disposition of one carcass of beef and its offal pronounced fit for food by the state veterinarian of the State of Illinois at a post-mortem examination thereof held in the city of Chicago on the 22d day of January, 1909.

Owner, Iowa Live Stock Commission Company. Sold to M. O'Dea. Tag No. 742.

CREDIT.

By four quarters of beef, 512 pounds, $5.37½	$27.50
By butter stock, 14 pounds, $7.61	1.06
By steer hide, 64 pounds, $10.80	6.91
By head, tongue, etc	.60
	36.07

DEBIT.

To slaughtering, dressing, chilling, and delivering carcass	$0.97
To feed and petty incidental expenses	1.23
	2.20
Net proceeds	33.87

Owner, J. W. Eddy, Osceola, Iowa.

CHICAGO LIVE STOCK EXCHANGE,
OFFICE OF THE SECRETARY,
Union Stock Yards, Chicago, Ill.

[Duplicate.]

Statement of the disposition of one carcass of beef and its offal, pronounced fit for food by the state veterinarian of the State of Illinois, at a post-mortem examination thereof, held in the city of Chicago on February 11, 1909.

Owner, Iowa L. S. Commission Company. Sold to M. O'Dea. Tag No. 564.

CREDIT.

By four quarters of beef, 554 pounds, at $6.62½	$36.70
By butter stock, 23 pounds, at $7.65	1.76
By steer hide, 62 pounds, at $11.15	6.92
By head, tongue, etc	.60
	45.98

DEBIT.

To slaughtering, dressing, chilling, and delivering carcass	$0.97
To feed and petty incidental expenses	1.17
	2.14
Net proceeds	43.84

Owner, I. R. Lord, Aredale, Iowa.

APPENDIX C 11.

AMERICAN NATIONAL LIVE STOCK ASSOCIATION
AND CATTLE RAISERS' ASSOCIATION OF TEXAS,
Washington, D. C., ——— 190—.

The shoe and leather men who appeared before the Ways and Means Committee contended that the packers and not the cattle raisers received the value which the tariff added to the price of hides. It is surprising that such an absurd statement should have been made to so intelligent a body of men as those who comprise the membership of that committee. To attempt to give credence to such a statement would put too much of a strain on the credulity even of simple-minded men. Of course any buyer of a steer considers the market value of the hide as well as the market value of the meat. Why did they not carry their contention further and assert that the buyers of cattle robbed the farmers and cattle raisers of the entire hide value of the steer? That statement would be quite as easy of belief as the former.

Fortunately we are not compelled to rely on the assertions of shoe and leather manufacturers as to what consideration is given by buyers to hide values in cattle. J. W. Radcliffe, a farmer and cattle raiser, of Dexter, Kans., has forwarded to Hon. P. P. CAMPBELL, his Representative in Congress, a statement from the secretary of the Chicago Live Stock Exchange, which confutes the contentions in this respect of the shoe manufacturers and leather men. Mr. Radcliffe's statement of this transaction is: "The particular beef steer that Mr. Searle refers to was cut out of my cattle because he had a lump on his neck. He was sold subject to post-mortem examination. The State of Illinois slaughtered him and had the meat inspected. It proved to be good meat, and was sold according to the bill I got of it." The bill follows:

CHICAGO LIVE STOCK EXCHANGE,
OFFICE OF THE SECETARY,
Union Stock Yards, Chicago, Ill.

Statement of the disposition of one carcass of beef and its offal, pronounced fit for food by the state veterinarian of the State of Illinois at a post-mortem examination thereof held in the city of Chicago on October 23, 1906:

Owner, Lee Live Stock Commission Company. Sold to M. O'Dea. Tag No. 8.

CREDIT.

By four quarters of beef, 765 pounds, $6.50	$49.72
By butter stock, 38 pounds, $8.55	3.25
By steer hide, 79 pounds, $11.38	8.99
By head, tongue, etc	.60
	62.56

DEBIT.

To slaughtering, dressing, chilling, and delivering carcass	$0.97
To feed and petty incidental expenses	1.18
	$2.15
Net proceeds	60.41

Radcliffe Brothers, Dexter, Kans., October 19.

APPENDIX C 12.

General balance sheet of the United States Leather Company.

[Taken from Moody's Manual, 1908.]

	1907.	1906.	1905.
ASSETS.			
Cash	$4,318,178	$2,505,159	$2,230,337
Accounts receivable	9,979,789	10,761,665	9,562,293
Bills receivable	3,569,624	1,277,339	243,507
Doubtful debtors, valued at	4,245	8,832	4,125
Other debtors		1,070,002	984,196
Hides and leather	11,457,273	15,269,784	12,716,388
Bark at tanneries	2,386,316	1,677,962	1,871,105
Sundry personal property	402,108	654,627	590,839
Advances to other companies	508,703	1,920,921	1,923,030
Drawbacks		464,492	508,223
Railroad mortgage	100,000	100,000	100,000
Tannery plants, etc	6,924,693	6,847,706	6,756,081
Stock of other companies	58,172,225	56,760,181	52,823,603
Bonds of other companies	6,216,888	6,879,888	8,404,888
Real estate interests	501,116	490,235	232,625
Treasury stock			
Good will, etc	[a]62,832,300	62,832,300	62,832,300
Unexpired insurance	123,247	106,293	71,576
Total	167,496,705	169,627,987	161,855,116
LIABILITIES.			
Common stock	62,882,300	62,882,300	62,882,300
Preferred stock	62,282,300	62,282,300	62,282,300
Bonds	4,080,000	5,080,000	5,280,000
Accrued interest, etc	52,470	67,960	59,550
Current accounts	342,461	609,585	629,949
Exchange, not due	453,582	2,072,904	1,516,822
Bills payable	12,785,019	13,080,000	7,900,000
Reserve for fire insurance	419,172	689,729	632,666
Surplus	23,599,401	22,913,209	20,641,529
Total	167,496,705	169,627,987	161,855,116

[a] Represented by hides and leather, tannery plants, extract works, glue plants, sawmills, lumber, railroads, bark, timber and lands in fee, bark contracts, bark at tanneries, personal property, cash, and sundry debtors.

Mr. PAGE. Mr. President, will the Senator from Wyoming [Mr. WARREN] permit a suggestion before he resumes his seat? It has occurred to me that if we had a good tanner and a good shoe manufacturer in the Senate, with the Senator from Wyoming, who is understood to be one of the great cattle producers of the ranching States, and myself, a hide dealer, we might together make up a quartet that could give the Senate all the information necessary for the intelligent consideration of this hide proposition. I am sure the Senator means to be entirely candid, as I intend to be, and I feel that if the sum total of our combined knowledge can furnish the Senate the essential facts for a proper consideration of this subject, it is entitled to them.

Mr. WARREN. Mr. President, let me say, if I may be permitted, that it is the absolute bottom facts that we want; and I rest my case entirely upon facts.

Mr. PAGE. I should like to ask the Senator what, in his opinion, is the number of pounds of leather entering into the sole of a shoe?

Mr. WARREN. Mr. President, I have worn shoes all my life, and I have had several teeth filled. If a man should ask me the weight and value of the amount of gold I have had put in my teeth, I should be unable to say how many pennyweights there were, and what it would be worth if I were to sell it; but I might tell him what it had cost me. I am in the same fix regarding the sole of a shoe. I have never been interested in the cutting or making of shoes, so I would be compelled, as far as personal knowledge is concerned, to consider the shoe from the point of what it cost me.

Mr. PAGE. But I am certain that the Senator has been very careful to read all that has been said about this question in the hearings before the House committee, and I think the fact there appeared that there are about 2 pounds of sole leather in a pair of shoes. Am I right about that?

Mr. WARREN. Undoubtedly the Senator would be right as to some shoes; but if he will observe the testimony, he will remember that there was quite a divergence of opinion, and it was also stated that it depended a great deal on the kind of leather and the kind of shoe.

Mr. CARTER. Mr. President, would not a big shoe have more leather in its sole than a little shoe?

Mr. PAGE. Mr. President, I am serious about this. I would like, if possible, to get at a fair estimate as to this matter. I

do not ask for any further opinion from the Senator in this regard if he does not wish to give it. My judgment is that there are about 2 pounds in the average pair of soles.

Mr. WARREN. Will the Senator allow me just there? I have searched the evidence pretty fully, and while I think there was one wild statement made, which was afterwards taken back, I believe the tanners and the shoe men have gone all the way from 2 cents a pair to 8 cents a pair in their estimates. I believe there have been some that have reached the figure of 6 to 8 cents upon the soles and uppers in shoes made of split leather or dutiable leather. But I have not seen a single statement under oath, and I do not know that I have seen a single one when they were not under oath, that claimed more than 8 cents for the dutiable leather, or that it made more than that difference in an entire pair of shoes.

Mr. PAGE. As far as that is concerned, there were statements that claimed, I think, that the added price was 25 or even more cents per pair to the consumer, but I do not care to go into that.

Mr. WARREN. Will the Senator stake his reputation upon that being so?

Mr. PAGE. No, sir; I will not. I want the facts as the Senator and I know them. Does the Senator know, or has he an opinion, in regard to the number of feet of upper leather that enter into those shoes?

Mr. WARREN. Mr. President, they used to say that it took 1 foot for me; but I find out that it takes 13 inches to make a shoe for me.

Mr. PAGE. Thirteen inches of upper leather in one of your shoes?

Mr. WARREN. I think it takes 13 inches in length to make one for me, yes; but I could not tell you how much it is.

Mr. PAGE. I think the statement before the committee was that there were about 3 feet of leather in a pair of uppers. I thought that was a fair statement, and that was the consensus of opinion as near as I could draw it out. I am not trying to get at any overestimates or any underestimates. I thought that perhaps on both of these points the Senator and I could agree; and I should like to get the facts for the benefit of the Senate.

About what, may I ask the Senator, is the added price per pound on sole leather because of the 15 per cent duty, as near as the Senator remembers the testimony before the committee?

Mr. WARREN. The difference?

Mr. PAGE. Yes.

Mr. WARREN. Mr. President, I observed that the difference between the various witnesses who testified was so great that I gave no credence whatever to it; there were so many "ifs" and "ands," and whether it was domestic or whether it was imported hide, or whether it was a split-leather shoe, and so forth. So I am going to leave the Senator to make his own deductions there, because I could not make either head or tail of their statements.

Mr. PAGE. Split leather does not enter into the manufacture of the sole of the shoe, as I understand it.

Mr. WARREN. Hardly that, unless it would be the soft-sole shoe. It enters into them, of course. But the Senator will not doubt that, I presume.

Mr. PAGE. But not into the outer, the main, sole of a shoe?

Mr. WARREN. Ordinarily not; no.

Mr. PAGE. And as I recollect, there was nothing that appeared in the testimony of any of the witnesses that made the difference less than 2 cents per pound because of the 15 per cent duty. Am I right about that?

Mr. WARREN. I do not know that I get the Senator's proposition.

Mr. PAGE. That the added price per pound in the value of sole leather because of the duty might be 2 cents?

Mr. WARREN. If it amuses the Senator—and I say it respectfully—to go into the make-up of the figures of the shoe men themselves, which I have accepted without cavil, I shall be unable to help him. I have simply taken the statements as they made them; and I would rather take the statements of the men that make the shoe as to what it takes and what it amounts to than to take the word of the tanner. For while I have splendid friends, let me say, in New England, among the tanners, those for whom I have the highest regard, yet it is a regrettable fact that these misrepresentations have arisen among the tanners, and not among the boot and shoe men.

Mr. PAGE. In short, what do you understand to be the difference in the cost of the shoe made of all imported leather and one made from domestic hide?

Mr. WARREN. I should say, if I were to answer the Senator's question, less than a penny to a pair of shoes of all sizes. But I credit this statement, made from the apparent sincerity of men showing shoes made, as they say, for heavy work, made of heavy leather. There may be 6 or 8 cents additional cost to a pair of shoes when finished because of the imposition of 15 per cent, provided it raises the price that much.

Mr. PAGE. I am willing to leave it there.

Mr. WARREN. I am always looking for final results. I do not care to go stage by stage into the making up of a shoe as against witnesses, when they themselves give the final figures.

Mr. PAGE. I should like to ask the Senator, in his statement in regard to the number of cattle in this country, what it included? Did it include simply the steers and cows, or did it include calves?

Mr. WARREN. What is the Senator's question?

Mr. PAGE. The Senator gave the number of cattle in the United States, I think, at 71,000,000. Did that include all cattle, including calves and cattle producing nondutiable hides?

Mr. WARREN. I should say that in the make-up ordinarily of the farmer, when a farmer counts the number of his cattle prior to January 1, he will state the cattle without including the calves at all. If after the 1st of January, he will count the number of calves 6 months old and older. That is the usual way of determining the number of cattle.

Mr. PAGE. The Senator referred to the records, and I think if he will take the trouble to again look them up he will find given in detail the number of calves, the number of steers between 1 and 2 years old, the number between 2 and 3 years old, the number of bulls, the number of heifers, the number of dairy cows, and other stock.

Mr. WARREN. Who gives that?

Mr. PAGE. The census report gives it.

Mr. WARREN. If the Senator will investigate further, he will find that from that very census report the Agricultural Department has made certain deductions, and if he will look further along, he will find somewhere in the document the best estimate they can make, but I have not verified it as to the particular division of the cattle.

Mr. PAGE. But what I was seeking to have the Senator tell me is whether that statement giving 71,000,000 as the number of cattle covered calves as well as grown cattle?

Mr. WARREN. I will say now, and I will put on record what I firmly believe, that every steer's hide weighing less than 25 pounds comes in free; that every cow's hide weighing less than that comes in free. Therefore, the weight as determined is always in favor of the importer, and not in favor of the farmer, and a great many of the hides that should be dutiable come in free of duty.

Mr. PAGE. I am not talking about imported hides.

Mr. WARREN. Will the Senator allow me to ask him a question?

Mr. PAGE. Certainly.

Mr. WARREN. Will the Senator tell the Senate how many pairs of shoes are made in this country? Will he then divide the total number by the amount of money resting in the Treasury per annum taken from the dutiable hides, and state what proportion per pair that makes in addition to the cost of the shoes?

Mr. PAGE. I have not looked up those statistics. I do not know where I could find them.

Mr. WARREN. I will say, and I say it very respectfully, that the figure is so infinitesimal I think the Senator would lose it if he laid it down anywhere; that is to say, the amount of money that we get as a net revenue distributed over the entire production of shoes, thus stating it, is infinitesimal.

Mr. PAGE. The Senator is leading me away from the fact I want to show.

Mr. WARREN. I purposely do that, because I propose at a later time to give the correct statistics.

Mr. PAGE. I shall be very glad to have the Senator do so. What I am trying to show, if the Senator will permit me, is this: He gave a statement showing 71,000,000 cattle. I have a statement of a year or two before, which gives the number as 67,822,000. That is probably near enough for all purposes. The census report gives the total number of steers 1 year and over at 15,000,000, 7,000,000 1 to 2 years old, 5,000,000 2 to 3 years old, 3,000,000 3 years old and over. I should like to ask the Senator where he would place those steer hides—the 7,000,000 steers which are 1 year and under 2 years old—that is, whether in the hide or in the kip selection, the dutiable or the nondutiable?

Mr. WARREN. Where does the Senator get his figures of 15,000,000 steers? I have seen nothing of the kind. Let me say another thing. The boot and shoe men state the number of cattle at seventy-three million and something, but the Agricultural Department says seventy-one million and something. In my judgment the figures of the Agricultural Department, when

made January 1, will be all of the cattle above calves, and will be so many of the calves as are spring calves.

Mr. LODGE. That was the February bulletin. It gave 71,000,000.

Mr. WARREN. I say it did not include the calves of the fall and winter, but calves of the spring before.

Mr. PAGE. As to the number of cattle, under the general head of "Neat cattle," the last census report gives "total number of calves under 1 year," "steers over 1 and under 2 years," "steers 2 and under 3 years," "steers 3 years and over," "bulls 1 year and over," "heifers 1 and under 2 years," "dairy cows 2 years and over," "other cows 2 years and over."

I do not know of any other statistics on this point other than these from the last census report. It seems to me that unless the Senator from Wyoming has some other statistics, it will be fair to take these as the basis of the calculations that I wish to make at this time.

Mr. WARREN. I have not found yet what the Senator wants to determine, and I should like to help him out if I can.

Mr. PAGE. I want to know what part of these cattle—steers and cows—produce hides coming under the 25-pound limit.

Mr. WARREN. So far as the steers and cows are concerned, the Senator knows that there are divisions of various kinds, less closely cited than the total number. I think if the Senator will take the figures he will find that the better figures are taken at slaughtering.

Mr. PAGE. I now wish to ask the Senator, because he is a great cattle raiser, what is his idea as to the weight of the hide of a yearling steer. Is it under or above 25 pounds?

Mr. WARREN. Under.

Mr. PAGE. Then you think the hide from a steer under 2 years old would come within the nondutiable class?

Mr. WARREN. When you apply the weight of skin, the question can only be considered in the most general terms, because if you are breeding shorthorn cattle you have a hide that will weigh about half as much as if breeding Hereford cattle.

Mr. PAGE. I realize that.

Mr. WARREN. If you are breeding Devonshire cattle, there is a different hide. This weight comes in and destroys all kinds of denominations. It is simply the net weight of whatever it may be—a bull's hide, a steer hide, a heifer hide.

There is another thing I will say. I have information from the appraisers, who have the best information they can get as to the weight of calfskin, and they state that calfskin will weigh nearer 10 pounds than 25, and dry nearer 8 than 12.

Mr. PAGE. But I am trying to get the Senator's idea as to the proportion of hides in this country which run 25 and above and 25 and below, and I think it is fair that he should give me his opinion on that point, and then I will not pursue the inquiry further.

Mr. WARREN. We have, of course, the statement as to imports and exports.

Mr. CLAPP. Will the Senator pardon me a moment?

Mr. PAGE. Certainly.

Mr. CLAPP. In discussing this matter Saturday, that was one of the points which I sought to emphasize. Confessedly the source of information is not the best. The point is, what I think the Senator is seeking to make ultimately, that it is only a small proportion of the hides of all the animals slaughtered in this country that would come in competition directly with the class of hides which it is proposed by this amendment to have dutiable.

Mr. PAGE. The Senator is exactly right. I am trying to show precisely that.

Mr. WARREN. Now, I am going to ask the Senator this, if he will pardon me: I believe that he has even a much better source of information than I have, although that which I had reduced it to a very small proportion. If the Senator will give us that information, I wish he would do so.

Mr. PAGE. I will, later on, furnish it. I should like the Senator from Wyoming to answer another question. What do you say as to the weight of the hide from the average dairy of the farmers of this country?

Mr. WARREN. What was the Senator's inquiry?

Mr. PAGE. I ask the Senator if he will give me his judgment as to the weight of the hide as it comes from the average cow in this country?

Mr. WARREN. When you talk about the average cow, the average cow of Vermont might be a Jersey, the average cow of Connecticut might be a Dutch Holland Friesland, the average cow in Wyoming might be a Hereford, a shorthorn, a polled Angus, or a Devon.

If the Senator will tell me what he is trying to get at, I will help him; but his figures seem to me merely to befog the question, because they can not be answered categorically. I say the question of weight of the milch cow depends upon the breed of the cow and the size of it, as the Senator knows.

Mr. PAGE. That is absolutely correct; but I think, if the Senator will be candid about it, he can tell me about the average hide of cows, counting the Holstein, counting the Jersey, and counting grades, as we term them in the East. What I desire is the average weight of all classes as they run.

Mr. WARREN. I shall be glad to have the Senator tell me about that.

Mr. PAGE. I can.

Mr. WARREN. I hope he will, but I do not know where he proposes to touch the question with it.

Mr. PAGE. That will appear later, if the Senator will permit me.

Mr. WARREN. If he proposes to glory in the fact that after the Senate and House had passed the bill and the President had signed it, putting a tariff on those things, by some—I will not say hocus-pocus, but by some determination of authority, a wrong was perpetrated, I will admit the wrong.

Mr. PAGE. I am trying to get facts, and all I ask is the Senator's opinion. Can you tell me, approximately, the average weight of the hides taken off in New England and New York?

Mr. WARREN. What has that got to do with the hides of Colorado or the hides of Wyoming?

Mr. PAGE. I know the average hide of New England and New York weighs 58 pounds green, untrimmed, with the horns and tail bone in.

Mr. WARREN. I am glad to know that in New E. gland the tail goes with the hide, as it does in the West.

Mr. PAGE. If the Senator will allow me, eastern hides, trimmed and cured, weigh 48 pounds. I imagine that in the West they weigh a little more; indeed, I know they do. Can the Senator, from his long experience in taking off hides, tell me the average weight of the western hide? I should like to know what it is. My purpose will appear later on.

Mr. WARREN. The Senator, I think, is being rather enamored with the idea of my engaging in the butcher business.

Mr. PAGE. I think you stated Saturday——

Mr. WARREN. I have not been very largely interested in that class of work, although I have done everything that a man does on a farm. I have been subjected to the skinning process, metaphorically speaking, many times.

Mr. PAGE. I want to say that I am not a tanner; and the Senator from Wyoming, I imagine, is to some extent a hide dealer and a butcher, and no man can be interested in cattle as much as he is without knowing something about hides.

Mr. WARREN. I have seen the time when, after three or four days' camping out without food, except the dry food we started out with, we would find a bunch of cattle, and would butcher some, enough to sustain life and strengthen ourselves with meat. That makes me a butcher to that extent, but that is about all.

The Senator says I have been interested in raising cattle. So I have. I have nothing now of my own. I own stock in a corporation that has a few cattle. My personal interest is entirely nil in this subject. My only interest in it, and the only reason why I take the time I have, and exhausted myself in this Chamber, is because of my idea of right and wrong, and I am doing it just as much for the State the Senator represents as I am for the State I represent.

Mr. PAGE. I am not seeking to debate this matter. I want the facts, and I want the Senate to know the exact facts in regard to the matter, and I am trying to ascertain them. I think I know them, but I thought I would get the Senator to confirm them.

Mr. WARREN. I believe I have given the facts as far as I have gone. If the Senator will accept them, all right. If he questions them, I will undertake to correct them and undertake to accept the Senator's figures unless I have some personal information. I will volunteer it as the Senator goes along, if he will permit me. I am willing to take the Senator's figures.

Mr. PAGE. I think the Senator can inform me on one point; that is, about what age the farmers or your corporation usually slaughter the cow. When do you think they become so inefficient that you slaughter them? What is the age?

Mr. WARREN. I suppose in the dairy business you slaughter cows at an age of 12 years and 15 years; that is the average. I should say in the western country they would slaughter a cow not used for dairy purposes, but for rearing, whenever the cow happened to be barren and fat, whether 4 years or 12 years old. That is the way it is usually done. The dairy

business of the West is very much as it is in the East. I will say, for instance, in the Senator's State the product of hides from his State would be in less proportion to the number of animals, probably not over half as much as in another State where they do not have dairy stock, where they raise beef stock; beef stock is sold at 1, 2, and 3 years old generally, but the average would be less than 3.

Mr. PAGE. That would apply to steers?

Mr. WARREN. As to steers. Now, as to cows raised on the range for the purpose of breeding and raising, whenever a cow has arrived at a proper age, and that usually on the ranges and with our farmers runs from 12 to 15 years.

Mr. PAGE. Seven or eight?

Mr. WARREN. Hardly.

Mr. PAGE. I should like to ask the Senator if he can give the number of pounds of leather that enters into the manufacture of harness? That is a matter of importance here.

Mr. WARREN. Mr. President, I submit the Senator must think I am a sort of Pooh Bah and know all about all these trades.

I might tell him what the harness would weigh, and then ask how much of it is iron, how much is leather, how much is wood, hames, and so forth. I do not think I should like to enter into that domain.

Mr. PAGE. I did not know but the Senator knew.

Mr. WARREN. I do not know. If the Senator can give the statistics, I would be delighted to have them produced.

Mr. PAGE. I thought the Senator could help me out.

Mr. WARREN. As far as that is concerned, let me say that some harness is five times as heavy as others.

Mr. PAGE. We are talking about the average. I should like to inquire of the Senator if he knows about the average price of hides for the last ten years?

Mr. WARREN. I know what the market rates are. I have the quotations here, for instance, and if the Senator wishes, I will insert them in my speech.

Mr. PAGE. I think that is all I desire to ask. I thank the Senator.

Mr. WARREN. I will ask that I may add in my speech the price in Boston and the price in Chicago at the latest date I have.

The VICE-PRESIDENT Without objection, permission is granted.

Mr. PAGE. Mr. President, I believe that, coming from the State I do, I do not need to apologize for my Republicanism. I do not believe the Senator from Wyoming and the Senator from Montana have ever discovered in any Vermonter a disposition to withhold from the farmers of the West any fair reward for their labor.

It has been stated here by the Senator from Wyoming that the packers have not entered upon the business of tanning hides. That is the statement of some one, I think, hailing from Chicago, and the Senator from Wyoming affirms that, in his judgment, the statement is true. They have deluged those who favor a duty upon hides with a very large number of statistics showing how the tanner prospered prior to the passage of the Dingley tariff act.

I want to say, Mr. President, that if they are correct, if the situation to-day is as it was in 1897, if the packers are not entering into the business of tanning leather in competition with the "independent tanner," so called, then I will waive all I have to say in favor of free hides, and if I do not convince the Senators from Wyoming and Montana that I am right about that, I will accept their verdict about the matter and withdraw my opposition and vote for the 15 per cent duty.

But if I am right—if the packers having control of a large percentage of the hides of this country are entering into the business of tanning leather in competition with the independent tanner, and if the percentage, from year to year, which they control is increasing very fast, as I believe it to be, so that within a few years they are liable to constitute the greatest trust that this country has ever seen—then I believe the Senators will agree with me that we should be very slow to put up this tariff wall which the 15 per cent duty provides.

I start upon the theory that no line of trade, I do not care what it is, no manufacturing industry of this or any other country, can succeed if the manufacturer is handicapped in the purchase of his raw material. That is one of the fundamentals of business economics.

Mr. CARTER. Upon that theory, then, the Senator would favor free iron ore, of course?

Mr. PAGE. Mr. President, I am not to be drawn away from my argument on hides.

Mr. CARTER. I desire to know whether the principle is applicable exclusively to hides, or whether it applies generally to raw material that is absolutely necessary in manufacturing?

Mr. PAGE. When I get through I think I will have demonstrated to the Senator from Montana that there is a wide difference between the conditions attaching to hides and those attaching to iron. If I can not——

Mr. CARTER. Why not wool, Mr. President? Would the Senator have free wool? That is a raw material.

Mr. PAGE. I can appeal to my vote here in the Senate. I have never voted for free wool. Vermont is a woolgrowing State. She has always been as firm as the everlasting hills in the support of protection on wool.

Mr. CARTER. When the Senator states that no manufacturer can thrive when hampered by a duty on raw material, he desires us to understand that it applies only to hides?

Mr. PAGE. No, sir; I do not. I will repeat what was said by the distinguished Senator from Iowa the other day. He said that the young men of this country, the vigorous, pushing, energetic men of the country, would see to it that no trust existed if you would give them an even chance on raw material. I believe the converse of that proposition must be admitted—that if a man who is making leather or anything else has got to go into the market and buy his raw material of his competitor, and, of course, at a great disadvantage or handicap, he must in a little while go out of business or go to work for his competitor. Am I right about that?

Mr. HEYBURN. Will the Senator allow me?

Mr. PAGE. With pleasure.

Mr. HEYBURN. If I do not disturb the Senator, I should like to contribute toward laying a premise, because I shall probably make some remarks after the Senator is through. How long does it take to convert the raw material of the shoe, unmanufactured, into the merchantable article?

Mr. PAGE. If the Senator will allow me, I will give him the record time. The editor of the Boot and Shoe Recorder went down from Boston to Weymouth some time ago with a party of editors. They went to a manufacturer of shoes there, who was also a tanner. They arrived at Weymouth at 11 o'clock. There was at that time a calf, alive, out in the yard. At 3 o'clock the editor of the Recorder sat down to dinner with a pair of shoes made from its skin.

Mr. HEYBURN. That is very interesting, but, if the Senator will permit me, how long does it take the maker of shoes to realize his money upon the enterprise of making shoes, approximately?

Mr. PAGE. It may, perhaps, be turned over twice a year. I do not know certainly about that.

Mr. HEYBURN. Will the Senator permit me to suggest that it takes those who raise cattle to carry hides of a dutiable weight three years to convert their raw material, which is the calf, into a merchantable article, which is the hide, and that during those three years there is the continual expense of feed and care. Had the Senator considered that proposition?

Mr. PAGE. As I am an older man than the Senator from Idaho and was brought up on a farm until I was a young man, I think I know all that the Senator does about that matter.

Mr. HEYBURN. My question was, had the Senator taken it into consideration?

Mr. PAGE. I have.

Mr. HEYBURN. In determining the raw material?

Mr. PAGE. Certainly.

Now, I will repeat my proposition. It is that the manufacturer must stand upon a par with his competitor in the matter of raw material or he can not live.

Mr. DIXON. Mr. President——

The PRESIDING OFFICER (Mr. KEAN in the chair). Does the Senator from Vermont yield to the Senator from Montana?

Mr. PAGE. With pleasure.

Mr. DIXON. I do not want to divert the Senator's argument, but I was interested in the story about killing the calf and tanning the hide and making the shoes in three hours.

Mr. PAGE. In four hours.

Mr. DIXON. What kind of tanning was used in that process?

Mr. PAGE. Chrome.

Mr. DIXON. Is it as successful in making leather as the old tan bark? Can it be done as successfully? Does it make as good leather?

Mr. PAGE. I am going to come to that later on, if I think of it, because the Senator from Wyoming told us about the great destruction of forests that was going on because of tanning. I shall try to show to the Senator from Montana that that statement was not founded upon a proper consideration of facts.

But to proceed. Let me go with Senators, in fancy if I may, over to Liverpool. There is an area there larger than this room by three or four times; I do not know but it contains half an acre, and standing around at different points in that area you will see groups of men. If you inquire what they are

doing, they will tell you this group here handle sea-island cotton; that group over here handle Egyptian cotton; another group handle American cotton. I can not tell the names of all the different kinds of cotton handled there, but the men standing there have telegrams and letters from all over the world about the kinds of cotton which is there bought and sold. When they have concluded their brief conference of an hour the cotton market of the world for that day is fixed, and telegrams go therefrom to our friends in the South, and indeed everywhere that cotton is sold, telling what price has been fixed on the different kinds of cotton for that day.

What I want to emphasize is the absolutely equitable system which prevails there in the transaction of business. One cotton spinner can buy his cotton just as cheaply as any other cotton spinner.

Go with me across the channel to Antwerp. I will show you there a similar area, but instead of being devoted entirely to cotton, you will there see one group of men that deal in grain; another group that deal in pork and lard; another that deal in hides, and so on.

Antwerp has come to control the market for South American hides, and the tanner from this country, if he is able to pay the duty and wants to buy South American hides of the green-salted variety, sends to his agent at Antwerp. That agent goes to the exchange, or area which I have described, and, approaching the group which handle hides, tells them, for instance, that he has an order for "10,000 South American steers, running from 80 to 100 pounds, No. 1's." He solicits bids; and in five minutes he has offers from the different members of the group, and the lowest bid gets the business, of course. What I wish to particularly emphasize is the idea that the trade there is absolutely free. One man stands on an absolute parity with his competitor; no one is handicapped.

Go a little farther east, to Russia, and go with me to the Nizhni Novgorod fair. There the calfskins of Russia, which is the great calf and colt skin producing country of the world, are sold. There the hide dealers from all Russia gather together, as well as the tanners from this country and from every other country on the face of the globe. Each man meets on a level with every other man as regards prices.

Go with me to London. There the business is handled differently. London does not control the product of any particular country, but it has hides from all over the world. You can go there and buy Java, Chinese, Japanese, Calcutta, or almost any other kind of hides. Go with me into that little upper chamber where hides are sold at auction, and you will find there on file a catalogue of all the hides that have been received in London from different parts of the world, and you will find there the group of men who every two or three weeks gather there to buy these hides at auction. Those of you who have attended an American auction know how it is run. The auctioneer says, "Give me 7 cents for these hides. I am offered 7; give me 8." He goes on in the old-fashioned auctioneer's way for a few minutes until he has sold the lot of hides. Not so there. The auctioneer knows about what those hides are worth. We will suppose they are worth 6 pence a pound. He stands up and says, "Gentlemen, I call your attention to lot No. 1 on this schedule. They are Calcutta hides. There are 5,000 in the lot, which weigh from 40 to 60 pounds. They are No. 1's. Am I offered 7 pence? Am I offered 6 pence 3 farthings? Am I offered 6 pence half-penny? Am I offered 6 pence 1 farthing? Am I offered 6 pence?

Am I offered 5 pence 3 farthings? By that time the hides are sold. I have seen two or three hundred thousand dollars' worth of hides sold there in two or three hours. Everybody there stands on a parity with everybody else. One man can buy as well as another—nobody is handicapped.

Now, Mr. President, much as I regret it, I want to bring Senators over to this side of the Atlantic and show them another picture, and I want them to tell me, when I am through, whether the Senator from Wyoming [Mr. WARREN] is correct when he says that the packers are not going into the hide business.

Let me say to you I am a hide dealer; I am not a tanner. I commenced as a boy handling hides. I know whereof I speak from what I have seen; and, as the Good Book says, "A part of which I was."

A few years ago in the city of Lowell, Mass., one might in passing up the street have noticed a new sign reading "The Lowell Rendering Company." Stepping inside he would, on inquiry, have ascertained that they there bought hides, sheep pelts, calfskins, tallow, bones, and market waste. I presume nobody knew or cared whom this Rendering Company represented, but there was the sign, and the concern was doing business.

A little later—I do not know but the junior Senator from New Hampshire [Mr. BURNHAM] may remember the circumstance—an old hide concern in Manchaster, N. H., that had been there for many years retired from business. As they were friends of mine, and men with whom I had traded, their retirement surprised me, and I was further surprised when I noted that their successor was the Manchester Rendering Company.

A little later, had one traveled to Portland, Me., he would have seen there another new sign—that of the Portland Rendering Company. Up in Vermont, at Burlington, a little later, there was erected a very nice hide house, and over the door appeared the words "Burlington Rendering Company."

To cut it short, Mr. President, to-day there is not a city of any size in New England where you will not find one of these "rendering companies," and if you will go with me to Boston, I will show you a modest little room upstairs, at 44 North Market street, where you will find a corporation bearing the somewhat comprehensive name of "Consolidated Rendering Company." It is there that the hides of these different rendering companies are sold. The manager is a good, bright Vermont boy, Mr. H. W. Heath. I know him, and I knew his father. Let me say that in all these criticisms, if they may be called such, I am casting no reflection upon the men who are doing this business, nor upon my Vermont friend, the manager, Mr. Heath. He is a good, clean business man, and he makes no concealment of the fact that the Consolidated Rendering Company and all these other rendering companies are controlled by Swift & Co. The Senator from Wyoming tells us that the Swifts are not interested in the hide and tanning business. He will at least confess, I think, from what I have shown, that they are interested in the hide business.

Let me now go back to the time of the passage of the present tariff law. About that time one of the big tanneries of Peabody passed into the hands of the A. C. Lawrence Leather Company. That tannery has been enlarged and the business extended until to-day the A. C. Lawrence Leather Company and the National Calf Skin Company, both under the management of Mr. Lawrence, are the largest producers of leather in New England. It is a fact well known in New England that Swift & Co. control—and it is believed that they practically own—both of these tanning companies.

I could go further and show you, from papers which I have here, that there are several other large tanneries which, as the tanning world understands, are controlled by the Swifts.

But let me go a little further. Fifteen or twenty years ago New England hides were a leading commodity in the Boston market. My friends from the South would be surprised if I should tell them that you might lay down here side by side two hides, one from Georgia and one from New England, both of the same size, the same weight, the same color, and in every appearance alike, and yet the New England hide would bring from 1 to 2 cents a pound more than the southern hide. New England hides make splendid upper leather. They were popular, and twenty years ago there were tanneries in New England that used them almost exclusively. You could then go into any one of a half dozen hide stores in Boston and buy 5,000 New England hides in ten minutes. They could be furnished on call at any hour of the day.

Now, at the risk of being dramatic, I want to draw another picture. When I used to go to Boston to study the hide market, it was my practice to call upon my brother hide dealers and talk over the hide situation with them. One of my honored friends there, an old gentleman by the name of Charles Buck, commenced in hides about the time I did. He has gone to his long home now. I was accustomed to go to his warehouse or office to get his opinion as to the future of the hide market. Not long since I called up Mr. Buck by telephone to see about calling upon him, as was my custom, and they said his firm had departed from their old place of business; that they were now handling hides in Swift's warehouse over in Charlestown. I knew what that meant. Everybody else in the hide business in Boston knew what it meant.

Let me give you another instance. A few years ago two men by the names of Porter and Meader were doing business in Boston under the style of the Boston Hide and Skin Association. Their capital was $200,000. They were bright, thrifty men. I knew them well. One day, picking up my hide paper, I read that the Boston Hide and Skin Association had increased its capital from $200,000 to $400,000. I began to scratch my head and wonder what it could mean. It could not, I thought, be possible that they had made $200,000. Hides are sold on a very fine margin.

The hide business is safe, but it grows very slowly. What did it mean? Perhaps they had gone into some mining speculation and "struck it rich." The next time I was in Boston I

went into the store, as I was wont to do, and said, "Boys, how is the hide market?" They said, "We do not know; we guess it is looking well." I said, "Had we better advance the price?" They said, "We do not know; we will call up Heath"—Heath was the manager of the Consolidated Rendering Company, as I have told you. In a flash that $200,000 extra capital dawned upon me, and I knew that another of the independent hide concerns of Boston had gone out of business!

Mr. President, I tell you what I know, and I know it as well as I know anything; and that is, that there is not a concern in New England, outside of one in Vermont and the Consolidated Rendering Company, of Boston, owned by the Swifts, where any tanner can buy 5,000 New England hides. I would almost take my oath as to that. I do not believe there is one outside of those two where a tanner can buy 2,000 New England hides. Still the Senator from Wyoming says that the Swifts have not gone into the hide business or the tanning business.

I tell you, Mr. President, it is almost pitiful to think of the condition of the hide trade as it exists to-day in New England. Before the passage of the Dingley Act of 1897 there were a half dozen vigorous hide concerns in Boston, and their men went out into Ontario and Quebec and Prince Edward Island and Nova Scotia and New Brunswick and every State in New England and into northern and eastern New York scouring the country for hides, and hides came into Boston by the thousands, and they were for sale to anybody who wanted to buy, and the tanner who bought New England hides was not handicapped. One could buy as low as another. How is it to-day? The Swifts tan hides, and, if they can get more for them than they are worth to tan, they sell them. If they are worth more to tan than they are to sell—I will not say they tan them, though it is a fair guess that they do. But there is no longer any competition worth mentioning in that great commodity.

Some time ago I read that the Swifts had gone to Albany, N. Y., and that there was now an Albany Rendering Company. I think there is one of those companies in Syracuse and another in Buffalo, but how far or to what extent they have gone into the West I do not know.

Let me say, as I pass by, that I knew Edwin C. Swift. He was a vigorous, clean, upright business man. I would trust him with my money uncounted. He and his brother, George F. Swift, started on a farm down on Cape Cod. They killed a few cattle now and then and sold them. They were successful, and in a little while George F. went to Chicago, while E. C. stayed in Boston to look after the East. They did a business in those two cities that mounted up into the millions, and I do not know but into the hundreds of millions of dollars annually.

George F. Swift was a Christian gentleman, than whom we have had none finer. I did not know George F. Swift personally, but I esteem it an honor to have known and to have enjoyed the friendship of E. C. Swift. He has been to my place of business in Vermont. When he found I was in Boston it was his wont to telephone over to my hotel and to say, "PAGE, I will come over to see you if you will tell me when I can meet you; or if you can make it entirely convenient to come over to my office, I would be glad to have you do so." That meant, of course, that I visited Mr. Swift at his office. We talked about business matters. I found him honorable, upright, straightforward, and as good a competitor as a man ever wanted. I wish to say here and now, and I want it distinctly understood, that what I am saying is not said as a criticism upon the Swifts. They are doing what they think is right, I presume, but the fact nevertheless remains that the independent tanners are no longer buying New England hides in large lots, except at two points in New England.

I doubt if there is more than one independent tanner or tanning firm in this country that is doing a larger business in tanning to-day than Swift & Co. I think the Pfister & Vogel Leather Company, of Milwaukee, probably produce more leather than the Swifts; and, in passing, I wish to say one word about the Pfister & Vogel Leather Company, for they illustrate what persistency, pluck, and perseverance will do in this wonderful country of ours.

Fifty years ago two German boys, Guido Pfister and Fred Vogel, landed at Castle Garden. They had their assets in little handkerchiefs hung over their shoulders. Pushing on to Buffalo, they found work in a tannery there. They had worked in a tannery in their native country and knew something of that trade. After a little time, having saved a few hundred dollars, they pushed on to Milwaukee, and there, in the most primitive and limited way, went to tanning leather.

Mr. President, they are to-day the largest individual tanners upon the face of this globe, and the tanning fraternity everywhere are proud of them. They are honorable, progressive, enterprising business men, and when I hear them spoken of with sneers, as I have in this Chamber, it grieves me.

Let me instance still another example of success in the tanning industry, for I wish to emphasize the fact that the American tanner, if given a square deal and not handicapped by adverse conditions, can beat the world. I refer to Robert H. Foerderer.

Those of you who sat in the Chamber at the other end of the Capitol some half a dozen years ago will remember him as the honored Representative at large from the great State of Pennsylvania. Like Pfister & Vogel, young Foerderer was a foreigner. His father was a tanner and he was taught the tanning trade. When he became of age, like many another enterprising boy, he said: "Father, I think your business is a little too slow for me. Lend me a few thousand dollars and I will leave you and start in for myself." Within a few years he had accumulated a handsome little sum; I have heard it placed at from $40,000 to $50,000, but whether that is or is not true I do not know and it is not material.

I wish at this point to incidentally refer to a suggestion made to me by the junior Senator from Montana with reference to hemlock bark.

Young Foerderer saw that hemlock bark was fast passing from the face of the earth, and he had an idea that chrome—which is bicarbonate of potash and some other bicarbonate, perhaps bicarbonate of soda—had tanning properties. He had heard that somebody in Europe had tanned, or had been trying to tan, with those ingredients, and so he went to experimenting. After a little while his money was all gone. He then went over to Boston to his friend—and a friend of mine, I am happy to say—Junius Beebe, a tanner of the firm of L. Beebe & Sons.

He said, "Junius, I have got to the foot of the ladder; I have been experimenting in chrome; my money is all gone; will you help me?" Junius, great big-hearted fellow that he is, said: "Go back, Rob, and draw on me for what you want." Within a very short time he picked out a piece of leather from his preparation of chrome which was perfect, and in his ecstasy of delight exclaimed, "I have conquered." There are probably very few Senators in this Chamber who have not worn "vici kid," for he named it "vici" from the words "I conquered." I have a pair of shoes on now made from vici kid, and my good friend the senior Senator from New York [Mr. DEPEW] is at this moment wearing a pair made from the same material.

But let me come now to the point I wish to make. Up to that time this country was importing annually millions upon millions of dollars' worth of foreign goat skins. I picked up Foerderer's eulogy the other day. It read substantially like this: "Robert Foerderer before his death had brought his tannery to such a state of enlargement and perfection that he was tanning 50,000 skins per day." I said to his Boston friend, Junius Beebe, the other day: "Can that be true?" He said: "I think that was done, but it was the record of a day or a week only;" but he said that Robert Foerderer actually did tan 36,000 skins day after day and month after month for many months.

Mr. President, the largest calfskin tannery in the world is Baron Heyl's, at Worms, Germany. I am told that it is his proud boast—or it was a few years ago, and I think it is to-day—that he puts in 10,000 skins a day, six days in a week, and fifty weeks in the year—two weeks were devoted to the repairs of machinery—in other words, 10,000 skins, as against Robert Foerderer's 36,000. It is only fair to say that Heyl tanned calfskins while Foerderer tanned goat, a smaller skin. Within five years from the time Robert Foerderer discovered vici kid, the importation of goat or kid skins into this country had pretty much stopped, and we are now exporting annually millions upon millions of them.

I tell you, Mr. President, I think highly of men of his class, and I dislike to hear them maligned or spoken of in the way they have been spoken of here in the Senate. These tanners are entitled to live. They come here to plead for their very existence, and one would think, to hear them talked about, that they are a set of thieves and robbers. I have known them intimately from my boyhood, and I know that a more honorable set of men than the independent tanners of this country does not exist.

I think Senators who are in business know that when we sell commodities in carload lots the well-nigh universal practice is to draw therefor with bill of lading attached; but for years and years it has been a very rare occurrence for me to sell a carload of hides to any tanner and draw against the shipment. I send the consignment to my tanner customer and say, "When the hides have reached you, unload them; and if you find the count right, the quality right, and the stock satisfactory, pay

for them." And, Senators, from January 1, 1898, up to January 1, 1909, with the single exception of one tanner, my entire losses on sales of hides and skins, aggregating millions, have been less than $3,000. I state this fact with great pride, because I am proud to be connected with this class of men.

I say that business to be successful must be free and untrammeled as to the raw material. Let me give you an illustration of this, because it introduces a new feature: A few years ago there was a young man up in Frederick, Md., by the name of B. E. Baker. He came down to Washington and began to buy green calfskins, shipping them to me.

I knew him well. He finally drifted to Boston and went into the leather business or went to work in a leather store. He was an enterprising fellow; and pretty soon he began to see, as he thought, possibilities in colt skins, to be made into a patent leather to compete with German patent leather. He began experimenting along that line, and after a time he won out, and the Corona colt skin was the result.

But what I want to emphasize is this: His business grew, and his requirements finally called for a million colt skins. He went to Kidder, Peabody & Co., and Brown Brothers, the Boston bankers, and said: "I want to go to Russia to buy my colt skins. I can not afford to buy them at secondhand, and I want you to give me a letter of credit." They said: "Baker, how large a letter do you want?" "Well," he said, "I do not want you to put it in that way. Come down to my office, go over my books, and give me a letter of just such size as you feel safe in giving." The young man told me with pride that they went to his office, as suggested, looked over his books, and without conferring with each other, as he believed, each said: "Baker, we will give you a letter of credit for a hundred thousand pounds." There was that boy who had been buying calfskins in a small way here in Washington, and who did not, I believe, have at that time a thousand dollars to his name, being trusted by those bankers with letters of credit aggregating a million dollars. Think of it!

I mention this to show the great confidence the bankers of this country have in the leather men; and I want to say to you now that if you will give these tanners a fair show on their raw material, they will beat the world. I believe they would tell you to-day that with free raw material they could live without any protection. They might claim—and truthfully, too—that there would be times when the tanners of Europe might dump their surplus products upon us, and we, perhaps, ought to give them a little protection; but some of them tell me, and I believe they are right, that as conditions exist to-day, if we will give them free hides they can beat the world.

I do not know but this would be equally true with the shoe men. I believe it to be to-day, beyond any question. I believe that with free hides, and the consequent lower price of leather, the shoe men to-day could compete with anybody on the face of the earth.

It is true, as has been stated here by some one, that the American manufacturer of shoe machinery is now taking his patterns to England, is establishing manufactories there, and is building machines for the shoe men of England and of the Continent. And I presume, as has been stated, that they are taking over American foremen to run those shoe-manufacturing machines. It is not impossible that within a few years some protection may be necessary in that line. But think of it! Only a dozen years ago we were exporting only a million dollars' worth of shoes, and, I think, last year we exported $11,000,000 worth. There are few lines that are growing faster—and that, too, handicapped by dutiable hides! What could they do with free hides? What would they do if they had a free field and fair play?

Mr. President, let me repeat: If what the senior Senator from Wyoming says is true; if the great beef producers are not entering into the hide business; if they are not going into the tanning business, then his conclusions touching free hides may be correct. But if he is wrong about this matter, and I know beyond a peradventure that he is, he is simply starting from a false premise, and, of course, has reached wrong conclusions. Of my own personal knowledge, I know, and assert unqualifiedly, that the Swifts control a very large proportion of all the hides taken off in New England, and I think I know that they are to-day the largest tanners in New England; and to-day the independent tanner who produces leather from New England hides must buy his raw material of his larger and stronger competitor. There can not be any question about this condition of affairs, and the Senator from Wyoming is certainly very much at fault in his statement that the beef men are not going into the hide and tanning business.

Suppose that out here in the suburbs of this city there were three, four, or half a dozen men who owned a few hundred acres of oak trees. Suppose that alongside there was a man who owned a sawmill. Every year, as those trees matured, the farmers cut down a few, and, using the tops and limbs for wood, carried the logs to the sawmill. Suppose that the sawyer, whom we will call "Smith," cuts those trees into hubs and spokes and fellies, and sells them to Brown, a man who makes wagons here in Washington. After a time, let us suppose that Smith observes that Brown is making money a little faster than he ought to. He perhaps gets the idea as to manufacturing profits which was conveyed by those figures in regard to Pfister & Vogel which were read here this afternoon, and he becomes a little jealous, and says: "I guess I will go to making wagons, too."

Brown may feel a little nervous about his new competitor, but he continues to buy his raw material of Smith; and everything goes all right, even though Smith does make wagons, until one day they conclude to build a wall around the city so that Brown can not go over to Baltimore and buy hubs and spokes whenever his neighbor Smith does not treat him right. Smith keeps on in his wagon business. By and by, finding that the wagon business pays pretty well, Smith says: "I guess I will enlarge my wagon business and take the best of all my stock and make it into wagons myself, and what I can not use profitably myself I will sell to Brown." Brown is dissatisfied with the price he pays, and says: "Smith, you are not treating me squarely and I will not buy my raw material of you; I will go over to Baltimore." "No, you will not," says Smith, "for we have built a wall over which you can not climb. You can not help yourself. You have got to buy your hubs and fellies and spokes of me." What is the result? Why, in a little while Brown goes to work for Smith.

Now, Mr. President, if present conditions continue in regard to the raw material of the tanner—the hides; if the Armours, as I know or believe to be the fact, are entering into the tanning business; if the Swifts are entering into the tanning business, and I believe I know they are as well as I know I am standing here; if already they are in the tanning business and are becoming the largest tanners in this country, it will only be a little while before the tanners will say to the Armours and the Swifts, as Brown did to Smith, "I want to go to work for you."

Mr. President, I do not want to pass this matter without speaking well of Armour. I sometimes buy all the calfskins he takes off of a certain weight and kind during the season at his Kansas City, St. Joseph, Fort Worth, and Chicago abattoirs. I have to trust to his honor to give me just what I buy; he can cheat me or not, as he pleases. But I want to say that my experience justifies the assertion that no more honorable and upright concern ever did business than Phil Armour, or Armour & Co. Whether they are right or wrong in not contenting themselves with handling beef and letting Pfister & Vogel and the other independent tanners do the leather business is not for me to say. I will not judge my brother. But I do say that the packers are to-day tanning, in my opinion, a large per cent of all the hides taken off at their abattoirs, and I say further that to-day the Swifts are, in my judgment, handling from 60 to 80 per cent of all the hides taken off in New England. If that does not mean the handicap of the independent tanner, I do not know the meaning of language.

Mr. McCUMBER. May I ask the Senator a question?

The PRESIDING OFFICER. Does the Senator from Vermont yield to the Senator from North Dakota?

Mr. PAGE. With pleasure.

Mr. McCUMBER. Why does not the independent tanner get those hides? Is it not because he does not pay enough for them?

Mr. PAGE. I am glad you have brought that matter to my attention.

Mr. McCUMBER. I am exceedingly glad if I have satisfied the Senator in the question——

Mr. PAGE. You have.

Mr. McCUMBER. Because I want to know why the independent tanner can not buy those hides that are being purchased by Armour if he will pay as much for them.

Mr. PAGE. That is a very pertinent question, and I think before I get through I will satisfy the Senator why it is.

In every city in New England the Swifts and the Armours have their agents who sell beef. They are good, bright, sharp, clean, quick-witted fellows, and they know their business in beef first rate. When the Swifts want to put a man in any city to buy hides, they do it, and while he is entirely independent of their beef man, he has the benefit of his counsel and the indirect benefit of his acquaintance with the butcher who has hides to sell. Bear in mind, too, that the Swifts not only buy hides and tan leather, but they make oleomargarine; they make soap; they make fertilizer. They are the largest wool pullers in this country. E. C. Swift during his lifetime was a director of the Amer-

ican Woolen Company, and I presume Swift & Co. may now have a representative on the American Woolen Company's board of directors. They send their teams to the door of the butcher, and take every conceivable commodity he has at the butcher shop except the meat. They have an organization that is so perfect that if a man falls out at one place, they have another to put in his place. The perfection of that organization was never equaled by any military regiment. It is simply perfection personified; and no man need expect to go into the hide business and compete with them unless he wants to take on the whole line, and make oleomargarine and soap and fertilizers, and pull wool and tan sheepskins. The largest sheepskin tannery in New England, I believe, is run by the Swifts.

Have I satisfied the Senator in regard to that point?

Mr. McCUMBER. Will the Senator yield to me for another question?

The PRESIDING OFFICER. Does the Senator from Vermont yield to the Senator from North Dakota?

Mr. PAGE. Certainly; with great pleasure.

Mr. McCUMBER. The Senator's argument was exactly along the line that I expected it would be. Then, does not the whole question resolve itself down to a question of economy in operation? Swift & Co., Cudahy & Co., the Armour Company, by reason of their economy in the production of hides, in the running of their slaughterhouses, where there is not lost a drop of blood, a hair, a hoof, or an entrail, are thereby enabled to make a profit upon the tallow, a profit upon everything, a profit upon the meat which is under the hide, which the tanner can not make a profit upon. Does that not enable them to have cheaper hides, to produce cheaper leather, or, at least, to produce it without as much profit as the tanner ought to have in order to have a profit to live upon? And does not that result finally in the fact that the tanner can not compete with the great packer because he can not get his hides cheaply enough? In order to get them cheaply enough he wants to cut 15 per cent away from the farmer upon the imported hides and get them at 15 per cent less; and if he can save that 15 per cent in importations, he can at least more nearly equalize the differential of advantages between him and the packer. But at whose expense? At the expense of the farming people.

Let me call the Senator's attention to this fact: These same manufacturers of leather goods and tanners and manufacturers of shoes have had protection from the farmer for forty years, and during that time that protection has at least been sufficient to give them the entire domination of the American trade. Having the entire American trade at their disposal, they now want to get their materials cheaply enough, so that they will not only have the entire American trade, but so that they can also get into the foreign trade and drive the manufacturers out of other sections of the world.

Somebody has to pay for that. Who is it? According to their scheme, the only way they can get cheaper hides is to reduce the cost of importation. Everyone knows, and I think the Senator agrees with me, that where we import quite heavily, and where we have not a sufficient amount in our own country to supply the demand, our price is fixed by the price of importations.

Suppose you have a thousand dollars' worth of hides in New York raised in this country, and you have a thousand dollars' worth of imported hides that are at the port of entry. Those hides will cost a thousand dollars with the duty paid, and that thousand dollars fixes the price of the other lot of hides that is produced here. If you drop off of that thousand dollars on the imported hides $150, of course, the thousand dollars' worth of American hides there for sale has got to go down $150, because no one will pay $150 more for the American product when they can get the same amount of imported hides of the same quality for $150 less. Therefore the price of that thousand dollars' worth of American hides is driven down the extent of $150. And who pays for it? Somebody loses it. Is it not the farmer who loses it? And is it not unjust, after the farmer has given to the manufacturer of shoes and leather the exclusive trade of the United States under protection, to now ask the farmer that he shall not only give them that, but in addition that he shall give them the little 15 per cent duty that he has to protect his thousand dollars' worth of hides that lie in a warehouse in New York? Does it not resolve itself right down to that proposition?

Mr. PAGE. I want to thank the Senator again for bringing that matter to my attention, for I should not otherwise have thought of it. I think I can answer it. The trouble is that he starts from the wrong premise, and consequently reaches a wrong conclusion. I will try to show him why.

The Senator from Wyoming started with the premise that the packers were not going into the hide business and were not going into the leather business. If that were true, I would not be here discussing this matter. But the trouble is that he was wrong about that—not intentionally wrong, for I give him credit for candor.

Mr. McCUMBER. I am assuming that they are going into the leather business.

Mr. PAGE. Yes; that is right. The Senator assumes that somebody is suffering. If he will allow me, the "hide of commerce," as it is known in this country so far as the East is concerned, after eliminating the hide under 25 pounds, weighs on the average, as I have stated, 58 pounds in the green; that is, with the skull, the horns, and the tail bone in; or, as it is sold in the market, 48 pounds. The shrinkage is about one-sixth. It is possible—and I think it is probable—that the hides of the West would increase that weight somewhat.

Mr. McCUMBER. We have thicker hides out there.

Mr. PAGE. Yes, sir; it is true that the western hide and the southwestern hide is thicker than the New England hide. The New England hide is called a "spready" hide.

I asked the Senator from Wyoming if he would tell me what the hide of a yearling weighed—whether it would come above or below 25 pounds. He said below. I am going to give him credit in this computation for the reverse of that. I think he is partially right; but I will be candid enough to say—and I do not want to make a single statement here, even though it is against me, that is not exactly true—that the hide of a steer between 1 and 2 years old will certainly weigh more than 25 pounds. The hide of a cow between 1 and 2 years old will, in my judgment, to the extent of 75 or 80 per cent, go above rather than below 25 pounds.

We will suppose that the price of a hide is 11½ cents a pound. I am going to give the Senator the benefit of the doubt in figuring, because the price for the last ten years is probably between 9 and 10 cents; but I am talking now about the average country hide, which we will suppose brings 11½ cents. You can see that the price of the foreign hide must be 10 cents, because the difference is just the difference of the duty. Ten cents, with 15 per cent duty added, means 11½ cents per pound duty paid. We will suppose that the yearling steers, the yearling cows, and all the other classes of American hides taken together make a hide averaging 50 pounds. Fifty pounds at 1½ cents a pound duty makes the duty 75 cents a hide. I believe that is fully enough; but we will call it 75 cents a hide. The Senator from Montana says that 15 pairs of shoes will supply the average farmer's family for a year. I think he has been very liberal with me about that. I should say he has probably gotten a little above rather than a little below the facts, but I should like to be liberal about that matter. The number of cattle in the United States, after taking out the calves, is 48,826,500, according to the census report. It may vary a little from that, but we will call it that. The Senator from Wyoming said today that there were a million farmers who raised hides.

Mr. WARREN. O Mr. President, I can not allow that statement to pass.

The PRESIDING OFFICER. Does the Senator from Vermont yield to the Senator from Wyoming?

Mr. PAGE. Certainly.

Mr. WARREN. I did not say that a million farmers raised hides. There are more than a million farmers who raise hides.

Mr. CARTER. Nine million.

Mr. PAGE. All right; 9,000,000. I beg pardon.

Mr. WARREN. I said there were 10,000,000 farmers, most of whom raised hides.

Mr. PAGE. Yes; the Senator from Montana, I think, said yesterday that it was 9,000,000. If you will figure that out and divide the number of hides by the number of farmers, you will find that it means only 1½ hides to each farmer. And do you not see that the benefit the average farmer gets from the duty is only $1.50, even if he has 2 hides?

I do not know that it is fair—I do not really think it is, I will say to the Senator from Montana—to say that the farmer gets the benefit of every cent of the advance in duty on his hides, but does not pay any part of the added cost of the shoe because of the same duty. If I were to be absolutely candid, I should say that no one could tell whether the packer paid the farmer the whole amount of the duty or not, and I should say, too, that no one could unqualifiedly state whether the shoe consumer did or did not pay the whole of the added cost of the shoe because of that duty. But if I were to figure upon any basis the comparative losses and gains to the farmer, I think, to be absolutely candid and fair, I should say, as the senior Senator from Montana practically admitted yesterday, that the farmer gets about as much benefit on the hides he sells as he loses on the shoes and harness he buys. The Senator did not say anything about harness, but I put harness in. The losses

and gains are unquestionably about even. I think that is a fair deduction from the argument of the Senator from Montana.

Mr. CARTER rose.

Mr. PAGE. Perhaps I am wrong about that.

Mr. CARTER. I submit I coupled it with the further statement that practically the duty on hides has not affected the price of shoes or harness or saddles or anything the farmer has to buy.

Mr. PAGE. Mr. President, one of the brightest shoe men in New England is Charles H. Jones, of Boston. I asked him to give me the figures, and I wish to say now that, in my opinion, there is not one single figure given by him that is not below, rather than above, the facts. He says that on the average pair of shoes worn by the workingman it would take 2 pounds of sole leather for each pair manufactured. You can see, therefore, what would be the added cost of the shoe. The added cost for sole leather is approximately 2 cents per pound. Add to that the cost of the upper leather, which he finds to be about 6 cents, and we find the added cost of a pair of shoes on account of hide duty to be from 9 to 10 cents a pair.

Mr. CARTER. Mr. President, it is known to the Senator and known to Mr. Jones that the uppers of 90 per cent of the shoes, or a greater per cent than that, are not subject to any duty at all—the calfskins, the light hides, the goatskins, horse skins, and various skins out of which the uppers of shoes are made.

Mr. PAGE. That is all confessed, Senator.

Mr. CARTER. So the truth is that cattle hides are used chiefly for soles and heels on the average shoes. The only portion of the leather subject to any duty because of the duty on the hides is that embraced in the sole and the heel, which, according to the concurrent opinion of all, is not to exceed 2 cents on each pair of shoes.

Mr. PAGE. I want to confess to the Senator he is right as to the uppers in the shoes that he and I wear, but I am very much mistaken—and I have been somewhat observant—if the ordinary farmer, at home and around the farm and in his daily work, does not wear a shoe the uppers of which are made from a hide weighing 25 pounds and above.

I know that both pairs of the shoes exhibited here on Saturday were made of grain leather, and I am very certain that I am not mistaken as to the upper and sole being made from hides that, because of their weight, would be dutiable.

What I was about to say in regard to fair play is this: The tanneries here in this country are endeavoring to do not only the business of this country, but the business of the world, and the statistics shown by the Senator from Wyoming prove their success. They are having a wonderful development in producing leather made from nondutiable hides.

It has been my pleasure to visit tanneries in Europe. In Germany there are four, called the "Big Four." Cornelius Heyl is the largest tanner of the four. He is a baron. When the Czar of Russia goes through Europe he stops at Cornelius Heyl's. He has a magnificent home on the beautiful square where there is a monument erected to Martin Luther, who said he was going to Worms if there were as many devils there as there were tiles on the roof tops.

His son, young Baron Heyl, I know personally. They commenced generations ago to make calfskins, and they have laid the foundation deep and strong. They are vigorous, they have abundant means; and I tell you the tanner of this country who rubs up against them in trade must be both progressive and vigorous. Yet our American tanners are doing it.

The next largest tanner of the "Big Four" is Carl Freudenberg, of Weinheim, Germany. The grandfather long years ago started the business which the grandchildren are now continuing. Walter Freudenberg, one of the grandchildren, buys the raw material. He is a young man of excellent ability. When he reached that point in life where his father thought he saw some fine business ability in him, he decided to make him the purchaser of the raw material for the firm's business. The father wrote to me asking that I allow young Freudenberg to enter my service for a two-year period to learn the raw-material end of the business and was kind enough to compliment me with the suggestion that he believed my system of handling and grading calfskins was the best in the world. The boy came, and putting on his overalls like a common day laborer—millionaire though he was—went into the hide house and worked alongside of men who were receiving eight, nine, and ten dollars per week.

That is the way they build up business in that country, and it is establishments built up in that way that the tanners of this country must compete with in the world's market; and they are doing it and doing it successfully. As against the Heyls, as against the Freudenbergs, I place our Robert Foerderer, who in five years from absolute poverty was making 36,000 goatskins per day. We do not want to turn down our plucky, enterprising young tanners; we do not want to abuse them; and I know the Senator from Montana does not want to abuse them any more than I do. If the farmer does not reap some material benefit from the duty on hides, a benefit which exceeds the added cost in the purchase of his shoes and harness, why not remove this handicap which is greatly impeding the American tanner and let him compete for the world's business?

There are no more pushing, enterprising, progressive business men than the American tanners. Give them a square deal—an opportunity to buy their raw material without handicap or disadvantage—and they can beat the world.

I will take the statistics of the Senator from Wyoming as to the growth of our mountain States. They have made wonderful progress. I admit it, and I am proud of it. I am glad to see them growing. But because they are is no reason why the tanners should be driven from business by compelling them to buy their hides of a competing concern. Throw down the bars and let them have the world in which to buy. Do this, and I tell you we will have tanneries here that we shall all be proud of, and my judgment is that with the lower-priced leather, which free hides will give, the shoe men in this country will become as flourishing as the tanners, and instead of showing exports of $11,000,000, as we did in 1908, I believe we shall show twenty, thirty, or forty million in 1920.

Mr. CARTER. Mr. President——

The PRESIDING OFFICER. Does the Senator from Vermont yield to the Senator from Montana?

Mr. PAGE. Certainly.

Mr. CARTER. Mr. Clarke, the secretary and general counsel of the Home Market Club, of Boston, whose letter was read from the desk at my request, makes the statement that the Central Leather Company now controls two-thirds of the tanneries of the United States. He makes that statement, he avers, after very careful investigation. His methodical way of going at an investigation impresses me with the idea that his conclusion is probably correct, since the Central Leather Company now controls two-thirds of all the tanneries. I ask the Senator how the general leather trade can be injuriously affected by some competition with this Central Leather concern, even if the competition comes from Chicago?

Mr. PAGE. I am very glad to answer the Senator. The Central Leather Company is probably the largest producer of leather in this country. I admit it.

Mr. WARREN. Do they not produce over 70 and perhaps 75 per cent of all the sole leather of this country?

Mr. PAGE. I do not think they do, but I have the statistics.

Mr. WARREN. I think they are so recorded over their own averment as to the amount of their business.

Mr. PAGE. I will listen now to the Senator from Montana.

Mr. CARTER. Mr. President, I would be glad to have the Senator direct his attention to this phase of the question, candid, acute, and well informed as he is, because it is to my mind very important. It seems to me that if it is confessed that the Central Leather Company now controls two-thirds of all the sole leather produced in the country, it comes nearer being a monopoly than any of the many octopuses to which attention has been called here during the present session of the Senate. It seems to me if the Senator rests his case upon a complaint that opposition to this tanning output is about to arise, the basis of his case is founded upon illogical ground from the present view point of American people with reference to monopolies.

Mr. WARREN. Let me prompt the Senator from Montana by saying that the sole leather the Central Leather Trust produces led me to remember that there is the American Hide and Leather Trust Company, composed of a hundred and some companies, according to their own averment, that are engaged in producing leather of the lighter hides, which do not enter into this dutiable line.

Mr. CARTER. Certainly. Now, Mr. President, if the demand for free hides comes from those who desire to still further fortify this concern, which now controls two-thirds of the output, there must be some very persuasive but undisclosed argument to warrant any support for that contention. Why would it not, in other words, be beneficial to the people at large, to the leather trade, to the farmers, and the shoemakers to have some competition with the Central Leather Company in tanning the leather?

Mr. PAGE. Mr. President, I want to thank the Senator for calling my attention to this matter. I had forgotten about it. I did not know I had the proof right at hand, but I have. Anybody who knows anything about the tanning business knows that

you turn your stock over in sole leather only about twice a year. It may be done oftener than that, but that is about the rule. Let me say there are $242,000,000 invested in tanneries at this time, and the statistics show that the annual output is $252,000,000; the annual output and the amount invested are practically the same. It is turned over only about once a year. I have before me the statement of the United States Leather Company for February 24, 1909. Among their assets are "Hides and leather on hand and in process of tanning, $10,299,665.99."

Mr. President, I can not assure you beyond a peradventure that the output of that company is not more than double the amount of hides and leather on hand, but if I were to be asked my opinion as an expert—and I know something about it, although not a tanner—I should say the probabilities are 5 to 1 that the output of the tannery was not more than double the amount of their hides on hand and in the process of tanning.

But let us suppose they turn stocks over three times a year, and that instead of tanning $20,000,000, let us call it $30,000,000 per year. Would that be fair? I think so. And now let us see how near they come to being a trust.

The American Hide and Leather Company produce about $16,000,000 annually—that is the other corporation to which the Senator from Wyoming referred—and if I do not forget it, I will take it up when I get through with the United States Leather Company.

Next in importance comes the Pfister & Vogel Leather Company, to which I have referred, and which produces about $13,000,000 annually.

Mr. DIXON. Sole leather or uppers?

Mr. PAGE. All kinds. I can not separate them. The Swifts, at their Lawrence and other tanneries, are said to tan $9,000,000 worth annually. I know something about that matter, and I should say this was not an overestimate. All these estimates are given to me by a man who ought to estimate quite accurately.

The American Oak Leather Company, who make entirely sole leather, are said to tan from eight to ten million dollars' worth annually.

England & Walton, of Philadelphia—there may be some one here who knows about that firm—are said to make about $8,000,000 worth of leather annually, and it is, I believe, all sole leather.

J. K. Mosser is said to be one of the Swifts' tanners, and is said to make from six to eight million dollars' worth of leather annually, all sole leather.

Leas & McVitty make from five to six million dollars' worth annually, all sole leather.

The Fred Rueping Leather Company, of Fond du Lac, Wis., are said to make three to four million dollars' worth of leather annually, but I think it is largely calfskins.

Deford & Co., of Baltimore, and perhaps the Senators from Maryland can tell us about them, are said to produce three to four million dollars' worth of leather annually—all sole leather, I am informed.

Mr. President, there is not a particle of doubt but that the United States Leather Company is not a monopoly, is not a trust in the sense that we generally speak of trusts.

Mr. WARREN. Mr. President——

Mr. PAGE. One word further about this matter and then I will yield. The United States Leather Company organized a few years ago to take possession of a goodly number of Pennsylvania tanneries. The tanneries of themselves, or at least many of them, were not very valuable properties, though of course, valuable. Some of them were good, but the greatest value of assets, as I was informed at the time, was in their hemlock lands, and I still believe that to be the case, although I am not prepared to state unqualifiedly. I do not want to state what I do not know.

But, Mr. President, they did not organize that company as they organize now. They did not go over to the State of New Jersey for their charter. They got their charter from another State, a State where they do things differently. When they organized, they issued a certain amount of common stock and a like amount practically of preferred stock. I can tell by examining their statement, which I have here, just the amount. Here it is. I find they issued $62,282,300 of preferred stock and $62,882,300 of common stock.

Mr. WARREN. What is the Senator reading about—the United States Leather Company?

Mr. PAGE. I am.

Mr. WARREN. Of course he knows that nearly all that stock is held by the Central Leather Company.

Mr. PAGE. I know that the larger part is, but not all, and I will explain about that in a moment.

Mr. WARREN. And the Central Leather Company has among its assets sixty-two million and odd dollars of water. After naming everything else, after estimating the tan bark, after estimating the grease, after estimating every possible thing at these higher figures, they then estimate the good will at sixty-two million and some odd thousand dollars, upon which they ask the community to help them pay a dividend.

Mr. PAGE. The Senator is perhaps correct.

Mr. WARREN. Over $62,000,000 of water and entered as water, although sometimes called "good will."

Mr. PAGE. But one thing is true, at least I believe it to be true, that from the day of its organization to this day it never has paid one single cent on that common stock.

Mr. WARREN. Their stock, even the preferred, has never been above par until the House of Representatives a short time ago put hides on the free list. You will find, if you notice in to-day's or yesterday's paper, that now the preferred stock is about 106, and that it was ninety-odd cents a year ago and seventy-odd the year before, and so on. It never was at par until the House the other week put hides on the free list. The common stock is listed on the market now at between 30 and 40 cents; considerably higher than formerly.

Mr. PAGE. Let me ask the Senator if he is not mistaken about the company?

Mr. WARREN. If there is any question about it, I have the figures here on my desk, and I will ask now that I may put them in my speech.

Mr. PAGE. That is the Central Leather Company.

Mr. WARREN. I am speaking of the Central Leather Company now.

Mr. PAGE. Exactly.

Mr. WARREN. Because the Central Leather Company owns the United States Leather Company, and it owns several others.

Mr. PAGE. I will, in one minute, give you a statement of that which will be absolutely satisfactory, if you will let me have that time.

Mr. WARREN. To yourself, undoubtedly.

Mr. PAGE. To you, too.

Mr. CARTER. I should like to ask the Senator from Wyoming if he understands that this stock of the Central Leather Company has gone from below par to a premium of 106 with the prospect of plucking the American farmer on the free-hide question?

Mr. WARREN. Undoubtedly.

Mr. CARTER. Prospective profit?

Mr. WARREN. Undoubtedly.

Mr. CARTER. And better opportunity?

Mr. PAGE. After you get through, I will be very glad to proceed with the matter.

Now, Mr. President, when that corporation, the United States Leather Company, was started they had to stretch things mightily to make the real assets, the $62,000,000, on which they issued preferred stock; but that was called at the time, I think, the real value.

Like some of the other stocks of this company, they had a prospective value, and they believed that this trust would be successful. So they put down as an asset an item which the Senator from Montana did not fully read. I will read it just as it is, because he got it pretty nearly right:

Good-will account and organization expenses, $62,000,000——

Mr. CARTER. And $832,000.

Mr. PAGE. I am using round numbers. The men who financed that United States Leather Company are said to have put this good, big, round sum, predicated upon good will, into common stock, which they put into their personal pockets. I do not know the inside facts of this organization, but one thing is certain, and that is that the common stock has never paid one cent of dividends. The company agreed under its charter, I am told, that the preferred-stock dividends should draw 6 per cent and be cumulative. They commenced the first year by paying the promised dividend on the preferred stock. In a very short time the dividends on the preferred stock lapsed. They not only could not pay anything on the common stock, but they could pay only a part of the promised 6 per cent on the preferred stock, and they never have paid all the dividends on the preferred stock up to this time.

I understand that there are 40 per cent or more of these cumulative preferred dividends in arrears now. I will not state absolutely that this is so, but that is as I am informed and believe.

I want now, Mr. President, to come down to another proposition. A few years ago the managers of the United States Leather Company went to Phil Armour. They said, "Mr. Armour, we want you to step in and finance this institution." To make matters safer, the Central Leather Company was organized to take over the United States Leather Company, and they proceeded to elect Armour's right-hand and confidential man, Mr. Darlington, as a director to represent Mr. Armour. I know Mr. Darlington well, and am pleased to count him as a friend. For

thirty years he was Phil Armour's confidential man. They did not elect Phil Armour as a director, but Phil Armour's best man was there to represent Armour & Co., and Armour & Co. were invited to take over the concern.

Mr. WARREN. Did they do it?

Mr. PAGE. No; for when Armour's representative came to look over the assets he found there was too much water, and Armour said he would not touch it. The Central Leather Company, as I have said, had been organized to finance the United States Leather Company, but when they came to make the final change some of the stockholders of the United States Leather Company refused to ratify the proposed change and would not accept what the new company offered to give them, and Mr. Armour having quietly folded his tent and stolen away, the company stands to-day as it did then, with those deferred cumulative dividends wholly or in part unpaid. It is my judgment that they do not produce over one-fourth of the sole leather made in this country to-day.

It is true that the Central Leather Company is worth 100 cents on the dollar. They have simply put in the money to finance this concern, and I would not be surprised if the stock of the Central Leather Company should pay its dividends regularly out of its connection with the United States Leather Company; but that does not change the fact that the United States Leather Company is not a prosperous, successful concern, and there are many intelligent tanners who do not believe they are making 25 per cent of the sole leather produced in the United States to-day.

Mr. CARTER. Mr. President, I should now like to know the views of the Senator from Vermont as to how the people who buy leather from which shoes are manufactured and who sell shoes are going to be injured by competition in the tanning of leather?

Mr. PAGE. Before I take that up, let me take up the next thing to which the Senator called my attention, and that is the American Hide and Leather Company. Something like ten years ago the American Hide and Leather Company organized and took on a large number of upper-leather tanneries of this country. I know many of the men who were conducting the tanneries taken on by that company, because they were tanners of calfskins, and I sold them their raw material. While they are, of course, large tanners, they never have produced even 25 per cent of the upper leather tanned in this country, and are not regarded by any of the tanning fraternity as a trust or as seeking to control unduly the upper-leather trade. I will have their statement, with others, inserted as a part of my remarks.

Mr. CARTER. Mr. President, the statement of Mr. Clarke, if the Senator from Vermont will permit, is that the Central Leather Company controls two-thirds of the tanneries of the United States. He makes that statement, he avers, after careful investigation. My question, directed to the Senator from Vermont, is, since we find a company commanding the leather trade by the control of two-thirds of the tanning interests, how can we engage in anything detrimental to the public interest by encouraging some competition with this great monopoly? As I understood the Senator from Vermont, to start with, his proposition was that because certain people in Chicago bearing odious names contemplated tanning leather, therefore——

Mr. PAGE. I wish to correct the Senator. I did not say "bearing odious names." I said——

Mr. CARTER. I understand that all of the names were the names of beef packers, which is synonymous with odious names.

Mr. PAGE. I did not say that.

Mr. CARTER. I understand that the names of the beef packers have been used from the beginning for the purpose of diverting attention from the real merits of the controversy we are now engaged in. If the beef packers or the James Brothers or any other class of people are willing to engage in tanning hides in competition with this Central Company, why not permit them to do so? Why should we take away from the farmers of the country the little pittance of protection which is there, because, forsooth, if we do not, then the Central Leather Company will have competition—a terrible thing to contemplate?

Mr. PAGE. Mr. President, when I was 26 years old I had the good luck to win out in a fight for representative of my town, and the county, to pay me for the good work I did for the party, elected me state senator as soon as I was constitutionally eligible. When I went down to the state capital I found there a young senator, three years older than myself—I was 31—and they called us the "boy steers" of the senate. That other man was the Albert Clarke to whom the Senator calls my attention. He was a good, bright Vermont boy, and I decline to enter into any discussion that will reflect a particle upon Albert Clarke. He is my friend. I want to say, however, that I think Colonel Clarke is probably mistaken. He does not intend to make a misstatement, I am sure. I feel confident that the Central Leather Company do not own a single tannery. They simply finance the tanneries owned by the United States Leather Company, and it seems to me impossible that the United States Leather Company either own or control two-thirds of the tanning interests of the United States, as stated by Colonel Clarke.

Mr. WARREN. Mr. President, if I own all the stock in a concern, and among the stocks of that concern is the controlling stock of another, I should say, fairly, that I control that other stock.

Mr. PAGE. Certainly.

Mr. WARREN. I say that the Central Leather Company owns the stock of the United States Leather Company, and they can not do business without the consent of the Central Leather Company.

Mr. PAGE. But, Mr. President, does the Senator understand that the Central Leather Company owns or controls any other tanneries than those controlled and owned by the United States Leather Company?

Mr. WARREN. According to the statement whether or not they took in new tanneries through the United States Company, there are many tanneries in the control of the Central Leather Company that were not in the United States Leather Company at the time they made an amalgamation; but I think they took in at that time the United States Leather Company and several others. Those others may have first gone into the United States Leather Company and then into the Central Leather Company. I could tell as to that by consulting my papers.

Mr. PAGE. Mr. President, I am very happy that my attention has been called to this matter, because I happen to have the facts right here before me. I have before me the last annual report, signed by Edward C. Hoyt, the president, dated February 27, 1907. I have a statement of the assets here, and they do not include a single tannery; they do not include a single cord of bark; they do not include a single hide. The chief asset is the stock of the United States Leather Company, $95,679,570.

Mr. WARREN. That does not change the statement I made, that at the time of the amalgamation—and I state it again—they took in several companies, and I shall later give the Senator from Vermont their names, if he wishes me to do so. They very likely went in as a matter of form with the United States Leather Company, so that the Central Leather Company is very much like the Northern Securities Company, which carried the ownership of the Northern Pacific and the Great Northern railroads. The Senator understands that.

Mr. PAGE. That is absolutely correct. But the Central Leather Company finances the United States Leather Company, and the United States Leather Company, on December 30, last, owned only $10,000,000, in round numbers, of leather and hides in the process of tanning. I think it would be fair to presume that a company only owning $10,000,000 of raw material and material in the process of tanning probably does not have an annual output of more than twice that sum, or more than $20,000,000; but, conceding it to be three times that much, or $30,000,000, it is still probably true that they do not tan 25 per cent of the total output of the sole leather tanned in this country, much less than two-thirds, or 66⅔ per cent, as stated by Colonel Clarke. But this is not all, for I have before me a statement of the United States Leather Company, for December 31, 1906, showing that they then owned hides and leather in the process of tanning valued at 50 per cent more than when they made their annual statement for 1908; in other words, they owned 15,000,000 December 31, 1906, as against 10,000,000 December 31, 1908; and I think it is conceded as a principle of economics that no manufacturing concern can properly be designated a "trust" if it is not a vigorous, healthy, and, more important than all, a growing concern. What, then, shall be said of the United States Leather Company, which was 50 per cent stronger in 1906, measured by its material in the process of tanning, than it is to-day, or was December 31, as shown by their own official statement?

I want to say here, before I leave this matter, that I know some of the men who manage the Central Leather Company, and I believe that a more clean, upright, honorable set of men never managed a company than the men who are connected with the Central Leather Company. Many of them are old tanners, and I have known them personally or by reputation all my life. I do not say they are doing wrong, but I simply say that it is wrong to class the United States Leather Company, which I confess is the largest tanning combination in the country, as a trust, because it has not, in my judgment, sought to control the legitimate business of the country, and I doubt if they produce over 30 per cent of the sole leather of the United States. Certainly not two-thirds, as suggested by Colonel CLARKE.

In order that anyone wishing to do so may examine the statements, to which I have referred. I ask unanimous consent that they be printed in the RECORD at the end of my remarks.

The PRESIDING OFFICER. In the absence of objection, permission is granted.

Mr. PAGE. Those are the facts about it. There is no question that the United States Leather Company owned $15,000,000 worth of hides two years ago, and now own but $10,000,000 worth. They are running down instead of going up, as their own statements show.

Mr. WARREN. Does the stock go up when their business goes down?

Mr. PAGE. So far as the stock of the United States Leather Company is concerned, it is cheap. I do not know what it is worth, but the common stock probably is not worth very much.

Mr. WARREN. I will say that Central Leather Company common stock is quoted in the papers and market reports to-day at from 30 to 40 cents on the dollar.

Mr. PAGE. The Senator is of course correct, but I would not be surprised if he found upon investigation that the common stock of the United States Leather Company is not worth to-day above one-fourth of that price. I know nothing about it; but in the last two years, since the financial troubles in 1907, hides have gone up so fast that a concern that owned $15,000,000 in hides then could not help making considerable money on the advance on hides alone.

Mr. WARREN. Would the Senator like to have hides again go low?

Mr. PAGE. No. But when the Senator mentioned the other day, as he did, the fact that packers' steer hides got down to 4 cents a pound, he made a quotation current at a time when we had struck a Black Friday and there was no demand for them at any price. Those hides have very rarely gone below 8 cents.

Mr. WARREN. I think the Senator is entitled to an explanation. I want to say that that averment was entirely taken from a statement made by the tanners and the shoe men, who are arguing for the reduction of the duty on hides. It is a part of their argument.

They said it, and I accepted it. I will state, upon my own knowledge, that the price of hides was so low that in the State in which I live branded hides were not shipped out for more than two years because they would not bring the cost of railroad transportation.

Mr. PAGE. That was a good many years ago.

Mr. WARREN. It was just prior to the passage of the Dingley law. We have not had such an occurrence since then.

Mr. PAGE. I will not detain the Senate much longer. I have already wearied it, but I have had to answer many questions. I now desire to say just a word more about the American Hide and Leather Company, because I know all about that concern. They started in with a set of managers who were good men, but they took on too much water, and the common stock at some time last year—I will not go back further than that—sold for less than 4 cents on the dollar, and the preferred stock sold for 12 cents and a fraction on the dollar.

Mr. WARREN. But the Senator will admit that that was because they watered it to overflowing when the company was organized.

Mr. PAGE. I think that is right.

Mr. WARREN. That company is also a holding company, and it not only holds tanneries, but it holds the stock of other tanning companies.

Mr. PAGE. But the point I make is that they, in my judgment, are not, and they are not considered by the tanners of this country as a trust or as having anywhere near the vital, vigorous, virile, force in the tanning business that Pfister & Vogel and some other large companies, notably the A. C. Lawrence Leather Company, owned by Swift & Co., have.

Mr. WARREN. Speaking of trusts, I want to say that whenever I use the word "trust" in regard to the leather business in Chicago, I do not mean to infer that the Chicago houses are, strictly speaking, trusts. They are separate corporations. Those in Chicago have no holding company—that is, one company holding the stock of all the others. The Central Leather Company does that. We speak of their being "trusts," but of course that is a misnomer. They are all corporations. The "Big Four," as they are called—Armour & Co., Nelson Morris & Co., Swift & Co., and the National Packing Company—are all separate corporations.

The National Packing Company does not tan a hide. None of them tans all its hides. I call them trusts, as a matter of convenience; but I maintain that the Central Leather Company comes nearer to being a trust than any of the others. It is a holding company, and merely holds the stocks, bonds, and properties of the others.

Mr. PAGE. I want to say, while upon this subject of trusts, that some five years ago the Swift Company had a capitalization of $10,000,000. Three or four years ago they wanted to increase their business, and they said to the public, "We should like to have you take $10,000,000 of our stock." It was taken in a twinkling, and they raised their capital to $20,000,000. A very short time after, they said, "We want more capital; we would like to increase our stock from twenty to thirty-five million dollars;" it was taken very readily. A little later, they said, "We want to increase our capital to $50,000,000." It was readily taken. I do not know whether the capital to-day is fifty or sixty million dollars; but, Mr. President, that stock has gained in one year in value $10,000,000, and to-day you can not buy it for less than 120. It is one of the big corporations, and it can go out into the markets of the world and hire a hundred million dollars if it wants to.

Think of what the independent tanner has in the Swifts and the Armours to compete with. As compared with the United States Leather Company or the American Hide and Leather Company, these Chicago concerns are like giants to pygmies.

Take Armour & Co. I have read the history of Phil Armour. It is like the story of Aladdin's lamp. He started a poor boy. He went across the continent on foot to California, and began to dig ditches. Having accumulated a few dollars, he came back and began to kill a few cattle. To-day the capital of Armour & Co. is so large that his wife and children do not really wish to publish it; but it is generally believed to be from eighty-five to one hundred and ten million dollars.

A few weeks ago they said to the bankers of this country, "We want $30,000,000 more capital," and to-day the bankers of Chicago are incensed because Armour permitted the bankers of New York, Boston, and the East to take a part of that $30,000,000 loan, bearing 4½ per cent interest. When you come to think of it, to think what Armour & Co. and Swift & Co. can do with their organization and their aggregations of immense capital, you can appreciate how their entrance into the tanning industry, with their control of such a large per cent of the raw material, affects the independent tanner. The Armours and Swifts are good men and I hesitate to say what I do because of the pleasant personal relations I enjoy with their managers.

Let me say, Mr. President, that when I was a boy 12 years old I began to handle hides, and for more than fifty-four years I have been dealing in that commodity.

For more than forty-five years I have alone, in my own name and at the same place, been handling hides. I have rubbed against these independent tanners a great deal. I can say, I think, that not a single tanner of prominence, not a single hide dealer of prominence, that was in business when I commenced dealing in hides is in existence to-day. Some of them have gone into bankruptcy; some of them have incorporated; some of them have passed the business on to the boys; but, Mr. President, the great body of those in business in 1855, when I commenced in hides, have "passed over the river." I have been in close business contact with the younger men, until I have come to greatly respect them. I can not tell you how great is my regard for them. Sometimes I think my love is like that of David for Jonathan.

I feel like apologizing to the Senate for taking its time; but I would feel more like apologizing to these young men if I failed to stand up here when I hear them maligned, as they have been here, and defend them to the best of my ability. I believe we have no better business men on this continent than these tanners. They are honest; they are energetic; they are good, clean business men. If you were going to help the farmer out in Montana or elsewhere by this 15 per cent duty, I do not know but I would stop and reason with you; but I know, and the Senator from Wyoming, I think, knows, that what the farmer puts into one pocket he takes out of the other; what he gains on his hide he loses on his harness and his shoes.

Mr. CLARK of Wyoming. Right there, if the Senator will permit a question——

The PRESIDING OFFICER. Does the Senator from Vermont yield to the Senator from Wyoming?

Mr. PAGE. With pleasure.

Mr. CLARK of Wyoming. The Senator will admit that there is some satisfaction in taking money out of one of your pockets and putting it into the other. There is not, however, so much satisfaction in taking money out of one of your pockets and putting it into the pocket of the other fellow.

Mr. PAGE. You may go through the country at large, and talk with intelligent business men, and they will tell you that the farmer does not sell his beef cattle for materially more because of this 15 per cent duty on the hide; indeed, some claim that he does not get any advantage from the duty; but I do not want to argue anything of that kind. It is only fair to admit that he does receive a part of the duty; indeed, for the sake of argument, perhaps I might say that he does get the larger part of that benefit. I want to be perfectly fair about this matter, and I want the Senator from Wyoming to be equally

fair when I ask him if the farmers do not pay it all back when they buy shoes and harness?

Mr. McCUMBER. Mr. President——

Mr. PAGE. In just a moment I will yield to the Senator. I do not want to speak harshly of anybody, but when I see the tourniquet placed about the jugular vein of the tanner and see his business lifeblood shut off; when I see the strong grip of the packers tightening around his windpipe; when I know that these men are actually struggling for the right to exist, I want you to show me some better reason for this 15 per cent duty than that a farmer may simply take a dollar or a dollar and a half out of one pocket and put it into the other. Show me that he makes some real gain. Let the tanners have the opportunity and the right to go into the world and buy hides where they can and compete with the men who to-day, in my judgment, are controlling 45 to 50 per cent of the entire packer kill, and controlling—I know whereof I speak as to New England hides—controlling 60 to 80 per cent of all the hides taken off in New England.

Mr. DIXON. Mr. President——

The PRESIDING OFFICER. Does the Senator from Vermont yield to the Senator from Montana?

Mr. PAGE. Certainly.

Mr. DIXON. Unfortunately I was called out of the Chamber and have not heard all of the Senator's most interesting speech. Suppose we put hides and leather and shoes on the free list—I am ready for it—will that settle this question? This suggestion is made in good faith and sincerity.

Mr. PAGE. I accept it as such. On many occasions here in this Senate during the past few months it has been said that certain tariffs seemed to be higher than were absolutely necessary. My good friend the Senator from Idaho [Mr. HEYBURN] looks me in the eye. How many times he has said, "I do not want to put the duty just barely high enough so that they can not jump over the tariff wall."

There are times—and I have seen those times—when the European tanners were loaded up to the muzzle with an excess of leather—leather tanned from heavy hides, from calfskins, and from goatskins. I believe—and I am going to say it, whether it cuts one way or the other—that the shoe men in this country to-day, on all shoes except those of the most ordinary kind, can live and can beat the world if we have free hides.

On the lower grades, which do not require much finish and style, I am rather inclined to think that the cheap labor of Europe may perhaps give the foreigner a little advantage. On leather I am going to take the same position. I believe that on goatskins, on many kinds of calfskins, on colt skins, and on the finer qualities of upper side leather, they can to-day, with free hides, compete with the world. I believe this, and I believe that they believe it; and yet, were you to ask them if they would consent to have the duty all taken off, they would plead, and I think rightly, that we do not do so. They would say: "Gentlemen, you have reduced the duty from 20 per cent down to 5 per cent on beltings, on sole leather, and on certain other classes of leather; do you not think we are entitled to a very slight protection?" So far as I am concerned, and I am talking with absolute frankness, I think they could compete with the world except on the cheaper grades; but when you ask me to speak for them, I think I should say, "They are of age and can speak for themselves." I am simply giving you my opinion.

Mr. McCUMBER. I should like to ask the Senator a question right there. He is eminently fair in all of his discussions, and, if I remember rightly, he has admitted that the farmers are getting some benefit from this tariff.

Mr. PAGE. They are getting no more than they pay back.

Mr. McCUMBER. That is just what I want to find out. The Senator believes they are getting something?

Mr. PAGE. Certainly, sir; I would not be ungenerous enough in this discussion to say they get absolutely nothing.

Mr. McCUMBER. May I ask the Senator if he seriously believes that shoes, harness, and other goods manufactured out of leather would be cheaper to the consumer if we were to take off the tariff?

Mr. PAGE. I do, absolutely; and I will tell you why, if you will give me the chance.

Mr. McCUMBER. I supposed that the Senator had explained that completely. I was not in, possibly.

Mr. PAGE. No, sir; I have not.

Mr. McCUMBER. Of course I do not believe that they will get it a penny cheaper, any one of them.

Mr. PAGE. Let me tell the Senator what my judgment is. The time has passed when the manufacturer or the jobber in this great shoe-manufacturing industry can make anything more than the closest margin of profit. I have been informed that some of them make as little as 2 cents a pair, and I believe that to-day the average net profit is not 7 cents, and perhaps not over 5. Everything is figured down to the finest margin.

Admit, if you will, that the Senator from Montana is right, and that the added cost of manufacture is not over 8 or 9 cents a pair. Everything to-day is sold on percentages. If the shoe manufacturer makes a shoe that costs him $1.20 and gets 5 per cent profit, he gets $1.26. If that shoe, because of the added value of leather, costs him $1.30 and he gets 5 per cent profit, he gets $1.36½. In other words, he gets a little more on the $1.30 shoe than he does on the $1.20 shoe. My judgment is that that ratio of increase goes right along through. The jobber who gets the shoe from the manufacturer adds a certain percentage, and the retail dealer, when he gets it from the jobber, adds a certain further percentage. These percentages from the manufacturer to the retailer aggregate 60 or perhaps 62½ per cent, as has been shown here. Consequently the 8 cents added cost to the shoe manufacturer, by reason of this hide duty, becomes 14 or 15 cents to the consumer; and I believe that sum is really paid by the farmer, by reason of this hide duty, on the heavy farm shoes he buys.

Mr. McCUMBER. Mr. President——

Mr. CARTER. Mr. President, I should like to ask the Senator just one question.

The PRESIDING OFFICER. Does the Senator from Vermont yield to the Senator from North Dakota?

Mr. PAGE. Certainly.

Mr. McCUMBER. Would not that same principle apply to all manufactured products? Are not all of them sold upon a very slight margin?

Mr. PAGE. Yes, sir; as a general proposition.

Mr. McCUMBER. Owing to the competition?

Mr. PAGE. I believe so.

Mr. McCUMBER. Very well. Then, why would not the same rule apply on all manufactured products? Why should we not take the tariff off of all of the material that goes into those manufactured products—practically all raw material?

Mr. PAGE. Mr. President, let me repeat what I said. If the conditions as to hides to-day were as they were in 1897, I rather think I should say, as to hides, "yes." But they are not the same. Since 1897 the Swifts and the Armours have gone into the tanning business. I am glad you called my attention to that matter, because I have the facts right here, and I will read them, if the Senator will permit. Here is a list of some of the large, vigorous tanners of this country, with the names of the packers who stock or control them, and I will read it to you:

W. F. Mosser Company, Westover, Pa., controlled by Morris.

Mr. SMITH of Michigan. What is the Senator reading from?

Mr. PAGE. I am reading from the Boston News Bureau. I can not vouch for its correctness. I will simply say that it is what I have before me, and I have reason to believe, and do believe, that the greater part of it is true. I think I will be frank enough to say that I know a part is not true. So I will place you on the same level that I am:

W. F. Mosser Company (Morris), Westover, Pa.; W. F. Mosser Company (Morris), Richwood, W. Va.; Gensamer & Salen (Armour), Pine Grove, Pa.; Dubois Tannery (Armour), Dubois, Pa.; Van Dynes Tannery (Swift), Troy, N. Y.; Adam Kinley & Son (Swift), Breesport, Pa.; Adam Kinley & Son (Swift), Olean, N. Y.; J. K. Mosser & Co. (Armour), Newberry, Pa.; L. R. Gleason & Sons (Morris and Armour), Driftwood, Medix Run, and Gleasonton, Pa.; Pocahontas Tanning Company (Armour), Pocahontas, W. Va.; Garrett Leather Company (Swift), Hutton, Md.; England, Walton & Co. (Swift), Westminster, Md.; England, Walton & Co. (Swift), Harrisburg, Va.; England, Walton & Co. (Swift), Gambles and Wallin, Tenn.; England, Walton & Co. (Swift), Waynesville, N. C.; Ashland Tannery Company (Swift), Ashland, Ky.; Weddekind & Hallenberg (Armour), Louisville, Ky.; James C. Harris (Armour), Sylvia, N. C.; Toxaway Tanning Company (Armour), Toxaway, N. C.; A. C. Lawrence Leather Company (Swift), Peabody and Salem, Mass.; Winslow Brothers & Smith Company (Armour), Norwood, Mass.; American Hide and Leather Company (Morris), Manistee, Mich.; American Hide and Leather Company (Morris), Merrill, Wis.; Fremont Leather Company (Armour), Fremont, Mich.; National Rawhide and Belting Company (Swift), Niles, Mich.; Badger Leather Company (Armour), Sheboygan, Wis.; Hans Rees' Sons, Asheville, N. C.

That is the list. In 1897 no such conditions existed. To-day the men who control the raw material have gone to tanning.

Mr. WARREN. Will the Senator complete the statement from which he is reading, and say that the total number of tanneries owned by all these packers amounts to 27, while the total number of tanneries in this country is in excess of 1,000?

Mr. PAGE. That is right, Mr. President. The same line of argument would apply when I say to you frankly that I think that neither the American Hide and Leather Company nor the United States Leather Company own any great percentage of the tanneries of this country. These tanneries that I have referred to are the large ones of this country. You will probably find 500 tanneries in this country that are barely alive. They hardly exist. And when the Senator from Wyoming was speaking this morning relative to tanneries—that there were several thousand tanneries away back in the eighties—I wanted to say to him that "away back in the eighties" there were tanners in

almost every village of any size in the East. They bought their bark at home; they bought their hides at home. They tanned the hides into what we called "rough" leather, and the leather went to Boston and was finished there. After a time improvements in manufacture came. These country tanners could not make a nice piece of finished leather out of a rough-tanned hide or skin. They had to be "tannery finished," so called. They had to be tanned and finished practically in the same building, at the same time. The hides and skins in process must not be dried. The result was that the country tanners that were making rough leather had to go out of business. Of what earthly use is it to quote statistics like these to prove any fact when we know that behind those statistics are special conditions which explain the whole matter?

Mr. McCUMBER rose.

Mr. PAGE. I should be glad to hear from the Senator.

Mr. McCUMBER. The question I asked involved a principle. The Senator, for instance, voted for a duty that would average about 45 per cent ad valorem upon wool.

Mr. PAGE. I presume I did. I confess I did not know very much about that schedule.

Mr. McCUMBER. It is absolutely true that if woolen goods are sold upon a close margin, if the duty was taken off of wool, the consumer would get his products cheaper; and the argument that the Senator makes in reference to hides would seem to me to be applicable in the case of wool—that what the farmer would make by the added duty upon the wool he would save by getting more cheaply the products of the cloth that he would buy. If that were all there is to the protective principle, I admit that I would never be in favor of it at all. Every producer always produces a great deal more than he consumes of his own article. The farmer that raises sheep or raises cattle on the average always produces a great deal more of the skin itself, of the hide, upon those cattle than he buys back in value of hides from these shoe men. Otherwise there would be no profit in any business, and we have got to assume that to be the case.

Assuming, then, that he is always selling more than he buys, that he gets a profit by reason of this tariff on what he sells, it seems to me that we are bound to say that the same rule would apply to the leather that would apply to the wool itself.

Mr. PAGE. I will answer that, Mr. President, by saying that if the time ever comes that the American Woolen Company goes into the killing of sheep and they come to take off 80 per cent of all the sheep pelts that are taken off in this country, it will be a matter of a good deal of question in my mind whether to allow them to go on and crush out every independent woolen manufacturer in this country or say to the farmer: "We are going to let down the bars and let in wool free." It will be a matter of great doubt in my mind what to do.

Mr. McCUMBER. I know, Mr. President, that is a serious question. I appreciate the fact that we are drifting away from little concerns and drifting into the greater combinations of capital which not only produce one thing, but produce the hundred incidental things connected with that. But I do not see that we can meet this by taking off the tariff. I can not understand why they would not do the same thing and try to economize still more if they were compelled to do it by reason of the tariff being taken off. But in every instance the farmer, the producer of the hides, is affected by exactly the same law of supply and demand, whether it is the packer that buys his product or whether it is the tanner.

Mr. PAGE. So far as I am concerned, I am going to insist that I can not see where the hide producer loses a single cent. I think he loses and he makes an equal sum. And for the little privilege of allowing the farmer to receive a dollar more for his hides, only to pay that dollar back for added cost of shoes, we are going to drive out or destroy, as I look at it, a business that is ninth in magnitude in this country. There are only eight larger in the gross amount of their products, as I understand it. I tell you, Mr. President, you do not want to drive the independent tanner of this country out of business or compel him to go to work for the beef packers of Chicago.

Mr. SMITH of Michigan. Mr. President, the Senator from Vermont says that there are some things about the quotations from the statement in the Boston News Bureau which are true, and some things which are not true?

Mr. PAGE. Yes, sir.

Mr. SMITH of Michigan. I should like to ask whether he believes this statement to be true:

> During the last two years there has been a quiet but remarkable expansion of the interests of the big Chicago packers in the tanning business of the United States. At the present time it is estimated that the packers control, either by direct ownership or by contracts covering the tanning of their hides, between 35 and 40 per cent of the entire tanning industry of the country.

I should like to ask whether the Senator believes that statement to be true?

Mr. PAGE. I should not want to give an opinion on that subject, because I do not know.

Mr. SMITH of Michigan. Does the Senator know anything about whether it is true or not?

Mr. WARREN. Mr. President——

The PRESIDING OFFICER. The Senator from Vermont has the floor.

Mr. WARREN. Will the Senator permit me a question?

The PRESIDING OFFICER. Does the Senator from Vermont yield to the Senator from Wyoming?

Mr. PAGE. Certainly.

Mr. WARREN. The statistics of the department show that those figures might apply to the total number of hides that the Chicago people take off; but they do not apply to the amount they tan by any means.

Mr. SMITH of Michigan. There is another sentence here, Mr. President, if the Senator will pardon me, that I should like to call to his attention.

Mr. PAGE. Certainly.

Mr. SMITH of Michigan (reading). "Of the 7,500,000 hides which the packers take off yearly, they are now tanning themselves about 70 to 75 per cent." Is that correct?

Mr. PAGE. I can not speak on that point. I know they are tanning a great many of them.

Mr. SMITH of Michigan. It is a very important statement. I do not know whether it is correct or not.

Mr. WARREN. It is important if true; but it is not true. Their tanning may amount to 25 per cent.

Mr. PAGE. The statement in this paper, which I said was incorrect, is this: "Hans Rees' Sons Company, of Asheville, N. C., controlled by Armour."

There is an evident mistake there. There is another concern by the name of Rees which I think may be tanning for the Armours, but it is not Hans Rees, for I sell him his hides, and think I know that he is not controlled by the Armours. It must be another Rees.

Mr. SMITH of Michigan. And that was the particular thing that the Senator did not wish to say was correct?

Mr. PAGE. Yes.

Statements previously referred to are as follows:

THE UNITED STATES LEATHER COMPANY.

The board of directors of the United States Leather Company submits to the stockholders the following statement of the company's assets and liabilities as of December 31, 1906, and based on inventory of that date. The method adopted for purposes of inventory is the same as that of last year.

As usual, the item of surplus is subject to the payment of the 1¾ per cent quarterly dividend on the preferred stock, which was payable on the 2d day of January next ensuing (1907).

ASSETS.

Cash	$2,505,159.45
Due by customers	10,761,664.70
Bills receivable	1,277,339.28
Doubtful debtors, valued at	8,832.82
Sundry other debtors and book accounts	1,070,602.35
Hides and leather on hand and in process of tanning	15,269,783.70
Drawbacks due	464,491.64
Bark at tanneries	1,677,962.24
Sundry personal property	654,627.35
Advances to other companies	1,920,921.39
Tannery plants and lands	6,847,705.73
Stocks of other companies	56,760,180.79
Bonds of other companies	6,879,887.59
Railroad mortgage	100,000.00
Real estate interests—New York City and Boston property	490,235.23
Unexpired insurance policies	106,292.99
Good-will account and organization expenses	62,832,300.01
Total	169,627,987.26

LIABILITIES.

Accrued interest	67,960.60
Current accounts	609,585.34
Bills payable	13,080,000.00
Exchange (not due)	2,072,903.90
Bonds	5,080,000.00
Reserve for fire insurance	639,728.54
Preferred stock	62,282,300.00
Common stock	62,882,300.00
Surplus	22,913,209.48
Total	169,627,987.26

On behalf of the board of directors:

FRED E. KNAPP, *Secretary.*

NEW YORK, *February 27, 1907.*

THE UNITED STATES LEATHER COMPANY.

The board of directors of the United States Leather Company submits to the stockholders the following statement of the company's assets and liabilities as of December 31, 1908, and based on inventory of that date, and also the income account of the company and its subsidiaries. The method adopted for purposes of inventory is the same as that of last year.

As usual, the item of surplus is subject to the payment of the 1¾ per cent quarterly dividend on the preferred stock, which was payable on the 2d day of January next ensuing (1909):

ASSETS.

Cash	$3,492,932.53
Bills receivable	5,041,880.56
Accounts receivable	9,574,346.40

Doubtful debtors, valued at		$5,727.11
Hides and leather on hand and in process of tanning		10,299,665.99
Bark at tanneries		2,472,768.30
Sundry personal property		409,553.02
Tannery plants and lands		7,001,226.44
Stocks of other companies		59,900,297.98
Bonds of other companies		6,216,887.59
Bonds for sinking fund		428,063.75
Railroad mortgage		100,000.00
Real-estate interests—New York City and Boston property		628,196.06
Unexpired insurance policies		125,792.55
Good-will account and organization expenses		62,832,300.01
Total		168,529,638.29

LIABILITIES.

Accrued interest		47,810.00
Current accounts		171,031.68
Due subsidiary companies		1,985,122.75
Bills payable		10,910,000.00
Exchange (not due)		960,531.96
Bonds		4,280,000.00
Reserve for fire insurance		419,172.44
Reserve for depreciation		400,000.00
Preferred stock		62,282,300.00
Common stock		62,882,300.00
Surplus		24,191,360.46
Total		168,529,638.29

INCOME ACCOUNT OF THE UNITED STATES LEATHER COMPANY FOR THE YEAR ENDED DECEMBER 31, 1908, INCLUDING ITS SUBSIDIARY COMPANIES.

Gross earnings		$21,242,883.58
Less:		
Manufacturing costs and distributing expenses	$13,312,472.80	
Depreciation, maintenance, and repairs	1,151,217.13	
		14,463,689.93
Net manufacturing, producing, and operating income		6,779,193.65
Less:		
Salaries, pay roll, and department expenses	$846,519.33	
Taxes, insurance, legal, and other expenses	680,770.79	
Interest on debentures, bills and accounts payable	922,996.78	
		$2,450,286.90
Net profits		4,328,906.75
Less dividends		3,736,938.00
Undivided profits for year		591,968.75

On behalf of the board of directors.

FRED E. KNAPP, *Secretary.*

NEW YORK, *February 24, 1909.*

Balance sheet of the Central Leather Company, December 31, 1906.

ASSETS.

Stock of the United States Leather Company	$95,679,570.00
Investments in subsidiary companies, including stocks	6,845,056.20
Bills receivable, Union Tanning Company	2,705,000.00
Accounts receivable, Union Tanning Company	2,826,350.94
Current accounts receivable	10,683.84
Accrued interest	15,528.85
Cash	370,917.57
Total	108,453,107.40

LIABILITIES.

Bonds outstanding	34,382,000.00
Capital stock, preferred	30,878,900.00
Capital stock, common	38,161,570.00
Bills payable	4,730,737.39
Accounts payable	24,564.86
Undivided profits	275,335.15
Total	108,453,107.40

American Hide and Leather Company and subsidiary companies.

BALANCE SHEET, JUNE 29, 1907.

LIABILITIES.

Capital stock:		
Authorized, 175,000 7 per cent cumulative preferred shares of $100 each	$17,500,000.00	
Authorized, 175,000 common shares of $100 each	17,500,000.00	
Issued, 130,000 7 per cent cumulative preferred shares of $100 each	13,000,000.00	
Issued, 115,000 common shares of $100 each	11,500,000.00	
		$24,500,000.00
First mortgage 6 per cent bonds:		
Authorized	10,000,000.00	
Issued	9,000,000.00	
Less:		
In treasury $475,000		
In sinking fund 1,331,000		
	1,806,000.00	
		7,194,000.00
Current liabilities:		
Bond interest accrued	170,500.00	
Loans	262,775.00	
Foreign exchange	113,865.25	
Trade accounts	207,657.06	
Wages accrued	34,911.16	
Taxes and water rents accrued	33,499.97	
		823,208.44
Sinking fund for redemption of first mortgage bonds:		
Appropriations and accretions to June 30, 1906	1,122,155.44	
Appropriations for year ending June 30, 1907, charged to profit and loss	150,000.00	
Interest accretions during year	76,230.00	
Difference between cost and par on bonds purchased out of interest accretions	9,404.47	
		1,357,789.91
Surplus:		
Per annexed account		1,482,338.39
		35,357,336.74

ASSETS.

Cost of properties:		
Including 4,517 shares preferred and 2,259 shares common stock of the American Hide and Leather Company held in trust		$26,479,073.13
Sinking fund assets:		
Cash and accrued interest ($1,331,000 par value of bonds in sinking fund held by trustees not treated as an asset, see contra)		26,789.91
Current assets:		
Hides, skins, and leather on hand and in process of manufacture, and general supplies	$6,305,659.16	
Sundry debtors for bills and accounts receivable $2,318,809.12		
Less reserves for doubtful debts and discounts 148,104.24		
	2,170,704.88	
Claims, duty drawbacks, and sundries	12,657.63	
Insurance unexpired	64,114.74	
Cash in banks and on hand	298,337.29	
		8,851,473.70
		35,357,336.74

INCOME ACCOUNT, YEAR ENDING JUNE 29, 1907.

Replacements, renewals, and repairs		$159,054.96	Trading profits $1,151,047.70
Bad debts and reserve for doubtful debts		8,422.67	
Interest on bonds:			
In hands of public	$435,270.00		
In sinking fund	76,230.00		
		511,500.00	
All other interest		66,065.83	
Sinking fund appropriation, 150 bonds at par	150,000.00		
Less difference between par and cost of bonds purchased	14,332.40		
		135,667.60	
Balance, profit carried to surplus account		270,336.64	
		1,151,047.70	1,151,047.70

SURPLUS ACCOUNT.

Balance carried to balance sheet	$1,482,338.39	Balance at July 1, 1906 $1,212,001.75
		Balance from income account for the year ending June 29, 1907 270,336.64
	1,482,338.39	1,482,338.39

LEE, HIGGINSON & CO.'S STATEMENT CONCERNING CUDAHY PACKING COMPANY IN CONNECTION WITH OFFERING $4,000,000 CUDAHY PACKING COMPANY'S BONDS.

Four million dollar Cudahy Packing Company first-mortgage 5 per cent gold bonds, dated May 1, 1909. Due May 1, 1924. Interest payable May 1 and November 1 in Chicago and Boston. Callable as a whole or for sinking fund at 102½ and interest on any interest date. Authorized, $5,000,000. Outstanding (now offered), $4,000,000.

Sinking fund, 5 per cent per annum of bonds issued, beginning November 1, 1910. Application will be made to list these bonds on the Chicago and Boston stock exchanges.

The Cudahy Packing Company, organized in 1887 under the laws of Illinois, is now one of the largest packing-house concerns in the country, having plants in South Omaha, Kansas City, Sioux City, Wichita, and Los Angeles.

From letters of the vice-president of the company, and Messrs. Price, Waterhouse & Co., chartered accountants, copies of which will be sent upon request, we summarize as follows:

1. First mortgage.
2. Profitable business under same management since formation of company twenty-two years ago.
3. Annual net earnings last five years averaged more than nine times interest on these bonds.
4. Value of physical properties subject to this mortgage, $9,100,000, over double the outstanding bonds, $4,000,000.
5. Net current assets more than $11,000,000, making total assets more than $20,000,000, or five times this issue.
6. Sinking fund will retire at least 68 per cent of this issue before maturity.
7. Gross sales last five years:

1904	$50,828,638
1905	62,722,755
1906	69,319,158
1907	79,886,479
1908	71,988,213

8. Average losses from bad debts during last five years less than one-tenth of 1 per cent of gross sales.

Price 99, yielding 5.10 per cent.

LEE, HIGGINSON & CO.,
New York, Boston, and Chicago.

GOLDMAN, SACHS & CO.'S STATEMENT CONCERNING SCHWARZSCHILD & SULZBERGER COMPANY IN CONNECTION WITH OFFERING $6,000,000 SCHWARZSCHILD & SULZBERGER COMPANY'S BONDS.

GOLDMAN, SACHS & CO.,
New York, June 3, 1909.

SPECIAL OFFERING OF A CHOICE INDUSTRIAL BOND.

We own and offer you, subject to prior sale, all or any part of the following bonds in denominations of $1,000 each:

One hundred thousand dollars Schwarzschild & Sulzberger Company debenture 6 per cent gold bonds, interest June 1 and December 1, at 100 and accrued interest; due June 1, 1916; yielding 6 per cent.

Authorized and outstanding, $6,000,000, with exception of $599,000 drawn for the sinking fund and canceled or held in the treasury.

Optional at 105 and interest, as an entire issue or in part, and for the sinking fund at 102½, to be drawn by lot.

Sinking fund: June, 1909, $150,000; June, 1910, $200,000; June, 1911, $250,000; June, 1912 and 1913, each, $275,000; June, 1914 and 1915, each, $300,000; to draw bonds at 102½ and interest, if not purchasable in the open market below that price.

Security: These bonds are a direct obligation of the company, which agrees that no mortgage or lien shall be placed on any of the three present plants during the life of the debentures. The company owns plants, real estate, buildings, etc., free and clear, in Kansas City, Mo.; Chicago, Ill.; and New York, N. Y., which, as appraised January 2, 1909, are valued at $8,047,517. Branch houses and other properties are appraised at $1,452,705, giving a total valuation for property directly owned of $9,500,222.

The Schwarzschild & Sulzberger Company is one of the four largest packing concerns in the country, doing a business of upward of $75,000,000 a year. It has facilities for killing over 100,000 cattle, sheep, and hogs per week. On January 2, 1909, the company reported a total surplus balance of $8,505,338.

We consider the above a first-class industrial bond, which, in our opinion, yields at the present time as attractive an income as any bond of its kind.

Awaiting the favor of your reply, believe us to be,
Yours, very truly,

GOLDMAN, SACHS & CO.

The PRESIDING OFFICER. The question is on the amendment offered by the Senator from Mississippi [Mr. MCLAURIN].

Mr. MCLAURIN. Mr. President, I believe the question before the Senate is an amendment which I offered to the amendment of the Senator from Rhode Island [Mr. ALDRICH], or that of the committee.

The PRESIDING OFFICER. The Senator is correct.

Mr. MCLAURIN. Before the amendment is submitted, I wish to say just a few words in reference to it. I will preface them by saying that I do not argue this matter from the standpoint of the Senators who have been wrangling over it. I am not a protectionist in any sense of the word; and I do not discuss it from the standpoint of protection, but from the standpoint of revenue and from the standpoint of justice and equality. I was glad to hear the senior Senator from Montana [Mr. CARTER] say that if we were going to have free hides we would also have free leather and free shoes; and I was glad to hear the proposition made by the junior Senator from Montana [Mr. DIXON] to the Senator from Vermont [Mr. PAGE] to put shoes, leather, and hides all upon the free list. If I understood the response of the Senator from Vermont, he accepted that proposition, and I should be glad to see that proposition accepted and adopted by the Senate. But that to which I wish to call attention is the inequity and the injustice of the amendment of the committee, taken in connection with the construction that is given to it by the Treasury Department.

As I understand, this duty on hides, which is intended to be a protective duty, if only to a small extent of protection, includes only hides weighing 25 pounds and upward, or probably only those weighing upward of 25 pounds. I am not willing to vote for a duty on hides with that definition of hides. If there is any advantage to be derived by anybody from a duty upon hides—and necessarily a revenue duty must carry some incidental protection—that advantage ought to go to the farmer who has hides weighing 20 pounds just as well as to the man who has hides weighing 25 pounds. I can not understand how a protectionist can go to his constituents and justify himself in voting for protection to the man whose hides weigh 25 pounds and against protection to the farmer whose hides weigh 20 pounds.

Mr. CLAPP. Will the Senator pardon me for interrupting him?

The PRESIDING OFFICER. Does the Senator from Mississippi yield to the Senator from Minnesota?

Mr. MCLAURIN. I do.

Mr. CLAPP. Does not that become still more difficult when we realize that it is only the heavy leathers covered by this protection that go into the cheap shoes, while the other leathers go into the more expensive shoes?

Mr. MCLAURIN. I thank the Senator from Minnesota for that suggestion. I think that is true.

Mr. WARREN. Mr. President, the Senator can not maintain that proposition. The cheapest shoes that are used to-day are those that are not made of thick leather, unless it is in the case of the soles. The Senator ought to know that. I refer to children's shoes and ladies' shoes and tan shoes. The heavy leather only goes into the stogy shoes.

Mr. CLAPP. Stogy shoes and split-leather boots and shoes.

Mr. WARREN. It is only a very small percentage.

Mr. CLAPP. That does not make any difference. It is the cheap shoe that the poor man wears. This leather goes into any part of a shoe except the heel or sole. It goes into cheap shoes.

Mr. WARREN. But there are cheap shoes of two kinds—one for men working in quarries or other places where heavy, strong boots are necessary, which may be the split leather and sole leather; and the other for men working in offices, which may be cheaper still. Such shoes are made from a thinner leather.

Mr. MCLAURIN. I believe, Mr. President, that the Senator from Wyoming admits that it does intensify the difficulty, as the Senator from Minnesota has suggested. But whether it does or not, there is no difficulty or trouble about this proposition—that it is unjust, if there is to be any protection to anybody in this matter, to protect the man who is able to produce high-grade hides weighing 25 pounds, and deny that protection to the farmer whose hides weigh only 20 or 22½ or 24 pounds or anything less than 25 pounds. Therefore, if there is to be any duty at all upon hides, it ought to be upon all hides of cattle.

I suppose that there are no cattle the hides of which would weigh as much as 25 pounds except those of the bovine kind, and that, I suppose, is the kind of cattle to which this item of the tariff would apply.

But there is no question that there is no justice in making this distinction against the farmer who is not able to raise a cow or steer that will produce a hide weighing 25 pounds. I have nothing to do with the explanations that Senators have to make to their constituents about this discrimination between the hides that weigh 25 pounds and those that weigh 20 pounds; but I do have something to say with reference to the injustice of it.

A great war has been made by the shoe manufacturers and the leather tanners against any duty at all on hides. They have organized a combination by which they have sent letters all over this country; for I take it for granted that they have bombarded the Senators from every State of the Union as they have the two Senators from the State of Mississippi—and I know as to these two Senators—with letters asking that you "join in a fight against the packer trust, and therefore vote for free hides." I was talking the other day to one of these men, a shoe manufacturer, one of the largest, if not the largest, in the United States, who came to see me for free hides. I said to him: "You have sent your letters out all through the State of Mississippi. You have sent them out into the country, and you have had my colleague and me bombarded with letters from these people asking us to vote for free hides, because you have told them that this is a fight that they are making against the packers; and they are making that fight, as you

told them, in order to get cheaper shoes." "Well," he said, "I am willing to have free leather and free shoes." "But," I said, "have you made any combination with these people for free leather and shoes in which they are interested? Have you made any combination with them and urged them or urged anybody else to vote for free leather and free shoes? You say you are willing; but you have not stopped with your willingness to have free hides, but have made a fight for free hides. You have enlisted with you these men who are interested in a tariff on hides in a fight for free hides, when you are only willing to have free leather and free shoes."

Mr. President, the doctrine of protection finds its refutation in the minds of impartial men in the very wranglings you see on the other side of this Chamber in the discussion of this question. The consumer of hides is the tanner of the leather. The consumer of leather is the manufacturer of shoes. The consumer of the shoes and boots is the wearer of those shoes and boots. You find the consumer of hides, who is a protectionist upon what he sells, a free trader on that which he consumes. You find before this Senate the manufacturer of shoes a free trader on leather—that which he consumes—but he is a protectionist on shoes. At least he is a protectionist on that which he sells; he is a free trader upon that which he buys. The inequity and the injustice of the doctrine is nowhere better exemplified than in this very wrangle.

Mr. President if we can have the skins of all cattle put upon the dutiable list, as proposed by the amendment which I have offered, thereby putting all skins of cattle upon the dutiable list, then I favor putting a tax upon hides, unless we can also have free shoes and free leather. I will read the definition as contained in the amendment:

The word "hides" as used in this bill shall be understood to include all skins of any and all kinds of cattle, of any weight or size of such skins, however small.

Put that in, and there will be some justice in your contention. We must necessarily have revenue, and the tariff which produces this revenue must necessarily give some incidental protection to somebody. I will state that, while the State which I have the honor to represent in part does raise beeves, the hides of which will weigh 25 pounds and upward, it raises probably a larger proportion of hides that do not weigh that much. And I am not willing to say to the widow or to the poor farmer, who ekes out a living in the sweat of his face, according to the injunction of his Maker, "I will protect the man who drives a thousand steers to the market, and give him an advantage which I am not willing to give to you."

I am not willing to say that, and you ought not to say it. If you will do justice and right and equity, you will not say it. I favor free hides if we can also have free shoes and leather. Free shoes make shoes cheap to the wearer; free hides make hides cheap to the manufacturer of shoes.

I ask that the amendment to the amendment be adopted.

Mr. DANIEL. Mr. President, I rise for the purpose of making some few remarks on hides, raw materials, and platforms, three things a good deal correlated with each other.

Before I proceed, I wish to produce certain exhibits which I desire to embody in my remarks. I will ask, to start with, that some data on the lumber schedule by Mr. Z. W. Whitehead, of Norfolk, Va., who has studied that matter a good deal, may be printed as a document.

The PRESIDING OFFICER. Without objection, the request of the Senator from Virginia will be complied with.

Mr. DANIEL. I may not care to read all the tables which I shall submit and insert in my remarks. They are of a nature that this body is already made familiar with, and I ask that I may insert them at their proper places.

The PRESIDING OFFICER. The Chair hears no objection to the request of the Senator from Virginia.

Mr. DANIEL. I also wish to insert as an appendix to my remarks a collation from the expressions of Robert J. Walker, Secretary of the Treasury under President Polk, in his report on the tariff in 1846, to which I shall refer. I presume there will be no objection and the Senate will give me unanimous consent to insert this matter.

The PRESIDING OFFICER. The Senator from Virginia asks unanimous consent that the matter suggested may be inserted as an appendix to his remarks. Without objection, it is so ordered.

Mr. DANIEL. Poor mechanics are God's ambassadors to mankind. This is an expression, if I remember aright, from Benjamin Franklin. It is certainly worthy of him and of his practical wisdom which has been of great advantage to the whole people of the United States. He started his career as a poor working boy. Out of the wisdom of the mechanics and workers of the world has grown a great body of proverbial philosophy. One of them reads thus:

To him who hath a shoe under his foot the whole earth is covered with leather.

It contains the wisdom of the ages. It is found in the ancient Persian and also the ancient Sanscrit and percolates through literature. In short, it is one of those rugged maxims hewn from the life of man by those who plod in the ways of toil for the support of their families. It is worthy, in my judgment, of all acceptation.

CHEAP SHOES FOR UNIVERSAL BENEFIT.

There is no single item of this tariff bill which will carry more beneficence to every hearthstone in the United States than that which stands for free hides. Gentlemen may relieve themselves, I think, at this stage of our progress about accentuating and preserving every item of revenue. All battles have unexpected features. Those that I have seen lost were won before they were lost. Those that I have seen won were lost before they were won. And the fluctuations of the field of all of man's contentions, whether in political or in military life, are the constant astonishment of those who are engaged in them.

When this tariff bill commenced I had the honor to submit a somewhat crude amendment for a corporation tax to meet the deficit. It was designed as suggestive rather than as fully executive. It was instantly refused. I said nothing. In the meantime evolution has been going on in its work, and those who when this debate began stood against that tax in any form are now looking for the best form in which to express it and embody it in legislation.

The reason of the changed spirit and the realization of the overhanging deficit appears in the fact that President Taft has spoken.

It may be that the corporation tax of 2 per cent on net receipts, which he has recommended, will flourish only on the Senate side of Congress. It may disappear in the House of Representatives. If it does, inheritance tax or something else will take its place. In any event the hide tax no longer portends as a revenue necessity.

THE 15 PER CENT HIDE TAX LEVIED AT INSTANCE OF MEAT PACKERS.

Previous to 1842 there was no tariff tax on hides and skins. For thirty years thereafterwards, until 1872, there was a tariff tax of from 4 to 10 per cent. For the next quarter of a century or more, that is until 1897, they were free of duty. In the tariff act of 1897 15 per cent tax was put on cattle hides and no tax on other hides or skins. This occurred in the last days of Congress, which are always dangerous. This was not done at the request of the shoemakers. It was proclaimed to be for the benefit of the cattle raisers, but it is generally believed and has since been repeatedly stated, to have been done at the instance of the combined meat packers. I believe that information is true. As the meat packers originated the present hide tax so they by common repute are now its chief supporters and beneficiaries.

CATTLE NOT RAISED FOR THE SAKE OF HIDES, BUT ARE A BY-PRODUCT OF A FOOD PRODUCT.

Oranges and lemons are not raised for the sake of their rinds nor cattle for the sake of their hides. They are a by-product of a food product.

No man raises cattle for the sake of their hides.

No tariff can stimulate the production of cattle by putting a tax on the import of foreign hides.

There is no organization of labor for the production of hides; not even a single laborer is employed for the purpose of producing hides.

Cattle are raised for the purpose of making food.

They produce milk, butter, and cheese from year to year, and these products are, so to speak, the crops raised for family use from a few domestic cattle or for market use from many cattle.

The sheep produces successive crops of wool from year to year.

The hides of cattle are by-products, things aside from the principal yield of the herd, and arise only when the cattle are consumed.

The steer or cow is killed. The hide possesses some value. If it be taken care of and marketed, that value will be realized. If there be no opportunity to market the pelt, as may often happen, or if it be an isolated case, it is apt to be neglected and lost. The few domestic cattle around a farmhouse are not factors in the hide market and are not raised for their hides.

The hide is the rind just as lemon peel and orange peel are rinds. Nature made them to hold their contents, and their contents are the real thing for which they are raised and the real thing for which they are cultivated.

THE MULTIFARIOUS USES OF LEATHER.

The uses of leather are multifarious. The demand is constantly increasing, the supply comparatively diminishing.

The fact is art and utility alike constantly call for its assistance.

On the farm not only the boot and shoe but the horse boot, the bridle, the saddle, the harness, the lines, the straps, the whip, the saddlebags, the pouches, appeal to leather. As civilization advances, they will appeal the more and more, and where will the leather come from?

The "Leather-smith" has a catalogue of his sculptured wares. Leather draperies, leather screens, and leather chairs with their embossments adorn the great halls, drawing rooms, parlors, and dining rooms. Mural panels and wall coverings also adorn them.

In the offices of professional men, as well as in the homes, are books covered with leather; and the sofas, divans, and office and dining chairs are also so covered.

Leather, indeed, pervades the camp, the field, the grove, the home, and the office.

Everything on wheels is helped by leather—the carriage, the buggy, the wagon, railway car, and street car, automobiles, bicycles, and the small vehicles of children.

Among the articles made out of leather may be mentioned carriage and buggy tops, cushions and curtains, seats of dining, smoking, and street cars, and various minor trimmings. The traveler's heavy trunk, suit case, traveling bag, the dressing case, the writing case, the flask, the medicine case, the razor strop, the jewel case, the handbag, steamer rugs, shawl straps, the pocketbook, and the cigar case all make drafts on leather. Surgical-instrument cases and medicine bags, brief bags, and specie bags, walking canes and umbrellas, leggins and hat bands, sword slings, gun slings, sheaths, scabbards, pistol hostiers, field-glass and opera-glass cases, dog collars, and the whole family of belts that are used in heavy machinery or around the waist, golf bags, fishing-tackle bags, and other things too numerous to mention.

WHAT IS THE PREDICATE OF A TAX ON HIDES?

Let me ask, Mr. President, what is the predicate of a tax on hides? Foreign cattle in general are under tariff taxes laid by the act of the Congress of the United States. They realize revenue out of all importers who bring into this country the animals such as the American farmers raise and may operate in more or less degree in a protective sense. The Mexican cattle may look across the Rio Grande and may low for the broad plains of Texas, but they can not get across the river until the owner has paid the tariff duty into the Treasury of the United States. Such is also the case with cattle importations from Canada or elsewhere.

I shall presently show the varied forms which embrace every specimen of the bovine tribe, old and young, and put around it such taxation as may possibly increase the cost of living, and certainly increases the cost of getting it into this country or of dealing with it.

THE HIDE TAX IS NOT WORTH THE CANDLE.

John Philpot Curran was once asked what a doldrum was. The great wit, orator, and lawyer replied:

A doldrum is a contingent remainder without any particular estate to support it.

That is the hide tax in this tariff bill.

I admit it yields considerable revenue. But a large portion of that revenue returns in drawback. Instead of having great anxiety about that revenue now, we know from a reasonable conjecture that the deficit will be otherwise provided for.

This hide tax is not worth to the United States all it puts into the Treasury, for the reason that it increases the cost of everything that the people need that is made of leather.

THE FIRST IMPLEMENT OF AGRICULTURE IS THE FARMER'S SHOE.

The first implement of agriculture in this country is, ahead of the reaper and the mower, ahead of the plow, or the hoe, or the spade—ahead of all that long list of things which my distinguished friend from Mississippi [Mr. MCLAURIN] grouped together and tried to get the Senate to pass in a lump—is the farmer's shoes. The farmer is an outdoor man. The shoe is his first necessity——

Mr. MCLAURIN. Mr. President——

The PRESIDING OFFICER. Does the Senator from Virginia yield to the Senator from Mississippi?

Mr. DANIEL. For any enlightenment I will yield, but I did not interrupt the Senator, although I had given notice to speak.

Mr. MCLAURIN. I should like to ask the Senator if he is willing to vote for free leather and free shoes and free hides?

Mr. DANIEL. I will come to that in time, and I prefer not to be interrupted in my time. Thanks to the courtesy of the Senator. Yes; I will surely vote for substantial reductions on the products of leather. I am in somewhat the same mood about that that the Senator from Mississippi is, but I hope not to be interrupted when I am trying to develop in some orderly array the ideas which control my judgment. It breaks the thread of one's remarks.

I was saying, Mr. President, that the sovereign implement that the farmer of this country wants and needs is the shoe under his foot. Without that shoe he is in a rocky and thorny wilderness. With it, he is on carpet. He rises with the sun. He does not cease his labor until the going down thereof. In whatever climate, whether upon the plain or upon the mountain, whether in the rough field or road or among forest thorns and other impediments, the farmer needs that shoe as the primary part of his equipment. If you will sum up the necessaries of life, things without which life and utility can not be rightly sustained, the cheap shoe is the very next thing to food, and is the most helpful thing wherewithal to get food, whether for the huntsman, the laborer, or the agriculturist.

FREE HIDES A PERVASIVE NATIONAL ITEM.

This is the most national item of this bill. It will be for the benefit of every man, woman, and child in every State, county, city, and countryside of the whole United States, as well as for those on the hard streets of all the cities. It applies to all races and all conditions and all ranks of the human race. The king as well as the peasant, the serving man as well as the employer, the soldier who marches to battle, the sailor who stands upon the quarterdeck, every man, no matter who he is, what he is, or where he is, wants a cheap shoe. It is the outspring of universal benevolence to help him to get it.

ALL THE NATIONS AND ALL PEOPLES FROM THE DAWN OF HISTORY HAVE NEEDED SHOES.

Every great nation of this earth and the people of all times from the dawn of human history have appreciated this fact, and it is the fundamental, progressive, widespread, pervasive, and ought to be the conquering fact in this case.

The great nations of Europe make hides free of tariff burdens. Such, at least, is the case with Great Britain and Ireland, Germany, France, Austria-Hungary, Italy, the Netherlands, Norway, and Denmark. So does our neighbor Canada. Shall we handicap the United States as their competitor and give them the vantage ground?

If the foot of man had ended in a hoof, and if that masterpiece of the Creator for the work of man of mechanical ingenuity—the human hand—had ended in another hoof or a claw, humanity in its long progress of civilization, of refinement and skill would still be kicking and scratching itself to death. The dreams of art and science, of progress, and of general development would have been vain and iridescent.

NOTHING LIKE LEATHER.

The shoemaker has studied out this problem with his last and knife near by. He says, "There is nothing like leather."

We are all prone to exalt our own vocations, but the shoemaker was as near right as any other of his competitive brothers.

When the farmer has equipped himself with a shoe he is only the companion of everybody else. Nobody is dressed for the day's work until he has put on his shoes. So let us reflect this hoary tribute of wisdom and carry it in our minds, that the shoe which we are trying to make cheap is the prime necessity of all mankind.

UNIVERSAL SHORTAGE OF HIDES AND LEATHER.

A second fact, Mr. President, which fixes itself in our minds is this: Our own country as well as the world of to-day has a shortage of leather. Third, the world of to-morrow, if we may approach its course of evolution, is going to progress in shortage and not in abundance of leather.

There are over eighty millions of human creatures in this land. There are 28,000,000 horses and mules in this country also. To supply these 80,000,000 men, women, and children with shoes is a great job, a tremendous proposition that comes home to everybody. It takes 160,000,000 shoes to equip the feet of the people of this country; and all draft animals swell the account for harness and other trappings.

THE WORKINGMAN NEEDS SHOES FOR HIMSELF AND HIS FAMILY.

He is in exactly the same predicament as the farmer. He can not go to his work until he has put on his shoes. As a rule, he has to stand in his shoes all day, or to scuffle around, whatever may be the calling of his duty, with those shoes on.

The Indian had first to get his moccasin. The man of the desert had to get his sandals. It has been the problem of life

from the year one, which presents itself to the man of a family and to the family itself, *first*, how to get bread; *second*, how to get shod that he may get bread. So the two are of equal and companionable dignity. The little tot that stands alone dreams of the shoe until it gets it and has it, and the old man and the woman and the child follow the example. From the cavalry boot to my lady's slipper, the shoe, the shoe, is the constant theme of meditation and of progress.

CATTLE DIMINISHING AS COMPARED TO POPULATION.

The gap between demand and supply constantly widens.

Now, Mr. President, the cattle of the world that supply the shoes are, comparatively with demand, a diminishing quantity. The people who need shoes are a daily and hourly and momentarily increasing number. The gap between the inevitable desire to get the shoe and the capacity to get it is a constant widening breach between man and his necessities. The man who now widens that breach is in a late day of civilization of the earth to attempt it. The man who helps to close that breach is the friend of the human race, and most of all the friend of the poor, who have the smallest margins upon which to acquire what they need.

CATTLE IN VIRGINIA DECREASED FOR THREE SUCCESSIVE DECADES.

In Virginia, according to the census of 1900, there were 663,459 neat cattle, compared to 747,334 in 1890, and 686,184 in 1880, showing a decline in two successive decades.

In these same three decades Virginia had, in 1900, 1,854,184 people; in 1890, 1,655,980; and in 1880, 1,512,565. So it appears that during three decades the population was increasing and the cattle decreasing.

DISCREPANCY IN THE WORLD AT LARGE MUCH GREATER.

The population of the world is more than three persons to one of cattle. The report of our experts is to the effect that while the shortage between persons and cattle is in the proportion of about seventy to eighty millions, or about seven-eighths of a farm animal to the person in the United States, in the world at large there is a much greater discrepancy—that is, today it is about one of cattle to three of people.

Year.	Country.	Total cattle.	Dairy cows.	Population.
1908....	United States, except Philippines	73,246,573	22,244,446	85,216,000
1906....	Canada	7,187,033	2,635,369	6,441,000
1906....	Central America and West Indies	9,963,429	----------	24,915,000
1906....	South America	72,334,623	----------	29,518,000
1906....	Europe	127,423,308	----------	458,503,000
1906....	Asia	109,189,770	----------	891,381,000
1906....	Africa	9,897,211	----------	63,795,000
1906....	Australia and Oceania	11,310,254	----------	4,018,000
	Total	420,552,211	----------	1,563,817,000

Cattle in United States, Statistical Abstract of the United States, page 112.
Cattle in other countries, Yearbook, Department of Agriculture, 1907, pages 698-699.
Population, Statistical Abstract of the United States, pages 732-733.
Asia, Africa, and Brazil are estimated.

World's population	1,563,817,000
World's cattle	420,552,211
	1,143,264,789

The cattle of the world is less than the persons.

DEMOCRACY FOR CHEAP NECESSARIES OF LIFE.

It is historic to the Democratic party that from its birth until to-day it has stood in the market place and preached to the people the smallest possible charge on the necessaries of life, the largest charge upon its luxuries for revenue.

Shall we Democrats stand and refuse to grant to the widespread and constant voice of the American people the freest shoe that the law can help to make it possible for the American citizen to get? Shall we go against and deny the faith which has given to the Democratic party that prolongation of its longevity, which nothing else would have imparted to it?

NOT ONE OF THE BOVINE RACE FOR EACH ONE OF THE HUMAN RACE IN THIS COUNTRY.

As I have said, there are some 80,000,000 of folk in this country, and there is not one representative of the bovine race for each of them; only seventy-odd million cattle of all kinds for 80,000,000 people. Only a fraction of the cattle can help to supply shoes. All the people need them. Which had we best serve? Which do we think of most? We should be for the man, for the woman, and for the child.

Mr. President, it may almost be a proverb of politics that no man likes a tax which he himself has to pay. It is almost an inevitable and invariable correlative that every man likes a tax that he can foist off on some one else to pay, he gathering some advantage in the shadow of the other man's burden. No man in this country that I know of wants a tax on hides, unless he perceives advantage to his community, State, or country.

REASONS WHY FARMERS GET LESS FROM GOVERNMENT THAN OTHER CLASSES.

It is also true that the farmers are, as a rule, a class which do not get out of the Government as much as they put into it. They do not put into the urn of patriotism a shilling and get a dollar out; they put into that urn a dollar, and they are very fortunate if they get a shilling out.

But, Mr. President, the farmers in the administrations of our modern governments are not altogether lost sight of. If by some neglected, they are by many not forgotten.

FARMERS' PRODUCTS LITTLE REACHED BY TARIFF.

A conspicuous reason to-day why the farmers get less benefit from government than others lies, first, in the fact that their vast products which go abroad can not be reached by tariff taxes, which only apply to articles coming into our ports.

FARMERS PAY FOR ENHANCED PRICES FOR TARIFF-PROTECTED ARTICLES.

The second reason is because the vast number of articles which the farmers have to buy for their family consumption and for their agricultural use, as a rule, consist of things which they do not produce and must be purchased by the enhanced prices which our tariff laws impose.

FARMERS A SCATTERED PEOPLE.

A third reason may be found in the fact that the farmers are isolated. They are a scattered people. They can not concentrate their efforts and exert them organically and readily, as the compact populations can.

It is also true, and our laws now reflect the fact, whether they emanate from Republican or Democratic sources, that the farmer is getting more consideration from government, at least in name, than formerly. Much of this consideration is more specious than solid and more showy than substantial.

TAXATION ON FARM ANIMALS COMING IN FROM ABROAD.

The farmer is surrounded by taxes provided to ward off his competitors of the Old World and the New.

A tariff, ranging from $2 to $3.75 a head, or an ad valorem tax of 27½ per cent, is fixed on the entry of foreign cattle. Horses and mules come next, and those valued at $150 *or less* per head must pay $30 tariff tax per head.

Swine are taxed $1.50 per head.

Horses and mules, valued at $150 or less per head, must pay $30 per head on importation; if valued at over $150, 25 per cent ad valorem.

Sheep 1 year old or older, $1.50 per head; less than 1 year old, 75 cents per head.

Every kind of an animal that is imported from anywhere, whether for domestic use or as a curiosity, has a burden of 25 per cent tariff tax attached the moment it arrives.

All other live animals, not specially provided for in this section, 25 per cent ad valorem.

THE WOOL TAX.

General Grant in his time recommended making wool free.

Cleveland came along and urged many free raw materials, including wool. Free wool was enacted, but with the defeat of Cleveland the duty on wool was put back and the tax on its products increased.

The wool tax has become a terrific burden. Those who have put so much tax on wool are now getting that tax all over themselves, whether in sleeping or waking, for their clothes and blankets are heavily charged with high duties.

The North pays more wool tax than the South proportionately, for the simple reason that the northern climate is severer than the southern and requires greater protection to the citizen from the cold.

The South can get along more easily with cotton, while the North must get along with greater difficulty without wool.

If the people wish to saddle themselves with these high and scarce interpretable wool and cotton taxes, they, nevertheless, bear heavier on those north of Virginia than on those south of it.

The North is able to pay for them, and if they enjoy the luxury, the South can reflect that its people impose the burden upon themselves, and the burden falls in less degree, from the nature of the case, than their more southern fellow-citizens.

OTHER TARIFF RATES ON AGRICULTURAL PRODUCTS AND PROVISIONS.

In an ocean of icebergs of heavily protected articles he must buy, the farmer has many taxes on articles he produces. Many of them are for the show case rather than the counter. A few help the prices of his products. The articles are in section 227 of the tariff bill.

227. Barley, thirty cents per bushel of forty-eight pounds. 228. Barley malt, forty-five cents per bushel of thirty-four pounds. 229. Barley, pearled, patent, or hulled, two cents per pound. 229½. Broom corn, three dollars per ton. 230. Buckwheat, fifteen cents per bushel of forty-eight pounds; buckwheat flour, twenty-five per centum ad valorem. 231. Corn or maize, fifteen cents per bushel of fifty-six pounds. 232. Corn meal, forty cents per one hundred pounds. 233. Macaroni, vermicelli, and all similar preparations, one and one-half cents per pound. 234. Oats, twenty cents per bushel. 235. Oatmeal and rolled oats, one cent per pound; oat hulls, ten cents per hundred pounds. 236. Rice, cleaned, two cents per pound; uncleaned rice, or rice free of the outer hull and still having the inner cuticle on, one and one-fourth cents per pound; rice flour, and rice meal, and rice broken which will pass through a number twelve wire sieve of a kind prescribed by the Secretary of the Treasury, one-fourth of one cent per pound; paddy, or rice having the outer hull on, three-fourths of one cent per pound. 237. Rye, twenty cents per bushel; rye flour, one-half of one cent per pound. 238. Wheat, thirty cents per bushel. 239. Wheat flour and semolina, twenty-five per centum ad valorem. 240. Biscuits, bread, wafers, and similar articles, not sweetened and not specially provided for in this section, twenty per centum ad valorem; biscuits, wafers, cakes, and other baked articles, by whatever name known, composed of eggs, flour, or meal of any kind, or other material, when sweetened with sugar, honey, molasses, or other material, or combined with chocolate, nuts, fruit, or confectionery of any kind, or both so sweetened and combined, and without regard to the component material of chief value, fifty per centum ad valorem. 241. Butter, and substitutes therefor, six cents per pound. 242. Cheese, and substitutes therefor, six cents per pound. 243. Milk, fresh, two cents per gallon; cream, five cents per gallon. 244. Milk, preserved or condensed, or sterilized by heating or other processes, including weight of immediate coverings, two cents per pound; sugar of milk, five cents per pound. 245. Beans, forty-five cents per bushel of sixty pounds. 246. Beets, twenty-five per centum ad valorem; sugar beets, ten per centum ad valorem. 247. Beans, pease, mushrooms, and truffles, prepared or preserved, or contained in tins, jars, bottles, or similar packages, two and one-half cents per pound, including the weight of immediate coverings; mushrooms, cut, sliced, or dried, in undivided packages containing not less than five pounds, two and one-half cents per pound. 248. Vegetables, if cut, sliced, or otherwise reduced in size, or if parched or roasted, or if pickled, or packed in salt, brine, oil, or prepared in any way; any of the foregoing not specially provided for in this section, and bean stick or bean cake, miso, and similar products, forty per centum ad valorem. 249. Pickles, including pickled nuts, sauces of all kinds, not specially provided for in this section, and fish paste or sauce, forty per centum ad valorem. 250. Cabbages, three cents each. 251. Cider, five cents per gallon. 252. Eggs, not specially provided for in this section, five cents per dozen. 253. Eggs, dried, fifteen cents per pound; eggs, yolk of, twenty-five per centum ad valorem; albumen, egg or blood, three cents per pound; dried blood, when soluble, one and one-half cents per pound. 254. Hay, four dollars per ton. 255. Honey, twenty cents per gallon. 256. Hops, twenty cents per pound; hop extract and lupulin, fifty per centum ad valorem. 257. Onions, forty cents per bushel of fifty-seven pounds; garlic, one cent per pound. 258. Pease, green, in bulk or in barrels, sacks, or similar packages, twenty-five cents per bushel of sixty pounds; seed pease, forty cents per bushel of sixty pounds; pease, dried, not specially provided for in this section, twenty-five cents per bushel; split pease, forty-five cents per bushel of sixty pounds; pease in cartons, papers, or other small packages, one cent per pound. 259. Orchids, palms, azaleas, and all other decorative or greenhouse plants and cut flowers, preserved or fresh, twenty-five per centum ad valorem; lily of the valley pips, tulip, narcissus, begonia, and gloxinia bulbs, one dollar per thousand; hyacinth, astilbe, dielytra, and lily of the valley clumps, two dollars and fifty cents per thousand; lily bulbs and calla bulbs, five dollars per thousand; peony, Iris Kaempferii or Germanica, canna, dahlia, and amaryllis bulbs, ten dollars per thousand; all other bulbs, bulbous roots or corms which are cultivated for their flowers or foliage, fifty cents per thousand.

These losses in section 227 of the tariff bill are often illusive.

WHAT IS A HIDE?

Mr. President, what is a hide? My distinguished friend from Mississippi [Mr. McLAURIN] has been going over the tariff. I fear the effect of his propositions would be not only to keep the tax on the shoes of the farmers and the workingmen of the country, but to keep out the finer skins that are already free.

Mr. McLAURIN. Mr. President, I must ask the Senator to let me correct that statement, because I have expressly stated that I was in favor of free shoes, free leather, and free hides; but if we are going to have a tariff on shoes and leather, then I am in favor of a tariff on hides. I have tried to make myself understood.

Mr. DANIEL. Mr. President, I do not believe in taking two bites at a cherry, neither do I believe in taking three bites out of the middle of a tariff bill when you have not made the first step toward getting there, but merely have spoken against it. When I have proved the faith that is in me in voting for free hides, I shall do my best to persuade my colleagues to come down on things that have their base, as they think, in hides, and shall vote that way myself.

Mr. McLAURIN. I must again be permitted to say that I have not spoken against it.

Mr. DANIEL. You have spoken on a tariff on hides.

Mr. McLAURIN. I spoke for a tariff on hides if we are going to have a tariff on leather and shoes; and if the Senator has stated whether he is in favor of a tariff on shoes and leather I have not heard of it.

Mr. DANIEL. I have not, but I have indicated it. I can not say everything in one sentence. I propose to come to that. I have stated here on the floor, as a prelude, my favorable views in that direction.

Mr. McLAURIN. I have not heard it, Mr. President.

Mr. DANIEL. That may be true, because perhaps of our frequent calls to the reception room and the committee rooms, or to our own office with a crowd of visitors on business all the time.

Mr. McLAURIN. I presume I stay here a great deal more than the Senator from Virginia does.

Mr. DANIEL. You certainly stay here a good deal more than I should like to if I could help myself, but I have been steadily in attendance, either in this Chamber or in the office near by. When you can get the ground sills out from under a house, you have the best chance to have that house come down. But if you go to renew or to fortify the sills or the superstructure you strengthen the whole house. I am going to vote to have this shoe and leather house come down.

I have already read to the Senate and interpolated into the remarks of another Senator the declaration of Governor Douglas, of Massachusetts, distinguished as a shoe manufacturer, that he would be glad to see all the tariff taken off of shoes. I have not heard the Senator quote anything like that. I have contributed something in that direction, and some of the tariff is already off in this very amended proposition. Nobody can give assurance that free hides will surely bring about cheaper shoes or other things, but that is their tendency, and from some quarters the promise.

MANUFACTURERS WHO WANT NO PROTECTION ON FINISHED PRODUCTS.

There was a colloquy between the Senator from Texas [Mr. CULBERSON], the Senator from Massachusetts [Mr. LODGE], and myself, which is in the RECORD of June 19, the day of the discussion, pages 3507–3508. In that colloquy Senator CULBERSON quoted a letter from The Wolfe Brothers Shoe Company, of Columbus, Ohio, and I one from Governor Douglas, of Massachusetts, a leading shoe manufacturer. The colloquy was as follows:

Mr. CULBERSON. Mr. President——

The VICE-PRESIDENT. Does the Senator from Massachusetts yield to the Senator from Texas?

Mr. LODGE. I do.

Mr. CULBERSON. The Senator from West Virginia [Mr. ELKINS] asked the Senator from Massachusetts if he would vote for free shoes and free hides. I do not know that I caught the answer.

Mr. LODGE. My answer was no, Mr. President.

Mr. CULBERSON. Would the Senator permit me on that subject to read four or five lines from a shoe manufacturer on that subject, which I happen to have preserved?

Mr. LODGE. Certainly. I have no objection.

Mr. CULBERSON. It is addressed to me. I presume all Senators had one of the same kind, but I happened to preserve this one.

THE WOLFE BROTHERS SHOE COMPANY,
Columbus, Ohio, March 29, 1909.

Senator CHARLES A. CULBERSON,
Washington, D. C.

DEAR SIR: As one of the largest manufacturers of shoes in the country, we urge you to lend your influence to place shoes on the free list.

The American shoe manufacturer needs no protection. With free hides and cheap raw material the American shoemaker can shoe the world.

Very respectfully,

THE WOLFE BROS. SHOE CO.,
R. F. WOLFE, *President.*

I would be glad to have the observations of the Senator from Massachusetts with reference to this reciprocal proposition from Ohio.

Mr. LODGE. That letter was produced in the House of Representatives, and it is entirely familiar to me. There are certain——

Mr. DANIEL. If I do not interrupt the Senator from Massachusetts, I should like to lay before him and the Senate for their consideration another declaration made to the same effect by Governor Douglas, one of the leading shoe men of the country. I refer to William L. Douglas, late governor of Massachusetts. Here is what he says on this subject:

All we ask is a fair field, and no favor either in our own or in foreign markets. Take away the duties that prevent us from obtaining leather at the same prices paid by our foreign competitors and we will not only hold our own market, with or without a duty on shoes, but we will invade foreign markets on an extensive scale. In doing so we will provide additional work and good wages for our boot and shoe workers.

That is from Governor Douglas.

Mr. LODGE. Yes, I have the letter here. I think Governor Douglas altered his views a little on that point subsequently, but the fact is that there are certain grades of shoes that require no protective duty at all. There are other grades of shoes which are exposed to competition, and they are not the shoes affected by the dutiable hides. They are the finer grades, chiefly women's and children's shoes. That branch of the manufacture—and it occurs in certain towns in my State—has taken no interest in the free-hide agitation. They prefer to let the duty remain on everything. But from my point of view it is necessary to look at what is the general interest of the entire industry, and it seems to me and has seemed all along that the interests of the industry would be in free hides and much lower duties than are now imposed by the Dingley law.

Mr. DANIEL. Will the Senator permit me again for just a moment?

Mr. LODGE. Certainly.

Mr. DANIEL. I have received a bushel or more of mail on this matter, and I have read everything that came; and I notice it is a very frequent expression of the manufacturers that if you will remove the hide-tax impediment, which is a very remote and very small interest of the farmers, they are ready and anxious to make their assault on the world's markets. They are at such a degree of perfection and readiness to work that, if you will not impede them in that work, they can hold themselves in advance of the world on the subject of shoes.

Now my question is this: The Senator is more familiar with the status of affairs than I am. I should like to ask him what reduction in the finished product he is willing to favor? I expect to vote for

free hides, because I think it is a great step in the right direction, but I should like also to go as much further as is possible.

Mr. LODGE. I think the reductions made by the House were sufficient.

WHAT IS A HIDE AS THE APPRAISERS DETERMINE?

Now, what is a hide? I have before me what the general appraisers of the country say a hide is. The general appraisers of the United States have fixed a dividing line between skins and hides. A green hide is fixed as weighing 25 pounds, a dried hide as weighing 12 pounds. A green hide weighing less than 25 pounds and a dried hide weighing less than 12 pounds are held to be free of duty, as are skins.

So you will perceive that there is progress in some lines of freer trade both as to hides and as to skins. I want to take now all the steps that I can get other people to agree with me to take, just as the Senator did; but I do not see why I should throw a bucket of cold water down my colleague's back by meeting him at the threshold and saying "Do not touch these hides."

See the Tariff Notes, which have been furnished to the Senate, at page 792, for what is a hide.

It should be noted that the 15 per cent tax on hides does not apply to any raw hide weighing less than 25 pounds, nor to a dried hide weighing less than 12 pounds.

The majority of the hides of the farmers weigh under these figures. Hence the tariff does not concern them. Such hides now come in free from abroad, and the tariff proposed does not affect their value or in anywise benefit the farmer, even if on the larger hides it did.

THE MEAT TARIFF.

The next item that moves toward the building up of the value of the American cattle is the meat tariff. The tariff having caught the foreign live animal at the border, puts $2 to $3.75 of taxation on him. Now it proceeds to utilize him. The bill puts a tariff on his meat; that is the most valuable part of him. A fine steak sells for much more per pound than a hide, though it does not last so long.

Then there is a tariff on beef, at 5 cents per pound less 20 per cent; on veal, at 2 cents per pound, and so on; on mutton, pork, venison, and game, except birds; on bacon, 5 cents a pound; meats of all kinds; and bologna sausage. On the extract of meat, on lard, on poultry, on tallow, on wool, on grease is put a tariff. So that the tariff takes the beef and other farm animals apart. It salts the carcass in tariff in all of its parts, as well as in the whole, to start with. And yet you are not done. I desire to insert this as one of the tables that I wish, sir, placed in my remarks.

The PRESIDING OFFICER. Without objection, the table will be inserted.

The table referred to is as follows:

Schedule G—Agricultural products and provisions.

Paragraph of Senate bill.	Classification of present law (act of 1897). Italics indicate H. R. 1438, as reported by Committee on Finance to the United States Senate.	Imports for consumption, year ending June 30, 1907. Quantity.	Value.	Average value.	Exports, year ending June 30, 1907 (value).	Census of manufactures, calendar year 1904. Wages.	Value of products.
	Meat products:						
280	Bacon and hams ..... lbs..	475,426.85	$102,101.19	$0.215	$50,169,179	.....	$132,210,611
	Do. (reciprocity with Cuba) ..... lbs..	99.00	33.00	.333	.....	.....	.....
281	Beef ..... lbs..	378,321.50	41,609.85	.11	26,367,287	.....	247,096,724
	Veal ..... lbs..	59,405.00	7,179.00	.121	.....	.....	12,856,369
	Mutton ..... lbs..	368,452.00	31,337.78	.085	83,874	.....	36,880,455
	Pork ..... lbs..	196,300.00	28,857.41	.147	1,143,886	.....	91,749,323
	Do. (reciprocity with Cuba) ..... lbs..	50.00	5.00	.10	.....	.....	.....
	(L) Venison ..... lbs..	102,310.00	14,242.30	.139	.....	.....	.....
	(L) Game, except birds, *2 cents per pound.*						
282	Meats of all kinds, prepared or preserved, not specially provided for	.....	408,172.39	.....	25,298,250	.....	174,028,562
	Do. (reciprocity with Cuba)	.....	264.00	.....	.....	.....	.....
	Bologna sausage ..... lbs..	450,762.00	121,124.20	.269	.....	.....	.....
283	Extract of meat—						
	Fluid ..... lbs..	19,772.50	13,702.00	.693	.....	.....	.....
	All other, n. s. p. f. ..... lbs..	107,924.00	201,869.00	1.87	.....	.....	.....
284	Lard ..... lbs..	4,011.00	395.35	.099	63,664,890	.....	88,669,565
	Do. (reciprocity with Cuba) ..... lbs..	10.00	1.00	.10	.....	.....	.....
285	Poultry—						
	Live ..... lbs..	565,826.95	65,440.92	.116	1,086,618	.....	9,579,718
	Dressed (dead) ..... lbs..	134,706.20	29,104.87	.216			
286	Tallow ..... lbs..	421,305.50	29,733.00	.071	7,182,688	.....	.....
	Do. (reciprocity with Cuba) ..... lbs..	3,570.00	192.00	.054	.....	.....	.....
	Wool grease, including degras, or brown wool grease .... lbs..	14,027,242.00	266,749.05	.018	.....	.....	.....

Paragraph of Senate bill.	Classification of present law (act of 1897). Italics indicate H. R. 1438, as reported by Committee on Finance to the United States Senate.	Rates of duty under— Present law (Dingley Act).	House bill (Payne).	Senate bill (Aldrich).	Revenue under— Present law.	Senate bill.	Equivalent ad valorems. Present law.	Senate bill.
	Meat products:						*P. ct.*	*P. ct.*
280	Bacon and hams ..... lbs..	5 cents per pound	4 cents per pound	5 cents per pound	$23,771.36	$23,771.36	23.28	23.28
	Do. (reciprocity with Cuba) ... lbs..	5 cents per pound less 20 per cent.	4 cents per pound less 20 per cent.	5 cents per pound less 20 per cent.	3.96	3.96	12.00	12.00
281	Beef ..... lbs..	2 cents per pound	1½ cents per pound ...	2 cents per pound	7,566.43	7,566.43	18.19	18.19
	Veal ..... lbs..	2 cents per pound	1½ cents per pound ...	2 cents per pound	1,188.10	1,188.10	16.55	16.55
	Mutton ..... lbs..	2 cents per pound	1½ cents per pound ...	2 cents per pound	7,369.04	7,369.04	23.51	23.51
	Pork ..... lbs..	2 cents per pound	1½ cents per pound ...	2 cents per pound	3,926.00	3,926.00	13.61	13.61
	Do. (reciprocity with Cuba) ... lbs..	2 cents per pound less 20 per cent.	1½ cents per pound less 20 per cent.	2 cents per pound less 20 per cent.	.80	.80	16.00	16.00
	(L) Venison ..... lbs..	2 cents per pound	1½ cents per pound ...	2 cents per pound	2,046.20	2,046.20	14.37	14.37
	(L) Game, except birds, *2 cents per pound.*							
282	Meats of all kinds, prepared or preserved, not specially provided for.	25 per cent	25 per cent	25 per cent	102,043.11	102,043.11	25.00	25.00
	Do. (reciprocity with Cuba)	25 per cent less 20 per cent.	25 per cent less 20 per cent.	25 per cent less 20 per cent.	52.80	52.80	20.00	20.00
	Bologna sausage ..... lbs..	Free	Free	25 per cent	.....	30,281.05	Free.	25.00
283	Extract of meat—							
	Fluid ..... lbs..	15 cents per pound ...	15 cents per pound ...	15 cents per pound ...	2,965.88	2,965.88	21.65	21.65
	All other, n. s. p. f. ..... lbs..	35 cents per pound ...	35 cents per pound ...	35 cents per pound ...	37,773.46	37,773.46	18.71	18.71
284	Lard ..... lbs..	2 cents per pound	1½ cents per pound ...	2 cents per pound	80.22	80.22	20.29	20.29
	Do. (reciprocity with Cuba) ... lbs..	2 cents per pound less 20 per cent.	1½ cents per pound less 20 per cent.	2 cents per pound less 20 per cent.	.16	.16	16.00	16.00
285	Poultry—							
	Live ..... lbs..	3 cents per pound	3 cents per pound	3 cents per pound	16,974.84	16,974.84	25.94	25.94
	Dressed (dead) ..... lbs..	5 cents per pound	5 cents per pound	5 cents per pound	6,735.30	6,735.40	23.14	23.14
286	Tallow ..... lbs..	½ cent per pound	Free of duty	½ cent per pound	3,159.82	2,106.53	10.63	7.08
	Do. (reciprocity with Cuba) ... lbs..	½ cent per pound less 20 per cent.	Free of duty	½ cent per pound less 20 per cent.	21.42	14.30	11.16	7.45
	Wool grease, including degras, or brown wool grease, lbs.	½ cent per pound	½ cent per pound	½ cent per pound	70,136.21	70,136.21	26.29	26.29
	Crude and not refined	.....	¼ cent per pound	¼ cent per pound	.....	.....	.....	.....
	Refined, n. s. p. f	.....	½ cent per pound	½ cent per pound	.....	.....	.....	.....

MEAT INSPECTION.

Mr. DANIEL. Then, Mr. President, in order that the farmers and the people of this country may not be imposed upon there is a meat inspection. The officers of the United States—experts, practiced, at high salaries—go to "the jungle" where the beef cattle are slaughtered, and before the meat goes out, and in order that we may not have bad meat competition with good meat, the inspection is provided. It is a just protection, not of tariff but of police regulation. Like other Democrats, and Republicans alike, I have supported it for the benefit of all the people, and the sake of that popularity for our products which helps them both at home and abroad.

Cleanliness and sanitation and market prices are all subserved. "Cleanliness," said John Wesley, "is next to godliness;" we get next to it by these processes. It is true we must pay a good price, but they are worth it; and commerce is not like religion, without money and without price. We must pay heavily in the thousands and tens of thousands of dollars for the farmer's cattle and for the citizen's appetite. To guard them both, there is a pure-food law. Next comes a great medical and scientific establishment of this Government—the quarantine—under the same guardianship which refined and philosophic people put over sick children. We examine the Texas steer, if there is any danger of his being diseased, before he crosses the line into Louisiana, North Carolina, or Virginia. If he has tuberculosis or any of the diseases and afflictions that bovine life is heir to, the Government holds him up, and, if necessary, kills him and exterminates him in order that he may not infect.

Look at the medical establishments; look at our surgeons; look at the quarantine officers; go out to the prairies; remember the difficulties we have had out there about fences. Why, Mr. President, many of the western cattle have been feeding on government lands from the time they were put out upon the broad prairies. I have known some of the officers who were sent out there to put up the fences; and I have discovered that some of them, who were known to be men of stern and honest character and were attending to their business, found little applause in the political galleries for these attentions. I know such a case, but I do not care to refer to it specifically. But all of the great and mighty and almost boundless West has been a cattle pasture from early times, and these cattle have fed upon the United States public lands or on the public lands that belong to States. I am not seeking to cast blame or reproach; I am stating the fact. In Texas, Wyoming, Idaho, New Mexico, and everywhere else, they have fed and continue in some places to feed——

Mr. WARREN. Mr. President——

Mr. DANIEL. And they have had more tariff thrust at them than ever was offered to other subjects.

The PRESIDING OFFICER. Does the Senator from Virginia yield to the Senator from Wyoming?

Mr. DANIEL. I do.

Mr. WARREN. I want to suggest to the Senator that it has been a very long time since Uncle Sam had any interest in Texas pasture lands——

Mr. DANIEL. Well, that may be now; but they were still up in Wyoming.

Mr. WARREN. Probably not in your lifetime or in mine.

Mr. DANIEL. How about Wyoming?

Mr. WARREN. So far as Wyoming is concerned there was a time, many years ago, when there was public domain, and the cattle roamed over it, as the Senator has so well expressed it; but that day has long since gone by, and there are very few free pastures now.

Mr. DANIEL. One trouble about the matter is this item of tariff, that has not got the labor of production behind it; and the great foundation of many tariffs, almost the sole foundation, is the difference between what we pay labor in this country and what it is paid in other countries less fortunate in their volumes of money and in their economic systems.

NO MAN EMPLOYED TO RAISE HIDES.

But no man living ever was employed to raise a hide. The tax is no stimulus to more cattle or better cattle. If all the philosophers and scientists, if all the inventors of the world, were to start to work to see if they could make a hide they would come back with the hide not made. You will not increase the number of cattle in this country one iota, in my opinion, you will not stimulate better cattle or more cattle anywhere, by putting any sort of a tariff on hides. It does not reach the hide until the hide has parted with the cattle.

Mr. President, cattle is a fading quantity of the world's economy, and becoming so in our own country. As our public lands are taken up, as population increases and moves westward, and as the demand for their meat increases they are becoming fewer and fewer everywhere in proportion. But from the roving steer, who is seeking to get over the border, to the tariff on meat; from the tariff on meat to meat inspection; from the inspection to the quarantine there will be found either tariff, or public expense and tax. And now, having rubbed tariff and tax all over the parts of the beef, all around the environment of the beef, all around the hospitals of the beef, all around the slaughter pens of the beef, satisfaction is not reached, for the voices say, "Oh, give us a tariff on his hide!" [Laughter.]

"FREE RAW MATERIAL" AS A CREED ADVOCATED BY ALEXANDER HAMILTON.

Mr. President, I will now revert to raw materials and to their status as a political creed and practice in this country. Free raw materials never have been and are not now the creed and platform declaration of any political party in the United States. I challenge the production of any plank that refutes my statement. So far as the great Democrat, Robert J. Walker, was concerned, he disowned it. Though I do not pretend to have been by any means an exhaustive student, the first notable place in which I find the declaration of "free raw material" is in the report of Alexander Hamilton on "Manufacturing."

Alexander Hamilton was a great man, one of the bravest of our Revolutionary soldiers; the aid-de-camp and right-hand man of Washington, and afterwards Secretary of the Treasury in his Cabinet. The highest aspiration that he had upon the battlefield was to be chosen as the man to lead those who went into a forlorn undertaking. He sought the welfare of his country, and he would have gladly laid down his life for it at any time. I admire him greatly, but I do not think that Alexander Hamilton was right when he predicated the protective system of this country upon free raw materials.

"IT IS AN ORIGINAL DEMOCRATIC DOCTRINE."

Some Democrats claim it is an original Democratic doctrine. I do not find it so. It can not be proved to be so. It belongs more, by the very nature of the case, to the protective system than it does to what you call the low-tariff system, which diffuses the tariff. Henry Clay was, like Hamilton, for free raw materials. The writings of our late distinguished colleague from Vermont, Senator Justin Morrill, show that "free raw materials" is a vein that runs through them. The same may be said of the chairman of the Finance Committee, Mr. ALDRICH of Rhode Island, and of Mr. Kelley of Pennsylvania, often called "Pig Iron Kelley." They have all preached, with such variations as fitted their own views, the doctrine of Alexander Hamilton. Wherever you find the high protectionist you are apt to find an advocate of free raw materials.

I come now to a later period; and I see in a New York paper occasionally that "free raw material" is a Democratic doctrine. It is the supposed Democratic doctrine of the man that is writing that particular editorial, but it never has been either the creed or the practice of the Democratic party. The Democratic teachings are historic teachings. They are cohesive. The broad faith of the Democracy is the pervasiveness of small tariffs over multitudes of articles.

NO GENERAL PRINCIPLE REGULATES EITHER RAW MATERIALS OF ALL KINDS OR FINISHED PRODUCTS AS TO WHETHER OR NO THEY BE TAXED.

No general principle can regulate a tariff on raw materials any more than a general principle can be laid down as a rule on finished products. The subject-matter is a matter of trade and exchange, no matter how raw it is and no matter how finished it is; it is the property of a citizen of this country, and all men know that the American principle is to classify our people as little as possible; to keep in the heart of every man the idea that he is as much considered by his Government as any other man, and has a right to be considered as much as every other man.

But, Mr. President, there is also this overreaching principle that should apply to all tariffs. If it is best for the whole country upon a general survey of the whole situation, and especially if it appears to be best for every man, woman, and child in that country with some tentative, some real benefit, to be fairly found, it is best to put on or to take off the tariff tax as the case may be. This is a humanitarian, patriotic equity that walks across every man's threshold and shakes hands with him. That is what the taking of this tax off of hides portends to do—the most humanitarian and equitable thing—which would do much good and no injustice.

DEMOCRATIC PLATFORMS.

Now I will refer to some Democratic platforms for the purpose of showing some material Democratic history on the subject of the party regard for labor, its opposition to free raw materials as a distinctive principle, and its action in my own State and in the country at large. In our recent discussion

reference has been made to the Denver Democratic platform of 1908 and to the votes of Democrats in the Senate and House against the abolition of revenue taxes on certain raw materials.

I will begin with the declaration of the Democratic leader of 1908. I have no disposition to criticise him here, nor to say aught against him. But he is like the rest of us. He can make mistakes. None of us can follow anybody else altogether. Republicans differ with President Taft about many things. None of us can follow anybody blankly or blindly. If George Washington were President to-day—and there is none whom we all so much reverence—he would be capable of making a mistake. He did make mistakes; he was human. Andrew Jackson did not hesitate to vote against him when he thought his duty required him to do it. Thomas Jefferson was of the same pattern, opposing opinions of Washington.

BRYAN'S OPPOSITION IN 1894 TO PLANK IN DEMOCRATIC PLATFORM.

Hon. William Jennings Bryan was a Member of the House of Representatives, being elected the first time when Cleveland was elected to his second term in 1892.

The Democratic platform of that year demanded the repeal of war taxes, including the 10 per cent prohibitive tax on the issues of state banks.

He was a member of the party that had come into power upon the platform on which Cleveland was elected, but he exonerated himself from any obligation to support the repeal of the bank-issue tax, even though it was only intended to destroy and produced no revenue whatsoever. Prohibitive and destructive taxes never had a place amongst Democratic principles.

In the course of his remarks to the House on June 5, 1894, Fifty-third Congress, second session, page 5809, he said:

IT HAS BEEN STATED THAT EVERY DEMOCRAT IS IN DUTY BOUND TO VOTE FOR THE REPEAL OF THE STATE-BANK TAX, BECAUSE OF THE PLANK RELATING TO THAT SUBJECT ADOPTED BY THE LAST DEMOCRATIC NATIONAL CONVENTION AND OTHERS.

A PLATFORM CAN ONLY BIND THOSE WHO RUN UPON IT.

IN THE FIFTY-SECOND CONGRESS I VOTED AGAINST REPEALING THIS TAX, AND, AS A CANDIDATE FOR REELECTION, PROMISED MY CONSTITUENTS THAT I WOULD VOTE AGAINST IT AGAIN IF THE QUESTION CAME BEFORE THE FIFTY-THIRD CONGRESS.

He further said:

President Cleveland is, of course, pledged to the repeal of the tax, because he accepted a nomination and an election upon the national Democratic platform of 1892. Those also are pledged to repeal whose nominating conventions indorsed the national platform, and those are perhaps bound also who ran as Democrats without expressly repudiating that part of the national platform. *In my own case, I was not only nominated before the adoption of the national platform by the Chicago convention, but I expressly repudiated in my canvass the plank which declared in favor of repealing the state-bank tax.* (CONGRESSIONAL RECORD, June 5, 1894, p. 5809.)

Thus it will be seen that the pleas of Mr. Bryan are:

First. That he did not run upon the national Democratic platform in 1894. If only those who run on a platform supported a national ticket it would be lonesome at the polls.

Second. That he repudiated the repeal of the state-bank tax in his candidacy.

Third. That he promised his constituents to vote against it.

There are many Democrats who are in the same or a similar category as Mr. Bryan was with respect to the Denver platform in their view to the exceptional plank that concerns the few articles of raw material which it called for on the free list. They also have constituents with the same right to regard them as he had.

"Equal rights to all and special privileges to none" is a Democratic principle, and other Democrats must necessarily possess the same privilege of pursuing the dictates of their conscience that he did.

I am not seeking to arraign him, but it is not his right or any other man's right to repudiate a part of a platform to which he disagrees and criticise or denounce those who apply the same rule as to the plank of another platform to which they disagree.

THE COHESIVE AND LASTING PRINCIPLES OF PARTY.

The cohesive principles of a party are those general principles which keep its members together from year to year in companionable unity.

The principles of Democracy which have united it are bedrock principles, which have preserved it throughout the nineteenth century and find it still a formidable force in the twentieth century.

The exceptional doctrines that captivate for a single campaign have never been regarded and can never be made the test of party loyalty or party thought. If this were done, it would soon precipitate irreconcilable factions, if not dissolution.

The things that are fit for and which count in political campaigns are the great general principles which control the party that make it.

The details of schedules and the novelties of difference have more harm than good in them, and can not be satisfactorily arranged by a national convention in the swift and moving scenes which are the universal concomitance of such proceedings.

We can not follow everything that even our eminent leaders from Jefferson to his successors said and did, but we can follow, in the main, the fundamental principles of good government which they stood for. In them is our lasting bond.

THE WALKER TARIFF ACT TAXED RAW MATERIALS FREELY, INCLUDING COAL, IRON, LUMBER, SUGAR, TAN BARK, AND TANNING EXTRACTS.

The great Democratic model tariff of 1846, with which Robert J. Walker, Secretary of the Treasury under James K. Polk, was notably connected, contained tariff taxes on coal, lumber, iron, sugar, tan bark, tanning extracts, and over a hundred raw materials.

Amongst its enumerated principles was the declaration that taxes should operate as equally as possible throughout the Union, discriminating neither for nor against any class or section.

In 1896 and again in 1904 the Democratic platforms declared against discriminations between class, industries, and sections.

If the Democratic party ever declared in a national convention for free raw materials, I have nowhere seen the declaration.

The same may be said of the Republican party, though many of its leading men have expressed themselves at different seasons and now again for free raw materials.

The Democrats have been time and again and notably criticised for not voting at this session for free raw materials. The criticisms originated with Republican correspondents, and were taken up and repeated by Democratic newspapers who had so mixed things up as to mistake those Republican teachings for those of their own party, of whose history they were unfamiliar.

Undoubtedly unfair and discriminating items will be found throughout the Payne bill, and also throughout the proposed Senate amendments. Some of them are very gross, but it will be impossible to frame a protective-tariff bill without discriminations and inequalities. It is for the purpose of making discriminations and producing inequalities that protective and prohibitive tariff bills are framed. That furnishes the reason of their being, and the more refinements of protection necessary there are the more refinements of injustice. War and national defense reverse all rules. Hence the old Democratic maxim, "Millions for defense, but not one cent for tribute."

PARTIES NEVER ADOPT THE SAME PLATFORM TWICE.

No party in this country has ever twice adopted the same platform. A new expression of the oracles of party is called for every four years. No party could live, and none has lived, that considered itself bound to proclaim the same opinions any successive four years. The world is one of constant and incessant change. The movements of public life in this rapid age are upon a stage of many actors and of many plays and of shifting scenes, and the best that any man can do about it is to size himself up upon the field of contest upon which he has got to fight, taking his side according to his judgment and his conscience, and making many allowances for the errors and for the aberrations of both sides in his feelings.

THE DEMOCRATIC PLATFORM AT DENVER IN 1908.

Now, what was this Democratic platform? I read concerning the tariff:

We favor immediate revision of the tariff by the reduction of import duties.

That is all right.

Articles entering into competition with trust-controlled products should be placed upon the free list.

Does that mean that when a trust enters a field and produces articles that everybody's else competing articles of the like kind, no matter how little or big the trust is, must be made free? I think not. Its sensible meaning is that when a trust is in the saddle, booted and spurred, and has created a monopoly in articles, put them on the free list if you can. I have nothing to say against it. But, like all general rules, it has its limitations and exceptions. For instance, suppose a trust controls tobacco or quebracho that comes from abroad; should we put it on the free list, thus dissipating our needed revenue, and thus also helping the trust?

MATERIAL REDUCTIONS ON NECESSARIES OF LIFE.

Material reductions should be made in the tariff upon the necessaries of life—

This is an historic principle of Democracy; nothing more sound, nothing more advantageous—

ARTICLES SOLD ABROAD MORE CHEAPLY THAN AT HOME.

especially upon articles competing with such American manufactures as are sold abroad more cheaply than at home, and gradual reductions should be made in such other schedules as may be necessary—

To do what? To restore free trade? No. To produce free trade? No. But—

to restore the tariff to a revenue basis.

THE REVENUE BASIS BY "GRADUAL REDUCTIONS" AND THE SENATE DEMOCRATS.

The climax of the Democratic principles in the Denver platform is to reduce the tariff to a revenue basis. That reduction to a revenue basis is not demanded immediately, but as to the method "gradual reductions" are advised.

It is in accordance with this broad general doctrine that the Democrats in the Senate have voted. I have never seen them more united. They are much more united than the Republicans have been, and have had fewer differences and divisions of opinion than in any of the tariff conflicts I have here witnessed. One or two, or three, perhaps, have now and then voted for a protective item. There is no instance where I have voted for other than revenue tariffs; that is, for duties to be collected. (See Appendix and Walker report.) To this I make the exception that I voted for the Wilson-Gorman Act, as did all Democrats in Congress, Mr. Bryan included.

HON. WILLIAM L. WILSON'S TARIFF REPORT—NOT PURGED OF PROTECTION—TEMPERATE REFORM WITH THE PRINCIPLE OF GROWTH.

When the Wilson tariff was enacted, Hon. William L. Wilson proclaimed in his report "that the power of taxation has no lawful or constitutional exercise except for providing revenue for the support of government."

Nevertheless, he was forced—even with his party in the Presidency, in the House, and in the Senate—to give way to the conditions of the country before an opposition which he described as one that "rallies behind it the intolerance of monopoly, the power of concentrated wealth, the inertia of fixed habits, and the honest errors of a generation of false teaching."

He therefore admitted as to the bill he reported that "it did not profess to be purged of all protection any more than to be free of all error in its complex and manifold details," and his expressed conclusion was that "in dealing with the tariff, as with every other long-standing abuse that has interwoven itself with our social or industrial system, the legislator must always remember that in the beginning temperate reform is safest, having in itself 'the principle of growth.'"

He further said:

However we may deny the existence of any legislative pledge or the right of any Congress to make such pledge for the continuance of duties that carry with them more or less acknowledged protection, *we are forced to consider that great interests do exist whose existence and prosperity it is no part of our reform either to imperil or to curtail.*

I took part in the Senate side of that struggle. I witnessed the great difficulties and the force of conditions to control the result of its deliberations.

Hon. William Jennings Bryan was brought to the same conclusion to which Mr. Wilson was brought, and in supporting his bill voted for larger taxes and more protective taxes than the Democrats of the Senate have sustained.

Our difficulties are much greater than they were then, for instead of having all the departments of government at our back, we now have every department of government, including two-thirds majority in the Senate, to combat.

The criticism upon the Democrats of to-day is regardless of history, regardless of conditions, regardless of example, precipitate and reckless in its judgment, and the reversal of all the equities of fair consideration. It was inspired, originated, and sustained by Republicans, and the Democrats who join in the Republican criticism are only playing into their hands.

MORE ABOUT ARTICLES SOLD ABROAD MORE CHEAPLY THAN AT HOME.

About these articles of ours which are made here under the protection and the guidance of our laws, not only under tariff protection, but under the protection of our soldiery, under the protection of our militia, under the protection of our policemen, these industries which are set up, patronized, fostered, carried, defended by the blood of the American people, do they owe us anything? If they owe us anything, what is it they owe? They owe us the deference and the loyalty of an American citizen who considers his country first.

Yet, Mr. President, there are iron works in the United States that will sell a railway engine to go to Finland, to Mexico, or to Canada much cheaper than they would sell that engine to a domestic concern if we were going to build a railroad between here and Richmond, a neighboring city. Is that reciprocity? Is that patriotism? Is that the right conception of an American of his duty to his country? I think not. Just the same may be said of steel rails and multitudes of other things.

Our protected factories sell nails in Cuba cheaper than they will sell them in New York, Baltimore, Washington, or any other American city.

They sell plows and agricultural machinery cheaper in South Africa and South America than they will sell them in the North, South, East, or West.

They supply homes in all lands with cheaper articles of comfort or necessity than they will any American who is living and working under our flag, and they are seeking these American votes by the falsest cry of protection that ever deluded a people.

RESOLUTION OF INQUIRY.

On the 6th of January, 1909, three months before the bill was reported, I began an effort to get at the volume of the business of this country which was dumped into Europe by American manufacturers who would not let the American buy their products as cheaply as they would sell to any kind of a foreigner. I asked for a resolution of inquiry to be adopted. It was adopted and sent to Secretary Straus, of the Department of Commerce and Labor. I will insert it in my remarks, with permission.

The PRESIDING OFFICER. Without objection, permission is granted.

The matter referred to is as follows:

MANUFACTURED PRODUCTS EXPORTED TO BE SOLD IN FOREIGN MARKETS AT LOWER RATES THAN IN AMERICAN MARKETS, ETC.

DEPARTMENT OF COMMERCE AND LABOR,
OFFICE OF THE SECRETARY,
Washington, January 6, 1909.

SIR: I have the honor to acknowledge the receipt of the following resolution of the Senate:

"*Resolved*, That the Secretary of Commerce and Labor be, and he is hereby, directed to have prepared for the use of the Senate a statement of all manufactured products of the United States which are sold, or exported to be sold, in foreign markets at lower rates than in American markets, with all such pertinent information on the subject as he may deem fitting, including the domestic and foreign prices of sale."

In accordance with the direction of the President I have the honor to advise you that the Department of Commerce and Labor possesses no data which would enable me to prepare a statement of all manufactured products of the United States sold, or exported to be sold, in foreign markets at lower rates than like articles are sold in American markets. It is, however, a matter of common belief that quite a number of manufactured products of the United States are sold in foreign markets at lower rates than similar products are sold in American markets.

Reference has been occasionally made in reports from special agents of this department and from consular officers to this general subject. The information, however, has not been sufficiently in detail or specific as to the articles in question.

I respectfully suggest that in order to obtain such data it would be advisable to make a specific inquiry to ascertain the facts, and that the department be furnished the means to conduct an inquiry through one or more special agents known to be thoroughly equipped to perform this class of service. In the bill making appropriations for the legislative, executive, and judicial expenses of the Government for the next fiscal year, which was passed by the House December 11, 1908, provision is made on page 146 for the investigation of trade conditions abroad, with the object of promoting the foreign commerce of the United States, and the sum of $40,000 is appropriated for that purpose. I respectfully suggest that the amount named be increased to $50,000, of which not more than $10,000 shall be expended to ascertain whether products of the United States are sold, or exported to be sold, in foreign markets at lower rates than in American markets, as contemplated in the resolution of the Senate.

Respectfully,

OSCAR S. STRAUS, *Secretary.*

The PRESIDENT OF THE SENATE.

REPUBLICANS REFUSE AN APPROPRIATION TO GET INFORMATION.

Mr. DANIEL. A message came back from the Secretary of Commerce and Labor that he was not provided with the means of collecting that information. I started again, and when an appropriation bill came along here, at the suggestion of the honorable Secretary I offered and helped to get adopted in the Senate an appropriation of $10,000 to enable us to obtain a suitable report on that subject. It died. It died the death between committees.

I returned again the third time with a resolution of April 5, 1909, to the imminent deadly breach, and I found it equally imminent and just as deadly, although, through the assistance of the present Secretary of the Department of Commerce and Labor, politely afforded, we were sent a few scraps, with the regret that no better could be done.

There is no doubt, Mr. President, that some of the manufacturers of this country who are the most pressing and eager for tariff, tariff, tariff, and more tariff, are protecting the pauper labor of the whole earth to-day at the expense of the American people and of their workingmen.

From South Africa to Cuba, from Finland to Mexico, from South America to everywhere else, we are supplying the foreign farmers with the best machines that Americans make. We are taking away work from our poor sewing women to send it to cheap sewing machines in the worst centers, as well as to the more remote and backward tribes of men, to get their cheap labor, and take its reward out of the mouths of American men, women, and children, who are treated by some Republicans as the special objects of their ceaseless care.

It is a shame. It is fundamentally wrong. We should cease to furnish stipends upon and to stimulate the men who pursue Congress for benefactions, and scatter them to the winds of the earth, to people who, in fact, turn their own batteries against us as soon as they can lay their hands upon them. They

produce by American machinery cheaper bread and cheaper meat for those who would buy your bread and meat abroad, producing cheaper clothes for those rivals from abroad, while we tax our own folks with such wool and cotton tariffs as place heavy burdens here at home. Our own protected factories sell nails in Cuba cheaper than they will let a man in Richmond get nails to build a house; plows cheaper in South Africa, watches cheaper in London, engines cheaper in India, steel rails cheaper in Europe or Mexico than in Washington, selling saws and hammers, selling every kind of a machine that the American working man and woman is sighing for at cheaper rates, and all being done under the falsest cry of protection that was ever made to a people aroused by denunciation.

THE SUCCESSFUL GALLINGER RESOLUTION.

My distinguished friend from New Hampshire [Mr. GALLINGER] knows something of the futile efforts which I made to get official data on this subject. He also knows something of a very successful and very rapid effort which he made himself, very properly. I have not a word to say against that gentleman, whose faithful services I have witnessed for nearly a quarter of a century. That I differ with him is my right, but we each hold the same right under the same title of American liberty. I honor the man who follows his conviction. I regret that I was not so fortunate in getting official data as he was.

There went to the Secretary of State the resolution of Senator GALLINGER asking him to send here all the cases they had information about in which the foreigners were selling goods cheaper in the United States than to their fellow-citizens abroad. That object was readily accomplished, and the State Department furnished the information.

Exiled by the autocrats from both the Finance Committee of the Senate and from the conference committee of the two Houses, which has been at work for weeks, the Democrats of this Congress have been denied the opportunities of hearing and of consideration with their colleagues of the pending measure.

The majority in the Senate pay no respect to the provision of the Constitution that each State shall have two Senators and each Senator one vote, and allow no vote in the determination of the measures reported.

We were like the man that Swinburne tells of in his book on wills. He said that there was once a man who was poor and hungry, and there was a rich man who feasted finely every day. The poor man used to get a cracker and a small piece of cheese and go and sit where his olfactories would catch the sweet savors and odors that played out upon the democratic breeze from the kitchen of the rich man, and there he would sit down, and while his mouth watered and his sense of smell brought him the pleasure of suggesting the dainties, he partook of his cracker and cheese and then went his way. It became so much his habit that the rich man noticed it, and resented his intrusion upon the savors of his dainties. So he had the poor man arrested and sought to have him fined.

The judge came to decide and found a purse in the poor man's pocket. He said: "My sentence is that you shall not pay this rich man, but you shall take out your money and shake it in his ear as long as you have enjoyed the scent of his table; and he shall submit to it." So they tied the rich man down and the poor man drew out his change, and hour after hour he shook it in the rich man's ear. That is equity. Would that the things of life would always go on such an equitable basis.

We did not get our information and have not got it, but the general public and such helps as we have supply us with enough facts to give you a subject of pondering, and to give you a task, in justice to your fellow Americans, to see to it that they shall not be invaded in their own faculties and under their own roofs by the subtle practices of the speculators in the tariff game.

The time may come when the powerful of to-day will hear the roar at the polls of votes annulling the decrees here made against the consumers.

EXTRACTS FROM SOME DEMOCRATIC PLATFORMS.

Some of us have had hard words applied because of certain quoted doctrines respecting the differences in cost of foreign and American labor. I have on another occasion discussed that matter and shown by reports of the late Secretary Evarts of the State Department and others that American artisans were more skilled and effective than those of foreign lands and did more and better work in a given time. The doctrines I stated were from the Democratic platforms of the Democracy of Virginia, and of the United States also, which have become proverbial.

PLATFORM OF VIRGINIA DEMOCRATS IN 1883.

In 1883 the Democratic party of Virginia, after several years of turmoil and defeat, reorganized itself, and amongst other utterances of its platform were these:

We favor a tariff for revenue limited to the necessities of government economically administered, and so adjusted in its applications as to prevent unequal burdens, encourage productive interests at home, *and afford just compensation to labor*, but not to create or foster monopolies.

NATIONAL DEMOCRATIC PLATFORM OF 1884.

The Democratic party is pledged to revise the tariff in a spirit of fairness to all interests. But, in making reduction in taxes, it is not proposed to injure any domestic industries, but rather to promote their healthy growth. From the foundation of this Government taxes collected at the custom-house have been the chief source of federal revenue. Such they must continue to be. Moreover, many industries have come to rely upon legislation for successful continuance, so that *any change of law must be at every step regardful of the labor and capital thus involved.* The process of the reform must be subject in the execution to this plain dictation of justice—all taxation shall be limited to the requirements of economical government. *The necessary reduction in taxation can and must be effected without depriving American labor of the ability to compete successfully with foreign labor, and without imposing lower rates of duty than will be ample to cover any increased cost of production which may exist in consequence of the higher rate of wages prevailing in this country.* Sufficient revenue to pay all the expenses of the Federal Government economically administered, including pensions, interest and principal of the public debt, can be got under our present system of taxation from custom-house taxes on fewer imported articles, bearing heaviest on articles of luxury and bearing lightest on articles of necessity.

PLATFORM OF 1885.

In 1885 the declaration of the Virginia Democratic convention on the tariff was:

We reaffirm the declaration of the national Democratic party at its last convention on the subject of the tariff, and especially *do we maintain that the necessary reduction in taxation can and must be effected without imposing lower rates of duty than will be ample to cover any increased cost of production which may exist in consequence of the higher rate of wages existing in this country.* Also, we favor, as in 1883 and in 1884, a tariff for revenue, limited to the necessities of government economically administered and so adjusted in its application as to prevent unequal burdens, encourage productive industries at home, and afford just compensation to labor, but not to create or foster monopolies. In the necessary reforms to remedy the abuses of the existing tariff, the schedule rates should bear heaviest on articles of luxury and lightest on articles of necessity.

The platform of the national Democratic party in 1888 said this:

Our established domestic industries and enterprises should not and need not be endangered by a reduction and correction of the burdens of taxation. On the contrary, a fair and careful revision of our tax laws *with due allowance for the difference between the wages of American and foreign labor*, must promote and encourage every branch of such industries and enterprises by giving them assurances of an extended market and steady and continuous operation.

In the interests of American labor, which should in no event be neglected, revision of our tax laws contemplated by the Democratic party *should promote the advantage of our labor by cheapening the cost of necessaries of life in the home of every workingman, and at the same time securing to him steady and remunerative employment.*

THE DEMOCRATIC PLATFORM OF 1892, WHEN CLEVELAND WAS PRESIDENT.

Hon. William M. Springer was the Democratic chairman of the Ways and Means Committee, and reported bills putting certain articles on the free list. It was to these measures that the Democratic platform of the Chicago convention of 1892 had reference when it stated:

We indorse the efforts made by the Democrats of the present Congress to modify its—

Referring to the McKinley tariff law—

most oppressive features in the direction of free raw materials and cheaper manufactured goods that enter into general consumption.

These gentlemen of the Fifty-second Congress only turned their faces in the direction of free raw materials and are therefore commended. Let us see what the propositions were:

First. To put wool on the free list, with a reduction of the tariff on woolen goods.

No matter what we should put now on the free list, there is neither promise nor assurance of reduced tariff on the finished goods.

This was the only raw material that the Springer proposition referred to.

The wool tariff is not a very agreeable subject to me. I voted for it in the Wilson bill, and thought that Grant and Cleveland were in that item in the right path; but the American people would not have it so.

What were the other propositions?

The second was to admit free cotton bagging (finished product).

Third. The machinery for manufacturing bagging (finished product).

Fourth. Cotton ties (finished product).

Fifth. Cotton gins (finished product).

Sixth. Binding twine (finished product).

Seventh. Reduction of the tariff on tin plate (finished product), but to go on the free list after October 1, 1894.

Of the seven articles thus proposed for the free list by the Springer propositions, six of them were finished products; and it was to this list of articles that the Democratic platform of 1892 referred as turning in the direction of free raw materials.

Anybody that cites this collection in support of the desirability of free raw materials is far away from his reckonings.

SOME VIRGINIA PROTESTS IN 1894 AGAINST FREE RAW MATERIALS.

In 1894 in the congressional strife about free raw materials there were many protests from Virginia against President Cleveland's ideas on this subject.

I cite from two of them the views of the Richmond (Va.) Times of July 12, 1894, and September 7, 1894.

That journal regarded the idea as a "fundamental Republican idea" and not a "fundamental Democratic idea," and called it "the veriest nonsense that ever befogged clouded minds."

Again, it portrayed President Cleveland as not representing the true Democratic idea of tariff reform, and called the raw material "a proposition to let one man bring in his imports free of taxes, while another man is required to pay taxes on his."

FREE RAW MATERIALS CALLED "FUNDAMENTAL REPUBLICAN IDEA."

[From the Richmond Times, July 12, 1894.]

To our mind, talk about "raw materials" and "finished product" is the veriest nonsense that ever befogged clouded minds. It is hard to say what is a "finished product," as manufactured articles in all States may be looked upon as "raw material" for something else. Now, ore at the ore beds is "raw material" for pig iron at the furnace. As soon as it is converted by the furnace into pig iron that pig iron is "finished product," as far as the furnace is concerned, but is "raw material" for the foundry to work into structural iron. Bessemer pig is "raw material" also for the steel-railway mill, and steel rails are one of its "finished products." But the steel rails are only "raw material" to the builders of a railroad, and his "finished product" is not seen until the railroad is completed.

Wheat is "raw material" for the miller, and flour is his "finished product." But flour is only "raw material" to the cook, and bread is her "finished product." Nevertheless bread is only "raw material" to the pudding maker; and so it goes on. All things are "raw materials" for whatever they may be converted into.

When, therefore, Mr. Wilson undertakes to say that he will lay all duties on "finished product" only, and will exempt all "raw materials," he is putting himself out of court. If he exempts all "raw materials," he will have but little on which to lay duties. If, however, he exempts certain articles, because he chooses arbitrarily to say that they are the only "raw materials" which ought properly to be considered as "raw materials," he is then discriminating between the industries of the people, and placing burdens according to whims and not according to principle.

Mr. Wilson may think this a "fundamental Democratic idea." But if it is not essentially an idea in the school which believes in governmental favoritisms and privileges to some, we are unable to judge in such a case. It is a "fundamental Republican idea" and not a "fundamental Democratic idea."

NO THIRD TERM—GENUINE DEMOCRACY.

[From the Richmond Times, September 7, 1894.]

The Hon. CHAUNCEY DEPEW informs the American people that Mr. Cleveland will be the nominee of the Democratic party in 1896. There are no longer prophets, and therefore the prediction of one is entitled to as much consideration as that of another. We can gently tell the Hon. CHAUNCEY DEPEW that Mr. Cleveland will not be the nominee of the Democratic party in 1896. One of these predictions may therefore be considered as offsetting the other, so that the case may now be looked at on its merits, and with no regard for predictions at all.

The Democratic party has got too much sense to depart from its time-honored principle that no man shall be President of the United States more than twice. A third term passes the line which we have drawn as separating republican from institutions dependent upon any one individual, and we are not going to allow that line to be crossed, never mind what the temptation may be.

But, in the second place, it is now ascertained and made known of all men (what was not appreciated before) that Mr. Cleveland does not represent the true Democratic idea of tariff reform. We know now that his idea of tariff reform is that what he calls "raw materials" are to be admitted free of duty and the genuine Democrat says that that is McKinleyism at the other end of the line. It is a proposition to let one man bring in his imports free of taxes, while another man is required to pay taxes on his. The genuine Democrat says he will never agree to this, because it violates that equality of all men before the laws, to secure which he understands his party to exist. Mr. Cleveland, therefore, would be very far from having a united party at his back if he were again the nominee.

What is involved in "free raw materials" was not understood in 1892, but it is perfectly understood now, and the backbone of the Democratic party will never consent to it.

The Richmond State referred to Mr. Cleveland's letter of acceptance in favor of "freer raw materials," in which he said:

We believe that the advantages of freer raw material should be accorded our manufacturers, and we contemplate a fair and careful distribution of necessary tariff burdens rather than the precipitation of free trade.

And thus commented:

If Mr. Cleveland had meant to commit the party absolutely to free raw materials, he would have used that expression instead of "freer raw materials," the language of his letter.

IRON ORE AND COAL.

The McKinley tariff act put 75 cents on the ton of ore, as the act of 1883 had done before; the Wilson-Gorman law reduced it to 40 cents; the Dingley law preserved it at 40; and the present Congress, with Democratic support, reduced it still further, to 25 cents per ton, and to that reduction there is, by treaty, a discount of 20 per cent in favor of imports from Cuba.

At the time the small iron-ore tax was discussed at this session, in the Senate much bruit was made to the effect that the trusts owned and controlled the great body of ore land in this country. Before that time some influential gentlemen of standing in Virginia urged me to support a much larger tax, leaving arguments with me of that tenor. Ere long their interests, with others, changed hands to free-ore advocates, and by repute they became free-ore advocates also.

Since the debate the Senate has been familiarized with statements of the investments of the Bethlehem Steel Company and the Pennsylvania Steel Company in the Cuban ore lands, and with the fact that the Pennsylvania Steel Company is under contract with the bondholders of the Spanish-American Iron Company to import not less than a million tons of Cuban ore annually into this country. These and cumulative facts in the same direction were well stated by Senator PAYNTER, of Kentucky, in the RECORD of June 16. Neither he nor the great body of Democratic Senators were deluded by the cry of "Wolf!" but showed their just apprehension of facts now generally known. (See RECORD of June 16, 1909, p. 3340.)

Eighteen Democratic Senators who voted for reduction were said to have voted for "protecting" iron ore, although it was a low-revenue tax. It was said also that they were not Democratic, although the general principle of the Democratic party is "gradual reduction."

COAL.

It was said, too, that they lined up with Republicans. What of it? Should we not all be glad to line up with Republicans when the Republicans were themselves lining up with us for the lowest tax ever levied on the subject for over a century, and lined up with the public spirit of our times?

This table speaks for itself:

Coal tariffs for over one hundred years.

Year.	Tariff.	Duty per ton.
1789	2 cents per bushel	$0.56
1790–1792	3 cents per bushel	.84
1792–1794	4½ cents per bushel	1.29
1794–1812	5 cents per bushel	1.40
1812–1816	10 cents per bushel	2.80
1816–1824	5 cents per bushel	1.40
1824–1842	6 cents per bushel	1.68
1842–1846		1.75
1846–1857	30 per cent ad valorem	$0.65–.75
1857–1861	24 per cent ad valorem	.55–.65
1861–1862		1.00
1862–1864		1.10
1864–1872		1.25
1872–1883		.75

The tariff on coal is now 67 cents per ton. The Senate has reduced this by 10.45 per cent, and it may be lower than this before Congress adjourns. Transportation is the largest consideration now about coal, and the people in towns who complain of its cost would do well to look into and compare the cost of coal to them with that to more distant places.

LUMBER.

The majority of Democrats have voted, and I with them, for a 5 to 6 per cent tax on lumber—to speak precisely, $5.88 per thousand—in effect by voting against striking out the $1 tax in the House bill; and again, in supporting what afterwards came along, the $1.50 tax, which amounts to 8 to 9 per cent—to speak precisely, 8.82 per cent.

It has been well said by Hon. MARTIN DIES, of Texas, that:

Lumber is as much a legitimate subject of taxation as food, clothing, and the various other articles that enter into the necessities of the people. A man does not build many homes in a lifetime, but he eats food and wears clothing every day. A great many people do not own houses, but they must still buy knives and forks, plows and harness, all of which are more highly taxed than lumber ever was. The lumber tax is less burdensome to the poor than almost any tax in the entire list.

It is further obvious that the inspiration to take the tax off of lumber is a sectional one, for it is not only admitted, but it is claimed that it would not affect the South or southern lumber, but would help those people of the treeless States who have largely cut away their lumber. Some of these States have all manner of protective taxes now adding to their values by their discriminations, and for them to rail at the small taxes that are applied to southern raw materials is simply straining at motes and swallowing camels.

SUMMARY OF MR. Z. W. WHITEHEAD, OF NORFOLK, VA.

Mr. Z. W. Whitehead, of Norfolk, Va., has made a summary showing that lumber is in volume and importance the greatest industry in the State; there being 1,352 sawmills, employing 55,000 operatives, whose income at the minimum figure of $2 a day amounts on an average to $3,330,000 per month.

I could not condense that summary without mutilation. It has been printed in Senate Document No. 111 of this session:

Canada imported into the United States last year 892,789,000 feet of lumber, valued at $14,989,179, while American exports of lumber to Canada, or British North America, during the same time were only 149,884,000 feet, and valued at $4,269,179. In other words, Canada shipped into the United States practically six times as much lumber as the United States exported to Canada.

Forty-eight per cent of all the lumber manufactured in the United States, annually, is produced in the South, and the lumber industry furnishes employment to a greater number of operatives than any other single industry in the South. Combined, the lumber interests of the South has a greater capital stock than any other industry in our midst.

The total production of lumber in the United States last year, or rather in 1907, was 40,000,000,000 feet, and valued at approximately $600,000,000.

The lumber industry alone brings into the South an average of $1,000,000 for every working day in the year. It furnishes a greater volume of tonnage to southern railroads and transportation companies than any other commodity known or going.

In Virginia there are 1,352 sawmills, employing practically 55,000 operatives, whose income, at the minimum figures of $2 per day on an average, would amount to $111,000, or $3,330,000 per month. No other single industry in the State pays out so much money monthly or annually for labor. As a matter of fact, in Virginia, lumber leads in volume and importance that of all other industries in the State.

The total production of lumber in Virginia, annually, is 1,450,000,000 feet. The percentage of local consumption in Virginia is about 4 per cent of the cut.

There are 28,856 sawmills in the United States, employing about 800,000 men. Only about 7 per cent of all the lumber manufactured in the South is consumed in this territory. About 80 per cent of the cost price of lumber is for labor in various ways that enter into its manufacture, from the raw material on the stump to the finished article at the point of consumption.

The present tariff of $2 per 1,000 on rough lumber amounts to an ad valorem duty of about 11 per cent, while iron and steel, cement and building stone are protected with a tariff of from 32 to 48 per cent, all of which compete heavily with lumber for heavy construction purposes. The duty on iron and steel, if cut 50 per cent, would still be prohibitive, while the present duty on lumber is already on the basis of a tariff for revenue only, importations last year amounting to over 900,000,000 feet from Canada alone.

The lumber interests of the country are the largest of all other purchasers of farm products, such as hay, corn, oats, and live stock.

The cost of stumpage and lumber in Canada are so much less than in the United States that the cost price of lumber production in that country is anywhere from 20 to 33⅓ per cent less than in the United States. This is illustrated by the fact that in Canada the manufacturers employ largely Hindoo, Chinese, and Japanese labor, and buy their stumpage on an average of $1.40 per 1,000, whereas in the United States the average price of stumpage ranges from $2.50 to $4 per 1,000 feet. Labor that costs 80 cents to $1.25 in Canada costs $1.50 to $2.25 in this country.

LUMBER EXPORTS TO CANADA.

One of the Republican Senators, Hon. C. I. CRAWFORD, of South Dakota, has shown in this debate that—

Our exports of lumber into Canada are nearly half as much as the exports of lumber from Canada into this country, and cases have been given in these debates where the American lumberman has been able to undersell the Canadian in his own territory—

And that—

During the last fiscal year we exported nearly $10,000,000 worth of lumber and other wood, and of forest products we exported more than $126,000,000, and a large part of this is in successful competition with Canadian forest products.

Our Virginia lumber does not reach Canada, but does reach the great Middle States and some farther north. It has waterway connections.

HISTORY REPEATS ITSELF, AND AGAIN COME PROTESTS FROM THE LIKE DIRECTIONS AS IN 1894.

North Carolina and Virginia have very large interests in lumber scattered about in different sections, with much capital invested and with many hands employed in their work.

It is admitted that they are beyond the range of northwestern or Canadian trade, for transportation charges are too great.

There was such a threatened uprising in the Democratic party of North Carolina against such discriminatory legislation that the good faith of the party and its managers had to be pledged, over the signature of Chairman Eller, of the State Democratic executive committee, to avert an open revolt in the ranks of the party. As it was, the Republicans elected three Members of Congress in that State, largely on this issue, and others would have been elected had the Democratic candidates not openly in their campaign speeches repudiated this plank. Even then the Democratic majorities in every district were reduced, save and except one.

HON F. M. SIMMONS.

Our colleague, Hon. F. M. SIMMONS, of North Carolina, has related the strong sense of antagonism in his State against the free-lumber clause of the Democratic platform.

It seems singular that this product of the South should be picked out for invidious treatment when there was not a word in the Denver platform about any other raw materials whatsoever.

The observations of Senator SIMMONS are worthy of attention from those who do not hesitate to vote heavy taxes on everything the people have to buy, and yet make a great noise if they do not rush to dispense with the moderate revenue taxes which may incidentally assist them in paying.

Senator SIMMONS said, as to the free-lumber proposition, in the Senate:

This plank of our platform met with general disapproval in my State. I do not remember, and I took part in that campaign, a single Democratic speaker who gave it unqualified indorsement upon the stump. I do not believe there was a single Democratic candidate for Congress in that State who so supported it in his campaign.

I do not recall a single Democratic newspaper published in North Carolina which openly and warmly advocated it during that campaign. On the contrary, I am advised that some of our Democratic candidates gave assurance, if not in public, in private, that they were not in sympathy with it, and I am told that one Democratic candidate for Congress in a public speech openly repudiated it.

The feeling against this plank was so strong in the State that the Democratic executive committee of the State felt impelled to take action in regard to it. I hold in my hand a statement made under his own signature by a gentleman who was associated at party headquarters with the chairman of our state executive committee, stating that what I am going to read was put in circular form and in the form of supplements to newspapers and 200,000 copies of the document were circulated throughout the State during that campaign. It was published in many newspapers of the State. It was circulated in every hamlet of the State and accepted by the people as an assurance given by the executive committee of the party in the State. Here is what he says:

"In the effort to meet the dissatisfaction which the injustice of this plank in the platform produced in North Carolina," referring to the lumber plank, "there was published and sent out from Democratic state headquarters 200,000 copies of an article from which the following are extracts:

"'The manufacture of lumber is one of the great industries of the South, and one which would for this reason appeal with especial force to the best wishes and protection of the Democratic party.'"

And further:

"They may rest assured that the Democrats would not put lumber on the free list, it being a southern product, unless there should be coupled with it the placing upon the free list of all articles entering into competition with trust-controlled articles, as their platform demands, and which would tend to largely cheapen the expenses of the manufacture of lumber.

"That assurance," says the writer, "was scattered broadcast over the State, and if any Democrat or Democratic paper criticised it I never heard of it."

In the light of these facts, I submit if Mr. Bryan was justified by the reasons he gave in 1894 in voting against a plank in the Democratic platform of 1892, so are the Senators and Representatives from North Carolina for their vote upon lumber, which he now criticises on account of the plank on that subject in the platform of 1908.

I do not, Mr. President, wish to be understood as justifying my vote solely upon that ground. I contend that my vote is consistent with that declaration. I say that the declaration in the Democratic platform was predicated upon certain conditions, and that those conditions do not exist. If those conditions existed, I would vote for free lumber; but the conditions do not exist, and I have cast my vote against free lumber and shall cast it for a duty upon lumber when I have an opportunity to do it. I am satisfied with that vote, and I do not concern myself about the criticism of those who seek to impugn my Democracy or my motives; but I do not intend that the facts shall be perverted or misrepresented.

HON. CARTER GLASS.

Hon. CARTER GLASS, of Lynchburg, Va., who represents the sixth district of that State in Congress, wrote a letter on this subject which is so full of pith that in making some remarks here I had it put into the RECORD of June 18, 1909, page 3450. I concur in his sentiments and applaud his course.

I quote the following:

NOT DEALING WITH A THEORY.

We were not dealing with a theory. We were confronted with the plain certainty of tariff legislation by the Republican party in Congress on strictly protection lines; and, this being the case, I did not consider it my duty to join with a score of Canadian-border and Middle West Republicans to put certain products of Virginia and the South on the free list for the peculiar advantage of their constituents, only to see these same Republicans a moment later unite again with the rest of their party and tax the people of my State and section beyond endurance on the products of the North and the Middle West.

The suggestion that the Denver platform bound me to thus immolate my State and section is all moonshine. I was nominated for Congress before the Denver convention met; and in nearly every speech I made in the campaign for reelection I emphasized the sectional phases of Republican tariff legislation, and, from the hustings, as I have done for years through the columns of my newspaper, protested against the policy that would compel Virginia and the South to sell their raw materials to northern manufacturers in competition with the world, and at the same time force our people to purchase the products of these northern manufacturers from the shelter of a high protective tariff.

IS A TARIFF FOR REVENUE DEMOCRAT.

I am a "tariff for revenue" Democrat. I stand for equalizing duties; but I distinctly reject the Utopian idea of yielding every advantage that incidental protection affords the products of the South in order to give the industries of another section the double advantage of our materials free at one end of the proposition and high protection for their products at the other end.

PUTTING LUMBER ON FREE LIST NOT "HISTORIC DEMOCRATIC DOCTRINE."

The talk about "free lumber" being "historic Democratic doctrine," and about the Denver convention having declared for putting this "prime necessity of life on the free list," and about the failure of five Virginia Congressmen to heed the demand for "cheaper building material," is utterly at variance with the facts. Not one of the three contentions can be maintained. Putting lumber on the free list is not "historic Democratic doctrine." A "tariff for revenue" is the historic Democratic doctrine. * * *

The general declaration of the Denver platform on the tariff question was for a "gradual reduction of duties" to a "revenue basis." Nobody will deny this. Then, distinctly and notoriously, in response to the outcry of the American press, Republican as well as Democratic, against the exactions of the print-paper trust, and the demand that it be punished by putting on the free list everything entering into or affecting the production of print paper, the convention made this separate declaration, not of "historic party doctrine," but of immediate public policy:

DEMOCRATIC PLATFORM.

"Existing duties have given to the manufacturers of paper a shelter behind which they have organized combinations to raise the price

of paper, thus imposing a tax upon the spread of knowledge. We demand the immediate repeal of the tariff on pulp, print paper, lumber, timber, logs, and that these articles be placed on the free list."

No candid disputant would contend that this was a demand to put lumber distinctively on the free list. It was a specific statement of a condition that prevailed in the paper trade, involving a tax on the spread of knowledge, and a comprehensive demand that this particular evil be corrected by putting on the free list all articles affecting the production of print paper; and the declaration enumerates the articles. Obviously lumber was included only because the tariff on lumber affected the price of Canadian logs, and because the law could readily be evaded by an inexpensive process had the terms "lumber" and "timber" been omitted.

Now, what was the response of the Payne bill to this demand? It in reality put none of these things on the free list. It made a pretense of putting wood pulp on the free list, but saved it by a "joker." It made a pretense of reducing the duty on print paper, but shrewdly tacked on a countervailing condition. It did not pretend to put lumber on the free list, but reduced the duty from $2 to $1 per thousand feet. And then what? By rule, the Republican majority denied the House the right to vote on the question of unconditional free pulp and unconditional free print paper, because 95 per cent of these things are made in Republican States at the North.

It gave the House the right to vote for free lumber, because it is a great industry of the South; so that, under this Republican rule, the comprehensive demand of the Denver platform to have the tariff taken off everything affecting the production of print paper was disregarded as to those things produced in New England and the Lake States, but the great southern product of lumber, which is chiefly sold in these States, was put up as a target for those Republicans in Congress who believe in protection for everything they sell to us and free trade in everything they buy from us. And southern Congressmen are criticised for declining to sanction any such wretched discrimination.

SMALL DUTY ON LUMBER NOT A PROTECTIVE TARIFF.

As to the nature of the small duty on lumber, it is not a protective tariff in the sense that it adds one thrip to the price of rough lumber to the general consumer. Nobody in Congress or out who knows anything about the subject and has any regard for his intellectual integrity would pretend to say to the contrary. The duty does not increase the cost of lumber one farthing to a single consumer in Virginia or the South or to any resident of the United States, outside a narrow zone of competition on the Canadian border. It is distinctly within the Democratic doctrine of a tariff for revenue, yielding, as I recall the figures, $1,600,000 to the Federal Treasury. It incidentally preserves to Virginia and the South the lumber markets for New England and other Northern States easily reached by Canadian lumber. One will search the tariff speeches in vain to find any serious contention that the dollar duty on lumber could increase the price one cent to a single inhabitant of the United States outside a very limited territory, whose people for half a century have grown rich by collecting tariff tribute from the balance of the country, and whose Congressmen stood out in the House recently for the highest degree of protection for their own products and free trade in the products of other sections.

To the extent that the House of Representatives was permitted by the Republican rule to participate in the work of making a tariff law, I voted my best judgment and my clearest conception of sound Democratic doctrine.

Knowing, as everybody did know, that it must be a protective-tariff law, I unhesitatingly declined to yield every advantage that Virginia and the South have under the revenue features of the existing law, while every product of northern mills and factories was being highly protected.

REFUSED TO SURRENDER PALTRY TRIBUTE NORTHERN MANUFACTURERS PAY TO THE SOUTH.

I refused to surrender the paltry tribute which a few northern manufacturers of lumber pay to the South, while their Congressmen were intent on exacting greater tribute from all the people of my State and section.

SOME IMPORTANT FACTS ABOUT HIDES AND LEATHER.

The cost of sole leather in the cheap, heavy shoes used by the working classes is larger in proportion than it is in the expensive and highly finished shoes.

Agricultural communities are the largest consumers of leather. The farmers, therefore, have the largest interest in the freedom and cheapness of hide products.

The demand for leather has outstripped the demand for beef. Our sole-leather exports have decreased from 38,384,314 pounds in 1897, when the 15 per cent hide tax was adopted, to 31,189,897 pounds in 1908.

It is much more to the interest of the farmer to keep down the price of shoes, harness, and other articles made of leather than it is to put up or keep up the price on hides.

No protection of cattle importation from foreign countries and no tax on hides has fostered, increased, or in any way helped cattle raising.

In looking at the price list of native steers on the hoof, of heavy native steer hides and of sole leather in Chicago, it will be seen:

1. That prices of steers on the hoof are variable, sometimes an ascending and sometimes a lowering figure.

2. The price of hides ascend at a greater ratio than does the price of steers.

3. The price of sole leather per pound maintains a steadier and a higher line of values.

It is stated on high authority upon statistical examination that the price of steers and their hides showed no proportionate connection. Governor Douglas says:

Thus while the price of hides is now 15½ cents per pound, they were about 9 cents in 1897, and prices of steers have varied, except in 1902, but little, perhaps 15 cents higher than before.

THE ENORMOUS PACKER TRUST AND MYRIAD OF REMONSTRANCES.

I have had, as presumably other Senators have, hundreds of communications on this subject.

From some of the many I cite the following extracts:

There are four or five packers to-day controlling the raw-hide business of the country, also the tanning and part of the shoe business. Why are such privileges granted to the few? What chance has the young man of ever starting in business, as we and our forefathers had, when different trades are controlled by a few trusts or corporations?

When the combination came down to Chicago from Milwaukee, what chance would they have if they had to compete with a trust or large corporation? As it was, they would have none only for the Dingley bill giving them 15 per cent on the raw hide eleven years ago. Take off 15 per cent on the hide. The hide costs them on the hoof only $4.85 to $5 per hundred and nets them from $15 to $14 per hide when taken off the animal, besides their other profits on the carcass, and now controlling the tanning industry of the country.

FOREIGN MARKET CLOSED TO THE TANNERS.

[G. F. Dittman Boot and Shoe Company, St. Louis, Mo., April 14, 1909.]

A duty of 15 per cent on "packer" hides effectually closes the foreign market to the tanners.

In recent years the large meat packers, who control the output of "packer" hides, have bought up the majority of tanneries and are now in a position to freeze out the remaining independent tanners by reason of their monopoly of the local hide supply.

By the elimination of a duty on packer hides an open market is presented the independent tanner, enabling him to draw upon the world's supply whenever monopoly drives the price out of reason or attempts to close the local market to him.

PRESENT DUTY BENEFITS ONLY THE "BEEF COMBINE."

[S. J. Richey and F. W. Weaver, of Luray, Va.]

The present duty benefits only the "beef combine," and it does not increase the price paid the cattle raiser for his cattle. In addition to controlling the cattle and hide markets of the United States the "beef trust" is now engaged in the tanning business. They propose tanning the hides they take off, in the event they can not get their price for the hides on the market.

THE PACKERS' DOMINATION.

[Free hide mass meeting, Chicago, Ill.]

For some years the packers have been gradually working into the business of buying and selling country hides so that in time they may control the entire supply as they now control the supply of packer hides.

With the packers in complete domination of all the domestic raw material for making leather and a tariff to keep out foreign hides, there can be no hope for expansion of our export trade in shoes, harness, etc., which is the only salvation of our business from the evils of overproduction.

The great packing interests are not only controlling the domestic hide market, but are now tanning from 50 to 60 per cent of their heavy cattle hides. This gives them a commanding position in the tanning of both upper and sole leather. This aggressiveness on the part of the packing monopoly means the ultimate control of the shoe, harness, etc., business.

Representing as we do the manufacturing, wholesaling, and retailing interests of the great Central West in leather, in boots and shoes, in leather belting, in saddlery and harness, in trunks, and, in fact, all other articles made of leather produced from dutiable hides, and basing our conclusions on more than eleven years' practical experience with the tariff of 15 per cent on cattle hides, we assert that this tariff is a burden on every one of the eighty-odd million consumers of these articles in this country.

TAXED HIDES THE BASIS OF THE PACKERS' CONTROL.

[Charles N. Prouty, Spencer, Mass.]

It gives a basis for the big packers to control the hide market and enable them to hold their hide product much higher than they otherwise would, whatever the cost is to them. When the "Mr. Swifts" say, as is published in the papers, that so far as their tanning interests are concerned they should favor free hides, but in consideration of benefiting the raiser of beef they favor the tariff, I do not think that is an honest statement. I do not think the raiser of beef begins to get the benefit out of the tariff that the Swifts do. I have always been a Republican and a defender of the protective system. This duty on hides does not materially, to any extent, encourage an industry. No farmer would raise a steer any quicker on account of the duty on hides, and the benefit he gets out of it is slight, but the increased cost of leather products comes back to him. If he does not buy but one or two pairs of shoes a year or one set of harness, he loses a great deal more than he would gain through the duty on hides.

MONOPOLY CREATED FOR THE PACKERS.

[W. H. Heller, president Hide and Leather Association of New York.]

The effect of the duty is, by legislation, to give a monopoly of the tanning of leather to the Chicago packers, to the exclusion of those who have all their lives been engaged in the industry. We therefore ask Congress, in justice to all engaged in the tanning of leather and the manufacture of shoes, and in the common welfare, to place hides upon the free list.

CATTLE GROWERS NOT THE BENEFICIARIES, BUT PACKERS ARE.

[A. B. Goodbar, St. Louis, Mo.]

First. That the farmers and cattle growers are not benefited by the tariff on hides.

Second. That the beef packers are the real and sole beneficiaries of this tariff.

I also stated that the value of the hide is not taken into consideration by the beef packer in fixing the price of beef, and as an evidence of this fact that the prices of beef and hides do not rise and fall together or in the same relative proportion.

FOUR OR FIVE MEN GET BENEFIT AND THE PEOPLE PAY FOR IT.

[Green Brothers Shoe Company, Fredericksburg, Va.]

At the present there are four or five men in the United States who get the benefit of this tariff on hides, and the rest of the country and people pay for it. I refer to the great packers of Chicago.

[The Florsheim Shoe Company, April 26, 1909, Chicago, Ill.]

The packer takes off 95 per cent of all the hides that weigh over 25 pounds. Of course his hides are dutiable; he needed the duty and the extra profit. Many hides weighing under 25 pounds are taken off by the farmer and country butcher; they are not dutiable.

PACKERS MAKE MILLIONS OF DOLLARS; FARMERS AND TANNERS PAY.

[W. B. Smoot, Alexandria, Va.]

You will find that the beef trust will not appear directly in opposition to the removal of this their tax, but will employ farmers to make their fight on the pretense that the farmer gets the benefit of this tax on hides, which is refuted by facts, figures, and market quotations; and it is a well-known fact that the farmers of this country pay a large proportion of this tax in the consumption of leather on the farm, in the shape of shoes, harness, agricultural machinery, etc.

Hides are the packers and butchers' by-product or offal, as no cattle are butchered in this country for their hides, but hides are the tanners' raw material, and many millions of dollars' worth of green-salted hides are brought into the State of Virginia every year to be made into leather by Virginia labor and tanning material, and the tanning business is one of the important industries of this Commonwealth, as you well know.

The packers and their adroit representatives will make a powerful underhand fight against removing this duty of 15 per cent on hides, as it puts millions of dollars in their pockets every year. They feel that they bought and paid for the special privilege of this tax in 1896, and notwithstanding the fact that they have been liberally rewarded ever since, they want the game to go on, as it is a very artful method of taxing the consumer, as it will increase as long as babies are born barefooted and the farmers use harness on their horses and mules.

THE TAX INCREASES COST OF LEATHER.

[Paul C. Edmunds, Lynchburg, Va., April 24, 1909.]

As a leather buyer for my concern, which gives employment to more than a thousand people, I can not see how we can continue to run our factories at anything like their normal volume of business, unless we can secure our raw material for less money. While in my judgment leather now, on account of manipulation of the hides by the packers, is entirely too high, there is not a tanner in the business who does not believe that we will be compelled to pay considerably more for leather, unless the hides can be brought in free and the monopoly that the packers now have is broken.

MONOPOLY IN TANNING AIDED BY TAX.

[Lynchburg Shoe Company, April 20, 1909.]

It appears to us that the packers will soon obtain a practical monopoly of the tanning of sole leather, unless hides are made free of duty.

PACKERS CONTROL OUTPUT OF HIDES—THE TANNERS' POINT OF VIEW.

[W. D. Allen Manufacturing Company, Chicago.]

The situation from this point of view does not interest us at all, except as American citizens. We know it to be a fact that the large packing industries of the country not only control the output of hides now, but they practically control 60 per cent of the sole-leather tanning industry, and the independent tanner will very soon be wiped out if the present tendency is kept up.

A MISTAKE TO BURDEN THE WHOLE PEOPLE FOR BENEFIT OF MONOPOLY.

[Charles N. Prouty, Spencer, Mass.]

Boots and shoes are one of the leading necessities for the public welfare. No one could live in this country creditably without them, and what a mistake to enact a law to make the packer that monopolist and burden the whole people to oblige one class—the farmers—when really they get so very little out of it, and that little is more than lost in their purchase of leather goods, and really no one is benefited but the four or five great monopolists, the packers, who are buying up the tanneries and driving out the independent tanners.

THE TAX ON HIDES UNJUST TO FARMERS, LEATHER CONSUMERS, AND MANUFACTURERS.

[Salem Tannery, Salem, Va.]

We feel that it is not out of place to call your attention briefly to the injustice of the 15 per cent tariff duty on imported hides and to ask your cooperation for its removal. You are doubtless already in touch with the facts in this connection and know that the duty is unjust to the farmer, the leather consumer, and manufacturer, being a benefit only to those few packers who are endeavoring to control the hide and leather industries of the United States.

CONSUMERS OF SHOES AND HARNESS WOULD BE BENEFITED BY FREE HIDES.

[Cincinnati Boot and Shoe Manufacturers' Association, Cincinnati, Ohio.]

There are two questions before the public. One, that all consumers of shoes, harness, and other products of leather will receive a positive benefit from free hides through a lower cost of leather goods. This we know to be true. The other is that the farmer may receive some benefit on the price of his cattle through a duty on hides. This has been proven untrue, as the benefit goes only to the beef packers. But in view of the fact that the tariff on hides has enabled the beef trust to acquire a monopoly on hides, the aforestated questions are at present of secondary consideration to the one great issue now before the people of the country in this fight, namely, the elimination of the monopoly which under the present tariff the beef trust has on cattle and hides. Therefore every Senator and Congressman who agitates or votes against free hides will be agitating or voting for maintaining and increasing the power of one of the largest and most powerful monopolies in the necessities of life.

HIDES SHOULD BE FREE, AND TAX ON LEATHER AND SHOES REDUCED.

[The Florsheim Shoe Company, Chicago, Ill.]

Notwithstanding Mr. Connors's reported denial, it is a fact that Armour & Co. are both in the sole and upper leather tanning business very extensively, operating in their own name as well as through subsidiary companies, which they control, and the same methods have been followed by the other packers. The inclosed advertisement of Armour & Co. in Hide and Leather, of February 27, certainly substantiates this.

They may be or may not be in the shoe manufacturing business. We are not advised as to this, but it is logical to assume that the very reasons that made them go from the hide business to the tanning business will eventually make them go from the leather business to the shoe manufacturing business; and if the same methods that are usually followed by large companies who have special tariff protection are carried out, they will soon retail shoes.

This condition could not exist if the hides of cattle were put on the free list, where they ought to be, and the duty on the finished leather, sole as well as upper, was considerably reduced from the present schedules.

Furthermore, the putting of hides on the free list and reducing the duty on leather as well as on shoes, would, in our opinion, reduce the cost of the shoe to a considerable extent to the consumer.

ANIMALS BOUGHT BY PACKERS ONLY FROM BEEF STANDPOINT.

[Hamilton Brown Shoe Company, St. Louis, Mo.]

The writer of this is largely interested both in the manufacture of shoes in Missouri and in the growing of cattle for beef purposes in Texas. The cattle company of which I am president sells annually from sixty to seventy-five thousand dollars' worth of beeves, and has done so for years. I therefore speak not in any theoretical manner, but by the letter. I know from actual experience that the animals that my cattle company breed and sell to the packers are valued from the beef standpoint entirely, and that the hide is merely a by-product along with the horns, the bones, the hair, and the hoofs. The writer, as a manufacturer of shoes, the largest of any one concern in the world, is therefore in a position to see the operation of this iniquitous tariff on hides from both sides of the line of division, and I say to you, in the light of the knowledge that I have acquired through actual experience, that unless the present 15 per cent duty on hides is abolished, it is but a short time until the independent tanner will be forced out of business, or into clerkships with the packing-tanning interests as they are now constituted.

Do not allow yourself to be persuaded that you are working in the interest of the West when you lend your support to the proposition to place a duty on hides. We of the West do not want this duty. It operates directly against all of the best interest of the West and South and profits absolutely no one but the packers.

THE PACKERS ONLY BENEFIT THEMSELVES.

[P. Rielly & Son, Newark, N. J.]

The packers buy cattle at 4½ to 5 cents per pound, and when the hide is taken off it is worth 15 to 16 cents per pound, without any labor or anything else done to it. This is the cause of enriching them so fast. And has placed them in control of all leather industries by allowing them such an advantage. They are now in the tanning of leather of every description, also the shoe business. They will drive us out of business unless you take off the duty on green hides, and if you do we will then be able to compete with them and the world.

The packers are no benefit to the farmer or anybody else but themselves. They buy their cattle as cheap as they can and sell their product as dear as they can.

Why should they be allowed such an advantage over us. Give us free hides and we will be equal and able to compete with the world.

WHAT WILL BECOME OF THE LITTLE TANNER IF TAX IS NOT REPEALED?

[Stanton Tanning Company, Richmond, Va.]

We request of you to give us all the assistance you can in having the burden on the trade of 15 per cent duty on hides repealed. In our opinion, if this duty is not repealed, we do not know what will become of the little tanners who are trying to make a livelihood, as we are now almost in the hands of the packers.

The repeal of the 15 per cent duty on hides is very important to the small tanners as well as the users of leather. We have been under the packers for the last twelve years, and if we do not get relieved it will only be a short time before the small tanners will have to be abandoned with.

THE OPPRESSION OF TANNERS BY THE TAX ON HIDES.

[John H. Hanan, Brooklyn, N. Y., president National Boot and Shoe Manufacturers' Association.]

We have many orders on our books for top lifts and other cut stock, which we are unable to fill for the reason that we can not buy heavy hides out of which to tan the heavy leather required. Our only relief seems to be in buying foreign hides. Even this market, to a certain extent on account of the duty, is controlled by the packers. While I do not believe that the removal of the tariff from hides will materially lessen the price, I do believe it will make it more difficult for the trust to control the market, as we would have the markets of the world to compete in instead of the United States.

Before tariff was put on hides this company had a nice business started with London wholesalers. We would undersell English manufacturers and make a good profit.

After the packers got a tariff on hides it added to the cost of leather to such an extent that we could not meet the English competition, and that business was lost. Tariff on hides is a detriment and a great drawback to the shoe business of our State, also to every individual citizen of our State. We know conditions and realize it more than anyone not directly engaged in the business.

FREE HIDES TO PRODUCTS OF LEATHER WHAT SULPHATE OF AMMONIA IS TO PRODUCTS OF AGRICULTURE.

I shall vote for free hides because I regard them as exceptional in their nature and effect. They are a by-product of a food product and are under conditions that should make them free. In the general public policy for the benefit of all the people I think the farmers will partake as beneficiaries of whatever conduces toward cheaper shoes, harness, and other things made of leather. At the same time I think it will assist both the tanners and the shoe manufacturers. In short, it involves the greatest good to the greatest number.

We have put sulphate of ammonia on the free list because it is the greatest fertilizing agent for the benefit of the farmers, and for the second reason that it is a by-product of steel, coke, and gas factories. It will spread good in all directions, without depriving any man of his just rights.

I voted to put zinc on the free list because of shortage in the raw material and the heaviness of freight to this country, which are so much that in themselves they put a heavy charge

upon its introduction. It costs over $6 a ton to get it from Mexico, which is nearly a prohibitory impediment.

We need sulphate of ammonia free; we need zinc free; and we need hides free for kindred reasons which apply in variations. Each case must be judged by itself. It is pleasant to see the rifts in the sky that are not fettered and barred by tariff. There is a long free list in this bill, and there generally is a free list at the end of every tariff bill.

OUT OF THE EATER COMES FORTH MEAT.

"A thing that is a-building," says Carlyle, "is not like unto the thing that is built." The greatest building on the earth is only the scaffolding that this generation has made for something higher, nobler, and better for the generations to come.

Ralph Waldo Emerson spoke this truth:

We rail at trade, and the philosopher and lover of man have much harm to say of it; but the historian of the world will see that trade was the principle of liberty; that trade planted America and destroyed feudalism; that it makes peace and keeps peace.

When the war drum throbs no longer, though it will never be your or my privilege to hear its last beat; when the battle flags are furled, though we shall not behold them, the world will view the consummation while happily exchanging the products of one continent with another in unshackled trade.

Little by little, more and more, to-day and to-morrow, decade by decade, century by century, it is coming in the providence of Him—

Who takes a thousand years to lay his hand on.

Out of the eater comes forth meat; out of darkness light; out of chaos order; and out of war peace.

Out of the congested tariff conditions of the nations, building battle ships and knotting themselves together behind high-protective walls, will come forth conditions that make for closer friendship and for more peaceful relations and for freer trade.

When we have shod all of our people with the best and cheapest shoes that we can aid in providing for them; when every little boy and girl can go wearing them, with the best schoolbooks in the world and with the best teachers, to the best schools, people of their time will look back with satisfaction upon all the steps taken to prepare the way for better things.

APPENDIX.

[Extracts from report of Robert J. Walker, Secretary of the Treasury in the Presidency of James K. Polk.]

Hon. Robert J. Walker, Pennsylvanian by birth, Mississippian by adoption, was Secretary of the Treasury in the Democratic administration of President Polk. He used the following words which, as a part of his report, was laid before the House of Representatives on December 3, 1845 (see S. Doc. No. 14, 61st Cong., 1st sess., p. 2):

In suggesting improvements in the revenue laws the following principles have been adopted:

First. That no more money should be collected than is necessary for the wants of the Government, economically administered.

Second. That no duty be imposed on any article above the lowest rate which will yield the largest amount of revenue.

Third. That below such rate discrimination may be made, descending in the scale of duties, or, for imperative reasons, the article may be placed in the list of those free from all duty.

Fourth. That the maximum revenue duty should be imposed on luxuries.

Fifth. That all minimums and all specific duties should be abolished and ad valorem duties substituted in their place, care being taken to guard against fraudulent invoices and undervaluation, and to assess the duty upon the actual market value.

Sixth. That the duty should be so imposed as to operate as equally as possible throughout the Union, discriminating neither for nor against any class or section.

No horizontal scale of duties is recommended, because such a scale would be a refusal to discriminate for revenue and might sink that revenue below the wants of the Government. Some articles will yield the largest revenue at duties that would be wholly or partially prohibitory in other cases. Luxuries, as a general rule, will bear the highest revenue duties; but even some very costly luxuries, easily smuggled, will bear but a light duty for revenue, whilst other articles, of great bulk and weight, will bear a higher duty for revenue. There is no instance within the knowledge of this department of any horizontal tariff ever having been enacted by any one of the nations of the world. There must be discrimination for revenue or the burden of taxation must be augmented in order to bring the same amount of money into the Treasury. It is difficult, also, to adopt any arbitrary maximum to which an inflexible adherence must be demanded in all cases. Thus, upon brandy and spirits, a specific duty, varying as an equivalent ad valorem from 180 to 261 per cent, yields a large revenue; yet no one would propose either of these rates as a maximum. These duties are too high for revenue, from the encouragement they present for smuggling these baneful luxuries; yet a duty of 20 per cent upon brandy and spirits would be far below the revenue standard, would greatly diminish the income on these imports, require increased burdens upon the necessaries of life, and would revolt the moral sense of the whole community. There are many other luxuries which will bear a much higher duty for revenue than 20 per cent, and the only true maximum is that which experience demonstrates will bring in each case the largest revenue at the lowest rate of duty. Nor should maximum revenue duties be imposed upon all articles, for this would yield too large an income and would prevent all discrimination within the revenue standard and require necessaries to be taxed as high as luxuries. But, whilst it is impossible to adopt any horizontal scale of duties, or even any arbitrary maximum, experience proves that, as a general rule, a duty of 20 per cent ad valorem will yield the largest revenue. There are, however, a few exceptions above as well as many below this standard. Thus, whilst the lowest revenue duty on most luxuries exceeds 20 per cent, there are many costly articles of small bulk, easily smuggled, which would bring, perhaps, no revenue at a duty as high as 20 per cent; and even at the present rate of 7½ per cent they yield, in most cases, a small revenue; whilst coal, iron, sugar, and molasses—articles of great bulk and weight—yielded last year six millions of revenue, at an average rate of duty exceeding 60 per cent ad valorem. These duties are far too high for revenue upon all these articles and ought to be reduced to the revenue standard; but if Congress desire to obtain the largest revenue from duties on these articles, those duties, at the lowest rate for revenue, would exceed 20 per cent ad valorem.

* * * * * * *

DUTIES ON LUXURIES.

In arranging the details of the tariff, it is believed that the maximum revenue duties should be imposed upon luxuries. It is deemed just that taxation, whether direct or indirect, should be as nearly as practicable in proportion to property. If the whole revenue were raised by a tax upon property, the poor, and especially those who live by the wages of labor, would pay but a very small portion of such tax; whereas by the tariff, the poor, by the consumption of various imports or domestic articles enhanced in price by the duties, pay a much larger share of the taxes than if they were collected by an assessment in proportion to property. To counteract as far as possible this effect of the tariff—to equalize its operation and make it approximate as nearly as may be to a system of taxes in proportion to property—the duties upon luxuries, used almost exclusively by the rich, should be fixed at the highest revenue standard. This would not be discriminating in favor of the poor, however just that might be within the revenue limit; but it would mitigate, as far as practicable, that discrimination against the poor which results from every tariff by compelling them to pay a larger amount of taxes than if assessed and collected on all property in proportion to its value. In accordance with these principles, it is believed that the largest practicable portion of the aggregate revenue should be raised by maximum revenue duties upon luxuries, whether grown, produced, or manufactured at home or abroad.

An appeal has been made to the poor by the friends of protection on the ground that it augments the wages of labor. In reply it is contended that the wages of labor have not augmented since the tariff of 1842, and that in some cases they have diminished.

When the number of manufactories is not great, the power of the system to regulate the wages of labor is inconsiderable; but as the profit of capital invested in manufactures is augmented by the protective tariff there is a corresponding increase of power until the control of such capital over the wages of labor becomes irresistible. As this power is exercised from time to time, we find it resisted by combinations among the working classes, by turning out for higher wages or for shorter time, by trades unions, and in some countries, unfortunately, by violence and bloodshed. But the Government, by protective duties, arrays itself on the side of the manufacturing system, and by thus augmenting its wealth and power soon terminates in its favor the struggle between man and money—between capital and labor. When the tariff of 1842 was enacted the maximum duty was 20 per cent. By that act the average of duties on the protected articles was more than double. But the wages of labor did not increase in a corresponding ratio or in any ratio whatever. On the contrary, whilst wages in some cases have diminished, the prices of many articles used by the working classes have greatly appreciated.

A protective tariff is a question regarding the enhancement of the profits of capital. That is its object, and not to augment the wages of labor, which would reduce those profits. It is a question of percentage and is to decide whether money vested in our manufactures shall, by special legislation, yield a profit of 10, 20, or 30 per cent, or whether it shall remain satisfied with a dividend equal to that accruing from the same capital invested in agriculture, commerce, or navigation.

TARIFFS FOR REVENUE TO BE COLLECTED—PROHIBITIVE TARIFFS TO RAISE DOMESTIC PRICES AND PROVIDE NO REVENUE.

The whole power to collect taxes, whether direct or indirect, is conferred by the same clause of the Constitution. The words are, "The Congress shall have power to lay and collect taxes, duties, imposts, and excises." A direct tax, or excise, not for revenue, but for protection, clearly would not be within the legitimate object of taxation, and yet it would be as much so as a duty imposed for a similar purpose. The power is "to lay and collect taxes, duties, imposts, and excises." A duty must be laid only that it may be collected, and if it is so imposed that it can not be collected, in whole or in part, it violates the declared object of the granted power. To lay all duties so high that none of them could be collected would be a prohibitory tariff. To lay a duty on any one article so high that it could not be collected would be a prohibitory tariff upon that article. If a duty of 100 per cent were imposed upon all or upon a number of articles, so as to diminish the revenue upon all or any of them, it would operate as a partial prohibition. A partial and a total prohibition are alike in violation of the true object of the taxing power. They only differ in degree and not in principle. If the revenue limit may be exceeded 1 per cent, it may be exceeded 100; if it may be exceeded upon any one article, it may be exceeded on all; and there is no escape from this conclusion but in contending that Congress may lay duties on all articles so high as to collect no revenue and operate as a total prohibition.

The Constitution declares that "all bills for raising revenue shall originate in the House of Representatives." A tariff bill, it is conceded, can only originate in the House, because it is a bill for raising revenue. That is the only proper object of such a bill. A tariff is a bill to "lay and collect taxes." It is a bill for "raising revenue," and whenever it departs from that object, in whole or in part, either by total or partial prohibition, it violates the purpose of the granted power.

TAXES TRANSFERRED TO THE PROTECTED CLASSES.

At least two-thirds of the taxes imposed by the present tariff are paid, not into the Treasury, but to the protected classes. The revenue from imports last year exceeded $27,000,000. This, in itself, is a heavy tax; but the whole tax imposed upon the people by the present tariff is not less than $81,000,000, of which $27,000,000 are paid to the Government upon the imports and $54,000,000 to the protected classes in enhanced prices of similar domestic articles.

The PRESIDING OFFICER. The hour of 7 o'clock having arrived, the Senate stands adjourned until to-morrow, Tuesday, June 22, 1909, at 10 o'clock a. m.

HOUSE OF REPRESENTATIVES.

MONDAY, *June 21, 1909.*

The House met at 12 o'clock noon.

Prayer by the Chaplain, Rev. Henry N. Couden, D. D.

The Journal of the proceedings of Thursday, June 17, was read and approved.

RESIGNATION OF A MEMBER.

The SPEAKER laid before the House the following communication:

WASHINGTON, D. C., *June 18, 1909.*

SIR: I beg leave to inform you that I have this day transmitted to the governor of Illinois my resignation as a Representative in Congress of the United States from the sixth district of Illinois.

WILLIAM LORIMER.

Hon. JOSEPH G. CANNON,
Speaker of the House of Representatives.

The SPEAKER. Without objection, the communication will lie on the table.

There was no objection, and it was so ordered.

MESSAGE FROM THE SENATE.

A message from the Senate, by Mr. Platt, one of its clerks, announced that the Senate had passed joint resolution of the following title, in which the concurrence of the House of Representatives was requested:

S. J. R. 33. Joint resolution relating to the provisions of section 10 of the sundry civil act of March 4, 1909.

UNEXPENDED BALANCE, RIVER AND HARBOR APPROPRIATION.

Mr. ALEXANDER of New York. Mr. Speaker, I ask unanimous consent to take from the Speaker's table Senate joint resolution 33 and that it be put upon its passage.

Mr. LIVINGSTON. Mr. Speaker, let us have it read first.

The SPEAKER. The gentleman from New York asks unanimous consent to take from the Speaker's table the following Senate joint resolution and pass the same. The Clerk will report the resolution.

The Clerk read as follows:

Senate joint resolution 33.

Resolved, etc., That the provisions of section 10 of the act entitled "An act making appropriations for sundry civil expenses of the Government for the fiscal year ending June 30, 1910, and for other purposes," approved March 4, 1909, shall not be construed as applying to the unexpended balance of any river and harbor appropriation the use of which may be essential, in the judgment of the Secretary of War, for the further maintenance or prosecution of the work to which it pertains as heretofore authorized by Congress.

Mr. TAWNEY. Mr. Speaker——

The SPEAKER. Does the gentleman yield?

Mr. ALEXANDER of New York. Yes.

Mr. TAWNEY. Mr. Speaker, I desire to ask the gentleman from New York if he will not allow this to go over until Thursday next. The Secretary of the Treasury has made a report to the House, in response to the resolution passed a couple of weeks ago as to the number of these appropriations and the aggregate amount of them, reporting about $191,000 as "not needed" for the purposes for which the money was appropriated. I think, therefore, the resolution ought to be amended so as to not give the Secretary of War the wide discretionary power he would have under this resolution as it comes to us from the Senate. I would like to ask the gentleman from New York to allow it to go over until the next meeting of the House.

Mr. ALEXANDER of New York. Mr. Speaker, I trust the gentleman will not press that request. Let me explain the matter in a few words.

Mr. LIVINGSTON. Mr. Speaker, this is a request for unanimous consent, and I reserve the right to object.

Mr. ALEXANDER of New York. Well, let me explain.

Mr. TAWNEY. Will the gentleman from New York permit a question?

Mr. ALEXANDER of New York. Yes.

Mr. TAWNEY. None of these appropriations will be turned into the Treasury prior to June 30?

Mr. ALEXANDER of New York. No.

Mr. TAWNEY. I think we will have ample time to give the matter that consideration which the House ought to give to it if the gentleman will allow it to go over until the next meeting of the House; and we can then adopt it with an amendment, if the House sees fit to amend it, or, if not, adopt it as it came to the House from the Senate.

Mr. ALEXANDER of New York. I trust the gentleman will not insist upon that.

Mr. TAWNEY. Mr. Speaker, the House is in possession of information from the Treasury Department that shows the necessity for an amendment to the Senate resolution. It appears from the report of the Secretary of War now before me that the appropriations heretofore made for river and harbor improvements that are not now needed amount to over $191,000. Why should they not be turned back into the Treasury? It is because of that fact that I ask the gentleman to allow this to go over until Thursday next, until we can take time to consider the information which the Secretary of the Treasury has sent to the House, and which as yet no Member of the House has had an opportunity to examine or consider.

Mr. LIVINGSTON. We are not willing to give unlimited power to the Secretary of War—to have no limit placed at all upon his discretion. We have had no time to look into this, and I can not consent to it.

Mr. ALEXANDER of New York. Does the gentleman object?

Mr. LIVINGSTON. If the gentleman will strike that out and allow us to amend it now I would be satisfied. Why not?

Mr. ALEXANDER of New York. Oh, no; I do not agree to the amendment. We want to pass it now when we have a quorum. There is no reason for delay, and if the gentleman will be patient for a moment I think he will be satisfied.

Mr. LIVINGSTON. It is far more important to take care of the funds of the United States than to act now simply because we happen to have a quorum.

Mr. ALEXANDER of New York. We are not squandering the funds of the United States.

Mr. LIVINGSTON. Yes; they have been doing it with a vengeance.

Mr. FITZGERALD. Mr. Speaker, I hope the gentleman will let his resolution go over. This resolution makes absolutely indefinite the effect of the law. It provides that the law shall not be construed to affect appropriations except in the discretion of some official. Now, the Secretary of the Treasury has transmitted to the House a report, pointing out the appropriations which it is desired shall be eliminated from the effect of section 10 of the sundry civil act, approved March 4, 1909.

It seems to me that all that the War Department can reasonably expect is to have enumerated the items that it wishes to have exempted from the operation of that act. I am unwilling to have a provision passed by unanimous consent that provides that a certain provision of law "shall not be construed as applying to the unexpended balances of any river and harbor appropriations the use of which may be essential, in the judgment of the Secretary of War, for the further maintenance or prosecution of the work." If laws should have anything, they should have certainty. It would be utterly impossible for anybody by the utmost care and scrutiny to be able to tell whether in the discretion or opinion of the Secretary of War a certain appropriation would be either essential or nonessential.

Mr. ALEXANDER of New York. If the gentleman will wait until I have had an opportunity to explain the resolution, I think I can satisfy him that no one wants to expend an unexpended balance contrary to the wishes of either the Treasury or War departments. This matter was carefully gone over as early as the 3d of May last. The chairman of the House and Senate Committees on Appropriations understood what appropriations were needed. Now, if——

Mr. FITZGERALD. Will the gentleman——

Mr. ALEXANDER of New York. Mr. Speaker, I refuse to be interrupted until I have finished my statement. I shall then be glad to hear from my colleague from New York. By an arrangement entirely agreeable to the chairmen of these two Committees on Appropriations the matter contained in this resolution was deferred until the tariff bill might be disposed of. But unless action be taken before the 30th day of June we must reappropriate these amounts. It is true this resolution includes unexpended balances which will not be used, but the Secretary of War understands what ones are necessary.

Mr. SHERLEY. Will the gentleman yield?

Mr. ALEXANDER of New York. Yes.

Mr. SHERLEY. If the gentleman has that detailed information, why not make the law you are now attempting to pass specific, and not leave it in the loose way in which it is? There is no reason why that should not be done.

Mr. ALEXANDER of New York. Because this resolution was drawn in May, agreed to by the War Department and by the chairman of the Committee on Appropriations.

Mr. SHERLEY. Oh, the gentleman is going too far. The Committee on Appropriations of the House does not exist, and those of us who used to be members have never been consulted except as to the general purpose. Now, all of us want to do what the gentleman desires to have done, but we do not believe it is good legislation to pass a loose general statement that an existing law shall not apply to such provisions relating to rivers and harbors as in the judgment of the Secretary of War they should not apply to.

Mr. ALEXANDER of New York. But the gentleman will recognize the importance of the resolution becoming law before

the 30th of June. Next Thursday we may be without a quorum and then it is likely to go over until the 1st of July. Mr. Speaker, I ask for the present consideration of the Senate joint resolution.

Mr. FITZGERALD. Will the gentleman yield?

Mr. ALEXANDER of New York. Yes.

Mr. FITZGERALD. The gentleman says this matter was carefully gone into. I call his attention to this fact, that on the 10th day of May a report was made, apparently by the War Department, to the Senate, and it gives the aggregate items affected as $1,154,662.74.

On the 15th of June the Secretary of the Treasury transmitted to this House, in response to a resolution offered by myself, certain information, and said that the aggregate of the items affected amounts to $836,664.09, a difference of $317,998.65, or about 30 per cent difference, inside of a month. It does not appear to me that such great care could have been given to the preparation of that other report as the gentleman would have the House believe.

Mr. ALEXANDER of New York. Let me suggest to the gentleman from New York that the statement made by the Secretary of War includes all of the unexpended balances which do amount to $800,000, or thereabouts, but the only balances with which we are concerned, and which will be touched under this resolution, amount to about, as I recall it, $650,000.

Mr. FITZGERALD. The gentleman is mistaken. It is $645,000.

Mr. ALEXANDER of New York. And that amount is made up of balances which are needed to carry on work under improvement at this time, and which, unless this resolution passes, must stop.

Now, I appreciate the reason why the gentleman from New York [Mr. FITZGERALD] and the gentleman from Kentucky [Mr. SHERLEY] and the gentleman from Minnesota [Mr. TAWNEY] do not desire this resolution passed in its present form, and I have no fault to find with the general principle, as enunciated in section 10 of the last sundry civil bill; but here is a case that ought to appeal to Members of the House, because it affects appropriations which, if turned into the Treasury under section 10, will result in the stoppage of work in Kentucky, in Texas, in Minnesota, and many other States represented on the floor at this time. I think New York is not affected.

Mr. FITZGERALD. There is one item in my district, if this report be accurate.

Mr. ALEXANDER of New York. Very likely an item there. Mr. Speaker, I ask for immediate consideration.

The SPEAKER. Is there objection?

Mr. SHERLEY. I object.

Mr. FITZGERALD. I object.

Mr. ALEXANDER of New York. Mr. Speaker, I move that the rules be suspended, that Senate joint resolution No. 33 be taken from the Speaker's table, and that the same be passed.

The SPEAKER. The Chair understands the motion of the gentleman from New York [Mr. ALEXANDER] is to suspend the rules, take the Senate joint resolution which has just been reported from the Speaker's table, and pass the same. Is a second demanded?

Mr. FITZGERALD. Mr. Speaker, I demand a second.

Mr. ALEXANDER of New York. Mr. Speaker, I ask unanimous consent that a second may be considered as ordered.

The SPEAKER. Is there objection? [After a pause.] The Chair hears none. The gentleman from New York [Mr. ALEXANDER] is entitled to twenty minutes and his colleague from New York [Mr. FITZGERALD] to twenty minutes. The gentleman from New York [Mr. ALEXANDER] is recognized.

Mr. ALEXANDER of New York. Mr. Speaker, I do not desire to say more. I think the gentlemen of the House understand that we are not hostile to the principle of the sundry civil bill, but are simply trying to avoid what the framers of that bill did not intend to do.

Mr. Speaker, I yield six minutes to the gentleman from Louisiana [Mr. RANSDELL].

Mr. DOUGLAS. Before the gentleman yields, I would like the privilege of asking him one question.

Mr. ALEXANDER of New York. Certainly.

Mr. DOUGLAS. Now, this joint resolution, as I understand it, modifies section 10 of the last sundry civil appropriation bill, and that, I believe, is a provision which applies generally to all the appropriations, so that this resolution if passed will change for all time, so far as these appropriations are concerned, that rule which has been adopted after due deliberation by the House.

Mr. ALEXANDER of New York. It simply withdraws river and harbor balances from the action of section 10 of the sundry civil bill. That is all.

Mr. DOUGLAS. But that, as suggested to me, would be a change of existing law.

Mr. ALEXANDER of New York. Well, of course it is a change of existing law so far as these specific appropriations are concerned.

Mr. DOUGLAS. But there is no provision here that this exemption, which will put these unexpended balances wholly within the discretion of the Secretary of War, shall not apply for all time to river and harbor appropriations.

Mr. ALEXANDER of New York. Well, we can very easily remedy that in the next bill. Now, Mr. Speaker, I yield to the gentleman from Louisiana [Mr. RANSDELL] six minutes.

Mr. BURLESON. Before the gentleman from Louisiana begins, I would like to ask the gentleman from New York a question.

Mr. ALEXANDER of New York. Well.

Mr. BURLESON. You say you have a report from the Secretary of War giving the concrete cases affected by that provision in the sundry civil act sought to be modified by the pending resolution. If so, why not amend this resolution so as to apply in terms to those particular cases, and then there will be no question about what the law means, no uncertainty about any unexpended appropriation affected by the law? If this action could be taken, there will then be no objection to the resolution, and you would accomplish everything that you have in mind to accomplish.

Mr. ALEXANDER of New York. Well, the gentleman knows the difficulty of sending the resolution back to the Senate under present conditions.

Mr. BURLESON. I can see no difficulty. The gentleman knows the Senate can do anything it wants to do, and always finds time for action.

Mr. ALEXANDER of New York. No harm can come under this resolution, and much harm may come from the very courteous suggestion of my friend from Texas. I yield six minutes to the gentleman from Louisiana.

Mr. RANSDELL of Louisiana. Mr. Speaker, I should like the attention of the House. I do not believe the House clearly understands this resolution. Under the terms of section 10 of the sundry civil act of this year all appropriations made prior to July 1, 1904, which had not been expended, or for which contracts had not been made prior to the approval of that sundry civil act, shall revert to the Treasury. Now, a number of appropriations for rivers and harbors which were made prior to July 1, 1904, for one cause or another, had not been expended on March 1, nor had contracts been made for those works. One of these is the Ouachita River, in Arkansas and Louisiana, for which $177,146.27 was appropriated that had not been contracted for nor expended on the 1st of March last. Why? The Engineer Department had contracted for that work about four years ago with one of the most reliable firms in the city of Chicago. The forces of nature intervened. Three seasons of high water in the river prevented that work.

The contracting firm was unable to accomplish anything, lost very heavily, and the contract, by mutual consent, was annulled about a year ago. So no contract existed as to that $177,146.27 on the 1st of March last, and that is a work of the utmost importance, which should go on. Unless this resolution is adopted, that work must stop, and so must various other works in different parts of the country.

Mr. LIVINGSTON rose.

Mr. RANSDELL of Louisiana. If the gentleman will permit me.

Mr. LIVINGSTON. It is touching that very thing that I want to ask the gentleman a question.

Mr. RANSDELL of Louisiana. Very well.

Mr. LIVINGSTON. How do you know that the Secretary of War will conclude that the use of that sum is essential for that work?

Mr. RANSDELL of Louisiana. I know that because of the report that the Secretary of War has made to the Senate, and which is attached to Report No. 4 of the Senate Committee on Commerce, to accompany Senate joint resolution No. 33.

Mr. LIVINGSTON. Let these specific items be attached to this resolution, so that we will know what we are doing.

Mr. RANSDELL of Louisiana. I do not know that that is necessary, gentlemen; and, as a matter of fact, the Senate has not done it. Now, what harm can come from passing this resolution just as it came from the Senate? No money is being appropriated now. The money has been in the Treasury for years to the credit of a number of river and harbor projects all over the United States; and because that money had not been expended, you provided in section 10 of the sundry civil act that it go back to the general fund of the Treasury. That is all

right, as a general principle; but there are a few cases where the money could not be expended, and I say that we ought to extend the time, and leave the matter to the discretion of the Secretary of War, who is certainly the proper person to exercise that discretion. There are some of these funds that have been accredited to various projects for many years, and they ought to go back into the Treasury. There are a few cases where the Secretary of War will put them back; but why jeopardize a number of great projects? Why jeopardize the provision for $122,800 for the harbor of Boston? Why jeopardize the $35,368 for Pass Cavallo, Texas? Why jeopardize the $24,257 for the Columbia River, and $69,070 for Calumet Harbor, and $114,064 for the Sacramento and Feather rivers, and many others, especially the great Ouachita River, which has, as stated above, $177,146.27 involved in this controversy?

Mr. LIVINGSTON. Why not put them all in here?

Mr. RANSDELL of Louisiana. The Senate might have done it, but has not, and it was a very difficult matter to get this resolution through the Senate. They tried to get it up at one time, but it was objected to. It was only by calling it up last Saturday in the absence of certain Senators who, had they been present, would have objected to it, that it was gotten through. They do not wish anything to be considered at this time until the tariff in disposed of. If this matter goes over until after July 1, we will have to make specific appropriations, and there is no rhyme nor reason for insisting on anything of that kind.

Mr. LIVINGSTON. Then the gentleman acknowledges that the Senate has picked out certain items in the sundry civil bill and sent this resolution over here, intending to close our mouths or put a gag on us and make us adopt these selections or none at all?

Mr. RANSDELL of Louisiana. Oh, not at all; this only applies to certain river and harbor appropriations. We need not cross any bridge until we get to it. We have not come to the other matters, and when we do come to them we will act upon them. This proposition is before us in concrete form, and I appeal to all of you to stand by us in this matter and pass the resolution called up by the gentleman from New York.

Mr. ALEXANDER of New York. Mr. Speaker, I reserve the balance of my time.

The SPEAKER. The gentleman from New York has ten minutes remaining.

Mr. FITZGERALD. Mr. Speaker, nobody desires to prevent the money appropriated for river and harbor improvements and actually needed being made available. In the last session of Congress a provision was placed in the sundry civil appropriation bill designed to effect a good purpose. It was found that funds appropriated for purposes ten years and more ago were being expended for purposes never contemplated by Congress. So this provision was put in the sundry civil act to cover into the Treasury the surplus funds of all moneys which had not been expended or obligated under contract by July 1, 1909.

On the 10th day of May the Secretary of War transmitted to the Senate a statement in which it is set forth that items aggregating $1,154,662 for river and harbor improvements might be affected by the provisions in the sundry civil act.

I introduced a resolution on the 7th of June, calling upon the Secretary of the Treasury to point out the appropriations, the date when made, and purposes for which made for river and harbor improvements which might be affected by section 10 of the sundry civil act. On the 15th of June that information came to the House. It shows that $191,000 for various river and harbor improvements are no longer needed by the department; that $645,000 might be affected by this provision and is needed by the War Department in order to carry on certain river and harbor improvements or to maintain the projects.

The pending resolution has been pending in the Senate some time, and, according to the statement of the gentleman from Louisiana, was passed there under circumstances that would not commend themselves to me. It seemed to me, as the resolution was passed Saturday, that it would be desirable so long as the Secretary of War has specifically enumerated the items which it is desired to save from the operation of section 10 of the sundry civil act, to enumerate these items and to give exactly what is required. The fact that the Secretary of War prepares a resolution or prefers a resolution in some particular form does not appeal with any particular force to me.

Section 10 of the sundry civil act was designed to prevent the use of apropriations that had lapsed for some purpose not contemplated when made. The most vicious illustration that can be cited was the emergency appropriation of $3,000,000 made in 1898 for the purposes of the Spanish war, which was used last year to pay the detectives engaged in the Brownsville matter. Not only that, but the appropriation was utilized for the payment of certain services in connection with the occupation of Cuba.

If these moneys enumerated by the Secretary of the Treasury on page 2 of House Document No. 59, first session, Sixty-first Congress, are not needed, they should be converted into the surplus funds. The ones that are needed should be willingly appropriated and given to the department for its use. I desire to call the attention of the House to the phraseology of the resolution that we are asked seriously to consider and pass—

That the provisions of section 10 * * * shall not be construed as applying to the unexpended balance of any river and harbor appropriation the use of which may be essential, in the judgment of the Secretary of War, for the further maintenance or prosecution of the work to which it pertains and heretofore authorized by Congress.

I would much prefer, Mr. Speaker, to be perfectly frank, to provide that section 10 of the sundry civil act should not apply to any appropriation heretofore made for river and harbor purposes than, under this language, go through the pretense of converting into the Treasury appropriations not needed, while placing the entire matter in the discretion of the Secretary of War. I objected to the consideration of the resolution because I had hoped that the gentleman would at least afford sufficient time to-day for the preparation of an amendment which would enumerate the appropriations that the department says it needs, so that it might be offered as an amendment and perhaps accepted by the gentleman.

Mr. TAWNEY. Will the gentleman from New York yield for me to make an inquiry?

Mr. FITZGERALD. Certainly.

Mr. TAWNEY. I desire to inquire whether or not, by unanimous consent, Mr. Speaker, the gentleman in charge of the resolution consenting, the resolution could be amended?

The SPEAKER. By unanimous consent the motion of the gentleman from New York could be modified.

Mr. TAWNEY. Then, Mr. Speaker, I ask unanimous consent to modify the motion of the gentleman from New York to include the following amendment, which I send to the desk and ask to have read.

The Clerk read as follows:

Strike out of the joint resolution all after the word "appropriation," in line 9, and insert in lieu thereof the following:

"Mentioned and referred to, on page 3 of Public Document No. 59, Sixty-first Congress, first session, amounting in the aggregate to $645,104.32, as follows:

Appropriation.	Act.	Balance.
Union River, Me.	June 6,1900	$2,398.64
Lubec Channel, Me.	June 13,1902	11,567.02
Penobscot River, Me.	July 13,1892	8,500.00
Cape Porpoise Harbor, Me.	June 6,1900	7,498.85
Rockland Harbor, Me.	July 1,1898	5,474.21
Saco River, Me.	June 3,1896	5,241.63
Boston Harbor, Mass.:		
27-foot channel	June 28,1902	33,000.00
30-foot channel	Mar. 3,1901	69,800.00
Charles River	Sept. 19,1890	20,000.00
Harbors at Plymouth and Provincetown, Mass. (Plymouth Harbor)	June 3,1896 / Mar. 3,1899	8,270.94
Wallabout Channel, N. Y.	do	19,326.37
Cooper Creek, N. J.	June 3,1896	3,454.98
Raccoon River, N. J.	Aug. 2,1882	2,192.27
Appomattox River, Va.	Mar. 3,1903	13,800.12
Mississippi River from mouth of Ohio River to Minneapolis, Minn.:		
Harbor of refuge below Davenport, Iowa	June 13,1902	1,931.95
Harbor at Muscatine, Iowa	do	1,851.40
Minnesota River, Minn. (survey of Big Stone Lake and Lake Traverse)	Mar. 3,1899	948.42
Great Kanawha River, W. Va.	June 4,1897	43,310.40
Harbor at Dunkirk, N. Y.	June 13,1902	2,203.16
Tonawanda Harbor and Niagara River, N. Y.	do	30,149.86
Port Washington Harbor, Wis.	do	2,066.96
Mississippi River from mouth of Ohio River to Minneapolis, Minn. (locks and dams)	Mar. 3,1903	6,645.97
Ouachita River, Ark. and La. (Locks and Dams 4 and 6)	do	167,881.21
Yazoo, Tallahatchie, Coldwater, and Big Sunflower rivers and Tchula Lake, Miss. (Yazoo River at mouth)	Mar. 3,1901	4,704.91
Red River, La. and Ark. (at Shreveport, La.)	June 13,1902	2,308.36
Calumet Harbor, Ill.	Mar. 3,1903	68,804.89
Calumet River, Ill. and Ind. (above the Forks)	Aug. 18,1894	5,050.75
Monongahela River, W. Va.:		
Locks 10-15, construction	Apr. 28,1904	65,974.17
Locks 3, 6, etc.	June 6,1900	3,803.93
Monongahela River, Pa. (Lock No. 2)	Mar. 3,1903	3,770.42
Ohio River below Pittsburg, Pa. (Dam No. 7)	June 13,1902	4,737.20
Harbor at Tacoma, Wash.	Mar. 3,1903	11,380.82
Harbor at Olympia, Wash.	June 13,1902	7,056.91
Total		645,104.32

The SPEAKER. Is there objection?

Mr. MURPHY. Mr. Speaker, I object.

Mr. FITZGERALD. Mr. Speaker, the gentleman from New York can modify his own motion if he desires to accept that amendment.

The SPEAKER. The motion to suspend the rules having been seconded, it is beyond the power of the gentleman from New York to do that except by unanimous consent.

Mr. PAYNE. Mr. Speaker, a parliamentary inquiry.

The SPEAKER. The gentleman will state it.

Mr. PAYNE. If the House could vote down this motion, would it not then be in order to offer a motion to suspend the rules and pass the joint resolution with the modification proposed by the gentleman from Minnesota [Mr. TAWNEY]?

The SPEAKER. Well, this is suspension day.

Mr. FITZGERALD. That could be accomplished in that way. I reserve the balance of my time.

Mr. ALEXANDER of New York. Of course, Mr. Speaker, the objection to the amendment of the gentleman from Minnesota is that it returns the resolution to the Senate, and there is danger that it will be delayed until after the 30th of June. The War Department does not intend using more than the $640,000 covered by the amendment of the gentleman from Minnesota, and for that reason I think the members of the former Committee on Appropriations can afford to allow the resolution to go through as it came from the Senate. The Secretary of War has not in mind to do anything other than the proposed amendment of the gentleman from Minnesota [Mr. TAWNEY] will allow him to do.

Mr. LIVINGSTON. Then why did not the gentleman accept it at the start?

Mr. ALEXANDER of New York. Because I wish the resolution passed as it came to us from the Senate. We had nothing to say about its form, but we desire it to pass the House now and not make further delay by sending it back to the Senate.

Mr. BURLESON. The Senate passed it unanimously.

Mr. ALEXANDER of New York. I hope we may pass the resolution as it is, and I ask for a vote, Mr. Speaker.

The SPEAKER. The question is on agreeing to the motion.

The question was taken.

The SPEAKER. In the opinion of the Chair, two-thirds having voted——

Mr. FITZGERALD. I ask for a division, Mr. Speaker.

The House divided; and there were—ayes 152, noes 28.

Mr. LIVINGSTON. No quorum, Mr. Speaker.

The SPEAKER. The gentleman from Georgia makes the point that no quorum has voted. The Doorkeeper will close the doors, the Sergeant-at-Arms will notify absent Members, and the Clerk will call the roll.

The question was taken; and there were—yeas 164, nays 26, answered "present" 13, not voting 184, as follows:

YEAS—164.

Adamson	Dwight	Kellher	Poindexter
Aiken	Ellis	Kendall	Pray
Alexander, Mo.	Elvins	Kennedy, Iowa	Randell, Tex.
Alexander, N. Y.	Englebright	Kennedy, Ohio	Ransdell, La.
Austin	Esch	Kinkaid, Nebr.	Rauch
Barnard	Ferris	Knapp	Reeder
Bartholdt	Fish	Knowland	Richardson
Bartlett, Ga.	Floyd, Ark.	Kronmiller	Rucker, Colo.
Beall, Tex.	Focht	Langley	Russell
Boehne	Gaines	Latta	Scott
Borland	Gardner, Mass.	Lee	Sherwood
Bowers	Garner, Tex.	Lenroot	Small
Broussard	Garrett	Lever	Smith, Cal.
Burgess	Gill, Md.	Lloyd	Smith, Mich.
Burke, S. Dak.	Gillespie	Lovering	Sperry
Burnett	Gillett	McDermott	Stanley
Butler	Grant	McGuire, Okla.	Sterling
Byrd	Gregg	McKinlay, Cal.	Sulloway
Byrns	Guernsey	McKinney	Swasey
Calderhead	Hamilton	Macon	Talbott
Campbell	Hamlin	Madison	Taylor, Ala.
Candler	Haugen	Maguire, Nebr.	Taylor, Colo.
Carter	Hayes	Martin, Colo.	Taylor, Ohio
Cassidy	Heald	Martin, S. Dak.	Tener
Clark, Mo.	Henry, Conn.	Mays	Thistlewood
Clayton	Henry, Tex.	Miller, Minn.	Thomas, Ky.
Cline	Higgins	Moore, Pa.	Thomas, N. C.
Cole	Hill	Morehead	Thomas, Ohio
Collier	Hobson	Morgan, Mo.	Tilson
Cooper, Wis.	Howard	Morgan, Okla.	Townsend
Cowles	Howell, N. J.	Morrison	Volstead
Cox, Ind.	Howell, Utah	Moss	Vreeland
Creager	Howland	Murdock	Wanger
Crumpacker	Huff	Murphy	Watkins
Cullop	Hull, Iowa	Needham	Webb
Dalzell	Hull, Tenn.	Nicholls	Wheeler
Dickson, Miss.	Humphrey, Wash.	Nye	Wickliffe
Diekema	Humphreys, Miss.	Oldfield	Wiley
Dixon, Ind.	James	Page	Wilson, Ill.
Dodds	Jamieson	Patterson	Wood, N. J.
Driscoll, M. E.	Jones	Payne	Young, Mich.

NAYS—26.

Ashbrook	Graff	Lindbergh	Sisson
Brownlow	Gronna	Livingston	Steenerson
Burleson	Hamer	Palmer, A. M.	Tawney
Davis	Hardy	Plumley	Tou Velle
De Armond	Hitchcock	Rucker, Mo.	Woods, Iowa
Dies	Hubbard, Iowa	Sherley	
Fitzgerald	Keifer	Sims	

ANSWERED "PRESENT"—13.

Booher	Foster, Ill.	Hay	Stephens, Tex.
Chapman	Foster, Vt.	Johnson, S. C.	
Douglas	Hanna	Loud	
Flood, Va.	Hawley	Slayden	

NOT VOTING—184.

Adair	Edwards, Ga.	Joyce	Perkins
Allen	Edwards, Ky.	Kahn	Peters
Ames	Ellerbe	Kinkead, N. J.	Pickett
Anderson	Estopinal	Kitchin	Pou
Andrus	Fairchild	Kopp	Pratt
Ansberry	Fassett	Korbly	Prince
Anthony	Finley	Küstermann	Pujo
Barchfeld	Foelker	Lafean	Rainey
Barclay	Fordney	Lamb	Reid
Barnhart	Fornes	Langham	Reynolds
Bartlett, Nev.	Foss	Lassiter	Rhinock
Bates	Foulkrod	Law	Riordan
Bell, Ga.	Fowler	Lawrence	Roberts
Bennet, N. Y.	Fuller	Lindsay	Robinson
Bennett, Ky.	Gallagher	Longworth	Rodenberg
Bingham	Gardner, Mich.	Loudenslager	Rothermel
Boutell	Gardner, N. J.	Lowden	Sabath
Bradley	Garner, Pa.	Lundin	Saunders
Brantley	Gill, Mo.	McCall	Shackleford
Burke, Pa.	Gilmore	McCreary	Sharp
Burleigh	Glass	McHenry	Sheffield
Calder	Godwin	McKinley, Ill.	Sheppard
Cantrill	Goebel	McLachlan, Cal.	Simmons
Capron	Goldfogle	McLaughlin, Mich.	Slemp
Carlin	Good	McMorran	Smith, Iowa
Cary	Gordon	Madden	Smith, Tex.
Clark, Fla.	Goulden	Malby	Snapp
Cocks, N. Y.	Graham, Ill.	Mann	Southwick
Conry	Graham, Pa.	Maynard	Sparkman
Cook	Greene	Miller, Kans.	Spight
Cooper, Pa.	Griest	Millington	Stafford
Coudrey	Griggs	Mondell	Stevens, Minn.
Covington	Hamill	Moon, Pa.	Sturgiss
Cox, Ohio	Hammond	Moon, Tenn.	Sulzer
Craig	Hardwick	Moore, Tex.	Tirrell
Cravens	Harrison	Morse	Underwood
Crow	Heflin	Mudd	Wallace
Currier	Helm	Nelson	Washburn
Cushman	Hinshaw	Norris	Weeks
Davidson	Hollingsworth	O'Connell	Weisse
Dawson	Houston	Olcott	Willett
Denby	Hubbard, W. Va.	Olmsted	Wilson, Pa.
Dent	Hughes, Ga.	Padgett	Woodyard
Denver	Hughes, N. J.	Palmer, H. W.	Young, N. Y.
Draper	Hughes, W. Va.	Parker	
Driscoll, D. A.	Johnson, Ky.	Parsons	
Durey	Johnson, Ohio	Pearre	

The Clerk announced the following pairs:

Until tariff bill passes Senate:

Mr. SMITH of Iowa with Mr. STEPHENS of Texas.

Until further notice:

Mr. CARY with Mr. COVINGTON.

Mr. COCKS of New York with Mr. COX of Indiana.

Mr. CROW with Mr. DENVER.

Mr. CUSHMAN with Mr. ELLERBE.

Mr. DAVIDSON with Mr. ESTOPINAL.

Mr. DRAPER with Mr. GALLAGHER.

Mr. DENBY with Mr. FLOOD of Virginia.

Mr. EDWARDS of Kentucky with Mr. GILMORE.

Mr. COOK with Mr. CRAIG.

Mr. FASSETT with Mr. GLASS.

Mr. GARDNER of Michigan with Mr. GODWIN.

Mr. GOEBEL with Mr. GORDON.

Mr. GOOD with Mr. HAMILL.

Mr. GRAHAM of Pennsylvania with Mr. HARRISON.

Mr. HUBBARD of West Virginia with Mr. HAY.

Mr. HUGHES of West Virginia with Mr. HEFLIN.

Mr. JOYCE with Mr. HUGHES of New Jersey.

Mr. KÜSTERMANN with Mr. JOHNSON of South Carolina.

Mr. LONGWORTH with Mr. KITCHIN.

Mr. LOUDENSLAGER with Mr. KINKEAD of New Jersey.

Mr. MCCREARY with Mr. MAYNARD.

Mr. MCLAUGHLIN of Michigan with Mr. MOON of Tennessee.

Mr. MADDEN with Mr. MOORE of Texas.

Mr. MANN with Mr. REID.

Mr. MILLER of Kansas with Mr. PETERS.

Mr. ROBERTS with Mr. SAUNDERS.

Mr. SLEMP with Mr. SHARP.

Mr. SNAPP with Mr. SPARKMAN.

Mr. STEVENS of Minnesota with Mr. SPIGHT.

Mr. WOODYARD with Mr. WILSON of Pennsylvania.

Mr. NORRIS with Mr. WALLACE.

Mr. PRINCE with Mr. ROTHERMEL.

Mr. BENNET of New York with Mr. ADAIR.
Mr. BENNETT of Kentucky with Mr. BRANTLEY.
Mr. BINGHAM with Mr. CARLIN.
Mr. FOULKROD with Mr. WILLETT.
Mr. PEARRE with Mr. SHACKLEFORD.
Mr. BURLEIGH with Mr. BOOHER.
Mr. ALLEN with Mr. LEVER.
Mr. MCCALL with Mr. HARDWICK.
Mr. ANTHONY with Mr. CRAVENS.
Mr. SOUTHWICK with Mr. CONRY.
Mr. MALBY with Mr. DANIEL A. DRISCOLL.
Mr. ANDRUS with Mr. RIORDAN.
Mr. NELSON with Mr. CLARK of Florida.
Mr. CAPRON with Mr. JOHNSON of Kentucky.
Mr. FOSTER of Vermont with Mr. POU.
Mr. COUDREY with Mr. GILL of Missouri.
Mr. BOUTELL with Mr. GRIGGS.
Mr. MCKINLAY of California with Mr. BARTLETT of Nevada.
Mr. LOUD with Mr. PADGETT.
Mr. CALDER with Mr. KORBLY.
Mr. FULLER with Mr. GRAHAM of Illinois.
Mr. CHAPMAN with Mr. ROBINSON.
Mr. MCKINLEY of Illinois with Mr. FOSTER of Illinois.
Mr. KAHN with Mr. ANDERSON.
Mr. TIRRELL with Mr. UNDERWOOD.
Mr. KOPP with Mr. HELM.
Mr. DAWSON with Mr. EDWARDS of Georgia.
Mr. OLMSTED with Mr. SABATH.
Mr. RODENBERG with Mr. SMITH of Texas.
Mr. LOWDEN with Mr. MCHENRY.
Mr. LAWRENCE with Mr. LINDSAY.
Mr. MOON of Pennsylvania with Mr. O'CONNELL.
Mr. OLCOTT with Mr. RHINOCK.
Mr. LAW with Mr. LASSITER.
Mr. LAFEAN with Mr. LAMB.
Mr. MUDD with Mr. RAINEY.
Mr. DUREY with Mr. DENT.
Mr. FAIRCHILD with Mr. HOUSTON.
Mr. COOPER of Pennsylvania with Mr. CANTRILL.
Mr. BURKE of Pennsylvania with Mr. FORNES.
Mr. BATES with Mr. BELL of Georgia.
Mr. HAWLEY with Mr. SHEPPARD.
Mr. PICKETT with Mr. SLAYDEN.
Mr. STURGISS with Mr. SULZER.
Mr. AMES with Mr. ANSBERRY.
Mr. BARCHFELD with Mr. BARNHART.
Mr. GREENE with Mr. GOLDFOGLE.
Mr. YOUNG of New York with Mr. WEISSE.
Mr. PERKINS with Mr. HUGHES of Georgia.
For the session:
Mr. MCMORRAN with Mr. PUJO.
Mr. CURRIER with Mr. FINLEY.
Mr. BRADLEY with Mr. GOULDEN.

The result of the vote was announced as above recorded.

The SPEAKER. Two-thirds having voted therefor, the joint resolution is passed. The Doorkeeper will open the doors.

FIRE AT CHELSEA, MASS.

Mr. GILLETT. Mr. Speaker, I ask unanimous consent for the immediate consideration of the following joint resolution, which I send to the Clerk's desk.

The SPEAKER. The gentleman from Massachusetts asks unanimous consent for the present consideration of the following joint resolution (H. J. Res. 59), which the Clerk will report.

The Clerk read as follows:

Joint resolution (H. J. Res. 59) amending an act concerning the recent fire in Chelsea, Mass.

Resolved, etc., That the time within which certain accident, emergency, and maternity cases may be received and treated in the marine hospital at Chelsea, Mass., fixed by the act approved May 23, 1908, is hereby extended until October 1, 1909.

Mr. GILLETT. Mr. Speaker, I think in one minute I can explain this to the House so that there will be no objection. The gentleman from Massachusetts [Mr. ROBERTS], in whose district Chelsea is situated, would have made the request except for the fact that he was called away on account of his family yesterday.

A year ago the city of Chelsea was practically wiped out by fire. The hospitals were all destroyed, and Congress allowed for one year the use of the marine hospital, the United States institution there, for accident, emergency, and maternity cases. That year has expired. There was also appropriated then the sum of $3,600 for any extra expenses which might be involved. Of that $3,600 only $800 has been used, and now the new hospital, which it was hoped would be completed by this time, it is found will not be completed until the 1st of October. This resolution simply permits the continuance of the use of the United States hospital for those emergency cases at Chelsea until the 1st of October, when their own hospital will be completed.

The SPEAKER. Is there objection?

There was no objection.

The resolution was ordered to be engrossed and read a third time, was read a third time, and passed.

THE CENSUS.

Mr. CRUMPACKER. Mr. Speaker, I call up from the Speaker's table the bill H. R. 1033 and the consideration of a motion to insist on the disagreement to Senate amendments to the census bill and agree to the conference requested by the Senate.

The SPEAKER. The Chair understands the gentleman's request is for unanimous consent.

Mr. CRUMPACKER. Mr. Speaker, I understand this matter to be privileged. On the 19th day of April——

The SPEAKER. One moment. The gentleman from Indiana, as the Chair understands, moves to further insist on the disagreement by the House to the Senate amendments and assent to the request for a conference?

Mr. CRUMPACKER. Mr. Speaker, that motion was made in April. This bill passed both Houses and went to conference. The conferees agreed and reported on the 19th of April last. The managers on the part of the House made the report on the 19th of last April. The Senate refused to concur in the conference report and asked for a further conference. Later I moved that the House further insist upon its disagreement to the Senate amendments and agree to the conference asked by the Senate. The gentleman from Tennessee [Mr. SIMS] moved that the House recede from, I think, amendment No. 17——

Mr. SIMS. No. 15.

Mr. CRUMPACKER (continuing). And agree to the same, and the question of order was made that no quorum was present. It was ascertained that no quorum was present, and the matter stands just in that way.

The SPEAKER. The gentleman from Indiana calls up the report——

Mr. CRUMPACKER. The motion to further insist.

The SPEAKER. The House agreed to the report, and the Senate disagreed?

Mr. CRUMPACKER. The House did not agree.

The SPEAKER. The House never acted?

Mr. CRUMPACKER. The House never acted.

The SPEAKER. Now, then, the gentleman calls up the bill, and there is a motion pending, as the Chair understands it——

Mr. SIMS. That is correct, Mr. Speaker.

Mr. CRUMPACKER. There are two motions pending.

The SPEAKER. Made by the gentleman from Tennessee [Mr. SIMS], that the House recede and concur in the amendments indicated.

Mr. SIMS. Amendment No. 15.

The SPEAKER. The Clerk will report amendment No. 15.

The Clerk read as follows:

(15) *Provided*, That hereafter all examinations of applicants for positions in the government service, from any State or Territory, shall be had in the State or Territory in which such applicant resides, and no person shall be eligible for such examination or appointment unless he or she shall have been actually domiciled in such State or Territory for at least one year previous to such examination.

The SPEAKER. As the Chair understands it, that motion was pending and being voted upon.

Mr. SIMS. I do not think it was being voted upon.

Mr. HAY. But to be voted on.

Mr. SIMS. The motion was made and not discussed, and I think a motion to adjourn was made.

Mr. HAY. Mr. Speaker, my recollection is that the motion was not really made.

Mr. SIMS. Mr. Speaker, I move to concur in the Senate amendment.

The SPEAKER. The gentleman from Tennessee is correct. The motion is pending. The gentleman from Indiana is recognized. Does the gentleman yield the floor to the gentleman from Tennessee?

Mr. CRUMPACKER. Mr. Speaker, I want to ask the gentleman from Tennessee if he intends to insist on his motion without modification.

Mr. SIMS. Well, Mr. Speaker, I would like to have a little time to state why I made this motion. I did not discuss the motion at the time it was made.

Mr. CRUMPACKER. Well, the gentleman from Virginia wants to make a motion modifying that.

Mr. HAY. If the gentleman from Tennessee will permit me,

Mr. SIMS. I would like, Mr. Speaker, to explain the object of my motion, and during that time I will state what I have to say about any amendment to it.

Mr. HAY. Would it not be better to permit the amendment to be offered? I move to concur in the Senate amendment with an amendment. I would like to have it read, so that it may be acted upon by the House.

Mr. CRUMPACKER. I yield to the gentleman from Virginia to present his amendment.

Mr. SIMS. Mr. Speaker, having made that motion, am I not entitled to the floor?

Mr. CRUMPACKER. I think I have the floor.

Mr. SIMS. Mine was a preferential motion.

The SPEAKER. The gentleman is correct; and yet the gentleman from Indiana retains the floor. He can yield to the gentleman, although the gentleman makes the preferential motion.

Mr. SIMS. Having made the motion, I would be glad if the gentleman would yield me five or ten minutes to explain it.

The SPEAKER. The gentleman from Indiana will take the floor for debate only.

Mr. CRUMPACKER. I yield to the gentleman from Virginia to offer the amendment he intends to offer. I do not know whether the amendment will come in as a substitute for the amendment of the gentleman from Tennessee or as an amendment thereto. I would like to hear it read.

Mr. HAY. Well, Mr. Speaker, this amendment which I propose to offer is a motion to concur in the Senate amendment with an amendment.

Mr. CRUMPACKER. I would like to have it read.

Mr. HAY. I would like to have it read——

Mr. SIMS. For information.

Mr. HAY. For information; and then I do not desire to take the gentleman from Tennessee off his feet at all, but will wait until he gets through.

The SPEAKER. Does the gentleman controlling the floor for debate yield to the gentleman from Virginia for debate?

Mr. CRUMPACKER. I yield five minutes to the gentleman from Virginia for debate, with the understanding that in the course of his remarks he will put his amendment before the House.

The SPEAKER. After all, the gentleman only controls the floor at this time for debate.

Mr. CRUMPACKER. I understand. I yield five minutes to the gentleman from Virginia for debate.

Mr. HAY. Well, Mr. Speaker, I do not desire to debate unless I can have the amendment which I propose to offer pending. I want action on it.

The SPEAKER. Before the gentleman can offer an amendment, as a preferential motion is pending, the House will have to dispose of that motion, or at least a division, so far as the vote would be concerned, if the House recedes from its disagreement.

Mr. HAY. I will ask the Clerk to read the amendment that I propose to offer.

The SPEAKER. The gentleman can have his amendment read as a part of his remarks, if he desires to do so.

The Clerk read as follows:

Concur with an amendment inserting as follows:

"Page 5, line 20, after the word "examination," "*Provided*, This provision shall not apply to technical and scientific positions in the government service nor to the employees provided for under sections 3 and 6 of this act."

Mr. HAY. Now, Mr. Speaker, the amendment of the Senate provides that in all cases the appointments made in the government service hereafter the applicant for these places shall be examined and that they shall reside in the State from which they are to be appointed at least one year before the appointment is made. The places provided for in sections 3 and 6 of this act will come under that provision unless the amendment of the Senate is amended in the way which I propose. The appointments under section 3 are those of a geographer, chief statistician, appointment clerk, private secretary to the Director of the Census, two stenographers, and eight expert chiefs of division. The positions under section 6 are those to be filled by the clerical force to take the Thirteenth Census. The present Director of the Census informs me that if this provision contained in the Senate amendment is to be applied to the positions provided for in this bill, that he will be greatly handicapped in taking the census; that it will be practically impossible for him to get, through this amendment and through the provisions providing for the appointment of these clerks, clerks enough to perform the work of taking the Thirteenth Census. If that is true, then they should be excepted from the provisions of the Senate amendment. I hope, therefore, that the gentleman from Tennessee will withdraw his motion to recede and concur, and will unite with me in amending the amendment of the Senate so that these clerks and these positions provided for for the decennial period of three years shall be appointed under the other provisions of this bill. This Senate amendment is a general provision.

Mr. CRUMPACKER. Will the gentleman allow an interruption?

Mr. HAY. Certainly.

Mr. CRUMPACKER. If I understand the gentleman's amendment, it exempts certain scientific and technical service in the temporary force for the decennial census?

Mr. HAY. Yes.

Mr. CRUMPACKER. It applies to all the rest of the classified service—the permanent classified service?

Mr. HAY. It does not affect at all the general idea of the McCumber amendment. That is to apply to all places under the Government under the classified service.

The SPEAKER. The Chair desires to state that the Chair was under a misapprehension as to what the Journal shows touching the action of the gentleman from Tennessee [Mr. SIMS] on a former day. The gentleman from Tennessee demanded a separate vote on Senate amendment 15, but made no motion. Pending that demand the gentleman from Arkansas [Mr. WALLACE] made a point of no quorum, and as there was no quorum present the House adjourned. So that the Chair was in error when he stated that the motion was pending having formerly been made by the gentleman from Tennessee.

Now a motion that the House recede from its disagreement to the Senate amendment would tend to bring the two bodies together and would be a preferential motion. Ordinarily the motion is made that the House do recede and concur. That motion, however, is divisible, and if the House should recede from its disagreement then it could concur in the Senate amendment absolutely or with an amendment.

Mr. SIMS. Mr. Speaker, I certainly used the language, whatever the Journal may show, to move to recede and concur, and stated as a matter of argument what I wanted to do. Now I move to recede and concur in amendment 15.

Mr. CRUMPACKER. Mr. Speaker, I have the floor, and I do not yield for that purpose.

The SPEAKER. It occurs to the Chair that at the proper time, under the circumstances, the gentleman from Tennessee [Mr. SIMS] ought to be recognized to make the motion.

Mr. CRUMPACKER. Yes; but I felt this way.

The SPEAKER. Of course he could not take the gentleman from Indiana from the floor in his hour.

Mr. CRUMPACKER. I hoped that the gentleman from Tennessee, after he had reflected on this proposition, would agree to the modification proposed by the gentleman from Virginia [Mr. HAY]. It would reach substantially all that is desired to accomplish. The RECORD clearly shows that the gentleman from Tennessee made the motion to recede and concur in the Senate amendment on the other occasion. That is clearly shown in the CONGRESSIONAL RECORD.

The SPEAKER. But the Journal does not show that fact.

Mr. CRUMPACKER. I know it, and we are bound by the Journal; it governs the action of the House. But I looked the matter up in the RECORD and supposed that motion was pending. Personally, I will have to resist as earnestly as I can the motion of the gentleman from Tennessee, because I believe the Senate amendment is wrong. The President of the United States recommended, in a special message to the House a year ago last winter, that the civil-service rule of appointment to the temporary census force be modified in relation to the provisions for geographical apportionment. There is not a man in this country acquainted with the requirements of the temporary census that does not agree to the proposition that the rule of geographical apportionment should not apply to the temporary force.

Mr. HULL of Iowa. Will the gentleman yield?

Mr. CRUMPACKER. Yes.

Mr. HULL of Iowa. Did not the rule of geographical apportionment apply when the census of 1900 was taken by an apportionment among all the congressional districts?

Mr. CRUMPACKER. No, indeed. We did not trammel the Director of the Census in any way, shape, or form. The report of the Director of the Census to the Secretary of Commerce and Labor in 1908 specifically recommends that the rule of geographical apportionment for the temporary appointments should not obtain. The present Director of the Census agrees to that proposition. The committee of experts appointed by the Secretary of Commerce and Labor in December, 1908, to investigate and criticise and make suggestions respecting the then pending census bill, composed of Mr. Carroll D. Wright, Mr. Hayes, Mr. Wilcox, and other experienced statisticians, all agreed to that proposition, and they agree that the rule of apportionment as

administered by the Civil Service Commission then should not apply, and this provision now makes it not only applicable, but much more rigorous. This provision requires the applicant to be examined in the State or Territory from which he is to be appointed. It requires him to make proof of actual domicile in the State or Territory for at least one year before he is examined. I am not seriously objecting to such an amendment of the general civil-service law, but it ought not to be in this bill. But if the House does agree to the Senate amendment, it ought not to apply those rigid requirements to the temporary census force. The Civil Service Commission itself has recognized the impracticability of the geographical rule in temporary service, because in all temporary appointments it makes modifications of the rule. It makes selections for temporary service without regard to the question of residence.

The Senate provision has already resulted in the increase of the minimum salaries of the great force of clerks in the Census Office from $600 to $720 a year. That amendment will cost the people of the United States a quarter of a million dollars, and I am asking the House now to consider rather the welfare of the 80,000,000 people whose business this is than that of the 3,000 job hunters and holders who will be employed to do the work. Let us use a little business sense in relation to this particular service. I am not concerned now about what may be done with the general civil-service law.

Mr. CARLIN. I want to ask the gentleman if it is his purpose to abrogate the apportionment rule so far as temporary appointments are concerned?

Mr. CRUMPACKER. Simply in so far as the temporary appointments in the Census Office are concerned.

Mr. CARLIN. Will that be the effect of this resolution?

Mr. CRUMPACKER. That will be the effect of the proposition of the gentleman from Virginia [Mr. HAY].

Mr. CARLIN. I favor that, if that is the effect of it.

Mr. CRUMPACKER. That is the effect of it. If the motion that is contemplated by the gentleman from Tennessee [Mr. SIMS] shall prevail, it will require the rule of geographical apportionment to be applied to all of these temporary appointments, to the clerks, the messengers, the charwomen, who are paid but $20 a month. Every one of them will be covered by it. Each one has to be examined in the State from which he or she appplies and must show actual domicile there for a year. That would be the effect of it.

Mr. HAY. Will the gentleman yield for a question?

Mr. CRUMPACKER. Yes.

Mr. HAY. Does not the bill as agreed upon by the two Houses now provide that the apportionment rule shall be applied to all these offices which are created in section 6 of the bill—clerks, messengers, and charwomen?

Mr. CRUMPACKER. Yes.

Mr. HAY. There is no question about that. The amendment that I am offering does not interfere or affect at all the provision in the bill which is already agreed upon by both Houses, and therefore, as I understand the parliamentary situation, it can not now be interfered with. The amendment I offer does not affect that at all.

Mr. CRUMPACKER. I understand that.

Mr. HAY. The apportionment rule has been applied and is now the law so far as the two Houses are concerned.

Mr. CRUMPACKER. My position is this, I wish to say to the gentleman from Virginia, that if the House recede and concur without amendment in Senate amendment No. 15 it increases very greatly the rigidity of the geographical apportionment rule, and applies it to all the temporary force in the Census Office.

Mr. HAY. Undoubtedly that is so, and that is the purpose of my amendment; but it does not get around the apportionment proposition. It does not interfere with that at all.

Mr. CARLIN. I understood the chairman to state that it did.

Mr. HAY. It does not.

Mr. CLARK of Missouri. Mr. Speaker, I would like to ask the gentleman from Indiana a question or two to get at the straight of this business. Now, the Senate amendment as it stands, as I understand it, compels this geographical distribution as to everything.

Mr. CRUMPACKER. Yes.

Mr. HAY. To the whole civil service of the Government.

Mr. CLARK of Missouri. Now, the gentleman from Virginia [Mr. HAY] offers an amendment. How far does his amendment affect that senatorial proposition?

Mr. HAY. My amendment affects it only in so far as it will apply to the technical and scientific positions, and to the employees provided for in sections 3 and 6 of this act, who are the temporary employees to be used in the taking of the Thirteenth Census.

Mr. CLARK of Missouri. They are the very same kind of employees who were distributed out ten years ago, are they not—$75 and $100 clerks?

Mr. HAY. That is true, but another provision of the bill provides that they shall be examined through the civil service, and that the rule of apportionment shall apply to them.

Mr. CLARK of Missouri. Well, where are they going to be examined through the civil service?

Mr. HAY. Wherever the civil service chooses to examine them.

Mr. CRUMPACKER. They are to be examined in the States from which they apply.

Mr. CLARK of Missouri. What objection is there to that?

Mr. CRUMPACKER. The objection I have made on the floor a number of times is that this work is temporary, emergency work, and this great force of employees are a low-paid force. The maximum salary is only $1,000 a year, and if we are bound by the civil-service rules of employment, we are bound to employ under the geographical apportionment rule, and in selecting them through the Civil Service Commission the effect will be to procrastinate, to delay, and embarrass the work and make it substantially as inefficient and worthless as the permanent service.

Mr. CLARK of Missouri. How does that come about? They are not going to take this census for twelve months. They have surely ample time between now and the 1st of next June to examine everybody in the United States who wants to be examined.

Mr. CRUMPACKER. Suppose they examine everybody who wants to be examined. There will be at one time in this great undertaking an army of 50,000, 60,000, or 70,000 people in the field gathering data, making enumerations, preparing schedules, and they may come in avalanches—millions of them. Now, nobody can foresee what emergencies may arise that may require the immediate employment of 50 or 100 or 300 additional clerks at once.

If, now, those highest on the roll should live in California and an emergency should arise requiring a large immediate increase, what are you to do? You would have to wait, under the law—there is no discretion—you have to wait until you communicate with these eligibles in distant parts of the country and give them a reasonable opportunity to come or else you have got to have a large waiting list here on the government pay roll to provide against a possible emergency of that kind, and it will cost the people of the country probably a million dollars more to conduct the census in that manner than it will if we should give the director a reasonably free hand and let him meet the emergencies as they arise as best he can.

Mr. CLARK of Missouri. How do you figure out it will cost $1,000,000 more or $200,000 more?

Mr. CRUMPACKER. In the first place the bill demonstrates it. The Senate put this proposition in the bill. Now, the minimum salary was $600 a year. The Senate then decided that the clerks can not afford to come here from remote parts of the country at $600 a year, so the minimum fixed by the House was increased to $720 a year.

Mr. CLARK of Missouri. The Senators did not know what they were talking about.

Mr. CRUMPACKER. I do not know about that; they thought they knew, and therefore they raised the minimum salary $120 a year to make the geographical rule practicable. Now, it will increase the cost of the work at least a quarter of a million dollars besides the increased cost resulting from delays. This is the result—legislation for job hunters rather than for the people.

Mr. CLARK of Missouri. You take an extreme case when you talk about California, but anybody can get in from California in five days, and the census business was very well done ten years ago——

Mr. CRUMPACKER. It was because there was no limitation at all; the law contained none; and whatever distribution of employees the Director of the Census made, he made of his own free will and accord. He had a large margin of discretion, so that when an exigency came about he was able to meet it with clerks immediately at hand. The director of that census appeared before the House Committee on the Census and said that an arbitrary geographical provision would seriously handicap the census work and greatly add to its cost.

Mr. CLARK of Missouri. Which provision?

Mr. CRUMPACKER. This geographical apportionment.

Mr. CLARK of Missouri. They had it ten years ago.

Mr. CRUMPACKER. They did not. That is what I just said to the gentleman. There was no restriction, and the Director of the Census, in a general way, divided up about half of the appointees over the country, because he foresaw and knew that a certain force would be normally required, but he always reserved plenty of discretion to meet every emergency as it arose.

Mr. CLARK of Missouri. Another question: Have the two Houses already agreed that all of these appointments shall be made through the civil-service examination? Is that part of the bill, anyway?

Mr. CRUMPACKER. Why, no; they have not agreed on anything. The Senate refused to ratify the agreement, and it is all open. Of course, there were certain things agreed upon by both Houses.

Mr. HAY. I will ask the gentleman from Indiana if it is not a fact that so far as the apportionment rule is concerned, and so far as the examination of these employees throughout the civil service is concerned, the two Houses have not agreed upon it? The House agreed upon it.

Mr. CRUMPACKER. A general provision; yes.

Mr. CLARK of Missouri. One other question.

Mr. CARLIN. If the gentleman is correct as to the general provision, is not that the law to-day? How are we going to change that?

Mr. CRUMPACKER. The question in controversy now is an amendment changing the law. The amendment, No. 15, changes the law as it is to-day, and it is suggested by the gentleman from Virginia [Mr. HAY] that that ought to be modified, and I think if we recede and agree to the amendment, it ought to be modified. I am not for it at all.

Mr. CARLIN. I concur with you, however, that it ought to be modified so far as this apportionment is concerned; but the gentleman from Virginia, who is the author of this resolution, says it does not affect the apportionment.

Mr. HAY. It does not.

Mr. CRUMPACKER. We disagree.

Mr. CLARK of Missouri. Do they appoint charwomen through the civil-service examination?

Mr. CRUMPACKER. They do; and messengers and everything.

Mr. CLARK of Missouri. Surely, they do not examine the charwomen.

Mr. CRUMPACKER. Yes; they are classified.

Mr. HULL of Iowa. I would like to ask the gentleman one more question.

Mr. CRUMPACKER. I yield to the gentleman from Iowa.

Mr. HULL of Iowa. It seems to me that this amendment, No. 15, is not affecting the apportionment, but it is a proviso that the parties applying for the examination from the different States must have lived in the State within the last year. In other words, it is not intended to affect the apportionment, but it is intended to make it effective, as I understand it. If the gentleman will pardon me for extending the question, I would say that there has grown up in the city of Washington a habit with people who were appointed twenty-five or thirty years ago, and raising a family in the city, every time they apply to the civil service to put themselves down as residents of Iowa, Minnesota, or whatever State it may be.

This amendment provides that they must have lived in the State during the past year, and they must take the examination in the State. Why does the gentleman object to that?

Mr. CRUMPACKER. I object to it because we hoped when we started out that we would enact a census law calculated to bring the best results to the people of the country; that we would have a law that would give the people the largest amount of benefit for the expenditure; and that we would regard the question of jobs as merely an incident to the service. Now, as I said a moment ago, all of the experts, the men who have carried responsibilities in relation to services of this kind, and many men who carry them now, without a single exception, have asked the legislative branch of the Government to omit in the selection of these 3,000 or 3,500 low-paid temporary clerks the rule of geographical apportionment.

We will expect the administration of the Thirteenth Census to be good and efficient. The country will hold those in charge of the work responsible for the result of the work, and can we justly hold them responsible when every man in the country who has any special knowledge, who has had any experience in such service, has asked Congress to omit that particular rule from the legislative provision for the appointment of the temporary clerks?

Mr. CLARK of Missouri. Will the gentleman allow me to ask him another question?

Mr. CRUMPACKER. I yield to the gentleman.

Mr. CLARK of Missouri. Leaving out the question of the difficulty of getting men from California here, what other objection is there to the geographical apportionment of these places?

Mr. CRUMPACKER. That is perhaps the chief thing. There is no objection to the geographical apportionment if the clerks can be here when needed; but they can not, because, as Governor Merriam said in his testimony, exigencies arise every week that can not be foreseen or provided against; and in order to secure geographical apportionment we would have to have two or three hundred extra clerks to meet emergencies that could not be foreseen, and it will cost the country a million dollars more if we insist upon injecting this provision in the law.

Mr. LANGLEY. If the gentleman will permit me?

Mr. CRUMPACKER. I yield to the gentleman.

Mr. LANGLEY. I agree in the main with the argument of the gentleman from Indiana; but apparently the fact has been overlooked in the discussion thus far that there is a provision in the bill, on page 7, which enables the director, in cases of emergency, to make appointments from the eligible list of those who are immediately available, and independent of the geographical apportionment. So that there is an opportunity under that provision to meet in some measure the difficulty that would follow the rigid enforcement of the apportionment law.

Mr. CRUMPACKER. That has not been agreed to in the bill.

Mr. BURLESON. I understand it is in the conference report.

Mr. LANGLEY. It was in the House bill and agreed to by the Senate with an amendment, but the idea is exactly the same, so that the two Houses are practically together on the point.

Mr. CRUMPACKER. But that has all gone by the board. It has not been agreed to by both Houses at all.

Mr. HAY. Not at all.

Mr. LANGLEY. Not literally, but practically.

Mr. CLARK of Missouri. What emergency is there to arise? We took about ten years on this census.

Mr. HAY. Oh, no.

Mr. CLARK of Missouri. They are still sending volumes of the census taken in 1900.

Mr. HAY. Not at all.

Mr. CLARK of Missouri. I have received something of that kind in the last three weeks.

Mr. LANGLEY. That is one of the special reports.

Mr. CRUMPACKER. And the gentleman might obtain a copy of St. James's edition of the Bible, printed one hundred years ago.

Mr. HAY. The last census was completed in three years.

Mr. CLARK of Missouri. Outside of taking the enumeration of the people, what is there that is likely to call for an emergency force created here?

Mr. LANGLEY. If the gentleman addresses the question to me, and the gentleman from Indiana will permit——

Mr. CRUMPACKER. I will ask the gentleman to answer that question, as he is an expert.

Mr. LANGLEY. I do not claim to be an expert; but I have had some experience on this particular point. There are conditions often arising in emergency work like this where a number of clerks are needed at once, and they can not be obtained without delay under a literal enforcement of the plan that is being urged here. This frequently occurs in a great emergency work like that, and, judging from my own experience in the Twelfth Census, I am of the opinion that if this proposition passes without an amendment, so as to exempt the temporary force, it will seriously handicap the Thirteenth Census work. Therefore, I think the amendment of the gentleman from Virginia ought to be adopted if we are to recede and concur in this Senate amendment, instead of leaving it open for the conferees to settle.

Mr. SIMS rose.

Mr. CRUMPACKER. Mr. Speaker, I can not yield, of course, to the gentleman from Tennessee for the purpose of offering an amendment; and therefore I can only reserve the balance of my time.

Mr. BURNETT. Will the gentleman yield to me for a question?

The SPEAKER. The gentleman reserves the balance of his time.

Mr. CRUMPACKER. Before I do that, I desire to yield three minutes to the gentleman from Massachusetts, who wants to make a few observations.

Mr. GILLETT. Mr. Speaker, my attention was attracted by the question of the gentleman from Missouri, and I simply wish to give an answer to it. He was asking why there should be apportionment. It seems to me of very little importance whether there is an apportionment or not. It seems to me

that that is really not a serious question, but the seriousness and interest in it come from a narrow and obsolete view of the government service. The reason an apportionment is desired by Members of the House is, I suspect, that Members of the House shall be sure that the patronage goes to their States.

Now, under the system in use ten years ago in the census that was important because we, of course, wanted to appoint the men whom we knew. Each Congressman was eager to have friends come here from his district, and therefore it was important to see that they should be fairly apportioned to the different States. But now when they are appointed by civil service this rule of apportionment is to us of little importance, and it is really vicious for the country because what advantage is it to us whether a man from our State comes to Washington giving up his citizenship there and becoming a clerk of the Government? Is that an advantage to us? When we could get our friends here, why of course it was an advantage to us individually no matter how it was for the country. But, if we can not appoint our friends here, if the man who stands at the top of the rolls is to be taken, is it not really a disadvantage to the State to have an active young man brought here from that State, give up his citizenship, and settle down as a citizen of Washington?

Mr. CARLIN. I agree with the gentleman in the argument he is making, but there is a question of fact here to be determined. The chairman of the committee says that under the amendment offered by the gentleman from Virginia there would be no apportionment, and the author of the resolution——

Mr. GILLETT. Does the gentleman refer to the whole bill or to this provision?

Mr. CARLIN. The chairman of the committee has stated upon the floor that if the resolution offered by the gentleman from Virginia passes, there will be no geographical apportionment. And the gentleman who offers the resolution says it is not so.

Mr. GILLETT. I am not deciding that question.

Mr. HAY. If the gentleman is familiar with the provisions of the bill——

Mr. GILLETT. I am not familiar with the gentleman's amendment. The point I want to make is that it seems to me the House is apt to be diverted from the real issue, and that Members' feelings are being influenced in a way which, logically, would seem unreasonable, because the House is considering that it is an advantage to us to have this apportionment when, as a matter of fact, it is unimportant and indifferent. I think this is an obsolete view, a view that comes from the old patronage system, where Congressmen appointed their friends; but under the modern system, under the examination system, it is really a disadvantage to us to have the young men taken from our State, give up practically their citizenship, and come to Washington and become clerks. The House really has not now any selfish interest in this matter of apportionment. Consequently we can look at it impartially and consider what is best for the Government—and I do not see why the best men should not get the clerkships, no matter where they live or how unequally they may be apportioned.

Mr. CLARK of Missouri. Will the gentleman allow an interruption?

Mr. GILLETT. Certainly.

Mr. CLARK of Missouri. The gentleman is chairman, or was chairman, and will be again, of the Committee on the Civil Service in the House.

The SPEAKER. The time of the gentleman from Massachusetts has expired.

Mr. CRUMPACKER. I yield another minute in order that the gentleman from Massachusetts may answer the gentleman from Missouri.

Mr. CLARK of Missouri. The gentleman is chairman of the Civil Service Committee.

Mr. GILLETT. I was.

Mr. CLARK of Missouri. Does not the regular civil-service law, the old one, provide for an apportionment of clerks among the States?

Mr. GILLETT. Certainly.

Mr. CLARK of Missouri. What objection is there to having the same rule go into this census bill?

Mr. GILLETT. I am not discussing that.

Mr. HAY. It is already in the bill.

Mr. GILLETT. I am discussing the point and trying to show that our interest in this subject of apportionment ought not to be what it used to be. Whereas formerly it was of great selfish interest to us, now it is immaterial, and it seems to me that it is practically immaterial to the country itself. I am perfectly willing that they should get the best clerks, wherever they come from.

Mr. CLARK of Missouri. That is all right for States close to Washington.

Mr. CRUMPACKER. Mr. Speaker, how much time have I remaining?

The SPEAKER. The gentleman has twenty-four minutes.

Mr. CRUMPACKER. I reserve the balance of my time.

Mr. SIMS. Mr. Speaker, I move to recede and concur in the Senate amendment 15, and that amendment is in this language:

Provided, That hereafter all examinations of applicants for positions in the government service, from any State or Territory, shall be had in the State or Territory in which such applicant resides, and no person shall be eligible for such examination or appointment unless he or she shall have been actually domiciled in such State or Territory for at least one year previous to such examination.

The SPEAKER. The gentleman from Tennessee moves that the House do recede and concur in the Senate amendment No. 15.

Mr. HAY. Mr. Speaker, I shall ask a division of the question.

The SPEAKER. The gentleman would be entitled to a division before it was voted upon.

Mr. SIMS. Mr. Speaker, I have just read the amendment in which I move to concur. It provides that an applicant for a position from a State or Territory must be examined in that State or Territory, and must have been a bona fide resident of that State or Territory for twelve months prior to such application. Now, what is the objection to that requirement? Why should not this amendment be concurred in just as it is? Who has any objection to requiring the applicant in a State for a position to be a bona fide resident of that State for twelve months prior thereto? If the object and purpose is to not practice a fraud, why should not a person claiming to be a resident and citizen of a State, applying from that State, be actually such for twelve months prior thereto? The amendment proposed by the gentleman from Virginia [Mr. HAY] is that it shall not apply to sections 3 and 6. They have been discussed here from the standpoint of temporary appointments. What does a temporary appointment mean here under section 6? It is that certain persons may be employed in the Census Office during the decennial period. Now, what does the decennial period mean?

Mr. HAY. Three years.

Mr. SIMS. Yet Members call that, very flippantly, a temporary appointment.

Mr. HAY. I want to say to the gentleman that that three years is supposed to last from the 1st of July, 1909, to the 1st of July, 1912; that at least two-thirds or certainly one-half of these appointees will not hold their places longer than for one year, and some of them not so long.

Mr. SIMS. But the period is three years.

Mr. HAY. And the vast number of them for only six months.

Mr. SIMS. A period one year longer than the Members of this House hold their offices, and yet they call that temporary.

Mr. HAY. Well, I call this temporary, don't you? [Laughter.]

Mr. SIMS. Yes; with some of us.

Mr. FITZGERALD. Mr. Speaker, what other positions outside of those in sections 3 and 6 and the ones requiring technical and scientific attainments are there to be filled in the Census Office?

Mr. SIMS. That is a question I was about to ask, myself.

Mr. HAY. The part of the amendment applying to the positions of technical and scientific character applies not to the Census Office alone, but to the entire classified force of the Government. The Senate amendment does not apply to the Census Office alone. It applies to the entire classified force.

Mr. FITZGERALD. Is there a provision in this bill providing for the taking of the census which purports to amend the permanent civil-service law?

Mr. HAY. Yes; that is the amendment we are discussing.

Mr. FITZGERALD. My understanding is that that is to affect employees to be taken into the census only.

Mr. HAY. Not at all. It affects all the employees in the classified service in every department of the Government. If the gentleman will read section 15, he will see that that is the fact.

Mr. FITZGERALD. I had supposed they had in contemplation merely the employees in the census.

Mr. HAY. No; it is a general provision affecting the entire force of the Government.

Mr. SIMS. Mr. Speaker, I heard this conference report discussed in the Senate when the rejection by the conferees of this very amendment caused the Senate, as I understand it, to refuse to accept the report, and I never heard in that discussion—I might not have heard every word—anything to the effect that it applied to all of the employees of the Government; but suppose it does, what is wrong about that?

Mr. HAY. I do not object to its applying to all the departments of the Government. I will agree with the gentleman that it ought to do that. I say that it ought not to apply to the temporary force to be employed in the Census Bureau.

Mr. SIMS. And that temporary force is for the decennial period, which means three years; and while each person may not actually be employed for three years, when you except sections 3 and 6 from the operation of this amendment, you have excepted everything. In other words, the permanent census force is employed and is in office and does not have to be appointed.

Mr. CARLIN. Mr. Speaker, I make the point of order that the gentleman is discussing the Hay amendment, and it is not properly before the House for discussion.

Mr. SIMS. The Hay amendment was read for the information of the House——

The SPEAKER. The motion is that the House recede and concur——

Mr. SIMS. The gentleman from Virginia, in his time in the way of debate, read an amendment which he wanted to offer, and I was discussing that because it is pertinent. It might affect the action of the House upon my motion, which is a preferential motion. I think it is entirely in order as a matter of debate.

The SPEAKER. The gentleman moves that the House do recede and concur; but the gentleman from Virginia gave notice that he will demand a division, namely, first upon the motion that the House do recede from its disagreement, subject to division, and then a motion to concur, subject to amendment. It occurs to the Chair, by a fair interpretation of the rule, that the gentleman is in order.

Mr. SIMS. Mr. Speaker, I intended to be in order.

Mr. CLARK of Missouri. Mr. Speaker, I would like to ask the gentleman from Tennessee a question. The whole thing is mixed up so that nobody understands it. Now, if there is a person who wants to enter this service from Tennessee, does this Senate amendment provide two things: In the first place, that he must be examined in Tennessee?

Mr. SIMS. It does.

Mr. CLARK of Missouri. And in the second place, that he must have lived in Tennessee the last preceding year at least?

Mr. SIMS. It does.

Mr. CLARK of Missouri. Now, suppose there happened to be a Tennessean here in Washington—your clerk, for instance—who wanted to stand an examination for one of these places. What is the sense of his being sent back to Tennessee to stand that examination?

Mr. SIMS. I do not know that there is.

Mr. CLARK of Missouri. The residence feature of it is all right, and he ought to be compelled to be a resident of the State for twelve months, but it seems to me he ought to be allowed to be examined anywhere he happens to be.

Mr. SIMS. It is a question of construction of this amendment in its practical application. The object of the amendment is to prevent persons being charged up to a State in which they never did live, do not live now, and are never going to live.

Mr. BURNETT. Allow me to ask the gentleman, Does not the use of the word "shall" in there make it imperative? For instance, there are a number of clerks in the immigration commission. Their term will expire after a while and perhaps some Members of Congress who have secured their appointments would like to see them placed in the Census Bureau. Many of them are women who are receiving very small salaries and will receive very small salaries. What is the justice of forcing these women to go to Alabama or Missouri or Tennessee to be examined?

Mr. SIMS. They may be transferred.

Mr. BURNETT. But they are not under civil-service law at all; they are not under the classified service at all.

Mr. SIMS. They would have to be subject to the civil-service examination to be appointed at all in the census.

Mr. BURNETT. Not at all. I am talking about those in the employ of the immigration commission. It is a matter of fact that there are some hundred or more there now working and that their term will expire in a very short while. Many will desire appointment in the Census Office no doubt, and a good many will be recommended by their Congressmen. They can not be transferred there because they are not under the civil service. Now, where is the justice and right in forcing those people to go back to the State of their residence to be examined and then come back here? Why not allow them to be examined, in other words, in the place where they now are? It is for the convenience of the applicant. As the gentleman from Missouri has said, the question of residence is all right, and I believe it ought to be there, but the question of the locus of the examination is for the convenience of the applicant evidently. Now, I suggest why not, instead of using the word "shall" there, use the word "may," and allow this examination to go to the convenience of the applicant instead of forcing them to go away two or three times to be examined and then return?

Mr. SIMS. Mr. Speaker, we are passing a general law here applying to the whole United States.

Mr. BURNETT. You can not get around the proposition that that is imperative.

Mr. SIMS. As a matter of fact, because there are a lot of good women here that are going to apply for appointment, I do not think that we can change legislation to meet the convenience or inconvenience of them.

Mr. LANGLEY. Does the gentleman from Tennessee contend that this law should be applied to every case in the Census Office, from the highest to the lowest grade, so that if the Director of the Census wanted to employ some expert statistician, we will say, who happened to be temporarily here in Washington, he would have to go back to the State where he resides in order to pass the examination?

Mr. SIMS. I do not know that this section would really cover such an extreme case as that.

Mr. LANGLEY. If the gentleman has read the section critically, he will see that there is no room for exception whatever.

Mr. SIMS. It was shown that the conferees were opposed to the amendment.

Mr. LANGLEY. To what amendment?

Mr. SIMS. Amendment No. 15. Now, let it go back to conference, and of course we know in advance what is means.

Mr. LANGLEY. The gentleman does not mean to say, does he, that it will necessarily follow that the conferees will do in the next conference exactly what they did in the other? Will they not be governed more or less by the temper of the House as indicated by this discussion? I understand that to be one of the purposes of the discussion.

Mr. SIMS. The House concurred in the conference report before.

Mr. LANGLEY. The House did not—the conferees did. There are several changes in the House bill that the former conferees on the part of the House agreed to that I think they ought not to have agreed to, such as reduction of salaries, the narrowing of the provision regarding appointment of former census employees, the provisions regarding a census of woodland on farms, the turpentine and resin business, and so forth, and I hope they will not do it next time, now that they know the views of Members regarding them.

Mr. SIMS. The House conferees concurred in the report that was rejected in the Senate. That conference report rejected Senate amendment No. 15. I heard it discussed and I know what the Senate conferees think about it. They were hostile to it. The conferees of this body are also hostile to it.

Mr. LANGLEY. If both Houses agree upon a distinct proposition, is not that binding on the conferees, even though it may be coupled with another proposition so as to be really one amendment? I think it ought to be.

Mr. SIMS. If the amendment applies to all employees hereafter to be appointed, say, in section 3 and section 6, what is then left for it to apply to besides? If we concur with an amendment, will not that carry the whole amendment back to the conferees, to do just as they see proper?

Mr. HAY. Unquestionably.

Mr. SIMS. So, concurring with an amendment is equal simply to not concurring?

Mr. HAY. If the House practically instructed the conferees of the House, by concurring in an amendment offered, the House conferees would be bound to stand for that amendment, and as the Senate has already refused to concur in the conference report, it would be inferred that the Senate conferees would also be bound to agree.

Mr. LANGLEY. Because both Houses have, in fact, agreed on the first part of it.

Mr. SIMS. We can settle this without any inference. In section 6, salaries from $720 to $1,000 are provided, and employment for a term potentially three years, and yet they are called "temporary employees." Then, what is left in the bill to act upon? If we are going to live up to the civil-service law, why not do it?

Mr. HAY. Will the gentleman permit me to interrupt him?

Mr. SIMS. Certainly.

Mr. HAY. The gentleman says that he heard the debate in the Senate on the conference report. So did I. Now, does not the gentleman know that the purpose of the amendment was not so much to have these census employees put under this provision as it was for the purpose of amending the general

civil-service law so as to place all the employees of the Government under it?

Mr. SIMS. I never got that impression, Mr. Speaker.

Mr. HAY. Now, the gentleman says, if you exempt the employees under section 6, that will be the end of it. There will be nothing that you can apply the amendment to. It will apply to every place hereafter made and to every man hereafter appointed in any position in the classified service.

Mr. SIMS. I am perfectly willing to leave section 6 open to further action in conference.

Mr. HAY. Section 6 is not open.

Mr. SIMS. My amendment is simply to concur in amendment No. 15, and nothing further.

Mr. HAY. But the gentleman must know that section 6, that provides for the employment of these employees, is not open, because the House has agreed to it and the Senate has agreed to it. The House passed it and the Senate agreed to it, and it is not now subject to the action of the conference committee.

Mr. SIMS. The Senate amended it.

Mr. HAY. Only as to the salary of one grade

Mr. SIMS. That takes the whole section.

Mr. HAY. Oh, no; it does not.

Mr. SIMS. Now, Mr. Speaker, it was clearly shown in the debate over there that the civil-service law, in its spirit if not in its letter, has been abused. Persons have been appointed and charged to States that were not and never have been citizens of those States, people who did not live in the States and never contemplated living in them. The object of this amendment is to prevent that, and provide that they must be actual residents of the State for twelve months prior to applying as an applicant for the position. It does not apply to those who are now in the government service under the civil service at all. I believe we should not minimize the matter by talking about having to send to California or to Tennessee for temporaries. The trouble is that there are more temporaries applying than we have places for. So far as that is concerned, I have no applicants, and I hope I will not have any. But I think it is time either to repeal the civil-service law or make it effectual.

Mr. COX of Indiana. Will the gentleman yield to a question?

Mr. SIMS. Yes.

Mr. COX of Indiana. Whether, in the opinion of the gentleman from Tennessee, the amendment offered by the gentleman from Virginia will destroy the force and effect of amendment 15 of the Senate in so far as it affects sections 3 and 6?

Mr. HAY. Section 3 applies to the private secretary of the director.

Mr. SIMS. But section 6 covers a number of other positions.

Mr. COX of Indiana. Does the gentleman believe that if the House agrees to the amendment offered by the gentleman from Virginia that that would practically strike out section 15?

Mr. SIMS. It sends it back to the conferees, so that they can do as they please; but if we concur in Senate amendment 15 as it stands, without amendment, then the conferees can not do anything further with that identical amendment.

Mr. Speaker, I understand the gentleman from Iowa [Mr. HULL] desires some time, and I wish to yield to him as much as ten minutes.

Mr. HULL of Iowa. Mr. Speaker, the gentleman from Indiana, in his advocacy of the bill and in opposition to the motion of the gentleman from Tennessee, proceeds upon a false basis. He says in effect the apportionment law is fixed by this amendment, when, as a matter of fact, it has been agreed to by both Houses. The bill provides, after providing for a civil-service examination of all applicants to positions—

> Copies of the eligible registers so established and the examination papers of all eligibles shall be furnished to the Director of the Census by the Civil Service Commission, and selections therefrom shall be made by the Director of the Census, in conformity with the law of apportionment as now provided for the classified service, in the order of rating.

That disposes of this proposition with reference to the apportionment, independent of the concurrence in this amendment. The gentleman tries to create and does create, doubtless, in the minds of many people, a prejudice against concurrence in this amendment by charging that all who are in favor of concurring are simply after a job. No Member of Congress has any opportunity to secure a job by concurring in the amendment, for all of these places are under civil service. That is already provided for in the law placing it in the classified service, and in the apportionment to the States. What are we trying to do by concurring in this amendment? One thing, and only one, and that is to protect the people in the States, the men and women who really live there, in their opportunity to secure employment under the Federal Government in this new class of work.

If adopted as fixed by the Senate amendment, it will prevent people born in the District, raised in the District—men and women who have never lived in the various States—from putting themselves in as from States they have never even seen. They belong to the District and should be charged to the District. That is all this amendment provides; nothing else. All the other talk is mere frills and furbelows in this discussion. The only proposition that is affected by this is not the apportionment, not the method by which they shall be selected, but whether they shall reside in the States affected or not, or be residents of the District of Columbia and territory immediately contiguous thereto.

Mr. SULLOWAY. And be charged to some of the States.

Mr. HULL of Iowa. That disposes of this emergency, so far as I am concerned. The gentleman from Missouri [Mr. CLARK] proposes the question that a Member's secretary might want to take this examination, and that it would be a hardship on him to go home and take it and then return to fill the place. I will ask the gentleman from Missouri if that is not about what he stated?

Mr. CLARK of Missouri. That is about it.

Mr. HULL of Iowa. Let me suggest this, that there is no cast-iron rule that can be adopted that might not work a hardship in some individual case. What we should try to accomplish is the greatest protection to the greatest number of individuals and localities. Now, I do not believe that any man's secretary would desire a place here unless it was a good, high-salaried position; and, in my judgment, it would work a less hardship on him to go to his State to take the examination than it would to throw the doors wide open so that every man who applied could be given the examination here if the authorities thought that they could grant that permission. That would let in all the District residents.

Mr. CLARK of Missouri. I am going to vote for the proposition of the gentleman from Tennessee [Mr. SIMS], so the gentleman from Iowa need not try to convert me. [Laughter.]

Mr. HULL of Iowa. I am delighted to hear that, because I notice that when the gentleman from Missouri acts on any question not affected by politics he is nearly always right.

Mr. CLARK of Missouri. That is so; and on politics, too. [Laughter.]

Mr. HAY. Will the gentleman from Iowa permit me to ask him a question?

Mr. HULL of Iowa. Certainly.

Mr. HAY. Does the gentleman from Iowa think that the employees provided for in section 3 ought to come under the provision of the amendment which he is advocating?

Mr. HULL of Iowa. O Mr. Speaker, I do not think that the chief statistician and these other men would be affected by this one way or the other. They are not selected through examinations entirely; some of these positions are above the civil service.

Mr. LANGLEY. These in section 3 are not.

Mr. HAY. Under the language of this amendment they are not.

Mr. HULL of Iowa. I want to say that if it is necessary to protect the States or the different districts in their rights, that it is no hardship to a man who is getting the high salary of a chief statistician to go to his own home and be examined.

Mr. HAY. But the gentleman must remember that the chief statistician under the provisions of this amendment must have lived in the State twelve months preceding the examination; he could not live here and in the State, too.

Mr. HULL of Iowa. That does not mean an absolute domicile.

Mr. HAY. It uses the word "domicile."

Mr. HULL of Iowa. A man's home may be there, although he may not have occupied it all the time.

Mr. SIMS. Mr. Speaker, I wish, without yielding the floor, to yield to the gentleman from Tennessee [Mr. HULL] to ask unanimous consent.

WAGES AND MANUFACTURES IN FOREIGN COUNTRIES.

Mr. HULL of Tennessee. Mr. Speaker, when the House adjourned on last Thursday resolution No. 72 was under consideration and a motion was pending. It is apparent that there will not be a quorum this afternoon when the vote is reached and I ask unanimous consent that the vote on the pending motions with reference to that resolution be postponed until Thursday next.

The SPEAKER pro tempore (Mr. DALZELL). The gentleman from Tennessee asks unanimous consent that the vote on the pending motions on resolution No. 72 be postponed until Thursday next.

Mr. CRUMPACKER. What is the motion?

The SPEAKER pro tempore. The motion was to lay on the table a resolution offered by the gentleman from Tennessee. Is there objection? [After a pause.] The Chair hears none.

THE CENSUS.

Mr. SIMS. Mr. Speaker, I still have the floor, I believe, and I wish to know if there is any other gentleman who wants to occupy time in favor of the amendment I have offered. If not, Mr. Speaker, I ask for the previous question on my amendment.

Mr. HAY. I ask for a division of the motion.

Mr. CRUMPACKER. Mr. Speaker, I have general control of the time, I believe, and I yielded the floor to the gentleman from Tennessee so that he might make his motion. I think our side ought to have the close.

Mr. SIMS. If there is any further debate desired, I will withhold my motion for the previous question and reserve the balance of my time. I only wanted to do what I thought the gentleman from Indiana desired.

Mr. CRUMPACKER. Mr. Speaker, does the gentleman from Virginia want any more time?

Mr. HAY. No.

Mr. CRUMPACKER. Mr. Speaker, I have only a word to say upon this question. I am interested in the legislation only as a Member of the House, and I have given the subject of the census work a great deal of study and attention during the last ten years. The position I occupy in resisting the motion of the gentleman from Tennessee [Mr. SIMS] is in perfect accord, I repeat, with that of every man in this country who has any special knowledge upon the subject of census taking. The recommendation, I desire to repeat, that the rule of geographical distribution as to temporary employees should be eliminated, was contained in the report of the Director of the Census, Mr. North, in his report for 1908. It was embodied in a special message of the President to Congress in January, 1909. It was indorsed by the commission of experts appointed by the Secretary of the Department of Commerce and Labor about a year and a half ago. In fact, it has the indorsement of every man in the country who appreciates the real importance of giving the Director of the Census a wide latitude of discretion in the administration of this work—a work that is peculiarly emergency work all the way through. I do not believe it is good legislation to embody in a census bill a provision for the amendment of the general civil-service law in the first place, but the House has the power to dispose of that question. If it is thought the proper thing to do to amend the general civil-service law, let it be amended; but I do insist that it will be a grave mistake to concur in Senate amendment No. 15 without change or modification. It will result in delay, in the embarrassment of this important undertaking, and it will increase substantially the cost of the work.

I desire to emphasize again that the Senate amendment has already resulted in a provision that will increase the expense of the work a quarter of a million dollars, in so far as the Senate can control it.

Now, the gentleman from Iowa [Mr. HULL], who of course is always vigilant in defense of the interests of the people of that great State, I think, in his enthusiasm in support of the interests of probably 100 or 150 applicants for jobs in the Census Office, is altogether overlooking the interests of 2,000,000 men and women who pay the taxes and contribute to the maintenance of the Government.

Mr. GRONNA. Mr. Speaker, will the gentleman yield?

Mr. CRUMPACKER. Yes.

Mr. GRONNA. Does the gentleman fear that they will be able to get competent men from the States?

Mr. CRUMPACKER. Oh, no; I do not doubt that competent men can be gotten in North Dakota and in South Dakota and in all the other States; but if a man establishes a large industry in the District of Columbia and a law was proposed requiring him to select his employees by the rule of apportionment among the States, from Maine to California, and, when a vacancy occurred, compelling him to go to an eligible list and select the one that made the highest and best rating, without regard to the delay that might be entailed or other embarrassments that the exigencies of the industry might involve, how many Members of this body would support it?

Mr. HULL of Iowa. Is not that the law now?

Mr. CRUMPACKER. Yes; in so far as the permanent classified service is concerned; and I repeat that the standard of efficiency in the public service is not more than 50 per cent of the standard of efficiency in similar service conducted by private enterprise throughout the country.

I am hoping and seeking, Mr. Speaker, to save the temporary census work from the handicap that I think every man who is acquainted with the conditions of administration down here must admit exists. The permanent administration may stand it; temporary emergency work, where time is a vital factor, can not.

Mr. GRONNA. Mr. Chairman, I will say, in reply to the gentleman from Indiana, if that point is well taken, why not apply it to all the appointments?

Mr. CRUMPACKER. I would not object to that. I want to relate again an experience of the Census Office in the selection of an assistant engineer at a salary of $60 a month through the civil-service law under the rule of apportionment. A requisition was made and the Civil Service Commission certified the names of three who stood highest on the eligible list—one in St. Louis, one in South Dakota, and the other in Utah. The director, of course, selected the one from St. Louis, because he thought he was a little closer at hand. It took five or six weeks to communicate with that man and have him arrange his affairs at home and come down here to accept the job that paid $60 a month. That is a fair illustration of the operation of this rule of geographical apportionment in the general service.

Mr. HULL of Iowa. How does this amendment affect any case of that kind?

Mr. CRUMPACKER. I will tell the gentleman how. He knows as well as I do that under the general civil-service law in all temporary service the rule of geographical apportionment does not apply.

Mr. HULL of Iowa. Does not the gentleman know that temporary appointments are made for a period not exceeding three months?

Mr. CRUMPACKER. No; that is by construction.

Mr. HULL of Iowa. It is the law, and then they can renew it if there is no permanent man to go in.

Mr. CRUMPACKER. That is not a law; it is a rule of the commission.

Mr. HULL of Iowa. That is the same as law; it is a regulation that applies to the entire service.

Mr. CRUMPACKER. Yes. Your opinion is that——

Mr. HULL of Iowa. In your case of an engineer they put a temporary man in until he came. Under your rule we ought to put him in and rule the St. Louisan out.

Mr. CRUMPACKER. The plan of the gentleman from Iowa would be, when the eligible who was entitled to the appointment is not ready, has not got his corn husked or his harvesting over, he would put in a temporary, somebody in the city of Washington, for two or three months and train him until he got so he could earn his salary and then turn him out and put in the eligible from Indiana or somewhere else. That may do in the permanent service, but it would cause delay and unnecessary expense in the temporary census office.

Mr. HULL of Iowa. I will ask the gentleman, so that we can get at the facts—he and I are differing on facts more than we are on policies—I will ask him here, on page 5, if this language in here, put in by the House on motion of the gentleman from Illinois [Mr. STERLING], in regard to apportionment, does not absolutely govern as to the right of the States to fill these places?

Mr. CRUMPACKER. That depends.

Mr. HULL of Iowa. Is not that true? Was not that the object of it? Was not that what the House thought it was doing?

Mr. CRUMPACKER. Each Member put his own interpretation on it. It provides the same rule that obtains in the general classified service; and if the Civil Service Commission decides that these positions are temporary, of course the rule of geographical apportionment would not apply. We are to apply the same rule in relation to these employees as in the general service.

Mr. HULL of Iowa. Section 7 in its beginning provides that these are additional clerks and temporary clerks.

Mr. CRUMPACKER. Temporary.

Mr. HULL of Iowa. Those who were exempted by the House were messengers, assistant messengers, messenger boys, unskilled laborers, and charwomen. Now, the Senate, I understand, is willing to go back and agree to our provision, or whether or not they are they ought to be made to do so—

Mr. CRUMPACKER. I think not.

Mr. HULL of Iowa. Now, this is affecting the temporary forces. I would like for the gentleman to be frank with the House as to whether this amendment that we are talking about creates a single additional job, makes a single additional place here; if its adoption increases the power of a Member of Congress in the selection of a single man in all this vast force to be employed, or is not its sole purpose to provide that the State and the locality under the law of apportionment already agreed to by both Houses of Congress, not before the conference committee now, but agreed to, if the whole provision of this amendment is not simply this, that in making these examinations the safeguard is thrown around and protects the localities

of the State so that people in Washington, or adjoining districts, whose fathers have been in the service for forty years, born and raised here, are deprived of the right to take these examinations against the men in Iowa, Missouri, or Kansas, or Nebraska, who have been at home helping to build up those great Commonwealths. That is all there is to it.

Mr. CRUMPACKER. Mr. Speaker, I assume the purpose of this amendment is to require absolutely and imperatively the geographical distribution of the positions in the temporary census office throughout the country. That is what it is for. I have not been making any question about that and it will increase the employees only to the extent that the Director of the Census, who will be responsible of course for the success of the work, in order to avoid any delays and embarrassments, will be required to keep a force of clerks on hand in Washington all the time in order to obviate the necessity of delay in sending for the clerks when an emergency arises. It will cost the Government a great many thousands of dollars more than it would otherwise. Now, that is the thing to which I am objecting. I am objecting to the geographical distribution in regard to this temporary service.

Mr. HULL of Iowa. That is already provided for by a part of the bill that is agreed to by both Houses.

Mr. CRUMPACKER. This amendment makes it infinitely more rigid. In the first instance, Mr. Speaker, if the gentleman is right, the House made a mistake, in the judgment of every expert statistician, every man who has had experience in census work in all this country. The House went right in the face of the advice and suggestions of all these men. Now, not satisfied with that, the gentlemen who are supporting this motion propose to augment the embarrassments and the delays by increasing infinitely the rigidity of the apportionment rule. Nobody knows how that provision would dovetail into the general civil-service law. Nobody in this House has made any investigation of this question; that is, any careful investigation, I think I am free to say. It has not gone to the Committee on the Civil Service; has not gone to any committee that has given the subject any consideration at all, and here it is proposed now to inject into this bill a piece of new legislation amending a permanent statute in a vital particular without any considerable thought or investigation.

Mr. DOUGLAS. Will the gentleman yield to me for one question at that point?

Mr. CRUMPACKER. I will.

Mr. DOUGLAS. As to the gentleman's illustration, which I heard him use some weeks ago and again to-day, it struck me as capable of little elucidation at any rate. The gentleman spoke of three engineers that were certified to the director—one from St. Louis, one from Utah, and one from Dakota. Instead of writing to one and waiting until he husked his corn, why could he not wire each one of them, "If appointed, can you come immediately and accept a certain position under the civil service?" And if they wired they could come, he could telegraph to the nearest one to come.

Mr. CRUMPACKER. That might have been. I think it is within the bounds of truth and reason to say that the ordinary citizen of the country who takes a civil-service examination has some employment. He can not quit his employer the very next morning after he receives notice of his selection.

Mr. DOUGLAS. Is it not also true that he takes the examination in order to get the work?

Mr. CRUMPACKER. He expects, generally, to have a reasonable time in which to get ready to enter the service. I think I have made my attitude clear on this matter before the House. I understand there is to be a division of the question. I hope, if the motion to recede be agreed to, that the motion to concur shall be defeated, in order that the gentleman from Virginia [Mr. HAY] may have an opportunity to present his amendment modifying the Senate provision. I violate no confidence in saying that when this matter was in conference it was discussed by the conferees of both sides, and the Senate conferees agreed that the Senate amendment ought not to be embodied in the bill without a further amendment, after having received a letter from the Chief of the Geological Survey in reference to the selection of those engaged in scientific branches of the service.

Mr. Speaker, I demand the previous question. [Cries of "Vote!"]

The SPEAKER pro tempore. Does the gentleman from Indiana demand the previous question?

Mr. SIMS. Mr. Speaker, I reserved my time and did not insist on my previous question, because the gentleman wished to say something further. And now I wish to say a few words in reply.

Mr. CRUMPACKER. Very well.

Mr. HULL of Iowa. It seems to me that the better way would be, when we have concluded the debate, to vote upon the proposition, as the gentleman from Virginia [Mr. HAY] desires to move to concur with an amendment.

Mr. HAY. I have asked for a division of the question.

Mr. HULL of Iowa. A parliamentary inquiry, Mr. Speaker. If the House should vote for the previous question, while it would not cut off the division of the question, would it not preclude any further amendment? Would it not compel us to vote simply on concurrence?

Mr. CRUMPACKER. As I understood, the question was on the motion of the gentleman from Tennessee to recede, and then the other question is to concur, and would not be cut off from debate until somebody moves the previous question on that motion.

Mr. HAY. As I understood the motion of the gentleman from Tennessee, it is to recede and concur; but I asked a division.

Mr. CRUMPACKER. That is all true; that is one motion, and if the previous question is ordered, it will be contained in the entire motion.

Mr. SIMS. Do I understand the gentleman from Indiana to yield?

Mr. CRUMPACKER. A parliamentary inquiry. Would the motion for the previous question upon the motion to recede alone be in order?

The SPEAKER pro tempore. It would.

Mr. CRUMPACKER. I do not want to take the gentleman from Tennessee off the floor, if he wants to make some remarks.

Mr. SIMS. I want to make some remarks in reply to the gentleman from Indiana.

The SPEAKER pro tempore. The gentleman has thirty-four minutes remaining.

Mr. SIMS. I do not wish to occupy that much time.

I hope, Mr. Speaker, that the Members of the House will listen to the provisions of amendment 15, and get it into their minds exactly:

(15) *Provided*, That hereafter all examinations of applicants for positions in the government service, from any State or Territory, shall be had in the State or Territory in which such applicant resides, and no person shall be eligible for such examination or appointment unless he or she shall have been actually domiciled in such State or Territory for at least one year previous to such examination.

The object of this amendment is clear on its face, and was certainly made clear in the debate in the other body. It is to prevent persons claiming to be citizens of a State in which they are not citizens, and never have been, applying for appointment from a State the quota of which is not full, by claiming that they are citizens of that State when they are not and never expect to be.

The gentleman from Indiana spoke about the difficulty of getting a fireman or engineer. This can not apply and does not apply to that sort of employment, because such employees are exempt by the bill itself, in which we find this language:

That the foregoing provisions as to apportionment, residence, and place of examination shall not apply to employees operating mechanical appliances.

So that as far as stopping the engines or the machines or any mechanical apparatus goes, it would not have to be done in order to have persons take examinations in distant or near-by States.

But I want to call the attention of the House to another provision in this bill, which makes it very important to concur without any amendment, because you will see what can be done if this amendment of the Senate is not concurred in and goes out of the bill. Here is the provision I wish to call attention:

And provided further, That employees in other branches of the departmental classified service who have had previous experience in census work may be transferred without examination to the Census Office to serve during the whole or part of the decennial census period, and at the end of such service the employees so transferred shall be eligible to appointment to positions in any department held by them at date of transfer to the Census Office without examination: *And provided further*, That during the decennial census period, and no longer, the Director of the Census may fill vacancies in the permanent force of the Census Office by the promotion or transfer of clerks or other employees employed on the temporary force authorized by section 6 of this act.

So you see, from failing to concur in this amendment or concurring with an amendment providing it shall not apply to section 6, the Director of the Census can fill all the vacancies in the regular force by promotions from those on the temporary force during the decennial period, which is three years.

Now, I am not assuming for a moment that the Director of the Census would do anything improper. But if we permit the employees under section 6 to be exempted, they can be transferred from the temporary force to the permanent force any time the Director of the Census may see fit to fill vacancies that may occur; and they will not be apportioned to the States, but

they can be transferred to the permanent force from the temporary force by the action of the Director of the Census under the terms of this law and made permanent employees.

Mr. CRUMPACKER. Does the gentleman have in mind the fact that the permission or the authority to transfer is only temporary? It is a temporary transfer from a permanent position during a temporary period, and then the bill expressly provides that the service terminates. That provision is simply to give the Director of the Census general control over the office and to use the employees where he can use them to the best advantage, and he can only transfer them for the temporary period.

Mr. SIMS. But the gentleman from Indiana has been discussing the possibility of extra expense. Now, section 6 provides that salaries shall not exceed $1,000, and another portion of the bill provides that the director may transfer to the permanent force these employees at whatever salary may be provided for the place to which the clerk has been transferred in the permanent force. That gives the director the power to increase a man's salary whom he may see fit to transfer to the permanent force, even if he should not serve longer than three years. So you see how this can be worked for the benefit of those so promoted, and most any employee would like an increase in salary, even if it is only for two or three years.

Now, it has been made clear that if we amend Senate amendment 15 by concurring with an amendment of any sort, it carries the whole amendment back to conference, and with the action of the Senate and the House conferees on the matter having stricken out this amendment, what must we expect in the future? We must expect, after all we have heard from the chairman of the committee, that he is opposed to section 15 in toto. The amendment talked of virtually amounts to concurring without a concurrence, concurring in it and robbing it at the same time of all effectiveness. Now, Mr. Speaker, I asked before for the previous question on the motion to recede and concur.

Mr. CRUMPACKER. Mr. Speaker, I started to make a motion myself, and out of courtesy yielded to the gentleman from Virginia.

Mr. SIMS. I had the floor and made the motion, but yielded as a matter of courtesy to the gentleman from Indiana.

Mr. HAY. Mr. Speaker, I believe under the rules I have a right to ask for a division of the motion; and the motion of the gentleman from Tennessee merely applies to the motion to recede.

The SPEAKER pro tempore. That depends entirely on what the motion is.

Mr. SIMS. I move to recede and concur, and ask for the previous question on that motion.

Mr. HAY. Do I understand that that would cut me out from a motion to concur with an amendment?

The SPEAKER pro tempore. If the gentleman from Tennessee moves for the previous question on his original motion, then, in the opinion of the Chair, there could not be a motion to concur with an amendment.

Mr. HAY. I would like to ask the gentleman from Tennessee if he desires to shut out my amendment?

The SPEAKER pro tempore. The question is on the motion of the gentleman from Tennessee for the previous question on his motion to recede and concur.

The question was taken; and on a division (demanded by Mr. CRUMPACKER) there were 48 yeas and 38 noes.

So the previous question was ordered.

The SPEAKER pro tempore. The gentleman from Tennessee moves that the House recede from Senate amendment No. 15 and concur therein. Does the gentleman from Virginia desire a division of the question?

Mr. HAY. I did demand a division.

The SPEAKER pro tempore. The Chair would like to suggest to the gentleman whether or not his motion now amounts to anything.

Mr. HAY. It does not, if I am shut out from offering an amendment, and I therefore withdraw the request.

The SPEAKER pro tempore. The question is on the motion of the gentleman from Tennessee that the House recede from its disagreement to Senate amendment 15 and concur in the same.

The question was taken, and the motion was agreed to.

The SPEAKER pro tempore. Is a separate vote demanded on any of the other amendments?

Mr. CRUMPACKER. Mr. Speaker, I move that the House further insist on its disagreement to the remaining Senate amendments and agree to the conference requested by the Senate.

The SPEAKER pro tempore. The gentleman from Indiana moves that the House further insist on its disagreement to the remaining Senate amendments and agree to the conference.

The motion was agreed to.

The SPEAKER pro tempore. If there is no objection, the Chair will appoint the following conferees.

There was no objection.

The Chair appointed as conferees on the part of the House Mr. CRUMPACKER, Mr. BURLEIGH, and Mr. HAY.

LEAVE OF ABSENCE.

By unanimous consent, leave of absence was granted as follows:

To Mr. KOPP, indefinitely, on account of important business.

To Mr. EDWARDS of Georgia, indefinitely, on account of sickness in family.

To Mr. HUGHES of Georgia, for one day, on account of sickness of wife.

To Mr. CLARK of Florida, indefinitely, on account of illness in the family.

WITHDRAWAL OF PAPERS.

Mr. HOWELL of Utah, by unanimous consent, was given leave to withdraw from the files of the House without leaving copies papers in the case of Matilda C. Lyman, Sixtieth Congress, no adverse report having been made thereon.

ADJOURNMENT.

Mr. PAYNE. Mr. Speaker, when the House adjourned on Thursday last there was a motion pending on resolution No. 72 offered by the gentleman from Tennessee [Mr. HULL].

The SPEAKER pro tempore. In the absence of the gentleman from New York from the Chamber, the House by unanimous consent agreed to postpone that until Thursday.

Mr. PAYNE. That was rather a surprising move to make when I was out of the Chamber. I move that the House do now adjourn.

The SPEAKER pro tempore. Will the gentleman from New York withhold his request for a moment?

Mr. DIES. Mr. Speaker, I ask unanimous consent to print some remarks in the RECORD.

Mr. PAYNE. Mr. Speaker, I insist on my motion.

The question was taken, and the motion was agreed to.

Accordingly (at 2 o'clock and 53 minutes p. m.) the House adjourned until Thursday next.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of Rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

A letter from the Secretary of the Treasury, transmitting a copy of a letter from the Secretary of the Interior, submitting an estimate of appropriation for replacement of articles and material for the Geological Survey destroyed by fire (H. Doc. No. 60)—to the Committee on Appropriations and ordered to be printed.

A letter from the Acting Secretary of the Treasury, transmitting, with a copy of a letter from the Secretary of Commerce and Labor, an estimate of appropriation for the immigrant station at Ellis Island, N. Y. (H. Doc. No. 61)—to the Committee on Appropriations and ordered to be printed.

A letter from the Secretary of War, transmitting a draft of a bill for settling a disputed boundary line of the Fort Adams (R. I.) Military Reservation (H. Doc. No. 62)—to the Committee on Military Affairs and ordered to be printed.

A letter from the Secretary of War, transmitting papers relating to the claim of the Roman Catholic Church of Zamboanga, P. I. (H. Doc. No. 63)—to the Committee on War Claims and ordered to be printed with illustrations.

PUBLIC BILLS, RESOLUTIONS, AND MEMORIALS.

Under clause 3 of Rule XXII, bills, resolutions, and memorials of the following titles were introduced and severally referred as follows:

By Mr. STANLEY: A bill (H. R. 10885) placing licorice and licorice paste, etc., on the free list—to the Committee on Ways and Means.

By Mr. HULL of Tennessee: A bill (H. R. 10886) for the erection of a monument to the memory of Gen. James Winchester, of Tennessee—to the Committee on the Library.

By Mr. BOWERS: A bill (H. R. 10887) to make Scranton, in the State of Mississippi, a subport of entry, and for other purposes—to the Committee on Ways and Means.

By Mr. MARTIN of Colorado: A bill (H. R. 10888) to promote the safety of employees and travelers upon railroads by compelling common carriers by railroad to properly man their trains—to the Committee on Interstate and Foreign Commerce.

Also, a bill (H. R. 10889) to promote the safety of employees and travelers upon railroads by compelling common carriers by

railroad to equip their locomotives with safe and suitable boilers and appurtenances thereto—to the Committee on Interstate and Foreign Commerce.

By Mr. YOUNG of Michigan: A bill (H. R. 10890) to regulate the issue of injunctions from the federal courts—to the Committee on the Judiciary.

By Mr. STANLEY: A bill (H. R. 10891) to prevent the use of coupons and other devices—to the Committee on Ways and Means.

By Mr. AUSTIN: Joint resolution (H. J. Res. 57) providing for a joint commission to visit Porto Rico—to the Committee on Insular Affairs.

By Mr. MARTIN of Colorado: Joint resolution (H. J. Res. 58) to restore the status of the Third Colorado Volunteer Cavalry who served during the civil war—to the Committee on Military Affairs.

By Mr. HARDY: Resolution (H. Res. 79) relating to the use by any committee of the House of Representatives of any information affecting the financial interests of the country which can not be given to the people at large—to the Committee on Rules.

By Mr. CARY: Memorial of the legislature of Wisconsin, respecting national aid for the construction of main highways—to the Committee on Agriculture.

Also, memorial of the legislature of Wisconsin, asking Congress to remove the tariff on lumber—to the Committee on Ways and Means.

PRIVATE BILLS AND RESOLUTIONS.

Under clause 1 of Rule XXII, private bills and resolutions of the following titles were introduced and severally referred as follows:

By Mr. ANDREWS: A bill (H. R. 10892) donating 100,000 acres of land to Cumberland College, Cumberland, Chaves County, N. Mex.—to the Committee on the Territories.

By Mr. BOEHNE: A bill (H. R. 10893) granting an increase of pension to Reuben Miles—to the Committee on Invalid Pensions.

Also, a bill (H. R. 10894) granting an increase of pension to Henry Ripkey—to the Committee on Invalid Pensions.

By Mr. BYRNS: A bill (H. R. 10895) granting a pension to G. B. Ward—to the Committee on Invalid Pensions.

Also, a bill (H. R. 10896) for the relief of the estate of David F. Kennel—to the Committee on War Claims.

By Mr. CLARK of Missouri: A bill (H. R. 10897) granting an increase of pension to John P. Jefferries—to the Committee on Invalid Pensions.

Also, a bill (H. R. 10898) granting an increase of pension to George Radell—to the Committee on Invalid Pensions.

By Mr. CRUMPACKER: A bill (H. R. 10899) granting an increase of pension to John A. Kellar—to the Committee on Invalid Pensions.

Also, a bill (H. R. 10900) granting an increase of pension to Henry W. Snyder—to the Committee on Invalid Pensions.

By Mr. DE ARMOND: A bill (H. R. 10901) granting a pension to D. W. Snider—to the Committee on Invalid Pensions.

By Mr. DODDS: A bill (H. R. 10902) granting a pension to John Halpine—to the Committee on Invalid Pensions.

By Mr. GRANT: A bill (H. R. 10903) granting a pension to Feemster Penland—to the Committee on Pensions.

By Mr. HULL of Iowa: A bill (H. R. 10904) granting an increase of pension to Henry Jordon—to the Committee on Invalid Pensions.

By Mr. HULL of Tennessee: A bill (H. R. 10905) granting a pension to Charles Roddy—to the Committee on Pensions.

Also, a bill (H. R. 10906) granting a pension to Mary Jane Jackson—to the Committee on Pensions.

Also, a bill (H. R. 10907) for the relief of Joseph McAndrew—to the Committee on War Claims.

Also, a bill (H. R. 10908) for the relief of the estate of Nathaniel Murray—to the Committee on War Claims.

By Mr. HUMPHREY of Washington: A bill (H. R. 10909) granting an increase of pension to Hugh M. Cory—to the Committee on Invalid Pensions.

Also, a bill (H. R. 10910) granting an increase of pension to Wyman F. Patten—to the Committee on Invalid Pensions.

Also, a bill (H. R. 10911) granting an increase of pension to Samuel Nichols—to the Committee on Invalid Pensions.

Also, a bill (H. R. 10912) granting an increase of pension to Henry T. Turner—to the Committee on Invalid Pensions.

Also, a bill (H. R. 10913) granting an increase of pension to William P. Gilleland—to the Committee on Invalid Pensions.

Also, a bill (H. R. 10914) granting a pension to Julia E. Sterns—to the Committee on Invalid Pensions.

By Mr. KELIHER: A bill (H. R. 10915) granting a pension to Annie McLeod—to the Committee on Pensions.

By Mr. McHENRY: A bill (H. R. 10916) granting a pension to Jane McNalley—to the Committee on Invalid Pensions.

By Mr. MANN: A bill (H. R. 10917) granting an increase of pension to Charles H. Allen—to the Committee on Invalid Pensions.

By Mr. MARTIN of Colorado: A bill (H. R. 10918) to carry out the findings of the Court of Claims in the case of Edward H. Bergmann—to the Committee on Claims.

By Mr. MOORE of Pennsylvania: A bill (H. R. 10919) granting a pension to Thomas J. Parker—to the Committee on Pensions.

By Mr. NICHOLLS: A bill (H. R. 10920) granting an increase of pension to Harrison N. Mott—to the Committee on Invalid Pensions.

Also, a bill (H. R. 10921) granting an increase of pension to Marlow F. Brandamore—to the Committee on Invalid Pensions.

By Mr. OLDFIELD: A bill (H. R. 10922) granting an increase of pension to Harmon Varner—to the Committee on Invalid Pensions.

By Mr. ROBERTS: A bill (H. R. 10923) granting an increase of pension to Almon N. Keeney—to the Committee on Invalid Pensions.

Also, a bill (H. R. 10924) granting an increase of pension to Joseph Goss—to the Committee on Invalid Pensions.

Also, a bill (H. R. 10925) granting a pension to Margaret Halpin—to the Committee on Invalid Pensions.

By Mr. THOMAS of Kentucky: A bill (H. R. 10926) for the relief of Zachariah Thomas—to the Committee on War Claims.

Also, a bill (H. R. 10927) granting an increase of pension to Abner J. Johnson—to the Committee on Invalid Pensions.

By Mr. THOMAS of North Carolina: A bill (H. R. 10928) for the relief of Mrs. M. L. H. Williams—to the Committee on War Claims.

By Mr. TOWNSEND: A bill (H. R. 10929) granting a pension to Herbert P. De Lano—to the Committee on Invalid Pensions.

By Mr. WHEELER: A bill (H. R. 10930) granting a pension to Charles D. French—to the Committee on Pensions.

By Mr. WOODS of Iowa: A bill (H. R. 10931) granting an increase of pension to Sarah Cole—to the Committee on Invalid Pensions.

Also, a bill (H. R. 10932) granting an increase of pension to A. C. Fairman—to the Committee on Invalid Pensions.

PETITIONS, ETC.

Under clause 1 of Rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

By the SPEAKER: Petition of permanent committee on temperance of the general synod of the Evangelical Lutheran Synod of the United States, relative to the acts and duties of Congress in preventing the sale of intoxicants—to the Committee on Alcoholic Liquor Traffic.

By Mr. CREAGER: Petition of the governor and 22 other state officials of Oklahoma, requesting legislation placing under jurisdiction of the Interstate Commerce Commission control of rates and charges of transportation by steamers engaged in coastwise trade—to the Committee on Interstate and Foreign Commerce.

By Mr. FOCHT: Petition of Lewisburg (Pa.) Council, No. 926, Junior Order United American Mechanics, for legislation preventing immigration of all Asiatics save merchants, students, and travelers—to the Committee on Foreign Affairs.

By Mr. HAMMOND: Petition of O. A. Call and 5 others, of Odin, and C. W. Dammann & Co. and 9 others, of Ormsby, all in the State of Minnesota, against a parcels-post law—to the Committee on the Post-Office and Post-Roads.

By Mr. HOLLINGSWORTH: Petition of Spangler Post, Grand Army of the Republic, of Bellaire, Ohio, against portrait of Jefferson Davis being placed on silver service of the battle ship *Mississippi*—to the Committee on Naval Affairs.

By Mr. MARTIN of Colorado: Petition of business men of Salida, Colo., against parcels-post law—to the Committee on the Post-Office and Post-Roads.

By Mr. MOORE of Pennsylvania: Petition of Independent Italian Political Club, to make October 12 a holiday, to be known as "Columbus Day"—to the Committee on the Judiciary.

By Mr. THOMAS of North Carolina: Paper to accompany bill for relief of Mary L. H. Williams—to the Committee on War Claims.

Also, petition of the bar of Goldsboro, N. C., asking for establishment of a United States court in said city—to the Committee on the Judiciary.

SENATE.

TUESDAY, *June 22, 1909.*

The Senate met at 10 o'clock a. m.

Prayer by the Chaplain, Rev. Ulysses G. B. Pierce, D. D.

The Journal of yesterday's proceedings was read and approved.

PETITIONS AND MEMORIALS.

Mr. JONES presented a petition of the Pacific Coast Lumber Manufacturers' Association, of Washington, praying that an appropriation be made to enable the Interstate Commerce Commission to pass upon the reasonableness of rates charged by various railroad companies for the transportation of freight, which was referred to the Committee on Interstate Commerce.

Mr. ROOT presented a petition of sundry citizens of Jamestown, N. Y., praying for the repeal of the duty on hides and sole leather, which was ordered to lie on the table.

He also presented a petition of Manhattan Council, No. 15, Junior Order United American Mechanics, of New York City, N. Y., praying for the adoption of the so-called "Overman amendment" to the present tariff bill increasing the capitation tax on immigrants from $4 to $10, which was ordered to lie on the table.

Mr. OWEN. I present resolutions adopted at a meeting of the Oklahoma Traffic Association, held at Guthrie, Okla., which I ask may be printed in the RECORD.

There being no objection, the resolutions were referred to the Committee on Commerce and ordered to be printed in the RECORD, as follows:

GUTHRIE, OKLA., *June 12, 1909.*

Senator ROBERT L. OWEN,
Washington, D. C.

SIR: At a recent meeting of the Oklahoma Traffic Association the following resolutions were adopted, to wit:

Whereas under the laws of the United States only steamships of American registry are permitted to handle freight and passengers between two ports in the United States, thereby preventing the freest competition between water carriers; and

Whereas this restricted competition has made it possible for the rail carriers, through the ownership of some steamship lines and through threats of refusal to participate with other independent water lines in the bulk of the through traffic, to absolutely control the freight rates of the water carriers operating between Atlantic and Gulf ports to such extent as to frequently increase the freight rates of such water carriers far beyond a profitable basis for the service involved, to the detriment and often to the distress of the citizens of the southwestern portion of the United States; and

Whereas the United States Government not only establishes and improves but actually maintains the ports of entry of such water carriers, dredging channels, constructing and maintaining buoys, light-houses, and so forth, at the expense of the taxpayers, with the idea of cheapening transportation charges for the benefit of all the people; and

Whereas the control of water rates between the various United States ports has not been specifically placed under the jurisdiction of the Interstate Commerce Commission, in the belief that competition on the high seas between numerous water carriers would serve to sufficiently reduce such transportation charges; and

Whereas the very reverse of this condition has resulted, and rates are steadily being increased by the coastwise water carriers: Now therefore be it

Resolved, That we urgently request the Congress of the United States to pass an act at the earliest possible moment remedying the conditions above recited by placing under the jurisdiction of the Interstate Commerce Commission the control of rates and charges for the transportation of freight and passengers by all steamers engaged in the United States coastwise trade, and that we call upon all other interests in the Southwest, as well as any other sections of the United States where similar conditions exist, to aid us in securing this legislation.

As members of the state administration of the State of Oklahoma, we, the undersigned, wish to add our request to the above resolutions, that you use all proper efforts in an endeavor to see that the sense of said resolutions be made into law.

Respectfully,

C. H. Haskell, governor; Bill Cross, secretary of state; M. E. Trapp, state auditor; Charles West, attorney-general; J. A. Menefee, treasurer; Charles A. Taylor; state examiner and inspector; J. E. Love, chairman corporation commission; A. P. Watson, corporation commission; J. J. McAlister, corporation commission; E. D. Connant, superintendent public instruction; M. J. Kane, chief justice; J. J. Dunn, associate justice; R. L. Williams, associate justice; John B. Turner, associate justice; S. W. Hayes, associate justice; Henry M. Furvan, presiding judge circuit court of appeals; Thomas H. Doyle, judge circuit court of appeals; Henry G. Baker, judge circuit court of appeals; W. H. L. Campbell, clerk supreme court; Kate Barnard, committee charities and corrections; W. G. Ashton, assistant commissioner of labor; F. J. McComb, insurance commissioner.

BILLS INTRODUCED.

Bills were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. SUTHERLAND:

A bill (S. 2644) making an appropriation for the redemption of an internal-revenue stamp; to the Committee on Appropriations.

A bill (S. 2645) granting an increase of pension to William Armstrong;

A bill (S. 2646) granting a pension to Jacob S. Boreman; and

A bill (S. 2647) granting a pension to Elizabeth Henry (with the accompanying papers); to the Committee on Pensions.

By Mr. HALE:

A bill (S. 2648) granting a pension to Nannie B. Butler; to the Committee on Pensions.

AMENDMENTS TO THE TARIFF BILL.

Mr. BURTON submitted two amendments intended to be proposed by him to the bill (H. R. 1438) to provide revenue, equalize duties, and encourage the industries of the United States, and for other purposes, which were ordered to lie on the table and be printed.

AMELIA L. DICK BOYD.

Mr. BURTON submitted the following resolution (S. Res. 59), which was referred to the Committee to Audit and Control the Contingent Expenses of the Senate:

Senate resolution 59.

Resolved, That the Secretary of the Senate be, and he is hereby, authorized and directed to pay to Amelia L. Dick Boyd, widow of Charles W. Boyd, late a laborer of the United States Senate, a sum equal to six months' salary at the rate he was receiving by law at the time of his demise, said sum to be considered as including funeral expenses and all other allowances.

TAXATION OF CORPORATIONS.

Mr. BULKELEY. I hold in my hand part 1 of a report of the Commissioner of Corporations on Taxation of Corporations, dealing with the system of corporate taxation in the New England States, and published by the Department of Commerce and Labor. A very limited edition was issued. I ask that 1,000 copies be printed as a document for the use of the Senate.

The VICE-PRESIDENT. Without objection, the order will be made.

Mr. BULKELEY. It is suggested that I should ask for the printing of 2,000 instead of 1,000 copies.

Mr. SMOOT. Does the Senator know what the expense will be?

Mr. BULKELEY. The estimate is $166. The estimate was made by the printing clerk in the Secretary's office.

There being no objection, the order was reduced to writing and agreed to, as follows:

Ordered, That 2,000 copies of a paper, Taxation of Corporations, part 1, New England, be printed as a document, and that the usual number be not printed.

THE TARIFF.

The VICE-PRESIDENT. The morning business is closed, and the first bill on the calendar will be proceeded with.

The Senate, as in Committee of the Whole, resumed the consideration of the bill (H. R. 1438) to provide revenue, equalize duties, and encourage the industries of the United States, and for other purposes.

Mr. ALDRICH. I should like to dispose of a few formal amendments before the discussion of the hide question is proceeded with.

Mr. McLAURIN. I wanted to make some observations in reply to what had been said yesterday evening against my amendment. If the chairman has any formal amendments to present, I will wait until those are disposed of, if they will lead to no discussion.

Mr. CULLOM. Then there will be more Senators here to hear the Senator from Mississippi.

Mr. ALDRICH. If the Senator wants to go on, I will not insist.

Mr. McLAURIN. That is all right. I wish to make some observations further along in reply to the objections that were made to my amendment yesterday by the Senator from Virginia [Mr. DANIEL].

The VICE-PRESIDENT. The Chair understands that the Senator from Rhode Island desires the floor.

Mr. McLAURIN. Yes, sir.

Mr. ALDRICH. I was making the request that the committee might be able to dispose of some amendments to which there will be no objection. They are merely formal amendments. I do not want to take up any amendment that will lead to discussion; but if Senators desire to proceed with the discussion of the hide question, I certainly have no objection.

Mr. McLAURIN. I have no objection to the Senator from Rhode Island proceeding with his formal amendments. I think the chairman of the committee ought to be permitted to do so.

Mr. BRISTOW. Mr. President, I suggest the absence of a quorum.

The VICE-PRESIDENT. The Secretary will call the roll.

The Secretary called the roll, and the following Senators answered to their names:

Aldrich	Cullom	Hughes	Page
Bacon	Cummins	Johnson, N. Dak.	Paynter
Bailey	Curtis	Johnston, Ala.	Penrose
Beveridge	Davis	Jones	Perkins
Borah	Dick	Kean	Piles
Briggs	Dillingham	La Follette	Root
Bristow	Dixon	McCumber	Scott
Bulkeley	Dolliver	McEnery	Smoot
Burrows	Elkins	McLaurin	Stone
Burton	Fletcher	Martin	Sutherland
Carter	Flint	Money	Taliaferro
Chamberlain	Foster	Nelson	Taylor
Clapp	Frye	Nixon	Tillman
Clark, Wyo.	Hale	Oliver	Warner
Crawford	Heyburn	Overman	Warren

The VICE-PRESIDENT. Sixty Senators have answered to the roll call. A quorum of the Senate is present.

Mr. McLAURIN. I should like to ask the Senator from Rhode Island to yield to me until I can have a correction made of the amendment which I offered. I ask that the word "paragraph" be put in the place of "bill" and that the words "and calves" be added in the amendment at the point indicated in pencil.

The VICE-PRESIDENT. The amendment to the amendment is modified by changing the word "bill" to the word "paragraph" and by inserting the words "and calves" after the word "cattle."

Mr. ALDRICH. In paragraph 61, on page 15, refined saltpeter was taken from the free list by the action of the Senate, and it will be necessary that this amendment should be disposed of. I ask that the paragraph may be reconsidered and the amendment reconsidered.

The VICE-PRESIDENT. Is there objection to the request of the Senator from Rhode Island? The Chair hears none, and it is so ordered.

The SECRETARY. On page 15, paragraph 61, restore the House text.

Mr. ALDRICH. In paragraph 65, page 16, I ask that the following amendment may be adopted.

The VICE-PRESIDENT. The amendment will be stated.

The SECRETARY. In paragraph 65, page 16, line 11, after the word "foregoing" and before the semicolon, insert the words "wholly or partly manufactured."

The VICE-PRESIDENT. Is there objection to agreeing to the amendment? The Chair hears none, and the amendment is agreed to.

Mr. ALDRICH. I ask that paragraph 53, on page 13, which was passed over, may be agreed to.

The VICE-PRESIDENT. Is there objection to agreeing to paragraph 53—zinc, oxide of? The Chair hears no objection, and the paragraph is agreed to.

Mr. ALDRICH. Paragraph 88 was passed over at the request of the Senator from Ohio [Mr. BURTON], I think. I will suggest to the Senator from Ohio that he permit the paragraph to be agreed to.

Mr. BURTON. I will state that I desire to be heard in behalf of placing crude asphalt on the free list, and also there is another amendment to the paragraph relating to fuller's earth. According to the report from the Treasury Department, there is some difficulty in discriminating between the crude fuller's earth and that which is wrought or manufactured. It has been suggested that the same phraseology be adopted as that in use with reference to crude asphaltum not dried or advanced in any manner. On page 21, lines 10 and 11, I move to strike out the words "unwrought and unmanufactured" and insert "if not dried or otherwise advanced in any manner," and then in lines 11 and 12 to insert "dried or otherwise advanced in any manner," so that the paragraph may have the same phraseology pertaining to fuller's earth which it contains with reference to crude asphaltum.

The VICE-PRESIDENT. The Chair does not understand the Senator as offering the amendment.

Mr. BURTON. That is what I desire. I prefer the paragraph be not agreed to at this time.

The VICE-PRESIDENT. The paragraph remains passed over.

Mr. CLAPP. While the Senator from Rhode Island is disposing of these minor matters, would he have any objection at this time to disposing of paragraph 262 and of withdrawing the Senate committee amendment in reference to the drawback on oil cake?

Mr. ALDRICH. The committee will consider that in connection with the general drawback provision.

The committee some time since offered an amendment to paragraph 86 imposing specific duties upon Keene's cement. If there is no objection I would be glad to dispose of that. It is a matter which the Senator from Kansas [Mr. BRISTOW] is somewhat interested in.

The VICE-PRESIDENT. The Senator from Rhode Island offers an amendment to paragraph 86, which will be read.

The SECRETARY. On page 20 strike out all of line 12 and insert the following:

If valued at $10 per ton or less, $3.50 per ton; if valued above $10 and not above $15 per ton, $5 per ton; if valued above $15 and not above $30 per ton, $10 per ton; if valued above $30 per ton, $14 per ton.

The VICE-PRESIDENT. The question is on agreeing to the amendment.

Mr. BRISTOW. I should like to inquire if the amendment increases the duty?

Mr. ALDRICH. The purpose of the committee was to fix specific duties which were equivalent to the 35 per cent ad valorem.

Mr. BRISTOW. I am not paying any special attention to it, except that I do not want to vote for any increase of duties.

Mr. ALDRICH. It is merely to change from ad valorem to specific, with the intention on the part of the committee to make it equivalent.

The amendment was agreed to.

Mr. ALDRICH. To paragraph 157, page 53, the committee offered an amendment some time since fixing the rate of duty at 40 per cent ad valorem. The manufactures of the country, while not very many of them in number, are quite important. The manufacturers of St. Louis and other parts of the country suggest that a rate of 40 per cent is 5 per cent less than the rate on the iron ore from which they are made, and they are very anxious that the duty should be restored to 45 per cent ad valorem. I ask that the paragraph as adopted by the Senate may be read.

The SECRETARY. Paragraph 157 as a substitute for the House paragraph reads as follows:

157. Table, kitchen, and hospital utensils, or other similar hollowware, of iron or steel, enameled or glazed with vitrous glasses, but not ornamented or decorated with lithographic or other printing, 40 per cent ad valorem.

Mr. ALDRICH. I ask that "40 per cent" be made "45 per cent." I will say, if it develops subsequently that that rate is too high, it will be taken care of in the Senate or in conference. The claim made by the manufacturers of this ware that the rate certainly ought not to be less than the rate on iron and steel is proper. I ask, therefore, that the amendment be made.

The VICE-PRESIDENT. The amendment will be stated.

The SECRETARY. Before the words "per cent," strike out "forty" and insert in lieu "forty-five."

The amendment was agreed to.

The VICE-PRESIDENT. Without objection, the paragraph as amended is agreed to.

Mr. ALDRICH. There are two or three items in the free list that I should like to have disposed of. Paragraph 488 was passed over, and I ask that it may be agreed to.

The SECRETARY. On page 196, paragraph 488, "arsenic and sulphide of arsenic, or orpiment."

Mr. JONES. Before that is agreed to, I have an amendment pending which I should like to offer at the proper time.

Mr. ALDRICH. The committee are very strongly of the idea that arsenic certainly should be upon the free list. It is largely used by the farmers throughout the country as a destructive.

Mr. JONES. I want to present reasons why it should not be on the free list, when the proper time comes.

Mr. ALDRICH. It is used for destroying insects very largely all through the country.

Mr. JONES. I understand that, I will state to the Senator.

Mr. ALDRICH. The Senator desires not to have it disposed of now?

Mr. JONES. Yes; I ask that it may go over, to be taken up in regular order.

Mr. TILLMAN. I ask the Senator from Rhode Island whether Paris green is on the free list? Paris green is a product of arsenic, and it is the commercial article which is used by the farmers to kill potato bugs. We can not get along without it.

Mr. ALDRICH. Arsenic in various forms is used as an insecticide.

Mr. TILLMAN. I know; but London purple and Paris green are the two commercial articles which we use to kill insects.

Mr. ALDRICH. I wish the Senator would prepare an amendment to cover that particular article.

Mr. TILLMAN. I do not know that it needs any preparation. We can very easily look it up. If the Senator will give it to me, I will fix one to put both on the free list.

Mr. ALDRICH. I suggest that the Senator move to amend the paragraph by inserting Paris green and London purple.

Mr. TILLMAN. I will do that with a great deal of pleasure.

Mr. ALDRICH. Then, let the matter go over.

Mr. DICK. I did not get the Senator's suggestion.

Mr. ALDRICH. The Senator from South Carolina proposes to put Paris green and London purple on the free list by name.

Mr. DICK. May we not have the paragraph go over?

Mr. ALDRICH. The paragraph will go over with the amendment pending. Paragraph 491 relates to asbestos. I think the Senate committee would like to have that amendment disposed of.

Mr. STONE. The Senator is going on with the free list?

Mr. ALDRICH. I am taking certain paragraphs of the free list which were passed over that I would be glad to have disposed of, if there is no objection.

Mr. STONE. I have no objection to make, but the Senator from Georgia has an amendment to move before the free list is finally disposed of.

Mr. ALDRICH. The free list will not be finally disposed of for some time. I am taking up some items which were passed over.

Mr. CLAY. I understood the Senator to say that he is taking up paragraphs on the free list that were passed over.

Mr. ALDRICH. For the purpose of disposing of them if possible.

Mr. CLAY. The Senator does not intend to act on paragraph 480 now?

Mr. ALDRICH. The committee are not ready yet to make any recommendation as to that paragraph.

Mr. CLAY. I hope the Senator's committee will be ready at an early day, so that we may dispose of it.

Mr. BURTON. We are unable to understand what paragraph is now under consideration.

The VICE-PRESIDENT. Paragraph 491.

Mr. HEYBURN. I have no clearly defined suggestion further than to say that the production of asbestos in this country is becoming a live interest in large quantities, and it will be some time before we shall have an opportunity again to consider the propriety of imposing a duty upon this article. It comes in the same class as lead ores and other ores. Among the many other things in Idaho we have quite a large asbestos mine which supplies a factory of very considerable importance. I merely wanted to call attention to the fact so that it would not be overlooked. I should like if the committee consistently can do so to investigate the proposition.

Mr. ALDRICH. We will consider that paragraph. It may be agreed to, and the committee will investigate it.

The VICE-PRESIDENT. Without objection, paragraph 491 is agreed to.

Mr. ALDRICH. I would be glad if paragraph 524 would be agreed to.

The VICE-PRESIDENT. The Secretary will read the paragraph.

The SECRETARY. On page 201, paragraph 524:

Chromate of iron or chromic ore.

The VICE-PRESIDENT. Is there objection to agreeing to the paragraph? The Chair hears none.

Mr. ALDRICH. Those are all the amendments I have to present this morning.

Mr. BACON. Are the other items that were passed over on the free list in order now?

Mr. ALDRICH. No; not now. I was trying to dispose of some that could be disposed of by unanimous consent. The matter of hides is before the Senate, and I asked the Senator from Mississippi [Mr. MCLAURIN] to yield to me to dispose of some unobjected paragraphs.

Mr. McCUMBER. Mr. President——

Mr. BACON. If the Senator will pardon me before he begins, I hope the Senator from Rhode Island will indicate some time when other Senators may have an opportunity to bring to the attention of the Senate items on which they desire to have action.

Mr. ALDRICH. It is my purpose to dispose of the question about hides, and then to take up the lumber schedule and dispose of the important items which have not yet been considered. That would leave only coal, I think, in regard to which the committee has any amendment to offer of any important nature. It is my purpose to go to the lumber question as soon as the question of hides is disposed of.

Mr. McCUMBER. Mr. President, I am not going to make any extended remarks upon this important subject. It has already been dealt with in detail both by those Senators who favor the retention of the present tariff and those who are opposed to it. I decline to go very much into the details of the matter for another reason, and that is that no argument, however specious or otherwise, can in the slightest degree obliterate the two great principles that are affected by this proposed amendment. The one is that the farmers of this country do get a benefit of 15 per cent duty upon the hides. The second is that they would lose that 15 per cent benefit and that they would get nothing in return, and the leather-manufacturing interests would secure the only benefits under this amendment.

Mr. President, if we were to search for some great example to portray the limit of human ingratitude, we could scarcely find a more apt one than this attempt on the part of the manufacturers of leather and leather goods to deprive the stockman and the farmer of the little remnant of protection which has been left to him upon hides.

By the Dingley law hides were given a protection of 15 per cent ad valorem, a meager duty, indeed, Mr. President, when compared with other protective duties. The leather manufacturing interests, ever alert to secure advantages, secured a ruling from the Treasury Department that while skins of cows and steers were hides, that skins of calves were not hides.

So all the calfskins that enter into our fine shoes come in free of duty, because they are not hides. Having made this decision, wherein the stockman and the farmer lost by a single blow the protection on nearly one-half of their hide products, it became necessary to establish some rule to determine when a calf ceases to be a calf. The hide itself did not seem to give very much information to the customs officers upon this subject of age, and so some other scheme had to be adopted. It was finally determined that if a green hide weighed less than 25 pounds, it was not a hide, but a skin; that if a sun-dried and salted hide weighed less than 15 pounds, it lost its cognomen of "hide" and also became a skin; and if a sun-dried and arsenicated without salt hide weighed less than 12 pounds, it also lost its hide character and became a skin.

Now, every one of these skins gets in absolutely free of duty. Was that the intent of Congress at the time it passed that law? Was there any reason for putting hides upon the protected list that would not also apply to the placing of calfskins that went into the higher-priced shoes upon the protected list?

Mr. PAGE. Mr. President——

The VICE-PRESIDENT. Does the Senator from North Dakota yield to the Senator from Vermont?

Mr. McCUMBER. Certainly.

Mr. PAGE. Does the Senator know that from time immemorial almost—I do not know for how many years—the custom of merchants has been to subdivide the hides or skins taken from neat animals into three classes? Under 15 pounds were classified as "calf," 15 to 25 as "kip," and 25 and above as "hide." This is not an accidental ruling. Every market in the world has come to regard a hide as weighing 25 and above, the kip as weighing 15 to 25 pounds, and a calf under 15 pounds.

Mr. DIXON. Dry hide.

Mr. PAGE. Dry hide, 15 pounds, if dried with salt.

Mr. McCUMBER. Twelve pounds if arsenicated.

Mr. PAGE. Twelve pounds if arsenicated. That is nothing that was discovered afterwards. I know, I want to say, that at the time the bill was passed the matter was discussed. A friend of mine went to Senator Allison and asked him how that law was to be interpreted, and he said, "according to the custom of merchants." It was not a mistake. It was understood beforehand just where the division was to be.

Mr. DIXON. I wish to ask the Senator from Vermont a further question. In classifying hides, they take the weight of a green hide as freshly stripped from the animal?

Mr. PAGE. No, sir; a green hide will shrink about one-sixth from the green, with the horns, skull, and tail bone in, to the cured, salted condition in which it is sold in the marts of commerce. The duty applies to what is termed the "green salted," or "cured" hide.

Mr. DIXON. After it is dried?

Mr. PAGE. Not after it is dried, but after it is put in salt and cured; after it is shrunk by taking out the horns, skull, and tail bone, and by the shrinkage which comes by putting on salt, which is about one-sixth of the green, untrimmed weight of the hide.

Mr. McCUMBER. The Senator's observation does not answer my question whatever. My question was this: What reason is there for placing a duty on what is called commercially "hides" that does not also apply to what is known commer-

cially as "kip" and as "calf" skins? Why should there be protection on hides without any corresponding protection upon kip or upon calf? It requires the same amount of labor to produce one as the other, except that the continuing time and continuing labor may add a little more value to the one than the other from the labor standpoint.

The Senator will remember that when we went from free hides everything had been placed upon the free list prior to the Dingley law. Not only the kip, but the calf and the heavier hides were on the free list. Then we discussed this matter in Congress. I can not find anywhere that there was anything in the debate that led the farmer to believe that the hide of his calf or his yearling was not to be protected. There might have been some understanding with certain Members that they were to make a distinction between the hides of cows and steers above a certain age and hides that weighed a less number of pounds than other hides.

Mr. PAGE. Mr. President——

The VICE-PRESIDENT. Does the Senator from North Dakota yield to the Senator from Vermont?

Mr. McCUMBER. With pleasure.

Mr. PAGE. We are not producers to any considerable extent of goatskins. Goatskins are not being produced here, and it was thought best to admit them free of duty. It is a fact to-day that we bring in millions and millions of goatskins and tan them and send them to all the markets of the world. We make a better goatskin in this country than is made anywhere else in the world. I think those who were interested in sheepskins reached the conclusion generally that it was not best to put a duty on sheepskins, perhaps, because many of them came in with wool on. The sheepskin and the goatskin proposition was talked about, and I think there was no question raised as to the advisability of receiving those free of duty; and for reasons which seemed to appeal to them at the time, inasmuch as there was no duty on goatskins and sheepskins, they thought best to take in calfskins free.

Mr. McCUMBER. I can see no reason why, because we were to take in sheepskins and goatskins free, we should necessarily take in calfskins and kipskins free, any more than I can see any reason because we take in sheepskins and goatskins free we should also take in cowhides and steer hides free. We still get back to the simple proposition that there is no logic whatever in making this distinction between the character of the hides upon the cow and the steer and the hide upon the yearling and the calf. So glaring is this inconsistency that it has been surprising to me that neither the Senator from Montana [Mr. CARTER], in whose State an immense quantity of cattle is raised, nor the Senator from Wyoming [Mr. WARREN], who has discussed this question very fully, has attempted in any way to place the duty back upon the calfskin and the kipskin.

A generously inclined Democrat in the goodness of his heart, observing this inconsistency, has come to the relief of the Republican Senators and asked them to place the kip and the calf upon the same basis that we place the cowhide; and I, for one, think that is absolutely right. I do not know what his view is as to whether this duty should be 15 per cent or 20 per cent, but I do know his view is correct, that there should be no difference between the cowhide, the kip hide, and the calf hide.

Mr. PAGE. Mr. President——

The VICE-PRESIDENT. Does the Senator from North Dakota yield further to the Senator from Vermont?

Mr. McCUMBER. I yield.

Mr. PAGE. I believe that the principle of protection involves the hide in general, and that what we can not and do not produce here should come in free. Is that the understanding of the Senator?

Mr. McCUMBER. That is all right. I have no objection to your goatskins, for instance. We produce very few of them.

Mr. PAGE. Now, let us pursue that. We tan in this country of hides about fourteen million domestic and perhaps three or four million—I do not carry it exactly—foreign hides. The very large proportion of the hides, the heavy hides, that we consume or use in our tanneries are the home production. When we come to the matter of calfskins it is different. We produce very few goatskins, and the great bulk of our goatskins are raised abroad. We produce a few colt skins, but I do not believe there is a hide house in this country that can furnish 100 or 200 colt skins, while you can go to Russia and buy a million.

The proportion of calfskins which are produced in this country compared with those which we buy abroad is very small. I think there are about five million of our home production, and more than double, I do not know but more than three times, that number imported. There would seem to be good reason for taking in those hides free which we do not produce here in large proportions.

Let me say just one word more and I will stop at that point.

Mr. McCUMBER. The Senator can go on if he wishes.

Mr. PAGE. This matter was fully discussed. Those who favored free hides in 1897 had the question of calfskins and goatskins and sheepskins brought up for consideration. I do not know, for I have not given it any thought, as to the arguments that prevailed in inducing them to place goatskins, kipskins, and calfskins on the free list. But they discussed it; they were good men; and they reached the conclusion they did.

Mr. McCUMBER. I wish the Senator would keep closer to the steer and the calf and leave the goat out of the consideration of this matter. The goat is such a negligible quantity that we do not need to consider him at all, and we should confine our discussion to the question of cowhides and kip hides and calf hides.

Mr. PAGE. Calfskins and kipskins are not under consideration at this time.

Mr. McCUMBER. I am considering them at this time. I appreciate the fact that the Senator would like to avoid that consideration, but there is an amendment to this bill pending, offered by the Senator from Mississippi [Mr. MCLAURIN], which does bring them for consideration before the Senate. Now, if the Senator will just stop and think, following out his own argument—that where we do not produce enough to supply the home market, therefore we ought to have the raw material free—and apply it to conditions in his State and to the conditions in all of the Eastern States a few years ago, he will see where he will land. But a few years ago we did not manufacture anything in this country of any consequence; but a few years ago we were importing the great bulk of our manufactured articles. We gave protection so that we might enlarge our production and so that we might hold the American field, which was five times as good as any other field of consumption in the world. We gave you your duties for that purpose. You took advantage of that; and with the duties we gave you upon leather you have advanced until you have taken the entire American market from the foreigner. We want to follow along exactly the same lines. We want such protection upon our calfskins, upon our kips, and upon our hides that we may expand by reason of the greater valuation of those products until we have filled the demand for home consumption. Now let us both take the American field. But you have no right to ask for the entire American field while denying us the same right.

Mr. PAGE. Mr. President——

The VICE-PRESIDENT. Does the Senator from North Dakota further yield to the Senator from Vermont?

Mr. McCUMBER. Certainly.

Mr. PAGE. I want to correct the Senator from North Dakota upon another point, if he will allow me. He assumes that Vermont is a tanning rather than a cattle-producing State.

Mr. McCUMBER. Not necessarily.

Mr. PAGE. Mr. President, our good friends from Idaho are talking about that being a cattle State. Vermont has about 9,000 square miles, and we have almost 50 per cent more cattle in Vermont than they have in Idaho. The garden State of Nebraska raises——

Mr. HEYBURN. May I interrupt the Senator a moment?

The VICE-PRESIDENT. Does the Senator from Vermont yield to the Senator from Idaho?

Mr. PAGE. We have a little more than 500,000 cattle in Vermont.

Mr. McCUMBER. I do not see that that settles this question one way or the other, but I am willing that the two Senators shall determine that by figuring it out between themselves.

Mr. HEYBURN. If the Senator from Vermont will permit me, I will suggest that we have about three times that many cattle in Idaho.

Mr. PAGE. Mr. President, here is a leaflet—I do not know by whom it is published, and I do not care, but it was handed to me by the Senator from Montana. I find therein a statement as to the number of cattle in the different States. Idaho has 76,000 milch cows and 347,000 other cattle, while Vermont has 288,000 milch cows and 214,000 other cattle. I have no means of knowing as to the facts referred to by the Senator from Idaho [Mr. HEYBURN], except what I get from this leaflet.

Mr. HEYBURN. How many thousand does that leaflet give for Idaho?

Mr. PAGE. Seventy-six thousand milch cows and 347,000 other cattle.

Mr. HEYBURN. I have a letter from the Hon. Joseph P. Fallon, who is the officer in charge of those statistics in the State. This letter is dated April 26. I asked him for those on the assessment roll, which is not always the full amount, and he gives 303,225 cattle. That does not include other animals that come under the denomination of cattle, but he gives 303,225 of that class.

Mr. PAGE. That is less than I was crediting to the Senator's State. I find in this leaflet 345,000 as being the number of that class.

Mr. McCUMBER. Mr. President, I am not seeking to pit one class against another in the Senator's State. I appreciate the fact that the farmers—the producers of hides—have not that organization which makes their influence felt, as have the manufacturing industries, including the leather industry, the shoe industry, and the tanning industry. I am assuming that the farmers of the Senator's State are making no complaint, and I am assuming further that they probably have the same view which the Senator has—but it is of little consequence whether they have or not. They may think that they save about as much by reducing the tariff as they make by having it. I will try to convince them before I get through that they are in error upon that assumption.

Mr. PAGE. Mr. President——

The VICE-PRESIDENT. Does the Senator from North Dakota yield to the Senator from Vermont?

Mr. PAGE. Excuse me just for a moment. Let me say that we are the great cattle-raising State of this Union, from one point of view. The little 9,000 square miles that we have in Vermont is turned up on edge, and we have not a great amount of tillable land——

Mr. McCUMBER. It is perpendicular.

Mr. PAGE (continuing). But, according to what we have, we can beat the whole world, or, at least, this whole country, in my judgment. We do not confess to the Senator from North Dakota that we are not a great cattle-raising State.

I was about to say that even the State of Nebraska, which has almost all its acreage level, raises less, or has less, cattle to the square mile than has Vermont, rough and broken as our State is. I think I have the right to speak for cattle, and if I believed, as the Senator from North Dakota does, that we were making great gains for our farmers by retaining this duty, I do not know but I should be with him; but I am perfectly satisfied that that is not correct, and that what we gain by the duty on hides we lose by what we pay more for shoes and harness.

Mr. McCUMBER. I will, Mr. President. Still is unanswered my question, What reason is there for levying a duty on hides that does not apply to kip and to calf? If there is any Senator on this floor who can answer that question, I am ready to listen to him and hear what his argument is. I will leave that branch unanswered because it is unanswerable.

It often happens that a hide of a small cow will weigh less than that of her yearling steer. Therefore the cowhide may possibly come in as kip and free, and the yearling steer hide, by reason of weighing a trifle more than 25 pounds, will come in as dutiable; but that is not likely to happen. It more often happens that a certain hide weighs a trifle over 25 pounds green, or 15 pounds salted and sun dried, or 12 pounds sun dried and arsenicated; but a very slight trimming of the heavy ends of the legs changes that from hide to kip or calf skin. By that method skins that are actually hides come into this country as calf or as kip and pay no duty.

To an ordinary individual with a fair sense of justice, it would seem that this breaking down of the protection wall affecting such a large percentage of the American-produced hides, together with the drawback provision which exempts imported hides from paying any duty where the articles manufactured therefrom are exported again, ought to satisfy the greed of any class of men. It seems, however, that it does not do so.

The gross injustice of this demand for free hides becomes more startling when we remember that our protective system has built up these leather manufacturing industries until it has enabled them to not only dominate the whole American market, but also to enter into every other market of the world. We have surrendered to them our entire market, and they are now reaching out into the markets of the world.

Having secured these advantages and defrauded the American farmer of a duty on calf hides, they have had their appetites whetted for further advantages, and now, with a lobby, amazing in its power and influence, they seek to destroy the last vestige of protection on American-produced hides.

Mr. President, I want to show the eternal selfishness of the manufacturers of leather in demanding this reduction. The farmer, by his support of the protective tariff for the manufacturer of leather, virtually says to him, "I will not buy a single leather article, boot, shoe, or harness from abroad, but will purchase every one of them from you and at your protective price." "Thank you, Mr. Farmer; much obliged." "But, Mr. Shoeman, I want you to purchase every pound of hide you use for your manufactured article from me at protective rates." "Oh, no; we can not do that. We must have cheaper raw material, so that we may enter the foreign markets. We not only want to compel you to buy our goods at protective prices, so high that they amount to a prohibition of imports and consequent foreign competition, but we want to take away all of your protection, so that we can manufacture at less cost, and thereby sell to the foreigner cheap enough to capture his market." That is the proposition, Mr. President.

Mr. PAGE. Mr. President——

The VICE-PRESIDENT. Does the Senator from North Dakota yield to the Senator from Vermont?

Mr. McCUMBER. Just one moment, and I will yield.

Mr. President, I have heard that the strife for gain sometimes hardens and destroys men's consciences, but I can hardly conceive of a man who would make that proposition without a blush; and yet it is made in this Congress with an aggressiveness that will swerve, I fear, very many from the straight and narrow path of equal rights, equal justice, and equal protection to all.

Now I yield to the Senator from Vermont.

Mr. PAGE. Mr. President, I feel that I ought not to be compelled here to defend my Republicanism and my fealty to the doctrine of protection. Vermont is the one State that always stands up for protection and for Republicanism. Every other State in this Union, even North Dakota, has sometimes gone astray, but Vermont is the star that never sets in Republicanism. Vermont sent here her Collamer, her Foot, her Morrill, her Edmunds, her Proctor, and her DILLINGHAM. Those six Senators have been the sheet anchors of protection since the Republican party was organized. I do not allow any man to say that I stand here for any principle that is not protective, and I dislike to have the Senator accuse me of coming from anything but a cattle State and of being anything but a good Republican.

I want to ask the Senator right here one question: If he could be assured that the additional amount which the cattle raiser receives for his hides because of this duty was offset, or more than offset, by the amount he paid for his shoes, for his harness, and for his leather that goes into carriages, into belting, and into other things—if one absolutely balances the other—would he feel that in that case it would not be best to have free hides?

Mr. McCUMBER. First, Mr. President, I do not feel so, and, second, if I did feel that they just about balanced each other, I would still insist upon the duty for the revenue, if for nothing else.

Mr. PAGE. I suppose we agree that the revenue received from the duty on hides has been less than $2,000,000 per year for the last five years. Am I right about that?

Mr. McCUMBER. Very well; that is a nice little sum.

Mr. PAGE. Now, Mr. President, I should like to ask the Senator from North Dakota if he has any faith or any belief in the theory which I advanced yesterday and to which he listened with a great deal of intentness—and I was glad to see it—that there is springing up in this country a condition of things which now seems to point to the beef producers of this country going into the markets, buying the hides, and controlling the tanning business with a trust larger than has even been conceived in any other line? I would ask if he would not take that into account and, if it were actual, whether he would not surrender his doctrine of protection in order that a great industry like the tanning industry might prosper?

Mr. McCUMBER. I am not unaware of the aggressive advance of the great beef trust. I am not prepared to say, however, that their advance has in any way depreciated the price of hides. I am not prepared to say that it has not advanced the price of hides by compelling a closer competition between buyers to get the balance of the hides in the United States, but I will take that question up in a very short time. I will not deal with it extensively, because I intend to limit my remarks very much this morning.

I share in the glory of the Republicanism of the State of Vermont during all of these years, and I am sorry myself to see that glory dimmed in any respect by her coming now before the American Congress and asking us to surrender protection in the West for her special benefit or for the benefit of one class of her citizens, because I do not think that it is for the benefit of the farming communities, even of the State of Vermont.

Let us not for a moment forget that nothing which the farmer produces can be properly said to be raw material. Everything is the product of years of labor. Our schedules show that the

farmer's protection, outside of wool, runs from 15 to 20 per cent ad valorem, on wools about 45 per cent ad valorem, while the manufacturer's protection runs from 15 to 100 per cent ad valorem.

I think, if I had time, I could demonstrate that there is not a single thing that is produced upon the farm that does not require more labor to produce for the value that is received for it than any manufactured product in the whole United States.

There are but few instances, Mr. President, where the farmer gets a direct benefit from the tariff. He is getting it to-day upon his wheat; he is getting it to-day upon his barley; he is getting it to-day upon his hides; and he is getting it to-day upon some few other articles, such as live cattle; but he is not getting it upon corn and cotton and many other agricultural products. His benefit, Mr. President, is that which comes out of the increased prosperity of the country, and that is a benefit to him without any possible question. Every page in American history demonstrates that truth to him.

We can divide this country into two great general classes—the farming community, about one-half of the population, which produces the things to eat, and the remainder of the people of the United States producing the things to wear and to shelter us and to transport those things from one part of the country to another; and one trades his commodity for the commodity of the other. If it is essential to the prosperity of the farmer that the manufacturer should be prosperous and thereby enabled to pay a good price for the farmer's product, the reverse is equally true, that the prosperity of the manufacturer depends upon the ability of the farmer through prosperity to purchase the manufacturer's products. The farmer stands ready to give the protection to the manufacturer necessary for him to compete against cheaper foreign manufactured products. He demands in return, and he rightfully demands, equal protection against cheaper foreign agricultural products. Would the Senator from Vermont deny him that right?

The manufacturers of leather goods want the tariff removed from hides. Why? Because it will make hides cheaper. At the same time, they declare that the producer, the farmer, gets no benefit from the tariff. It is difficult to understand how the manufacturers are going to get cheaper hides by the removal of the tariff without injuring the farming producer to the same extent. The manufacturers in this country are too prone to believe that the American market, which has been protected for their interest, is a just subject of spoliation. The whole farming producing country of the United States has been safer for the principle of protection than the manufacturing section of the country.

The Senator is mistaken when he speaks of my State as ever having gone astray in its Republicanism. Not only in territorial days, but through every year of its statehood, it has been a Republican State and has been for protection without one single instance to the contrary.

In each one of our great political battles when the principle of protection itself was at stake, these leather manufacturers, these shoe men, have always looked to the farmer for his support.

When your manufacturing Democratic cities vote the Democratic ticket, you pray for clear weather that you may get the farmer vote to overbalance the Democratic manufacturing votes. Mr. President, you have had throughout the United States no such staunch, unyielding friends for the cause of protection as are found in the rural districts in the United States. They have come to the front every time that the protective principles of the country have been endangered.

Now, if the manufacturing section will just remember that the protection which is guaranteed them by the consumers demand reciprocal consideration, if they will get it out of their minds that they must have free raw material for all their factories while holding the monopoly of the American trade for their product, their attitude will bring about a far better solution of the protection question and place that principle upon a far safer and more enduring basis.

In the discussion of this subject I have heard the word "threat" used. Mr. President, no threat has been uttered. A prophecy has been uttered. The principle of protection is either a national principle or it is nothing. It has got to have universal support or else it has got to go to the wall. You can not protect your manufactured articles and say to the farmer that he shall not have protection as against cheaper foreign production upon those things that he puts years of labor upon. We must stand or fall upon that principle; and certainly, if Congress should so far forget iself that it will vote for no protection to the farmer's product, while voting a duty for the manufacturer's product, certainly we must then agree that the farmer's representatives can not vote a protection for their product. We have either got to stand together for the protective principle or to go together for the free-trade principle.

If there is to be a protective tariff, the farmers and the stock raisers are entitled to an equal share in its benefits. A proposition which denies them the right to free access to the markets of the world for their purchases and at the same time forces them in competition with the lower priced products of the world in their sales is a monstrous proposition. If they are compelled to sell their products in competition with the cheaper products of the world, then they are entitled to purchase their products upon the same basis.

If the American stock raisers and farmers must patronize the American protected market when they buy an article, they have the right for a protected market when they sell an article.

Mr. President, one of the principal reasons for protection is the expansion of a business and the consequent development of the wealth of the country by that expansion. Our farms and our plains are capable of furnishing all of the leather consumed in the United States. We should expand that leather production until we do supply the home demand. These leather manufacturers supply to-day the entire demand of the American people for the manufactured article, and, in addition to that, export a large percentage of their product. And yet in the face of that great privilege they are asking that their customers, the people who buy their products, shall have no protection whatever. They ask the American consumer to not only bind himself to take everything they produce, but also to surrender his own benefits and rights of protection that they may expand their sales in foreign countries, a proposition, Mr. President, that ought to be rebuked by the unanimous vote of an American Congress.

Mr. President, it costs the American farmer and stockman far more to raise his cattle than it costs to raise cattle in Argentina or any other place in South America. This 15 per cent duty, in my opinion, does not measure one-half of the difference between the cost of production at home and abroad. It ought to be doubled.

The Senator from Vermont will agree with me that the principle of protection ought, at least, to measure the difference between the cost of production at home and abroad. Does this 15 per cent duty equal the difference between the cost of production of a steer or a cow in South America and in the United States? If it does not equal that, then should you not apply to my manufactured articles the same principle that I have tried to apply to yours?

Mr. PAGE. Mr. President——

Mr. McCUMBER. Why has not the farmer, the stock raiser, a right to have applied the same principle of protection to his steers that is applied to any other commodity? I know the Senator's answer. It is all comprised within these few words: That it would be true if the farmer got any benefit, but he does not get any benefit.

Mr. PAGE. That is right, sir—absolutely right.

Mr. McCUMBER. I know what the Senator's view is upon that subject. But that is not the case, as I think I can demonstrate. And I can not understand why the Senator from Wyoming [Mr. WARREN], a stockman, who has argued this case for hours, has not even suggested that we ought to stand not only for a 15 per cent duty, but we ought to stand for a duty that will measure the difference between the cost of production at home and abroad. If the position of the Senator from Wyoming is correct, that we ought to have a duty, then he is irresistibly led by the logic of his argument to the conclusion that we should have a duty of at least 25 or 30 per cent, and not a mere duty of 15 per cent.

Mr. President, the tanners to-day have free access to the markets of the world for everything that they purchase from abroad and export again. What more can they rightfully and conscientiously ask of the American farmer? The injustice of denying the farmer and the stock raiser protection becomes more apparent when we stop to consider the capital invested in raising such stock compared with the capital invested in the manufacturing business. I have made no close estimate; but my observation and my reading lead me to believe that the annual gross product of nearly every manufacturing establishment in the United States equals, or nearly equals, the value of the plant or establishment. In other words, a million-dollar plant ordinarily has a gross output of a million dollars in value.

Mr. PAGE. Mr. President——

Mr. McCUMBER. In some instances they have much more; in other instances they have much less.

Mr. PAGE. Will the Senator allow me?

Mr. McCUMBER. Just one moment. A million dollars invested in farm lands does not, on the average, produce over $150,000 gross.

Now I will listen to the Senator.

Mr. PAGE. The Senator is absolutely right so far as the tanning industry is concerned. There are about $250,000,000—$242,000,000, I think—invested in plants, and there is about the same amount of annual product from the tanneries. He is right about that.

Mr. McCUMBER. And I think that will apply to most manufacturers.

Mr. PAGE. And I might go further, Mr. President, and say that nine-tenths of all that the Senator is stating here on this matter is absolutely true and correct; and no one will disagree with him on the great majority of his statements. The trouble is that he starts from a wrong premise, and consequently must reach a wrong conclusion.

Mr. McCUMBER. I will get to the Senator's premises in just a minute, and we will see.

Again, I wish to call attention to the fact that while the boot and shoe manufacturers have exclusive control of the markets of the United States, and, as I believe, by combination or by gentlemen's understanding have fixed the retail prices for practically every article that is produced by them, and in addition are able to enter the foreign fields, about 20 per cent of the hides used in the United States are imported. I believe the estimate is, Mr. President, that we produce in the United States about 714,000,000 pounds of cured hides and import about 134,000,000 pounds. That is exclusive of kip and calf. From these 134,000,000 pounds imported, upon which the duty of 15 per cent is levied, we must deduct 31,000,000 pounds converted into sole leather and leather manufactured articles, upon which a drawback is allowed.

Mr. President, no Senator, save perhaps the Senator from Vermont, claims that anyone will get the benefit of this reduced duty on hides, this injustice to the farmer, except the manufacturer. I have not heard anyone else make what seems to me to be the audacious claim that we are going to get our shoes one penny cheaper than we got them before; that our harnesses are going to be any cheaper; that any other leather manufactured article is going to be any cheaper than it was before. My observation in the mercantile line has been that the prices of commodities are lately being fixed by the ability of the consumer to pay.

Mr. PAGE. Mr. President——

Mr. McCUMBER. And the prices always reach the limit of his ability to pay. And when hard times come, such as we had in 1907, everything goes down, not because the manufacturers are selling at a loss, but because, there not being the same ability to pay the higher prices, they are compelled to sell at a lower price in order to get consumers.

Mr. PAGE. Mr. President——

The VICE-PRESIDENT. Does the Senator from North Dakota yield to the Senator from Vermont?

Mr. McCUMBER. With pleasure, Mr. President.

Mr. PAGE. The Senator, I am sure, has read with a great deal of care what has been said before the House committee in regard to the profit on shoes. I believe there is no industry in this country that is so free from combination, that is so free from trusts, that is the subject of such absolutely free competition, as the manufacture of shoes.

Mr. McCUMBER. Let me ask the Senator a question just at this point. What would become of the merchant down here if he should sell this Douglas shoe that has a $3 brand on it for $2.50?

Mr. PAGE. Mr. President, Mr. Douglas stated before the commission here—I can not vouch for Mr. Douglas's integrity, because I do not know about it; I only know that he stands very high in Massachusetts—that the profit on his shoes is 7 cents per pair.

Mr. McCUMBER. I do not care if it is not 3 cents per pair. I want to know what becomes of the merchant down here if he sells a $3 Douglas shoe for $2.50?

Mr. PAGE. I presume that Mr. Douglas may insist that his retailers shall sell their shoes for a stated price, though I do not know anything about it. But there is one thing that I think there can be no doubt about. The man who buys the Douglas shoe has to pay enough for it so that he can not sell a $3 shoe for $2.50. It probably costs him so much that if he should do that he would suffer a loss.

Mr. McCUMBER. Would Mr. Douglas allow him to sell it for $2.90?

Mr. PAGE. But the point is, Mr. President, that there are, comparatively speaking, only a few Douglas shoes made. We quote Douglas, and we quote a few of these manufacturers who do a large amount of advertising; and they have an especial reason for maintaining their price. I suppose it is a fact that the cost of advertsing and selling some articles in this country is even more than the cost of manufacture. I have heard that stated by good manufacturers—that the cost of selling was more than the cost of manufacturing. That is not true in regard to shoes. But Mr. Douglas spends annually hundreds of thousands of dollars in advertising his shoes. What other concern in this country does that?

Mr. McCUMBER. I do not run across very many of these philanthropic people who are selling their goods for less than they cost them. There may be a few of them, but I have not yet found them in my travels through the world.

Mr. PAGE. I think it is not fair to characterize the whole shoe-manufacturing industry—which is, in my judgment, as free from combinations as any in the country, and doing business at as small a margin as it possibly can do it—as on a par with Mr. Douglas, who spends a great amount of money, hundreds of thousands of dollars annually, in advertising, and therefore must, in some measure, control the price of shoes. I do not see the logic of the Senator's argument.

Mr. McCUMBER. I will make the logic plain right here. My logic is that if Douglas gets his sole leather for making that shoe on an average of 2½ cents less than he now pays, he is not going to change the price of his $3 shoes to $2.97½. That is the logic of it.

Mr. PAGE. That may be true as to Mr. Douglas; but the shoe manufacturer whose shoe is sold at wholesale for $1.25, with no tariff on hides, has to sell it for $1.35 to $1.40 with the tariff on hides. There is no question about that. When you come to the final consumer he has not only paid the added cost of 10 cents per pair, but he has paid the percentage of profit which the manufacturer adds because of that 10 cents, which is perhaps 2 cents more; he has paid the added profit which the jobber gets, which is 2 or 3 or 5 cents more; then he has paid the added profit or percentage that the seller, the retailer, gets, and in the end, in my judgment, the added cost of 10 cents becomes 20 to 25 cents to the consumer.

Mr. McCUMBER. Mr. President, every free trader I ever talked with made the same argument as to every article upon which we levy a duty, that it cost us more than we get out of it.

Mr. PAGE. Mr. President——

The VICE-PRESIDENT. Does the Senator further yield?

Mr. McCUMBER. I do.

Mr. PAGE. I should like to ask the Senator if he will apply that to the basic principle upon which we start? Does the hide man get every cent more for his hides that we add as duty or is that in part lost by the foreigner? Does the tanner in buying his hides pay abroad every cent more of the amount of the duty or is that divided between the American farmer and the foreign seller?

Mr. McCUMBER. On hides, my candid opinion is that it is not divided. On many things undoubtedly it is. Why is it not divided? Because, Mr. President, the leather manufacturers of the United States not only demand every hide that we raise in the United States, but they also take in 134,000,000 pounds annually of other hides produced outside, hides of calfs, kips, and goats, and are reaching into the foreign markets; and with that great demand for hides, the value of the American hide is absolutely fixed by the value of the imported hide with the duty added. That is my conviction upon that point.

Mr. PAGE. Mr. President, suppose I should turn around and say to the Senator from North Dakota that that is just exactly the argument offered by every free-trade Senator in this Chamber, what kind of an answer would that be?

Mr. McCUMBER. There are instances, Mr. President, when the duty is not added to the price. Sometimes an article is sold below the cost of the duty; and when that is done we certainly can not claim that the duty is added to it. Salt, I think, is to-day sold for less than the duty on salt. Certainly it can not be said, therefore, that the duty is added to its price. That is true in the case of a great many articles.

But I believe that there are some few articles, like leather, in the case of which the farmer gets the full 15 per cent duty. I am not saying that the packers of Chicago do not very often buy the hides for less than they ought to pay for them, the same as they buy that which is under the hide for less than they ought to pay for it. All I desire to say is that they could still do the same thing if the duty were off of hides. That would not in the slightest degree affect their combination.

Mr. PAGE. Mr. President——

The VICE-PRESIDENT. Does the Senator from North Dakota yield to the Senator from Vermont?

Mr. McCUMBER. I yield, Mr. President.

Mr. PAGE. For the sake of reaching a fair basis in this argument, why not let us confess that the price of the hide is increased by the exact amount of the duty? And with the same fairness, instead of branching off and saying that "That is the argument of every free trader," why do you not come down to a square business proposition and say: "We will confess that the price of hides is increased; we will confess with equal fairness that the price of shoes is increased?"

Mr. McCUMBER. The Senator has confessed it. I will join my confession to his—that the cost of hides and the value of hides are increased to the extent of the duty. But the Senator's argument was that it is divided; and I was trying to show him that it is not divided in the hide business.

Mr. PAGE. Will you confess the same in regard to shoes? And if not, why not?

Mr. McCUMBER. All right; we will suppose that that is true in the case of shoes.

Mr. PAGE. That is all I ask.

Mr. McCUMBER. Let us suppose it is.

Mr. PAGE. Put them on a parity.

Mr. McCUMBER. I will confess a whole lot more about shoes.

Mr. PAGE. The argument is made to this Senate that the packer, when he goes out to buy the animal, does not look at the number of pounds there are in the carcass, and figure on that; he does not look very much at the number of pounds of hide, and figure on that. He buys the animal mainly for the beef. But I want to say here, in all fairness, that in the discussion of this question as Republicans on this side of the Chamber, I think we should confess that the price of hides is increased by the duty and that the price of shoes is increased by the duty.

Mr. McCUMBER. Very well; we are on common ground there. I hope the Senator will also confess that while the manufacturers can very easily raise their prices, having the entire American market, whenever the tariff is added, you have no lever to compel them to lower them when you take it away. You do have that lever upon the farmer, because you have the importations to compel him to lower his prices. But you have not that lever upon the shoe man, because you have not any importations of shoes to compel him to lower his prices.

Mr. PAGE. Mr. President, I believe that argument to be absolutely fallacious. Why? Because the increase in the demand for shoes for the past ten years has outgrown by a very large percentage the production of hides. Hides are a by-product. They do not raise hides in Vermont; they do not raise hides in Idaho; they do not raise them in North Dakota. They raise beef and they raise cattle, and the hides are the incident. It is true, and I want to confess it for the sake of being fair, that that is one of the elements that enter into the matter. But, on the other hand, the demand for hides is world-wide and is constantly increasing, and to-day this country is in the strongest kind of competition on hides and on shoes. The only danger of a trust, in my judgment, is that danger which comes to us because the great beef producers, the packers of this country, are embracing in addition to their hide business the leather business. They have gone to tanning, and the result is they are going to establish a monopoly here the like of which this country has never seen. And when I tell you that in New England they to-day control from 75 to 80 per cent of all the hides that are produced, I tell you a fact that is not only true, but can be demonstrated.

Mr. McCUMBER. Very well, Mr. President. The Senator has agreed with me that in all probability the price of these shoes will not go down by reason of taking off the tariff. That is all I wanted him to admit.

Mr. PAGE. Mr. President——

Mr. McCUMBER. I am speaking now of this particular brand of shoes. If it will not be reduced to the extent of the 2½ cents or the 5 cents, or whatever it may be, who will get the benefit of that saving of 2½ or 5 cents—the difference that you unjustly take from the farmer's hides?

Mr. PAGE. Mr. President, I can not consent to let that statement go unchallenged. I have said nothing of the kind. I do believe that if the tariff is taken off of hides, leather will be lower and shoes will be lower; and when the Senator says that I have conceded that it will not make any difference, he has gone so far wide of what I said that I must protest.

Mr. McCUMBER. I beg the Senator's pardon if I misunderstood him. I was speaking especially of this one brand of shoes. Of course he speaks generally of everything.

Mr. President, I have noticed for twenty years that the value of hides has fluctuated. They have gone up, and they have gone down; but the old $3 brand of the Douglas shoe goes on forever. I have never seen that changed in the slightest degree, no matter what the value of the hides might have been. And I can say that of practically every manufacture of leather that I know anything about. I admit that there are a great many things about which I have not followed the market quotations, and know very little about the retail prices.

It may be interesting to know that while hides declined from January, 1907, to the extent of 28 per cent boots and shoes did not decline 1 cent. They still held their own prices, exactly as they did when hides were 28 per cent higher.

Mr. PAGE. Mr. President——

The VICE-PRESIDENT. Does the Senator from North Dakota yield to the Senator from Vermont?

Mr. McCUMBER. Certainly.

Mr. PAGE. Will the Senator claim that the advance in the price of shoes has been in any respect commensurate with the advance in hides?

Mr. McCUMBER. With the advance in hides?

Mr. PAGE. Yes.

Mr. McCUMBER. I have stated before that hides fluctuated, went up and went down, but shoes did not. They still held their old price. That means that the price of shoes has remained practically stationary, without going up when hides went up, and without coming down when hides went down. Why? Because it was upon a sufficiently profitable basis to enable it to stand either condition.

Mr. PAGE. Mr. President, I am not surprised that the Senator may make a mistake about that. I happen to know that the price of hides has advanced very much more than the price of shoes. There is one thing, however, that I am a little surprised about; and that is, when I stand up here and say that Vermont is the one Republican star that never sets, that he places North Dakota upon a parity with Vermont. I say that because my recollection was—and I had to verify it after he said that I was mistaken—that North Dakota did elect a Democratic governor two or three years ago, and that last year she re-elected him. Am I right about that?

Mr. McCUMBER. Yes, on a local issue; but the State has never gone back on the protective principle. It has always sent protectionists here to Congress.

Mr. PAGE. I want to claim for Vermont a little higher grade of Republicanism than you have out there in North Dakota.

Mr. McCUMBER. She has more to cheer her along this line, at all events.

Mr. President, it is said that the tariff does not affect the price of hides. Can it be denied, Mr. President, that the price of American hides will always fall to the level of the price of imported hides after the duty has been paid?

Mr. PAGE. The Senator is absolutely right as to that.

Mr. McCUMBER. Good. Certainly no tanner will pay a higher price for the American hide than he would have to pay for the imported hide. I know the Senator agrees with me in that; but from their arguments, all Senators do not agree with me upon that proposition. Therefore I want to refute those arguments. Then, does it not conclusively follow that by the removal of the tariff on hides the cost of the product will be lessened to the extent of the tariff reduction? In other words, the value of the American hide will have to drop to meet the reduced cost of the foreign hide, and when the tariff is added it adds so much to the value of the American hide.

Let me give a definite case: Here is a lot of hides from Argentina, landed in the port of New York. They cost the importer, after he has paid, say, $15 duty, $100. Here is another lot of hides of the same quality and value lying in a New York warehouse for sale. Does any Senator seriously claim that these latter hides can be sold for more than $100, the price paid for the imported hides? Their price will be fixed by the cost of the imported article, including the duty paid.

Suppose we take off the duty of about $15 on these imported hides. They can then be bought for about $85. Will not the $100 worth of American hides at once drop to $85? And will anyone purchase the American hides for $100 when he can get the same class of imported hides for $85? Mr. President, everyone knows that American hides will immediately become cheaper when we take off the tariff or reduce it to any appreciable extent. That is what the tanners, the shoe men, and the manufacturers want. They do not care anything about the packers' trust. What they want is cheaper hides. They know they will get them by a reduction of the tariff; and they do not care at whose expense they get them cheaper.

There is nothing in the claim, Mr. President, that the tanners are forced to depend upon the packers for hides and skins. They have, first, the whole outside world to draw from. Second, they have 73 per cent of all the home production to draw from. I mean in the case of calf hides and kip hides and cowhides, all together. They have not that percentage, of course, of what are

called "hides" according to the strict definition that has been given to the word. What is the trouble? The trouble is a natural economic advantage which the packers have in making a profit on both the hide and the meat. They can make a profit at both ends and the middle and all along every line of their business, which is denied to the tanner.

Mr. PAGE. And on the leather.

Mr. McCUMBER. The tanner does not stand on an equal footing with them so far as the economy of the production of the finished hide is concerned, either in the matter of purchase or in the matter of tanning. The packers dominate the meat trade of the country. There is no meat imported. Their greater profit in their meat product enables them to do their tanning at a less profit. That is all there is to it. And to equalize this advantage on the part of the packers, the tanners and the manufacturers demand the removal of the 15 per cent duty upon hides. In other words, they want the American farmer to make up the difference in the economy of production between what they convert into leather and what the packers convert into leather. And I for one am not willing to say that we farmers are going to pay it.

Mr. President, these manufacturers seem to ignore the fact that what they call their "raw material" is the farmer's finished product.

Mr. CLARK of Wyoming. Before the Senator leaves the thought he has just had in mind, I should like to ask him if the advantage which might perhaps accrue to the tanner under the circumstances he has detailed would not also accrue to the packer and still leave the packer and tanner in the same relative position.

Mr. McCUMBER. Absolutely. As I stated before with the tariff taken off you are not going to touch the combination; you are not going to prevent the packer having this advantage in buying both the hide and the meat from the same man and the economic operation in changing the meat into the finished product and the hide into the finished product. We can not take that advantage away from them.

Mr. PAGE. The Senator from North Dakota has touched on the vital point of this whole question. He asks "Would not the packer have the same advantage if we remove the duty on hides?" To-day the packer controls forty-odd per cent of all the hides of animals killed in this country, and by the purchase of hides sent to the market by the hide dealers he now controls sixty-odd per cent.

Mr. WARREN. I want to enter my dissent to that and to state that the Senator is mistaken about the amount.

Mr. PAGE. Very well; but the whole point that you ignore is this, that the packer is going into the tanning industry. That is the vital point of this whole matter. In 1897 that condition did not exist. It exists to-day; it is notorious.

Mr. McCUMBER. The Senator seems to leave out of consideration the fact, which he has admitted again and again, that the taking off the tariff reduces the price of the American article and enables him to get it cheaper. He agrees with me and with the other Senators here that he wants to get it free from abroad, the same, as he claims, that probably the trust does at home, but at the expense of the farmer. In other words, he has got to pay the farmer now $100 where he would have to pay him only about $85 if the duty was off; it would give him that advantage at the expense of the producer.

Mr. CLARK of Wyoming. It occurs to me that the logic of the Senator from Vermont is this: The duty has enabled the independent tanner to have exactly the same facility in the foreign market that the packer has. I do not suppose the packer would buy hides cheaper abroad than the tanner. They have the open market abroad. It is conceded by the Senator that there are certain advantages of trade which give the packer the control, virtually, of the market in America. The Senator concedes that; I do not. If you remove the tariff, they are still on an equality. I can not follow the Senator's logic whereby the removal of the tariff is going to remove this discrepancy and difference in business conditions.

Mr. PAGE. Because in America they control a large per cent of hides. When you get outside of the country there are millions upon millions of hides that they do not control. They have not their hand upon Argentina yet, but they may have. The whole world is too large even for Swift and Armour to put their hands upon and control, but they are controlling this country, and you say that, having control of this country to-day, the tanners shall not go into the whole world and buy hides.

Mr. McCUMBER. I think the whole force of the argument has been summed up by a little expression of the Senator from Wyoming, when he says that the Senator from Vermont asks the Government to go into partnership with the leather trust to beat the beef trust, and the farmer is asked to pay a big price for the club. I am hardly willing to go to that extent, even though it might be that we would like to destroy the beef trust.

The shoe men and the leather men seem to ignore the fact that this very raw material which can be turned a hundred times in a year by the manufacturer, requires from three to seven years to be produced by the farmer. They close their eyes to the fact of the heavy investment of the farmer in his land, of his investment in the cows from which the cattle are bred, of the labor cost in cultivating the land, in plowing it, and harrowing it, and planting it to corn, in cultivating that corn, in husking it, in building structures to hold it, in sowing the land to timothy and clover, in cutting the hay and drying it, in stacking and hauling that hay, and when all this is done in putting up buildings to shelter the stock during all the long winter, and then in feeding that hay into their maws from three to seven years, and finally turning off the meat and the hide as the farmer's finished product.

I want the Senator to recognize that there has been more labor and time and expense and higher labor impressed upon the hides by the farmer than is impressed upon the manufactured article by the manufacturer.

The manufacturer of shoes and leathers wholly ignores in his demand for free hides all of these years of incessant toil. He may be kindly disposed toward his own employees who have their breakfasts at half past 7 in the morning and begin their work at 8 and cease their labors at 4 o'clock in the afternoon. He may be willing to divide a little of that profit that converts from the farmer with his labors. But he seems to be wholly blind to the fact that this stock raiser, this farmer and his boys, are up and feeding their stock at least two hours before the manufacturer's employees sit down to their morning meal; that instead of ceasing their work at 4 o'clock in the afternoon you will find them still doing their chores in the winter time as late as 8 and in the summer time as late as 9 or 10 o'clock at night. The manufacturer wants this farmer and his boys to receive no protection after laboring upon an article for on an average of five years and on an average of at least fourteen hours a day during those five years, while he taxes his shoes and his harness and his buggy tops and everything on earth that he purchases of the manufactured article.

Mr. President, I am not unmindful of the fact that a great many of these shoe manufacturers say that they would prefer to have free hides and free shoes than to have protected hides with protected shoes. Their self-sacrificing inclination is certainly beautiful to behold, and would be very impressive if we did not stop to analyze it. They have had sufficient protection for probably half a hundred years to keep out foreign shoes altogether and give them exclusive control of the splendid American market. They have developed their plants and their machinery in this atmosphere of protection until they have reached a degree of perfection and economy in the manufacture of shoes that have enabled them, after meeting the home demand, to enter the foreign fields of consumption against the foreign manufacturer not only by exports, but by establishing factories all over Europe. They are employing cheaper labor over there; they are developing their trade enormously, and are now saying to the American people, "You have given us this protection; you have helped us until we got on our feet; you have shielded us against foreign aggression, until we have your market, and until we have built up our factories in the Old World. You can now go to the equator; we do not care whether there is a tariff or not. Why, if you keep the tariff on we will supply the American market from the American factories. If you take it off we will be able to supply the American market from our European factories. We have got you both coming and going."

Mr. President, I not only want this tariff of 15 per cent upon hides, but I want a tariff of at least 25 per cent, not only upon hides, but upon kip and upon calfskins. I want the foreign article legislated against by a tariff duty to an extent that will make the home market so valuable that the hide product will be increased until it supplies the home demand.

The Senator from Georgia the other day stated that we ought to be an exporter of all our agricultural products. I do not concur with him in that. While I do concur in the proposition that if we do raise a surplus of any article, we ought to export it. I am free to say that I would like to see a rearrangement of the agricultural productions of this country so that more land will be used for the production of sheep and their products and cattle and their products and a proportionately less amount sowed to wheat. The wheat acreage to-day is producing a surplus of wheat which must be thrown into the world's market, thereby keeping down the price of the home product, tariff or no tariff. We are still importing hides; we are still importing wool, a very heavy percentage. We are still exporting wheat and flour. Now, if we could expand our wool

product and hide product up to about the limit of the home demand, and decrease our wheat product to about the limit of the home demand, we would enormously advance the price of all three articles. We have got the land in the country; we have got to use it for some purpose. If the raising of cattle and wool is not sufficiently remunerative, we will use that land for raising grain. If we allow heavy importations of wool and hides, we will keep down the price of the hides and the wool, and thereby force the greater production of wheat. If, on the other hand, by a tariff sufficiently high, we keep out the greater portion of the imports of wool and hides, we will raise the value of those articles in this country, use more of our land for the production of those articles, use less for the production of wheat, and thereby also enhance the value of our wheat.

Now, Mr. President, your manufacturers of these leather products have got the entire market of the United States for your product. Why not give us the same thing? Why are we, the farmers, not entitled to the same thing? I should like an answer to that.

Most of the leather men and tanners claim that they are at the mercy of the packers, and I am coming right to that proposition now. In leather manufactures I am taking not only the tanners, but the leather manufacturers of all kinds generally. But even if this were true, is not the farmer who sells the meat that is under the hide equally at the mercy of the packers? And carrying the matter a step further, is not every consumer at the mercy of the manufacturer of all articles of leather?

Go into the market and see if you can get any particular brand of shoe one penny cheaper in one city than you can get it in another, in San Francisco a cent cheaper than in Denver. You will find such a combination as prohibits the retail dealer from selling a shoe for any less than a certain specified price.

I am not saying, Mr. President, that the prices are not reasonable. I am assuming that they are; but the best information that I can get is that generally in all these known brands of shoes there is no competition. There may be in some of the cheaper lines of shoes.

Mr. PAGE. Mr. President——

The PRESIDING OFFICER (Mr. ROOT in the chair). Does the Senator from North Dakota yield to the Senator from Vermont?

Mr. McCUMBER. Certainly.

Mr. PAGE. I should like to know why the Senator picks out one manufacturer, or two or three, of shoes who makes a very, very small percentage of the great aggregate and couples the whole trade with them?

Mr. McCUMBER. I can probably pick out dozens of those, and, taking all the manufacturers, it is probably the greater proportion.

Mr. PAGE. That is a mistake as wide as anything could possibly be. The great manufacturers of shoes in this country, extending from one end to the other, make shoes that are sold through the jobbers. I do not know what the per cent is, but the Senator is certainly far away from the fact when he says that men like Douglas, who make a widely advertised shoe, control the market. It can not be true.

Mr. McCUMBER. I mean all of the better shoes that are used by the American people generally, and probably by the greater majority of them. The American people wear pretty good shoes these years. I saw an exhibit here the other day of a pair of shoes. It appealed to my younger days very much, when I used to be upon the farm. I can not imagine how they can sell a great many pairs of those shoes in a year, because, as I remember, they would last a boy a lifetime. They were so hard you could not make a dent in them even with an ax. I can not suppose that there is any great quantity of those shoes being consumed by the American people.

But, Mr. President, these manufacturers are not at the mercy of the packers, by any means. First, they have the entire outside world to purchase from.

The Senator admits that the packers have not got control of the outside world as yet.

Mr. PAGE. That is right.

Mr. McCUMBER. Then the tanners have got an equal chance for all the hides produced outside of the United States, and they have an equal chance for the greater amount of hides produced in the United States.

Let us see. In 1907 we imported:

	Pounds.
Hides, dutiable	134,671,020
Skins, not dutiable	120,770,918
Total	255,441,938

They could have purchased every pound of these imported hides, if they desired, and they probably did purchase a greater quantity of them, as I understand very little of the imported hides are purchased by the great packers. They had the same opportunity as the packers. It was only a question of who would pay most for them. Second, about 73 per cent, now mark you, of the hides of cattle and calves produced in the United States are not owned or produced by the packers. They have all this 73 per cent to draw from. The total number of cattle slaughtered at the packing establishments last year was about 5,320,000. The total number, exclusive of calves, slaughtered in the United States is approximately 12,500,000. There are slaughtered elsewhere in the United States, exclusive of calves, 7,180,000.

Out of 71,267,000 cattle in this country, more than 2,000,000 die of disease or by accident, and from that source comes probably 1,000,000 fallen hides. All this is available to the tanner.

The total slaughter by independent packers, local butchers, and farmers of 13,500,000 head of cattle and calves is 73 per cent of the grand total slaughtered in the United States of 18,500,000 head of cattle and calves, and so forth.

According to Bulletin No. 83 of the Department of Commerce and Labor there are 929 packing establishments in the United States. The so-called "big packers" have 38 slaughtering establishments.

These people who claim that they are at the mercy of the Chicago packers must not forget that from 40 to 45 per cent of the cattle purchased in Chicago are not slaughtered there—are not slaughtered by the packers—but are sent to the different States and generally to the Eastern States, where they are further fattened and slaughtered. That brings hides right home to the eastern manufacturer.

The total number of cattle marketed in Chicago in 1907 was about 3,305,314; calves, 421,943; total, 3,727,057.

Of the cattle thus marketed there were from the western ranges 377,000, or 11.4 per cent. The balance came mainly from the corn belt States, Iowa leading.

The following table will show the importations into this country since 1898.

I want to give the first table:

Total slaughter, exclusive of calves	12,500,000
Slaughtered by the trust, exclusive of calves	5,000,000
Fallen hides	1,000,000
	18,500,000
Less the packers	5,000,000
Total	13,500,000

The large packers would then produce 27 per cent, and from all other sources 73 per cent.

Now, the shoe men or leather manufacturers have 73 per cent of the home product and all of the foreign product that is imported into this country to go to, as against the trust production in the United States.

I have here a table of the imports into the United States of hides and skins other than furs, which I ask may be incorporated in my remarks.

The PRESIDING OFFICER. Without objection, the request will be granted.

The table referred to is as follows:

Imports into the United States of hides and skins (not including goatskins), other than furs, 1898–1908.

Year ending June 30—	Cattle hides.			
	Dutiable.		Nondutiable.*	
	Pounds.	*Dollars.*	*Pounds.*	*Dollars.*
1898	126,243,595	13,024,980	54,607,534	7,067,343
1899	130,395,029	13,621,946	66,995,785	9,877,571
1900	163,865,165	19,408,217	100,070,795	16,539,807
1901	129,174,624	14,647,413	77,989,617	12,095,567
1902	148,627,907	17,474,039	89,457,080	15,054,400
1903	131,644,325	16,170,902	102,340,393	16,942,982
1904	85,370,168	10,989,635	103,024,752	17,045,304
1905	113,177,357	14,949,625	126,893,934	22,858,797
1906	156,155,300	21,862,060	158,045,419	30,246,198
1907	134,671,020	20,649,258	135,111,199	30,841,989
1908	98,353,249	12,044,435	120,770,918	25,409,575
Averages:				
1898-1903 (expansion)	138,325,273	15,822,751	81,905,286	13,179,645
1904-5 (depression)	99,273,762	12,969,332	114,959,343	19,957,050
1906-7 (expansion)	145,413,160	21,255,659	146,578,309	30,544,094

* Includes flint-dried skins (arsenicated) of cattle weighing less than 12 pounds, dry salted skins weighing less than 15 pounds, and green salted hides weighing less than 25 pounds, but does not include goatskins.

Mr. McCUMBER. If there are those who doubt that the duty on hides is a benefit to the American farmer, the following

table showing the greatly increased importation of hides and skins prior to the adoption of the Dingley tariff may be interesting:

	Pounds.
1902	319,094,698
1903	274,733,467
1904	337,874,862
1905	425,280,110
1906	370,983,815

This will show the enormous amount of hides that were imported over and above what has been imported under the protective system, and as everyone understands the value of the hide is fixed by the quantity of hides at the place of consumption—the less of the imported hides you bring into the United States the greater the value of the home-produced hide at the place of protection.

I carried on this colloquy a little longer than I intended. I have, I think, demonstrated one thing, and all agree with me upon that; first, that the 15 per cent duty is a benefit to the farmer. I think I have demonstrated another thing, that the farmer ought to have double that instead of 15 per cent. I think it needs no demonstration whatever to convince every Senator that if he is entitled to 15 per cent or 30 per cent upon the hide he is entitled to the same amount upon the kip and upon the calfskin. I think it is almost self-evident to everyone that we are not going to get any reduction in the price of the manufactured article by reason of taking off the tariff. There is just one thing that will reduce the value of the manufactured article, and that is hard times, when the consumer will not be able to pay the present price; and if we have good times, as I believe we will when we get through with this tariff, the chances are that it is going to raise the prices about to the ability of the American consumer to pay, tariff or no tariff.

Mr. McLAURIN obtained the floor.

Mr. PAGE. I should like to have a moment for a question.

Mr. McLAURIN. I will yield for a question.

Mr. PAGE. The Senator from North Dakota said that he would instruct me or he would give the Senate facts in regard to the duty on hides. I understood him to make that statement in answer to a question. I should like to have him tell the Senate what he thinks the actual gain to his North Dakota farmer is on each hide, if he has figured it out, because I think that is a very important point to be brought out in this discussion.

Mr. McCUMBER. That would depend entirely upon the weight of the hide. Take the number of pounds in the hide and add 15 per cent to it. The Senator can determine what it would be just as well as I could. I simply say that he gets 15 per cent benefit, or $15 on every hundred dollars' worth of hides.

Mr. PAGE. I can make the computation in a minute, if the Senator will yield to me.

I have since yesterday figured it to a penny. I took the values of hides for several years, as given by the representative of the Cattle Dealers' Association here, and they averaged nine and a fraction of a cent per pound. The average of hides has been for the twelve years reported 8.96. Now, that represents 115 per cent of the value of foreign hides. In other words, the foreign hide would be worth 7.79, leaving the duty on a pound of hides 1.17 cents. The average weight of hides, as I know it to be in New England, is 48 pounds. In the West it may be as much as 58 pounds.

Mr. McCUMBER. The western hide is a thicker hide.

Mr. PAGE. I am sure it is. I believe that the average weight is 53 pounds, taking the East and West together. This gives us a duty of 62 cents on each hide, or 62 cents and a very small fraction.

The claim of the senior Senator from Wyoming is that we have 10,000,000 farmers. It is an admitted fact that the number of hides slaughtered annually is 14,000,000, or 1.4 hides to each farmer of the country. Sixty-two cents per hide, multiplied by the number of hides produced by each farmer—1.4—gives the average farmer 86.8 cents as the total supposed benefit accruing to him from this duty, provided he gets the whole duty.

Now, just one word further. I want to tell the Senate what has gone out to the world from the western people in regard to this matter. I read from the CONGRESSIONAL RECORD some statistics put in by the senior Senator from Montana [Mr. CARTER] yesterday:

> The present 15 per cent ad valorem duty on hides means an increased valuation of about $3 per head for every beef animal now owned by the farmers and stock growers of the country.

Now, think of the facts as they are and as they are here represented.

I want to go a little further. They have even gone so far as to say that $1 per hide is added on calves and that the packer benefits $3,016,241 on calves, being a dollar apiece. I want to say to Senators that the cost of bringing a calfskin from Havre, France, to this country is 14 cents per hundred pounds. I do not know what it is from Denver to Chicago, but I am sure that it is more than five, and I guess it is more than seven, times as much. Trade is absolutely free on skins, and the price of calfskins is not changed one single mill by the 15 per cent duty, while the representations of the western cattlemen are that the duty on hides increases the value of calfskins $1 each.

Mr. McLAURIN. Mr. President, the question as to whether hides shall be taxed or whether they shall go upon the free list is not involved in the amendment. The only question involved in the amendment is whether or not it is right to discriminate against the producer of small hides in favor of the producer of large hides, and not, I was about to say, in favor of the manufacturer of leather and shoes; but it is only the question of whether it is right to discriminate in favor of the large hide against the small hide. That was the only question which I presented to the Senate yesterday. I was not in that discussion interested in any other question involved in the amendment, but only in the question involved in the amendment which I offered to the amendment of the committee.

I thought then, and I think now, that if the producer of a hide weighing 25 pounds or more shall be permitted to obtain the advantage of a revenue tariff or a protective tariff, the same advantage ought to go to the producer of a hide which weighs less than 25 pounds. All that I rose yesterday for was to explain to the Senate that this was the only question involved in the amendment which I introduced.

The Senator from Virginia [Mr. DANIEL], however, took occasion to argue against my amendment and to felicitate himself upon the fact that the Treasury Department had made a ruling which cut out all hides under 25 pounds. He made a speech, which has many splendid points in it, and I am not here to criticise any Democratic point in his speech; but it had points in it which are not, in my judgment, Democratic, because I do not believe that it is Democratic to put a protective tariff upon shoes that will compel the wearer of shoes to pay a higher price for them, and to put upon the free list the hides of the farmer who wears the protected shoe, and thereby enable the manufacturer of leather and of shoes to purchase the hides of the farmer at a lower price.

It is admitted now that the duty on any article is added to the price of that article. It has been the doctrine of the party to which the Senator from Virginia and I have all of our lives belonged that the amount of the duty on any article is added to the price of that article; and that doctrine is now becoming recognized not only by the Democratic party, but by the Republican party, for you have heard it argued, asserted, and admitted here time and again by Republican Senators during this discussion that the amount of the tariff is added to the price of the article. That was admitted by both the Senator from North Dakota [Mr. McCUMBER] and the Senator from Vermont [Mr. PAGE] in their colloquy just a few moments ago. It has been asserted, as I understood them, by the Senator from Iowa [Mr. CUMMINS], by the Senator from Indiana [Mr. BEVERIDGE], and by a number of other Senators that the amount of the tariff is added to the price of the article upon which the duty is laid. That being so, Mr. President, there is no benefit to the wearer of shoes by giving to the manufacturer of shoes free hides.

The Senator from Virginia declaimed eloquently in favor of allowing people who are to wear shoes to get them at a cheap price. I propounded the query to him whether he was willing to vote for free leather and free shoes as well as for free hides. That question he did not answer. The amount of the tariff goes into the cost of the hide to the manufacturer, but it does not go into the price of the shoe to the wearer. In the very nature of the case it can not do so. The manufacturer of the shoe, when he goes to sell to his customer, raises the price of his shoe the amount of the duty upon his shoe. If he raises it more than that, the importer will come in, compete with him, and undersell him. Therefore he can raise it that much, and does raise it that much, and no more. It does not make any difference to him whether he gets his hides free or whether he pays a tariff upon his hides; he raises the price of his shoes the amount of the tariff upon shoes, and no more, just as I have said, because if he raises it higher than that, the importer will undersell him, and the customer will buy from the importer instead of the manufacturer.

The same rule holds good with the tanner. The large tanneries of this country raise the price of their leather to the extent of the duty on leather, just exactly as the manufacturer of shoes raises the price of his shoes the amount of the duty upon shoes that much, and no more. So the question of the price of shoes is not affected at all by the tariff upon hides. The only question involved in it is whether the shoe manufacturer and the manufacturer of leather will get the benefit of

the tariff or whether the Government will get it. That is the only question involved in the amendment offered, which proposes to put a duty upon hides if the duty remains upon leather and shoes.

Mr. President, the ruling, upon which the Senator from Virginia felicitated himself, which put all hides under 25 pounds on the free list cost the Government of the United States in the years from 1899 to 1907, inclusive, more than $16,000,000 of revenue. Does anybody who knows anything about the question at all suppose that that amount of revenue was left in the pockets of the wearers of shoes which were purchased from the manufacturers of the shoes? A boy 15 years old could go into a bookstore and butt his head against the counter and know more than that. It went into the pockets of the manufacturer of shoes and of leather.

Now, I refer to page 479 of Imports and Duties, and I ask that Table No. 2043, calfskins, including the years from 1898 to 1907, inclusive, be appended to my remarks.

The PRESIDING OFFICER. In the absence of objection, permission is granted.

The table referred to is as follows:

No. 2043.—Calfskins.

Fiscal year ended June 30—	Rate of duty.	Quantity.	Value.	Duty collected.	Average.	
					Value per unit of quantity.	Ad valorem rate of duty.
		Pounds.				*Per ct.*
1898	{15 per cent	1,647,465	$280,859.00	$42,478.85	$0.176	15
	{Free of duty	10,065,978	1,473,287.00		.146	Free.
1899	do	24,659,369	3,616,434.27		.147	Free.
1900	do	44,403,466	7,177,053.60		.161	Free.
1901	do	34,468,797	5,695,394.66		.165	Free.
1902	do	39,679,119	6,820,631.98		.172	Free.
1903	do	34,074,137	5,837,877.67		.171	Free.
1904	do	34,501,775	5,862,988.09		.17	Free.
1905	do	50,144,318	9,775,400.02		.195	Free.
1906	do	56,102,594	11,456,027.64		.204	Free.
1907	do	48,991,055	11,163,702.51		.227	Free.

Mr. McLAURIN. This table shows that in 1907 the imports of calfskins into this country amounted to 48,991,055 pounds. The value was $11,163,702.51. Estimating the tariff which then existed upon hides it would be a little more than two and three-fourths million dollars. For 1906 the amount was $56,102,594 pounds, valued at $11,456,027.64. The tariff on that would have been considerably more than two and three-fourths million dollars. The other is from the time that the calfskins were put upon the free list by the ruling of the Treasury Department, taking on down from 1899 to 1900, 1901, and so forth, and they are something less, but they increased every year up to 1906, and then they decreased for 1907.

Mr. President, the tariff upon shoes amounted last year to a little more than $41,000. The tariff upon hides was nearly $3,000,000. Do you propose to leave the tariff on shoes, which will enable the manufacturers of shoes to tax the consumer to the extent of 15 per cent, to take the tariff entirely off of hides and give that to the manufacturers of shoes, not to the Treasury of the United States? That is the proposition involved in putting hides upon the free list and leather and shoes upon the dutiable list. I am not in any sense a protectionist, as those who advocate the unjust and unequal doctrine of the Republican party are called, but whose doctrine could more properly be denominated "extortion." The fact that only $41,000 was collected from the importation of shoes evidences that few shoes were imported, and therefore that the manufacturers of shoes had practically a monopoly of the shoe business of this country and could tax the wholesaler, retailer, and consumer as they pleased.

If I could have my way, I would put leather and shoes and hides all upon the free list. Why? Because if you put boots and shoes upon the free list it will enable the wearer of shoes to purchase his shoes that much cheaper—15 per cent cheaper than if the duty is upon the shoes. Then if you put shoes upon the free list, the tariff must necessarily be taken off of leather. Leather must necessarily go upon the free list; and if you put leather upon the free list, necessarily you must put hides upon the free list. This would reverse the order of the Senator from Virginia. He said that if you should cut the sill and destroy it the fabric would come down. That may be so; but the foundation of this is not the tariff upon the hides, but it is the tariff upon the shoes. When you put the tariff upon shoes, the next tariff comes upon leather; then the next tariff comes upon hides; but if you take the tariff off of shoes, then you must necessarily take the tariff off of leather and off of hides. So that the foundation of this, the sill of this, is not the tariff upon hides, but the tariff upon shoes.

Mr. President, men do not wear green hides nor dry hides; they do not wear shoes made of green hides nor dry hides; but they wear shoes made of leather. Therefore, taking the tariff off of hides can not affect the price of shoes; it can not affect the consumer of shoes. For this reason I am in favor of putting all three of these articles—hides, leather, and shoes—upon the free list; but I am not in favor of putting a tariff upon shoes that will enable the manufacturer of shoes to sell his product higher to the wearer of the shoe, the consumer of the shoe, and taking it off of hides, and taking the revenue that is produced from hides out of the Treasury, thereby allowing the manufacturer of shoes to buy from the farmer the raw material, the hides, at a cheaper price.

This revenue must be made up somewhere by somebody. If the duty is taken off of hides, then the $3,000,000, which is taken out of the Treasury of the United States by putting hides upon the free list and putting that $3,000,000 into the coffers of the shoe manufacturers must be made up by a tariff taxation upon the people on some other product. If you put shoes on the free list and leather on the free list, then I will vote for putting hides on the free list; but if shoes are put on the dutiable list and leather on the dutiable list, I shall vote for a tariff on hides, provided all hides are included.

It has been said by the Senator from Vermont that it is known in technical parlance that calfskins are those weighing up to 15 pounds, and between 15 pounds and 20 pounds are called "kipskins," and after that they are called "hides." I do not believe that the language employed by Congress putting a duty of 25 per cent upon all hides was intended to be construed by that technical parlance, but it was understood to be a tariff upon the skins of animals, whether they weighed 1 pound or whether they weighed 25 pounds. The same reasoning, as was so well said by the Senator from North Dakota [Mr. McCUMBER], for putting a tariff on hides weighing 50 pounds exists for putting a tariff on hides weighing 10 pounds. That same reason must have moved the Congress in putting a tariff on hides. When we begin to construe the language of Congress and to interpret the intention of Congress we do it by getting at the reason and the motive that prompted Congress in the enactment of the law; and the same reason, as was well said by the Senator from North Dakota, that would prompt the putting of a tariff on hides weighing 50 pounds would prompt the putting of a tariff on hides weighing 10 pounds.

It is understood all over the country that when we speak of hides we speak of the hides of all animals, however small, and it is the common understanding of the people of the country who are to be governed by the law, and this construction ought to be given by all those who administer the law.

Mr. PAGE. Mr. President——

The VICE-PRESIDENT. Does the Senator from Mississippi yield to the Senator from Vermont?

Mr. McLAURIN. I do.

Mr. PAGE. I think I can say, without any question, to the Senator from Mississippi that the matter was carefully considered and discussed at the time of the enactment of the Dingley bill. My reason for saying that is this: As a dealer in hides and calfskins I was very much interested, as I thought then—I do not think so much so now—in that matter. I wrote to Senator Proctor, who was my intimate friend, and asked him if the provision covered calfskins as well as hides. He went to Senator Allison and, after conferring with him about it, wrote me. He said:

> I have been to Allison, who knows all about this matter, and he tells me that they have decided not to place a duty upon skins, but only upon hides.

Mr. McLAURIN. Mr. President, when we want to get at the meaning of the language of Congress, we do it by taking the common understanding of the common people as to that language and what it means. The law is made to govern all the people, and ought to be in language that all the people can understand. What is the meaning of it as understood by all the people of this country? What do we understand? You may go to a thousand farmers in this country and you may ask them the question, "What does 'hide' mean?" And they will tell you that it means the hide of a yearling just as much as it means the hide of a steer. If you have not raised this question with them, you may take a thousand men, and they will tell you that they never heard of the word "hide" meaning anything else but the hide of an animal. So you are not to take the private understanding of this man or of that man, but you are to take the understanding that is given by the language

used, the import of that language, and the import of that language is that "hides" means hides.

I know it has been said that nobody engages in the business of raising hides; that they raise beeves, but not hides. I should like to see that breed of hideless beeves. I have never seen one of them yet, and until this discussion came up I never heard of a hideless beef. I thought all beeves had hides and that the hide was a part of the beef, just exactly as much as his eyes or his meat or any other part of him, and anything that is valuable about him for sale goes into the price of the purchase.

Mr. PAGE. Mr. President——

The VICE-PRESIDENT. Does the Senator from Mississippi yield further to the Senator from Vermont?

Mr. McLAURIN. I do.

Mr. PAGE. I do not rise to further discuss the question of the duties on hides. I have already taken more time than I ought to have done, but the Senator says that the farmers of this country would all say that the language of this applies to all classes and all weights of hides. That is true; but the Senator unquestionably knows that the language which governs tariff bills is the language at New York before the Board of Appraisers.

Mr. McLAURIN. No; I beg the Senator's pardon. I do not understand that, unless the language of New York is just exactly the same as the language of the remainder of the country.

Mr. PAGE. I only know that that is the general understanding. I know that I was very much interested in a decision on lumber. Once the question arose as to what was a manufacture of wood and what was a dressed board. I was before the Board of Appraisers for weeks, and this illustrates this case pretty well. The Board of Appraisers held, first, that a board that was surfaced and planed and matched, we will say, or edged, was a dressed board only, but the lumbermen claimed it was a manufacture of wood. Different pieces of wood were brought in there; some were planed and matched, some were planed on two sides.

Those who contended that such wood was not manufactured wood were able to present in the course of that discussion pieces of board, all of which those who claimed a matched board was simply a dressed board said were clearly dressed boards and not manufactures of wood. But an expert came there, and picking up those pieces, in about a minute he put together one of the finest molded window frames. It was so nicely done that those who claimed that matched boards were not manufactured wood were astounded and they were convinced—although the Supreme Court afterwards overruled the decision—that they were wrong.

The point is that you go by the decision of the Board of Appraisers. They have had a long experience in deciding what this or that article is, and they come after a time to take the common understanding among the merchants as to what is a hide, what is a kipskin, what is a calfskin, and that rules rather than the understanding of the farmers of the country.

Mr. McLAURIN. Mr. President, I think the laws ought to be interpreted according to the common understanding of our language, and not to any occult meaning that is to be given to it by any cult of any kind. I feel that it is a dangerous thing for the people to find upon the statute books a law which is in language that is understood by all the people of the country to mean one thing, except by a few people who are a society unto themselves, and who have a meaning that is a secret meaning to themselves. The laws ought not to be secret; the laws ought to be open, and they ought to be in language that will be understood by all the people of the country. That can not be done unless you adopt in your laws the language of the plain, common people of the country.

Mr. President, I have taken a great deal more time than I intended, but the interruptions have caused me to say more than I intended to say; not things that I would not have said if they had occurred to me, but more than I intended to say at the time I rose.

I want to be understood as being opposed to this discrimination and to register my voice here as well as my vote against any discrimination between hides of small cattle and the hides of large cattle, between the man who is not able to drive his great herds to market and the man who is able to drive his great herds to market.

It ought to be understood by the people of this country that when the Congress of the United States assembles, it assembles for the purpose of representing everybody, and that the man who is not able to come and lay his case before the committee will have justice administered to him as faithfully, as impartially, and as equally as the man who is able, out of the abundance of his wealth, to come before the committee and advocate special privileges and special laws in his special behalf. I am not in favor of that. I still believe that it is the first downward step in the destruction of this Government or in the destruction of any government by your laws' discrimination to say that no man can get right and justice in this country by the representatives that are sent by the people of the country to legislate for them unless he comes himself and advocates before the committee and before the Senators and before the Representatives in Congress the interest that he has in common with all the other common and plain people of the country.

I can not without registering my voice as well as my vote against this proposition permit it to go to a vote. I hope my amendment to the amendment will be adopted.

Mr. GAMBLE. Mr. President, it was my purpose to submit at some length some observations upon the pending question, but it has been discussed at such length, and every phase of it has been so fully covered, I feel as though it would be an imposition upon the Senate to unduly trespass upon its patience or to overtax its indulgence. I will endeavor in what I have to say to be brief, and will not dwell unduly or at length upon statistics covering the industries involved. They have already been largely submitted by those who have addressed the Senate.

Mr. President, although my vote on this question will not be governed by the interests in my own State alone, yet I feel, in justice to the farmers and stock raisers of South Dakota, I should make my position known and do everything possible to conserve and protect this important industry of my State.

South Dakota stands ninth among the States of the Union in its live-stock interest. As shown by the report of the Secretary of Agriculture, it had on January 1, 1908, a total of 2,034,000 cattle and milch cows, with a farm valuation of $42,663,000.

The people of the State therefore have a vital and a pressing interest in the question now under consideration. They feel the rate of duty proposed is just and equitable, and that they are beneficiaries thereunder. To remove the present rate of 15 per cent and subject them to the free competition of the foreign producer, to my mind is unfair and unjust, and under the conditions proposed is utterly indefensible.

If, however, the farmers and stock raisers of the country had the slightest assurance that by a removal of the duty any benefit or advantage whatever would inure to them or to the general public, in the lowering of the price of boots and shoes, or of any of the products of leather, there might be some reason or justification upon which to base this demand. But neither from the witnesses who testified in the hearings before the Ways and Means Committee of the House or before the Finance Committee of the Senate, nor in the speeches that have been made here, has any assurance been given that any benefit, direct or indirect, would accrue to the consumers of leather products, or that the prices in any respect would be lowered.

Mr. President, for such a demand to be made, and under such circumstances, it seems to me unfair, unjust, and, to state it mildly, utterly selfish. The proposition made is that the farmer and stock raiser are to be sacrificed, and they are to be stripped of the protection afforded them, while the tanners and the manufacturers of boots and shoes and of all the products are to retain the rates of duty under the provisions of the bill. The further suggestion is made that the hide of the steer is the raw product, and, under the rule proposed, should be admitted free of duty. This, it seems to me, is a false doctrine, and, in fairness to the farmer, can not and should not be urged. It has already been fully answered, and I do not feel like trespassing upon the patience of the Senate to review it.

But the steer is the product of three or four years of care, of expense in capital invested in the farms, in wages paid to employees, in the consumption of the products of the farm on which he is fed to maturity, including the risks of loss by disease or otherwise. To the farmer the steer ready for market, with the hide, is the finished product as far as he is concerned. Technically, the hide may be the raw material to the tanner. But it is no more the raw material to the tanner than the product of the tanner is to the maker of boots and shoes or to the harness maker or the saddler or any of the other finishers of leather.

I submit, Mr. President, the producer of hides, in all fairness, is entitled to a like degree of protection, the same as the tanner and the manufacturer of its products. He is obliged to meet the same competition from the foreign producer. He has capital invested, he has labor to pay, he bears the risks and uncertainties of the business. If the hide market of this country is to be opened to the free competition of the world, what superior claims have the tanners or the manufacturers of boots and shoes or the manufacturers of leather in any form over those of the American farmer?

I submit, Mr. President, if this duty is to be removed entirely I can see no just ground why the duties on leather or any of

its products should be retained on the dutiable list. The same argument applies to the one as to the other.

Much has been said in this debate, largely, it seems to me, to divert the issue that the present duty, like the one proposed, is in the interest of the great packing industry or beef trust, and that now the farmers receive no benefit from the duty now in force. It occurs to me it has been clearly demonstrated in this discussion by abundant proof that the farmers do receive the full rate of protection from the present duty. I am not here to justify the packers or speak in their defense. If they are violators of the law, let the machinery of the courts be brought into execution, that they may obey it. It should not be insisted here that the farmers of this country, through this legislation, should bear the responsibility for the wrongdoing of others.

According to the statistics submitted this morning by the Senator from North Dakota [Mr. McCUMBER], the product of the hides controlled by the beef trust is 27 per cent. No one during this debate has placed the amount over 43 per cent of the annual production of the entire country. I regret this as much as anyone, but it has not been demonstrated by any suggestion made during this debate that the removal of the duty would alter or change existing conditions, as far as this particular trust is concerned. This situation must be met in some other way, and can not be relieved in the manner suggested.

This same argument was invoked and the same issue raised twelve years ago, when the duty was placed on hides in the Dingley Act.

The duty proposed could be sustained upon the ground of revenue alone. The Senator from Mississippi [Mr. McLAURIN] a few moments since made reference to it as a source of revenue and declared it produced upward of $3,000,000. To be exact, Mr. President, for the year 1907 the duty on hides produced $3,115,390; but it must be remembered there was returned in drawbacks to the importers of foreign hides $907,386, leaving a net revenue of $2,208,004.

If it were demonstrated that the manufacturers of boots and shoes and of leather had not been successful in their business and were not now successful, there might be some justification or excuse for them making the plea for a reduction of this duty. These industries, however, have been most prosperous during the time this duty has been in force. If the duty is to be removed and the farmer and the producers of cattle and live stock are to meet the competition of the world in the free importation of hides and the lower rate of wages of foreign countries and the less investment of capital on account of cheaper lands, then the same rule should be applied to the manufacturers of leather products. Considering the number of people engaged in the raising of cattle and the capital invested in the industry, it occurs to me at least a like consideration should be shown to the farmers and stock raisers as to the boot and shoe manufacturers or the producers of leather.

Mr. CLAPP. Mr. President——

The VICE-PRESIDENT. Does the Senator from South Dakota yield to the Senator from Minnesota?

Mr. GAMBLE. Certainly.

Mr. CLAPP. I wish to suggest to the Senator that probably a majority of those who favor taking the duty off of hides favor removing, or at least very materially reducing, the duty on boots and shoes. One may vote to take the duty off of hides because he does not believe the duty does anyone any good. He may vote to take the duty off of boots and shoes for a similar reason. But he never ought to vote to take them off simply because the duty has been taken from something else. If, however, he believes, as I do and as others do, that the duty on boots and shoes is unnecessary, he should vote to take it off.

But here is another question that I should like to submit to the Senator: I advocated the removal of the duty on hides because the duty, as interpreted, only applies to certain kinds of hides; and the average farmer, in my judgment, does not get any benefit from that duty. That benefit is so diminished that by the time it gets into active operation the ordinary small farmer gets nothing from it. That is my objection to it. On the other hand, I would be in favor, if we tax any hides, of taxing all hides. And while the man who produces a hide is laboring under one condition, and the man who is producing a shoe is laboring under another, and there is no analogy, yet the men who produce hides that weigh 25 pounds and hides that weigh 15 pounds are laboring under precisely the same conditions. And why should they not both have the same benefit?

I should like to ask the Senator that question.

Mr. GAMBLE. Mr. President, in reply to the suggestions made by my distinguished friend, I will say that I am in favor of a retention of the existing duty upon hides. I am also in favor of a proper duty upon boots and shoes and all of the products of leather, so that the wage-earner upon the farm and elsewhere, and the farmer and stockman who have their investments in the farm and in the cattle, may be protected against foreign competition at a less investment and at a lower wage rate. And in view of the great production of cattle in Argentina and other South American countries on their cheap lands and at a low wage scale and the danger from large importation from that source and with cheap ocean freight rates, I would protect the farmer at least in the present duty upon hides. I would also protect the tanner, the manufacturer of boots and shoes, and the manufacturer of all the products of leather with a proper, fair, and just rate, so that they, in like manner, would be protected from foreign invasion and against the cheaper labor from abroad.

It occurs to me, Mr. President, whether the person engaged in the business of the production of the hide, or in its tanning, or in the manufacture of its product, there should be the same fair and equitable rule applied to the one as well as to the other. I find the number of wage-earners in the tanning and finishing business and in boots and shoes in 1905, as returned by the Bureau of the Census, was 219,435, and the output for that year, as shown by the returns of the Government, was $572,728,000. This represents large and substantial interests not only in wage-earners, but in the extent of the manufactured product, and should be conserved and is entitled to receive the most careful consideration of this Congress in the provisions of the pending bill. When, however, we compare the foregoing in the aggregate, in the number of people directly engaged therein and in the capital invested, the producers of hides far overreach the other, not only in number, but in the amount of the investment.

I find that—as shown by the census returns for 1905—the invested capital in the boot and shoe industry and in the leather and tanning industry aggregated $365,000,000, and the number of employees, as I heretofore stated, 219,000. The number of males engaged in agriculture and directly or indirectly interested in the production of live stock, as shown by the census of 1900, aggregated 8,771,000, and, I presume, at this time they have nearly reached 10,000,000. Independently of the investment in the farm or the matters necessarily connected with this great industry, the value of the live stock upon the farms alone on January 1, 1907, as shown by the report of the Department of Agriculture, aggregated $2,153,320,439.

I do not claim this is a matter that should be decided simply according to the amounts involved or the number of those engaged in the different industries; but what I do say is that in legislating on these related interests, and especially when the one is antagonizing the other and when the law proposed to be enacted is liable to remain in force for an indefinite period, there should be fairness and equity in the rates prescribed and in justice to all the interests involved. Mr. President, the statistics of the Government show the development and growth and prosperity of these two great industries—the boot and shoe and the leather industry.

I will not take the time of the Senate to review all of the statistics given. I find in the Statistical Abstract for 1907, in the case of the boot and shoe industry, that the capital invested in 1900, practically three years after the passage of the Dingley law, was—I will only give round numbers—$99,819,000, and in 1905 the capital invested had increased to $122,526,000. The average number of wage-earners had increased from 141,830 in 1900 to 149,924 in 1905. The total wages paid in 1900 were $58,440,000, and in 1905 they had increased to $69,059,000. The value of their products, Mr. President, great as they are, had increased amazingly—from $258,969,000 in 1900 to $320,107,000 in 1905.

Take the industry of leather, tanned, curried, and finished. With $173,977,000 of capital invested in 1900, it had increased to $242,584,000 in 1905, and in the number of employees from 52,239 in 1900 to 57,239 in 1905. The total wages paid in 1900, $22,591,000, had increased to $27,000,049 in 1905; and the output had increased from $204,038,000 in 1900 to $252,620,000 in 1905.

Mr. President, it seems to me these great interests and industries dependent upon the product of the farmer as the producer of the hide have been wonderfully prosperous during the years while the present rate of duty has been in force. They have not only taken possession of our own markets, but have come into direct competition with all the markets of the world. And I find, Mr. President, as to the exports, that for the year 1907 there were 5,883,914 pairs of boots and shoes exported, of a value of $10,666,000; and during the past twelve years this great industry in export trade has increased from $1,436,000 to $11,469,000 during the last fiscal year, an increase of 1,000 per cent.

Mr. President, should there be any complaint made by this industry against existing conditions when such a tremendous showing has been made? It has been enabled, as I say, to possess itself of and retain the domestic market, which is the greatest market of the world, and has exported $11,500,000 of their product during the past fiscal year. The duty the Government has provided for this industry has aided in preserving the domestic market, because I find that in 1906 the quantity of boots and shoes imported from foreign countries was of the value of $43,000, and since that time to 1907 has increased only to $164,000.

It does not occur to me these interests are suffering or are endangered. Judging from the rate of wages paid, from the profits not only of the boot and shoe manufacturers but of the leather interest itself, they have been enabled to prosper, to develop, and to grow and retain the domestic market, and come into direct competition with the markets of the world and to secure their full share. Why should they during such prosperity at this time come and ask to strike down the nominal protection that is given to the farmers of this country upon the item of hides?

To me, Mr. President, it seems unwise, it seems unfair; to my mind it seems selfish in the extreme. The farmers of this country, especially in the area from whence this great product comes, are loyal protectionists. They believe in that policy. They do not believe in sectionalism.

I do not believe the manufacturing interests of the East should seek to take advantage of this great interest and despoil it of this limited protection, which, as it seems to me and as has been demonstrated here in this debate, inures to the benefit of the producers of cattle. Yet if it is stricken down, no compensation is proposed to be made, as far as the purchasers or consumers of either boots, shoes, harness, saddlery, or any of the products of leather are concerned.

Mr. President, I believe the proposed duty should be maintained in fairness to the great interests represented by the farmers and stock raisers of the country.

Mr. HEYBURN. Mr. President, I think that nearly every phase of this question has been covered by those who have spoken upon it; and yet I feel impelled to submit a few brief remarks bearing more particularly upon the political reason for maintaining the existing duty on leather, on hides, and on the products of leather.

I am not one of those who are in favor of putting shoes and the products of leather upon the free list merely because we can not, or in case we should not be able to, secure the duty we think we are entitled to. No greater element of danger could exist in this Government than that of retribution—of hitting back. There are times when it is a man's duty to hit back, but not when the responsibility of public service is behind his back. Spite legislation is intolerable even to contemplate. I am in favor of a duty, and a duty that will surely protect, within the principles of the Republican party, manufactures of every kind from leather. I merely say that in the beginning in order that there may be no mistake about my position on this question.

We have a right to demand at the hands of Congress a duty of 15 per cent upon skins and hides. You might imagine, from some of the suggestions that have been made, that the world was made yesterday. I find that in the first tariff bill that was enacted, at the beginning of this Government, they put a duty of 5 per cent ad valorem on hides and skins. They were wise enough then to frame their legislation so that it covered the skins of animals of whatever age or weight.

I suppose it may be suggested that we are wiser and that conditions have changed. Yes; we are wiser. We have available to us all of the wisdom of that period plus the wisdom that we have accumulated since. And I would not for a moment suggest that we are bound by the action of the First Congress; but I would suggest that it is in this day instructive to us in considering the application of the principles which are to be applied on the tariff question.

The Republican party stands pledged to a duty on hides. It stands pledged not only as a national party, but in the several States Republican majorities have been given because the Republican party was so pledged.

Mr. GUGGENHEIM. Mr. President——

The PRESIDING OFFICER (Mr. JOHNSON of North Dakota in the chair). Does the Senator from Idaho yield to the Senator from Colorado?

Mr. HEYBURN. Certainly.

Mr. GUGGENHEIM. I suggest the absence of a quorum.

The PRESIDING OFFICER. The Secretary will call the roll.

The Secretary called the roll, and the following Senators answered to their names:

Aldrich	Clay	Hughes	Paynter
Bacon	Crane	Johnson, N. Dak.	Penrose
Bailey	Culberson	Jones	Perkins
Borah	Cummins	Kean	Piles
Bourne	Curtis	La Follette	Rayner
Brandegee	Daniel	Lodge	Root
Briggs	Davis	Lorimer	Scott
Bristow	Dillingham	McCumber	Shively
Brown	Dolliver	McLaurin	Simmons
Bulkeley	du Pont	Martin	Smith, Md.
Burkett	Fletcher	Money	Smith, Mich.
Burnham	Flint	Nelson	Smoot
Burrows	Foster	Nixon	Sutherland
Burton	Frye	Oliver	Taliaferro
Carter	Guggenheim	Overman	Warner
Chamberlain	Hale	Owen	Warren
Clark, Wyo.	Heyburn	Page	Wetmore

The PRESIDING OFFICER. Sixty-eight Senators have answered to their names. A quorum of the Senate is present. The Senator from Idaho will proceed.

Mr. HEYBURN. Mr. President, because trusts exist and oppress us is not a sufficient reason for abandoning the principles of a political party.

There is another suggestion. There is nothing in the platform of the Republican party, nor does anyone, I think, claim that there is, that pledges us to reform either the Republican party or its principles. I know of no such declaration. So what I shall say in the few minutes—I hope to have the attention of those who remain—will be directed to that proposition.

There was a party in the political field last fall that pledged itself in favor of a revision of the tariff downward, and there was one that did not. The party that pledged itself in favor of a revision downward was defeated by more than a million votes at the polls. Are you going to undo that verdict? It is the verdict of the American people, and it is the verdict of the Republican party. Does any Republican dare to stand here and say he abides by and considers himself bound by the Democratic platform? Does he dare to stand here, or elsewhere, and say that the Republicans shall observe and adhere to the planks and political declarations of the Democratic party?

For one I do not. This question of the duty on hides is a large question, and affects perhaps more people than almost any other question that is before us. There are more than 10,000,000 people engaged in producing this article of commerce, and it is an article that comes home to more people of humble station than you would dream of. You talk about syndicates and trusts here. The cow that dies in the stable of the cotter means more to that household than the loss of a train load of cattle over an embankment on their way to the packing houses in Chicago.

Is there a man in the Senate who has not seen them weep over the death of that useful and necessary animal, and all that was left was its hide? The six, seven, eight, or nine dollars they got for it was all that remained to them. That instance can be multiplied by hundreds of thousands.

As I have had occasion to say before here, I am giving my thought most to that part of the people. The trusts need no protection. I do not care whether they have it or not. They are entitled to it as any other part of the people are, but I realize that they are strong enough to take care of themselves. But the poor are not, and the highest function of government is to protect the poor. Whenever one of these questions comes up, the first inquiry in my mind is, How will it affect the great mass of the people, who are neither trusts nor connected with trusts?

I am not going to discuss this for a moment from the standpoint upon which the Senator from Vermont discussed it. That is the side which needs no protection whatever. The question whether or not 10,000,000 hides taken off each year in this country are worth $3 or $10 is a question of importance. The average duty on a hide is from a dollar to a dollar and seventy-five cents. Of course it would be difficult to state it with absolute accuracy. That is the margin that stands——

Mr. PAGE. Mr. President——

Mr. HEYBURN. In a moment. That is the margin that stands between the owner of the animal that wears the hide and competition in the field of competition. Certainly I yield.

Mr. PAGE. According to the report of the manager or agent of the cattle association, if it be correct, the average price of hides for the twelve years named by him was $8.96. I think it is susceptible of absolute proof that the duty on a hide is 86.8 cents.

Mr. HEYBURN. It is easy to calculate it. It varies with the value of the hide. Anyone can determine what 15 per cent

of the valuation is. It is just that superrefinement of reasoning that blinds the mind and the eye to the real question at issue. This subject has been refined clear out of sight. There is a practical side to it, and I am going to talk about that side during the few minutes I shall speak.

Mr. PAGE. I premised what I said by a statement that if the value of the hide is as given by the agent of the Cattle Growers' Association, then it is capable of ascertainment or proof that the duty is exactly 86.8 cents.

Mr. HEYBURN. Yes; when you take a false premise you will always arrive in some cul de sac of reasoning. I have seen it done for many years. I am talking about practical affairs. I know what cattle hides weigh, and I know what they are worth, and I know what the duty on them is. I know that they vary in weight as an animal grows older, and I know that they are raw material of an expensive character. And I know that all this talk about kip and calfskin and hides is a part of the superrefinement of a plain, practical question.

I think I can safely say that no hide under 2 years old is dutiable. I say it in the presence of men here who are presumed to know, and I repeat that no hide under 2 years old is dutiable under the ruling of the Treasury Department. I am speaking of the general average. These hides are the raw material of the farmer until he sells them to somebody else, whose raw material they become. It was well illustrated by the Senator from North Dakota [Mr. McCUMBER] that this raw material is only produced after years of labor and expense. Every man who ever lay by the camp fire in a cattle camp at night or stood upon duty or sat upon his horse upon the line all night long in the snows of winter knows that the raising of this material and the producing of it is not child's play. I have some knowledge of the subject. I know what it is to ride a horse upon the plain in driving snow to prevent a stampede or head one off or round up the cattle. I have lain by the camp fire when it was cold enough to freeze the people on this coast almost out of their homes, instead of in them.

The weight of these skins is an important question in this item, because the department has seen fit to classify nothing as a hide unless it weighs 25 pounds or more. That was an inaccurate and an unjust interpretation of the law. It was intended to be differently interpreted; but I am not quarreling with that now. That would be a waste of time.

If we were contending here for a change in classification of this item, then it would be material to discuss it. I am contending at this hour to see the duty maintained at 15 per cent ad valorem, and I say, as far as it is proper to say it, that we have a right to demand it and expect it at the hands of the Republican majority in this Congress. We had a pledge for this. I yield to no man, not even to the Senator from Vermont, in my Republicanism. I think I understand the principles of my party as well as another. You pledged us this protection. It was existing law, and you pledged the people of this country that you would maintain their prosperity. You can not do it and take the duty off of hides. You can not keep the pledge of the party and take the duty off of hides, unless you subscribe to what I will read. I will read it and see if you recognize it, any of you, and I will not look at any particular Senator when I read it:

> We favor the revision of the tariff by the reduction of import duties.

I suppose you recognize it. It is a part of the Democratic platform in the last convention.

Mr. HALE. Is that the book the Senator from Missouri [Mr. STONE] had?

Mr. HEYBURN. No; I carried that book through the campaign in my pocket and told the people that those pledges would be kept. They believed those statements, and they voted for those principles and for the Republican party, and they sent me back here because they believed that I would stand for it here; and I would be recreant to their trust if I did less than demand that I should speak in the councils of the Nation and the councils of the Republican party for the keeping of those pledges.

I know the days are long and the temperature is warm. Men are tired, but that is no reason for shirking a duty. It is no reason for slighting these great questions or their consideration. You might multiply the temperature and the length of the days several times before I would begin to consider them when I see in danger the interests not only of my State, but the interests of the whole people and the class of the people who vote the Republican ticket and who are entitled to the consideration and the application of Republican principles. When I see their rights in danger I certainly shall not consider the convenience of any Member of this body nor my own, and I shall not watch the clock nor the thermometer.

What are you going to say to the people when you go back to the various States about the pledge that was written in the Republican platform to protect these interests and they ask, Why did you not do it? Would you say the day was too warm; it was midsummer? Dare you do it? I think not.

Now, here is another little platform that I want to know if anybody on this side of the House has stored away in their minds as a possible refuge of political retreat:

> We demand the immediate repeal of the tariff on wood pulp, print paper, lumber, timber, and logs, and that those articles be placed upon the free list.

That is in the platform, but it is not the platform that won. It is the one that lost.

Mr. HALE. Mr. President——

The PRESIDING OFFICER. Does the Senator from Idaho yield to the Senator from Maine?

Mr. HEYBURN. Certainly.

Mr. HALE. The memorandum book which the Senator presents has a familiar look to some of us. Is it the same vest-pocket edition of the Democratic platform that the Senator from Missouri [Mr. STONE] has so often presented to us?

Mr. HEYBURN. I think it is; but it has something more than our attention was directed to by the Senator from Missouri.

Mr. HALE. I hope the Senator from Idaho has not robbed the Senator from Missouri of this document.

Mr. HEYBURN. No. If that book were destroyed, and all like it, and every print upon which the precepts of the Republican party are written there, it would still be written; it would still be pronounced in the heart of the Senator from Maine, because those principles do not depend upon paper or ink for their stability and their existence, but they depend upon the spirit of patriotism and loyalty to the principles upon which the Republican party is founded.

Mr. HALE. I agree fully with the Senator. I was interested because the same document that he has brought from his vest pocket has been produced repeatedly by the Senator from Missouri as the Democratic platform.

Mr. HEYBURN. Oh, I see the point of the Senator's suggestion. That was the Democratic platform that has been referred to and relied upon and discussed pro and con by the Senator from Arkansas and Senators from other States. That is the Democratic platform. It was not the platform upon which any part of the present executive or legislative wing of the Government was elected in the last election.

Mr. HALE. And has been largely discredited, not only on this side, but on the other side of the Chamber.

Mr. HEYBURN. It is a growing discredit, Mr. President. It has multiplied, rather doubled itself, every time in the last three campaigns. Those same principles have been denounced by an increasing vote in every campaign since 1896.

Mr. HALE. The popular vote?

Mr. HEYBURN. Yes, sir; the popular vote, the vote of the American people. That is what counts. It may not count in the final manner of reckoning, but it is the expression of the will of the people.

Mr. President, I can understand that it was rather difficult for the senior Senator from Maine to recognize the quotation that I read, because his mind generally dwells upon one which is much more to our liking. It is thus.

Just give me your attention a moment, until I give you the genesis of the Republican party, and see if anybody fails to recognize it:

> That, while providing revenue for the support of the General Government by duties upon imports, sound policy requires such an adjustment of these imposts as to encourage the development of the industrial interests of the whole country, and we commend that policy of national exchanges which secures to the workingmen liberal wages, to agriculture remunerative prices, to mechanics and manufacturers an adequate reward for their skill, labor, and enterprise, and to the Nation commercial prosperity and independence. (Republican platform, 1860.)

The Senator from Maine will remember that. It is the first Republican banner under which I ever marched. With a little oilcloth cape on my shoulders and an oilcloth cap on my head, at the head of a company of Wide Awake boys, in 1860 I marched to that music on a great occasion, when John Sherman, then just having entered the United States Senate, was the orator of the day, the 11th of September, the anniversary of the battle of Brandywine, at the place where it was fought, and where Bayard Taylor presided over the meeting. My mind was opening to intelligence, it was learning the lessons of patriotism from worthy lips, and that doctrine sank deep in my heart, and it rested in the hearts of all around me. I learned it in the household, and I do not intend to forget it as long as I live.

Mr. BEVERIDGE. Mr. President——

The PRESIDING OFFICER. Does the Senator from Idaho yield to the Senator from Indiana?

Mr. HEYBURN. Certainly.

Mr. BEVERIDGE. How stood that great statesman, John Sherman, on the subject of hides? Was he for a duty on hides, or was he for placing them on the free list?

Mr. HEYBURN. He supported those political principles——

Mr. BEVERIDGE. Did McKinley, also?

Mr. HEYBURN. And any man who ever expected a nomination, whether it be in the State of Indiana or elsewhere, at the hands of the Republican party subscribed to that doctrine, because it has never been unwritten.

Mr. BEVERIDGE. Did McKinley also subscribe to that doctrine?

Mr. HEYBURN. Absolutely.

Mr. BEVERIDGE. And was McKinley for free hides or for a tariff on hides?

Mr. HEYBURN. That is about—I will not say as wild a question as I was ever asked—but I will ask the Senator from Indiana to take a living man in this body. What some man who has passed to his last rest would do does not appeal to me.

Mr. BEVERIDGE. The Senator from Idaho was referring, with his customary force and eloquence, to that first great pioneer of our party, and to an interesting occasion when he, as a young man, marched with oilcloth cape and cap and heard as the orator of the occasion that great man, John Sherman. I asked the Senator then, the subject of hides being under consideration, whether Sherman was for a duty on hides or was for free hides, and the Senator answered——

Mr. HEYBURN. Mr. President——

Mr. BEVERIDGE. Pardon me just a little; I want to call up this question, if the Senator will permit me.

Mr. HEYBURN. This question will have to come up in a little more concrete form, if it is expected that I shall reply.

Mr. BEVERIDGE. I will put it into a concrete form.

Mr. HEYBURN. Of course, I am not going to accept the views of John Sherman or any other man, except as they may correspond to thoughts that arise in my own mind.

Mr. BEVERIDGE. But the Senator then replied, not answering the question, that he stood, of course, upon this platform; and since we have discussed this and since the Senator is applying that platform to hides, I asked whether or not McKinley, the prince of protectionists, would also stand upon that platform, and if he was for a duty on hides or for free hides?

Mr. HEYBURN. I will answer the question, and I want to answer it now. McKinley was a Republican who helped to make platforms, and he never helped to unmake a Republican platform which existed prior to or during his lifetime. He would have been loyal and true to the principles of protection. I will go no further, because no man can speak further as to what he would have done or what he would do to-day. I have faith that any Republican who is imbued with the principles of the Republican party will stand to-day where McKinley stood, and where other Senators stand, for the principles of the Republican party.

Mr. BEVERIDGE. Mr. President——

Mr. HEYBURN. Just a moment.

Mr. BEVERIDGE. I want to ask a question.

The PRESIDING OFFICER. Does the Senator from Idaho yield to the Senator from Indiana?

Mr. BEVERIDGE. The Senator from Idaho is very thoroughly informed——

Mr. HEYBURN. Yes.

Mr. BEVERIDGE. And I ask the question for information—since the Senator says that he can not tell what McKinley would do—whether it is a fact that Mr. McKinley, in making his great bill, put hides on the dutiable or the free list?

Mr. HEYBURN. I suppose the Senator knows about it, and probably in a minute or two I may refer to that question directly.

The Republican party has been a growing party; it has been an advancing party. It never took a step backward; it never unwrote a plank or a principle that it ever professed or that it told the people it stood for—never. Can any Senator name a plank for which the Republican party ever stood that is not to-day one of the foundation principles of the Republican party, and that is not to-day written in the laws of the land? There is not a statute on the books in force to-day that was not first written in a Republican platform. I say that without any fear of contradiction. The platform of the Republican party in the past is the law of the Nation to-day.

Mr. BEVERIDGE. And was in McKinley's time.

Mr. HEYBURN. Mr. President, I wonder if the Senator would be interested in reading the platforms upon which President McKinley was elected on both occasions? I think I shall not take time to read them, but I will commend them to the attention of the Senator from Indiana, who, I have no doubt, took part in the campaigns, as I did, each in our own State or elsewhere. We did not support Mr. McKinley because he did not believe in the principle of protection; and it is perhaps more for that than for any other purpose that I stand here in this hour, and I want to sound this note, that men who are Republicans, or care to call themselves such, have no more right to vote for free hides than they have to vote for free trade in any other schedule.

It is not a question of choice. Your pledge is out; it is out to the party and it is out to the people. To bring up this hobgoblin of the trust is like a great face that you put on every time a schedule comes up that you do not like and you claim that there is a trust behind it. Will you abandon your house because some real or imaginary enemy steps in during your absence and takes possession of it? I guess not. We will not abandon the Republican party, even though it is claimed that a trust has taken possession of a part of it. We will drive the trust out, and we will rehabilitate the Republican party and keep it in the clean and pure atmosphere of government based upon the principles for which it stands. Shall we abandon the Republican party, even though trusts have come in and taken possession of a part of it? I guess not. The Republican party is not made up of that kind of men. We not only can make laws, but we can enforce them, and we can punish those who violate the rights, or any part of the rights, of the people.

Mr. President, there are $50,000,000 worth of hides produced every year in the United States. What are you going to do with them if you buy all the hides you need for tanning abroad? You are going to keep raising the cattle that wear them, because a profit of $2 a head on cattle is all that men who are in the cattle business on a large scale expect. A man with 40,000 head of cattle upon the range who can make $2 a head on them considers that he has made a success of the cattle business.

Talk about the trusts buying hides and tanning them! They buy them if they will pay more for them than somebody else will. In our country—and when I say "our country" I mean that watershed that surrounds us—there are probably 200,000 or 300,000 cattle that die and are skinned. There are 2,000,000 of such cattle in the United States. All that is left of those cattle is the hide. If that has no market and no price and brings nothing, then the cattle are a dead loss—2,000,000 cattle that would have been worth $50,000,000 at $25 a head. That is an item for consideration. The owners get only the price of the hides.

Mr. BEVERIDGE. Will the Senator permit me to interrupt him?

The PRESIDING OFFICER. Does the Senator from Idaho yield to the Senator from Indiana?

Mr. HEYBURN. It is always agreeable to be interrupted.

Mr. BEVERIDGE. Thank you. The Senator from Idaho referred a moment ago to the putting of anything on the free list as though, if one thing were put on, other things should be put on.

Mr. HEYBURN. I think the Senator from Indiana had better abandon that conclusion, and not draw it from anything I said. I did not say that.

Mr. BEVERIDGE. I hope not; but I have just turned to our free list, and I want to ask the Senator one or two questions about it. I find here that the hair and horns of cattle and other animals are put on the free list, and so is the hide. Would the Senator have a tariff upon hair? I also find that hoofs are put upon the free list as well as hides. Would the Senator from Idaho have a tariff on hoofs? I also find that horns are put upon the free list. Would he have a tariff on horns as well as on hides? Is it not perfectly logical that, if we have a tariff on hides, we ought also to have a tariff on horns? We make buttons out of horns—a very valuable by-product of the animal. Finally, I find in paragraph 497 that binding twine is put upon the free list. Does the Senator from Idaho think that a Republican House and that a Republican Finance Committee of the Senate, in putting binding twine and the rest of these things on the free list, showed any less Republicanism than John Sherman and McKinley showed when they put hides on the free list?

Mr. HEYBURN. I am appalled by the size of the speech which the Senator has laid out for me. I think I am not going to make it.

Mr. WARREN. Mr. President, I beg to remind the Senator from Indiana that in the making of the present tariff Mr. McKinley was President of the United States and had great influence in the Congress which passed the Dingley bill. He could easily have had hides put upon the free list if he had so desired. On the contrary, he did not so desire, and he signed the bill that made the law which put hides upon a dutiable basis.

Mr. BEVERIDGE. Mr. President, with the Senator's permission, I want to simply say that that was a pleasant and interesting reminiscence, but we have a public record as to what McKinley did upon this subject.

Mr. HEYBURN. If the Senator from Indiana will allow me a word, it may possibly assist. I do not object to interruption, but I do not think it is profitable to be drawn off in the consideration of the individual character or the individual views of any other man who is not present and participating in this debate.

Mr. BEVERIDGE. The Senator began that in his reference to John Sherman.

Mr. HEYBURN. Well, I think I was entirely within my privilege. I spoke of him as being the orator of the day upon a question of sentiment, not as an argument on this tariff question at all, which I think is very clearly within the privilege that a Senator has.

Mr. BEVERIDGE. The Senator controls the floor, and, of course, I shall not interrupt the Senator if it is not convenient to him.

Mr. HEYBURN. I make no objections to interruptions upon the bill.

Mr. BEVERIDGE. Then, if the Senator has no objection, would he object, as he has quoted John Sherman——

Mr. HEYBURN. I object to the reading or the injection into my remarks of any speech of anybody. I have no objection to the Senator speaking his speech, but I have objection to bringing in the speeches of other men. I can not submit to it at all.

Mr. BEVERIDGE. Very well; but the Senator does not need to decline to yield in any such terms as that. He was referring to Mr. Sherman, and I wanted to repeat what Mr. Sherman had said.

Mr. HEYBURN. Now, Mr. President, I will ask—and I will ask it argumentatively and not for the purpose at this particular time of having anybody answer it—where would the tanners prefer to buy hides? Would they rather buy them abroad or at home, do you think? If the spirit of patriotism cuts any figure at all, they would rather buy at home.

Mr. BEVERIDGE. Where do they buy now?

Mr. HEYBURN. They buy abroad to the extent of our imports. We export nearly as much as we import of this commodity. There is a difference, I think, of about $2,000,000, which is not a very large item.

Mr. BEVERIDGE. I see the Senator does not want to be interrupted; but just at that point, if it were not for that fact, I would ask him whether the tanners are not more and more compelled to buy of the packers, who are popularly known as "the beef trust," as a matter of fact, whether that is true or not?

Mr. HEYBURN. No, they are not; but the beef trust is probably just as good a market to buy of, if a man wants to buy, as anybody else, because the beef trust does not steal these hides entirely. They have bought them of somebody, and the ownership could be traced back each step.

Mr. BEVERIDGE. Do not the packers fix the price of hides?

Mr. HEYBURN. I suppose they do. I understood the Senator from Vermont [Mr. PAGE] to say that he used to stop to see his old friend down in Boston when he would go down there, and say to him, "Do you think we ought to put the price of hides up or down?" Did I misunderstand the Senator?

Mr. PAGE. No.

Mr. HEYBURN. It sounds very nearly like an imaginary conversation that goes along between Mr. Armour and Mr. Cudahy or somebody else—"Shall we put the price up, or shall we put it down?" What does that concede? What does it mean?

Mr. BEVERIDGE. I do not care to go into that. I asked whether the packers fixed the price of hides in this country, and the Senator said "Yes," and I think I will have no more questions to ask.

Mr. HEYBURN. They fix the price, so far as they are concerned. I regard it as more important that the price paid is a satisfactory one.

Mr. BEVERIDGE. Does not the Senator think that they fix just as low a price as they can?

Mr. HEYBURN. I think they probably do just what the Senator from Indiana would do if he were going to buy this commodity—he would buy it as cheaply as he could.

Mr. BEVERIDGE. I would certainly exercise all the advantage that was given to the beef trust.

Mr. HEYBURN. I see no element of original sin in that proposition. The statement that has been made here that the farmer or the owner of the animal does not receive consideration for the hides is absolutely without foundation. I go through the world with my eyes open, and I am surrounded by these conditions as by others. We have a million head of cattle in Idaho. I have checked up on it since the Senator's statement from some ancient record. That is not a very large number; but it means twenty to twenty-five million dollars' worth of stock of that kind; and that is not an item to be overlooked in your bank balance. It means that every one of those cattle wears a skin, which, if it is kept until it is 3 years old, will come within the dutiable class. Skins of animals but 3 years of age seldom weigh 35 pounds. The cheap grades of stock wear heavier skins than fine-bred stock. If you are in doubt about that, the next time you see a herd of high-bred Jerseys, go up and feel the hide and you will find it is comparatively thin. Then go to a herd of mongrel stock, or even Durhams, and you will find that the skin is much heavier.

Mr. President, I hardly think it would be worth while to take time to discuss the question as to whether or not the owner of the animal receives pay for the hide. If he sends his cattle to market at so much a hundred, the hide is worth, and it brings, just as much as a sirloin steak does—every bit. He gets just the same for a hide as he does for a sirloin steak; I do not care whether he sells it to the packer or whether he sells it to the storekeeper. There are millions of hides in this country that go to the country stores. That is the farmer's market in many parts of the country. I have seen it, and I know whereof I speak. In the fall, when the farmer is killing the meat to salt it and put it in barrels for winter use, he slaughters it himself, and he takes the skin, if there is no tannery near, to the grocery store or to some store where the man, being versed in prices, buys it and pays cash for it or gives credit to the farmer for it. When you add all these items throughout this country, you have half, or nearly half, of the product included.

Let us think about them for a moment, rather than about these awful trusts and packing houses that live in reality sometimes, but more often in the imagination of some one who would like to be a trust. I have looked into the faces of men whom I have heard denouncing trusts, and I have seen there the wrinkles of greed that would have made them foreswear all the virtue they ever possessed and become the most tyrannical magnates and trusts on earth. I have no sympathy with trusts that grind the people or violate the law or are guilty of injustice or oppression, and I have just as little with the individual who does those things.

Mr. PAGE. Mr. President——

The PRESIDING OFFICER. Does the Senator from Idaho yield to the Senator from Vermont?

Mr. HEYBURN. In a moment. An aggregation of men, as a rule, averages about the same as the units that make up the aggregation. Now I yield to the Senator.

Mr. PAGE. The Senator from Idaho speaks of my statistics being a little old. I have before me a leaflet which says:

> Consider the farmers' and stock raisers' interest in the new tariff law. Why discriminate against them?

On pages 4 and 5 I find this:

> The shoe and leather interests have been persistent in their endeavors to force upon the minds of the people the belief that hide production is very much circumscribed. The fallacy of the contention is at once exploded by consideration of the foregoing tables and figures in connection with the following table taken from the Crop Reporter for February, 1909, published by authority of the Secretary of Agriculture.

February, 1909, is about as late as I can find, and that gives Idaho as having 76,000 cows and 347,000 other cattle. That is not only a late date, but it comes from those who are professing to speak for the Senator's State in this case.

Mr. HEYBURN. Mr. President, having been forewarned by the statement of the Senator yesterday, I have ascertained the number of stock of various kinds in Idaho. We have a pretty good government out there. We have a statistician for the State that looks into those things. Idaho ten days ago is not the Idaho of to-day. The Senator probably does not realize that; but when he sees a city, the county seat of a new county, that is not 2 years old, nor a year and a half old, with 11,000 people in it, the Senator probably will begin to understand something about it. I telegraph when I want to know about Idaho. I do not even dare trust to the time elapsing between the mails for fear conditions will change. That is the kind of State to live in. [Laughter.]

Mr. PAGE. Mr. President——

The PRESIDING OFFICER. Does the Senator from Idaho yield further to the Senator from Vermont?

Mr. HEYBURN. Yes.

Mr. PAGE. I have heard that the Deity can do almost anything except produce a 2-year-old steer in a minute.

Mr. HEYBURN. Yes; I have heard that philosophy, too; but we are not called upon to pass upon that question. I do not have to apologize for the figures that I have given. The record will bear them out. I happen to have them before me

classified; but this is not an Idaho bill. It is a bill for all the people of the United States, and the State from which the Senator comes is receiving its fair share of the benefit through this legislation, and it behooves those who speak for such States to be just as generous to our States.

Mr. PAGE. Mr. President, the State of Vermont is ready to be as generous and as just to Idaho as any State in this Union. While I am on my feet I want to correct a statement that I made a moment ago. I said that the average duty upon each hide was 86 cents; I should have said 62 cents.

Mr. HEYBURN. I have those figures here, and I do not think there is much to be gained in discussing a principle by overillustrating it. It is like filling a book with figures and statistics. When you are reading it you come to the statistics, you read the names on the table, and you turn over to the end of it and go on. I think probably that is true, at least in a very great measure, of the remarks which are made for the purpose, or with the intention at least, of attacking men's minds upon a subject where they have not had occasion to wake up. That is what this is.

I might speak to the Democrats upon this question. If I do not, it is not because I do not appreciate their position or intelligence or support; but I come to a household that I have a right to appeal to on behalf of this question, and that is the Republican party, who sit on this side and to some extent on the other side of the Senate; and I have a right not only to appeal to them, but to remind them of their promises in the past, and in this hour to demand that they keep them. I am here to vote for protection in no mean spirit and in no slight margin; one that shall be protection not only for the large operator and the rich individual, but for the man with the little tannery back in the forest, or the man with the great interest that predominates a neighborhood. Protection has no element of aristocracy represented in it. Protection is for those who need it most; and you should commence the consideration of the question at the bottom of the scale rather than at the top.

When we were discussing the lumber industry, I heard nothing for several days but of mills that cut hundreds of millions of feet. When we were discussing a day or two ago the tariff on hides, nobody mentioned figures under a million dollars; and yet I can take you back into places that are as old as the history of the country and take you to tanneries that had descended from grandfather to father and to son and that to-day tan the hides of a neighborhood. They are entitled to protection in their interests and in their business just as much as the largest tannery in the country; but I would not deny the large one a protection that is sufficient, for the ordinary average will be sufficient for the large one, though of course the large ones could get along with less protection.

I would not discuss this from the standpoint of the National Stockgrowers' Association. That is the reason I did not read from the book, in which I notice they have printed some comments of mine on a former occasion. I do not discuss it, because it speaks for the aggregated interests of the country, which, if you were to wipe out protection, could live. They could live on their capital or go into some other business; but I rather prefer to speak—and I say this in no spirit of demagoguery, but I want to speak for the great mass of the American people, because they are the Government.

Republicans, where would you be without the farmers of the United States? The majority that we had in the last election came to you from the farmers in the country districts. If you do not believe it, look at the statistics and see. I undertake to say that had you eliminated the protective-tariff pledge of the Republican party, for which I am speaking to-day, from the campaign last fall, you would have had scant show, and I know whereof I speak. I went into the campaign, and I was in it from the beginning. I went into it in August and was in it every day and night until election. I found that what the farmers wanted to know was, "What can we rely upon in the way of stability?" They did not want any favors. I said, "You can rely upon the Republican party standing pat." I said, "You can rely upon retaining the duty on wool and hides and cattle and wheat and oats and barley and potatoes." I said, "You can rely upon it that we will furnish you a market for those things in the mines by protecting the products of the mines." I said, "You can rely upon it that when you have raised these things and have them ready for sale, the market will be standing ready to receive them."

You can not strike down industries that employ thousands of men who are consumers without striking down the market of the producer of those things which they consume.

Do not the 10,000,000 consumers engaged in raising hides count at all in this plea for the consumer that we have been hearing about? We hear Senator after Senator stand up here and say, "It is the consumer you are pledged to."

The affections of the party pledged to the consumer! Why, there are 10,000,000 of them raising cattle; there are 10,000,000 of them interested in this schedule on hides. Are they less consumers? They are consumers of shoes; they are consumers of the products of those skins and hides, just as much as the man who treads the marble floor or the halls of this Capitol. Are you going to cut out 10,000,000 consumers merely because, forsooth, they are producers as well and strangle them in their ability to be consumers? Where are you going to get a market for the products of your prosperity if you render these people poverty stricken and out of business? It matters not though the products of the earth were piled around you mountain high, you would starve to death, except to the extent you could eat them, unless there were consumers to purchase them; but if you make other people too poor to purchase your commodity, where are you going to find your market?

Are you going to buy hides from foreign lands and bring them in here, and then send the hides of this country to those foreign lands? Is that the scheme?

Deal at home—just as near home as you can buy, too. Deal with your neighbor and he will deal with you, and the circle will widen as the ripple upon the face of the still water widens to the shores, and come back again and repeat the reverberations of prosperity. This thing of buying skins in Australia and Argentina and Mexico to clothe the American people is a farce, and it is a wicked one, when we have them here. If the prosperity of business is maintained by proper provisions of law and conditions of government, they will increase. Just decrease by discouragement the production of hides and see how quickly you will decrease the production of beef and meat, and see how quickly you will feel it in the advanced price that always follows a decrease of production.

What do you want to do, bury the hides that come from these animals? No. I will tell you what you will do if you discourage cattle raising. The men now engaged in that business will go out of it and overcrowd some other neighboring business.

Mr. BEVERIDGE. May I ask the Senator a question?

The PRESIDING OFFICER. Does the Senator from Idaho yield to the Senator from Indiana?

Mr. HEYBURN. Yes.

Mr. BEVERIDGE. Will they go out of the business of raising cattle? You can not raise hides without raising cattle.

Mr. HEYBURN. That is what I am talking about. If you make cattle raising unprofitable, of course they will go out of the business. I saw the flocks of sheep in one of the Western States disappear just as fast as they could give them away. The result was, of course, that the price went up—the price of meat, the price of skins—but nobody had anything to buy it with. Certainly there can be no mistake but that the decrease in the production of cattle would mean an advanced price.

Who wants to buy meat brought from Australia in cold storage? Did you ever see it? I have. I have seen quarters of meat brought from Australia in cold storage that looked beautiful. They looked like wax works. They had a greenish-yellow tint. They had been frozen solid for months, and they were sold as prime beef, or offered as such. I do not want them. I want American beef, and I want to get it from a prosperous American citizen. I want to pay him a fair price for it, and I want to have the money to pay a fair price for it; and I can not have the money to pay a fair price for any commodity unless there is that prosperity surrounding me that enables me to draw to the extent of my credit from the various sources of revenue.

I have not talked figures to you, but I have talked government and the science of government, and I have talked Republican politics, and I have reminded you and myself of the pledges that we are under. Now, let us see what Republican will dare to vote against maintaining the pledges of the party—and they are wrapped up in this item. Retain the present Dingley duty on hides and you have only given them half a loaf, but they will not starve to death on it. They will have to adjust their digestion to the food you give them. When you vote upon this schedule, if you are ever guided in your life by the principles of the Republican party, it should be upon this occasion, and your time should not be frittered away by abstruse reasoning, by far-drawn conclusions. This is a plain principle of the Government that has been written in every Republican platform from its foundation.

I am ready to vote; I have always been ready to vote upon this question. I do not know that my remarks have tended to strengthen the faith of anyone, but I trust to God that men's consciences will be awakened and that they will direct them to

vote, as I believe they must vote, for the protective-tariff policy of the Republican party and a duty of 15 per cent ad valorem on hides.

Mr. BURTON. Mr. President, the question of a duty on hides can not be considered exclusively as a tariff proposition. A discussion of the principles of protection will not solve it. The whole course of business relating to the raising of cattle, the tanning of leather, the manufacture of shoes, is involved, and the nature of the organizations or persons who have to do with each of these branches of business must be taken into account.

The first objection to a tariff on hides is one which did not exist in 1872, when they were placed on the free list, nor to any great extent in 1890, when they were again included in the free list. In answer to the defiance of the Senator from Idaho [Mr. HEYBURN], who asked what Republican Senator here will dare to vote against a duty on hides, I have to answer him that I voted with William McKinley in 1890 against a duty on hides, for after that question had received elaborate consideration, no duty was imposed; nor was there any duty in the Dingley bill when I voted for it in the House in 1897, and I feel perfectly free to-day, or whenever the question comes up for a vote, to pursue the same course by voting against a duty.

The first objection to this duty is the manner in which the supply of hides is controlled. It is always dangerous if those who control the raw material are also competitors with the manufacturers who work upon the material. To an extent that is worthy of consideration in the iron and steel trade, in which those who are the largest manufacturers, though they do not manufacture half the total product, are very large owners of iron-ore mines. We might review the whole list. Suppose the owners of cotton were largely engaged in the spinning of cotton, the owners of wool in the manufacture of woolen cloths, and so we might go on indefinitely, it would be evident that those who manufacture and at the same time control the raw material would not only have a very great advantage, but would threaten the very existence of their competitors.

This is true in an unusual degree with the packers. It is conceded that they kill some 40 per cent of the hide-producing animals; and by their associations with butchers, and their hold on the trade, they control a very large additional percentage—perhaps 20 or 30 per cent. I wish to speak within bounds, but I am probably right when I say that the packers control 60 to 70 per cent of the hide product.

There is another point to be considered in that connection, and that is that the domestic supply of hides is not sufficient for the consumption, let alone the export of leather and shoes abroad. This makes the hide an article in the obtaining of which there is necessarily sharp competition. The consumers of hides would gladly obtain their supply at home, if possible. In that competition the packer, already having opportunity for monopoly in the beef trade, has another, an equal and, no doubt, greater opportunity for monopoly in the purchase or obtaining of hides, and if he choose to enter into the business of tanning leather he has a great advantage there. He has chosen to enter into the business of tanning leather; and establishments are being either abandoned or turned over to those interested in the slaughtering of beef, month by month.

So that we have this situation, which we might as well face now as at any time: This very extensive trade in tanning is threatened by the existing conditions or adjustments of business, under which those engaged in another variety of enterprise have so great an advantage that they can hamper, if not destroy, the business of those now engaged in the tanning industry. What would be the result if it were destroyed? Inevitably decreased competition, higher prices, and probably a decrease of foreign exports, but no benefit to any class or element of our people.

The second point against the duty on hides is this——

Mr. WARREN. Mr. President——

The VICE-PRESIDENT. Does the Senator from Ohio yield to the Senator from Wyoming?

Mr. BURTON. Certainly.

Mr. WARREN. May I ask this question? Suppose, for instance, we admit that the packers are tanning a large quantity of hides. How will the Senator prevent their having the same advantage in the case of free hides from other countries that other tanners do? What measure of defense have the other tanners, or what deterrent measure will the packers themselves have?

Mr. BURTON. There is a very obvious difference—several of them, in fact. First, a wider market; second, they now have the hides in their possession, belonging to the animals which they slaughter, while they would have to go forth and buy the foreign hides, where others would have just the same opportunity which they would have.

Mr. WARREN. Every hide they own they have to buy somewhere, of somebody, whether they buy meat with it or not, and of course they can send to any country and have the advantage of buying free hides. I fail yet to see the Senator's point.

Mr. BURTON. Not unless they carry on the business on a much larger scale, and not then under ordinary conditions. I may say further, in answer to the Senator from Wyoming and in continuation of what I had commenced to say, that they do not buy the hide as a hide. They buy the beef. I think it requires a great deal of ingenuity to show that the farmer is benefited by this duty on hides. That would be true if a hide were an independent product and the business were conducted for the raising of hides.

But, according to the figures which have been quoted here, the value of the hide is from one-tenth to one-sixth of the value of the animal. Why is it that the raising of cattle has increased in this country? If you will examine the statistics as to prices of food products for a range of thirty years, you will note that the increase in meat products has been greater than in almost any other kind of food. Peoples of the Old World, where the consumption of meat was formerly much smaller and restricted to animals raised at home, are now obtaining frozen meat from New Zealand, or imported meat in some form from Argentina or the United States, or they are bringing in great quantities of cattle to be slaughtered on the hoof in their own countries. This greatly enlarged demand for meat products has increased the supply of cattle, and it has also raised their price. It is this condition which will stimulate the raising of more cattle and not a 15 per cent duty on hides.

Suppose a hide is worth from a tenth to a sixth of the total value of the animal—let us say that it will average an eighth—and a 15 per cent duty is imposed upon the hide. Thus at the best the added price caused by the duty on hides is one-fiftieth of the value of the animal.

Suppose the farmer exposes his herd to the stock buyer, and the stock buyer offers a certain price. "But, sir, I must have an additional price, because there is a duty of 15 per cent on hides." "No," says the stock buyer, "I am buying these cattle for the beef that is in them, according to general prices which are fixed in the domestic market and are affected by the markets of the world. These animals may be exported to a foreign country in which there is no duty on hides. The prices of beef, the prices of cattle on the hoof, sometimes go up while hides go down; and even if it be an added element of value, it is only one-fiftieth, only 2 per cent of the value of this animal that you are offering to me. Can you expect me to take into account so trivial an increase in value as that?"

How much more is it the case when the packer, with his relations with the railway, with the grand scale upon which he does business, with his own choice as to when and where and how he shall ship his meat, absolutely controls the market?

It is not much of an exaggeration to say that the increased price of cattle by reason of a 15 per cent duty on hides is a phantom of the imagination.

There is one thing that seems to have been left out in this discussion, I may say, in this connection, that I doubt very much whether this duty has added to the price of hides. In the ten years from 1898 to 1908, it appears that the dutiable hides imported into the United States fell off from 126,000,000 pounds to 98,000,000 pounds, or 22 per cent.

Mr. WARREN. Mr. President——

The VICE-PRESIDENT. Does the Senator from Ohio yield to the Senator from Wyoming?

Mr. BURTON. I do.

Mr. WARREN. Will the Senator admit right there that he takes last year, the year of the panic, where about 90,000,000 pounds were imported, whereas if he goes back just one year before that he will find that there has been a regular increase up to that time?

Mr. BURTON. That there had been an increase up to 1897?

Mr. WARREN. An increase up to and including 1907; but in 1908 there was a very large falling off.

Mr. BURTON. The Senator from Wyoming refers to 1907, instead of 1897, as I at first understood him. For the purpose of the comparison I am making it does not matter what years are selected. Taking the period from 1898 to 1908, there was a falling off of 22 per cent in the imports of dutiable hides, while imports of nondutiable skins increased in the same period from 119,000,000 to 184,000,000 pounds.

The point I wish to make is to be noted in this connection and is this: The price of hides increased in the ten years from an average of $10.79 in 1898 to $12.24 in 1908, or 14 per cent; while the price of nondutiable skins increased from $19.61 to $23.61, or 18 per cent—4 per cent more.

I am entirely aware that this argument perhaps runs in the opposite line from those which many have made against this duty on hides; but in view of those figures it is not safe to rely on any increase in the value by reason of these duties. Why is it that the increase of the nondutiable skins has been greater? There is a perfectly natural explanation. The trade in the latter has grown more, because we have been enabled to buy these skins in any market, and especially without the handicap which attends the purchase of hides; also the tanning has increased and naturally the export trade has increased. Thus, along with the increased facility and volume of business, there has been that rise in price which naturally attends the increased volume.

Mr. President, this discussion has proceeded so long that I do not intend to detain the Senate much longer. I will call attention to a few figures showing by the years 1907 and 1908 that at times when the price of steers went one way the price of hides went the other way.

In the Chicago market in January, 1908, the price of steers was $5.30 per hundred pounds, as against a price of hides of $11.31. In March the price of steers rose from $5.30 to $6 per hundred pounds, while the price of hides fell from $11.31 to $9.36, a decrease of nearly 2 cents per pound. Again, in 1907, taking the change from the spring to the summer months of the year, in March the price of steers was $6.79, while the price of hides was $15.50. In June the price was $6.85, or slightly in excess of the March price, while the price of hides had fallen to $15. In September, with an increase in price to $7.25, there was a falling off from 15 cents a pound to 14 cents a pound. Instances of this kind might be indefinitely multiplied, under which it would be shown that the price of hides is a thing distinct and apart from the price of live cattle. In the adjustment of trade the tanner must have ready access to those markets in which hides are for sale or else he can not profitably conduct his business.

It has been stated here that the packers do not care about this duty. I desire to indulge in no attack upon them. They are conducting their business in the same way in which, I suppose, others would with like opportunities. They are enjoying the advantages they have and are pressing them to the limit. But it is evident that they do care.

In an interview in the Wall Street Journal of April 20, 1909, an official of Swift & Co. says:

> Any reduction in the hide tariff would injure the farmer, because the packers do business on so close a margin that cheaper hides would mean a slightly smaller return per pound to the farmer for beef on the hoof.

This solicitude for the farmer is, of course, extremely touching. Nevertheless, the packers are managing their business in their own way, and looking out for themselves, as anyone else would do.

It has been maintained here that the removal of the duty would make no difference in the price of shoes. There has been a good deal of argument on that point. I take it that if the tariff raises the price of the hides, it raises the price of leather and shoes as well; and if the price of hides will be lowered by a removal of duty, the price of shoes and leather will be similarly affected. The average rise in the price of leather in a pair of shoes ascribed to the tariff on hides would be from 2 to 8 cents. Some say it would be from 6 to 9. If it is true that the tariff does raise the price of hides and of leather, that is an amount sufficient to be taken into account.

There are many who think that a slight difference of that nature will be all absorbed by the retailer; that it will confer no benefit upon the consumer. It is true it is a comparatively small amount; but what would be the inevitable result? If competition is sharp, the great consuming public will get the benefit of that reduction, either in diminished cost or in improved quality. There is no branch of business in the United States in which competition is sharper than in the manufacture of shoes. Massachusetts leads; she is far and away in the lead; but New Hampshire, New York, Ohio, Missouri, and many other States have a very well developed shoe-manufacturing industry. There is no indication of any combination. A comparatively small capital, as compared with many other branches of business, will start a shoe-manufacturing establishment, and the personal element has been so extremely important that it is very easy to see that the full benefit of competition will be brought to bear.

In this connection the argument is made that if the duty is taken off hides it ought to be entirely taken off leather. To those who have made this argument, I want to say in this connection that so far as any local interest in my own State is concerned I can speak entirely without partiality. There is in my State a very large farming interest, an extensive raising of cattle; and there is a very considerable tanning as well as shoe-manufacturing industry. This variety of interests leaves the question entirely to my own judgment for decision. As an economic proposition, I have no possible hesitancy in deciding that question—that I should vote for free hides; and also, that a duty on shoes can, with propriety, still be retained.

Some Senators have spoken here as if in case the duty were removed on raw material it ought also to be removed on the finished product. But that is contrary to the principle of every protective tariff that has been framed since the very foundation of the Government.

The raw material costs a certain amount, frequently a somewhat increased amount as compared with other countries, because of the higher cost of labor here and the higher rate of interest on capital as compared with many other countries. Then each branch of the finished product, as well as the flax or the ore or other material, is produced at an increased cost as compared with foreign articles, measured by the ever-present higher wage cost and the higher average rate of interest on capital.

Iron ore is the very best illustration. On that the duty has been reduced from 40 cents to 25 cents per ton. Forty cents was a substantial reduction of the duties which prevailed before that. When that is melted into pig iron there is a duty at present of $4 a ton, reduced to $2.50 a ton. When that is changed still further into steel billets, there is a duty of three-tenths of a cent a pound. So it is, all through, with every process.

Take it in the case of lumber. Logs, I believe, come in free. An expression was used in the Denver platform asking that they be put on the free list. Perhaps it was thought that reiteration could not hurt; that they were already free and the principle of introduction without duty would be still further vindicated by putting a plank of that kind in the platform. But the logs are free. The moment you have the logs cut into a sawed form a duty is imposed. Then if it is planed or finished, there is another duty. Then if it is planed on one side and tongued and grooved, there is a higher duty. If it is planed on both sides and tongued and grooved, there is a still higher duty.

It seems to me it is striking a very discordant note in all the tariff legislation of the country to assert that because it is proposed to take off a duty on a form of raw material, a duty which did not exist during the twenty-five years between 1872 and 1897, the duty should be taken off the finished product.

If Senators will note the changes in the tariff, there is hardly any item in which the reduction has been greater than in this. Under the existing law the duty on sole leather is 20 per cent. It is proposed, if the duty be taken off hides, to reduce that duty to 5 per cent, or a reduction of 75 per cent. As regards upper leather, which is not particularly affected, it is proposed to reduce the duty from 20 per cent to the same on sheep and lamb skins. There is a reduction of one-fourth on these, as against a reduction of three-fourths on sole leather.

When we come to shoes, it is proposed to reduce the duty from the 25 per cent of the existing law to 15 per cent, in view of the reduced cost which it is expected will result from taking off the duty on hides.

I want to say in conclusion, Mr. President, that I do not believe there ever was any justification for imposing this duty. I am satisfied that the cattle industry was just as prosperous without it; that the farmer will reap the benefit of the raising of cattle to the fullest measure without it; that if any benefit accrues, it will be to those great establishments which buy and sell for slaughtering; that the continuance of this duty threatens not only a great industry—first the tanning industry and then the shoe and leather industry; also that it is likely, by promoting concentration in the business and even monopoly, to increase the cost of all these articles to the people.

Mr. ROOT. I have been asked to see that the position of the boot and shoe manufacturers is correctly stated to the Senate. It is so well stated in a letter from the National Association of Boot and Shoe Manufacturers, whose headquarters are in New York, that I will ask permission to have the letter read from the desk.

The VICE-PRESIDENT. Without objection, the Secretary will read as requested.

The Secretary read as follows:

THE NATIONAL ASSOCIATION OF
BOOT AND SHOE MANUFACTURERS,
New York, June 19, 1909.

Hon. ELIHU ROOT,
United States Senate.

MY DEAR SENATOR: Most of the public discussion of the question of free hides has confused the position of the boot and shoe manufacturer with that of the tanner, and I beg of you that you will not permit the discussion to close without bringing before the Senate clearly the reasons which have compelled the shoe manufacturers to press as forcibly as they could for the repeal of this tax. It has been urged that the

sole-leather trust is as great an "octopus" as the beef trust, and that if we, by the removal of this duty, escape the greed of the packer, it will only be to fall into the hands of the Central Leather Company, and that the result to the general public will be all the same. This statement shows complete ignorance of conditions in our trade. The sole-leather trust, while it tans from 40 to 45 per cent of the sole leather used in the country, is to-day and always has been surrounded by active competitors, of whom shoe manufacturers purchase freely, the market for sole leather being perfectly open and the competition fair and on exactly equal terms for both trust and independents. This condition has prevented the introduction of any objectionable trust methods and any unfair percentage of profit. In fact, if the sole-leather trust had not been very fortunate in its investments in bark lands, from which it derived large profits in lumber, it would have earned up to this time very meager dividends for its stockholders.

This condition has been entirely satisfactory to the shoe trade, and as it provided leather at the lowest basis of cost consistent with a living profit, was entirely favorable to the public and to the consumers generally. With free hides this condition will continue and no advantage can be taken by the sole-leather trust of the manufacturers of shoes. One of the largest shoe factories in the country, located in our State, has for years tanned its own sole leather; and if the shoe manufacturers had access to the hide markets of the world on equal terms, neither the beef trust nor the sole-leather trust would have any terrors for them. It is easily possible for any large shoe manufacturer to tan sole leather for his own needs, and so be wholly independent of any trust.

This suggests the entire basis of our opposition to the tax on hides. With this tax in force neither the shoe manufacturer, the independent tanner, or the sole-leather trust itself can secure its hides on equal terms with the packers. Consequently we are wholly unable to protect ourselves against their unjust demands. A discrimination in the cost of its raw material of 15 per cent in favor of one manufacturer and against another, is more than sufficient in any industry to build up the favored individual and destroy the other.

If the packers were compelled to sell their hides as they did when this duty was levied, and were not allowed to become tanners, the only objection to this tax would then be the added cost of the shoes and other leather goods to the people. But as they own the hides as an incident of their business as packers, and as we can not get the hides without becoming packers ourselves—or buying them with the added price caused by the tariff—is it not plain that this duty is taking our business from us and delivering it to them? Results now being rapidly accomplished prove the accuracy of these statements. The tanning industry is not, as has been stated, in a highly prosperous condition at this time. The packers have of late years frequently held hides at such high prices that tanners must face a serious loss or greatly increase the price of leather. Shoe manufacturers could not and would not pay the extortionate prices demanded, and many tanners in consequence of this condition have, after running on a limited production and without profit for a time, made terms with the packers, and either sold their tanneries outright or entered into contract agreements with them.

If this duty is not repealed, the independent tanner is doomed. The machinery for his destruction is now in excellent running order. The absorption will continue at a greatly increased rate, until the packers control the leather business of the country. When this great industry has been properly assimilated, then will come the turn of the shoe manufacturer, who will be entirely at their mercy. Another gigantic trust will be created, and the day of the individual merchant and manufacturer in this line of business will have passed.

Can you wonder that we are seriously in earnest? Is it unreasonable that we desire to deliver to our sons the business we have inherited from our fathers, or have built up by the devotion of our whole lives? Our love of existence as an industry is as strong as our love of existence as individuals. Has our country a right to legislate us out of that existence by a tax which has not in it one single element of protection? A tax which has not and can not cause a single hide, more or less, to be produced. A tax which has not provided employment for a single individual, or increased the wages of a single American workman.

Yours, very respectfully,

JOHN H. HANNAN, *President.*
By CHAS. H. JONES,
Chairman Tariff Committee.

Mr. TAYLOR. Mr. President, I have sat silent during the eternal debate upon this everlasting problem of tariff taxation, but I have been largely compensated by the consciousness that I have not only contributed to the dispatch of the public business, but given rest to the weary.

I have watched with deepest interest the storm which has been raging on the other side of this Chamber, not upon the question of whether high tariff is right or wrong, but upon how high a rate the American people will bear in these piping days of reform, so near to those other days before the last election when the Republican party was a walking petition and a living prayer, and when mellifluous streams of promises and pledges of revision poured from the lips of its orators like molasses from the bunghole of a barrel. [Laughter.]

I have been silent not for the lack of inclination to plunge into the discussion, but because I have been overawed by the fierceness of argument and by the keen flashes of repartee, which have thrilled me and filled me with fantastic terrors no mortal ever felt before.

I have sat speechless in my chair when the matchless Senator from Rhode Island [Mr. ALDRICH] rose up, and, standing firm but a little stooped, with the industrial world upon his back, pleaded with suppressed emotion for the wage-earners of our country and demanded that they shall have their 1 per cent of the profits of protection, blissfully indifferent as to who gets the other 99 per cent. [Laughter.] I have dodged behind my desk in mute but uncontrollable agitation as the thunderbolts of Jove rolled from the esophagus of the senior Senator from Idaho [Mr. HEYBURN] in defense of the American hog. [Laughter.]

I have been dumb with admiration as I watched the shepherd Senator from Wyoming [Mr. WARREN] drive the wolves from the fold, with wool in their teeth, but without the loss of a single Wyoming sheep. [Laughter.] I have retreated to the cloakroom when the impetuous Senator from Utah [Mr. SMOOT] flaunted his mercerized skirts in the face of the Senate and brandished his German razors in the air. [Laughter.]

I have watched New York, New England, and Pennsylvania, reenforced by Illinois and the Pacific slope, throw out their battle lines and close in on the rebels of the Middle West, and crush the spirit of secession against high tariff, once more letting down the bars of opportunity, and joyously hugging the Goddess of Liberty, as the big fat calf of the East once more bounds forward to the flowing udder of the West, and wallows his eyes and wiggles his tail in speechless bliss as he draws his daily tariff bounty. [Laughter.]

All these storms have blown for the honor and glory of protection. All these battles have been fought to preserve the dignity of labor. O labor, labor, how many crimes have been committed in thy name! O protection, how often are thy garments made the cloak of greed!

Sir, I have looked and listened until I have become accustomed to storms, and I am no longer frightened by wind. Therefore I have determined to get on the rear end of this discussion and disturb the atmosphere of the Senate for an hour on general principles, only touching the tariff at the high places, because there are no low places, except on a few raw materials.

The shifting scenes of American politics have been watched with ever-increasing interest by all the civilized nations of the earth for more than a century and a quarter. Our national life began in the throes of revolution against the unjust taxation of the colonies by the mother country. Out of that revolution came the blessings of protection, not to a few, but to all alike, with special privileges to none. Out of it came a written Constitution, establishing our dual form of government, defining the limitations of the federal power, and reserving all power not thus defined to the States forever. And thus the young Republic of civil liberty, bearing in her bosom the precious burdens of human hope and human happiness, appeared in the wilderness of a new continent, clearing the way for a new civilization, and giving a new impulse to the progress of the world.

But, Mr. President, I am only repeating what is known to all, that right in the hour of that great victory for the rights of men another war began, and it was fought out with ever-increasing fury on every stump, in every forum, and in the columns of every newspaper in the land for more than eighty years. It was a war of principles, a clash of ideas, a remorseless struggle between the two great opposing theories of federalism on the one hand and state sovereignty on the other.

When the time came for the formation of a more perfect Union, the two great overshadowing questions of national taxation and the extent and scope of national authority over the States arose. Alexander Hamilton believed in a strong federal government, with the centralization of power at its capital. He believed that the President and the Senators ought to be elected for life, and thus while he did not dare oppose a representative government, he clung to the policy of lifting it above the clamors of ever-shifting public sentiment and removing it as far as possible from the people.

But those stormy times brought forth the genius of Jefferson to give shape and form to the doctrine of the diffusion of power among the people themselves, placing in their own hands their own destiny and the destiny of their country. He believed that every State and every community ought to have the right to control its own domestic affairs unmolested by the federal power or by any other power under the sun. And, sir, he lived to see his ideals enthroned in the hearts of his countrymen and his theory of popular government woven into the very fabric of the Union, and then, in the peaceful shades of private life, with a halo of glory upon his brow, fell asleep on the bosom of old Virginia, the greatest apostle of human liberty who ever lived or died.

Hamilton perished on the field of honor long before his ideal was accepted as the fundamental principle of a tremendous political movement which culminated in the election of Abraham Lincoln to the Presidency, and, finally, in the submission to the arbitrament of arms the issue of whether the Federal Government was supreme or whether the States were sovereign, with the right to secede from the compact of the fathers.

That question, like some invisible cobra, lay twined in the Constitution, and it was apparent for more than a quarter of a century that it could only be settled by the sword. The collision could not be averted. It was the irrepressible conflict that Webster foreshadowed on this floor in his reply to Hayne. It

was the gathering storm that Clay postponed with his great compromise measures. It was the earthquake shock that Andrew Jackson feared when he held up his bony hand and swore "by the Eternal, the Union must and shall be preserved." Statesmanship and conservatism delayed it, but the hurricane came at last, and the hills of the South were torn with shot and shell, and her streams ran red with fraternal blood, and death stood grim and terrible on a hundred battlefields, beckoning a million men to the opening grave.

Sir, it would be folly to discuss the question now of who was right or who was wrong in that awful struggle. It is enough to know that however evenly divided the reasons were that impelled the flower of our country on both sides to rush to the cannon's mouth, the issue was settled forever.

The theory of Hamilton triumphed. A new system of government was built upon the ashes of the old, and the great national Republican party ascended the throne of power amid the shouts and plaudits of its worshippers. And the sword was beaten into a steel trust, and the canteen was beaten into a tin trust, and that party has been beating the American people ever since in the name of protection to American industry. Mr. President, what good came to us out of the Revolution, and what good came to our country out of the shedding of the blood of brothers in the civil war, if the burdens of taxation laid upon us by our masters at home are tenfold heavier and more oppressive than the burdens laid upon our fathers by their master beyond the sea?

I would rather see my country governed by centralized power on a throne than to see it ruled by concentrated wealth in this Capitol, for money bags are far more cruel than kings.

I have searched in vain the speeches and writings of Hamilton and Clay, the founders of the American System, for the remotest semblance of any purpose akin to this measure. The object of protection then was to create industries where none existed, and to foster them until they could stand alone. And neither of these splendid statesmen ever dreamed of the extremes to which their successors have gone.

America was a wilderness when Hamilton expounded the principle. England had forbidden and suppressed manufactures in the colonies, determined herself to supply everything for American consumption. There was scarcely a smokestack in the whole country. There were but few wage-earners, except in the fields; and it was under these conditions that the prolific brain of Hamilton conceived the plan to call into being a new system of industries which would give remunerative employment to labor and encouragement to the investment of capital and at the same time bring revenue to the Government. This is the principle preached by the leaders of the party now in power, but they can not trace the lineage of this bill back to those mighty men. For, I doubt not if they could have foreseen the prostitution of the doctrine which they unfolded, they would have recoiled in horror from the very word "protection" and sought some other way to uncover the riches of the Republic.

Sir, even the Republican party of to-day, which has slipped the last leash of restraint, did not begin its career with such a policy in its mouth.

In its platform of 1860 there was nothing but the bare mention of incidental protection, and neither in its platform of 1864 nor in its platform of 1868 was protection specifically mentioned.

In its platform of 1872 it still made revenue the purpose and protection the incident. And it was not until 1876 that it threw its loving arms around the wage-earner and pressed him to its bosom.

The wealth of the country has been shifting to a few great centers ever since in the name of the wage-earner, and a few magnates of finance in these few centers are manipulating and controlling all the chief manufactories, all the principal arteries of transportation, and all the banks between the two great oceans that divide the world. And, sir, the danger to our form of government lies in this continuous consolidation of corporate wealth and power, with its ever-increasing tendency to enlarge its demands and force the country to stand and deliver in the name of the wage-earner.

Agriculture is no longer the palladium of our free institutions; contentment no longer sings among the hills; but the restless millions are pouring out of the fields into the city and the town and into the mine and the lumber camp in search of higher wages, and we are building up a stupendous urban civilization, with every city a breeder of crime against God and man and the devil's own hothouse of corruption, under the outstretched wing of protection to the American wage-earner.

The Republican platform of 1908 calls for a tariff sufficient to cover the difference between wages at home and abroad plus a reasonable profit to the manufacturer. If this bill had been squared to the promise of the platform, there would have been no opposition to it by Republican Senators from the West and not many protests by Democratic Senators from any section, except against the tail end of it, promising a reasonable profit to the manufacturer. We could not foresee that when the schedules were made the tail would wag the dog.

But the platform and the bill are as different as the plan of salvation and Sherman's march to the sea; and God knows when Congress will adjourn. [Laughter.] I do not think that coveted event will happen until a few more eulogies are pronounced upon the wage-earner, and not even then until the rebels of the Middle West have been pacified. I think it will be done by the vigorous use of the plank favoring a tax on the incomes of corporations, recently jerked out of the national Democratic platform by our great President for the emergency.

What is the use to keep the country waiting? For the great transaction is almost done, and the "jokers" are still in the bill. Its framers have neither changed the policy nor reduced the average; they have neither heeded the appeals of Republican Senators representing great agricultural States in the Union nor the promises of their platform. They have banished Democratic Senators from their star-chamber councils and forbidden them from participating in the hearings before their committee. They are again about to deliver the masses over to the classes, and sharp-faced and lynx-eyed avarice will still continue to throw mock kisses at the pouting lips of plundered confidence, and the carriage of Dives will still continue to throw contemptuous dust from its glittering wheels on the squalid rags of Lazarus. The sovereign people will soon wake from their iridescent dream of revision downward to find the same old vulture of protection rising far above the Dingley minimum and soaring to the blue cerulean of the Aldrich maximum, with the American consumer by the seat of the pantaloons in his talons. [Laughter.]

The grand old party used to tell us that the foreigner paid the duty, and that we did not pay a dollar of it, and they rode into power on it; but that proposition soon got in the condition of Mark Twain's boat in a storm.

Mark said:

> She heaved and sot, and sot and heaved,
> And high her rudder flung,
> And every time she heaved and sot
> A mighty leak she sprung.

[Laughter.]

That proposition soon sprung a leak, and they got in another boat. They solemnly declared that the wall of protection would shut off foreign competition and honeycomb our country with home industries, and that home competition would hold down prices, and then the millennium would be at hand; and they sailed into power on that keel. The results which followed in the wake of this theory were like the fulfillment of a glorious prophecy, and it looked like satan was about to be chained for a thousand years by the Republican party. But when the tariff wall was completed, when they had built it high and strong, our home industries began to combine and our home corporations began to consolidate, and they have combined and consolidated until there is not enough of home competition left to fan the cheek of the trust or make a breeze in the markets; and therefore about 80,000,000 American citizens are at the mercy of their masters.

Protection has run men mad with lust for gold and hunger for power. There is the jingle of gold in the very laughter of modern financiers, the eyes of politicians are jaundiced with it, and I sometimes think that if the great Republic could be lifted up and spread out in the kingdom of heaven the Republican party would dig up the golden streets of the New Jerusalem in three hours, and levy a tariff on the harps of the angels for the protection of American industry. [Laughter.]

Mr. President, when Republican Senators have protested against the high rate of taxation carried in the bill under consideration, and pointed out its inequalities, they have been branded as insurgents, and told to their faces that they shall have to explain their treason in the next campaign. When Democratic Senators have declared their loyalty to the principle of a tariff for revenue, they have been dubbed "free traders." Of course there is not the semblance of truth in it, as they ought to know, for we all agree that a large amount of our national revenue must come from duties on imports. But how can we both tax a foreign article and admit it free? Therefore free trade is an imaginary goblin that haunts the dreams of our overzealous statesmen.

All Democrats agree that the tariff should equal the difference between wages at home and abroad, but we do dispute the proposition that the outstretched wing of measureless love for the

laboring man in this bill is in accord with that doctrine. For it is exacting sometimes ten and sometimes twenty times the difference, and here is where the enormity of the system lies.

We do deny that there is a fair and impartial distribution of the burdens of taxation in the scheme. We cling to the old Democratic doctrine of tariff for revenue, and that the highest tax should be levied on luxuries, the next highest on the comforts, and the lowest of all on the necessities of life. Can any just man find fault with that? Does it not meet every legitimate purpose in laying a tax? Would it not foster manufactures, protect wages, and provide for revenue? Would it not destroy the incentive and the opportunity for monopoly and wipe away the stain of injustice and the stigma of class legislation?

But what is the use to philosophize on what might be the happy condition of our country under a just and equitable system of taxation when there is an overwhelming majority here against it? Why plead for revision when there is no revision?

Sir, there was one last lingering hope left, but I fear it has flickered in the socket. I refer to the amendment offered by the junior Senator from Texas [Mr. BAILEY], called the "income-tax amendment." The Senators on this side of the Chamber believe it ought to be engrafted upon the system, because it would compel the rich and the near rich to help pay the expenses of a Government which gives them protection of life and property, wherever they may go, in every land and under every sky. They believe that a large number of Senators on the other side agree with them in their hearts, and that most of those who oppose the amendment are fighting it because they fear it would be the entering wedge which would split the present tariff system in twain. They fear it would give a new source of revenue to the Government and revolutionize the whole thing, for they know that the larger the volume of revenue pouring into the Treasury the less excuse there would be for high tariff. And they know that the downfall of high tariff would mean their downfall from power.

Sir, I hold that no better method of raising money to run the Government was ever invented by the ingenuity of man than that which is embodied in the principle of taxing all according to their ability to pay; and any other method is not only unjust, but vicious, and ought to be outlawed by all who love liberty and free government.

Sir, I admire our great President, great in mind and great in heart, but who can follow his changing views of this question? He was one of the foremost exponents of an income tax back yonder when his party was promising things it is now engaged in repudiating. And, now, after the House has followed his recommendation and provided a graduated inheritance tax, he comes with still another measure, emanating from this Chamber, which will defeat the very thing he has hitherto stood for.

I do not criticise the President, for I am sure he believes he is right, and I believe in his wisdom and patriotism and justice. But, sir, for all that, I think this body is absolved from its belief in his infallibility, when in the very measure commended to us as the ripe fruit of his wisdom an error is committed, which shows that sometimes even a great man's mind may slip a cog or miss a goal in the great golf game of politics.

It detracts from the immaculate perfection which lends its charm to a measure originating in such high quarters that the egg was cracked in the laying.

There is a vast amount of misinformation extant about the political origin of the so-called doctrine of "free raw materials." It was never a Democratic doctrine, although, as I have said, the party has in recent years favored it. It is a New England doctrine, because the manufacturers who get the bulk of protection's benefits are there, and they naturally want the raw materials untaxed, as a general rule, and thereby add to their profits.

It certainly can not be a southern doctrine, because the South abounds in raw materials, and it is not to the interest of my people to sell them cheaply for New England to manufacture and then sell back to us at high protective prices.

But, Mr. President, I confess that whenever the great Democratic party espouses a thing I at once become enamored of it. It is the way of all good Democrats, and it has its origin in the universal conviction among them that its doctrines are always conceived in righteousness and patriotism. There are thousands of our people clinging yet to the free-raw-material idea, because it was once espoused by the Democratic party as an expedient, but it was found long ago that the means did not reach the noble and patriotic end.

The senior Senator from Kentucky [Mr. PAYNTER] has thrown a flood of light upon this question in a recent speech upon this floor, especially as it relates to iron ore.

Sir, I can not conceive how the idea became prevalent that Democratic Senators must now vote against every measure to tax anything. The party has always stood for a tariff for revenue, and yet when we vote in the Senate for a revenue tariff on iron ore and other raw materials, there are some who are ready to decry it as un-Democratic in the face of the record that iron ore has been taxed in every revenue bill since the Government has existed, and that the 25 cents a ton is 15 cents less than it was even in the Wilson bill. It further appears, sir, and it is most astonishing information, that in that very bill every Democrat in the Senate save one voted for it.

The majority of the Senators on this side of the Chamber voted for a revenue tariff on iron ore and lumber, and we are in favor of a revenue tariff on coal and many other raw materials, because we believe it is the best illustration of Democratic principles.

We believe that when the old-time theory was reversed in 1892 it was a departure from the long-established Democratic faith, but that it was done in the hope that free raw materials would bring down the prices of manufactured goods; but prices went up instead of coming down. We believe, further, that it would be contrary to the Democratic creed to give to the manufacturer a tariff on what he sells and free trade on what he buys.

I believe that the true Democratic doctrine is a tariff for revenue on raw materials as well as on the manufactured goods. Sir, we are now almost a half a century beyond the settlement of that other issue which cost the Nation so much blood and treasure, and may God grant that we shall never have another struggle like it for the settlement of any issue. Time has pulled down the forts and leveled the trenches; time has healed and comforted and subdued the passions of men until the Mason and Dixon line is now only the red scar of honor across the breast of the Republic which marks the unity of our once divided country. Our people have been true to the dead and true to the living, and while they have stood by the principles cherished by their fathers, they have not shrunk from their duty as American citizens. They have paid far more than their share of revenue to support the Government with millions piled on millions in bounties to northern manufacturers. They have cheerfully paid millions more in pensions to soften the pillows and smooth the paths of the now aged veterans who defeated them in war. They have done more. Their sons rushed to arms under the old flag when the President called for volunteers in the war with Spain; and, still more, they stopped the panic of 1907. They stopped it with their cotton bales. The credit of the whole country, like Mazeppa of old, was lashed to the back of that wild panic, and but for the cotton crops of 1907 and 1908 the disaster to our commerce and trade would have shocked the world. Therefore, sir, the Senators and Representatives from the South feel that they ought to have had a voice in the legislation which means so much to their people. But we are told that the policies to which we cling once imperiled the industrial life of the Nation. We are told that under the operation of the Wilson revenue-tariff bill our industries were brought to a standstill; that labor was turned out into the world without employment; that business languished everywhere, and that the whole country was on the eve of bankruptcy, knowing, as they do, that these conditions were the result of the panic of 1893, which began before the Wilson bill was passed; that it was a world panic, brought on by overspeculation and overtrading and by the manipulations of the bears in the markets of the earth.

I now ask the Senators on the other side of this Chamber, What brought on the panic of 1907? The Wilson bill did not bring it on, because the Dingley high-tariff law was in full operation. Democratic theories did not bring it on, because the Republicans were intrenched in power.

What precipitated that panic, which again stopped the wheels of industry and left 2,000,000 men with empty dinner pails in their hands and empty stomachs at home, and which plunged so many thousands of the best business men in the land into almost irretrievable ruin? I repeat, Who stopped the clock of our prosperity in 1907? The most distinguished citizen of America, then enthroned in the White House, but now like some spectacled colossus bestriding the jungles of Africa, shouted, through a message to Congress, that the trusts and combines did it to discredit his administration. And the trusts and combines hurled back the answer that the President did it by his unnatural, unwarranted, and imperious efforts to tear down business.

Perhaps both accusations had something in them; but, sir, the country believes that the great aggregations of consolidated wealth, made possible by our tariff system and our financial system, did it. For our great protected industries have the

power to close the doors of the banks and stop the flow of money at will, because they own the banks; and the banks have the power to stop the wheels of industry, because they own the industries. The wild horse of the panic of 1907 has been stopped in its mad career and our credit has been rescued from destruction, but it has been in the hospital ever since. But the conditions which made that panic possible still exist, and more panics will come with greater fury unless these causes are removed.

France and Germany and other foreign powers are not asleep. They are gradually but surely checkmating us with measures of retaliation, and it is reasonable to believe that they will ultimately close their ports to us as long as we close our ports to them. The argument that they can undersell us is in their favor, for if it be true, they have the power to take from us the trade of the world and leave us without a market beyond the seas.

Sir, I warn the party in power now that long before the final judgment day shall come there will be a judgment at the ballot box, and the party so jubilant to-day will lie helpless and disconsolate, as the old Tennesseean who joined a great excursion to the beautiful city of Memphis in the days when the saloon was in flower. The old man, after lingering too long where Bacchus smiles, became hilarious and swore he could whip anybody in Memphis, and the crowd around him laughed. Then he swore he could whip anybody in Shelby County, and the crowd laughed again. Then he swore he could whip anybody in the State, and a stranger jumped him and beat him nearly to death and left him writhing on the floor. But finally he rose in a sitting position and exclaimed: "Gentlemen, I am afraid I kivered a leetle too much territory in that last proposition." [Great laughter.] They gave us the McKinley law, and the people stood it; they gave us the Dingley law, and the people endured it; but the Senator from Rhode Island will discover by and by that he has "kivered a leetle too much territory" in this last proposition.

The indications all point in that direction, for have we not witnessed the spectacle of many eloquent and far-seeing Senators on the other side of the aisle, who have had their ears to the ground, fleeing in the direction of low tariff? The time was, in the recent past, when the guides about the Capitol were pointing out to visiting pilgrims the beetling-browed senior Senator from Iowa and the sun-crowned senior Senator from Indiana as the Elijah and Elisha of protection. But strange things happened in Indiana last fall, and coming events are casting their shadows before them in Iowa and other great agricultural States beyond the Mississippi. It is therefore clear to all who have witnessed the impassioned supplications of many Senators from that region for lighter bounties to the rich and lighter burdens upon the poor that the chariot of fire is about to descend, and some of the prophets are in great danger of being caught up and translated into the heaven of private life where politicians cease from troubling and statesmen are at rest. [Laughter.] Mr. President, southern Senators have not been permitted to take any very prominent part in this legislation, nor in any other legislation affecting the national well-being.

Our people have been in the wilderness of political ostracism for more than forty years, and the children of Israel never encountered more trials and tribulations.

When the first gun at Fort Sumter heralded the approaching storm of war the civilization of the old South was at the zenith of its glory. It was a proud and haughty civilization and sat upon a throne of living ebony. Its wealth and power were unrivaled in the world. But when the last gun at Appomattox heralded the dawn of peace that civilization had fallen. Its cities and towns were in ashes; its wealth and power had departed; and the remnants of the armies who fought to save it, too exhausted to longer pull the trigger, too foot-sore and too proud to run, stacked their old bent and battered muskets in the anguish of defeat and went limping back to their ruined homes. There is nothing left of that civilization now but precious memories and the pathetic story of vanished dreams, lingering among its tombstones and monuments like the fragrance of roses that are faded and gone.

The men of the South did not sulk in their tents, neither did they despair in the midst of desolation. But accepting in good faith the decision of the sword, they volunteered in the armies of enterprise and industry, determined to retrieve in peace the prestige and power they had lost in war. But, sir, scarcely had the clouds of battle lifted when they were confronted with horrors more terrible than war. The dragon of reconstruction crawled into almost every capital and left its slimy trail in every community. The reins of state governments were transferred from the white hands of the master to the black hands of his emancipated slave. Black-hearted usurpation seized our gubernatorial chairs and black-faced ignorance sat in our legislatures. Millions of bogus debts were piled up like Ossa on Pelion; oppression and robbery were unrestrained, and outrage rode on every passing breeze and lurked in every flower. And, sir, but for the unconquerable blood of the Anglo-Saxon that ran in the veins of the clansmen of the South, outlawed as they were, and condemned as assassins, the map of the richest section of this Union would have been converted into a map of darkest Africa, with a carpetbag as the symbol of its degradation.

But those battle-scarred men, desperate in the darkest hour of their history, threw themselves into the breach and broke the neck of negro domination on southern soil and reestablished white supremacy there forever. Bayonets were withdrawn from the polls, deputy marshals were eliminated from elections, and a new star of hope shone through the rifted cloud that hung like a pall of gloom over our stricken country.

The Southern States quickly adjusted themselves to the new conditions consequent upon the abolition of slavery, and our people went to work. We had no industry save agriculture; no protection save the beneficent influences of God's sunshine and showers upon our fields. The negro problem was a barrier to immigration. It shut out enterprise from our borders and turned the streams of commerce to other sections. Capital shunned us, and nothing reached us but the Internal-Revenue Department and the tariff system.

Our mountains of coal and iron slept on, unjarred by the dynamite, undisturbed by the pick and the drill. Our marble and zinc and copper still slumbered in the quarry, and our vast forests of timber still waited for the woodman's ax.

Everything slept and slumbered but taxation. Our country had been decimated by war, humiliated by reconstruction, and weighed down by the highest tariff taxation this world has ever known, and we were in bad plight. We were in the condition of the good old praying member of the church who was afflicted all at once with every disease in the catalogue. He had rheumatism and aneurism and curvature of the spine and was finally stricken with paralysis; but after months of suffering he got better, and went shambling one evening to prayer meeting. The old preacher rose and said: "Now, brethren, I want us to have a good time here to-night. I want every one of you to get up and tell what the Lord has done for you. There is Brother Jones, God bless him; he has been afflicted and hasn't been with us for many months. Brother Jones, get up and tell us what the Lord has done for you." Brother Jones arose and hobbled out in the aisle, and said: "Well, he's about ruint me." [Great laughter.]

But, Mr. President, inspired by an unfaltering faith in the future, our people still marched on toward the summit of prosperity and happiness from which they had fallen.

I do not believe that any country under the heavens ever recovered so rapidly from the devastations of war.

I have gathered a few facts to illustrate our wonderful advancement from almost naked poverty to the very gates of fabulous wealth and glory. In 1870, just five years after peace returned to bless us, the population of the Southern States was 11,250,000 souls. But in 1906 it reached 24,352,000 souls, almost all of whom were native-born southerners, showing that one of our principal products was children [laughter], who had more than doubled the population of the South in thirty-six years, not taking into consideration the thousands of men we have furnished to the professions and to every branch of trade and commerce in the North and West, and the thousands of fair women we have given them to collect a tariff for revenue from their Yankee husbands, and, not counting the large negro population, we have contributed to almost every community north of the Ohio and the Potomac rivers, to give color to their patriotism and odor to their cherished ideals of the universal brotherhood of man. [Great laughter.]

In my travels in the North I have met with sneers at the ignorance of the southern people. And I admit that there is too much of that kind of raw material there; but I have seen more ignorance in a few northern cities than in all the Southern States put together. Our ignorance is not imported, and it speaks the English language. But how could we educate the generation that grew up after the civil war without schools and colleges and universities? Ours were burned to the ground, and we had to begin as the pioneers began, in the woods and without help from any quarter.

We were so poor that even in 1880 all the Southern States expended only $7,183,000 for public schools. But our advancement along educational lines was so rapid that in 1907 the same States expended $56,217,143 for public schools alone, and we have built innumerable colleges. In my State we have noth-

ing under a university or a colonel. We have the University of Tennessee at Knoxville, Grant University at Chattanooga, the University of the South at Sewanee, the Presbyterian University at Clarksville, the Baptist University at Jackson, the Lincoln Memorial University at Cumberland Gap, Cumberland University at Lebanon, and the great Vanderbilt University at Nashville, besides two colored colleges in that city. Of course these universities are not blessed with large endowments, but they are up-to-date and flourishing institutions.

One of the greatest institutions in the whole South is the Peabody Normal, located in the city of Nashville, a monument to the great philanthropist of that name. What State in the Union can make a better showing in universities? But, sir, I wish to present a few figures to prove the progress of the South along industrial lines, especially in agriculture.

In 1870 the Southern States produced 3,010,113 bales of cotton. In 1908 they produced 13,587,506 bales of cotton, the value of which is estimated at $681,230,956, or more than $250,000,000 more than the value of the output of all the gold mines in the world in the same year. In 1870 the South raised, in round numbers, 178,000,000 pounds of tobacco. In 1907 we raised 487,000,000 pounds. In 1870 we raised, in round numbers, 7,000,000 bushels of potatoes. In 1907 we raised over 22,500,000 bushels, and they were still digging potatoes when the reports came in. In 1870 our crop of hay was 903,000 tons. In 1907 it was 4,370,000 tons, and they were still making hay. Our corn crop in 1870 measured, in round numbers, 343,000,000 bushels. In 1907 it measured out 693,000,000 bushels.

In 1870 we garnered 30,000,000 bushels of wheat, and in 1907 nearly 45,000,000 bushels. I have not the figures to show the increase in the output of rice and sugar, but it has been enormous. Mr. President, I despise sectional jealousy, I abhor sectional animosity, but I do believe in sectional pride and sectional patriotism. I do not fall out with the East for believing that the aurora borealis is the reflection of the fires of eastern furnaces and factories, nor with the West for believing the sunset's golden glow is the reflection of western fields of grain; and why should they fall out with me for entertaining the opinion that the milky way is only the picture on the sky of the rice and cotton fields of Dixie?

Why should they fall out with me when I tell them that in spite of the blight of war and the curse of reconstruction, in spite of the discriminations of an unjust tariff system, my section of our common country has steadily climbed up the golden stairs?

We do not claim all the glory for ourselves, for men of thought and men of action in the North discovered long ago that the Chinese wall of the negro problem was only a shadow invented for political and commercial reasons, and they have seized opportunity by the forelock and furnished a large part of the capital to extend our railroad systems from 12,554 miles of track in 1870 to 63,784 miles in 1907; and when the problem of transportation was solved, they began to spend millions for furnaces and factories in our midst, and the result is that North Carolina has 350 cotton mills to-day. South Carolina has more spindles than North Carolina, and Georgia is not far behind either of them. Birmingham is leading the world with her pig iron, and the industry has just begun in the Birmingham district. We are just beginning to hear the shrill notes of the factory whistle and the music of machinery at every point of the compass in the land of cotton and colonels. There was never, in all the history of men, such an industrial awakening as has been rampant in the South. We have a monopoly on climate; the raw materials are at our doors; we have water power enough to run the machinery of the earth, and we can manufacture cheaper than any country this side of that country where raw materials and fuel are free.

Our railroad lines have already brought every section of the Southland in easy reach of the sea, and when the great Isthmian Canal is completed it will bring us by water 10,000 miles closer to the Orient, and thus give us a new outlet for our products. That canal will turn the stream of commerce from the Middle West to southern ports, and it will honeycomb the South and the great Southwest with diversified industries and make them blossom like the rose.

Our farm products have increased in value from $600,000,000 in 1880 to $2,225,000,000, and only about two-fifths of our lands are yet under the plow.

Our cotton crop in the past ten years reaches the enormous aggregate of 112,500,000 bales.

The South has a farm ready for each of 2,000,000 more farmers, and if only half of them were under cultivation the annual value of her crop would be $5,000,000,000.

Her truck crops for the northern market have arisen from inappreciable value to over $100,000,000, and it is progressing by such startling leaps and bounds that the prophets have set the mark at a billion within a few years.

She is making ten times as much pig iron as in 1880.

She has 41 per cent of the total forest area of the United States, and the value of her lumber output last year averaged a million dollars a day.

Her mineral output increased from a valuation of $13,818,000 in 1880 to $287,000,000 last year.

But, Mr. President, I know that our opponents on the other side of this Chamber will exclaim that if all this be true, the Southern Senators ought to vote solidly for the pending tariff measure, and thus insure the realization of our dreams. I answer them in advance that principle and justice are above policy. Our mechanical industries amounted to almost nothing through all the long, weary years when we needed capital to build them, and yet we had to pay the tariff. But we have prospered in spite of all. If we had nothing else but agriculture, we would still be growing rich.

But now that we have accumulated capital of our own, supplemented by the capital of the generous men of other sections who believe in our future, we are going to convert our own raw materials into finished goods, tariff or no tariff. We believe that we can compete with other nations on a revenue basis. We are confident that we can put New England out of business in the years to come under the system you are forcing upon us now. We know the system is wrong, forever wrong, for we have felt its grinding power. I heard the Senator from West Virginia [Mr. ELKINS] say not long ago, on this floor, that the South has paid four thousand millions since the war in tariff bounties to the North. We have been shipping our raw materials to the North for forty years, paying the freight and the bounty to the manufacturer, and then shipping them back in the finished goods, and paying the freight on our mowers and reapers and shovels and hoes and everything from a gang plow to a broom handle, and I am sure the Senator did not overestimate what it has cost our people who toil in the fields for their daily bread.

But let the curtain drop on that. The mill will never grind with the water that is passed.

But we are prepared for the future. And yet I do not believe that the United States will ever reach the high tide of its glory until we apply the golden rule and deal justly not only with our own people at home, but with the people of other nations. We can not hope to defend the principles of free government and to exemplify the blessings which they bring until we apply them impartially under our own flag. We can not hope to lead all the nations of the earth in commerce and trade until we are willing to buy as well as to sell. We can not hope to perpetuate our free institutions and to hand them down to posterity as a priceless heritage until we wipe from our statute books the last vestige of unequal and unjust taxation, the great destroyer of nations.

The PRESIDING OFFICER (Mr. KEAN in the chair). The pending question is on the amendment offered by the Senator from Mississippi [Mr. MCLAURIN] to the amendment of the Committee on Finance.

Mr. MCLAURIN. On that I ask for the yeas and nays.

The yeas and nays were ordered.

Mr. MCCUMBER. I ask that the amendment to the amendment may be read again.

Mr. BURKETT. Let the amendment to the amendment be read.

The PRESIDING OFFICER. It will be read.

The SECRETARY. It is proposed to add at the end of the amendment proposed by the Committee on Finance the following words:

The word "hides" as used in this paragraph shall be understood to include all skins of any kind and all kinds of cattle and calves of any weight or size of such skins, however small.

Mr. ALDRICH. I hope the Senator from Mississippi will withdraw this amendment, and allow us to vote on the committee's proposition. As I understand the attitude of the Senator from Mississippi, he is in favor of free hides and free shoes and free leather and everything else free; and he takes the unusual method of arriving at that result by taking articles now on the free list that have always been free and putting a duty on them. I hope the Senator will withdraw his amendment to the amendment.

Mr. MCLAURIN. I can not withdraw my amendment. I will say to the Senator from Rhode Island that I have tried to make myself understood. I am in favor of free hides, free leather, and free shoes; but if there is a tariff on shoes and a tariff on leather I am in favor of a tariff on hides, provided all hides are put under the duty. I am not, though, in favor of a tariff on the big hides and no tariff on the little ones. If there is any protection in this tariff—and, of course, there is

a protection in a tariff for revenue, an incidental protection—the small hides ought to receive the benefit of it just as well as the large hides.

My amendment is that there shall be no discrimination. It merely defines what a hide is; that a hide is understood to be the skin of an animal that weighs not more than 10 pounds or 5 pounds as well as the skin of an animal that weighs 25 pounds. I therefore can not withdraw it.

Mr. BEVERIDGE. Will the Senator from Mississippi permit a question?

Mr. McLAURIN. Certainly.

Mr. BEVERIDGE. I did not see the Senator's amendment until just a little while ago when he brought it to me. May I ask a question along the line of the remarks of the Senator from Rhode Island? In case a duty should be voted on hides, at any rate the same kind of a duty as now exists, and the Senator's amendment should first be adopted, then would the result be practically placing that same duty on every kind of hides, and thus taking out from the free list a variety of hides which always under every bill have been put upon the free list? Is that the case?

Mr. McLAURIN. I do not agree with the Senator in his construction.

Mr. BEVERIDGE. I am asking the Senator if that is the case?

Mr. McLAURIN. My idea is, that under the law all hides were subject to the duty, but that the ruling of the Treasury Department, putting on the free list hides weighing less than 25 pounds, was wrong and against the intention of Congress in putting the duty upon hides. I therefore wanted a definition by Congress that all hides of every weight shall be included under the word "hides," and that there shall be no opportunity on the part of the Treasury officials to construe it away.

Mr. BEVERIDGE. The question still remains whether that be the method or whether the law is now correctly construed or not. Would the effect of the Senator's amendment for practical purposes be to take off of the free list a number of varieties of skins which have always been on the free list, and specifically place them upon the dutiable list by the language of the law itself? Would that be the practical effect?

Mr. McLAURIN. The Senator can read the amendment, and he is as capable of construing it as I am. There could be no question about that. The Senator knows what would be the effect of it.

Mr. BAILEY. As I understand, the whole purpose of the Senator from Mississippi—and I thoroughly sympathize with it—is to equalize the tax. There never was and there never will be any decent excuse given for permitting one man to bring in a hide that weighs 24 pounds without paying a tax and compelling his neighbor who brings in a hide weighing 26 pounds to pay a tax.

One other suggestion, and then I will not detain the Senate. On every one of these hides, which under the House bill are made free, under that same House bill there is a duty imposed on the hide after it passes into the manufacturer's possession and has been subjected to his process. In other words, the tanner or the manufacturer of shoes is permitted to bring in his hides without the payment of a tax.

He tans it and passes it over to the shoemaker. The shoemaker converts it into a shoe, and then has a tariff on that shoe for its full price, equal to 15 per cent. That 15 per cent not only includes the value of the labor employed in converting the hide into a shoe, it not only covers the increase in the value due to the investment of capital and the realization of a profit, but that 15 per cent also covers the value of the hide on which the manufacturer has not paid a cent of duty. In other words, your free-hide proposition is to give the manufacturer a duty on that part of the finished product represented by the value of the free hide and yet charge him no duty on that value itself.

Now analyze it. There never was anything more unjust and more indefensible. The manufacturer, I repeat, imports a hide and pays no duty on it. He converts that hide into a shoe, and then collects a duty on it from the American people, the duty including the value of the hide as well as the value of the labor and the investment, and your whole proposition is to allow the manufacturer to collect a tax from the people that he has never paid to the Government.

Mr. CLAPP. Mr. President, I just want to say that while I do not believe under all the circumstances that any duty should be imposed upon hides at all, yet my objection has gone to the proposition that under the proposed amendment the producers of only certain hides would get the benefit of that protection, but it did not go as a general thing to the small farmer of the country.

Now, the House voted for free hides. If the Senate should vote for a tax on hides without the amendment of the Senator from Mississippi, it would be limited to the particular class of hides covered by the Senate committee amendment. I for one, therefore, shall vote for the amendment of the Senator from Mississippi, to the end that if in the last analysis we must have a duty on hides, it shall be universal and general in its application.

Mr. GORE. Mr. President, as I understand the amendment offered by the Senator from Mississippi [Mr. McLAURIN], it is to place all hides on the dutiable list in the event that any kind of hides whatever are to be placed upon that list.

I desire to say that I shall vote for the amendment offered by that Senator, and then, whether that amendment prevails or not, I shall vote against the entire proposition to place a duty on hides. I vote for his amendment because we have been assured that the duty on hides is necessary to protect the farmers of this country. Of course, I believe in all these protestations of friendship in behalf of the farmer. Everybody is the farmer's friend.

Now, sir, there is no reason why an arbitrary line should be drawn at 25 pounds. If the man who removes a hide of 26 pounds should enjoy protection, if it affords any benefit, on the other hand, the man who removes a hide weighing only 24½ pounds ought equally to enjoy protection, and should not be exposed to the competition of the world.

I have no sympathy with that arbitrary line. The farmers of the country remove the small hides, and if it is the intention of this provision to protect and shield the farmers against the foreigner, then place the small hide on the protected list as well as the heavier hides.

For my own part I am opposed to all duties on all hides whatsoever. I am against a duty on big hides, and I am against a duty on little hides. I am merely opposed to the discrimination. I am not willing to betray the farmer without a kiss. I desire to see the United States leading the contest for commercial supremacy of the earth.

I shall vote for every measure calculated directly or indirectly to promote that consummation so devoutly to be wished.

Mr. BEVERIDGE. Mr. President, I shall vote against the amendment of the Senator from Mississippi owing to the fact which my question to him elicited. I am not prepared to vote for any measure, without any substantial economic reason being shown, which will take off the free list a number of articles which under our laws at all times have been on the free list.

As to the main proposition itself, I will not detain the Senate any further at the present time. When the Senator from Mississippi presented his amendment it looked very attractive to me; but upon thinking it over I find that its net result will be, in case of voting a duty on hides at all, to cover a large range of products with that very duty which never before in our history under any bill passed by any party bore a duty upon them. It is a departure in the way of putting a tariff duty upon such articles that I am not now prepared to take.

Mr. SMITH of Michigan. Mr. President, I realize that the Senators have heard about all the debate that they care for upon this proposition, and I do not propose to detain you further by a lengthy discussion of this measure. I simply desire to say that I voted for free hides, as all Republicans did, when the Dingley bill passed the House of Representatives. For three-quarters of a century we have had free hides in this country. There is not a great commercial country in the world which imposes a duty upon hides. The entire business world recognizes that there is a great scarcity of this article. The packing houses acquire it as a by-product, and pay the farmer and cattle raiser very little for it, arbitrarily fixing the price. The tanners need the hides, and the leather manufacturer finds great difficulty in obtaining them. I can see no reason for limiting this supply and concentrating it into a few hands.

Mr. Blaine and Mr. McKinley and Mr. Harrison and Mr. Arthur and Mr. Garfield and Mr. Dingley, all good protectionists, saw no wisdom in maintaining this duty. The dependence of our tanners and leather manufacturers upon South America everyone admits. It is the idlest folly to make this item a test of a man's devotion to the principles of protection, and the maintenance of this duty is an economic and political error. The House of Representatives saw no wisdom in it, and the same body in McKinley's administration saw none. Thousands of people protest against it. The multiplied uses of leather call loudly for a world's supply of raw material, and we shall be unfaithful if we do not heed the call.

We know the demands which are made for this necessary product, boots and shoes, harness and saddles, while every woman carries a leather bag. Every factory, with its thousands

of workmen, uses leather belting; every furniture manufacturer uses it as a part of his art and for the convenience of his patron. Our country can not supply the demand, and I see neither wisdom, policy, nor common sense in the extreme position to which some Members of the Senate would lead us in this matter. In perfect harmony with my past record as a protectionist, I intend to cast my vote against the committee amendment; but I do not propose to be led into the error of casting my vote against a duty on the manufactures of that raw material, made by hundreds of thousands of my countrymen, and which I still desire to see converted into the finished product upon our own soil for the benefit of the American people.

The PRESIDING OFFICER. The Secretary will call the roll on agreeing to the amendment of the Senator from Mississippi [Mr. McLAURIN] to the amendment of the Committee on Finance.

The Secretary proceeded to call the roll.

Mr. GUGGENHEIM (when his name was called). I have a general pair with the senior Senator from Kentucky [Mr. PAYNTER], who is unavoidably detained. I withhold my vote.

The PRESIDING OFFICER (when Mr. KEAN's name was called). The present occupant of the chair is paired with the senior Senator from Tennessee [Mr. FRAZIER]. If the Senator from Tennessee were present, I would vote "nay."

Mr. PERKINS (when his name was called). I am paired for the day with the senior Senator from Maryland [Mr. RAYNER], who is unavoidably absent. I withhold my vote.

Mr. SMITH of South Carolina (when his name was called). I am paired with the junior Senator from Wisconsin [Mr. STEPHENSON].

The roll call was concluded.

Mr. CHAMBERLAIN. I wish to state that my colleague [Mr. BOURNE] is paired with the senior Senator from Arkansas [Mr. CLARKE]. I make the announcement for the balance of the afternoon.

Mr. CLAY. I am requested to state that the senior Senator from Tennessee [Mr. FRAZIER] is at home sick, and he is paired with the junior Senator from Delaware [Mr. RICHARDSON]. If the Senator from Tennessee were present, he would vote "yea." I will let this announcement stand for the balance of the day.

The PRESIDING OFFICER. The Chair will state that the senior Senator from Tennessee [Mr. FRAZIER] is paired with the senior Senator from New Jersey, the present occupant of the chair.

Mr. CLAY. I was informed that the senior Senator from Tennessee was paired with the junior Senator from Delaware. So that he is paired, it does not make any material difference.

The result was announced—yeas 31, nays 48, as follows:

YEAS—31.

Bacon	Crawford	Johnston, Ala.	Overman
Bailey	Culberson	Jones	Shively
Bankhead	Davis	McCumber	Simmons
Borah	Dick	McLaurin	Smith, Md.
Bradley	Fletcher	Martin	Stone
Chamberlain	Foster	Money	Taliaferro
Clapp	Gore	Nelson	Tillman
Clay	Hughes	Newlands	

NAYS—48.

Aldrich	Clark, Wyo.	Frye	Owen
Beveridge	Crane	Gallinger	Page
Brandegee	Cullom	Gamble	Penrose
Briggs	Cummins	Hale	Piles
Bristow	Curtis	Heyburn	Root
Brown	Daniel	Johnson, N. Dak.	Scott
Bulkeley	Dillingham	La Follette	Smith, Mich.
Burkett	Dixon	Lodge	Smoot
Burnham	Dolliver	Lorimer	Sutherland
Burrows	du Pont	McEnery	Warner
Burton	Elkins	Nixon	Warren
Carter	Flint	Oliver	Wetmore

NOT VOTING—13.

Bourne	Guggenheim	Rayner	Taylor
Clarke, Ark.	Kean	Richardson	
Depew	Paynter	Smith, S. C.	
Frazier	Perkins	Stephenson	

So Mr. McLAURIN's amendment to the amendment of the committee was rejected.

Mr. STONE. Mr. President, on yesterday I gave notice of an amendment that I should offer as soon as the amendment proposed by the Senator from Mississippi [Mr. McLAURIN] was disposed of. I now offer the amendment which I send to the desk.

The PRESIDING OFFICER. The amendment proposed by the Senator from Missouri will be stated.

The SECRETARY. It is proposed to strike out all that part of the pending amendment after the word "pickled," in the first line, and in lieu of the matter stricken out to insert the following:

Leather made from the hides of cattle; boots and shoes made of leather, or of which leather is the component material of chief value; harness, saddles, and saddlery, finished or unfinished, made of leather, or of which leather is the component material of chief value; bands and belting, made of leather, for use on machinery; all the foregoing shall be admitted free of duty.

The PRESIDING OFFICER. The question is on the amendment proposed by the Senator from Missouri.

Mr. STONE. Mr. President, I am not going to debate this amendment at this time. There are some observations that I wish to make in support of it later on. I voted a little while since for the amendment offered by the Senator from Mississippi [Mr. McLAURIN], not because I was thoroughly in sympathy with it, but because I thought its adoption would strengthen the proposition I am now making. Other Senators here can debate this amendment if they wish. I shall not; but I give notice now that if the amendment is defeated in the Committee of the Whole, I shall offer it again in the Senate, and then I shall have something to say in support of it.

Mr. DANIEL. Mr. President, I wish to ask the Senator from Missouri a question with a view of obtaining an accurate understanding of his amendment, as I have it not before me.

Mr. STONE. If the Senator will pardon me, I will say that if the amendment should be adopted, it would put on the free list hides of cattle, leather made from hides of cattle, shoes made of leather, harness made of leather, and bands and belts made of leather for use in machinery.

Mr. DANIEL. I wish to ask the Senator from Missouri why it is that he puts a band or a belt for a machine on the free list and keeps bands and belts that go upon the human body, or a part of it, on the tax list?

Mr. STONE. I have no objection to all leather bands or belts going on the free list; but when we enter upon a band or a belt, such as the Senator from Virginia refers to, we are then dealing with articles of human wearing apparel, an entirely different class of articles, which would bring on a debate upon entirely different lines; and it seemed to me to be advisable to confine the amendment as I have.

Mr. SIMMONS. Mr. President, I wish to ask the Senator from Missouri a question. As I understand, the committee amendment proposes a duty of 15 per cent on hides. That is what we are about to vote on.

Mr. STONE. The amendment that I have just offered, if adopted, would put hides on the free list.

Mr. SIMMONS. But I am speaking about the committee amendment, which proposes a duty of 15 per cent on hides. I do not understand that the Senator from Missouri proposes to put leather and shoes on the free list unless hides are put on the free list.

Mr. STONE. The amendment provides for hides going on the free list.

Mr. SIMMONS. I was going to suggest to the Senator, why not permit us to take a vote on the committee amendment, which proposes a duty of 15 per cent on hides, and if, as the result of that vote, hides should be put on the free list, then offer his amendment to put leather, boots, and shoes on the free list?

Mr. CULBERSON. I will ask the Senator from Missouri if his amendment will not accomplish by one vote what the two votes would accomplish, as suggested by the Senator from North Carolina? I do not know that it will, but I am asking for information.

Mr. STONE. The amendment proposed by the Finance Committee in the first line provides that hides of cattle, raw or pickled, shall bear a duty of 15 per cent ad valorem. After the word "pickled," there is a further provision in the committee amendment. The amendment offered by me strikes out all of the committee amendment after the word "pickled," so that, if it should be agreed to, the entire amendment would be "hides of cattle, raw or pickled, leather made," and so on, shall be free. It would cover the whole. The proposition is to strike out all of the committee amendment after the word "pickled" and insert in lieu of the matter stricken out what I have sent to the desk.

It seems to me that the suggestion of the senior Senator from Texas [Mr. CULBERSON] is correct, and if we have a yea-and-nay vote on this amendment at this time, it would end the necessity of two yea-and-nay votes. If a majority vote against it, there will be no need of a yea-and-nay vote on the committee amendment, though I really am indifferent as to that.

Mr. SIMMONS. The Senator will not understand me as in any way indicating any opposition to the amendment. I was simply making the suggestion.

Mr. STONE. I will ask for a yea-and-nay vote on the amendment, Mr. President.

The yeas and nays were ordered, and the Secretary proceeded to call the roll.

Mr. GUGGENHEIM (when his name was called). I again announce my pair with the Senator from Kentucky [Mr. PAYNTER].

Mr. KEAN (when his name was called). As heretofore announced, I am paired with the Senator from Tennessee [Mr. FRAZIER]. If at liberty to vote, I should vote "nay."

Mr. PERKINS (when his name was called). I again announce my pair with the senior Senator from Maryland [Mr. RAYNER].

Mr. SMITH of South Carolina (when his name was called). I am paired with the junior Senator from Wisconsin [Mr. STEPHENSON]. If he were present, I should vote "yea."

The roll call was concluded.

Mr. OVERMAN. I wish to announce that if the senior Senator from Maryland [Mr. RAYNER] were present, he would vote "yea."

The result was announced—yeas 26, nays 48, as follows:

YEAS—26.

Bacon	Culberson	La Follette	Simmons
Bailey	Cummins	McLaurin	Smith, Md.
Bristow	Daniel	Martin	Stone
Chamberlain	Davis	Money	Taliaferro
Clapp	Fletcher	Overman	Tillman
Clay	Gore	Owen	
Crawford	Johnston, Ala.	Shively	

NAYS—48.

Aldrich	Clark, Wyo.	Gallinger	Oliver
Beveridge	Crane	Gamble	Page
Borah	Cullom	Hale	Penrose
Bradley	Curtis	Heyburn	Piles
Brandegee	Dick	Johnson, N. Dak.	Root
Brown	Dillingham	Jones	Scott
Bulkeley	Dixon	Lodge	Smith, Mich.
Burkett	Dolliver	Lorimer	Smoot
Burnham	du Pont	McCumber	Sutherland
Burrows	Elkins	McEnery	Warner
Burton	Flint	Nelson	Warren
Carter	Frye	Nixon	Wetmore

NOT VOTING—18.

Bankhead	Foster	Newlands	Smith, S. C.
Bourne	Frazier	Paynter	Stephenson
Briggs	Guggenheim	Perkins	Taylor
Clarke, Ark.	Hughes	Rayner	
Depew	Kean	Richardson	

So Mr. STONE's amendment to the amendment of the committee was rejected.

Mr. BEVERIDGE. Mr. President, before the roll call began upon this amendment I had risen to my feet to say only two sentences as to how I should vote and why, but was prevented from doing so by a circumstance that has occurred only too often in this Senate within the last two or three years, and something which in the early years, when I was in the Senate, was, under my own personal observation, never practiced. Notwithstanding that a Senator was on his feet and the roll call had not actually begun, the roll call was commenced and a response was made. I think, Mr. President, it would not only conduce to that feeling of fairness, which is so essential to the proper conduct of our business, but that it would expedite the bill itself if a spirit of toleration in that regard was more practiced under these peculiar circumstances.

Mr. President, I felt at first very hospitable to this amendment, but this case of shoes and boots happens to be one of those cases where a very substantial reduction from the rate in the existing law has actually been made by the House, and is one of the few instances where the Finance Committee of the Senate have resolved to stand by the reduction of the House.

The reduction on shoes is fully 40 per cent; and when a reduction has been made after full consideration by both committees I feel that, unless reasons are shown against it, it should be sustained.

There is another reason why I am for a very moderate tariff—and the one that is now fixed by the bill is a moderate one; it was 25 per cent before; it is 15 per cent now—and that is this curious circumstance, but for which I certainly would have been for free shoes and free boots, or, to speak more accurately, in favor of putting them on the free list, and that is that our superiority as a boot and shoe manufacturing nation has been due to the great competition that has been built up, and especially to the use of machines. I understand—and I have not heard it disputed—that those machines are not owned, but are leased, and that within the last few years, or perhaps the last year or two, for the first time in the history of this industry since their invention, they are being leased in large quantities to the makers of shoes abroad, and that experts to teach their shoemakers that same skill now exercised by American shoemakers with these machines have been sent there to teach the foreign producers the same methods. That being true, Mr. President, it seems to me that all the facts of the case justify us in supporting the House reduction, which is very considerable—40 per cent—and which the Senate committee has so wisely sustained, and not to go so far in this critical stage of the industry as to put them on the free list altogether.

I will confess that 10 per cent would have suited me better than 15, but yet that comes very near splitting hairs.

That was all, Mr. President, I had intended to say, and, indeed, more than I intended to say when I rose to address the Senate before I voted.

Mr. McLAURIN. Mr. President, as a substitute for the committee amendment, I offer what I send to the desk.

The PRESIDING OFFICER. The amendment will be stated.

The SECRETARY. As a substitute for the amendment of the committee, it is proposed to insert:

Notwithstanding anything in this bill contained, all shoes, boots, leather, and hides, when imported into this country, shall be exempt from the payment of a duty.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Mississippi.

Mr. ALDRICH. The Senate has just voted upon that proposition.

Mr. McLAURIN. Not exactly. There is this difference: The other amendment included belts and harness, and this does not. That is the only difference.

The PRESIDING OFFICER. The question is on the amendment offered by the Senator from Mississippi.

The amendment was rejected.

Mr. CUMMINS. Mr. President, I move to strike out from the amendment offered by the committee the word "fifteen" and to insert in lieu thereof the word "ten," so that the duty levied will be 10 per cent instead of 15 per cent.

I have listened to the long debate upon this subject with a good deal of interest, because I happen to represent in part a State which produces more cattle, at least in value, than any other State in the Union, and therefore it may be assumed that our people are somewhat interested in this matter. I have not heard a single word suggested that could lead me—I was about to say "or any reasonable man"—to the conclusion that there should not be a duty on hides that would not apply with equal force to every article or commodity in this bill which we do not produce in sufficient quantities for our own use; and there are a great many such things that fall within the principle, I think, of protection. Therefore it seems to me that there ought to be a reasonable duty on hides. Nor have I any doubt whatsoever that the producer of hides derives a fair advantage and a fair benefit from the increased price which this duty creates. But I believe that the whole scale of duties of the Dingley law, or substantially all the duties of the Dingley law, were higher than they should have been; and I am from time to time endeavoring to impress upon the Senate the duty, as I view it, of reducing these taxes. I think the farmer should bear his fair share of the reduction.

We have already reduced the duty on shoes; we have already reduced the duty on sole leather; and we have reduced somewhat the duties upon other manufactured forms of leather.

Mr. ALDRICH. Mr. President——

The PRESIDING OFFICER. Does the Senator from Iowa yield to the Senator from Rhode Island?

Mr. CUMMINS. I do.

Mr. ALDRICH. The Senate has not yet acted either upon the duty upon shoes or the duty upon sole leather. The Senator is mistaken in that regard. They have been passed over for the reason that those duties ought not to be acted upon by the Senate until it is decided what duties, if any, shall be placed upon hides.

Mr. CUMMINS. Mr. President, I beg the pardon of the Senator from Rhode Island. I have come to be so sure that anything that the Senator from Rhode Island favors has been or will be the action of the Senate that I confused those two things; and, being advised by much debate here that there either has been or will be reported a reduction of the duty on these things, I spoke somewhat hastily and somewhat incorrectly. But I simply revise my statement, to the effect that I know that there will be a reduction of the duty on shoes and the duty on leather; and I for one am not going to stand here and insist that the producer of hides shall not share in this general reduction. Therefore I have made the motion to substitute 10 per cent duty in the stead of 15 per cent duty, and I hope that it will receive the favor of the Senate.

Mr. BAILEY. Mr. President, if the Senator from Iowa will include in his motion the finished products of hides, I shall be very glad to vote for the 10 per cent duty on both; but I shall not vote to give the man who makes shoes out of hides a higher tariff on his finished product than he pays on the material out of which he makes it.

Of course I understand that there is a kind of argument that the shoe represents labor. According to its cost, the shoe does not represent as much labor as the hide. It does not represent as much investment as the hide; because, it must be remembered, that in this day of the general breaking up of the great ranches practically all of our cattle, or, at least, a larger part of our cattle, are produced on the farm. The farms where

those cattle are bred represent a greater investment, according to the value of the hide, than the factory represents, according to the value of the shoe. It represents more labor, according to value, because there are no machines employed in producing the hides, whereas practically all of the work on the shoe is the work of a machine—operated, it is true, by a man. I shall be very glad to take the duty off of any raw material, when I can also take it off the finished product. I shall be glad to reduce any duty in the bill on a raw material, if I can also make the same reduction on the finished product.

But it is incomprehensible to me why a man who invests his money in brick buildings and machines shall have a different rate of taxation applied to his products from that which is applied to the man who invests his money in cattle and land, and hires men made out of flesh and blood to attend them instead of machines. I hope the Senator from Iowa will couple or follow his motion to reduce the duty on hides to 10 per cent with a motion to reduce the duty on shoes and all other leather products. I will vote even for that reduction if he will adopt the course I mention.

The people of the United States do not wear hides; they wear shoes. They will derive no benefit whatever from a reduction in the duty on hides that is not followed by a reduction in the duty on shoes; because, with this 15 per cent duty levied on his shoes, the manufacturer will charge just as much as he would if he paid 15 per cent duty on his hides. He will charge just as much as he would if he paid no duty on his hides; and the 5 per cent reduction on his hides is a pure gratuity that amounts annually, under the present importation, to something more than $700,000, taken out of the Public Treasury and given to the tanners and the shoemakers of this country without any compensating reduction in the price of shoes.

We collected in 1907 something more than $3,000,000 in duties on hides, notwithstanding the Treasury ruling which exempted a large part of the importations. Of that three million and something like one hundred thousand dollars, we remitted in drawbacks $900,000, leaving a total net revenue of over $2,200,000 in the fiscal year 1907. To reduce that from 15 to 10 per cent is simply to give the shoemakers of the country $700,000 a year.

I do not forget that this bill has also reduced the duty on shoes from 25 to 15 per cent. But there can be no good reason given why a man shall buy his raw material with a lower rate of duty than he has on his finished product; because if he buys a hide and pays 15 per cent duty on it, he manufactures that hide into a given number of shoes and still has 15 per cent duty on those shoes. That 15 per cent covers the value of the hide, including tariff and original cost, just as it includes all the added value that comes through land and through capital and through machinery. And thus what he pays in the first place he has paid to him in the next place, because this 15 per cent duty, as I have already stated, is 15 per cent on the entire value of the product—the shoe, as it were.

Here is your trouble, and it is utterly indefensible and unavoidable: You charge the shoe manufacturer 10 per cent on his hides; and when he takes that 10 per cent duty-paid hide and manufactures it into shoes, he has 15 per cent on the shoe. That 15 per cent includes the original cost of the raw material, the labor bestowed upon it, the capital invested in it—in other words, it covers the entire value of the shoe; and that value includes the raw material on which he has paid only 10 per cent, where you now propose to give him 15 per cent, out of the consumer, for the 10 per cent he has paid to the Government. It is absolutely indefensible.

Mr. CUMMINS. Mr. President, I entirely agree with the conclusions of the Senator from Texas [Mr. BAILEY] in this particular case. I have just voted for the amendment proposed by the Senator from Missouri, which put, or sought to put, upon the free list hides, leather, boots, and shoes. With the Senator's course of reasoning in the abstract I should be unable to always agree. It is sound in this particular instance, because I believe that the shoemakers of the United States turn their leather into shoes as cheaply as the shoemakers of any country in the world. But I can easily imagine a process of manufacture in which the difference between the cost of production or manufacture here and abroad would not be met by the application of the duty to the increased cost or price of the finished product. It is therefore unnecessary to enter into any discussion of that abstract question, for I agree with him with regard to boots and shoes. The 10 per cent which is added to the cost of the material by this duty and is carried forward into the ultimate price of the finished product, in my opinion, amply compensates the boot and shoe manufacturer and puts him upon a fair equality with his competitors throughout the world. Therefore I shall do what I can, in the further progress of this matter, to reduce the duty upon boots and shoes to 10 per cent, just as it has now been reduced, or proposed to be reduced, to 5 per cent upon sole leather. But it seemed to me, in the orderly progress of the bill, knowing that I would be beaten, anyhow, and desiring to preserve a certain sort of consistency, that it would be better to limit my amendment to the immediate paragraph under consideration.

Mr. BAILEY. Mr. President, of course the Senator from Idaho——

Mr. CUMMINS. Iowa; do not charge my brother here with any sins that do not belong to him.

Mr. BAILEY. Neither Senator need resent being taken for the other. The Senator from Iowa and I would, of course, view this or any similar question from different standpoints. As a consistent Republican, the Senator would of course take into consideration the difference of the labor cost, and he would supply that difference by a tariff. I did not have that phase of the matter in my mind, nor is it applicable to this, because whatever may be the difference in the labor cost, if you take the ad valorem and apply it from the ground up, it equalizes it all. In other words, if the manufacturer takes a hide worth $3 and manufactures it into 30 pairs of shoes, he has his ad valorem followed from the hide to the shoe; and, of course, whatever value he adds to the hide in the process of manufacture he finds represented in the ad valorem duty. Whether a given ad valorem is sufficient to cover the difference in the labor cost between this and other countries might be important to Senators holding the view of the Senator from Iowa; but even if that is important, still common justice and fair dealing require that the manufacturer shall pay the same duty on his raw material that he receives back on his finished product.

In other words, Mr. President, I will illustrate my point in this way: Take the case of wool, which the manufacturer imports free of duty. He manufactures it into woolen goods, on which, we will say, there is a duty of 50 per cent. That 50 per cent is expressed on the total value of the woolen cloth. That total value of the woolen cloth is made up by the cost of the wool, by the labor cost, and by a fair return upon the capital invested. Obviously, therefore, the woolen manufacturer has 50 per cent on the wool, the original value, as well as 50 per cent on all the value that he adds by fabricating the wool into woolen goods. Yet, according to this free raw material doctrine, this manufacturer, who pays nothing on the wool when he imports it, is given the benefit of a 50 per cent duty on it when he sells it. Or, in other words, if a farmer sells his wool to the manufacturer without any duty and then buys the manufacturer's woolen goods, he pays a 50 per cent bounty on wool which the manufacturer bought from him without the payment of a farthing.

As long as we must levy duties to raise money to support the Government, let us levy them justly and equally. Let us say to the woolen manufacturer and to the shoe manufacturer, "The same duty that you pay on your raw materials you shall have on your finished product." And let us say to the man who sells shoes, hides, wool, and other raw material, "When you buy back your raw material in the shape of a finished product, you shall pay no more to the manufacturer than he paid to you."

That is the way to minimize and equalize the unavoidable and regrettable incidents of protection; and that is the only way in this world that it can be done.

Mr. CUMMINS. Mr. President, I can very readily see how the Senator from Texas reaches his conclusion, and it is in entire harmony with his economic belief. But from the standpoint of one who believes in equalizing the cost of production here and abroad, his argument fails at this point; and I think I can very easily point out to him and to the Senate why.

We will assume for the moment that 10 per cent equalizes the domestic cattle raiser with his competitor in South America. There is, of course, no parallel between the conditions which surround the cattle raisers of those two countries and the conditions which might surround the boot and shoe manufacturers of the United States and Great Britain.

I want the Senator from Texas to hear what I have to say, and therefore I will suspend.

Mr. BAILEY. I hear the Senator.

Mr. CUMMINS. I hope to convert him.

The boot and shoe manufacturer of the United States buys the hide—the finished product of the cattle raiser—and pays 10 per cent more than he would otherwise pay by reason of the imposition of the duty. If it were true that 10 per cent upon the process of reducing hides into shoes would measure the difference between the cost of doing that work in the United States and in Great Britain or Germany or France, the argument of the Senator from Texas would be unanswerable, namely, that the 10 per cent ad valorem, carried through the additional cost of manufacture, would completely protect the American

boot and shoe manufacturers. But assume for a moment—and it is a purely hypothetical case, because it is not here at the present moment—that the difference between the cost of making leather into shoes in the United States is 50 per cent higher than in Great Britain or any other competing country. Then the 10 per cent added to the cost of the material would not equalize the American manufacturer with his competitor across the sea. That must be perfectly obvious.

I understand how inconclusive that would be with anyone who believed simply in levying duties for the purpose of producing revenue; but from the standpoint of the protectionist it seems to me that the argument is sound.

In this particular case I repeat that I do not believe that it costs us any more to make shoes, or as much to make shoes, as it does our competitors elsewhere, and therefore I think 10 per cent duty would be abundant protection to the boot and shoe manufacturers. I know enough about the spirit that prevails in the Senate—I have heard enough suggested from time to time in an informal way—to be sure that if the duty on hides is reduced to 10 per cent the duty on shoes will also be reduced to 10 per cent. And therefore I hope that no one who believes in a fair reduction of duties, as we reach those duties, will be prevented from voting for my motion on that account, for I can not, without offering a substitute for the entire amendment, include in it other forms or any forms of manufactured leather.

Mr. BAILEY. Mr. President, if I had any reasonable expectation that the duty on shoes would be reduced to 10 per cent, I should very cheerfully vote to reduce the duty on hides.

Mr. ALDRICH. Mr. President, I can assure the Senator, I think, that no protectionist Senator will vote to reduce the duty on shoes to 10 per cent ad valorem, especially with a duty of 10 per cent on hides.

Mr. BAILEY. The Senator from Iowa has just declared that leather can be converted into shoes as cheaply in this country as in any other, and I think that is true. Therefore that aggravates the equality. That does not even give a protectionist—I mean a moderate protectionist—ground to stand on.

Mr. ALDRICH. Mr. President, I think the Senator from Texas will agree with me that the Senator from Iowa has not at all times represented the views of this side of the Chamber.

Mr. BAILEY. Well, I think more is the pity. I think that the country would have been somewhat better off if the more moderate views of the Senator from Iowa had prevailed. Understand, Mr. President, I have small choice between evils, but I still take the lesser evil whenever I am forced to choose. And as between high protection, as represented by the chairman of the Finance Committee—and he is the embodiment of the high-protection idea in this country—and the more moderate protection of the Senator from Iowa, I would take the moderate protection of the Senator from Iowa as approaching more nearly to my own view.

Mr. HALE. Mr. President——

The PRESIDING OFFICER. Does the Senator from Iowa yield to the Senator from Maine?

Mr. CUMMINS. I do.

Mr. HALE. In line with the thought just suggested by the Senator from Rhode Island, I wish to say that one reason why I will vote for the duty on hides as a part of the great policy of protection of home industries is that I will with equal satisfaction and earnestness oppose the reduction of the duty on boots and shoes.

I do not agree in any way with the sentiment that you will give free hides and follow that up by cutting down the duty on boots and shoes, which are an advanced stage, a manufacture involving labor, involving in my State great industries. While I will vote for the duty on hides, I will as earnestly and helpfully as in me lies oppose any reduction of the duty on boots and shoes, the finished product.

Mr. BAILEY. That is tantamount to a notice that if I help to reduce the duty on hides to 10 per cent the Republican majority will still maintain the duty on boots and shoes at 15 per cent. I am ready now to not only give a bounty of 15 per cent to the shoe manufacturer and supplement that by taking 5 per cent off of what they now have to pay to the Government.

Mr. PAGE. Mr. President, just one word. I think that the tanners have come here to the Senate asking for relief upon the theory that the Armours and Swifts and the other great producers of beef are about to depart, or have departed, from their legitimate business and have entered upon the business of buying hides and making leather, and that they are soon, in all probability, to reach that point where they will control such a large percentage of the hides of the country that the independent tanner will be forced out of business unless we relieve him. We can relieve him by saying that he can have the markets of the world to go to.

But I believe I state the feeling of the tanners at this moment when I say that they would just as soon have a duty of 15 per cent as 10 per cent. We have either got to give the tanner a free, fair field, without handicap, that he may compete with that great monopoly, if you may so call it—the beef trust—or he has got to go to work for and turn his business over to them and do business for them.

So I want to say to the Senator from Iowa that, in my judgment, he is doing no favor to the great industry for which I have spoken, the tanning industry, by suggesting a reduction from 15 to 10 per cent.

Mr. BAILEY. I should like to ask the Senator from Vermont if I understood him to make the argument that this is an effort to relieve the tanners of the country from the operations of a trust?

Mr. President, perhaps I would agree to relieve them if the Senator from Vermont and his friends will agree to relieve the balance of the people from the operation of other and greater trusts. In other words, I will vote to put hides on the free list, and everything made out of them, if you will join me in putting steel products of every kind on the free list. I can not understand why one class is to be relieved from the operation of a trust any more than another class. As to the Senator's statement that the tanners will have to go to work unless we give them free hides, I think it is a good deal better that the tanners should go to work for themselves than to make the balance of us work for them.

Mr. CUMMINS. Mr. President, I intended when I was on my feet before to refer to the suggestion I heard the Senator from Vermont make, for I listened with not only interest, but great pleasure, to his very delightful and instructive speech. There is one point of view, however, which he did not assume through his entire discourse. He seemed to think that we were here for the purpose of checking the ravages of the beef trust and to sustain the languishing energies of the tanner. I believe with him that the packers will annihilate the tanners. I have no doubt about it, for they have an advantage which it is impossible for the independent or the trust tanner to acquire, for they have access naturally to the hides of the country.

But I have not attempted during the course of this debate to settle the trust question by attaching or refusing to attach tariff duties. I know, and the Senator from Vermont knows, that nearly every important field of industry in the United States—possibly I am stating it a little strong, but I am certainly within the limits, and very conservatively, when I say that a majority of all the fields of industry are occupied by just such dominant and controlling and overwhelming power as the beef packers now occupy with regard to hides. We will be compelled to find some other way of dealing with the beef trust. I hope it will be found. But this duty, if it is due at all to anybody, is due for the benefit and advantage of the farmer——

Mr. BEVERIDGE. Will the Senator permit me?

Mr. CUMMINS. Because it adds something to the price of his product, I look at it squarely and fairly. I allow no mist to obscure my vision with regard to that. It is being asked simply to add to the price of a thing that he has to sell.

The PRESIDING OFFICER. Does the Senator from Iowa yield to the Senator from Indiana?

Mr. CUMMINS. I do.

Mr. BEVERIDGE. Just for one or two questions, and those brief ones.

The Senator from Idaho this afternoon said, in answer to a question from me, that the packers fix the price of hides. That is true, is it not?

Mr. CUMMINS. I do not know, Mr. President.

Mr. BEVERIDGE. I think it is generally conceded that they do. If they do——

Mr. HEYBURN. The Senator is not referring to me?

Mr. BEVERIDGE. I refer to you.

Mr. HEYBURN. I did not make any such statement.

Mr. CUMMINS. I will answer further: If they do not now, I have no doubt they soon will.

Mr. BEVERIDGE. Very well; if they do, or if they will, then they pay no more to the farmer or cattle raiser for the hides than they have to pay. Is not that true?

Mr. CUMMINS. I do not accept that statement as broadly as the Senator from Indiana puts it. I think even in the case of a monopoly the price the monopoly is willing to pay is graduated somewhat by the price at which the monopoly can sell.

Mr. BEVERIDGE. But naturally a monopoly or everybody else gets it just as cheap as it can. I understood the Senator the other day, in the course of his very lucid address, to lay down two principles under which the tariff might be added to the price, and only two. One was where we did not produce enough for ourselves, and the other was where there was a combination controlling the price.

Mr. CUMMINS. You are quite right there.

Mr. BEVERIDGE. Now, then, does not that exist in this case in both instances in the case of hides; and, on the contrary, is there not an entire absence of either of these elements in the case of the manufacture of shoes? In the case of shoes the competition is very strong. The competition between them prevents the tariff from being added to the price of shoes, whereas it is added in the price that the packer pays the farmer for the hides and to the price which the farmer himself can get for the hides.

Mr. CUMMINS. The Senator from Indiana——

Mr. BAILEY. If the tariff is not added to the price of shoes, then why leave it on? The fact that the shoemakers want it left on is proof that they know they are going to collect it from the people.

Mr. BEVERIDGE. That involves the whole theory of the protective principle, which is, as stated from Hamilton up to now, that a duty is not necessarily added to the price; but, on the contrary, it may reduce the price by creating so much of the industry here that competition here will reduce the price. But where there is a combination or where, as in the case of hides, we do not produce enough for our own supply, then it may be added.

Mr. TILLMAN. Mr. President——

The PRESIDING OFFICER. Does the Senator from Iowa yield to the Senator from South Carolina?

Mr. CUMMINS. I do.

Mr. TILLMAN. I wish to ask the Senator from Rhode Island a question. There is a reduction in this bill on shoes from 25 per cent to 15 per cent.

Mr. ALDRICH. The bill as it came from the House——

Mr. TILLMAN. I say the Senate committee accepted that.

Mr. ALDRICH. The Senate committee has not acted on that. We are waiting to see what would happen about the duties on hides, and then will report some proposition to the Senate for a duty on shoes and upon the products of leather.

Mr. TILLMAN. If there is no change in the duty on hides and it is maintained at 15 per cent, is it the purpose of the committee to put the duty on shoes back to 25 per cent?

Mr. ALDRICH. In the House hides were put on the free list and the duty on sole leather was reduced to 5 per cent ad valorem, it now being 15 per cent.

Mr. BEVERIDGE. Has not the Senator kept hides on the free list thus far in the bill?

Mr. CUMMINS. I should like to hear what is going on over there.

Mr. TILLMAN. I did not finish my inquiry of the Senator from Rhode Island. It is this: If we are going to have a reduction of 10 per cent—from 25 per cent to 15 per cent—on shoes, why can we not agree to have a reduction on hides from 15 per cent to 10 per cent? That is about a relative reduction.

Mr. HALE. Suppose the Senator puts it the other way.

Mr. TILLMAN. I never can see the other way. I am incapable of seeing it that way.

Mr. HALE. Suppose the Senator puts it the other way, that if we put a duty on hides of 15 per cent——

Mr. TILLMAN. There is already a duty on hides of 15 per cent, and if that is just, then the compensating duty on shoes of 20 per cent ought to remain, according to the Senator's theory.

Mr. HALE. Let me finish my sentence. If we put a duty on hides, thereby changing the action of the House, which made hides free, then we naturally will protect boots and shoes and restore the old rate, because it follows that the one goes with the other. That is why I take it that the Senator in charge of the bill, the chairman of the committee, stated that the committee has not fixed its action and recommendation upon boots and shoes, the finished product, because the Senate has not yet determined what it will do on the raw material, the hides. The one will follow the other.

Mr. TILLMAN. Suppose by accident the Senate should put hides on the free list. What would then happen?

Mr. HALE. Suppose it does not.

Mr. TILLMAN. I just wanted to know what was the Senator's idea.

Mr. BEVERIDGE. Mr. President——

The PRESIDING OFFICER. Does the Senator from Iowa yield to the Senator from Indiana?

Mr. CUMMINS. I will yield to the Senator from Indiana.

Mr. BEVERIDGE. The Senator from Maine said a moment ago he was going to vote for a duty on hides, although the industry of his State would like to have free hides. It is stated that if we vote a duty on hides, then there ought to be an increased differential upon shoes; that is to say, if we retain the present duty on hides as it is, at 15 per cent, then we ought not to stand by the House reduction on shoes, but ought to increase it to what the present duty is on shoes, 25 per cent. So that is the basis for the action.

Mr. ALDRICH. The Senator from South Carolina evidently misunderstood the situation. When the Senate committee reported the bill to the Senate they stated they had not acted upon the question of what duty should be placed on hides, if any, and they also stated when we reached the leather schedule that that ought to be passed over until the Senate decided whether they would put a duty on hides or not. The House bill put hides on the free list, put sole leather at 5 per cent ad valorem, and put shoes at 15 per cent ad valorem. Now, if we restore the duty upon hides at 15 per cent or reduce it to 10 per cent, then the question will arise, properly, whether we shall keep the duty on shoes at 15 per cent or increase it; that is, what would be a proper relation between the two duties. I am sure if we put a duty on hides the duty on sole leather ought to be increased. It is now 15 per cent, and was reduced by the House to 5 per cent with free hides.

Of course, all these leather paragraphs depend more or less upon what is done with hides, as being the basis of raw material.

It seems to be a favorite assumption here that the duty on shoes ought to be reduced anyhow. The boot and shoe interest, which is a very large interest in the country, seem to be suffering between the people who want a duty on hides and the people who do not want a duty on hides. It looks to me very much as though they were liable to be slaughtered in the house of their friends by the advocacy on this floor of Senators for free hides.

Mr. BAILEY. They are responsible for that. They said themselves they did not need any duty on shoes.

Mr. ALDRICH. I have never heard that said, and I want to put in the RECORD, when I can, when I get the floor——

Mr. CUMMINS. Before the Senator from Rhode Island sits down I want to ask him a question. It is substantially understood, is it not, by members of the committee that if the duty on hides is restored to 15 per cent, the duty on shoes shall be restored to 25 per cent; and if we have free hides, then the duty on shoes would be reduced to 15 per cent?

Mr. ALDRICH. That question has never been considered by the committee. I think it will be considered the minute this matter is disposed of one way or the other. Then the committee will take up the question as to what ought to be the relative duty upon leather or upon boots and shoes.

Mr. CUMMINS. If we reduce the duty on hides to 10 per cent, we might be able to adopt the duty on shoes as reported by the House of Representatives.

Mr. BEVERIDGE. At 15 per cent.

Mr. ALDRICH. I do not think that would follow. I will say to the Senator from Iowa that the committee considered this question of the duty on hides very carefully. We heard the representatives of the boot and shoe people and of the tanners and of the farmers, who are interested in maintaining the duty on hides. The committee decided, as protectionists, that we ought to look out for the interests of the cattle raisers of Iowa and of the other States, and we believed if any duty was to be put on hides at all that 15 per cent was not too high. That seems to me perfectly plain. It is a revenue duty. It is not a high duty at all. If as a matter of policy we ought to put hides on the free list, that is one thing; but if we are going to give protection to the men who raise the cattle in various parts of the country, I think the revenue duty, or the protection duty—whatever you call it—of 15 per cent is not too high. That is the view of the committee. What may be done beyond that——

Mr. BEVERIDGE. May I ask the Senator a question?

Mr. ALDRICH Certainly.

Mr. BEVERIDGE. The question is this: Is it, then, to be understood that the view of the chairman of the Finance Committee that if a duty of 15 per cent should be put on hides, which is the existing duty, therefore, when it comes to shoes and products of hides, the rate should be raised to 25 per cent? Is that where we are coming to?

Mr. ALDRICH. I have already stated that the committee have not considered that question. I hold in my hand a letter——

Mr. CUMMINS. I hope——

Mr. ALDRICH. I will make a statement in my own time.

Mr. CUMMINS. Then I should like to hear what the Senator from Rhode Island has to say in regard to hides. I want to protect the farmer.

Mr. GORE. Mr. President——

The PRESIDING OFFICER. Does the Senator from Iowa yield to the Senator from Oklahoma?

Mr. CUMMINS. I see both Senators from Oklahoma on their feet. Which one?

The PRESIDING OFFICER. The junior Senator from Oklahoma.

Mr. CUMMINS. I yield to the junior Senator from Oklahoma.

Mr. GORE. The Senator from Rhode Island has just stated that he has not heard anyone say that he was willing that boots and shoes should go on the free list. I think that I have here such a statement coming from Governor Douglas, of Massachusetts, in a personal letter written to me on the 7th of April last. I think there have been no new inventions of machinery since that time. I send the letter to the desk and ask that the marked portion be read.

The PRESIDING OFFICER. Without objection, the Secretary will read as requested.

Mr. CUMMINS. Will the Senator from Oklahoma defer the reading of the letter until I have finished?

Mr. GORE. I will of course observe the wishes of the Senator from Iowa, but I think it should follow the statement of the Senator from Rhode Island.

Mr. CUMMINS. Is it an extract of some length?

Mr. GORE. No, sir; it is very brief.

Mr. CUMMINS. Very well.

The PRESIDING OFFICER. Without objection, the Secretary will read as requested.

The Secretary read as follows:

I might say in a few words that I have seen no reason since those speeches were made to change my position in the slightest. On the contrary, I am more strongly convinced now than ever before on those subjects. We have more competition among manufacturers of boots and shoes in our own country than we could possibly have at the hands of foreign competitors.

I am strongly of the opinion that a tariff on boots and shoes with the idea of "protection" is a farce in every respect. Give us free hides and free sole leather, and we will capture the markets of the whole world for our boots and shoes.

Mr. CUMMINS. Mr. President, I now recur to the suggestion made to the Senator from Rhode Island [Mr. ALDRICH] with regard to the due measure of protection for the farmers of my State. I reiterate what I said the other day, that the farmers receive very little direct benefit from protection, but they do receive vast benefits indirectly. The duty on hides is one of the instances, and one of the few instances, in which they receive a direct benefit, in my opinion. It is only a question with respect to the extent to which they ought to ask the Government of the United States to increase the value of their product by levying a duty upon it. I will not stand here to ask for the farmers of my State what I am unwilling to grant to the manufacturers of another State. I believe they are sufficiently protected in a duty levied upon the imports of animals, a duty levied upon every product of their animals, and a duty of 10 per cent levied upon their hides. I think that if the affairs of the farmers in this country were examined, it would be found that they are and have been fairly prosperous. They are not the mendicants of the earth, and they rarely appeal for aid.

Furthermore, if I know anything about their temper, they are willing that their duties shall be lowered in harmony with the general plan that I supposed we were here to carry out. It is for that reason—and not because I do not believe they are entitled to a duty, for I do—that I shall vote for a duty on hides. When it comes to a question of free hides and taxed leather and shoes, I intend to vote for a duty on hides; but I could not content myself to allow that time to come without expressing fairly and openly the opinion that, in my judgment, a duty of 10 per cent is sufficient to give them the advantage to which they are fairly entitled; but when we go but a step further, I intend to do whatsoever I can to see that the duties on shoes and upon leather are not advanced beyond a rational and reasonable point. I may fail. I have failed a good many times as we have passed along through these schedules, but that does not in the least dismay me. Therefore I have offered this amendment to reduce the duty to 10 per cent.

Mr. ALDRICH. Mr. President, a good deal of talk—I was about to say "loose talk," but I think I shall not use that expression—about the putting of hides and of the products of leather upon the free list has been indulged in by Senators on both sides. I take it for granted that the Senate is not going to do either of those things. I assume that.

I stated that I knew of no boot and shoe manufacturer who was desirous of having boots and shoes put upon the free list. The Senator from Oklahoma [Mr. GORE] sent to the desk a letter from an ex-governor of Massachusetts, who states that if hides and leather were put upon the free list, he would be in favor of shoes being put on the free list. It is not likely that hides and leather will be put on the free list. So Governor Douglas's suggestion will not be carried out. It is possible that there may be one manufacturer in a great number who, if certain impossible conditions were secured, would agree to having boots and shoes put upon the free list, but that the boot and shoe manufacturers of the United States are willing to go into a compact with anybody for the purpose of destroying any other industry, and that they would consent to put boots and shoes upon the free list, I do not believe. To show that that is not so as to most of them, I ask that a letter which I send to the desk may be read. It is somewhat long, but it is a good letter, and I should like to have all of our friends who contemplate the putting of these articles upon the free list give some attention to it, so that they may discover where they are going.

The PRESIDING OFFICER. Without objection, the Secretary will read as requested.

The Secretary read as follows:

NATIONAL BOOT AND SHOE MANUFACTURERS' ASSOCIATION OF THE UNITED STATES.
President's Office.

To the Senators of the United States:

I would consider myself derelict in my duty as the official representative of one of the largest industries of the United States if I did not again call your attention to the great jeopardy in which the boot and shoe industry of the United States would be placed if a reduction be made in the tariff on shoes and the tariff on hides retained.

If only to secure revenue be the object of the tariff laws of the United States, then that object will be achieved—unquestionably achieved—by the lowering of the duty on shoes and retaining the duty on hides. The reason is very obvious. The reduced tariff on shoes viz, 15 per cent, would not cover the difference in wages paid by the American shoe manufacturer over the foreign, and the American manufacturers would still be handicapped by the tariff on hides. Accordingly the foreign shoe manufacturer would and could exploit the American market.

I again make the statement that the wages paid by the foreign manufacturer will not average 50 per cent of the wages paid by the American shoe manufacturer for the same grade of shoe. In other words, the American shoe manufacturer is paying more than twice the wage paid by the foreign manufacturer for similar work, and the efficiency of the foreign workman is almost equal to that of the American.

That my fears are not groundless for the future of the American shoe manufacturing industry if a reduction be made in the tariff on shoes without some compensatory reduction on raw materials, I submit the following, taken from No. 3499 of the Daily Consular and Trade Reports, published by the Department of Commerce and Labor, Bureau of Manufactures, under date of Saturday, June 5, 1909:

ERFURT SHOE INDUSTRY—GERMAN MANUFACTURERS WILL SEEK AMERICAN TRADE.

Consul Will L. Lowrie writes that three of the largest German shoe-manufacturing establishments in Erfurt are now in charge of experts from the United States. He also tells of their industrial operations:

All these factories are producing American-shaped shoes, which are meeting with ready sale in Germany. Certainly one, and perhaps all, of these concerns will make a display at the forthcoming shoe exposition in Boston (in September, 1909) and will try to secure a foothold in the American market.

The average wages paid are shown in the following table:

Class of employees.

	Average weekly wages.
Females:	
Apprentices	$1.42 to $1.90
Closers on	3.33 to 3.57
Sewers	*4.28
Males:	
Apprentices	1.42 to 2.85
Upper cutters (hand)	5.23 to 6.42
Upper cutters (machine)	6.42 to 7.14
Machine hands:	
Edge trimmers	6.42 to 7.14
Heel trimmers	6.42 to 7.14
Edge finishers	6.42 to 7.14
Bottom finishers	4.28 to 4.76
Die cutters	*5.71
Eyeleting hands	*7.14
Heel builders	4.76 to 5.71

As against the wages therein noted I will not offer any statement, but would ask the Senators to secure from the statistics obtainable, or from their constituents, shoe manufacturers, the average wages paid in America, for comparison with those above set forth.

It can therefore readily be appreciated that the only balance which could be resorted to for the protection of the industry would be the reduction of the wages of the American shoemaker. Let us hope that this exigency may not occur. Let our tariff legislative policy continue as in the past, protective to American workmen.

Yours, truly,

JOHN H. HANAN.
SOL WILE, *Secretary.*

JUNE 8, 1909.

Mr. ALDRICH. Mr. President, the Committee on Finance reported in favor of a duty on hides. They are in favor of a reasonable duty upon boots and shoes, upon leather, and upon every other article produced in the United States; and they have no sympathy whatever with this battle between different industries, one trying to put the materials of the other upon the free list or trying to reduce the duties unduly upon any of these articles.

I hope there will be no continuance of this battle between protectionists to see which will get the better of the other upon any of these propositions. We ought to give fair and decent treatment to them all; and that is what the committee has tried to do in their recommendations.

Mr. OWEN obtained the floor.

*Average.

Mr. BEVERIDGE. May I ask the Senator from Rhode Island a question before he takes his seat?

The PRESIDING OFFICER. Does the Senator from Oklahoma yield to the Senator from Indiana?

Mr. OWEN. Certainly.

Mr. BEVERIDGE. I believe I heard the Senator from Rhode Island say that he was in favor of putting a protective duty upon everything produced in the United States. Is it not true that the Senator has left binding twine on the free list in this bill; and is not that produced in the United States?

Mr. ALDRICH. Mr. President, there are certain anomalies in this bill and in every other tariff bill for which neither the Senator from Indiana nor myself are responsible. I have never yet been able to vote for a bill or help construct a bill that did not have some things in it of which I did not approve.

Mr. BEVERIDGE. I do not complain of that, but I merely wanted to point out to the Senator that if it be true that he has evidently left binding twine, where I think it should be, on the free list, then he was not accurate when he said he proposed to put a protective duty on everything produced in the United States. Here is the whole free list with many things so produced.

Mr. ALDRICH. The Senator probably did not understand my remarks, or, in any event, did not appreciate them. I say—and I will repeat it, if the Senator desires to have me—that there are things in this bill which I do not approve of, and I presume there will be when it becomes a law. I imagine there will be some things, when the Senator from Indiana finally votes for it, that he will not approve of—I judge so from his remarks in the past—but neither he nor I can construct a tariff bill that will not have some items in it which do not meet with universal approval.

Mr. BEVERIDGE. I did not intend to interrupt the Senator except to say——

Mr. OWEN. Mr. President, I believe I have the floor.

The PRESIDING OFFICER. The Senator from Oklahoma is entitled to the floor.

Mr. BEVERIDGE. Will the Senator permit me just a moment?

The PRESIDING OFFICER. Does the Senator from Oklahoma yield further to the Senator from Indiana?

Mr. OWEN. I yield to the Senator from Indiana.

Mr. BEVERIDGE. The Senator from Rhode Island will find it in the RECORD that he said he proposed to put a duty on everything produced in the United States. The free list which he reported and proposes to support contains many things which we produce in the United States and upon which he does not propose to put a protective-tariff duty. So that the statement which he first made, and which is in the RECORD, is not quite accurate. I do not complain of the Senator for that, but I merely called attention to the exceptions.

Mr. ALDRICH. Mr. President, there are many things put upon the free list——

The PRESIDING OFFICER. The Senator from Oklahoma is entitled to the floor. Does he yield to the Senator from Rhode Island?

Mr. OWEN. I yield to the Senator from Rhode Island.

Mr. ALDRICH. In every tariff bill there are put upon the free list many things not produced in the United States, but which are used by our manufacturers or by our consumers, which free traders and protectionists alike agree ought to be on the free list. There is no question about that at all.

Mr. BEVERIDGE. Does everybody agree on binding twine?

Mr. ALDRICH. There is one article which the Senator says is on the free list, which is a manufactured article, and there may be others, but they are very few in number. There may be some articles that will be put by the Senate upon the free list before we get through with the bill, but that does not change the character of the bill at all and does not change my statement as to the principle which governed the committee in the construction of this bill. If the Senator will follow the action of the committee carefully, intelligently, and industriously, he will find that that principle has governed.

Mr. BEVERIDGE. In just turning over the pages of the bill at random I find that bolting cloth is on the free list, and it is produced in the United States.

Mr. OWEN. I decline to yield further, Mr. President.

Mr. ALDRICH. It is not produced in the United States and has never been.

Mr. BEVERIDGE. I find on the free list hair of the horse. That is produced in the United States.

Mr. OWEN. I decline to yield further.

The PRESIDING OFFICER. The Senator from Oklahoma has the floor. He declines to yield further.

Mr. OWEN. Mr. President, ex-Governor Douglas is one of the greatest shoe manufacturers in the world. He says, in a public article relative to this matter, in the National Monthly:

> I am not afraid of free shoes if I can have free hides and free leather. I would gladly swap any doubtful benefit from the duty on shoes for the certain benefits of free hides and leather.

I do not wish to detain the Senate at this late hour. The matter has been the subject of prolonged debate. If I believed that it would yield any substantial benefit to the cattlemen of this country to place this duty upon hides, I should support it. I do not believe anything of the kind; and while I do not think that these great monopolies can be altogether controlled by tariff schedules, I do believe that competition can be promoted by making many of these articles free.

Mr. FLINT. Mr. President——

The PRESIDING OFFICER. Does the Senator from Oklahoma yield to the Senator from California?

Mr. OWEN. I yield to the Senator from California.

Mr. FLINT. I simply wish to ask the Senator a question. I judge from the statement he has read from the letter of Governor Douglas that Mr. Douglas, who is a very large shoe manufacturer, is of the opinion that, if we made the duty 10 per cent on hides, we should not make it any greater on shoes. That would be, I understand, his position. He is a very large manufacturer, as I have said, and from his statement I judge, if we have free hides, that he would be willing to have free shoes, and that if we had a 10 per cent duty on hides, he would be willing to accept a 10 per cent duty on shoes.

Mr. OWEN. I have no authority to speak for Governor Douglas. I will let him speak for himself, and will ask that his statement go into the RECORD.

Mr. ALDRICH. May I ask the Senator from Oklahoma a question?

Mr. OWEN. Certainly.

Mr. ALDRICH. The Senator seems to speak with authority for one of the shoe manufacturers. Can he tell us whether the tanners, who seem to be the principal people interested upon one side of this question, are willing to have leather put upon the free list?

Mr. OWEN. Mr. President, in answer to the Senator from Rhode Island, in the first place, I deny that I speak for any manufacturer, but I offer to let the manufacturer speak for himself. I ask that the article from which I read be printed in the RECORD. I do not care to have it read, but should merely like to have it go into the RECORD. I do not think it would change a vote one way or the other if it were read; and I do not think it is necessary to take the time of the Senate to have it read in full.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Oklahoma? The Chair hears none.

The matter referred to is as follows:

[From National Monthly, June, 1909.]

IS THE BEEF TRUST AIMING TO GOBBLE UP THE SHOE-MANUFACTURING INDUSTRY OF THE UNITED STATES.

By ex-Governor W. L. Douglas, of Massachusetts.

The boot and shoe manufacturers of this country are facing a crisis even greater than many of them realize.

Under present conditions—that is, with present duties on hides and leather—it does not take a prophet to foretell in a general way what will happen. The logic of tariff events has already proceeded far enough to indicate clearly the goal toward which we are rapidly traveling. This is no less than a gigantic trust controlling the beef packing, leather tanning, and shoe-manufacturing industries of this country.

This trust will, of course, be built around the present beef trust.

Such a trust is inevitable, providing the present duty of 15 per cent remains on hides. The advantage given by this duty to the beef trust, as the original owner of hides, is so great that competition with it will be hopeless as soon as it can establish itself in the leather-tanning and shoe-manufacturing industries.

Under the monopolistic influence of the tariff on hides, the beef packers' trust has already made great headway. It now controls directly about 55 per cent of the hides of this country. Indirectly, it is reasonably certain that it controls a large part of the 45 per cent of hides which it does not take off of cattle. To make its monopoly of the raw material of leather still more complete, it has recently gone into the hide-buying business. Thus the independent tanner is left with only a very restricted supply of raw material. If he could buy foreign hides without the payment of the 15 per cent duty, he would have some chance to compete with the packer tanners and the price of leather would be more likely to be reasonable. There is, however, no certainty of fair and reasonable prices for leather unless both hides and leather are put on the free list. The beef packers' monopoly has already gone so far that it is only a question of a very short time when free hides, without free leather, would be of little or no avail to shoe manufacturers and other users of leather.

By ownership and control, through community of interest, and by tanning contracts, the beef packers' trust has already become so dominant in the sole-leather tanning business that it is difficult to locate independent tanneries. More than 30 tanneries are now said to be under Armour-Swift-Morris control. To a less extent, the beef packers' trust is also connected with the tanning of upper leather.

Recently we have heard reports that the beef packers were becoming interested in the shoe-manufacturing business. To what extent, if any,

the packers have become manufacturers of shoes, I do not know. It seems clear to me, however, that the almost inevitable result of continuing the present policy of taxed hides and leather is to throw the entire leather-tanning and shoe-manufacturing business into the hands of the beef trust, which has, through its slaughtering interests, control of the country's hide supply and can dictate prices.

The New York Journal of Commerce of May 12 says:

"The strength of the hide market is giving tanners cause for anxiety, as they can figure out little profit at the prevailing prices of the raw material. Packers have the situation well in hand, it is said, and propose to get their asking figure, in the meantime not pressing offerings."

Under these conditions we see that the fight for free hides is a fight for existence on the part of the independent tanners. I predict that, if the duties on hides and leather are continued ten years longer, not only will the monopoly of the tanning industry by the beef trust be complete, but the boot and shoe industry will then be a part of the tariff-fostered and tariff-nourished beef trust. Independent shoe manufacturers can not pay 20 per cent more for leather than will its trust competitors and live. The handicap is too great. Then there will be a monopoly in the production of shoes and, as soon as the independents are killed, the 25 per cent duty on shoes will become effective and the prices of shoes in this country will be advanced to 20 or 25 per cent above foreign prices and, probably, above export prices. To-day there is no trust in the boot and shoe industry and prices are lower, quality considered, in this than in any country. This is true notwithstanding that we pay more for leather and for other tariff-taxed materials than is paid by our foreign competitors and notwithstanding that we pay, by far, the highest daily and hourly wages in any country. If the American people want to continue to wear the best and cheapest shoes on earth, they must see that their Senators and Representatives vote for free hides and free leather. There is no other road to cheap footwear.

About all that we can hope to get from the present Congress is free hides and reduced duties on leather. Why Congress hesitates to give us free hides I can not understand, unless our Senators and Representatives have ceased to think of the welfare of our 87,000,000 consumers and are concerned only about the few producers who constitute our great trusts. The facts and arguments are all against taxed hides. There is no sound reason, under any theory of protection, for continuing the burdensome and monopoly-producing duty on hides. Not only does the duty not protect the cattle raisers, but, if it did, there are so few of them, comparatively, that they should not be permitted to dictate the prices of hides, leather, and shoes to all of our citizens.

According to the census of 1890 there were 37,629 stock raisers and 5,483,618 farmers in this country; that is, the stock raisers constitute less than 1 per cent of our farming population and only about one-fifth of 1 per cent of our total population. Thus, assuming that the stock raisers are protected by the duty on hides, we see that for each stock raiser thus protected 500 consumers must pay higher prices for shoes. This ratio is not a proper one, even from the standpoint of a protectionist. But even this is much too high, according to Boyd's City Dispatch. This great agency for circular advertising said, on May 13, that it could find only 22,000 names of persons who can fairly be called stock or cattle raisers. On the assumption that the cattle raiser is protected, then 800 consumers of shoes are being taxed for the benefit of one stock raiser.

As our grazing lands are growing less and less each year and as we now have to import one-third of the hides consumed, we must either increase the taxes on the masses for the benefit of an almost insignificant few or see this few decline. No civilized country can raise enough cattle to furnish hides and leather for domestic use. Adequate grazing lands do not exist in highly populated and civilized countries. A tax on hides in this country, therefore, necessarily means a tax on footwear for 87,000,000 people. It can never mean anything else.

It is a mistake, however, to assume that the cattle raisers benefit appreciably by the duty on hides. Both the facts and the logic of conditions are against such an assumption.

A comparison of the prices of cattle, hides, and leather for the last twelve years indicates that there is practically no relation or connection between the prices of cattle and hides and not a close connection between the prices of hides and leather. Such a comparison is made in the following table:

Year.	Date.	Top prices, native steers, on hoof, Chicago, per 100 pounds.	Heavy native steer hides, Chicago, per pound.	Sole leather, Union No. 1, middling, per pound.
1897	Apr. 3	$5.40	$0.00	$0.29
1898	July 2	5.35	.12½	.29
1899	Jan. 7	5.95	.11½	.28
1900	Apr. 7	5.80	.13½	.35
1901	Apr. 6	6.25	.10½	.33
1902	July 5	8.50	.13	.35
1903	Apr. 4	5.60	.11½	.34
1904	Oct. 1	6.65	.10½	.32
1905	Jan. 7	6.00	.13½	.35
	Aug. 5	5.90	.15½	.36
	Jan. 6	6.25	.15½	.37
	Feb. 3	5.85	.15½	.37
1906	Apr. 7	6.35	.14½	.35
	Sept. 1	6.85	.16½	.36
	Apr. 6	6.60	.14½	.38
1907	Sept. 7	7.25	.14	.36
	Apr. 4	7.50	.09½	.34
1908	July 4	8.40	.14½	.34
	Dec. 5	8.00	.16	.36
	Jan. 9	7.50	.16	.36
	Feb. 6	7.15	.16	.36
1909	Mar. 6	7.25	.14½	.36
	Apr. 3	7.35	.14	.36

The above prices of cattle are taken from Monthly Summaries of United States Department of Commerce and Labor and are for the specific dates mentioned. The prices of leather and hides are from a table of "Comparative prices of leather and hides for ten years," published in the Shoe and Leather Reporter of August 10, 1905, and later numbers.

Thus we see that the prices of hides are often high when the prices of cattle are low, and often low when the prices of cattle are high.

In 1905 and 1906 hides were selling above 15 cents when cattle were below 6 cents, while in 1902 hides were selling at 13 cents when cattle were selling at 8½ cents. In 1906 hides were selling at 16 cents when cattle were selling at 6.85 cents, while in 1908 hides were selling at 9½ cents when cattle were selling at 7½ cents. From April, 1908, to April, 1909, the price of cattle declined 2 per cent, while the price of hides advanced 47 cents. From February, 1906, to April, 1909, the price of cattle advanced 26 per cent, while the price of hides declined 8 per cent.

These figures disprove the claims of the beef packers that the cattle raisers are protected by the duty on hides. The Wall Street Journal of April 20, 1909, quotes "an official of Swift & Co." as follows:

"Any reduction in the hide tariff would injure the farmer, because the packers do business on so close a margin that cheaper hides would mean a slightly smaller return per pound to the farmer for beef on the hoof."

Is not this clear? Is not it beautiful—this solicitude of the packers for the farmers? The packers want the hide duty retained so that they will have to pay higher prices for cattle. How they do love the farmer!

As a matter of logic as well as of fact, the beef packers pay as little as possible for cattle and get as much as possible for hides. The price of cattle depends mainly upon the demand for beef, and the price of hides depends mainly upon the demand for leather. Hides, being an incidental or by-product of the butchering business and cattle being slaughtered primarily for beef, it is absurd to suppose that a duty on hides will materially change the prices paid for cattle. We may be certain that the packers would favor free hides if they thought that free hides would appreciably lower the prices of cattle.

The cattle raisers get nothing, or next to nothing, from the duties on hides and leather. They are, however, by these duties, compelled to pay materially higher prices for shoes, harness, saddles, and other leather goods.

In view of all the facts, there is no sound reason for retaining the duty on hides in order to protect cattle raisers or farmers. There is sound reason in favor of free hides in order to provide as cheap raw material as possible to the tanning and shoe-manufacturing industries, both of which are of great importance to all of our people. If the duty on hides is retained, it will be retained at the behest of the beef trust and for the purpose of enabling it to hold and extend its already great and harmful monopoly. Congress will not do its duty to our 87,000,000 shoe-wearing people unless it repeals the duty on hides. In my opinion, it should also put leather on the free list.

In conclusion, I wish to say that I hold somewhat different opinions from those held by some other shoe manufacturers. I am not afraid of free shoes if I can have free hides and free leather. I would gladly swap any doubtful benefit from the duty on shoes for the certain benefits of free hides and leather.

Mr. BEVERIDGE. Will the Senator permit me to ask a question of the Senator from California?

Mr. OWEN. I yield the floor.

Mr. BEVERIDGE. The Senator from California made a suggestion just now, and I was curious to know whether or not we may expect that that will represent the view of the Finance Committee and the majority of this side rather than the expectation put forward by the Senator from Rhode Island, to wit, that if we have a 10 per cent duty on hides, then the Senator will be content with a 10 per cent duty on shoes.

Mr. HALE. Mr. President, the Senator from California was not speaking for the committee.

Mr. BEVERIDGE. I did not say that the Senator from California was speaking for the committee.

Mr. FLINT. I was not speaking for myself even.

Mr. HALE. I think the Senator was very unfortunate in the way he presented it.

Mr. FLINT. I simply presented the question whether the Senator from Oklahoma [Mr. OWEN] thought the shoe manufacturer to whom he referred would be willing to accept a 10 per cent duty on shoes if the duty on hides was put at 10 per cent.

Mr. BEVERIDGE. Then we get it very clearly. I did not say, I will say to the Senator from Maine—and he will not find it in the RECORD—that the Senator from California spoke for the committee, or assumed to do so.

Mr. HALE. I did not understand that the Senator undertook to speak for the committee at all.

Mr. BEVERIDGE. Not at all; but I was curious to know—because I think it is important and a new phase of this thing that I had not thought of at all is developing here—whether it is the intention, in case 15 per cent is put upon hides on that ground, that a differential of 10 per cent shall immediately be placed upon shoes. It is only our right to know and to have the thing cleared up as we go along.

Mr. HALE. I am very impatient at the persistence of the Senator from Indiana, who is continually urging upon the committee to tell beforehand what it intends to do. The chairman has stated with great plainness and distinctness, after his fashion, that when this fundamental question is considered and passed upon by the Senate the committee will take up the other subjects of manufacture, the advanced stages of this product. And for the Senator from Indiana to continually urge the chairman or the members of the committee to state for his satisfaction beforehand what they will do is not, it seems to me, a fitting thing to be done.

Mr. ALDRICH. And, Mr. President, when the committee do make their report they will not be governed by the opinion of

a single manufacturer of shoes of a particular kind that he has spent millions of dollars in advertising all over the world and which he sells on a trade-mark. I suppose, of course, the merits of the shoes have something to do with it; but he has spent a large amount of money in advertising his shoes. He was elected governor of Massachusetts once, I think; and I have been told that that was a part of his advertising scheme. I suppose that is not true. I assume it is not true. But it was stated commonly in the newspapers at the time that he was willing to pay large amounts for advertising in any direction. He occupies this peculiar situation by himself; and I am sure that he does not in any sense represent the boot and shoe manufacturers of the United States, and that he is not trying to remove the duties upon hides and upon leather with any idea except that of advertising his own views and his own shoes.

Mr. BEVERIDGE. Mr. President, it was not the Senator from Indiana who called attention in the first place to what might hereafter be done in case we put a duty of 15 per cent on hides. That did not come from me. In the little time that I have listened to this debate I had supposed, up to the time the Senator from Maine himself called attention to the fact, that we were going to vote upon the question of hides—free hides or no free hides—merely as that matter affected the whole industry, not only of cattle raising, but of shoemaking, of tanning, of harness making, and so forth.

Mr. HALE. And leather.

Mr. BEVERIDGE. Yes; and leather. It had not occurred to me that there might be an aftermath to this. That was because I was not familiar with the subject, of course; and I think it is true of a good many of the Senators. Therefore, it did become very interesting and, I think, entirely within the proprieties that we should now understand—those of us who are not so familiar with these things as other and older Senators—that this is to be followed by an effort to increase the duty in the bill as it came from the House upon shoes and the products of hides.

Mr. SUTHERLAND. Mr. President——

The PRESIDING OFFICER. Does the Senator from Indiana yield to the Senator from Utah?

Mr. BEVERIDGE. In a moment I will; I am almost through. That will no doubt become, when it arises, in its time, the subject of a difference of opinion between us. But, more than that, it interjects that question into this question of free hides as well. I think it quite a pity; but, so far as that is concerned, every Senator must judge for himself. He represents absolutely his State and the people of his State.

Mr. SUTHERLAND. Will the Senator let me ask him a question?

Mr. BEVERIDGE. Yes.

Mr. SUTHERLAND. Would the answer of the committee to the question which the Senator from Indiana puts make the slightest difference as to the vote which the Senator from Indiana would cast on this question? In other words, allow me to say, further——

Mr. BEVERIDGE. It would make a good deal of difference as to the vigor of my vote. I would vote with a little more emphasis.

Mr. SUTHERLAND. If the committee should answer the Senator from Indiana that the duties on shoes and on leather will remain just as they are in the House bill, would not the Senator from Indiana vote for free hides notwithstanding?

Mr. BEVERIDGE. I think it is quite likely, Mr. President, that I would; but not at all with that degree of enthusiasm with which I shall cast that same vote in case I know what the intention of the members of the committee is.

Mr. SUTHERLAND. Then the Senator is not asking for his own information?

Mr. BEVERIDGE. Yes; I was asking for my own information. It had not occurred to me that perhaps the Senator is familiar with what is to follow after the duty on hides is restored.

Mr. BAILEY. Mr. President, I should like to inquire—if it is a parliamentary inquiry that the Chair can answer—what difference there is between the effect of an enthusiastic vote and a vote lacking in enthusiasm?

The PRESIDING OFFICER. The Chair is unable to decide.

Mr. STONE. Mr. President, before the vote is taken I wish to say a word.

I am indifferent—measurably so, at least—as to the result of the vote to be taken on the amendment of the Senator from Iowa. I am in favor of free hides, free leather, and free shoes. I am not in favor of free hides without free manufactured products of hides—leather, shoes, boots, and so forth—and I will not vote to put hides on the free list unless these manufactured products in common use are put on the free list.

The Senator from Rhode Island [Mr. ALDRICH] stated a moment ago that Governor Douglas seemed to be the only shoe manufacturer who was willing, or who had expressed himself as willing, to have shoes and boots on the free list if hides and leather are put upon the free list.

Mr. President, the State from which I come ranks next to Massachusetts in the volume of its boot and shoe production. I have letters here on my desk from shoe manufacturers in that State, and have had repeated personal assurances from them, and I have been authorized by several of them, representing the largest concerns in the State, or among the largest, to say on the floor of the Senate, as I do now, that they are willing to put boots and shoes, their production, upon the free list if hides are put upon the free list.

Mr. ALDRICH. Would it be inconvenient for the Senator to give us the names of those men?

Mr. STONE. I can give you the names of some of the men, if you wish them. The Brown Shoe Company——

Mr. ALDRICH. Mr. President, is it true that Mr. Brown has a large property in Mexico, where he raises cattle?

Mr. STONE. I know nothing about that. Does the Senator say that is so?

Mr. ALDRICH. I have been so informed.

Mr. STONE. I know nothing of that.

Mr. BEVERIDGE. By whom?

Mr. ALDRICH. By a reputable gentleman.

Mr. STONE. Who informed you? From whom did you get that information?

Mr. ALDRICH. It came to the committee from a gentleman who, I think, knows the facts in the case.

Mr. BEVERIDGE. Who was it?

Mr. STONE. Will the Senator give the name of his informant? He has asked me for the name of mine.

Mr. ALDRICH. The Senator from Utah is my informant.

Mr. SMOOT. Mr. President——

The PRESIDING OFFICER. Does the Senator from Missouri yield to the Senator from Utah?

Mr. STONE. Yes.

Mr. ALDRICH. I am sure the Senator from Utah can furnish the information.

Mr. SMOOT. I desire to ask the Senator whether he refers to the Hamilton Brown Shoe Company?

Mr. STONE. No, sir; the Brown Shoe Company.

Mr. SMOOT. I had reference to Mr. Hamilton Brown, of the Hamilton Brown Shoe Company.

Mr. STONE. Well, I did not.

Mr. SMOOT. I thought, of course, that that was the Mr. Brown that was referred to when I spoke of Mr. Brown to the Senator.

Mr. STONE. It was Mr. Brown who told me this.

Mr. SMOOT. But I say the mistake came in this way: I thought it was Mr. Brown, of the Hamilton Brown Shoe Company.

Mr. STONE. But, Mr. President, there is a Hamilton Brown Shoe Company in St. Louis, which is the largest shoe manufacturing concern in the State.

Mr. SMOOT. And I know that they are in favor of free shoes. I have also been informed, and have a letter in the office stating, that they are cattle owners in Mexico.

Mr. BEVERIDGE. Who is the Senator's informant?

Mr. SMOOT. I can give the Senator the letter, if he wants to know.

Mr. BEVERIDGE. But you did not give the name.

Mr. SMOOT. I am giving the only names I have here, as far as the letter is concerned. If it is the Brown Shoe Company, I do not know anything about it.

Mr. STONE. It is a very large concern.

Mr. SMOOT. But I do know that I have a letter in my possession which refers to the Hamilton Brown Shoe Company.

Mr. BEVERIDGE. Stating that they raise cattle in Texas?

Mr. SMOOT. No; not in Texas—in Mexico. I know nothing, as I say, about the Brown Shoe Company. I referred to the Hamilton Brown Shoe Company, which is mentioned in the letter I received.

Mr. STONE. Do I understand the Senator to say that in that letter his confidential correspondent informs him that the Hamilton Brown Shoe Company as a corporation owns a ranch in Mexico?

Mr. SMOOT. No; I did not say as a corporation—I did not say that. I said a member of the firm of the Hamilton Brown Shoe Company owns cattle in Mexico.

Mr. STONE. Oh! A member of the firm?

Mr. SMOOT. Certainly.

Mr. STONE. There are quite a good many stockholders in that corporation.

Mr. SMOOT. I understand that Mr. Brown owns a great part of it, and he is the gentleman who owns the cattle in Mexico.

Mr. STONE. For what purpose is he raising cattle in Mexico?

Mr. SMOOT. I suppose, like any other cattle raiser, he would be interested in having his hides come over. I should think he certainly would.

Mr. STONE. Mr. President, here is one letter that I will read from Hannibal, Mo., from the Hannibal Shoe Company, manufacturers of soft-sole shoes, infants' shoes, and so forth:

HANNIBAL SHOE COMPANY,
Hannibal, Mo., April 2½, 1909.

Hon. W. J. STONE,
Washington, D. C.

DEAR SIR: We acknowledge receipt of your favor of the 15th and note your question as to placing shoes on the free list. We see no reason why shoes should not be placed on the free list if hides are, as we are certain that America can compete with any other nation in any line.

Thanking you for the consideration you have given our letter and trusting you will be able to vote as we have suggested, we remain,

Yours, truly,

HANNIBAL SHOE COMPANY,
THOS. J. COUSINS, *President.*

But, Mr. President, it seems to me that when I state here on the floor of the Senate, responsible as I am to my own constituency, that the manufacturers of St. Louis—I do not say all of them, but many of them—and their representatives, and those in other cities in Missouri, have written and stated this thing to me, it is rather an impertinence on the part of the Senator from Rhode Island to call my statement in question and ask me to furnish him the proofs. I assume responsibility for my statements, not to the Senator from Rhode Island, but to my constituents in Missouri.

Mr. ALDRICH. Mr. President, the Senator from Missouri is a little rapid in his conclusions. I did not ask him for his authority. I asked him for the names of the manufacturers in Missouri who wanted to have shoes put upon the free list if they could get free leather. I hope it did not interfere with the good nature of the Senator to have that question asked. It was not an unusual one.

Mr. STONE. I undertake to assert, Mr. President, as a matter of absolute conviction—although I have not had communication with every one of the many manufacturers in Missouri—that there is not one within the borders of that Commonwealth making shoes who will not indorse the statement I make here, viz: That the manufacturers of boots and shoes in Missouri are willing to put boots and shoes on the free list if hides and leather are put on the free list.

Mr. SMOOT. Mr. President——

The PRESIDING OFFICER. Does the Senator from Missouri yield to the Senator from Utah?

Mr. STONE. I do.

Mr. SMOOT. I hope the Senator understands that, personally, I know nothing as to whether Mr. Brown owns cattle in Mexico or not. I simply say that the information that was sent to me was that he is a cattle owner in Mexico, and is interested in having free hides, and that that is the reason the Hamilton Brown Shoe Company desires to have shoes on the free list providing hides are put upon the free list.

Mr. STONE. Mr. President, that is not all I rose to say. What I rose especially to say is that while I stand for free hides, I stand for that proposition conditionally; and the condition is that boots and shoes and leather and the other products of hides shall go on the free list. And if my distinguished friend the Senator from Massachusetts [Mr. LODGE], who made such an interesting speech here the other day upon this subject, and my friend from Vermont [Mr. PAGE], who made a very interesting and instructive speech on the subject, are very anxious for free hides, I advise the Senator from Massachusetts, who is a new Richmond on the field of the insurgents, to rally his associates for free shoes as well as free hides; for he will never get them otherwise.

Mr. WARREN. Mr. President, I will ask to have read the dozen lines that I have underlined in the book which I send to the desk. It is the testimony of a tanner and shoe manufacturer who testified before the House.

The PRESIDING OFFICER. Without objection, the Secretary will read as requested.

Mr. WARREN. It is simply what I have underlined on the page.

The Secretary read as follows:

JANNEY & BURROUGH, PHILADELPHIA, PA., THINK DUTY SHOULD BE RETAINED ON HIDES, LEATHER, AND SHOES.

220–230 WOOD STREET,
Philadelphia, February 11, 1909.

Hon. SERENO E. PAYNE,
Chairman Ways and Means Committee,
Washington, D. C.

DEAR SIR: We respectfully solicit your further consideration concerning the duties on hides, tanning materials, leather, and shoes.

Several months ago we were cordially invited by a number of our trade to join in an effort to have the duty removed from hides. We declined to accept on the ground that we could not consistently do so, being strong believers in a good tariff, both for revenue and protection.

Until now, we have presented nothing for the consideration of your committee, but so much having been said by others with which we can not concur, and which we feel may give you a wrong impression, we now wish to go on record as being heartily in sympathy with you in your efforts to so regulate the tariff that it will amply protect our American industries, produce ample revenue for our Government, and afford the best opportunity to our whole people to buy American-made products at as low a price as is possible, consistent with good quality and well-paid labor.

While we have all our means, amounting to several hundred thousand dollars, invested in the business of tanning heavy hides into sole leather, and are just as much in need of making a living as the gentlemen you have heard from, we would emphasize our belief that it would be far better that no change whatever be made in the duty on hides and extracts than allow any lowering whatever in the duty on leather and shoes. We would rather see the duties on hides and extracts as they are and the duty on leather doubled, rather than to sacrifice any of the duty on leather and shoes. We have now in our country tanning capacity in excess both of the supply of hides and the home demand for sole leather.

REGARDING THE DUTY ON HIDES.

The best possible protection to the industry of raising cattle, with the view of increasing the country's supply of both beef and hides, will, we believe, be productive of the most good to the tanners and shoe manufacturers, and help to make our country independent in time of war and at all times.

Mr. PAGE. Mr. President, I am sorry that the Senator from Wyoming has, at the last moment, introduced that letter. Of the several hundred important tanners of this country, the men who produce probably more than 90 per cent of all the leather made, not one, so far as I know, but this single concern, has asked for a duty on hides.

Mr. GORE. I have a telegram here from A. B. Goodbar which I ask to have printed in the RECORD. Mr. Goodbar is one of the leading shoe manufacturers of the entire country.

The PRESIDING OFFICER. Without objection, the telegram will be printed in the RECORD.

The telegram referred to is as follows:

ST. LOUIS, MO., *June 21.*

Hon. T. P. GORE,
United States Senate, Washington, D. C.:

Your telegram of the 19th received to-day. Price of heavy beef steers, September, 1907, just before panic, $7 per hundred; price to-day, $6.90, a decline of 1.7 per cent. Hides from same cattle, same dates, 14 and 17 cents per pound, respectively; an advance of 20.3 per cent. On to-day's market packers pay cattle growers $3.45 cents for 50-pound hide and sell same for $8.50, a gain of 146 per cent. What stronger evidence is needed that beef cattle do not advance with hides and that packers absolutely control both beef and hides? A vote in favor of hide tariff is a vote in favor of the most grasping monopoly existing to-day, not excepting Standard Oil.

A. B. GOODBAR,
President Goodbar Shoe Manufacturing Company.

Mr. GORE. I merely wish to add that the telegram shows that cattle are selling lower to-day than they were selling in September, 1907, just prior to the panic. The telegram further shows that notwithstanding the slight decrease in the price of cattle there has been a marked increase in the price of hides. The price of hides has advanced more than 20 per cent. My impression is that the price of dressed meat has advanced during this time.

I wish to say, further, that this telegram would indicate that there has been an artificial and arbitrary influence manipulating to some extent even the law of supply and demand; that there has been a strong hand, I might almost say a black hand, manipulating the markets of the country against the interest of the farmer, against the interest of the shoe manufacturers, and against the interest of the consumers of dressed meats. I presume that influence would not be far to seek. It is the packers; it is the beef trust of the country. And that evil genius has sentenced the shoe manufacturers to death.

Mr. WARREN. The Senator is mistaken, but I do not care to go on with it.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Iowa [Mr. CUMMINS] to the amendment of the committee.

The amendment to the amendment was rejected.

Mr. ALDRICH. I wish that the vote may be taken on the committee amendment.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Committee on Finance.

Mr. BEVERIDGE. Mr. President, at this late hour I shall detain the Senate but a few minutes. I feel it my duty briefly to give some of the reasons for the vote I shall cast.

In the first place, this is one of the cases that was outlined the other day by the Senator from Iowa where the duty might be added. In this case it was admitted by the Senator from Idaho that the duty is added. Where we do not ourselves produce all that we need, or where a combination exists so great that it fixes the price, the tariff may be added to the price.

The tariff on hides comes within both these rules. In the first place, we do not produce enough for ourselves and have to appeal to all the markets of the world for enough leather with which our feet may be clad, enough leather for our harness, and our belting, and so forth; and, in the second place, Mr. President, there is no question about the fact, and it has been twice admitted on this floor, that the packers fix the price.

If that is true, Mr. President, it is also inevitably true that they pay as low a price as they possibly can. They would violate a nigher than any statute law if they did otherwise; they would violate the natural laws of trade. Therefore it appears, Mr. President, that the people who have the benefit of this duty is not the farmer, in whose name we hear similar appeals so often made, but it is the packers who have such a monopoly of hides that they fix the price.

Now, Mr. President, another curious thing. A strange situation has arisen here this afternoon. We have deliberately voted to keep horsehides and calfskins and all other hides, except those of grown cattle, on the free list. I thought when that question was being argued that there was no reason then, and there is no reason now, why, if you leave other hides on the free list, you should exclude from the free list those hides out of which the shoes of the people are made. Yet that is what we are asked to do.

It has been stated here that if we have a duty on hides we must also have a duty on shoes, and if the duty is to be taken off of hides, it must be taken off of shoes.

But, Mr. President, we have already seen that in the case of hides it is one of those instances where the duty may be added, whereas in the question of shoes by reason of the immense competition which exists the duty is not added. I do not know that a better illustration could have been selected than that of hides and leather and the finished products—of the fact that the duty may be added where we do not produce enough for ourselves or where a trust fixes the price, on the one hand, and that the duty is not added where there is domestic competition, on the other hand.

Mr. President, another thing has come out of this debate quite clearly, and it is not denied, and that is that the life of the tanning industry of this country is absolutely at stake.

The other day, in response to a question by the Senator from North Dakota [Mr. McCUMBER], I related an instance which was related to me by another Senator on this floor within his own observation, where a great tanning industry in his State had been compelled to go out of business because it had exercised the liberty of the market place, as the Senator from Iowa usually says, and had gotten their hides where they could pick them up, and when they went back to the packer the packer said, "Well, you go on getting them there, we have none to sell you." So that old established business, which had been conducted by this man and his father before him, and was one of the independent industries of this country, preparing leather for the people, was extinguished by this trust. And that was only last year.

Another curious situation is this: We have a tariff upon the cattle itself. We have a tariff upon the meat product of the cattle. Now you propose to put a tariff upon the hides of that cattle. Why do you not be consistent and put it on horns? That is not a negligible quantity; that is not an indifferent subject—buttons and a great many other things are made out of horns. Yet we find horns retained on the free list. There is the subject of hair. Why not put a tariff on hair and horns and hoofs as well as hides? Yet all these are on the free list. There is a large number of other subjects. So if you are going to be consistent and not only protect the cattle itself, not only protect the meat product, but also if you are going to protect hides, why not protect the horns and the hoofs and the hair and everything else which is valuable, and all of which you propose to have on the free list?

Mr. President, the packers can export their beef. They do export it. I suppose we are the largest exporting nation of dressed beef. But we must import our hides, because we have not enough hides for our own use. We have not enough hides with which to make the shoes of the people, the harness that the farmer needs.

It is said, Mr. President, that the farmer will benefit from this, that the cattle raiser will benefit from this, but the Senator from Vermont [Mr. PAGE] demonstrated by actual figures that the farmer or cattle raiser, conceding that he gets any of the increase of price which the Senator did not concede, and which as a matter of fact is not true, because the farmer or cattle raiser gets just what the packers are willing to pay him and not more; but for the sake of argument, conceding that the farmer or cattle raiser did get more for his hides because of this duty, then the Senator from Vermont demonstrated by figures, which no one has attempted to answer here, that more than that duty is added to the price of his shoes, or the price of his harness, or the price of any leather which he buys.

Now, Mr. President, just one final thing. If it be true that the tariff duty is added in this case to the hides, nothing is clearer than that it is carried on to the final finished product. The Senator from Wyoming [Mr. WARREN] the other day in response to a question by me, said "Yes, it was added to the price of hides." If that is true, certainly the packer does not lose it as it passes through his hands, nor the tanner as it passes through his, nor the shoemaker as it passes through his, but in that instance it is added to the price of everything made from those hides.

So we perceive on the one hand we are not doing the producer of hides any good, but, on the other hand, Mr. President, we are adding to the price of every shoe that is bought by that farmer, of every trace, of every bit of leather he must use in his business.

One thing more: Of the hundreds of letters I have received from my State not a single farmer wrote for a duty on hides, and the only letter I received asking for a tariff on hides was from the packers.

Now, finally, Mr. President, I have heard two or three times during this debate an appeal for this duty upon the ground of protection. It was a very natural argument to make. I blame no Senator for making it, but I have heard an expression with reference to "protectionist Senators." Well, that is becoming an old question in this debate. Those of us who are insisting that no greater duty than is actually protective, in our opinion, should be put in the bill think that we are even the better—certainly the more rational and safer—protectionists; we think that we are the sounder and truer protectionists.

But upon this specific duty on hides, I call the attention of the Senate and the country to the fact that John Sherman was a protectionist, and he was for free hides; McKinley was a protectionist, and he was for free hides; James G. Blaine was a protectionist, and he, perhaps, performed greater labor for the great cause of protection than any other man in this Republic since the day of Clay—and Blaine was for free hides.

If it is suggested that those men are of the past and that that would not be their opinion now, it must be conceded that Mr. PAYNE, the present chairman of the House committee, is a protectionist of protectionists, and as such he is for free hides.

And, Mr. President, with such credentials of the protectionism of those of us who are for free hides, I think I shall conclude these brief remarks and ask permission to put into the RECORD that portion of Chairman PAYNE'S very exhaustive speech in explanation of the bill which relates to the subject of hides.

The PRESIDING OFFICER. Without objection, it is so ordered.

The matter referred to is as follows:

[Mr. PAYNE, chairman Ways and Means Committee, CONGRESSIONAL RECORD, March 23, 1909.]

A duty was put on hides soon after the civil war, when the country was anxious and looking for revenue in every direction in order to pay the interest on our war debt and reduce it. They put a duty on hides, and in 1871 they took it off, regarding it as a war-revenue duty which should not be continued. And why? Hides are a by-product of the animal. Now, I know there are half a hundred people here who will say, "Yes; but it is a sixth or a tenth of the value of the steer." Well, it is. But it is a by-product. People do not raise animals for hides. They raise them for their meat, and the meat is the principal item when they come to sell the cattle. Not only that, but it is the foundation for half a dozen industries; and every time you put a duty on what is called sometimes the "raw material"—and, as far as hides are concerned, they are raw material—you have got to go all up along the line of goods made from that raw material and increase the duty. That is well recognized. No use in keeping hides out of this country in order to sell the domestic hides. If you have got to send them abroad to be tanned, to be made into shoes, to be made into harness, to be made into carriage leather, you want a duty on the manufactured goods, you gentlemen that are clamoring for a duty on hides.

The question came up under the McKinley bill. An amendment was offered in the House for a duty on hides. Gentlemen agonized for it as loudly as some of you gentlemen are agonizing for it now, but not quite as loudly as my friend from Texas is agonizing for a revenue duty. It was voted down in the House, and it was kept out of the McKinley bill, and they were left on the free list. When the Dingley bill came before the House, reported by the committee, it was reported with free hides, and I saw a number of gentlemen on this side of the House and a number of gentlemen on the other side of the House, led by the late Jeremiah Simpson, of Kansas, voting for a duty on hides. He was a little more frank than some of these modern-day tariff-for-revenue people. He said he wanted to get his share. He did not believe in a duty on hides, but he wanted to get his share; his people wanted it, and it had something to do with the Populist vote out in Kansas. Marching under his banner and leadership, some of our friends on the other side and some on this voted for it, but the House voted it down. It went over into the Senate. We did not have a Republican majority in the Senate in those days, but we did have a majority of those who claimed to be protectionists, and one of these protectionists of Populistic tendencies would not vote for the bill unless it carried a duty on hides, and the Senate accommodated him.

That is one of the courtesies of the Senate when any Member wants something done. They put a duty on hides, and the bill came over here. It was in conference for six weeks. The House conferees struggled against it as a duty that should not go into the bill. The Senate conferees said they could not pass the bill through the Senate unless it contained a duty on hides, and in order to get a bill we were finally forced to yield this duty on hides, and it has been in operation now for twelve years. And while numberless gentlemen have come before the committee, not a single witness has been able to trace a dollar into the hands of the owner of a single steer that came because of this increased duty on hides. But it appeared before the committee that the price of hides was fixed by the "Big Four;" that they controlled the market in the United States. They control the markets in the United States; they control whatever benefit goes to anybody because of this duty on hides. No man would risk his reputation for veracity by standing up here and saying that the "Big Four" were ever known to give up a single cent which got into their coffers unless they were forced to do so. So we have this duty; but the packers all contend that they care nothing about it, and still when brought before the committee they make an argument to continue it.

Mr. REEDER. Mr. Chairman, will the gentleman permit me to interrupt him?

Mr. PAYNE. Well, I suppose so.

Mr. REEDER. I would like to ask you if you think that the "Big Four" would be generous enough to turn this tariff over to the consumers of hides when they will not turn it over to the producers of hides?

Mr. PAYNE. They will not turn over anything to anybody until they are compelled to.

Mr. REEDER. I do not understand what your argument is for, if they keep it from the producer of hides, unless the people who are making this fight for free hides think the people who are making the fight will give it to the consumer of those hides.

Mr. PAYNE. Who are making the fight?

Mr. REEDER. The manufacturers of boots and shoes have had a lobby here urging free hides for several years to my personal knowledge.

Mr. PAYNE. We will come to that point later. The trouble is that the gentleman anticipates my argument and I can not reach the point that I desire to do.

Mr. REEDER. My query is on the question you are talking about. It seems to me that it is clearly on the point that you are discussing.

Mr. PAYNE. If the gentleman will wait, I will get to it, but I can not state everything at once. Will the gentleman wait and give me an opportunity?

Mr. REEDER. I will.

Mr. PAYNE. I want to give gentlemen full liberty to ask questions, but there is a proper time for all things and I can not discuss everything at once.

Mr. REEDER. I am afraid I will lose out as to the proper time if this is not such a time.

Mr. PAYNE. Now, Mr. Chairman, under this duty on hides a large proportion of the tanning business formerly done in the United States is done in Germany and other foreign countries. Why? Because this 15 per cent of duty turns away the hides from the South American countries from the ports of the United States and drives them into the ports of Germany and other countries.

Mr. REEDER. I want to make a suggestion right there.

Mr. PAYNE. Will the gentleman wait until I get through this point?

Mr. REEDER. You are right at the point now.

Mr. PAYNE. Mr. Chairman, I must insist that I be not interrupted until I get through with this statement.

The CHAIRMAN. The gentleman from New York declines to yield.

Mr. PAYNE. And the result has been that they have taken away the tanning business, and we have to import their leather instead of importing the raw hides and tanning them in the United States. The domestic production of hides is not anywhere near sufficient for the supply of leather which we need in this country. It lacks about 40 per cent of it. Why, we raise a steer, not quite a steer, to each inhabitant in the United States. It falls far short of that. In Argentina they raise six steers to one inhabitant. We can not get that way. Tanning people can not get the hides to run their factories. They can not get them anywhere, from the packers or anywhere else, and they are obliged in some instances to close down there tanneries because of the scarcity of hides and yield up their business to those on the other side. Why? All because of this tariff on raw material, a by-product of the animal. A product of labor? Whose labor or what product? What labor is there in raising steers? There is none in Argentina. Why, our farmers have the advantage. If the hides sold for nothing, still they have the advantage in raising steers. Where is meat so high in the world as in the zone of manufactures in the United States, north of the Potomac and east of the Mississippi River?

Take the statistics of the States, take the prices of agricultural products, and they will average more than 20 per cent higher where consumed in a manufacturing district than in the agricultural States of the Union. The home market for farming products, which go directly there, those towns are teeming with countless thousands of men earning American wages, living at the American rates, eating American meat, not once a week, but every day; and if the hides had no value, still our farmers would be in the front rank with the price of meat.

Now, we have created this magnificent market under our magnificent tariff laws. We have created it for the farmer and everything he raises, because of the fact that the consumer of this country is ready, willing, and able to buy at the best prices in the world. I said "everything." No; not everything. Our farmers raise a surplus for exportation; but they do not raise a surplus of hides for export. Doing their best, we still have to have 40 per cent of hides imported in order to carry on our manufacturing industries.

Mr. SCOTT. I should like to ask the gentleman if any evidence was brought before the committee tending to show what proportion of the hides that go into the market from the United States go through the packing houses and how many come from individuals?

Mr. PAYNE. The statement was made by Judge Cowan, of Texas, that 6,000,000 or 8,000,000 cattle went through the packing houses out of 14,000,000 cattle in the United States of all grades; but of course the grade of cattle that goes through the packing houses are the cattle with the thicker hides, the larger steers, the best beef, and the duty being on that class of hides does not affect the others.

Mr. SCOTT. I asked the question because the argument is commonly made that any advantage reaped from the tariff on hides goes to the packer rather than to the farmer, and I wanted the opinion of the gentleman on that question.

Mr. GARNER of Texas. Will the gentleman yield?

Mr. PAYNE. I suppose I will have to, although I should like to discuss the question.

Mr. GARNER of Texas. I will not interrupt the gentleman unless he wants me to, but his statement is erroneous, and I am sure he wants to give the House the benefit of a correct statement. Did not Judge Cowan say that out of about 14,000,000 hides produced in the United States each year about 5,000,000 came through the packing houses?

Mr. PAYNE. I think he said 6,000,000, to be strictly accurate, but I am not sure about that.

Mr. GARNER of Texas. I think the gentleman will find that it was 5,000,000; he said that 11,000,000 came under the duty provision, and 5,000,000 went through the packing houses, and about 6,000,000 came from individuals.

Mr. PAYNE. I will say to the gentleman that I accepted Judge Cowan's statement with some degree of allowance.

Mr. GARNER of Texas. The gentleman does not undertake to say that Judge Cowan was not stating the facts so far as he knew them?

Mr. PAYNE. No; but he had the enthusiasm of an attorney.

Mr. GARNER of Texas. Mr. Chairman, I am inclined to think, from what I heard and my observation before the Ways and Means Committee, that there were a good many witnesses whom the gentleman puts a good deal of confidence in who were enthusiastic by reason of their business in their testimony before the committee.

Mr. PAYNE. There is no doubt about that, but that does not lessen my criticism of Judge Cowan.

Mr. WEISSE. Will the gentleman allow me to answer that question in regard to hides?

Mr. PAYNE. I will pause for the gentleman's reply, if it will not take more than a minute.

Mr. WEISSE. He states that of 14,000,000 hides used by the tanners—under the Dingley bill the tariff classifies hides of 25 pounds and over as being dutiable. Eighty per cent of the hides of 25 pounds and over are taken off by the packers and city butchers controlled by the packers, and only 20 per cent are marketed directly by the farmer. Eighty per cent of the hides of less than 25 pounds, which come in duty free, are produced by the farmers, and only 20 per cent are taken off by the packers or the butchers controlled by the packers. Further, we have an invoice of hides from the South containing 7,000 hides, and out of the 7,000 there were only 92 hides that would have to pay a duty to get into this country. Over 6,000 would have come in free, and they were all taken off by the farmers.

Mr. PAYNE. In view of the statement of the gentleman from Wisconsin, who knows about the tanning business, is not the gentleman from Texas a little bit sorry he brought in Judge Cowan?

Mr. GARNER of Texas. Not at all. The gentleman from Wisconsin [Mr. WEISSE] made a statement that I think attention ought to be called to—that the Dingley law provided that only hides weighing 25 pounds and over were dutiable. The Dingley law does not do that, but the gentleman from Wisconsin and a few importers of his kind induced the Secretary of the Treasury to make that ruling, and that is the reason that hides weighing less than that are not on the protected list.

Mr. MOORE of Pennsylvania. Will the gentleman from New York yield?

Mr. PAYNE. I want to say a word in reply to my friend from Texas first, if I am allowed to do so. The Dingley law provided a duty on hides of cattle. The question came up on the construction of that language, which was put into the bill not in the House, but elsewhere, as to what "hides of cattle" were; and after consideration of the question, the Secretary of the Treasury drew the dividing line at 25 pounds, and so far as I know no importer of hides has ever questioned that decision. Now I yield to the gentleman from Pennsylvania.

Mr. MOORE of Pennsylvania. If the gentleman from New York will permit me, he will generally find me on the protective side of these questions. But cattle hides are largely used in my district, and I want to say that I am inclined to agree with him in the matter of free hides. Of the production of cattle hides in the United States, I am informed, 60 per cent is sole leather; of that 60 per cent, the packers control 70 per cent of the hides, and tan 65 per cent of the 70 per cent.

I want to ask the chairman—being inclined to agree with him—whether the removal of the duty, as proposed in the Payne bill, will protect the independent tanner against the packer, or whether he will be inevitably pushed to the wall, duty or no duty?

Mr. PAYNE. I believe it will protect the tanner. Tanners can not get hides because the importation has gone to Europe, and they are unable to get the raw material to run the tanneries.

Mr. MOORE of Pennsylvania. And the effect will be to protect the independent tanners?

Mr. PAYNE. Yes; and it will not hurt anybody in the United States except the middlemen and the packers.

Mr. REEDER. Will the gentleman from New York yield to me for a question?

Mr. PAYNE. Yes; I will now yield to the gentleman from Kansas, although I am coming to his question. I would have been there long ago if I had not been interrupted.

Mr. REEDER. Would it not be the proper thing to put a higher tariff on leather, and thus bring the manufacturers to the United States rather than remove the tariff from the farmers' finished product?

Mr. PAYNE. I will answer the gentleman's question when he gets through.

Mr. REEDER. I am through.

Mr. PAYNE. I did not know but that the gentleman was ready to put another question in the middle of my answer. I have just reached the point in discussion. I reached it some time ago when I designed to talk about leather, but was interrupted by a question. So far as I am able I am willing to answer all sorts of questions as long as the House can stand it.

Now, about leather. These heavy hides are used in making sole leather, belting leather, and split leather for uppers of coarse boots and shoes, and carriage leather, and some harness leather. The committee cut the duty on sole leather and belting leather from 20 to 5 per cent. I have been asked why they did not cut it more. That may be a fair question. It is easily answered. The duty on the finished article must be higher than the duty on raw material from which it was made because it involves more labor. There is always to every tariff schedule, even a tariff schedule for revenue, a graduation of the duties from raw material up, according to the degrees of manufacture.

Now, some gentlemen came before the committee and stated that if we would take the duty off from hides they would be satisfied to have the duty taken off from sole leather and belting leather. My friends on the other side, some of them, cross-examined these witnesses about it. These men did not say so right out loud, but they squinted in that direction. I do not know but that some of them said so. One of them said:

"If you will make hides free and tanning extracts free, we could get along with free leather, provided you would take care of the labor unions in this country."

Some man had said broadly that on even terms he could compete with any manufacturer beneath the sun, but when he came to examine into it under the skillful examination of some gentlemen of the minority it was conditioned on free hides, free tanning extracts, and no labor unions. Well, the committee had no jurisdiction over labor unions, and they would not exercise it if they could.

Mr. DU PONT. Mr. President, in view of the lateness of the hour, I shall not attempt to discuss this question, but in illustration of the subject I ask that the following extract of a letter from one of my constituents—Mr. J. C. Parker, of J. C. Parker & Son Company, of Middletown, Del.—be read by the Secretary.

The PRESIDING OFFICER. Without objection, the Secretary will read.

The Secretary read as follows:

J. C. PARKER & SON COMPANY (INCORPORATED),
Middletown, Del., March 2, 1909.

Senator H. A. DU PONT,
Washington, D. C.

DEAR SIR: Having been engaged in manufacturing articles made of leather for the last thirty years, we feel we are in position to know that the present tariff of 15 per cent on hides is no advantage to the manufacturers of leather products or to the consumers, and having familiarized ourselves with the agitation that is now being given the question, both pro and con, we have seen nothing to change our views, that are based upon experience, and a large part of the thirty years the said business was conducted under free hides.

The United States does not, nor does any other civilized country, produce enough hides to supply their demands. It is therefore absolutely necessary to import hides from other countries, and when we can do this we then are on a footing with our finished products with other countries that admit hides free. With the increasing population and many new uses for leather, we are not as well able to supply our own demands now as we have been in the past. As the hide industry is confined, comparatively speaking, to such a few, they are in a position to control the price, and when the market will not take what they produce at their price, they simply turn it over to their own tanneries. There is no question, in my mind, but that they are retarding returning prosperity in our line, for the reason hides and leather to-day are higher than they have been before since the war. Not only do they control the hides they take from their own cattle, but by skillful organization are controlling the hides taken from the cattle in small towns and small areas, as in Delaware, as the hides that are taken from carcasses in this section of the country are shipped to a central point, and the price fixed, which the tanners have got to pay or the hides will be shipped to their own tanneries. These facts are given to you from our own knowledge and experience, and we therefore hope that you will see your way clear to render your influence to the restoration of hides to the free list, believing you will be conferring a favor upon manufacturers as well as consumers.

I am taking the liberty of sending you a marked copy of Hide and Leather, to which we are subscribers. This is a standard paper, and I hope you will find what is said on this topic of interest, and I will thank you to pass it to Senator RICHARDSON, and we would like very much if he will pass it to Mr. HEALD. I do not wish to encumber you, but I have a feeling that all three of you will be interested in what we have said to you.

Hoping you will give this your careful consideration, and with kind regards, we are,

Yours, very truly, JOS. C. PARKER,
Treasurer.

MARCH 5, 1909.

Mr. J. C. PARKER,
Secretary and Treasurer J. C. Parker & Son Company,
Middletown, Del.

MY DEAR SIR: In reply to your letter of the 2d instant, I will say that while I am heartily in favor of placing hides on the free list in the new tariff, I recognize the fact that it will be extremely difficult to effect this, for the reason that there is very strong opposition to it on the part of the cattle-raising interests in the West.

If we could have a tariff constructed on what I consider to be the proper lines, we would have maximum and minimum tariffs, the maximum tariff to be the ordinary tariff, and the minimum tariff, which would chiefly include articles of luxury and raw materials, and which would be applied by the President, under such enactments as Congress might frame, to those countries who give us in return the advantages of their minimum tariffs. Under this state of affairs I think it would be feasible to have hides placed on the free list in the minimum tariff, which would be in the nature of a compromise, as hides would only come in free from those countries who gave us markets for our fresh meats, or other substantial advantages in return.

As requested, I have sent a copy of Hides and Leather to Senator RICHARDSON, and have asked him that when he has read the marked article to turn it over to Congressman HEALD.

I will say, in conclusion, that when the tariff bill comes before the Senate I shall make every effort to look out for your interests.

Yours, very truly, ——— ———.

MARCH 6, 1909.

Hon. HARRY A. RICHARDSON,
United States Senate.

MY DEAR SENATOR: I am sending you, under separate cover, a copy of Hide and Leather containing a marked article. Mr. J. C. Parker, of Middletown, Del., asks that when you have perused it that you send the same to Representative HEALD.

Yours, very truly, ——— ———.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the committee.

Mr. ALDRICH and Mr. DAVIS demanded the yeas and nays, and they were ordered.

The Secretary proceeded to call the roll.

Mr. BOURNE (when his name was called). I am paired with the senior Senator from Arkansas [Mr. CLARKE]. If he were present, I should vote "yea."

Mr. DILLINGHAM (when his name was called). I have a pair for the afternoon with the senior Senator from Mississippi [Mr. MONEY], who has been called from the Chamber on account of indisposition. If he were present, he should vote "yea" and I should vote "nay."

The PRESIDING OFFICER (when Mr. KEAN's name was called). The present occupant of the chair is paired with the senior Senator from Tennessee [Mr. FRAZIER]. If he were present, I would vote "nay."

Mr. OLIVER (when his name was called). I am paired with the senior Senator from North Carolina [Mr. SIMMONS].

Mr. PERKINS (when his name was called). I again announce my pair with the senior Senator from Maryland [Mr. RAYNER]. As he is absent, I withhold my vote.

Mr. SMITH of Maryland (when Mr. RAYNER's name was called). The senior Senator from Maryland [Mr. RAYNER] is unavoidably absent. If he were here, he would vote "nay."

Mr. SMITH of South Carolina (when his name was called). I am paired with the junior Senator from Wisconsin [Mr. STEPHENSON].

The roll call having been concluded, the result was announced—yeas 46, nays 30, as follows:

YEAS—46.

Aldrich	Culberson	Guggenheim	Piles
Bailey	Cummins	Hale	Scott
Borah	Curtis	Heyburn	Smith, Md.
Bradley	Dick	Hughes	Smoot
Brandegee	Dixon	Johnson, N. Dak.	Stone
Bristow	Dolliver	Jones	Sutherland
Brown	Elkins	Lorimer	Taliaferro
Bulkeley	Fletcher	McCumber	Warner
Burkett	Flint	McEnery	Warren
Carter	Foster	Newlands	Wetmore
Clark, Wyo.	Gallinger	Nixon	
Crawford	Gamble	Penrose	

NAYS—30.

Bacon	Clapp	Gore	Page
Bankhead	Clay	Johnston, Ala.	Paynter
Beveridge	Crane	La Follette	Root
Briggs	Cullom	Lodge	Shively
Burnham	Daniel	Martin	Smith, Mich.
Burrows	Davis	Nelson	Tillman
Burton	du Pont	Overman	
Chamberlain	Frye	Owen	

NOT VOTING—16.

Bourne	Frazier	Oliver	Simmons
Clarke, Ark.	Kean	Perkins	Smith, S. C.
Depew	McLaurin	Rayner	Stephenson
Dillingham	Money	Richardson	Taylor

So the amendment of the Committee on Finance was agreed to.

Mr. ALDRICH. I now ask——

Mr. STONE. Just a moment. I wish to now give notice that when the bill reaches the Senate I shall offer the amendment which I offered to-day in place of the amendment just adopted.

Mr. ALDRICH. I now ask that paragraph 581 of the free list be taken up, and I move that it be stricken out.

The PRESIDING OFFICER. The paragraph to which the Senator from Rhode Island refers will be stated.

The Secretary read as follows:

581. Hides of cattle, raw or uncured, whether dry, salted, or pickled.

The PRESIDING OFFICER. The Senator from Rhode Island moves that the paragraph be stricken out. Without objection, the motion is agreed to.

Mr. DOLLIVER. I desire to offer an amendment to a preceding paragraph.

Mr. ALDRICH. The Senator from Iowa has an amendment to paragraph 448, which I hope may be adopted.

The PRESIDING OFFICER. The amendment proposed by the Senator from Iowa will be stated.

The SECRETARY. In paragraph 448, page 179, it is proposed to strike out lines 24 and 25 and to insert:

Pay a duty of 15 per cent ad valorem in addition to the duty imposed by this paragraph on leather of the same character as that from which they are cut.

Mr. ALDRICH. There is no objection to that amendment.

The PRESIDING OFFICER. The question is on agreeing to the amendment proposed by the Senator from Iowa [Mr. DOLLIVER].

Mr. DOLLIVER. Mr. President, for many years there has been carried in that paragraph a proviso making vamps, uppers, and other forms of cut leather suitable for manufacturing into boots and shoes bear a duty at the rate provided for manufactures of leather not otherwise enumerated. That would put sole leather cut in the form of soles at 40 per cent ad valorem, whereas the duty on sole leather itself, as we provide in this bill, is only 5 per cent ad valorem, and the duty on these cut forms, counted at the rate of manufactures of leather, is evidently exorbitant and unnecessary.

I have simply proposed that the duty on vamps, uppers, and other cut forms of leather shall be at a rate of 15 per cent in addition to the rate on the kind of leather out of which they are cut.

Mr. ALDRICH. I think the amendment is a very proper one.

The PRESIDING OFFICER. The question is on the amendment proposed by the Senator from Iowa.

The amendment was agreed to.

Mr. ALDRICH. Mr. President, the committee will, as soon as possible, report their views upon the duties on sole leather, which is included in this paragraph; but, in the meantime, I ask that the paragraph may go over, including the provision as to boots and shoes.

The PRESIDING OFFICER. Without objection, the paragraph will go over.

Mr. ALDRICH. I report from the Committee on Finance a substitute for paragraph 197, which is the lumber schedule. I ask that it may be read, printed as an amendment, and also printed in the RECORD. I give notice that to-morrow morning I shall ask the Senate to proceed to its consideration. I do not ask for a vote on it to-night.

The PRESIDING OFFICER. The amendment will be stated.

The SECRETARY. It is proposed to substitute for paragraph 197, on page 69, the following:

197. Sawed boards, planks, deals, and other lumber of whitewood, sycamore, and basswood, 50 cents per thousand feet board measure; sawed lumber, not specially provided for in this section, $1.50 per thousand feet board measure; but when lumber of any sort is planed or finished, there shall be levied in addition to the rates herein provided, the following:

For one side so planed or finished, 50 cents per thousand feet board measure; for planing or finishing on one side and tonguing and grooving, or for planing or finishing on two sides, 75 cents per thousand feet board measure; for planing or finishing on three sides, $1.12½ per thousand feet board measure; for planing or finishing on two sides and tonguing and grooving or planing and finishing on four sides, $1.50 per thousand feet board measure; and in estimating board measure under this schedule no deduction shall be made on board measure on account of planing, tonguing, and grooving.

Mr. ALDRICH. Mr. President, I will say with reference to this amendment that it is a reduction of 25 per cent on rough and finished lumber of all kinds from the Dingley rates, the existing rates, with the exception that lumber planed on one side retains the same rate of duty—50 cents a thousand. There is the same differential; but otherwise there is a plain 25 per cent reduction upon all the rates on finished and rough lumber, making the duty on rough lumber a dollar and a half a thousand, and reducing the duty on finished lumber varying from 37½ to 50 cents a thousand feet, according to the number of sides upon which it is planed.

Mr. HALE. Are all the rates on finished lumber in addition to those on sawed lumber?

Mr. ALDRICH. They are, as under the present law. They are cumulative rates.

Mr. HALE. Let me ask the Senator whether he does not propose, before the lumber schedule is concluded, to report certain amendments for other kinds of shorter lumber, like shingles and laths?

Mr. ALDRICH. Yes; the committee have an amendment in regard to the duty on shingles which, I suppose, they could report now. It is the intention of the committee to report an amendment to paragraph 205, increasing the rate on shingles from 30 to 50 cents per thousand.

Mr. HALE. And also, I believe, with reference to laths and some other kinds of short lumber. I think that is the understanding of the committee.

Mr. ALDRICH. Yes; that is the understanding.

Mr. McCUMBER. Mr. President——

The PRESIDING OFFICER. Does the Senator from Rhode Island yield to the Senator from North Dakota?

Mr. ALDRICH. I do.

Mr. McCUMBER. Mr. President, I wish to say that neither of these reports is the unanimous report of the Republican members of the Finance Committee. While no vote was taken upon it, there is no question but the majority favored the statement which has been made by the Senator from Rhode Island [Mr. ALDRICH]. I do not make any other report; but I shall submit amendments to this bill keeping down the duties, and give my reasons for the amendments.

Mr. FLETCHER. Mr. President——

The PRESIDING OFFICER. Does the Senator from Rhode Island yield to the Senator from Florida?

Mr. ALDRICH. I do.

Mr. FLETCHER. I ask the Senator from Rhode Island, while on the subject of hides and skins, to return to paragraph 672, and to allow an amendment to be made there. It now reads:

Skins of all kinds, raw (except sheepskins with the wool on).

After those words I move to add the words "and alligator skins."

Mr. ALDRICH. There is no objection to that, Mr. President.

Mr. FLETCHER. Then, I propose that amendment, Mr. President. I also ask that paragraph 672 be reconsidered, if it has already been agreed to.

The PRESIDING OFFICER. Without objection, the vote by which paragraph 672 was agreed to will be reconsidered.

Mr. FLETCHER. I now move, Mr. President, that there be added after the words "wool on," in line 5, and within the parentheses, the words "and alligator skins." The effect is to except alligator skins along with sheepskins.

The PRESIDING OFFICER. The amendment proposed by the Senator from Florida will be stated.

The SECRETARY. Paragraph 672, page 217, line 5, after the words "wool on," and within the parentheses, it is proposed to insert "and alligator skins," so that the words within the parentheses will be "except sheepskins with the wool on, and alligator skins."

The PRESIDING OFFICER. The question is on the amendment proposed by the Senator from Florida [Mr. FLETCHER].

The amendment was agreed to.

The paragraph as amended was agreed to.

Mr. ALDRICH. I now ask that paragraph 343 may be taken up. I call the attention of the Senator from Iowa [Mr. CUMMINS] to this amendment; and I ask that it may be read.

Mr. CUMMINS. To what paragraph is the amendment?

Mr. ALDRICH. The oilcloth paragraph, No. 343.

The PRESIDING OFFICER. The amendment will be stated.

The SECRETARY. On page 119, in lieu of paragraph 343, the committee reports the following:

343. Oilcloth for floors, plain, stamped, painted, or printed only, and linoleum, corticene, and all other floor oilcloth and fabrics or coverings for floors made in part of oil or any similar product, if 9 feet or less in width, and not specially provided for herein, 8 cents per square yard and 15 per cent ad valorem; over 9 feet in width, 12 cents per square yard and 15 per cent ad valorem; any of the foregoing of whatever width, the composition of which forms designs or patterns whether inlaid or otherwise, by whatever name known, and cork carpets, 20 cents per square yard and 20 per cent ad valorem; mats for floors, composed of any of the foregoing, shall be subject to the rate of duty herein provided for oilcloth, linoleum, corticene, or other floor oilcloth; waterproof cloth, composed of cotton or other vegetable fiber, whether composed in part of india rubber or otherwise, 10 cents per square yard and 20 per cent ad valorem.

Mr. BACON. Mr. President, of course we can not tell from the reading whether the amendment proposes an increase or a decrease.

Mr. SMOOT. Mr. President, the only change from the Dingley law on floor linoleum is as to the width. We propose to change the present law by providing that floor oilcloth and linoleum 9 feet and under shall carry the same rate of duty as oilcloth under 12 feet in the Dingley law. The reason for that is this: Under the Dingley law it was required that oilcloth should be 12 feet wide in order to carry the higher rate of duty; but the foreign manufacturers began to ship oilcloth 11 feet 11 inches, or, in other words, they manufactured it 1 inch under 12 feet, and by so doing secured the rate of 8 cents per square yard and 15 per cent ad valorem instead of 12 cents and 20 per cent ad valorem. I went to Baltimore to find out just how many yards of this oilcloth 11 feet 11 inches had been imported into that port, and I ascertained that the importations of oilcloth of that width were a large percentage of importations. The regular widths in the trade are 6 feet, 9 feet, and 12 feet. So in reducing the width from 12 feet to 9 feet we still allow the 9 feet, which is the regular width in the trade, to come in at the low rate and all over 9 feet wide will take the higher rate of duty. So far as trade widths are concerned, there is no increase over the Dingley rate.

Mr. CUMMINS. Mr. President, I have a substitute that I intend to offer for the proposition of the committee. I was very much opposed to the original report of the committee, and I am just as much opposed to the present report of the committee. I desire to be heard with regard to the matter, but I do not believe the chairman will think it proper to go on with that hearing at the present time.

Mr. ALDRICH. No; I will consult the convenience of the Senator from Iowa. I should like to have the Senator from Iowa, if he will, present his amendment, in order that it may be printed.

Mr. CUMMINS. Yes; I will do so; but I desire to say a word with regard to it.

The difficulty with respect to this paragraph is the utter impossibility of attaching specific rates to materials differing so widely in cost and price, and I have not found it possible to reduce the specific duty to weight as it should be. Linoleum should be admitted to our custom-houses under a specific duty upon weight, but it is not practicable to secure the information

that is necessary to compose that kind of duty. Therefore I intend to offer an amendment attaching a general ad valorem duty to all these articles of 40 per cent. I now send the amendment to the desk.

Mr. ALDRICH. I ask that the amendment offered by myself for the committee may be printed as an amendment and also in the RECORD, and I also ask that the same course be taken with the amendment presented by the Senator from Iowa.

Mr. CUMMINS. That is very satisfactory.

The PRESIDING OFFICER. In the absence of objection, it is so ordered.

The amendment submitted by Mr. CUMMINS is as follows:

Substitute for paragraph 343 the following:
343. Oilcloth for floors, linoleum, corticene, and all the fabrics or covering for floors made in part of oil or any similar product, whether plain, stamped, painted, or printed, or the composition of which forms designs or patterns, whether inlaid or otherwise, by whatever name known, and cork carpets, cork mats, and linoleum mats, waterproof cloth composed of cotton or other vegetable fiber, whether composed in part of india rubber or otherwise, 40 per cent ad valorem.

Mr. CUMMINS. I assume that the matter will not come up until after the——

Mr. ALDRICH. Not until after the lumber schedule is disposed of, and I will see that the Senator from Iowa is present when it is taken up.

Mr. LODGE. Mr. President, to paragraph 39, on page 11, I desire to offer an amendment, to which I am sure there will be no objection.

The PRESIDING OFFICER. The amendment will be stated.

The SECRETARY. In paragraph 39, on page 11, line 7, after the word "thereof" and the comma, insert "cocaine, ectonine, and all other salts and derivatives of the same;" and in line 8, after the word "ounce," insert "and coca leaves, 5 cents per pound."

Mr. BEVERIDGE. What is the existing duty on cocaine, I will ask the Senator?

Mr. LODGE. The present duty on cocaine is very low. It comes in as a medicinal preparation. The duty proposed will be almost prohibitive.

The PRESIDING OFFICER. The question is on agreeing to the amendment.

The amendment was agreed to.

EXECUTIVE SESSION.

Mr. ALDRICH. There is a desire on the part of some Senators to have a short executive session. I therefore move that the Senate proceed to the consideration of executive business.

The motion was agreed to, and the Senate proceeded to the consideration of executive business. After five minutes spent in executive session the doors were reopened, and (at 6 o'clock and 55 minutes p. m.) the Senate adjourned until to-morrow, Wednesday, June 23, 1909, at 10 o'clock a. m.

NOMINATIONS.

Executive nominations received by the Senate June 22, 1909.

RECEIVER OF PUBLIC MONEYS.

Samuel G. Mortimer, of Bellefourche, S. Dak., to be receiver of public moneys at Bellefourche, a newly created office by act of Congress approved February 6, 1909.

APPOINTMENT IN THE ARMY.

JUDGE-ADVOCATE-GENERAL'S DEPARTMENT.

Capt. Frank R. Lang, Second Infantry, to be judge-advocate with the rank of major from June 18, 1909, vice Maj. Milton F. Davis, who was retired from active service on June 16, 1909.

PROMOTIONS IN THE ARMY.

CAVALRY ARM.

First Lieut. Albert A. King, Eighth Cavalry, to be captain from June 16, 1909, vice Capt. Milton F. Davis, Tenth Cavalry, whose resignation as a captain of cavalry was accepted to take effect on that date, having previously accepted an appointment as judge-advocate with the rank of major.

Second Lieut. Milton G. Holliday, Fifteenth Cavalry, to be first lieutenant from June 16, 1909, vice First Lieut. Albert A. King, Eighth Cavalry, promoted.

FIELD ARTILLERY ARM.

Second Lieut. Walter W. Merrill, First Field Artillery, to be first lieutenant from June 16, 1909, vice First Lieut. Henry L. Harris, jr., Third Field Artillery, retired from active service on that date.

CHAPLAIN.

Rev. Dennis Brendan O'Sullivan, of Rhode Island, to be chaplain with the rank of first lieutenant from June 19, 1909, vice Chaplain Joseph Casey, First Infantry, whose resignation was accepted to take effect January 26, 1909.

PROMOTIONS IN THE NAVY.

Capt. Albert G. Berry to be a rear-admiral in the navy from the 18th day of June, 1909, vice Rear-Admiral Joseph N. Hemphill, retired.

Commander William S. Hogg to be a captain in the navy from the 18th day of June, 1909, vice Capt. Albert G. Berry, promoted.

Lieut. (Junior Grade) Joseph D. Little to be a lieutenant in the navy from the 2d day of February, 1909, to fill a vacancy existing in that grade on that date.

Second Lieut. Edward A. Ostermann to be a first lieutenant in the United States Marine Corps from the 23d day of April, 1909, vice Second Lieut. James R. N. Boyd, who was due for promotion, but failed to qualify and was suspended.

Lester S. Wass to be a second lieutenant in the United States Marine Corps from the 23d day of April, 1909, to correct his middle initial as confirmed on May 7, 1909.

POSTMASTERS.

IDAHO.

Claude H. Duval to be postmaster at Nampa, Idaho, in place of Austin G. Nettleton, resigned.

IOWA.

W. G. Haskell to be postmaster at Cedar Rapids, Iowa, in place of William R. Boyd, resigned.

Oswell Z. Wellman to be postmaster at Arlington, Iowa, in place of Oswell Z. Wellman. Incumbent's commission expired January 30, 1909.

MARYLAND.

Mary W. Tise to be postmaster at Hyattsville, Md., in place of George Tise, deceased.

MASSACHUSETTS.

George C. Look to be postmaster at Woods Hole, Mass. Office becomes presidential July 1, 1909.

Elisha Peterson to be postmaster at Duxbury, Mass. Office becomes presidential July 1, 1909.

MICHIGAN.

Alonzo B. Hyatt to be postmaster at Linden, Mich. Office becomes presidential July 1, 1909.

NEW JERSEY.

Charles G. Melick to be postmaster at Milford, N. J. Office becomes presidential July 1, 1909.

George Phillips to be postmaster at Branchville, N. J. Office becomes presidential July 1, 1909.

NEW YORK.

John L. McKinney to be postmaster at Pine Bush, N. Y. Office becomes presidential July 1, 1909.

Josiah S. Remington to be postmaster at Fort Ann, N. Y. Office becomes presidential July 1, 1909.

NORTH DAKOTA.

J. Wells Brinton to be postmaster at Beach, N. Dak. Office became presidential July 1, 1908.

OKLAHOMA.

James L. Gray to be postmaster at Tuttle, Okla. Office became presidential January 1, 1909.

Charles N. Martin to be postmaster at Haileyville, Okla. Office became presidential January 1, 1908.

Albert R. Phillips to be postmaster at Waynoka, Okla. Office became presidential July 1, 1909.

CONFIRMATIONS.

Executive nominations confirmed by the Senate June 22, 1909.

PROMOTION IN THE ARMY.

Capt. Frank R. Lang to be judge-advocate with rank of major.

POSTMASTERS.

CONNECTICUT.

Leonard H. Forbes, at Burnside, Conn.

INDIANA.

Samuel E. Nicoles, at Medaryville, Ind.

NEW JERSEY.

Ralph M. Collins, at Barnegat, N. J.

OHIO.

Charles B. Morris, at Columbus Grove, Ohio.
Alva G. Sutton, at Attica, Ohio.

PENNSYLVANIA.

C. Penrose Hipple, at Marietta, Pa.

SENATE.

WEDNESDAY, *June 23, 1909.*

The Senate met at 10 o'clock a. m.

Prayer by the Chaplain, Rev. Ulysses G. B. Pierce, D. D.

The VICE-PRESIDENT being absent, the President pro tempore took the chair.

The Journal of yesterday's proceedings was read and approved.

PETITIONS AND MEMORIALS.

Mr. BROWN. I present a short telegram in the nature of a petition. The telegram is addressed to myself and dated Omaha, June 22, and reads as follows:

OMAHA, NEBR., *June 22, 1909.*

NORRIS BROWN,
United States Senate, Washington, D. C.:

The International Printing Pressmen and Assistants' Union of North America, in convention assembled, consisting of 22,000 pressmen vitally interested in the use of white paper, passed the following resolution:

Resolved, That the secretary be incited to wire Finance Committee of United States Senate, requesting that wood pulp and white paper be admitted free.

PATRICK J. MCMULLEN,
Secretary.

I call the attention of the chairman of the Committee on Finance to this telegram, and hope it may have some good effect when we come to adjust finally the wood schedule.

The PRESIDENT pro tempore. The telegram will lie on the table.

Mr. OLIVER presented a memorial of 653 retail grocers of Pittsburg, Pa., remonstrating against the imposition of a duty on tea and coffee, which was ordered to lie on the table.

Mr. BURTON presented petitions of sundry citizens of Ohio, praying for the retention of the present duty on raw sugar, which were ordered to lie on the table.

BILLS INTRODUCED.

Bills were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. BURROWS:

A bill (S. 2649) granting a pension to Elizabeth Barker (with an accompanying paper); to the Committee on Pensions.

By Mr. GALLINGER:

A bill (S. 2650) granting an increase of pension to Benjamin C. Flanders (with accompanying papers); to the Committee on Pensions.

By Mr. GUGGENHEIM:

A bill (S. 2651) granting an increase of pension to Robert H. Price; to the Committee on Pensions.

By Mr. CHAMBERLAIN:

A bill (S. 2652) granting an increase of pension to James H. Lewis; and

A bill (S. 2653) granting an increase of pension to Alice I. Simpson; to the Committee on Pensions.

By Mr. TALIAFERRO:

A bill (S. 2654) granting an increase of pension to Richard W. Brooks (with accompanying papers); and

A bill (S. 2655) granting a pension to Mary Davis (with accompanying papers); to the Committee on Pensions.

By Mr. SIMMONS:

A bill (S. 2656) to provide for the defense of Beaufort Harbor, North Carolina, and the inland waters of the State tributary thereto; to the Committee on Military Affairs.

A bill (S. 2657) to provide for the purchase of a site and the erection of a public building at Rockingham, N. C.;

A bill (S. 2658) to provide for the purchase of a site and the erection of a public building at Tarboro, N. C.; and

A bill (S. 2659) to provide for the purchase of a site and the erection of a public building at Rocky Mount, N. C.; to the Committee on Public Buildings and Grounds.

A bill (S. 2660) granting an increase of pension to Hezekiah C. Rice;

A bill (S. 2661) granting a pension to James Carroll;

A bill (S. 2662) granting an increase of pension to Jacob C. Ramsey;

A bill (S. 2663) granting an increase of pension to Miles Goforth;

A bill (S. 2664) granting an increase of pension to Thomas H. Revis;

A bill (S. 2665) granting an increase of pension to Edward Sams;

A bill (S. 2666) granting an increase of pension to Jacob Madison Pruitt;

A bill (S. 2667) granting an increase of pension to John Clark;

A bill (S. 2668) granting an increase of pension to Benjamin F. Freeman;

A bill (S. 2669) granting an increase of pension to Silas A. Carpenter; and

A bill (S. 2670) granting a pension to Henry Young; to the Committee on Pensions.

A bill (S. 2671) for the relief of Jacob W. Brower and John M. Brower, heirs of Thomas M. Brower, deceased (with the accompanying paper);

A bill (S. 2672) to refund the cotton tax to the States wherein collected;

A bill (S. 2673) for the relief of the heirs of Mary Everitt, deceased;

A bill (S. 2674) for the relief of the heirs of Nancy Barfield, deceased;

A bill (S. 2675) for the relief of Franklin Foy;

A bill (S. 2676) for the relief of the heirs of Dr. J. B. Owen;

A bill (S. 2677) for the relief of W. J. Craddock;

A bill (S. 2678) for the relief of W. T. Dixon;

A bill (S. 2679) for the relief of J. A. Denny;

A bill (S. 2680) for the relief of James F. White;

A bill (S. 2681) for the relief of I. F. Hill, executor of W. E. Hill;

A bill (S. 2682) for the relief of Joseph B. Banks;

A bill (S. 2683) for the relief of the heirs of Lemuel Freeman, deceased;

A bill (S. 2684) for the relief of Mrs. A. M. Bacon;

A bill (S. 2685) for the relief of the estate of John Henry Jackson, deceased;

A bill (S. 2686) for the relief of David J. Middleton;

A bill (S. 2687) for the relief of E. M. Felts;

A bill (S. 2688) for the relief of the estate of Thomas S. Howard, deceased;

A bill (S. 2689) for the relief of the legal representatives of the estate of Thomas A. Hendricks, deceased;

A bill (S. 2690) for the relief of the estate of Hardy H. Waters, deceased;

A bill (S. 2691) for the relief of John L. Brown and the estates of A. T. Redditt and William G. Judkins;

A bill (S. 2692) for the relief of K. H. Lewis and W. F. Lewis;

A bill (S. 2693) for the relief of the estate of H. D. Coley, deceased;

A bill (S. 2694) for the relief of Thomas D. Meares, administrator of Armand D. Young, deceased;

(By request) a bill (S. 2695) for the relief of William C. Staples;

A bill (S. 2696) for the relief of the heirs at law of Robert D. McCombs, deceased;

A bill (S. 2697) for the relief of the heirs of D. W. Morton;

A bill (S. 2698) for the relief of the heirs of John S. Askin, Arthur Ipock, and John T. Ipock;

A bill (S. 2699) for the relief of the estate of George S. De Bruhl, deceased;

A bill (S. 2700) for the relief of the widow of R. D. Hay;

A bill (S. 2701) for the relief of C. G. Perkins;

A bill (S. 2702) for the relief of the heirs of Cicero M. Davis;

A bill (S. 2703) for the relief of the heirs of John H. Richardson, deceased;

A bill (S. 2704) for the relief of the estate of D. L. Pritchard, deceased;

A bill (S. 2705) for the relief of Thomas Monteith;

A bill (S. 2706) for the relief of Sidney Maxwell;

A bill (S. 2707) for the relief of Calvin J. Cowles;

A bill (S. 2708) for the relief of Walter T. Dough;

A bill (S. 2709) for the relief of the estate of Thomas A. Dough, deceased;

A bill (S. 2710) for the relief of Martha A. Moffitt, widow of Eli A. Moffitt;

A bill (S. 2711) for the relief of John Wise;

A bill (S. 2712) for the relief of the heirs of Mary Everitt, deceased;

A bill (S. 2713) for the relief of John G. Young;

A bill (S. 2714) for the relief of the heirs of D. W. Morton;

A bill (S. 2715) for the relief of William Foy and H. B. Lane, executor of Mrs. H. B. Lane, of North Carolina;

A bill (S. 2716) for the relief of W. B. Whitfield;

A bill (S. 2717) for the relief of John Burke Morris;

A bill (S. 2718) for the relief of the heirs and distributees of H. W. Hargrove;

A bill (S. 2719) for the relief of the estate of William C. Lewis;

A bill (S. 2720) for the relief of Sidney T. Dupuy and George R. Dupuy, the only surviving heirs of George R. Dupuy, deceased;

A bill (S. 2721) to carry out the findings of the Court of Claims in favor of Harriet Andrews;

A bill (S. 2722) for the relief of George A. Russell, administrator of Stephen Chadwick, deceased;

A bill (S. 2723) for the relief of the estate of W. F. Sanderson; and

A bill (S. 2724) for the relief of Mary J. Tatham, heir of Robert D. McCombs, deceased; to the Committee on Claims.

By Mr. LA FOLLETTE:

A bill (S. 2725) granting an increase of pension to John Wharton;

A bill (S. 2726) granting an increase of pension to C. W. Sizer;

A bill (S. 2727) granting an increase of pension to George W. Van Tassel;

A bill (S. 2728) granting an increase of pension to Marion Jacobs;

A bill (S. 2729) granting an increase of pension to William C. Lauscher;

A bill (S. 2730) granting an increase of pension to James McNeill (with the accompanying papers);

A bill (S. 2731) granting an increase of pension to James N. Hubbard (with the accompanying papers);

A bill (S. 2732) granting an increase of pension to James P. Albee (with the accompanying papers);

A bill (S. 2733) granting an increase of pension to James Connor (with the accompanying papers); and

A bill (S. 2734) granting an increase of pension to Frank L. French (with the accompanying papers); to the Committee on Pensions.

By Mr. JONES:

A bill (S. 2735) authorizing the adjudication and payment of the claim of Charles Dupre; to the Committee on Claims.

AMENDMENT TO THE TARIFF BILL.

Mr. BRADLEY submitted an amendment intended to be proposed by him to the bill (H. R. 1438) to provide revenue, equalize duties, and encourage the industries of the United States, and for other purposes, which was ordered to lie on the table and be printed.

MISSOURI TROOPS IN THE CIVIL WAR.

On motion of Mr. SMOOT, it was

Ordered, That 200 copies of Senate document No. 412, Fifty-seventh Congress, first session, entitled "Missouri Troops in the Civil War" be reprinted.

THE TARIFF.

The PRESIDENT pro tempore. The morning business is closed, and the first bill on the calendar will be proceeded with.

The Senate, as in Committee of the Whole, resumed the consideration of the bill (H. R. 1438) to provide revenue, equalize duties, and encourage the industries of the United States, and for other purposes.

The PRESIDENT pro tempore. The pending question is the amendment of the committee to paragraph 197, page 69, which will be read.

Mr. McCUMBER. Mr. President, I suggest the want of a quorum.

The PRESIDENT pro tempore. The Secretary will call the roll.

The Secretary called the roll, and the following Senators answered to their names:

Aldrich	Crane	Guggenheim	Paynter
Bacon	Crawford	Hale	Perkins
Beveridge	Culberson	Heyburn	Piles
Borah	Cullom	Hughes	Root
Bradley	Cummins	Johnston, Ala.	Scott
Brandegee	Curtis	Jones	Simmons
Bristow	Davis	Kean	Smith, Md.
Brown	Depew	La Follette	Smith, Mich.
Bulkeley	Dick	Lodge	Smoot
Burkett	Dillingham	McCumber	Sutherland
Burnham	Dolliver	McLaurin	Taliaferro
Burrows	Fletcher	Martin	Tillman
Burton	Flint	Nelson	Warren
Chamberlain	Frye	Oliver	
Clapp	Gallinger	Overman	
Clay	Gamble	Page	

Mr. CLAY. I desire to announce the absence of the Senator from Tennessee [Mr. FRAZIER] on account of sickness.

The PRESIDENT pro tempore. Sixty-one Senators have responded to their names. There is a quorum present. The Secretary will read the pending amendment.

The SECRETARY. In lieu of paragraph 197, on page 69, the Committee on Finance proposes to insert:

197. Sawed boards, planks, deals, and other lumber of whitewood, sycamore, and basswood, 50 cents per thousand feet board measure; sawed lumber, not specially provided for in this section, $1.50 per thousand feet board measure; but when lumber of any sort is planed or finished, there shall be levied in addition to the rates herein provided, the following:

For one side so planed or finished, 50 cents per thousand feet board measure; for planing or finishing on one side and tonguing and grooving or for planing or finished on two sides, 75 cents per thousand feet board measure; for planing or finishing on three sides, $1.12½ per thousand feet board measure; for planing or finishing on two sides and tonguing and grooving or planing and finishing on four sides, $1.50 per thousand feet board measure; and in estimating board measure under this schedule no deduction shall be made on board measure on account of planing, tonguing, and grooving.

Mr. McCUMBER. I move to amend the substitute of the committee by striking out the words "and 50 cents," in line 4, of the amendment, so that it will read:

Sawed lumber, not specially provided in this section, $1 per thousand feet board measure.

Mr. President, the duty fixed by the bill as passed by the House is $1 per thousand feet board measure on rough lumber. I am not going to take one moment's time in going over the question whether the duty ought to be lowered, whether it ought to be raised, or whether rough lumber ought to be upon the free list. That has already been discussed.

I simply submit to the Senate this one proposition, that there has been no evidence to establish the fact that it costs any more to produce the lumber upon this side of the Canadian line than it costs to produce it on the other side. In the mountainous sections of Canada it costs more to produce the lumber. Along the Lakes in several sections, on account of the roughness of the land, it costs more.

Mr. President, I do not see certainly any necessity for raising the House rate of $1 from any standpoint whatever. I ask for the yeas and nays upon agreeing to the amendment to the amendment.

The PRESIDENT pro tempore. The amendment to the amendment will be stated.

The SECRETARY. In line 4 of the amendment proposed by the committee, strike out the words "and 50 cents," so as to read:

Not specially provided for in this section, $1 per thousand feet board measure.

The PRESIDENT pro tempore. The Senator from North Dakota demands the yeas and nays on agreeing to the amendment to the amendment.

The yeas and nays were ordered, and the Secretary proceeded to call the roll.

Mr. SCOTT (when Mr. ELKINS's name was called). My colleague [Mr. ELKINS] has not yet arrived in the Senate. I am sure that if he were here, he would vote "nay."

The PRESIDENT pro tempore (when Mr. FRYE's name was called). I am paired with the senior Senator from Virginia [Mr. DANIEL].

The roll call was concluded.

Mr. JONES. I have a general pair with the Senator from South Carolina [Mr. SMITH], who is not present. I transfer my pair to the junior Senator from Illinois [Mr. LORIMER] and allow my vote to stand.

Mr. FLINT. I am paired with the senior Senator from Texas [Mr. CULBERSON]. I transfer my pair to the junior Senator from Missouri [Mr. WARNER] and vote "nay."

Mr. CLARK of Wyoming (after having voted in the negative). I have a general pair with the Senator from Missouri [Mr. STONE]. I notice that that Senator has not voted. I therefore transfer my pair to the Senator from Delaware [Mr. DU PONT], and allow my vote to stand.

The result was announced—yeas 26, nays 44, as follows:

YEAS—26.

Bankhead	Clapp	Gamble	Nelson
Beveridge	Clay	Gore	Overman
Bristow	Crawford	Hughes	Paynter
Brown	Cummins	Johnston, Ala.	Smith, Mich.
Burkett	Curtis	La Follette	Tillman
Burton	Davis	McCumber	
Carter	Dolliver	McLaurin	

NAYS—44.

Aldrich	Clark, Wyo.	Guggenheim	Perkins
Bacon	Crane	Hale	Piles
Bailey	Cullom	Heyburn	Root
Borah	Depew	Jones	Scott
Bradley	Dick	Kean	Simmons
Brandegee	Dillingham	Lodge	Smith, Md.
Briggs	Dixon	Martin	Smoot
Bulkeley	Fletcher	Money	Sutherland
Burnham	Flint	Oliver	Taliaferro
Burrows	Foster	Page	Taylor
Chamberlain	Gallinger	Penrose	Warren

NOT VOTING—22.

Bourne	Frazier	Nixon	Stephenson
Clarke, Ark.	Frye	Owen	Stone
Culberson	Johnson, N. Dak.	Rayner	Warner
Daniel	Lorimer	Richardson	Wetmore
du Pont	McEnery	Shively	
Elkins	Newlands	Smith, S. C.	

So Mr. McCUMBER's amendment to the amendment of the committee was rejected.

Mr. McCUMBER. I now offer the following amendment to the amendment. In line 8, I move to strike out "fifty" and insert "twenty-five," so as to read:

For one side so planed or finished, 25 cents per 1,000 feet board measure.

In line 11, I move to strike out "seventy-five" and insert "fifty," so as to read, "50 cents per 1,000 feet board measure;" in line 12, and line 1, on page 2, I move to strike out the words "one dollar and twelve and a half cents," and to insert in lieu thereof the words "seventy-five cents;" and after the word "grooving," in line 2, page 2, to strike out the word "or" and insert "75 cents; for;" and in line 3, to strike out the words "fifty cents," so as to read "$1 per 1,000 feet," so as to make the amendment read:

For one side so planed or finished, 25 cents per 1,000 feet board measure; for planing or finishing on one side and tonguing and grooving or for planing or finishing on two sides, 50 cents per 1,000 feet board measure; for planing or finishing on three sides, 75 cents per 1,000 feet board measure; for planing or finishing on two sides and tonguing and grooving, 75 cents; for planing and finishing on four sides, $1 per 1,000 feet board measure; and in estimating board measure under this schedule no deduction shall be made on board measure on account of planing, tonguing, and grooving.

Mr. President, I should like the attention of the Senate for just a few moments upon what this change means. The committee amendment for $1.50 per thousand on rough lumber has now passed. That makes very little difference to the American people. The amount of rough lumber that is purchased for consumption is very inconsiderable. Almost all of the purchases are of the finished product; and what I want to do is to make the differential bear as near a relation to the finished product as is possible.

Under the amendment which I have given here I am still placing the differential at least 50 per cent greater than the actual cost of the difference in the planing and finishing of the rough lumber. I now call attention to what the House provision means with the present differential and as amended by the committee. The House rate on rough lumber was $1. The committee amendment places that at $1.50. My amendment now leaves this at $1.50. Planed on one side, the House rate would be $1.50; the committee amendment is $2, and my amendment would be $1.75, or midway between the two propositions of the House and the committee. Planed on one side, tongued and grooved, the House bill is $2; the committee amendment is $2.25, and my amendment would place that at $2. Planed on two sides, the House fixed $2; the committee amendment is $2.25, and my amendment would bring it back to $2. Planed on three sides, the House fixed $2.50; the committee amendment is $2.62½, and my amendment would be $2.25. Planed on two sides, tongued and grooved, the House provision is $2.50; the committee amendment is $3, and my amendment would be $2.25. Planed on four sides, the House bill is $3; the committee amendment is $3, and my amendment would be $2.50.

Mr. President, I want to call the attention of the chairman of the committee to this fact: The chairman stated yesterday that his proposed amendment reduced the Dingley differential 25 per cent; in other words, that it fixed 75 per cent of the Dingley differential as the differential in this proposed amendment. I think he has made an error in one of these differentials. For instance, we will take——

Mr. ALDRICH. I said with the exception of lumber planed on one side.

Mr. McCUMBER. I call the Senator's attention to lumber planed on two sides, tongued and grooved. The original Dingley law was $3.50 for that. In other words, it was $2 on rough and $1.50 for the differential. The House reports $2.50, or $1 less. I notice the committee amendment here, if I read it rightly, is $3. You place that exactly upon the same basis as planed on four sides. When planed on four sides the differential of the Dingley is $2, and therefore it would make the proper differential 50 per cent less than that $2, or 25 per cent on $2.50. In other words, you have $3 for that on which the Dingley rate was $3.50, and you also have $3 for that upon which the Dingley rate was $4.

Mr. ALDRICH. What I stated was that the reductions on finished lumber were 25 per cent of the Dingley rate, with the exception of lumber planed on one side, and I think the Senator will find that the statement is correct.

Mr. McCUMBER. That can not be, Mr. President.

Mr. ALDRICH. The Senator is taking the gross amount of the duty. Instead of taking the duty fixed by the Dingley rate, he is taking the gross amount.

Mr. McCUMBER. I know; but the difference would be $1.50 for the differential on those planed on two sides, tongued and grooved. The Senator must bear in mind that while a half dollar is allowed for each side of planing under the Dingley law a half dollar is not allowed for tonguing and grooving on each side.

Mr. ALDRICH. The Dingley law reads:

If planed on two sides, tongued and grooved, $1.50 per thousand feet board measure.

Mr. McCUMBER. That would make $3.50.

Mr. ALDRICH. I am not talking about the gross amount. The differential under this amendment is $1.12½, or 25 per cent reduction from that.

Mr. McCUMBER. But the Senator has $3.

Mr. ALDRICH. I am not talking about the combined duty. I am talking about the differential. I said the differential on finished lumber was reduced 25 per cent from the Dingley rate except in the case of lumber planed on one side. I think the Senator will find that that is correct.

Mr. McCUMBER. Now, just turn to this amendment. The Senator has left the Dingley differential. That is the point. I call the Senator's attention to the fact that upon planed on two sides, tongued and grooved, he has placed the duty at $1.50, and his own statement is that it is $1.12½. I ask the Senator to turn to the last page of the amendment.

Mr. ALDRICH. Planed on two sides and tongued and grooved, or planed and finished on four sides, $1.50. That is $1 under the present law.

Mr. McCUMBER. You see that is not the differential.

Mr. ALDRICH. Twenty-five per cent of $2 is 50 cents, and 50 cents off of $2 is $1.50.

Mr. McCUMBER. But your difference is $1.50 on the Dingley rate.

Mr. ALDRICH. The Senator has added them together.

Mr. McCUMBER. No; I am adding nothing. The differential on the Dingley is $1.50, and you have added $1.50 instead of 75 per cent of $1.50 on the next but the last bracket. On your last bracket it is all right. If you turn to line 11 of the amendment, you will see:

For planing or finishing on three sides, $1.12½ per thousand feet, board measure; for planing or finishing on two sides and tonguing and grooving, $1.50.

That is the point. There is only $1.50 on the Dingley rate. If the Senator will look at it, he will see that it is a clerical error in making the calculation.

Mr. ALDRICH. It should be $1.12½.

Mr. McCUMBER. It should be $1.12½.

I should like to ask the Senator from Rhode Island, if it does not cost over 75 cents for any kind of work, for the highest on the differential, what reason there is for making it a dollar and a half, or double the amount.

Mr. ALDRICH. As the Senator is aware, there is a great difference of opinion among people who ought to know as to the cost of finishing lumber.

Mr. McCUMBER. But I have found none of them go above that.

Mr. ALDRICH. The planing-mill men of northern New York and of Vermont—in fact, all along the Canadian border—insisted that the present rates were barely protective, and they were opposed to any reduction whatever.

Mr. McCUMBER. Let me ask the Senator if any of them insisted that it costs even $1 extra per thousand for the finished lumber—that is, for finishing the four sides, tonguing or grooving?

Mr. ALDRICH. They insisted that the cumulative rate of $2 was hardly sufficient to enable them to make any profit at all when they were near the Canadian border.

Mr. McCUMBER. I understand that, Mr. President.

Mr. ALDRICH. And those people are very much opposed to the proposition of the committee as reported. If you would take their opinion upon the subject, no reduction at all should be made. Of course other planing mills, located farther away from the border and not subjected to so much immediate competition with the Canadian mills, are not objecting strenuously to this reduction, although I think all of them would prefer that the present rate should be maintained.

When you come to discuss the question as to the actual cost or the relative cost, it is one of those questions regarding which

the committee certainly have not been able to reconcile the different statements which have been made by the different people in the trade.

Mr. McLAURIN. I desire to ask the Senator from Rhode Island a question.

Mr. McCUMBER. In one moment. I want to have this answered first. That does not answer the question. The question was whether or not there is evidence enough to satisfy our committee, or any member of it, that it costs more on an average than 75 cents per thousand for finishing all of the lumber.

I admit that some claim that they need this protection, not because there should be that much of a differential, but because it would raise the duty on the imported article, and have the same result, whether it was in a differential or on the rough lumber.

Mr. SMITH of Maryland. Mr. President——

Mr. McCUMBER. Mr. President, I will yield, as I promised, first to the Senator from Mississippi [Mr. McLAURIN], and then I will yield to the Senator from Maryland.

Mr. McLAURIN. Mr. President, I desire to ask the Senator from Rhode Island if "sawed lumber," in line 3 of the amendment, would include pine lumber?

Mr. ALDRICH. It certainly would. It includes all lumber except whitewood, sycamore, and basswood.

Mr. SMITH of Maryland. Mr. President, replying to the question which the Senator from North Dakota [Mr. McCUMBER] has just asked, I would say it looks as if lumber could be dressed very cheaply on four sides and that it would not cost to exceed a dollar, which I believe the Senator mentions as the cost of that work. That might be so, but the lumber that is dressed on four sides has to go through manipulations before it is dressed.

Mr. McCUMBER. I include that manipulation in my estimate.

Mr. SMITH of Maryland. Then I say to the Senator that lumber can not be carried through planing mills of the various kinds through which it is carried at $1. The labor itself will cost more. It will cost more money to dress lumber of the various kinds. Some lumber can be dressed at very much less than a dollar. You have, however, got to take into consideration not only the dressing of this lumber, but the moving of the lumber from the pile, the putting of it on the wagon, the carrying of it to the mill, and putting it upon the machines. I talked to a gentleman the other day who is thoroughly conversant with the dressing of lumber, the manipulation which is required in its dressing, and the manipulation which is required in the bringing of the wider boards down to narrow boards. For instance, in flooring you may take a 12-inch board and run it through a planer and dress it on one side much more cheaply than you can take a piece of flooring 3 inches wide and run it through a planer. When you manipulate this lumber, resaw it, and put it into widths for flooring, you have to dress four pieces instead of one; and in the end you have not got any more lumber than if you dressed one piece on one side.

Aside from that, in the manipulation of lumber, in cutting it into strips, it will lose at least 5 per cent. All these things have to be taken into consideration. I make the assertion here that if you take into consideration all the expense attending the dressing and manipulation of lumber, including the mills, the supplies, the interest on the money, and the insurance, you can not do it for less than $2 or $2.50 a thousand. It is very easy to say that you can run a board through a mill at a very low price, but there are other things to be taken into consideration when you take the cost of the entire year through. I am basing these facts upon the balance sheets at the end of the year, when the entire cost has been taken into consideration and when you ascertain what it has cost the year around; and I say it will cost from $2 to $2.50 to get the planing-mill figures.

I do not mean to say that there is not lumber that can be dressed for less than a dollar; but the lumber that is dressed on four sides has to be manipulated; it has to be put into a condition where it is suitable for the purchaser. In doing that you increase the expense every time you touch it. I assert that you can not do the manipulating and planing part of the business for less than $2 or $2.50, taking all of the cost into consideration.

Mr. McCUMBER. Mr. President, I will take the evidence given by the Senator from Maryland and will place that against all of the evidence in all of the hearings that have been had upon this case, and there is not a single person, even amongst those who are demanding the highest tariffs, who has ever claimed that it cost anything like that; and we have their admission over and over again, in letters and otherwise, that a dollar would more than cover all these manipulations of which the Senator speaks.

I am going to present this from the millers' standpoint, from the standpoint of those who manufacture the lumber, and I purpose to show that, upon the average, it does not cost to exceed about 60 cents for any kind of finishings, whether on two sides, three sides, or four sides, or for the tonguing and the grooving. I will not take my own guess at all, but I will take the statements of the lumbermen in their letters and the propositions which have been submitted to them. I do not intend that the Senate shall vote upon this question with any mistaken idea of what it really costs to finish the lumber after it has been sawed. I am going to read some letters. I should like to ask the attention of those Senators who care anything about this matter to the letters. Here is a letter written by the Brooks-Scanlon Lumber Company. It states:

BROOKS-SCANLON LUMBER COMPANY,
Minneapolis, Minn., April 23, 1909.

Hon. NELSON W. ALDRICH,
United States Senate, Washington.

DEAR SIR: We understand the lumber schedule is to be considered by the Senate, and that the Payne measure provides for a very heavy duty on finishing lumber coming into this country on the presumption that it is a protection to American labor. This is a very erroneous idea and is practically without foundation. We are operating one large sawmill in Minnesota and two in Louisiana.

I call attention to the fact that I am reaching now the northern section of the country as well as the southern section.

The cost of finishing lumber in the planing mill at the Minnesota plant for the year 1908 was $0.487 per thousand feet and $0.58 per thousand feet at the Louisiana plants. This cost includes repairs—

I want to call the Senators' attention to this—

and supplies, and covers all lumber sent through the planing mill, but does not include lumber shipped in the rough. Our Minnesota cost is higher than the average cost for mills in that territory, due to the fact that our trade is a special one, which requires a large amount of work on the high-grade stock put through the planing mill. Our common grades, which could be put through the planing mill at a low cost, are practically all sold "rough" to the cargo trade, which accounts for the high average cost of finishing our lumber at that plant. You will observe that our cost in Louisiana is lower than in Minnesota, but this cost is higher than the average northwestern plant, for the reason that 45 per cent of the southern yellow pine lumber is cut into 4-inch strips in order to command higher prices, while the reverse is true in the North. In the Northwestern States lumbermen make it a practice to saw their lumber as wide as possible, because the wider widths command higher prices. The cost of planing this narrow lumber is much greater than the wider widths, as usually only one piece is put through the machine at a time.

Our object in giving you these figures is to show that even a duty of 50 cents per thousand on finished lumber would not only protect American labor, but would also cover the entire cost of putting the stock through the planing mill. Why the duty should be higher on lumber, whether surfaced one, two, three, or four sides, is a mystery to us, and it seems ridiculous to increase the duty on that account. Many years ago, with the old-style planing-mill machinery, it was necessary to put a piece of lumber through the machine as many times as you had sides to dress; but that type of machine is obsolete, and we do not think they are used to any extent in the mills of this country at present.

We are large, well-known manufacturers of lumber in this country, and if you desire to inquire as to our standing, the Senators or Representatives from this State can probably give you the necessary information. If any of the lumber manufacturers of this country were to be injured by a reduction in the tariff, we certainly would be; and still we are heartily in favor of a reduction in the tariff on lumber, particularly finished stock. If you desire any additional information on this subject, we will be glad to furnish it.

Very respectfully, yours,

BROOKS-SCANLON LUMBER COMPANY,
M. J. SCANLON, *Vice-President.*

Mr. President, this lumber company states that the finishing, including all of the work, does not exceed 50 cents per thousand.

Mr. PAGE. Mr. President——

The PRESIDENT pro tempore. Does the Senator from North Dakota yield to the Senator from Vermont?

Mr. McCUMBER. I yield.

Mr. PAGE. Mr. President, I want to say to the Senator from North Dakota that all along the northern border of this country there are cities the great percentage of whose business it is to dress lumber. Tonawanda is built on the dressing of lumber. Ogdensburg is dependent, I think, for more than half its business upon the dressing of lumber. The largest city in Vermont, Burlington, is dependent upon the lumber business. The letter which has just been read says that 50 cents ought to cover this differential. I want to say that 50 cents would absolutely drive all those classes of business dependent upon lumber out of business.

Mr. McCUMBER. My amendment proposes to give a dollar. It is to double the duty. I am giving your operatives there the benefit of another half dollar beyond the cost of their product.

Mr. PAGE. That is undoubtedly correct so far as covering the difference in the cost in the manufacture is concerned; but I want to mention just two other items. When you take a thousand feet of rough spruce at Ottawa, for instance, you find you

have 2,500 pounds of freight. The freight from Ottawa to Providence or to New Haven or to other New England points is about 16 cents per hundred. When you dress it on two sides and match it, as is provided in the schedule we are discussing, you take off fully 700 pounds. So the Canadian who wishes to do his own business has the advantage of the 700 pounds at 16 cents per hundred freight, or $1.12 a thousand.

Mr. McCUMBER. But your freight is covered by your differential upon the rough, which is $1.50. That will cover the extra amount upon the freight.

Mr. PAGE. That has nothing to do with the differential. As I understand, the differential is the amount of protection given to the man who dresses lumber, and that differential is affected, first, by the 700 pounds in excess freight, and, second, the lumber must be taken off at Burlington or at Tonawanda or Ogdensburg, and if you do not figure one additional cent for the difference in the cost of labor, you can not take a thousand feet of lumber from the car and put it in front of the machine and take it back and put it onto the car for less than $1. But even if you figure it at 75 cents, you start with $1.12 handicap on your freight and the 75 cents that it costs to take the lumber out of the car and put it in front of the machine and take it back to the car. There is $1.87, without mentioning any other item.

Mr. McCUMBER. That is assumed that it costs a dollar. I am assuming that it does not cost a dollar. It does not cost on an average more than half a dollar to do this extra work. But to follow this out, I ask that the letter to Senator NELSON which I send to the desk may be read by the Secretary.

Mr. RAYNER. Mr. President——

The PRESIDENT pro tempore. Does the Senator from North Dakota yield to the Senator from Maryland?

Mr. McCUMBER. I yield.

Mr. RAYNER. I merely desire to state that I was out of the Chamber when the vote was taken this morning on the amendment of the Senator from North Dakota [Mr. McCUMBER], reducing the duty on lumber. If I had been present, I would have voted in favor of the amendment.

Mr. STONE. Mr. President——

The PRESIDENT pro tempore. Does the Senator from North Dakota yield to the Senator from Missouri?

Mr. McCUMBER. I yield.

Mr. STONE. I desire to make exactly the same statement as that made by the Senator from Maryland [Mr. RAYNER].

Mr. McCUMBER. I ask the secretary to read the letter which I send to the desk.

The PRESIDENT pro tempore. In the absence of objection, the Secretary will read as requested.

The Secretary read as follows:

MINNEAPOLIS, *April 21, 1909.*

Hon. KNUTE NELSON,
United States Senate, Washington, D. C.

DEAR SIR: I wish to protest at what I consider the unjust and unfair discrimination in the lumber schedule in the bill as passed recently by the House of Representatives. You are no doubt aware that though rough lumber comes in at $1 duty, that there is an additional charge of 50 cents for each side that is dressed. As a matter of fact it costs no more to surface three sides of a board than one side, and the actual cost as shown by our concerns in the shipping of several hundred million feet of lumber for surfacing lumber has never exceeded 50 cents per thousand.

I do not believe there is a lumberman in the Northwest who will say that my statement in this regard is not true, and I can further say that the cost of planing millwork in the State of Minnesota generally averages about 40 cents per thousand.

Respectfully, yours,

D. N. WINTON,
President Thief River Falls Lumber Company, Minnesota,
Secretary Bemidji Lumber Company, Minnesota, and
Vice-President Northwest Lumber Company, Kalispell, Mont.

Mr. McCUMBER. Mr. President, I have a letter here from A. R. Rogers, of the Rogers Lumber Company. I ask that the Secretary read that letter for the purpose of showing the actual cost of the planing on one, two, three, and four sides, and what percentage it bears to the rates that are proposed.

The PRESIDENT pro tempore. The Secretary will read as requested, in the absence of objection.

The Secretary read as follows:

ROGERS LUMBER COMPANY,
Minneapolis, Minn., April 23, 1909.

DEAR SIR:

* * * * * * * *

Regarding the milling or planing of lumber. In the early days of the sawmill industry it was necessary to put a board through the planer as many times as there were sides to dress. In other words, if you were going to dress it four sides it was necessary to put it through the planer four different times. At the present time, however, a person can dress a board one, two, three or four sides with one process. A planer can be set for dressing four sides just as cheaply as for dressing one side. A board goes through the mill a trifle slower with four sides than it does with one side, but not enough to materially increase the cost of the labor. The average cost of planing lumber is approximately 50 cents per thousand for the mill-run stock, which includes one, two, three, or four sides, making to flooring, siding, and in fact all of the different processes necessary to make the finished product. You will see, therefore, that a charge of $1 or more in the tariff for protection is from 100 to 500 per cent more than the cost of the performance of the work. For instance, $2.50 per thousand protection on flooring dressed on two sides is just $2 per thousand more than it costs the manufacturer to make it in connection with his other lumber. If one saws nothing but flooring dressed two sides, it would probably cost from 60 cents to 75 cents to manufacture it. Any statements to the contrary are misleading and a mistake.

Yours, truly,

A. R. ROGERS.

Mr. ALDRICH. Mr. President, will it interrupt the Senator if I should put a statement in the RECORD from one of the leading planing mills in Vermont as to the cost of dressing lumber?

Mr. McCUMBER. Not at all.

The PRESIDENT pro tempore. Does the Senator from North Dakota yield to the Senator from Rhode Island for that purpose?

Mr. McCUMBER. Yes; if there are two sides to this matter, I want to hear them.

Mr. ALDRICH. I have before me the statement of the Robinson-Edwards Lumber Company, of Burlington, Vt., and I desire to put into the RECORD part of their statement. They say:

We are getting ourselves for dressing lumber as follows:
Planed one side, 62½ cents per thousand feet.
Planed two sides, 87½ cents per thousand feet.

* * * * * * *

Planed two sides and jointed or matched and beaded, $2.50 per thousand feet.

Any mill that does first-class work can not afford to do it at any less price.

Mr. McCUMBER. But the Senator will observe that is their charge. It does not say that is the cost of planing and grooving, and that is what we are discussing.

Mr. ALDRICH. Yes; it does; that is exactly what the letter says:

Any mill that does first-class work can not afford to do it at any less price.

Mr. McCUMBER. They can not afford to do it and get their profit.

Mr. ALDRICH. The Senator can draw his own conclusion.

Mr. McCUMBER. There is only one conclusion to draw. Their statement is what their charges are and not what the work costs.

Mr. ALDRICH. If the Senator from North Dakota supposes that it is possible in Vermont, or anywhere else in the United States, to secure $2.50 for doing work that does not cost 50 cents, he is very much mistaken in the character of the people of New England, anyhow, who are engaged in any kind of manufacturing.

Mr. TILLMAN. Mr. President——

The PRESIDENT pro tempore. Does the Senator from North Dakota yield to the Senator from South Carolina?

Mr. McCUMBER. I yield.

Mr. TILLMAN. I want to call the attention of the Senator from Rhode Island to the fact that dressing and tonguing and grooving is done by a machine, and that that is fed by people. The labor cost, with a little expenditure for the steam or power to run the machine, is all there is to it. It does not cost a scintilla more to dress lumber on one side, and tongue and groove it at the same time, than it does to dress it, because it simply has to be fed into the machine, and that does all the work at one operation. Therefore any pretense on anybody's part that it costs more to tongue and groove and dress than it does to dress is absurd to any man who has ever been in a planing mill.

Mr. ALDRICH. That question has been discussed here for two or three days.

Mr. TILLMAN. I do not propose to discuss it any longer. The Senator from Rhode Island is the Senate on this subject; he and his committee govern and control everything here. Whatever he says goes, and why does he not make haste and hurry it? For the third time, I ask him why he does not hurry up?

Mr. ALDRICH. I am extremely anxious to get votes taken on this and every paragraph in this bill as rapidly as possible, and I do not intend to delay the Senate for one second.

Mr. TILLMAN. But when the Senator gets up and makes a statement like that, I can not sit here and make an ass of myself by agreeing to it when I know it is not true. [Laughter.]

Mr. ALDRICH. I was answering the statement made by the Senator from North Dakota [Mr. MCCUMBER] that it did not cost over 50 cents a thousand to do any of this planing or finishing, and I put into the RECORD a statement by a reputable planing mill man in Vermont, showing that it costs from 62½ cents to $2.50 a thousand.

Mr. DILLINGHAM. Mr. President——

The PRESIDENT pro tempore. Does the Senator from North Dakota yield to the Senator from Vermont?

Mr. MCCUMBER. Certainly.

Mr. DILLINGHAM. I want simply to say, referring to the letter quoted by the Senator from Rhode Island [Mr. ALDRICH], the letter from the Robinson-Edwards Lumber Company, which is one of the best of this class of concerns along the border, that the prices given by Mr. Robinson are prices which he says his company are receiving for lumber, and that they are as low as they can possibly do the work for.

Mr. MCCUMBER. I ask the Senator if that is not the same letter that the Senator from Rhode Island just now read?

Mr. DILLINGHAM. Yes. If the Senator will allow me, the writer says:

> Our own associates in Ottawa have just put up planing mills at an expense of probably over half a million dollars, equipped with the very best of American machinery, and they can ship through here and beat us every time, as much is saved in the stopping off of lumber and resorting it here as we do. Business would be simply moved the other side of the line.

If the Senator from North Dakota will yield to me further for a moment——

Mr. MCCUMBER. Certainly I yield.

Mr. DILLINGHAM. I have in my hand also a letter, which has been in the hands of the committee, from our present governor, Governor Prouty, who is engaged in the lumber business. Speaking of the same subject, he uses this language:

> *The situation is just this: During the last twenty years many mills have been built along the Canadian border for the sole purpose of dressing lumber coming in from Canada. These mills have been enabled to run because of the duty on dressing, and for no other reason. We are the owners of two mills here that were built for this purpose, and for no other. The mills at Burlington are the same. In my judgment, these mills will have to close if the duty on dressing is removed. Even with the present duty, it is a very close proposition to carry on business at a profit. The large mill at St. Johnsbury and those at West Burke have had to close up because the margin of profit was too small.*

I know of those mills of my own personal knowledge. They are perhaps 50 miles from the border. Then he says:

> *Burlington would lose its great industry; Newport would lose its largest; Island Pond would suffer; Barton Landing would suffer a serious setback; on the other hand, no benefit would accrue to anyone in this country by removing the duty. Theoretically this might seem to be true; but in actual practice I am very sure it is, and the consumer who finally pays for the lumber which he uses will pay no more with the duty than without it.*

This is the opinion of a man whose judgment I respect very much, and whose business ability I know is very good.

Mr. MCCUMBER. Mr. President, Senators seem to avoid the real issue here, which is the question of what the differential should be; in other words, whether a differential of 50 cents should be allowed for planing the first side, when the average is only from about 15 to 25 cents. But, assuming that 50 cents is the right amount that they are entitled to for planing the first side, then is there any reason for giving 300 per cent for planing the other side and the two edges, or 200 per cent or 150 per cent, when, as all the evidence shows, it costs only a very slight amount more, scarcely an appreciable amount more, to put it through and finish all four sides than it costs to finish the single side, and that it is all done in the same handling?

Mr. DILLINGHAM. If the Senator will indulge me, this is not a matter of which I have personal and special knowledge; but in regard to the figures referred to by the Senator from Rhode Island, which are contained in the letter from Mr. Robinson, I find that the figures are 62½ cents per thousand feet for lumber planed on one side; 87½ cents where it is planed on two sides; where it is planed on one side and jointed or matched and is 8 inches or over in width, it is $1; where it is planed on two sides and jointed or matched, 8 inches and over, it is $1.25; planed on one side, jointed or matched and beaded, under 8 inches, it is $1.50; where it is planed on one side and jointed or matched and beaded, and under 5 inches, it is $2.25; and where it is planed on two sides and jointed or matched and beaded, under 8 inches, it is $1.75; and under 5 inches, it is $2.50.

So the cost is different, according to the width of the board, the number of times it has to be sided, and so forth.

Mr. MCCUMBER. Yes; I understand that. It furnishes very little information. The charge is one thing; the cost is another; and in order to determine what the proper differential should be, we should have them state what the cost is and then allow them sufficient to make up the differential, so that the work may be done on this side of the line and give them a reasonable profit. I have given them in my amendment about just double the amount; in other words, where the work would only cost 50 cents, I have allowed a dollar for the differential, giving them another 50 cents. This includes, I want to say to the Senator, all the handling that has been spoken of.

Mr. DILLINGHAM. I simply wanted to make the point that the representative manufacturers along the border claim that even with the present rates they can not conduct a really profitable business, and that any reduction of those rates will be very detrimental to them.

Mr. MCCUMBER. The very fact, Mr. President, that they have recently put up another mill for this work at a cost of about half a million dollars, as I understand, indicates that the business is so prosperous that they are willing to take their chances in another very heavy investment.

Mr. GALLINGER. Mr. President——

The PRESIDENT pro tempore. Does the Senator from North Dakota yield to the Senator from New Hampshire?

Mr. MCCUMBER. I yield.

Mr. GALLINGER. The Senator suggested a moment ago that he is anxious to get both sides of the question, and I have no doubt the Senator is anxious to do so. I will therefore ask his permission to have read a letter from the president of the Amalgamated Woodworkers' International Union of America, in which this matter is discussed.

The PRESIDENT pro tempore. Does the Senator from North Dakota yield for that purpose?

Mr. MCCUMBER. I yield to the Senator.

The PRESIDENT pro tempore. The Secretary will read as requested, in the absence of objection.

The Secretary read as follows:

AMALGAMATED WOODWORKERS'
INTERNATIONAL UNION OF AMERICA,
Washington, D. C., May 11, 1909.

Hon. JACOB H. GALLINGER,
Washington, D. C.

MY DEAR SIR: Referring to statements made by several Senators in speeches advocating the elimination of that portion of the tariff schedule pertaining to dressed lumber, wherein it was asserted that it costs only 15 cents per thousand for dressing lumber. Speaking from many years' experience in operating woodworking machinery and an intimate practical knowledge of the subject—representing, as I do, the employees of all the larger planing mills in this country as president of the Amalgamated Woodworkers' International Union of America—I know it to be a fact that no lumber could be dressed at the low cost mentioned, not even surfaced on one side.

In the first place, it takes at least two men to operate the machine; one to feed it, receiving an average wage of 22 cents per hour; and the other to receive the lumber from the machine or offbear, at an average wage of at least 15 cents per hour, making a total cost of 37 cents per hour wages for actual labor performed in handling the lumber.

It would take approximately one hour's time to grind the ordinary knives for surfacing and from twenty to thirty minutes' time to set the knives and get the machine ready to start. Each different pattern of lumber run through the machine requires a change of the knives or cutters, depending on the type, width, and thickness of the pattern. In filling orders for various kinds of lumber it is necessary to make frequent changes in the knives. It is also necessary to sharpen them three or four times a day, depending on the character of the material run, thus increasing the cost of labor above the 37 cents per hour paid to the men who actually operate the machine.

In addition to this there is a general expense entailed of repairs to machines during the year, rebabbitting, supplies, cost of power, depreciation, general administration expense, insurance, taxes, etc.

I would consider, from my practical experience, that 1,000 feet of lumber of average width, dressed per hour, on the modern machine, to be a reasonable, conservative amount, therefore proving conclusively that it would be utterly impossible to dress lumber with the most modern machinery at the low cost per thousand stated, and I would consider a cost of at least 75 cents per hour to be a fair estimate on the general run of lumber. On the complicated patterns of dressing, like ceiling, partition, drop siding, and on the more narrow lumber like 6-inch and 4-inch strips—of which a large amount is dressed—the cost would increase proportionately.

I have attended many conferences in endeavoring to fix the wage scale between the owners of planing mills and the various members of our union, during which I have heard discussion as to the cost of dressing, and I know from my intimate and personal knowledge that the above figures are conservative as to the actual cost submitted to me at these different conferences.

Very truly, yours,
D. D. MULCAHY,
President Amalgamated Woodworkers' International Union of America.

Mr. MCCUMBER. Mr. President, that letter was read before during the discussion of the lumber schedule. It adds nothing to what has already been said. The writer states, in substance, that lumber can not be surfaced even on one side, in his opinion, for 15 cents per thousand; and he seems to assume that somebody has stated that the entire finishing can be done for 15

cents. There has been no such claim. There has been a claim that, taken directly from the mill, the surfacing of one side can be done for 15 cents per thousand; and that, taking all the surfacing, with the work of removing it from the kiln, piling it outside, and taking it back to the planing mill, the cost will not run over from 60 cents to 75 cents an hour on the outside for all the planing that is done on any of the finished product.

Mr. GALLINGER. Mr. President——

The PRESIDENT pro tempore. Does the Senator from North Dakota yield to the Senator from New Hampshire?

Mr. McCUMBER. I yield, Mr. President.

Mr. GALLINGER. I have no knowledge as to the qualifications of the author of that letter to speak with authority; but it would seem as though he were speaking with knowledge. He asserts, from actual observation and experience, that running the lumber of the lower grades through the mill costs 75 cents per hour; and he cites the fact that higher-grade lumber costs more. That does not include the cost of transportation to and from the mill nor the profit to the manufacturer. So that if he is right in the assertion that it costs 75 cents per hour to simply run the lumber through the mill, and in the case of some grades a larger amount, it would seem to me that the Senator's proposed amendment is below the point at which it ought to be fixed.

Mr. McCUMBER. Mr. President, when this matter was first under discussion, the Senator from Maryland [Mr. SMITH] denied that in any instance was the planing done directly from the saw. The next day I received telegrams and statements, and within a week letters, and so forth, from many mills, showing that this is the custom. I take the first telegram and ask that it may be read, and then the substance of what the others contain as to how the surfacing is generally done. I ask that these may be read simply that we may get an understanding of the method of handling the lumber.

The PRESIDENT pro tempore. If there be no objection, the Secretary will read as requested.

The Secretary read as follows:

RALEIGH HOTEL, *Washington, D. C.*

Manager Bowman Lumber Company, Hattersburg and Summerland, Miss., advises me to-day they dress all common lumber direct from the saw. Scanlon does same. Common practice among southern and western mills. Lumber only is handled this way.

F. B. LYNCH.

In the Elk River lumber mill, at Fernie, British Columbia, logs are drawn from the water, taken to the first saw, which will saw off a plank, say, 6 inches thick the length of the log. This plank, with a slight push of the workmen, falls of its own weight on to another carriage, is automatically jacked into position, goes to another saw of 40 or 50 saws, is there sawed into boards of 1 inch in thickness, and goes from there immediately to the planer, and is planed on one, two, three, or four sides, as the case may be. About 50 per cent of the product of this mill is not sawed at that time, but it is piled in the rough in the yard and stored. The reason for not planing it is that it would become weatherbeaten if planed, and storage room is a proposition. This constitutes the surplus stock of the mill. When orders are received, the rough lumber is taken from these piles to the planers and planed on one, two, three, or four sides at one operation, the only extra expense for planing more than one side is the slight cost for the additional power and the cost of setting and keeping the planing tools sharp.

Mr. McCUMBER. Mr. President, the Senator from Minnesota [Mr. NELSON] discussed this question some time ago, and I ask to have read a letter received by him in reference to the method of planing and handling lumber. I ask that it may be read from the word "There," on line 8, down to and including the marked portion on the second page.

The PRESIDENT pro tempore. The Secretary will read as requested.

The Secretary read as follows:

There is one custom adopted by the lumber dealers of which I believe you are perhaps unacquainted. They are robbing the people daily by sawing their lumber thin, especially the dimension lumber. A contractor took me onto a job yesterday and showed me joists, several hundred of them, and there was not a 2-inch plank upon the premises; they are sawed 1¾ inches thick and then sold for 2-inch stuff. The architect's specifications on this job called for joists 2 by 14 inches; and every one of them measured 1¾ inches thick by 13 inches high. It is the same with all kinds of dimension lumber: 2 by 4, 2 by 6, 2 by 8, 2 by 10, and 2 by 12 inches are now sawed 1¾ inches thick, and when such lumber is surfaced on both sides it finishes about 1½ inches thick. Unless you order bridge timber or other dimension timber very large, you will find that nothing is as large either way as ordered. This is all done purposely, and it is done to swindle the people in order to get an extra joist out of a log. You stated in your speech that a cubic foot of lumber contained 12 feet of lumber, superficial measurement. This is the truth; but any lumber sawyer at the present time would make 13 feet of it simply by sawing it thin.

Mr. McCUMBER. Mr. President, I now want to get back again to these differentials; and I especially invite the attention of the Senator from New Hampshire [Mr. GALLINGER], who has just had a letter read, and the attention of the Senator from Rhode Island [Mr. ALDRICH], to a letter from Mr. A. R. Rogers, which was sent to the chairman of the committee, and deals with the cost of finishing the lumber.

The PRESIDENT pro tempore. The Secretary will read as requested.

The Secretary read as follows:

Minneapolis, Minn., June 9, 1909. Hon. NELSON W. ALDRICH, chairman Finance Committee, United States Senate——

Mr. ALDRICH. Mr. President, will not the Senator from North Dakota be willing to have these printed without being read?

Mr. McCUMBER. I would rather have them read—there are only a few of them—because I at least want the Senators to know what they are. Then they can vote down this amendment if they want to.

Mr. ALDRICH. We have been discussing this question for several days, and I did not know but that the Senator would be willing to have that course adopted.

Mr. McCUMBER. I appreciate the fact that I am making scarcely any remarks, but simply having these letters read. I want them read, Mr. President.

The PRESIDENT pro tempore. The Secretary will read.

The Secretary read as follows:

MINNEAPOLIS, MINN., *June 9, 1909.*

Hon. NELSON W. ALDRICH,
Chairman Finance Committee, United States Senate,
Washington, D. C.

DEAR SIR: I observe that there is now considerable discussion, in and out of Congress, on the question of differential duty on finished lumber as compared with that on rough lumber.

As a lumberman of long experience, I wish to add my testimony to that of those who have pointed out to your committee that the differentials allowed in the Dingley law and the Payne bill are absurd if it be assumed that there is any intention of maintaining the same relation between the cost of production and the differentials.

The cost of dressed lumber, according to the degree in which it is dressed, varies from 25 cents up to 75 cents per thousand, the latter being the maximum price. These figures could be substantiated upon inquiry from the books of hundreds of mills.

Is it not therefore perfectly absurd for Congress to think of giving differentials of 50 cents, $1, $1.50, and $2 for the various classes of dressed lumber?

I do not see how a greater differential than 75 cents for the most highly dressed forms of lumber can be justified.

As the average cost of dressing lumber is 40 cents to 50 cents per thousand, it seems to me that a flat differential rate of 50 cents per thousand on finished lumber should be sufficient.

If it is concern for the fate of a few lumber-dressing concerns in New York and New England that is the cause of the reluctance to give up the excessive differentials, why not make an exception in favor of white and Norway pine; that is, give dressed lumber made of those pines a higher differential than you give to dressed lumber made from fir, spruce, tamarack, western pine, and hemlock, which are the prevailing far western woods?

Yours, truly,

A. R. ROGERS.

Mr. GALLINGER. Mr. President——

The PRESIDENT pro tempore. Does the Senator from North Dakota yield to the Senator from New Hampshire?

Mr. McCUMBER. I do.

Mr. GALLINGER. If the Senator will permit me at this point, I simply wish to ask the Senator if the Brooks-Scanlon Lumber Company, the D. N. Winton Company, and the Rogers Lumber Company are not all engaged on a very large scale in the manufacture of lumber in Canada?

Mr. McCUMBER. Some of them may be; I can not answer that. Probably the Senator from Minnesota will be able to give that information. But I have not denied the statement of any person as to the exact cost. I am well aware that no person has given his testimony here, either for or against the present lumber schedules, without being directly interested in them.

Mr. HILL, a Member of the House, wrote some time ago to the Brooks-Scanlon Lumber Company, seeming to question the testimony given by Mr. Scanlon, I think, as to the actual cost of finishing the lumber. Mr. HILL wrote a letter in which he asked many questions; and Mr. Scanlon replied to that letter, and in his reply took up each question asked. I think this is the most important testimony that has been given upon the whole matter, because it reaches each of the questions that are being asked by Senators on the floor, and I ask that it may be read. I call the attention of the Senator from Rhode Island to the reading of this last letter, which I shall offer.

The PRESIDENT pro tempore. The Secretary will read as requested.

The Secretary read as follows:

MINNEAPOLIS, MINN., *June 9, 1909.*

Hon. E. J. HILL,
House of Representatives, Washington, D. C.

DEAR SIR: We were pleased to receive your letter of June 4 addressed to Mr. Scanlon, who is at present absent from the city, and

we hasten to give you the information you asked for in your letter, which we will resolve into questions and answers, as follows:

Q. Will you kindly advise me whether you mean to say that 4-inch yellow-pine flooring planed one side and tongued and grooved is dressed by you at your mill at a cost of 45.8 cents per thousand feet?—A. The figure of 45.8 cents per thousand feet quoted in our letter to Senator ALDRICH referred to the average cost of dressing all lumber at our Louisiana mill. The cost of planing one side, tonguing, and grooving would be about 60 cents per thousand feet.

Q. Will you kindly advise me whether you dress this lumber direct from the mill in which it is sawed, green, or whether you kiln-dry it as a preliminary requisite for good work in dressing, or whether you dress it air dried? If the latter is the case, is it not a perfectly fair proposition that either the kiln-dry or air seasoning should be added to the cost of dressing?—A. Common boards are sometimes dressed direct from the mill. This is a very common practice in the West, and is resorted to to some extent in the South. The higher grades of lumber are kiln-dried. The lower grades are usually air dried. The average figure of 45.8 cents per thousand feet which we gave covers all the cost of handling lumber for dressing or planing from the time it leaves the saw until it is finished.

Q. Can you take lumber, green, from the saw and dress it with satisfactory results?—A. It can be done, and is very frequently done, but better results are obtained from dressing dried lumber. One reason why we prefer to dress the lumber dry is that the purchaser of lumber likes bright, new lumber, which he would not get if we dressed our lumber green and stored it. To satisfy the trade, it is better to store it green and dress it a short time before shipping.

Q. Is there any machinery made now by which lumber can be planed one side and two edges, or one side and tongued and grooved, as rapidly as it can be planed two sides and with the edges left unfinished?—A. Modern machinery will plane one side and two edges, or one side and tongue and groove, almost as rapidly as two sides can be planed with the edges left unfinished. There is a slight difference, but it is not enough to be of much importance.

Q. Does not dressing the edges at the same time that the planing is done compel putting one piece at a time through the planer, instead of two or three, according to the width of the planer, when only the sides are dressed and the edges left unfinished?—A. There are now machines which handle two pieces at a time while dressing the edges and planing.

Q. Is there not a difference in the cost of the various forms of dressing lumber?—A. There is; but the difference is nothing like the differentials allowed in the Payne tariff bill. Lumber going direct from the saw to the planer can be partly dressed as low as 25 cents a thousand feet, and the most expensive dressing will not exceed 75 cents per thousand feet. The ordinary average cost of dressing at Minnesota mills, including every expense incidental to the operation, is about 40 cents per thousand feet.

Now, the Payne tariff bill allows a minimum differential of 50 cents, with increasing gradations up to $2. This is simply absurd in a tariff bill that was supposed to remove inequalities and symmetrize our tariffs, if it did nothing else. It is our idea that 50 cents per thousand flat would be all the discrepancy there should be in favor of dressed lumber, if we are going to make any. As you know, our company will be quite willing to see the duty on both finished and rough lumber repealed. We do not think it at all complimentary to the business ability of the majority of our American lumbermen that they should be so insistent on retaining the Dingley rate. The fact is that if this present tariff revision had not come just at a time when the lumber industry was depressed, it would hardly have been possible to get together enough opponents of the repeal of the lumber duties to make a respectable-sized lobby in Washington.

We do not think that the lumber trade has any right to ask Congress to impose tariffs that will stand for ten or fifteen years on the basis of the present temporary status of the lumber industry.

We are of the impression that the Senate is going to raise the rate on rough lumber to $1.50 and maintain the same differentials that are in the bill at present. We hope that if the Senate acts in that matter that the House conferees will compel it to recede.

As lumbermen of wide experience, it is our judgment that two years from now the lumber trade would not know the difference if lumber were put on the free list to-day.

We might add that if the other schedules of the tariff bill, the application of which we can not judge from experience, are as widely separated from actual conditions of production cost as the differentials on finished lumber, with the production of which we are thoroughly familiar, the people are not getting the sort of tariff revision they were promised.

Very truly, yours, BROOKS-SCANLON CO.

Mr. McCUMBER. Mr. President, it has been suggested here on the floor, and, I think, once or twice by the chairman of the Committee on Finance, that the differentials are too high under the present law, and that there will be what he regards as a substantial reduction. He has reported from the majority of the committee his amendment, showing this "substantial reduction." The "substantial reduction," however, leaves the amount in every instance above the amount contained in the House bill, so, on the whole, there has been an increase. And while you may say that you have reduced the differential, you have added to the unfinished lumber such an amount that, with the reduced differential, you have raised every one of them above the House measure.

We are somewhat in the position of the merchant who advertises that he will sell his goods at a reduction of 50 per cent; and he immediately raises the marked price of all of them 75 per cent and then reduces that increased price to the extent of 50 per cent. That is just exactly what this means. And to show that that is what it amounts to, I have prepared a table showing the rates under the Dingley bill, under the House bill, under the committee amendment, and under the amendment which I have proposed, and I ask that it may be printed in the RECORD.

The PRESIDENT pro tempore. The Chair hears no objection.

The matter referred to is as follows:

	Dingley.	House.	Committee amendment.	McCumber amendment.
1. Rough	$2.00	$1.00	$1.50	$1.50
2. Planed one side	2.50	1.50	2.00	1.75
3. Planed on one side, tongued and grooved	3.00	2.00	2.25	2.00
4. Planed on two sides	3.00	2.00	2.25	2.00
5. Planed on three sides	3.50	2.50	2.62½	2.25
6. Planed on two sides, tongued and grooved	3.50	2.50	3.00	2.25
7. Planed on four sides	4.00	3.00	3.00	2.50

Mr. McCUMBER. Mr. President, I have done all I could on this floor and in the Committee on Finance to secure free lumber. I think it is a mistake on the part of Congress to refuse this almost universal demand for free lumber. I feel, also, that no injustice would be done the producers of lumber if we entirely removed the tariff; and I feel that it is a great injustice to add in any way to the House rates. But I suppose we shall have to submit to whatever the Senate may give us in the matter of rates. They should be reduced, however, and this amendment which I have offered, Mr. President, certainly ought to prevail.

Mr. HEYBURN. Mr. President, before the Senator resumes his seat, I should like to inquire if he bases his conclusion to any extent upon the showing or statements of Brooks, Scanlon, Rogers, and others whose letters have been read, or does he base his conclusion upon outside information?

Mr. McCUMBER. I have information from perhaps a hundred different sources, and they all practically agree as to the actual cost of finishing the lumber.

Mr. HEYBURN. I would suggest that Brooks, Scanlon, Rogers, and others are organizing the American Timber Holding Company. I have a memorandum given me stating that that is a concern holding timber lands in Canada valued at half a million dollars, capitalized at $6,000,000, and that they are selling their stock to the American people on the strength of the assertion that the tariff is to be removed, and that Scanlon is president of the concern. That, I presume, ought to have some weight in considering the value to be given to those letters.

Mr. McCUMBER. Mr. President, without reference to the character of Mr. Scanlon, I ask the Senator, in all good faith, when he is running two mills, one in Louisiana and one in Minnesota, and he gives, even to the number of mills, what it costs to finish a thousand feet of lumber in each one of those mills, whether he has given a false statement? As I have said before, I have no doubt that Brooks & Scanlon have such interests that a reduction of the tariff would be beneficial to them.

Mr. HEYBURN. Mr. President, I think it is quite material to consider the sources of information; and, realizing that, I have taken some pains to obtain information that did not depend upon some other men's statements of facts. The item upon which to base a differential is not composed of wages altogether, nor to a very great extent. I have some knowledge of this business, and have had some considerable interest in it during my lifetime. I have taken pains to learn the facts, and I am not at the mercy of letters from anyone in regard to the facts. Twenty per cent of the lumber that is sawed in the mills, as I suggested the other day, goes into sawdust, which is a dead loss. That loss lies between the log and the board pile—that is, it occurs at that point. If you take a board 12 inches wide and cut it into four pieces——

Mr. CLAPP. Mr. President——

Mr. HEYBURN. Or, we will say, into three 4-inch strips, you have lost 5 per cent of the board right there—5 per cent of the product that you have purchased and paid for. That is a dead loss.

Mr. CLAPP. Mr. President, will the Senator pardon me?

Mr. HEYBURN. In a moment, when I finish. If you run those boards through the planer, you will loss 5 per cent more in the discovery of wany or knotty or imperfect conditions of the board. Those are facts that any man who knows anything about or has ever had any practical experience in this business will tell you.

I yield now to the Senator from Minnesota.

The PRESIDENT pro tempore. The Senator from Idaho yields to the Senator from Minnesota.

Mr. CLAPP. Of course the planing of lumber will undoubtedly disclose defects; but no mill can sell lumber to-day to the

man who buys without the purchaser discovering the defects and the lumber being graded accordingly.

Mr. HEYBURN. Mr. President, let me interrupt the Senator there. That is not the item that I mentioned at all, and ought not to be confused with it.

Mr. CLAPP. The Senator mentioned both. The Senator says 20 per cent is sawdust, and consequently is lost. Undoubtedly there is some loss in that. But take a stick of timber 12 inches square and put it through a saw and reduce it to inch boards. It is still returned by the mill man and costs the consumer upon the basis of 12 inches, twelve 1-inch boards being taken out of the 12-inch square timber.

Mr. HEYBURN. The Senator is mistaken in that, as a matter of practical experience.

Mr. CLAPP. I am not mistaken. It is the experience of everyone.

Mr. HEYBURN. Unless, as stated in a letter portraying a dishonorable method, read a few moments ago at the desk, where they sawed the lumber, instead of 4 by 4, 4 by 3¼. We can not meet that by legislation on the civil side of the law. We have to meet it on the criminal side.

Mr. CLAPP. I am not speaking of that. I am speaking of timber on an average that goes for inch boards. It is not an inch thick. In other words, I undertake to say that a mill man would take a stick of timber 12 inches square and put it through into boards, and he would still have 12-inch boards. That is, commercially carried as 12-inch boards.

Mr. HEYBURN. He would sell the sawdust to the consumer. I have a statement to that effect from a mill man here. He says the consumer pays for the sawdust.

Mr. SMITH of Maryland. Mr. President——

The PRESIDENT pro tempore. Does the Senator from Idaho yield to the Senator from Maryland?

Mr. HEYBURN. I yield.

Mr. SMITH of Maryland. I will state that what is termed an "inch board" is a little thicker than an inch after it is sawed. It is slightly thicker than an inch. It is a matter of physical impossibility to take a piece of timber 12 inches square and run a saw 11 times through it and make boards that would be an inch thick, because the saw will take from a sixteenth to an eighth of an inch.

Mr. CLAPP. I can not dispute with the Senator from Maryland, for I suppose he is speaking of Maryland timber running more than an inch thick.

Mr. SMITH of Maryland. I am speaking of the lumber manufactured in the South, which is about 48 per cent of all the lumber manufactured in this country.

Mr. CLAPP. I do not know about the lumber in the South, but I do know that in the North it has often been the subject of attempted legislation in Northern States to require that inch boards should be an inch thick. It is a matter of common notoriety that that portion of the loss falls on the consumer of lumber. If you do not believe it, go and buy a load of lumber to put up a shack and see whether it will be an inch thick.

Mr. HEYBURN. Mr. President, I have no intention of going into these questions extensively, but the demand was made for a few facts that I have within my knowledge, and I will give them no further than is necessary to demonstrate those facts.

If you lose 5 per cent of logs in converting from boards in the rough to flooring or siding or that class of commodity, the 5 per cent represents the differential, regardless of the money that you have lost; you never do get it back; it has gone into the waste pile; but the sawdust may be worth something.

Senators raise these questions, and they seem to lose their interest after they have raised them. If a question is submitted and an answer requested, the answer is as important as the question. Some one asked for a proper basis upon which to fix the differential. It is the loss resulting from the changing from one character to another. That is a concrete and definite answer. If you lost 5 per cent in weight, that, at least, is one item. There are other items. Of course there is the one of the detection of imperfect lumber, and it is a large item. That is 5 per cent. It is more than that in this part of the country. It is 5 per cent in that part of the country, where the proportion of knotty lumber is much less than it is here. The first two cuts of a tree—that is, from the ground up—will have comparatively small waste, but the next two will have an increase in waste, and when you come to dress your lumber and run it through the planer, it is not the fact that you discover a knot and lose the knot, it is that it transfers the lumber from one class to another. If third-class lumber is selling at $18, and you knock the knot out of it, you will no longer have third-class lumber, but it must be sold for $15. You have lost $3 a thousand on it right there. If it is second-class lumber, which would sell for $28 or $30, and you knock the knot out of it, it falls to $20. Five per cent of that lumber is transferred from one class to another. That is a final arbitrament and determination of this question. You can not get away from it. There is no use of going into refinements of reasoning as to how many minutes it takes to run a board through, or whether it takes as long to run it through once as to run it through three or four times. That is a comparatively useless process. The difference comes in the transfer from one class of lumber to another by this process.

Those are the items of loss, and the report of the committee has made a fair estimate for the loss incident to the transfer of lumber from one class to another by process of manufacture. It is not enough; it does not cover it, but we are satisfied with it. The suggestion contained in the amendment of the Senator from North Dakota does not in any adequate way meet the loss that is incurred in the transfer of lumber from an unfinished to a finished class.

Then, there is another thing I will mention before I take my seat. The Senator has spoken only for a very high class of mills. A man has a right to go into the lumber business without investing a million dollars. He has a right to engage in the lumber business in the ordinary way, which was the only way for a century or two. Just as soon as some one comes in with a band saw and double planers and groovers he is not compelled to abandon his business because his neighbor has outclassed him in the methods or facilities of business. It is as much our duty to protect the men who do business in an ordinary way against competition with other countries as it is to protect those who are like one before me here, one of the largest in the world, because a very small profit on their work would amount to a fair dividend, while the same profit on a mill that would cut ten, twenty, thirty, or even fifty thousand feet a day would not pay for the wages of the men. We must bear that in mind, and we must not measure everything by the scale of the very highest protection and the more expensive equipment.

The PRESIDENT pro tempore. The question is on agreeing to the amendment of the Senator from North Dakota [Mr. McCUMBER] to the amendment of the committee.

Mr. McCUMBER. On that I demand the yeas and nays.

The yeas and nays were ordered.

Mr. TILLMAN. Mr. President, before the lumber schedule passes from the attention of the Senate, I want to make a brief statement. When it was in the Senate before, two or three weeks ago, I voted for the amendment proposed by the Senator from Alabama [Mr. JOHNSTON] to put lumber and all building materials on the free list. In the discussion I remarked that I was in favor of free lumber. When the Senator from North Dakota [Mr. McCUMBER] offered an amendment, which did not give us free lumber, leaving the duty on whitewood, sycamore, and basswood at 50 cents a thousand, I voted against it, because it did not give us "free lumber." The Senate adjourned immediately afterwards, giving me no opportunity to vote for free lumber. There has been no amendment proposed for free lumber to-day.

Mr. McCUMBER. The Senator will recall that some time ago I introduced an amendment for free lumber, and it was defeated.

Mr. TILLMAN. I was not present then.

Mr. McCUMBER. Oh, yes; it was argued here for days and then defeated by a very decisive vote.

Mr. TILLMAN. If the Senator will look at the RECORD, he will see that he did not offer any amendment for free lumber, but only one for "sawed lumber not specially provided for," and so forth, leaving in the bill 50 cents a thousand on basswood, sycamore, and so forth.

Mr. McCUMBER. I did not change that, it is true.

Mr. TILLMAN. I voted against the McCumber amendment. It was defeated by a very decisive vote, 55, I think, or something like that, to 30, or around there. I still think we ought to have free lumber, and I will give my experience and my reasons for that belief. I know, of course, we can not get it.

Twelve years ago, when the Dingley bill was on its passage, I voted for a $2 tariff on lumber, and remarked, very much to the disgust of some people and the edification of others, "if there was to be stealing, I wanted my share." I have found out that I can not get my share; that the conditions of the South are such that the articles and products of that region which are capable of being protected are so few in number that if we were to throw around everything down there a high protective tariff, we would not get anything like a proportionate benefit with the New England and manufacturing States of this Union.

In regard to this matter of lumber, I have watched the result of the duty. Immediately afterwards our timber lands, which

had previously been neglected so there were comparatively small lumbering industries down there, began to be in demand. Men from Wisconsin and Michigan and other Northern States where lumbering had practically denuded the forests of timber, or were about to finish them up, came into the State and bought up very large tracts of timber at a very small price. They did this all over the South. Large mills were established and the lumbering industry began to pick up, showing investment of capital and a large export. At the same time the price began to rise, a little faster, apparently, than the industry itself.

Now, consider for a moment that the people of South Carolina are in about this shape; the State being a triangle, the upper part, cutting off like the letter "A," is largely the white section of the State. Nearly two-thirds of the white people, although it is only one-third of the area, live there. They are consumers of lumber, and they have no yellow pine or very little. They have been importing that lumber from the lower belt of counties next to the sea, and that region is occupied almost wholly by the negroes; that is, the negroes outnumber the whites in Beaufort County, for instance, 10 negroes to 1, Colleton 7, Georgetown 7, Williamsburg 4, Sumter 6, and so on. In this coast region the lumber industry has taken root and is now very extensively carried on.

I noticed after three or four years of this introduction of lumbering on an extensive scale that the price went steadily up, up, and it very soon became noised abroad, I do not know on what foundation, that these lumbermen had formed a combination, and they would not sell under each other to the consumers in the upper part of the State.

Lumber is not a luxury. It is a necessity. It is one of the necessaries of life. When I saw that the farmers, who had to build houses and fences and barns in the whole upper country, were being charged steadily increasing prices for their lumber I began to change my opinion as to whether I was getting my share of the stealing or not. It looked like somebody not very far away was getting an unreasonable profit out of our trees, which had cost them a very small sum of money relatively. So my opinion in regard to the benefits of the tariff in our State changed very radically.

I believe in the greatest good to the greatest number; and when I saw that the people who use lumber, practically four-fifths of them, were paying an increased price, I decided if I ever got a chance I would take that tariff off. That is all there is about it. I do not feel that it is my business here to protect the industry of lumber, which, perhaps, involves the interests of 50,000 good and worthy people, as against the 500,000 equally good and worthy people who have to use lumber; and we would not be saved from an exorbitant price, because, I think, those people formed a combination and agreed that they would not undersell each other.

The only reason why we were able, or will be able, to get lumber at a reasonable rate was due to the fact that there were some old field pine, second growth, left in the upper part of the State, and small patches, or small areas—two or three hundred acres or 500 acres, all through the middle lower region that the lumbermen had not bought or could not buy at the high prices—I mean the great lumber companies, with their railroads, and all that sort of thing, running out into the swamps. The only reason why the upper-country people could get lumber at decent prices was because a little one-horse sawmill, costing $1,500, or at most $2,000, would go into these little patches of pine and saw the timber up and furnish the people this necessary lumber, as against these great combinations of capital which had absorbed our timber.

I have felt that it was my privilege to explain why I am apparently in contradiction with myself, because I voted against the amendment offered by the Senator from North Dakota [Mr. McCUMBER]. Having stated that I wanted free lumber, having had no chance to get free lumber, I still am against the amendment, because it did not offer free lumber.

That is all I want to say. I did not want to appear to be at war with myself, nor do I say this because of the hue and cry raised in some quarters that I have not stood on the Democratic platform. I am here as a Democrat. If my Democracy is not above suspicion, I do not want any certificate from any source.

Mr. PILES. Mr. President, when I had the honor of addressing the Senate on the lumber schedule in the early part of last month I submitted a proposed contract between the Spanish Mills Company, of Ontario, and the Edward Hines Lumber Company, of Chicago, showing that Canadian manufacturers were demanding from wholesale dealers in this country one-half of the reduction of the duty on lumber in addition to current prices. The junior Senator from Minnesota [Mr. CLAPP] at that time called in question the proposed contract. I then said that, at the proper time, I would submit the original papers, which I now send to the Secretary's desk for permanent filing. In this connection I wish to submit an affidavit from Mr. Edward Hines, which shows that the proposed contract was presented to him in the ordinary course of business.

I also desire to state, in this connection, that the original papers were filed by Mr. Hines with the Committee on Finance, and that the senior Senator from Vermont [Mr. DILLINGHAM] also filed with that committee a letter from the governor of the State of Vermont, which shows that he entered into a written contract with the Canadian manufacturers whereby he actually agreed to pay them one-half the reduction. I do not care to take up the time of the Senate to read the affidavit, but ask that it be printed in the RECORD.

The PRESIDENT pro tempore. No objection is heard, and the affidavit will be printed in the RECORD.

The affidavit is as follows:

"'DISTRICT OF COLUMBIA, *ss:*

"'Edward Hines, of the Edward Hines Lumber Company, of Chicago, Ill., who is personally known to me, appeared before me this — day of May, 1909, and solemnly affirmed as follows:'

"I am president of the Edward Hines Lumber Company, of Chicago, Ill., and I hereby solemnly affirm that a contract was submitted to me by the Spanish Mills Lumber Company (Limited), of Spanish Mills, Ontario, for the purchase of them of a certain quantity of lumber, said contract being dated November 11, 1908, and containing a clause reading as follows:

"'In the event that this lumber shall remain on dock over winter and that all or any part of the duty now charged by the United States Government being taken off, you are to pay us an amount extra per thousand feet equal to one-half the amount of duty which was taken off—that is, if $1 per thousand is taken off, you to pay us 50 per thousand additional on the above prices.'

"The said lumber was first submitted to me by George D. Jackson, of Bay City, Mich., acting for the Spanish Mills Lumber Company (Limited), in the form of a letter dated November 4, 1908, reading as follows:

"'EDWARD HINES LUMBER COMPANY,
"'*Chicago, Ill.*

"'GENTLEMEN: Spanish River Lumber Company have a small lot of 12/4 Norway on dock at Little Current, and a little lot of 4/4 that goes with it. I think this can be bought for about $14.50, and it is a very nice lot.

"'Yours, truly, GEO. D. JACKSON.'

"I replied by letter dated November 6, 1908, reading as follows:

"'GEORGE D. JACKSON, Esq.,
"'*Bay City, Mich.*

"'DEAR SIR: Replying to your favor of the 4th instant, the steamer *Barth* will be at Spanish Mills about the 18th to put on the 148,000 of 4-inch strips left by the *Wiehe* from lot 9 of the Spanish River Lumber Company stock. Please advise your man at Spanish Mills and have him see the mill people and have plenty of men on hand to give the boat prompt dispatch.

"'We might be able to load the little lot of 3-inch Norway you mention in yours of the 4th on this boat. How long has it been cut? If the Spanish River Lumber Company want to load it on the boat at $14 per thousand, you may put it on, cash less 2 per cent—that is, provided the boat can take it. Let us know promptly about this.

"'Respectfully, yours,
"'EDWARD HINES LUMBER COMPANY.'

"B. W. Arnold, who is president of the Spanish Mills Company (Limited), telegraphed from Spanish, Ontario, on November 9, 1908, as follows:

"'EDWARD HINES LUMBER COMPANY,
"'*Chicago, Ill.:*

"'Will sell 12/4 and about 25,000 4/4 Norway at Little Current, $14, shipment this fall; terms 1½ discount or February 15. Wire answer.
"'B. W. ARNOLD.'

"Submitting a definite proposition. I telegraphed them as follows:

"'CHICAGO, *November 9, 1908.*

"'B. W. ARNOLD, *Spanish, Ontario.*

"'Will take Norway, culls in same, $9, if you can ship this fall; think we can.
"'EDWARD HINES LUMBER CO.

"'Paid.'

"This telegram being an acceptance to his proposition above referred to. This was followed by a telegram from B. W. Arnold, reading as follows:

"'SPANISH, ONTARIO, *November 11, 1908.*

"'EDWARD HINES LUMBER COMPANY,
"'*Chicago, Ill.:*

"'Am sending contract for Norway. You have 60,000 pine shorts here.
"'B. W. ARNOLD.'

"This was followed by their contract, dated November 11, 1908, a copy of which is hereto attached, marked 'Exhibit A,' in reply to which I telegraphed refusing to accept the contract unless the clause in regard to the division of any reduction of duty was erased.

"It then having become very late in the season, naturally the opportunity of selling the stock was not so favorable, and under the depressed conditions existing in lumber last fall, Mr. Arnold waived the clause and telegraphed as follows:

"'SPANISH, ONTARIO, *November 14, 1908.*

"'EDWARD HINES,
"'*Care of Edward Hines Lumber Company, Chicago, Ill.:*

"'Cross out duty clause in contract if you prefer.
"'B. W. ARNOLD.'

"The said proposition was offered to me in the ordinary course of business, and said contract was actually submitted to me in good faith by the Spanish Mills Company (Limited) in the ordinary course of trade, without any knowledge on my part that such a provision would be submitted or was thought of by the said Spanish Mills Company. I

refused to enter into a contract for the purchase of said lumber with a provision therein dividing any benefit that might be derived by the removal of any part of the duty on lumber by the American Congress and adding one-half the amount of duty so removed to the prices named in the contract, and by reason of my refusal this clause was stricken out of said contract.

"I hereby further solemnly affirm that neither the Edward Hines Lumber Company or any of its subsidiary companies or myself personally nor any stockholders of any of the companies that I am interested in have any interest financially, directly, or indirectly, in the Spanish Mills Company (Limited).

"The Edward Hines Lumber Company buys large quantities of lumber from various mills in Canada; have done so every year for the past fifteen years; bought large quantities last year, and have purchased this year in Canada at least 15,000,000 feet of lumber, or in value about $250,000, up to this time, and in all probability will purchase as much more during the season.

"Since the date of this contract I have met Mr. B. W. Arnold, and he told me that in the selling of his lumber this year, since this tariff discussion on lumber has been raised, that he has inserted in all his contracts for the sale of lumber from Canada the provision above cited, providing that if any reduction is made by the American Congress in the duty on lumber that one-half of whatever this amounts to shall be added to the prices named in the contract as an extra compensation to him; that such a provision is insisted upon, and has been inserted in all the contracts he has made for the sale of lumber this year.

"EDWARD HINES."

Subscribed and sworn to before me this 13th day of May, 1909.

[SEAL.] BENJ. VAIL, *Notary Public.*

EXHIBIT A.

THE SPANISH MILLS COMPANY (LIMITED),
Spanish Mills, Ontario, November 11, 1908.

EDWARD HINES LUMBER COMPANY,
Chicago, Ill.

GENTLEMEN: We will sell you our 12/4 and 4/4 early cut Norway at Little Current, estimated at about 130,000 of 12/4 and 25,000 4/4, at $14 pile run, with a mill cull tally at $9; terms, cash, less 1½ per cent if paid within ten days from date of shipment this fall. If lumber is not shipped this fall, it is to be paid for as cash, without discount, February 15, and you are to pay us pro rata insurance after that date; George D. Jackson to measure as long as satisfactory to both of us, we each paying half his measurement; the 12/4 to be measured on a piece tally and the 4/4 on the give-and-take basis; final settlement at date of the final shipment, with interest either way at 6 per cent per annum.

In the event that this lumber shall remain on dock over winter, and that all or any part of the duty now charged by the United States Government being taken off, you are to pay us an extra amount per thousand feet equal to half the amount of duty which was taken off; that is, if $1 per thousand is taken off, you are to pay us 50 cents per thousand additional on the above prices, etc.

Yours, truly,

SPANISH RIVER LUMBER COMPANY (LIMITED),
Per B. W. ARNOLD, *President.*

Accepted.
Please sign and return one copy to Albany.

Mr. SMITH of Michigan. Mr. President, as I understand it, we are about to vote on the amendment of the Senator from North Dakota.

The PRESIDENT pro tempore. On the amendment of the Senator from North Dakota to the amendment of the committee.

Mr. SMITH of Michigan. And the amendment of the Senator from North Dakota reduces the duty upon manufactured or finished lumber.

Mr. President, I should like to ask the chairman of the Committee on Finance if the amendment proposed by the committee does not also reduce the duty upon finished lumber from the present law?

Mr. ALDRICH. There is a 25 per cent reduction on finished lumber, with the exception of boards planed on one side.

Mr. SMITH of Michigan. There is 25 per cent?

Mr. ALDRICH. There is a 25 per cent reduction on lumber.

Mr. SMITH of Michigan. Of the present Dingley rate?

Mr. ALDRICH. Yes.

Mr. SMITH of Michigan. I should like to ask the Senator how it compares with the House provision?

Mr. ALDRICH. The House maintains the existing rate.

Mr. SMITH of Michigan. So that this is not only a reduction of the Dingley rate, but of the provision in the bill as passed by the House?

Mr. ALDRICH. Yes; the provision of the House as to dressed lumber.

Mr. McCUMBER. There is not an article out of dressed lumber in the Finance Committee amendment that is not higher than the same article of dressed lumber in the House provision.

Mr. SMITH of Michigan. I simply want to say that when the Dingley law was passed I voted for $1 on lumber in the House. I felt it was ample protection then, and I feel so now.

I desire to keep the mills of our country running upon this side of the Canadian border. I should like to have them get as much raw material as possible from the largest possible area, so that it will enable them to manufacture the product here. I believe in the employment of American labor for that purpose, and I propose to vote in such a manner as seems best calculated to insure the continuance of that industry here.

The PRESIDENT pro tempore. The question is on agreeing to the amendment of the Senator from North Dakota [Mr. McCUMBER] to the amendment of the committee, on which the yeas and nays have been ordered. The Secretary will call the roll.

The Secretary proceeded to call the roll.

Mr. JONES (when his name was called). I have a general pair with the junior Senator from South Carolina [Mr. SMITH]. I therefore withhold my vote. I would vote "nay" if he were present.

The roll call was concluded.

Mr. FLINT. I am paired with the senior Senator from Texas [Mr. CULBERSON]. For that reason I withhold my vote. If he were present, I should vote "nay."

The result was announced—yeas 30, nays 49, as follows:

YEAS—30.

Bacon	Clay	Gore	Overman
Beveridge	Crawford	Hughes	Owen
Bristow	Cummins	Johnson, N. Dak.	Paynter
Brown	Curtis	Johnston, Ala.	Rayner
Burkett	Davis	La Follette	Stone
Burton	Dolliver	McCumber	Tillman
Carter	du Pont	McLaurin	
Clapp	Gamble	Nelson	

NAYS—49.

Aldrich	Depew	Lodge	Simmons
Borah	Dick	Lorimer	Smith, Md.
Bourne	Dillingham	McEnery	Smith, Mich.
Bradley	Dixon	Martin	Smoot
Brandegee	Elkins	Money	Sutherland
Briggs	Fletcher	Nixon	Taliaferro
Bulkeley	Foster	Oliver	Taylor
Burnham	Frye	Page	Warner
Burrows	Gallinger	Penrose	Warren
Chamberlain	Guggenheim	Perkins	Wetmore
Clark, Wyo.	Hale	Piles	
Crane	Heyburn	Root	
Cullom	Kean	Scott	

NOT VOTING—13.

Bailey	Daniel	Newlands	Stephenson
Bankhead	Flint	Richardson	
Clarke, Ark.	Frazier	Shively	
Culberson	Jones	Smith, S. C.	

So Mr. McCUMBER's amendment to the amendment of the committee was rejected.

Mr. McLAURIN. I offer an amendment.

The PRESIDENT pro tempore. The amendment to the amendment will be stated.

The SECRETARY. It is proposed to amend the amendment by striking out all after the word "measure," in line 5 of the amendment.

The PRESIDENT pro tempore. The question is on agreeing to the amendment of the Senator from Mississippi to the amendment of the committee.

The amendment to the amendment was rejected.

Mr. ALDRICH. The committee modify its amendment by inserting, in line 12, after the word "sides," the language which I send to the desk.

The PRESIDENT pro tempore. The Committee on Finance modifies its amendment as the Secretary will read.

The SECRETARY. In line 12 of the printed amendment, after the words "three sides," insert the words "or planing or finishing on two sides and tonguing and grooving."

The PRESIDENT pro tempore. The question is on agreeing to the amendment as modified. (Putting the question.) The ayes have it, and the amendment is agreed to.

Mr. ALDRICH. I ask that the words be stricken out on the next page, as indicated.

The SECRETARY. On page 2 of the printed amendment, lines 1 and 2, strike out the words "planing or finishing on two sides and tonguing and grooving or."

The PRESIDENT pro tempore. Without objection, the amendment will be modified as stated.

Mr. ALDRICH. Was the committee amendment agreed to, Mr. President?

The PRESIDENT pro tempore. The committee amendment was agreed to.

Mr. McCUMBER. I do not understand that the committee amendment has been agreed to.

Mr. ALDRICH. That is what I was asking the Chair.

The PRESIDENT pro tempore. The Chair declared that by a vote the amendment was agreed to.

Mr. McCUMBER. I mean the original amendment.

The PRESIDENT pro tempore. The original amendment as modified by the Senator from Rhode Island [Mr. ALDRICH].

Mr. ALDRICH. Does the Senator from North Dakota want a vote upon that?

Mr. McCUMBER. I should like the yeas and nays upon that.

The PRESIDENT pro tempore. Then the Chair will regard it as an open question.

The yeas and nays were ordered.

Mr. ELKINS. Let the amendment be stated.

Mr. DOLLIVER. I should like to have the amendment stated, Mr. President.

The PRESIDENT pro tempore. The amendment will again be stated.

The SECRETARY. The amendment as modified now reads:

197. Sawed boards, planks, deals, and other lumber of whitewood, sycamore, and basswood, 50 cents per thousand feet board measure; sawed lumber, not specially provided for in this section, $1.50 per thousand feet board measure; but when lumber of any sort is planed or finished there shall be levied, in addition to the rates herein provided, the following:

For one side so planed or finished, 50 cents per thousand feet board measure; for planing or finishing on one side and tonguing and grooving or for planing or finishing on two sides, 75 cents per thousand feet board measure; for planing or finishing on three sides or planing and finishing on two sides and tonguing and grooving, $1.12½ per thousand feet board measure; for planing or finishing on two sides and tonguing and grooving or planing and finishing on four sides, $1.50 per thousand feet board measure; and in estimating board measure under this schedule no deduction shall be made on board measure on account of planing, tonguing and grooving.

Mr. BEVERIDGE. Mr. President, may I ask a question of the Senator from North Dakota [Mr. MCCUMBER], and also of the chairman of the Finance Committee [Mr. ALDRICH]? Is the effect of this amendment of the Senate Finance Committee to increase or reduce the rates on these varieties of lumber as fixed by the other House?

Mr. MCCUMBER. It is an increase on every one of them.

The Secretary proceeded to call the roll.

Mr. FLINT (when his name was called). I again announce my pair with the senior Senator from Texas [Mr. CULBERSON]. If he were present, I should vote "yea."

Mr. TAYLOR (when Mr. FRAZIER's name was called). My colleague [Mr. FRAZIER] is paired for the day with the junior Senator from Wisconsin [Mr. STEPHENSON].

Mr. JONES (when his name was called). I am paired with the junior Senator from South Carolina [Mr. SMITH]. If he were present, I should vote "yea."

The roll call was concluded.

Mr. BURROWS (after having voted in the affirmative). On this vote I am paired with the Senator from Mississippi [Mr. MCLAURIN], and I therefore withdraw my vote.

The result was announced—yeas 50, nays 28, as follows:

YEAS—50.

Aldrich	Crane	Hale	Root
Bacon	Daniel	Heyburn	Scott
Bailey	Depew	Kean	Simmons
Borah	Dick	Lodge	Smith, Md.
Bourne	Dillingham	Lorimer	Smoot
Bradley	Dixon	McEnery	Sutherland
Bandegee	du Pont	Martin	Taliaferro
Briggs	Elkins	Nixon	Taylor
Bulkeley	Fletcher	Oliver	Warner
Burnham	Foster	Page	Warren
Carter	Frye	Penrose	Wetmore
Chamberlain	Gallinger	Perkins	
Clark, Wyo.	Guggenheim	Piles	

NAYS—28.

Bankhead	Clay	Gore	Overman
Beveridge	Crawford	Hughes	Owen
Bristow	Cummins	Johnson, N. Dak.	Paynter
Brown	Curtis	Johnston, Ala.	Rayner
Burkett	Davis	La Follette	Smith, Mich.
Burton	Dolliver	McCumber	Stone
Clapp	Gamble	Nelson	Tillman

NOT VOTING—14.

Burrows	Flint	Money	Smith, S. C.
Clarke, Ark.	Frazier	Newlands	Stephenson
Culberson	Jones	Richardson	
Cullom	McLaurin	Shively	

So the amendment as modified was agreed to.

Mr. ALDRICH. I now ask that the paragraph be agreed to as amended.

The PRESIDENT pro tempore. The question is on agreeing to the paragraph as amended.

Mr. DAVIS. Mr. President——

The PRESIDENT pro tempore. Does the Senator from Arkansas rise to this amendment?

Mr. DAVIS. Yes, sir.

Mr. ALDRICH. No amendment will be in order to this amendment now.

Mr. DAVIS. I thought differently, Mr. President. I was going to move to strike out the paragraph before it was finally agreed to, and to offer an amendment——

Mr. ALDRICH. The Senator can not offer an amendment now.

Mr. DAVIS. Or to offer a substitute.

Mr. ALDRICH. I beg the Chair's pardon. I am reminded that the vote just taken was on the paragraph as modified. Then I ask that paragraph 196 may be agreed to as amended. Paragraph 196 was amended by striking out the words "otherwise than by sawing," and inserting the word "or" after the word "hewn" and the comma.

Mr. DAVIS. Mr. President——

The PRESIDENT pro tempore. The question is on agreeing to paragraph 196 as amended.

Mr. DAVIS. I should like a ruling of the Chair on the proposition to strike out paragraph 197 and insert in lieu thereof the amendment which I send to the desk.

Mr. ALDRICH. The Senator from Arkansas can do that in the Senate, but not now.

Mr. DAVIS. I want to do it now, Mr. President.

The PRESIDENT pro tempore. The amendment proposed by the Senator from Arkansas will be stated.

The SECRETARY. It is proposed to strike out paragraph 197 and to insert:

197. Boards, planks, deals, and lumber of all kinds shall be admitted free of duty.

The PRESIDENT pro tempore. The Chair is of the opinion that the amendment is not now in order. It will be in order when the bill is in the Senate.

Mr. DAVIS. Before the paragraph had been finally agreed to I offered that amendment as a substitute for the entire paragraph. I can not quite agree with the Chair that it is not in order, though, of course, I shall submit to the ruling of the Chair.

The PRESIDENT pro tempore. The Chair is obliged to hold that the amendment is not now in order.

The question is on agreeing to paragraph 196 as amended.

The paragraph as amended was agreed to.

Mr. GORE. Mr. President, I desire to submit an amendment which is an additional paragraph to the lumber portion of the schedule.

The PRESIDENT pro tempore. The amendment proposed by the Senator from Oklahoma [Mr. GORE] will be stated.

The SECRETARY. It is proposed to insert a new paragraph in Schedule D, as follows:

All lumber imported into the United States which shall be used in the construction of any church, school, college, or university building, or any other religious, educational, or charitable establishment, or which shall be used in the construction of any public building erected at the expense and for the use of any State, or any county or municipality thereof, shall come within the drawback provisions of this act in the same manner and to the same extent as if such lumber had been exported subsequent to importation; and the Secretary of the Treasury is authorized to prescribe suitable rules and regulations to carry the provisions of this section into effect.

Mr. GORE. Mr. President, the various States of the Union have exempted schoolhouses, churches, and other religious and charitable institutions from local taxation. It seems to me that the General Government ought to be as generous and as just toward these local institutions as have been the local governments themselves. It seems to me that any building, either dedicated to learning or consecrated to religion, ought to be exempted from the exactions of the taxgatherer. It seems to me that such a building ought to be safeguarded against the invasion of the publican and the sinner. It seems to me that the money changers should be scourged from the temple now as they were in the olden times.

This amendment, it seems to me, is founded upon different principles from the proposition to levy either a protective or a revenue duty upon imported lumber. It is my recollection that during the last ten or twelve years we have collected about $20,000,000 of revenue from imported tin plate. It is also my recollection that during the same time the Standard Oil Company has received some $18,000,000 of this revenue as a drawback, due to the exportation of tin cans manufactured from those imported tin plates. I may be regarded as a little eccentric for saying that, in my judgment, the schoolhouse, the church, and other religious and charitable institutions are entitled to as much consideration at the hands of this Senate as is the Standard Oil monopoly itself. As I have a kindred amendment to submit, and upon a kindred subject, and as I desire to see how other Senators view this proposition, I ask for the yeas and nays on the amendment.

The PRESIDENT pro tempore. The Senator from Oklahoma asks for the yeas and nays on his amendment. Is there a second? In the opinion of the Chair, there is not.

Mr. BACON. I ask that the question be put again. Senators may not have understood the proposition.

The PRESIDENT pro tempore. Is there a second to the request of the Senator from Oklahoma? In the opinion of the Chair, there is not a sufficient number.

Mr. BACON. I ask for a division on the question.

Mr. ALDRICH. There is no use in taking up the time of the Senate for that.

The PRESIDENT pro tempore. Senators in favor of acceding to the request of the Senator from Oklahoma for the yeas and nays will rise and stand until they are counted. [A pause.] Eight Senators have risen; not a sufficient number. The yeas

and nays are refused. The question is on agreeing to the amendment.

The amendment was rejected.

Mr. ALDRICH. I think the amendment striking out paragraph 198 was agreed to.

The PRESIDENT pro tempore. That was agreed to.

Mr. ALDRICH. I ask that paragraph 199 be agreed to.

The PRESIDENT pro tempore. Paragraph 199 has already been agreed to.

Mr. ALDRICH. I ask that paragraph 200 be agreed to.

The PRESIDENT pro tempore. The question is on agreeing to paragraph 200.

The paragraph was agreed to.

Mr. ALDRICH. On behalf of the committee I offer an amendment to paragraph 201, making the duty on clapboards $1.50 a thousand, instead of $1.

The PRESIDENT pro tempore. The amendment will be stated.

The SECRETARY. Page 70, paragraph 201, after the word "dollar," it is proposed to insert "fifty cents."

The amendment was agreed to.

The paragraph as amended was agreed to.

Mr. ALDRICH. I ask that paragraph 202 be agreed to.

The PRESIDENT pro tempore. The question is on agreeing to paragraph 202.

The paragraph was agreed to.

Mr. ALDRICH. The committee have an amendment to paragraph 203. I move to insert the word "five" after the word "twenty."

The PRESIDENT pro tempore. The amendment will be stated.

The SECRETARY. In paragraph 203, page 70, line 25, strike out "twenty" and insert "twenty-five."

The amendment was agreed to.

The paragraph as amended was agreed to.

Mr. ALDRICH. I ask that paragraph 204 be agreed to.

The PRESIDENT pro tempore. The question is on agreeing to paragraph 204.

The paragraph was agreed to.

Mr. ALDRICH. The committee report an amendment to paragraph 205, striking out "thirty" and inserting "fifty."

The PRESIDENT pro tempore. The amendment will be stated.

The SECRETARY. In paragraph 205, page 71, line 3, after the word "shingles," it is proposed to strike out "thirty" and insert "fifty."

The PRESIDENT pro tempore. The question is on agreeing to the amendment.

Mr. BRISTOW. I ask for the yeas and nays.

The yeas and nays were not ordered.

The PRESIDENT pro tempore. The question is on agreeing to the amendment.

The amendment was agreed to.

The paragraph as amended was agreed to.

Mr. ALDRICH. I ask that paragraph 206 be agreed to.

The PRESIDENT pro tempore. It is already agreed to.

Mr. ALDRICH. I ask that pragraph 207 be agreed to.

Mr. TALIAFERRO. Mr. President, I move to amend paragraph 207 by inserting, in line 8, after the word "oranges," the word "pineapples."

The PRESIDENT pro tempore. The amendment will be stated.

The SECRETARY. On page 71, paragraph 207, line 8, after the word "oranges," it is proposed to insert "pineapples," so as to read:

207. Boxes, barrels, or other articles containing oranges, pineapples, lemons, limes, grape fruit, shaddocks, or pomelos, 30 per cent ad valorem.

Mr. ALDRICH. I hope that amendment will not be adopted, because if we are going to change the duty on pineapples, it ought to be changed by a straight vote, and not by indirection.

Mr. TALIAFERRO. Mr. President, this is not an effort to change the duty on pineapples at all. This paragraph, as it stands now, distinctly excludes pineapple crates, while it covers the crates of all other fruits of the general character of pineapples.

The chairman of the committee has announced more than once that it was the purpose of the committee to construct this bill so as to apply with equality to all sections and all products of the country. If the proposed duty on orange boxes, lemon boxes, and the other fruits mentioned in the paragraph is to induce the importers of foreign fruits to buy their boxes in the extreme East, there is no reason that I can see why the same rule should not apply to the boxes made of materials that are produced in the Middle States and in the South. So the question is fairly before the Senate whether the Senate will permit a distinct discrimination against this product of the South; whether they will pass a law providing a duty on boxes that bring oranges and lemons and limes into this country, but distinctly exclude those containing pineapples. That is the question.

I do not need to argue the point at all, and it is not necessary for me to go into the question of the right or wrong of the paragraph as it stands. It is sufficient to say that the boxes in which the other fruits are imported bear the duty imposed under this paragraph and that pineapple boxes are studiously and pointedly omitted and discriminated against. I ask the Senate to correct the wrong while they have the opportunity to do so.

Mr. RAYNER. Mr. President——

The PRESIDENT pro tempore. Does the Senator from Florida yield to the Senator from Maryland?

Mr. TALIAFERRO. I do.

Mr. RAYNER. I thought the Senator had concluded. I beg his pardon. I will wait until he is through.

Mr. TALIAFERRO. I am through now.

Mr. SIMMONS. I want to ask the Senator from Florida a question. What is the difference between the character, if there is any, of the boxes in which pineapples are shipped and the boxes in which oranges and lemons are shipped?

Mr. TALIAFERRO. None whatever, except that in the case of lemons, I think, a thinner wood is used, probably produced in the State of Maine. In the case of crates for oranges, grape fruit, and limes, yellow pine is used, which is produced, as we all know, in the Southern States. If there is a discrimination in this bill it is shown conspicuously, Mr. President, in this very item that is now before the Senate.

Mr. RAYNER. Mr. President, I had no expectation that this amendment would come up this morning. I am very much opposed to it. I think the proper place to discuss the amendment would be after the pineapple schedule comes before the Senate, for it is impossible to analyze it unless you understand the whole question. The duty on these crates amounts absolutely to an increase of duty upon Cuban pineapples. There is no question at all about an equality of assessment; it does not follow by any means that because particular crates with particular kinds of fruit have a duty imposed upon them, that all crates with all kinds of fruit should have the same duty imposed. I respectfully submit that there is no logic at all in that argument.

In order to understand it, it is necessary to discuss the pineapple schedule. I am opposed to any increase of duty upon the schedule appertaining to pineapples beyond the duty the Senate committee has placed upon it. It is well for the Senate to understand that when that schedule is reached the Senator from Florida will move an amendment increasing the duty on pineapples beyond the duty reported by the Committee on Finance.

Mr. TALIAFERRO. Mr. President——

The PRESIDENT pro tempore. Does the Senator from Maryland yield to the Senator from Florida?

Mr. RAYNER. Certainly.

Mr. TALIAFERRO. I want to ask merely if the Senator from Maryland spoke with authority on that point?

Mr. RAYNER. The only authority I have, Mr. President, is that the Senator from Florida has frequently stated to me that there is to be an amendment to the amendment reported by the committee increasing the duty.

Mr. SMITH of Maryland. There has already been an amendment submitted, and it is now pending.

Mr. RAYNER. There is an amendment pending now.

Mr. TALIAFERRO. I wanted to know if the Senator spoke with authority when he informed the Senate that there will be no further report from the committee on this subject? I understand that the matter is still under consideration by the committee, or by members of the committee.

Mr. RAYNER. The Senator from Florida not only misunderstood me, but he evidently did not hear me. I said nothing about the Senate committee making another report. I said that an amendment would be offered increasing the duties that the Senate committee had placed upon pineapples. So the Senator misunderstood me.

Now, Mr. President, it is impossible to discuss this schedule without discussing the pineapple question, and, unless the Senator from Florida is unwilling to discuss that question now, I am perfectly willing to take up the pineapple schedule now.

Let us take up that schedule now and discuss it before the Senate, and when that schedule is passed upon, then we will discuss the proposition whether or not an additional duty is to be levied upon the crates that contain pineapples, because the duty on the crates is a duty on the pineapples themselves. That there is a duty on the crates that contain lemons and

oranges is no reason on this earth why a duty should be placed upon the crates that contain pineapples. It is an entirely different proposition from that appertaining to crates containing these articles. There are plenty of fruits——

Mr. CRAWFORD. Mr. President——

The PRESIDENT pro tempore. Does the Senator from Maryland yield to the Senator from South Dakota?

Mr. RAYNER. Certainly.

Mr. CRAWFORD. The Senator states that the duty here placed upon boxes containing pineapples will increase the duty upon pineapples. Is it not also true that it will for the same reason increase the duty upon oranges, lemons, limes, grape fruit, and so forth?

Mr. RAYNER. But, Mr. President, the increase of duty upon pineapples stands upon an entirely different basis from the duty upon lemons and the other articles the Senator mentions.

Mr. CRAWFORD. We have already put a duty of a cent and a half on lemons. Does this provision add to that cent and a half duty on lemons?

Mr. RAYNER. I should suppose it does.

Mr. CRAWFORD. I simply wanted to know as to that.

Mr. RAYNER. I should suppose most decidedly that it does. But as to pineapples, what I want to say to the Senator is this: These pineapples all come in crates. I can not tell whether lemons all come in crates, or whether the other fruit mentioned here come in crates; but every Cuban pineapple comes in a crate, as I understand it. There is no importation of Cuban pineapples in bulk. This is imposing an additional tax upon the pineapples that come from Cuba. A million crates of pineapples come from Cuba every year; and we are dependent upon the Cuban pineapple. I want to say this in passing, because neither my colleague nor myself were ready to discuss this matter; but we are perfectly willing to take it up. I want to say this, that these Cuban pineapples come in in the month of April and the month of May, and there is not a pineapple from Florida that is used before the Cuban stock is exhausted. No Florida pineapples come in in April——

Mr. TALIAFERRO. Mr. President——

Mr. RAYNER. One moment—to any appreciable extent. The Florida crop commences to come in, as I understand it—and the Senator from Florida will correct me if I am wrong—substantially during the latter part of May.

Mr. TALIAFERRO. Mr. President, I will state, if the Senator wants the information, that it commences to come in the last of April and the first of May.

Mr. RAYNER. Then, Mr. President, we are incorrectly informed. But I am prepared, I think, to prove to the Senate that, substantially speaking, the Florida crop does not come in until the latter part of May. It does not come in during the month of April, when the Cuban pineapples are canned, for the use of the American consumer.

At any rate, I want to say this, and I repeat it: We are willing now to discuss this pineapple schedule, and I hope the Senator from Rhode Island will permit us to take it up, because I have been waiting here for some time to discuss it; but this particular duty ought not to be discussed and ought not to be considered except in connection with that schedule. I hope the Senate will at least defer action upon it until that schedule is reached, because until the schedule is reached we can not arrive at a proper determination as to whether or not an additional duty or a new duty ought to be placed upon the boxes that contain the fruit.

Mr. GALLINGER. Mr. President——

The PRESIDENT pro tempore. Does the Senator from Maryland yield to the Senator from New Hampshire?

Mr. RAYNER. I yield; yes.

Mr. GALLINGER. I desire to ask the Senator if he can state approximately the additional duty that would be imposed upon a crate of pineapples if the wood case containing them were dutiable?

Mr. RAYNER. My calculation is, I think, a little in excess of the calculation that the Senator from Utah makes. There were about a million crates imported from Cuba; and, with the drawback off, my calculation is that there would be some forty or fifty thousand dollars of duty imposed that is not imposed now.

Mr. GALLINGER. My inquiry was directed more particularly to a single crate. What would the duty be approximately upon a single crate?

Mr. RAYNER. Upon a single crate, I think it would be about from 3 to 4 cents. The Senator from Utah [Mr. SMOOT] says it would be 2½ cents a crate.

Mr. TALIAFERRO. Mr. President, the estimate of the Senator from Utah, to which the Senator from Maryland has referred, includes the labor of making the crate, which is done abroad, the material being shipped over from this country. So that a reasonable estimate of the duty on crates would certainly not exceed from 1½ cents to 2 cents a crate.

Mr. SMOOT. Mr. President——

The PRESIDENT pro tempore. Does the Senator yield?

Mr. TALIAFERRO. I yield to the Senator.

Mr. RAYNER. Mr. President, I have the floor.

Mr. TALIAFERRO. I thought the Senator had yielded the floor.

Mr. RAYNER. No; I have not yielded the floor. I have the floor, and I yielded it to the Senator from New Hampshire. I have not yielded it heretofore, but I now yield to the Senator from Utah. If we can have a little order here while the Senator from Utah is speaking, I should like to have it, so that we can understand what the Senator from Utah says.

Mr. SMOOT. Mr. President, the way I figure the duty it would be this—that the price of the crate is from 15 to 16 cents.

Mr. TALIAFERRO. Made.

Mr. SMOOT. That is, the crate itself; and 15 per cent on 16 cents would make 2⅖ cents per case; and a million cases or crates would represent $24,000 of additional cost put on the pineapples.

Mr. RAYNER. Mr. President, I am not in favor of putting one cent additional duty upon the Cuban pineapple—not a cent a thousand, nor a cent a million. There never was any duty upon Cuban pineapples until some ten or fifteen years ago, when a duty was put upon them; and the duty is high enough now as reported by the Finance Committee. The Finance Committee reported an amendment here bringing the duty back to where it was under the Dingley bill. Under the Dingley bill the duty was 7 cents a cubic foot or $7 a thousand, in bulk; and the House of Representatives raised it to 8 cents a cubic foot and $8 a thousand in bulk. The amendment of the Senator from Florida is protection run mad. Mr. President, the Senate committee unanimously reported in favor of the Dingley rates.

Mr. TALIAFERRO. Mr. President——

The PRESIDENT pro tempore. Does the Senator from Maryland yield to the Senator from Florida?

Mr. RAYNER. I do.

Mr. TALIAFERRO. What does the Senator from Maryland mean by saying that the Finance Committee "unanimously" adopted this amendment, and repeating the word "unanimously?" I ask what he means by that?

Mr. RAYNER. Mr. President, when a report comes in here without any dissenting report, I presume that the prima facie presumption is that it is at least a unanimous resolution of the majority of the Finance Committee. When I speak of the Finance Committee, I speak of the majority of the Finance Committee, not including the Senator from Florida.

I want the Senate to understand this matter, Mr. President, though it ought not to be discussed in this connection. This duty on crates is a matter that enters with relevance and pertinency into the discussion of the question of the duty on pineapples. The Senate committee put it back to where the Dingley rates were. And now, after the Senate committee placed it where the Dingley rates were, the proposition is made to put it up above the Dingley rates, to put it up to the point where the House of Representatives placed it, and at a higher standard.

As the duty on crates is a duty on pineapples, I will ask the Senate to at least defer the discussion of the duty upon the crates that hold the pineapples until we can take up the pineapple schedule. If the Senate comes to the conclusion that the Senator from Florida is right, and that a Congress convened for the purpose of revising the tariff should put a prohibitive duty upon Cuban pineapples, then I have no doubt that the Senate will also put a heavier duty upon the boxes that contain the pineapples. But it is utterly impossible to discuss that proposition without discussing the other one. I am willing at this moment to take up both propositions—to ask the Senate either to vote down this new duty or to defer this suggestion until the main proposition is reached in the Senate—because I shall have a good deal to say upon it, although I shall say it within a very brief time, as is my usual practice in this body.

Mr. TALIAFERRO. Mr. President——

The PRESIDENT pro tempore. The Senator from Florida.

Mr. ALDRICH. Mr. President, if the Senator from Florida will excuse me for a moment, I think the committee will recommend striking out this paragraph entirely. I think it ought to be stricken out. It is an anomaly in our legislation. Paragraph No. 490 of the free list, as amended by the Senate, covers these boxes absolutely, and there is no reason why this paragraph should not be stricken out of the bill. I shall therefore move, when I have an opportunity, to strike out the paragraph.

Mr. TALIAFERRO. Mr. President, I shall not make the slightest objection to that course.

Mr. ALDRICH. Then I ask that it may be stricken out.

Mr. TALIAFERRO. I want my State, or the products of my State, treated in this bill as the products of other States are treated; and I will join the Senator from Rhode Island in writing down the products of the other States in the Union and writing down ours correspondingly in this bill.

Mr. RAYNER. Mr. President——

Mr. ALDRICH. Then I ask that the paragraph may be stricken out.

Mr. RAYNER. That is right. I will make that motion myself.

Mr. SCOTT. Mr. President——

The PRESIDING OFFICER (Mr. BURROWS in the chair). The Senator from Rhode Island offers the following amendment.

The SECRETARY. On page 71 strike out all of paragraph 207 as printed in the bill.

The amendment was agreed to.

Mr. TALIAFERRO. Now, Mr. President, if the Senator from Rhode Island will pardon me——

Mr. ALDRICH. I shall now be glad to take up the pineapple schedule.

Mr. TALIAFERRO. I am ready to take up the pineapple schedule. I will be very glad to do so.

Mr. ALDRICH. I think that disposes of all of the paragraphs of the wood schedule.

Mr. ELKINS. Mr. President, this morning when the vote was taken on the amendment of the Senator from North Dakota [Mr. MCCUMBER] to put a duty upon lumber, I was unavoidably detained at the Treasury Department and did not get here in time to record my vote. If I had been present, I should have voted "nay;" but I was paired with the senior Senator from Texas [Mr. CULBERSON].

Mr. SCOTT. Mr. President, I ask the chairman of the Finance Committee to allow me to take up section 199 for the purpose of offering an amendment. I think the section has been adopted; but I will ask to have it reconsidered.

Mr. ALDRICH. What is the amendment?

Mr. SCOTT. I will send it to the desk.

The PRESIDING OFFICER. The Senator from West Virginia proposes the following amendment.

Mr. SCOTT. It is an amendment to section 199, page 70.

The SECRETARY. On page 70, paragraph 199——

The PRESIDING OFFICER. The Chair understands that that paragraph has been agreed to.

Mr. SCOTT. But, Mr. President, the chairman of the Finance Committee agreed to have it left open.

Mr. GALLINGER. I move that it be reconsidered.

Mr. KEAN. Let us hear the amendment.

Mr. GALLINGER. I move to reconsider the vote by which the paragraph was agreed to.

The PRESIDING OFFICER. Motion is made to reconsider paragraph 199. If there be no objection, it is so ordered. The Senator from West Virginia proposes the following amendment.

The SECRETARY. On line 12, page 70, after the word "satinwood," insert "briar root or briar wood, ivy or laurel root."

Mr. ALDRICH. I am willing that that shall go in. The committee will afterwards examine it.

The PRESIDING OFFICER. If there is no objection, the amendment is agreed to.

The paragraph as amended was agreed to.

Mr. GUGGENHEIM. I offer the following amendment.

Mr. ALDRICH. May I ask what paragraph it is on?

Mr. GUGGENHEIM. It is on this schedule.

Mr. LODGE. Let the amendment be reported.

The PRESIDING OFFICER. The Senator from Colorado proposes the following amendment.

The SECRETARY. On page 63, after line 21, insert the following paragraph:

187½. Tungsten-bearing ores of all kinds, 15 per cent ad valorem.

Mr. BURTON. Mr. President, I should like to know what the present duty is on tungsten ore. There is a great deal of confusion in the reports in regard to it.

Mr. ALDRICH. The general impression is that it is 20 per cent. I am not sure. I think that there has not been any uniformity of decision. I think the Senator from Ohio is right about that. It has been sometimes admitted free, I think.

Mr. BURTON. There is now pending in the courts, as I understand it, a controversy about the classification of the article.

Mr. ALDRICH. The ore is free, or supposed to be; and the metal is dutiable at 20 per cent, as a nonenumerated metal, manufactured.

Mr. BURTON. Is this a proposition to put a duty of 15 per cent on the ore?

Mr. ALDRICH. On the ore.

Mr. BURTON. I hope the amendment will not be adopted. Tungsten is an article that is being used in the manufacture of the finer grades of steel, and is coming into very extended use.

Mr. ALDRICH. Mr. President, if this amendment should be adopted, the committee will give it very careful consideration hereafter, and will be glad to hear the Senator from Ohio upon the subject. Perhaps it may go in now and thus save time.

Mr. BURTON. Then, is it understood that it will come up again for discussion?

Mr. ALDRICH. If the Senator so desires.

The PRESIDING OFFICER. The question is on agreeing to the amendment.

The amendment was agreed to.

Mr. ALDRICH. Now I ask that paragraph 275, in relation to pineapples, be taken up. And I give notice that after it is disposed of I shall ask that the paragraph relating to the duties upon coal be taken up.

The SECRETARY. Page 84, paragraph 275, "Pineapples, in barrels and other packages," the committee proposes to strike out "eight" and insert "seven."

Mr. TALIAFERRO. Mr. President, I proposed an amendment to that paragraph, which was printed and ordered to lie on the table. I ask that that be reported to the Senate.

The PRESIDING OFFICER. The Senator from Florida proposes the following amendment.

The SECRETARY. As a substitute for paragraph 275, on page 84, the Senator from Florida [Mr. TALIAFERRO] proposes the following:

275. Pineapples, in barrels or other packages, one-half of 1 cent per pound; in bulk, $8 per thousand.

The PRESIDING OFFICER. The question is upon the amendment proposed by the Senator from Florida.

Mr. RAYNER. Mr. President, we want to discuss this amendment. I thought the Senator from Florida wanted to be heard on it first, and I want to be heard on it.

Mr. ALDRICH. I hope order will be restored.

Mr. RAYNER. There is so much disorder that it is utterly impossible to understand what the amendment is.

The PRESIDING OFFICER. The Senator from Florida proposes an amendment, which has been read.

Mr. RAYNER. I desire to be heard upon it, but I will yield to my colleague.

Mr. LODGE. Mr. President——

The PRESIDING OFFICER. The Secretary will report the amendment as offered.

Mr. LODGE. Mr. President——

The PRESIDING OFFICER. The Senator from Massachusetts.

Mr. LODGE. Mr. President, I will ask that we may have a little more quiet. I have been trying to follow this amendment as well as I possibly could, but I had not the slightest idea what amendment was offered, or by whom, or what the committee amendment was, or whether the committee amendment had been offered. I shall be glad if we can have a little quiet.

The PRESIDING OFFICER. The Senator from Florida proposes the following amendment.

The SECRETARY. On page 284, insert a new paragraph, in lieu of paragraph 275, as follows:

275. Pineapples, in barrels and other packages, one-half of 1 cent per pound; in bulk, $8 per thousand.

The PRESIDING OFFICER. The question is on agreeing to the substitute.

Mr. CLAPP. Mr. President——

The PRESIDING OFFICER. The Senator from Maryland [Mr. RAYNER] has the floor.

Mr. CLAPP. Mr. President——

The PRESIDING OFFICER. Does the Senator from Maryland yield to the Senator from Minnesota?

Mr. RAYNER. Yes; I do.

Mr. CLAPP. I was about to suggest that if, before the Senator from Maryland proceeds with his argument, it pleases the Senator from Florida, or some one familiar with the subject, to make a statement showing what the change would in effect be if this substitute were adopted, we would be in a better position to understand the force of the argument that follows.

Mr. TALIAFERRO. Mr. President, if the Senator from Maryland will permit me——

The PRESIDING OFFICER. The Senator from Maryland has the floor. Does the Senator yield?

Mr. RAYNER. Mr. President, I yield to anybody, always. It does not make a particle of difference. I yield to anyone. I will yield to the Senator from Florida with pleasure; yes.

Mr. TALIAFERRO. That is better.

Mr. HEYBURN. Mr. President, I rise to a matter of procedure, if the Senator will permit me. I was called out of the Senate for a moment. I understand that while I was in the Marble Room another schedule was taken up, and the tungsten item disposed of.

Mr. ALDRICH. The Senator from Colorado [Mr. GUGGENHEIM] offered an amendment putting a duty of 15 per cent upon tungsten ore.

Mr. HEYBURN. I will ask that the matter be left open. I do not care to be foreclosed in that way.

Mr. ALDRICH. The Senator from Ohio [Mr. BURTON] made a similar suggestion; and I stated, on behalf of the committee, that we would examine the matter, and would be glad to hear the Senator from Ohio.

Mr. HEYBURN. I merely want to say that I thought that I might safely rely upon the presumption that the subject under consideration would not be broken into for the purpose of taking up another schedule.

Mr. ALDRICH. The lumber schedule had been concluded.

Mr. HEYBURN. I was here at that time, and then the pineapple item came up.

Mr. ALDRICH. No; the pineapple item had not been reached.

Mr. HEYBURN. When I left the room the Senator from Florida [Mr. TALIAFERRO] was speaking.

Mr. ALDRICH. That matter was disposed of as part of the lumber schedule.

Mr. HEYBURN. I will ask that this matter be considered as open, because it is one of more than passing importance.

Mr. ALDRICH. I will say to the Senator from Idaho what I have already said to the Senator from Ohio—that if they desire any change, the committee will confer with them, and the Senator will not be foreclosed.

Mr. HEYBURN. No; I do not want it to be deferred until the bill is in the Senate. I want to have an opportunity to discuss the matter while we are in Committee of the Whole.

Mr. ALDRICH. I will ask that the matter be reconsidered, if the Senator so desires, later on.

Mr. TALIAFERRO. Mr. President, it is true, as the Senator from Maryland stated in discussing the question of the duty on fruit boxes, that the Dingley tariff law fixes the rate on pineapples at $7 per thousand in bulk and $7 per cubic foot when in packages or barrels. That law was enacted at a period when there was practically no production of pineapples in this country, and only a very small consumption of pineapples in the United States. There is a plain error in the law. On all the bases of the fixing of these rates the pineapple schedule in the Dingley tariff law was so manifestly incorrect and unjust that I feel warranted in stating that it was a mistake. The bulk rate is supposed to be the lower rate, of course, whereas under the Dingley law the bulk rate was 5 or 6 per cent higher than the crate rate, the bulk rate being about 19 cents on the equivalent of a crate of pineapples when shipped in bulk and 14 cents a crate when advanced in cost by the purchase of the crate, the wrapping, and the crating.

But I repeat that, in my judgment, when the Dingley law was enacted there was a want of familiarity with the facts of the case, with the value of the product in bulk as compared with its value in crates, and that not being understood by the committee and by Congress, the anomalous situation appeared that the low rate is on the product advanced in cost and the high rate on the bulk product, which has no cost at all added in preparation for shipment.

Mr. GALLINGER. Mr. President——

The PRESIDING OFFICER. Does the Senator from Florida yield to the Senator from New Hampshire?

Mr. TALIAFERRO. Certainly.

Mr. GALLINGER. If it will not interfere with the Senator, I should like to ask him a question not directly related to the matter that he is discussing. I should like to ask the Senator what the possibilities are in Florida, and possibly in other Southern States, for raising pineapples? Can the industry be very largely extended beyond its present measures or not?

Mr. TALIAFERRO. Oh, undoubtedly. The State of Florida will produce this season a million crates of pineapples. They have about 7,000 acres of land in pineapples, and they have a million acres that could be put in pineapples if the price warranted their production.

Mr. GALLINGER. Does the Senator say that Florida raised a million crates?

Mr. TALIAFERRO. I say that this season Florida will raise a million crates.

Mr. GALLINGER. Can the Senator tell me what the importations were? I have not looked it up.

Mr. TALIAFERRO. It is estimated that the importations from Cuba this season will be a million and a half crates.

Mr. RAYNER. The average production is between five and six hundred thousand crates. This was a phenomenal year. Oh, I thought the Senator was speaking of the Florida crop. The Florida crop averages, I think—and I think the Senator will assent to this—between five and six hundred thousand crates; but it has been more this year.

Mr. GALLINGER. So, according to the statement made by the Senator from Florida, the present production of pineapples in Florida is almost, if not quite, as large as the importations from Cuba.

Mr. TALIAFERRO. The present production in Florida plus the production for this season in Porto Rico will almost exactly equal the importations from Cuba.

Mr. GALLINGER. I thank the Senator. I disliked to interrupt him, but I wanted to get that information.

Mr. RAYNER. I think the Senator from Florida will agree with my statement that this is a phenomenal year, and that until this year the average crop in Florida has never amounted to over 600,000 crates. If I am wrong about that, the Senator will correct me.

Mr. TALIAFERRO. The Senator from Maryland is wrong to this extent: The Florida crop in 1907 was 690,000 crates, and the importations for that year were, singularly enough, almost exactly the same—about 690,000 crates.

Mr. DIXON. Will the Senator from Florida permit me to ask him a question?

Mr. TALIAFERRO. Certainly.

Mr. DIXON. Was there any production of pineapples in Florida until the Dingley rates were placed upon pineapples in 1897?

Mr. TALIAFERRO. In 1897 the production of pineapples in Florida was about 100,000 crates.

Mr. DIXON. Had there been any duty upon them before that time?

Mr. TALIAFERRO. I think not. I do not recall that there had been, although I do not make the assertion positively.

Mr. DIXON. Has the imposition of the duties under the Dingley bill tended to increase the production of pineapples in Florida?

Mr. TALIAFERRO. The crop has increased, as I have stated, from about 100,000 crates in 1897 to a million crates in 1909.

Mr. DIXON. In the Senator's opinion, has the imposition of the tariff rates on pineapples imported from Cuba tended toward the development of the industry in Florida?

Mr. TALIAFERRO. I think that the present rate tends to develop very largely the industry in the island of Cuba.

Mr. DIXON. The Senator evidently has not answered my question. I will say frankly to the Senator that if the imposition of a duty on pineapples will produce in our own country the pineapples that we consume, I, as a protectionist and a Republican, want to vote for it. If it is not going to do so, I do not want to increase the duty. We might as well have a fair explanation of the matter. I think many Senators on this side of the Chamber would appreciate it.

Mr. TALIAFERRO. I will say for the benefit of the Senator that the producers of pineapples have appeared before the Ways and Means Committee of the House and have taken the position that it is impossible for them to continue in this business unless the duty is increased; that with an increased duty on pineapples they can succeed, and can so far increase the product in this country and develop the industry in the State of Florida as to supply the American demand at a reasonable price. That is their contention. But I am not asking for this amendment on that ground. I am asking for it because it will increase the revenues of the country. I am asking for it because I propose to demonstrate that, with this duty, the Cuban can put his product of pineapples in the eastern markets for 50 cents a crate less than the Florida producer can raise his product and put it in New York.

Mr. BEVERIDGE. Will the Senator permit a question?

Mr. TALIAFERRO. In one minute I will.

So that if this were a protective duty that I am asking for, the rate would be a cent a pound or more, as it is on oranges and limes and grape fruit and all the other fruits of the same general character as pineapples, except lemons, which carry a duty of 1½ cents a pound.

Mr. BEVERIDGE. Mr. President——

Mr. TALIAFERRO. Now I will answer the Senator from Indiana.

The PRESIDING OFFICER. Does the Senator from Florida yield to the Senator from Indiana?

Mr. TALIAFERRO. I do.

Mr. BEVERIDGE. The Senator from Florida says that he presents this amendment, which increases the rate fixed by the committee, because of its revenue-producing features. If it be true that it amounts to a substantial prohibition of the importation of pineapples, of course the Senator will concede that it would not increase the revenues. Then, the question is, if it should very greatly reduce the importation of pineapples almost to the point of prohibition, whether, upon the ground that he states, he would be in favor of his own amendment upon the revenue-producing ground? I think it can be demonstrated that that will be the case.

Mr. TALIAFERRO. Mr. President, if it were demonstrated that this amendment of mine would prevent or prohibit the importation of pineapples into this country, I think I should not have introduced it. I will say that for the benefit of the Senator from Indiana. But I should like to have the Senator from Indiana inform me why he makes the inquiry as to whether it would prohibit or would not prohibit that importation, basing his consideration of the question on the idea that the rate I propose would be a prohibitory one?

The testimony before the Ways and Means Committee of the House conclusively demonstrates, taking up the production item after item, that the cost of the American pineapple, the Florida pineapple, delivered in New York is $1.80 a crate. The horticultural reports from the island of Cuba and the estimates of the cost in the book of Imports and Exports—used as a basis for ascertaining the ad valorem value—show that the Cuban product costs less than a dollar a crate delivered in New York. The same rule, the same argument, the same conditions apply as to Chicago and the western market, there being a slight variation in the cost of freight, which is in favor of the Cuban product.

So I want it understood, Mr. President, that all the testimony before the Ways and Means Committee of the House and before the Republican members of the Finance Committee of the Senate, goes to show and does show conclusively that if this amendment of mine is adopted the Cuban can pay that rate of duty and deliver his pineapples in New York for fifty-odd cents less than the producer in Florida can produce and deliver his fruit in the same market. That being the case, I maintain that the rate proposed by me is not a protective rate.

Mr. BEVERIDGE. Does the Senator mean to say that the rate is cheaper from Cuba to New York than from Cuba to Jacksonville, Fla.?

Mr. TALIAFERRO. I mean to say that every incident entering into the business of the production of this fruit is more expensive in this country than it is in Cuba. I include labor, implements, freight, and every incident.

Mr. BEVERIDGE. May I ask the Senator a question?

Mr. TALIAFERRO. You may.

Mr. BEVERIDGE. What is the price of day labor employed in raising pineapples in Florida?

Mr. TALIAFERRO. That information is given in detail in the hearings before the Ways and Means Committee of the House. I have not charged my memory with it, and I must refer the Senator to those hearings for his information. It is there set out in detail.

Mr. BEVERIDGE. There is hardly any difference at all. For instance, in Cuba——

Mr. TALIAFERRO. My colleague says the rate is from $1.50 to $2 a day.

Mr. BEVERIDGE. It is $1.50 to $2 a day in Cuba also. Land in Cuba is equally expensive, equally valuable on the market, if, indeed, not more so at the present time, than that portion of Florida.

If I may interrupt the Senator further, the only point in which it costs more in Florida is that it is very difficult to raise pineapples there without certain fertilizers and special preparation. Also, I think the Senator will admit that the crop there is hazardous and irregular, whereas in Cuba, being perfectly adapted to it, it is regular. Those are the only differences of cost, if the Senator will permit me.

Mr. DIXON. Mr. President, I will remark in passing that I am one Member of the Senate who believes in consistency. If we can develop the pineapple industry in Florida and extend it and supply this great Nation by imposing this slight increase in duty, I do not know under what rule of enactment of this law it should not be done. This is not one of the great items of the bill. I should like to have a full Senate to hear the discussion, and I suggest that most Senators on this side of the Chamber are absent. I raise the point of no quorum. Let them come in and hear the question discussed.

Mr. TALIAFERRO. I would not do that. Senators know, generally, what is going on here.

The PRESIDING OFFICER. The Senator from Montana suggests the absence of a quorum. The Secretary will call the roll.

The Secretary called the roll, and the following Senators answered to their names:

Bailey	Clay	Gallinger	Overman
Beveridge	Crawford	Gamble	Page
Borah	Cullom	Gore	Perkins
Bourne	Cummins	Guggenheim	Piles
Briggs	Curtis	Hale	Rayner
Bristow	Daniel	Heyburn	Root
Brown	Davis	Hughes	Scott
Bulkeley	Depew	Johnson, N. Dak.	Smith, Md.
Burkett	Dick	Johnston, Ala.	Smith, Mich.
Burnham	Dixon	Jones	Smith, S. C.
Burrows	Dolliver	Kean	Sutherland
Burton	du Pont	Lorimer	Taliaferro
Carter	Fletcher	McLaurin	Taylor
Chamberlain	Flint	Money	Warner
Clapp	Foster	Nixon	Warren
Clark, Wyo.	Frye	Oliver	Wetmore

The PRESIDING OFFICER. Sixty-four Senators have answered to their names. A quorum is present. The Senator from Florida will proceed.

Mr. TALIAFERRO. The Senator from Indiana, when I was discussing the question of the relative cost of producing pineapples in Florida and in Cuba, was bold enough to state with great positiveness the wage scale in the island of Cuba as far as it applies to the production of pineapples. I think that my colleague here has the facts and figures immediately at hand, and I will ask him to read at this point just what the cost of labor is in Cuba, that it may go into the RECORD in this connection.

The PRESIDING OFFICER. The Senator from Florida yields to his colleague.

Mr. FLETCHER. My colleague yields to me for a moment on the question of wages raised by the Senator from Indiana. I find in volume 4 of Tariff Hearings the statement to be thus:

> With their small cost for land and no fertilizers used, the Cuban grower has a maximum cost for labor of 80 cents per day, and at times much less figures, whereas we have a minimum cost for labor of $1.25 per day, with the average for a large part of the season above $1.50 per day, and a part of the year we pay as high as $2 and even $2.50 per day.

Mr. BEVERIDGE. Will the Senator permit me? The statement which I made, and which I understood I made upon good authority or, of course, I should not have done so, has not been controverted by the testimony of one of the Florida growers just read. I said that on account of the cheapness of land in Cuba, and not having to use fertilizers there, and so forth, whereas they do in Florida, their average labor cost, in which is included the use of fertilizers and all that sort of thing, was so much. The statement which I made—and I ask the Senator whether it is not true—is that the cost of day labor in raising pineapples in Cuba is from $1.50 to $2 a day. Is not that statement correct? If I am wrong, I will be glad to be corrected.

Mr. FLETCHER. It is not correct.

Mr. BEVERIDGE. What is it, then?

Mr. FLETCHER. Eighty cents is the maximum.

Mr. TALIAFERRO. I have not yielded to the Senator to conduct an argument in the midst of my discussion.

Mr. BEVERIDGE. Very well.

Mr. TALIAFERRO. I do not wish to have any argument or colloquy in the midst of my remarks.

Mr. BEVERIDGE. The Senator perhaps is quite right about that, but I only called attention to it now because the Senator asked his colleague to read the testimony of a Florida grower with reference to the cost of labor. I will take it up at another time.

Mr. TALIAFERRO. I have suggested to the Senate, and I repeat, that I am not discussing this question from a purely protective standpoint. I have referred to the cost of production for two purposes—on the one hand, to show my friends on the other side of the Chamber that there is no excuse for this inequality in the bill against pineapples; and on the other, to show my friends on this side of the Chamber that they can vote for this amendment with absolute assurance that they are not voting for a protective tariff on pineapples. It was for that purpose, and that purpose alone, that I went into the cost of production in this country as compared with Cuba. I want to repeat here and now that from all the testimony, not only before the Ways and Means Committee of the House, but before the Republican membership of the Committee on Finance of this body, and also the personal assurances to me from interested parties, whom I know are informed, the cost of the Cuban product is less by 50 cents a crate in the New York market than the cost of the Florida product, after the duty that I ask for has been paid by the Cuban.

The paragraph next preceding this, No. 273, lemons, 1½ cents a pound; oranges, limes, grape fruit, shaddocks, and so forth, 1 cent a pound.

Mr. DU PONT. Mr. President——

The PRESIDING OFFICER. Does the Senator from Florida yield to the Senator from Delaware?

Mr. TALIAFERRO. I do.

Mr. DU PONT. I should like to ask the Senator from Florida what is the duty that he proposes on pineapples, expressed in pounds?

Mr. TALIAFERRO. A half a cent a pound.

Mr. BEVERIDGE. Forty cents a crate.

Mr. TALIAFERRO. It is 40 cents a crate, or, because of the reciprocity treaty, 20 per cent off for Cuba.

Mr. BEVERIDGE. An increase of 128 per cent.

Mr. TALIAFERRO. Mr. President, I think it would be better for the Senator from Indiana to put that kind of remarks in his own speech.

Mr. BEVERIDGE. Certainly; if the Senator objects, I shall not.

Mr. TALIAFERRO. Mr. President, it costs the same to produce a crate of pineapples that it does a box of oranges. They are worth the same in the market. They weigh the same, thereby carrying the same cost of transportation to the market. Yet the Committee on Finance, or the Republican membership of the Committee on Finance, have put oranges in the bill under a rate of 1 cent a pound, and pineapples, produced alone in the State of Florida of all the States in this Union, at less than a quarter of a cent a pound. If there is any reason for it, if there is any justification for it whatever, if there is any warrant, it has never been suggested to me.

I know, Mr. President, there are gentlemen on the other side who would vote to reduce this duty on pineapples. They are protectionists, who wish to buy on the free-trade basis and to sell on the protection basis. I know there are gentlemen on this side who would vote to reduce that rate. They are "tariff-for-revenue" men, who believe that the revenue of this Government should be raised by putting all products on the free list.

I ask not the rate that has been given to the fruit of equal value and of equal cost of production with this Florida pineapple. I do not ask for that rate, but I ask for one-half that rate; and I propose then, for pineapples in bulk, a rate actually less than the Dingley rate intended to give when the law was enacted.

Let it be understood, Mr. President, that the Florida pineapple is not the only fruit that is canned. Why should they be the special target of the canneries here before the Senate? Why should it be selected out from among all the fruits in this bill to be put practically on a free-trade basis, while they themselves on their canned products are enjoying a duty of 1 cent per pound and 35 per cent ad valorem.

Mr. DIXON. Mr. President——

The PRESIDENT pro tempore. Does the Senator from Florida yield to the Senator from Montana?

Mr. TALIAFERRO. Certainly.

Mr. DIXON. What is the rate of duty carried by the bill as reported by the Finance Committee?

Mr. TALIAFERRO. Less than a fourth of 1 cent a pound.

Mr. DIXON. What percentage of value is it?

Mr. TALIAFERRO. Fourteen per cent ad valorem.

Mr. DIXON. Is that all that is carried in the bill?

Mr. TALIAFERRO. That is all that is carried in the bill as it comes from the Committee on Finance of the Senate.

Mr. DIXON. What rate of duty would the Senator's amendment carry?

Mr. TALIAFERRO. It carries 32 cents a crate as against Cuba, our real competitor in pineapples.

Mr. DIXON. What is the percentage of value?

Mr. TALIAFERRO. About 30 to 32 per cent on the total value of the Cuban product in Cuba.

Mr. DIXON. Does the duty which the Senator asks in his amendment any more than equalize the cost of the production in Cuba as compared with the cost of production in Florida?

Mr. TALIAFERRO. Mr. President, it does not begin to do it. It falls 50 cents a crate and more below the difference in the cost between the products of the two countries.

Mr. SIMMONS. I should like to ask the Senator from Florida, because I am very much interested in the statement he is making about this fruit. I understood him to say pineapples are grown in this country only in the State of Florida.

Mr. TALIAFERRO. Only in the State of Florida.

Mr. SIMMONS. Lemons and oranges are grown not only in Florida, but on the Pacific coast.

Mr. TALIAFERRO. Lemons are not grown in Florida for the market, but oranges are grown in Florida, and lemons are grown almost exclusively, as far as the market product is concerned, in the State of California.

Mr. SIMMONS. I understand the Senator to say that the duty upon oranges, grown in Florida and on the Pacific coast, is about four times as much as the duty upon pineapples, grown only in Florida.

Mr. TALIAFERRO. Four times as much.

Mr. SIMMONS. I wish to ask this question of the Senator: What is the relative cost of growing oranges and pineapples?

Mr. TALIAFERRO. It is the same cost, as I have stated to the Senate.

Mr. SIMMONS. They are both grown in Cuba, are they not?

Mr. TALIAFERRO. They are both grown in Cuba and both grown in Florida.

Mr. SIMMONS. Is the difference in the cost of producing oranges in Cuba and in this country any greater than the difference in the cost of producing pineapples in this country and in Cuba?

Mr. TALIAFERRO. The cost of producing oranges and pineapples is about the same in this country, and I dare say there is about the same relative difference in Cuba.

Mr. SIMMONS. I wish to ask the Senator, that being so, what is the source of this opposition to treating pineapples exactly as oranges are treated in this bill?

Mr. TALIAFERRO. I do not know any opposition except from the canners.

Mr. SIMMONS. Are pineapples canned and oranges not canned?

Mr. TALIAFERRO. Oranges are canned to some extent, and figs are extensively preserved and canned. I want it understood that, in the case of the canners who come here protesting against this duty, the canning of pineapples is a mere incident to their business. They are not exclusively pineapple canners. They can all of the varieties of fruits and vegetables that are grown and imported into this country, and yet of all their varieties of canned fruits they select out of this bill this one item of pineapples, and they say they must come in practically free of duty in order that they may enjoy a more extortionate profit on the product.

Mr. SIMMONS. Let me ask the Senator a question about this. He says there are other fruits canned. Are the other fruits canned raised both in Florida and elsewhere?

Mr. TALIAFERRO. Peaches are raised all over the country. Figs are raised in California and in many other States, and they are in the bill at 2½ cents a pound. They are the product of practically the entire country, and are canned and preserved wherever produced. Yet when I come here and ask the Senate to give to the Florida producer one-half the amount that they are giving the California producer on a product of equal cost of production and equal value in the market, the canners complain that it will ruin that side of their business.

Let me show you, Mr. President and the Senate, that I mean it when I say this rate I ask for would in nowise prohibit or discourage the importation of pineapples. The rate of a cent a pound upon oranges has not prohibited the importation of oranges. The duty on oranges is twice as much as I am asking for on pineapples; and yet the aggregate revenue paid on oranges is double the amount we get from pineapples, although there are twice as many pineapples imported into this country as there are oranges. Six hundred and ninety thousand crates were imported into this country from Cuba in 1907. They paid a duty of ninety-odd thousand dollars—about $96,000, I think. What I am asking here will double that duty and give us practically $200,000 from pineapples, and not operate in the slightest degree to discourage the Cuban from sending his product to this country. He still finds a market here with a clean profit of half a dollar a crate in his favor over and above what it costs the producers of Florida to produce that fruit and put it on the market.

Mr. DIXON. Mr. President——

The PRESIDENT pro tempore. Does the Senator from Florida yield to the Senator from Montana?

Mr. TALIAFERRO. I do.

Mr. DIXON. But if we had the same importation from Cuba that we now have under the increased duty, how would the Florida pineapple grower get any advantage of this change? I want to cast my vote to help the Florida pineapple grower.

Mr. TALIAFERRO. Mr. President, I think I have shown. I have stated—and it is susceptible of proof—that the production of pineapples and the delivery in the New York market costs the Florida man $1.80 a crate. I have stated—and it is equally susceptible of proof—that the Cuban producer can produce and get his fruit there for less than a dollar a crate.

Mr. DIXON. But if, under this increase of duty, they keep on importing the same number of pineapples, how will the proposed duty help our people here at home?

Mr. TALIAFERRO. The duty I propose would be, to the Cuban, just 32 cents. Take $1.32 from $1.80, and you have practically the advantage—I have not gone into it exactly, as it is gone into in the hearings—but, practically, that is the advantage which the Cuban enjoys over the Florida producer, even if the rate is fixed according to my amendment.

Mr. DIXON. But with the new amendment, the Florida pineapple grower would get 32 cents benefit from the proposed duty, which would help out, I should think, in the production of pineapples at home.

Mr. TALIAFERRO. They seem to think so, Mr. President.

I have referred to both sides of this question—both the protective side and the tariff-for-revenue side—because this is a fair proposition from either point of view.

If we, Mr. President, on this side were here making a bill under the Denver platform, instead of you gentlemen on the other side, this pineapple item, in my best judgment, would go into the bill just as I have proposed in this amendment. Can you gentlemen over there do any less than give me what I ask for, when I show you that even when you give me that the foreign competitor has 50 cents a crate advantage over the Florida producer? That is the true situation. I do not know that I could state any more if I stood here and talked the remainder of the afternoon. I know that the Senate wants to get through, and certainly I have no disposition to detain it. I therefore defer any further remarks on this subject until the gentlemen who are going to speak for the canners have had their say.

Mr. RAYNER. I object to that remark, Mr. President. I am not going to speak for any canners; I am going to speak for the consumers of the United States. Canners have nothing to do with the business at all.

Mr. SMITH of Maryland. I propose, Mr. President, to speak for no special interest. I propose to speak for the people of the United States generally. I am reluctant to prolong the discussion of the pending tariff bill, for I realize the impatience of the country and the anxiety of Congress to see the close of this debate.

So long as the bill is pending business men will be at a loss and a spirit of injurious unrest will exist. Therefore it is only a sense of duty which could drive me to retard the progress of this session of Congress by so much as the few minutes I shall use in addressing the Senate.

I have, however, been able to give the subject of the proposed duty on pineapples more than the ordinary study, and can perhaps furnish information of some service to gentlemen who have not had as full opportunity to get at the root of the subject as has been my fortune.

The duty on pineapples, as fixed by the Dingley law, is 7 cents per cubic foot of the capacity of barrels or packages; in bulk, $7 per thousand.

The Payne bill increased this rate to 8 cents per cubic foot; in bulk, $8 per thousand.

However, the Senate Finance Committee restored the Dingley rate of 7 cents per cubic foot and $7 per thousand when the bill reached this end of the Capitol.

On April 26 the senior Senator from Florida [Mr. TALIAFERRO] proposed an amendment to the pending bill, fixing the tariff on pineapples at one-half of 1 cent per pound, an increase, it may be added, over the present duty and over the rate reported by the Finance Committee of over 125 per cent on pineapples imported from Cuba.

Mark you, the increased rate of duty that the Senator from Florida is asking over the present rate is over 125 per cent.

I have tried to consider this amendment offered by the senior Senator from Florida fairly; and, distasteful though it is to me to differ with him and his associates, especially when his State is so deeply interested, I am absolutely unable to reach any conclusion other than that the rate of one-half of 1 cent per pound, or any increase over the present rate, is unjust.

I have detected, in fact I have felt, during this session of Congress, the pressure of a widespread demand throughout the country that pineapples be admitted free of duty or that a material reduction be made in the present rate of duty.

The reason for this is not hard to find, for pineapples are universally used throughout the United States, and are not grown in appreciable quantities except upon a narrow strip of land on the east coast of one State—Florida.

I have not yielded to this demand for the importation of pineapples free of duty.

In the nature of things, revenue must be raised from the tariff to support the Government, and except under most extraordinary circumstances, and in very rare instances, I can see no philosophy or reason in admitting any article free, thereby letting its consumers evade their fair share of the burden of an import tax, which must consequently be shifted to the shoulders of the consumers of some other article perhaps equally necessary. I say this is the case except under extraordinary conditions.

Therefore, in my judgment, pineapples, as I believe all articles which pay a tariff, should be taxed for the purpose of raising revenue, and for that purpose only. If in laying such a revenue tax our pineapple-growing friends from Florida reap any advantage by way of incidental protection, I am very glad.

Hence I can not see any sufficient reason for losing a revenue of over $107,000 per annum derived from the duty on pineapples by putting them on the free list. Nor can I see the wisdom or justice in losing this revenue by putting a prohibitive duty on pineapples and keeping the foreign-grown fruit out of this country altogether, as the amendment of the Senator from Florida, I predict, will do if adopted. So much for my personal views.

Taking another view of the case, the view of our friends on the other side of this Chamber, who believe in protection for protection's sake, a doctrine we on this side condemn as vicious in principle and without warrant of authority under the Constitution——

Mr. TALIAFERRO. Mr. President——

The PRESIDENT pro tempore. Does the Senator from Maryland yield to the Senator from Florida?

Mr. SMITH of Maryland. I do.

Mr. TALIAFERRO. I thought I understood the Senator from Maryland to say that this proposed duty would be prohibitive. Am I correct in that?

Mr. SMITH of Maryland. That is my prediction, sir; or almost entirely so.

Mr. TALIAFERRO. That is the Senator's prediction?

Mr. SMITH of Maryland. And if the Senator will wait, I will give my reasons for that prediction later on.

Mr. TALIAFERRO. In justice, Mr. President, it seems to me that when the Senator makes a broad and wild statement of that kind his evidence might accompany his statement.

Mr. SMITH of Maryland. I have just stated to the Senator that I shall give my reasons later.

For while there is a wide division of sentiment, as I understand, between Senators on the other side as to the schedules on certain classes and the rates on particular articles, some Senators belonging to the party in power contending that the promised revision of the tariff means a reduction of duties and others being quite as positive that a bona fide revision means an increase all along the line, there is substantially no division on the other side as to the fundamental principle involved, as there is none on this side. And though I can not bring myself to believe the doctrine of protection for protection's sake is wise and just, I am bound in candor to admit that the sentiment of the people of this country as expressed in the last three presidential elections is overwhelmingly against my own views.

Therefore, looking at the subject from the standpoint of business expediency, from the point of securing the prosperity of the United States as a whole, a little study discloses how disastrous any increase in the tariff on pineapples would be, weighing as best we can the advantages accruing to our friends on the 200 miles of sparsely settled pineapple land bordering the east coast of Florida, confessedly the only class benefited by a prohibitive tariff, as against the disadvantages to all the people of all the remaining States of the Union by reason of such a tariff.

Pineapples can scarcely be said to be in their native element in Florida. The climate is too uncertain and cold; slight freezes, such as sometimes occur, blast the year's crop in a night. Their growth must be stimulated with immense quantities of fertilizers, sometimes as much as 2 tons being used to the acre per year, and the area in which they can be grown at all is limited.

Cut off the supply from Cuba by this proposed protection to a fruit, which as grown in Florida can almost be said to be a hothouse plant; let the first frost come to decimate the Florida crop, and the United States will be without fresh pineapples for one season at least. The Florida crop at best only amounts to about 700,000 crates, less than one-half the fresh pineapples consumed in the United States; to state it accurately, I think that the greatest number that has been imported up to this year is 690,000 crates.

This protection asked for by the Senator from Florida could certainly be termed under these conditions "hothouse protection."

The Hawaiian Islands produce pineapples, which are, of course, admitted free of duty, but which can not be delivered

raw even in California in good condition, owing to the long sea trip. Almost the entire crop of Hawaii is canned, chiefly with the assistance of cooly labor, and marketed in the United States.

Porto Rico also produces pineapples. Most of them, however, are canned on the island.

The really dependable and regular source of supply for pineapples is Cuba. There the fruit finds congenial surroundings. It grows well, ripens well, and the island produces about 1,000,000 crates per annum. Nearly three-fourths of the Cuban crop under existing conditions find a market in the United States.

Almost invariably the Cuban pineapples are shipped in standard crates of one size, containing 2½ cubic feet, and weighing, when filled, about 80 pounds. They hold from 14 to 54 pineapples, and I am informed by competent authorities that the average-sized pineapples run about 36 to the crate.

Now, bearing in mind the reciprocity treaty with Cuba, making a reduction of 20 per cent on all Cuban imports, it is as simple as arithmetic can be made that one crate of Porto Rican pineapples will, at the present rate, pay a duty of 2½ times 7 cents, or 17½ cents, computing the duty by the cubic foot; and a crate of Cuban pineapples will pay 20 per cent less, or 14 cents duty.

But under the rate proposed by the senior Senator from Florida, the crate of Porto Rican pineapples will pay a duty of 40 cents and the crate of Cuban pineapples a duty of 32 cents, an increase as applied to Cuban fruit of 128½ per cent.

Mr. President, I have failed to hear such a startling increase proposed in the rate of any article since this session began; and I take it the Finance Committee, after considering the subject carefully and hearing experts, acted advisedly in reducing even the small increased rate named in the Payne bill, 1 cent per cubic foot or $1 per thousand, to the amount which was named in the Dingley Act, which has existed now for about twelve years, and under which the Florida growers have reached their present state of development.

But there are other considerations of expediency. The boxes in which pineapples are shipped are convenient to handle. The fruit remains in the original package from the field to the consumer; the business furnishes traffic for the American railroads, for the fruit is distributed to points far inland. The boxes themselves are all made from American lumber, and the paper in which each pineapple is wrapped before being packed for shipment is American made. The duty under the present system is easily computed by simply counting the crates and necessitates no weighing, since but very few pineapples are imported in bulk. I may say right here, Mr. President, that it is not feasible to import them in bulk, because they will not keep, and the detention to vessels while they are being counted is such that it is impracticable.

All custom-house men know the duty on these standard crates. To abandon the present system for a duty assessed according to weight necessitates the additional trouble and expense of weighing, and opens the door to frauds, such as have recently marred the good names of individuals and cost a large corporation an immense, though deserved, fine.

Mr. TALIAFERRO. Mr. President——

The PRESIDENT pro tempore. Does the Senator from Maryland yield to the Senator from Florida?

Mr. SMITH of Maryland. Yes, sir.

Mr. TALIAFERRO. Will the Senator please state whether or not, in his judgment, it is more difficult to weigh a crate on a pair of scales or to measure it and ascertain its cubical contents?

Mr. SMITH of Maryland. In regard to that, these crates are easily estimated, because they are of one size; you only have to count the crates; you do not have to weigh them.

Mr. TALIAFERRO. Then the Senator presumes that the same rule would not be applied if they were shipped by weight?

Mr. SMITH of Maryland. Not in bulk.

Mr. TALIAFERRO. I thought the Senator was addressing himself to the crate rate.

Mr. SMITH of Maryland. I was speaking of the bulk.

Mr. TALIAFERRO. They would simply have to be counted if they came in bulk.

Mr. SMITH of Maryland. It is a great deal of trouble to count a shipload of pineapples in bulk, one at a time. Besides that, if they were in bulk, they would not keep nearly as well, but would arrive here in very bad condition. I will say for the benefit of the Senate that there are practically none brought in bulk, and there have not been for several years.

Mr. TALIAFERRO. So that the reference was really between the measurement as to cubical contents and the weight that the Senator was addressing himself to.

Mr. SMITH of Maryland. American capital is largely engaged in the Cuban fruit business, and the importation of Cuban and West Indian fruit stimulates the export of American products, since freight rates are cheaper in the returning fruit steamers. Cuba herself pays the United States more than $11,000,000 for eight staple articles. She pays us over $17,000,000 for foodstuffs alone, and she sells us her pineapples.

This Cuban fruit forms the base of the supply for American canners, and this business has grown to be an important industry not only along the coast, but also in the interior. Cut off the supply of Cuban fruit and the men, material, and machinery employed must be used elsewhere. I venture the assertion that there are more men employed in packing pineapples in one State of the Union, perhaps one city, than are employed in growing all the pineapples produced within our borders.

I say, Mr. President, when you come to count the employment of labor, that the amount of labor employed in the production of pineapples does not begin to compare with the amount of labor that is employed in the canning of the fruit after it is ripe.

The canners now have to compete in the sale of their canned goods with the pineapples preserved in the Hawaiian Islands and in Porto Rico, where labor is cheap, the fresh fruit convenient, and with no duty to pay either on the raw or finished product. As against this the American canner starts out with an additional handicap at the least of 14 cents per crate. His business will simply be paralyzed should this be increased to 32 cents per crate.

Mr. President, under these conditions the canners of this country, competing with those of Hawaii and Porto Rico and with the fruit that is brought here to-day free, on which the freight is so much lessened by the fact that it is canned before it is brought into the country—I say it will simply paralyze the business should this duty be increased to 32 cents per crate.

And then, in applying the doctrine of expediency, the ultimate consumer ought to be considered. Pineapples ought not to be made a luxury. They are wholesome, palatable, and a staple article of food now fast growing in popular favor. It is idle to say that if the American consumers are placed at the mercy of the frosts in Florida and the enormously increased duty on the Cuban fruit that the price will not only be beyond the reach of the American canners, but also of everyone except the very rich.

Looking at the situation from yet another standpoint, I do not believe the Florida growers are dependent upon any increase of tariff for success.

Of course, they will make more with an increased tariff, but they will make it at the expense of our people elsewhere. They have reached a point of development and prosperity under the present tariff where they produce nearly 700,000 crates per year.

It seems that no amount of stimulus by reason of a protected tariff can result in the ultimate production of enough pineapples in Florida to supply the United States; otherwise we might bear the burden proposed with a little more patience, buoyed by the hope that in the course of time Florida might supply the demands of the country at some price.

But here we are confronted with the assertion that under the existing system of cultivation the area in Florida which will produce pineapples can not be materially enlarged.

It is therefore entirely clear that an increased duty will not increase the size of the crop, and will only increase the price to the consumers and the size of the profits to the owners of the acres now in pineapples.

By reason of their texture Florida pineapples carry better and keep longer than the Cuban fruit, and command a better average price of about 50 cents per box. The Florida fruit ripens about the time the Cuban crop is over, and the Florida fruit is best suited to table use, while the Cuban fruit is preferred by canners. So that because of these physical differences the competition is perhaps more fanciful than real.

In my part of the country fertilizers cost from $11 to $35 per ton, and while our farmers are enterprising and prosperous there is no staple field crop they raise sufficiently high priced to justify the use of more than half a ton of expensive fertilizer to the acre. Therefore, when I hear that the Florida pineapple growers apply 2 tons to the acre per year, it seems fairly conclusive to me, aside from everything else, that there is already at least a good profit in the business, and that all the Florida growers need is not an increased protective tariff, but something which we can not guarantee—that is, protection from frost.

Mr. President, to give this increased duty on pineapples for the benefit and protection of a few growers, means the breaking down of a large canning industry, the throwing out of employment of many employees, the increasing of the price to the consumer, and excluding a staple article of fruit from the

great masses of the people who have become accustomed to having it upon their tables.

The amendment of the Senator from Florida proposes an unreasonable and unjust taxation, which I can not believe for a moment will be sanctioned by this body.

I received a circular letter from some of the protected pineapple growers of Florida, in which they give as a reason for an increased duty on pineapples that they have to fertilize very heavily. Another is that the land in Cuba is cheaper. Mr. President, it is not my impression that the Government or the people should be taxed to pay for fertilizers or to pay for the difference in the cost of land to the people who raise the products of this country at the expense of the people generally.

Mr. RAYNER obtained the floor.

Mr. BANKHEAD. Mr. President, I suggest the absence of a quorum.

The PRESIDENT pro tempore. The Secretary will call the roll.

The Secretary called the roll, and the following Senators answered to their names:

Aldrich	Clark, Wyo.	Gallinger	Owen
Bacon	Clay	Gamble	Page
Bailey	Cullom	Gore	Paynter
Bankhead	Cummins	Guggenheim	Perkins
Beveridge	Curtis	Heyburn	Piles
Borah	Daniel	Johnson, N. Dak.	Rayner
Bourne	Davis	Johnston, Ala.	Root
Briggs	Depew	Jones	Scott
Bristow	Dick	Kean	Simmons
Brown	Dillingham	La Follette	Smith, Md.
Bulkeley	Dixon	Lodge	Smith, Mich.
Burkett	Dolliver	Lorimer	Smoot
Burnham	du Pont	McCumber	Taliaferro
Burrows	Elkins	McEnery	Taylor
Burton	Fletcher	Martin	Tillman
Carter	Flint	Nelson	Warner
Chamberlain	Foster	Nixon	Warren
Clapp	Frye	Oliver	

The PRESIDENT pro tempore. Seventy-one Senators have responded to their names. There is a quorum of the Senate present.

Mr. RAYNER. Mr. President, I shall be brief in the explanation I will make upon this schedule. I am really of the opinion that the Senate, as a whole, does not understand it; therefore I should like to ask the attention of Senators that have not had an opportunity to examine it. They understand one side of it, but not our side. And as we have had no opportunity whatever to present this matter to the Finance Committeee, not the slightest, I should like to have the opportunity to present it to the Senate.

The Senator from Florida [Mr. TALIAFERRO], at the conclusion of his speech, I think, made a rather unfortunate remark in reference to the Senators from Maryland representing the canning industries of that State.

Mr. TALIAFERRO. Mr. President, the Senator understands that that remark had no personal significance. I knew that there were many canning factories in Maryland, in Baltimore, the managers of which were the constituents of the Senators from Maryland, and I meant my remark in that sense alone.

Mr. RAYNER. Of course there was nothing objectionable about that, Mr. President; but if it was not personal, I hardly know what it was. I only know, directly or indirectly, one gentleman connected with the canning industries of Baltimore; and if the Senator from Florida says that we are here representing the canning industry of Maryland, I could with equal grace say to him that he is here representing the high protectionists of the Republican party. But I will not say that, because I do not believe that he does represent them.

Mr. TALIAFERRO. If the Senator from Maryland believes that I do not represent the high-protection idea of the Republican party, I submit to him that he has gone out of his way to make an allusion indicating that possibly I do; in other words, to set up a man of straw and knock him down at my expense.

Mr. RAYNER. And in the same way, Mr. President, the Senator from Florida has made an unfortunate allusion in referring to us as representing the canning industries of Baltimore. I desire to say, in order to explain and qualify the statement I made just now, that the constituents of the Senator from Florida who are urging him on in this matter do represent the high-protection principles of the Republican party; and I think I will demonstrate that fact to the entire satisfaction of the Senate if the Senator from Florida will permit me to proceed.

Mr. TALIAFERRO. I can not interrupt the Senator against his consent.

Mr. RAYNER. No; but if I can not prove that, I will submit to an interruption. I make the proposition that I can prove and demonstrate to the Senate that the principle advocated by the Senator from Florida represents the extreme protection principles of the Republican party.

I find no fault with the Senator from Florida. There is no angry feeling, no personal hostility whatever, with me. I have the highest respect and admiration for the Senator from Florida and his distinguished colleague. No two men in the Senate have been more faithful and loyal and zealous for the interests of their State than the two Senators from Florida; but I want to show the Senate that it is going beyond all bounds in adopting this amendment, as it proceeds beyond the high-protection ideas of the leader of this Senate, the Senator from Rhode Island. This is asking for protection beyond what the Senator from Rhode Island deems necessary in the way of protection. This, from a Democratic source, is asking for a duty that the Senator from Rhode Island has said is not necessary even for the purposes of protection. I want the Senate to understand that. If it is not protection, what is it—a revenue duty?

Mr. BORAH. Mr. President——

The PRESIDENT pro tempore. Does the Senator from Maryland yield to the Senator from Idaho?

Mr. RAYNER. Certainly.

Mr. BORAH. Suppose we leave out the idea of what the Senator from Rhode Island thinks about protection. Does the Senator from Maryland think that it is protection?

Mr. RAYNER. The Senator from Maryland believes that this duty is prohibition, not protection—absolute prohibition. Under the guise of a revenue measure, it is an absolute prohibition against an article of necessary importation, as I think I shall be able to show. And as I am opposed to prohibitive duties and opposed to protection, I shall argue the matter along the line of what has been my consistent argument for a quarter of a century when propositions like this have been involved.

Let us look at this matter for a moment. We want to look at it fairly. I do not want to do any injustice to anybody—certainly not to the State of Florida, because within the last week or two there has been formed in my State a commercial alliance with the State of Florida that will inure, I hope, to the perpetual benefit of both States.

I want to say this—and I say it honestly and frankly: That if the canning industries of my State had asked me to vote for a certain duty, and I thought in my own mind that that duty would only benefit the canning industries and would not benefit the consumers of my State, I would not listen to it. I would not pay the slightest attention to it. But when the manufacturing interests of my State simply ask for a retention of the Dingley rates, simply ask for a proposition consented to by the senior Senator from Rhode Island, when we simply ask, not that rates be increased and not that rates be reduced, but that the high rates of the Dingley bill may be permitted to stand——

Mr. BORAH. Mr. President——

Mr. RAYNER. Let me finish. I trust the Senator will not interrupt me right in the middle of a sentence. I will yield in a moment. And when their ideas are in accordance with my own ideas, opposed as I am to prohibition and protection at every point, then it matters not to me whether, directly or indirectly, I represent the manufacturing interests of my State. I represent those interests whenever they are in accord with the demands of the American consumer. I decline to represent those interests, either in the way of free raw materials or a reduction of duties or an increase of duties, when they conflict with what I consider to be the rights of the American consumer.

Mr. BORAH. Does the Senator now yield?

Mr. RAYNER. I now yield to the Senator from Idaho.

Mr. BORAH. Does the Senator from Maryland look upon the Dingley rate as a revenue rate only?

Mr. RAYNER. I am not prepared to say that it is a revenue rate only. I can only answer the Senator by telling him the amount of the Florida fruit that has come into the market under the Dingley rate; and then he can come to his own conclusions as to whether it is a revenue rate or not. I will say that this amendment is not a revenue rate—it is a prohibitive rate. It will keep Cuban pineapples out of the American market. If the Senator will allow me to proceed, I think I can demonstrate that proposition to him. I have no academic opinion to pass upon whether the Dingley rates are revenue rates or protective rates upon this schedule. I suppose that to some extent they are both revenue rates and protective rates. But the Senator from Idaho must not confuse protective rates with prohibitive rates. That confusion has existed all along during this debate. Protection is one thing; prohibition is another.

Mr. BORAH. Mr. President——

Mr. RAYNER. You may levy a protective rate for the purpose of encouraging American industry, and you may impose a prohibitive rate so as to keep out all importations and give the

whole American market to the American producer; but these two elements constitute entirely different propositions.

Now, Mr. President, I yield to the Senator.

Mr. BORAH. As the Senator has given considerable attention to this matter, I thought he would be able to tell us whether, as a matter of fact, the Dingley rate was a revenue rate, or whether there was any protection in it.

Mr. RAYNER. Mr. President, I have spoken now for six minutes, and I am very sorry I can not tell the Senator everything in six minutes. I have heard speeches made here for hours that I thought I could have compressed into twenty minutes; but if the Senator will give me just a few minutes longer, I think I shall satisfy him on that point. I can not answer all these questions in a few moments. Let me proceed in my own way and he will be satisfied.

Mr. DIXON. Mr. President——

Mr. BORAH. Does the Senator mean he will proceed to satisfy me that it is a revenue rate?

Mr. RAYNER. I propose to proceed in my own way in reference to the Dingley rates.

Mr. DIXON. Will the Senator from Maryland yield to me for a question?

Mr. RAYNER. Yes; if it has any pertinency to the subject.

Mr. DIXON. I assure the Senator that it has. The Senator states that the rate of duty proposed by the Senator from Florida is a prohibitive one. Does he mean by that that if it is enacted into law, it will transfer the production and raising of pineapples from Cuban soil to Florida soil?

Mr. RAYNER. In one sense I mean that and in another sense I do not mean it at all, and I will explain this statement.

Mr. DIXON. Mr. President——

Mr. RAYNER. In one sense I mean it.

Mr. DIXON. This difference between protective-tariff duties——

Mr. RAYNER. Please let me answer the question without any suggestions. In one sense it will not do that; and that is what seems to me, if I may say it with great deference to the Senator from Florida, the perfectly senseless proposition that is now before the Senate. In the month of April and during the greater part of the month of May not a Florida pineapple comes into the American market. The Cuban pineapples come in here during April and the Cuban pineapples come in here during May, but not a Florida pineapple comes into the American market during that time. In other words, when the canning industries have finished with the Cuban product the Florida pineapple commences to come in.

Not only that, Mr. President, but——

Mr. DU PONT. Mr. President——

Mr. RAYNER. Not only that, but the Florida pineapple—and I want the Senate to understand that—is not used for canning. I trust that both the Senator from Idaho and the Senator from Montana understand that the Florida pineapple is not used for canning purposes at all.

Mr. CLARK of Wyoming. Mr. President——

The PRESIDENT pro tempore. Does the Senator from Maryland yield to the Senator from Wyoming?

Mr. RAYNER. I do; yes.

Mr. CLARK of Wyoming. Is there a time during the year when the Florida pineapple and the Cuban pineapple do compete in the same market in the United States? And if so, if the Senator has the information, when is the time, and what is the effect of the competition?

Mr. RAYNER. I think there is such a time. I think they compete at the time when the Florida pineapples come into the market; and that, I understand——

Mr. DU PONT. Mr. President——

Mr. RAYNER. Just one moment—that, I understand, is about the latter part of May. But they do not compete for canning purposes. Florida pineapples are not canned at all. This is a proposition to prevent the importation of a product that does not come substantially in conflict with the product that the amendment is designed to protect. Has there ever been another proposition like that before the Senate of the United States?

Mr. TALIAFERRO. Mr. President——

Mr. RAYNER. Just one moment. The Senator from Delaware has arisen. I know he has a very important question; and if he will wait just a minute, until I finish this sentence, I will yield to both of you.

The Florida Protective Fruit Growers' Association—that is the name of your association, a "protective" association—asks for a prohibitive duty upon Cuban pineapples that come in here at a time when Florida pineapples do not come in, and that are used for a purpose that Florida pineapples never have and never will be used for.

Now I will yield to the Senator from Delaware.

Mr. DU PONT. Mr. President, I should like to ask the Senator from Maryland whether he considers the pineapple as an article of luxury or an article of necessity? And if it is an article of luxury, is it not perfectly proper to levy a duty upon it?

Mr. RAYNER. Mr. President, it is a necessity to the Senator from Delaware, and perhaps a luxury to me. [Laughter.] I will explain that. There is a celebrated philosopher who divides society into two elements. One is the element that has more appetite than dinner, and the other is the element that has more dinner than appetite. To one element pineapples might be a necessity, and to the other element they might be a luxury. They are as much of a necessity as pears, or oranges, or peaches, or lemons, or any other article that you have upon the fruit schedule.

Not only that, but I have been told by a celebrated physician within the last few weeks—and, by the way, he made a mistake about it—that pineapples are good for insomnia. I suffer a great deal with insomnia; and he told me that if I would eat two pieces of the pineapple that the Senator from Florida sent me, I would go to sleep and sleep all night. [Laughter.] That was two weeks ago, because Florida pineapples only came in at that time, and I could not get them before. I ate two pieces of pineapple two weeks ago, and I have not closed my eyes since. [Laughter.] They evidently were not very much of either a necessity or a luxury to me. They will put to sleep the canning industries of my State, however, if you will pass this proposition.

Mr. SMITH of Maryland. And of other States.

Mr. RAYNER. Yes; and of other States. But I want to be brief about this matter. I am not talking to our side, because I hardly believe there is a Senator on our side——

Mr. DIXON. Mr. President——

Mr. TALIAFERRO. Mr. President——

Mr. RAYNER. One moment; I will yield to both of you in a minute. I hardly think there is a Senator on our side that will vote for a protective duty that the Senator from Rhode Island does not ask for. I hardly think that there is a Democrat that will say: "We will vote for a duty beyond the duty believed to be sufficient by the Senator from Rhode Island." I have never known a Senator upon this side of the Chamber to vote for such a proposition. The Senator from Rhode Island comes in here—and I want to put the whole burden of this argument upon him—with this proposition:

> Pineapples, in barrels and other packages, 7 cents per cubic foot; in bulk, $7 per thousand.

That is the opinion of the Senator from Rhode Island—and he is the foreman of the jury that is sitting in this case. In the House they had it 8 cents per cubic foot and $8 per thousand. The Senator from Rhode Island thought that was too much. High protectionist as he is, about as high as you find them, he puts the duty back to 7 cents per cubic foot and $7 per thousand. Now comes in my Democratic friend from Florida and says that the amendment of the Senator from Rhode Island is too low, the proposition of the House of Representatives is too low, the provision of the Dingley bill is too low; and he wants to put it at a half a cent a pound, which, instead of being 14 cents a crate, as under the Dingley bill, amounts to 32 cents a crate, or 128½ per cent protection, and an absolute prohibition upon what I conceive to be an article of necessity.

I say this, because the same physician that gave me this advice about eating pineapples at night, before retiring, gave me some other advice which may or may not be equally reliable; but I have sustained that portion of it in consultation with other medical men in this city. He told me that pineapples are now being used in almost every hospital of the United States.

I do not know what is in them, but there is something in them that, in the case of persons convalescing from fevers, acts as a tonic and a recuperative; and they are used to-day as an article of absolute necessity. They are used at the home and at the fireside of the American consumer. They are used in the tenement districts of New York. They are in universal use to-day wherever people can purchase them at the prices that now obtain. And the proposition to protect a narrow strip of land, consisting of a few hundred acres, in a single State of this Union, and to absolutely keep out a product that is necessary for the American consumer, is one that I think will not be tolerated, even by the protectionists of this body. I have no idea that a Senator upon this side of the Chamber will arise in his place and say to a Democratic constituency: "I have gone beyond the Senator from Rhode Island in my principles of prohibitive protection."

Mr. TALIAFERRO. Mr. President——

The PRESIDENT pro tempore. Does the Senator from Maryland yield to the Senator from Florida?

Mr. RAYNER. Certainly.

Mr. TALIAFERRO. The Senator has three times distinctly declared that this is a prohibitive rate. I appealed to him when he first made the declaration to prove it, and he said he would prove it. He has made the statement twice since without any proof whatever to support it. I now ask that in justice to these people whom he is slandering on the floor of the Senate he will either offer his proof or cease to make statements that have no foundation in fact.

Mr. RAYNER. Mr. President, let us see how much I am slandering these gentlemen. Let me read a circular that has been sent broadcast from these gentlemen that the Senator says I am slandering, and see whether this is a revenue duty or not. When the Senator from Florida arose, he said—I thought by way of irony and satire, but he now appears to have been in earnest—that he was advocating this measure because it is a revenue duty. Let us see, now, upon what ground his constituents are advocating it:

Florida Fruit and Vegetable Shippers' Protective Association.

Why, the very name of the association is "Protective Association." They are not a revenue association. Why do they not change their name, and call this the "Florida Fruit and Vegetable Shippers' Revenue Reform Association?" [Laughter.] There is no revenue about this.

We are supposed to be in the possession of our senses here in the Senate. We are not a kindergarten, nor an institution for the feeble-minded, nor anything of the sort. We are presumed to understand this subject. I am not criticising the Senator from Florida, because he is acting for the best interests of his State. These gentlemen are asking for protection because this fruit grows upon the soil of Florida. If it were not grown upon the soil of Florida, the Senator from Florida would not be here asking for a revenue duty, for instance, upon Montana or Indiana pineapples, if they were cultivated there.

When this question comes up, please see that the Florida industry—

Does what? Gets a revenue duty? Oh, no!

Please see that the Florida industry is protected—

Is this protection?—

against fierce competition from Cuba, as Florida pineapples are now handicapped.

And so on, going on to the cost of production.

Mr. TALIAFERRO. I ask that the Senator will give the Senate the benefit of the communication that he has referred to.

Mr. RAYNER. Will the Secretary please read it? I have no objection to it at all. I will ask the Secretary to read it.

The PRESIDENT pro tempore. Without objection, the Secretary will read as requested.

The Secretary read as follows:

FLORIDA FRUIT AND VEGETABLE
SHIPPERS' PROTECTIVE ASSOCIATION,
Jacksonville, Fla., May 29, 1909.

Hon. ISIDOR RAYNER,
Washington, D. C.

DEAR SIR: Florida pineapples. When this question comes up please see that the Florida industry is protected against fierce competition from Cuba, as Florida pineapples are now handicapped as follows:

First. Cost of production. Owing to the fact that Florida pineapples are grown under a protective tariff, making greater expenses in labor, fertilizers, material, and general living expenses of the producer while possessing no advantages in the markets of the country. On the other hand, Cuban land is cheap compared with the cost of Florida pineapple land. The Cuban soil is more productive without the use of fertilizers, the labor is cheaper, and living expenses of the producers are less.

Illustration: The average cost delivered of a crate of Florida pineapples to the markets of the country, including cost of production and freight charges, is $1.90 per crate. The average cost delivered of a crate of Cuban pineapples to the markets of this country, including freight and duty charges, is $1.36 per crate. Difference in favor of a foreign production in American markets is 54 cents per crate. (See pamphlet entitled "A Protective Tariff," issued by the Indian River Pineapple Growers' League. These figures have never been questioned.)

Second. Florida pinapples are handicapped by the transportation companies, who impose a higher freight rate for a shorter haul than on Cuban pineapples.

Illustration: The freight rate on Cuban pineapples in carload lots from Habana to Chicago, Ill., via Knights Key and Jacksonville, is 66⅔ cents per crate, while the freight charges on Florida pineapples from Miami to Chicago are 92.6 cents per crate, which is equivalent to $78 per car.

Third. The Florida pineapple is entitled to duty of not less than one-half cent per pound in order to partly offset the difference in cost of production and to help equalize the difference in freight charges.

Yours, very truly,

J. C. CHASE,
Secretary and Treasurer.

Mr. CLAY. Will the Senator let me ask him a question?

Mr. RAYNER. Certainly.

Mr. CLAY. I want to get this matter correctly, if I can. The Senator from Florida is offering an amendment proposing one-half cent per pound on pineapples. Is that correct?

Mr. RAYNER. That is correct.

Mr. CLAY. What is the duty on oranges under the bill as we have it? Is it 1 cent a pound?

Mr. RAYNER. I think so.

Mr. CLAY. What is the duty on lemons, as it stands? It is 1½ cents, according to my understanding.

Mr. RAYNER. Yes.

Mr. CLAY. Why should the Finance Committee put a duty of 1 cent a pound on oranges and 1½ cents a pound on lemons and half a cent a pound, or less than half a cent a pound, on pineapples?

Mr. RAYNER. The Senator might as well ask what is the duty on bichromate of potash, or on snakes, or anything else. They have no possible connection with each other, not the slightest. Every schedule is governed by its own environment.

Mr. CLAY. It is in the fruit schedule.

Mr. RAYNER. There may be a hundred things in the fruit schedule that have no connection with each other. There is no connection in economy or in logic in any such proposition. Because oranges have the protection of a cent a pound and lemons have the protection obtained by the Senator from California [Mr. FLINT] of a cent and a quarter, that is no reason why pineapples should have a protective duty of half a cent, because the environment that surrounds the growth of the pineapple is an entirely different proposition from that which surrounds the other fruits in the schedule.

Now, if Senators will let me just proceed for a little while without interruption, I will then yield to any question, and I think I can satisfy the Senator from Georgia. I wanted to answer the question of the Senator from Idaho and the Senator from Montana. The letter which was just read answers it. I will emphasize what this letter says. The Senator from Idaho asked the question whether this was a protective duty under the Dingley bill. I want to show what this letter says.

The PRESIDING OFFICER (Mr. BRISTOW in the chair). The letter has been taken to the reporters' office. It will be here in a moment.

Mr. RAYNER. I will proceed without the letter and refer to an argument made upon this schedule. It is put in as good a form as I can put it; no line or argument that has been advanced has been overlooked. First, let Senators understand what are the Dingley rates:

268. Pineapples, in barrels and other packages, 7 cents per cubic foot of the capacity of barrels or packages; in bulk, $7 per thousand.

The Senator's amendment is half a cent a pound and $8 a thousand, going beyond the Dingley law; as I have said, going beyond the House provision and going away beyond the senior Senator from Rhode Island and what I conceive to be at least a majority of his committee, until some strange dream came over their spirit that I only heard about in the last few days, and that was without any notice to us and without the opportunity on our part to cross-examine them or even to see them. Within the last few weeks the Florida protectionists have had a hearing, and at that hearing the Fruit Growers' Protective Association of Florida gave their version of this affair, and Senators who are opposed to the Fruit Growers' Protective Association were not notified to come before the committee; and I think we may as well understand that quite a number of the committee have changed their minds. It was a star-chamber proceeding, an ex parte proceeding, absolutely unjustified by any procedure in any civilized assemblage of the earth.

I have not criticised this procedure except, perhaps, in an academic way; but looking at this proposition now here, the committee of the Senator from Rhode Island unanimously—and when I speak of unanimity I mean unanimous among its majority members—comes into this body with an amendment, and then, after that amendment is submitted to us and assurance given to us that that amendment will not be changed by that committee, an ex parte hearing is given to gentlemen who are opposed to that amendment, without the slightest notice to the persons who are in favor of it, and upon the basis of that proceeding, without the right upon our part to confront them and the members of that committee, without listening to any arguments on the other side, they changed their minds. It is not right; it is not fair; and you can not make it right before the American people.

Every man is entitled to be heard, and that is the reason why I was anxious that the Senate should hear me, because we have had no hearing before this grand jury. We have been practically convicted upon ex parte testimony, or rather the indictment is before the Senate and I am before a petit jury, with the hope of getting justice done, although I know it is largely prejudiced against me, and swayed even by the silence of the senior Senator from Rhode Island.

Mr. ALDRICH. Will the Senator from Maryland yield to me for a moment?

Mr. RAYNER. What does the Senator say?

Mr. ALDRICH. I wished to interrupt the Senator to say that the Committee on Finance have not changed their recommendation in this regard.

Mr. RAYNER. I am very glad to hear that. I am very glad indeed to hear it from the Senator from Rhode Island. I hope that he and the committee will be with us on this proposition.

Mr. DIXON. Mr. President——

The PRESIDING OFFICER. Does the Senator from Maryland yield to the Senator from Montana?

Mr. RAYNER. I will yield to the Senator.

Mr. DIXON. There is so much discrepancy among the Democratic Senators that I should like to know what the Senator from Maryland is going to do with the Democratic members of the Finance Committee.

Mr. RAYNER. I do not know the attitude of the Democratic members. The Senator from Florida [Mr. TALIAFERRO] is a member of the Finance Committee. The Senator from Montana knows what his attitude is.

Mr. McLAURIN. I believe the Republican members have not allowed the Democratic members to be present at their meetings.

Mr. ALDRICH. I did not know that we had placed any restriction on the voices or votes of the Democratic members of the committee.

Mr. McLAURIN. I am not a member of the Finance Committee, but I understand that the bill is being considered in the committee by the Republican members of it alone.

Mr. ALDRICH. That is a matter which has been frequently discussed upon the floor of the Senate. I have never noticed that any member of the committee felt any restraint upon his utterances on account of it.

Mr. McLAURIN. I do not believe they are invited to the committee meetings. If I am in error on that I should like to be corrected, because I have been laboring under the impression that when a committee meeting is held it is exclusively composed of the Republican members of the Finance Committee. Not being a member of that committee, if I am in error I would like to be corrected.

Mr. ALDRICH. The Senator from Virginia [Mr. DANIEL] is not present. He will likely inform the Senator from Mississippi on that subject.

Mr. RAYNER. Mr. President, this letter answers, from the standpoint of the writer, the inquiry of the Senators from Idaho and Montana.

Mr. BORAH. Mr. President——

The PRESIDING OFFICER. Does the Senator from Maryland yield to the Senator from Idaho?

Mr. RAYNER. Will the Senator allow me to read the letter?

Mr. BORAH. I wish to ask the Senator what his opinion is, after an investigation, as to whether or not there was any protection in the Dingley rate. If the Senator has no opinion upon that subject, I do not care to press him.

Mr. RAYNER. My opinion is, and always has been, that the Dingley rate is entirely too high. Pineapples ought to be free. There is no reason on earth why they should not be free except for purposes of revenue. Upon any principle of political economy they ought to be free. A fruit of the earth like this ought to be free, but for purposes of revenue and protection the Dingley duty was put upon it and the Dingley duty is high enough. That is my opinion. I have said that over and over again. What is the opinion of the Fruit and Vegetable Shippers' Protective Association of Florida? They say:

Owing to the fact that Florida pineapples are grown now under a protective tariff—

That is the reason. They are now under a protective tariff. I want to ask one thing. Did the Republican platform agree to protect against fertilizers? Did the Republican platform agree to protect against the price of land? Mark this in the Republican platform, because I have no fear that on this side we will vote for any duty beyond what the Senator from Rhode Island seems to think proper. I may be mistaken in this, but that is my supposition. Did it agree to provide against loss by freight? I ask these Senators is there anything in the Republican platform that goes beyond a reasonable profit to the producer? Why not put in the platform that we will protect them against loss in freight, that we will protect them against the use of expensive fertilizers, because I understand—I may be wrong—that it takes 4,000 pounds to an acre to fertilize the fields and orchards of Florida into prosperity at the expense and sacrifice of the American consumers. I may be wrong in that proposition, but that information has been imparted to me.

Mr. TALIAFERRO. Mr. President, if I should take the time to correct all the misstatements and errors the Senator has made on this subject, we should not get to a vote this afternoon.

Mr. RAYNER. Correct that one. That will not take a long time. Just correct this one.

Mr. TALIAFERRO. I would correct them all.

Mr. RAYNER. Just correct that one. That will take a very short time. In the absence of the Senator's correction, which is an admission that the proposition is true, I say it takes about 4,000 pounds of fertilizer to adapt this land for the purpose of the cultivation of this fruit. If I have made any other misstatement, the Senator has plenty of time.

Mr. TALIAFERRO. I will avail myself of it.

Mr. RAYNER. The Senator says he will avail himself of it. I have no doubt of it. I am glad of it, because I want a fair and frank statement.

I want to say to the Senator, that while I may be very emphatic in my statement, I have no feeling on this subject. If I have made any misstatement or any erroneous statement, I want the Senator from Florida to correct me at the proper time, because I do not want the Senate to labor under a misapprehension. I do want, however, the Senate to have fairly and squarely the facts before it, and then let it do what it may think best and proper according to the dictates of its own conscience.

Now, let me go on. The report of the Senate committee struck out the word "eight" and restored the old Dingley rate of 7 cents per cubic foot as the capacity of barrels or packages and made the rate in bulk $7. The Senator from Florida [Mr. TALIAFERRO], on April 20, introduced the following amendment:

On page 84 strike out lines 14, 15, and 16, and insert in lieu thereof the following: "Pineapples, one-half of 1 cent per pound."

Now, what the Senator wants to know is the difference between the Dingley rate and one-half of 1 cent per pound. I will give it according to this statement, and if it is wrong the Senator can correct it.

Mr. TALIAFERRO. The Senator understands that that is not now the amendment which is pending before the Senate.

Mr. RAYNER. You have it half a cent a pound, or $8 a thousand. Listen to this argument for just a moment that I shall read. It is very instructive.

The pineapples imported into this country from Cuba are packed in crates.

I want the Senate to understand that they do not come in bulk. I am reading from an argument made by a canner, who, I suppose, is to be classed with the fiend known as an "importer." No matter what I am reading from, if it is all true, it does not make much difference. If it is untrue, the Senator from Florida will, I know, contradict it.

Cuban pineapples have never been shipped in bulk, but for many years were shipped in barrels, until some of the American woodenware mills introduced the crate now in common use.

This crate is manufactured in the United States. It is not manufactured in Cuba, nor the paper, I understand. That does not influence me one way or the other. The Senator from Indiana [Mr. BEVERIDGE] shakes his head. That is all right.

Mr. BEVERIDGE. That was the crate.

Mr. RAYNER. It does not make any difference if the Senator votes with us on his own grounds, but that is not the ground I take, because these crates are manufactured in the United States; but it is true that it affords a sufficient ground for high protectionists to at least stand by the chairman of the committee.

These crates are of one standard size, measuring 10 inches by 12 inches by 36 inches, outside measurements, and having a cubical capacity of 2½ feet each, which, under the Dingley law and under the Aldrich-Payne bill, will make the duty exactly 14 cents per crate.

Does the Senate understand that it is 14 cents a crate now?

Pineapples packed into these crates are packed with regard to size, from 14 to 54 being placed in each crate. These crates vary slightly in weight, but will weigh approximately 80 pounds each.

Second. The duty under the Dingley law, and as reenacted in the Aldrich-Payne bill, is 14 cents per crate.

That is the duty now, 14 cents a crate, approved of by the committee in the first instance.

If the amendment proposed by Senator TALIAFERRO should be adopted, it would increase this duty to 40 cents per crate.

Is that true?

Mr. TALIAFERRO. It is absolutely false. It would make the duty 40 cents a crate on pineapples, or 32 cents a crate under Cuban reciprocity, as compared with 15 cents a crate.

Mr. RAYNER. I asked the Senator whether it is true or not, before I finished reading the sentence. The statement is made that—

It would increase this duty to 40 cents per crate, less the 20 per cent allowed on Cuban imports by the reciprocity treaty, making the net duty on each crate of pineapples 32 cents.

That is correct, is it not? This duty raises it from 14 cents to 32 cents under the Taliaferro amendment, or an increase of 128½ per cent, which would practically mean the prohibition of the importation of Cuban pineapples.

Now, Mr. President, here is some of the testimony by one of the witnesses who represented the fruit growers' association.

That is a very important point. It is that these Florida pineapples have over again been subjected to frost and the crop has been ruined. This year they have a phenomenal crop, on account, I suppose, of the advancing season and the rain, but they have never had a crop in all the history, as I understand, of the Florida production equal to what they have had this year.

The amount of crates that have come in from Cuba have been about a million crates. One of the witnesses testifies:

> The pineapple industry is more subject to frost than oranges, and for a frost to get into an orange tree requires what we term a "freeze;" but a frost will get into the pineapple just as it would into a tomato plant, for it is a very tender plant.

In other words, you can not depend upon the Florida crop and no amount of protection can make it so. I say again and I repeat, because I want the Senate to understand it, I want the high protectionists of the Republican party to understand it, that the duty the Florida Senators are asking for now is a duty upon a product that does not conflict with their own product at all in one of its principal uses and purposes, and that is because the Florida pineapple can not be used, never has been used, and never will be used for canning purposes. Is it right—I appeal to this body upon the principles if not of economy, upon the principles of right and justice—is it right in behalf of the fruit growers' association of Florida, to give them a duty upon Cuban pineapples during the months of April and May, when their pineapple is not grown and when the Cuban pineapple during these months is used in the canning industries of this country, a use to which the Florida pineapple is never put, and never has been?

Now, just one word——

Mr. GALLINGER. Mr. President——

The PRESIDING OFFICER. Does the Senator from Maryland yield to the Senator from New Hampshire?

Mr. RAYNER. I do.

Mr. GALLINGER. For information, I ask the Senator if there is any reason why the Florida pineapple can not be canned?

Mr. RAYNER. There is, I understand. There is a reason why it can not be canned.

Mr. GALLINGER. In other words, my question would go to this point—that if the production was greatly increased and beyond the consumption of the fresh pineapples, could they not be canned as we can pineapples here? I know nothing about it.

Mr. RAYNER. I do not either, except what somebody tells me.

Mr. FLETCHER. May I interrupt the Senator for just a moment?

Mr. RAYNER. Certainly.

Mr. FLETCHER. As a matter of fact, the Florida pineapple is canned and is being canned. There are canneries right among the fields actually canning pineapples. What is the use of talking that sort of stuff? They are being canned. It is wholly immaterial whether the Florida pineapple is used for all the purposes the Cuban pineapple is used for or whether the Cuban pineapple is used for all purposes the Florida pineapple is used for. In other words, what difference does it make whether the Florida pineapple is canned or not if the Cuban pineapple is eaten as well as canned?

Mr. GALLINGER. I recall what a young lady is said to have observed in California when asked what they did with all their fruit. She said, "We eat what we can and we can what we can't." So I wondered whether after we get through eating Florida pineapples and there are some left, they can not be canned.

Mr. RAYNER. I have not the testimony before me, but one of their own witnesses testified that the Florida pineapple is not canned. Oh, I suppose by some process a few of them might be canned; but I ask the Senator from Florida whether the Florida pineapple is canned outside of his State?

Mr. TALIAFERRO. I am not as familiar with the Baltimore canneries as the Senator from Maryland. I can only state that they are canned in Florida.

Mr. RAYNER. Are they canned outside of Florida?

I say the Florida pineapple is not only too valuable to can, but their composition is of such a nature that they are not fit for canning purposes. Now, let us look at this for a minute. This is their own witness, I understand:

> Mr. BOUTELL. To what extent are you canning fruit in Florida?
> Mr. MCMULLEN. Not at all.

There is your own witness before the committee. Is he a reliable witness?

> Mr. BOUTELL. Why not?
> Mr. MCMULLEN. It is on account of the price of labor; and then, again, the supply of fruit is not sufficient to keep the canneries running. We have nothing to keep the industry going all the year round. The fruit comes in by itself, and it is in a territory by itself, and if we shipped we could not pay the local freight of 25 cents per crate.
> Mr. BOUTELL. Then you can not have canned pineapples down there?
> Mr. MCMULLEN. No, sir.
> Mr. BOUTELL. How are they eaten; are they eaten raw?
> Mr. MCMULLEN. Yes, sir.

That contradicts the statement of the junior Senator from Florida.

Mr. FLETCHER. I have seen them canned.

Mr. RAYNER. There are very few pineapples that are canned in the United States except the Cuban pineapples. The Senator's pineapples do not come in.

Mr. MCCUMBER. Mr. President——

The PRESIDING OFFICER. Does the Senator from Maryland yield to the Senator from North Dakota?

Mr. RAYNER. Certainly.

Mr. MCCUMBER. I wish to ask the Senator a question. Is it not true that when the Florida pineapples do come into the market it is about the time the Cuban market is being unloaded with a poorer and cheaper stock; that it is all thrown into this country at that time at very much reduced prices, and as a result drives the price of the Florida product down in the only months in which they can sell it?

Mr. RAYNER. No, sir; I do not think that is true at all. I do not think the Florida pineapple is driven out. I think the Florida pineapples sell at 50 cents a crate in the New York market when they come in—higher than the Cuban pineapple. I think I am right about it. Then when the Cuban pineapples come in they come in for canning. When the Florida pineapples come in, the canning season is over. The canning season is never over when they come in. The Florida pineapple is not a canning pineapple. You can not make it useful for canning. It is used for a different purpose.

Mr. MCCUMBER. Assume that the canning season is over, then the Cuban pineapple that comes in after the Florida pineapple comes in is used for exactly the same purpose as the Florida pineapple.

Mr. RAYNER. I have no doubt about that proposition.

Mr. MCCUMBER. And gluts the market with pineapples at that time.

Mr. RAYNER. I do not know about that.

Mr. MCCUMBER. Just at the time when the Florida pineapple is on the market.

Mr. RAYNER. Does the Senator think that the Senators from Florida would agree to let the Cuban pineapples come in free in April and May? That will settle the question. You can then get all the duty you want on June and July pineapples. Let pineapples that come in April or May, that do not conflict with the Florida growth, come in free. Why put a duty upon these pineapples that do not conflict with the American growth? That is what I am trying to argue. Let them come in free then, or lower the revenue duty.

Mr. TALIAFERRO. I merely want to call attention to the fact I stated in the beginning: It was the position of the Senator that he wanted the tariff raised by putting things on the free list. That is his revenue idea.

Mr. RAYNER. I have no objection to being called a free trader by a Democrat. I am for free trade wherever it is consistent with the revenues of the Government. I will not deprive this Government of any revenue if I can help it, because I believe in collecting revenue by custom-house taxation; and when consistent with the revenues of the Government and the Government does not need revenue on a particular article or on a particular schedule which is a necessity of the American market, wherever I can do it I will put the article on the free list. I am not hurt by any such allusion as that.

Mr. President, I may have something further to say, but I think that this discussion has been very much prolonged. I only want, in conclusion, to refer to one thing which is pertinent now when we are dealing with a prohibitive duty. There is but one man on this floor who, in my judgment—and I say that with great deference to all Senators who have made great arguments on the tariff—there is but one man on this floor who has properly defined what the Republican platform really means; and, with great respect, I commend that definition to the Senators from Florida.

I want to give the definition of the word "revision"—and then I shall conclude—as laid down by the senior Senator from Idaho [Mr. HEYBURN]. He gave that definition in a great speech delivered a few days ago. I was giving him my rapt attention; I was greatly interested in that definition; and I do not want to make any mistake about it, for I have the speech. The Senator from Idaho, who is one of the most capable lawyers in this body, and possessed—I am sorry that he is not here, but what I am saying is complimentary to him—of a penetrating and analytical mind, made a startling and entirely accurate

announcement in his address in regard to the proper interpretation of the Republican platform. I want the Senator from Rhode Island [Mr. ALDRICH] to hear it, for he was not present when the statement was made, but came in just as the Senator from Idaho was finishing. The gifted senior Senator from Indiana and the able and fearless Senators from Iowa, Wisconsin, Minnesota, Nebraska, the Dakotas, and other States have for weeks proclaimed that "revision" meant "revision downward." This insurgent artillery has cannonaded the Senator from Rhode Island with such a continuous volley upon this subject that the Senator from Rhode Island had almost concluded that this was really what the platform meant, when the Senator from Idaho relieved his mind of any such fantastic notion.

The senior Senator from Idaho goes to the root of things. He does not daily amid the shrubbery and the foliage. He does not care what declaimers and elocutionists and false prophets and commentators tell the people about the platform. He goes to the dictionary and consults the art of the lexicographer; and, lawyer that he is, he gives to the Senate a bill of particulars upon the definition of "revision," so that, for the first time, now we really know what "revision" means.

When the platform speaks of revision—

Says the Senator from Idaho—

it simply means that the Republican party will promise to look into the tariff. To "revise" means to look into, to see again, and to review for the purpose of correcting errors. That is all, and nothing more; so that when the Republican party promised to revise the tariff it simply promised to look into it, and all this talk about revision meaning revision downward is merely captious and frivolous sophistry and quibbling.

In order that I may do the Senator from Idaho no injustice, I read a few lines from this delightful dissertation. This is the language of the Senator from Idaho:

The Senator from Iowa stated correctly to-day the meaning of the word "revision" or "revise." It was merely a promise to the people that we would look again at the tariff laws of the country.

What does the Senator from Iowa think of that?

Look again, for what purpose? That we might inspect, as a man inspects the home in which he lives.

* * * * * * *

Mr. NELSON. The Senator will concede that the Republican platform at Chicago did prescribe a revision of the tariff, and did provide for it. Now, what was the purpose of that? What was the purpose of putting any plank about the revision of the tariff in the platform? What was it for?

Mr. HEYBURN. Because there was an inquiry abroad in the land as to whether or not the tariff rested upon a sound basis.

* * * * * * *

Mr. NELSON. What was the purpose of revision contemplated in the platform? What was the revision that the platform had in view?

Mr. HEYBURN. The purpose I have already stated. The insertion of that plank was an assurance to those who were in doubt, and in doubt because of their want of knowledge.

* * * * * * *

It was a reply to their expression of uncertainty that the great Republican party would look into the matter.

And, Mr. President, that is the meaning of the word "revision." There is a canon of the law that when a word has a well-defined and accepted signification you must construe it in that sense, and this is an unbending and inexorable rule; and when you come to construe the word "revision" in the Republican platform you must construe it in the same way that you would if it occurred in the bill of sale of a cow or a mule. "Revise" means to see again.

Mr. HEYBURN. The Senator from Maryland is not now quoting any remarks of mine?

Mr. RAYNER. No; I am reading my own speech. I do not want to quote the Senator's speech as mine.

Mr. HEYBURN. That is one part of it for which I am not responsible.

Mr. RAYNER. I have finished with the Senator from Idaho, and I am now going on myself. I hope the Senator will not accuse me of quoting his speech as a part of mine. "Revise" means to see again. It comes from the Latin.

I want to say to the Senator that he is absolutely and accurately right about this proposition, and that all of his colleagues are all wrong. "Revision" means exactly what the Senator from Idaho has said it meant. I said so upon many a platform, but the people did not believe me. I said, and so did a number of my Democratic colleagues upon this floor, that "revision" meant nothing; that "revision" did not mean revision downward, because "revision" might mean revision upward; and I am here to sustain the Senator from Idaho that his interpretation and definition of that word is correct; and when the Republican party said they would revise the tariff they simply meant to defraud and deceive the people; but the people did not understand it the way the Senator from Idaho defined it.

But, as I was going on to say, the Senator from Idaho is correct. "Revise" means to see again. It comes from the Latin word "re," again, and "videre," to see. Translated into French it is "au revoir;" in German, it is "wiedersehn," and translated into every dead and living language it has but one definition and means but one thing, and the expert who framed the Republican platform, being a lawyer of great distinction, now occupying a high place in the federal service, knew exactly what he was doing when he put the word "revision" into the body of the instrument. He meant "au revoir," we will see you again, we will look over you, we will review you.

Mr. HEYBURN. Mr. President——

The PRESIDENT pro tempore. Does the Senator from Maryland yield to the Senator from Idaho?

Mr. RAYNER. I do.

Mr. HEYBURN. I do not desire to interrupt the Senator's speech, but I would merely like to suggest that inasmuch as the Democratic party gave the definition of the word "revision" when they used it, and that definition was utterly inconsistent with the claims that had been made for the interpretation of the Republican party, and the people having refused to accept the Democratic proposition, I guess there was no misunderstanding among the majority of the voters as to what the Republican party meant.

Mr. RAYNER. I accept the Senator's apology.

Mr. President, in conclusion, I will state that the Republican party has looked into the tariff, and having seen it again, and looked over it and reviewed it, has allowed it to stalk abroad in all of its unblushing and naked deformity. It has done worse than this. It has observed the gaunt figure of tariff reform hovering over the western plains and prairies, and instead of heeding its pleading voice and giving it, in this bill, the sustenance to sustain its life, it has taken it and buried it with all of its longing hopes and aspirations. But, Mr. President, one thing is sure, and that is that it has buried it alive. Its pulse still throbs and its heart still beats. The figure will again come forth, and with the blood coursing through its veins it will rise again. Its silenced voice will again be heard. It will be heard at the home and the fireside of the American consumer; it will be heard in the lowly hut and the humble hovel; it will be heard in the strongholds of the Republican party wherever men assemble to assert the rights that God has given them.

It will seek no repose and it will wander from place to place until this mighty question is settled upon the side of eternal right and justice. It will not accept the definition of the Senator from Idaho. It will accept no technical definition and legal phrases as an explanation of the platform, but it will point to the fact that but one construction was accorded to it by the people; and I predict now that as your unfulfilled promises, evidenced by these schedules, reverberate among your revolting and outraged constituencies you will at last arrive at the conclusion that even in a document like a political platform, constructed by cunning and dexterous hands, the principles of truth and honor must prevail and that even in such an instrument, while strategem and artifice are often resorted to and, unfortunately, tolerated, one thing is sure, and that is that treachery can never triumph and a lie can never live.

Mr. HEYBURN. I should like to ask the Senator a question before he takes his seat. He enumerated a great many places where this would be heard, and heard from, but he omitted to enumerate the ballot box.

Mr. RAYNER. It will be heard in the Senators' State. The Senator will have an opportunity to explain to his constituency that "revision" means simply "to look into again," and that the Republican party has accurately lived up to that definition in this bill.

Mr. BEVERIDGE. Mr. President, in the portion of the speech of the Senator who has just taken his seat which was devoted to this particular item of this schedule he left very little for those who agree with him to say. There are, however, one or two points which have occurred to me that in the abundance of his statement and argument he did not touch upon.

I will restate one that he did suggest, and that is that the present duty on pineapples is already a protective duty. It was placed there by Governor Dingley, for the purpose of protection; and in that protection not only was taken into consideration the difference between the cost of production here and abroad, as ordinarily is done, but also the peculiar conditions of the land in Florida. That protection covered the difference in the cost of labor, the cost of fertilizing, the cost of freight, and all the differences that might produce profitable pineapple growing. Under this protective duty, which has now existed for about twelve years, according to the figures given by my friend the Senator from Florida, that industry has so flourished that it has grown from 100,000 crates to over 1,000,000 crates in the last year.

The duty which the Senator from Florida asks is 128 per cent increase over the duty which Governor Dingley fixed; the

duty which has been in the law twelve years for the express purpose of protection; the duty under which this business has increased more than 1,000 per cent since that duty was put on; and yet we are asked to increase that duty 128½ per cent, which is prohibitive. That bare statement brings home to all of us, without any further argument upon it, the exact situation with reference to this proposed increase.

Mr. TALIAFERRO. Mr. President——

The PRESIDENT pro tempore. Does the Senator from Indiana yield to the Senator from Florida?

Mr. BEVERIDGE. I yield to the Senator.

Mr. TALIAFERRO. Does the Senator contend that this product receives the same tariff rate now as was provided in the Dingley tariff bill, or the same rate that was intended to be given it when the Dingley bill became a law?

Mr. BEVERIDGE. What was the Dingley rate? What has been the rate up to the present time?

Mr. TALIAFERRO. The Senator has correctly quoted the rate, $7 per thousand.

Mr. BEVERIDGE. That was the Dingley rate, was it not?

Mr. TALIAFERRO. That was the Dingley rate.

Mr. BEVERIDGE. That is what I said.

Mr. TALIAFERRO. But the Senator understands that 20 per cent was taken off of that under the reciprocal arrangement with Cuba after the law was passed, and that to-day, by his own theory of protection, this product is not receiving what the Dingley rate intended it should get.

Mr. BEVERIDGE. But, Mr. President, instead of asking for an addition of 20 per cent taken off by the Cuban reciprocity, the Senator actually asks for 128 per cent.

I say that this was a protective rate, and was intended by Governor Dingley to be protective under peculiar and unusual conditions. It was made as high as it now is because of those conditions. It was doubted then, but can no longer be doubted, that, natural conditions being considered, the land in Florida where these pineapples are grown is not naturally suited to their production in any degree comparable with the land in Cuba, the general source of our supply; indeed, the testimony of the pineapple growers themselves before the House committee demonstrated that the Florida land is not naturally fitted for that purpose at all.

The Florida growers must use fertilizers; the whole thing must be done at great expense; the climate is against them; they are battling, even with the aid of the present heavy protection, against the seasons; they are fighting the processes of nature. Here is what these growers say——

Mr. GALLINGER. Mr. President——

Mr. BEVERIDGE. Will the Senator excuse me just a moment, and then I will yield?

Mr. GALLINGER. Certainly.

Mr. BEVERIDGE. Before the Ways and Means Committee of the House Mr. McMullen, who, I believe, represents the Florida pineapple growers, testified as follows. And think of it; he was asking for this increased duty at the time:

> The Florida pineapple is somewhat out of its native element as to soil and requires a large amount of fertilizers.

What do Senators think of that?

Mr. E. P. Porcher, who also appeared for the pineapple growers, said:

> The pineapple situation with us on the east coast is such that we produce, out of 690,000 crates, 640,000 crates.

Then he speaks about how small this is. Then he says:

> It is in a section of country where it has been necessary to go to extreme expenditures in matters not only of preparing the land—

It is not naturally fitted for this fruit. That is important language—

> which has been done, but in the cost of fertilization it runs up as high as 4,000 pounds per acre per annum.

This Florida pineapple grower continues, testifying, mind you, before the House committee:

> The pineapple industry is more subject to frost than oranges, and for a frost to get into an orange tree requires what we term "a freeze," but a frost will get into the pineapples just as it would into a tomato plant, for it is a very tender plant.

Then Mr. McMullen again testifies:

> That land can not be applied to growing anything else, for it will not produce anything else, and we have practically to produce our pineapples with a fertilizer.

Now I yield to the Senator from New Hampshire.

Mr. GALLINGER. Mr. President, I notice that the Senator twice said that this was a high duty. I think I have looked into this book accurately, and I find that the duty on pineapples averages about 20 per cent, while lemons bear a duty of 54 per cent under the present law, and I believe in the present bill the duty has been increased far beyond that. The duty on oranges is 59 per cent; on limes, 88 per cent; and on grape fruit, 47 per cent.

Mr. BEVERIDGE. If the Senator wants to know the difference——

Mr. GALLINGER. It looks to me as though this, compared with the duty on other fruits, is a low duty. There may be a good reason for it——

Mr. BEVERIDGE. There is, indeed.

Mr. GALLINGER. I do not mean to say there is not, but it looks to me as though, compared with other fruits, it is a very low duty rather than a very high duty.

Mr. BEVERIDGE. Mr. President, the land in this country appears to be naturally fitted for the production of oranges and lemons and these others kinds of fruits, but, from this testimony, the land does not appear to be so fitted for the growth of pineapples. The question was asked of the Senator from Maryland, "If we give a certain protection to oranges, should we not give the same protection to pineapples?" His answer was accurate when he said they have no relation to one another. The pineapple industry is maintained upon an artificial basis.

I wish it were not. Certainly Governor Dingley, in fixing this tariff, considering that we had this industry right here at home, thought that he had fixed it so that we could afford to put fertilizers upon the land, we could afford to overcome the natural conditions, and the fact that we have done that, the fact that it has been a protective duty, is shown by the statement that this industry has increased from 100,000 crates to something like 1,000,000 crates, in spite of natural obstacles that do not apply to oranges and lemons. That does not look as if it were decreasing.

Mr. CLAPP. Mr. President——

The PRESIDENT pro tempore. Does the Senator from Indiana yield to the Senator from Minnesota?

Mr. BEVERIDGE. Certainly; but I will be through in a moment.

Mr. CLAPP. But right there I should like to ask the Senator a question. Of course the Senator will see that the relation of the tariff to an article as a protective tariff is not measured entirely by the growth of the article, but that one element of that test and measure must ever be what has been the corresponding growth of imports as against that tariff. Is not that fair, I submit to the Senator?

Mr. BEVERIDGE. That is one element.

Mr. CLAPP. Yes; when you come to take into account that while the article itself has grown in production, the fact that the importations have grown a greater percentage—as I understood the Senator from Florida to say has been true in this case—is very material in determining whether the duty is sufficiently protective.

Mr. BEVERIDGE. No; and the Senator will see why in a moment. While the importations may have grown to a greater proportion compared with each other than the domestic production, they have not grown in proportion to the increased consumption. The pineapple a few years ago was a luxury, as the Florida growers insist that it is now, and they ask for this duty specifically upon the ground that it is a luxury; but within the last few years it has become a necessity. The Senator from New Hampshire knows that it is present now in every sick room. As the Senator from Maryland said, it is a necessary in every hospital. When you raise the price of pineapples, you are putting a tax upon the sick bed, and you are laying the finger of your imposts upon the brow of fever.

Mr. GALLINGER. Mr. President, I scarcely think that argument will hold. I have some familiarity with hospitals, and I do not think——

Mr. BEVERIDGE. Not recently.

Mr. GALLINGER. Yes, recently; and I do not think that pineapples are used there any more than other fruit.

Mr. BEVERIDGE. As a matter of fact, the Senator does not dispute the statement that the pineapple is used extensively in the sick room, in the case of fever particularly. He also knows, because he is thoroughly familiar with the conditions of the laboring man—he says so himself—that pineapples are not a rare thing in the homes of labor. They are excellent as a kind of tonic and are a thing which the human system seems to require.

Mr. GALLINGER. Not so much of a tonic as grape fruit. The laboring man is getting pretty much everything that is good in this country, and I am glad of it.

Mr. BEVERIDGE. I want him to get more.

Mr. GALLINGER. But I rose for another purpose, if the Senator will pardon me for just one moment.

Mr. BEVERIDGE. Certainly.

Mr. GALLINGER. In speaking of the ad valorem duty on pineapples, I stated it as having been about 20 per cent. I

find that on Cuban pineapples the duty is only 14.88 per cent—and that is where the competition comes—which is among the lowest duties in this bill.

Mr. BEVERIDGE. Of course it is not necessary for me to take up the time of the Senate by reiterating a statement that the Senator from Maryland has made practically without challenge—very few persons have challenged it, if at all—that this is a duty upon a product that, after all, does not come very much into competition with the domestic product. Nor shall I, because it would only be taking time unnecessarily, repeat his oft-repeated and demonstrated statement that this increased duty on top of a protective duty is not a protective duty at all, but a prohibitive duty. If that is not conceded, this statement will be conceded: That we do not supply enough pineapples for our own demands and can not supply enough for our own demands. The testimony of the growers themselves shows that, owing to the nature of the soil and the limited extent of its area.

If we can not supply enough pineapples for ourselves, if our consumption is vastly beyond what we can ourselves produce, no protectionist will deny that this is one of the cases where the duty is added to the price; and thus the price of what is now a necessity of life becomes increased to all the people, whether they are sick or whether they are well.

There is another point I wish to emphasize, and that is about labor. I have been told—I did not know the fact myself, but I have been told it by such credible persons that I believe it—that a great deal of labor in the Florida pineapple groves is imported labor, brought in from the Bahama Islands. What is the situation with reference to the Cuban pineapple industry? It is distinctly an American enterprise. We have always looked to Cuba for our source of supply in this respect. Why? Because the nature of the soil, the climate, and every natural condition make the crops there regular. Here they are not regular. The Senator from Florida will admit that. As the growers themselves have testified, the Florida crop is very easily frozen out; that it often fails on account of climatic conditions, which is never true in Cuba, which seems to be more perfectly adapted to pineapple culture and growing than any other similar section of the earth.

But although Cuba is our great natural source of supply of pineapples, Cubans are not raising them there and shipping them here. No; it is Americans and American capital that is doing that. It is American citizens who are engaged in the Cuban pineapple industry. They bring down American lumber out of which to make their crates; they ship those pineapples in American ships to American markets; and those American ships, on their return, go to Cuba loaded with American cargoes. In this tariff bill I have heard very little about the increase of our foreign trade, which is in itself quite the largest subject of a commercial character that will confront us in the future. And yet it is proposed to give not only an unnecessary protection, but an absolute prohibition, to gentlemen who actually testify under oath that their soil is not fitted for this purpose, and who now propose to ruin American investors in an American industry that is promoting American trade, and to ruin American canners of this American product, and at the same time raise the price of pineapples to every American consumer.

A moment ago I looked over the American exports to Cuba which these pineapple-carrying ships take back. They consisted of lard, meat, potatoes, and all the products of our farms and of our factories. I have no doubt that the factories of New Hampshire sent many products there in exchange for pineapples. I know that many of the agricultural products of the Northwest went there in exchange for pineapples.

Mr. GALLINGER. Mr. President——

Mr. BEVERIDGE. So you are not attacking a foreign industry; you are not protecting against a foreign industry a domestic industry which thrives as you do protect it now. No; on the contrary, you are giving a prohibition against an American industry for the benefit of another American industry, whose own operators say that they are not well fitted for it. You are giving that prohibition as against an American industry which produces not only pineapples, but increases our commerce as well.

Mr. GALLINGER. Mr. President——

The PRESIDENT pro tempore. Does the Senator from Indiana yield to the Senator from New Hampshire?

Mr. BEVERIDGE. Certainly.

Mr. GALLINGER. I presume the Senator is accurate in saying that some of the products of the mills of New Hampshire go to Cuba. But I want to say to the Senator that unless I have read history incorrectly, in view of what this country has done for Cuba in the way of sacrifices of men and money and the advantage it is giving Cuba in the way of a differential in the tariff rates on her products, the increase in our commerce with Cuba has been very slight indeed. Cuba has not been a very good customer of the United States.

Mr. BEVERIDGE. Nobody knows better than the Senator from New Hampshire and that shrewd race of men who come from his section of the country that the foundations of commerce must be laid; that the beginnings of trade must be planted. And more than any other section of this country, the keen commercial genius of New England has recognized the fact that we must labor for long years in planting the seeds of trade, which finally, like every other process of nature, flower and fruit into profitableness. Is not that true?

Mr. GALLINGER. That would hardly strike me as being true in reference to an island that is at our very doors, and that has received such benefactions from this country as Cuba has.

Mr. BEVERIDGE. Our benefactions there, however, were given in the name of liberty; and then——

Mr. GALLINGER. Not altogether.

Mr. BEVERIDGE. They were voluntarily given.

Mr. GALLINGER. I saw it stated the other day that the recent occupation of Cuba by the United States had cost this country eight or nine million dollars.

Mr. BEVERIDGE. Yes; and that was done in the name of civilization. That was done in the name of restoring order. But do not let us get away from this commercial matter. I do not want to go into the general question of Cuba.

Mr. GALLINGER. No; I rose simply to say what I have said.

Mr. BEVERIDGE. I am glad to have the Senator say it.

Mr. GALLINGER. And I wish to repeat it, that I think Cuba has not been quite as good a customer of the United States as, in view of all the circumstances, she might have been.

Mr. BEVERIDGE. That may be true; but even if it is, does the Senator want to cut off a part of the small export cargoes that we do send there in exchange for the pineapples that we can not so well raise here?

Mr. GALLINGER. Well——

Mr. BEVERIDGE. Pardon me just a moment, and I shall be through.

Mr. GALLINGER. I am not going to make any reply to that. Of course I do not want to do an injustice to anyone.

Mr. BEVERIDGE. Of course not.

Just one other thing, Mr. President, and then I think I shall have no more to say.

If I believed from the testimony that Florida pineapples needed any more protection, and they were a natural product which we could increase as we can lemons and oranges, I should vote for additional protection. But the Senator from Florida himself will tell the Senate that on account of the seasons the Florida crop is very often impaired. If that be true, as the Senator from Maryland says——

Mr. TALIAFERRO. Mr. President——

Mr. BEVERIDGE. Just a moment.

Mr. TALIAFERRO. You have invoked my name.

Mr. BEVERIDGE. As the Senator from Maryland says that this increased duty amounts practically to a prohibition, then in case by reason of the frost, which the growers say very easily overtakes these tender plants, your crop were to fail, what would become of the supply of the American people? It could not be had, of course, except at exorbitant prices.

Now, I think that I am through, and I yield the floor.

Mr. FLETCHER. Mr. President, before taking up this matter in detail I will refer to what the Senator from Indiana has had occasion to observe in this connection. Of course that Senator has no direct or personal information upon this subject. I happen to live in Florida, and I happen to know something about the lands there and their adaptability for different purposes, horticultural and agricultural, and I happen to know something about pineapples. I am not dependent solely on what somebody may have said, or what somebody else may have said to him, or upon somebody's supposition or belief, or upon extracts from somebody's testimony. I happen to know. Of course it is just as comfortable for a man to think he is wise as it is to really be wise, and in that respect the Senator from Indiana may feel entirely justified in making these observations. But I submit that the facts lead us to this conclusion:

First, that he is entirely and absolutely wrong in his contention that this industry is an artificial one, and that it needs stimulation by an exorbitant tariff before it can successfully live. He is absolutely wrong in saying that the amendment offered by the Senator from Florida [Mr. TALIAFERRO] is intended to furnish that sort of artificial stimulation which no industry in this country is entitled to receive even at the hands of the highest protectionist.

I should like to ask the Senator from Indiana on what item in all this tariff bill has he voted for a duty of 14 per cent and felt that he was giving it an exorbitant duty? I should like to ask the Senator from Indiana where he draws the line between industries which are entitled to live and have a right to consideration and fair treatment and industries which ought to die because they need exorbitant artificial stimulation? Is it at 14 per cent ad valorem on the product? Is it at 32 per cent? Does he not know perfectly well that he has voted, in the case of item after item here, for duties of more than 50 per cent and never felt any qualms of conscience that he was giving artificial stimulation to an industry or a product that had no right to ask consideration at the hands of an American Congress? Does he not know perfectly well that he has voted for a duty of 50 per cent upon articles of food, upon articles necessary to sustain life? Does he not know perfectly well that every item in the fruit schedule bears a higher duty under the present bill and report of the Finance Committee than does the article of pineapples under the amendment offered by the Senator from Florida?

Mr. ALDRICH. Will the Senator from Florida allow me to ask him a question?

Mr. FLETCHER. Yes, sir.

Mr. ALDRICH. What is the present price of pineapples in Cuba per crate?

Mr. FLETCHER. One dollar a crate.

Mr. ALDRICH. No; in Cuba? I am talking about the price in Cuba.

Mr. FLETCHER. The present price of pineapples in crates in Cuba?

Mr. ALDRICH. Yes.

Mr. FLETCHER. It is estimated at $1 in arriving at the revenue.

Mr. ALDRICH. Oh, no! I am talking about the price in Cuba, at the plantation in Cuba.

Mr. FLETCHER. I can furnish the Senator the testimony as to what it costs to produce pineapples in Cuba——

Mr. ALDRICH. I am not talking about that.

Mr. FLETCHER. What it costs to deliver them in the eastern markets, and what it costs to deliver them in the western markets; and that is more important.

Mr. ALDRICH. What does the Senator say it costs to raise pineapples in Cuba?

Mr. FLETCHER. I say, in the first place, that it is absolutely unimportant for me to know what at this hour or at this minute or at this day or last week pineapples were bringing on the fields in Cuba. I can give the data as to what, on an average——

Mr. ALDRICH. Has the Senator any information at all on the subject?

Mr. FLETCHER. I have information upon the subject, and I propose to give that information which bears directly upon the question here, whether you propose to give this industry fair treatment or whether you propose to deny to it fair treatment. I am going to give you the data upon which you may base that sort of judgment, and it is utterly immaterial what the price of a crate of pineapples is to-day on the fields in Cuba. That may vary very materially, and, as a matter of fact, it does, according to the law of supply and demand. Comparatively little of the crop is disposed of there. We do not sell in Cuba. Cuba markets her crop in the United States, where we sell ours. The price here is the material point.

Mr. ALDRICH. What was it last week, or last month? What has it been at any time in the last three months?

Mr. FLETCHER. I am going to give you the figures. I can give you this—and this is in answer also to the suggestions of the Senator from North Dakota, who made a very apt inquiry of the Senator from Maryland when he was on the floor as to shipments from Cuba. Here is a quotation from the New York Journal of Commerce of June 10, 1909, from Baltimore. It says:

> There were offered yesterday some 8,000 crates of Habana pineapples. The demand was not very urgent, and the market easy—24-size per crate selling $1.05 to $1.30; 30-size at 80 cents to $1.10.

That means 30 pineapples to the crate.

> Thirty-six-size at 90 cents to $1.05, and 42-size at 80 cents to $1.

These have been the ruling prices for Cuban pineapples, approximately, since June 1.

Florida fruit is quoted in the same journal, on June 11, as follows:

> About 1,000 crates of Florida pineapples sold at $1.45 to $1.75 for 24-size; $1.10 to $1.40 for 30-size; $1 to $1.20 for 36-size; and 90 cents to $1 for 42-size.

Those are very recent quotations, and they show the market to be glutted in Baltimore, where the canners are clamoring for relief from any duty whatsoever on pineapples.

But further pursuing the argument of the Senator from Indiana, who sought to inject some sort of sentiment into this debate upon what seems to me a very practical question, to the effect that these pineapples are needed for the patients in the sick room, and that the poor unfortunates and diseased are about to be denied a sufficiency of needed means of relief from suffering—does he remember that the diseased person in the hospital lies upon a bed which bears a duty, covered by a sheet which bears a duty? Everything the poor unfortunate one has on is taxed more than 32 per cent. Why do you not relieve him of all these things? The very surgeon who operates on him operates with instruments taxed 100 or more per cent. And yet this appeal is made here solely that the pineapple, which he may need for his relish or what not, ought to be given him without any duty, or practically without duty.

Another statement is made, Mr. President, to the effect that the Florida pineapple is produced by foreign labor. There never was anything further from the actual truth than that. I do not mean to say that the Senator meant to misrepresent. His information is wrong. The labor that produces the Florida pineapple is the native labor, or the labor that has come in there for the purpose of growing pineapples. The growers of pineapples in Florida are people from all over this country. A large majority of them are Republicans, men coming from Republican States. Are you going to say the Republican principle of prosperity does not apply in a State because it lies outside of Republican territory?

But I am not bothered about their politics. I never inquired into it. I know this is an important industry. I know that there are 7,000 acres under cultivation in Florida to-day and 10,000 people are engaged in producing pineapples there. I know—and this is no guesswork, because I have seen the land and I have had to deal with some of it—that there are 500,000 acres of land in Florida suited and adapted to this industry. I know perfectly well that Florida, with Porto Rico and Jamaica, can supply the demands of this country, no matter what it may be in the future. I know that perfectly well.

The Senator says that Florida wants protection to stimulate artificially an industry that is not entitled to consideration, and that works against Cuba; that American capital is in Cuba, and that the industry in Cuba is an American industry. I ask Senators whether matters have reached a point where we are to legislate to promote the commerce and trade of Cuba as against an American industry? Have they reached the point where we must claim, because Americans are engaged in some industry in Cuba, that such is an American industry, when the citizens of our own States are to be denounced as engaged in an industry promoted by foreign labor?

That is an absurd statement—that Jamaicans are brought into Florida and work in the groves. Most of the labor in the pineapple groves is white labor. Most of it is intelligent labor. It requires a man of sense as well as of industry and enterprise to grow pineapples, I will tell you. The people who are doing it are people of sense; and they are enjoying as high a degree of civilization, with as nice homes and as nice surroundings and as great skill and industry as the people in any portion of this country, I care not where they come from.

Mr. BEVERIDGE. Will the Senator permit me to ask him a question?

Mr. FLETCHER. Yes, sir.

Mr. BEVERIDGE. Is it true that that industry has, under the present tariff, grown in production from 100,000 crates to 1,000,000 crates this year?

Mr. FLETCHER. It has grown in production from 100,000 crates fifteen years ago to over 1,000,000 crates to-day; not under, not in pursuance of, and not because of any protection or any law, but because of the enterprise and the industry and the intelligence of the men who are operating the groves.

Mr. BEVERIDGE. The Senator does not mean to say that he does not want the protection that he already has?

Mr. FLETCHER. I am giving you the facts. I am not going to admit that any industry in Florida owes its life and existence to any law; and I never will admit it.

Mr. DIXON. Mr. President——

The PRESIDENT pro tempore. Does the Senator from Florida yield to the Senator from Montana?

Mr. FLETCHER. I am not saying that legislation may not help it. I am not claiming that. But I am not going to admit that but for the law the industry would naturally die, unless the people saw fit to give it up.

The PRESIDENT pro tempore. Does the Senator from Florida yield to the Senator from Montana?

Mr. FLETCHER. Yes; certainly.

Mr. DIXON. I have been very tenderly inclined toward the duty the Senator asks for. But when he states that the duty has no effect on the production, I am not inclined to vote for it

as a tariff for revenue. I think he is destroying the sympathy of the argument that is affecting ten or fifteen votes on the Republican side. If that is the contention—that the duty does not increase the production in Florida—then I am not in favor of it.

Mr. FLETCHER. Mr. President, the Senator must have misunderstood me. The point I was seeking to make was this: The Senator from Indiana [Mr. BEVERIDGE] was endeavoring to show that because an industry had grown under the present law, as he sought to put words in my mouth, therefore it did not need any other legislation. I was contending that it was not under the law and solely by reason of the law that it had grown, but I am not contending that an increase of the duty upon pineapples would not benefit that industry in the State of Florida. On the contrary, I believe it would.

Mr. DIXON. I have been under the impression that this increase in duty would transfer the pineapple industry from Cuba to Florida. If it will do so, I shall gladly vote for it; but if the duty does not affect it, I should not want to raise the price of pineapples. I thought it depended almost entirely on this duty.

Mr. FLETCHER. Of course the representations of the people engaged in the industry are that they are losing to-day 40 cents a crate upon all their pineapples. That is a loss of $400,000 in that industry up to this time, this year, this season, and they can not continue that.

Mr. DIXON. But if the tariff were taken off entirely the industry would languish; would it not?

Mr. FLETCHER. They say they would absolutely go out of the business. They would not continue it as a commercial proposition, as a business undertaking, of course, under those circumstances. They might grow a few pineapples around their yards for their own use.

Mr. DIXON. Does the Senator believe that if we increase this duty to 40 cents a crate or 32 cents a crate it will result in establishing a great pineapple industry in the Senator's State?

Mr. FLETCHER. I undoubtedly do.

Mr. BEVERIDGE. Mr. President——

The PRESIDENT pro tempore. Does the Senator from Florida yield to the Senator from Indiana?

Mr. FLETCHER. I do.

Mr. BEVERIDGE. The Senator, I know, as much as any Senator, does not want to do another Senator an injustice. I did not put words in his mouth; I merely asked him permission to ask him a question. That question was this—and they were my words, not his: Whether or not under the present law, this industry has grown from a production of 100,000 crates annually to more than a million crates? The Senator said that it had.

Mr. FLETCHER. That is practically so in fifteen years.

Mr. BEVERIDGE. Then the Senator said that of course it was not on account of the law, but it was on account of the enterprise of the growers.

Mr. FLETCHER. I do. I do not believe now that they are making any money out of it. As I understand, they are losing 40 cents a crate.

Mr. BEVERIDGE. In the case of nearly every protected article I hear that either the manufacturers or somebody is losing a great deal of money. I am willing to take their word for that, although it is extraordinary to me to contemplate the number of commercial and manufacturing enterprises in this country that have been losing vast sums of money and are still going along, growing pineapples or making machines, as the case may be.

Mr. FLETCHER. They have no right to think the Government will destroy it. They think, probably, the Government would not discriminate against them.

Mr. BEVERIDGE. If what the Senator said was true—that the growth of the industry was not at all due to the duty, but was due to the enterprise of the growers—of course the duty could neither destroy it nor the reverse.

With reference to the question of the Senator from Montana about transferring this industry from Cuba here, I want the Senator from Montana to hear it. Will the Senator permit me to read from the growers themselves? I do not know that I need to take the time to repeat it, because I can put it in the RECORD. They say that the Florida pineapple is somewhat out of its natural element as to soil and as to climate, and go on to explain the margin of frost; that, as to soil, it requires a vast amount of fertilization all the time; and as to the seasons, it is often stricken with the blight of cold. All that is true, is it not? Therefore if the duty was 500 per cent under certain conditions the growers themselves testify it could not transfer the industry from Cuba, where it is a natural industry, to a country where it has such a climate and soil as that.

Mr. FLETCHER. I understand——

Mr. TALIAFERRO. If my colleague will pardon me a moment, I should like to have the Senator from Indiana make it clear to the Senate whether he is opposing this proposition on the ground that the development in this business for the last ten years proves that it does not need any more assistance, or whether on the ground that the crop is so unreliable that it is not worth while to discuss it.

Mr. BEVERIDGE. The first ground certainly, and partly on the second ground, though the Senator does not quite state accurately my idea as to the second ground. It would appear that an industry which has increased more than 1,000 per cent under the present law, and 1,000 per cent is an enormous increase, did not need more protection than Mr. Dingley gave it. That is the first one. On the second proposition the testimony of the growers themselves before the House committee shows that the Florida crop is subject to the cold in a peculiar way. I will ask the Senator to state if it is not true, because he knows and I do not know, except as I read from this testimony, that the frost often very materially impairs the crop. If that is true, and if we have to depend solely upon Florida for our pineapples, with such a climate as that, the American people would be without their pineapples or else would have to pay an exorbitant rate.

Mr. TALIAFERRO. The absurd inconsistency of the Senator from Indiana is what compels me to get up and interrupt my colleague. In the first place, he practically says that we can not grow any pineapples, because the climate is so unreliable and is so subject to frost——

Mr. BEVERIDGE. I did not say that. The Senator will pardon me.

Mr. TALIAFERRO. The Senator practically said that.

Mr. BEVERIDGE. No; on that point I do not say——

Mr. TALIAFERRO. In the next breath he proceeds to say that this development has been so extraordinary and so remarkable under the present duty that no greater assistance is needed.

Mr. BEVERIDGE. What I did——

Mr. TALIAFERRO. Let me tell the Senator he must take one horn of the dilemma.

Mr. BEVERIDGE. What I did was to quote the testimony of the growers themselves before the House committee, who were pleading for this duty. If the Senator considers that there is any inconsistency in their position and their statements, it is the inconsistency of his own witnesses.

Mr. FLETCHER. Mr. President, I do not want to weary the Senate; I want to hurry on with this question as fast as I can. I do not want to be simply beating the winds here and wasting my own breath and energy.

Mr. JONES. Mr. President, will the Senator permit me a question?

Mr. FLETCHER. I will hear the Senator.

Mr. JONES. I will state to the Senator that I felt very favorably inclined toward his proposition, but I have not heard all of his talk. He may have answered this proposition. I should like to know whether he is urging an increase of the duty solely on the ground of revenue.

Mr. FLETCHER. Mr. President, of course I expect to answer a good many questions where Senators are anticipating me. It breaks into any logical discussion of a question to be anticipated in this way. I contend, and I will be able to show, that at the present rate of duty of 14 per cent ad valorem over $100,000 came into the Treasury of the country last season; and this season there will be over $200,000 placed in the Treasury under the present rate, because whereas Cuba shipped into this country 840,000 crates the last season, they will ship here this season over a million and a half. Consequently, there will come into the Treasury under the present duty over $200,000 from that importation.

Mr. CLARK of Wyoming. Mr. President——

Mr. FLETCHER. If the Senator will pardon me a moment, at the rate of 32 per cent you can see that the revenue would be practically four times what it is now. So, the Government would get a revenue of over $400,000 out of the importations of pineapples.

Mr. JONES. Is that the sole reason of the Senator's advocacy of this increase?

Mr. FLETCHER. No; I am taking it up one step at a time. I can take up that proposition, and I say no one who is in favor of a tariff for revenue only would be justified in opposing this amendment. But I can take it up on the other proposition, and upon the ground of protection there is absolutely no ground whatever to stand on in opposition to the amendment.

Mr. JONES. I wondered whether that was the position the Senator is taking. That is what I was wondering.

Mr. FLETCHER. I am going to present my position fairly and fully and discuss the matter from every standpoint.

Mr. JONES. I will say to the Senator that I assume I might very likely be in favor of it; but simply on the ground of revenue, I might not.

Mr. FLETCHER. The Senator is a splendidly equipped Senator in every respect, and I shall be glad to find myself in accord with him, and shall feel honored by his support. I can substantiate, as I said, the claim here of a duty of a half a cent a pound to the satisfaction absolutely of any fair-minded man, whether he be a tariff-for-revenue man or a protectionist.

Mr. CLARK of Wyoming. I will ask the Senator which of those two grounds he takes in advocating this amendment.

Mr. FLETCHER. As I have stated, I am going to place the matter before the Senate in all its phases as far as I can with absolute frankness and fairness, upon its merits, and each Senator can figure out for himself whether he votes for it for one reason or for another reason.

Mr. ALDRICH. Will the Senator from Florida yield to me?

Mr. FLETCHER. I will, but it is breaking into a proper presentation of the subject. I will yield to the Senator from Rhode Island.

Mr. ALDRICH. The Senator is talking about a duty of 14 per cent. It is very evident that the pineapple industry both in Cuba and in the United States is now in a demoralized condition. But if pineapples are sold in Cuba at the price the Florida growers say they are now, the duty suggested is more than 100 per cent instead of 14.

Mr. FLETCHER. Mr. President, I am basing this statement not only upon the testimony of witnesses before the Ways and Means Committee of the House, but upon the reports of the Government itself, and that the Senator from Rhode Island has been kind enough to furnish to us here, not for our misguidance and our misleading, I hope. His document shows the rate of duty to be 14.88 per cent. Any Senator can refer to the report before him and find out whether I am correct or not.

Now, Mr. President, in reference to this question of the possibility that the country would be without pineapples some time in some period hereafter, there never has been a time but once, I believe, in the last fifteen years when pineapples were seriously hurt in Florida, and that only in the northern portion. Pineapples are not grown within 150 miles of the northern limit of our orange territory. The east coast of Florida, I would have the Senator from Indiana [Mr. BEVERIDGE] understand, is 500 miles long. There are 1,200 miles of seacoast about the State of Florida.

The east coast is, as I have said, 500 miles long, and pineapples are grown in the southern 250 of those miles. They are grown also on the west coast in the same latitude. While this gentleman so testified, perhaps, before the Committee on Ways and Means, although it is a perfectly well-recognized rule of law which ought to obtain in any intelligent body, that in order to be fair a man's whole statement should be furnished to the Senate, not merely extracts from some portions of his statement. Mr. McMullen perhaps did not contemplate when his testimony was given—I do not know just when it was given, as quoted by the Senator—that, as the whole country knows—and the Senate knows, I take it—at an expense of perhaps $15,000,000 a railroad is being built to sea down the east coast of Florida, and that railroad runs for 140 miles across the Keys, which are adapted for pineapple growing. All that territory has been opened up within the last few months.

But, Mr. President, I insist that we ought to consider the industry of a State in this Union, be that State North, South, East, or West; be it outside the Republican territory or in it; either a State with a comparatively sparse population or a State with a tremendous population. I would mention to the Senator from Wyoming [Mr. CLARK] that Florida has eight times more people than the State of Wyoming, although that State furnishes the distinguished chairman of the Judiciary Committee [Mr. CLARK] and the distinguished chairman of the Committee on Military Affairs [Mr. WARREN]. I say is it not the proper thing for us to consider an industry in our own country, in a State of prior importance to the interests of those, even though they may have removed from the United States, in a foreign country? Is it not, furthermore, statesmanship, is it not wisdom, is it not proper and right, that we should consider the interest of our possessions in the islands of the sea ahead of and before the interest of foreign countries? Have we not, as mentioned by the Senator from New Hampshire [Mr. GALLINGER], done enough for Cuba?

I do not care to throw one single stone at Cuba. I would see her prosper. I would aid her and assist her. I would favor any sort of proceeding that might help that country to establish a government for all time, permanent and prosperous, but I submit that not only should we discharge our duty as to an industry of a State of this Union, but our efforts are certainly next to be enlisted in behalf of our productions in Porto Rico and in Hawaii. The Senator from Indiana has entirely overlooked the possibilities of Porto Rico.

Last season Porto Rico shipped into this United States 75,000 crates of pineapples. This season Porto Rico will send to us 400,000 crates. The industry is developing at a wonderful rate in Porto Rico and it will not be long before she can send us a million crates just as well as not. So with Hawaii the same thing is going on. I say to the Senate here absolutely that for ten months in the year Florida can produce pineapples. It is absurd to say that she can not have any pineapples in the market in March, April, and May.

She can produce pineapples for ten months in the year, practically every month in the calendar; but Porto Rico can produce pineapples and have them in the market certainly as soon as Cuba. They have the same climatic conditions, and she can have her pineapples here as early as Cuba. Is it not worth while for us to keep Porto Rico in mind? If you want to eliminate Florida, then I will say to you, What about Porto Rico? If, for some reason or other, you think the industry is artificial in Florida, I ask you, What about Porto Rico and what about Hawaii? Porto Rico comes in direct competition with Cuba. Porto Rico can supply a million and a half pineapples in the next two years annually, and she can increase beyond that.

The Senator wants to know why there has been this increase. Because ten years ago the consumption in the United States was about 500,000 crates. The consumption in the United States to-day is over 3,000,000 crates.

Mr. SMITH of Maryland. May I ask the Senator a question? Will he please state the production of Porto Rico now? I have been told that it is about 150,000 crates. That is the testimony.

Mr. FLETCHER. A gentleman who is engaged in that industry, who is a Virginian or a West Virginian, and lives near here, and is engaged in the industry in Porto Rico, assured me that he was willing to make a contract with the canners of Baltimore whereby he would agree to deliver to them 400,000 crates this season.

Mr. SMITH of Maryland. I guess the proposition has not yet been made by the gentleman here.

Mr. FLETCHER. Of course I have only his word—a reliable gentleman—and I have not been to Porto Rico.

Mr. SMITH of Maryland. I understand the crop of Porto Rico is about 150,000 crates. That would be a very small dependence for the canners of this country. When a man offers to produce 400,000 crates in a territory that produces 150,000, I do not think it would be very safe to make the contract.

Mr. FLETCHER. It can not be questioned that the industry is new in Porto Rico, and that it is developing at a wonderful rate in those islands. There is no doubt about that. There is no doubt but that people from this country have gone over there and purchased lands and are producing pineapples on those lands. I should like to see them continue to do so; and they tell me they are willing to undertake to contract for this season 400,000 crates.

Mr. SMITH of Maryland. If the Senator will pardon me just a minute, the pineapple in Porto Rico is canned in Porto Rico, and that is one of the reasons why the people of this country are at a very great disadvantage. We all know that you can bring into the country very much cheaper an article after it is a manufactured product than a raw material and manufacture it after it is brought here. Now, in Porto Rico they can their pineapples there and bring them here in competition with the people of the United States free of duty. Our people have to pay a duty now of 14 cents per crate and can in competition with the Porto Rican pineapple and the pineapple of Hawaii. That is one of the troubles to-day with the duty now on as against the canning of pineapples in this country.

Mr. FLETCHER. I undertake to say that without regard to Porto Rico Florida can supply the demand of this country under proper conditions, and if, as the growers contend, Florida is properly supported and encouraged. According to the contention of these people she can do so in her own territory.

Let us see what are the rates. The rates under the Dingley law are 7 cents per cubic foot on a box or crate or barrel, $7 a thousand when in bulk. That rate went into effect in 1897. You must remember that after the war in Cuba all industries languished there. It took some years for this industry to get started after the war of 1898. It takes a plant two years after it is put in the ground before it bears at all, and it was for some years before Cuba began to produce pineapples of any great consequence after the devastation of the war and the destruction of enterprises over there. It is also true that the industry is new in Porto Rico comparatively, but the production is increasing in Porto Rico as well as in Cuba. Cuba shipped

to this country 840,000 crates last season. She will ship this season 1,500,000 crates. Florida produced 690,000 crates last season. She will produce this season about 1,000,000 crates. She can have under cultivation and growing pineapples, instead of 7,000 acres, 500,000 acres. The handicap as against Florida, as shown by the testimony before the Ways and Means Committee, is as follows. In the first place I read from page 4052, the testimony of Mr. Porcher:

The matter of pineapples is the point that I want to touch on forcibly, although I may repeat in part statements that have been made. We produced last season on the east coast 690,000 crates, while the importations from Cuba were about 840,000 crates. In addition to that we had importations from the Hawaiian Islands which have not been mentioned at all. We had importations from Porto Rico, and we had importations from Jamaica to contend with.

I do not understand that pineapples grown in Porto Rico are canned at all. They are shipped here, and shipped here in American vessels, whereas the statement that Cuban pineapples are shipped here in American vessel is, according to my information, erroneous. Most of them are foreign bottoms. They have that advantage. Now Mr. F. G. McMullen says:

It costs more to produce, in the field, a box of pineapples than it does a box of citrus fruit. We draw 14 cents a crate, and they draw 80 cents. Cuban pineapples, costing 20 cents to produce and 35 cents to pack, we will say, 14 cents duty, 32 cents transportation to New York, and then add your 7 cents or 7½ cents or 10 cents—they can place them there for $1.11 f. o. b. New York. Florida pineapples will cost you $1.80.

So the Cuban has the advantage, even though you give the duty asked in this amendment, of 54 cents per crate delivered in New York. The Cuban pineapple grower has the advantage, too, of 36 cents on every crate of pineapples delivered in Chicago or Pittsburg.

A Cuban pineapple grower can afford to pay a duty of 1 cent a pound on pineapples and still deliver his pineapples in New York at a less cost to him than the grower in Florida can do it. He will still have an advantage of over 6 cents, and pay 1 cent a pound duty. The Cuban grower can deliver his pineapples in New York, I repeat, and pay half a cent a pound duty at 54 cents less than the Florida pineapple grower can do it. He can deliver his pineapples in the Western market, in Pittsburg, in Chicago, in St. Louis, and pay a duty of half a cent a pound, for 36 cents less than the Florida pineapple grower can do it.

Mr. SMITH of Maryland. Will the Senator excuse me?

Mr. FLETCHER. Certainly.

Mr. SMITH of Maryland. Have you the information as to how many plants there are in an acre of pineapples?

Mr. FLETCHER. The average yield is 180 crates per acre. The yield is about 150 to 180 crates of pineapples to the acre on an average crop, there being about 33 pineapples to the crate.

Mr. SMITH of Maryland. I was asking how many pineapples were produced to the acre?

Mr. FLETCHER. The Senator will understand that what is meant by a crate is that these crates are 10½ by 12 by 36 inches, approximately 2½ cubic feet. This witness further states.

In asking for this rate of duty we are not asking for a prohibitive tariff, knowing full well that, with his cheapened cost of production, the foreign producer can well afford to come into our markets; but we do know that it will make him more cautious in the growing, handling, and packing of his product, and that he will be able only to place an article of the highest value in competition against us; and that the disastrous condition as at present with large lots of poor fruit of small sizes and in bad order sent in to demoralize the markets, disgust the consumer, and create a prejudice against the pineapple, and in many cases turn the consumer to using other fruits in its place, will be prevented.

This witness further states, at page 4059:

With their small cost for land and no fertilizers used, the Cuban grower has a maximum cost for labor of 80 cents per day, and at times much less figures, whereas we have a minimum cost for labor of $1.25 per day, with the average for a large part of the season above $1.50 per day, and a part of the year we pay as high as $2 and even $2.50 per day.

He further says:

It is shown that the cost of producing a crate of pineapples f. o. b. cars is from 70 to 90 cents per crate.

On page 4061 is given the following statement showing the cost per crate:

After a field is established there is an annual charge, as follows:

For fertilizers	$70.00	
Labor and depreciation	75.00	
		$145.00

Average annual yield, 180 crates.
Average cost per crate to produce, 70 to 80 cents.

Average cost to pack:		
Crates	$0.15	
Labor	.20	
		$0.35
Average cost of transportation to eastern markets		.75
Average cost per crate to produce		.70
Average cost to produce, pick, pack, and deliver to eastern markets, per crate		1.80

Compared to the Cuban industry:		
Average cost to produce, per crate	$0.20	
Average cost to pack	.35	
Average cost transportation, New York	.31½	
Average cost transportation, Cuban seaport	.07½	
Duty paid	.14	
		$1.08
In favor of Cuban product		.72
Increase of duty asked		.66
Balance in favor of Cuba		.06

In other words, the Cuban grower can pay the present duty of 14 cents and deliver his product to New York 72 cents cheaper than it costs the Florida grower. If this duty is raised 1 cent a pound, or 66 cents per crate, the balance in favor of the Cuban grower would still be 6 cents; but we are only asking that the duty be made 32 cents. We are not asking for a cent a pound. The testimony given further by these growers is that—

The cost to produce a crate of pineapples has increased under the Dingley tariff 33⅓ per cent, while the net price of late years has decreased.

		1897.	1908.
Cotton-seed meal	per ton	$18.00	$32.00
Crate material	per 100	9.50	13.50
Labor, negro	per day	1.00	1.50
Labor, white	do	1.50	2.50

That is what these gentlemen meant in the circular which the Senator from Maryland read here to-day, when they said they were growing pineapples under a protective tariff. Every item entering into the making of pineapples is increased in cost to the grower, as he figures it, by reason of the tariff laws. The paper which he uses to wrap his pineapples in, the crate, the nails, the machinery with which he cultivates his crops, the items which enter into the growing of fruit, all are increased by the protective tariff. Why, then, is he not justified in saying to the public that he is growing this crop under a protective tariff? That is what he means.

This testimony before the Ways and Means Committee further shows:

With 1 cent per pound duty Cuba can deliver pineapples f. o. b. New York for $1.74 per crate of 80 pounds, while Florida can not deliver its pineapples there for less than $1.80 per crate. This gives Cuba 6 cents advantage with the 1 cent duty, which we propose, and is positively not prohibitive.

That is the statement of the Indian River Pineapple Growers' League, on page 4065 of the committee hearings.

Mr. President, I shall hurry along. I do not want to weary the Senate. This is a matter of very great importance to us. Of course it is small as compared to a great many schedules and paragraphs of this bill, but it is not insignificant to a great many people down with us. We are not growing these pineapples in back yards. Our people are not living in mud huts. They are undertaking to build up an industry, and they illustrate the highest type of civilization in those pineapple groves. They are undertaking to build nice homes, to educate their families, and to develop this as a business enterprise. I say, then, that the duty under the Dingley law was 7 cents per cubic foot in barrels or boxes and $7 per thousand in bulk. The House raised that to 8 cents per cubic foot in barrels or boxes and $8 a thousand. The committee here returns to the Dingley rate and reports 7 cents per cubic foot when shipped in barrels or boxes or $7 a thousand, which means upon crated shipments a less duty than on bulk shipments. Seven dollars a thousand means an average of 21 per cent ad valorem, whereas 7 cents per cubic foot means 14 cents a crate. Hence Cuba ceased to ship in bulk and began packing and shipping in crates.

Mr. SMITH of Maryland. If the Senator will pardon me, there are no pineapples brought in here in bulk, and therefore that rate does not count at all. They are all brought in here in crates. Therefore, in making the comparison, there is only one way in which it can be made, and that is the difference between what it now costs to bring them here by crate and what it would cost to bring them if the duty were as proposed by the amendment of the Senator from Florida.

Mr. FLETCHER. It is not so important, Mr. President, but the Senator from Maryland is in error about that.

Mr. SMITH of Maryland. I say comparatively, as I will show.

Mr. FLETCHER. In this statement of Imports and Duties, at page 411, you will find that in 1907 there were shipped into this country pineapples from Cuba amounting to 1,726,559.51 cubic feet, valued at $649,723, yielding a revenue of $96,687.41. Those were the crate shipments from Cuba. Of pineapples in bulk under the general tariff there came in 1,212.96, valued at $36,218. Those were the bulk shipments last year.

Mr. SMITH of Maryland. That is, in round figures, there were $650,000 worth, which came in by the crate; possibly a small part may have come in by some small vessel. But I make the assertion that so far as shipments by bulk are concerned, that is not a thing to be considered in regard to this duty.

Mr. FLETCHER. Then there were shipments in bulk from Cuba alone, under the reciprocity clause, of 13,700, yielding $76.72 revenue.

Mr. SMITH of Maryland. In bulk, I see, from Cuba there were imported $369 worth.

Mr. TALIAFERRO. Does not the Senator from Maryland understand why they are not shipped in bulk?

Mr. SMITH of Maryland. Because it is cheaper to ship the other way.

Mr. TALIAFERRO. Exactly.

Mr. SMITH of Maryland. The fact is that as against $649,723.70 worth in crates there were $369 worth shipped in bulk. You may say there were none, for it amounts to almost nothing.

Mr. FLETCHER. The result of that criticism must be visited upon the committee. We have nothing to do with it.

Mr. TALIAFERRO. From what is the Senator reading?

Mr. SMITH of Maryland. I am reading from Imports and Duties.

Mr. TALIAFERRO. In 1898 the shipments in bulk were in value $146,982.44. They gradually declined until in 1907 the shipments in bulk amounted to but $36,218.

Mr. SMITH of Maryland. Not from Cuba.

Mr. TALIAFERRO. Under the general tariff.

Mr. SMITH of Maryland. Not from Cuba. The amount from Cuba was $369.

Mr. TALIAFERRO. I am speaking of shipments under the general tariff.

Mr. SMITH of Maryland. I am speaking of pineapples shipped from Cuba.

Mr. FLETCHER. There is no need to take up time in this manner.

Mr. SMITH of Maryland. I want to get at the facts in regard to this matter. I think the junior Senator from Florida [Mr. FLETCHER] has admitted that the value of the pineapples from Cuba shipped in bulk was only $369 as against $650,000 worth shipped in crates.

Mr. FLETCHER. I have not questioned that. The shipments of pineapples from Porto Rico in 1901 amounted in value to $11,140. Last year, 1907, the value of pineapples shipped from Cuba in crates was $649,723.70. The bulk shipments, under the general tariff, amounted to $36,218.09, and from Cuba the bulk shipments amounted to $369. The total revenue derived from pineapples for 1908 was $107,189.16. The total shipment was about 840,000 crates; and if you practically double the duty on those shipments, you would, of course, double the revenue. Even under the present rate the revenue would be over $200,000 per annum. The proposition is to increase that rate to one-half cent a pound, which means 32 cents per crate as to Cuba, and there is where the principal importations come from. Jamaica sends in some, but they do not amount to a very great deal.

The duty is less than the canners have on their product. They have no right to complain. They get 1 cent per pound, plus 30 per cent ad valorem. That is the duty they will get under this bill. So there is no justification for the canners to oppose a reasonable duty on this product, which would benefit the growers of the fruit. What does the canner put into the industry? What does the importer put into the industry? Yet the canner is protected, I say, by 1 cent a pound and 30 per cent ad valorem under this very bill.

Mr. President, there is no argument against our contention in favor of this amendment here, except upon the broad basis that there ought not to be any duty on anything; that you ought to do away with the custom-houses entirely. When we get to that point then the Senators from Maryland may well stand up here and ask that the duty be taken off of pineapples. You can not possibly argue, with any sort of foundation for your reasoning, that this duty should not be at the rate at which the amendment proposes to place it, unless you are willing to go the whole length and say there ought not to be any duty at all; and that is what the arguments of the Senators from Maryland come to—that there ought not to be any duty. Either that, or, if they should stand here as representatives of a special interest, the canning interest, they might then say they want them to have their material free out of which they will make their product—either one position or the other would alone furnish the basis for their argument. It seems to me there can be no other ground to stand on, and that all the arguments of the Senators from Maryland lead us to the conclusion that they are opposed to any duty at all on any product.

Mr. SMITH of Maryland. Mr. President, the Senator from Florida is very much at fault in that particular. In my remarks to-day I stated that strong pressure had been brought to bear on me to advocate the placing of pineapples on the free list, but I declined to do it. I stated that there was a revenue of $107,000 from pineapples under the present duty, and that I thought the Government was entitled to some revenue. I contended further that if you should increase the present rate of duty over 125 per cent you would not have the revenue you have now, because the duty would be prohibitive. I am for a revenue duty, and I so contended. I said that I was opposed to bringing in pineapples free, but I contended that the duty that now is placed upon pineapples is sufficient, and that it ought not to be increased as proposed by the amendment offered by the Senator from Florida, which is over 125 per cent more than it is now.

I contend that if you do that, instead of getting revenue you will have a prohibitive duty that will keep out pineapples from Cuba. I have said that that is the case more particularly; but inasmuch as the canners of pineapples in this country have to contend with the canners of Hawaii and Porto Rico, who can bring their pineapples canned into this country free of duty, they should not be compelled to suffer the disadvantage that the increased duty would impose.

The Senator from Florida says that we are contending for special interests. I contend, Mr. President, that the Senators from Florida are contending for a special interest. They are contending to protect a few hundred pineapple growers in Florida at the expense of this whole country. I say that I am not only endeavoring to protect the interests of the canner, but I am endeavoring to prevent a duty being put on pineapples that will keep them from the households of this entire country.

The people of this country are entitled to this fruit. There should not be a prohibitive duty put upon it, and I do claim that the proposed rate would be a prohibitive duty, that it would keep pineapples out, and that it would lessen the revenue the Government is now getting.

Mr. FLETCHER. I understand perfectly well the argument of the Senator. He made it so well in the first instance that it is hardly necessary to repeat it. His idea is that there ought not to be any duty on pineapples.

Mr. SMITH of Maryland. I have just contradicted that. To the contrary, I said there ought to be a duty—the present duty.

Mr. TALIAFERRO. I submit——

Mr. SMITH of Maryland. I said that I was not in favor of taking the duty off; that I was in favor of the present duty.

Mr. TALIAFERRO. I submit, Mr. President, that the inference of my colleague in stating that the Senator from Maryland was practically for no duty on pineapples was justified by what the Senator from Maryland has said.

Mr. SMITH of Maryland. Mr. President, I will say that I expressly stated in my earlier remarks that I was for a duty; that I had been asked to advocate no duty, but I had declined to do so, and favored the present duty.

Mr. FLETCHER. I understand that.

Mr. TALIAFERRO. Fourteen per cent on the product of Florida, Mr. President, and a cent a pound and 35 per cent ad valorem on the product of Maryland is what the Senator is advocating. Those are the facts, as I understand them.

Mr. SMITH of Maryland. I am not advocating any such comparison.

Mr. FLETCHER. I contend that what the Senator from Maryland bases his argument upon, and his course of reasoning and his logic can not be justified, except from the standpoint of being in favor of no duty at all on pineapples. I am not saying that he is arguing for that, but I say that, if we trace back his argument, we will find it will land him there; in other words, although he says he is in favor of a reasonable duty, when he comes to justify his claim for that sort of duty, it amounts to an argument in favor of no duty at all. But, however, that makes no difference.

Mr. SMITH of Maryland. I am opposed to a prohibitive duty. I am in favor of the present duty.

Mr. FLETCHER. Exactly. Now, Mr. President, the Senator from Maryland says the Senators from Florida are looking after their special Florida interests. I am not chagrined to be charged with having an eye to the interests of Florida or her people. I do not know anybody else who is going to look out for Florida if her own Senators do not do so. But, while I am attempting to do that, I yield to no man in affection and love for all the country and a desire to see every State in the Union prosper and the interests of all the States in this country sub-

served. At the same time, this is a matter where the Senators from Florida, not only by reason of attempting to represent that State, but by reason of their residence and by reason of their personal knowledge in connection with an important industry, it seems to me would be recreant to their trust and their duty here if they did not present this matter to the Senate for appropriate consideration in the legislation of this body.

But, in addition to that, Mr. President, Senators forget that Porto Rico, an island in our care and keeping, is largely interested in this same question; that Hawaii has a like interest, and that Hawaii and Porto Rico are asking for 1 cent a pound upon pineapples. That is the duty they are asking for. The Pineapple Growers' Association of Florida, whose communication was read here, are asking for 1 cent a pound upon pineapples, and they ought to know something about the significance to them of that duty. They have testified through their representatives before the Ways and Means Committee of the House that 1 cent a pound would not be a prohibitive duty, and how on earth a Senator can stand here and claim that a duty of 14 per cent is prohibitive, I utterly fail to comprehend. No such statement is verified on the part of anybody who pretends to know the facts, and certainly the claims of people who are interested in the industry, and who know of the history and the development of this industry, are entitled to some weight. Mr. President, the competitor of Florida and of Porto Rico, and, to a certain degree, Hawaii, is mainly Cuba.

The industry has grown up there largely since the war with Spain. She has these advantages: First, the cost of fertilizers that are used in the growing of pineapples in Florida is saved, labor is about one-half, farming implements are cheaper, and freight rates are 30 per cent per crate lower to important markets.

The Florida grower pays higher prices for all he has to buy in the making and marketing of his crop—fertilizers, tools and implements, box materials, nails, paper for wrapping—all are increased by the tariff. And therefore is it any wonder that he says, as quoted here to-day, that he is growing pineapples under a protective tariff?

As I said a while ago, I can not understand how a Senator who believes in the principle of protection can have the heart to stand here and oppose a duty of 1 cent per pound on pineapples, amounting to, as against Cuba, 80 cents less 20 per cent, or 64 cents per crate. The argument from a protectionist standpoint is unanswerable as to this industry for a duty twice what is asked. It is an important industry. That is not denied. There is no question about what the State can produce in the way of pineapples.

We have seen samples of them. Some Senators have confessed to having partaken of some of them, and they know what Florida can produce in the way of pineapples. There is no guesswork about whether they can grow there or be produced there. At the present price, the Florida growers report that they are losing 40 cents a crate, and that they must give it up as a business undertaking under the present duty. People in this country who can afford this wholesome and appetizing fruit would not like that; and the growers, who have invested millions, would suffer great loss. The finest pineapples grown anywhere in the world would disappear from the markets; groves which have received the best attention and required great outlays in time and capital and labor would be abandoned, and the scientific study and development of the fruit would cease.

Those engaged in the industry in Florida are men of the highest intelligence and marked enterprise. They come from all portions of the country, as I have said. I wish to see this industry prosper, and to have the people of this country have the benefit of the most highly developed and choicest pineapples in the world. I am unable to appreciate how a good Republican can find it in his heart to oppose a duty of double what is asked. It must follow that while under the policy he advocates the duty ought to be 1 cent per pound, when only half that was asked he would vote for that.

The difference in cost of production in Florida and in Cuba is greater than 32 cents per crate. The Cuban grower can pay a duty of a half a cent a pound and deliver his pineapples in New York for $1.36 per crate, while it costs the Florida grower $1.80 per crate—an advantage to the Cuban grower of 44 cents per crate. The Cuban grower can ship his fruit right through the Florida fields to Pittsburg for $1.54 a crate, while the Florda grower can not do that at a less cost than $1.90 per crate. These are actual results. That would give an advantage to the Cuban grower in that instance of 36 cents per crate.

The difference in freight rates has been brought to the attention of the Interstate Commerce Commission, and they have said that "if the present duty is not sufficient, these defendants"—referring to the transportation companies—"can not be required to reduce their charges for the purpose of keeping out the foreign article."

But we do not ask for a duty which will prohibit importation. Under the present duty of 14 cents per crate the revenue last year was, as I have stated before, $107,189.16. This year it will be nearly twice that.

At half a cent per pound, or 32 cents per crate, the revenue would be $480,000 a year. This duty is less than the average duty fixed in this bill on food staples, which is about 40 per cent. I want to call the attention of Senators to that.

This bill imposes, and the majority of the Finance Committee has favored, a duty of 50 per cent ad valorem on 26 kinds of biscuits in common use by all the people. How can anybody reasonably contend that 32 cents per crate, or practically 32 per cent ad valorem, is an excessive duty on this article, and then vote for the amendment adopted by the Senate on May 29 to paragraph 240, which swept into the 50 per cent duty list a large quantity of cheap, plain biscuits, which are slightly sweetened? Twenty-six different kinds of biscuits are included in that list—Oaten Biscuit, Arrowroot Biscuit, Littlefolk, Wheatmeal, Boudoir, Café Noir, Butter Fingers, Rich Digestive, Household, Concert, Waverly, Marie, Dessert, Albert, Rich Mixed, Sponge Rusks, Algeria, Windsor, Oval Digestive, Oval Rich Tea, Monarch, Coronation, Petit Beurre, Engardine Wafers, Gingernuts, and Cinderella.

Here are 26 different kinds of biscuits, slightly sweetened, used by the people everywhere; yet the Senator from Indiana and his associates voted for a duty of 50 per cent upon these, and he, with queer logic, claims that a duty of 32 per cent on pineapples is prohibitive and excessive and is an artificial stimulation.

There is a duty of 50 per cent on the biscuits that people need imposed in the present bill. How can people who are not obliged to have pineapples, who wish and are able to buy them, and can have them—a fruit which is a luxury, a duty upon which would yield half a million dollars in revenue—claim that 32 per cent is too high?

I insist that pineapples are not necessary to life or comfort. They are luxuries, and revenue should first be sought from just such commodities.

The Senator said that the Cuban pineapple comes in two months earlier than the Florida pineapple, and that the tariff would therefore have no effect. Porto Rico can ship pineapples just as early as Cuba can. There is no question about that. I have already alluded to the fact that Porto Rico has similar climatic conditions, and she will soon be producing as many pineapples as Cuba will produce. But Florida can produce pineapples during practically ten months of the year. It is our duty to consider Porto Rico as well as Florida in preference to Cuba.

As I have said, the canners can get their bulk shipments in at about 16 per cent, or $7 per thousand. This very amendment of $8 per thousand would not amount to over 20 per cent, so that they can come in in bulk from Jamaica and from the Bahamas for at a little over 20 per cent, but from Cuba at about 20 per cent, if they come in bulk; but they can come in that way to the canners where they are wanted.

It is no answer to say that the Florida pineapple is not canned. If the Cuban pineapple is fit to eat it competes with the Florida product. It may be canned, but it can be eaten, and is eaten; and it does lower the price of the Florida product by glutting the markets here in May and in June. There is no question about that.

The canners, as I have said, are, under paragraph 270 of this bill, protected to the extent of 1 cent a pound, plus 30 per cent ad valorem, in the duty on canned fruits. This industry is practically on all fours with the citrus industry. You have given to oranges a duty of 1 cent a pound, or practically 80 cents per crate. A crate of pineapples weighs about 80 pounds. A crate of oranges weighs about 80 pounds. You have given oranges 1 cent a pound, or 80 cents a crate; you have given grape fruit the same; you have given lemons $1.50 a crate; yet you propose to strike down pineapples with about 14 cents a crate.

I submit, Mr. President, that there is no sort of fair treatment of this industry under the provisions of the bill as reported by the committee. It ought to be treated on the same plane with the others. As my colleague has so well said, it costs as much to raise a crate of pineapples as a crate of grape fruit or oranges. They weigh about the same; they sell for about the same in the market. Why should you fix a duty of 1 cent a pound on the orange, and a duty of less than a quarter of a cent a pound on the pineapple? Is it because no other State in the Union but Florida produces pineapples? Then, in answer

to that, I ask you to please remember Porto Rico and the Hawaiian Islands, and consider them as a part of the country.

The average duty under this bill on farm and field products is 34.73 per cent. Mr. President, let Senators remember that when they come to consider a duty of 32 per cent upon a luxury of life, that the average duty under this bill on farm and field products is 34.73 per cent, on dairy products 35.15 per cent, on breadstuffs 33.42 per cent, on grape sugar 55.39 per cent, on maple sugar 49.65 per cent, on raw sugar 64.75 per cent, on wool 40.39 per cent; on fruits the average is 41.81 per cent.

The average of all the duties laid in the entire bill is about 46 per cent. There have been increases throughout the agricultural schedules. It is not a question of how much will be the increase if this amendment is passed. You might have had the duty at 1 cent per cubic foot, and you could have increased it a thousand per cent and still have been within the lines of good judgment and common sense. The question is whether 32 per cent is more than you ought to grant as a duty upon this article. And I call to the attention of the Senate the fact that on the fruits in this bill the average duty is 41.81 per cent, and under the entire bill the average duty is 46 per cent, while all that we ask on this luxury is 32 per cent.

An increase of the duty on pineapples would be in harmony with the action in respect to other similar articles in the bill. It is demanded by any sort of application of the principle of moderate protection, incidental or otherwise. It is justified by the application of the principle of tariff for revenue. It is required by the rule of consistency, the sense of justice and fairness.

To deny this duty of one-half cent a pound and $8 per 1,000 would be to deny to this industry the same treatment accorded to all others of the same kind and character, and indulge in a rank, unwarranted discrimination against the pineapple growers of Florida, Porto Rico, and Hawaii. It would be to deprive the Government of half a million dollars of revenue annually through a duty on a luxury. It would be to withhold from this industry the policy pursued toward the fruit schedules generally; and, instead of making that policy general, broad, and national, you would draw a black line across pineapples—an industry of great importance to our growers to the eastward and the Northwest and the South, growing in significance to the whole country at a wonderful rate; and the committee would blacklist and deny it the same treatment that other similar industries are given.

Mr. President, I shall not detain the Senate longer. There are many details I could go into; but I think that the time has come when perhaps Senators have made up their minds, and I am not disposed to indulge in a more protracted discussion when the result will be the same whatever is said and conclusions have already been reached.

Mr. ROOT. Mr. President, I am much opposed to this enormous increase of duty upon pineapples, but I do not wish to delay the Senate by repeating the arguments which have already been so ably presented.

The pineapple industry of Florida appears to be a flourishing and growing industry, and I am glad of it. It appears to furnish none of those indicia of necessity for further protection which should lead us to change the judgment that fixed the original protective rate. My object, sir, in speaking at all upon this paragraph is to insert in the RECORD and interpose in the discussion a suggestion of the established and traditional policy of the United States in respect of its relations with the island of Cuba, which is involved in the discussion of this duty.

We have a treaty with Cuba, made in 1903, under which, in consideration of a 20 per cent reduction upon Cuban products, American products have a reduction in Cuba. I do not think that my friend the Senator from New Hampshire [Mr. GALLINGER] does full justice to the operation of that treaty, for under it the exports from the United States to Cuba have increased, since the making of the treaty in 1903, from $27,000,000 to $47,000,000. Our exports to Cuba have increased 84 per cent in the five years since the treaty was made, while our imports from Cuba have increased but 9 per cent in the same period.

But, Mr. President, it is not a mere balancing of advantages which seems to me to be the most important. Under the traditional and unvarying policy of the United States, the island of Cuba is recognized as being, first, essential to the protection and the prosperity of our country; and, secondly, as being by a necessary corollary, through the exercise of that protection, entitled to be brought within the circle of the benefits that our strong and vigorous Government can give and does give to all who contribute to her strength and perpetuity.

Long ago, before any of us were born, the ablest statesmen of the Democratic party announced as a principle of American policy that the island of Cuba should never be permitted to come within the authority and control of any foreign power. It was because Cuba, standing at the gateway of our southern country, must be under American influence, and could never be, with safety to us, put under the influence and control of any other power, that we went to war with Spain. The arrangement under which we surrendered the possession of that island was based upon our right to control the destiny of the island, and upon our recognition of a duty to see that Cuba was made peaceful and prosperous. To-day we have upon the island of Cuba American naval stations, under a treaty, for the common protection of Cuba and the United States.

To-day we prohibit Cuba by treaty, by our legislation, and by the provisions we have required her to put into her constitution, from borrowing money beyond the limit that we say is permissible. We prohibit her from making any arrangements with foreign powers that will be to our detriment, although they might be to her benefit. And as a part of the arrangement by which we imposed those limitations upon the free conduct of Cuba, we have assumed to protect Cuba. As a part of that arrangement we have entered into a treaty by which we give to her a portion of the benefits of our protective system.

Mr. President, whatever may be the policy of a country, no policy can be so bad as vacillation and uncertainty.

The policy of the United States toward Cuba is established, and every act that we perform should be in accordance with it. I submit, sir, that it would not be in accordance with that established policy to assume that we are to protect the people of the United States against Cuba as we would protect them against a foreign country with which we had no special relations, and that the question as to the amount of duty to be imposed upon this Cuban product must be a question in which we are not to reverse the decision of our country in giving a 20 per cent differential to Cuba, but to assume that she is entitled to that, that our policy is to be maintained, and that she also is to have her share of our protection in regard to this as to all other products.

Mr. WARREN. Mr. President, may I ask the Senator a question in regard to our protection of Cuba?

Mr. ROOT. Certainly.

Mr. WARREN. I notice the Senator stated that our policy is established. We are at a juncture in the management of our national affairs where economy is demanded, and it has been given out that the allowances for the army and navy and other departments must be largely cut. It seems that we have been supporting a large army in Cuba and charging nothing of the extra expense to Cuba. Happily, the army is not there now. Would the Senator have us understand that if we should send the army there again, as we did a few years ago, to preserve peace, we would not make a charge against Cuba for whatever might be the extra expense of maintaining our army there?

Mr. ROOT. I should hardly care to express an opinion about what would be wise under circumstances which have not yet arisen, but I should say that, in my judgment, the interests which the United States has of keeping Cuba peaceful and prosperous are so immeasurable in importance compared with any expense we have been put to in the past or that we possibly shall be put to in the future that any question of compensation or reimbursement must be treated as of no account.

Mr. WARREN. I do not wish to interfere with the flow of the Senator's remarks, but it is a matter about which I have been questioned upon this floor, and I have been unable to say, and I do not know that anyone has yet arrived at a condition of mind where he is willing to say exactly what would be our course, but I wanted to get from the Senator while he was on that subject, if I might, some expression about it, because, of course, it is well to have a little preparation of mind beforehand for what might come to pass in the future; that is, a repetition of what has occurred in the past.

Mr. TALIAFERRO. Mr. President——

The PRESIDENT pro tempore. Does the Senator from New York yield to the Senator from Florida?

Mr. ROOT. Will the Senator let me finish my answer to the Senator from Wyoming? The clause of the law, familiarly known as the "Platt amendment," operating in our statutes and in the Cuban constitution and in the treaty between the two countries relating to intervention, declares that the United States shall have the right to intervene. It is not a privilege to Cuba; it is a right of the United States. We intervene in our own right because we claim to be entitled to keep peaceful and free the island that with our treasure and our blood we took from under the dominion of Spain, and that right is, in view of the attitude of the United States toward the Caribbean, toward the Panama Canal, toward all the countries about the Caribbean, a right of immense importance to the United States.

Mr. SCOTT. Will the Senator allow me to ask him a question?

Mr. ROOT. Certainly.

Mr. SCOTT. Does the Senator from New York think that the Cubans are giving us a fair preference in buying goods of our manufacture when, from the latest reports we have had, they are buying two or three hundred thousand dollars' worth of arms from Germany?

Mr. ROOT. I do not know from whom they bought arms. I know they bought $49,000,000 worth of goods from us in 1907 and $47,000,000 worth from us in 1908, and that their purchases from us in the five years since the treaty was made have increased 84 per cent. When you consider the fact that all their commercial relations had grown up under the dominion of Spain, so that their credit system and their business alliances were with Europe rather than with the United States, I think they have done very well toward turning over their trade to us.

Mr. SUTHERLAND. Mr. President——

The PRESIDENT pro tempore. Does the Senator from New York yield to the Senator from Utah?

Mr. ROOT. Certainly.

Mr. SUTHERLAND. The Senator from New York tells us that we have increased our trade with Cuba from $27,000,000 to $47,000,000. That has been an increase of $20,000,000. But we have given to Cuba in the neighborhood of $7,000,000 per annum out of our Treasury. Let us assume that the importers or the exporters of the United States to Cuba have made a profit of 10 per cent upon the goods that they have shipped to Cuba, which I think is a very fair estimate to make; that would be $2,000,000 per annum. Does the Senator from New York think that it is a profitable transaction for the United States Government to give to Cuba out of its Treasury six or seven million dollars per annum in order to enable some exporters along the Atlantic seaboard to make $2,000,000 per annum?

Mr. ROOT. I do not undertake to consider it merely as a reciprocity treaty, without reference to other considerations. I do not think that the reciprocity treaty between the United States and Cuba is profitable to the United States. I think that the United States gets more from that treaty than we get from Cuba in the mere trade. But I have not the slightest question that the profit to Cuba is of greater value to the United States than it is to the Cubans who make it, for we must keep Cuba as a free, independent, and peaceable country, or else we shall face the alternative of letting Cuba go to some foreign power, which we never can permit, or of taking it ourselves, which I hope we never shall commit.

Mr. SUTHERLAND. Mr. President——

The PRESIDENT pro tempore. Does the Senator from New York yield further to the Senator from Utah?

Mr. ROOT. Certainly.

Mr. SUTHERLAND. I entirely agree with what the Senator has last said. As far as I am concerned, the United States will never take Cuba with my vote. But I want to ask the Senator this question: Does the Senator think, in view of the fact that there is considerable difficulty confronting us now in the way of raising revenue to pay our expenses, the Government of the United States ought indefinitely to continue to pay out of the Treasury the enormous sum of six or seven million dollars per annum, and a sum which will increase as time goes on? Does the Senator from New York think we are indefinitely committed to that policy?

Mr. ROOT. "Indefinitely" indicates a long time. I think the treaty should be continued now. I think it would be a very great mistake for us to terminate the treaty. I do not know that I can say anything further, Mr. President.

Mr. TALIAFERRO. Will the Senator permit me to ask him a question?

Mr. ROOT. Certainly. I have said substantially what I had to say.

Mr. TALIAFERRO. I wish to ask the Senator from New York a question.

Mr. ROOT. I shall be happy to hear it.

Mr. TALIAFERRO. Does the Senator from New York contend that there is anything in the pending amendment violative in any way of the present treaty or the spirit of the present treaty with Cuba?

Mr. ROOT. My impression is, and it is a very strong impression, that the pending amendment would be violative of the spirit of the treaty. I think that for us to make a treaty, under which we agree to reduce by 20 per cent the duties on Cuban products, and then to turn around and make an increase of 128 per cent in the duty upon a product which comes to us from no other foreign country than Cuba, would, in substance, be a violation of the spirit of that treaty.

Mr. TALIAFERRO. I should like to ask the Senator from New York if he has not voted for increases on articles that Cuba purchases from this country that are just as important to Cuba as the exportation of pineapples? I understand that the Senator from New York has voted consistently with the committee on practically all of the high rates of interest to New York which they have placed in the bill, except, possibly, in the case of lemons, and those articles on which he has voted an increase embrace a variety of products and manufactures that go to Cuba and are bought and used by the people of Cuba.

Mr. ROOT. I fail to see what voting to increase a duty on an article that is exported has to do with the subject, unless it makes it possible to sell the article cheaper to the Cubans.

I am obliged to the Senator from Florida for his certificate to my consistency. I was not aware that I was entitled to the privilege.

Mr. SMOOT. I understand the amendment of the Senator from Florida is an amendment to the committee amendment, and therefore I can not offer an amendment to his amendment. But I desire to give notice now that if the amendment offered by the Senator from Florida is defeated, I shall offer an amendment by striking out "7 cents per cubic foot," line 15, page 84, and inserting "10 cents per cubic foot." In giving that notice I wish to say that that will be virtually an increase of about 48 per cent over the present rate. I fully believe that that increase is justified or I certainly would not offer it. It means 10 cents per cubic foot, and there being 2½ cubic feet in a crate, 25 cents per crate, or 20 per cent off on account of the shipment to Cuba, which would make 20 cents per crate, or an increase of 6 cents per crate over the Dingley rate.

I simply want to give notice that if the rate offered by the Senator from Florida is defeated I shall offer this amendment.

Mr. FLETCHER. I should like to say that that would mean about 20 cents a crate. That would mean about 20 per cent ad valorem in the duty on pineapples, which is about one-half the rate of duty on all the fruit schedules. It is less than one-half of the duty on the agricultural schedule. It is less than one-half of the duty on biscuits. It is less than one-half the average rate of duties throughout the entire bill.

Mr. SMOOT. I also want to add that I do not propose to offer the amendment on behalf of the committee but upon my own motion.

Mr. RAYNER. Mr. President, I only want to say that the amendment of the Senator from Utah I do not think will satisfy anybody on his own side or on the side that is against him.

The PRESIDENT pro tempore. The question is on agreeing to the amendment offered by the Senator from Florida [Mr. TALIAFERRO] to the amendment of the committee. [Putting the question.] By sound the ayes have it.

Mr. BEVERIDGE. I ask for the yeas and nays.

The yeas and nays were not ordered.

Mr. RAYNER. I ask for a division on the question. I think we ought to have a vote on this important schedule.

Mr. BEVERIDGE. Yes; we ought.

Mr. RAYNER. I think most decidedly we ought to have a yea-and-nay vote. What reason is there for refusing a yea-and-nay vote on this question, when you give it on a minor, subordinate schedule not nearly as important as this?

Mr. BEVERIDGE. Is it possible to renew the request for the yeas and nays after one has been denied by a show of hands counted by the Chair?

The PRESIDENT pro tempore. No; but it is possible for the Chair to put the question again.

Mr. BEVERIDGE. Well, will the Chair put the question again?

The PRESIDENT pro tempore. On this question the Senator from Indiana demands the yeas and nays.

The yeas and nays were ordered, and the Secretary proceeded to call the roll.

Mr. BAILEY (when his name was called). I am paired with the senior Senator from West Virginia [Mr. ELKINS], who requested me, if not here when the roll was called, to observe my pair. Therefore I withhold my vote.

Mr. CLARK of Wyoming (when his name was called). I have a general pair with the Senator from Missouri [Mr. STONE]. In his absence, I withhold my vote.

Mr. DILLINGHAM (when his name was called). I note the absence of the senior Senator from South Carolina [Mr. TILLMAN], with whom I have a pair, and I withhold my vote.

Mr. FLINT (when his name was called). I am paired with the senior Senator from Texas [Mr. CULBERSON]. He being absent, I withhhold my vote. If he were present, I should vote "yea."

Mr. JONES (when his name was called). I have a general pair with the junior Senator from South Carolina [Mr. SMITH]. He appears to be absent, and therefore I withhold my vote.

Mr. SMITH of Michigan (when his name was called). I am paired with the Senator from Mississippi [Mr. MCLAURIN], and I withhold my vote.

The roll call was concluded.

Mr. CURTIS. I am requested to announce the pair of the Senator from Oregon [Mr. BOURNE] with the Senator from Oklahoma [Mr. OWEN].

Mr. SCOTT. I will state that my colleague [Mr. ELKINS] was unavoidably called from the Senate Chamber. If he were here, he would vote "yea."

Mr. BAILEY. The Senator from West Virginia [Mr. ELKINS] requested me to observe the pair, but in view of the statement of his colleague, I vote "yea."

The result was announced—yeas 34, nays 30, as follows:

YEAS—34.

Bailey	Dick	Heyburn	Scott
Borah	Dixon	Johnson, N. Dak.	Simmons
Brandegee	du Pont	Lorimer	Taliaferro
Bulkeley	Fletcher	McEnery	Taylor
Burnham	Foster	Oliver	Warner
Carter	Frye	Page	Warren
Chamberlain	Gallinger	Penrose	Wetmore
Clapp	Guggenheim	Perkins	
Clay	Hale	Piles	

NAYS—30.

Aldrich	Crane	Kean	Rayner
Beveridge	Crawford	La Follette	Root
Briggs	Cullom	Lodge	Smith, Md.
Bristow	Cummins	McCumber	Smoot
Brown	Curtis	Martin	Sutherland
Burkett	Davis	Nelson	Tillman
Burrows	Gamble	Overman	
Burton	Gore	Paynter	

NOT VOTING—28.

Bacon	Daniel	Hughes	Owen
Bankhead	Depew	Johnston, Ala.	Richardson
Bourne	Dillingham	Jones	Shively
Bradley	Dolliver	McLaurin	Smith, Mich.
Clark, Wyo.	Elkins	Money	Smith, S. C.
Clarke, Ark.	Flint	Newlands	Stephenson
Culberson	Frazier	Nixon	Stone

So Mr. TALIAFERRO's amendment to the amendment of the committee was agreed to.

Mr. FLETCHER. I ask that paragraph No. 275 may be agreed to as amended.

The PRESIDENT pro tempore. The question is on agreeing to paragraph 275 as amended.

The paragraph as amended was agreed to.

Mr. DAVIS. Mr. President, I propose a new paragraph in the free list. I ask that it be stated by the Secretary and printed, and I shall offer it when the consideration of the free list is resumed.

The PRESIDENT pro tempore. The amendment proposed by the Senator from Arkansas will be received, printed, and lie on the table. Does the Senator desire to have the amendment read?

Mr. DAVIS. Yes, sir.

The PRESIDENT pro tempore. The amendment will be read by the Secretary.

The SECRETARY. In the free list it is proposed to insert the following:

472½. Sawed boards, planks, deals, and all other lumber of whitewood, sycamore, basswood, and all sawed lumber of every kind, whether dressed or undressed, finished or unfinished, shall be admitted free of duty.

Mr. ALDRICH. I offer a modification of the amendment heretofore reported by the committee to paragraph 402.

The PRESIDENT pro tempore. The amendment proposed by the Senator from Rhode Island will be stated.

Mr. BROWN. Mr. President——

Mr. ALDRICH. And I also offer an amendment to paragraph 405, which I ask to have printed.

Mr. BROWN. And go over until to-morrow morning?

Mr. ALDRICH. And, at the suggestion of the Senator from Nebraska, that the amendments go over until to-morrow morning. Then I shall ask for the consideration of these amendments by the Senate.

The PRESIDENT pro tempore. Does the Senator from Rhode Island desire the amendments read?

Mr. ALDRICH. No; I think that is not necessary.

The PRESIDENT pro tempore. They will be printed and lie on the table.

Mr. BROWN. I suggest that they ought to be printed in the RECORD.

Mr. ALDRICH. I ask that they be printed in the RECORD and printed as amendments.

The PRESIDENT pro tempore. It will be so ordered.

The amendments referred to are as follows:

Amendment reported by Mr. ALDRICH from Committee on Finance:

On page 158, in lieu of the proviso to paragraph 405, insert the following:

"*Provided*, That if any country, dependency, province, or any subdivision thereof shall impose an export duty or other export charge of any kind whatsoever upon any pulp wood, wood pulp, or printing paper exported into the United States, the amount of such export duty or charge shall be added to the duty herein imposed upon printing paper valued at 3 cents per pound or less, when imported from such country or dependency; and if any country, dependency, province, or subdivision thereof forbids or restricts the exportation of wood pulp, pulp wood, or printing paper into the United States in any way, and, in the opinion of the President, such prohibition or restriction unduly discriminates against the United States, and the President shall make proclamation to that effect, thereupon and thereafter there shall be imposed upon all printing paper valued at 3 cents per pound or less an additional duty equal to the rate of duty imposed by this section upon such paper when imported from such country or dependency into the United States."

Amendment reported by Mr. ALDRICH, from the Committee on Finance, viz: Insert the following:

"402. Mechanically ground wood pulp, one-twelfth of 1 cent per pound, dry weight: *Provided, however*, That mechanically ground wood pulp shall be admitted free of duty from any country or dependency (being the product of any such country or dependency) when and so long as such country or dependency, or any province or subdivision thereof, does not forbid or restrict the exportation of or impose any import or export duty, export license fee, or other export charge of any kind whatsoever, either directly or indirectly (whether in the form of additional charge or license fee, or otherwise), upon mechanically ground wood pulp, logs, or wood for use in the manufacture of wood pulp. Chemical wood pulp, unbleached, one-sixth of 1 cent per pound, dry weight; bleached, one-fourth of 1 cent per pound, dry weight: *Provided*, That if any country, dependency, province, or any subdivision thereof shall impose an export duty or other export charge of any kind whatsoever, either directly or indirectly, on pulp wood or logs exported to the United States, the amount of such export duty or other export charge shall be added as an additional duty to the duties herein imposed upon wood pulp when imported, directly or indirectly, from such country or dependency: *And provided further*, That in case any such country, dependency, province, or subdivision thereof shall forbid, directly or indirectly, the exportation to the United States of any wood pulp, logs, or wood for use in the manufacture of wood pulp, and the President shall be of the opinion that such prohibition unduly discriminates against the United States, and shall issue a proclamation to that effect, thereupon and thereafter an additional duty equal to the rates of duties imposed by this paragraph upon wood pulp shall be imposed upon any wood pulp imported from such country or dependency."

Mr. ALDRICH. From the Committee on Finance, I now offer a substitute for paragraph 424, which I ask may be read, and I hope that it may be disposed of without debate.

The PRESIDENT pro tempore. The amendment reported by the Senator from Rhode Island will be stated.

The SECRETARY. On page 170, in lieu of paragraph 424, it is proposed to insert the following:

424. Coal, bituminous, and shale, 60 cents per ton of 28 bushels, 80 pounds to the bushel; coal slack or culm, such as will pass through a half-inch screen, 15 cents per ton of 28 bushels, 80 pounds to the bushel: *Provided*, That the rate of 15 cents per ton herein designated for "coal slack or culm" shall be held to apply to importations of coal slack or culm produced and screened in the ordinary way, as such, and so shipped from the mine, and shall not be applied in whole or in part to any importation of coal shipped from the mine or imported as coal, notwithstanding portions or percentages of said shipment or importations would, as a matter of fact, pass through a one-half inch screen; coke, 20 per cent ad valorem; compositions used for fuel in which coal or coal dust is the component material of chief value, whether in briquettes or other form, 20 per cent ad valorem: *Provided further*, That on all coal imported into the United States, which is afterwards used for fuel on board vessels propelled by steam and engaged in trade with foreign countries, or in trade between the Atlantic and Pacific ports of the United States, and which are registered under the laws of the United States, a drawback shall be allowed equal to the duty imposed by law upon such coal, and shall be paid under such regulations as the Secretary of the Treasury shall prescribe.

The PRESIDENT pro tempore. The question is on the amendment reported by the Senator from Rhode Island.

Mr. MCCUMBER. I move to amend the proposed amendment by striking out the word "sixty" and inserting in lieu thereof the word "forty." The reduction proposed here is simply 7 cents a ton different from the present duty.

Mr. BACON. Mr. President, I desire to say that, in the absence of a printed copy of the amendment, unless the Senator from Rhode Island indicates what is the nature of the amendment and the effect of it we shall not be able to vote intelligently.

Mr. ALDRICH. The only change from existing law is a reduction of 7 cents a ton upon bituminous coal. The Dingley rate is 67 cents and the amendment proposed by the Committee on Finance is 60 cents. The duty at present upon coal, slack, and culm is 15 cents a ton. That duty is retained by the proposed amendment.

Mr. SMITH of Michigan. This is a reduction, as I understand.

Mr. ALDRICH. A reduction on the present law of 7 cents a ton on bituminous coal, leaving the duty upon slack the same as it is in the present law.

Mr. BURKETT. Mr. President——

Mr. ALDRICH. The House rate was 67 cents a ton on both coal and slack.

Mr. SMITH of Michigan. What is the present law?

Mr. ALDRICH. Under the present law the rates are 67 and 15 cents, respectively. The House rate was 67 cents on both coal and slack, but there was a provision that if other countries admitted coal into their possessions free of duty, we should admit coal into this country free.

Mr. BURKETT. Is that provision retained in the Senate amendment?

Mr. ALDRICH. It is not retained in the amendment proposed by the committee.

Mr. BACON. Mr. President——

The PRESIDENT pro tempore. Does the Senator from Rhode Island yield to the Senator from Georgia?

Mr. ALDRICH. I do.

Mr. BACON. The Senator may have given information; but in the confusion and with his face turned in the other direction, I did not catch it. I desire to ask how does this amendment compare with the provision as it came from the other House?

Mr. ALDRICH. As it came from the other House, the duty upon both coal and slack was 67 cents a ton, with a reciprocity provision that, if other countries admitted coal into their territory free, the coal from such countries should be admitted into this country free.

Mr. BACON. What I desire to know of the Senator, briefly, is whether or not the amendment proposes a greater duty than that imposed in the House bill, or whether it is less than that?

Mr. ALDRICH. It is less than that which the House bill proposes, except as to the provision as to reciprocity. The straight duty is less than that contained in the House bill. As I have stated, the House bill imposed a duty of 67 cents on both coal and slack, while the proposed amendment is 60 cents on coal and 15 cents on slack.

Mr. BACON. Now, will the Senator kindly add to that a little statement—as we have had no opportunity of examining the amendment—as to what is the particular feature with reference to reciprocity to which he has just referred?

Mr. ALDRICH. The reciprocity provisions are entirely stricken out. There is no provision for reciprocity in the Senate amendment.

Mr. BACON. What is the effect of striking that out, I ask the Senator from Rhode Island?

Mr. ALDRICH. The effect would be to strike out the provision for reciprocity; that is all. There is no provision for reciprocity.

Mr. BACON. Of course I know that is the effect—that is the direct effect—but what is the effect upon the general question of the rate which will be put upon coal?

Mr. ALDRICH. That is a practical question, of course.

Mr. BACON. Of course I would not ask the question if I could see the amendment; but I can not see it.

Mr. ALDRICH. The amendment is just as I have stated. The reciprocity would not affect the duty upon coal in this country unless Canada—for Canada is the only country from which we could get coal—should remove her duties entirely. Whether she would or would not is a question which I am not able to decide, and I presume no other Member of the Senate is able to do so. If she removed her duties, then Canadian coal would come into the United States free of duty; if she did not, coal and slack would pay a higher rate of duty under the House provision than they would under the Senate committee provision.

Mr. BACON. And under the House provision, if I understand it correctly, in case Canada should remove her tariff duty there would be no tariff duty on coal coming from that country into the United States.

Mr. ALDRICH. That is right; exactly.

Mr. BACON. To that extent, then, the amendment does make it possible that there may be an increase of duty.

Mr. ALDRICH. It does. In that contingency the proposed Senate committee duty would be higher than that in the House bill.

Mr. CRAWFORD. Mr. President——

The PRESIDENT pro tempore. Does the Senator from Rhode Island yield to the Senator from South Dakota?

Mr. ALDRICH. Certainly.

Mr. CRAWFORD. Under the practice in the Senate would it be in order for me to offer a substitute for the amendment offered by the Senator from North Dakota [Mr. McCUMBER]?

Mr. ALDRICH. It would not be in order at the present time.

Mr. CRAWFORD. The Senator from North Dakota offered an amendment. Now can I offer a substitute for that?

Mr. BEVERIDGE. That would be an amendment in the third degree.

Mr. ALDRICH. The Senator can offer a substitute for the entire paragraph, to be voted on after the amendment of the Senator from North Dakota is disposed of.

Mr. BACON. May I inquire of the Senator from Rhode Island upon what ground the Senate committee thought it important or proper to strike out the reciprocity provisions?

Mr. ALDRICH. Because the committee thought that they were not wise provisions.

Mr. BACON. I doubt not that is true; but the committee will certainly go further and give us the reasons upon which they base that conclusion. I did not ask for the conclusion; I asked for the reasons.

Mr. McCUMBER. Mr. President, I can give the Senator the reason of one member of the committee who does not believe in striking out that reciprocity provision. The fact is that, if we continue this reciprocity agreement, the chances are a thousand to one that we will have free coal; that is all; but by the Senate amendment we will not have free coal under any circumstances. That is about all there is to it. By the amendment which I propose, we would at least reduce the present duty on coal from 67 cents per ton to 40 cents per ton.

Mr. ALDRICH. Mr. President, the Senator from North Dakota represents himself, of course.

Mr. McCUMBER. Certainly; I said I spoke only for myself.

Mr. ALDRICH. The Senator spoke as one member of the committee. All of the other Republican members of the committee thought that this reciprocity provision ought to be stricken out, and I will give the Senator, if he desires, some of the reasons which influenced the committee in arriving at that conclusion.

In the first place, personally, I did not believe that Canada would remove her duties upon coal. I think the policy of the Dominion government and the economic conditions in that country would render it impossible for Canada to take the duties entirely off of coal, at the present time, at any rate, and that we should be left with a duty of 67 cents on coal and slack, as compared with 67 cents on coal and 15 cents on slack, as in the present law. Beyond that, the committee believed that if the duties were entirely removed both by Canada and the United States, the coal producers of the United States, especially in Wyoming and to a considerable extent in West Virginia and in other sections of the country, would be subjected to unfair competition from the Canadian coal producers and the Canadian mines.

As the Senate already knows, coal has been the subject of a duty from time immemorial. The Democratic Wilson tariff law of 1894 fixed a duty upon coal; and I think the Democratic party, or what might be called the controlling element of the Democratic party, has always been for a duty on coal. The States of Virginia and West Virginia, and, in fact, a great number of States, including Alabama and other Southern States, have always been opposed to the free admission of coal into the United States.

Of course the interests of New England upon this question are somewhat different from those of other parts of the country. It has been assumed in some quarters that New England would be benefited by removing the duty on coal. I do not think so, to any considerable extent. The coal which comes to New England, or would come to New England from the Maritime Provinces, especially from Nova Scotia, is not of a quality which can compete, or which does compete, with the coal of West Virginia for steaming or any other purpose. New England is buying to-day coal from West Virginia, and to some extent from Virginia and some other States, in competition with Canada and with Nova Scotia, when they could lay down coal in Boston, or at almost any other part of New England, at least a dollar a ton, and, in some cases, as much as $1.65 a ton less than we are obliged to pay for West Virginia coal, showing that the question of coal in New England is more a question of quality than of anything else, or of the tariff.

There were a number of people, coal producers of western Pennsylvania and of Ohio, and to some extent of Indiana and Illinois, who were very anxious to have this reciprocity provision adopted. To-day the Province of Ontario and certain other portions of the Dominion of Canada get their coal supply from the United States, which is the natural source of that supply; and it undoubtedly would be true that the coal producers and coal miners of extreme western West Virginia, of western Pennsylvania, and of Ohio, and perhaps some parts of Indiana, would be greatly benefited by this reciprocity treaty provision, provided it went into practical effect. I think they are the only people in the country who are really actively for this reciprocity provision.

The people of New England, I think, those who are not indifferent, would perhaps be willing to have the experiment tried. But I think there is no representative of New England who desires to have the duty entirely removed from bituminous coal, as it might be under the provisions to which I have referred.

After you leave this middle belt of the States I have named, to whose interest it would be to have reciprocity with Canada, you strike another part of the territory of the United States, perhaps the territory which is included in the States of North and South Dakota, and possibly Minnesota, which are now, I think, required by existing conditions to buy their coal from other parts of the United States. They may believe, and possibly it may be true—I think not, however—that they would be able to buy their coal lower if coal were on the free list, or if the duty were very largely decreased.

There is another section of the country, consisting of the States of Wyoming and Utah, that have large coal deposits of a very good character; and the free importation of coal into this country would be absolutely destructive of the mining interests of those States, especially of the State of Wyoming. I think I do not misstate matters when I say that they would have no possibility of competition with the coal mines directly north of them if the duty were entirely removed.

Again, on the Pacific slope, the coal producers of Washington would have no possibility of competition with the coal miners of British Columbia, Vancouver, and that section of Canada. So that, with the exception of a small territory in the center of the country and another comparatively small territory directly west of that, I think the interests of almost the entire country are against the free importation of coal here.

Mr. SMITH of Michigan. Mr. President——

Mr. ALDRICH. And as long as those of us sitting upon this side of the Chamber are in favor of the protective principle, it is impossible, in my opinion, to resist the conclusion that a reasonable duty ought to be maintained upon bituminous coal.

The PRESIDENT pro tempore. Does the Senator from Rhode Island yield to the Senator from Michigan?

Mr. ALDRICH. I do.

Mr. SMITH of Michigan. If we abolish the distinction between slack and coal, is it the opinion of the Senator that we will raise additional revenue by our course?

Mr. ALDRICH. We do not abolish the distinction.

Mr. SMITH of Michigan. I beg pardon; I think you do.

Mr. ALDRICH. Oh, no. The House abolished the distinction.

Mr. SMITH of Michigan. Exactly. Do we not unite them in one grade to avoid fraudulent classification?

Mr. ALDRICH. Oh, no. We report a duty of 60 cents a ton on coal and 15 cents on slack.

Mr. SMITH of Michigan. One further question: When we took the duty off of bituminous coal a few years ago we did it on the theory that we would lower the price of coal to the consumer, did we not?

Mr. ALDRICH. Yes.

Mr. SMITH of Michigan. And it did not operate to lower the price, as I recollect?

Mr. ALDRICH. No; it did not.

Mr. SMITH of Michigan. So the attempt we made was an utter failure, and neither yielded revenue to the Government nor coal to the consumer at a reduced price; nor did it solve the vexed question then confronting the country growing out of the coal strike?

Mr. ALDRICH. That is true.

Mr. HALE. And lost the revenue.

Mr. ALDRICH. And lost the revenue. The Senator will remember that there is no duty imposed by this act, and none under existing law, and none proposed, upon anthracite coal; and I think the section represented by the Senator from North Dakota is more dependent upon anthracite coal than bituminous coal. Of course, I assume that the manufacturing establishments in that country use bituminous coal, which perhaps comes from the coal fields of Illinois, or possibly the western coal fields; I think not, however, from Wyoming. I think it comes from Illinois and the country around there.

Mr. SMITH of Michigan. And Michigan.

Mr. ALDRICH. Yes; Michigan. But anthracite coal is on the free list, and that is the coal that these States I have alluded to use mainly. They use it, of course, entirely for domestic purposes, and I think they use it largely for all purposes except pure manufacturing.

Mr. McCUMBER. It is not used for any other than domestic purposes.

Mr. ALDRICH. So that the coal question of itself is not a very important one for these States, so far as it relates to bituminous coal.

These are, very briefly, some of the reasons which led the committee to conclude that there should be a duty maintained upon coal.

Mr. BURTON. Mr. President, I desire to address the Senate briefly on this subject.

I hope the House provision will be retained. There are many substantial arguments in favor of placing coal on the free list. Anthracite coal is already free; and similar arguments could be made in favor of removing the duty on bituminous coal. From this standpoint the amendment of the Senator from North Dakota [Mr. McCUMBER] is much better than the substitute offered by the Finance Committee. But it is not probable that any considerable quantity of coal—I might say any appreciable quantity—will come into the United States except from the British possessions to the north of us. There is no supply in sight in Mexico; and when the proposition is made to bring coal from Wales, or from other places across the ocean, although it is true that some cargoes are brought from Australia and also some Welsh coal is imported, it is not probable that such importations will assume any considerable magnitude.

Another reason why, save from British North America, the free entrance of coal is not necessary in order to lower the price is that we surpass all countries in our coal supply and in the variety of the locations in which it can be obtained. In the working out of those conditions in the year 1908 we exported 11,853,000 tons, against imports of only 1,504,000 tons, our exports being about seven times as great as our imports. In 1907 the proportion was somewhat less, but the total trade was larger, exports amounting to 13,152,000 tons and imports to 2,126,000 tons. In all recent years the exports have far exceeded the imports, though up to 1890 the imports were greater than the exports. This shows the growth of the industry of mining coal in this country. One great advantage to be derived from the House provision would be the opening up to the north of us of a very large market for our coal, extending from near the Ottawa River almost to Winnipeg. This is a growing section. There is a steady growth in population and in industry. They are importing now large quantities of coal mined in the United States, and the quantity which they would import would no doubt be very greatly increased if there were reciprocity in the coal trade between the United States and Canada.

One objection raised is that reciprocity will bring in a large quantity of coal from Nova Scotia. I will call attention to the statistics on that subject.

The total quantity of coal imported from Nova Scotia in 1907 was 616,000 tons. The annual average for seven years has been 723,000 tons. In order to save time, Mr. President, I ask unanimous consent that I may place some of these figures in the RECORD without reading them in detail.

The PRESIDING OFFICER (Mr. KEAN in the chair). The Chair hears no objection.

The matter referred to is as follows:

Imports of Nova Scotia coal.

	Tons.
1901	590,086
1902	751,382
1903	968,832
1904	713,170
1905	652,538
1906	769,775
1907	616,312

Importations of duty-paid coal into Montana and Idaho.

	Tons.
1904	159,488
1905	174,511
1906	258,466
1907	272,532
1908	410,120

Mr. BURTON. We had an object lesson in what would be the effect of free coal from Nova Scotia after the great coal strike in the autumn of 1902, at which time Congress passed a resolution allowing the free entry of coal. In that year, ending June 30, 1903, when, as everyone knows, there was a most distressing scarcity of the domestic supply, the total quantity imported from Nova Scotia was only 968,000 tons, or about 245,000 tons more than the average for seven years. If that was the case at a time when everyone was feeling the hardship of the strike and the scarcity of domestic coal, if the increase was so comparatively slight, amounting to barely 33 per cent, we may conclude with tolerable certainty that under free coal no such quantity would enter as to interfere with the sale of coal mined in West Virginia, in Pennsylvania, or in any other State.

Another objection is that the coal mines of Wyoming will suffer from Canadian competition.

Let us look for a minute at the coal that is imported from Canada into Montana and Idaho, as included in the statement given. The quantity has increased somewhat; but it amounted to only 410,000 tons in 1908. There is a feature in connection with these importations to which I wish to call especial attention.

A part of the coal of Wyoming is hauled 532 miles—in fact, at one place, Missoula, 562 miles; at another, Phillipsburg, 535 miles—at a cost of $4.25 per ton. I question most decidedly

whether the waste of energy required to carry that coal more than 500 miles, at an expense of more than $4 a ton, considerably more than double the cost of the coal, is worth while, when there are coal mines right across the border in Canada. The following table illustrates this peculiar situation:

Distances and rates on coal, carload, from Cumberland, Elkol, Glencoe, Diamondville, and Kemmerer, Wyo., to points in Montana and Idaho.

To—	Lump, nut, and run of mine.	Slack.	Distance from Cumberland.
			Miles.
Firth, Idaho	$3.00	$2.50	223
Idaho Falls, Idaho	3.25	3.00	238
Pocatello, Idaho	2.00-[a]1.75	2.00-[a]1.75	188
Montpelier, Idaho	1.75	1.60	89
Boise, Idaho	4.00-[a]3.75	4.00-[a]3.75	452
Butte, Mont	3.25	3.00	450
Anaconda, Mont	3.25-[a]3.00	3.00-[a]2.75	470
Missoula, Mont	4.25	4.25	562
Phillipsburg, Mont	4.25	4.25	535
Garrison, Mont	4.00	4.00	488
Monida, Mont	3.25	3.00	318

[a] Summer rate, effective June 1, 1909, to August 31, 1909, unless sooner revoked.

Distances computed from Cumberland, this being farthest distant mine from destination.

Above table from figures furnished by Interstate Commerce Commission June 9, 1909.

Let us now compare the amount of the possible loss in the localities described with the magnitude of the trade in the Lake region from the United States to Canada.

In 1906 the amount of bituminous coal carried into British Columbia, almost all of which was in this middle section, amounted to 5,357,000 tons—more than twenty times the amount imported that year from Canada into Montana and Idaho, and seven times the average amount brought in from Nova Scotia. In 1907 the exports were 7,194,000 tons, or eight times the combined amount imported from Canada into Montana and Idaho and from Nova Scotia into New England. Thus it appears that by reciprocity our shipments of coal would be approximately eight times as large, and the benefit proportionately as great, as against that degree of disadvantage which would fall upon the Wyoming section, or would rise from the possible decrease of coal shipped from Pennsylvania or West Virginia to New England. I submit, Senators, that there is so great a preponderance of advantage in favor of reciprocity, both in the buying and the selling of coal, that we should adopt the House provision.

Mr. BACON. Mr. President——

The PRESIDING OFFICER. Does the Senator from Ohio yield to the Senator from Georgia?

Mr. BURTON. I do.

Mr. BACON. Before the Senator takes his seat, I simply wish to draw his attention to the fact that the amendment proposed by the Senator from North Dakota does not embrace a reciprocity feature, but is simply one looking to the reduction of the rate of duty; and that the point that he desires to accomplish can only be reached by subsequent enactment. There is nothing now pending which will reach it.

Mr. BURTON. It can be reached by adopting the amendment of the Senator from North Dakota in place of the substitute offered by the Finance Committee. I will say to the Senator from Georgia that I am intending to vote for the amendment of the Senator from North Dakota as a step in what I regard as the right direction.

Mr. BACON. I shall vote that way myself. But the defeat of the House amendment, in case the amendment of the Senator from North Dakota were defeated, would have the objection, to my mind, that so far as the amendment goes it is an improvement, in the fact that it reduces the duty. So that it seems to me that with the views entertained by the Senator from Ohio, the proper course would be to endeavor to retain the favorable part of the substitute of the committee and amend it by restoring the reciprocity feature; because outside of the change in regard to the reciprocity feature, the only feature of the amendment is that it reduces the duty.

Mr. BURTON. Oh, I will state to the Senator from Georgia, as a practical method of gaining what is desired, that I expect to vote for the first amendment.

Mr. CRAWFORD. Mr. President——

The PRESIDING OFFICER. Does the Senator from Ohio yield to the Senator from South Dakota?

Mr. BURTON. I do.

Mr. CRAWFORD. Simply for the purpose of ascertaining just what the situation is here, I wish to ask if the Senator from North Dakota, in the amendment which he has offered, leaves the situation as to this countervailing provision as the House left it? Or is that out of the section as he proposes an amendment to the amendment offered?

Mr. McCUMBER. Mr. President, I can answer that by stating that I did not think that the two amendments ought to be joined. I am in favor, first, of a reduction to 40 per cent. I am in favor of free coal if I can get it. If I can not get free coal, I should like to get it at 40 per cent. Then, whether this prevails or not, I should move to amend by reinserting the House reciprocity provision——

Mr. ALDRICH. That will not be necessary, Mr. President——

Mr. McCUMBER. But as a separate proposition.

Mr. ALDRICH. Mr. President, I will state for the benefit of both the Senator from North Dakota and the Senator from South Dakota that it will not be necessary to vote to insert the House reciprocity provision. Senators can vote for that by voting down the committee amendment.

Mr. BEVERIDGE. I think the course suggested by the Senator from South Dakota, to offer it as a separate proposition, is absolutely the right one.

Mr. BURKETT. Mr. President, I wish to say to the committee that I am not one that favors putting everything, or very many things, on the free list. I have always thought that, as a general proposition, every industry ought to pay its due proportion of whatever is raised by a revenue tariff. But it has occurred to me that if there is one thing that ought to be placed on the free list, it is coal. I am not going into the figures, as was done here, with reference to imports. I doubt very much whether free coal would make much difference with the imports. Coal is an article the cost of which to the consumer is very largely a matter of transportation. Coal is not very expensive where it is gotten out of the ground, but it is very expensive to transport; and I have always believed that the people ought to be permitted to buy coal at the nearest possible place where it is taken out of the ground, and thus avoid the expense of a large amount of transportation.

The amount of tariff we may put upon coal will make very little, if any, difference in itself in the price of coal, but it may force a long haul that will add very much to the price to the consumer.

I live in a State that does not produce any coal, and I am not certain that retaining the tariff on coal or taking it off of coal would either of them affect the price of our coal supply. I doubt very much if they would. We shall always have to pay for a long haul. Free coal could not lessen the haul to our consumers. I am rather inclined to believe that the more we build up the coal mines of Wyoming the better it will be for the other industries of our State; and I understand how anxious the Senators from that State feel about retaining the tariff on coal. But there are sections of this country, in my opinion, as I have looked at the coal map—which I have here, but which I am not going to take the time to exhibit—that are closer to the coal mines in Canada than they are to ours, that would receive very great benefit if we should take off the tariff between this country and Canada, and save the present enormous cost of transportation.

Free coal would be beneficial to some portions of the country. I think it would have a tendency to build up industries in some sections of the country, and thus distribute the manufacturing industries of the country which must always depend very largely upon the fuel supply.

I think the people of the country quite generally would welcome the taking off of the tariff on coal. I have gone through the hearings. I will say to the chairman of the committee, and I observed that the people from New England were practically unanimous in asking for the removal of the tariff on coal, believing that it would help them in their industries. I observed that the people, quite largely from Pennsylvania, were here asking that the tariff be taken off of coal, believing that they were closer to certain markets in Canada, and by reason of decreased transportation free coal would open up a market for their coal in certain portions of Canada. That same thing would apply in certain sections of our country in opening up a market, no doubt, to foreign coal. As I said, getting coal at the nearest mine on either side of the line would save an enormous amount of transportation in some instances, and it would tend to distribute industries.

This is one of the reasons why I should like to see coal on the free list. I have been in hopes that the committee could find it in their judgment, after deliberating upon the matter, to reduce it at least so as to give to the people the benefit of the cheapest possible transportation of coal.

Mr. GALLINGER. Mr. President, I desire simply to say that the people of New England are not in favor of free coal or reci-

procity with Canada. There are certain gentlemen in New England, some manufacturers and some owners of coal mines in Nova Scotia, who want free coal. We had free coal not many years ago, for one year, and imported coal into the port of Boston—nearly a million tons—and it was not sold at a penny less than it sold before the duty was removed.

Mr. BURTON. Mr. President——

The PRESIDING OFFICER. Does the Senator from New Hampshire yield to the Senator from Ohio?

Mr. GALLINGER. Certainly.

Mr. BURTON. Is it not a fact that at the time of that importation there was a most unusual scarcity in the production of the mines of the United States?

Mr. GALLINGER. That is true.

Mr. BURTON. Some of them having ceased entirely. So that year is by no means a fair test as to whether the price would be reduced or not.

Mr. GALLINGER. That is true; but it shows that the gentlemen who were so anxious for free coal at that time did not find it in their hearts to deduct from the price of the coal the amount they had been paying formerly in duties when it came into New England—they simply added that to the price of the coal. If we had reciprocity with Canada, we would exchange good coal for poor coal; that is all. Our coal is very much superior to that of Nova Scotia. We do not want to go into a bargain of that kind.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from North Dakota [Mr. McCUMBER] to the amendment of the committee, on which the yeas and nays have been demanded.

The yeas and nays were ordered.

Mr. BAILEY. I want to ask the chairman of the committee what is the ad valorem equivalent on coal as reported now by the committee? My own impression is that it is something like 20 per cent.

Mr. ALDRICH. It is a little less than 20 per cent on the importations of 1907.

Mr. BAILEY. Upon that rate the Government collected, I believe, $695,000. The result would be that if a reduction of more than one-third should be made in the duty the Government would lose something like $230,000, and the benefit of it would go to the people who live at a convenient ocean delivery and the other people who live along the Canadian border. The same people who have been asking for an increase of duty on bread are now asking for a decrease of the duty on coal.

As far as my own constituents are concerned, whether the duty be much or little, it is a matter of no consequence, because transportation rates in this case, as in many other cases, render it immaterial to them whether one or another rate of duty shall be levied.

But I am not unmindful that if the Government remits to people who live at convenient distances to the coal mines of other countries the $250,000 which it now collects, it must collect that $250,000 on something else, and I suspect that it will collect it on something that my people do buy and use; whereas it now collects it on something that my people neither buy nor use—not that they do not use coal, but they use coals produced in mines situated nearer to their homes; and it would be impossible for this Canadian coal to find its way to our markets if we had free coal or even if a bounty were paid upon it. As my people do not pay any part of the $700,000 which the Government now collects, and as they would be certain to pay a large part of any amount which the Government remits, I believe I will let the manufacturers pay this moderate duty on their coal, and especially as they exact upon the manufactured goods which they make with this coal a much higher duty. In other words, as long as the manufacturer demands a duty of 30 and 40 and 50 per cent upon the product of his mill, I think he can well afford to pay the Government the very moderate duty of 20 per cent on the coal which he uses to supply his mill.

Of course, Mr. President, I do not complain that people who have to buy coal want it as cheap as they can get it. That is natural; and perhaps the Senator who represents a constituency of that kind might fail in the performance of his duty if he did not attempt to reduce the rate to the lowest possible point. Neither am I to be understood as saying that I would lay the same duty on every article, because I would not. In fact, coal is one of those necessaries of life that if the repeal of a duty on it would operate equally in every State and in every community, I would vote to put it on the free list, because people must keep warm. I would love to see coal so cheap that no part of this country would be compelled to heat itself with the products of the forests. I would like to conserve the forests in that way.

But knowing as I do how utterly impossible it is to distribute the amount that the Government would lose by the remission of the duty on coal among all the people alike, I am rather inclined to leave each community to enjoy as I would leave each community to suffer the advantage or the disadvantage of its natural location.

If the farmer in South Dakota wants a duty of 30 cents on every bushel of his wheat, then he ought not to complain that he pays a duty of less than 20 per cent on his coal. If he protects himself in the sale of his wheat against the competition of his neighbor across the Canadian border when he comes to sell his product to his own people, he ought not to complain that the rule which he applies to others in the sale of wheat is applied to him in the purchase of coal.

Neither am I inclined to still further increase the advantage of our New England friends by allowing them to bring their coal from Nova Scotia by water and thus minimize the cost of their production until they will consent to reduce the tariff and transmit to the people at least a part of the benefit of this reduced cost of production.

Mr. President, it is not a question with me of protecting coal mines. We have none to protect; or, rather, we have none which can be protected. We have some coal mines in western Texas, but they are so far from the balance of the country that we do not ship it where it would come in competition with imported coal, and therefore it could not affect its price.

So I am in this happy circumstance, that what my people sell could not be enhanced in price and what my people buy could not be reduced in cost, and I am at liberty—and whether I was so circumstanced or not I would still pursue my rule—to look at this question purely as one of revenue. I think the people who import coal ought to contribute to the support of the Government, at least as long as people who import clothes are compelled to do so.

Mr. McCUMBER. Mr. President, if there was nothing more in this question than the simple one of revenue or a simple question of protection, then I would be perfectly free to admit that the duty of 60 or 67 cents would be a reasonable duty. But, Mr. President, there is no more similarity in the argument of a duty upon grain and a duty upon coal than there is a similarity in a beautiful marble statue and a bale of hay. They have no relation whatever to each other. If we could go right on producing coal, and that which we produce this year could be reproduced another year, then there would be no question but that the duty would be a very reasonable duty.

I am not going into the question of the extent of our coal fields again, nor how soon they are liable to be exhausted. That subject was discussed over and over again. I have my convictions upon the question of oil. I believe in free oil, not because I do not believe in protecting oil if we could reproduce it again in the well and take out as much next year as we take out this year, but I know that every barrel we take out means the exhaustion of the quantity in the United States, and is to that extent an exhaustion forever.

That applies equally to our coal. I stand upon the broad proposition that those great natural resources which once utilized become forever exhausted should be protected and shielded as long as possible, and especially where it is evident that the exhaustion will take place in the near future.

For that reason, Mr. President, I have been in favor of free coal, for that reason I am in favor of free oil, for that reason I am in favor of free lumber, because the field of supply is rapidly being consumed to-day, and it will be still more rapidly consumed next year.

Mr. President, it is useless to go over this question again. I shall vote for any measure for free coal not because the duty is excessive in any way, but simply because when once exhausted we can not reproduce it, and because my opinion is that the supply is far more limited than most people believe.

Mr. BAILEY. Mr. President, one word. The view which the Senator from North Dakota has suggested produces on my mind exactly the opposite impression. I can not comprehend how we can make people more careful to preserve any commodity by making it cheaper to them. Indeed, unless I misunderstand human nature entirely, the way to make people take care of a thing is to increase its price. I know perfectly well that any man will waste coal worth a dollar a ton when he would take great care of it worth $10 a ton. So if it be true that our mines are at the point of exhaustion, you will not delay the evil hour by reducing the price.

Now, Mr. President, I do not mean to suggest that high coal is a good thing. I know to the contrary. I would love to see fuel so cheap that the poor would never suffer from the cold. But I know that if you look at it merely as a matter of exhaust-

ing the mines, you can not prolong the supply by reducing the price of coal, because it is true of coal, as it is of everything else in this world—as you make it cheaper you make men less careful in preserving it.

So it seems to me the argument advanced by the Senator from North Dakota would have exactly the opposite effect. I have, perhaps, no right to say that it would have that effect on everybody else; but I know that in my own case, the more I have to pay for a thing, the better care I take of it, and I submit to the Senate and to the country if that is not true of everybody?

Mr. McCUMBER. Mr. President, the people of the world do not waste fuel. The people of the United States do not waste their coal whether it is cheap or whether it is dear. The people need to be warm. They want to use such coal as will be sufficient to warm their homes. They want to use such an amount of fuel as is sufficient to do their cooking. They will not use any more because it is cheap. It is a bare possibility if it gets so high that they can not purchase it they will go cold rather than buy coal. I do not want to put them in that position. My point is this simply, that we will import more from a foreign country and will not exhaust our own mines quite as rapidly.

Mr. JONES. Mr. President, I agree with the argument of the Senator from Texas [Mr. BAILEY] in reference to the consumption of coal, but I am not surprised that the Senator from North Dakota is very uneasy at the exhaustion of the coal supply. I find by the Geological Department estimate made in 1907 that they estimate we have in this country only about 3,147,025,000,000 tons of coal in sight, or enough to last the country four thousand one hundred and fifty years, consuming what was consumed in 1907.

I am not going to discuss this matter at any length whatever at this time. I may do so somewhat later in the session. But I desire to say that if we have free coal, it means a loss to the markets of the miners of this country in all the Pacific coast cities; that the market will be taken by the Canadians. It means the closing of many of the Washington state mines and throwing out of employment thousands of our miners and a stoppage in the development of the almost inexhaustible supply of coal that we have in our territory.

It may be that if you put coal on the free list you would help some sections of this country and give it a little greater trade; but I do not believe it is the policy of the Republican party or that it is the desire of the people of this country that the trade of any particular section shall be built up at the expense and to the detriment of any other section of the country.

Mr. President, I ask that I may be permitted to have printed in the RECORD a statement prepared by Mr. F. A. Hill, of the State of Washington, with reference to this question; also a protest on the part of the people of the State of Washington; a table showing the wage scale in Washington and in British Columbia mines; also resolutions of the Federation of Labor of the State of Washington; and a letter, together with a statement, from the Delegate from Alaska with reference to the coal possibilities of Alaska.

The PRESIDING OFFICER. In the absence of objection, permission is granted.

The matter referred to is as follows:

SEATTLE, WASH.

Hon. WESLEY L. JONES,
Member of Congress, Washington, D. C.

DEAR SIR: Early last month I prepared a brief on coal duty, addressed to Mr. PAYNE, chairman of Ways and Means Committee; to-day I have a letter from Mr. Houston, of this city, sending me copy of the brief submitted, which left out what I consider a very important fact and on which part of the argument is based.

The omission is as follows:

For the year 1907 there were imported into the United States 2,103,711 tons of bituminous coal.

British Columbia shipped in 651,076 tons, or 30.9 per cent. San Francisco receives annually from all foreign points, except British Columbia, 350,000 tons, or 16.7 per cent. Boston received 545,650 tons, or 25.9 per cent. To all other points would be left 26.5 per cent.

Not having seen Mr. Houston, I can not say why this should have been left out of the brief, when considerable of the argument in the brief would not be understood without the above facts being set forth.

In detailing matters therein I undertook more to furnish the Washington legislators facts on which to base arguments at any time the matter is discussed, and most of the facts are record matters that can be proved by statistical matter or published facts scattered throughout United States statistics as well as British Columbia.

The more that I consider this duty matter the more I am convinced that its removal will work hardship on all the commercial mines, and especially on the employees. As consulting engineer, I have charge of the Renton mine, employing 350 men, and have several smaller operations in my care, and have for twenty years been closely identified with coal mining as an employee. During that time have inspected British Columbia and Alberta mines, and developed them, so am able to talk on the costs of mining in both localities. I only suggest this matter to you, as personally being a stranger it is best you may know where and what source the facts come from that are given in the brief.

A number of parties are now looking to open mines in this State, but will not do so if the duty is removed, as it would be the height of folly to invest a dollar unless an exceptionally fine, easily mined property should show up, and in the last case I have a commission to buy one of that kind, but after two years looking for it, almost despair finding such a one in this State.

I am sure you will do everything possible in this matter, and the operators that I have talked to, which is nine-tenths of the tonnage, feel that you will give this matter special attention and win victory.

Yours, very truly,

F. A. HILL.

JANUARY 14, 1909.

Hon. SERENO E. PAYNE,
Chairman Ways and Means Committee, Washington, D. C.

SIR: I beg leave to submit statement of facts relating to the coal-mining industry of the State of Washington; also arguments presented herewith by the mine operators of that State to show why, in their opinion, the duty on coal should not be removed. I hope that your honorable committee will give this matter due consideration, because it has a vital bearing in the development of a large industry in our State.

The coal mines of Washington produced in the year 1907, 3,680,532 tons, of which amount the Northwestern Improvement Company produced 1,782,964 tons, practically all of which went to the Northern Pacific Railway. This leaves for the commercial mines 1,897,568 tons.

The total cost of all this coal mined was $7,678,801, or $2.04 per ton. Eighty per cent of this cost is labor, or a pay roll of $6,143,840. There were 5,945 employees in the Washington mines in 1907.

The employees engaged in coal mining in the coast district of British Columbia, and the proportion of each class are as follows:

	Number.	Percentage.
Supervision and clerical	117	3.1
Whites:		
Miners	1,160	30.8
Miners' helpers	440	11.7
Laborers	632	16.8
Mechanics and skilled labor	314	8.3
Boys	166	4.4
Japanese	174	4.6
Chinese	743	19.7
Indians and Hindoos	23	.6
Total	3,769	100.0

Of the numbers scheduled above, 20.3 per cent are boys, Japanese, Chinese, Indians, and Hindoos, receiving $1.35 to $1.75 per day, as against $1.75 to $2.75 per day for the same class of labor in the State of Washington.

In the matter of miners, helpers, and laborers, the same class of men receive 10 to 15 per cent more in Washington than they are paid in British Columbia. No Asiatic labor is employed in the Washington mines.

The cost of producing coal from the Washington mines has steadily increased the past five years. Advancing wages, greater depths in mining, eight instead of ten hours for a day's work, have all had their effect on increased cost.

In the matter of wages, the average earnings of mine employees in 1903 was $2.46 per day of ten hours; in 1907, $3.19 per day of eight hours, an advance in wages of 30 per cent, a decrease in hours of 20 per cent, so that the advanced cost represents at least 40 per cent to the mine owners.

The miners of this State are exceptionally fine men, and as miners can not be excelled. They are justly entitled to receive the best wages paid in the country.

Unlike all the other coal fields of the United States, the Washington fields are badly faulted and contorted, and there is no comparison between the Washington fields and those of British Columbia and Alberta, Canada.

The physical conditions surrounding our coal mines make them very difficult and costly to operate; this is applicable to all the commercial mines.

The coal from the Washington mines is bituminous, semibituminous, and lignite, very much lower in B. T. U. than the high-grade bituminous coals of British Columbia and Alberta.

The mines of British Columbia can produce coal at a cost of $1.40 to $1.80 per ton, those of Alberta at a cost of $1.10 to $1.30 per ton.

The freight rate on coal from Vancouver Island points is 75 cents per ton to Puget Sound points.

The freight rate from the Fernie fields in British Columbia to Spokane is $2.25 per ton, and from the Alberta fields to Spokane is $2.25 to $3.15 per ton.

The freight rate from the Roslyn district, Washington, to Spokane, Wash., is $2.50 per ton, and from the western Cascade district to Spokane $3 per ton.

The commercial coal mines of the State of Washington produce less than 20 per cent of lump or house coal. The coal, being very friable, breaks up in handling, and will, when shipped by vessel, reach dealers in San Francisco 65 per cent lump and 35 per cent screenings, and on board cars to any Washington dealers 85 per cent lump and 15 per cent screenings.

The Vancouver Island coals are hard and reach dealers with less than 10 per cent screenings.

The wholesale prices of foreign coal in San Francisco during the years of 1902–3 were as follows:

	1903.	1902.
Wellington, screened	$8.00	$8.00
Wellington, screenings	4.50	4.25–4.50
Wellsend, average	6.50	6.50
Hetton, screened	7.00	7.00
Hetton, average	6.50	6.50
Gretta, screened	7.00	7.00
Gretta, average	6.50	6.25
Cannel	9.00	9.00
Welsh anthracite, average	9.00	8.50
Welsh anthracite, egg	13.00	13.00
Welsh anthracite, lump	11.50	11.50
Cardiff	9.00–9.50	9.00
Lelaw-Main or Richmond	7.50	7.50

No duty 1903. Who received it?

Which shows that that duty being off in 1903 did not lessen the selling price of coal.

All coal shipped from one port in the United States to another must be sent in United States registered vessels. From any foreign port to United States ports it is shipped in foreign registered vessels.

It has been shown that the people of San Francisco did not receive any benefit in 1903 by reason of no duty, the price of coal remaining the same as it was in 1902.

The mines producing the largest tonnage in the Fernie (B. C.) field, 876,731 tons in 1907, are controlled by United States railroad owners.

The exports and imports of coal between the United States and Canada are as follows (see Mineral Industry):

	1902.	1903.	1904.	1905.	1906.
Exports	4,468,953	6,535,868	6,577,954	6,964,630	7,533,346
Imports	1,678,919	1,613,426	1,211,304	1,331,292	1,427,731
Difference	2,790,034	4,922,437	5,366,650	5,633,338	6,105,615

The exports are 95 per cent by way of the Great Lakes. The imports from Canada are one-half into Washington markets and the other one-half into New England points.

House or lump coal sells in Seattle by the ton at $5, nut coal at $3.75, and screenings for steam use at $2.25. The proportion of these coals as mined and shipped are 40 per cent lump, 20 per cent nut, and 40 per cent screenings. The mine owner realizes at the mines for the principal coals of this description as follows:

40 per cent lump, at $3.75	$1.50
20 per cent nut, at $2.25	.45
40 per cent pea, at $1.25	.50
Total	2.45

These coals cost f. o. b. mines $2 to $2.30 per ton to produce.

It costs two to two and one-half times more to put commercial coal f. o. b. in the State of Washington than it does in Pittsburg or the Middle-West district.

To produce, open, develop, and ship 500 tons of coal per day from Washington mines requires approximately an investment of $500,000.

There is an abundance of good cooking coal in the State undeveloped.

ARGUMENT.

The above are facts. The State of Washington mine owners and employees submit that the reasons given above fully entitle them to ample protection for the coal industry, and that the present rate of duty on coal and coke should remain.

It has been shown that fully one-half of the coal coming into the United States comes in direct competition with Washington, Montana, Oregon, and Wyoming coal.

For the commercial coal mines of the State of Washington to compete with the British Columbia and Alberta coal, if the duty is removed, means that all the small mines will have to close down, that the wages paid in all the other mines will be cut at least 30 per cent, and with this cut in wages nothing like the capacity of the mines, as they are now producing, can be expected. Where there is now a contented and well-paid lot of employees, there would be poorly paid employees, distress and dissatisfaction, as the mines would be run fewer days in the year.

The best mine employees would leave their homes for the neighboring Provinces or cut into other lines of work, and the country would lose desirable citizens.

The State of Washington coal mines would then be left in such condition that if an active demand came for coal, as it did in the winter of 1906–7, the supply could not be met, and the people of Washington would pay more additional money for their fuel in one year than the benefits accruing to all the rest of the country would amount to in five years.

During the winter of 1906–7, while the temporary shortage occurred, the British Columbia mines would not sell any coal for the market in this State, and their coast mines would not take care of coal depots in Alaska that they had been supplying for years.

You will ask why they refused to furnish this coal, and I will answer by saying that their agent in San Francisco had raised the price of coal from $12 to $15 per ton, and they wanted that extra $3, and they did not have the nerve to tell us that we could have it by paying the extra $3; they simply told us that they did not have it to spare.

In view of these facts it does not look as though the removal of the duty on coal would have the effect of protecting the consumer as regards prices or supply; it appears to me that the only way to do this would be to keep the duty on coal and encourage the development of the mines in the United States. In that way our country would be developed and enough coal would be mined so that local competition would keep prices down to where they should be.

It is a well-known fact that had the duty been off of coal from 1891 to 1897 all of the mines in Washington would have been forced to close down, as the British Columbia mines would have flooded the market with their product at a price that the Washington operator could not meet, as they were even then selling their coal at so small a margin of profit that they could hardly continue to operate. At the present time British Columbia coal is being sold to the consumer in Seattle at $7 per ton, but certain retail dealers get a rebate of 75 cents per ton, with an ironclad agreement that they will not sell to the consumer for less than $7. In view of these facts, who would benefit by a reduction in the duty? Not the consumer, nor the retail dealer, but the British Columbia mine operator. He would pocket the 67 cents and smile at making money so easy, and then he could smile again because, on account of Washington mines closing down, large numbers of miners looking for work would go to British Columbia, and that would enable the British Columbia operator to reduce wages.

In order to keep the coal price stable on the Pacific coast, Washington mines must be protected so that the coal mines can be kept open and working regularly. It is impossible to let our mines lie idle for a year and then reopen quickly and go to work. Physical reasons prevent this, and to keep miners that can do work in the mines of this State, the mines have to be regularly worked.

Washington coal will not stock, hence accumulation of stocks of coal can not be made to take care of sudden emergencies or demands for coal.

It has been shown that the freight rate from the Alberta coal field is $2.75 to $3.15 per ton to Spokane, Wash.; from the Washington field it is $2.50 to $3 per ton. The cost of producing coal in the Alberta district is $1.10 to $1.30 per ton, while it is $2.04 in the Washington field. The Alberta mine owners have largely increased their shipments to Spokane the past year, and are, with the duty on, competing successfully with Washington and Wyoming coals.

The free duty of 1903 had no effect on Washington, for one reason only. Early in 1903 a strike of the Wellington Collieries Company's employees occurred, which lasted a number of months, and the lost ground was not recovered until late in 1903. The Wellington Collieries Company mines four-fifths of the product of the coast mines of British Columbia. Had the strike not occurred Puget Sound points would have been flooded with the Wellington product.

Remove the duty on coal and the loss to the State of Washington would not be less than $2,500,000 annually in wages alone. British Columbia mines can produce coal at less cost than the mines of Washington and Oregon. During normal or depressed times they would have a surplus and flood the Washington and Oregon markets and close up our commercial mines. As soon as there was a brisk demand they, with such mines in this State as could be kept open, would immediately raise the price of the product to a high point, being in position to do so, as the mines of this State would not be able to supply the market. If the 67 cents duty remains on coal the tonnage of this State will be increased to meet the demand as it may grow. New mines will be opened and are now being opened. Development of new coal mines have been proposed the last sixty days, which will be abandoned should the duty on coal be removed.

Removing the duty on coal could not possibly benefit the New England States to offset the loss to this State. Should the New England States receive six times as much foreign coal with no duty and they receive the benefit, it would only benefit them $2,193,521 annually, while the loss in wages alone to this State would be $2,500,000 annually, with a loss to the operators in invested capital of fully $6,000,000.

No reciprocal advantage can be gained with Canada. The mineral industry shows from three to five times as much export of American coal into Canada as the imports are from Canada. What advantage does Pittsburg or the Middle West expect to gain by reciprocal arrangement? They now have every advantage in prohibitive distances and freight rates into that part of Canada along the Great Lakes where their product is shipped. The Canadian coal fields lie in the extreme east and west of Canada.

The coal-mine employees of this State realize that it means distress to them, a breaking up of home ties and friends, if the duty on coal is removed or materially changed.

Below is a summing up of a few of the salient facts contained in this article.

SUMMARY.

It has been shown that if the duty is removed from coal that the State of Washington will lose in salaries paid miners $2,500,000 annually, with a loss to the operators in invested capital of possibly $6,000,000 and should Canada reciprocate and remove the duty on coal going in there the operator of the Middle West and the eastern portion of the United States will be benefited to the extent of $2,193,521 annually.

It is shown that the country at large will gain nothing by the removal of the duty, because the mine operators of the Middle West and of the East are well protected on account of freight rates—that is, they have a market that can not be touched by anyone else. This shows very plainly that these operators and they alone would be benefited by a reciprocal removal of the duty on coal, and this ought to make plain to your committee the reason why the operator of the Middle West and the East are willing that the duty should be removed.

It has been shown in these arguments that the consumer of coal in the State of Washington will not be benefited by the removal of the duty and that the only one that would be benefited is the mine operator of British Columbia.

The removal of the duty would also allow the British Columbia operators to supply all the government posts on Puget Sound and in Alaska, as on account of our shipping laws transportation is so much less from British Columbia ports than they are from United States ports.

I believe your committee will see the inconsistency of passing laws that debar the mine operator of Washington from using cheap Asiatic labor in the mines and at the same time remove the duty on coal that is mined by these Asiatics and allowing it to compete with coal that is mined by high-priced white labor.

The removal of the duty would also affect our shipping on Puget Sound, as it would place the British Columbia operators in a position where they could ship their coal in foreign vessels to all Pacific coast ports.

It has also been shown that the removal of the duty will retard development of a great industry in the State of Washington, for the reason that quite a farm and dairying industry is dependent upon these mines for their market.

I take the liberty of attaching herewith letters from different mine operators of Washington indorsing all that has been said in this argument. I also attach a petition from the miners who work in the coal mines at Renton, Wash. These miners, not having a union, thought best to sign a petition to your committee. I am expecting every day a resolution from the Mine Workers of America, which resolution is to the effect that they as mine workers are bitterly opposed to the removal of the duty, as they are perfectly well aware that if it is removed a great many of them will be compelled to give up their homes and seek employment in British Columbia. As soon as this resolution arrives I will hand it to you.

Yours, respectfully,

F. A. HILL.

THE STATE OF WASHINGTON'S PROTEST AGAINST FREE COAL.

Pennsylvania, Ohio, and Illinois ask for free coal not to save their home market, but to enlarge their foreign market. Their home market is in no danger whether a tariff is placed on coal or not.

Washington, Wyoming, and Montana beg for the retention of the present tariff on coal in order to save their home market from destruction. They do not ask for any action by Congress that will enlarge their trade, but only pray for such action as will enable them to keep the trade they have.

The present tariff on bituminous coal can not injure the trade of Pennsylvania, Illinois, or Ohio. The abolition of this tariff would destroy the present trade of Washington, Montana, and Wyoming.

BRIEF ON BEHALF OF BITUMINOUS COAL-MINE OPERATORS IN THE STATE OF WASHINGTON AGAINST THE PROPOSED ABOLITION OF TARIFF ON BITUMINOUS COAL.

The operators of bituminous-coal mines in the State of Washington protested against the provision of the Payne bill providing for free coal importations from all countries that make American bituminous coal free of duty.

We most earnestly call the attention of the committee to the fact that the advocates of free coal, every one of them, who appeared before the committee admitted that the States of Washington, Wyoming, and Montana would be injured by the abolition of the tariff on coal. We hope that the committee, in the contest between West Virginia on one side and western Pennsylvania, Ohio, and Illinois on the other, will not forget the perilous position of the above three Western States, neither one of which can possibly gain anything whatever by reciprocity with Canada. Neither one of these States can obtain any of the trade of middle southern Canada that is now divided between western Pennsylvania, Ohio, and West Virginia; therefore we submit that we should not be sacrificed to benefit either one.

We assign the following reasons for our position:

I.

COAL IMPORTATIONS.

There were imported into the United States in the year 1907 2,103,711 net (1,689,376 gross) tons of bituminous coal. Of this amount 1,297,376 gross tons came from Canada, and of this 432,455 tons, or one-third, were shipped into the United States from British Columbia. Of this amount 378,504 net tons, or 337,940 gross tons, or one-sixth of the entire importations into the United States, were imported into Pacific coast ports. This amount, in 1908, was 567,264 tons. In other words, one-sixth of the entire bituminous importations into the United States were from British Columbia, and came into competition with mines in western Washington. This does not include importations from Japan, Australia, and other countries.

In the year 1908 there were shipped into Puget Sound, Oregon, and California ports the following amount of coals from foreign countries, all of which were bituminous:

	Gross tons.
Into San Francisco from Australia	238,314
Into San Francisco from British Columbia	153,178
Into Eureka, Cal., from Australia	1,294
Into Eureka, Cal., from British Columbia	1,078
Into Portland, Oreg., from Australia	18,413
Into Portland, Oreg., from British Columbia	2,908
Into Puget Sound ports from British Columbia	68,530
From various other countries	188

This makes a total of 258,221 tons imported from Australia, 225,694 from British Columbia, and 188 tons from other countries, a total of 584,103 tons. This does not include importations into Alaska. There could be added for Alaska importations of 75,000 tons, making a total into Pacific coast ports of 658,103 tons during the year 1908.

In the year 1907 there were imported into San Francisco 194,400 tons from British Columbia and 386,700 tons from Australia. This was a decrease from the year 1907. This decrease is explained as follows:

The importations of Australian, Japanese, and British Columbia coals into San Francisco for the years 1907 and 1908 were as follows:

	1907.	1908.
Australia	386,700	238,314
British Columbia	194,400	153,178
Japanese	38,040	18,250

In 1906 the importations from Australia were 60,525 tons, whereas the imports from British Columbia were 307,991 tons. There was some trouble in the British Columbia mines in 1907, which caused a shortage. This shortage continued during 1907, and the British Columbia importations fell off to 194,400 tons, whereas the Australian importations were increased to 386,700 tons, and there were imported 38,040 tons from Japan. The British Columbia importations decreased in 1907 and 1908, as against 1906, whereas the Australian increased. During 1907 and 1908 there was considerable more Australian coal imported than was required, and the surplus will not be worked off until 1909. As the owners of the British Columbia mines had the largest stock of Australian coal in San Francisco, they, naturally, in order to protect it, had to reduce their importations of British Columbia coal. This caused an extreme pressure of British Columbia coals against the more exclusive markets of the western Washington mines on Puget Sound during 1908, and we may expect this pressure to continue during 1909.

Free coal with reciprocity would certainly be accepted by Australia, whether accepted by Canada or not, as the United States can not possibly export any coal into Australia.

II.

AMOUNT OF PRODUCTION OF BITUMINOUS COAL IN THE STATE OF WASHINGTON IN THE YEAR 1908.

The State of Washington produced 2,975,407 gross tons—3,332,456 net tons—of bituminous coal in 1908, of which 1,564,444 gross tons—1,752,177 net tons—were produced west of the Cascade Mountains.

III.

LABOR COMPETITION.

In 1907 there were 5,945 laborers employed in coal mines in the State of Washington, about one-half of them being employed in the mines west of the Cascades. The same figures apply generally to the year 1908.

There was and is no Asiatic labor employed in the Washington mines, and but few boys.

In the Vancouver Island mines, British Columbia, 1907, there were 3,769 persons employed, of whom 4.6 per cent were Japanese, 19.7 per cent Chinese, 0.6 per cent Indians and Hindoos, and 4.4 per cent boys, making 29.3 per cent. Of this Vancouver Island labor, this 29.3 per cent of Asiatics and boys received only a part of the wage paid for the like service in the Washington mines—that is, from $1.35 to $1.75 per day—as against $1.75 to $2.75 a day paid in the Washington mines, the latter paying from 10 per cent to 15 per cent more for miners, helpers, laborers, and skilled labor than is paid in the Vancouver mines.

Pickers, screen men, firemen, and dumpers are part Asiatic and part white men in the British Columbia mines. Asiatics receive from $1.25 to $1.50 per day and the white men from $2 to $2.75 per day. White boys receive from $1.25 to $1.50 per day.

The following tables show an interesting comparison of the wages paid in the Washington mines with those paid in the British Columbia mines:

The difference in conditions of work prevent complete comparison of the yardage or tonnage between the mines of the two countries, except that the Roslyn and Cle Elum mines in Washington have conditions closely aproaching the British Columbia mines, and the rates of these mines are as follows:

Washington mines: Roslyn, 97 cents per ton; Cle Elum, 90 cents per ton.

British Columbia: Extension mines, 75 cents per ton; Pacific Coast Coal Mines (Limited), 65 cents per ton.

In 1903 the average earnings of employees in the Washington mines were $2.46 per day. In 1907 it was $3.19 a day, the former being the pay for ten hours' work and the latter for eight hours' work.

In October, 1907, a new scale of wages went into effect, increasing the cost of mining over 25 per cent.

IV.

COST OF PRODUCTION FOR THE YEAR ENDING JUNE 30, 1907.

The average cost of production of coal in the State of Washington in the year ending June 30, 1907, was $2.244 per gross ton f. o. b. cars at the mines.

The average cost estimated for the year 1908, owing to the above increase in wages was $2.622 per gross ton f. o. b. cars at the mines.

Against this cost are the following estimated figures for the British Columbia mines, to wit:

	Per gross ton.
Crows Nest mine	$1.45
Extension mines	1.50
Comox mines	1.25
Nanaimo mines	1.25
Pacific Coast Coal Company (Limited)	1.25

The last four mines are on Vancouver Island. The first one is on the mainland of British Columbia. We have not the actual figures of these British Columbia mines, and can not obtain them. The above estimates are based upon what it would cost to do this mining in the Washington mines on the wages paid in the British Columbia mines.

V.

FREIGHT RATES.

The British Columbia mines are practically all at tide water. The Wellington Extension mines are situated on Vancouver Island, 13 miles from Ladysmith, their shipping point at tide water, and the mines own the short railroad between the mine and tide water.

The Pacific Coast Coal Company (Limited) mines are on Vancouver Island on the Esquimault and Nanaimo Railroad, at South Wellington, and 10 cents per ton would be the extreme cost to bring the coal from the mines to tide water. The Nanaimo and Comox mines are on Vancouver Island, on tide water. None of the Washington mines are located less than 25 miles from tide water.

We therefore summarize as follows:

A ton of coal from the Washington mines, west of the Cascades, landed at Seattle, would cost, including 65 cents freight and 15 cents bunker charges, $3.42.

A ton of coal from the British Columbia mines landed at Seattle would cost, including 85 cents freight and 67 cents duty, as follows, to wit:

From Extension mines	$3.02
From Comox mines	2.77
From Nanaimo mines	2.77
From Pacific Coast Coal Company (Limited)	2.77

This is an excess of from 40 cents to 55 cents of the cost of the Washington over the British Columbia coal.

A ton of coal from the Washington mines, west of the Cascades, landed at San Francisco, would cost, including $2.50 freight, $5.12.

A ton of coal from the British Columbia mines landed at San Francisco would cost, including $1.10 freight and 67 cents duty, as follows, to wit:

From Extension mines	$3.27
From Comox mines	3.02
From Nanaimo mines	3.02
From Pacific Coast Coal Company (Limited) mines	3.02

This is an excess of from $1.85 to $2.10 of the cost of Washington over British Columbia coal.

The above cost prices for the British Columbia mines cover coal at least 85 per cent lump, whereas the Washington coal is not over 15 per cent lump. It will thus be seen that there is no possibility of competition between the mines in western Washington and the Vancouver Island mines on account of the cheaper labor in Vancouver, cheaper freight rates from Vancouver mines to San Francisco, and the superior quality of the coal. A great advantage in freight rates that the British Columbia coals have is that they come to Puget Sound and San Francisco in foreign bottoms, and, therefore, for lower freight rates than the Washington coals, which are compelled to come in American bottoms.

The rates for coals from the British Columbia mines to San Francisco do not exceed $1.10, although many shipments are made from $1 up to $1.10, while the rates from the Washington mines are $2.50.

In addition to competition with the Vancouver Island mines, there is, as I have stated, competition with the Australian mines. The figures that I have given previously show large importations from Australia. We have not the freight rates from the Australian mines to tide water, but from the fact that the coal can be bought from $2 to $2.50 per ton, mostly lump, at shipping point, indicates a low freight rate. The freight rates from shipping point to Pacific coast ports are low, because the owners of ships are willing to bring over coal as ballast, in place of waste material, in order to take cargoes at San Francisco, Columbia River, or Puget Sound of Washington and California products. If they are allowed to bring in this coal free, they will naturally bring in a much larger amount of this coal at such rates as not only to control the coal market in San Francisco and Puget Sound, but even to affect the oil market.

Oil is now being extensively used for steam purposes in California, the oil being produced in California. The railroads in California use it exclusively, even as far south as El Paso, as far east as Ogden, and as far

north as Portland. With a much larger importation of the Australian coal, with the tariff removed, the oil men may well be concerned.

The more Australian coal that is imported into San Francisco and Portland the more heavily will British Columbia coal be forced to compete with Washington coal in the Puget Sound territory, and also east of the Cascades with the Wyoming and Montana coal, and I therefore regard the Australian competition as a very great menace to the American miner.

In this connection I desire to place before you some figures showing how surely the coal from the Washington mines is being driven out of the California markets, even with the present duty on, and therefore how necessary it is for the existence of these Washington mines that their remaining territory, to wit, the Puget Sound country, should be preserved to them. These figures are taken from the San Francisco Merchants' Exchange, and though differing a little from and not quite as accurate as those I have elsewhere given, that were obtained from the records of the collectors of the various ports, yet they are sufficient to illustrate my point as to the decreasing sale of the Washington coal in the San Francisco market, even with the duty on.

Importations of coal from British Columbia, Australia, and the State of Washington into San Francisco during the years 1903 to 1908, inclusive.

	1903.	1904.	1905.	1906.	1907.	1908.
British Columbia	259,092	304,181	324,229	274,979	186,241	164,442
Australia	271,068	141,670	86,066	55,007	351,976	219,240
Washington	384,000	274,000	146,075	83,656	82,142	21,023

VI.

QUALITY OF COAL.

An important fact that operates against the Washington mines is the quality of their coal.

Vancouver mines produce from 80 to 85 per cent of lump coal and only from 15 to 20 per cent of slack. The Washington mines, of the better grades of bituminous coal, produce not to exceed 15 per cent lump and 85 per cent of slack and fine coal.

The lignite mines in the State of Washington produce about half of lump and half of fine coal. The best Washington coal will evaporate as much water per pound of coal as the Vancouver Island coal, and is, therefore, as good steam coal—but there is not much of this—but on account of the heavier cost of production and the fact that such a large output of the Washington mines as compared with the British Columbia mines, is fine or slack coal, the latter can not obtain as good a price as the British Columbia coal.

The difference in quality counts very much against the Washington mines, being the competition of a high percentage of lump coal against a low percentage of lump coal. In the eastern market this is not a disadvantage at the present time. Formerly the same prejudice existed in the eastern market against fine coal as now exists in the western market. At the present, however, in the Pacific coast market fine coal is very badly handicapped as against lump coal for steam as well as domestic purposes.

VII.

GEOLOGICAL CONDITION OF THE MINES.

Another item of increased cost of production in the Washington mines is the broken nature, geologically speaking, of the country, the veins not being continuous, but breaking off or bending on each other, thus rendering the production the more expensive, while those in British Columbia have a more regular and unbroken character and can be more cheaply worked.

An expert writes me as follows:

"The conditions between the Washington and British Columbia fields are dissimilar.

"Reverting again to the question of cost of production: There are no mines in the State of Washington that can produce coal as cheaply as the mines in Vancouver Island, or the Nicola coal fields on the British Columbia mainland. The conditions in the Washington and British Columbia mines are dissimilar. In Washington, where we find the conditions good, with the fields reasonably extensive, with fairly good roof and bottom, the coal is almost exclusively a lignite coal, the grade being such that, without protection, it can not compete. The bituminous and subbituminous coals, with the exception of one mine in western Washington, are in broken country, having innumerable faults and heavy pitching veins standing at from 45 to 70 degrees of a pitch, making mining very expensive, and reducing the quality of coal produced. With such dissimilar conditions we can not make a comparison, but the general conditions are that the lignite or poorer coals in the State of Washington can be produced at about the same general average cost as the British Columbia and Australian coals; on the other hand, the bituminous coals, some of which are almost equal in quality to the British Columbia coals, produce so little lump that they must also have a duty in order to protect them. The bituminous mines of western Washington not only have a heavy cost of operation, but the cost of development, on account of the broken country, is excessive. Very few mines can be placed on a basis of output aggregating 750 tons per day at a less cost than $500,000. The mine owners in the western portion of the State have in the past, at different times, run their mines at a loss rather than close down, for the reason that such closing down would entail a much greater loss than running on part time. But, on the other hand, if in running the loss would be greater than by closing down, they would naturally close down. On account of the broken ground and poor roofs, closing down would entail the loss of considerable coal which might be opened up. In fact, the loss of a market is a greater blow to the mine owners of western Washington than to any similar business in other portions of the United States, as they can not close without an exceptionally heavy loss, and should they run they also have a loss staring them in the face."

VIII.

SELLING PRICE.

The present price made to dealers at San Francisco for the Vancouver Island coal is $6.96 per gross ton, lump coal. The average selling price for fine or slack coals is $5 per gross ton. Taking the average of 15 per cent slack and 85 per cent lump, that would give an average price of $8.45 per gross ton in San Francisco. The average selling price of this coal as it comes from the vessel in large quantities (mine run) for steam purposes at San Francisco is about $6 per gross ton. The average selling price of both kinds, for domestic and steam purposes, is about $7.45 per gross ton. Deducting 67 cents for duty, $1.15 for freight (though $1 is obtained), and 40 cents for handling, it would leave the selling price $5.23 f. o. b. at Ladysmith, or practically at the mine, for shipment to San Francisco. Vancouver Island mines, however, sell for export to Puget Sound ports (Seattle, Tacoma, and other places) at only $3.90 per gross ton f. o. b. at Ladysmith ($1.33 less than for shipment to San Francisco). The freight from Ladysmith to Seattle, including handling, does not exceed 85 cents per ton, which is almost as cheap a rate as the Washington mines can obtain (about 80 cents). In other words, British Columbia coal, to meet American competition at Seattle, can be profitably sold for $1.33 f. o. b. mines less than when sold for shipment to San Francisco.

As against the above selling prices of British Columbia coal in San Francisco, Washington bituminous steam coal is offered for sale in San Francisco for $6, and yet can not compete with the foreign coal.

Foreign coal, as a rule, sells in San Francisco to-day at $2 per ton more than Washington coal. The elimination of the duty, therefore, would not lower the selling price to the consumer, as these foreign coals have a margin of $2 upon which to work. Therefore, during the year 1903, when coal came in duty free, the consumer did not obtain any benefit therefrom.

The following are the selling prices of Washington coal f. o. b. vessels at Tacoma and Seattle:

Lump coal, $4.50 to $5 per gross ton.

Steam coal, $2.75 to $3.50 per gross ton.

Lignite lump coal, $3 to $4 per ton; and the following are the selling prices of Vancouver Island coal f. o. b. vessels in Tacoma and Seattle:

Lump coal, $6.25 to $7 per gross ton.

By comparing these selling prices with the cost of Washington coal, landed in Seattle, given on page 9, it will be seen that there is a margin of profit to the Washington mine operator of from $1.08 to $1.58 on bituminous lump, and a margin of only 8 cents of profit on steam coal, with a possible loss of as much as 67 cents on said steam coal, and a margin of 58 cents profit on lignite lump, with a possible loss of as much as 58 cents on lignite lump. Inasmuch as in the bituminous coal there is only 15 per cent of lump and 85 per cent of fine coal, and in the lignite of 40 per cent of lump and 60 per cent of fine, it will be seen that the possibility of loss is more than the possibility of any large profit.

By comparing the selling prices of Washington coal in San Francisco ($6), as given on page 16, with the cost ($5.12) of the same coal landed in San Francisco, page 9, it will be seen that there is a possible margin of 88 cents, and yet the British Columbia coal, having a margin of $2 in selling price above the Washington coal, has managed to almost run the Washington coal out of the San Francisco market, as appears on page 12 (the sale of Washington's coal having fallen from 384,060 tons in 1903 to 21,023 tons in 1908).

We therefore submit that if the duty of 67 cents on the foreign coal will enable the Australian and British Columbia mine owners to have a margin of $2 in selling price above the Washington mine owners, the removal of this duty of 67 cents would enable them to wipe out any possible profit the above figures show that the Washington mine owners could possibly earn under the present tariff.

IX.

MINES IN EASTERN WASHINGTON.

In eastern Washington the coal averages about 40 per cent to 50 per cent lump, and yet the competition with the British Columbia mines is so great that the mines in eastern Washington are practically unable to compete. The town of most importance in eastern Washington is Spokane, with about 80,000 inhabitants. The freight rate from the eastern Washington mines to Spokane is $2.50 on net tons of 2,000 pounds. The freight rate from the Fernie and Mitchell mines in British Columbia to Spokane is only $2.15 per ton, a difference in favor of the British Columbia mines of 35 cents. The difference in cost of production gives the British Columbia mines another advantage of 30 cents. Add to this the difference in the quality of the coal in favor of the British Columbia mines, and as a consequence the British Columbia coal has crowded out the eastern Washington, Wyoming, and Utah coal from participating in any of the steam-coal business in Spokane, and should the duty be taken off it would force the eastern Washington mines entirely out of the territory within a radius of 100 to 150 miles west of Spokane, a territory which at the present time is absolutely necessary to keep the mines operating in eastern Washington for even a limited number of days.

I beg to submit the following extracts from letters written by mining superintendents in Washington upon the present situation.

The superintendent of the Renton mine, situated 13 miles from Seattle, writes:

"This mine could not ship coal into Portland, Oreg., as against the British Columbia coal if the duty were taken off, as there is now very keen and close competition with the British Columbia coals in Portland.

"We are able with the tariff on to ship to Bellingham and Everett. If the tariff were taken off, it would shut us out of that market, and instead of producing, as we now do, 140,000 tons annually, we would probably either have to shut down or produce about 75,000 tons, and that without profit, unless we should reduce the pay of our men at least 30 per cent."

The superintendent of the Pacific Coast Coal Company's mines writes as follows:

"For the past several years it has been impossible for this company to ship any lump coal mined at our mines in the State of Washington to the San Francisco market or to any California market, or to the Oregon market in competition with Wellington coal from Vancouver Island and the Australian coals shipped from Australia. Neither can we ship lump coal to the Spokane territory in eastern Washington, on account of the competition of coal mined in British Columbia.

"I will also state that should the duty be taken off coal that we shall be unable to ship our steam coals, which are mined in the State of Washington, to any of the above points in competition with the British Columbia steam coals.

"It is also true that we can not ship lump coal to Bellingham in competition with the Vancouver Island coal."

The superintendent of the Commonwealth Coal Company writes as follows:

"At the present time, with a 67-cent tax on foreign coals, our market is limited to the territory taking low freight rates from our mines. Columbia River and California markets are largely supplied with Australian and British Columbia coals, and even in Seattle, Tacoma, Everett, and Bellingham foreign coals find many buyers for domestic use.

"With the high cost of production in this field some protection is absolutely necessary. In our opinion, the removal of the present duty would mean the closing of many properties, loss of capital invested, and throwing of hundreds of men out of employment. It would be a calamity. Don't let it be done."

The superintendent of the Carbonado coal mine writes as follows:

"The cost of coal and physical conditions of the mines of the State, and the effect of the removal of this duty, are all very truthfully set forth in your letter. We here at Carbonado, with about 450 miners working, most of them Americans and English-speaking people, with a town of a population of about 1,500, and being purely a commercial mine, feel this duty probably more than any camp in the State, as we are entirely depending upon the local market for our existence.

"We are now paying the highest scale of wages that has ever been paid in the history of this mine; with a reduction of the tariff, I do not see how we could continue to operate as against the British Columbia importation without duty."

The manager of the Maple Hill Coal Company at Seattle writes as follows:

"I beg leave to state that with the present duty on coal we are unable to make shipments of coal to points outside of the Puget Sound country proper, let alone the fact that it is impossible to obtain a market in California for lump coal. If the duty should be removed, we would not even be able to ship steam coal into San Francisco markets, and it would let foreign coals into the Puget Sound country except where freight rates are low at points near the mines. To points where the freight rates are high it would not be possible to ship in competition with the British Columbia coal to Bellingham and Everett particularly, and points on the Columbia River. The British Columbia coals coming into the Spokane territory, which belongs to us at the present time, takes up practically three-fourths of our trade there. If the duty is taken off, we will be entirely shut out of our own domain in that section. Likewise Comox and Wellington coals, nut and steam, are now running after our trade in the Puget Sound territory."

Manager of the Roslyn Fuel Company writes as follows:

"In reference to the proposed removal of tariff on coal I believe that this will result very disastrously for coal mining in the State of Washington. With the present duty on coal we are unable to ship any lump coal to points outside of Puget Sound, and have not been able so far to market any of our lump coal in California. Should the duty be taken off, it would be impossible to ship even steam coal to San Francisco. It would place us at a further disadvantage with the foreign coal in Seattle and other Puget Sound points, coal from the far British Columbia points not paying as much freight as we have to pay into Seattle. If this duty is removed, it can only result in the delayed development of Alaskan coal mines, and they will be placed at a disadvantage in competition with British Columbia coals in San Francisco and other markets."

Wage scale.

Occupation.	Washington mines (8-hour day).	Comox and Extension mines, British Columbia (9 hours).
INSIDE.		
Miners	$3.60	$3.00
Timbermen	3.60	2.75
Timbermen helpers	3.00	[a]
Trackmen	3.60	2.75
Trackmen helpers	3.00	[a]
Drivers	3.15	2.50
Drivers' helpers	3.00	
Parting boys	1.80-2.30	[b]
Greasers boys	1.75	[b]
Trappers boys	1.50	[b]
Rope riders	3.20	
Hoist boys	2.40	
Rockmen	3.00	2.75-3.00
Cagers	3.20	2.00-2.75
Couplers boys	1.75	
Shoy lighters	3.75	
Bratticemen	3.60	
Bratticemen helpers	3.00	
Timber packers	3.00	
Loaders	3.00	2.50
Pumpmen	3.00	
Shovelers	3.00	2.50
Inside labor not specified	3.00	[c] 1.50 and 1.2 [d] 2.00 and 2.50
OUTSIDE.		
Cagers	2.90-3.10	2.50
Engineers	3.25	3.00
Blacksmiths	3.50-3.75	3.00
Horseshoers	3.45	
Helpers	2.75	
Carpenters	3.50	3.00
Slate pickers	2.10	
Screen pickers	1.50	
Screen men	2.00	
Firemen	2.75-2.80	
Dumpers	2.60	
Outside labor not classified	2.50	

[a] Asiatics.
[b] Asiatics or boys.
[c] Chinese.
[d] Whites.

Where rates are shown for Washington mines and not for British Columbia mines it is because the latter do not segregate different classes so closely as the former do.

Comparative rates of wages per hour in Colorado, Montana, Washington, Wyoming, and western Canada for certain inside occupation in coal mines.

Occupation.	Colorado.	Montana.	Washington.	Wyoming.	Western Canada.
	Cents.	Cents.	Cents.	Cents.	Cents.
Bratticemen		47	45		37½
Brattice helpers			37½		31½
Cagers	37½		40		32½ 37½
Drivers	37½	45	40	42½	34½ 37½
Inside laborers		40½	37½	38½	31½
Loaders			37½		32½
Machine runners	43½	48½		48½	43½
Machine helpers	37½	42½		42½	37½
Miners	37½	47	45	42½	37½ 43½
Motormen	37½	43½	37½ 39½	42½	34½ 36½
Pumpmen	37½	47	37½	38½	31½
Rope riders	37½	42½	40	42½	34½
Shot lighters		47	47	48½	37½
Track layers	37½	47	45	42½	37½
Track layers' helpers		40½	37½	38½	31½
Timbermen	37½	47	45	42½	37½
Timbermen's helpers		40½	37½	38½	31½

Average price per short ton for coal at the mines since 1903, by States and Territories.

State or Territory.	1903.	1904.	1905.	1906.	1907.
Alabama	$1.22	$1.20	$1.21	$1.34	$1.29
Arkansas	1.51	1.54	1.49	1.61	1.68
California	[a] 2.86	[a] 4.74	[a] 4.97	[a] 2.55	[a] 3.81
Colorado	1.23	1.31	1.22	1.23	1.40
Georgia	[b] 1.26	[b] 1.22	[b] 1.29	1.28	1.38
Idaho	3.10	[c] 3.95	[c] 3.03	[c] 3.93	[d] 4.10
Illinois	1.17	1.10	1.06	1.08	1.07
Indiana	1.23	1.11	1.05	1.08	1.08
Iowa	1.65	1.61	1.56	1.60	1.62
Kansas	1.62	1.52	1.46	1.49	1.52
Kentucky	1.06	1.04	.99	1.02	1.06
Maryland	1.48	1.19	1.14	1.19	1.20
Michigan	1.97	1.81	1.71	1.80	1.80
Missouri	1.61	1.63	1.58	1.63	1.64
Montana	1.64	1.61	1.72	1.77	1.94
New Mexico	1.37	1.31	1.33	1.34	1.46
North Carolina	(e)	(e)	(e)		
North Dakota	1.50	1.43	1.34	1.54	1.61
Ohio	1.29	1.09	1.04	1.09	1.10
Oklahoma (Indian Territory)	1.82	1.82	1.76	1.92	2.04
Oregon	2.43	2.18	2.58	2.66	2.34
Pennsylvania bituminous	1.18	.95	.96	1.00	1.04
Tennessee	1.25	1.18	1.14	1.22	1.25
Texas	1.62	1.66	1.64	1.65	1.69
Utah	1.20	1.30	1.35	1.36	1.52
Virginia	.96	.86	.88	.98	1.02
Washington	1.69	1.63	1.79	1.80	2.09
West Virginia	1.17	.88	.86	.95	.99
Wyoming	1.24	1.30	1.31	1.31	1.56
Total bituminous	1.24	1.10	1.06	1.11	1.14
Pennsylvania anthracite	2.04	1.90	1.83	1.85	1.91
General average	1.41	1.26	1.21	1.24	1.28

[a] Includes Alaska.
[b] Includes North Carolina.
[c] Includes Nebraska.
[d] Includes Nebraska and Nevada.
[e] Included in Georgia.

The above table from Geological Survey Bulletin, "The Production of Coal in 1907."

Average price per short ton of coal in the United States for twenty-eight years.

Year.	Anthracite.	Bituminous.
1880	$1.47	$1.25
1881	2.01	1.12
1882	2.01	1.12
1883	2.01	1.07
1884	1.79	.94
1885	2.00	1.13
1886	1.95	1.05
1887	2.01	1.11
1888	1.91	1.00
1889	1.44	.99
1890	1.43	.99
1891	1.46	.99
1892	1.57	.99
1893	1.59	.96
1894	1.51	.91
1895	1.41	.86
1896	1.50	.83
1897	1.51	.81
1898	1.41	.80
1899	1.46	.87
1900	1.49	1.04
1901	1.67	1.05
1902	1.84	1.12
1903	2.04	1.24
1904	1.90	1.10
1905	1.83	1.00
1906	1.85	1.11
1907	1.91	1.14

The above table from Geological Survey Bulletin, "The Production of Coal in 1907."

WASHINGTON STATE FEDERATION OF LABOR,
Tacoma, Wash., January 18, 1909.

Hon. W. L. JONES,
Washington, D. C.

DEAR SIR: Inclosed please find a copy of a resolution adopted by the annual convention of the Washington State Federation of Labor at Walla Walla, with delegates present representing the organized labor of the State.

This resolution voices the sentiments of our workingmen regarding any proposed reduction of the duty on coal, one of the great products of our State, and makes plain the serious injury such a reduction of duty would work to employer and employee alike in the coal industry.

We trust you may be able to successfully oppose, on our behalf, any reduction of the duty on coal, and we shall highly appreciate your assistance to this end.

Very truly, yours,

WASHINGTON STATE FEDERATION OF LABOR,
[SEAL.] Per CHARLES PERRY TAYLOR, *Secretary.*

Resolution 36. Title: Removal of tariff on coal. By Delegate Thomas Raymond, Union No. 2257, United Mine Workers of America, Black Diamond, Wash. Committee concurs in resolution. Adopted by convention.

Whereas there has been considerable agitation in favor of the removal of tariff on certain articles imported into the United States, and feeling that removal, wholly or in part, of this duty on some commodities is going to injure the interests of American workingmen, and knowing full well that if, as proposed at this time, the duty on coal is removed it will work an injury upon the miners of the State of Washington, causing an increased importation from the neighboring Provinces of British Columbia and Canada, surfeiting our markets with foreign coal, eventually closing some of our mines altogether, and giving fewer workdays in the operating mines; and the further fact that if any part of the tariff on coal is removed it will place us in direct competition with cooly labor, and owing to the American capital taking such concentrated action in its removal, and owing to the fact that the Canadian press has in different instances remarked that in case of its removal it would settle the question of market for all time to come: Be it

Resolved, That the Washington State Federation of Labor go on record against any reduction or removal of said tariff; and we do hereby register our protest with the Ways and Means Committee of the United States Senate, our United States Senators and Representatives in Congress from the State of Washington.

Resolution adopted.

Attest:

CHARLES PERRY TAYLOR,
Secretary of Convention.

HOUSE OF REPRESENTATIVES,
Washington, April 9, 1909.

Hon. WESLEY L. JONES,
United States Senate.

SIR: On April 8, at the request of Senator ELKINS of West Virginia, I prepared for him a brief statement of the coal-mining conditions in Alaska, a copy of which I send you herewith.

Nature made Alaska the coal reserve of the Pacific coast. There is no anthracite coal on that coast except in Alaska. There is no naval coal on that coast except in Alaska. There is no high-grade coal on that coast except in Alaska. There is no great body of undeveloped coal on that coast except in Alaska. Alaska has more high-grade coal than Pennsylvania and West Virginia, and its development will support a million people and create great coal and copper mining cities.

Free trade in coal will bring these great undeveloped mines in direct competition with the mines of British Columbia, which have the advantage of present development, cheap labor, and nearness to market, as well as of tramp transportation. One-fourth of those engaged in coal mining in British Columbia are Chinese, Japanese, and Hindoos.

Alaskan coal must, under our law, be mined by American miners, carried in American ships manned by American seamen, and handled by American labor. These ought to be paid American wages. Free coal will reduce these wages, by the inevitable laws of trade, or close the mines.

The development of Alaskan coal is just now begun by American capital and American labor. Eight million dollars have already been spent in building railroads toward the Katalla and Matanuska fields. The removal of the present duty will greatly cripple, if not wholly destroy these efforts, and will retard the development of Alaska for a decade at least.

Washington, Oregon, and California are interested in this development. These three great States now have a trade of nearly $50,000,000 per annum with Alaska, and the development of her coal and copper, which must go hand in hand, will treble the trade. Your merchants, your shipping men, your bankers, and your laborers are interested. No Pacific fleet can permanently be stationed on your coast for want of Alaska's naval coal, and your prosperity and safety both demand that you encourage its development.

The Delegate from Alaska can neither speak nor vote upon this vital question. In the name of the Territory and her American miners, however, I appeal to each Senator and Representative from Washington, Oregon, and California to come to her aid by speaking and voting for the maintainence of the present duty of 67 cents per ton on coal so that her mines may be opened by American miners at American wages.

Respectfully,

JAMES WICKERSHAM,
Delegate from Alaska.

Alaska has large areas of high-grade coals, and larger areas of the lower grades. There are fields of high-grade anthracite coal and of all grades, from the highest grade of anthracite down to the lowest of lignite. The veins crop out upon the seacoast and there are large areas in almost every portion of Alaska. Coal is more generally distributed in Alaska than any other mineral. It may be considered as belonging to three great areas, each of which has an effect upon the transportation of coal. These areas may be called:

1. The Pacific area.
2. The Yukon area.
3. The arctic area.

THE PACIFIC AREA.

The Pacific area of coal is embraced within that region whose waters flow directly into the Pacific Ocean. There are coal veins in southeastern Alaska—in the Panhandle extending down toward the State of Washington—but so little development work has been done that information is not obtainable. But in the region around Copper River and Cooks Inlet the Geological Department of the United States Government has made some detailed surveys and much valuable information is obtainable.

The Katalla, or Bering River, field lies immediately east of the delta of the Copper River. The Geological Department reports 26½ square miles of high-grade anthracite coal at that point, and officials of that department say that, owing to local conditions, this area may be increased many times upon prospecting. At that same point the surveys locate 20 square miles of semibituminous coal, being a high-grade naval coal, and the department is also responsible for the statement that this area may extend to 620 square miles.

This coal lies about 25 miles from the sea, but, for the want of a good harbor at that point, railroad engineers have advised the building to Cordova, making the distance to the sea 90 miles without grade. The Copper River and Northwestern Railroad Company is now building its line from Cordova to this point and has spent more than $5,000,000 in construction work to date. Several thousand men are now engaged in building that line, and it will be completed within a year.

Another large field of coal in this Pacific area is known as the Matanuska field. It lies along the Matanuska River, 25 miles northwest from the head of Cooks Inlet. There are small areas of high-grade anthracite coal at that point, and the information is that, owing to the overburden, future surveys may greatly extend the area. There are also fields of semibituminous and bituminous coal at this point, there being more than 20 square miles of the higher grade and 22 square miles of the bituminous already surveyed by the Geological Department, while the department advises that this bituminous field may extend to 900 square miles.

A railroad is in process of construction from Seward, on Resurrection Bay, into the Matanuska field. Some $3,000,000 or $4,000,000 have been spent upon this road, and it is now being reorganized for the purpose of finishing construction to the mines. This coal is also largely a high-grade naval coal.

There are large areas of coal on the Alaska Peninsula, and the surveys have disclosed 69 square miles of good bituminous coal, with a probability that the area will be increased to 667 square miles. This coal crops out on both sides of the Alaska Peninsula and is most easily accessible to good harbors all the year round. All the coal mentioned so far comes out to harbors open all the year round and of unsurpassed character and depth.

On Cook's Inlet there is a large area of lignite coal. This coal crops out along the seashore in great blanket veins and is easily worked and very cheaply put into boats. It was worked in the old Russian days and is a good fuel coal. The Geological Survey gives 304 square miles in this known coal area, with a probability that this area will cover more than 2,500 square miles.

THE YUKON AREA.

The Yukon area includes the watershed of the Yukon River, and all this coal lies over a range of mountains from the Pacific coast and from 200 to 1,000 miles from Bering Sea. The bituminous area in the Yukon Basin is known to contain 167 square miles, and it is advised by the Geological Department that it may cover 2,500 square miles. The lignite field covers 216 square miles, according to the survey, and may extend to more than 1,500 square miles. Large portions of this area have not been examined at all, and special attention is called to that statement of the Geological Department that but one-fifth of the area of Alaska has been thus far examined even slightly.

THE ARCTIC AREA.

The Arctic area extends from Cape Lisburne on the west to the Colville River on the east. It embraces the great Arctic slope from the Rocky Mountain range, north of the Yukon River, to the Arctic seashore. The Geological Department reports 205 square miles of bituminous coal at Cape Lisburne in this area, with a possibility that it may extend to 1,200 square miles and more. Other fields in this region are noted by the Geological Department, though they are largely lignite.

GENERAL STATEMENT.

The Territory of Alaska has an area of nearly 600,000 square miles. The Geological Department has examined less than one-fifth of that area, and, generally, the examination has been hurriedly made and is in no sense conclusive. An official of the department gives it as his opinion that coal will be found to underlie some 50,000 to 60,000 square miles of territory and almost wholly outside of the area surveyed by the department. Miners and prospectors report large areas of coal entirely unknown to the Geological Survey.

WAGES.

Herewith attached and marked "Exhibit A" is a sheet showing the rates of wages per hour paid to different classes of labor in the Treadwell mines, Douglas Island, Alaska. It is drawn from the transactions of the American Institute of Mining Engineers, New York meeting, 1903, at page 28, and the statement was made by Robert A. Kinzie, assistant superintendent of the mine.

Also attached is the wage schedule paid by the Copper River and Northwestern Railroad Company for 1908, in the vicinity of the Katalla field, and also the wage scale paid by the Kennicott mines during the same season and in the same vicinity. Also attached is a statement from the Bureau of Labor showing the comparative rates of wages paid labor in the States of Colorado, Washington, Montana, Wyoming, and western Canada in coal mining, per hour.

The coal miner in British Columbia receives less wages than any American Territory mentioned. This arises somewhat from the fact that Chinese, Japanese, Hindoo, and other foreign labor is employed.

COMPETITION.

Between the coal mines on the Pacific slope of Alaska and the States of Washington, Oregon, and California are the British Columbia coal mines on Vancouver Island. These are worked by cheap labor; they are near the sea, and hence transportation is cheap, since British Columbia coal may be carried in any tramp steamer, while American coal must be carried in American vessels. The British Columbia coal is of a higher grade than is that of Washington.

California and Oregon have no coal, and the limited areas in Washington are inferior to British Columbia coal, while both these are inferior to Alaska coal. Vessels plying between Puget Sound and Alaska now purchase large quantities of British Columbia coal, and many thousands of tons of British Columbia coal are imported into Alaska.

The Alaskan mines are yet undeveloped. Considerable areas are now owned by American mine owners, who have spent millions in building

railroads and opening the mines preparatory to supplying the cities of Oregon, Washington, and California, and using coal in the smelters in Alaska. Tributary to the Copper River Railroad is more coal than there is in Pennsylvania, and more copper than there is in Montana. That road is a "Y," one upper branch of which reaches the copper mines and the other the high-grade coal fields of Katalla, while the base at 90-mile reaches a harbor of unsurpassed character, wide open the year round. If the British Columbia coal is allowed to enter the ports of Oregon, Washington, and California duty free it will destroy the millions of enterprise already put into Alaskan coal fields and set the Territory back a decade at least.

COMPETITION.

There is no anthracite coal west of the Mississippi River, except a small tract in Colorado. There is no naval coal on the Pacific coast, except that in Alaska. There is no high-grade coal on the Pacific coast in the States of Oregon, Washington, and California. There is no coal in Washington, Oregon, and California which reaches a seaport, except over a longer line of railroad than that required to deliver Alaskan coal.

Alfred H. Brooks, geologist in charge of the Alaska geological survey, has reached this conclusion and has caused the same to be published over his own signature:

"There is no reason to suppose that the cost of operation in the Bering and Matanuska coal fields, when a large industry is established, will be much greater than in fields in States where coal beds occur under similar conditions."

If Congress will maintain the present rate of duty upon bituminous coal, within five years the United States Navy will have an inexhaustible supply of coal for centuries; American miners will have opened up the high-grade coals of Alaska to the seaports of Oregon, Washington, and California. The Alaska trade now amounts to about $50,000,000 per annum, and it is supplied exclusively by the merchants of Oregon, Washington, and California. The trade will grow as the mines of Alaska are developed. The copper mines in the same vicinity will be developed side by side with the coal mines, but not otherwise. The merchants of Oregon, Washington, and California will have this enormous trade added to that which they now have. The Territory of Alaska is without a voting Representative in Congress, and the Senators from Oregon, Washington, and California will vote for their own best interests in voting to maintain the duty on coal so that their greatest and best customer, the miner of Alaska, may develop new fields and new business for their States.

Rates of wages paid different classes of labor in the Treadwell mines, Douglas Island, Alaska.

OCCUPATION.	Rate per hour (cents).
Machine driller, summer rate	33
Machine driller, winter rate	38
Machine helpers	30
Mine laborers	28
Mine laborers, Indians	28
Blacksmiths	48
Tool sharpeners	43
Blacksmith helpers	28
Machinists and helpers in machine shops	28–68

Wage scale for the Kennicott Mines Company for 1909.

(Employees pay board at the rate of $1.25 per day.)

Occupation.	Per day.	Per month with board.	Per hour overtime.
Boss carpenter	$6.25	$150.00	
Skilled carpenters	5.25		$0.40
Rough carpenters	4.25		.30
Blacksmith	5.25	120.00	
Laborer	4.25		.30
Engineer	5.25	120.00	
Sawyer	5.25	125.00	
Boss logger	4.75	112.50	
Swampers, Horse tenders, Assistant sawyers, Loggers, Sled tenders, Railway tenders, Lumber handlers, Muckers	4.25		.30
Teamsters		100.00	
Cooks	4.25		
Miners, rockmen	4.25		
Blacksmiths and timbermen	5.25	120.00	
Mine foremen	6.25	150.00	

Copper River and Northwestern Railroad. Wage schedule, season 1908. Master mechanic's department.

OCCUPATION.	Rate per hour.
Master mechanic, per month and board	$300.00
Assistant master mechanic	.75
Locomotive engineer	.60
Steam-shovel engineer, per month and board	250.00
Locomotive fireman	.40
Steam-shovel fireman	.40
Train conductor	.50
Train brakeman	.40
Machinist	.50
Machinist helper	.35
Car repairer	.50
Car-repairer helper	.35
Craneman	.50
Carpenter foreman	$0.70
Pile driver:	
Foreman	.60–.70
Engineer	.50
Fireman	.35
Carpenters (skilled)	.50
Carpenters (rough)	.45
Carpenters (helpers)	.35
Logging:	
Foreman	.65
Hewers	.50
Hook tenders	.45
Head swampers	.45
Fallers and scorers	.37½
Axmen	.35
Grading:	
General foreman, per month and board	250.00
Grade foreman	.50–.60
Subforeman	.40
Powdermen	.35–.45
Track:	
Track foreman	.50–.60
Heelers	.37
Head spiker	.35
Strapper	.35
Section foreman	.40
Telephone and telegraph:	
Foreman	.60
Assistant foreman	.40
Blacksmith:	
Headquarters blacksmith	.50–.60
Other blacksmiths	.45
Blacksmith helpers	.35
Common labor	.30

The PRESIDING OFFICER. The question is on the amendment of the Senator from North Dakota [Mr. McCUMBER] to the amendment of the committee, upon which the yeas and nays have been ordered.

The Secretary proceeded to call the roll.

Mr. BANKHEAD (when his name was called). I am paired with the junior Senator from Nevada [Mr. NIXON]. If he were present I should vote "nay."

Mr. BEVERIDGE (when his name was called). I am paired upon this question with the junior Senator from Maine [Mr. FRYE]. If he were present he would vote "nay," and I should vote "yea."

Mr. FLINT (when his name was called). I again announce my pair with the senior Senator from Texas [Mr. CULBERSON]. As he is absent, I withhold my vote. If he were present I should vote "nay."

Mr. WARREN (when his name was called). I have a regular pair with the Senator from Mississippi [Mr. MONEY]. I am not certain how that Senator would vote, and I notice he is not in the Chamber. I announce my pair with him, and will say that if permitted to vote I should vote "nay."

The roll call having been concluded, the result was announced—yeas 28, nays 45, as follows:

YEAS—28.

Bacon	Clay	Gamble	Nelson
Bristow	Crawford	Gore	Overman
Brown	Cummins	Hughes	Paynter
Burkett	Curtis	Johnson, N. Dak.	Rayner
Burton	Davis	Johnston, Ala.	Root
Carter	Dolliver	La Follette	Smith, S. C.
Clapp	Fletcher	McCumber	Stone

NAYS—45.

Aldrich	Daniel	Jones	Simmons
Bailey	Depew	Kean	Smith, Md.
Borah	Dick	Lodge	Smith, Mich.
Brandegee	Dillingham	Lorimer	Smoot
Briggs	Dixon	McEnery	Sutherland
Bulkeley	du Pont	Martin	Taliaferro
Burnham	Elkins	Oliver	Tillman
Burrows	Foster	Page	Warner
Chamberlain	Gallinger	Penrose	Wetmore
Clark, Wyo.	Guggenheim	Perkins	
Crane	Hale	Piles	
Cullom	Heyburn	Scott	

NOT VOTING—19.

Bankhead	Culberson	Money	Shively
Beveridge	Flint	Newlands	Stephenson
Bourne	Frazier	Nixon	Taylor
Bradley	Frye	Owen	Warren
Clarke, Ark.	McLaurin	Richardson	

So the amendment of Mr. McCUMBER to the amendment of the committee was rejected.

Mr. McCUMBER. I move to amend the substitute offered by the committee by inserting before the provision relating to the use of fuel on vessels, the House provision, which is as follows:

Provided, That any of the foregoing, when imported from any country, dependency, province, or colony which imposes no tax or duty on like articles imported from the United States, shall be imported free of duty.

I do not care about arguing the subject at all.

Mr. ALDRICH. The Senator will accomplish the same purpose by voting "yea" or "nay" upon the committee amendment. That is the same question exactly.

Mr. McCUMBER. But there are other questions connected with that; and I want this in a separate proposition.

Mr. CLAPP. You can not do that, because the Senate committee has reduced the rate over the House bill; and we would not want to vote against that.

Mr. McCUMBER. There are too many other propositions connected with it.

The PRESIDING OFFICER. The Secretary will state the amendment.

The SECRETARY. After the words "ad valorem," in the proposed committee amendment, it is proposed to insert:

Provided, That any of the foregoing, when imported from any country, dependency, province, or colony which imposes no tax or duty on like articles imported from the United States, shall be imported free of duty.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from North Dakota to the amendment of the committee.

Mr. DAVIS. I ask for the yeas and nays.

The yeas and nays were not ordered.

Mr. DAVIS. I ask for a division on the question.

The PRESIDING OFFICER. A division is demanded. The question is on agreeing to the amendment proposed by the Senator from Rhode Island on behalf of the Committee on Finance.

Mr. BEVERIDGE. Mr. President, I understand that the question upon which the division is demanded is upon the amendment of the Senator from North Dakota. Has that been disposed of?

The PRESIDING OFFICER. The Chair understands——

Mr. BEVERIDGE. Was the division denied?

Mr. SCOTT. I thought the vote was announced.

The PRESIDING OFFICER. The demand was not insisted upon, the Chair understood.

Mr. BEVERIDGE. I understood that a division was demanded by a Member of the Senate.

The PRESIDING OFFICER. Does the Senator from Indiana insist upon a division?

Mr. BEVERIDGE. No; I do not demand a division——

Mr. DAVIS. I do, Mr. President.

Mr. BEVERIDGE. But I understand a division was demanded. All I wanted to know was where we were. A division is demanded by a Member, and I suppose it has to be ordered.

Mr. DAVIS. I insist upon a division, sir.

The PRESIDING OFFICER. The Chair will again put the question to the Senate. Is the demand for the yeas and nays seconded?

Mr. ALDRICH. I understand that the Senator from Arkansas demands a division on the proposition.

The PRESIDING OFFICER. A division is demanded.

The question being taken, there were on a division—ayes 24, noes 47.

So the amendment of Mr. McCUMBER to the amendment of the committee was rejected.

The PRESIDING OFFICER. The question recurs on the amendment proposed by the Senator from Rhode Island [Mr. ALDRICH] on behalf of the Finance Committee.

Mr. CRAWFORD. Mr. President, as a substitute for the amendment proposed by the Finance Committee, I move to strike out lines 13 and 14 and the words "80 pounds to the bushel," in line 15, and to insert in lieu thereof the words, "coal, bituminous, and coal, slack, or culm, shall be imported free of duty," and to strike out the proviso in lines 19, 20, 21, and 22, that being the countervailing clause.

The PRESIDING OFFICER. The question is on agreeing to the amendment proposed by the Senator from South Dakota [Mr. CRAWFORD] in the nature of a substitute.

The amendment was rejected.

The PRESIDING OFFICER. The question recurs on agreeing to the amendment offered by the Senator from Rhode Island.

The amendment was agreed to.

Mr. ALDRICH. I ask that the paragraph as amended be agreed to.

The PRESIDING OFFICER. Without objection, the paragraph as amended will be agreed to.

Mr. ALDRICH. From the Committee on Finance, I report certain amendments to the leather paragraph. I am not sure whether or not it will be possible to dispose of them to-night. I move to amend, on page 178, in line 26, by striking out "five," and inserting "ten," which increases the duty on sole leather from 5 to 10 per cent.

Mr. BAILEY. I hope the Senator will state all the amendments.

Mr. ALDRICH. I will state what the other amendments are. On line 21, page 179, strike out "fifteen" and insert "twenty;" which will make the duty upon boots and shoes 20 per cent ad valorem instead of 25 per cent, as in the existing law.

Mr. BAILEY. I know we can not dispose of those amendments to-night. I suggest that the Senator have them printed.

Mr. ALDRICH. In lines 17 and 18, on page 179, I ask that the Senate disagree to the amendment of the committee, which has heretofore been adopted, striking out the words "glove leather," so that glove leather would be restored at 20 per cent ad valorem. The effect of these amendments is to increase the duty as proposed in the House bill from 5 to 10 per cent on sole leather; from 15 to 20 per cent on boots and shoes; and to restore glove leather to the duty which was imposed by the House.

Mr. HALE. Let them be printed and go over.

The PRESIDING OFFICER. Without objection, the amendments will be printed and go over.

Mr. LA FOLLETTE. I request that the amendments offered by the Senator from Rhode Island to the leather paragraph be printed in the RECORD.

Mr. ALDRICH. Let them be printed in the RECORD, and I ask that they also may be printed as amendments. I give notice that I shall ask to take them up to-morrow morning.

The PRESIDING OFFICER. The amendments will be printed in the RECORD, and go over.

The amendments reported by Mr. ALDRICH from the Committee on Finance are as follows:

On page 178, line 26, strike out "five" and insert in lieu the word "ten;" also,

On page 179, line 21, strike out the word "fifteen" and insert in lieu the word "twenty;" also,

On lines 17 and 18, page 179, disagree to the committee amendment proposing to strike out the words "and glove leather."

Mr. BULKELEY. I offer a proposed amendment to the pending bill, and ask that it be printed in the RECORD and referred to the Committee on Finance.

The PRESIDING OFFICER. In the absence of objection, that order is made.

The amendment referred to is as follows:

Paragraph 423, page 170, after the words "ad valorem," insert the following: "buttons of metal, embossed with a design, device, pattern, or lettering, 45 per cent ad valorem."

Mr. PENROSE. I have a concise statement here of some statistics concerning the hosiery paragraph, which I ask consent to have printed in the RECORD.

The PRESIDING OFFICER. In the absence of objection, permission is granted.

The matter referred to is as follows:

Here are the actual figures to prove that hosiery will not increase in price to the consumer:

25-cent stockings—$3 per dozen.

	Dingley bill.	New Payne bill.
Foreign cost.....per dozen..	$1.00	$1.00
Ad valorem duty	.15	.15
Specific duty	.50	.70
Freight and charges	.05	.05
Total importer's cost	[a]1.70	[b]1.90

[a] Or 14⅛ cents per pair. [b] Or 15⅞ cents per pair.

Difference, 1⅞ cents per pair.

50-cent stockings—$6 per dozen.

	Dingley bill.	New Payne bill.
Foreign cost.....per dozen..	$2.00	$2.00
Ad valorem duty	.30	.30
Specific duty	.70	1.00
Freight and charges	.05	.05
Total importer's cost	[a]3.05	[b]3.35

[a] Or 25 4/17 cents per pair. [b] Or 27 11/17 cents per pair.

Difference, 2½ cents per pair.

Consumer's cost, the same.

NOTE.—Twenty-five cents and 50 cents are the popular selling prices of hosiery in this country. These prices are as firmly established as is the 5-cent price for bread.

In addition to the proven fact that hosiery will not increase in price to the consumer by granting the Payne-bill rates, you are supporting the American workmen, American industry, and American capital.

There were entered for consumption at the port of New York alone during January, February, and March, 1909, 12,874,224 pairs, although many American mills are working part time only.

APRIL 23, 1909.

THE COLLAPSE IN FOREIGN HOSIERY PRICES.

The following is a statement of importations in hosiery at the port of New York in the first three months of 1909 as compared with the corresponding period of 1908:

Importations at port of New York for January, February, and March.

	Dozens.	Value.	Average cost per dozen.
1908	997,474	$1,590,453.00	$1.59½
1909	1,072,852	1,294,670.00	1.20
Reduction in average price per dozen in Germany			.39½

This would mean with the difference in duty a reduction in the landing price of 50 to 67 cents per dozen, according to classification, to offset which the Payne bill grants but an increase of 20 cents per dozen.

There has been no reduction to the consumer.

What the American workingman and the American working woman has to compete with.

[From the Daily Evening Telegraph, Philadelphia, Wednesday, April 28, 1909.]

WANAMAKER, ORIGINATOR—THE NEXT GREAT EVENT AT WANAMAKER'S—HAVE YOU SHARED IN HOSIERY SALE?—IF YOU HAVE NOT, YOU HAVE MISSED ONE OF THE OPPORTUNITIES OF THE SEASON—SELLING HAS BEEN BRISK.

More hosiery to-morrow, only because the original quantity was so large.

Selling has again been brisk to-day.

It isn't to be wondered at, however, because in the face of a threatening tariff we cleared up the markets of Germany at a price that hasn't been possible before in years and years. We secured another lot to sell at an average half price. Here are the items:

Women's 35-cent and 50-cent stockings, 25 cents a pair.

Men's 25-cent and 35-cent socks, 18 cents a pair; 3 pairs for 50 cents.

Men's 50-cent socks, 25 cents a pair.

Children's 25-cent socks, 12½ cents a pair.

Black and tan, plain and fancy, cotton and lisle hosiery, all of it the best that Germany produces, fashioned feet, seam back.

There is nothing more to say about it except that Philadelphia seems to be laying in a supply, and the west and main aisles are piled high with different values.

Selling continues unabated because "all the king's horses and all the king's men" couldn't have carried away the entire purchase in one day.

Every city, town, village, and hamlet have a board of trade offering special inducements for the introduction of manufacturing establishments.

Hosiery rates contained in the Payne bill would be an incentive for the establishment of additional hosiery mills employing American workingmen and American working women.

At the present time American hosiery mills are working short time and importations of foreign hosiery are increasing.

Wanamaker advertisements in Philadelphia papers May 13 and May 14.

GERMANY KNOWS HOW TO MAKE STOCKINGS—GERMANY SENDS THIS NEW HOSIERY.

When we get a new shipment like this, straight from the Kaiser's land, you may know they are strong, sturdy stockings worth coming to Wanamaker's for:

For women, there are black, tan, and bronze lisle with self-embroidery, at 50 cents and 75 cents. White lisle with embroidered figures, at 50 cents, 75 cents, and $1. Gray, tan, black, and white lisle with self-embroidered clocks, at 50 cents. London smoke, white, tan, bronze, and black openwork, at 50 cents. Striped lisle stockings, violet, pink, sky, tan, mode, cadet, navy, and black stripes on white grounds, at 50 cents. Polka dots on cadet, black, and tan grounds, 35 cents, or 3 pairs for $1. White and tan lisle in eyelet embroidery, at $1.

For men, at 50 cents, are gun, plum, garnet, peacock, navy, champagne, and olive, in self-embroidery. Tan and cadet in self and colored embroidery. Tan, myrtle, gray, old rose, navy, and black, with self-embroidered clock and stripe effects. Polka dots in white on garnet, black, tan, and navy grounds. Self-colored polka dots on cadet, tan, violet, green, and mode grounds. Cadet, tan, violet, and mode in vertical stripes—imitation of French styles.

The good, staple kinds are also among them.

Fresh from the custom-house, a splendid company of the best German stockings for men and women:

For women, black, tan, and bronze lisle stockings with self embroidery, 50 cents and 75 cents pair.

White lisle with embroidered figures, 50 cents, 75 cents, and $1.

Gray, tan, black and white lisle with self-embroidered clocks, 50 cents.

London smoke, white, tan, bronze, and black openwork, 50 cents.

Striped lisle stockings, violet, pink, sky, tan, mode, cadet, navy, and black stripes on white grounds, 50 cents.

American hosiery manufacturers can not compete with above prices under Dingley rates of duty, and are running their mills on short time.

Rapid fulfillment of prophecy!

[From the Philadelphia Inquirer, May 19, 1909.]

MADE IN GERMANY.

Senator HALE spoke true words when he informed the Senate that Germany is watching the pending tariff bill with more interest than any other nation.

"We are increasing the tariff on goods usually bought of that country," he said, "because we are threatened with an invasion of her products that our laws permit to come in on a low duty. It is high time we recognize the fact that our most dangerous commercial competitor is Germany. Her labor is cheap. We must soon come face to face with her manufacturers in a bitter competitive war."

Even the most unenlightened in tariff details can have no difficulty in accepting that statement regarding Germany. "Made in Germany" is a label which is everywhere met with. It has practically inundated England, where tens of thousands of workingmen are out of employment. It is threatening to play havoc in the United States.

"Few people are leaving the shores of Germany," says Senator HALE. "They are staying at home, building new factories, extending trade, grasping at the very heart of the commerce of the United States. Let this tariff go through as the Democrats would have it and the happiest manufacturers in the world will be those of that Empire."

Manufacturers of goods menaced by the "Made in Germany" products know that this is all so. Recently Washington has been visited by working girls of Philadelphia and of Pennsylvania employed in the hosiery mills. These workers have carried the tale that their wages are endangered by the low duties on certain lines of hosiery—and doubtless also by the undervaluations that are so grave a feature of the commercial treaty with Germany. The Payne bill increased the duties. The Senate bill restored the Dingley rates.

It is to be hoped that while Senator HALE is engaged in the laudable task of protecting American manufacturers from the inroads of the German, he will insist upon the acceptance of these American working girls' pleas.

WHAT HAPPENED.

Seven hundred cases, or about 1,000,000 pairs of hose, were landed at the port of New York on May 19 from steamship *Prinzess Irene*.

Eighty cases, or about 192,000 pairs of hose, were landed at the port of New York on May 19 from steamship *Pallanza*.

If this continues, the American manufacturers of hosiery will be compelled to reduce wages or close their mills.

Dingley rates in force.

Importations of foreign hosiery rapidly increasing under Dingley law.

MILLS WORKING SHORT TIME.

When you throw American labor out of work by importing foreign merchandise, you are destroying your own market. The basis of national prosperity is the high wages paid American working men and women.

The middleman's profit, which runs from 60 to 100 per cent, should convince any fair-minded man who has the prosperity of the country at heart that the small advance in duty granted by the Payne bill will not increase the price of hosiery to the consumer and will take but little from the large profits of the middleman.

There were entered for consumption at the port of New York alone during January, February, March, and April, 1909, 17,789,688 pairs, although most American mills are working part time only.

Importations of hosiery at the port of New York.

We recently submitted figures showing the collapse in the landing price of foreign hosiery to be 55 cents per dozen for January, February, and March, 1909, as compared with the same months of 1908.

This average low price continues for the month of April.

There were entered for consumption at the port of New York alone during the month of April, 1909, 4,915,464 pairs; importations for April, 1908, 3,009,060 pairs; difference, 1,906,404 pairs.

Importers claim there is no increase in importations of hosiery, but the above official figures prove an increase of 63 per cent.

Within a few days 40 American manufacturers of hosiery have made affidavit that their mills are working on short time or on stock.

A question of veracity as to wages of German hosiery operatives.

Which will you believe, the sworn statement of American hosiery and underwear manufacturers, which has been more than confirmed by the independent report of United States Consul James H. Norton at Chemnitz, Germany, or the irresponsible and anonymous statement of an interested body of German manufacturers?

The German Government has forwarded this anonymous statement to the United States Senate, giving figures as to German hosiery wages entirely at variance with those sworn to by the National Association of Hosiery and Underwear Manufacturers, showing that the ratio of German to American wages in the hosiery industry is as 30 to 100.

United States Consul Norton's report, dated Chemnitz, October 19, 1908, an unbiased and disinterested representative of our Government, shows the contention of the American manufacturers to have been most conservative.

COTTAGE INDUSTRY.

Consul Norton makes a careful, detailed report regarding the cottage industry, which, according to the statement forwarded by the German Government, does not exist. He must have a vivid imagination to make such a report, if not true. The anonymous report of German hosiery manufacturers wisely ignores the fact that following the strike wages of German hosiery workers were reduced to the low-wage scale of 1897.

The middleman's profit.

DINGLEY LAW.

[Per dozen pairs.]

Foreign cost.	Rate of duty.	Duty.		Middleman's profit.		Consumer's price.	
			Per cent.		Per cent.		Per pair.
$1.00	15 per cent and 50 cents	$0.65	65	$1.35	82	$3.00	$0.25
2.00	15 per cent and 70 cents	1.00	50	3.00	100	6.00	.50
3.00	15 per cent and $1.20	1.65	55	4.35	92½	9.00	.75
	PAYNE BILL.						
$1.00	15 per cent and 70 cents	$0.85	85	$1.15	62	$3.00	$0.25
2.00	15 per cent and $1.00	1.30	65	2.70	82	6.00	.50
3.00	15 per cent and $1.50	1.95	65	4.05	82	9.00	.75

The small increase in duty granted by the Payne bill is no more than proved protection, making it possible to run our mills full time and give profitable employment to American workingmen and American working women, which we can not do under the Dingley law.

The Wayne Knitting Mills prefer the Dingley rates on hosiery to the Payne schedule because they desire to reduce wages.

[See affidavit subjoined.]

The Wayne Knitting Mill has declared itself in favor of the Dingley rates and lower wages.

The National Association of Hosiery and Underwear Manufacturers favor maintaining the present wage scale and slightly advancing the duty, to enable them to compete with German manufacturers who have returned to the low-wage scale of 1897, and have reduced their prices 40 per cent in eighteen months. (See custom-house figures.)

Wages of German expert hosiery knitters:

Men, $295 (1907) reduced to $240 (1908) per year.

Women, $165 (1907) reduced to $124 (1908) per year.

Mr. T. F. Thieme, head of the Wayne Knitting Mills, favors a reduction of wages and the retention of the Dingley rates. (For proof of this, see affidavit subjoined.)

Mr. T. F. Thieme, secretary and manager of the Wayne Knitting Mills, Fort Wayne, Ind., at a meeting of the tariff committee of the National Association of Hosiery and Underwear Manufacturers, expressed as his deliberate opinion that American manufacturers could compete with German manufacturers if they reduced the wages of their labor, and that it would be better to reduce the wages of the hosiery-mill operatives than to increase the tariff over the protection afforded by the Dingley bill.

JOS. S. RAMBO.
W. PARK MOORE.
FRED W. SIMONS.
GEORGE D. HORST.

STATE OF PENNSYLVANIA, *County of Philadelphia, ss:*

On the 25th day of May, A. D. 1909, before me, a notary public for the Commonwealth of Pennsylvania, residing in the city of Philadelphia, personally appeared George D. Horst, W. Park Moore, Fred W. Simons, and Joseph S. Rambo, who, being duly sworn, did depose and say that the statement above set forth was true.

W. ELWOOD LOCKE, *Notary Public.*

(Commission expires January 16, 1913.)

NATIONAL ASSOCIATION OF HOSIERY AND UNDERWEAR MANUFACTURERS.

American hosiery manufacturers reply to the importers.

They base their plea for the Payne tariff schedule upon conditions that have arisen within eighteen months. (See Pars. I and III below.)

The importers of hosiery base their case upon conditions that have ceased to exist.

IMPORTERS' SIDE.

I. The sole request made by the importing houses is that the Dingley rates be retained. There is no adequate reason why the manufacturers should secure a greater protection than is accorded them by the act of July 24, 1907, the percentage of protection thereunder ranging from 55 per cent to 85 per cent. As a matter of fact, the sole class of hosiery involved is the so-called "full-fashioned," all seamless hosiery consumed in the United States being the product of this country. It is especially upon the cheap class of goods that the manufacturers are endeavoring to secure an increase, the rates of duty under the Payne bill thereon ranging from 65 per cent to 115 per cent.

AMERICAN MANUFACTURERS' ANSWER.

I. The sole request of the American manufacturers is for a measure of protection much lower than contemplated by the framers of the Dingley schedule, who never foresaw the collapse in foreign hosiery prices of the last eighteen months. (For figures see below.) Had they foreseen it they would have framed a schedule much higher than the proposed Payne rates. This condition is aggravated in the landing price by a drop to the low tariff classification never dreamed of when the Dingley bill was framed. The following shows the importations at the port of New York for January, February, and March:

	Dozen.	Value.	Average cost per dozen.
1908.....	997,474	$1,590,453	$1.59½
1909.....	1,072,852	1,294,670	1.20⅝

Reduction in average price, per dozen, 39⅞ cents in Germany. This would mean, with the difference in duty, a reduction in the landing price of 50 to 67 cents per dozen, according to classification, to offset which the Payne bill grants but a partial equivalent.

It has been stated that this collapse is due to the panic. The panic brought to a focus conditions which have been maturing for eight years, but which were staved off by the "boom" which enabled the German manufacturers to reap the entire benefit of cheapened cost of production, because there was a greater demand than supply at the old prices. When the demand stopped there came a fall in six months that should otherwise have come gradually in the eight years before. There was also a sharp reduction in wages. The prices that are now current in Germany are the logical outcome of normal conditions uninfluenced by either boom or panic. They have come to stay within narrow fluctuations.

II. This means that the consumers of cheap cotton hosiery will be compelled to pay increased prices. The popular stocking retailing at 25 cents per pair at present pays 65 per cent, and under the rates proposed by the Payne bill they would be raised to 85 per cent. The schedule attached hereto shows completely the variation between the equivalent Dingley rates and the equivalent proposed Payne rates.

III. The campaign of the manufacturers has been based upon serious misrepresentation. It has been stated that the hosiery industry was in a languishing condition, all due (as claimed by the manufacturers) to the Dingley rates of duty. The following figures expose, we think, the falsity of any such statement: In 1900 the domestic output of hosiery amounted to $27,233,616; in 1905 it amounted to $43,590,857, and in 1908 (upon the basis of the estimates of the domestic manufacturers) the output was between $50,000,000 and $60,000,000. This shows an increase in eight years of 100 per cent, which is hardly an indication of a languishing state of business.

IV. Compare the above growth of the output of the domestic manufacturers with the following table, showing the amount of importations of hosiery during a period of eighteen years:

In 1890, total imported.. $6,604,835
In 1900, total imported.. 4,016,435
In 1908, total imported.. 6,645,570

It would thus appear that there was no increase whatever in the importations during a period of eighteen years.

V. It has been stated also by the manufacturers that their mills were shutting down in consequence of their inability to compete. This seems particularly strange in view of the fact that they at present control about 90 per cent of the total consumption. The real and honest reason, however, for the shutting down of any mills is not brought forward by them. These reasons are:

First. The fact that certain mills are adapted only to the production of fancy and embroidered hosiery, a kind which at present has gone out of style. The style at the moment is for solid, plain colors.

When so-called "full-fashioned goods" are landed cheaper than so-called "seamless," they compete even more seriously with these than with the American full-fashioned. The cry, therefore, that the Payne schedule is in the interest of but 20 manufacturers of full-fashioned goods is for the purpose of befogging the issue (as a matter of fact, there are 75 instead of 20). It is not "especially upon the cheap class of goods" that a fair measure of protection is asked, but upon those which American mills are fitted to make, if adequately protected.

II. During the recent boom yarns and other items of cost and also labor advanced sharply, and yet the retail price of the domestic 25-cent stocking could not be advanced. The increased cost was divided between the manufacturer, the jobber, and the retailer. The same will happen to the importer and the retailer when the stocking costs 1⅛ cents per pair more to land. That is why the importer and retailer are fighting so hard. The consumer need not worry.

III. The American hosiery manufacturers claim that their industry is languishing now, owing to new conditions that have come within the last eighteen months. They do not claim that their industry did languish during the years preceding 1908. The Payne schedule concerns itself with the present and with the future, and not with the past. It aims to meet new conditions with a new remedy. Had German hosiery remained at the prices antedating 1908, no American manufacturer would have asked for the increase.

The growth of the domestic hosiery industry from 1900 to 1908 shows the beneficent effect of adequate protection. This protection has ceased to be adequate within the past eighteen months. During the past decade the consumer has fared better and better. The prices of domestic seamless hosiery have been cut in half during the past twenty years, in the face of nearly double the price of cotton, a largely increased cost of other items, and a very large advance in the wage scale. This result has been made possible by improvements in machinery, and by the economies of enlarged output developed under a system of adequate protection, now no longer adequate. There has been no grosser misstatement than that circulated in the press that "the price of hosiery has been going up by leaps and bounds."

IV. These figures should show the number of dozens, as well as the value. The lower the value of imports concurrent with increasing numbers of dozens, the more serious the competition. An example of this is shown in Paragraph I. Why do the importers not publish the figures for 1907 and compare these with the imports of the first four months of 1909?

In 1907 importations were $7,019,334.

All of these figures are cost prices in Germany.

V. It is not true that certain mills are closed on account of a change in fashion. It so happens that some of the mills that are closed or running on part time did make goods now out of fashion, but they are equipped to make goods that would be in active demand but for ruinous foreign competition, and they would at once run on full time under the Payne tariff. They were compelled to shut down before the change in fashion made itself felt.

Embroidered hosiery is not out of style. As to the temporary neglect of Jacquards, the mills equipped to make these can just as well make "two-toned" and solid effects, which would find a ready market but for the disastrous foreign competition. But, as a matter of fact, not only the full-fashioned industry, but the makers of all seamless goods made to retail above 15 cents per pair were saved from complete annihilation

VI. Second. Is the fact that all business has in the past year or so suffered in consequence of the financial panic, from the effect of which no merchants nor manufacturers have been exempt.

VII. It has been stated upon the floor of the House by the chairman of the Ways and Means Committee that the importers are interested financially in the manufacture of hosiery in Germany. Attached hereto is a copy of an unqualified denial of such statement, the original of this denial having been forwarded to the Hon. SERENO E. PAYNE.

IX. As to the methods pursued by the manufacturers in order to create what they call "public opinion," we attach hereto copies of letters emanating from the National Association of the Hosiery and Underwear Manufacturers, which, readily enough, show how this so-called "public opinion" has been created. In addition, they have sent to Washington a delegation of 10 female mill operatives for the purpose of working upon the sympathies of Senators and Members of the House. They have stated that these 10 operatives represented some forty to fifty thousand hosiery workers who would be affected by a failure to increase the rates upon hosiery from the Dingley schedules to those proposed in the Payne bill. The fact is that such a statement is an entire misrepresentation. Of the total operatives employed by hosiery manufacturers in this country, less than 10 per cent are engaged in the manufacture of full-fashioned hosiery, the only kind upon which the Payne bill proposes any increase of duty. The remainder are employed in the manufacture of seamless hosiery, upon which no increase over the Dingley rates was proposed in the Payne bill.

X. The largest manufacturers of full-fashioned hosiery in the United States are the Fort Wayne Mills, of Indiana, and we are advised that they are fully satisfied with the Dingley rates of duty and have made no effort in behalf of an increase thereon.

XI. It has been stated that the business of hosiery manufacturing has been a losing one, but, in contradiction to this, we attach hereto mercantile reports in relation to a few of the manufacturers of this merchandise:

Richmond Hosiery Mills, Chattanooga, Tenn.; net worth, 1897, $50,000; December, 1906, $329,330; January, 1903, $363,354.

Brown Knitting Company, Philadelphia, Pa.; net worth, April 30, 1908, $315,000; January, 1909, $750,000; capital increased.

German-American Hosiery Company, Philadelphia, Pa.; net worth, 1901, $100,000; August, 1904, $200,000; June, 1908, $248,000.

Glenn Knitting Company, Philadelphia, Pa.; net worth, 1902, $50,000; September, 1907, $121,000.

Thomas E. Brown & Son, Philadelphia, Pa.; net worth, 1901, $20,000; September, 1907, $404,500.

Nolde & Horst Company, Reading, Pa.; net worth, 1897, $250,000; present surplus, $300,000; capital, $250,000.

Rambo & Regan (Incorporated), Norristown, Pa.; net worth, 1902, $400,000; September, 1907, $499,930; August, 1908, $518,531.

Harry C. Aberle & Co., Philadelphia, Pa.; net worth, April, 1905, $94,000; April, 1907, $137,129; April, 1908, $159,972.

Brown-Aberle Company, Philadelphia, Pa.; net worth, January, 1907, $699,964; May, 1908, $720,252.

Sulloway Mills, Franklin, N. H.; net worth, 1897, $100,000; January, 1909, $295,686.

Durham Hosiery Mills, Durham, N. C.; net worth, 1898, $100,000; June, 1908, $822,627.

XII. All of the above indicates no lack of prosperity, but quite the contrary. As a matter of fact, the leading manufacturers are behind in their deliveries at the present moment to a very troublesome extent, and we can hardly conceive that such would be the state of affairs if their business were in the languishing condition which they claim.

VI. The panic did force some mills to suspend operations, but the panic is over, and, while the days of the "boom" have not come back, general business conditions are such that the mills now idle could be run on full time did not the German manufacturer have the advantage of 20 cents per dozen in the cost of production under the Dingley rates. And if the idleness of American mills is due to general stagnation and not to insufficient protection, why are importations larger than ever. (See figures in Par. I.)

VII. This is a quibble over terminology. In Germany the term "manufacturer" is used to designate a dealer buying goods from what the Germans call "factors." The fact remains that these importers can eliminate this so-called "manufacturers' profit," which the smaller American wholesaler can not do. It gives these houses an advantage over their smaller competitors which they do not possess in domestic goods.

IX. The importers and retailers should say nothing about the manipulations of "public opinion." There never has been anything more unscrupulous than the misrepresentations by the press of the country manipulated by the bargain-day department store advertiser at the instigation of the importer.

As the 10 female operatives representing hands, of whom "less than 10 per cent are engaged in the manufacture of full-fashioned hosiery," it has already been shown that when full-fashioned goods can be landed cheaper than the domestic seamless, they affect these even more than the full-fashioned. (Par. I.)

X. Mr. T. F. Thieme, secretary and manager of the Wayne Knitting Mills, declared in favor of lower wages for the hosiery-mill operatives rather than an increase in tariff. (See attached affidavit.)

XI. Here are picked 10 conspicuous successes out of 600 mills. And this during a period of prosperity unprecedented in extent and in duration. And even these figures, twist them as one may, show not a single millionaire! Indeed, it would be hard to find one individual millionaire among hosiery manufacturers. Can this be said of any other industry of like importance? Among the dealers opposing the Payne schedule are hundreds of millionaires and many multimillionaires. In many of these cases the increased capital is in the shape of machinery which only has value as long as it can be operated at a profit. Besides, these reports do not state that this increase of capital is from earnings. It is evident from the figures of the Brown Knitting Company that the increase is merely subscribed capital.

XII. If the leading manufacturers are behind in their deliveries, it is due to two factors:

First. In normal times customers anticipated their wants. Of late they have operated from hand to mouth. Mills can not turn out in three months what requires six months to manufacture.

Second. A reduced capacity consequent to a disorganization caused by insufficient business can not be repaired temporarily or at once. As a matter of fact, the majority of the leading hosiery manufacturers are not working their plants to their full capacity, and a great proportion of the goods being made to-day are for stock.

EXECUTIVE SESSION.

Mr. ALDRICH. I move that the Senate proceed to the consideration of executive business.

The motion was agreed to, and the Senate proceeded to the consideration of executive business. After five minutes spent in executive session the doors were reopened, and (at 6 o'clock and 50 minutes p. m.) the Senate adjourned until to-morrow, Thursday, June 24, 1909, at 10 o'clock a. m.

CONFIRMATIONS.

Executive nominations confirmed by the Senate June 23, 1909.

COLLECTOR OF CUSTOMS.

Orlando V. Hurt to be collector of customs for the district of Yaquina, Oreg.

RECEIVER OF PUBLIC MONEYS.

Samuel G. Mortimer to be receiver of public moneys at Bellefourche, S. Dak.

PROMOTIONS IN THE ARMY.

CAVALRY ARM.

First Lieut. Albert A. King to be captain.
Second Lieut. Milton G. Holliday to be first lieutenant.

FIELD ARTILLERY ARM.

Second Lieut. Walter W. Merrill to be first lieutenant.

PROMOTIONS IN THE NAVY.

Lieut. Commander Harold K. Hines to be a commander.

Ensigns Chandler K. Jones and Herbert H. Michael to be lieutenants (junior grade).

Lieuts. (Junior Grade) Chandler K. Jones and Herbert H. Michael to be lieutenants.

Surgeons Robert E. Ledbetter and Charles St. J. Butler to be surgeons (to correct dates).

Passed Asst. Surg. Fred M. Bogan to be a surgeon.

POSTMASTERS.

HAWAII.

Arthur Waal, at Lahaina, Hawaii.

IDAHO.

Orin H. Barber, at American Falls, Idaho.
John T. Witty, at Shoshone, Idaho.

INDIANA.

James E. Zook, at Howe, Ind.

IOWA.

W. G. Haskell, at Cedar Rapids, Iowa.

MICHIGAN.

Gilbert H. Hudson, at Bloomingdale, Mich.

NEW YORK.

Charles J. Quick, at Lestershire, N. Y.

NORTH DAKOTA.

J. Wells Brinton, at Beach, N. Dak.

PENNSYLVANIA.

R. K. Godding, at Kane, Pa.
Jerome B. Lahr, at Millerstown, Pa.

SOUTH DAKOTA.

Albert H. J. George, at White Lake, S. Dak.
Charles E. Tenney, at Summit, S. Dak.

SENATE.

THURSDAY, *June 24, 1909.*

The Senate met at 10 o'clock a. m.

Prayer by the Chaplain, Rev. Ulysses G. B. Pierce, D. D.

The Journal of yesterday's proceedings was read and approved.

PETITIONS AND MEMORIALS.

Mr. PENROSE presented a petition of sundry medical practitioners of the United States, praying for the removal of the present duty on Tansan mineral water imported from Japan, which was referred to the Committee on Finance.

Mr. BROWN presented an affidavit to accompany the bill (S. 565) granting an increase of pension to William C. Hudnall, which was referred to the Committee on Pensions.

Mr. DEPEW presented a petition of Bronx Council, No. 105, Junior Order of United American Mechanics, of New York City, N. Y., praying for the adoption of the so-called "Overman amendment" to the pending tariff bill to increase the capitation tax on immigrants from $4 to 10, which was ordered to lie on the table.

He also presented a petition of the Retail Shoe Dealers' Association of Jamestown, N. Y., praying for the repeal of the duty on hides and sole leather, which was ordered to lie on the table.

He also presented petitions of sundry citizens of Amsterdam and Syracuse, in the State of New York, praying for the retention of the present duty on sulphate of ammonia, which were ordered to lie on the table.

Mr. FRYE presented a petition of the Carded Woolen Manufacturers Association, of Boston, Mass., praying for the adoption of a certain amendment to Schedule K of the pending tariff bill relative to the removal of the present inequalities oppressive to the carded woolen industry, which was ordered to lie on the table.

REPORT OF A COMMITTEE.

Mr. MARTIN, from the Committee on Commerce, to whom was referred the bill (S. 1441) authorizing the construction of a bridge across the Missouri River and to establish it as a post-road, reported it with an amendment and submitted a report (No. 7) thereon.

MARINE HOSPITAL AT CHELSEA, MASS.

Mr. PERKINS. I am directed by the Committee on Naval Affairs, to whom was referred the joint resolution (H. J. Res. 59) amending an act concerning the recent fire in Chelsea, Mass., to report it favorably without amendment. I call the attention of the senior Senator from Massachusetts [Mr. LODGE] to it.

Mr. LODGE. I ask that the joint resolution may have present consideration.

The PRESIDENT pro tempore. It will be read to the Senate for its information.

The Secretary read the joint resolution, as follows:

House joint resolution 59.

Resolved, etc., That the time within which certain accident, emergency, and maternity cases may be received and treated in the marine hospital at Chelsea, Mass., fixed by the act approved May 23, 1908, is hereby extended until October 1, 1909.

The PRESIDENT pro tempore. Is there objection to the present consideration of the joint resolution?

Mr. HALE. All these acts of legislation, Mr. President, are in contravention of the rule established by the Senate that no legislation except in relation to the tariff and the census should be enacted until after the tariff has been disposed of. That order was adopted by the Senate at my suggestion. But there are some of these things that are so necessitous in their nature, and of so little importance as legislation, I shall not, as they arise, feel constrained to urge the objection. I should still hope that until we get out of the woods as to tariff legislation, which is the main thing that brings us here, any important piece of legislation will not be attempted.

There being no objection, the joint resolution was considered as in Committee of the Whole.

The joint resolution was reported to the Senate without amendment, ordered to a third reading, read the third time, and passed.

BILLS INTRODUCED.

Bills were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. BROWN:

A bill (S. 2736) granting an increase of pension to Max Lenz; to the Committee on Pensions.

By Mr. DEPEW:

A bill (S. 2737) authorizing the purchase of 13 historical paintings; to the Committee on the Library.

By Mr. McENERY:

A bill (S. 2738) for the relief of Arsene Camille Vallet, administratrix of Elie Henri Flory, deceased (with accompanying paper); to the Committee on Claims.

By Mr. WETMORE:

A bill (S. 2739) granting an increase of pension to John T. Wilcox (with accompanying papers); to the Committee on Pensions.

AMENDMENTS TO THE TARIFF BILL.

Mr. DICK submitted six amendments intended to be proposed by him to the bill (H. R. 1438) to provide revenue, equalize duties, and encourage the industries of the United States, and for other purposes; which were ordered to lie on the table and be printed.

IRON AND STEEL PRODUCTS.

On motion of Mr. PENROSE, it was

Ordered, That there be printed for the use of the Senate 3,000 additional copies of Senate Document No. 109, Sixty-first Congress, first session, relating to iron and steel products.

IRON AND IRON ORES.

Mr. PAYNTER. Mr. President, I hold in my hand a report in regard to iron ore made by Joseph G. Butler, jr., of Youngstown, Ohio. He is a man of high character and vast information on the subject of iron and iron ores. In the report there are statements by geologists and mining engineers. It is a very valuable contribution on the subject of iron ores and as to its ownership. It was prepared by Mr. Butler in response to an inquiry made by me, and at very considerable personal expense to Mr. Butler. Mr. Butler made the sacrifice of his time and means from a sense of public duty. He deserves the commendation of the Members of this body and the country for the useful information which he has contributed. I think it deserves to be made a public document, and I ask to have it printed as a Senate document (S. Doc. No. 112).

There being no objection, the order was reduced to writing and agreed to, as follows:

Ordered, That the pamphlet entitled "Supplemental Report Regarding Iron Ore," by Joseph G. Butler, jr., be printed as a document.

JOSIAH L. PEARCY, JR.

Mr. JOHNSTON of Alabama (for Mr. TAYLOR) submitted the following resolution (S. Res. 60), which was referred to the Committee to Audit and Control the Contingent Expenses of the Senate.

Senate resolution 60.

Resolved, That the Secretary of the Senate be, and he is hereby, authorized and directed to pay to Josiah L. Pearcy, jr., son of Josiah L. Pearcy, late a laborer of the United States Senate, for the sole benefit of the widow of the deceased, a sum equal to six months' salary, at the rate he was receiving by law at the time of his demise, said sum to be considered as including funeral expenses and all other allowances.

MESSAGE FROM THE HOUSE.

A message from the House of Representatives, by Mr. W. J. Browning, its chief clerk, announced that the House had passed the following bills, in which it requested the concurrence of the Senate:

H. R. 10887. An act to make Scranton, in the State of Mississippi, a subport of entry, and for other purposes; and

H. R. 10933. An act making appropriations for expenses of the Thirteenth Decennial Census, and for other purposes.

ENROLLED JOINT RESOLUTION SIGNED.

The message also announced that the Speaker of the House had signed the enrolled joint resolution (S. J. R. 33) relating to the provisions of section 10 of the sundry civil act of March 4, 1909, and it was thereupon signed by the President pro tempore.

SCRANTON (MISS.) SUBPORT OF ENTRY.

The PRESIDENT pro tempore laid before the Senate the bill (H. R. 10887) to make Scranton, in the State of Mississippi, a subport of entry, and for other purposes, which was read the first time by its title.

Mr. MONEY. I ask consent of the Senate that the bill may be put on its passage. It is simply a House bill of the same import that the Senate passed the other day. The House did not concede to the Senate the right, as they call it, to originate a revenue bill. Consequently they have passed the same measure and sent it over here as a House bill, and I ask the Senate now to repeat what it did the other day.

The PRESIDENT pro tempore. The bill will be read for the information of the Senate.

The bill was read the second time at length, as follows:

Be it enacted, etc., That Scranton, in the State of Mississippi, is hereby made a subport of entry in the district of Pearl River, and the necessary customs officers stationed at said port may, in the discretion of the Secretary of the Treasury, enter and clear vessels, receive duties, fees, and other moneys, and perform such other service as, in his judgment, the interest of commerce may require.

The PRESIDENT pro tempore. Is there objection to the request of the Senator from Mississippi?

By unanimous consent, the Senate, as in Committee of the Whole, proceeded to consider the bill.

Mr. GALLINGER. Mr. President, I do not object, but I ask the Senator from Mississippi if it is his judgment that a bill of this character is a revenue bill?

Mr. MONEY. Not at all. I do not concede it. It is simply a bill for the collection and not for the laying of taxes.

The bill was reported to the Senate without amendment, ordered to a third reading, read the third time, and passed.

Mr. CLAPP subsequently said: The Senator from Mississippi [Mr. MONEY] brought in a bill here; and with the bill on the floor it hardly seemed courteous to object to it. But I, for one, want to give notice now that if another bill comes in here I shall have to object to it, it matters not who has it in charge. It simply opens the door to unlimited legislation at this session. We can not have such legislation without interfering with the bill under consideration.

HOUSE BILL REFERRED.

H. R. 10933. An act making appropriation for expenses of the Thirteenth Decennial Census, and for other purposes, was read twice by its title and referred to the Committee on Appropriations.

THE TARIFF.

The PRESIDENT pro tempore. The morning business is closed, and the first bill on the calendar will be proceeded with.

The Senate, as in Committee of the Whole, resumed the consideration of the bill (H. R. 1438) to provide revenue, equalize duties, and encourage the industries of the United States, and for other purposes.

Mr. BEVERIDGE. Mr. President——

Mr. CULLOM. I suggest that there is not a quorum present.

The PRESIDENT pro tempore. The Secretary will call the roll.

The Secretary called the roll, and the following Senators answered to their names:

Aldrich	Clark, Wyo.	Frye	Nixon
Bacon	Clay	Gallinger	Oliver
Bailey	Crane	Gamble	Page
Beveridge	Crawford	Guggenheim	Paynter
Borah	Culberson	Hale	Penrose
Bradley	Cullom	Heyburn	Perkins
Brandegee	Cummins	Hughes	Piles
Briggs	Curtis	Johnson, N. Dak.	Root
Bristow	Davis	Johnston, Ala.	Scott
Brown	Depew	Jones	Simmons
Burkett	Dick	Kean	Smoot
Burnham	Dillingham	La Follette	Stone
Burrows	Dolliver	Lodge	Sutherland
Burton	du Pont	McLaurin	Tillman
Carter	Elkins	Martin	Warner
Chamberlain	Flint	Money	Warren
Clapp	Foster	Nelson	

The PRESIDENT pro tempore. Sixty-seven Senators have responded to their names. There is a quorum present. The Senator from Indiana will proceed.

Mr. BEVERIDGE. Mr. President, my remarks will be a plain business statement, not going outside the record or the figures collected by the Government and laid before us by the President of the United States. I called, by resolution, for the Government's report, and, in response, the President has laid the facts and figures before us. Where figures from other countries are given they are official also.

REVENUE NEEDED—TOBACCO SUPPLIES IT.

Mr. President, the ruling note of this debate has been the need of revenue. Senators have voted for various rates of duty because they said that they thought that such duties would raise revenue and that the Government needed it; and they said that if they had not so thought they would not have voted for these rates.

The amendment I shall offer, as I have now modified it, adds about $20,000,000 annually to the revenues of the Government. IT DOES THIS, TOO, WITHOUT VERY MUCH INCREASING THE TAX ON TOBACCO. I shall show in a moment that even if the tax were restored to what it was when it was reduced in 1901–2, it even then *would be far less than what it was down to 1879 and 1883; and my amendment* PUTS ONLY HALF THE SPANISH WAR RATE ON MOST MANUFACTURED TOBACCO and does not increase the present rate at all on cigars, except on high-priced cigars.

In view of our admitted need of revenue, it has been a curious circumstance to me that, although the House increased the tax on cigarettes back to the war rate, yet when the bill is reported to the Senate by the Finance Committee even *that little increase of tax on cigarettes is stricken out.*

I think the Senate and the country will be astounded when they learn that fact. Indeed, there are members of the Finance Committee who at this hour do not know that the House increase of the tax on cigarettes has been stricken out of the bill by their own committee.

TOBACCO TAXATION ON ITS MERITS.

Mr. President, I shall not take time to make a résumé of my former argument. I take it that Senators who heard me on that occasion remember that in 1898 Congress put on the war tax and enacted the war packages; that the Congress of 1901–2 removed the tax and specifically reenacted those packages and did the other things to which I shall call attention; and that from that day to this the tax we took off, which the manufacturers had formerly collected and paid to the Government, they have since collected and paid to themselves.

I say I suppose Senators remember that argument, but I want, before I enlarge upon it—before I present tables of figures proving that the tax we abolished is still collected from the people and *added* to the *profits* of the manufacturer—I want to take up this question in a broader sense. But, meanwhile, let Senators not forget that the main question is the restoration of the tax.

So I ask Senators to dismiss from their minds for a moment the question of the repeal of the tax and the diversion of those scores of millions of dollars from the Government Treasury to the trust's treasury, and take up this tobacco tax as an original proposition.

Mr. President, I have made some investigations on this subject outside of the limited circle of the repeal of the tax and the reenactment of the packages, and so forth, and I have found several startling facts.

OURS THE LOWEST TOBACCO TAX IN THE WORLD.

The first is, *ours is the lowest tobacco tax in practically the civilized world.* France taxes her tobacco FIVE TIMES *as much as we do,* and England and Italy and Austria-Hungary tax tobacco from *two to* MORE THAN FIVE *times as much as we do.* I have here a table which has been compiled from the latest official documents of those countries, taking all possible taxes or methods of taxation on tobacco, whether internal revenue, whether through government monopoly, or whether by customs.

This table shows that we tax tobacco 17 cents a pound on the average (although most of it, of course, is only 6 cents a pound), after adding the customs and cigars, whereas the United Kingdom taxes tobacco 74 cents a pound; Italy taxes tobacco 93 cents a pound; Austria taxes tobacco 39½ cents per pound; Hungary taxes tobacco 33 cents a pound; and France taxes tobacco 85 cents a pound.

So that France, with a consumption per capita of tobacco very much below ours and with something more than a third of our population, yet gets, every year, out of her tobacco more than $74,000,000 of revenue, whereas we, all told, from every source, get only $87,000,000, *although we have more than two times the population of France and nearly three times France's consumption of tobacco per capita.*

FOREIGN RATES OF TOBACCO TAXATION AND REVENUES.

England, with not much over *half* of our population and with only *one-third* of our consumption per capita, gets $64,750,000 a year from this one source of revenue alone.

Italy, where the per capita consumption *is only one-sixth* of what it is in the United States, and with a population only a little more than *one-third as large as ours,* still gets $35,300,000 revenue from that one source.

Austria-Hungary, with only a little over *a third* of the consumption per capita that we have, and with only about *half* of our population, nevertheless gets $48,458,000 alone from that revenue.

I shall here insert a table prepared from the latest official records, showing, first, the total tax on tobacco in each of these countries; second, their consumption of tobacco per capita; third, the revenues they derive from tobacco:

Consumption and taxation of tobacco and total revenue of various countries.

	Tax per pound based on total revenue.	Per capita consumption.	Total net revenue.
		Pounds.	
France, 1907	$0.85	2.2	$74,475,729
United States, 1907	.17	6	87,317,009
United Kingdom, 1907	.74	2	64,750,560
Italy, 1906-7	.93	1.1	35,300,993
Austria, 1906	.39½	2.9	32,040,302
Hungary, 1906	.33	2.4	16,458,631

OUR GREAT CONSUMPTION OF TOBACCO—STARTLING INCREASE.

Now, Mr. President, that is the present comparative revenue. I want again to call the attention of the Senate to the consumption per capita, because it has an important bearing upon

the next table I am going to present. In France the consumption is 2.2 pounds per capita; in England it is 2 pounds per capita; in Austria, 2.9 pounds; in Hungary, 2.4 pounds; in Italy, 1.1 pounds; while in the United States the consumption per capita is a little *more than 6 pounds*—6 pounds for every man, woman, and child in the United States. That means that *every male citizen of this Republic over 16 years of age consumes nearly 17 pounds of tobacco annually.*

Mr. President, this has, of course, a sociological and ethnological significance with which we have nothing to do. I can not go as far as Ruskin, who declared that "no immortal work has been done in the world—work that will last through the ages—since tobacco was discovered." But the enormous consumption of tobacco in the United States has given sociologists and physicians the greatest concern. What the effect of this is upon our systems, upon the nervous characteristics that are now developing in our Nation, no person perhaps can tell. But the fact is that *our consumption of tobacco per capita is from six times to three times what it is in most modern civilized countries.*

And that is not all, Mr. President. The *increase of our consumption* is still more startling. For example, the increase per capita of the consumption of tobacco in France from 1869 to 1900 was 25 per cent; in England, 56 per cent; AND IN THE UNITED STATES, 250 PER CENT.

FIGURES ASTOUNDING.

Now, Mr. President, that we have seen how much more we consume than other countries, how much greater our population is than other countries, and how vastly greater in comparison are their taxes on tobacco compared with ours, it might make it clearer if we would estimate what our income from tobacco would be if we taxed tobacco at the rate they tax tobacco.

Mr. LA FOLLETTE. Mr. President——

The PRESIDENT pro tempore. Does the Senator from Indiana yield to the Senator from Wisconsin?

Mr. BEVERIDGE. Certainly.

Mr. LA FOLLETTE. The figures the Senator has submitted are so astounding——

Mr. BEVERIDGE. They are accurate.

Mr. LA FOLLETTE. I am almost led to raise the question that there must be some mistake.

Mr. BEVERIDGE. No, Mr. President. I am aware that they are startling, and when I first——

Mr. LA FOLLETTE. Can the Senator state the weight of a thousand cigars?

Mr. BEVERIDGE. Yes; the weight of a thousand cigars is recognized in our law at 3 pounds and over.

Mr. LA FOLLETTE. The Senator is familiar with the law. It is 3 pounds.

Mr. BEVERIDGE. Yes, 3 pounds and over; under 3 pounds are "little cigars"—not much larger than a cigarette; 3 pounds and over are ordinary cigars, of various sizes. It takes 18.67 pounds of leaf to make 1,000 cigars weighing 3 pounds and over.

The Senator from Wisconsin said that these figures were astounding. They are astounding. They were so astounding that when I first discovered them I asked the tariff department of the Bureau of Manufactures of the Department of Commerce and Labor to compile for me a table which would show from the latest official sources, including all taxes, the rate of taxation reduced to the pound upon tobacco, the consumption per capita, and of course the revenue therefrom of all those countries and our own.

MOST COUNTRIES EXCEPT OURS RECOGNIZE TOBACCO AS BEST AND EASIEST POSSIBLE SOURCE OF REVENUE.

All students of taxation have seen the economic correctness in theory and practical ease of the collection of a tax upon tobacco. That has been recognized by every thinker upon the subject of taxation.

So just and so easy a source of taxation is tobacco that several countries are getting the profits themselves from what is called a "government monopoly." France, that has led so much in the economic thought of the world, started out upon that. The French are a Latin people. They were followed by Austria-Hungary, a Teutonic-Slavonic people; and then by Italy, a Latin people; and finally by Japan, an Asiatic people.

So, as I said when I began to read what the Senator calls the "startling figures," they are collected from the incomes of these various governments, from tobacco from every possible source—and they are official. For example, as I said, the tax on tobacco here that I ask to be restored is now, mostly only 6 cents a pound; but in order to be absolutely fair, I have taken every source of income derived from tobacco—internal revenue and customs receipts. The figures which I give are compiled from the latest official documents of our own and foreign countries.

WHAT OUR REVENUE WOULD BE IF WE TAXED TOBACCO AS MUCH AS OTHER COUNTRIES TAX TOBACCO.

Now, Mr. President, to bring home to us more clearly the grotesque littleness of our present tax compared with that of other countries, I have had computed a table which I shall insert in my remarks, showing what our revenues would be if we taxed tobacco as these other countries tax tobacco.

For example, Mr. President, if we taxed tobacco *at the same rate that England taxes tobacco*, instead of getting $84,000,000 all told from that source of revenue, *we would get $380,086,000.*

If we taxed tobacco at the rate that Austria taxes it, we would get $202,884,000 every year; at the rate that Hungary taxes it, $169,498,000 every year.

If we taxed tobacco *at the rate that France taxes tobacco*, instead of getting $87,000,000, as we now do, *we would get $436,585,000 of revenue every year from that single source of taxation.*

If we taxed tobacco at the rate that Italy taxes tobacco, instead of $87,000,000 that we now get, WE WOULD GET $477,675,000 EVERY YEAR.

That assumes, of course——

Mr. HEYBURN rose.

Mr. BEVERIDGE. In just a moment.

Mr. HEYBURN. I merely want to ask whether the Senator includes in the $87,000,000 both the internal revenue and the customs duty?

Mr. BEVERIDGE. Yes; certainly. The internal revenue is about $49,000,000.

Mr. HEYBURN. I thought the Senator would perhaps like to have it appear plainly in the RECORD for the benefit of others.

Mr. BEVERIDGE. I thank the Senator. The other is made up from customs receipts. I have given the official figures, prepared by our tariff experts in the foreign department of Commerce and Labor, who report that they included internal and customs taxes, etc.

I do not want to take the time of Senators to repeat that, and I shall not. I do not know whether it makes any impression upon their minds or not, but I want again to bunch it all in a single sentence and say, if we taxed tobacco at the rate other countries tax it our income from that taxation INSTEAD OF BEING $84,000,000 FROM EVERY SOURCE WOULD BE FROM $372,382,000, AS IN THE CASE OF AUSTRIA-HUNGARY, AND $380,086,000 AS IN THE CASE OF THE UNITED KINGDOM, TO $436,585,000 EVERY YEAR, AS IN THE CASE OF FRANCE, AND $477,675,000 AS IN THE CASE OF ITALY. our revenue from tobacco would be if we taxed tobacco as much as other countries tax tobacco:

Amount of tax the United States would collect if it had the same rate per pound as the several foreign countries.

France	$436,585,000
United Kingdom	380,086,000
Italy	477,675,000
Austria	202,884,000
Hungary	169,498,000

WHAT FOREIGN REVENUES WOULD BE AT OUR RATES OF TOBACCO TAXATION.

Now, let us just turn this around. I have had computed a table which shows the revenues that these other countries would get if *they* taxed their tobacco at *our* rates.

It shows that France, instead of getting more than $74,000,000 as she now does, would, *if she taxed at our rate get only $14,895,000 a year.*

If England taxed at *our* rate, instead of getting $64,750,000 every year, she would get only $14,875,000 a year.

If Italy taxed tobacco at our rate, instead of getting $35,000,000 or more a year, *she would get only $6,453,000 a year;* and the same proportionate figures apply to Austria and Hungary.

I insert the table showing this at a glance.

Amount of tax the several foreign countries would collect if they had the same rate as the United States.

France	$14,895,000
United Kingdom	14,875,000
Italy	6,453,000
Austria	13,789,000
Hungary	8,479,000

WHAT FOREIGN REVENUES WOULD BE AT THEIR RATES AND OUR CONSUMPTION.

Again, Mr. President, making the computation on the other side of the shield, if other countries had *our* rate of consumption per capita; that is, if the Italians instead of consuming 1 pound a year consumed over 6 pounds a year, as we do; if the French instead of consuming 2½ pounds a year, consumed as much as we do; and if they taxed their tobacco, as they now do, France, instead of $74,000,000, which she now gets, would get $203,000,000 every year. The United Kingdom, instead of get-

ting $64,000,000, would get $194,000,000. Italy, instead of $35,000,000, would get $192,000,000 a year. I now insert this table:

Amount of tax the several foreign countries would collect if they had the same consumption per capita as the United States and their present rate of taxation of tobacco.

France	$203,116,000
United Kingdom	194,252,000
Italy	192,551,000
Austria	66,290,000
Hungary	41,147,000

Mr. CLAPP. Mr. President——

The PRESIDENT pro tempore. Does the Senator from Indiana yield to the Senator from Minnesota?

Mr. BEVERIDGE. Certainly.

Mr. CLAPP. Before the Senator leaves the tables, I ask him if he has any figures showing what the tax would be in this country in the aggregate upon the basis of the taxation of the other countries he has named——

Mr. BEVERIDGE. Yes.

Mr. CLAPP. Wait a minute. On the consumption——

Mr. BEVERIDGE. Of the other countries?

Mr. CLAPP. Of the other countries.

Mr. BEVERIDGE. No; I have not. I thought I had thought of every possible way of turning around these figures.

Mr. CLAPP. Those figures would be very interesting.

Mr. BEVERIDGE. I can get them.

Mr. CLAPP. I hope the Senator will get them and put them in the RECORD.

Mr. BEVERIDGE. What is presented here first is the comparative rate of taxation per pound and then the amount of consumption per capita and then the——

Mr. PILES. I should like to ask the Senator from Indiana a question, if he will give me permission. I understood him to say that the tax on tobacco in France is 85 cents a pound.

Mr. BEVERIDGE. Yes; it is a government monopoly, the profits representing that tax.

Mr. PILES. The tax probably has something to do with the consumption of tobacco in France.

Mr. BEVERIDGE. That is a fair question and explains a very curious circumstance, but I do not want to get diverted from the argument.

Mr. MONEY. Will the Senator permit me?

TOBACCO BUSINESS NOT INJURED BY TAXATION.

Mr. BEVERIDGE. In just a moment. But there is this curious circumstance that in the case of financial depression, in this country especially, the tobacco business and the liquor business are the last to suffer. If I did not want to consume too much time, and if this were not a question of raising some revenue that we have been giving to the American Tobacco Company (the "trust") instead of to the Government, I would give some statistics that are startling where the census has made an analysis of the experience of several thousand families, showing how much of the weekly income of the family goes into bread and how much into tobacco. When we come to the point where we are consuming for every male citizen of this Republic something like 16 or 17 pounds of tobacco we are getting to the danger line.

Mr. CLAPP. The figures I suggested would have some bearing upon that very phase of the question, if the Senator will get them.

Mr. BEVERIDGE. Yes; I will be very glad to get them, although I thought I had thought of all possible figures. I have presented these figures solely from the side of this revenue question for the purpose of showing in the most startling form the smallness of our tax on tobacco compared with that of other countries.

I hope the Senator from Mississippi [Mr. MONEY] will pardon me. I have kept him waiting.

Mr. MONEY. I wanted to say in this connection in regard to the question of the Senator from Washington [Mr. PILES] just what the Senator from Indiana [Mr. BEVERIDGE] himself has just said, that the use of such an article very rarely decreases on account of any increase in the cost.

I will say, first, about France that they have an excessive tax, for instance, on cocoa, a great deal more than any other country in the world, and yet they use ten times as much per capita as any other country in the world. So the tax has no effect whatever on the consumption. The tax on absinthe has been increased and it has had no effect on the consumption. I for one do not believe that an increase of the tax on an article or an increase of the price has a material effect upon its consumption.

Mr. BEVERIDGE. I thank the Senator, the broadness and accuracy of whose information daily arouses my astonishment and my admiration. Now, Mr. President, I have made clear to the Senate the astounding smallness of our tax on tobacco compared with that of other countries; so I shall go on to the next fact, which is quite as impressive.

Mr. DILLINGHAM. May I ask the Senator a question?

Mr. BEVERIDGE. Certainly.

Mr. DILLINGHAM. I was not in at the opening of the Senator's remarks, and he may have stated what the consumption of tobacco is in the various countries to which he has referred as compared with the production.

Mr. BEVERIDGE. No; I did not go into the question of production. I will say to the Senator, though I think I can tell him offhand about it, I did not want to get the clear argument confused by so many extraneous matters. Of course the point the Senator raises reveals another interesting circumstance. England raises all her enormous revenue on tobacco from customs alone, and she prohibits the growing of tobacco in England. So the English customs tax amounts to the strongest kind of an internal-revenue tax. There is only a little tobacco grown in France, some in Austria-Hungary, a very little in Italy, and none whatever in England.

OUR PRESENT TOBACCO TAXATION LOWEST IN OUR HISTORY.

Now, Mr. President, I come to the next point. Not only do we tax tobacco at a rate grotesquely low compared with other countries, *but we tax it at a rate lower than in any other period of our history, except from 1890 down to the Spanish war.* An internal-revenue tax was first placed on tobacco during the civil war. Instead of taking that tax off after the close of the war, IT WAS INCREASED. For instance, in 1879 the tax on the cigars which now pay $3 a thousand, and which at that time paid $5 a thousand, was actually increased to $6 a thousand.

Mr. FOSTER. Mr. President——

Mr. BEVERIDGE. Just pardon me a minute. I want to get through with this. *The tax was increased to $6 a thousand,* FOURTEEN YEARS AFTER THE CIVIL WAR WAS OVER.

Now, let me give to the Senate what the taxation in various forms on tobacco has been from the time we put it on until 1879. Tobacco—that is, smoking, chewing, plug, and everything except snuff, cigars, and cigarettes—was taxed at 24 cents a pound; it is now taxed at 6 cents a pound. *Snuff was taxed at 32 cents a pound; it is now taxed at 6 cents a pound. Cigars, which until 1883 were taxed at $5 and $6 a thousand, are now taxed $3 a thousand.*

Mr. LA FOLLETTE. For what period?

Mr. BEVERIDGE. Until 1879 and 1883.

Mr. LA FOLLETTE. From what time?

Mr. BEVERIDGE. From the time that the tax was first imposed, in 1862. It was increased to those figures down to 1879 and 1883. There were almost monthly changes, caused, of course, by the exigencies of war. I did not go into that, because it would take a long row of figures, although I have a statement of it here, and I can put it in the RECORD if the Senator would like it.

Mr. SIMMONS. Mr. President——

The PRESIDENT pro tempore. Does the Senator from Indiana yield to the Senator from North Carolina?

SENATE COMMITTEE STRIKES OUT HOUSE'S SMALL INCREASE OF TAX ON CIGARETTES.

Mr. BEVERIDGE. I shall yield in just a minute. I want to get in these figures, and then I will yield to the Senator from Louisiana [Mr. FOSTER] who desired to ask me a question. But, broadly speaking, down to 1879, from, we will say, the middle of the civil war, tobacco was taxed 24 cents a pound, and it is now taxed 6 cents a pound; snuff was taxed 32 cents a pound, and it is now 6 cents; cigars were taxed $6 a thousand, and they are now taxed $3; and cigarettes were taxed $1.75, and are now taxed $1.08. *In the present bill, when the House restored the tax on cigarettes to a dollar and a half*—and that was 25 cents lower than they were in 1879—THE SENATE COMMITTEE STRUCK OUT EVEN THAT POOR INCREASE.

From 1879 to 1883 tobacco was 16 cents a pound. It is now 6; snuff, 32 cents a pound, it is now 6; cigars, $6 a thousand then, now $3; cigarettes, which were $1.75, are now $1.08. From 1883 to 1890 tobacco was 8 cents a pound, now it is 6 cents a pound; snuff was 8 cents a pound, now it is 6 cents; cigars were $3 a thousand, as they are now; and cigarettes 54 cents. In 1879 cigarettes were made $1.

TOBACCO TAX REDUCED IN 1883 TO REDUCE REVENUES.

The reduction in taxation in 1883, as the Senator from Mississippi [Mr. MONEY], who was then in public life, will probably remember, *was made for the purpose of reducing the surplus*—not at all because the tax was too high, but for the purpose of reducing the surplus; and this purpose was expressly stated by President Arthur. In 1879 the department resisted the reduction on the ground that *while revenues should be reduced*, the tax on tobacco *should not be reduced*. I hold in my hand the report

of the Commissioner of Internal Revenue who protested against the reduction of this tax. The then Commissioner of Internal Revenue was Hon. Green B. Raum, a man of uncommon ability, one of the ablest men who ever filled that office. He says here:

It is an old and sound maxim that no more revenue should be raised than is necessary for an economical administration of the Government and a gradual reduction of the public debt.

Then he goes on to sum up the argument then in the public mind *about our collecting too much revenue.* Then we wanted to "get rid of the surplus." Now we would like to see a surplus. Now we *need* the revenue we then wanted to get rid of. He says:

Therefore it becomes obvious that *a reduction of from* seventy to eighty millions in the annual revenues of the country *could be safely entered upon,* and in my judgment *such a reduction is urgently called for.* I respectfully offer some suggestions for your consideration in this regard.

Sound policy would seem to require that in remitting taxation the *relief should fall as far as possible upon those articles which are necessaries of life* and upon those interests which are of pressing importance to the country. The great bulk of internal-revenue taxation is derived from distilled spirits (about nine-tenths of which are used as a beverage), malt liquors, tobacco, and cigars. These are not articles of necessary consumption, but are articles of luxury, the taxes upon which are really paid by the consumers, and no one need consume them.

I am strongly of the opinion that so long as the principle of deriving part of the revenue of the Government from internal taxation is retained these articles and the dealers therein are proper subjects for taxation. There is no demand on the part of consumers of these products for the remission of the taxes imposed upon them; there is no public sentiment calling for their repeal; on the contrary, *the general current of public opinion seems to be in favor of their retention.*

So, Mr. President, these taxes were not considered by the department to be excessive *when they were at a rate from two to three times what they were during the Spanish war and* FROM TWO TO FIVE TIMES AS HIGH AS THEY ARE NOW.

Mr. GALLINGER. From what is the Senator from Indiana reading?

Mr. BEVERIDGE. I am reading from the report of the then Commissioner of Internal Revenue. That is the first reduction, I think, ever proposed. Now I will yield to the Senator from Louisiana.

Mr. FOSTER. Mr. President, the Senator from Indiana has stated the different rates of taxation in different countries, showing that most of the countries of the world impose a much higher rate of taxation than is imposed in this country. Can the Senator state what the price of the similar article in those countries is compared with its price in this country?

Mr. BEVERIDGE. I have not that information.

Mr. President, when the Spanish war came on, the tax which I now seek to restore only in part—only in part and not entirely, for I know how strong is the "tobacco combination," as the government report calls it, and I know I can not get done everything that should be done——

Mr. SIMMONS. Mr. President——

The PRESIDENT pro tempore. Does the Senator from Indiana yield to the Senator from North Carolina?

Mr. BEVERIDGE. I do.

Mr. SIMMONS. Has the Senator considered how this tax would affect the price to the tobacco grower—the leaf grower?

Mr. BEVERIDGE. The tax does not affect the leaf grower.

Mr. SIMMONS. I was under the impression—I may be in error about it—that before 1879 the price of tobacco in this country was very high—a great deal more than the tax. I know at the present time that the price of tobacco is very low, and I was under the impression—I may be wrong about it—but I say that the price of tobacco in 1879 and up to that time, in comparison with the tax imposed, was much greater than the price is to-day in comparison with taxes imposed to-day. I may be mistaken.

Mr. PAYNTER. Mr. President——

The PRESIDENT pro tempore. Does the Senator from Indiana yield to the Senator from Kentucky?

Mr. BEVERIDGE. Certainly.

Mr. PAYNTER. I can say to the Senator from North Carolina that the price has been increased only since the tobacco growers of Kentucky organized to protect themselves against the American Tobacco Company.

Mr. SIMMONS. That is exactly what I wanted to know.

Mr. BEVERIDGE. The Senator from Kentucky explained it in his very lucid, his very remarkable, speech upon this subject.

Mr. PAYNTER. Until that was done the tobacco growers were not getting for their tobacco what it cost them to produce it.

THE WAR TAX OF 1898 VERY SMALL.

Mr. BEVERIDGE. Mr. President, in 1898 the Spanish war came on, and the tax was placed at 12 cents on tobacco, snuff, and so forth, and at $3.60 on cigars—that is to say, an increase of 6 cents on tobacco, of 20 per cent on cigars, and on cigarettes from $1 to $1.50. But, Mr. President, even going back to the rates that existed in 1879, indeed, in 1883, even if we tax them at those rates—and my amendment does not propose to tax them at even the Spanish war rates—but *even if we taxed tobacco, cigars, and cigarettes at the 1879 rates,* still we would be taxing them ONLY A FRACTION OF WHAT MOST OTHER CIVILIZED COUNTRIES IN THE WORLD TAX THEM.

Yet when I propose to restore a *part—only a part*—of the tax which we took off in 1901 and 1902, and which, if restored at the rate that I ask it to be restored, would only be a fraction of what it was in 1879 and 1883, I find that most reasonable proposition resisted. *Why?* There will be reasons given, no doubt, but remember that this amendment enacted into law means millions to the Government's Treasury that now goes to the trust's treasury and that formerly went to the Government's Treasury. Of course the trust fights this amendment.

Mr. SUTHERLAND. Mr. President——

The PRESIDENT pro tempore. Does the Senator from Indiana yield to the Senator from Utah?

Mr. BEVERIDGE. Certainly.

Mr. SUTHERLAND. The Senator may have stated it—if so, I did not hear him—but the Senator is giving us a very interesting comparison between the amount of taxes paid upon tobacco in foreign countries and this country. I think he showed that if we were taxing at the rate of the tax imposed in England, we would obtain a revenue of something like $300,000,000, instead of $84,000,000.

Mr. BEVERIDGE. Three hundred and eighty million dollars.

Mr. SUTHERLAND. That is more than I thought. If we should restore the rate of taxation imposed by the law at the time of the Spanish-American war, has the Senator any estimate as to what amount of revenue we would then raise?

Mr. BEVERIDGE. Yes; the Senator will find it in the remarks which I first made on this subject.

Mr. SUTHERLAND. Can the Senator state approximately how much it would be?

Mr. BEVERIDGE. How much would be our revenue?

Mr. SUTHERLAND. Yes.

Mr. BEVERIDGE. That is on the internal-revenue portion alone?

Mr. SUTHERLAND. What would the increase be over $84,000,000?

Mr. BEVERIDGE. Of course $49,000,000 is the only thing I am concerned with here; that is, the internal-revenue taxation.

Mr. SUTHERLAND. How much would it be increased over $49,000,000, then—something over $20,000,000?

Mr. BEVERIDGE. Yes; $20,000,000 increase annually—and that, mind you, on the increase of *only* A PART of the *small* Spanish war tax. I presented that matter to the Senate before, and my previous remarks covered the whole case of increased revenue derived from my amendment.

Mr. SUTHERLAND. I want to ask one other question, so that I may understand the Senator's position. The Senator has given us the comparison between the taxes paid and the amount of revenue derived in foreign countries, and then he has made a comparison as to foreign countries, as I understand, based upon all forms of taxation imposed upon tobacco. Now, has he done that in the case of the United States?

Mr. BEVERIDGE. I have.

Mr. SUTHERLAND. Has the Senator taken into consideration the state taxes that may be imposed?

Mr. BEVERIDGE. Oh, no; nor is that taken into consideration at all. For instance, there are municipal taxes and every other kind of taxes. No; I have not taken that into consideration.

Mr. SUTHERLAND. That is what I wanted to know.

Mr. BEVERIDGE. There is no state internal-revenue taxation.

Mr. SUTHERLAND. But there is a property tax.

Mr. BEVERIDGE. There is a property tax, of course; but France imposes a property tax and England has a property tax and every country. That can be excluded and the equation remains the same.

Mr. SUTHERLAND. That was what I wanted to know—whether he excluded that in both cases—because the Senator stated that he excluded it.

Mr. BEVERIDGE. In 1901 and 1902 the taxes were reduced to the pre-war rates. In 1901 they were partially reduced. Congress was gentle with them; and I am going to call the attention of the Senate to some other things that were done at the same time. After that, I am going to call the attention of the Senate pretty minutely to the American Tobacco Company—the tobacco trust—the dates of the removal of this tax, the dates of the formation of the combination, and the dates of the

entrance of certain men into that combination who have been its guiding spirits ever since.

THE MYSTERIES OF 1902.

In 1901 and in 1902 the tax was finally all taken off, and we even *reduced the tax on little cigars below the rate of 1897*—cut it in half. I call the attention of the Senate to this, for it is worth while to stop right at this point to speak of it, that little cigars were taxed $1 by the act of 1897—little cigars are these little things which you see, not much larger than cigarettes. When Congress came to reduce the war tax on tobacco in 1902, they put it back to where it was before the war, *except in the case of little cigars, which were reduced still lower*—from $1, what they were in 1897, to 54 cents. WHY?

I do not know *why* the tax placed on them by the act of 1897 was reduced in 1902, but I *do* know that *the manufacture of these little cigars was then as now almost entirely monopolized by the American Tobacco Company*, because they are made with machines, and the American Tobacco Company chiefly controls those machines. It is worth while taking that into consideration, I think.

Not only, Mr. President, did they take the tax off, but they specifically reenacted the war-time package, so far as smoking tobacco and snuff were concerned. There are the statutes; I have put them in the RECORD in parallel columns. I do not ask for an explanation as to why it was done. It was, of course, unwittingly done; but not only did we do that friendly act to the American Tobacco Company, but we were kind to it in another particular. When we took off the tax, we permitted the manufacturer, which at this time had become chiefly the American Tobacco Company, to have drawbacks from the Government for all portions of its tobacco upon which it had then paid the tax and had not yet sold. There probably never was a more generous transaction. That was customary, of course, but it was not necessary in this case.

THIS IS NOT ALL—ANTICOUPON PROVISION REPEALED AT SAME SESSION; AND NOBODY BUT THE TRUST COULD BE BENEFITED.

But that was not all that was done at that time. The Dingley Act of 1897 had in it an anticoupon provision, which prevented the giving away of coupons in packages of tobacco. *The use of this coupon system has been one of the chief instruments with which the American Tobacco Company has been able to crush out independent competitors.*

Now pay attention to this: *Not only* in 1902 did we take the tax off of tobacco and restore it to the pre-war rate; not only did we specifically, in positive language, reenact the war-time packages; not only did we enact the drawback provision; not only did we reduce the tax on little cigars—a trust monopoly—from $1, as it was in the act of 1897, to 54 cents, *but at that very same session of Congress—and here is the act*—WE REPEALED THE ANTICOUPON PROVISION THAT DINGLEY PUT INTO HIS LAW—and the tobacco trust was practically the only manufacturer which could benefit.

From the moment the anticoupon law was repealed in 1902 the American Tobacco Company has used it to the most extravagant extent in crushing out any competitor it pleased. If it wished to enter a market and drive a man out of business, it would put into a package of tobacco enough coupons to amount to giving away the tobacco until the competitor was crushed.

Why was it that in 1902, when we reduced the tax on tobacco, we specifically reenacted the package of the war times, permitted them drawbacks on the taxes they had already paid, and cut in half the 1897 tax on little cigars—why, at the same session, did we repeal the anticoupon provision of the Dingley Act, *by the repeal of which the American Tobacco Company has been enabled to use again the most powerful weapon in its possession?*

I have put in the amendment, which I intend to offer to another section, reenacting, in stronger terms, the anticoupon provision of the Dingley Act. I am convinced, from my investigation, that the American Tobacco Company can now stand and do business and get several million dollars of profit without the aid of this coupon strangulation method, which Congress deliberately restored to it when it so accommodatingly repealed the tax and did several other things of which the trust took such advantage.

Mr. LA FOLLETTE. Does the Senator think that remarkable legislation in 1902 was an oversight?

Mr. BEVERIDGE. I question no motives; I put the facts before the country; that is all. I put them before the Senate; it is my duty to do so. If anybody can explain why those things were done, I shall be happy. If they were only coincidents, I shall be glad; but, nevertheless, there they are.

Mr. DOLLIVER. Mr. President——

The PRESIDENT pro tempore. Does the Senator from Indiana yield to the Senator from Iowa?

Mr. BEVERIDGE. Certainly.

Mr. DOLLIVER. Will the Senator explain a little more fully about the coupon attachments in the tobacco business, and state why it is that anybody who manufactures tobacco can not avail himself of the coupon method?

THE CRIME OF COUPONS.

Mr. BEVERIDGE. That has quite a history in itself; but stating it simply, the coupon villainy—because that is what it amounts to—is the insertion in a package of tobacco or the giving away with the purchase of tobacco a slip of paper or a band on a cigar—they use that now—or a tag on a plug of tobacco, or something of that kind, entitling the purchaser to another package or to some prize when he presents so many of these coupons. If I had thought about it, I should have brought here this morning the catalogue of the United Cigar Stores Company, which, as you know, is the American Tobacco Company's retail department, which has a great department, which it calls a "profit-sharing department;" and when you present so many coupons which are given with purchases of tobacco you can get prizes of every description.

Now, let us suppose that I am the American Tobacco Company, with $35,000,000 of profits in 1906 on a watered capitalization of $316,000,000, and suppose the Senator from Louisiana [Mr. FOSTER] over there is an independent manufacturer. He is struggling along; he has not got this amount of capital behind him; and I want to drive him out of business. Well, suppose I choose the coupon method; it is the easiest. The American Tobacco Company has many methods; but suppose I choose this one. I begin to go into his market and stuff my packages of tobacco full of these coupons, so that, as I said a moment ago, it amounts to giving away my tobacco until I crush him. He can not follow me; he has not got the capital; he can not give the tobacco away so long as I can, for he has not enough resources to do it. The result is that one of two things happens—either he is ruined and goes out of business, as most of them are doing, or he throws up his hands and says, "Buy me out."

Mr. LA FOLLETTE. It is a method of cutting prices.

Mr. BEVERIDGE. It is a method of cutting prices. Does that answer the question?

Mr. CRAWFORD. Mr. President——

The PRESIDENT pro tempore. Does the Senator from Indiana yield to the Senator from South Dakota?

Mr. BEVERIDGE. Certainly.

Mr. CRAWFORD. There is another matter which I wish the Senator, in connection with his remarks, would develop a little, and that is, why was this method of short weight adopted in the first place? The shortest distance between two points is a straight line. Why did they not increase the revenue by direct act, without that sort of device—by using the short weight?

Mr. BEVERIDGE. They did, of course; that was undoubtedly done for the purpose of enabling them to get the tax out of the people and more; and they are still getting it. That is what I complain of—for example, it would take more fractional packages to make up a pound than it would packages that were not short weight; it would take more of the 1⅞-ounce packages, for instance, than it would 2-ounce packages to make a pound; and since the tax was on the pound, and since the short-weight packages were sold to the customer at precisely the same rate that full weights were sold before, therefore the enactment of the law as to short-weight packages enabled the seller to collect from the consumer the amount of the tax by giving him less tobacco for the same price. That is supposed to be one reason it was done in the first place.

Mr. CRAWFORD. Then it was a mere device to transfer the tax to the consumer? That is the reason it was done?

Mr. BEVERIDGE. That is *one* reason. I am going into this and a good many more things in my next speech, if I am forced to speak again. Remember, meanwhile, that the fractional package affects only smoking and snuff—it DOES NOT touch plug, twist, etc.

When the tax was taken off the manufacturers *still continued to collect it from the people*, but instead of putting that tax, thus collected, in the Treasury of the Government, where it has been needed, the trust *has put it in* ITS OWN TREASURY. I do not blame them—*we* made it possible for them to do just that—we, the Congress, *by taking off the tax* which never should have been taken off.

And I shall, before I am through, trace, from official figures, every dollar of that tax *from the Treasury of the Government into the profits of the trust*—in proportion to its control of the output, which averages over 80 per cent.

I am going to repeat that. There is this strange combination—the tax repealed, the short-weight package reenacted, the drawback provided for, the little cigar tax reduced from 1897

rates, and the anticoupon provision repealed ALL AT THE SAME SESSION.

Now, we shall see how much the trust is benefited by this action.

THE TAX REDUCED AND ADDED TO THE TRUST'S PROFITS.

I said in my original remarks, Mr. President, that the interest which has chiefly profited by all of this is the American Tobacco Company—"the tobacco combination," as the Government's report calls it. When 6 cents was added to the tax in 1898, that tax was added by the trust to the price of the article. The government reports, which are on your desks, show that in every case the tax was added to the price of tobacco, excepting only in the case of cigars, little cigars, and cigarettes.

The 6 cents was added to the price of snuff, the 6 cents was added to the price of smoking tobacco, to the price of plug tobacco, and everything else. WHEN THE WAR TAX WAS TAKEN OFF, the price, which had been increased by the amount of the tax, WAS NOT REDUCED. In other words, the tax was *added to the price when the tax was put on and was retained in the price when the tax was taken off*—THE TAX WE TOOK OFF WAS ADDED TO THE TRUST'S PROFITS.

Mr. BORAH. Mr. President——

The PRESIDENT pro tempore. Does the Senator from Indiana yield to the Senator from Idaho?

Mr. BEVERIDGE. I yield.

Mr. BORAH. Do I understand the Senator to say that when the war tax was put upon tobacco that sum was immediately added by the trust to the price?

Mr. BEVERIDGE. I do—instantly.

Mr. BORAH. What, then, will prevent that being done in all these instances in which we put a tax upon things that are controlled by corporations?

Mr. BEVERIDGE. Will the Senator repeat his question?

Mr. BORAH. What would prevent that being done by any corporation where we tax its net income?

Mr. BEVERIDGE. I hope the Senator will not get me off from what I am trying to make the plain and steady current of my remarks into a discussion of some other question.

Mr. NELSON. I hope the Senator will explain how it was done in that case through changing the size of the packages. I think the Senator from Idaho [Mr. BORAH] has lost sight of what the Senator said the other day, in his former speech, about that matter.

Mr. BEVERIDGE. I think the Senator agrees with me heartily that the tax was placed on the article; but he is drawing another conclusion.

Mr. BORAH. I have not lost sight of what the Senator said the other day—in fact, it was impressed upon my mind; nor have I lost sight of the drift of his argument to-day. I think it is conclusive on another proposition that is interesting to the Senate.

Mr. BEVERIDGE. If it is, I am sure the Senator can make the argument better than I can.

Mr. LA FOLLETTE. Mr. President——

The PRESIDENT pro tempore. Does the Senator from Indiana yield to the Senator from Wisconsin?

Mr. BEVERIDGE. Certainly.

Mr. LA FOLLETTE. I wish to inquire of the Senator from Indiana, with respect to the act of 1902, whether he has traced the history of that act and knows whether the provisions to which he has referred were inserted in the House or in the Senate after the bill reached the Senate?

Mr. BEVERIDGE. I think they always originated in the House.

Mr. LA FOLLETTE. Was no attention directed in the Senate, when the bill was pending, to the results of this legislation?

Mr. BEVERIDGE. Not that I can find.

Mr. LA FOLLETTE. It is very remarkable, then; and I agree with the Senator from Indiana that it calls for some explanation on the part of somebody.

Mr. BEVERIDGE. It does, indeed. I merely state the facts. I am not responsible for the facts. Senators think they are startling—of course they are. But there are the facts.

PROPOSED AMENDMENT BASED ON GOVERNMENT REPORTS.

Mr. President, we are peculiarly fortunate in our materials for this present legislation which I propose in this tobacco amendment. We do not have to go upon hearsay. We do not have to go upon what some Senator thinks about an industry in his State. We go upon facts ascertained by the Government from the books of the trust and other sources.

What had been done seems to have begun to get on the conscience of the Government, for Congress authorized the President, some three or four years ago, to direct the Department of Commerce and Labor, under a law which has been on the statute books for some time and which gives it great power in that regard, to investigate the prices, profits, and methods of the tobacco industry. And it was with special relation to the American Tobacco Company, whose monopolistic power had grown so great.

CARE AND ACCURACY OF GOVERNMENT REPORTS.

So, three or four years ago, the President did direct the Department of Commerce and Labor, or the Bureau of Corporations of that department, to make a study and to submit a report as to the question of the prices, of profits, and methods of the tobacco industry. That department took two or three years for that work. It had access to the books of the corporation. It, of course, had access to all of their papers that were filed when they were incorporated. The Bureau of Corporations of the Department of Commerce and Labor has submitted two reports. Here is the first, giving specifically the history of the American Tobacco Company, perhaps one of the most fascinating stories of a financial aggregation that has ever been written, not only for the facts it contains, but for its clear, lucid, and engaging style.

Not only that, Mr. President, but when I made my first remarks upon this subject I asked the Senate to adopt a resolution, which it did, calling upon the President for the information thus gathered; for I knew if I got them I could trace into the trust's treasury, so far as its product is concerned, every cent of this tax which Congress took off in 1901–2, at the same time that we accommodated the American Tobacco Company by repealing the coupon provision, and in several other ways.

Mr. PAYNTER. Mr. President——

The PRESIDENT pro tempore. Does the Senator from Indiana yield to the Senator from Kentucky?

Mr. BEVERIDGE. I will as soon as I finish my sentence. In response to that resolution, which, upon my request, the Senate adopted, the President directed the Department of Commerce and Labor to submit the facts it had gathered through several years upon this subject.

Mr. PAYNTER. Does the Senator refer to the report which was made by Herbert Knox Smith?

Mr. BEVERIDGE. The first one; and the report submitted to us by the President.

Mr. PAYNTER. I should like to say, in that connection, that that is a very valuable report; that it shows great industry, and an effort to ascertain facts and report them for the public good.

Mr. BEVERIDGE. I agree with the Senator. The Senator is nearly always right.

Mr. PAYNTER. I think the department is entitled to great credit for those reports.

Mr. BEVERIDGE. I am glad the Senator paid that tribute; and I think that if any person will go into the two books I hold in my hand he will find them to be two of the most remarkable works—because they are really treatises—upon an economic and financial subject that Senators have ever seen.

Since the last report, which has been laid on our desks, shows the operations of the trust as to prices, I think that just at this juncture, while we have fresh in our minds the repeal of the tax, the repeal of the anticoupon provision, and the reenactment of the short-weight package provision, I should detain the Senate for just a few moments as to the history of the trust.

FASCINATING HISTORY OF THE TOBACCO TRUST.

It began in 1890 by the organization of the American Tobacco Company. It was formed by several of the largest firms that manufactured cigarettes combining—pooling their issues—and forming this corporation, which took in all of their properties. Even at that time it had a monopoly of the cigarette business. *It had a capitalization of $25,000,000* AND TANGIBLE ASSETS OF ABOUT $5,000,000. And in order that you may know the significance of the things I am going to relate, I will say that it increased that capitalization, through all the tangles of financial manipulation and kindly legislation which these reports reveal, FROM $25,000,000 IN 1890 TO $317,000,000 AT THE PRESENT TIME, MOST OF WHICH WAS AND IS NOW "WATER."

Immediately after its formation the profits of this corporation were so great that it resolved to enter other tobacco fields. It first began on plug tobacco. It bought out the concern that produced "Battle Axe Plug," and Senators will remember—I remember it very distinctly—that about 1892 or 1893 there were enormous advertisements of "Battle Axe Plug." That was the first assault of the then infant trust upon the plug-tobacco business of the country.

So furious was the warfare which it waged at that time—making little money upon its plug business in order to force these other companies into its arms—that it succeeded in gathering in nearly all of the largest competitors in the plug business, or forcing them to agree to enter the combination. Then it entered the smoking business with the same methods. And finally,

as I shall show later, it entered the snuff business, of which it now has an almost exclusive monopoly.

When the Spanish war broke out, or just before, negotiations were on foot with these concerns for a combination of these manufacturers of plug and smoking tobacco into a corporation precisely like the American Tobacco Company, that should monopolize that business just as the American Tobacco Company was monopolizing the cigarette business.

But because of the scare of the Spanish war they were a little bit timid, and the plan did not go through; but it was on foot. This new concern, which was formed a little later, was, of course, controlled by the American Tobacco Company.

DRAMATIC ENTRANCE OF TRUST'S MOST BRILLIANT MEN.

Just at this juncture there enters upon this story its most dramatic and most powerful figure. In studying the history of the development of this mighty organization it has become clear to me that some man whose abilities amount to genius has been directing its general policy. While great ability had been shown before, no such striking talent was exhibited as from 1898 on.

It was just at this time that this extraordinary man—and I refer to Mr. Thomas F. Ryan (for I am sure it was he) and his group of financiers in New York—foresaw all that was to happen in the future and resolved to force their way into the American Tobacco Company; and for that purpose they used against the American Tobacco Company the same weapons which it had used against the independents, but with more skill and vigor.

Mr. Ryan, Mr. Brady, Mr. Widener, Mr. Elkins, Mr. Whitney, Mr. Payne, and others, some time in 1898, organized what was called the "Union Tobacco Company." The Union Tobacco Company bought out the National Cigarette Company, the Blackwell's Durham Tobacco Company, located in the State of the Senator from North Carolina, which was, I believe, the largest and most important plant outside the combination that manufactured smoking tobacco; and they got an option upon the greatest producers of plug tobacco in the United States, which up to that time the trust had not been able to buy or to force or induce by any method into itself. I refer to Liggett & Myer, of St. Louis, Mo.

THEIR FIRST ASSAULT ON THE AMERICAN TOBACCO COMPANY.

So, equipped with this great cigarette company, with the "Bull Durham" factory, and with an option upon the Liggett & Myer concern in St. Louis, the Union Tobacco Company, having at its head that Napoleon of modern financial organization, Mr. Ryan, began its attack upon the American Tobacco Company.

So furious was the assault, and so formidable were the attacking forces, that the man at the head of the American Tobacco Company, Mr. Duke, also a wonderful man in force and resourcefulness, with his associates, saw that it was the part of wisdom to buy out the Ryan syndicate and to let them into the American Tobacco Company—which was exactly the purpose Mr. Ryan and his associates had in mind.

So that, some time in 1898, the American Tobacco Company bought the Union Tobacco Company, thus acquiring Liggett & Myer, the "Bull Durham" Company, and the National Cigarette Company. This may be interesting to some of you who can remember the great posters on all the walls just as the war was over, portraying Admiral Dewey and the American flag, and all that sort of thing, and bearing the legend: "National Cigarettes—not made by a trust"—but made by the Union Tobacco Company for the purpose of compelling the trust to take them in.

When the trust bought out this company, and thus acquired these properties, the men to whom I have referred—Mr. Ryan and his associates—went upon its board of directors.

Mr. LA FOLLETTE. What men?

Mr. BEVERIDGE. Thomas F. Ryan, Mr. Whitney, Mr. Elkins, Mr. Widener, Mr. Brady, Mr. Payne, of the Standard Oil Company—they are sometimes referred to as "the Standard Oil group"—entered the tobacco combination, and they remain, those of them who have not died, from that day up to this time, members of the board of directors and the ruling spirits of the trust—especially Mr. Ryan.

On December 10, 1898, the Continental Tobacco Company was formed. It was made up of all the properties—the plug and smoking properties of the American Tobacco Company on the one hand, and all of the remaining big independents that the American Tobacco Company had not forced into the combination on the other hand. It was the consummation of the plan that the American Tobacco Company started out with in 1897, to which I referred a moment ago. The Continental Company was merely the American Company in another form, with some new men in it representing the properties which it bought out. The Continental took over all of the smoking and plug business of the combination, and left the American Tobacco Company its original cigarette business.

ALL CONGRESS DID IN 1902 WAS ANTICIPATED BY TRUST IN 1898—THE FORESIGHT OF GENIUS.

Mark you, the Union Tobacco Company was formed in 1898. At the time Mr. Ryan and his clique came in the Spanish war was practically over. *They certainly foresaw that the tax would be removed.* They could reason that out, no doubt, from the past history of the country. But apparently *they foresaw that the fractional package would be continued.* And *they seem also to have figured out that the Dingley anticoupon law would be repealed and the other things done that actually were done* in 1901–2. It was the instinct and prescience of genius.

At all events, they proceeded upon that line. And so, immediately after the Union Company had gotten into the trust—immediately after the American Company "bought" the Union Company, and the Continental Company was formed, there began a series of remarkable corporate organizations. The American Snuff Company, which now controls from 92 to 95 per cent of the snuff output of this country and is actually making so much money that even it is ashamed of it, was organized in March, 1900. The American Cigar Company was organized in January, 1901. So great was its audacity that the trust began the *conquest of the retail trade* by organizing the United Cigar Stores Company in 1901; and the final stroke, the formation of what is known as the "trust," came in June, 1901, when the Consolidated Tobacco Company was organized.

The Consolidated Tobacco Company, as I said the other day, was in reality a "holding company." It was very much like the Northern Securities Company. I ought to pause a moment to say something with regard to its formation, because it throws so much light upon subsequent transactions here and elsewhere. It offered its 4 per cent bonds for the common stock—the voting stock—of the American Tobacco Company, at a ratio of $200 of bonds for $100 of stock, and for the common stock of the Continental Company at the ratio of $100 of bonds for $100 of stock. To the stockholders this appeared to be an excellent proposition, for a great deal of the stock of these older companies had now gotten into the hands of the public.

It had gone, for instance, to a certain firm for the purchase of its plant; then they had sold it, and it had gotten into the hands of the public. The persons who then held it could not have known, not being "on the inside"—and I quote the Government's report's exact words—what was about to develop. The common stockholders did not know the value of their stock. They did not know that even in getting $200 of 4 per cent bonds for $100 of stock they were making a bad bargain.

DARING FINANCIERING OF TRUST; FABULOUS QUANTITIES OF SECURITIES ISSUED ON FORESIGHT.

And so, almost universally, this offer of the Consolidated Tobacco Company was accepted by the holders of the common stock of both companies, and they surrendered their stock for the bonds of the new company.

Thus there came into the hands of a very few men—not to exceed, I think, 10 men all told—the great majority of the common stock of the American and of the Continental Tobacco companies, which entitled them to all of the profits over and above the payment of the interest on the bonds and preferred stock; and, as we shall see in a moment, the interest on the bonds was a trifling thing compared with the profits to which the holders of the common stock thus became entitled.

Mr. President, that was a very daring thing. It involved the *issue of* ONE HUNDRED AND FIFTY-SEVEN AND ODD MILLIONS *of 4 per cent bonds.* It involved some of the boldest and most gigantic financiering that ever has been seen in the history of financial manipulation. But even the men who conceived this plan and executed it never would have done it if they had not foreseen the great probability of the enormous profits which would come from that business combination.

I said a moment ago that I could explain it only through the astounding foresight of that wonderful man, Mr. Ryan, and Mr. Duke also, who evidently foresaw that the tax was going to be reduced and other things done. He apparently foresaw everything that subsequently happened. And, Mr. President, in order to show that I am not wrong about that, that I am not speculating, I wish to read what the Government's report says upon that subject.

The question was whether such an enormous transaction as that would be profitable or not. The report says:

GOVERNMENT'S REPORT DECLARES TRUST MAGNATES ANTICIPATED THE ACTION OF CONGRESS IN 1901–2.

Nevertheless the transaction actually proved enormously profitable to the men who organized the Consolidated Tobacco Company. Those men had been for the most part in the directorates of the American

and Continental companies, and they were in a far better position than most outside stockholders to form a correct judgment as to the probable great increase in profits that was likely to occur in the near future.

Now, listen:

The probability of such an increase in profits *lay in the changes of the internal-revenue taxes on tobacco products.* Those taxes had greatly increased in 1898, to provide funds for the Spanish war. Already, before the organization of the Consolidated, Congress had passed an act to reduce the tax on "manufactured tobacco"—that is, on chewing and smoking tobacco—and snuff from 12 cents to 9.6 cents—

That was the first reduction, made in 1901—

per pound, and that on cigarettes from $1.50 a pound to $1.08 per thousand. This reduction was to take effect on July 1, 1901, or a few weeks after the consolidation was established.

Presumably, also, the *directors of that concern foresaw that the tax on manufactured tobacco and snuff would be still further reduced later.*

This is from the report of the Department of Commerce and Labor, mind you. And that report continues:

This actually occurred. In 1902, when the tax had been advanced, the manufacturers of tobacco had barely been able to raise prices sufficiently to recoup themselves.

But the trust did recoup itself handsomely, even on the basis of its enormous overcapitalization—even on the basis of its oceans of watered stock. The report continues:

But the men connected with the Consolidated evidently foresaw that prices would not have to be reduced by an amount at all commensurate with the reduction in the taxes, particularly in view of the large proportion of the business now possessed by the combination and its subsequent large measure of control over prices, and that consequently profits would greatly increase—

All foreseen, you observe—

Such, in fact, proved to be the case. On the basis of the rate of earnings of the American and Continental prior to the formation of the Consolidated it would scarcely have been possible to pay dividends on their preferred stocks and interest on the Consolidated bonds—

Remember, most of the stock was water—

During the three years and four months following the organization of the Consolidated, however, *the earnings of the two companies were sufficient to pay those charges—*

And also leave a profit of fully $30,000,000 to the Consolidated on its investment of $30,000,000.

MONOPOLY AIDED BY CONGRESS' SPECIAL LEGISLATION.

Mr. TILLMAN. Mr. President——

The PRESIDENT pro tempore. Does the Senator from Indiana yield to the Senator from South Carolina?

Mr. BEVERIDGE. Certainly.

Mr. TILLMAN. The statement of the enormous profits which the Senator is enumerating, coming from official sources, very naturally causes me to inquire whether these consolidations or combinations were in restraint of trade?

Mr. BEVERIDGE. That is another question. I am directing my investigations now to this tax.

Mr. TILLMAN. But how did the profits come? Was a monopoly created?

Mr. BEVERIDGE. Yes; a monopoly was created.

Mr. TILLMAN. Was an unfair advantage taken of the people, and was there indirect or direct robbery by this combination?

Mr. BEVERIDGE. I should think so.

Mr. TILLMAN. In that event, what became of the Sherman law, with the sword of Damocles hanging over the heads of all malefactors, of great wealth or small wealth? Whose business was it to see about restraining these people from restraining trade?

Mr. BEVERIDGE. It was, first of all, the business of the Congress of the United States not to put into its hands the weapons with which to crush out its rivals unfairly. But I wish the Senator would not divert me.

Mr. TILLMAN. I do not want to divert the Senator from the line of his argument. I was simply curious to know how this monopoly was allowed to grow and cover the field.

Mr. BEVERIDGE. We helped it grow.

Mr. TILLMAN. That is very true, perhaps.

Mr. BEVERIDGE. We helped it grow by special legislation in this Congress.

Mr. TILLMAN. Possibly through some lobby influence here?

Mr. BEVERIDGE. No; I do not suggest that at all—unwittingly, no doubt.

Mr. TILLMAN. We simply played the fool? [Laughter.]

Mr. BEVERIDGE. Was the Senator here when I called attention to what was done in 1902?

WE HELPED THE TRUST IN 1902; SHALL WE HELP IT NOW, OR SHALL THE GOVERNMENT AGAIN GET THE MILLIONS OF REVENUE IT IS LOSING EVERY YEAR?

Mr. TILLMAN. No; I was not in the Chamber at that time.

Mr. BEVERIDGE. Then I want to call the attention of the Senator to what I said, so that he will get the idea I wish to convey. I am sorry that the Senator was not here to hear my poor remarks. I said—and I said it three times, because I wanted to call attention to it—that in 1902, when all the tax was finally removed, three other things were done: First, the tax was removed; second, the war-time fractional packages were specifically reenacted; third, the anticoupon provision of the Dingley law was repealed; fourth, the 1897 tax on little cigars, made almost exclusively by the trust, was reduced. Now, I have no explanation to give——

Mr. TILLMAN. Were those accidents?

Mr. BEVERIDGE. I present the facts and the Senator can draw his own conclusion.

Mr. TILLMAN. I wish to inquire if the Sherman Act was violated, those who had taken the oath of office to see that the laws were enforced——

Mr. BEVERIDGE. I wish the Senator would not get me off this tax question. What I am trying to get the mind of every one of the Senators to is a series of facts. I will follow this other branch of the matter up with the Senator at some other time.

Mr. TILLMAN. I want the Senator to drive all those facts home——

Mr. BEVERIDGE. Certainly.

Mr. TILLMAN. By attracting the attention of the country to the fact that we have a law which does prohibit and would have prevented this, but it sleeps.

Mr. BEVERIDGE. Oh! We did not have a law which prevented us from passing the laws we passed in 1902, of which the trust took such advantage.

Mr. TILLMAN. If Congress did directly respond——

THE RESTORATION OF THE TAX THE IMPORTANT THING; PROSECUTIONS WON'T RESTORE THE MONEY.

Mr. BEVERIDGE. I am going to make these facts clear, if the Senator will permit me. I am going to get through with this tobacco-tax argument. I am sorry the Senator was not present earlier. I presented the facts gathered by very patient and long investigation, showing how absurdly small the tax is, in the first place, in comparison with that of other countries. The Senator walks right in in the midst of my reading from a government report and wants to know if some person has not done something. Now, if the Senator will permit me to go on——

Mr. TILLMAN. I will shut up.

Mr. BEVERIDGE. I am very glad to have the Senator ask me any question, but I am stating here the facts from government reports and from records which show, beyond all question, the wrong that has been done to the Treasury of this country, and to the benefit of "the tobacco combination." The Senator knows I will be glad to answer any question directed to that point, but I will thank him not to divert me from the line of my argument.

Mr. TILLMAN. I do not want to interrupt the Senator if he objects to it. I wish to make the inquiry as to whether this outrage could have been prevented, and if the Senator does not think the law could stop it?

Mr. BEVERIDGE. The tax? No! Only my amendment can remedy that. As to law violations the law could and did stop corporate transgressions of its provisions when the Northern Securities Company was formed. A suit was brought by the administration through its Department of Justice to dissolve it. It was a holding company. The Supreme Court decided that it was a violation of the Sherman antitrust act of July 2, 1890. The Consolidated Tobacco Company, which was the technical tobacco trust, was organized in June, 1901, by a group of what are known as "financiers," which was then called the "combination." It continued a corporation until 1904—that is, for three years.

When the Supreme Court in the Northern Securities case dissolved that vast corporation, it was a blow equally at the Consolidated Tobacco Company, which was the technical trust, and it dissolved in October, 1906. The men in charge of the execution of the laws actually did execute them, and they dissolved not only the Northern Securities Company, but by reason of that decision the Consolidated Tobacco Company dissolved itself.

Mr. TILLMAN. So we have no trust now.

Mr. BEVERIDGE. Yes; we do have a trust now. I am coming to that, and I will not be diverted. If the Senator will only listen to facts, instead of trying to put some blame on somebody who is blameless, he will have a clearer idea of this question.

Mr. TILLMAN. I do not want to blame any person.

Mr. BEVERIDGE. There were more prosecutions, and more successful prosecutions, begun under the Sherman antitrust act during the last two administrations than in all the history

of this country under every administration since the enactment of that law; and the most notable was the Northern Securities Company case, and the most immediate effect of that decision was the dissolution in October, immediately after that decision, of the Consolidated Tobacco Company, which was a holding company. When you come down to the history in the case, the truth is that there never have been such prosecutions under that law as those under the last two administrations.

TRUST'S ALLEGED "DISSOLUTION" NOT IMPORTANT; LET US IN THE FUTURE GET BACK THIS MONEY BELONGING TO THE GOVERNMENT.

Mr. CARTER. Mr. President——

Mr. BEVERIDGE. I beg Senators not to divert me to the antitrust law when I am trying to get the facts of this combination and the tobacco tax before the Senate.

The PRESIDENT pro tempore. Does the Senator from Indiana yield to the Senator from Montana?

Mr. BEVERIDGE. Oh, well, yes.

Mr. CARTER. Does the Senator not realize that there is now pending in the Supreme Court on appeal by the tobacco company a case wherein the judgment of the district court, approved by the circuit court of appeals, actually dissolved this trust? If that judgment shall be confirmed by the Supreme Court, it will be quite effective.

Mr. BEVERIDGE. Effective of what? Will that get for the Government the millions the trust is now taking from the Government's Treasury and putting in its own treasury? I thank the Senator for reminding me of that, but I must decline to be diverted from this argument about the tax. I do not mean that the American Tobacco Company shall escape the tax if I can lay the facts before the Senate. I intend that the facts shall be before Senators when they go on record with their votes on this amendment.

Mr. TILLMAN. Mr. President——

Mr. BEVERIDGE. Will the Senator permit me to go on with what the government report says?

Mr. TILLMAN. Will the Senator allow one sentence?

Mr. BEVERIDGE. Oh, of course—I must.

Mr. TILLMAN. I do not want to labor under the imputation, insinuation, or accusation of appearing to pull the Senator away from a very necessary exposé of somebody's information, because all these millions could not be piled up accidentally. There is some rascality somewhere.

Mr. BEVERIDGE. That is the Senator's construction. I am not drawing conclusions now; I am stating facts.

Mr. TILLMAN. When the Senator says I am trying to divert him from the line of his discussion and his presentation of facts with a view, perhaps, to wound his argument or to disarm his accusation, or whatever it is, I want to find out who is the "nigger in the wood pile" here.

Mr. BEVERIDGE. If the Senator will be patient I will reveal to him all the "niggers in the wood pile" that can be uncovered. Now, I want to go on with those facts.

Mr. TILLMAN. To what purpose, if I may ask?

Mr. BEVERIDGE. To the purpose of adopting an amendment which shall partially restore the war tax which ought never to have been taken off. To the purpose of putting again into the Treasury of the United States the millions of dollars that are now going to the American Tobacco Company every year. To the purpose of stopping the coupon infamy which the trust has been permitted to use by the special act of Congress in 1902. To the purpose that all this tax which the trust has been collecting from the people since we took it off shall again go to the Treasury of the United States. That is the purpose of offering this amendment.

Mr. TILLMAN. In other words, if the amendment does not pass, the infamy will continue.

Mr. BEVERIDGE. There is no question but that it will continue. They will continue to collect the money from the people and put it into their own pockets, for the report laid before us by the President shows that is exactly what they are doing now.

Mr. TILLMAN. I do not want to interfere with the Senator. He seems to be in bad temper.

Mr. BEVERIDGE. Not all all, though I might be excused if I were, under the circumstances—when Senators are trying to divert me from this tax question and getting this money back, by going into antitrust prosecutions and "dissolutions of the trust" and all that. I said in the beginning that I would be brief, and I want to be permitted to be brief. *I will not permit the Senate to be diverted from the real question of the tax.* I am merely presenting the facts in this case. I am presenting them as logically as I can, and I want to get them before the Senate, and I do not want the mind of the Senate to be diverted from the facts as they are. I wish to call the mind of the Senate back to the point where I broke off.

DOES THE TRUST OR THE GOVERNMENT NEED THE REVENUE THE MORE?

Mr. TILLMAN. I wish to make just one suggestion, and then I will not trouble the Senator any more. If he finds that the Senate does not agree with him in the necessity for incorporating this amendment in the tariff bill, is he hopeless of stopping this infamous robbery through the Sherman antitrust law?

Mr. BEVERIDGE. Mr. President, I am certain that when these facts are laid before the Senate, if ever I am permitted to get them before the Senate, the Senate will put this amendment on the bill. It should go on the bill. The other House increased the tax on cigarettes. That was perfectly proper. The Senate committee struck that out. Not many Senators here know of that. I don't think many Senators will be beguiled to vote against this amendment in the face of all these facts.

I suppose I will be confronted here with the statement, "Oh, well, we need the revenue, perhaps, and this tax ought to be put on, but put it off until another day; we do not need it now." Just that and other things have been said to me. As a matter of fact, the internal-revenue features have been on every tariff bill. I have learned that where the facts concerning anything are laid before the Senate, or before either House of Congress, if Congress is responsive and it is the subject of discussion at that time, that is the time to get it. There is no reason why the American Tobacco Company should be permitted to continue to charge this increased price to the people and not pay the tax which is included in that price. This is a question of revenue. I propose an amendment which shall bring in $20,000,000 every year—$20,000,000, which the manufacturers now collect from the people and put in their own pockets.

Mr. TILLMAN. I hope the Senator will pardon me. The remarkable statement which the Senator makes is that the people are already paying this money, but that the tobacco trust is getting it, and not the Treasury. Is that a clear understanding of his contention?

Mr. BEVERIDGE. Yes; as far as their proportion of the business goes, which averages over 80 per cent, exclusive of cigars.

Mr. TILLMAN. If it is the truth, it can not be reiterated too often.

Mr. BEVERIDGE. It is the truth and less than the truth. I am sorry the Senator——

Mr. TILLMAN. I will try to pacify the Senator by telling him that I will vote for his amendment.

Mr. BEVERIDGE. That does pacify me.

Mr. TILLMAN. Very well. I want the Senator to so convince others that we may have a unanimous agreement.

I still want to find, if the Senator should accidentally fall down and his labors and his eloquence are in vain, whether we are helpless, whether the Sherman antitrust law is still going to be honestly used by men who want to stop the devilment.

Mr. BEVERIDGE. Undoubtedly; but why should I "fall down," as the Senator says?

NO ANTITRUST PROSECUTIONS OR CONVICTIONS WILL RESTORE THE TAX.

Mr. TILLMAN. Now then, I have got all I want, as I learn we can get this relief whether the amendment goes on or not.

Mr. BEVERIDGE. Oh, no! *A million prosecutions under the antitrust law will not give the Government this revenue which the manufacturer now is collecting and keeping. Nothing but raising the tax will do that.* We are not going to cheat the revenues of this country out of this $20,000,000 annually any longer. In view of the facts that is unthinkable. Now, if the Senator will permit me to continue, the history of the trust—I want the Senator to learn about its history.

Mr. President, the Consolidated Company was formed in June, 1901. The Senator was not here at the time I stated that and I will go over it again. At the time it was formed what are called "the financiers"—because none of them were practical tobacco men—entered the tobacco combination. It was evidently foreseen by some one that the tax would be taken off and that everything would happen that has happened; otherwise even men as bold and resourceful as this particular group would not have risked those enormous financial operations.

I was reading, when the Senator interrupted me, just what the government report said about it, and I will continue:

GOVERNMENT REPORT'S COMMENTS ON TRUST'S FORESIGHT CONTINUED.

Such, in fact, proved to be the case. On the basis of the rate of earnings of the American and Continental prior to the formation of the Consolidated it would scarcely have been possible to pay dividends on their preferred stocks and interest on the Consolidated bonds—

Nearly all "water," mind you—

During the three years and four months following the organization of the Consolidated, however, *the earnings of the two companies were sufficient to pay those charges and also to leave a profit of fully $30,000,000 to the Consolidated on its investment of $30,000,000 (part of the time $40,000,000).*

Think of that—*earnings sufficient to pay dividends on scores of millions of watered stock and $30,000,000* PROFIT IN ADDITION on an investment of $30,000,000!

The report continues:

That company during this period of time paid $6,000,000 in dividends, accumulated a surplus of $17,000,000, and substantially became entitled also to the increase in the surpluses of the American and Continental companies, amounting to over $7,000,000.

The *benefit* of this increase in profits was, by reason of the organization of the Consolidated, *largely concentrated in the hands of a few men.* This is seen in the fact that immediately after the organization of the Consolidated more than half of its shares were held by six men—James B. Duke, A. N. Brady, O. H. Payne, Thomas F. Ryan, P. A. B. Widener, and William C. Whitney. Through the ownership of the stocks of the American and Continental by the Consolidated these six men were moreover in position to dominate the entire combination. The same six men had just previously owned only a minority of the stocks of the American and apparently very little of the Continental, though they had been very powerful in the management of both.

Most of these men, it will be observed, were the financiers who had entered the combination in 1898 and 1899. They and a few associates had supplied the greater part of the new capital now made available for the expansion policy; but they did so only because it was evident that, through the organization of the Consolidated, they might enormously increase their power and their share in the *prospective profits* of the business.

I do not want to tire the Senate, but the report goes on. Will the Senator listen to this?

The most important reason why they might foresee an increase in profit lay in THE FORTHCOMING REDUCTION OF THE TAXES ON TOBACCO. These taxes had been increased during the Spanish war, and the *prices of tobacco had been advanced sufficiently to transfer all or a large part of the added taxation to the consumer,* which is, of course, in accordance with the theory of this method of taxation. Already, before the organization of the Consolidated Tobacco Company in June, 1901—

But *after* the financiers entered the combination, remember. The report continues—

Congress had passed an act reducing the taxation on manufactured tobacco, as well as on snuff, by 20 per cent. This act passed March 2, 1901, and was to take effect July 1 of that year. It would make the tax on manufactured tobacco 9.6 cents per pound instead of 12 cents. It is quite likely, moreover, that *the inside interests anticipated a still further reduction of the tax,* which had not yet been brought down to the level existing before the war. As a matter of fact, by the act of April 12, 1902, the tax on manufactured tobacco *was* reduced to 6 cents per pound, the rate that had existed before the war.

It is much easier to keep up the price of an article when people have become accustomed to it than to advance it.

I do not want to take the time of the Senate, but I think that is worth reading.

LICORICE.

Mr. PAYNTER. Will the Senator yield to me at this point?

Mr. BEVERIDGE. Certainly.

Mr. PAYNTER. I wish to make a suggestion which will be, I think, of some interest. The Senator is already acquainted with it. He stated a moment ago that the House had increased the tax on cigarettes and the Senate Committee on Finance had reduced it.

Mr. BEVERIDGE. Yes; I said so.

Mr. PAYNTER. I wish to make the statement in this connection that paragraph 680 places licorice and extracts of licorice and many other forms upon the free list; and it is very important for the Senate to be advised that the American Tobacco Company makes 98 per cent of that product in this country.

Mr. BEVERIDGE. Yes. I am coming to that in a moment.

Mr. PAYNTER. And the Senate Committee on Finance has taken it from the free list.

Mr. BEVERIDGE. I am glad that the Senator has called my attention at this time to what has happened in the bill now before us. The House increased the tax on cigarettes. I stated it when I began my speech. In the second sentence I said the Finance Committee had struck out that increased tax on cigarettes, of which the American Tobacco Company is the greatest manufacturer.

There was not a Senator here who knew it until I told him. I made the statement that I was satisfied some members of the Finance Committee did not know that they had struck out the increased tax on cigarettes. I stated that, too, the second time.

In the next place, licorice paste, as the Senator from Kentucky——

Mr. PAYNTER. In all forms.

Mr. BEVERIDGE. Licorice, as the Senator so well says, is almost a monopoly of the American Tobacco Company. I have letters which I will present to the Senate from the independents, stating that they are compelled to buy the licorice paste from the American Tobacco Company or go without it. There are two little factories, one in Rhode Island and one in New Jersey, which say they are not in the trust. Licorice paste was placed on the free list by the House. It was struck from the free list by the Senate committee, and I introduced an amendment here the other day putting it on the free list again.

The legislation in my amendments involves four things.

First, the restoration of *part* of this tax; second, the reenactment of the Dingley anticoupon provision; and third, the putting on the free list of the licorice paste controlled by the trust; fourth, the 1897 rate on "little" cigars monopolized by the trust. Senators can do just as they please about it. I suppose there are votes here to defeat it, but it will not be done without Senators knowing the facts and the country knowing that they know the facts.

Mr. DIXON. Will the Senator yield to me?

Mr. BEVERIDGE. Certainly.

Mr. DIXON. When the revenue tax was repealed in 1902, were these facts brought before the Senate or the House at that time, or was it done by a unanimous vote?

Mr. BEVERIDGE. No attention was paid to it, I was surprised to find. I referred to the fact in my first speech that it went through in that former period of legislation, where such things were taken on faith. We are now rather disturbing that method of legislation; we are actually looking into things. The Senator knows very well how things used to go just as a matter of course. It was not expected that there would be any question raised.

Mr. DIXON. Was there any debate?

Mr. BEVERIDGE. None at all in the Senate.

The repeal of the anticoupon provision of the Dingley law, the reduction of the tax on little cigars from the *rate fixed in the act of 1897,* which was and is almost a monopoly of the trust; the reenactment of the short-weight packages; the reduction of the tax on all forms of tobacco, were done at different times of the same session without a word of debate in this body. The Finance Committee would merely formally report a little House bill and, without a word, it would go through without anybody paying the slightest attention to it. That is the case as it stands.

WHAT THE TRUST MAGNATES "EXPECTED;" AND WHAT ACTUALLY HAPPENED.

Now, Mr. President, the report goes on:

They probably—

Says the Government's report, speaking of the men who were engineering the trust—

therefore *expected an* INCREASE OF PROFITS *corresponding approximately* TO THE REDUCTION OF THE TAX—an increase of very great importance. As a matter of fact, as will be more fully shown in a subsequent report, PRECISELY THIS HAPPENED; the prices were kept up both after the first reduction of the tax, which went into effect July 1, 1901, and after the subsequent reduction in 1902, to approximately the same level as before, *and the amount of* THE DIFFERENCE IN THE TAX *was in very large part* ADDED TO THE PROFITS of the two companies.

So it appears that at the time when what I have twice heretofore called "a great genius" of financial generalship, a man whose foresight in affairs of this kind was that of a seer, entered this combination and laid the plans, *everything was anticipated,* and THAT VAST CAPITALIZATION WAS DONE UPON THE ASSUMPTION THAT CONGRESS WOULD AFTERWARDS DO HERE EXACTLY WHAT CONGRESS DID DO HERE.

The trust's managers thought the tax would be taken off, and *the tax was taken off.* They wanted to keep up the price notwithstanding the tax was taken off, and they did keep it up. They wanted again to use that weapon—the coupon—that they had formerly used with such terrible effect that Governor Dingley put the anticoupon provision in the law in 1897. They thought it would be repealed, *and it was repealed.* They thought the short-weight packages would be reenacted, *and they were reenacted.* And *far* more important than all, *they* BELIEVED THE TAX WOULD BE REPEALED, AND IT WAS REPEALED.

Now, by reason of the decision of the Supreme Court in the Northern Securities case, the Consolidated dissolved in October, 1904. It dissolved in New Jersey, which has a law permitting the merger of various corporations. So under the laws of New Jersey this merger occurred. The Consolidated, the old American, and the Continental were all merged into the new American Tobacco Company. So the merger—the new American Tobacco Company—is the final result of this amazing corporate growth. It has absorbed over 250 separate concerns up to date. It has more than 86 subsidiary companies.

TRUST'S MONOPOLISTIC CONTROL OF TOBACCO.

According to the government report, that is not disputed, it now controls to-day on the average *more than 80 per cent of the total output of smoking and chewing tobacco, snuff, and cigarettes.* The only thing it does not control is a majority of the output of cigars, and the only reason it does not control those is because cigars are still made by hand; and, therefore, they are made in every little town in the country. The workmen still make them themselves. That is the reason I did not increase the tax on cigars made by these common workmen, and I still

further modified my amendment after consulting with the union-labor men so as to protect absolutely every one of them.

Cigar making is holding out against the American Tobacco Company; the only reason it is doing it is that the industry is by hand and not by machinery. The trust has expended a vast amount of money in experimenting, or making machinery for manufacturing cigars. They have not been successful. They are successful in little cigars, therefore they nearly monopolize them. *The tax on little cigars was reduced in 1902 nearly 50 per cent below the rate existing* BEFORE THE SPANISH WAR. When that is considered in connection with the other things done at times, I am sure no Senator will vote against this amendment. How can any Senator vote against it with all this *evidence* before him?

I want to state again and impress the Senate with the amount of this monopolistic power. We have heard a great deal of debate this session about the so-called "steel trust."

I heard the junior Senator from Iowa [Mr. CUMMINS] say that the steel trust controls 52 per cent of the total output—I think that was a statement he made; was it not 52 per cent? And everybody conceded that 52 per cent of the output gave it a monopolistic power, so that it might fix the price. *The American Tobacco Company has not got any little 52 per cent control of the output of tobacco, etc.*—IT CONTROLS MORE THAN 80 PER CENT OF THE OUTPUT. That is the most complete monopolistic power of any financial or industrial organization in the world, with the exception of the Standard Oil Company and the cash-register trust. That is what I wanted to call the attention of the Senator to, because I knew he had been thinking about it.

Mr. DIXON. Mr. President——

The PRESIDENT pro tempore. Does the Senator from Indiana yield to the Senator from Montana?

Mr. BEVERIDGE. Yes.

Mr. DIXON. Has the Senator from Indiana, in the course of his investigations, been enabled to determine whether or not the United Cigar Stores Company, whose stores we see in all our cities, is a part of the American Tobacco Company?

Mr. BEVERIDGE. Yes; and I will show that to the Senator in just a minute. I am coming to that. The United Cigar Stores Company is the trust's retail department.

THE MERGER AND "DISSOLUTION" OF THE AMERICAN.

Now, Mr. President, we have gotten down to the merger.

Mr. RAYNER. Mr. President——

The PRESIDENT pro tempore. Does the Senator from Indiana yield to the Senator from Maryland?

Mr. BEVERIDGE. I do.

Mr. RAYNER. Mr. President, I do not know whether it is exactly pertinent to this branch of the discussion, but the circuit court of the United States has dissolved this corporation, and the argument in connection with its dissolution sustains very strongly a great many of the propositions which the Senator from Indiana is discussing. I shall just read a few lines from that decision, if the Senator does not object. I have the decision before me. I do not know whether the entire Senate is familiar with it, but it is very important in connection with this discussion. The decision is contained in a report which has been printed here in the Senate:

Special attention is invited to the case of the United States *v.* The American Tobacco Company, supra. It involved the validity of the absorption of various independent companies by the American Tobacco Company and was tried before four circuit judges on the certificate of the Attorney-General under the act of February 11, 1903. The case was decided November 7, 1908, three of the judges, in separate opinions, declaring the absorption illegal. All of these opinions are interesting and able, but it will suffice to quote from that of Circuit Judge Lacombe:

Just for a moment on that point. Here is what the judge says in rendering his opinion dissolving this company. If the Supreme Court sustains that dissolution, that will be an end to the American Tobacco Company, and I suppose it will resolve itself into its component or constitutent parts.

Mr. TILLMAN. If the Senator will pardon me, what will become of all these watered stocks and these bonds which have been put on the market?

Mr. RAYNER. I can not tell anything about that. I do not know what will become of them.

Mr. TILLMAN. What does the dissolution mean if it leaves the snake alive, crawling around in pieces?

Mr. RAYNER. I am not arguing the proposition. The Senator from South Carolina will have to argue that with the judges who decided this case. I am very strongly impressed with the speech of the Senator from Indiana. I wish, however, to read, in addition, these few lines:

LACOMBE, *C. J.*: The act of July 2, 1890, in its first section declares to be illegal "every contract, combination in the form of trust or otherwise, or conspiracy, in restraint of trade or commerce among the several States, or with foreign nations." That declaration, ambiguous when enacted, is, as the writer conceives, no longer open to construction in the inferior federal courts. Disregarding various dicta and following the several propositions which have been approved by successive majorities of the Supreme Court, this language is to be construed as prohibiting any contract or combination whose direct effect is *to prevent the free play of competition, and thus tend to deprive the country of the services of any number of independent dealers, however small.* As thus construed the statute is revolutionary. By this it is not intended to imply that the construction is incorrect. When we remember the circumstances under which the act was passed, the popular prejudice against large aggregations of capital, and the loud outcry against combinations which might in one way or another interfere to suppress or check the full, free, and wholly unrestrained competition which was assumed, rightly or wrongly, to be the very "life of trade," it would not be surprising to find that Congress had responded to what seemed to be the wishes of a large part, if not the majority, of the community, and that it intended to secure such competition against the operation of natural laws.

Now, in conclusion the court says this:

It is contended that the case at bar is not within the statute since the various combinations complained of deal primarily with manufacture, and United States *v.* Knight (156 U. S., 1)—

That is the sugar-refining case. That is the reason that this case strikes me with such great effect—

is cited in support of that proposition. It seems to the writer, however, that subsequent decisions of the Supreme Court have modified the opinion in that case, and that the one at bar is as much within the statute as was the combination condemned in Loewe *v.* Lawler (208 U. S., 274).

So that this case dissolving this company is now on appeal to the Supreme Court of the United States; and if the Supreme Court of the United States affirms the decision of the circuit court, the American Tobacco Company will be dissolved, and dissolved upon the ground the Senator states. I am inclined to be with the Senator. I do not want the Senator to misunderstand me. I merely want to fortify his argument. I have not fully made up my mind about it. I repeat I am strongly impressed with his argument, and I am merely attempting to fortify the presentation he is making here by stating the facts that the courts have taken hold of this case and have dissolved this company, and that the company has appealed the case, which is now pending in the Supreme Court of the United States.

THE "DISSOLUTION" OF THE AMERICAN COMPANY DOES NOT AFFECT THE POINT—REAL TRUST REMAINS; AND THE RECOVERY OF THE TAX THE MAIN THING.

Mr. BEVERIDGE. I am not arguing this case of the dissolution of this company, and it does not make a bit of difference to the argument on this tax whether this company is dissolved or not. I am asking for a restoration of a tax that ought never to have been taken off.

Mr. RAYNER. The Senator from Indiana will not misunderstand me.

Mr. BEVERIDGE. I hope not; but pardon me just a moment.

Mr. RAYNER. Let me say to the Senator that I do not think I am opposing the Senator at all. I am trying to be in favor of his proposition, and I am merely fortifying the Senator with an argument why this company should be dissolved. He has been arguing that the company has been violating the law, and I am merely giving him the decision.

Mr. BEVERIDGE. I beg the Senator's pardon. I have been arguing——

Mr. RAYNER. When you argue against me you are arguing against yourself, because I am inclined to be with you.

Mr. BEVERIDGE. I am stating the facts. I made no argument about them violating the law. I am pointing out that the trust has profited and is profiting millions of dollars a year, at the Government's expense, by reason of what Congress has done.

Mr. RAYNER. I am inclined to be with you, just as the Senator from South Carolina [Mr. TILLMAN] is.

ANTITRUST LAW VIOLATION NOT INVOLVED IN TAX; LAW VIOLATION ANOTHER AND A DIFFERENT QUESTION.

Mr. BEVERIDGE. I am glad of that. I expect the Senator's support. But I am not making any argument about their violating the law. I stated the history of the thing, and I must insist that Senators pay attention to that particular thing, regardless of the Sherman antitrust law. I am repeatedly trying to state again and again the relation of the dates of the organization of this company—the merger, the whole thing—to the subsequent legislation that occurred here, and the fact that the government reports say that all that was foreseen by the men in charge of this corporation; *and finally that the Government is now being deprived of millions every year.* I WANT TO GET THOSE MILLIONS BACK INTO THE GOVERNMENT'S TREASURY. That's the important thing—let us not get off onto something else.

I doubt whether merely buying out another company and its assets is any violation of the Sherman antitrust law.

Mr. RAYNER. The court has decided that it is; and it differs from the Senator from Indiana.

Mr. BEVERIDGE. If the court has decided it is, then it is.

Mr. RAYNER. Will the Senator listen to it, or does the Senator from Indiana intend to drive away those who might be with him by his unwillingness to receive any information upon the subject at all? Here is what the court says:

Accepting this construction of the statute, as it would seem this court must accept it, there can be little doubt that it has been violated in this case. The formation of the original American Tobacco Company, which antedated the Sherman Act, may be disregarded. But the present American Tobacco Company was formed by subsequent merger of the original company with the Continental Tobacco Company and the Consolidated Tobacco Company, and when that merger became complete two of its existing competitors in the tobacco business were eliminated.

That is the ground upon which the court dissolved the company.

Mr. BEVERIDGE. That was the merger in 1904, to which I referred, which was nothing more nor less than the change of the form of consolidation. If that were true, what would be the situation? The American Tobacco Company would be dissolved; that is, the American Tobacco Company No. 2 would be dissolved into its constituent companies. What are they? The American Tobacco Company No. 1 and the Continental, and the real situation would not be at all changed.

Mr. RAYNER. I am not arguing the case. I am merely giving the Senator information.

Mr. BEVERIDGE. I am glad to be reminded of it. This is what seems to have occurred. I do not like to get away from this tax into a discussion of the Sherman antitrust law. The Senator from South Carolina held me to that for a long time. Let us stick to this tax argument a while. The tax is the real thing. Do Senators want to argue decisions when the real question is the getting back of millions to the Government, which the trust is collecting every year and keeping for itself?

After Mr. Ryan and what are called "the financiers" got into this business in these companies this Consolidated Tobacco Company was formed. That was a holding company—nothing more. Then, on account of the decision of the Supreme Court in the Northern Securities case, that company was dissolved; it voluntarily dissolved, in 1904, to avoid that decision; that then under the laws of the State of New Jersey it formed a merger. There is a law in the State of New Jersey which allows what it calls "a merger of companies." These three companies then merged into the American Tobacco Company No. 2, which took hold of everything.

WHERE TRUST WOULD BE IF "MERGER" DISSOLVED.

I thought then, and I think now, that was merely a change of name, and that when the Consolidated dissolved and the American was formed by this merger, it was just simply the Consolidated under another name. Then if it should be dissolved into its constituent companies—there were two, the American No. 1 and the Continental—so that the situation would not be changed at all, except that it would be slightly more inconvenient for them to do business, although I do not know that even that would occur.

Mr. RAYNER. I agree with the Senator on that.

Mr. BEVERIDGE. But that is not all; for even if the trust did not exist, even if these were all independent companies, nevertheless *the tax ought to go back*, and that is the point that I am trying to make. And as to dissolving this mighty business organization—suppose you do? It would be like "dissolving" the "steel trust"; you would have "the Carnegie companies," etc. Let us stick to the tax.

Mr. RAYNER. I happened to have the case before me, and I thought it would be well to call the Senator's attention to it.

Mr. BEVERIDGE. I am very much obliged to the Senator, indeed. So we see, Mr. President, that by controlling 80 per cent of the whole product of this country it has a more complete monopolistic power than any other concern, excepting the Standard Oil Company and the National Cash Register Company.

Now, coming to the question of the trust's methods, I presume there is no use of taking very much time with that, because the Senate has become familiar with it in the course of this discussion. It has used every method that all of us are familiar with for that purpose—it has undersold; it has forced men to the wall; it has used coupons, and they were so scandalously used that Governor Dingley prohibited them in his bill, but we kindly permitted the American Tobacco Company to use them again upon the repeal of the war-revenue act in 1902.

"INDEPENDENTS" SECRETLY OWNED BY THE TRUST.

It has bought out a great number of independents secretly, and then continued them secretly as "independents." The report of the Government gives a list of those that existed at that time—companies that the trust bought out and owned secretly, but continued to run openly, as "*independents*." And to-day it is impossible to state absolutely whether an "independent" company is independent or not. That was the trust's policy. Does anybody suppose it has discontinued that policy?

One reason—and this comes to another one of its methods—one reason why the trust wanted these bought-up "independents" to appear still to be "independent," although owned by it, and therefore why it maintained the policy of secret ownership of concerns that the public thought were "independent," was because a sentiment was growing up in the country against the so-called "tobacco trust" on the one hand, and, second, its brutal treatment of organized labor on the other. I want Senators to know if any person comes to them saying anything about this being a tax on the employees of the American Tobacco Company, or the independent companies either, that the American Tobacco Company employs a large number of people, including a great many women and children, and they are not paid any more than the company has to pay them.

They have waged unceasing warfare against a laborer if he belongs to a union. So great became the antagonism to them on that account that the union labor men would not buy their product, and bought the so-called "independents" product; so, as the government report shows, the trust *secretly* bought and owned many independent concerns, making the public think that they actually were "independents."

GOVERNMENT'S REPORT ACCOUNT OF "INDEPENDENTS" SECRETLY OWNED BY THE TRUST.

To show that I am not overstating this, I quote from the Government's report as follows:

The most important motive, however, for the continuance of separate corporate existence in the case of many concerns has been the desire of the combination to *keep its control* SECRET. There is a strong feeling among many dealers and consumers against "trusts" in general and the "tobacco trust" in particular. Independent manufacturers have extensively taken advantage of this feeling and have advertised their goods as "Independent," "Not made by a trust," etc.

The attitude of the American Tobacco Company and its openly affiliated concerns in *refusing to deal with labor organizations* has also caused hostility among union laboring men, many of whom insist on buying "union-label" goods. Many independent manufacturers have availed themselves of the union-label sentiment to build up a trade.

In order to overcome the effects of the antitrust sentiment and the union-label sentiment, and even TO TAKE ADVANTAGE OF THEM, the Tobacco Combination, particularly during 1903 and 1904, SECRETLY ACQUIRED a controlling interest in numerous concerns which had been catering to customers who held those sentiments. Such concerns continued to operate under their former management and *kept up a pretense of independence* and OF HOSTILITY TO THE COMBINATION. Those which employed union labor continued to do so and advertised the union label. These SECRETLY CONTROLLED concerns were, until the facts were disclosed by the Government, a powerful engine of warfare against the genuine independents and were looked upon by the latter as their worst enemy.

Again the Government's report emphasizes this particular villainy of the trust:

The great expansion of the business of the American Tobacco Company and its affiliated combinations has caused hostility among certain classes of the population. In the first place, there is a strong sentiment which takes the name of "antitrust." Independent manufacturers of tobacco have taken advantage of this feeling and have advertised their goods extensively as "independent goods," "not made by a trust," etc.

Again, the attitude of the American Tobacco Company in *refusing to recognise the unions of workingmen* has caused a very considerable degree of hostility to the combination on the part of organized workingmen generally. The various trade unions in the tobacco industry would refuse to permit their union label to be used in any single recognized factory of the American Tobacco Company, even if such factory were willing individually to employ exclusively union labor and to make agreements with the unions.

Independent manufacturers have taken advantage of this fact and have in many cases employed union labor and placed the union label upon their goods, advertising them extensively as union made. In *order to avoid the effect of this antitrust sentiment and of the union-label sentiment* the American Tobacco Company has, in numerous cases, SOUGHT TO CONCEAL ITS CONTROL OF TOBACCO CONCERNS. This could, in most cases, best be done by acquiring stock in independent companies and retaining their separate existence. In many cases the concerns thus controlled *have been deliberately held out to the public as being* INDEPENDENT. They have been made vigorous and effective agencies for attacking the business of independent concerns.

A large proportion of the tobacco-manufacturing corporations stocks in which have been acquired by the American Tobacco Company proper (including those acquired by the Continental prior to its merger with the American) were, at least for a time, operated under *this cloak of* SECRECY. In fact, it appears to have been the desire and aim of the combination to maintain SECRECY FOR AN INDEFINITE PERIOD with regard to MOST such acquisitions. In many cases, however, information as to the connection with the combination has leaked out, and, since the advantage of professed independence thus ceased, the control has been openly acknowledged.

TRUST'S BRIBERY OF LEGISLATORS; ITS LOBBY SYSTEM.

Not only that, Mr. President, but this company has resorted to bribery in legislation. It has had its general lobbyist in New York, a man of great standing there, up to the time he died four years ago. It has had its local lobbyists with salaries and an expense fund at their command in every State where legislation affecting its interests was before the state

legislature. In one case letters of its general lobbyist in New York to a local lobbyist in a State, mentioning the amounts inclosed to him, has been revealed and published to the world.

Their local lobbyist in at least one case was exposed by a member of the legislature whom he was trying to corrupt. He was driven from the country, and until a few months ago was a fugitive from justice. All those matters are of public record. I have here an article which sets out the original letters passing between the trust's general lobbyist for the whole country and one of its state lobbyists. In short, Mr. President, there is no method of crushing competition, on the one hand, no method that has been known and no method that is too wicked, and no method of corruption of legislators, on the other hand, that this company, which has been and is the chief beneficiary of the reduction of this tax, has not practiced.

ALTHOUGH FACTS ADMITTED, STILL AMENDMENT IS RESISTED; ABSURD SUBTERFUGE TO AVOID IT.

Yet, although it has made scores of millions at the expense of the Government's Treasury; though our laws have played into its hands, though its monopolistic control is admitted; though the Nation now knows of its practices, yet this amendment to take from the trust its profits represented by the reduced tax which it still collects, and give it to the Government again—*this amendment to do these things is resisted.* It is astounding, it is incredible; but it is true.

And that is not the worst. I hear of a rumor that the thing is to be glossed over and the American Tobacco Company protected in collecting and keeping the tax by removing the package restriction and, as a sop to the public, enacting the anti-coupon clause of my amendment, and letting the trust go on collecting from the people the tax we took off and keeping it. And I hear that this is to be urged in the cause of "the independent manufacturer" and the "poor leaf grower." But I will not believe that such a scheme exists until I see it in print on our desks.

Mr. DIXON. Mr. President——

The PRESIDENT pro tempore. Does the Senator from Indiana yield to the Senator from Montana?

Mr. BEVERIDGE. Certainly.

Mr. DIXON. Is it any secret who the general lobbyist of this great trust is?

Mr. BEVERIDGE. I do not believe that I care to bring names in. It has been published—the whole thing has been published.

Mr. DIXON. In what magazine or paper?

Mr. BEVERIDGE. The original letters have been published in Collier's Weekly. The general lobbyist lived in New York—he is dead now. He was a man of great social and political prominence, and his letters to a state lobbyist have been published. However, there is no use of going into specifications, because it is well known what lobbyists do in such matters—they look after legislation.

VARIETY OF TRUST'S BUSINESS.

The Senator asked a question a moment ago about the United Cigar Stores Company that brings me to the next point in the argument. This combination has shown its genius not only in its financial operations, not only in anticipating legislation which afterwards we enacted, not only in its ability of basing vast capitalistic operations upon legislation which it foresaw, but also in the most unbelievable varieties of its business.

I said a moment ago that the American Tobacco Company has absorbed 250 concerns. It not only manufactures cigars, little cigars, cigarettes, and every form of tobacco and snuff, but it owns plants for the manufacture of machines by which those things are made; it buys up patents; it owns companies which own the patents for different machines; it makes its own bags and cans; it is probably the biggest producer of bags and cans of that kind in the world; and not only that, but it has begun the growing of leaf. It is becoming its own producer. It is buying up tobacco lands; so that it produces its own leaf and gets it at cost. It will not be long until it will succeed in doing that to such an extent that the American Tobacco Company, the largest purchasing company in the world, will be its own producer and out of the purchasing market.

And not only that, but, as the Senator from Kentucky [Mr. PAYNTER] pointed out a moment ago, it is the biggest manufacturer in the world of licorice paste, which is absolutely necessary for the manufacture of plug tobacco. I think the Senator said it now controls 98 per cent of the licorice manufactured in this country. Licorice is something that the independent and every other manufacturer of tobacco has absolutely got to have. You can not make plug tobacco without it; and the trust controls 98 per cent, according to the Senator from Kentucky. I know there are two little factories that make licorice, one in Rhode Island and one in New Jersey, that are represented as not being in the trust; but the trust does control 98 per cent of the licorice paste output.

TRUST CAPTURING RETAIL TRADE.

But its operations are more varied. It has entered the retail trade. The United Cigar Stores Company, one of which you see at the corner of Pennsylvania avenue and Fifteenth street—and you see them in every town in this country—belongs to the American Tobacco Company. That company was incorporated in New Jersey on May 16, 1901. In 1906 it had an outstanding capital of $1,950,000, of which $450,000 was common stock, $750,000 preferred stock, and $750,000 of bonds. On December 31, 1906, the American Tobacco Company held $340,000 of the common stock and all of the preferred stock and bonds of the United Cigar Stores Company.

Mr. President, the number of stores of the company are at the present time at least 400; probably they are much more numerous. The trust is capturing the retail trade of tobacco in this country more rapidly than it captured the plug-producing business in this country. It is a startling fact, but it is absolutely true. Not only has it got this chain of model retail stores all over the country, but it has got three or four other retail concerns. It has organized even news-stand agencies.

I say there is nothing short of genius in the management of this company, not only in the boldness of its operations, but in the variety and novelty of its business.

TRUST OWNS EVEN BILL-POSTING COMPANIES.

Not only that, but we come to a matter that is actually amusing. Its advertising expenses, especially after the tax was taken off, were very great. Its problem then was to keep the prices up to the war-time prices, which had been made up by adding the war-time price to the tax—its problem when the tax was taken off was not to reduce the price accordingly. It had increased the price by the amount of the tax when the tax was placed on it; but when we obliged the trust by taking the tax off, it did not reduce the price.

It was able to keep up this price only in one way, and that was by enormous advertising. The people had become accustomed to the size of the package; the people had become accustomed to the cut of the plug; but they were as yet a little bit suspicious about the price, so the trust did tremendous advertising.

If you will look at the tables I will present, it will be seen that immediately after the war, in the case of some brands, the profits did not increase as much as the tax. That condition is explained, wherever you find it, by the advertising at that time. Later on, within a year or two, you will find that the profits of the American Tobacco Company increased by exactly the amount of the tax we took off.

In the process of this advertising business the American Tobacco Company actually bought out the Thomas J. Cusack Bill Posting Company. You see those great big signs as you go to New York advertising "Bull Durham," or anything else, and down at the bottom you will find the name "Thomas J. Cusack Company." That is the bill-posting company, and that bill-posting company is owned by the American Tobacco Company.

TRUST'S LOTTERY DEPARTMENT.

Not only that, but you see before you these things here. [Exhibiting.] These are the coupons given by the United Cigar Stores Company, and I regret I have not brought their catalogue. Perhaps I shall be forced to make a third statement; and, if so, I will bring their catalogue and several other facts. The trust calls this "a profit-sharing enterprise." If you make a 25-cent purchase, you get a coupon, and if you make a 50-cent purchase, you will get another one, and so forth, and a certain number of them entitles you to a certain prize.

So another one of the branches of the trust's business—and it has grown to be great in volume—is its prize-distributing business. The variety of business of this concern would be unbelievable if we did not have the facts from the Government's report. It involves leaf tobacco; it involves the manufacture of tobacco; it involves the making of bags, cans, pipes, smokers' materials, and everything of that kind; it involves the making of machinery; the retail trade; it even involves a bill-posting company.

Mr. President, this is the concern the people have built up. This is the concern that has had the benefit—80 per cent of it at least—of the reduction in the tax, when the people ought to have had that benefit. This is the kind of concern upon which, if we restore the tax, most of the so-called "burden" will fall.

There may be something about it to entitle it to special consideration at our hands; but it occurs to me, in view of the fact that at the same time we repealed the anticoupon provision of the Dingley law, at the same time that we continued the war-time short-weight package, at the same time we repealed the war tax, thus not only giving millions and scores of millions of

dollars to its treasury, but again putting in its hands the sword with which it struck down competition—it strikes me that the American Tobacco Company has profited unjustly long enough, and that it is time that the Government again be given the revenue which we have enabled the trust to divert from the Nation's Treasury.

Mr. DIXON. Mr. President——

The PRESIDING OFFICER (Mr. HEYBURN in the chair). Does the Senator from Indiana yield to the Senator from Montana?

Mr. BEVERIDGE. Yes.

TRUST'S FABULOUS PROFITS: DIRECT EVIDENCE.

Mr. DIXON. Right there I wish to state that I have been wonderfully impressed with this story the Senator is telling this morning. During the last ten days the information came to me, in a pretty direct way, that last year, in a period of depression, the American Tobacco Company paid 34 per cent in dividends on its common stock; and I think my source of information was absolutely correct.

Mr. BEVERIDGE. And yet this is the concern that Senators pity! This is the concern that I am told privately it will not be right for us to take this much revenue away from. This is the concern which is to be defended in the name of the poor "independent," the poor leaf grower, and even the poor consumer.

The figures I have given apply to the whole business, inclusive of its subsidiary companies.

To show the tremendous earnings of the combination on its own business exclusive of its subsidiary companies in comparison to its real assets: The report laid before us by the President shows that although its tangible assets in 1907 amounted to a little less than $52,000,000, yet its net earnings were more than $19,300,000, or 36 PER CENT OF THE VALUE OF ITS NET TANGIBLE ASSETS.

That does not include its subsidiary companies. When the subsidiary companies are taken into consideration, it is the amount I named awhile ago—OVER $36,000,000 PROFIT ANNUALLY FOR ITS TOTAL BUSINESS OF EVERY KIND.

To show that the tax was added to the cost to the consumer and *profit to the tobacco trust*, I shall insert here Table 5 of the report of the Department of Commerce and Labor submitted to us by the President of the United States.

PROFITS OF TRUST PROPER—PARENT COMPANIES.

TABLE 5.—*American, Continental, and Lorillard companies—Net value of sales and proportion represented by tax, cost, and profit, respectively (domestic business).*

Year.	Amount represented by—				Proportion represented by—		
	Net value of sales.	Tax.	Cost.	Profit.	Tax.	Cost.	Profit.
					P. ct.	*P. ct.*	*Per ct.*
1895	$21,120,561.70	$4,071,055.14	$13,637,445.11	$3,412,061.45	19.3	64.6	16.1
1896	22,235,508.62	4,786,115.76	14,625,914.00	2,823,478.86	21.5	65.8	12.7
1897	23,485,333.81	5,859,836.87	14,418,463.97	3,207,032.97	24.9	61.4	13.7
1898	26,923,627.35	8,674,345.07	15,585,090.64	2,664,191.64	32.2	57.9	9.9
1899	61,920,705.44	21,582,820.74	35,214,913.71	5,122,970.99	34.8	56.9	8.3
1900	67,589,568.18	23,856,691.80	35,245,909.81	8,486,966.57	35.3	52.1	12.6
1901	67,147,552.13	20,737,075.29	34,631,452.19	11,779,024.65	30.9	51.6	17.5
1902	71,786,348.15	16,222,318.27	39,976,163.61	15,587,866.27	22.6	55.7	21.7
1903	71,704,514.23	12,962,499.45	40,006,125.93	18,735,888.85	18.1	56.8	26.1
1904	69,981,891.92	12,374,293.68	41,600,195.75	16,007,402.49	17.7	59.4	22.9
1905	73,261,513.01	12,992,612.42	42,355,071.00	17,913,829.59	17.7	57.8	24.5
1906	80,050,489.98	14,285,733.43	45,123,048.49	20,641,708.06	17.8	56.4	25.8
1907	79,604,641.91	14,557,284.72	46,021,630.92	19,025,726.27	18.3	57.8	23.9

THE TAX CONGRESS TOOK OFF IN 1902 ADDED TO TRUST'S PROFITS SINCE.

This table shows that almost exactly the amount of the war tax was added to the price; that this tax when it was removed was not taken from the price, but was added to the profit. So we see by this table that the net profits of the tobacco combination was less than $8,500,000 in 1900; it rose to more than $18,700,000 in 1903 after the tax was taken off and is now more than $20,000,000—for although it was over $19,000,000 in 1907, we must remember that that year was a bad one.

I do not object to the corporation making money. I am very glad to see it make it. I do not, however, see why it should be permitted to take the tax it has still continued to collect from the people and pay it to itself.

Mr. GALLINGER. Does the Senator refer to Table 5?

Mr. BEVERIDGE. Table 5. The Government's report concerning the table says:

Very striking, however, are the changes in the profits, and particularly when the profits are compared with the taxes paid. As THE AMOUNT OF TAX PAID FELL OFF, THE AMOUNT OF PROFIT INCREASED. From 1899 to 1903 the taxes fell off about $8,000,000, while the profits increased about $13,600,000, rising from $5,122,970.99 in 1899 to $18,735,888.85 in 1903.

The Government's report continues that during the war—

the profit was 8.3 per cent and 12.6 per cent, respectively. With the reduction in the war-revenue rates the proportion of the value of the product represented by tax fell, so that during the years 1903 to 1907 it represented a little over one-sixth of the value.

TAX ADDED TO PROFITS IN EVERY DEPARTMENT.

To show in detail the *addition of the tax to the profits*, I insert here Table 9 of the Government's report laid before us by the President, which shows that the profits of the direct business of the trust proper, *exclusive of the scores of subsidiary companies* which it controls, rose from $5,000,000 in 1899, when the tobacco trust was paying THE TAX TO THE GOVERNMENT WHICH IT COLLECTED FROM THE PEOPLE, to over $19,000,000 when, because of the REMOVAL OF THE WAR TAX and the CONTINUATION OF THE WAR PRICE, it *paid the war tax* which it collected from the people TO ITSELF instead of TO THE GOVERNMENT.

TABLE 9.—*Net profit by departments—American, Continental, and Lorillard companies.*

Year.	Smoking.	Plug.	Fine cut.	Cigarettes.
1895	$559,009.82	a$892,687.88	$24,118.21	$3,574,362.60
1896	740,586.07	a1,378,345.78	19,819.68	3,289,736.33
1897	937,068.95	a889,730.25	30,176.12	2,886,093.29
1898	736,518.96	a925,302.86	a6,398.52	2,705,306.70
1899	1,085,522.47	1,606,965.15	77,635.57	2,630,373.73
1900	1,976,404.34	4,121,017.42	a39,404.01	2,341,869.51
1901	2,562,272.25	7,016,591.22	a107,734.86	1,871,365.15
1902	3,706,059.93	10,140,562.13	314,755.67	1,320,848.95
1903	4,051,635.90	11,986,675.43	400,823.55	2,106,697.39
1904	4,610,698.40	8,660,296.31	443,390.45	1,868,813.06
1905	5,698,148.99	9,362,073.73	479,801.12	1,802,124.52
1906	6,384,233.58	11,588,114.65	493,338.67	1,950,746.78
1907	5,876,688.18	10,308,708.34	451,709.79	2,026,468.46

Year.	Cheroots.	Little cigars.	Snuff.	Scrap.	Total.
1895	$94,638.39	$52,620.51			$3,412,061.45
1896	108,999.88	60,646.77	a$17,964.09		2,823,478.86
1897	113,795.25	125,140.44	4,489.17		3,207,032.97
1898	56,506.25	96,503.90	2,057.21		2,664,191.64
1899	a229,560.33	22,508.74	a70,444.34		5,122,970.99
1900	a15,543.98	132,373.51	a29,750.22		8,486,966.57
1901	93,540.71	340,769.20	2,220.98		11,779,024.65
1902		105,639.59			15,587,866.27
1903		190,056.58			18,735,888.85
1904		424,204.27			16,007,402.49
1905		600,044.86			17,913,829.59
1906		541,198.44	a$28,363.63		20,641,708.06
1907		527,869.53	a315,924.06		19,025,726.27
			a165,718.03		

a LOSS.

TRUST'S "LOSSES"—CAUSED BY ADVERTISING FOR WHICH THE PEOPLE PAID.

It will be noted that this table shows losses in certain years on certain products. The Government's report explains that—

These were due to the effort of the company to get a very large proportion of the total output of the country, the ultimate result of which was to bring the leading competitors into combination with the American. The losses of the plug business had to be made up out of the large profits of the cigarette business.

After the leading competitors had been brought into the combination, however, *the plug business became very profitable, and in every year since 1900 it has contributed more to the* profits of the American, Continental, and Lorillard companies than any other one branch. In 1903, when THE PROFITS in the plug business reached their maximum, they represented MORE THAN 55 PER CENT of the total profits.

The profits of the smoking-tobacco business during the more recent years rank next to those of plug tobacco, and the *profits in the smoking department have continued to increase* SINCE 1903, *while those in plug have been less than in that year.*

That this was true of it subsidiary companies as well as of the trust itself, I insert Table 10 of the Government's report, laid before us by the President.

"SUBSIDIARY COMPANIES" ALSO.

TABLE 10.—*Net value of sales (less tax) and profit of the American, Continental, and Lorillard and their principal subsidiary companies.*

[The American Cigar and American Snuff companies not included.]

Year.	Net value (less tax).	Cost.	Profit.	Proportion of net price represented by—	
				Cost.	Profit.
				Per cent.	*Per cent.*
1899	$41,201,984.91	$35,843,798.13	$5,358,186.78	87.0	13.0
1900	48,298,515.23	39,101,174.25	9,197,340.98	81.0	19.0
1901	53,731,962.89	40,428,077.35	13,303,885.54	75.2	24.8
1902	66,940,446.09	49,188,056.00	17,752,390.09	73.5	26.5
1903	74,953,380.98	53,676,326.64	21,277,054.34	71.6	28.4
1904	76,516,936.74	57,201,374.81	19,315,561.93	74.8	25.2
1905	81,257,925.87	59,079,427.06	22,178,498.81	72.7	27.3
1906	88,685,851.83	63,739,863.62	24,945,988.21	71.9	28.1
1907	92,731,297.03	68,026,468.07	24,704,828.96	73.4	26.6

This table shows that the profits of the parent and subsidiary companies' combination rose from $5,358,186.78 in 1899 to more than $24,704,838.96 in 1907. This does not include its cigar and snuff business nor its export business.

TAX ADDED TO PROFIT PER POUND WHEN CONGRESS ABOLISHED TAX.

Reducing this vast sum to the pound, I insert Table 14 of the Government's report, laid before us by the President, which shows that the price of every kind of tobacco excepting only cigarettes and cigars *was increased by the amount of the tax when the tax was put on in 1898;* that this price *was continued after the tax had been taken off in 1901–2.*

TABLE 14.—*Average prices and profits, by departments, of the tobacco combination (domestic business).*

[American Cigar and American Snuff companies not included.]

Year.	Smoking (per pound).		Plug (per pound).		Fine cut (per pound).	
	Price less tax.	Profit.	Price less tax.	Profit.	Price less tax.	Profit.
	Cents.	*Cents.*	*Cents.*	*Cents.*	*Cents.*	*Cents.*
1895	25.0	3.2	15.5	a4.4	27.0	4.3
1896	24.7	4.4	12.9	a4.4	27.2	3.6
1897	23.7	4.6	12.2	a2.4	26.6	5.5
1898	23.6	3.2	16.7	a2.8	25.9	b.9
1899	21.1	2.8	24.9	1.9	24.4	1.8
1900	22.8	4.5	22.8	3.7	23.0	b.7
1901	24.5	5.8	25.2	6.4	26.3	b1.9
1902	26.7	6.8	27.7	8.3	33.4	6.4
1903	27.9	6.2	29.4	9.8	29.4	5.8
1904	29.4	7.1	30.0	8.0	30.8	6.2
1905	28.4	8.3	30.2	8.1	30.6	6.7
1906	29.3	9.0	30.1	9.1	29.9	6.6
1907	30.1	9.3	30.4	8.7	30.0	6.3

Year.	Scrap (per pound).		Cigarettes (per thousand).b		Little cigars (per thousand).	
	Price less tax.	Profit.	Price less tax.	Profit.	Price less tax.	Profit.
	Cents.	*Cents.*				
1895			$2.77	$1.22	$4.60	$0.43
1896			2.46	1.06	4.43	.41
1897			2.27	1.00	3.96	.67
1898			2.02	1.05	3.68	.43
1899			2.01	1.05	3.27	.07
1900			2.09	1.05	3.19	.32
1901	13.2	0.4	2.12	.97	3.34	.63
1902	15.2	b.3	2.29	.72	4.37	.30
1903	17.7	3.9	2.27	1.04	4.33	.39
1904	18.0	1.5	2.25	.91	3.91	.72
1905	17.7	.3	2.17	.89	3.59	.92
1906	18.0	b2.7	2.15	.85	3.60	.69
1907	18.5	b1.5	2.20	.71	3.60	.56

a Loss. b American Tobacco Company only.

This is also shown still more clearly in Table 15 of the Government's report laid before us by the President:

TABLE 15.—*Amount of tax, cost, and profit entering into net selling price for the several departments of the tobacco combination (domestic business).*

[American Cigar and American Snuff companies not included.]

Year.	Smoking (per pound).				Plug (per pound).			
	Net price.	Elements of price.			Net price.	Elements of price.		
		Tax.	Cost.	Profit.		Tax.	Cost.	Profit.
	Cents.	*Cents.*	*Cents.*	*Cents.*	*Cents.*	*Cents.*	*Cents.*	*Cents.*
1895	31.0	6.0	21.8	3.2	21.5	6.0	19.9	a4.4
1896	30.7	6.0	20.3	4.4	18.9	6.0	17.3	a4.4
1897	29.7	6.0	19.1	4.6	18.2	6.0	14.6	a2.4
1898	32.1	b8.5	20.4	3.2	25.2	b8.5	19.5	a2.8
1899	33.1	12.0	18.3	2.8	36.9	12.0	23.0	1.9
1900	34.8	12.0	18.3	4.5	34.8	12.0	19.1	3.7
1901	35.3	b10.8	18.7	5.8	36.1	b10.9	18.8	6.4
1902	34.5	7.8	19.9	6.8	35.5	b7.8	19.4	8.3
1903	33.9	6.0	21.7	6.2	35.4	6.0	19.6	9.8
1904	35.4	6.0	22.3	7.1	36.0	6.0	22.0	8.0
1905	34.4	6.0	20.1	8.3	36.2	6.0	22.1	8.1
1906	35.3	6.0	20.3	9.0	36.1	6.0	21.0	9.1
1907	36.1	6.0	20.8	9.3	36.4	6.0	21.7	8.7

a Loss.
b Rate of tax changed during year. This is an average.

TABLE 15.—*Amount of tax, cost, and profit entering into net selling price for the several departments of the tobacco combination (domestic business)*—Continued.

Year.	Fine cut (per pound).				Scrap (per pound).			
	Net price.	Elements of price.			Net price.	Elements of price.		
		Tax.	Cost.	Profit.		Tax.	Cost.	Profit.
	Cents.	*Cents.*	*Cents.*	*Cents.*	*Cents.*	*Cents.*	*Cents.*	*Cents.*
1895	33.0	6.0	22.7	4.3				
1896	33.2	6.0	23.6	3.6				
1897	32.6	6.0	21.1	5.5				
1898	34.4	b8.5	26.8	a.9				
1899	36.4	12.0	22.6	1.8				
1900	35.0	12.0	23.7	a.7				
1901	37.2	b10.9	28.2	a1.9	24.0	b10.8	12.8	0.4
1902	41.2	b7.8	27.0	6.4	23.0	b7.8	15.5	a.3
1903	35.4	6.0	23.6	5.8	23.7	6.0	13.8	3.9
1904	36.8	6.0	24.6	6.2	24.0	6.0	16.5	1.5
1905	36.6	6.0	23.9	6.7	23.7	6.0	17.4	.3
1906	35.9	6.0	23.3	6.6	24.0	6.0	20.7	a2.7
1907	36.0	6.0	24.7	5.3	24.5	6.0	20.0	a1.5

Year.	Cigarettes (per thousand).c				Little cigars (per thousand).			
	Net price.	Elements of price.			Net price.	Elements of price.		
		Tax.	Cost.	Profit.		Tax.	Cost.	Profit.
1895	$0.27	$0.50	$1.55	$1.22	$5.10	$0.50	$4.17	$0.43
1896	2.96	.50	1.40	1.06	4.93	.50	4.02	.41
1897	2.94	b.67	1.27	1.00	4.68	b.72	3.29	.67
1898	3.27	b1.25	.97	1.05	4.68	1.00	3.25	.43
1899	3.51	1.50	.96	1.05	4.27	1.00	3.20	.07
1900	3.59	1.50	1.04	1.05	4.19	1.00	2.87	.32
1901	3.39	b1.27	1.15	.97	4.10	b.76	2.71	.63
1902	3.29	d1.00	1.57	.72	4.91	.54	4.17	.20
1903	3.27	d1.00	1.23	1.04	4.87	.54	3.94	.39
1904	3.24	d.99	1.34	.91	4.45	.54	3.19	.72
1905	3.14	d.97	1.28	.89	4.13	.54	2.67	.92
1906	3.13	d.98	1.30	.85	4.14	.54	2.91	.69
1907	3.19	d.99	1.49	.71	4.14	.54	3.04	.56

a Loss.
b Rate of tax changed during year. This is an average.
c American Tobacco Company alone. The cigarette business of subsidiary companies is not comparable from year to year.
d This is the average rate on the two classes of cigarettes, one taxed at $1.08 per thousand and the other at $0.54 per thousand.

Concerning this table the Government's report says that—

The prices of smoking, plug, and fine-cut tobacco were very *generally increased* by the manufacturers by an amount sufficient at least to *cover the increase in the tax.* * * * *there was little if any reduction in the average net price charged to the public at the time when the internal-revenue tax was reduced from 12 to 6 cents per pound in 1901 and 1902.*

And the Government's report continues:

The proportion of the net price represented BY PROFIT is not only much greater at THE PRESENT TIME than during the period of the Spanish war, but also much greater than during the period before the Spanish war. * * * The unusually high costs during this period (1903 to 1905) *were largely due to* EXTRAORDINARY ADVERTISING EXPENDITURES, the apparent purpose of which was to enable the combination TO MAINTAIN THE PRICE of its products, NOTWITHSTANDING THE REDUCTION OF THE INTERNAL-REVENUE TAX.

Taking up now the various departments of the tobacco trust's business and going into the brands of each department, we find that it is made even clearer than the tables above that the tobacco trust added the tax to the price when the tax was put on in 1898 and did not take the tax off the price to the consumer when the tax was taken off the trust in 1901–2, BUT ADDED THE TAX TO ITS PROFITS.

MORE TABLES—SAME RESULT.

For example, I insert Table 32, from which we see that the average price of plug and twist tobacco rose from 12.2 cents in 1897 to 24.9 in 1899, when the tax was put on; and that although the tax was taken off in 1902, yet the price rose to 28 cents a pound in that year and to nearly 32 cents in 1907, while the profits rose correspondingly.

TABLE 32.—(p. 70) *Plug and twist tobacco—American, Continental, and Lorillard companies: division of net selling price (less tax) between cost and profit.*

Year.	Average net selling price, less tax (per pound).	Proportion represented by—	
		Cost.	Profit.
	Cents.	*Per cent.*	*Per cent.*
1895	15.5	128.3	[a] 28.3
1896	12.9	134.2	[a] 34.2
1897	12.2	119.4	[a] 19.4
1898	16.7	116.8	[a] 16.8
1899 [b]	24.9	92.5	7.5
1900	23.3	82.2	17.8
1901	25.8	73.1	26.9
1902	28.0	68.2	31.8
1903	30.3	63.7	36.3
1904	31.7	70.8	29.2
1905	32.0	70.6	29.4
1906	31.4	66.9	33.1
1907	31.8	68.8	31.2

[a] Loss. [b] See note a, Table 27.

I insert Table 39, giving the tax, price, cost, and profit per pound of the various brands of plug tobacco produced by the tobacco trust.

TABLE 39.—*Plug tobacco—American, Continental, and Lorillard companies: Prices, costs, and profits for leading individual brands.*

Year.	Tax.	Brand No. 1 (per pound).				Brand No. 2 (per pound).			
		Price.		Cost.	Profit.	Price.		Cost.	Profit.
		Including tax.	Excluding tax.			Including tax.	Excluding tax.		
	Cents.	*Cents.*	*Cents.*	*Cents.*	*Cents.*	*Cents.*	*Cents.*	*Cents.*	*Cents.*
1899	12.0	36.1	24.1	22.7	1.4	36.5	24.5	19.9	4.6
1900	12.0	37.7	25.7	19.8	5.9	38.1	26.1	21.9	4.2
1901 (first half)	12.0	37.8	25.8	17.4	8.4	38.7	26.7	19.5	7.2
1901 (second half)	9.6	36.9	27.3	18.0	9.3	37.9	28.3	19.8	8.5
1902 (first half)	9.6	37.3	27.7	17.1	10.6	38.3	28.7	18.8	9.9
1902 (second half)	6.0	36.6	30.6	18.4	12.2	37.4	31.4	20.8	10.6
1903	6.0	37.3	31.3	18.0	13.3	38.0	32.0	19.9	12.1
1904	6.0	38.9	32.9	20.9	12.0	40.1	34.1	23.6	10.5
1905	6.0	38.9	32.9	21.2	11.7	39.2	33.2	24.0	9.2
1906	6.0	38.9	32.9	19.0	13.9	39.3	33.3	21.6	11.7
1907	6.0	38.8	32.8	19.4	13.4	39.2	33.2	22.8	10.4

Year.	Tax.	Brand No. 3 (per pound).				Brand No. 4 (per pound).			
		Price.		Cost.	Profit.	Price.		Cost.	Profit.
		Including tax.	Excluding tax.			Including tax.	Excluding tax.		
	Cents.	*Cents.*	*Cents.*	*Cents.*	*Cents.*	*Cents.*	*Cents.*	*Cents.*	*Cents.*
1899	12.0	29.0	17.0	15.9	1.1	33.9	21.9	20.0	1.9
1900	12.0	32.5	20.5	16.9	3.6	35.0	26.0	20.3	5.7
1901 (first half)	12.0	33.2	21.2	16.1	5.1	38.1	26.1	19.5	6.6
1901 (second half)	9.6	32.3	22.7	16.6	6.1	37.0	27.4	19.0	8.4
1902 (first half)	9.6	32.7	23.1	15.3	7.8	37.6	28.0	17.8	10.2
1902 (second half)	6.0	32.2	26.2	16.2	10.0	37.0	31.0	19.7	11.3
1903	6.0	32.5	26.5	16.0	10.5	37.6	31.6	19.4	12.2
1904	6.0	33.3	27.3	19.3	8.0	39.7	33.7	23.3	10.4
1905	6.0	33.4	27.4	18.7	8.7	39.6	33.6	23.0	10.6
1906	6.0	33.5	27.5	16.2	11.3	40.0	34.0	20.5	13.5
1907	6.0	33.5	27.5	17.1	10.4	40.1	34.1	22.1	12.0

Year.	Tax.	Brand No. 5 (per pound).				Brand No. 6 (per pound).			
		Price.		Cost.	Profit.	Price.		Cost.	Profit.
		Including tax.	Excluding tax.			Including tax.	Excluding tax.		
	Cents.	*Cents.*	*Cents.*	*Cents.*	*Cents.*	*Cents.*	*Cents.*	*Cents.*	*Cents.*
1899	12.0	57.3	45.3	29.3	16.0	73.8	61.8	43.7	18.1
1900	12.0	58.1	46.1	26.8	19.3	74.0	62.0	35.3	26.7
1901 (first half)	12.0	56.8	44.8	27.7	17.1	72.3	60.3	34.8	25.5
1901 (second half)	9.6	55.6	46.0	27.8	18.2	70.9	61.3	34.7	26.6
1902 (first half)	9.6	55.9	46.3	25.0	20.3	71.3	61.7	37.3	30.4
1902 (second half)	6.0	55.6	49.6	28.8	20.8	70.8	64.8	38.1	26.7
1903	6.0	56.1	50.1	27.9	22.2	70.9	64.9	36.7	28.2
1904	6.0	59.7	53.7	33.5	20.2	72.5	66.5	42.6	23.9
1905	6.0	59.9	53.9	35.0	18.9	75.4	69.4	50.9	18.5
1906	6.0	60.1	54.1	30.1	24.0	76.0	70.0	41.5	28.5
1907	6.0	60.1	54.1	32.7	21.4	77.1	71.1	41.2	29.9

TABLE 39.—*Plug tobacco—American, Continental, and Lorillard companies: Prices, costs, and profits for leading individual brands*—Continued.

Year.	Tax.	Brand No. 7 (per pound).				Brand No. 8 (per pound).			
		Price.		Cost.	Profit.	Price.		Cost.	Profit.
		Including tax.	Excluding tax.			Including tax.	Excluding tax.		
	Cents.	*Cents.*	*Cents.*	*Cents.*	*Cents.*	*Cents.*	*Cents.*	*Cents.*	*Cents.*
1899	12.0	46.5	34.5	32.5	2.0	28.7	16.7	15.5	1.2
1900	12.0	47.9	35.9	33.0	2.9	35.1	23.1	16.4	6.7
1901 (first half)	12.0	47.9	35.9	29.6	6.3	32.5	20.5	15.3	5.2
1901 (second half)	9.6	47.3	37.7	29.7	8.0	31.5	21.9	15.4	6.5
1902 (first half)	9.6	47.4	37.8	29.0	8.8	31.9	22.3	13.9	8.4
1902 (second half)	6.0	46.9	40.9	31.9	9.0	30.2	24.2	18.2	6.0
1903	6.0	47.6	41.6	31.5	10.1	30.0	24.0	16.6	7.4
1904	6.0	52.1	46.1	35.3	10.8	32.2	26.2	19.0	7.2
1905	6.0	54.1	48.1	36.5	11.6	33.5	27.5	17.8	9.7
1906	6.0	54.3	48.3	33.1	15.2	33.5	27.5	15.8	11.7
1907	6.0	53.8	47.8	33.2	14.6	33.5	27.5	17.1	10.4

Year.	Tax.	Brand No. 9 (per pound).				Brand No. 10 (per pound).			
		Price.		Cost.	Profit.	Price.		Cost.	Profit.
		Including tax.	Excluding tax.			Including tax.	Excluding tax.		
	Cents.	*Cents.*	*Cents.*	*Cents.*	*Cents.*	*Cents.*	*Cents.*	*Cents.*	*Cents.*
1899	12.0	29.3	17.3	18.1	[a] 0.8	45.8	33.8	27.1	6.7
1900	12.0	33.1	21.1	17.2	3.9	47.7	35.7	27.4	8.3
1901 (first half)	12.0	33.1	21.1	15.3	5.8	48.0	36.0	25.8	10.2
1901 (second half)	9.6	32.3	22.7	15.6	7.1	46.4	36.8	24.9	11.9
1902 (first half)	9.6	32.7	23.1	14.7	8.4	46.4	36.8	23.3	13.5
1902 (second half)	6.0	32.0	26.0	16.2	9.8	46.0	40.0	25.6	14.4
1903	6.0	32.5	26.5	14.7	11.8	46.3	40.3	26.6	13.7
1904	6.0	33.6	27.6	16.9	10.7	46.7	40.7	28.8	11.9
1905	6.0	34.2	28.2	17.7	10.5	47.3	41.3	29.7	11.6
1906	6.0	34.3	28.3	16.1	12.2	47.8	41.8	26.5	15.3
1907	6.0	31.5	25.5	16.3	9.2	47.8	41.8	27.7	14.1

Year.	Tax.	Brand No. 11 (per pound).				Brand No. 12 (per pound).			
		Price.		Cost.	Profit.	Price.		Cost.	Profit.
		Including tax.	Excluding tax.			Including tax.	Excluding tax.		
	Cents.	*Cents.*	*Cents.*	*Cents.*	*Cents.*	*Cents.*	*Cents.*	*Cents.*	*Cents.*
1899	12.0	45.9	33.9	25.8	8.1	26.6	14.6	17.1	[a] 2.5
1900	12.0	47.8	35.8	26.9	8.9	29.7	17.7	13.4	4.3
1901 (first half)	12.0	48.0	36.0	25.6	10.4	30.4	18.4	13.8	4.6
1901 (second half)	9.6	46.4	36.8	24.5	12.3	29.6	20.0	13.8	6.2
1902 (first half)	9.6	46.5	36.9	23.2	13.7	30.1	20.5	11.5	9.0
1902 (second half)	6.0	46.0	40.0	25.5	14.5	29.1	23.1	12.2	10.9
1903	6.0	46.3	40.3	25.5	14.8	29.0	23.0	13.4	9.6
1904	6.0	46.7	40.7	28.0	12.7	29.6	23.6	14.7	8.9
1905	6.0	47.3	41.3	28.8	12.5	29.7	23.7	14.7	9.0
1906	6.0	47.8	41.8	25.3	16.5	.....	.....	.....	.....
1907	6.0	47.8	41.8	26.9	14.9	.....	.....	.....	.....

Year.	Tax.	Brand No. 13 (per pound).				Brand No. 14 (per pound).			
		Price.		Cost.	Profit.	Price.		Cost.	Profit.
		Including tax.	Excluding tax.			Including tax.	Excluding tax.		
	Cents.	*Cents.*	*Cents.*	*Cents.*	*Cents.*	*Cents.*	*Cents.*	*Cents.*	*Cents.*
1899	12.0	.....	.....	.....	.....	.....	.....	.....	.....
1900	12.0	33.0	21.0	21.1	[a] 0.1	29.1	13.1	15.4	[a] 2.3
1901 (first half)	12.0	30.8	18.8	19.0	a. 2	26.9	14.9	14.9	a. 0
1901 (second half)	9.6	31.5	21.9	27.2	[a] 5.3	27.9	18.3	16.4	1.9
1902 (first half)	9.6	32.1	22.5	24.6	[a] 2.1	28.3	18.7	15.9	2.8
1902 (second half)	6.0	31.4	25.4	26.9	[a] 1.5	27.1	21.1	15.5	5.6
1903	6.0	31.2	25.2	25.3	a. 1	26.5	20.5	13.4	7.1
1904	6.0	34.4	28.4	27.1	1.3	27.7	21.7	14.2	7.5
1905	6.0	37.3	31.3	26.2	5.1	28.9	22.9	14.7	8.2
1906	6.0	37.6	31.6	22.6	9.0	28.5	22.5	15.6	6.9
1907	6.0	37.2	31.2	23.9	7.3	23.7	17.7	16.2	1.5

[a] Loss.

WHAT THE GOVERNMENT'S REPORT SAYS OF THESE TABLES.

Commenting on those tables, the Government's report says:

In considering the figures of prices and profits *the changes in the rate of taxation* should be at all times borne in mind. It will be recalled that in 1899 and 1900 and up to July 1, 1901, the tax on plug tobacco was *12 cents per pound;* that during the second half of 1901 and the first half of 1902 it was *9.6 cents per pound;* and that since July 1, 1902, it has been *6 cents per pound.*

The table and diagram show that on none of the brands of plug tobacco was there any but temporary reduction in the price charged to the public at the time of the reduction in the tax, and that, consequently, the net price, less tax, increased either immediately or soon after BY THE FULL AMOUNT OF THE REDUCTION IN THE TAX. * * * The price, excluding tax, for every brand has increased very materially since 1899 and 1900. *In the case of every brand,* in fact (with the exception of brand No. 14 for the year 1907), the *net price,* less tax, during the four years 1904 to 1907 *exceeded* the price during 1899 and 1900 BY PRACTICALLY THE FULL AMOUNT OF THE REDUCTION IN THE INTERNAL-REVENUE TAX, and in a number of cases by CONSIDERABLY MORE THAN THAT REDUCTION. * * * *The PROFITS during the years 1903 to 1907 have been, roughly speaking, from 5 to 10 cents per pound higher than even during 1900.*

That is to say, they added the amount of the reduction of the tax which they had formerly paid to the Government to their own profits.

Mr. CRAWFORD. They did not pay any of it to the leaf men, did they?

Mr. BEVERIDGE. No; they did not. They did not pay to the leaf men any of the tax that we took off, not a bit of it. When we took off the tax in 1902, the American Tobacco Company did not pay a cent of it to the leaf men. It put every bit of it into its profits, and its books show it.

The report which the President has laid before us continues:

The above tables have made it clear that the tobacco combination *did not in general reduce the prices* of the then existing brands of plug tobacco to the trade at the time when the *war-revenue taxes were taken off* in 1901 and 1902.

In the case of most of the brands, set out in Table 40, which is too long to be reproduced here, the Government's report, which the President has laid before us, says:

The consumers' price was increased *by as much as, or more* than, THE INCREASE IN THE TAX. * * * IN NO CASE WAS THE PRICE TO THE CONSUMER REDUCED AT THE TIME THE INTERNAL-REVENUE TAXES WERE REDUCED IN 1901 AND 1902.

Take now the subject of smoking tobacco: After presenting tables similar to those which I have already given, the Government's report laid before us by the President says—

notwithstanding the reduction in the internal-revenue tax from 12 cents in 1899 to 6 cents in 1903, the average net price, including the tax, received by the American, Continental, and Lorillard companies for smoking tobacco actually increased—

And that—

There was a marked INCREASE IN THE PROFIT.

Out of these tables I select Table 51 (p. 105), showing price, tax, cost, and profit of the trust from 1899 to 1907.

TABLE 51.—*Smoking tobacco—Prices, costs, and profits of the tobacco combination.*

Year.	Sales.	Price (per pound).			Cost (per pound).			Profit (per pound).
		Including tax.	Tax.	Excluding tax.	Manufacture and freight.	Sale.	Total.	
	Pounds.	*Cents.*	*Cents.*	*Cents.*	*Cents.*	*Cents.*	*Cents.*	*Cents.*
1899	47,278,195	33.1	12.0	21.1	14.2	4.1	18.3	2.8
1900	56,886,232	34.8	12.0	22.8	14.5	3.8	18.3	4.5
1901	59,516,622	35.3	10.8	24.5	14.8	3.9	18.7	5.8
1902	73,504,683	34.5	7.8	26.7	15.2	4.7	19.9	6.8
1903	82,474,583	33.9	6.0	27.9	15.5	6.2	21.7	6.2
1904	86,747,556	35.4	6.0	29.4	16.5	5.8	22.3	7.1
1905	93,357,544	34.4	6.0	28.4	16.2	3.9	20.1	8.3
1906	97,045,065	35.3	6.0	29.3	16.6	3.7	20.3	9.0
1907	97,985,744	36.1	6.0	30.1	18.0	2.8	20.8	9.3

Remember that this price was increased on account of the war taxes, AND NOT REDUCED WHEN WAR TAXES WERE TAKEN OFF. In short, the trust still collects it from the people and keeps it, instead of paying it to the Government, as I have stated so many times.

Concerning this table the Government's report laid before us by the President says, on page 103:

The table shows in a striking manner that the marked reduction in the internal-revenue tax has brought no corresponding change in the average price of smoking tobacco received by the combination. * * * The combination (the tobacco trust)), therefore, has been very greatly able to expand its sales of smoking tobacco, while at the same time maintaining and even increasing its prices in the face of a reduction of the internal-revenue tax; and, despite some increase in the cost of doing business, its profits have very greatly increased. The profit of 1907 WAS 6.5 CENTS PER POUND HIGHER THAN IN 1899, this difference in profit exceeding slightly the difference in the internal-revenue tax as between the two years.

Long tables of prices to jobber and consumer are given in the report, Table 55. The Government's report says:

Turning now to the prices charged to the consumer for the more *commonly used packages of smoking tobacco* of the several brands covered by the table, it will be seen that in the case of all of the brands for which data are available *the price to the consumer increased by at least as much as the increase in the tax at the time of the Spanish war.*

ON THE OTHER HAND, THERE WAS ABSOLUTELY NO REDUCTION IN THE PRICE TO THE CONSUMER ON ANY OF THE BRANDS COVERED BY THIS TABLE WHEN THE TAX WAS REDUCED.

It appears, therefore, that, so far as the brands covered by the table are concerned, the prices to jobbers were in nearly all cases *increased at the time of the advance in the taxes in 1898,* and in most cases the price *to the consumer* was also increased, the increase being sufficient *at least to cover the addition to the tax.* On these particular brands also it has been seen that there was practically *no reduction in* price when the tax *was reduced* in 1901 and 1902. These brands are among *the most important made* by the combination and *are typical* of much the greater part of its business.

THE AMAZING STORY OF SNUFF.

The snuff business is the most profitable branch of the trust's business; and, as I have already said, in the output of snuff the trust has an almost complete monopoly.

Concerning the great increase of profits on its snuff business, the Government's report says:

Although the tangible assets have very considerably increased since the organization of the American Snuff Company, the profits have increased SO MUCH MORE that *the* RATE OF PROFIT ON TANGIBLE ASSETS *in the years 1905 to 1907 averaged about FOUR times as high as in 1900, and considerably more than TWICE as high as in 1901, the first full year of operation.*

Table 93 shows the quantity of snuff sold by the American Snuff Company from year to year, the net value thereof, exclusive of internal-revenue tax, and the PROFIT thereon.

TABLE 93.—*American Snuff Company—Quantity of sales, net value of sales, and net profits.*

Year.	Sales.	Net value of sales, less tax.	Profits.
	Pounds.		
1900 (10 months)	8,558,762	$2,501,726.13	$531,667.92
1901	13,343,506	3,961,686.93	1,066,605.31
1902	15,465,353	4,933,447.61	1,689,616.84
1903	17,230,982	5,705,178.14	2,127,827.75
1904	16,762,422	5,860,142.73	2,576,428.00
1905	19,246,717	7,005,804.99	3,119,250.30
1906	21,539,275	7,954,454.26	3,794,779.08
1907	21,345,113	7,925,440.46	3,544,009.16

The following table shows the *increase* in profit per pound of snuff:

TABLE 95.—*American Snuff Company—Increase in price (excluding tax), decrease in cost (excluding tax), and increase in profit, 1901–1907.*

Year.	Increase in price (less tax) over 1901 (per pound).	Decrease in cost below 1901 (per pound).	Increase in profit over 1901 (per pound).
	Cents.	*Cents.*	*Cents.*
1902	2.2	0.5	2.7
1903	3.4	1.0	4.4
1904	5.2	2.2	7.4
1905	6.7	1.6	8.3
1906	7.2	2.1	9.3
1907	7.4	1.0	8.4

Concerning this table the Government's report says:

The increase in the net price, less tax, and IN THE PROFIT PER POUND of the American Snuff Company during the period 1900 to 1903 was due in part, as already noted, to THE REDUCTION IN THE INTERNAL-REVENUE TAX, *of which the company was able to take advantage.*

This is shown with even greater clearness by the following table:

TABLE 96.—*American Snuff Company—Division of net selling price into tax, costs, and profit.*

Year.	Net price (per pound).	Elements entering into price (per pound).		
		Tax.	Cost.	Profit.
	Cents.	*Cents.*	*Cents.*	*Cents.*
1900 (10 months)	41.2	12.0	22.6	6.6
1901	40.7	11.0	21.8	7.9
1902	39.9	8.0	21.3	10.6
1903	39.1	6.0	20.8	12.3
1904	40.9	6.0	19.6	15.3
1905	42.4	6.0	20.2	16.2
1906	42.9	6.0	19.7	17.2
1907	43.1	6.0	20.8	16.3

Without introducing more tables, which might only serve to confuse, it must be remembered that the trust controls more than 95 per cent of the total output of snuff in this country; that the use of snuff is increasing more rapidly than any other form of tobacco, and that the profits of the trust from this source, considered on the basis of the tangible assets of that part of its business, are beyond all belief, so enormous are they.

THE LEAF GROWER AGAIN.

Mr. SIMMONS. Mr. President——

The PRESIDING OFFICER. Does the Senator from Indiana yield to the Senator from North Carolina?

Mr. BEVERIDGE. I do.

Mr. SIMMONS. I want to say to the Senator that I represent, as he knows, a tobacco-growing State.

Mr. BEVERIDGE. I am thoroughly and particularly familiar with that fact and other facts about the tobacco industry in the Senator's State.

Mr. SIMMONS. Therefore the people of my State are interested in the price of leaf tobacco. Their chief interest, as growers of leaf tobacco, is in the price of that tobacco. The present tax on leaf tobacco is 6 cents. I notice that the Senator's amendment here proposes a tax of 9 per cent upon——

Mr. BEVERIDGE. It does not propose a tax of a cent upon leaf tobacco.

Mr. SIMMONS. I am not speaking about leaf tobacco now—upon manufactured tobacco.

Mr. BEVERIDGE. Yes; it does; only one-half the war increase.

Mr. SIMMONS. Now, I would like to ask the Senator this question, and I am asking it for information. The Senator must not assume, when I ask a question, that I am antagonizing him.

Mr. BEVERIDGE. I will tell the Senator, frankly, that as I first drew my amendment I added 6 cents—that is, I restored the war-time rate—to all of the manufactured tobacco that is manufactured, and the reason I afterwards put it at only 3 cents was because I did not want to put so much tax on those who really may happen to be independent.

Mr. SIMMONS. The question I wish to ask the Senator is this: Has he considered—I do not know what will be the effect, and I am asking him—what will be the effect upon the price of leaf tobacco of the increase in the tax upon manufactured tobacco?

Mr. BEVERIDGE. The Senator asked me that before. Yes, I have considered it.

Mr. SIMMONS. I should like to have the Senator's views upon that subject.

Mr. BEVERIDGE. It will not affect the leaf grower a bit.

Mr. PAYNTER. Mr. President——

The PRESIDING OFFICER. Does the Senator from Indiana yield to the Senator from Kentucky?

Mr. BEVERIDGE. I do.

Mr. PAYNTER. I want to say to the Senator from Indiana that I am very glad that the Senator from North Carolina submitted the inquiry he did, because I intended to do so myself. As the Senator knows, we are deeply interested in the question in Kentucky.

Mr. BEVERIDGE. Certainly.

Mr. PAYNTER. And I am very glad to hear the Senator say that it is his opinion that this tax will not affect the leaf raisers.

LEAF GROWER NOT AFFECTED.

Mr. BEVERIDGE. I know it will not. I have here statements which show that it will not.

Mr. PAYNTER. And had I made the inquiry, I certainly should not have done it out of a feeling of antagonism.

Mr. BEVERIDGE. Oh, I know that; I understand that. No one appreciates the Senator more than I. I expect the Senator's support; and that of the Senator from North Carolina.

No; the tax I propose will not affect the leaf grower in the least. When the tax was increased on manufactured tobacco in 1898, it did not reduce the price paid to the leaf grower. And the increase of tax which I propose is only one-half the increase made in 1898.

Mr. CRAWFORD. Mr. President——

The PRESIDING OFFICER. Does the Senator from Indiana yield to the Senator from South Dakota?

Mr. BEVERIDGE. I do.

Mr. CRAWFORD. An inquiry in that connection, which seems to me to be relevant, is whether or not, when the increased tax was put upon tobacco during the Spanish war, the leaf growers suffered by reason of that additional tax at that time?

Mr. BEVERIDGE. Either the Senator from Kentucky or the Senator from North Carolina can answer that more directly than I. It is a very pertinent question. I repeat, however, that that tax did not affect the leaf grower at all.

Mr. PAYNTER. I was not listening to the question.

Mr. CRAWFORD. Did the fact that during the Spanish war an increased internal-revenue tax was put upon tobacco affect the price paid to the growers of leaf tobacco?

Mr. PAYNTER. The Senator from North Carolina can perhaps answer that question better than I can.

Mr. BEVERIDGE. I am sure it did not.

Mr. SIMMONS. I have no information upon that subject.

Mr. BEVERIDGE. I said, a moment ago, that it did not. I referred that question to Senators from tobacco-growing States who are battling for the leaf grower, and they never heard of it. I have—and it did not touch the leaf grower. Even the trust could not have done that. It did not get any proportion of its tax at all out of the leaf grower; it got it all out of the price to the consumer; after Congress kindly took off the tax the trust continued to collect it and to keep it. The Government got the tax before we took it off and I want the Government to get it again.

Mr. CRAWFORD. The point is simply here: If the tax did not hurt them then, what reason have they for thinking it would hurt them now?

Mr. BEVERIDGE. Certainly; of course. The Senator's acute mind sees the point exactly.

THE LUMP SUM OF MILLIONS TRACED DIRECTLY FROM THE GOVERNMENT'S TREASURY TO THE TRUST'S TREASURY.

Now, Mr. President, I have had compiled a table which traces in a lump sum the enormous amounts of money which have been diverted from the Treasury of the Government to the treasury of the trust by the reduction of the war tax.

American Tobacco Company and its principal subsidiary companies; approximate difference between net value of sales, less tax, and net profits, under actual tax and what they would have been under war rates, assuming all other conditions, prices, etc., unchanged—cigars not included, but including little cigars and cigarettes.

	Net receipts (less tax).		Difference between tax actually collected and what would have been collected at war rate.	Net profit.	
	Actual.	Computed on basis of tax at war rate.		Actual.	Computed on basis of tax at war rate.
1899	$41,201,984.91	$41,201,984.91	----------	$5,358,186.78	$5,358,186.78
1900	50,800,241.36	50,800,241.36	----------	9,729,008.90	9,729,008.90
1901	57,693,649.82	54,776,000.00	$2,917,000.00	14,370,490.35	11,453,000.00
1902	71,873,893.70	60,901,000.00	10,973,000.00	19,442,006.93	8,469,000.00
1903	80,658,559.12	64,466,000.00	16,192,000.00	23,404,882.09	7,212,000.00
1904	82,377,079.47	66,178,000.00	16,199,000.00	21,891,969.93	5,693,000.00
1905	88,263,730.86	70,831,000.00	17,432,000.00	25,297,749.11	7,865,000.00
1906	96,640,306.09	77,802,000.00	18,838,000.00	28,740,767.29	9,902,000.00
1907	100,656,737.49	81,292,000.00	19,364,000.00	28,248,838.12	8,884,000.00

If you will study this table, you will see that if you will add the third and fifth columns, they make up, almost exactly, the fourth column—or the total amount of the present profits of the trust. Column 3 REPRESENTS EXACTLY WHAT HAS BEEN LOST TO THE REVENUES OF THE GOVERNMENT AND WHAT HAS BEEN ADDED TO THE REVENUES OF THE TRUST.

This table completes the case. When we took the tax off in 1901–2, reenacted the fractional package, cut nearly in half the tax on little cigars, the manufacture of which is almost monopolized by the trust, we, by that legislation, enabled the American Tobacco Company to take these millions of revenue which this table shows from the Government and add them to its own profits.

Mr. CUMMINS. Mr. President——

The PRESIDING OFFICER (Mr. KEAN in the chair). Does the Senator from Indiana yield to the Senator from Iowa?

Mr. BEVERIDGE. Certainly.

Mr. CUMMINS. What committee was it that reported this remarkable law in 1902?

Mr. BEVERIDGE. The Senator means "laws;" for there were four of them. It was the Finance Committee.

Mr. CUMMINS. Are there any who were then members of that committee still members?

Mr. BEVERIDGE. Yes; there are.

Mr. CUMMINS. I have not observed that any of them have given you the honor of their presence in discussing the law.

Mr. BEVERIDGE. I know, they are not interested. That has been a pretty familiar proceeding here this session.

Here are the facts, and they are facts laid before the Senate by the President of the United States after an investigation of the books of the corporations. If the Finance Committee want to absent themselves when I present the facts, nobody can prevent them.

GENUINE "INDEPENDENTS" NOT INJURED.

I want to put in two more things here. There have been some suggestions made to me that this amendment would injure the "independents," the few who remain. As I carefully explained in my first speech, I have made the amendment increase the tax on things that they manufacture only half what I do on the rest. Thus, instead of making the tax 12 cents—it is 6 cents now—I made it 9 cents, because I know they can stand it. I have got evidence to that effect, and one of the most signifi-

cant pieces of evidence to that effect is published here in the Tobacco Leaf, which set out to stir up an agitation against this amendment. Among others, they got a letter which they published, apparently without looking at it, from one of the three largest *genuine* independent companies in this country, the Surburg Company. That independent, *genuinely* independent, company says:

I am of the opinion: First, that an added tax should be put on cigars, at least $2 per thousand; on tobacco, 2 cents a pound—

That is within 1 cent of what my amendment proposes—

on cigarettes, 10 cents a thousand—

On cigars $2 a thousand would make *little or no difference to the retailer or manufacturer.*

On tobaccos 2 cents a pound would be *hardly noticeable.*

On cigarettes a small increase would *affect very few.*

I now ask the attention of Senators to this:

However, at the end of each year the added amounts obtained by these small INCREASES IN REVENUE WOULD AMOUNT TO AN ENORMOUS SUM FOR THE GOVERNMENT; IT IS AN INDIRECT TAXATION THAT WOULD WORK HARDSHIP TO NONE.

Now, that is the published opinion of the leading genuine independent tobacco manufacturer in the country. It says the tobacco tax should be increased; it says it "*would work hardship to none.*"

OPINION OF A CIGAR MANUFACTURER WHO MUST PAY THIS TAX.

I have here in my hand a letter from which I will read a very little. I do not intend to give the name of the writer. The Senate will have to take it upon my statement. He is one of the prominent manufacturers of high-priced cigars of the country, and I do not want to submit him or his company to persecution by giving the name. He says:

I think you are on the right track regarding the restoration of the size of the tobacco packages and the tax, and hope you will be successful in forcing the tobacco manufacturers to give the people what the people pay for and get back the lost revenues.

Regarding your proposition of a graduated tax on cigars, *while this might in a measure operate against my business,* I AM IN FAVOR OF IT, AND HAVE BEEN FOR YEARS, for it is manifestly unjust that *a stogie, selling at three and four for a nickel should pay to the Government the same revenue* THAT A FINE HABANA CIGAR DOES, SELLING FROM 10 CENTS UP TO $1 A PIECE.

So it appears that even the American Tobacco Company itself, in taking charge of the effort to kill this amendment, has not been able to get all the cigar makers and all the tobacco manufacturers to admit that it is going to hurt them.

Now, Mr. President, I believe I have closed the case so far as the facts are concerned.

THE CASE SUMMED UP.

Now, Mr. President, to sum up, and then I shall be through. I have shown this morning that our rate of taxation is ridiculously low compared with that of most other nations in the world. I have shown that if we tax at the French rate we would have on our consumption of tobacco $436,585,000 a year of revenue, and at the English rate $380,086,000 a year of revenue. If we tax our tobacco as much as Italy taxes its tobacco, on our consumption we would have $477,675,000 of revenue. I know Senators are astounded. But those are the facts. I have them from official authority.

Second, I have shown that our taxation during the war of 1898 WAS ONLY FROM A HALF TO A THIRD WHAT IT WAS CLEAR DOWN TO EVEN 1879, AND FAR BELOW WHAT IT WAS IN 1883. I have shown that the consumption in this country is increasing enormously and alarmingly. I have shown, furthermore, the history of the American Tobacco Company from the government's report itself. It says concerning this trust that the men anticipated this very legislation for their enormous profit, and that as a result of that legislation their anticipations were fulfilled.

Now, Mr. President, it must be remembered that this concern was making immense profits on actual investment *while the war was still on.* It was making plenty of money then, and there is no reason why it should have this additional tax presented to it now, for just that is what we have done.

I have, then, shown that every cent of the tax we put on in 1898 was added to the price, without one exception, and that when we took off that tax it was not taken off of the price, but was added, cent by cent, to the profit. I have shown from figures taken from the books just the amount of dollars, and I have given the total that year by year has been diverted by this legislation or the operations under it from the Treasury of the United States to the treasury of the tobacco combination.

Mr. GALLINGER. Mr. President——

The PRESIDING OFFICER. Does the Senator from Indiana yield to the Senator from New Hampshire?

Mr. BEVERIDGE. Certainly.

THE FORESIGHT OF GENIUS.

Mr. GALLINGER. I simply want to call the Senator's attention to one statement he made which, I think, it might be well at this point to qualify. It is that these men—and I have no apology for them—went into this business because of their anticipation——

Mr. BEVERIDGE. That is what the report says.

Mr. GALLINGER. Of legislation. That was simply business foresight on their part——

Mr. BEVERIDGE. That is what I said; remarkable foresight—foresight amounting to genius.

Mr. GALLINGER. Because of the fact that it was a war tax and they expected, in the nature of things, that it would be reduced. The Senator did say that. I wanted to emphasize it, so that it might not appear the reason——

Mr. BEVERIDGE. You mean was an illegitimate reason?

Mr. GALLINGER. Yes.

Mr. BEVERIDGE. I have said two or three times that I declined to draw inferences; that I stated facts. I am not accusing anybody; I am trying to get those lost revenues flowing again into the Government's Treasury.

"REMARKABLY GOOD GUESSERS."

Mr. CRAWFORD. They were remarkably good guessers to be able to guess that that coupon would be allowed to remain and that the fractional weight should be allowed to remain, and that all those things should be permitted to remain under which they have profited so largely. They were remarkably good guessers.

Mr. BEVERIDGE. I say that the foresight of these gentlemen amounted to genius. The government report exhaustively states the fact. I will not take the time to read it again. The Senator will remember it.

Now, Mr. President, this case is made up and is now before the Senate on the authority of facts presented by the Government itself. Not one will be answered. Not one can be answered.

I addressed the Senate some weeks ago and made statements that were taken from the records and the statutes. I placed those statutes in parallel columns. I placed the figures taken from the Internal Revenue Commissioner's report before the Senate. We called upon the President for the information, with reference to prices and the manipulation of this combination. They have been before the Senate now for some weeks. No one has answered a single statement.

WHAT SENATORS WILL VOTE FOR.

I hold a brief for the American people who have been wronged. I hold it against the American Tobacco Company, who has profited by our acts. I have made no charges as to intention. I have only stated the facts. I have drawn no conclusion. I have only laid before the Senate the evidence. I want every Senator here to know that when he votes against this amendment he votes to continue this stream of gold that was turned by the legislation of 1901–2 from the Treasury of the United States to the treasury of the American Tobacco Company.

Now, Mr. President, I send to the Secretary's desk and offer to paragraph 217 an amendment. There is another provision to which I call the attention of the Secretary on the last page, restoring the Dingley anticoupon provision. The paragraph was passed over and is still before the Senate.

The PRESIDENT pro tempore. The Secretary will read the amendment.

The SECRETARY. Add at the end of paragraph 217, page 74, the following words:

SEC. —. That upon tobacco, snuff, cigars, and cigarettes manufactured and sold, or removed for consumption or use, there shall, from and after July 1, 1909, be levied and collected, in lieu of the taxes now imposed by law, the following taxes:

On snuff manufactured of tobacco or any substitute for tobacco, ground, dry, damp, pickled, scented, or otherwise, of all descriptions, when prepared for use, a tax of 12 cents per pound. And snuff flour, when sold or removed for consumption or use, shall be taxed as snuff and shall be put up in packages and stamped in the same manner as snuff.

On all chewing and smoking tobacco, fine cut, cavendish, plug or twist, cut or granulated, of every description; on tobacco twisted by hand or reduced into a condition to be consumed, or in any manner other than the ordinary mode of drying and curing, prepared for sale or consumption, even if prepared without the use of any machine or instrument, and without being pressed or sweetened; and on all fine-cut shorts and refuse scraps, clippings, cuttings, and scrapings of tobacco, a tax of 9 cents per pound.

On cigars weighing more than 3 pounds per thousand, a tax of $3 per thousand: *Provided,* That on such cigars of a wholesale value or price of more than $75 per thousand and not exceeding $110 per thousand, the tax shall be $6 per thousand; and on such cigars or cigarettes of a wholesale value or price of more than $110 per thousand the tax shall be $9 per thousand.

On cigars weighing not more than 3 pounds per thousand, a tax of $1 per thousand.

On cigarettes weighing not more than 3 pounds per thousand, a tax of $1.50 per thousand: *Provided,* That on such cigarettes of a wholesale value or price of more than $4 per thousand and not exceeding $8 per thousand, the tax shall be $3 per thousand, and on such cigarettes of a wholesale value or price of more than $8 per thousand the tax shall be $4.50 per thousand.

On cigarettes weighing more than 3 pounds per thousand, a tax of $3.60 per thousand.

That in addition to the packages of smoking tobacco and snuff now authorized by law there shall be packages of 1⅛ ounces, 2 ounces, 2½ ounces, 3 ounces, 3½ ounces, and 4 ounces; and there may be a package containing 1 ounce of smoking tobacco.

SEC. —. That section 3 of the act of April 12, 1902, entitled "An act to repeal war revenue taxation, and for other purposes," and all amendments thereof, and all other acts and parts of acts in conflict with paragraphs 217, 218, 219, 220, and 221 of this act are hereby repealed.

SEC. —. That until appropriate stamps are prepared and furnished, the stamps heretofore used to denote the payment of the internal-revenue tax on tobacco, snuff, cigars, and cigarettes, may be stamped or imprinted with a suitable device to denote the new rate of tax, and shall be affixed to all packages containing such articles on which the tax imposed by this act is paid. And any person having possession of unaffixed stamps heretofore issued for the payment of the tax upon such articles shall present the same to the collector of the district, who shall receive them at the price paid for such stamps by the purchasers and issue in lieu thereof new or imprinted stamps at the rate provided by this act.

SEC. —. None of the packages of smoking tobacco and fine-cut chewing tobacco and cigarettes and snuff prescribed by law, or any cigar or package of cigars, or other package of tobacco, shall be permitted to have packed in, or attached to, or connected with the same, any coupon or other article or thing whatsoever other than the wrappers or labels of the manufacturer or persons, orders, or organizations making or producing the same. And such labels shall truly state the bona fide owner, proprietor, and manufacturer: *And provided further*, That such packages, when emptied, shall not be received by any manufacturer of tobacco in lieu of coupons or in consideration of anything of value.

Mr. CRAWFORD. Will the Senator permit me?

The PRESIDENT pro tempore. Does the Senator from Indiana yield to the Senator from South Dakota?

Mr. BEVERIDGE. I do.

Mr. CRAWFORD. I should like to know if the amendment just sent to the desk is the same as the amendment offered some time ago that has been printed?

AMENDMENT MODIFIED, AND WHY.

Mr. BEVERIDGE. It is exactly, with the two changes, I will state. The Senate will remember that no increased tax whatever was laid on cigars in the amendment as originally offered, except when it got up to cigars selling from $35 to $75 a thousand. Pretty careful investigation had convinced me that that would not put any additional tax at all, but would leave the tax as it was upon practically all the cigars that are made by little factories, and would thus lay not a cent's burden upon that great branch of the industry. Since then, in conversation with some cigar makers, I can see that it might affect perhaps as many as 2,000, if not more, throughout the country, unless we begin the increased tax on cigars with those that sell from $75 to $110 a thousand and upward. So, at their request, I have modified the amendment in that particular, so that the increase on cigars is on the cigars of very high price. They are all made by very large and very prosperous companies, and not a single independent cigar maker in his little factory in the whole United States would be affected. That is one change.

The other change is to add a section which reenacts—making it a little bit stronger—the Dingley anticoupon provision, which we repealed in 1902 at the time we took off the tax.

The facts collected by the Government have been placed before the Senate. If the Senate wants to undo what it did in 1901–2, it can do it. If Senators want to vote this revenue into the Treasury of the Government, instead of into the treasury of the tobacco trust, as has been the result—not the purpose, but the result—of the legislation of 1902, that can be done. I have discharged my duty, Mr. President.

Mr. McCUMBER. Mr. President——

The PRESIDENT pro tempore. Does the Senator from Indiana yield to the Senator from North Dakota?

Mr. BEVERIDGE. I do.

Mr. McCUMBER. The Senator from Indiana has offered quite a long amendment, proposing to revise a large percentage of our internal revenue derived from tobacco. This bill is in the main a bill to regulate duties. I for one have not investigated the question of just what the tax ought to be upon tobacco. I am satisfied with the two provisions that are in the Senator's amendment at present, and should probably vote for both of them as separate provisions, even though I should naturally not be inclined to include outside matters in this bill. One is to dispose of these coupons entirely and the other is to arrange for proper packages, so that the tobacco dealers will not take advantage of the public. If the Senator would present them as separate propositions, I would be disposed to favor them.

Mr. BEVERIDGE. I most certainly will not present them as separate propositions, Mr. President.

Mr. McCUMBER. I am not asking the Senator to do so.

Mr. BEVERIDGE. I do not think the Senator is probably going to do so.

As to this being a tariff bill, there has never been a single tariff bill which did not contain some internal-revenue feature in it. This bill when it came from the House had an increased tax on cigarettes, and the Committee on Finance, of which the Senator is a member, struck it out, and did not explain to the Senate why it struck it out.

I suggest the absence of a quorum, Mr. President.

The PRESIDENT pro tempore. The Secretary will call the roll.

The Secretary called the roll, and the following Senators answered to their names:

Aldrich	Clark, Wyo.	Frye	Overman
Bailey	Clay	Gallinger	Owen
Beveridge	Crawford	Gamble	Page
Borah	Cullom	Guggenheim	Penrose
Bourne	Cummins	Hale	Perkins
Bradley	Davis	Johnson, N. Dak.	Piles
Brandegee	Depew	Johnston, Ala.	Root
Briggs	Dillingham	Jones	Scott
Bristow	Dixon	Kean	Simmons
Brown	Dolliver	La Follette	Smoot
Bulkeley	du Pont	Lodge	Sutherland
Burkett	Elkins	McCumber	Taliaferro
Burrows	Fletcher	Money	Tillman
Burton	Flint	Nelson	Warner
Chamberlain	Foster	Newlands	Warren
Clapp	Frazier	Nixon	

Mr. BEVERIDGE. As to this amendment being an extraneous matter, I understand that the Senator's committee is going to bring into this customs bill an exceedingly extraneous amendment, compared with which this is most germane.

As to the Senator not having examined the amendment, it was carefully and mocroscopically analyzed and presented to the Senate several weeks ago; the figures were given, the statutes were laid side by side, and everything stated had been taken from the government reports. It is not my fault, Mr. President, that the Senator has not examined the amendment. He belongs to the committee which should have examined it.

As to restoring the packages, or as to taking up a proposition which was stated to me of not fixing any packages at all, that, of course, would authorize the American Tobacco Company to work its will still more upon the people. That would not correct the wrong which has been done in reference to plug and twist and all of that kind of tobacco; the reports of the Government giving the figures and stating in exact words that the tax was added to the price to a cent; and that when we took the tax off, although there was a protest against taking it off, the price of tobacco was not reduced, but was retained; and the amount of the tax that we took off to a cent, to a dollar, has been put into the coffers of the American Tobacco Company.

That is not my statement, but it is the Government's statement. The correcting of the fractional package will not remedy that. It will still continue to charge the same price to collect the tax from the people on plug and on twist and to pay it to itself instead of to the Government. Indeed, the fractional package, I find, on deeper investigation, was not necessary to enable the manufacturer to get this tax from the people; he did that by raising the price. The fractional package actually enabled him TO GET EXACTLY THAT MUCH MORE THAN THE TAX.

Mr. LODGE. Mr. President——

The PRESIDENT pro tempore. Does the Senator from Indiana yield to the Senator from Massachusetts?

Mr. BEVERIDGE. Yes.

Mr. LODGE. Mr. President, the Senator's amendment is an amendment to the internal-revenue features of the bill. We are now on the dutiable schedules, and we have a unanimous-consent agreement that as soon as the dutiable schedules are finished we shall take up the income-tax amendment. I do not think, under that agreement, that we have any right to suddenly drop the dutiable schedules and go over to the latter part of the bill to deal with a purely internal-revenue question; and it belongs properly, of course, to the internal-revenue features of the bill.

Mr. BEVERIDGE. I suppose the Senator from Massachusetts will admit—I know that he will admit—that I have a right to offer an amendment any place I please in this bill. For example, there was no objection made the other day—and none could be made on parliamentary grounds—when the Senator from Texas [Mr. BAILEY] offered his income-tax amendment to one item of the sugar schedule. A tariff bill is an entire proposition before the Senate.

Mr. LODGE. The Senator misunderstands me. I would not deny his right to offer that amendment to any part of the bill at any time were it not that we were bound by a unanimous-consent agreement to finish the dutiable schedules and then take up the income-tax amendment. This is breaking that agreement, according to my understanding.

Mr. BEVERIDGE. It is not, of course, according to my understanding; but I suppose it will be according to everybody's understanding who does not want this amendment voted on.

Mr. LODGE. Every Senator must observe the agreement according to his own understanding.

Mr. BEVERIDGE. I ask, Mr. President, for a vote upon the amendment by yeas and nays.

Mr. ALDRICH. Mr. President, it is undoubtedly true, technically, that the Senator from Indiana has a right to offer this amendment; but it is certainly in violation of the spirit of our agreement, which was that we should proceed to dispose of the dutiable schedules and then take up the income-tax amendment, which, of course, was to be followed by the consideration of the other provisions of the bill.

The Senator from Indiana suggests that we have stricken out the internal-revenue provisions of the House bill, which included an increased tax on cigarettes and the imposition of an inheritance tax. They were stricken out, as stated by the committee, with the idea that they would hereafter report amendments to them or substitutes in place of them, including an amendment in regard to free leaf tobacco. The Senator from Kentucky [Mr. PAYNTER] understood—and everybody else understood—that we were to consider that matter and either agree to a substitute or agree to change it in some form when the internal-revenue features of the bill were reached. There was no suggestion of trying to prevent any action or any discussion upon any of the amendments which were then pending or which might be offered.

The committee have no disposition, so far as the amendment offered by the Senator from Indiana is concerned, to suppress investigation or to suppress discussion. Only yesterday the committee agreed that we would take up this matter, as soon as we could possibly consider it, in all of its aspects; that we would hear the Senator from Indiana if he should feel disposed to be heard, and that we would investigate the matter carefully. That is the purpose of the committee. They will report their conclusion whenever the internal-revenue features of the bill are reached.

It would be impossible, from a practical point of view, to inject this amendment into the dutiable schedule in the construction of the bill as the committee propose it. For instance, the first section of the bill is made the dutiable and the free list. Our maximum and minimum provisions provide that under certain contingencies the duties contained in the first section shall be increased or affected by the presidential proclamation. Of course, as a matter of fact, we could not put a provision taxing cigars and tobacco under the internal-revenue system in this section.

I will assure the Senator from Indiana that his side of the matter will be heard, and that this question will be carefully examined.

Mr. BEVERIDGE. Mr. President, if the Senator will permit me, I had some rather important facts to lay before the Senate to-day, and the Senator speaks about hearing me upon this matter. I do not think that the committee showed any disposition to hear the facts that were laid before them to-day. I did not want them to hear me, but I should have liked them to have heard some of the facts.

Mr. ALDRICH. I shall read the speech of the Senator from Indiana with great care.

Mr. BEVERIDGE. I have no doubt of that.

Mr. ALDRICH. The Senator from Indiana knows as well as I do that the committee are engaged in the preparation of an amendment to the income-tax provision, which has been made the special order as soon as these schedules are disposed of; and we have been at work in that direction, hoping that later this afternoon or early to-morrow morning we could present to the Senate, in order that they might be read and considered, the provisions which we propose to put into the bill in regard to the tax on corporations.

Knowing that the dutiable schedules were to be disposed of as soon as possible, we thought that this amendment should be prepared to be presented to the Senate. I am sure that the Committee on Finance have not neglected their duty. There has been no time since this bill has been here that the Republican members of the committee have not given a very large portion of the hours of every day to the consideration of this bill.

The committee are not unmindful of the fact that this amendment of the Senator from Indiana is an important one, and I can assure the Senator that we will give it our most careful consideration; but I suggest to him that it is a plain violation of the spirit of our agreement to try to inject this amendment to the internal-revenue feature of the bill here before we dispose of the schedules and before we dispose of the income-tax amendment.

If the Senator will agree to the postponement I have suggested, I am willing to agree that the amendment shall be taken up immediately after the income tax is disposed of, if he desires to have that done, or as soon as we reach the internal-revenue part of the bill. Otherwise, I shall be obliged to move to have it postponed.

Mr. BEVERIDGE. Very well, then; there will be——

Mr. CULLOM. Let it go over.

Mr. BEVERIDGE. I want to think a little about this thing.

Mr. CLAPP. Mr. President——

The PRESIDENT pro tempore. Does the Senator from Indiana yield to the Senator from Minnesota?

Mr. BEVERIDGE. Certainly.

Mr. CLAPP. With all due deference, if one objection can prevent it, I would not consent to this matter going over until after the income tax is settled. It ought to be settled before that.

Mr. ALDRICH. The Senate has already agreed, by unanimous consent, to finish the dutiable schedules and the free list, and then to take up the income tax and keep it before the Senate until it is disposed of.

Mr. CLAPP. I am glad to hear the Senator urge that, because I shall remind him of it upon almost, I think, the first thing the Senator brings up after the speech of the Senator from Texas; but I can not concur in the view that the agreement was that we should consent to let matters of this character go until after the disposition of the income-tax amendment.

Mr. BEVERIDGE. It was not the agreement.

Mr. ALDRICH. The agreement was that the dutiable schedules and the free list should first be disposed of.

Mr. BEVERIDGE. The word "dutiable" was not used. The word "dutiable" has been put in here to-day.

Mr. ALDRICH. Yes; it was.

Mr. CLAPP. The reason of this thing was that when we came to discuss the income tax we would know just what we had done, so far as the Senate could do it, with reference to the revenue to be derived from the amendments to this bill. I submit, again, before we take up the income tax, that we ought to know, so far as we can know from our own action in the Senate, what the revenues will be.

Mr. SUTHERLAND. Mr. President——

The PRESIDENT pro tempore. Does the Senator from Indiana yield to the Senator from Utah?

Mr. BEVERIDGE. Certainly.

Mr. SUTHERLAND. I listened with very great care to most of what the Senator from Indiana had to say upon this subject this morning. He made a very careful and very strong presentation of this case, and yet there may be another side to it which we have not heard. I am very much inclined to vote for the Senator's proposition, and yet I will say frankly to the Senator that I do not feel quite prepared to vote now; and I hope, in the interest of his own proposition, that he will not insist upon a vote now, but will permit it to go to the Finance Committee and let the Finance Committee consider it. The chairman of the Finance Committee has promised that it will be considered and will be reported. It seems to me that is a fair proposition, and I believe the Senator will make greater headway with his own proposition if he will permit that to be done. There may be other Senators here who feel the same way as I do about it, who are very much inclined to support the Senator's proposition, and yet who are not quite prepared to do it at this moment, and desire to look into it a little further. That, at any rate, is my frame of mind, and I very much hope the Senator will not insist upon a vote upon this proposition at this time.

Mr. BEVERIDGE. Mr. President, anything that the junior Senator from Utah [Mr. SUTHERLAND] says to me appeals to me very strongly, as he knows. I can see that there is weight in what the Senator says; but, on the other hand, Mr. President, the Senator will recognize that I brought this matter up in a very careful statement which I read to the Senate many weeks ago. There has been accessible to every Senator this volume, the first report of the Department of Commerce and Labor——

Mr. SUTHERLAND. If the Senator will permit me right there, it is true, as the Senator says, that he presented it with fullness some time ago. I listened to him upon that occasion; but the Senator must remember that we are dealing here with a multiplicity of things.

Mr. BEVERIDGE. I am aware of that fact.

Mr. SUTHERLAND. Our time is fully occupied, and we can not always give attention to these matters, and perhaps they are important and ought to be considered.

Mr. BEVERIDGE. The case, although I have taken some time to present it, because there is such a multiplicity of figures and statements connected with it, is an exceedingly simple one. I am not going to restate it.

It involves almost in a nutshell the fact that when we put on the tax, they added it to the price; and when we took off the tax they kept it on the price and added it to their profits. And all there is to it is the question whether we want this revenue to go into our Treasury or into their treasury.

Mr. McCUMBER rose.

Mr. BEVERIDGE. Pardon me a moment—and the additional facts which I presented this morning to the Senate, but which did not seem to interest certain Senators very much, that we now tax this article infinitely less than any other civilized country except Belgium, and possibly Germany; that we tax it now less than ever before in our history; that we taxed it in 1898, during the war, less than ever before in our history, excepting only the period from 1890 to 1898.

There is the whole case. I have gone into great detail. I have relied upon government reports. I will say to the Senator that while I have been impatient, I am very much disposed to let the matter go over at the Senator's request. But it has been before the Senate; I have spent a great deal of time getting these facts together; they are facts that can not be laughed down, as I saw an attempt made to do to-day when certain figures were presented; and I will say to the Senator that I am a little bit impatient. I know perfectly well that there is no question about there being an intention to defeat this amendment. I am perfectly clear about that. I know that the effort is going to be made in every possible way to defeat this amendment by delay, by the confusion of figures, by arguments that we do not need the revenue, and everything else. And if it were not for that, I will state to the Senator, I would at once follow his suggestion.

Now I yield to the Senator.

Mr. McCUMBER. Mr. President, I am afraid that the Senator's overzealousness for immediate action upon his amendment will not inure to the benefit of that amendment.

Mr. BEVERIDGE. That is to say—pardon me, the Senator is speaking in my time, and he must stop when I interrupt him——

Mr. McCUMBER. Mr. President, if the Senator wishes to give me time to give an expression, all right.

Mr. BEVERIDGE. I want to say——

Mr. McCUMBER. If he refuses, all right.

Mr. BEVERIDGE. I do not refuse; I yield. But when the Senator says that, he makes this statement, which I am sure he does not want to go unmarked—that if I press the amendment, the very fact of pressing it will cause certain Senators to vote against the amendment. The Senator does not want to be put in that attitude, but that is virtually his threat.

Mr. McCUMBER. Mr. President, the attitude I want to be put in is this: The Committee on Finance have been rather busy. About every other night we are up until 12 o'clock midnight upon this bill. We have to be in the Senate most of the time. When the Senator spoke before, I listened to his entire speech. This morning I was absent for a time at the White House, and then I was in the committee while it was in session. The rest of the time I was here. While I was present complaint was made that the committee were not all present. The Senator probably observed that there was just as great a percentage of others absent as there was of the committee.

But, Mr. President, that has nothing to do with this question. Up to the present time this matter has not come up for consideration before the committee. I have always understood that it would be reached before we got through with the bill, and that we would consider it at the proper time. I have been very much impressed with the position taken by the Senator—not possibly as to every provision, but certainly as to some of the provisions of this amendment.

I should perhaps be able to vote this morning upon two of the provisions. I should not vote for the amendment as a whole to-day. I should be compelled to vote against it; because, while it may be entirely correct, as the Senator states, and while I have listened to much of his argument, which seems to be very conclusive upon some matters, I am not prepared to say to-day what the tax shall be. I want the committee to consider the matter before I vote on it. To-day I should vote against taking this matter out of its order and attaching it to another provision of the bill. When it does come up for consideration, after having been considered by the committee, I am a little inclined to think that I shall favor most of its provisions. I do not know how the other members of the committee may feel.

Mr. BEVERIDGE. Mr. President, I feel that what the Senator says is reasonable, although I will say this: Of course the child always looks that way to its own parent; and it is incomprehensible to me, of course, that anyone should not see at once that this amendment is entirely the right thing—especially so in the case of a Senator of so good an intellect as my friend from North Dakota.

I am more or less puzzled what to do about this matter. I know what the Senator from Rhode Island says; he has been urged to have it postponed.

Mr. ALDRICH. Urged by whom?

Mr. BEVERIDGE. Well, I withdraw that. But if the Senator from Texas will agree that we may vote upon this amendment after we have finished the schedules, and before the discussion of the income-tax proposition begins, I will——

Mr. CLAPP. Mr. President, if the Senator will pardon me, with all due deference to the Senator from Texas, I do not think that either the Senator from Texas or any other Senator can make any such agreement. If it is suggested that this matter be delayed until other Senators can examine it, or until possibly the Finance Committee can within a reasonable time take it up, that is all right. But I for one shall enter a protest against subordinating this or any other thing that affects the amount of revenue to be derived from the bill to the consideration of any other subject.

Mr. BEVERIDGE. I do not quite understand what the Seantor means by subordinating this subject to any other subject.

Mr. CLAPP. I refer to the suggestion of an agreement to postpone the consideration of items here, because they are corelated with revenue matters outside of the tariff itself, to a consideration of the income tax.

Mr. BEVERIDGE. The Senator knows that the broad spirit which urged the postponement of the consideration of the income-tax proposition was that it was wise to first see how much revenue we would probably get from the bill as finally adopted by the Senate.

In deference to the junior Senator from Utah [Mr. SUTHERLAND] and the Senator from North Dakota [Mr. McCUMBER] and other Senators who have expressed a desire to have an opportunity to look further into this matter, and in view of the friendly statement of the Senator from Rhode Island with reference to it, and for the convenience of Senators in general, I think I shall let this matter go over, if we may understand that——

Mr. CLAPP. Just let it go over.

Mr. BEVERIDGE. Then, with the understanding that I can present it whenever I choose, I will let it go over. With the understanding that we will vote upon the matter when I call it up, after we have disposed of the income-tax and corporation-tax matters, I will let it go over.

Mr. CLAPP. Mr. President, there can not be any such understanding. This matter may go over, but I shall claim the right to bring it up to-morrow or on any other day.

Mr. BEVERIDGE. Very well, Mr. President, I will let it go over indefinitely. I mean to say I will simply let it go over. I do that to oblige Senators.

Mr. HALE. The Senator withdraws the amendment.

Mr. BEVERIDGE. Oh, certainly; that goes as a matter of course.

Mr. GALLINGER. Will the Senator permit me for a moment?

Mr. BEVERIDGE. Certainly.

Mr. GALLINGER. I will suggest to the Senator that I have a very important amendment that I propose to offer, and that I hope will be adopted by the Senate, increasing the beer tax. But I do not propose to offer it until the dutiable schedules of the bill are completed.

Mr. BEVERIDGE. The example of the Senator from New Hampshire is always a good one to follow; but, at the same time, the Senator must permit me to take my own course.

Mr. GALLINGER. Oh, to be sure; but I wanted to make that suggestion to the Senator—that the course I shall pursue is in the line suggested by the committee; and I am glad that the Senator is inclined to do the same.

Mr. BEVERIDGE. I say that for the convenience of Senators—I see the Senator is going to examine this matter—I shall let it go over. Of course that means that it is withdrawn. I offered it a moment ago. I now withdraw it and let it go over. I understand that at the appropriate time I may call it up.

Mr. GALLINGER. Certainly.

The PRESIDENT pro tempore. The Senator from Indiana withdraws his amendment.

Mr. BEVERIDGE. For the present. I will bring it up hereafter.

Mr. MONEY. Mr. President, in view of the time that has been lost in the accommodation of several Senators, I want to

say a word, with the hope of facilitating the further progress of this bill to the speediest possible completion.

Everybody realizes how very tiresome this debate is becoming, especially some Senators who are sick. I have been asked several times to agree to a date when we shall take a vote on the passage of the bill. I have not been able to consent to that for several reasons, some of which are shown by a memorandum I am going to send to the desk and ask the Secretary to read. I wish to say now that I shall only occupy the time of the Senate very briefly, especially as we have reached the hour when the Senator from Texas desires to address the Senate. But I will ask him to let me have this bill of particulars read; and I am going to ask the attention of the honorable chairman of the Finance Committee to what I consider necessary to complete this bill.

We do not know what we are voting on, except as we take up the separate schedules. The whole of the bill has not been presented here.

It comes in on the installment plan, as a majority of the majority may happen to vote from day to day. We want to know what we have to vote on at last. I ask the Secretary to read what I send to the desk, which indicates that there are some things which I think are necessary, and which have not been reported by the majority of the committee.

The PRESIDENT pro tempore. The Secretary will read as requested.

The Secretary read as follows:

PROVISIONS NOT FOUND IN SENATE BILL AS AMENDED THAT ARE NECESSARY TO COMPLETE BILL.

[The sections of Dingley bill covering these provisions are given.]

I. Countervailing duty. (Sec. 5.)
II. Regulations as to labeling and marking packages, etc., of imported goods. (Sec. 8.)
III. Prohibiting goods counterfeiting American names and trade-marks. (Sec. 11.)
IV. Provisions for free entry of materials to be used in the construction of foreign ships and repair of American ships under certain conditions. (Secs. 12 and 13.)
V. Provisions for supplies withdrawn from bonded warehouses, etc., for American ships. (Sec. 14.)
VI. Provisions covering bonded warehouses. (Sec. 15.)
VII. Prohibition of certain imports of an obscene nature, etc., together with penalties for such importation. (Secs. 16, 17, and 18.)
VIII. Provision for the importation in bond of machinery to be used for repairs. (Sec. 19.)
IX. Provisions covering the forests of the State of Maine along the St. Johns and St. Croix rivers. (Secs. 20 and 21.)
X. Restriction of imports to American and other vessels and the imposition of extra duties under certain conditions, depending upon treaty provisions. (Secs. 22, 23, and 24.)
XI. Provisions as to neat cattle and hides, together with penalty for violation. (Secs. 25 and 26.)
XII. Reimportation of American goods once exported. (Sec. 27.)
XIII. Provisions respecting goods from wrecked vessels. (Sec. 28.)
XIV. Smelting and refining in bonded warehouses. (Sec. 29.)
XV. Drawback provision. (Sec. 30.)
XVI. Convict-labor provision. (Sec. 31.)
XVII. Rates on goods already imported, but in warehouse. (Sec. 33.)
XVIII. Repeal section. (Sec. 34.)

Mr. ALDRICH. Mr. President, will the Senator yield to me for a moment?

Mr. MONEY. If the Senator will permit me, I want to make just one remark. I am not giving any information to the distinguished chairman of the Finance Committee. He knows all about this matter much better than I do. But here are things that are important and necessary to the completion of this tariff bill, as he very well knows. When is he going to bring them in?

Mr. ALDRICH. Mr. President——

Mr. MONEY. One moment, if you please. In other words, we are asked to fix a time for a final vote upon a bill which is incomplete. We do not know what is coming next. We do know that now and then the majority of the committee meet, and, by a majority vote of the majority, do report certain amendments. So we are getting the bill by piecemeal.

In this condition of things, it is impossible to get consent to fix a time to vote upon the bill, because we do not know what is going to come into it, nor how much time of that which is set will be wasted in unimportant debate upon mere trivialities, when at the last moment the most important questions—such, for instance, as the maximum-rate clause, which will have to be debated quite thoroughly, and all these things—can be put through without time for investigation, without time for debate, and almost without an opportunity for protest, simply because the time has come to vote upon the bill.

I have no authority in the world to make a proposition of any kind; but I will take the liberty of making a suggestion to my friend from Rhode Island on this subject. It is that the committee bring in all they intend to ask us to vote upon, so as to give us a symmetrical whole, in order that we may know all that is coming, and that it may be before the Senate when we are voting upon every single item; because each one will have more or less relation, especially with a view of revenue, to the other parts of the bill. There is no one here who is disposed to delay the progress of the bill; and when he has done that I think he will have no difficulty, if he wishes it, in obtaining unanimous consent to take up any schedule he wishes, or any item in a schedule, and to have a time fixed for a vote upon that particular schedule. When that has been concluded, he can then take up the next one, and ask for the fixing of a time for a vote upon it, and so on. In that way, almost before we are aware of it, the bill will be debated, voted upon, and completed. But the Senate will have in its mind what is coming next, and what, in the whole, it will have to vote upon.

The Senator may not have any embarrassment about this matter, because he knows what he has in reserve. We do not. Therfore we are voting here blindly, in some measure, because we must vote at last with relation to the revenue that is to be laid and collected by this measure. I will ask him to take this matter into consideration, and, if he is ready now to do so, to state whether he has considered all these matters. I have no doubt that he has, because they are so important that they can not have escaped the notice of such a profound master of the art of construction as he is.

If so, I will ask if he will tell us now whether he has in progress an amendment that embodies these things, or whether he has considered them, and when he is going to report the whole bill? When that is done, I do not think there will be any difficulty in coming to a unanimous-consent agreement in the way I have indicated, at least; and we will have a proper disposition of the bill in less time than we can have on the installment plan that prevails to-day.

Mr. ALDRICH. Mr. President, I appreciate fully the force of the suggestions of the Senator from Mississippi [Mr. MONEY]. As I have already stated, in answer to the suggestions of the Senator from Indiana [Mr. BEVERIDGE], the committee have been extremely busy with various matters, as the Senator from Mississippi knows. Rightfully or wrongfully, the majority of the committee felt the responsibility of presenting their own views as to the dutiable schedules of the bill and the provisions of the free list. That is in accordance with the custom; and I do not desire, at the present moment, to go into that question. But these administrative features, the features to which the Senator from Mississippi has alluded, are not partisan questions.

They are not questions dividing the Senate along lines of protection or duties for revenue only. I suggested yesterday to the senior Senator from Virginia [Mr. DANIEL], the senior member on the Democratic side of the committee, and I suggested this morning to the Senator from Texas [Mr. BAILEY]—and I should have made the same suggestion to the Senator from Mississippi [Mr. MONEY] if I had been able to find him—that the whole committee at once take up all the provisions to which he has alluded and try to reach some agreement upon them, with a view of reporting at a very early day such of those provisions as they approve, or, if they so desire, with modifications.

It is my purpose to call at a very early day a meeting of the entire committee to take up all the provisions to which he has alluded in the statement which has already been read. It is also my purpose to report as early as possible every single amendment the committee expects to offer. I think that with two or three exceptions every amendment the committee has to the dutiable schedules has already been presented, and those that have not are of minor importance. So I can not see why, before the week closes, we may not be able to dispose of all the dutiable provisions, which will include any little amendments we may have to the schedules which have not already been disposed of. Most of them have. And I hope that during the debate upon the income tax and the corporation tax the committee may find time, within a very short period, to report every amendment which they may have to suggest to the complete and entire bill.

Mr. MONEY. Mr. President, if the Senator from Texas will permit me for a moment, the Senator from Rhode Island understands very well that I did not rise to criticise the action of the committee in framing a bill for which they are exclusively responsible. I simply rose, as I said at the outset, to facilitate the work of the Senate, and to present some reasons why it has been impossible to fix upon a definite time for a final vote upon this bill—because the whole measure has not been before the Senate. What I said, as I stated to him, was a mere suggestion. I knew that with his perspicacity, and his experience in these matters, he would see how necessary it is that a completed measure shall be presented. I differ with him, however,

in the relation which they bear to all the items upon the bill that are dutiable; because they must all be considered together when we are considering that a certain amount of money must be raised by this bill, unless there is some way to supplement it, which we do not yet know.

It is that very uncertainty as to what will come next which prevents us from fixing a time to vote on anything. The Senator can see that if everything were in and we had some assurance that there were to be no more changes, if the committee had presented to the Senate all that it intended to present, all these difficulties could be obviated in the way I have pointed out, and the Senate could come to a very cordial agreement.

I want to say to the Senator, what he is probably aware of, that there is no Senator who wants to stay here a single moment longer that he must stay. A good many Senators are here now who should not be, and it is only with a view of expediting matters that I have made these suggestions.

I am indebted to my friend from Texas [Mr. BAILEY] for the time in which I have made them.

Mr. ALDRICH. I assure the Senator from Mississippi that I am in entire sympathy with what he has said and of my purpose to cooperate with him and all the other members of the committee in presenting these amendments at the earliest possible moment.

Mr. BAILEY. Mr. President, I knew, when we entered upon the discussion of this bill, that many distinguished Democrats and sincere tariff reformers have never been entirely satisfied with the action of our party in renouncing the doctrine of free raw material; but I did not suppose that any well-informed and candid man in this Republic would deny that we had expressly and deliberately renounced it. As this debate has progressed, however, it has become apparent that many men of great ability and of high standing believe that it is now, and that it has always been, the policy of our party to exempt the manufacturers' raw material from all tariff charges; and some of them, under that impression, are condemning me, and those with whom I have voted, as recreant to our Democratic duty. I understand, of course, that many of those who are assailing us have seized upon this matter as a mere pretext for the attacks which they desire, for other reasons, to make on the Democratic party; but some of the criticisms are so evidently sincere that they require a respectful answer. I therefore feel that I owe it to my associates, as well as to myself, to lay before the Senate and before the country a brief statement on the question.

More than one of those who have written or spoken on the subject have not only assumed, as a matter beyond all dispute, that to admit raw material free of duty is the traditional policy of the Democratic party, but they have even reported me as admitting such to be the case. I have here an editorial which recently appeared in a reputable newspaper, whose editor, I am sure, would not intentionally misrepresent any man, and to illustrate how widely my view has been misunderstood I will read this extract from it:

> When the Cleveland Democracy lost control of the party in 1896, the doctrine of free raw materials was put upon the shelf. Mr. BAILEY says that he drew the tariff plank of the 1896 platform with the distinct purpose of renunciating the free raw materials idea. But up to that time Mr. BAILEY admits the Democratic party did advocate the doctrine of free raw materials, though many members of the party disliked it.

While the gentleman who wrote that editorial may not have so intended, I think the inference which even the most intelligent and attentive reader would draw from it is that I have admitted that prior to 1896 the Democratic party had always advocated the importation of raw materials free of duty. Had he confined my admission to Mr. Cleveland's era, his statement would have been entirely accurate; but I have never, at any time or in any place, admitted that up to the national convention of 1896 the Democratic party had always advocated such a policy. On the contrary, I have, in season and out of season, denounced it as a radical departure from the well-established principles and policies of our Democratic fathers. It is very true—and that much I have freely admitted—that during the time when Mr. Cleveland and his friends dominated our party they did commit it to the supreme folly of giving our manufacturers free trade in what they buy while leaving them protection on what they sell; but I have asserted, with almost wearisome reiteration, that both before Mr. Cleveland's first administration and after Mr. Cleveland's second administration the Democratic party had and has always rejected that doctrine, and I think that I have demonstrated on more than one occasion that the advocacy of it was the exception, and not the rule, with men of our political faith.

AN OLD QUESTION.

This question is not a new one in our time, nor was it a new one in Mr. Cleveland's time. It is as old as the tariff controversy itself. In the very elaborate report on Manufactures which he made to Congress in 1791, Alexander Hamilton included the exemption of the manufacturer's raw material from customs taxes, with high duties, prohibitions, bounties, and other special privileges as a means of developing manufacturing enterprises. He arranged them under subheads, and presented the arguments in favor of each according to that arrangement. They were stated in this order:

1. Protecting duties, or duties on those foreign articles which are rivals of domestic ones intended to be included.
2. Prohibition of rival articles, or duties equivalent to prohibitions.
3. Prohibition of the exportation of the raw materials of manufacturers.
4. Pecuniary bounties.
5. Premiums.
6. The exemptions of materials for manufacturers from duty.
7. Drawbacks of the duties which are imposed on the materials of manufacturers.

Four other methods were enumerated, but as they do not relate to the tariff I omit them here. In another paragraph of the same report, while discussing the cotton goods industry, Hamilton described the exemption of its raw material from duty as an "essential advantage" to the manufacturer.

Mr. Clay, who is often and affectionately called the "father of the protective system," specified the admission of raw material free of duty as one of the ways in which the manufacturer could be protected. He taught that manufacturing enterprises could be encouraged by diminishing the cost at which their articles could be produced as well as by increasing the price at which they could be sold. But the friends of protection in this day realize that from its peculiar nature it would not be sustained by public sentiment unless its favors are extended to every class who can possibly participate in them; and they have adopted the plan of giving all protection at the selling end of the transaction. They are wise enough to understand that they can not advocate free trade in what the manufacturers must buy and protection on what they make to sell without arraying against them every producer of raw material; and their maxim is protection for every industry. They have not, however, always practiced their profession, for while they have never ventured to the extent of removing the tariff entirely from raw material, they give, whenever they think it safe to do so, the manufacturer an advantage over the producer of raw material by levying higher duties on manufactured articles than on the raw material out of which they are made.

The paragraph now pending, and the amendment offered by the Senator from Rhode Island [Mr. ALDRICH] yesterday afternoon are apt examples of this favoritism. The House of Representatives, after placing hides on the free list, still left the manufacturer a duty of 15 per cent on shoes, and although the Senate has remedied this discrimination by restoring the duty on hides, it could not resist the tendency of this system; and the chairman of the Finance Committee has reported an amendment increasing the duty on shoes to 20 per cent, which gives to the manufacturer a 25 per cent higher duty on his finished product than he pays on his raw material.

Aside from the act of 1833, which may be excluded from our consideration because it was a compromise measure and therefore did not completely exemplify the view of any party, the first distinct and systematic attempt to adopt this theory of raw materials, even in a modified form, was made by the Whig party when it passed the act of 1842. That bill was protection run mad. Its high duties on all manufactured articles were supplemented by a low duty or no duty on every raw material; and it was denounced by the friends of fair trade as well for the double advantage which it gave to the manufacturers as for the double disadvantage to which it subjected the people. The ablest Democrat then in Congress, and in my judgment the ablest Democrat, with the single exception of Thomas Jefferson, who ever devoted his talents to the service of this country, was John C. Calhoun; and he complained against the raw-material provisions of that bill almost as bitterly as he did against the direct protection of it. In describing the character of that measure, Mr. Calhoun said:

> An examination of this bill will show that there is not an article manufactured in the country, nor one which might come into competition with one that is, which is not subject to high protective duties. In the latter description may be placed linen, silks, worsted—which, though not articles manufactured in the country, are subject to as high duties as those that are, in order to give the home manufacturers of cotton and woolens the exclusive monopoly, if possible, of the market. To this may be added that there is not a raw material, scarcely, on which manufacturers operate, or any material which is necessary to the process of manufacturing, which is not admitted duty free, or subject to a very light one. But this is not all. Most of the articles for which the exports of domestic manufactures are exchanged abroad are subject to light duties, and the two principal ones (tea and coffee) for which they are chiefly exchanged are admitted duty free. It is that which makes the main difference between this and the vetoed bill. On the other hand, all the articles for which the agricultural products of the country, including provisions of every description and the great staples of the country, are almost exclusively exchanged are subject to high duties, such as wine, silks, worsted, cottons, linens,

cutlery, hardware, woolens, and other products of England and the Continent. The bill, in short, is framed throughout with the greatest art and skill to exempt, as far as possible, one branch of industry from all burdens and shackles and to subject the other exclusively to them; and well may our political opponents raise their heads, amidst their many defeats, and exult at beholding a favorite measure—one, above all others, indispensable to their entire system of policy—about to be consummated.

One of the most active, and next to Mr. Calhoun, perhaps the most active, opponent of the law of 1842, was Senator Sevier of Arkansas. Although a Whig when first elected a Delegate to Congress from the then Territory of Arkansas, he afterwards became a Democrat, and on this question he was a Democrat of the "strictest sect." He not only denounced direct protection, but he denounced incidental protection, and declared that the only protection which would ever find any countenance with him was the "accidental" kind. So far as my reading informs me, he was the first to make the distinction between "incidental" and "accidental" protection, and I have always regretted that it has not been preserved in the literature of the tariff discussion. I think that it was founded upon a good reason, and so analytical a mind as that of John C. Calhoun cordially commended it. In opposing the act of 1842, Senator Sevier included among the grounds of his opposition the special privilege which it conferred upon the manufacturers in respect to their raw material. He declared:

In this bill it is apparent that protection is the leading object, and that revenue is a secondary consideration. This bill is also studiously partial in its operations. It exempts entirely from duty many of those articles which are consumed in our manufactories, such as indigo and other dyestuffs, etc. It puts also a light and nominal duty upon other articles—such as raw hides, etc. In short, many of those things which are consumed in New England are either exempt from duty entirely, or but slightly taxed. And if it should so happen that she is taxed like her sisters in other portions of the Union, she manages in some way or other to get it back by the process of bounties or drawbacks—as upon the articles of refined sugar, salt in fish, and molasses, converted into Yankee rum.

What Mr. Calhoun and Senator Sevier had said against the raw material features of the act of 1842, when it was pending in this body, was afterwards repeated and indorsed by Robert J. Walker, when advocating the repeal of that law; and the most serious criticism which he made against it in his celebrated report of 1845 was on account of its discrimination in favor of the manufacturer and against the producer of raw material. I have once before in this discussion alluded to Mr. Walker's criticism against that feature of the Whig tariff act of 1842, and in order that Senators may see for themselves how pointed and direct it was, I will read his exact language. Here it is:

The present tariff is unjust and unequal as well in its details as in the principles upon which it is founded. On some articles the duties are entirely prohibitory, and on others there is a partial prohibition. It discriminates in favor of manufactures and against agriculture by imposing many higher duties upon the manufactured fabric than upon the agricultural product out of which it is made.

Of course there were other discriminations against which Mr. Walker complained; but he stated this first in order, because he deemed it first in importance, and the Whig Members of Congress were not slow to accept the challenge. Indeed, as I recall it now, the only vote on which the opponents of the law of 1846 won a victory of any significance was on the very question raised by Secretary Walker in the criticism which I have just quoted. On the day before the act of 1846 passed the Senate the Hon. John M. Clayton, a Senator from Delaware, offered this resolution:

That the bill be committed to the Committee on Finance with instructions to remove the new duties imposed by said bill in all cases where any foreign raw material is taxed to the prejudice of any mechanic or manufacturer, so that no other or higher duty shall be collected on any such raw material than is provided by the act of 30th of August, 1842; and further so to regulate all the duties imposed by this bill as to raise a revenue sufficient for the exigencies of the country.

From time to time, and in framing other tariff bills, this question of free raw material had arisen in particular cases, and men had voted on it with reference to certain facts or conditions without committing themselves for or against it as a system. But here the question was separated from the facts and conditions which might affect a man's judgment in a particular case, and it was distinctly presented as a part of the Whig policy of protection, to be decided without the disturbing factor of local or particular influences. The resolution contained two propositions—one relating to raw materials and the other to the amount of revenue; but every man in the Senate on both sides of the question recognized that the chief issue which it presented, and upon which it was desirable to define the position of both parties, was that part of it embodying the question of free raw material. Accordingly, Senator Johnson demanded a division of the question, and a separate vote was taken on that part of the resolution which related to raw material. On the roll call every Whig Senator voted for the resolution to commit, and they were joined by the two Democratic Senators from Pennsylvania and a Democratic Senator from Connecticut. Every Democratic Senator except the three whom I have just mentioned (and those three voted against the bill on its final passage) voted against the resolution to commit. Not only did every Democrat who voted for the act of 1846 on its final passage record himself as opposed to this form of special privilege to manufacturers, but that list includes some of the most illustrious names in our history. Among those who voted then as I vote now were John C. Calhoun, of South Carolina; Thomas H. Benton, of Missouri; Lewis Cass, of Michigan; George McDuffie, of South Carolina. I also find there the name of Samuel Houston, who then represented Texas in this great assembly, and voting with him was his colleague—the brilliant, but ill-fated, Rusk. Against this almost solid Democratic protest the resolution was adopted by a vote of 28 to 27, and the bill was referred to the Finance Committee, which reported it back to the Senate the next morning without the slightest alteration. Of course the opposition Senators assailed the committee with some degree of bitterness for its refusal to comply with the instructions of the Senate; but when the vote was taken on the final passage of the bill that same day it passed by a vote of 28 to 27. That bill conformed in letter and in spirit to the Democratic criticisms of the Whig law of 1842, and granted no special favors to the manufacturers with respect to their raw material. This, Mr. President, was the first clearly defined contest between the advocates and opponents of the free raw material doctrine; and although the advocates of it in that day did not dare to propose it in a form so favorable to the manufacturers as it is proposed in this day, our Democratic fathers voted against it with practical unanimity. With this record before me, may I not justly claim that those of us who oppose that doctrine are the true apostles of the Democratic gospel, and that those who advocate it are the apostates?

In those days, when the tariff question was discussed and decided as a principle, the advocates of free raw material were avowed protectionists and supported that policy as a means of aiding manufacturers, while the men who opposed free raw materials were the same men who opposed protection in every form. The Democrats in that day who voted for a low duty or for no duty on raw material were the same Democrats who voted for the Whig protection law of 1842, and against the Democratic revenue tariff law of 1846. Of the three Democratic votes which were cast in favor of the resolution instructing the committee to give the manufacturers raw materials not taxed at all, or lightly taxed, two of them had voted for the Whig law of 1842, and all of them voted against the Democratic law of 1846. The only Democrat who voted for that resolution who did not also vote for the Whig law of 1842 was the Hon. Simon Cameron, of Pennsylvania, and as he did not become a Senator until 1845, he was not here to vote on the act of 1842; but he succeeded a Democratic Senator who had voted for it, and he openly proclaimed his preference for it with all of its high protective duties, and voted against the Democratic tariff for revenue act of 1846, which repealed it. On the other hand, every Democrat who had opposed and voted against the Whig protection act of 1842, and who voted for the Democratic revenue tariff law of 1846, voted against giving that additional advantage to manufacturers. But, sir, by some strange confusion of thought a certain school of Democrats in these days have reversed the position of our fathers and they now insist that what our fathers denounced as protection is the only proper road to revenue reform.

Plainly, Mr. President, the doctrine of free raw material was not an article of our ancient Democratic creed. I do not contend that no Democrat in the time preceding the war ever favored it, for I know that even a Democratic Secretary of the Treasury once gave it his indorsement; but it never commanded any substantial support among the leaders or with the rank and file of that splendid Democracy which won so many victories and administered this Government with such consummate wisdom through so many years.

A MODERN DOCTRINE.

This doctrine is of recent origin. The most active and the most effective promotor of it was the Hon. Abram S. Hewitt, and his persistence more than any other agency secured its adoption by our party. I have here a letter written by him in 1897, which I once quoted in the House of Representatives, and I think it worth my while to lay it before the Senate now. The genesis of this doctrine is thus related by Mr. Hewitt:

I was the first person who brought before Congress and the Democratic party the policy of relieving raw material from duties of any kind; and in order that there might be no misapprehension, I defined "raw materials to be all material which had not been subjected to any process of manufacture," and then I included "all waste products fit only to be manufactured." It is also true that the leaders of the party in the House, Messrs. Morrison, Carlisle, Mills, and Tucker, did not at the time accept my views as representing the principles of the Democratic party.

Mr. Hewitt was not exactly right in saying that he was "the first person who brought before Congress and the Democratic party the policy of relieving raw material from duties." Others before him had suggested it, and among them, as I have already stated, a Democratic Secretary of the Treasury; but not one of them, and not all of them, had ever succeeded in securing a serious consideration for it at the hands of the Democratic party; and it is this circumstance which excuses Mr. Hewitt's error. So few Democrats had ever advocated such a policy before him that we may well pardon him for having said that he was the first to do so.

I have another very interesting contribution to the history of this question in my hand, which I think the Senate ought to hear. It is from an editorial written by the late W. C. P. Breckinridge, of Kentucky, one of the most accomplished and brilliant men of his generation, and one who advocated, toward the latter part of his life, this policy. He was a Member of the House when a Democratic Ways and Means Committee first embraced it by a bare majority, and he therefore speaks upon the question with a special knowledge, and as one having authority. This is a part of what he says:

> The former Democratic policy, as notably carried out in the celebrated Walker tariff act of 1846, was to draft a revenue act solely for the purpose of producing revenue, and to accomplish this it was then held best to put imposts on all material which entered into manufactures which in their completed state had imposed upon it a duty. This principle was held by William R. Morrison, of Illinois, and the majority of the revenue reformers until the Forty-ninth Congress.

Here, Mr. President, we have the testimony of the distinguished gentleman who claims to have been its author, and the testimony of one of its ablest defenders, that this policy was never accepted by the Democratic party until 1886. It made its first appearance in what is known as the "second Morrison bill," and it was engrafted upon that measure by the vote of a gentleman who was not a member of the Ways and Means Committee of the House. The majority of that committee consisted of 8 Democrats, 4 of whom supported this doctrine, though they had at first opposed it, and 4 persisted in opposing it. Finding themselves equally divided, the Hon. John G. Carlisle, of Kentucky, then Speaker of the House of Representatives, was called into conference, and it was by his deciding vote that the doctrine of free raw material was incorporated into the Morrison bill. Thus, Mr. President, the Democratic party was first committed, so far as the action of its representatives in Congress could commit it, to the doctrine of free raw material; but notwithstanding the action of our Democratic Representatives in Congress, and notwithstanding the fact that Mr. Cleveland cordially approved that policy in his famous message of 1887, it was so at war with the convictions of the great masses of our party that those responsible for the congressional adoption of it could not secure a direct declaration in favor of it at our national convention of 1888.

The Republicans won the presidential election of 1888 and followed it with the enactment of the McKinley law in 1890. That measure carried protection to such an extreme that many who had formerly supported that policy were alienated from the Republican party, and when the Democratic national convention assembled in 1892, it coupled with its indictment against the McKinley bill the first authoritative declaration in favor of this policy of free raw material. It is true that we won the ensuing election, but we won it because the country disapproved the McKinley bill and not because it approved our new policy with respect to raw material. The great body of the Democratic party never accepted that policy as a correct expression of their views, and even a majority of our leaders did not believe either in its justice or in its wisdom. In fact, sir, the Wilson bill which became a law while that doctrine was one of our pledges to the people made but a lame and halting application of it. I will illustrate what I mean by a single item, and I select this particular item because of the prominence which recent events have given it. We have heard something said here, and we have read much which has been said elsewhere, about the Democratic Senators who voted a few days ago to levy a duty of 25 cents a ton on iron ore; and if we were to believe one-half of what has been spoken and written, we would be compelled to conclude that no such vote was ever before cast by Democratic Senators in the history of this Republic.

A PARTICULAR INSTANCE.

In view of these boisterous criticisms, the history which I am about to recite, will, perhaps, surprise some of these ready writers and fluent speakers. As it was reported to the Senate by a Democratic Finance Committee, the Wilson bill carried a duty of 40 cents per ton on iron ore, and no Democratic Senator felt called upon by the principles or promises of his party to make a motion to transfer that article to the free list. That motion was made, however, though not by a Democratic Senator. William A. Peffer at that time occupied a seat in this body as a Senator from Kansas, chosen by the Populist party of that State. He did not claim to be a Democrat or to advocate a tariff for revenue only. He had formerly been a Republican, and while a member of that party, I have no doubt, was a high protectionist; nor do I doubt that after he joined the Populist party he embraced its peculiar theories of taxation. At any rate, and without inquiring minutely into his views, it is enough for my purpose now to say that Senator Peffer moved to put iron ore on the free list and when they called the roll only four Senators supported his motion. Three of those four votes were cast by the Populist Senators, Allen, Kyle, and Peffer, while the fourth vote was cast by the Hon. David B. Hill, a Senator from New York, and it will be remembered that Senator Hill voted against the Wilson bill on its final passage.

Without desiring to make invidious distinctions among the great Democrats who voted on the question of free iron ore in 1894 exactly as I have voted on it in 1909, I will be permitted to name a few of them. Among them was Richard Coke, a Senator from Texas, and as true a Democrat as ever spoke for our great Commonwealth. Senator George, of Mississippi, was another, and there is no man in this day rash enough to impeach his wisdom or his fidelity. Voting with Coke and George was Isham G. Harris, of Tennessee, whose courage and Democracy were often severely tried and never once found wanting. With these stalwart Democrats of the South stood that no less stalwart Democrat from Indiana, the Hon. Daniel W. Voorhees. He was a Democrat not merely on dress-parade occasions, but wherever the battle raged the fiercest his tall form was always most conspicuous. Unawed by the savage passions of a civil war, he held steadfastly to the imperishable truths of Democracy and helped to preserve the organization of our party. There were many others worthy of such association, and I do not feel that I can ever go very far astray so long as I follow in the footsteps of such men.

If a Senator could be pardoned for referring in this high place to a criticism so contemptible as one which accuses him because he happened to vote with the Senator from Rhode Island [Mr. ALDRICH], I would call attention to the fact that Coke and George and Harris and Voorhees and their Democratic associates did not think it incumbent on them to vote against a duty on iron ore because the Senator from Rhode Island was voting for it. They did not fear to record their names with his, and I will never hesitate to do so whenever I think that he is right.

I said a moment ago, Mr. President, that I voted in 1909 just as those great Democrats voted in 1894, but that states the case a little too strongly against our position, for, while I voted to lay a duty of 25 cents per ton on iron ore, they voted to lay a duty of 40 cents per ton upon it. There were Democrats in 1894, like Vest and Mills, who ardently supported the doctrine of free raw material; and Senator Vest went so far as to declare that a large majority of the Democratic Senators at that time believed that iron ore ought to go on the free list; but, in replying to Senator Peffer, he asserted that the duty of 40 cents per ton for which he voted was defensible upon the ground that it was a revenue duty. If 40 cents per ton was a revenue duty in 1897, surely 25 cents per ton is not less so now.

DEMOCRATIC PARTY RESUMES DEMOCRATIC POSITION.

But, Mr. President, I leave this particular instance and return to the main question. When the Democratic convention of 1896 assembled, the delegates were practically a unit against this new and pernicious doctrine of free raw material and in favor of returning to the older and better policy of our party. Accordingly the platform which they made, instead of promising free trade in raw material to the manufacturers, declared in favor of a tariff which would operate equally throughout the country, without discriminating against any class or section. We sometimes hear men who are not familiar with the facts say that the Democratic convention of 1896 abandoned the party's general position upon the tariff question, but that is a grave mistake. The platform of 1896, like that of 1892, declared that tariff duties should be levied for revenue and should be limited to the necessities of the Government, administered with economy. They both denounced the McKinley law—the one denouncing its existence and the other denouncing the threat of its reenactment. The difference, and the only essential difference, between them was on this question of free raw material. The platform of 1892 promised the manufacturers that they should not be required to pay a tax on the raw material which they imported, while the platform of 1896 pledged us to treat all alike, and required us to levy a duty on the manufacturer's raw material precisely as we levy a duty on his finished products.

That is a rule of simple equality, which is only another way of saying that it is a rule of simple justice. If the tariff is a burden, then all men should bear it, according to a fair

proportion; if the tariff is a benefit, then all men should enjoy it without discrimination. We know that it is a burden to those who must buy the articles on which it has been levied, and we also know that it is a benefit to those who sell such articles. We therefore demand that it shall operate against the manufacturer when he buys his raw material, just as it operates in his favor when he sells his finished product. To be more specific, Mr. President, the Democratic party recognizes that we can not lay duties for purely revenue purposes without affording an incidental protection to those who produce and sell the articles on which we must lay such duties; but we seek to neutralize that effect, as far as possible, by laying a duty on many articles, so that we can make the duty on each that much lower. In this way we not only minimize the evil consequence of incidental protection by reducing it to the lowest point, but we also tend to equalize it by extending it to every class and section, thus enabling each man to secure on what he sells a part of what is exacted from him on what he buys.

And yet, sir, while we are thus striving to mitigate the evils of protection, honest but superficial thinkers charge that we are protectionists. Our system, both in purpose and in effect, is the reverse of protection, because we would not only make all tariff duties more equal, but we would also make them lower than our adversaries can ever hope to do under the system which they propose. If it constitutes me a protectionist to vote for a duty of 15 per cent on raw material, then my critic who votes for a duty of 30 per cent on the finished product can hardly claim to be a free trader. I do not vote for a duty on raw material in order to enable the man who produces it to obtain a higher price for it any more than I vote for a duty on finished products in order to enable the manufacturer to sell them for a higher price. I vote for a duty on both for the purpose of raising revenue to support the Government, and I believe that it is an indefensible discrimination to exempt the manufacturer from the taxes which he should pay while requiring the people who consume his goods to pay their own and his taxes also.

There is no principle of political economy or of sane legislation that will distinguish raw material from finished products for the purpose of taxation. Indeed, sir, there is no such thing as a raw material ready for the manufacturer's use. Wool, I grant you, is the raw material of the manufacturer, but it is the woolgrower's finished product. The farmer bestows his labor and employs his capital in the production of his wool. The land on which his sheep must graze is as much an investment to him as the factory is to the manufacturer; and the time spent in tending the flock, in shearing them, and in bringing the wool to a market place represents labor even more essentially than the processes which convert wool into cloth, because the one is wholly a labor of the hands, while the other is largely the work of a machine. Iron ore is raw material so long as it lies in the bosom of the earth; but when sturdy miners have brought it to the furnace, it is their finished product, though it is the ironmaster's raw material.

Will Democrats adopt protection's pretense and claim that the manufacturer should have his raw material free of tax so that he can employ more men and pay each man a higher wage? That, sir, is the only argument for such a policy that is worth the consideration of any thoughtful man, but it can never satisfy a Democrat of the old school. To it we must forever answer that the men who work on a farm, without a shelter from the summer's heat or the winter's cold, and the men who work a thousand feet beneath the surface of the earth, exposing their lives and health to unseen dangers, are as much entitled to be considered by this Congress as are their brothers who work in factories on shorter hours and at higher pay. If the law must make any difference, it should favor the farmer and the miner, whose toil is harder and whose compensation is less, for if they did not produce the raw material there could be no factories in which labor could cultivate its skill and earn its better wages.

The Democratic platform of 1896 was expressed in almost the very words which Robert J. Walker had used in his great report. His sixth rule for levying tariff duties was "that all the duties should be so imposed as to operate as equally as possible throughout the Union, discriminating neither for nor against any class or section," and the tariff plank of 1896 prescribes the same rule in almost the identical words. That platform also answers the rule announced by President Polk in his message to Congress on December 2, 1845. That rule was so well stated that Democrats can not recur to it too often, and I will read it:

> In levying a tariff of duties Congress exercises the taxing power, and for the purposes of revenue may select the objects of taxation. They may exempt certain articles altogether and permit their importation free of duty. On others they may impose low duties. In these classes should be embraced such articles of necessity as are in general use, and especially such as are consumed by the laborer and poor as well as by the wealthy citizen. Care should be taken that all the great interests of the country, including manufactures, agriculture, commerce, navigation, and the mechanical arts, should, as far as may be practicable, derive equal advantage from the incidental protection which a just system of revenue duties may afford. Taxation, direct or indirect, is a burden, and it should be so imposed as to operate as equally as may be on all classes in the proportion of their ability to bear it. To make the taxing power an actual benefit to one class necessarily increases the burden of the others beyond their proportion and would be manifestly unjust.

No clearer or more satisfactory definition of the Democratic party's attitude on the tariff question was ever written, and it contains no suggestion that the manufacturer's raw material should find a place on the free list. It does not even suggest that raw material should be included in the schedules which impose the lowest duties. The articles, and the only articles, according to James K. Polk, which should be exempted from all duty or subjected to the lowest duty are "such articles of necessity as are in general use, and especially such as are consumed by the laborer and poor as well as by the wealthy citizen." This, sir, is an ideal arrangement of the tariff, or at least it is the best arrangement which any man could make, because it approaches perfect justice as nearly as is possible under this system of indirect taxation. I believe as Robert J. Walker contended in his great report that a tax on property is the only absolutely just system of taxation, but as long as we must collect customs duties the rule laid down by Polk is the best ever laid down by any man, because under it men without property would be required to pay as little tax as possible and would be relieved from all taxation as rapidly as the revenue necessities of the Government will allow.

When we fortify our position and vindicate our democracy by declarations like this from the state papers of a Democratic President, we are told that the doctrine of James K. Polk is obsolete and that the world has grown wiser since his day. That the principles laid down by Polk are as vital to-day as they were in 1845, I think I will abundantly establish before I resume my seat; but it is enough for me to say at this point that they were received in those days of triumph and power as a correct exposition of democracy. If they were Democratic then, they are Democratic now. The principles of democracy do not change. They are as everlasting as God's stars and as immutable as His justice. Men who profess them may change, but they do not. They are the same to-day as they were yesterday and as they will be to-morrow. I believe in them as the Christian believes in his religion, and I will not yield them at the behest of any living man.

THE PURPOSE WAS UNDERSTOOD.

That the distinct purpose of the national Democratic convention was to repudiate the doctrine of free raw material was well understood in every State, but it was understood nowhere better than it was in Texas. Indeed, sir, the Democratic party of Texas had anticipated the Democratic party of the Union. Our state convention met something like two weeks before the national convention assembled, and we incorporated into the platform which we then adopted this declaration:

> We believe that the present tariff law, which lets into the country raw material free of duty and levies heavy duties on manufactured products, thus subjecting our agricultural and pastoral classes to competition with the world, while it enables the rich manufacturers by means of combinations and trusts to extort their own prices for their own goods from the people, violates the Federal Constitution as well as the fundamental principles of the Democratic party.

That declaration was not adopted without a protest; but it was adopted by an overwhelming majority, and it became the basis of the subsequent declaration made in the platform of our national convention. The leaders of the Democratic party in our State everywhere proclaimed that the one was an equivalent expression for the other. They were so construed by my colleague in his first address to the people of Texas, announcing himself as a candidate for the Senate. After a brief discussion of the general tariff question, he applied himself to this particular phase of it, and this is what he said:

> Thus limited and apportioned, such duties, in the language of the national platform of 1896, should be "so adjusted as to operate equally throughout the country, and not to discriminate between class or section." This obviously refers to the tariff upon products of different classes and sections, and the following more explicit statement from the Democratic state platform, adopted at Austin June 24, 1896, expresses my view of the case stated: "We believe that the present tariff law, which lets into the country raw materials free of duty and levies heavy duties on manufactured products, thus subjecting our agricultural and pastoral classes to competition with the world, while it enables the rich manufacturers, by means of combinations and trusts, to extort their own prices for their product from the people, violates the Federal Constitution as well as the fundamental principles of the Democratic party, that tariff duty shall be levied and collected for the purpose of revenue only."

To show that I entertained then the same opinion on this question which I am expressing now, and also to emphasize the fact that the issue was a second time made and settled in Texas, I desire to read a statement which I gave to the press in support of my colleague's position. Before reading this statement,

however, I ought to explain that the Hon. Roger Q. Mills, then a Senator from Texas and a candidate to succeed himself, in announcing his candidacy for reelection, indicated his adherence to this doctrine of free raw material, and I immediately gave to the Texas newspapers this interview:

Senator Mills's letter announcing his candidacy for reelection to the Senate very distinctly raises the free raw material issue, and as I consider his position on that question at variance with all the principles of the Democratic party, I shall take an active part in the canvass and support Governor CULBERSON. Of course, Senator Mills will not be permitted to subordinate the financial question to the tariff question, but I am perfectly sure that Governor CULBERSON will be more than ready to meet him on an issue which, plainly stated, is neither more nor less than a proposition to take the tax off everything which the manufacturers buy and leave the tax on everything which the manufacturers sell. The opposition of the real Democrats of this country to that policy is not due, as has been so frequently asserted, to any sympathy with the doctrine of protection, either incidental or direct, but is due entirely to a belief that the manufacturers ought to be compelled to contribute their share toward the expenses of the Government the same as the people who must buy and consume their goods.

Of course, this was not the only question involved in that campaign for the Senate; but I am well within the fact when I say that it was the paramount one, and so universally was my colleague's position on it approved by the people of Texas that Senator Mills withdrew from the contest before it had been fairly inaugurated.

When the Dingley tariff bill passed the House of Representatives, I had the honor to be a Member of that body, and I delivered a somewhat extended address against that measure, a large part of which I devoted to this very question. If any Senator, or if any other person interested in the subject, thinks it worth his while to consider what I then said, it can be found in the CONGRESSIONAL RECORD of July 19, 1897. A distinguished Member of the House interrupted me while I was speaking and charged that I had voted in the Ways and Means Committee against his motion to substitute the woolen schedule of the Wilson bill for the woolen schedule of the Dingley bill. I very frankly told the House that I had done so, and declared, amidst cries of Democratic approval, that I would do so again. At a meeting of the Ways and Means Committee I had moved to reduce every duty in the woolen schedule 33⅓ per cent, including the duty on wool as well as the duty on woolen goods. When my motion was voted down, another Democratic member of the committee moved to substitute the woolen schedule of the Wilson bill for the woolen schedule of the Dingley bill. We were thus brought face to face with the question of free wool and taxed woolen goods, and I did not hesitate to condemn that monstrous doctrine with my vote. To make this matter plain and to show that the Democratic Members who heard the colloquy understood it, I will read from the CONGRESSIONAL RECORD of July 17, 1897, this brief extract:

Mr. MCMILLIN. What excuse have you to give to this House for voting against striking out the wool and woolen schedule of this infernal bill and incorporating the wool and woolen schedule of the Wilson bill?

Mr. BAILEY. I offered an amendment to reduce the duty on both wool and woolen goods 33⅓ per cent.

Mr. MCMILLIN. Your amendment failed, and then you proposed to take the high rates which this bill carries rather than the low rates of the Wilson bill?

Mr. BAILEY. Yes, sir. And we may just as well understand each other right now. Never as long as I am in Congress will I vote to give the woolen manufacturer a 50 per cent duty on his woolen goods and charge him nothing upon his wool. [Prolonged applause.]

Several MEMBERS. That is right.

But, sir, my attitude on this question was a third time submitted to the people of Texas and approved by them, when I became a candidate myself for the Senate in 1900, for one of the issues between me and my opponent was over this very question. I canvassed the State, everywhere denouncing this fallacy, and declaring that never, with my consent, should the tax be taken from the manufacturer's raw material until the revenue necessities of the Government would permit us also to take it from his finished products; and in resisting this unjust and un-Democratic doctrine I am not only keeping the commandments of my party, in both State and Nation, but I am redeeming the pledge which I made to my constituents when they first commissioned me to represent them in this great assembly.

UNJUST AND UNEQUAL.

Mr. President, not only is this theory un-Democratic, but it is unequal and unjust. Subjected to every test, the proposition to exempt our manufacturers from the payment of a moderate duty on their raw materials is utterly indefensible. What does it mean? It means, sir, that one class of our people shall be permitted to import what they use free of tax, while all other classes must pay for that permission; or that one class is to enjoy a valuable privilege which is denied to all other classes. I can not believe in the justice of a law which permits a shoemaker to export his shoes, exchange them for hides, and bring those hides through a custom-house without paying a duty on them, and yet compels the butcher who exports his hides and exchanges them for shoes to pay for the privilege of bringing his shoes through that same custom-house. It is as much the butcher's right to exchange his hides for shoes as it is the manufacturer's right to exchange his shoes for hides; and both of them should pay a duty or neither of them should do so. I shall never consent to discriminate between the products of the factory and the products of the farm in such a manner without some more "imperative reason" than any man has yet been able to give.

But, sir, this discrimination is not the only, and it is not even the worst, injustice of such a law. It would be bad enough if it only relieved the manufacturer of the taxes which he ought to pay, but what shall we say of it when we know that it transfers to other classes the taxes from which it has relieved the manufacturer? It more than violates that ancient Democratic rule which admonishes us against granting special privileges, because it not only confers a bounty on the manufacturers, but it imposes an unequal burden on all other classes. I cherish no prejudice against manufacturers and I rejoice in their prosperity as I rejoice in the prosperity of every man and of every class, but I am not willing to increase their fortunes by reducing the burden which they ought to bear in common with their fellow-citizens. Whenever it is within our power to relieve any class of our people from taxation, I shall insist upon first relieving those whose struggle is the sharpest and whose comforts are purchased with less of ease than manufacturers procure their luxuries. I will be glad to enlarge the free list whenever the Government can dispense with the revenue, but the last to whom I will extend the benefits of free trade will be the manufacturers who are always pleading for protection.

Of course it is not necessary for me to detain the Senate in demonstrating that when we take the tariff from raw materials we must increase the tariff on other articles; but as I am speaking for the benefit of those outside of this Chamber, who are not presumed to have a special knowledge of this subject, I feel warranted in taking the time to make that fact so plain that every man of fair intelligence can understand it. The Ways and Means Committee of the House and the Finance Committee of the Senate, in arranging each and all of the rates in this bill, were compelled to keep in mind the revenue necessities of the Government, and each schedule was drafted so that it would contribute a given amount toward the total sum required. With this given amount to be collected under each schedule, it is perfectly obvious that whenever a reduction is made in the collections on a particular article it must be compensated by increasing the collection on some other article or on all other articles included in that schedule. Let us take the wool and woolen schedule to illustrate what I mean. It is estimated that a revenue of $36,000,000 will be collected under that schedule; and of this amount twenty-four millions are to be collected on woolen goods and twelve millions on wool.

It requires no argument to prove that if we should place wool on the free list, and thus remit the $12,000,000 collected from its importation, it would become necessary for us to increase the collections on woolen goods to the full extent of that $12,000,000 in order to make that schedule raise the revenue apportioned to it. And so it would happen that by placing wool on the free list, we would not only release the woolen manufacturers from the payment of $12,000,000 to the Government, but we would be compelled to make the people who buy woolen goods supply the deficiency thus created. It is this fundamental principle in tariff legislation which the advocates of free raw material overlook, or fail to understand. They act and talk as if every time we transfer an article to the free list we relieve the people of taxation to that extent; but that is not true, even in a partial or qualified sense. The exact truth is that when we take an article from the dutiable list and place it on the free list, we simply lift the tax from those who use the article made free and lay it on those who use other articles which must pay a duty; and in the end it amounts simply to a transfer, and not to a reduction, of taxes.

If Congress would reduce the public expenditures every time we exempt an article from duty, then the free list would signify a real reduction in taxes, and our only difficulty would be in selecting the class best entitled to the relief; but as long as we regulate the collection of taxes by the expenditures of the Government, as is now our practice, instead of regulating the expenditures of the Government by the collection of taxes, as our fathers did, when we transfer an article from the dutiable list to the free list we merely relieve one class of taxpayers by increasing the burden of others.

Nor does this palpable injustice end there, as I can prove by returning for a moment to the woolen schedule. In order that the woolen schedule may still raise the $36,000,000 apportioned to it, notwithstanding the loss of the $12,000,000 incurred by

placing wool on the free list, it would be necessary to increase the duty on woolen goods, which would lead inevitably to an increase of the manufacturer's protection; and the net result of that transaction would be that the manufacturer would buy his raw material for less and sell his finished product for more, thus realizing a double profit, while the people would be compelled to pay more taxes to the Government and higher prices for their woolen clothes, thus suffering a double loss.

I do not overlook the fact that a necessity for raising more revenue does not always require an increase in the rate of duty. I perfectly understand that in the case of a prohibitory duty, or a duty which approaches the point of prohibition, a decrease in the rate will generally produce an increase in the revenue; and it might easily happen under a Republican tariff bill that an increase in the revenue would follow a decrease in the rate of duty. This, however, can never happen under a Democratic law, and as I am considering this question purely as a Democratic doctrine, of course, we must judge it by the results which would occur under a Democratic law. No real Democrat would ever consent to a prohibitory duty, and even in the case of luxuries we would never advance the rate beyond the maximum revenue-producing point. Our theory is that except the necessaries of life, which so far as practicable ought to be on the free list, and the luxuries, which should be subject to the highest duty which will raise the greatest amount of revenue, all articles between these two extremes should be subject to the lowest duty which will raise sufficient money to support the Government. Mark you, not the *lowest* rate that will raise the *greatest amount of money*, as is often said; but the lowest rate that will raise *sufficient money*, and that rate is always, with rare exceptions, below the maximum revenue-producing point. It must, therefore, happen under a law whose duties are adjusted according to the principles which I have just stated, that whenever we reduce one rate, or repeal it altogether, we must of necessity increase other rates in order to obtain our revenue.

WHY EXEMPT RAW MATERIAL.

What reason can the advocates of this policy advance in justification of it? Some of them give us one and some of them give another, but none of them can ever give us a sufficient reason. Some of them tell us that if we will remove the tax from the manufacturer's raw material he can make his goods at a lower cost, and thus be able to sell them at a lower price. I have two answers to that proposition. The first answer is, that we have no right to exempt the manufacturer from his fair share of taxes in order to diminish the cost of producing his goods, even if we knew that he would sell them at a lower price; and the second answer is, that the manufacturer does not regulate the price of his goods according to the cost of production, but fixes it at the highest point he can without exposing himself to foreign competition.

I have no doubt that with untaxed raw material the manufacturer can produce his goods for less, and could, therefore, sell them for less; but this is as true of every other business man as it is of the manufacturer, and men of every occupation have the same right to demand relief from taxation on that ground. If every State and county would relieve all agricultural and grazing lands from taxation the American farmer could undoubtedly produce cotton, corn, wheat, cattle, and hogs at a lower cost, and could, therefore, afford to sell them at a lower price; but I have never heard it proposed here or elsewhere that we should exempt all lands and live stock from taxation in order that the people might buy cheaper bread and meat. No such proposition has ever been made, and no such proposition ever will be made, because it would involve such a diminution of the public revenue that nobody would even suggest it. And yet, sir, I can see no reason for relieving the manufacturer from certain taxes in order that he may produce and sell his goods for less that will not apply with equal or with greater force to the farmer. The fact that the loss of revenue would be greater in the one case than in the other does not alter the principle.

If we are to exempt the manufacturer who makes the goods, why shall we not exempt the merchant who sells them? It is an insult to tell an honest merchant, struggling to preserve his credit and his name, that he must pay a tariff duty on every dollar's worth of imported goods upon his shelf, and also pay a bounty to the manufacturer on the goods which have not been imported, and yet tell him that he must vote to repeal the tariff on raw material in order that the manufacturer can reduce the cost of producing his goods so that he can reduce the price at which he sells them. Such an argument will not convince the merchant; and if he possesses intelligence enough to exercise the rights of an American citizen, he will answer the advocates of free raw material by saying that if the Government will relieve him of his taxes so as to reduce the cost of conducting his business, he will reduce the cost of his goods when he sells them to his customers. I am opposed to relieving either the merchant or the manufacturer from taxation, but if either is to be relieved in the hope of reducing the cost of living in this country, I prefer to relieve the merchant, because he is closer to the consumer and therefore more apt to divide with him the benefit of his exemption. I do not remember a time when our adversaries have not justified a special privilege to some particular class upon the ground that at last it would be distributed through this particular class to all other classes; but this is the first time I have ever known men professing to be Democrats to give any sanction to such a plea. The proposition to filter a benefit through a special class to the general public is repugnant to every principle of genuine democracy and violates every conception of American equality. A benefit that can not be extended directly to all the people will never be enjoyed by all the people, and so long as the law confides it to a class as a sort of trustee for the public, that class will absorb the most of it and give the public but little of it.

But, Mr. President, even if we had a moral right to exempt the manufacturer from taxes in order that he might exempt his customer from excessive charges, the plan proposed would not accomplish the object which its supporters have in mind; or, at least, it would not accomplish that object if the Democratic party has been right on this tariff question. We have always claimed—and I believe that we are right in claiming—that no matter how much or how little it may cost the manufacturer to produce his goods, he will charge the American people as much for them as he can without subjecting himself to foreign competition. We have always insisted that the tariff, and not the cost of production, is the standard according to which the price of manufactured goods is fixed. Every Democrat in both Houses of Congress who has spoken on this question during this long debate has predicated his opposition to the pending bill upon the ground that its high duties are levied for the purpose of excluding foreign manufactures from our markets, and thus enabling the domestic manufacturer to obtain unfair and unconscionable prices for his goods. We have repeatedly and explicitly contended that the manufacturers are not content to reimburse themselves for the cost of producing their goods, with a fair profit added, but that, protected against foreign competition by high tariff duties, they will prey upon the American consumer without conscience and without remorse. I have not, myself, spoken these things without believing them, and I refuse to reverse my opinion unless some better reason can be given for doing so than I have yet heard or read. Having always taught that the manufacturer looks to his immunity from competition, and not to the cost of production in fixing the price of his goods, I will not now stultify myself by making a conflicting argument with respect to raw material. If it be true that the cost of production, and not the tariff, regulates the price of manufactured commodities, then we have been wrong in charging that the tariff enables all manufacturers to practice extortion against the people; and the Republicans have been right in claiming that these high duties do no more than to insure the manufacturer a fair profit on his business.

This same argument is sometimes stated in a slightly different form, and we are told that if we charge the manufacturer a tax on his raw material he will charge it back to those who purchase his finished product. Everything that I have just said in reply to the same argument stated in the other form is applicable to this, but out of an abundant caution, and even at the risk of being a little tedious, I will ask the Senate to hear me while I briefly expose this fallacy. Here again I answer that the manufacturer will add, according to the Democratic theory, all that the tariff will permit to the price of his goods without the slightest regard to the cost of production; and, therefore, his price would be exactly the same whether he pays a duty on his raw material or not. That answer is sufficient for me and it will be sufficient for every other man who believes what the Democrats say about the effect which a tariff duty exerts over the price of every article on which it is levied; but, sir, that is not the only answer. If the manufacturer ought to be relieved from his taxes upon the ground that he will collect it back from the people who buy his goods, then everybody else ought to be relieved from taxes for that same reason. That argument would relieve every railroad in America from all taxation, because the taxes which they pay are a part of their operating expenses, and the courts have more than once decided that they are entitled to charge passenger and freight rates sufficient to cover all expenses, including taxes of every kind, plus a fair return on their investment. When the merchant comes to price his goods he includes his taxes with all other items of expense, and calculates on receiving enough when he sells them to repay their original cost, together with the full expense of conducting his business, including his taxes, and a fair interest on his capital. I marvel that any man is so simple-minded as to think that

the manufacturer ought not to be required to pay a tax because he adds it to the price of his goods, for the most superficial examination of that question will satisfy any student that the same argument can be made in behalf of every taxpayer in America, save and except the American farmer, and the reason he can not always add his taxes is that he is compelled to vend his products in the open markets of the world where competition alone determines the price which he receives.

There are other Democratic advocates of this doctrine who say that we have reached a point in our industrial development where it has become necessary for us to find a market elsewhere for our surplus goods, and they tell us that by removing the tariff on raw material we will so far cheapen the cost of production that our manufacturers can successfully compete in foreign markets. The answer to that argument, if it can be called an argument, has always seemed so plain to me that I have been surprised that intelligent men would urge it. In fact, the answer is so plain that I have more than once reexamined it to see whether or not I had not overlooked some element of it; but the more I have examined it, the more thoroughly I have been convinced that I understood it from the first, and that it is even less tenable than the other argument. Let us analyze it for a moment and see how long it will stand the scrutiny of common sense. Let us admit that with his raw material free of tax the manufacturer can produce his goods so cheaply that he can send them into the open markets of the world and successfully compete with the manufacturers of every land. My answer to that is simply this: That whenever American manufacturers with raw materials free from duty can make their goods so cheaply that, after paying ocean freights and insurance on them, they compete successfully with foreign manufacturers in the markets of the world, then, sir, they can successfully compete in our own markets against foreign goods, which have paid ocean freights and insurance. In other words, whenever our manufacturers can pay ocean freights and insurance and sell their goods in other countries at a profit, surely they can sustain themselves at home against competitors who have paid ocean freights and insurance in bringing their goods to this country. This being true, I will gladly help the manufacturers repeal the duty on their raw materials whenever they will help me repeal the duty on their finished products.

If this were merely a contest between the men who produce and the men who manufacture raw material, I would stand resolutely for the equal taxation of both, and I would insist that the manufacturer has no right to buy farm products free from duty and then collect a duty on them in the manufactured state, thus enabling him to collect from those to whom he sells his goods a tax which he had never paid to the Government. To make it certain that I do not leave my position obscure, let us resort to an illustration. The woolen manufacturer under this bill will enjoy an average duty of nearly 60 per cent on the value of his finished product. Now, sir, the value of that finished product represents the price of the raw material, the labor cost, and a return on the capital invested in his business, which means that the manufacturer has the power to collect 60 per cent on the value of that wool when made into cloth, although he would not, if wool were free, pay one cent of tax on it when he bought it.

But, Mr. President, there is another and a larger aspect of this case, and it concerns millions who neither produce the raw material nor manufacture it. These are the consumers, who are forgotten too often in our deliberations. Those consumers would be greatly benefited if every thing they buy could be placed on the free list; but, of course, the necessities of the Government will never permit Congress to go that far, and the most that we can hope to do is to emancipate the commonest necessities of life from tariff taxation. The Government must have so much money, and there are certain commodities from which it must be collected. Fortunately, all that is needed can be raised without taxing every article, and, therefore, we are able to put many articles on the free list. Bearing in mind, however, that it is impossible to put all articles there, we must understand that whenever we exempt some articles from a tax we render it all the more difficult or impossible to exempt or even to reduce the duty on the others. Every man of sense knows that we could not collect enough to support the Government if we were to exempt from tariff duties all the necessities of life and every raw material of the manufacturer. Some of them may be free, all of them can not possibly be so, and every time we transfer a raw material to the free list we are compelled to keep some necessary of life on the dutiable list. Regarded in this way, sir, this whole matter resolves itself into a struggle between the necessities of life and the manufacturers' raw material for a place on the free list; and in that struggle I do not hesitate to espouse that policy which would exempt what poor men must buy for the sake of decency and comfort, as against the things which rich men buy merely for the sake of the profit which they can make out of them.

Mr. President, I do not myself think it necessary to dwell longer upon this subject, but in deference to my friends who think I ought to do so, I will endeavor to further demonstrate the unsoundness of this free raw-material doctrine by showing that it will not, even in particular cases, produce the result at which its supporters aim. Naturally and properly, if I am to deal with particular cases, I prefer to deal with those which have recently become the subject of an active controversy, and I will consider them according to the order in which they have been presented to the Senate.

FREE IRON ORE.

The first motion involving this direct question was the one transferring iron ore to the free list. That motion was supported by Senators, respectable in number as well as in character and ability; but none of those who voted for it have up to this hour contended that, on principle or as a general rule, the manufacturer's raw material ought to be exempted from tariff duties, and they made an exception in that particular case to meet what they consider an exceptional condition. It will be observed, however, that their argument in favor of free iron ore confirms and supports my general objection to free raw material, because it is based on the proposition that to place iron ore on the free list would confer a favor on the independent steel companies, and thus strengthen them in their contest against the steel trust. This purpose appeals to me as strongly as it does to any Senator in this Chamber, and, notwithstanding my aversion to the use of the taxing power for any except a revenue purpose, I might attempt to remedy this special evil by this special treatment if I could be satisfied that the means are adapted to the end.

But, sir, can this evil be reached and corrected in the manner proposed? I do not think it can, but before pronouncing a final judgment let us analyze the case until we thoroughly understand it. The belief that free ore will help the independent steel corporations and hurt the steel trust is based upon the fact that the independent companies are compelled to buy their ore, while the steel trust owns an enormous quantity of iron lands and produces its own ore. There is a very wide difference of opinion as to the extent of the iron lands which the steel trust owns. Several Senators in the course of this debate have stated it as high as 80 per cent of the known supply, while others who are well informed declare that it is less than 25 per cent; and this latter estimate is supported by the letters from independent steel manufacturers which the Senator from Kentucky [Mr. PAYNTER] submitted to the Senate a few days ago, and also by the statement of the Senator from North Carolina [Mr. SIMMONS], which I will print as an appendix to what I am now saying. But whether the first statement or the last one is correct is not a matter of any importance in deciding this immediate question. Of course, I do not mean to say that it is not vastly important in other respects for us to consider how far the steel trust has monopolized our iron lands, and I have gone far enough into that question to satisfy myself that they own more than is consistent with the highest welfare of this country. Indeed, I am so thoroughly persuaded that their holdings are contrary to the law and to the public good that if I were the Attorney-General of the United States I would institute a suit to dissolve that corporation upon the ground that it is a monopoly, and I would call its officers to answer in the criminal courts for their misconduct. But all of this is aside from the question which we are now considering. The question at this moment is whether we can curb or tend to curb the rapacity of the steel trust by placing iron ore on the free list. That we can not accomplish that result is perfectly clear to my mind, and my conclusion has been reached by a process of reasoning so simple and direct that I can not conceive how any thoughtful man can escape it.

I do not believe that any tariff duty can materially affect a commodity in the hands of a corporation which has already bought it and which does not intend to sell it. I understand, of course, that the tariff can seriously affect the price of any commodity—whether a raw material or a finished product—which is to be bought or to be sold; but it is as plain to me as the alphabet that the manufacturer who has bought and paid for his raw material can neither be helped nor hurt by any adjustment of the tariff upon it. Two exceptions to that rule might occur under extraordinary circumstances. If Congress could pass a law that would make it more profitable for the steel trust to sell its iron ore than to manufacture it, of course, that corporation would be aided by our legislation; or if Congress could pass a law that would enable the steel trust to buy iron ore for less than it could produce it from its own lands, the steel trust would undoubtedly close its mines and buy its iron ore. And they would be all the more certain to pursue that policy if it be true that they practically control the iron-ore supply of the

United States, for they would not only make an immediate saving by buying their raw material cheaper than they could produce it, but they would help in that way to complete their monopoly by exhausting the other sources of supply, thus serving a double purpose.

But both the sale of the raw material which the steel trust owns and the purchase of raw material from others are so remote that they need not be taken into account, and we must legislate with respect to the conditions as they exist and as they are practically certain to continue. We may safely assume that iron ore will never become so cheap that it will pay the steel trust to buy it rather than to take it from their own mines, and we may assume with equal safety that iron ore will never command a price which will tempt the steel trust to sell it instead of using it. We must therefore decide this question upon the theory that the steel trust will neither sell ore to others nor buy ore from others, and that it will keep its entire supply and manufacture it into steel products of various kinds. That being true, it must be a matter of absolute indifference to that corporation whether Congress levies a duty on iron ore or places it on the free list; for whether iron ore be cheap or high, the steel trust will neither buy nor sell it, and a given quantity of it can be converted into precisely the same number of steel rails, whether it is worth $1 a ton or $3 a ton. The raw-material end of that transaction is, as it were, a closed chapter, and the only thing which concerns the profits or the prosperity of the steel trust is the price for which it can sell what it makes out of its iron ore.

Every man of ordinary sense perfectly understands that in his own affairs, after he has bought and paid for an article which he intends to consume and not to sell, it can not possibly affect him one way or the other whether that article rises or falls in price; because a high price does not make it go further in the economy of his home, nor will a lower price reduce the uses of it. What is true with every man, and in respect to every article, must be true with respect to iron ore and the steel trust. Let me restate my proposition, and then I am through with this aspect of it. If the steel trust sold iron ore, a duty on it would increase its price and help that corporation; if the steel trust bought iron ore, a duty on it would increase its price and injure that corporation; but as the steel trust neither buys nor sells iron ore, a duty on it can not in any way affect that corporation.

WILL NOT BENEFIT THE PEOPLE.

I will now examine that branch of the argument which claims that free iron ore will operate as an indirect injury to the steel trust by helping the independent steel corporations. It is perfectly clear to my mind that a remission of the duty on iron ore will save to the independent steel companies the full amount which they pay to the Government in duties on imported ore, and will also save them something on the price of the domestic ore which they purchase; but it is equally clear to my mind that we can neither hurt the steel trust nor help the American people by increasing the profits of the independent steel companies. As between the steel trust and the independent companies, my sympathy is with the latter; but I do not feel at liberty to employ the agency of this Government to help one group of millionaires in a contest with another group of millionaires, unless I can secure some concession to American consumers by doing so.

I have been told that by conferring this special favor on the independent steel companies we will stimulate their competition against the steel trust, and thus secure a substantial benefit to our constituents. That argument requires us to give certain corporations a privilege to which they are not entitled, in order that the American people may enjoy a right to which they are entitled. But waiving, for the moment, this question of principle, and assuming that we would be justified in exempting those corporations from their taxes in order that the people may enjoy the benefit of their competition against the steel trust, we have a right to know before consenting to such an arrangement that we are certain to obtain the advantage for which we are asked to pay such a price. Mr. President, every Senator in this Chamber, and every intelligent man in this country, knows that there is only a semblance of competition between the steel trust and these so-called "independent companies." My information is that their price lists read like copies of each other, and this fact has led to the open charge that there is an agreement between them.

Indeed, Mr. Carnegie and Mr. Schwab, who know more about the steel industry of this country than any other two men of this or of any other generation, have both admitted that there is no real competition. The Senator from South Carolina [Mr. TILLMAN] several days ago laid before the Senate the statement of Mr. Carnegie, and the Senator from Michigan [Mr. SMITH] has just called my attention to the testimony of Mr. Schwab to the same effect.

In testifying before the Ways and Means Committee of the House Mr. Schwab made this statement:

> I am going to give you the exact reasons. Then we got together as manufacturers and restored the price of rails, that being one branch of their manufacture, to $28. Now, there has been no manufacturer selling rails that would dare to change that price for fear of another steel-rail war. This is true of every line of which I spoke that we had the same arrangements about.

I think, taken in connection with all he said, Mr. Schwab did not mean to admit that the steel companies had entered into this contract in restraint of trade in such a manner as would constitute a violation of the antitrust law. In fact, sir, under existing conditions, a specific agreement contrary to law is not necessary to prevent a real competition, and that is the unspeakable course of having one corporation so colossal that all others are compelled to obey its will and follow its lead, whether it goes in the right or in the wrong direction. A $10,000,000 corporation can defend itself against another $10,000,000 corporation, and where it feels itself in the right it will not shrink from a contest with even a $20,000,000 corporation; but no matter how upright and how straightforward the managers of a $10,000,000 corporation may be, and no matter how anxious they are to obey the laws of their country, they understand that a conflict with a billion dollar rival means their complete and utter annihilation. This fear is so deeply impressed on the minds of all these independent steel companies that they dare not undersell the steel trust and they are compelled to adopt and charge its prices. While some of the interested parties make different explanations of it, none of them deny that the people pay substantially the same price whether they buy from the independent steel companies or from the steel trust. Whether this fact is explained upon the ground that these small companies dare not provoke a price war with the steel trust, because they know that in such a contest they would be driven from our market places and their business destroyed; or whether it is in pursuance of agreement—and I have stated both explanations without adopting either—the fact remains that the independent steel companies do not compete against the steel trust for the patronage of the American people, and therefore we would not have obtained the competition which we sought even if we had remitted the taxes which those rich and powerful corporations ought to pay. These companies seem small when compared with the billion-dollar steel trust, but only a few years ago they would have been regarded as commercial outlaws themselves; and why shall I vote money out of the Public Treasury to increase their profits, when it is admitted that they do not compete against the steel trust, but share in the extortions which it practices on the American people.

To construe the Democratic demand that trust-controlled articles shall be placed on the free list as requiring us to exempt raw materials from duty is to make our party ridiculous in the eyes of all intelligent men. Such a law will neither hurt the trusts nor help the people, because it will not increase the manufacturer's cost of production or reduce the price of his finished product. So far as the Democratic party can deal with the trust question through tariff legislation it would remove tariff duties from the finished products, because that will reduce their price, thus hurting the trusts and helping the people at the same time. As every Senator knows, I hold tenaciously to the opinion that the only way to destroy the trusts now in existence and to prevent the formation of others is to send the men who organize and operate them to the penitentiary, and I am confident that the next few years will bring all men to concur in my opinion. But while I am waiting for that time to come, and ignoring the embarrassment which will arise from the loss of revenue, I am ready to put the finished product of every trust in America on the free list; but I utterly refuse to insult the intelligence of my countrymen by asking them to believe that I can help the people by levying a duty on what they buy from the trusts or that I can hurt the trusts by removing the duty on what they buy from the people.

FREE LUMBER.

Again, Mr. President, a majority of the Democrats in the Senate voted against the motion transferring lumber to the free list, and we have been assailed with much declamation upon our refusal to give the people free homes. I have no doubt that a large majority of the men who have joined in this clamor honestly believe what they say; but while I thus pay tribute to their sincerity, I can not be so generous in conceding their intelligence. Those who complain most bitterly seem to proceed on the assumption that lumber is only used for the purpose of building homes. They seem to forget that

the railroads and other great corporations buy and use more lumber every year than all the cottage builders in the land, and that free lumber would be as much a benefaction to them as it would be to the home builders. They also forget that the very poor people are not the ones who buy lumber to build homes, for they are not able to do so. For that reason it is a monstrous piece of nonsense for us to say that we would have acted justly and wisely in removing the tax from those who are able to build houses, while leaving a tax on the food and clothing of the people who are too poor to enjoy the inestimable blessing of their own home. I will be glad to give all the people who use lumber, both rich and poor—though the very poor do not buy it—the benefit of free trade in lumber whenever it is possible for me to do so; but I will never consent to do that until I have first removed the tax from those things which the poorest man in America is compelled to use, nor until I have taken the tax from every tool and implement with which the mechanic and the farmer must make their living. But even if lumber were only used for building homes, you could not ask those of us who believe in equal taxation to vote for free lumber unless we could at the same time place everything which enters into the construction of a home on the free list. The hypocrisy, or, perhaps, it would be better to say the lack of information, on the part of those who complain at our vote against free lumber and declare that we are opposed to free homes is manifest when we remember that the motion of the Senator from Alabama [Mr. JOHNSTON] to put lumber, together with every other article required in building a home, on the free list was rejected by an overwhelming majority, thus making it plain that in this Congress at least the only part of a home which even a fraction of the majority were willing to make free was that part of it which comes from the forest. How could I answer to my judgment and my conscience as a Democrat for voting to put lumber on the free list while glass, hardware, cement, paint, and every other necessary material are subject to a duty of more than 30 per cent? The present duty on rough lumber is less than 12 per cent, and will you ask me to repeal even that moderate tax, while I have no earthly hope of repealing the duty of more than 75 per cent on window glass which goes into that same home?

The cost of lumber in an average home is between 20 and 25 per cent of the whole. It is much more in some buildings and it is much less in others. In a home that would cost $2,000, the lumber bill would be about $500, and the duty would be less than $60. I would be glad to remit that $60 to the home builder, and I will cheerfully do so whenever I can at the same time repeal the duty on the window glass, nails, locks, mortar, and every other article needed in that construction; and when that time comes, I shall go one step farther and ask to take the tax from the carpenter's tools with which the house is built. It is not just and fair to take the tax off a man who is able to build a $10,000 home until you have first taken the tax from the tools of the mechanic who is compelled to build that home in order to make a living for his wife and children.

Mr. President, for whose benefit are we asked to put lumber on the free list? The time may come when other sections will be benefited by it, but at present, and during the life of this tariff law, the only people who would derive any advantage from the removal of the lumber duty would be those who live along the Canadian border. And what right have they to ask of us that we give them the advantage of free trade in this particular article? Do they not demand a protective tariff upon the meat and the breadstuffs which they produce? Do they not vote for these high duties on manufactured articles? With the single exception of lumber, which they do not produce and which they must buy, they are extreme protectionists, and they favor no free trade except where they themselves can enjoy the benefit of it. I am actuated by no narrow prejudice and my mind is free from every taint of sectional animosity; but, sir, I shall never consent to give free trade to a people who impose protection on everybody else. I shall resolutely stand here and insist that those who apply protection to others shall not be suffered to escape it themselves.

But, Mr. President, if we were to repeal the duty on lumber and admit it without the payment of any tax, even the people who live along the Canadian border would obtain but a small part of the benefit which they expect. Some time ago and when this agitation for free lumber first assumed the form of a propaganda, the Canadian mill owners began to prepare themselves for the event and drew their contracts in a way that appropriated one-half of the amount of the repealed duty at the very threshold of the transaction. I have here a letter which has been handed to me by the Senator from Washington [Mr. PILES]. It was written by the present governor of Vermont to the Finance Committee, and it makes the matter so plain that I desire to read it to the Senate. This is the way it reads:

> You will understand this better when I tell you that only a week ago I traded a cut of 10,000,000 feet to be shipped during next year, but before I could close a trade I was obliged to put in the contract that if the duty was changed the seller should have one-half the reduction. Where would the consumer come in on this kind of a deal?

In answer to the question, where the consumer would come in, I say without hesitation that he would come in last in this case as he does in all other cases under this tariff legislation. [Laughter.] And while Senators, honestly and patriotically striving to reduce the price of lumber to their people, would be taking $2,000,000 annually out of the public Treasury, the Canadian lumber man would be dividing it between himself and his wholesale customer, and our constituents would not only be left without cheaper lumber, but they would be left with a higher tax, because they would be compelled to supply in some other way that $2,000,000 annually that the Government had remitted for the benefit of these enterprising speculators.

But, sir, although free trade in lumber would benefit only a small per cent of our people, I might, other considerations being left aside, agree to it, if it did not injure a very much larger number of our people. In saying this, I am not taking into account the people who produce lumber, and I am not advocating protection, either direct or incidental, for them. I do not advocate protection on what my people sell and demand free trade in what they buy. I will not vote for taxed hides and free iron ore. The article governs me and not the place in which it is produced. I am not, therefore, influenced in the least to oppose a repeal of the duty on lumber by the circumstance that with two exceptions Texas is to-day the greatest lumber-producing State in the Union. My attitude is determined by a wholly different consideration, and that consideration is simply this: The Government of the United States is now collecting on the importation of rough lumber and shingles more than $2,000,000, and I know perfectly well that if this $2,000,000 of revenue should be surrendered by placing rough lumber and shingles on the free list, it will instantly become necessary to raise an equal sum from those articles which are still left on the dutiable list. Free lumber, therefore, would not relieve the people from this $2,000,000 of taxes, but so far as it might relieve anybody it would simply relieve that part of the people who now buy Canadian lumber, and transfer the burden wholly to those who buy other articles; and the advantage which my people enjoy in their natural location would be taken from them by a special law.

Of this $2,000,000 which the Government now collects on lumber, the people of Texas do not pay one farthing, because not one foot of Canadian lumber is consumed in Texas. But, sir, if this lumber duty is repealed and that $2,000,000 which is now collected upon lumber is to be collected from clothes and hats and shoes and all the implements of labor, then my people will be compelled to pay more than they are paying now toward the support of this Government. Let no man say that I am opposing free lumber because other people pay the tax on it and my people pay none. I do not profess to be indifferent to that consideration, but it would not control me if I felt that Texans were escaping their just burden. I know perfectly well that, as the matter now stands, my people, receiving the benefit of no protection and bearing the burden of every protection, will simply have the injustice against them aggravated by the repeal of a tax which from the fortunate circumstance of their location they are not required to pay, because if we take the tax from this particular article which they do not import it will be necessary to make it up on other articles which they do import. Nor, Mr. President, does the duty on lumber increase the price of lumber which is not imported to the people of Texas. The freight charge on lumber from Canada is so high that it is impossible for it to be brought to Texas, and therefore Canadian lumber can never reduce the price of lumber in any Texas market. It is a truth patent to all that an article which can not compete in a given place can not affect prices in that place.

It is sometimes contended by certain people that if Canadian lumber is let in from the north, thus meeting southern lumber in the markets of Illinois, Iowa, and Nebraska, the effect will be to reduce the price all along the line down to the source of supply at the southern mills; but the men who argue that way have little knowledge of commercial sagacity or commercial practice, for the effect would be precisely the reverse of what they anticipate and teach. It is a maxim as old as trade that whatever reductions are made in competitive markets are always reimbursed in noncompetitive markets. In other words, and in plain words, if a southern mill owner is compelled to sell his lumber in Chicago to meet the competition of Canadian lumber there, he will repair the Chicago losses just as soon as

he reaches a market where Canadian lumber can not compete against him; and the men who think that they could reduce the price of lumber to the consumers in our Southern States by subjecting southern mill owners to Canadian competition in the Northern States are profoundly mistaken. Such conditions would reduce the price of southern lumber in northern markets; but if it exerted any effect at all on the price of southern lumber in southern markets, an increase would be the result.

WILL NOT TEND TO PRESERVE FORESTS.

Another argument which has been advanced in favor of free lumber is that it will help to preserve our forests. It sounds somewhat strange to hear Democrats declare that taxes should either be levied or remitted upon considerations wholly apart from the question of revenue; but without pausing to remind those who press that argument that it might estop us from maintaining our old contentions, I prefer to make the other and more conclusive answer that if free lumber will influence the preservation of our forests at all, it will be exactly the reverse of what its advocates assume. Mr. President, if a man requiring a given article has two sources of supply and the two sources combined contain a given quantity, he will exhaust the two sources of supply neither sooner nor later by drawing from one or the other at any particular time. It might be more convenient and more economical to utilize one source at a particular time; but on the question of exhaustion, it would be wholly immaterial. Suppose we test this matter by an individual illustration. I am rather partial to that method of argument because it tends to make matters plainer than even the most obvious rules of logic. Let us suppose that a farmer had two woodlands for his own consumption, one near his house, and the other at some distance. Will anybody contend that he could increase the quantity of his wood by cutting it from one of those tracts rather than from the other? Plainly he could not, and what would be true in the case of that farmer is true in the case of the United States. Starting with the proposition that the timber lands of Canada and the United States must supply the lumber demands of both countries, then it is absolutely immaterial as respects the final consumption of the total supply whether we draw lumber from Canada or they draw lumber from us. Obviously, it would cost the Canadian people more to get lumber from us than to buy it at home and, obviously, it would cost the people of Texas more to buy lumber in Canada than to buy it at home; but while the place at which any given community might purchase its lumber would seriously affect the price, it would exert absolutely no influence whatever over the other question.

Many of those who advocate free lumber contend that by removing the tariff we would reduce the price of lumber, and they talk as if that would discourage the waste of it. Mr. President, the effect of cheap lumber on the preservation of it would be exactly the opposite of what these men claim. It is as true of lumber as it is of everything else, that the cheaper it is, the less careful we are in preserving it. The owner of a woodland would cut down a tree worth a dollar to serve any mere whim or convenience, when he would not think of cutting down that same tree under the same circumstances if it were worth ten dollars; and it is a strange kind of reasoning that can lead any man to conclude that by reducing the value of our timber it will make the people who own our forests more careful to preserve them. Unless the experience of every man is at fault, such a law will utterly disappoint the expectations of its advocates, and will inevitably produce a different result from what they hope. I must not be understood as saying that high lumber is desirable. I do not think that, and I have not said that; but, I do think, and I have said, that you can never make a people take better care of anything they produce or own by diminishing its price. It is the philosophy of human nature and the invariable course of human conduct that we are more careful against wasting our possessions as they increase in value; and, if that be true, the argument that free lumber will reduce its price and thus tend to a better preservation of our forests is worse than fallacious. Men who are familiar with the improved methods of lumbering in our southern pine-timber sections have witnessed this principle in operation. Not only are our sawmills more careful in cutting trees than they were before the great advance in the price of timber lands, but they make merchantable lumber now out of parts of trees which were formerly used as fuel; and not only at the sawmill, but everywhere the same economy is practiced in the use of lumber. The builder no longer wastes it as he did when it was cheap, but every plank is now made to go as far as possible, and many are used to good advantage which were formerly thrown away.

FREE HIDES.

Mr. President, the third and last of the propositions involving this question of free raw materials which I shall discuss is the one relating to hides. What has been said in reference to iron ore could be repeated in answer to a large part of what is urged in behalf of free hides; but there is one distinguishing feature between the two articles. In the case of iron ore, so far as the trust controls it at all, it controls it through the ownership of the lands which produce it, and the ore comes directly to the steel-trust plants without passing through the hands of any other person; but that is not the case with hides, as they are produced by the farmers and ranchmen of the country, and pass to those who purchase cattle on the hoof. In this way the packing trust, which is alleged to control the hide market, is a purchaser as well as a seller of hides, and this circumstance reduces hides to practically the same situation as iron ore, because the same duty on it when the packers purchase a hide remains on it when they sell it, and, consequently, what they lose in buying they gain in selling.

We may, therefore, dismiss that phase of the question as having been disposed of already, and address ourselves to the argument that a tax on hides is a tax on shoes. It is a curious coincidence that this school of free traders always apply their doctrine at the wrong end of the transaction. Of course, a duty on hides will increase their price to the manufacturer; but it is certain that to repeal the duty on hides will not decrease the price of shoes to the consumer; and why should these so-called "free traders," who so loudly proclaim their solicitude for the American consumer, always exert themselves to remove the tariff where it will do him no good? The people of the United States do not use hides; they wear shoes, and they use leather in various other manufactured forms, but only the tanners and manufacturers buy raw hides; and, consequently, the removal of the duty on raw hides simply lifts the burden from the tanners and the manufacturers, while to remove the duty on shoes and other leather products would inure to the benefit of every man, woman, and child in America. What answer will these men make to the intelligent people of the United States for professing to watch after the interest of the consumer and yet confining their efforts to the relief of the manufacturer?

If I were vested with power to repeal any duty, I would not repeal the duty on hides until I could also repeal the duty on shoes and leather goods. I would not repeal either until I could repeal both, and I would either have free trade in everything made out of hides, or else I would lay a revenue tariff on the hides. I can not comprehend how a Democrat can think that he is relieving the consumers of this land from the exactions and oppressions of the manufacturers by voting to take the duty off of what the manufacturers buy from the people and still leaving a duty on what the people buy from the manufacturers. That kind of a man may be a free trader, but he is a free trader in spots; and the misery of it all is that he selects the factories of this country as the spots where he applies his free-trade doctrine. I have sometimes doubted the sincerity of the men who denounce the greed of American manufacturers and then gratify that greed by exempting those same manufacturers from the taxes which everybody else is required to pay. If they really believe that one class is robbing all other classes, they ought to punish the robbers and not the victims.

But, Mr. President, conceding for the purpose of this argument that to remove the duty on the manufacturer's raw material does reduce his cost of production, and would, as a general proposition, reduce the price of his manufactured articles, no such result could or would ensue in this particular case, because the saving on each pair of shoes, and every other leather product, would be so small as to be incapable of distribution among consumers. A pair of shoes made out of duty-paid hides will cost about 4 cents more than a pair of shoes made out of free hides. Does any man who is at all familiar with the shoe trade believe that the people who wear shoes would receive the benefit of the 4 cents which the manufacturers would save in making shoes? Plainly, sir, they would not, and that for several reasons. Even if shoes were sold at odd cents the manufacturer would not surrender to the consumer all which the Government had given him; but when we reflect that the price of shoes runs in even numbers, like $1.50, or $1.75, or $2, or $2.50, and so on through the entire list, we must be credulous indeed if we think that the shoe manufacturer would rearrange his scale of prices to meet such a small saving in the cost of production. The sum of it all would simply be that the Government would lose the net revenue of $2,200,000 which the duty on hides now yields, and the people would receive no rebate on their shoes. That $2,200,000 would not only be diverted from the Public Treasury into the private coffers of the tanners and the shoe manufacturers, but the people would be called upon to supply an equal amount of revenue by an increased tax on other articles of common use.

I concede that the Democrats who advocate free hides desire as earnestly as I do to reduce the price of shoes and all

leather goods to the people of this country; but I can not concede that they know as well as I do how to accomplish what they desire. They seem to think that the proper method is to first reduce the manufacturer's cost of production and then reduce the duty on the finished product. That will, undoubtedly, reduce the price of the finished product to the ultimate consumer, but there is another and a much juster way to reach the same end. That way is this: Instead of relieving the manufacturer from all tax on his raw material and relieving the people from only a portion of the tax on his finished products, thus leaving the manufacturer's profit as high as ever and compelling the producer of the raw material to lose all that the people gain, I insist that both the producer of the raw material and the manufacturer of the finished product shall be compelled to share in the reduction which I seek to make in behalf of the whole people.

IN CONCLUSION.

Mr. President, I could have avoided all controversy by quietly voting for every motion to place any article on the free list, but, sir, I could not purchase immunity from criticism by such a course, and I would despise myself if I could prefer peace with others rather than peace with my own judgment. Had I voted to put iron ore, and coal, and hides, and lumber on the free list my votes would have caused no special criticism, because I am one of a minority, and, therefore, not responsible for what this body does. But, sir, I look hopefully toward the day when we will have a majority here, and I shall then be in a position to do exactly what I have said now ought to be done. I will not be compelled to vote when my vote becomes a potential factor in framing a tariff law against what I have voted now, nor can the Democratic party in the years to come upbraid me because I have helped to make a record for it against its principles and traditions. When we have passed from this high theater and have been gathered to our fathers, no Democrat who has studied and who understands the history of our great party can ever charge that I have helped to destroy the ancient landmarks which our fathers set in this inheritance. They may say that I was wrong; but, if they do, they must admit that I have erred in following the immortal men who led the Democratic party when it wrote the most glorious chapters in the history of this Republic. At their side I stand, and with them I am ready to be judged, declaring, as I have always done, and as I shall do with my latest breath, that the sum of all good government is comprehended in the maxim that all shall enjoy equal rights, and none shall have special privileges. When my course is run there may be many who will think that I have not fought a good fight, but there shall be none who can justly say that I have not kept the faith; and I would not exchange that consciousness for all the offices which demagogues have ever won by a servile flattery of the people.

Mr. SIMMONS. Mr. President——

The PRESIDING OFFICER. Does the Senator from Texas yield to the Senator from North Carolina?

Mr. BAILEY. I do.

Mr. SIMMONS. I have seen various statements in the newspapers to the effect that since the time referred to by the Senator the United States Steel Corporation has acquired a monopoly of the iron ore of this country, and that, therefore, a vote for a duty on iron ore was in the interest of that trust. I have here—and if it will not interrupt the Senator too much I will refer to it—a statement made by the United States Steel Corporation itself with reference to the amount of iron ore controlled by that corporation in this country. I have also a statement made by the Conservation Commission, giving the entire amount of iron ore in this country, and, if it will not interrupt the Senator too much, I should like to read briefly from that statement.

Mr. BAILEY. Very well.

Mr. SIMMONS. Here is the statement made by the United States Steel Corporation. It is claimed that that corporation owns 1,717,589,000 tons of available ore and 604,845,000 tons of low-grade or nonavailable ore, making a total holding of the United States Steel Corporation of 2,322,434,000 tons. I have here an abstract of the report prepared for the Conservation Commission by C. Willard Hayes, Chief Geologist, United States Geological Survey, in which the statement is made that the total amount of available iron ore in this country to-day is 4,788,150,000 tons, and of nonavailable iron ore 75,116,070,000 tons. "Nonavailable ore," as I understand, means ore not at present profitable to work; but all of the so-called nonavailable ores are rich in metallic iron and as desirable in a mixture as the majority of the ores used in this country or abroad. They are also "nonavailable" by reason of the lack of transportation facilities and the lack of proper openings and workings necessary to mine these ores. All of this will come in due time.

Now, Mr. President, taking the figures of the United States Steel Corporation, the available ores owned by it, to wit, 1,717,589,000 tons, it will appear that the Steel Corporation owns 38½ per cent of the available ore in this country. Figuring all the iron ore of all kinds, available and nonavailable, amounting to 79,186,000,000 tons, and figuring that the United States Steel Corporation, according to its own figures, owns 2,323,434,000 tons, the percentage of iron ore in the United States owned by the United States Steel Corporation is less than 3 per cent of all the ore of this country.

Mr. BAILEY. Mr. President, I thank the Senator from North Carolina [Mr. SIMMONS] for contributing this information. I shall, a little later in this discussion, address myself particularly to the question of iron ore, and if the Senator from North Carolina will permit me, I should like the privilege of inserting these figures as an addition to my speech.

Mr. SIMMONS. I only give the totals.

Mr. BAILEY. I think that in one view the Senator has presented a very important matter, and as I would like to have it go to those who do me the honor to read this speech, I will use it as an appendix.

Mr. NEWLANDS. Mr. President, the President of the United States has recommended to Congress an excise tax upon all corporations, measured by 2 per cent of their net income, and states that in his judgment this will yield the Treasury not less than $25,000,000. He urges as an additional reason for this form of taxation that it will bring the knowledge of the real business transactions and the gains and profits of every corporation within the knowledge of the Government, and thus a long step will be made toward that supervisory control of corporations which may prevent further abuse of power.

MORE REVENUE NECESSARY FOR CONSTRUCTIVE WORK.

I am in sympathy with the movement for increasing the revenue of the country. While I believe that some reforms may be established in the administrative work of the country which will reduce the national expense, I have little confidence in the Government pursuing this line of reform so continuously as to relieve the present deficiency in the Treasury. I fear that economy will be mainly exercised where it ought to be least exercised—in the diminution of the constructive work of the country.

In addition to the constructive work on our fortifications, our warships, the Panama Canal provided for by bonds, and the reclamation of arid lands provided for by a special fund secured from land sales, the country is demanding that we should enter upon broad and comprehensive plans for the improvement of our inland waterways and for the construction of public buildings under a system of expert organization which will take public projects, as it has taken the patronage of the country, out of the spoils system. A reasonable estimate for the improvement of our rivers is $50,000,000 annually and for the construction of public buildings $30,000,000 or $40,000,000 annually, a total of something less than $100,000,000 annually.

We must therefore have more revenue; and, as the taxation of the Government is levied almost entirely upon consumption, it is right that we should reach out for the fixed wealth of the country in some form, either through income, corporation, or occupation taxes.

While I favor and shall vote for the immediate passage of a graduated income tax, the constitutionality of which may be tested before the Supreme Court, I realize that there is little chance of its adoption, and therefore I favor a constitutional amendment providing for a graduated income tax, and I favor also present legislative action imposing an excise tax in such form as to reach the great accumulated wealth of the country, or its earnings, engaged in corporate enterprise, as an easy and effective way of securing a considerable revenue, and also of securing, through publicity and otherwise, such supervisory control by the National Government as can be constitutionally exercised over corporations.

SPRECKELS SUGAR REFINING COMPANY V. M'CLAIN.

The President bases his recommendation upon the case of Spreckels Sugar Refining Company *v.* McClain (192 U. S., 397), in which the excise tax imposed by section 27 of the war-revenue act of 1898 on the gross receipts of "every person, firm, company, and corporation carrying on or doing the business of refining petroleum or refining oil" was upheld. I ask leave to insert in the RECORD that portion of the decision of the Supreme Court in this case which overrules the objection that the tax was a direct tax and therefore required apportionment.

The PRESIDENT pro tempore. Without objection, leave is granted.

The matter referred to is as follows:

"The contention of the Government is that the tax is not a direct tax, but only an excise imposed by Congress under its power to lay

and collect excises which shall be uniform throughout the United States (Art. I, sec. 8). Clearly the tax is not imposed upon gross annual receipts as property, but only in respect of the carrying on or doing the business of refining sugar. It can not be otherwise regarded, because of the fact that the amount of the tax is measured by the amount of the gross annual receipts. The tax is defined in the act as 'a special excise tax,' and therefore it must be assumed for what it is worth that Congress had no purpose to exceed its powers under the Constitution, but only to exercise the authority granted to it of laying and collecting excises.

"This general question has been considered in so many cases heretofore decided that we do not deem it necessary to consider it anew upon principle. It was held in Pacific Insurance Company *v.* Soule (7 Wall., 433) that the income tax imposed by the internal-revenue act of June 30, 1864, amended July 13, 1866 (13 Stat., 223; 14 Stat., 98), on the amounts insured, renewed, and continued by insurance companies, on the gross amount of premiums received, on dividends, undistributed sums, and income, was not a direct tax, but an excise duty or tax within the meaning of the Constitution; in Veazie Bank *v.* Fenno (8 Wall., 533) that the statute then before the court, which required national banking associations, state banks, or state banking associations to pay a tax of 10 per cent on the amount of state bank notes paid out by them, after a named date, did not, in the sense of the Constitution, impose a direct tax, but was to be classed under the head of duties, which were to be sustained upon the principles announced in Pacific Insurance Company *v.* Soule, above cited; in Scholey *v.* Rew (23 Wall., 331), that the tax imposed on every devolution of title to real estate was not a direct tax, but an impost or excise, and was therefore constitutional; in Nicol *v.* Ames (173 U. S., 509), that the tax imposed (30 Stat., 448) upon each sale or agreement to sell any products or merchandise at an exchange or board of trade or other similar place, either for present or future delivery, was not, in the constitutional sense, a direct tax upon the business itself, but in effect 'a duty or excise law upon the privilege, opportunity, or facility offered at boards of trade or exchanges for the transaction of the business mentioned in the act,' which was 'separate and apart from the business itself;' in Knowlton *v.* Moore (178 U. S., 41, 81) that an inheritance or succession tax was not a direct tax on property as ordinarily understood, but an excise levied on the transmission or receipt of property occasioned by death; and in Patton *v.* Brady (184 U. S., 608) that the tax imposed by the act of June 13, 1898, upon tobacco, however prepared, manufactured, and sold, for consumption or sale, was not a direct tax, but an excise tax which Congress could impose; that it was not 'a tax upon property as such, but upon certain kinds of property, having reference to their origin and intended use.'

"In view of these and other decided cases, we can not hold that the tax imposed on the plaintiff expressly with reference to its 'carrying on or doing the business of * * * refining sugar,' and which was to be measured by its gross annual receipts in excess of a named sum, is other than is described in the act of Congress, a special excise tax, and not a direct one, to be apportioned among the States according to their respective numbers. This conclusion is inevitable from the judgments in prior cases, in which the court has dealt with the distinctions, often very difficult to be expressed in words, between taxes that are direct and those which are to be regarded simply as excises. The grounds upon which those judgments were rested need not be restated or reexamined. It would subserve no useful purpose to do so. It must suffice now to say that they clearly negative the idea that the tax here involved is a direct one, to be apportioned among the States according to numbers.

"It is said that if regard be had to the decision in the Income Tax cases, a different conclusion from that just stated must be reached. On the contrary, the precise question here was not intended to be decided in those cases. For in the opinion on the rehearing of the Income Tax cases the Chief Justice said: 'We have considered the act only in respect of the tax on income derived from real estate, and from invested personal property, and have not commented on so much of it as bears on gains or profits from business, privileges, or employments, in view of the instances in which taxation on business, privileges, or employments has assumed the guise of an excise tax and been sustained as such.'" (158 U. S., 601.)

TAX ON REFINERS OF SUGAR AND OIL, WAR REVENUE ACT OF 1898.

Mr. NEWLANDS. Mr. President, it is not my purpose to enter upon an argument either for or against the President's position. I wish simply to give the history of the legislation relating to the tax, which was upheld in the Spreckels case, and will only call attention to the fact, in passing, that while the tax which the President recommends is, as he declares, "an excise tax upon the privilege of doing business as an artificial entity and of freedom from joint partnership liability by those who own stock," the tax sustained in the Spreckels case was not of this nature, but was simply a tax imposed on the occupation of refining petroleum or sugar, whether done by a person, firm, or corporation. The reasoning of the decision in the Spreckels case may uphold the President's contention, but I wish to submit the question as to whether, in imposing a tax upon corporations which really reaches their income as much as an income tax would, it is not wise to follow the exact verbiage of the tax imposed by the war-revenue act and under consideration in the Spreckels case; and whether equally beneficial results in the shape of revenue, and equally beneficial results in securing publicity of and supervision over corporate concerns could not be secured by it.

It should be remembered that the tax imposed upon oil and sugar refiners was upon "every person, firm, company, and corporation carrying on" such business—not upon corporations alone. The Constitution declares that "All duties, imposts, and excises shall be uniform throughout the United States." If the tax suggested by the President is to be regarded as an occupation tax, the objection will probably be made that the rule of uniformity is broken by applying this occupation tax to corporations alone, and not to natural persons.

If, however, it be held that the suggested tax is, as the President asserts, "a tax upon the privilege of doing business as an artificial entity," that is to say, a tax upon the right to be a corporation, it will probably be contended that the corporate franchise is the creation of the state sovereignty; that the power to tax is the power to destroy; and that the Nation has no power, for this reason, to tax the franchise granted by the State?

I shall not attempt to enter into the discussion of these questions. I only suggest that, to avoid all uncertainty, it would be well to follow very closely the lines of the excise tax imposed upon "every person, firm, corporation, and company" engaged in the business of refining sugar or oil, and which has been approved by the Supreme Court as a constitutional tax.

It is very clear that the objections to which I have referred were had in view when section 27 of the war-revenue act was framed. That section is as follows:

WAR-REVENUE ACT.

EXCISE TAXES ON PERSONS, FIRMS, COMPANIES, AND CORPORATIONS ENGAGED IN REFINING PETROLEUM AND SUGAR.

SEC. 27. That every person, firm, corporation, or company carrying on or doing the business of refining petroleum, or refining sugar, or owning or controlling any pipe line for transporting oil or other products, whose gross annual receipts exceed $250,000, shall be subject to pay annually a special excise tax equivalent to one-quarter of 1 per cent on the gross amount of all receipts of such persons, firms, corporations, and companies in their respective business in excess of said sum of $250,000.

And a true and accurate return of the amount of gross receipts as aforesaid shall be made and rendered monthly by each of such associations, corporations, companies, or persons to the collector of the district in which any such association, corporation, or company may be located, or in which such person has his place of business. Such return shall be verified under oath by the person making the same, or, in case of corporations, by the president or chief officer thereof. Any person or officer failing or refusing to make return as aforesaid, or who shall make a false or fraudulent return, shall be liable to a penalty of not less than $1,000 and not exceeding $10,000 for each failure or refusal to make return as aforesaid and for each and every false or fraudulent return.

HISTORY OF THE ADOPTION OF THIS TAX.

This section was offered in the Senate by Senator White, of California, on the 1st day of June, 1898, as appears by the CONGRESSIONAL RECORD of that date, page 5396.

I shall ask leave to print the proceedings with reference to that amendment and the vote upon it.

The PRESIDENT pro tempore. The Chair hears no objection.

The matter referred to is as follows:

Mr. WHITE. I desire to offer an amendment, which I ask may take the place of amendment No. 177 of the bill. The object of it is, briefly, to impose an excise tax of one-fourth of 1 per cent upon the business of oil refining and sugar refining, so that the Standard Oil and the sugar trusts will be able to pay taxes under the bill, which under the present status, without this amendment, is somewhat doubtful.

The VICE-PRESIDENT. The amendment proposed by the Senator from California will be stated.

The SECRETARY. In lieu of the committee amendment No. 177, on page 59, it is proposed to insert the following:

"Every person carrying on or doing the business of refining petroleum, or refining sugar, or owning or controlling any pipe line for transporting oil or other products, whose gross annual receipts exceed $250,000, shall be subject to pay annually a special excise tax equivalent to one-quarter of 1 per cent on the gross amount of all receipts of such persons, firms, corporations, and companies in their respective business in excess of said sum of $250,000.

"And a true and accurate return of the amount of gross receipts as aforesaid shall be made and rendered monthly by each of such associations, corporations, companies, or persons to the collector of the district in which any such association, corporation, or company may be located, or in which such person has his place of business. Such return shall be verified under oath by the person making the same, or, in case of corporations, by the president or chief officer thereof. Any person failing or refusing to make return as aforesaid, or who shall make a false or fraudulent return, shall be liable to a penalty of not less than $1,000 and not exceeding $10,000 for each failure or refusal to make return as aforesaid and for each and every false or fraudulent return."

Mr. DANIEL. I wish to say a word about this tax. The great distress amongst the corporations of the country and the wealthy men, which has led them to deprecate being called on to participate in the war with Spain, is relieved to a certain extent by the condition of the Standard Oil Company. I am sure the Senate will receive with satisfaction the information that their certificates are now at the very highest rate they have ever been. It is announced in the papers this morning that yesterday they touched the highest point in their history, being worth 449. I do not think they will be put in the poorhouse by contributing a portion, a small fraction of 1 per cent, to the Government, participating in the advantages of which they have so enriched themselves.

Mr. PLATT of Connecticut. I desire to say, in a word why I propose to vote against this amendment. If it were not that a prejudice exists against two corporations, the Standard Oil Company and the American Sugar Refining Company, I think no Senator would vote for it—not one.

Mr. DANIEL. I will be glad to add any other corporation that the Senator may suggest.

Mr. PLATT of Connecticut. It is picking out from all the interests of the country two classes of business where it is absolutely certain that the corporations will not pay the tax, but that it will be paid by the consumer. There is no other business in the country where the corporations or the persons engaged in it can so surely and certainly evade the payment of the tax as in the case of the business of oil refining and sugar refining, and, what is more, the persons engaged in the business will be very careful in raising the price of oil and sugar to raise it a little more than the tax, so that the consumer will pay not only the tax, but the additional profit to these two companies.

The VICE-PRESIDENT. The question is on agreeing to the amendment proposed by the Senator from California [Mr. White].

Mr. BERRY, On that I ask for the yeas and nays.

The yeas and nays were ordered; and the Secretary proceeded to call the roll.

Mr. BUTLER (when his name was called). Under the arrangement formerly made, pairing the Senator from Maryland [Mr. Wellington] with the Senator from Missouri [Mr. Vest], I shall vote. I vote "yea."

Mr. GALLINGER (when his name was called). I announce my pair with the senior Senator from Texas [Mr. Mills], and will be pleased to exchange pairs so that the Senator from Mississippi and I can vote. I vote "nay."

Mr. HANNA (when his name was called). Under the agreement with the Senator from Indiana, I will vote. I vote "nay."

Mr. LODGE (when his name was called). I again announce my pair with the junior Senator from Georgia [Mr. CLAY]. If he were present, I would vote "nay" and I suppose he would vote "yea."

Mr. MCLAURIN (when his name was called). I announce my pair with the Senator from North Carolina [Mr. Pritchard]. If he were present, I should vote "yea."

Mr. MORGAN (when his name was called). I am paired with the Senator from Pennsylvania [Mr. Quay]. If he were present, I should vote "yea."

Mr. PETTUS (when his name was called). I again announce my pair with the senior Senator from Massachusetts [Mr. Hoar].

Mr. TILLMAN (when his name was called). Under the arrangement twice announced I will vote. I vote "yea."

Mr. WARREN (when his name was called). I again announce my pair with the junior Senator from Washington [Mr. Turner].

Mr. WILSON (when his name was called). I again announce my pair with the senior Senator from Nevada [Mr. Jones]. If he were present, I should vote "yea."

The roll call was concluded.

Mr. FAIRBANKS. I was requested by the Senator from Oregon [Mr. McBride] to announce that he is paired with the senior Senator from Mississippi [Mr. MONEY]. The Senator from Oregon is unavoidably absent. If present, he would vote "nay."

Mr. BACON. If my colleague [Mr. CLAY] were present, he would vote "yea."

The result was announced—yeas 33, nays 26, as follows:

YEAS—33.

Bacon	Cullom	Mallory	Stewart
Baker	Daniel	Mantle	Sullivan
Bate	Faulkner	Martin	Tillman
Berry	Gorman	Mitchell	Turley
Butler	Gray	Murphy	Turpie
Cannon	Harris	Pasco	White
Carter	Jones, Ark.	Perkins	
Chilton	Kyle	Pettigrew	
Cockrell	Lindsay	Roach	

NAYS—26.

Aldrich	Deboe	Hanna	Proctor
Allison	Fairbanks	Hansbrough	Sewell
Burrows	Foraker	Hawley	Shoup
Caffery	Frye	McEnery	Spooner
Chandler	Gallinger	McMillan	Wetmore
Clark	Gear	Nelson	
Davis	Hale	Platt, Conn.	

NOT VOTING—30.

Allen	McBride	Pettus	Turner
Clay	McLaurin	Platt, N. Y.	Vest
Elkins	Mason	Pritchard	Warren
Heitfeld	Mills	Quay	Wellington
Hoar	Money	Rawlins	Wilson
Jones, Nev.	Morgan	Smith	Wolcott
Kenney	Morrill	Teller	
Lodge	Penrose	Thurston	

So the amendment was agreed to.

TAX NOT ON CORPORATIONS AS SUCH, BUT ON OCCUPATION.

Mr. NEWLANDS. I ask leave to print also certain extracts from a colloquy between the Senator from Rhode Island [Mr. ALDRICH] and Senator White, in a speech made by the latter in which this very question was reached, as to whether the tax proposed by Mr. White was a tax only upon corporations, or whether it was upon all persons, firms, and corporations engaged in this particular business, and it contains the disclaimer of Mr. White that he proposes to put a tax upon corporations alone.

The PRESIDENT pro tempore. The Chair hears no objection.

The matter referred to is as follows:

[From Appendix to CONGRESSIONAL RECORD, page 504, volume 31, part 8, Fifty-fifth Congress, second session, on war-revenue bill, Thursday, May 26, 1898.]

Mr. ALDRICH. Mr. President, does the Senator from California mean to be understood as saying that the Government of the United States has ever taxed corporations as corporations at any time in its history?

Mr. WHITE. I mean to say that in the revenue law enacted during the war, Congress taxed corporations organized in the various States, and I shall in a moment turn to the section to which I allude.

Let us compare our present measure. In this bill, as proposed by the majority of the committee, it is designed to tax transportation companies a certain percentage upon their gross receipts. In the war-revenue measure the same provision was found.

Mr. ALDRICH. I was not calling the Senator's attention to the transportation tax, but to that part of the amendments of the majority of the committee which proposes to tax corporations as corporations, as distinctive entities, without regard to whether they are engaged in one kind of occupation, industry, or business, or another.

Mr. WHITE. I am discussing all the provisions of the bill regarding the taxation of corporations. I say, and the Senator from Rhode Island will not deny it, that during the war we taxed corporations a percentage largely in advance of that proposed in this bill upon their gross receipts.

Mr. ALDRICH. We undoubtedly taxed certain industries, occupations, and employments; and if corporations were engaged in those industries, occupations, or employments, they paid their taxes as individuals paid them. But this is the first attempt in the history of the Government to tax corporations as corporations.

Mr. WHITE. If I understand the Senator from Rhode Island, he does not understand me. I am not arguing in favor of the provision proposing to tax corporations only. I am not doing that; but I am claiming that under the provisions which I am considering we have the right to tax corporations, persons, and individuals as proposed with reference to this transportation matter in the first provision of the amendment. Therefore what I have said regarding the power to tax those corporations will stand.

Mr. President, it is the habit of those who endeavor to escape the force of an argument to cloud the question. I repeat that I am arguing at this minute in favor of a tax upon corporations, persons, companies, partnerships, etc., who are engaged in the occupations nominated in this bill; and neither the Senator from Rhode Island nor anyone else can escape from the conclusion that he and those who are with him are contesting this tax and are endeavoring to emancipate the wealthy institutions, whose interests he and the others here have so powerfully advocated, from giving toward this war and its maintenance one cent of money.

Mr. NEWLANDS. This amendment was carried against the opposition of the Finance Committee and almost entirely by Democratic votes. It is not my purpose to invoke partisanship in this matter; but as within a few days the Democrats of the Senate will be called upon to consider this entire question, it may be well to review the attitude of the party toward it, in the House as well as in the Senate.

So far as the House of Representatives was concerned, I do not find that any action was taken regarding this particular section, beyond the approval of the conference report confirming it.

EFFORTS TO ENLARGE AND EXTEND THIS TAX IN 1900.

But when, in 1900, the bill for the repeal of certain provisions of the war-revenue act and the partial reduction of taxation under it came up, section 27, regarding the tax on oil and sugar refiners, was discussed, and it was sought to enlarge its operation by extending it to all persons, firms, corporations, and companies engaged in manufacture of any kind whose gross receipts exceeded $500,000 per annum.

I ask leave to print the proceedings of the House under date of December 14, 1900:

The PRESIDENT pro tempore. The Chair hears no objection.

The matter referred to is as follows:

[From the proceedings of the House of Representatives, December 14, 1900.]

THE WAR-REVENUE ACT.

Mr. NEWLANDS. Mr. Chairman, I offer the following amendment:

The Clerk read as follows:

"Add after line 12, on page 3, the following:

"'That every person, firm, corporation, or company engaged in manufacture whose gross annual receipts exceed $500,000 shall be subject to pay annually at the end of each fiscal year a special excise tax equivalent to one-tenth of 1 per cent on the gross amount of all receipts of such persons, firms, corporations, and companies in their respective business in excess of said sum of $500,000. True and accurate returns of the amount of such gross receipts shall be made and rendered yearly by each of such associations, corporations, and companies, as in the case of refiners of petroleum and sugar. Such returns shall include such data as to capital, surplus, operating expenses, wages, taxes, national or State, as the Commissioner of Internal Revenue shall prescribe. Such returns shall be classified and published by the Commissioner of Internal Revenue in his annual report.'"

Mr. PAYNE. I move that all debate on this section, and amendments thereto, be concluded in ten minutes.

Mr. NEWLANDS. I object.

Mr. PAYNE. I make that motion.

The question being taken, the motion of Mr. PAYNE was agreed to, there being—ayes 99, noes 83.

Mr. NEWLANDS. Mr. Chairman, the purpose of this amendment is to impose an additional tax upon corporations and other branches of industry which now bear no part of the burden of the war taxes—the great trusts and combinations of the country. It declares that all manufacturers whose gross receipts exceed $500,000 annually shall pay a tax of 1 per cent on such receipts. In this connection, let me state that upon gross receipts of $1,000,000 such a corporation would pay a tax of $1,000. The amendment provides also that these corporations shall make returns, which shall be published, containing such statistical information as will be a guide to Congress in future legislation.

Mr. Chairman, I hope that this additional tax will be imposed. It will not raise in the aggregate more than a million or two of dollars, and it will relieve to some extent the stamp taxes which this bill in subsequent parts proposes to continue.

There is a precedent for legislation of this kind in this very bill. In the section now under consideration bank capital is made a subject of taxation. There is imposed a tax of one-fourth of 1 per cent upon all banking capital and surplus over $25,000. On bank capital alone $3,000,000 of taxation annually is raised, both under the Dingley bill and under the proposed Payne bill.

There was also a tax of this kind imposed by the Dingley war revenue upon one class of combinations or trusts; that is, the refiners of petroleum and sugar. Upon them a tax was imposed, not of one-tenth of 1 per cent, as I propose in this case, but a tax of one-fourth of 1 per cent upon gross receipts exceeding $250,000. That tax is continued in the Payne bill, and under it over $1,000,000 is annually secured from refiners of petroleum and sugar.

Mr. TAWNEY. Does this proposed amendment apply to corporations only, or does it apply to capital generally?

Mr. NEWLANDS. It applies to all associations, firms, or individuals whose transactions exceed $500,000 per annum, just as the clause relating to the refiners of petroleum and sugar applies to all persons, firms, and corporations refining sugar or petroleum. Under the tax to which I have just referred upon petroleum and sugar we have gained a reve-

nue of $1,000,000 per annum, the provision for which is retained in this bill.

My purpose in this amendment is partly to obtain a revenue from this tax and also to provide the machinery for securing information which will enable Congress in the future to act intelligently upon this question. Publication of these returns by the Commissioner of Internal Revenue is provided for, corresponding with the publication which is made of the statements of the banks by the Comptroller of the Currency and of the statements of the railroads by the Interstate Commerce Commission. In those published reports data have been given in full detail which have been of assistance not only in framing legislation regarding banking and railroading, but also to those interests themselves, tending to develop the science of both.

This amendment is not offered in any hostile spirit. It will impose upon these great trusts and combinations a total tax not exceeding a million or two. At the same time it will enable us to obtain information upon which we can act intelligently in the future in legislation relating both to the taxation and regulation of these industrial combinations. There is hardly an economic writer who does not insist that publicity is the first thing to be secured.

Mr. PAYNE. Mr. Chairman, I do not think it necessary to discuss this amendment at any great length. It is true that there were two cases of special taxation provided for in the war-revenue bill. Those were put in by an amendment offered in the Senate, and when they came to the committee of conference they were acquiesced in. I remember making a remark at that time to my associates on the conference committee that they knew, and I knew, that if this tax should be imposed the people who were expected to pay it would simply put up the price of sugar and petroleum enough to reimburse themselves for the tax which they paid and allow them besides a handsome profit. No doubt such has been the case. I have no doubt that those interests that have been required to pay this tax have collected from their customers more than the amount which they have paid over to the United States in the form of taxation. But that is one of those taxes that there is no use trying to get out of the bill. It is in there. It has produced $1,000,000 a year. If it has been a burden to those interests, they can, of course, stand it better than anybody else.

Now, the gentleman from Nevada comes here with a proposition to tax every manufacturing concern in the country, not a fifth of 1 per cent, but a tenth of 1 per cent. And his idea of a trust or combination seems to be that where a manufacturing concern produces more than $500,000 worth of any given commodity during a year it is a trust or combination. I do not know but that this is as good a definition of a trust as that I heard given on the stump by a member of the gentleman's party, who declared his belief that "a trust is a combination of capital that we are not in." Of course, as a rule, when gentlemen undertake to define a "trust" they seem to have a very vague and indefinite idea, just as they have when they undertake to discuss it.

But, Mr. Chairman, here is a tax brought in on a bill which is intended to reduce taxation. The gentleman from Nevada [Mr. NEWLANDS] says it will produce $1,000,000 or $2,000,000. Why, he has no conception of the vast business of this country when he speaks of one million of two millions as the product of such a tax. He has signed a report recommending that we ought to reduce taxation by $70,000,000, under the bill we are now considering, and yet he comes in and proposes to add a tax, as he says, of $1,000,000 or $2,000,000. He says one or two millions will be the amount of the revenue produced by the amendment, but I say five or ten, and we are both making mere guesses, because it may be more than either of us can imagine. And why, Mr. Chairman, should we adopt such a proposition? The idea seems to me to be preposterous. Do not gentlemen understand the object and spirit of the bill we are considering? We are removing war-revenue taxation as far as it is safe and possible to remove it at the present time. He says that these people do not pay taxes. Well, he is greatly mistaken about that. If he will come into the State of New York, I will show him that these people are paying just as large a proportion of taxes as anybody else.

Mr. NEWLANDS. I referred to revenue taxes.

Mr. PAYNE (continuing). By the franchise-tax law, passed recently in New York, these people are paying really more than their share of taxes. That law works against the corporations.

Mr. FITZGERALD of Massachusetts. And that law is unconstitutional.

Mr. PAYNE (continuing). It works against persons engaged in this class of business. By this amendment an additional hardship would be imposed.

Mr. Chairman, I hope the amendment, for it is scarcely necessary to discuss it further, and all others that tend to increase taxation under the bill will be voted down.

Mr. NEWLANDS. Mr. Chairman, I ask unanimous consent that the debate be extended for five minutes longer for the purpose of enabling me to answer the gentleman from New York.

Mr. PAYNE. Oh, well, I must object to that, Mr. Chairman.

Mr. NEWLANDS. You have made statements which are absolutely unfounded, and I want to answer them.

Mr. PAYNE. Oh, well, they will go into the RECORD, and I will meet that issue when they come.

The CHAIRMAN. Debate upon the amendment is exhausted and the question is on agreeing to the amendment suggested by the gentleman from Nevada.

The question was taken; and there were—yeas 90, nays 119.

So the amendment was rejected.

Mr. NEWLANDS. It will be observed in reading over the debate that I declared that my purpose was partly to obtain a revenue from this tax and also to provide the machinery for securing information which would enable Congress to act intelligently in future with reference to taxation, the regulation of industrial combinations, and the imposition of tariff duties. The Democrats supported the amendment, but it was lost by a small majority.

Later on, several Members of the Republican side of the House indicated to me that they would be inclined to vote for a measure of this kind if it would apply only to industrial corporations instead of persons, firms, and corporations engaged in manufacture, as my first amendment proposed, and if the rate of tax was so low as not to raise an excessive revenue. I therefore, with some misgivings, altered my amendment so as to make it apply only to corporations, and reduced the proposed tax from one-tenth of 1 per cent of the gross amount of receipts above $500,000 to one-twentieth of 1 per cent. I ask leave to insert the debate upon this amendment, which occurred on December 15, 1900, covering pages 337, 338, and 339, and part of page 340 of the CONGRESSIONAL RECORD of that date.

The PRESIDENT pro tempore. The Chair hears no objection to the request of the Senator from Nevada.

The matter referred to is as follows:

[From the proceedings of the House of Representatives Dec. 15, 1900.]

Mr. NEWLANDS. Mr. Chairman, I offer the amendment which I send to the Clerk's desk.

The amendment of Mr. NEWLANDS was read, as follows:

Add the following section:

"INDUSTRIAL CORPORATIONS.

"SEC. —. That every corporation engaged in manufacture whose gross annual receipts exceed $500,000 shall be subject to pay annually, within fifteen days after the end of each fiscal year, a special excise tax equivalent to one-twentieth of 1 per cent on the gross amount of all receipts of such corporations in their respective businesses in excess of said $500,000. True and accurate returns of the amount of such gross receipts shall be made and rendered yearly, at the end of each fiscal year. Such returns shall be verified by the president or chief officer of such corporations, and shall include statements as to the nature of the business conducted, the number of factories owned, and the number operated by such corporations, the capital, the surplus, operating expenses, wages, taxes (both national and state), and such other information as the Commissioner of Internal Revenue shall prescribe.

"Such returns shall be classified and published by the Commissioner of Internal Revenue in his annual report. Any officer failing or refusing to make returns as aforesaid, or who shall make a false or fraudulent return, shall be liable to the penalty prescribed for similar offenses regarding refiners of petroleum or sugar."

Mr. NEWLANDS. Mr. Chairman, I wish to say that I introduced substantially this amendment as an amendment to that portion of the war-revenue act relating to the tax on banks, and involving a tax upon banks of $3,000,000.

Mr. PAYNE. Did the gentleman say precisely this amendment?

Mr. NEWLANDS. No; at that time this side of the House voted, I may say, almost unanimously for it, and that side of the House was opposed to it. Several Members on the Republican side of the House have since indicated to me that they would be inclined to vote for a measure of this kind if it were applied to only the industrial corporations instead of all persons, firms, and corporations engaged in manufacture, as my first amendment proposed, and if the rate of the tax was so low as not to raise an excessive total.

The features which attracted their approval were, first, the Federal taxation of a form of wealth now untaxed by the National Government, and also the machinery afforded for securing statements for publication from these great industrial combinations which would yield the information so essential to the just taxation, as well as the just regulation and control of abuses so generally complained of, in which publicity is regarded by all economic writers as an essential factor. So I have redrawn this amendment, applying it only to industrial corporations, and reducing the tax from one-tenth to one-twentieth of 1 per cent of the gross annual receipts, and exempting from taxation all gross receipts up to $500,000.

Thus a corporation having gross annual receipts amounting to $1,000,000 would pay a tax of one-twentieth of 1 per cent upon one-half of that sum, being a total tax of $250 annually, and a corporation having gross receipts amounting annually to $2,000,000 would pay taxes on $1,500,000, aggregating $750. A corporation whose gross receipts would reach $10,000,000 annually would pay a total annual tax of $9,750, certainly a very inconsiderable amount, and still less considerable when you realize the fact that almost all the products of these industrial corporations are protected by the tariff, which levies duties averaging about 50 per cent on similar products of manufacture.

In other words, a foreign product of a similar character would have to pay a duty of one-half of its international price in order to obtain entry into this country. Thus the domestic producer is able to raise the price of his product above the international price by our system of protective tariff legislation. If, therefore, he is enabled to add 50 per cent to the international price of his article through the system of federal taxation, why should he not pay the small tax of one-twentieth of 1 per cent upon the domestic price? As a matter of mere taxation these great industrial corporations ought to assume something of the burdens of federal taxation, just as the manufacturers of tobacco and spirits and other things included in the internal-revenue tariff do, and a tax so moderate can not be complained of.

It should therefore be recollected that these great industrial corporations manufacture products which are also imported, and are doing so inside of the tariff wall which protects them from foreign competition. They are now endeavoring by large aggregations of capital, by the ownership in one corporation of numerous factories hitherto competitive, to destroy domestic competition, a competition which it was the intention of the tariff acts to promote, for the very theory of the tariff is that, though foreign competition is restrained, domestic competition is promoted; that inside of the tariff walls numerous competitive enterprises will start into the production of protected products, and thus not only stimulate domestic production, but lower gradually the domestic prices of such products.

Now, when we come to the consideration of the tariff acts, whether they be tariffs made for the sake of protection or tariffs with incidental protection, all the statistical information which we receive is obtained at casual and desultory hearings before the Ways and Means Committee. The interested parties flock there and present their ex parte statements, and we have not at hand the statistical information which enables us to act intelligently as to the capital employed in these various industrial occupations seeking and insisting upon protection, as to the wages paid and the profits made, and yet all these calculations should enter into the consideration of a tariff act, whether it be a protective tariff or a tariff with incidental protection.

Then, again, when we come to legislate regarding trusts we have not the information which enables us to act. At the last session of Congress an act was passed by the House which seems to sleep the sleep of death in the Senate, which the dominant party insisted at that time, just prior to the campaign, was a bona fide effort to utilize those powers conferred upon Congress by the Constitution relating to

interstate commerce and post-offices and post-roads in the suppression and harassing of trusts. We suffered then from this lack of information. We had no statistics except such casual statistics and calculations as were presented to us in the current literature of the newspapers. Some people regard those trusts as a part of the economic evolution of the times, tending to prevent overproduction, tending to steady prices, tending to create an equilibrium between capital on the one hand and labor on the other.

Others regard them as great combinations of capital, organized for the suppression of competition, for the creation of monopoly, for the raising of prices of products, and the diminution of the price of labor entering into production, and they insist that the tariff wall should be let down as to the products of these trusts; that a wave of foreign products should be allowed to enter the country and to destroy the domestic trusts and necessarily to destroy contemporaneously with them the small competitive enterprises that are endeavoring to hold their own with the trusts. The opponents of the trusts also contend that the control of Congress over the interstate commerce and the mails should be exercised in the most oppressive and harassing way.

Now, I ask whether it is not essential, with reference to all these classes of legislation, taxation first, protection second, and regulation of the trusts third, to obtain such information as will enable Congress to act intelligently? And how can we act, and how is this information to be obtained? Why, it is to be obtained under the provisions of this amendment, which, as a part of the system of taxation, resorts to the time-honored usage of compelling statements from the parties taxed, statements which are simply the counterparts of their own books, statements which anyone can obtain by obtaining a few shares in such corporations and by asserting his rights as a stockholder.

Is the privacy of these corporations to be regarded as sacred when the powers of the Government are to be exercised with reference to taxation, protection, and regulation, particularly when those corporations are for the most part the beneficiaries of federal protective legislation?

Mr. TAWNEY. Will the gentleman permit me to ask him a question?

Mr. NEWLANDS. Yes.

The CHAIRMAN. Does the gentleman from Nevada yield to a question?

Mr. NEWLANDS. I do.

Mr. TAWNEY. Would not this be a tax upon export business of every manufacturing establishment engaged in export business in the United States?

Mr. NEWLANDS. No more than every other tax here. No more than when you levy an internal-revenue tax upon tobacco or cigars or beer or spirits.

Mr. DALZELL. But tobacco is a luxury.

Mr. TAWNEY. Would it not be wise, if your amendment is to be considered and adopted, to put in a proviso exempting export of manufacturing corporations from the imposition of this tax?

Mr. NEWLANDS. If the gentleman will frame an amendment of that kind, I will accept it. What I desire is that we should initiate this form of taxation, with the statistical statements accompanying it, in some mild way, and if it is deemed advisable it can be developed further in future legislation.

Mr. DALZELL. Why pick out the industrial corporations of this country to levy a tax upon them?

Mr. NEWLANDS. Why did we pick out the banks, from which we get over $3,000,000 annually under the Dingley war-revenue act by a tax of $2 on the thousand on bank capital over $25,000? Why did we pick out the refiners of sugar and petroleum, from whom under the same act—the very act we are now amending—we get over $1,000,000 annually by a tax of one-quarter of 1 per cent on the gross amount of receipts exceeding $250,000? Why did we pick out legacies, from which we get over $2,800,000 under the same act? I assumed that we did so because we realized that taxation on consumption had gone far enough, and that in the stress of war it was just to call wealth to the rescue; and an income tax—the fairest tax on earth—being denied us by the Supreme Court, it was necessary to select certain forms of wealth best able to bear the burden. This amendment seeks to enlarge the area of this form of taxation and to reduce pro tanto the burden laid on consumption, on the occupations and activities of life. To enlarge is to equalize, the total amount of revenue required being fixed.

Mr. DALZELL. Why say $500,000 any more than $100,000?

The CHAIRMAN. Does the gentleman from Nevada yield?

Mr. NEWLANDS. The gentleman has asked his question. I will simply answer by asking, Why did we say $25,000 in the case of bank capital or $250,000 in the case of refiners of sugar and petroleum? I do not consider that the limit in this matter is a matter of importance. The purpose of exemption of $500,000 from the tax is to avoid oppressing the small industries which are engaged in competition with these giant industrial combinations. I wish to tax fairly the wealth of the country, not to handicap struggling industries, and we know that there are ten billions of wealth in these industrial combinations which now practically go untaxed by the National Government. Nor do I wish to impose——

The CHAIRMAN. The time of the gentleman has expired.

Mr. NEWLANDS. I would like an extension of five minutes.

The CHAIRMAN. Unanimous consent is asked that the time of the gentleman may be extended five minutes. Is there objection? [After a pause.] The Chair hears none.

Mr. PEARCE of Missouri. Will the gentleman yield to me for a question?

Mr. NEWLANDS. Certainly.

Mr. PEARCE of Missouri. I understood the gentleman stated on yesterday that the main purpose of his amendment was not so much to levy a tax upon corporations as to institute an inquisition into their affairs. Is that correct?

Mr. NEWLANDS. The main purpose of this amendment is to cover both the question of taxation and regulation—internal-revenue taxation now, and statistical information which will enable us hereafter to legislate wisely on the question of internal revenue, tariff, and regulation of trusts.

Mr. PAYNE. Has the gentleman concluded that we need more revenue since he signed the report of the minority?

Mr. NEWLANDS. No. I wish to say that there are two objections to the bill which the gentleman has reported here. One objection is that it raises too much revenue and the other that it does not properly distribute the burden of that revenue. If this tax does raise the revenue $2,000,000, it will be easy enough for the gentleman to lower the stamp taxes, which are retained in this bill, and the taxes on occupations and activities, from which eight or ten million dollars are received, or on the articles of consumption taxed in this bill, so that the total will not exceed the $65,000,000 which he wishes to raise as war revenue.

Now, let me show you how the burden of the revenue is distributed under the pending bill. Here is the statement:

Distribution of revenue under Payne bill.

Taxes on consumption:		
Beer	$23, 598, 509. 40	
Tobacco, snuff, and cigarettes	18, 000, 000. 00	
Wines	600, 000. 00	
		$42, 198, 509. 00
Stamp taxes		14, 775, 000. 00
Special taxes on occupations, amusements, and activities		1, 000, 000. 00
Taxes on wealth as follows:		
Legacies	$2, 884, 491. 55	
Excise taxes on refiners of petroleum and sugar	1, 079, 405. 14	
Bank capital and surplus	3, 129, 404. 00	
		7, 093, 300. 69
Total		65, 066, 809. 69

Now, let me show you how the taxes are distributed: Sixty-five millions are to be raised under the gentleman's bill for war taxation, of which the sum of forty-two millions is imposed absolutely on consumption—upon beer, tobacco, and cigars—and over fifteen millions in the shape of stamp and other taxes upon the activities of life, the occupations, and only about seven millions upon wealth. Three millions and over on banks, one million on refiners of petroleum and sugar, and $2,800,000 on legacies; only seven millions imposed on wealth out of a total of sixty-five millions of war revenue, and, that, too, when the whole of your ordinary revenue—the customs revenue of nearly three hundred millions, the normal internal revenue of two hundred millions—is placed substantially on the consumption of the country, a mere per capita tax, not proportioned to the wealth of the individuals or their capacity to bear the burdens of government. Is it unreasonable that we should make some movement in the way of equalizing these conditions by imposing a further tax on wealth which will raise about $2,000,000?

You gentlemen of the majority, with a presidential election approaching, put a bill through the last session of this House for the exercise of interstate-commerce powers of the Constitution and the powers relating to post-offices and post-roads in the suppression of trusts. You forbade the railroads to carry the products of those trusts. You made it a criminal offense to do so. You were not sensitive then regarding these great organizations. You put the bill through under whip and spur. It is true it sleeps in the Senate, but that, you say, is not your fault. But there is another federal power that can be invoked, and that is the power of taxation—a power more effective than the power over interstate commerce or the mails.

It is the power to regulate; it is the power to destroy. You used that power in order to regulate and restrain the production of oleomargarine. You used that power in order to regulate the use of mixed flour. You used that power in order to destroy the currency of the state banks. These are illustrations of the extent to which you have gone, using the power of taxation in some cases for regulation, and in others employing it for destruction. Would it not be wise to apply this power in moderate degree to these great combinations of capital? I am not rabid upon this question of the control of trusts. I believe that much of the legislation that has been enacted by state legislatures upon that subject is not only unscientific, but prejudiced and oppressive.

All that I insist upon is that we should secure the information upon which we can act, and it should be secured under the sanction of oath and should be conclusive in some scientific way. I insist that it is just and right in a revenue bill to impose upon this form of wealth some degree of taxation, and the tax I seek to impose is a reasonable one. And in connection with that we should secure statements from these industrial corporations which would be a guide to the Internal-Revenue Department, and which would be a guide to Congress in future action, just as we now compel the banks of the country to make detailed statements of their affairs to the Comptroller of the Currency; just as we compel the railroads of the country to make statements of their affairs to the Interstate Commerce Commission, all of which statements, both with reference to banking and railroading, have been so classified as to give us statistical information of the highest importance—statistical information which has been a matter of the greatest importance in legislation and of the greatest beneficence to the banks and to the railroads themselves.

The CHAIRMAN. The time of the gentleman from Nevada has expired.

Mr. GROSVENOR. Mr. Chairman, I hope the Committee of the Whole House on the state of the Union will make no great, radical, demagogical inroads into capital and the industrial corporations of this country without some consideration by a constituted committee of the House that can duly consider and duly report upon the innovation. Here is a proposition coming from a single gentleman who does not say anything about one kind of corporation. He does not say anything about taxing the gross receipts of the monopolistic traction companies, but it is to be, in his view, altogether levied on the industrial corporations.

Mr. NEWLANDS. I will state that if the gentleman will frame a corporation tax that will reach every corporation and an income tax that will reach all except the smaller incomes, I will be glad to vote for them.

Mr. GROSVENOR. Now, will the gentleman tell the House—he has had an opportunity in the minority report—what sort of an income tax he wants—a constitutional one, levied under the terms of the Constitution? If so, I am with him. But an unconstitutional one, which is to be held up as a bugbear before the people—if that is what he meant in his minority report—I am opposed to fooling with that thing any longer. If he means a general tax on all sorts of corporate wealth, let us have a systematic procedure about it. The gentleman is unable to tell you how much this amendment would raise or would not raise. Let him come with a bill properly framed, and let it come to the committee of which the gentleman is an honored and distinguished member, and let us have a report that will show to the House what we are doing, and not proceed under this cry for an assault upon corporations—not under this reproduction, apparently, of a speech of the gentleman out in his enormous State; but let us have a report from the committee that has got a system in it which we can understand, and hear what they say about it, and that will be time enough. This is a bill to reduce revenue, and not a bill to sally out into new systems of taxation. It is a bill to follow the lines that will simply reduce taxation provided for in that law. I hope that the committee will be sustained in their opposition to the proposed amendment.

Mr. SULZER. Mr. Chairman, I am in favor of this amendment to tax industrial combinations, and it seems to me it can not be suc-

cessfully denied that there is much force and logic in all that the gentleman from Nevada [Mr. NEWLANDS] has said in its favor. I agree with him that if we must raise more revenue it should be collected from wealth and not from toil. It is a matter of regret to me, and I believe it will be to the people generally, that the majority members of the Ways and Means Committee did not frame a bill to repeal the Spanish-American war-revenue taxes.

The war act of 1898, which imposed that taxation, was an emergency measure. It was passed hurriedly and without much consideration to raise immediate money for the purpose of successfully prosecuting the Spanish-American war. It was a war measure, and it was so described at that time by the leaders of the Republican party in this House, who gave assurances to the country that just so soon as the war was over these war taxes would be repealed.

The war has been over for more than two years and the Republican party is just now partially reducing the war taxes. I am opposed to a continuance of these war taxes in time of peace. They are obnoxious and vexatious, and should be repealed. In my judgment they could be repealed without causing a deficit. But if gentlemen on the other side believe otherwise and claim more revenue is necessary, not for an economical administration of public affairs, but for the purpose of carrying out Republican political schemes—some of which you now have under advisement—then, I say, that instead of raising the revenue from the poor, from the producers and the consumers of the country, you should raise this additional revenue by a tax on the trusts and the accumulated and idle wealth of the land. That would be fairer, more equitable, and more consistent.

I am opposed to robbing the many for the benefit of the few. I am opposed to unjust and unnecessary taxation. The war-tax law is the worst kind of special legislation, and the bill now under consideration is a species of this special legislation carried to its logical sequence. It can not be justified now; it could only be tolerated in time of war; and I am of the opinion that the people of the country will be sadly disappointed by the action of the Republicans. They expected you to keep your promise and repeal these burdensome taxes.

Mr. Chairman, all legislation bestowing special benefits on the few is unjust and against the masses and for the classes. It has gone on until less than 8 per cent of the people own more than two-thirds of all the wealth of our country. It has been truly said that monarchies are destroyed by poverty and republics by wealth. If the greatest Republic the world has ever seen is destroyed, it will fall by this vicious system of robbing the many for the benefit of the few.

The total population of the United States is about 75,000,000. The total aggregate wealth of the United States, according to the best statistics that can be procured, is estimated at about $75,000,000,000; and it appears, and no doubt much to the surprise of many, that out of a total population of 75,000,000 less than 25,000 persons in the United States own more than one-half of the entire aggregate wealth of the land. And this has all been brought about during the last twenty-five years by combinations and conspiracies called "trusts," fostered by special legislation and nurtured by political favoritism.

The centralization of wealth in the hands of the few by the robbery of the many during the past quarter of a century has been simply enormous, and the facts and figures are appalling. Three-quarters of the entire wealth of our land appears to be concentrated in the hands of a very small minority of the people, and the number of persons constituting that minority grows smaller and smaller every year. I am in favor of repealing the war taxes and making the accumulated wealth of the land pay its just share of the burdens of government. This can readily and easily be done by a graduated corporation tax that will reach the dividends and watered stocks of the great industrial combinations and monopolies, and by a graduated inheritance tax that will reach the idle and accumulated wealth of the land.

I am in favor of making the idle wealth, the monopolies, and all these great trusts, giant corporations, and selfish syndicates do what the Republican party by law compels the toilers, the producers, and the consumers to do, and that is to pay the taxes—pay their just share of the expenses of the Government.

By a graduated corporation tax and a graduated inheritance tax we would lift the tax burdens from the farmers, the workingmen, and the consumers and place them where they justly belong, besides establishing publicity and to some extent preventing the watering of stocks and the centralization of wealth.

In my judgment, this system of a graduated inheritance tax and graduated corporation tax is the fairest, the most honest, and the most equitable system of taxation that can be devised; and I believe if it were put into operation that it would pay more than one-half of the annual expenses of the Government. Believing as I do, I am glad to support this amendment, and I sincerely hope it will be adopted.

To-day more than three-quarters of the idle wealth of this country escapes taxation and practically bears no part of the burdens of government. That is not right. I am glad to say that I believe the amendment offered by the gentleman from Nevada will cure, to some extent, at least, this inequality and injustice in our system of taxation. I trust that gentlemen on the other side of the House will vote in favor of the amendment. You can not say it is not fair and just.

If the gentleman from New York [Mr. PAYNE] answers that it will increase the revenue, then we reply that he and his associates on that side of the House can readily reduce the revenue by repealing some of the taxes on the necessaries of life, and we will help them to do it. [Applause on the Democratic side.]

[Here the hammer fell.]

Mr. PAYNE. I move that all debate on this section and amendments thereto be limited to five minutes.

The motion was agreed to.

Mr. PAYNE. I trust that the gentleman from Nevada [Mr. NEWLANDS] will be allowed to occupy these five minutes.

The CHAIRMAN. The Chair recognizes the gentleman from Nevada.

Mr. NEWLANDS. Mr. Chairman, the gentleman from Ohio appeals to his party to vote against my amendment, and to leave this matter to the consideration of the Ways and Means Committee for future action. He states that the pending amendment has been submitted without consideration and deliberation. I deny that, so far as I am concerned and so far as the minority members of the Ways and Means Committee are concerned.

It is true it has not received the consideration and deliberation of the majority members of that committee, because that committee has pursued the pernicious system which has long prevailed in Congress, and for which both parties are responsible—the consideration of tax bills as partisan measures, practically excluding the minority members from consideration of the various items of the proposed bill. This is a practice that has long existed. It is a pernicious practice, because the framing of a revenue bill affects the very source of all governmental powers. Upon it all the instrumentalities of government depend.

Therefore we have not had the opportunity—I make no charge against the dominant party which might not be made equally against the minority party when it was in power—we have had no opportunity for deliberation with our Republican colleagues of the committee upon this subject. The only opportunity we have of presenting our views is on the floor of the House here, in a constitutional way, by an amendment intended to reach the question under consideration.

What question is under consideration? The question of revenue—a question which involves the consideration of every subject that may justly be taxed. It involves the consideration of the equality of burdens—of the proper apportioning of burdens. It involves a consideration of the question whether a portion at least of this extraordinary tax levied for the purpose of carrying on a war justified by wealth should not be imposed upon wealth, particularly when under existing conditions the accumulated wealth of the country has for years practically escaped taxation.

I present no indictment against wealth as such. There are two classes of wealth in this country. One class—the majority, as I believe—consists of law-abiding persons who are willing to bear their fair proportion of the obligations of government; who are willing to sustain their fair proportion of governmental burdens; not eager to obtain exemption; not eager to obtain special privileges; not eager to utilize the functions of government for their own advancement.

Then there is another class of wealth—the lawless and the predatory wealth of the country—which seeks special exemptions, which seeks special privileges, which seeks to evade and escape the burdens of taxation, which seeks to pervert to its own advancement the functions of government. It is that form of wealth which brings conservative wealth under discredit and creates the discontent that finds its vent in communism and socialism.

I do not believe that the great mass of the industrial corporations of the country belong to that class. I believe that they will cheerfully bear a portion of the national burdens, and that a cheerful acquiescence in the demand for publicity will tend to scientific adjustment of pending problems.

[Here the hammer fell.]

The CHAIRMAN. The question is on agreeing to the amendment of the gentleman from Nevada [Mr. NEWLANDS].

The question was taken; and on a division (demanded by Mr. NEWLANDS) there were—ayes 71, noes 99.

Mr. NEWLANDS. Mr. Chairman, I demand tellers.

Tellers were ordered.

The Chair appointed Mr. NEWLANDS and Mr. PAYNE as tellers.

The committee again divided; and the tellers reported—ayes 75, noes 105.

So the amendment was rejected.

Mr. NEWLANDS. It will be observed that this amendment, also, was lost by a comparatively small majority.

RENEWED EFFORTS TO EXTEND TAX IN 1902, WHEN WAR-REVENUE ACT WAS REPEALED.

Later on, in 1902, the question came up as to the repeal of the war-revenue bill. The Democrats of the Ways and Means Committee, while in favor of the repeal of most of the taxes, were strongly impressed with the view that certain taxes on accumulated wealth should be allowed to remain, and particularly the tax imposed upon sugar and petroleum refiners. And so, in connection with the report of the majority, recommending substantially the repeal of the entire act, the minority members presented in their report their views upon this subject. We contended that the sugar and petroleum tax yielded about a million dollars annually, and there was no reason why the great combinations monopolizing these industries should not pay some part of the national expenses as well as the masses of the people who use and consume the various things which are the subject of customs and internal tax. We urged particularly that this tax should be enlarged so as to cover all industrial corporations, in view of the fact that the Supreme Court had denied Congress the right to tax incomes, and we presented our views regarding publicity of the transactions of corporations as corrective of existing abuses and as enabling Congress to secure the relief necessary for action regarding tariff legislation and trust regulation. I ask leave to print in the RECORD the views of the minority members of the Ways and Means Committee of the House upon this subject.

The PRESIDING OFFICER (Mr. KEAN in the chair). The Chair hears no objection to the request of the Senator from Nevada.

The matter referred to is as follows:

[From the report of the Ways and Means Committee of the House of Representatives on the repeal of the war-revenue act.]

VIEWS OF THE MINORITY.

The minority members of the Ways and Means Committee submit their views on the bill (H. R. 10530) to repeal war-revenue taxation, and for other purposes, as follows:

* * * * * * *

While approving in general the policy of repealing the war taxes, we insisted, and shall insist, that certain taxes upon accumulated wealth provided for in that act should be allowed to remain. We refer, as already indicated, to such taxes as are imposed on sugar and petroleum refiners. The tax of one-fourth of 1 per cent on the annual gross receipts of sugar and petroleum refiners in excess of $250,000 yields the sum of about $1,000,000 annually. This tax has been paid without demur or protest, and there is no reason why the great combinations engaged in these refineries, and which monopolize the business in these cases, and from which colossal individual fortunes have been built up, should not pay some part of the national expenses as well as the masses of the people who use and consume the various things which are the subject of customs and internal-revenue taxation.

As the Supreme Court has denied to Congress the right to tax incomes for the support of the Government, it is well to place accumulated wealth under some form of contribution, and we know of none more just or equitable than a tax such as that imposed by the war-

revenue act on oil and sugar refiners. It is true that they are taxed while other forms of corporate and industrial wealth go free, but this can be remedied by reducing the rate of the tax and by extending it to all industrial corporations whose gross receipts exceed a fixed sum. In connection with this tax annual statements should be required which will give the data as to the capitalization, indebtedness, gross receipts, operating expenses, taxes (national and state), dividends, number of plants, output, foreign and domestic sales of such corporations, etc., thus giving the Government the statistical information necessary in legislation affecting the customs duties, internal-revenue taxation, and regulation of trusts.

Such statements could be classified and published by the Commissioner of Internal Revenue, as are the railroad statements by the Interstate Commerce Commission and the bank statements by the Comptroller of the Currency. Publicity will thus be secured as to the transactions of these great industrial combinations, which put forth the claim that they should be protected by a tariff imposing a prohibitory tax on foreign goods similar to those of their own manufacture, while they monopolize our local markets and impose charges in the home market greater than those made on the same goods in foreign markets. Surely every consideration of justice requires that industries securing by legislation so great protection from the Government, and improperly, too, as we think, should at least contribute something in the way of internal revenue to the Government, and that the transaction which receives so high a legislative protection should be made public, in order that the country may better judge as to the justice of their claim for protection.

It can not be contended that the demand for such statements is an unreasonable intrusion into the private affairs of such corporations. If they claim protective legislation, the public is entitled to the facts in their operations, so as to determine whether or not such protection shall be accorded to them. They comprise a very large proportion of the wealth of the country, and Congress has the right to demand sufficient information and knowledge of their affairs as to be able to form a correct judgment as to whether or not they are justly taxed. These corporations are exercising and enjoying monopolies in nearly all kinds of business, and the public have a right to the information which will enable Congress to determine whether or not their operations are prejudicial to the public good and whether or not regulative or prohibitory legislation is required.

When it was first proposed to compel banks to make such statements there was an outcry by bankers, who claimed that the legislation was an intrusion upon private business. So also with the railroads; and yet both banking and railroading have been developed in their scientific operation by the system of classified statements which have been required by law. By compelling the industrial corporations to come under the same regulations we would obtain a mass of statistical information which would enable us to deal justly and fairly upon the subjects involved. Publicity itself would cure many evils, and as to such evils as were not cured by publicity the proper legislation could be applied. Our legislation could then be controlled by exact information and knowledge, and not by imagination and ignorance, and would not be based upon guesswork, as is too often the case.

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JAMES D. RICHARDSON.
S. M. ROBERTSON.
CLAUDE A. SWANSON.
GEO. B. MCCLELLAN.
FRANCIS G. NEWLANDS.
S. B. COOPER.

WHY NOT UTILIZE THE PRINCIPLE ALREADY APPROVED BY THE SUPREME COURT IN THIS ACT?

Mr. NEWLANDS. The excise tax on refiners of sugar and oil, measured by their gross receipts above a certain amount, has since been approved by the Supreme Court in the Spreckels case. It can easily be enlarged so as to include all manufactures of goods protected by the tariff, and it can be made as little vexatious as possible by relieving the small manufacturers from its operations. Would it not be well to consider this form of wealth in reaching out for new sources of national revenue? The statistics furnished by the Finance Committee show that the total foreign dutiable goods imported into this country last year were valued, outside the tariff wall, at $779,000,000, and that a total average duty was imposed on them of about 45 per cent, or $329,000,000 in all, making their total value, inside our tariff wall after payment of duty, over $1,100,000,000. Such statistics also show that the total value of our domestic production of goods similar to the dutiable goods, including custom work and repairing, was about $13,000,000,000, or a little over ten times the value of the foreign imports, duty paid.

Now, in order to enable our producers to secure the value of $13,000,000,000 for our domestic products, it has been deemed advisable, according to the views of the Finance Committee, to maintain a duty on similar foreign products of about 45 per cent, so that the foreign products, equal in quantity and quality to the domestic products thus valued, while worth outside of our tariff wall only about $900,000,000, could not compete, and thus our domestic producers are enabled to get about $4,000,000,000 more than if free competition of the foreign products obtained. We have thus issued to the domestic manufacturers under the Dingley law a charter to impose on the American consumers a charge of $4,000,000,000 annually more than could be maintained if free foreign competition obtained.

Will it be contended that such beneficiaries of our taxing system, to whom a charter to tax American consumption to the extent of about $4,000,000,000 annually is given by law, should grumble when an internal-revenue tax, aggregating only fifty or one hundred million dollars annually upon their gross receipts, is imposed? Justice demands that the various forms of manufactured wealth, in whose favor the taxing power of the Nation is so freely exercised, should make some substantial contribution to the national expenses, and I can conceive of no tax more just than the extension of the tax on refiners of oil and sugar, which was upheld by the Supreme Court in the Spreckels case, to all manufacturers of products protected by the tariff law. In providing for such tax, ample provision could be made for obtaining and publishing the statistical information, which could be made useful in legislation regarding both the tariff and the trusts.

I append to my remarks a recapitulation of the statistics furnished by the Finance Committee as to the different schedules of the tariff bill now under discussion.

The matter referred to is as follows:

Recapitulation.

[The ad valorems are based on the dutiable values.]

Schedules.	Value of merchandise (dutiable and free).	Revenue under—		Equivalent ad valorems.		Census of manufactures 1905[a] (calendar year, 1904).	
		Present law (act of 1897).	Proposed bill (H. R. 1438).	Present.	Proposed.	Wages.	Value of products, including custom work and repairing.
	Dollars.	*Dollars.*	*Dollars.*	*Per ct.*	*Per ct.*	*Dollars.*	*Dollars.*
A. Chemicals, oils, and paints	42,067,649.85	11,187,405.69	11,754,112.86	27.62	28.20	44,258,256	572,848,476
B. Earths, earthenware, and glassware	31,306,008.97	15,360,019.67	15,247,487.70	49.08	48.70	154,662,719	420,944,049
C. Metals, and manufactures of	68,016,829.55	21,812,195.72	21,523,669.22	32.44	31.65	652,109,693	2,130,258,195
D. Wood, and manufactures of	24,498,810.90	3,705,024.34	2,723,058.08	15.12	11.21	378,461,021	1,393,489,973
E. Sugar, molasses, and manufactures of	92,784,081.69	60,338,523.31	59,635,940.54	65.03	65.80	23,536,189	413,333,428
F. Tobacco, and manufactures of	29,959,081.79	26,125,037.41	25,113,185.29	87.20	87.18	62,640,306	331,117,681
G. Agricultural products and provisions	63,925,575.39	19,181,915.96	20,594,283.57	30.16	32.28	100,839,004	2,194,833,894
H. Spirits, wines, and other beverages	23,083,420.06	16,318,120.14	20,518,168.77	70.69	88.89	43,924,676	474,487,379
I. Cotton manufactures	31,869,814.07	14,291,026.65	15,023,742.16	44.84	47.14	217,955,222	1,014,094,237
J. Flax, hemp, and jute, and manufactures of	114,172,202.94	49,900,580.31	50,353,163.25	43.67	44.07	27,223,574	185,094,092
K. Wool, and manufactures of	62,818,797.81	36,554,815.89	36,554,815.89	58.19	58.19	135,069,063	767,210,990
L. Silks and silk goods	38,816,839.20	20,313,706.39	23,581,996.60	52.33	60.76	26,767,943	133,288,072
M. Pulp papers and books	20,005,025.62	4,136,029.42	4,042,076.14	20.67	21.86	123,908,633	548,957,239
N. Sundries	135,821,484.06	29,896,513.49	31,807,003.27	22.50	23.06	340,596,182	1,064,228,027
Total from customs	779,140,621.87	329,110,914.39	338,973,303.34			2,331,988,518	12,534,180,743
Net increase			9,862,388.95				
Total luxuries, articles of voluntary use, dutiable	289,411,904.28	149,837,286.47	160,454,103.74	52.48	55.47		
Total necessaries, dutiable	480,728,717.59	179,273,627.92	178,519,199.60	36.77	36.69		
Total entries for consumption, dutiable and free	1,415,402,284.78		338,945,001.07		23.95		
Total necessaries, dutiable and free	1,125,990,380.50		178,519,199.60		15.85		

[a] Industries grouped to conform as nearly as possible with the articles enumerated in the respective schedules of the tariff law. Industries with products named in two or more schedules are credited to the schedule which includes the major product. The value of products for each group is the sum of all products of all industries in the group, and hence includes a large amount of duplication due to the product of one industry serving as material for another.

Mr. GORE. Mr. President, it is indeed true that when the Wilson tariff bill passed the House iron ore was placed on the free list. It is equally true that when that measure came to the Senate iron ore was removed from the free list and was placed on the dutiable list. I constitute myself the chancellor of no man's conscience and the critic of no man's conduct. I never have done so in this body, and I never shall do so. Senators older and wiser than myself have voted differently from me on every question which has been submitted to the Senate. But Andrew Carnegie has undertaken to give the history of the iron and steel schedule as revised in the Senate when the Wilson bill was converted into the Gorman law. Mr. Carnegie says that he prepared the steel and iron schedule which was enacted into the so-called "Gorman-Wilson tariff act," and he says that Mr. Gorman met him with a smile when the contest was over and assured him that he had enacted every figure submitted by Mr. Carnegie into that measure with the one single exception of cotton ties alone—cotton ties alone.

I have very little confidence in the Greeks bearing gifts, and I have very little faith when the Greeks write history. It may be that Mr. Carnegie arrogates to himself far too much credit for the revision of the steel and iron schedule in the Senate. It may be, indeed, that he derogates far too much from the credit of those distinguished statesmen, and they were admittedly wise and patriotic statesmen, who were charged with the duty and responsibility of revising those schedules in this body.

I merely ask to have Mr. Carnegie's version of that revision read to the Senate and incorporated in the RECORD for whatever it may be worth; and every Senator may accept or reject it in response to his own judgment.

The PRESIDING OFFICER. Does the Senator desire to have it read?

Mr. GORE. Yes, sir; I desire to have it read.

The PRESIDING OFFICER. Is there objection to the reading of the paper?

Mr. GORE. It is brief.

The PRESIDING OFFICER. The Chair hears no objection.

The Secretary read as follows:

To two Democrats belong the chief credit of defeating the revolutionary features of the Wilson bill—Senator Gorman, Democratic leader of the Senate, and Governor Flower, of New York, an influential leader in the House. With these two gentlemen my relations had long been intimate. Few men have enjoyed for as many years as Senator Gorman did the confidence of his party as its leader, and of the Senate as a whole. Wise, moderate, honest, he led his party with consummate address. When we met in Washington upon this serious business I found him quite satisfied that the proposed bill would injure some of our industries. After several conferences, he finally said to me, "I can afford to oppose this bill and beat the President, but I can not afford to oppose and be beaten by him. Now, if the Republican party will stand firm for a measure that carries great reductions of duties—remember great reductions we must have, especially upon iron and steel—I can carry a reasonable bill. Our people have little confidence in the representatives of manufacturing interests. All of these clamor against any measure that touches their pockets; but if you will make out a schedule of reductions in duties which you assure us can be made without injury to American industries—for I don't want to injure one of these any more than you do—I can carry enough of our people with me who are good Americans and feel as I do." He kindly added that in testifying before committees I had gained their confidence, and as I had always been reasonable and had agreed to reductions in the past, his people would accept my list. "But, remember," he said, "there must be heavy reductions."

Then I met Governor Flower, and he was emphatic. "I am as sound a protectionist as you are," he said, "and would not vote for a reduction of duty that would injure one American industry; and I believe this Wilson bill would do so."

These men represented a sufficient number of Democratic Members who, combined with Republicans, insured the adoption of a less revolutionary measure. I made and submitted a list reducing the duties about one-third upon articles of iron and steel. This was accepted as thorough, but judicious, and became a law. Meeting Senator Gorman afterwards, he laughingly explained: "I carried every one of your figures but one. I had to submit to free cotton ties to secure two Senators whom I did not wish to lose."

Mr. GORE. Mr. President, I do not appear here to certify to the good character of Mr. Carnegie. I do not appear in the Senate as a character witness to bear testimony in behalf of his reputation for truth and veracity. This statement may be entirely unfounded upon the facts, but I would merely mention this one circumstance, which has at least a tendency to corroborate and to verify his statement.

When the Republicans came to revise the tariff in 1897, when they came to revise the steel and iron schedule, when Mr. Dingley and the Republicans reached the rate upon iron ore, they accepted and reenacted the Gorman-Carnegie rate of 40 cents a ton. When Mr. Dingley and the Republicans reached the rate on pig iron they accepted and reenacted the Gorman-Carnegie duty of $4 a ton. When Mr. Dingley and the Republicans reached the rate on steel rails they accepted and reenacted the Gorman-Carnegie rate of $7.84 a ton; and when Mr. Dingley and the Republicans reached the Gorman-Carnegie rate on structural steel they revised downward; they reduced the rate upon that character of steel products.

I mention this merely as a circumstance to corroborate and verify the version and the testimony of Mr. Carnegie.

In this connection I desire to have printed in the RECORD two price lists of lumber, which I was unable to lay my hands upon yesterday when that schedule was under consideration by the Senate.

The PRESIDING OFFICER. The Chair hears no objection to the request of the Senator from Oklahoma.

Mr. GORE. Mr. President, it is a controverted question as to whether there is a lumber trust in this country or not. The fact is affirmed and believed by some; it is denied and disbelieved by others. I shall not embark upon a discussion of that controverted question now. Sir, if there is not a combination west of the Mississippi, at least a gentleman's understanding of some sort, then I hold in my hand proof of the most singular and signal instance of mental telepathy ever yet recorded in the history of psychic phenomena. I hold in my hand a price list of lumber issued by the W. T. Ferguson Lumber Company, of St. Louis, Mo. I also hold in my hand a price list of lumber issued by the William Buchanan Lumber Company, of Texarkana, Tex. These two lumber yards are situated more than 500 miles apart, but, strange to say, these two price lists were issued on identically the same day, the 22d of March, 1909.

An examination shows that their terms of sale, freight, delivery, and so forth, are printed in identical words. There is not the variation of a syllable; there is not the variation of a single letter. But, sir, more singular than that is the fact that the prices quoted by these two gentlemen on the same day, situated 500 miles apart, are also identically the same.

I find that Mr. Ferguson, of St Louis, quoted flooring at $36.25, and Mr. Buchanan, of Texarkana, quoted flooring the same day at $36.25. Mark this accidental agreement. On the selfsame day, Mr. Ferguson, of St. Louis, quoted ceiling at $17.50, and Mr. Buchanan, of Texarkana, was selling it at $17.50. Mark the deadly parallel of these prices, a striking coincidence, but a pure coincidence—merely that, and nothing more. On this same day Mr. Buchanan, of Texarkana, sold siding at $17.75, and Mr. Ferguson quoted siding at $17.75.

But, sir, not only on the same grades or class of lumber did they agree, but even on wagon bottoms. The great distance, the difference in freight, and rent make absolutely no difference in their quotations. Wagon bottoms in St. Louis were quoted by Ferguson at from $1.40 to $1.50 per pair, and on the same day Mr. Buchanan, of Texarkana, quoted wagon bottoms at from $1.40 to $1.50 a pair, agreeing in grade, character, and description.

Sir, this is one of the most singular instances of mental telepathy or scientific business methods yet recorded in the history of the commercial world. But, to add the capstone to this ascending scale of miracles, I find that these price lists were printed on the same printing press and by the selfsame printing company—the E. J. Schuster Printing Company, of St. Louis, Mo.—and printed on the same kind of wood-pulp printing paper. Sir, I submit these, not as proof of a trust, not as proof of a combination, but merely as conclusive proof that the contention set up that there is such a thing as mental telepathy has been abundantly established and demonstrated by these quotations of prices beyond any and all reasonable doubt.

The PRESIDING OFFICER. The lists referred to by the Senator from Oklahoma will be printed in the RECORD, in the absence of objection.

The lists referred to are as follows:

Yellow-pine price list from W. T. Ferguson Lumber Company, manufacturers of yellow-pine lumber. March 22, 1909.

FLOORING.[a]

	1/2 by 3 1/4.	1/2 by 5 1/4.
Edge grain, B and better	$36.25	
Edge grain, No. 1 common	25.75	
Flat grain, B and better	25.75	$27.50
No. 1 common, old grade	23.25	24.50
No. 2 common, old grade	15.75	19.00

[a] For S. 2 S., add 50 cents per thousand.

CEILING—BEADED.

	B and better.	No. 1 common.	No. 2 common.
3/8 x 3 1/4 or 5 1/4	$17.50	$15.75	$11.25
1/2 x 3 1/4 or 5 1/4	21.50	18.50	14.00
3/8 x 3 1/4 or 5 1/4[a]	23.00	18.25	13.75
1/2 x 3 1/4 or 5 1/4[a]	25.25	23.25	18.75

[a] For S. 2 S., add 50 cents per thousand.

Cluster beaded and corrugated ceiling, $1 additional.

Yellow-pine price list from W. T. Ferguson Lumber Company, etc.—Cont'd.

PARTITION.

	B and better.	No. 1 common.	No. 2 common.
1 x 3½ or 5½	$27.75	$24.75	$21.25

SIDING.

Bevel, from 1-inch stock	$17.75	$14.75	$11.25
Bevel, from 1¼-inch stock	22.50	19.50	15.50
Drop, ¾ x 5½ inch	27.25	23.75	20.25

On orders calling for special pattern drop siding any percentage of different grade made in running same must be accepted at proportionate price.

FINISHING.

	B and better.
1 by 4 inch, S. 2 S., 1⅛	$30.75
1 by 6 and 8 inch, S. 2 S., 1⅛	33.25
1 by 5 and 10 inch, S. 2 S., 1⅛	35.25
1 by 12 inch, S. 2 S., 1⅛	35.25
1¼ by 6, 8, and 10 inch, S. 2 S., 1⅛	36.25
1¼ by 12 inch, S. 2 S., 1⅛	37.25
1½ by 6, 8, and 10 inch, S. 2 S., 1⅛	36.25
1½ by 12 inch, S. 2 S., 1⅛	37.25
2 by 6, 8, and 10 inch, S. 2 S., 1⅛	37.75
2 by 12 inch, S. 2 S., 1⅛	38.75

For each additional 2 inches in width over 12 inches, add $2 per thousand. For rough stock, add $1.75 per thousand. For S. 4 S., add $2 per thousand.

MOLDED CASING AND BASE, WORKED ON VERY SLOW FEED.

	B and better, at least 50 per cent to be "better."
From 4, 5, or 6 inch stock, B. M	$34.00
From 8, 10, and 12 inch stock, B. M	35.00

Moldings, lots under 5,000 feet, 53 per cent off universal list. Lots 5,000 feet and over, 63 per cent off.

DOOR AND WINDOW JAMBS.

	B and better, at least 50 per cent to be "better."
From 1 by 4 or 1 by 6 inch stock, B. M	$35.25
From 1¼, 1½, and 2 inch stock, B. M	36.25

Dressed, rabbeted, and plowed as ordered.

SHORT STOCK—FLOORING, CEILING, OR DROP SIDING.

1 by 4—6, 8, and 10 feet, No. 1 common and better, when worked as above	$20.50
1 by 6—6, 8, and 10 feet, No. 1 common and better, worked same as above	21.75

When worked to casing, base, or jambs, add $5 per thousand.

BOARDS, S. 1 S. OR S. 2 S.

	12 feet.	14 feet.	16 feet.	18 feet.	10 and 20 feet.
1 x 8, No. 1 common	$22.75	$22.00	$22.00	$22.75	$22.75
1 x 10, No. 1 common	23.25	22.50	22.50	23.25	23.25
1 x 12, No. 1 common	27.50	26.00	26.00	27.50	27.50
1 x 8, No. 2 common	19.50	19.50	19.50	19.50	19.50
1 x 10, No. 2 common	19.50	19.50	19.50	19.50	19.50
1 x 12, No. 2 common	21.00	20.00	20.00	20.00	21.00

D. & M. and shiplap, 50 cents; grooved roofing, $2 more than S. 1 S. For rough, add $2.25 per thousand.

RED HEART BOARDS, S. 1 S. OR S. 2 S.

4 to 12 inches wide, 12 to 20 feet long	$16.75

Can not load specified widths or lengths. They run largely 10 and 12 inches in width and 12, 14, and 16 feet in length.

FENCING, S. 1 S. OR S. 2 S.

	No. 1.	No. 2.
1 x 6, 16 feet	$22.25	$19.00
1 x 6, other lengths	21.25	18.00
1 x 4, 16 feet	21.75	18.50
1 x 4, other lengths	20.75	17.50

For rough, add $2.25 per thousand.

NO. 1 DIMENSION.

	12 feet.	14 feet.	16 feet.	18 feet.	10 and 20 feet.	22 and 24 feet.
2 x 4, S. 1 S. 1 E.	$20.75	$20.25	$20.25	$22.75	$22.75	$26.50
2 x 6, S. 1 S. 1 E.	18.50	18.50	18.50	19.50	19.50	24.00
2 x 8, S. 1 S. 1 E.	19.00	19.00	19.00	21.50	21.50	26.50
2 x 10, S. 1 S. 1 E.	20.00	20.00	20.00	21.50	21.50	27.50
2 x 12, S. 1 S. 1 E.	21.00	21.00	21.00	22.50	22.50	29.00
3 x 6 and 3 x 8, S. 1 S. 1 E.	26.00	26.00	26.00	26.50	26.50	28.00
3 x 10 and 3 x 12, S. 1 S. 1 E.	26.50	26.50	26.50	27.50	27.50	29.00
2 x 14, S. 1 S. 1 E.	29.00	29.00	29.00	30.00	30.00	32.00
2½ x 14 and 3 x 14, S. 1 S. 1 E.	29.00	29.00	29.00	30.00	30.00	32.00
4 x 4 and 4 x 6, S. 1 S. 1 E.	24.75	24.75	24.75	25.25	25.25	26.25
4 x 8 to 8 x 8, rough	26.75	26.75	26.75	27.25	27.25	28.25
4 x 10 to 12 x 12, rough	27.75	27.75	27.75	28.25	28.25	29.25

For rough, add $2.25; for S. 4 S., add 50 cents per thousand; No. 2, when in stock, $2 less. For each additional 2 inches over 14 inches, add $1 per thousand. Dimension edged only $2.75 more than S. 1 S. 1 E.

For timbers larger than 12 by 12, add $1 per thousand for every 2 inches each way. Add $1 for each 2 feet additional over 24 feet up to and including 30 feet.

WAGON BOTTOMS.

	B and better.
Per set, D. & M. 38-inch face	$1.40
Per set, D. & M. 42-inch face	1.50

For edge grain, add 25 cents per set.

BATTENS.

	Per 100 linear feet.
¾ by 3, S. 1 S.	$0.50
2-inch O. G.	.60
2½-inch O. G.	.70

LATHS.

Byrkit lath, 4 feet	$12.25
Byrkit lath, 6 feet	12.25
Byrkit lath, 8 and 10 feet	13.75
Byrkit lath, 12, 14, 18, and 20 feet	14.75
No. 1 Y. P., ⅜-inch plastering lath, steam dried, end-load car lots	3.20

Price list from William Buchanan, manufacturer of band and gang sawed yellow pine lumber, Texarkana, Ark., March 22, 1909.

FLOORING.*

	1⅛ by 3½.	1⅛ by 5½.
Edge grain, B and better	$36.25	
Edge grain, No. 1 common	25.75	
Flat grain, B and better	25.75	$27.50
No. 1 common (old grade)	23.25	24.50
No. 2 common (old grade)	15.75	19.00

*For S. 2 S., add 50 cents per thousand.

CEILING—BEADED.

	B and better.	No. 1 common.	No. 2 common.
⅜ x 3½ or 5½	$17.50	$15.75	$11.25
½ x 3½ or 5½	21.50	18.50	14.00
⅝ x 3½ or 5½ *	23.00	18.25	13.75
¾ x 3½ or 5½ *	25.25	23.25	18.75

*For S. 2 S., add 50 cents per thousand.

Cluster beaded and corrugated ceiling, $1 additional.

PARTITION.

	B and better.	No. 1 common.	No. 2 common.
1 x 3½ or 5½	$27.75	$24.75	$21.25

SIDING.

Bevel, from 1-inch stock	$17.75	$14.75	$11.25
Bevel, from 1¼-inch stock	22.50	19.50	15.50
Drop, ¾ x 5½ inch	27.25	23.75	20.25

On orders calling for special pattern drop siding, any percentage of different grade made in running same must be accepted at proportionate price.

FINISHING.

	B and better.
1 by 4 inches, S. 2 S., 1⅛	$30.75
1 by 6 and 8 inches, S. 2 S., 1⅛	33.25
1 by 5 and 10 inches, S. 2 S., 1⅛	35.25
1 by 12 inches, S. 2 S., 1⅛	35.25
1¼ by 6, 8, and 10 inches, S. 2 S., 1⅛	36.25
1¼ by 12 inches, S. 2 S., 1⅛	37.25
1½ by 6, 8, and 10 inches, S. 2 S., 1⅛	36.25
1½ by 12 inches, S. 2 S., 1⅛	37.25
2 by 6, 8, and 10 inches, S. 2 S., 1⅛	37.75
2 by 12 inches, S. 2 S., 1⅛	38.75

For each additional 2 inches in width over 12 inches, add $2 per thousand; for rough stock, add $1.75 per thousand; for S. 4 S., add $2 per thousand.

MOLDED CASING AND BASE WORKED ON VERY SLOW FEED.

	B and better, at least 50 per cent to be "better."
From 4, 5, or 6 inch stock, B. M	$34.00
From 8, 10, and 12 inch stock, B. M	35.00

Moldings, lots under 5,000 feet, 53 per cent off universal list; lots 5,000 feet and over, 63 per cent off.

DOOR AND WINDOW JAMBS.

	B and better, at least 50 per cent to be "better."
From 1 by 4 or 1 by 6 inch stock, B. M	$35.25
From 1¼, 1½, and 2 inch stock, B. M	36.25

Dressed, rabbeted, and plowed as ordered.

SHORT STOCK—FLOORING, CEILING, OR DROP SIDING.

1 by 4—6, 8, and 10 feet, No. 1 common and better, when worked as above	$20.50
1 by 6—6, 8, and 10 feet, No. 1 common and better, worked same as above	21.75

When worked to casing, base, or jambs, add $5 per thousand.

Price list from William Buchanan, manufacturer, etc.—Continued.

BOARDS, S. 1 S. OR S. 2 S.

	12 feet.	14 feet.	16 feet.	18 feet.	10 and 20 feet.
1 x 8, No. 1 common	$22.75	$22.00	$22.00	$22.75	$22.75
1 x 10, No. 1 common	23.25	22.50	22.50	23.25	23.25
1 x 12, No. 1 common	27.50	26.00	26.00	27.50	27.50
1 x 8, No. 2 common	19.50	19.50	19.50	19.50	19.50
1 x 10, No. 2 common	19.50	19.50	19.50	19.50	19.50
1 x 12, No. 2 common	21.00	20.00	20.00	20.00	21.00

D. & M. and shiplap, 50 cents; grooved roofing, $2 more than S. 1 S. For rough, add $2.25 per thousand.

RED HEART BOARDS, S. 1 S. OR S. 2 S.

4 to 12 inches wide, 12 to 20 feet long $16.75

Can not load specified widths or lengths. They run largely 10 and 12 inches in width and 12, 14, and 16 feet in length.

FENCING, S. 1 S. OR S. 2 S.

	No. 1.	No. 2.
1 x 6, 16 feet	$22.25	$19.00
1 x 6, other lengths	21.25	18.00
1 x 4, 16 feet	21.75	18.50
1 x 4, other lengths	20.75	17.50

For rough, add $2.25 per thousand.

NO. 1 DIMENSION.

	12 feet.	14 feet.	16 feet.	18 feet.	10 and 20 feet.	22 and 24 feet.
2 x 4, S. 1 S. 1 E	$20.75	$20.25	$20.25	$22.75	$22.75	$26.50
2 x 6, S. 1 S. 1 E	18.50	18.50	18.50	19.50	19.50	24.00
2 x 8, S. 1 S. 1 E	19.00	19.00	19.00	21.50	21.50	26.50
2 x 10, S. 1 S. 1 E	20.00	20.00	20.00	21.50	21.50	27.50
2 x 12, S. 1 S. 1 E	21.00	21.00	21.00	22.50	22.50	29.00
3 x 6 and 3 x 8, S. 1 S. 1 E	26.00	26.00	26.00	26.50	26.50	28.00
3 x 10 and 3 x 12, S. 1 S. 1 E	26.50	26.50	26.50	27.50	27.50	29.00
2 x 14, S. 1 S. 1 E	29.00	29.00	29.00	30.00	30.00	32.00
2½ x 14 and 3 x 14, S. 1 S. 1 E	29.00	29.00	29.00	30.00	30.00	32.00
4 x 4 and 4 x 6, S. 1 S. 1 E	24.75	24.75	24.75	25.25	25.25	26.25
4 x 8 to 8 x 8, rough	26.75	26.75	26.75	27.25	27.25	28.25
4 x 10 to 12 x 12, rough	27.75	27.75	27.75	28.25	28.25	29.25

For rough, add $2.25; for S. 4 S., add 50 cents per thousand; No. 2, when in stock, $2 less. For each additional 2 inches over 14 inches, add $1 per thousand. Dimension edged only, $2.75 more than S. 1 S. 1 E.

For timbers larger than 12 by 12, add $1 per thousand for every 2 inches each way. Add $1 for each 2 feet additional over 24 feet up to and including 30 feet.

WAGON BOTTOMS.

	B and better.
Per set, D. & M. 38-inch face	$1.40
Per set, D. & M. 42-inch face	1.50

For edge grain, add 25 cents per set.

BATTENS.

	Per 100 linear feet.
½ by 3, S. 1 S	$0.50
2-inch O. G	.60
2½-inch O. G	.70

LATHS.

Byrkit lath, 4 feet	$12.25
Byrkit lath, 6 feet	12.25
Byrkit lath, 8 and 10 feet	13.75
Byrkit lath, 12, 14, 18, 20, feet	14.75
No. 1 Y. P., ⅜-inch plastering lath, steam dried, end-load car lots	3.20

Mr. LODGE. Mr. President, I will ask, until the chairman of the Finance Committee [Mr. ALDRICH] returns, to move an amendment to paragraph 17, page 6. An amendment was made to that paragraph by the insertion of the words "by whatever name known," after the word "value," in line 17. It was a mistake to insert those words at that point. The error was mine. They should be inserted after the word "articles," in line 15.

The PRESIDING OFFICER. The Senator from Massachusetts asks unanimous consent to reconsider the vote by which the amendment referred to by him was agreed to. Without objection, it is done. The Senator now offers the amendment, which will be stated by the Secretary.

The SECRETARY. In paragraph 17, page 6, line 17, it is proposed to transpose the words heretofore inserted "by whatever name known," after the word "articles," in line 15, so that it will read, "finished articles by whatever name known."

The PRESIDING OFFICER. Without objection, the amendment will be agreed to.

Mr. BACON. Mr. President, I hope we may have an opportunity to have some little information about this matter. We can not tell what it is.

Mr. LODGE. This amendment was agreed to by the Senate. We put in the words "by whatever name known" for a better definition. They were inserted by error at the wrong point. I have asked that they be transferred to the proper point in the paragraph. That is all.

Mr. BACON. I have no objection to that; but I think that where amendments are offered, and we have no opportunity whatever to examine them, it is not unreasonable to ask that they be explained.

Mr. LODGE. This amendment was offered and agreed to, but, owing to a mistake on my part in offering it, I asked to have it inserted at the wrong place in the paragraph.

Mr. BACON. I understand that, for that has been stated by the Senator before, but I was proceeding to say that, in the absence of an opportunity to examine an amendment, I do not think it is unreasonable to request that the Senator should make the explanation he has made.

Mr. LODGE. Not in the least. I am very glad to make the explanation.

The PRESIDING OFFICER. Without objection, the amendment is agreed to.

The paragraph as amended was agreed to.

Mr. LODGE. Mr. President, I wish further to amend that paragraph by striking out the word "twenty-five," in line 18, and inserting the word "thirty-five."

The PRESIDING OFFICER. The amendment proposed by the Senator from Massachusetts will be stated.

The SECRETARY. In paragraph 17, page 6, line 18, it is proposed to strike out the word "twenty-five" and to insert the word "thirty-five."

Mr. DOLLIVER. Mr. President, that appears to be a substantial advance.

Mr. LODGE. It is.

Mr. DOLLIVER. I should like to have a little information in regard to that.

Mr. LODGE. I will state the case to the Senator, and I think he will agree with me that the advance is not unreasonable. The compound duty is equivalent, or was two years ago, to an average ad valorem of 33 per cent and a fraction. Last year it was equivalent to an average ad valorem duty of 31 and a fraction.

The imports under that head have increased from $240,000 three years ago to $1,800,000 last year, which is an enormous increase, as the Senator sees. These are small articles; not necessities, but small articles of luxury or fancy. They are made from celluloid. One of their basic materials, I think, is tissue paper, on which a duty of only 40 per cent is paid; and the other basic material is camphor, which is a monopoly in Japan. Japan has entered upon the manufacture of these articles. This will give them an equivalent ad valorem of 41 per cent. It is perfectly impossible for this industry, which is a small one and which was invented in this country, to live under that competition; and the figures of import show that to be so, unless they can get the additional 10 per cent.

The PRESIDING OFFICER. The question is on agreeing to the amendment proposed by the Senator from Massachusetts.

Mr. BRISTOW. Mr. President, it seems that the House reduced this specific rate from 65 to 50 cents per pound, and reduced the ad valorem from 25 per cent to 20 per cent. The Senate Finance Committee originally restored the Dingley rate. Now the proposition of the Senator from Massachusetts [Mr. LODGE] is to increase the Dingley rate and the ad valorem from 25 to 35 per cent.

Mr. LODGE. It is an increase of the Dingley rate of 10 per cent, which will raise the equivalent ad valorem from 31 to 41 per cent, which is low for a manufactured article of this kind. It is not a necessity of life. I have stated the case. The imports have gone up from $240,000 a year to $1,800,000 in three years. The manufacturers are confronted with Japanese competition. The figures of Japanese labor we are not left to guess at; they are given by the report of the Japanese commission itself. They average from 20 cents to 30 cents a day, and our labor, which averages about $3 per day in this industry, is brought in contact with that. The amendment is an increase, and it is offered as such. I believe—and I think every one who has looked into the matter believes—that the industry can not possibly continue unless such increase is made.

Mr. BRISTOW. Mr. President, I should like to inquire if the House of Representatives made any inquiry as to these articles, or whether there was any evidence submitted to the Ways and Means Committee on the subject?

Mr. LODGE. The evidence submitted to the Senate Committee on Finance on this subject was complete. They went into the figures with the utmost thoroughness, examined all the

statements, including those relating to Japanese wages, and all that was concerned in it, and have arrived at the conclusion which I have stated.

As I say, this industry depends for its basic materials on tissue paper, which carries a duty of 40 per cent, and camphor, of which Japan has a monopoly. These articles can only be made with camphor, and that is in the hands of the Japanese, who have started at Tokyo two great factories in these articles.

Mr. DOLLIVER. I should like to inquire what are the names of these articles in commerce?

Mr. LODGE. They are fancy articles made of celluloid—combs and things of that kind.

Mr. DEPEW. And also imitation shells.

Mr. LODGE. Imitation shells and things of that kind.

Mr. DOLLIVER. Does the book on Duties and Imports indicate any increase of importations?

Mr. LODGE. The importations, as I have stated, have gone from $240,000 to $1,800,000.

Mr. ALDRICH. The importations for 1908 are not given in that book.

Mr. LODGE. The importations in 1908 were $1,800,000.

Mr. ALDRICH. We are importing them now at the rate of $200,000 a month.

Mr. LODGE. Yes; $200,000 a month.

Mr. BRISTOW. Very well. I should just like to have a little reason for these increases of duty. We have been doing nothing else for the last two days except to increase duties. I think the country is getting tired of it. I just want an opportunity to vote against it. That is all I ask.

The PRESIDING OFFICER. The question is on agreeing to the amendment.

The amendment was agreed to.

The paragraph as amended was agreed to.

Mr. ALDRICH. On page 178, line 26, I offer the amendment to paragraph 448 which I send to the desk.

The PRESIDING OFFICER. The amendment will be stated.

The SECRETARY. In paragraph 448, on page 178, line 26, after the word "leather," strike out the word "five" and insert "ten."

The PRESIDING OFFICER. The question is on agreeing to the amendment.

Mr. BACON. I desire to ask the Senator from Rhode Island whether that is the only amendment which he proposes to that paragraph, or if other amendments will run through the paragraph?

Mr. ALDRICH. The committee suggest amendments to the sole-leather provision, increasing the duty from 5 to 10 per cent, and on boots and shoes from 15 to 20 per cent. They are the amendments that I offered last night.

Mr. BACON. I understand that the Senator from Texas [Mr. BAILEY] desires to be heard upon that proposition.

Mr. ALDRICH. I think not; I did not so understand.

Mr. BACON. If the Senator will recall—he is in the cloakroom now, I understand, and I will send for him—when the Senator from Rhode Island proposed the amendments yesterday afternoon, the Senator from Texas interrupted him to say that they could not be finished within the limit of time which remained before the hour of adjournment, and they went over for that reason. It was with a view to that that I asked the Senator whether the amendment just offered in line 20 was to be followed by other amendments relating to shoes and other articles of leather.

Mr. BAILEY entered the Chamber.

Mr. ALDRICH. The Senator from Texas is now in his seat, and I will repeat that these are the amendments which I suggested last night, increasing the duties on sole leather from 5 to 10 per cent, and on boots and shoes from 15 to 20 per cent, the increase being made necessary, in the opinion of the committee, on account of the placing of a duty on hides, the duty on hides being 15 per cent, while these increases are only 5 per cent.

Mr. BAILEY. Of course, Mr. President, I have already expressed the opinion in the presence of the Senate that the shoemakers were entitled to the same ad valorem duty on what they sell as they pay on what they buy. There can be absolutely no defense for requiring them to pay 15 per cent on their hides, and then allowing them to charge 20 per cent on what they make out of those hides. The shoe, as I have already explained, on yesterday, in its total value represents the cost of the raw material, the labor cost, and a return on the capital; and the 15 per cent duty gives them adequate protection on their labor cost, on their capital invested, and on what they pay for the importation of their raw material.

To increase that duty to 20 per cent is, I repeat, a pure gratuity. For instance, I believe I can illustrate it plainly in this way: The total value of the shoe is made up of three items, the cost of raw material, the labor cost, and the capital cost. To say that the cost of the raw material is enhanced 15 per cent by the duty paid toward the support of the Government on the imported hide, certainly gives the manufacturer no right to ask that the people pay him 20 per cent on what he has paid to the Government, which is only 15 per cent; and it is purely a differential, a protection device, for which I take it no Democrat can vote.

Mr. BACON. Mr. President, as I understand the suggestion of the Senator from Texas, it is this: That when the manufacturer gets back in the same duty the amount which he has paid out upon the raw material by reason of the duty imposed upon it, if there is an additional amount imposed, that it is simply and purely a bonus, without any consideration?

Mr. BAILEY. That is absolutely true; it is true in every case; it is most of all true in this case, because, I think, the proof is abundant; that the cost of manufacturing shoes in this country is no greater than the cost of manufacturing shoes in other countries.

Mr. CLAY. Mr. President, will the Senator permit me to ask him a question?

The PRESIDING OFFICER. Does the Senator from Texas yield to the Senator from Georgia?

Mr. BAILEY. Certainly.

Mr. CLAY. I should like to ask the Senator how much revenue we collected from boots and shoes in the year 1907? My recollection is that we only got about $41,000.

Mr. BAILEY. Practically nothing.

Mr. CLAY. My recollection is that we exported in the year 1907 over $10,000,000 worth of shoes.

Mr. BAILEY. The Senator from Georgia is exactly accurate. Not only did we export largely last year, but this export has been a constantly increasing one. We know perfectly well that if the manufacturers of shoes in this country could not produce them and sell them in foreign countries at a profit, they would not export them; and, consequently, this additional 5 per cent is simply a license to exact from the people of the United States who buy shoes what the manufacturers have not paid out when they import hides.

I am perfectly willing that the manufacturers shall have the same duty on their finished product that they pay on their raw material. That is necessary, for otherwise they would import no raw material, but import all finished products. But I believe in the doctrine of equality; I do not believe that the manufacturer ought to be able to collect from anybody, under any kind of argument, beyond what he has paid out. So far as I am concerned, I am ready for that vote.

I am not so clear about the duty on sole leather. I think probably a duty on hides ought to be followed by a duty on whatever is made out of hides. I do not believe in charging one man more than another. In other words, I do not believe in making the manufacturer pay for the support of the Government when he imports hides and leaving the man who imports shoes under no such necessity, although I do say that I will gladly vote to put hides and all their products on the free list, because I believe we can wholly remit the more than $2,000,000, or the something like $2,200,000, which we collect, in view of the corporation tax which is certain to be levied, if Senators on the other side can prevail, and the income tax, if Senators on this side, reenforced by Senators on the other side, can prevail.

I want to say here and now, Mr. President, that notwithstanding the President's message to the effect that this corporation tax will raise $25,000,000, I believe it will raise $50,000,000, if it is properly enforced; and with that $50,000,000 to be collected, in addition to what is collected under the tariff schedules, and remembering the assurance of the chairman of the committee that the tariff schedules will raise enough to support the Government, I shall rejoice at an opportunity to relieve the people who buy shoes as well as the people who import hides.

Mr. JOHNSTON of Alabama. Mr. President——

The PRESIDING OFFICER. Does the Senator from Texas yield to the Senator from Alabama?

Mr. BAILEY. Yes.

Mr. JOHNSTON of Alabama. I wish to suggest to the Senator from Texas, in addition to what he has said, that on these 10,000,000 of shoes that we export from the United States the manufacturers get a drawback on the leather that they paid the duty on.

Mr. BAILEY. I thank the Senator from Alabama for adding that, because it is a valuable fact to be considered. In other words, the manufacturers of the $10,000,000 worth of shoes which they exported in 1908 drew from the Public Treasury, in the form of a drawback, something like $900,000, and that

itself was 10 per cent on the exportations. When I state that they drew $900,000, I believe that is the figure for 1907, but I assume that it was not substantially different from that in 1908.

And, if the Senator from Rhode Island will accept a tender of friendly advice, I will tell him how to make his tariff bill very much more popular than it will be. That is, by recognizing this $50,000,000 that he is going to raise from the corporations of the country by remitting to the people who have many children who must wear shoes the two and a quarter million dollars collected in that way. I have no hope that he will take that advice, but that does not abate my confidence in the wisdom of it.

Mr. HALE. Mr. President, the present duty on boots and shoes is 25 per cent. In fixing the whole question in the House, hides, which are of course at the bottom the nearest approach to raw material in this important manufacture, were placed upon the free list; and, corresponding to that, the rates upon the manufactured products of hides—shoes, boots, and leather—were intended to be arranged with some proper idea of the symmetrical relations that under tariff legislation they bear to each other.

The Senator's proposition that if a duty is fixed by Congress upon what we may call the "raw material," the subsequent duty upon the article as it passes through the process which involves increased labor and cost shall be the same as that fixed upon the raw material has never been and never ought to be the rule in tariff legislation. If there is anything in the proposition that protection involves the recognition of additional labor and cost, then, as will be found in almost every schedule, when the product advances another stage there is a recognition of that advance in an increased duty.

The boot and shoe manufacture, which is a very important one, and which involves the employment of many thousands and tens of thousands of laborers and mechanics, is, or ought to be, especially subject to this rule of increased duty as the product advances in stage of manufacture.

Mr. BACON. Will the Senator permit me for a moment?

The PRESIDING OFFICER. Does the Senator from Maine yield to the Senator from Georgia?

Mr. HALE. Yes; I yield.

Mr. BACON. Mr. President, I would submit this consideration to the Senator: The Senate Finance Committee, or the majority of it, representing the committee, when the bill came from the House with free hides, recognized that the correct measure of the amount of protection—taking it now in their own vernacular, and recognizing that they are using the imposition of this duty as a protective duty—was 15 per cent.

In other words, they recognized that if there was no burden imposed upon the importation of the free raw material, the measure of protection for the process of manufacture was 15 per cent. By the action of the Senate, the burden has been increased by the imposition of a duty of 15 per cent on the raw material. If that exact measure of increased burden is restored to the manufacturer in the price of his product, what is the reason that there should be an additional imposition of duty, or an additional compensation, for the process of manufacture? The process of manufacture has been measured, I repeat, as being entitled to a protection of 15 per cent. It seems to me that the conclusion is beyond possibility of successful contravention that, when an increased burden is imposed, the utmost that can be asked for the process of manufacture is that to the extent of that increased burden there should be a restitution. If the raw material is increased 15 per cent, and if the price of the manufactured article includes that additional 15 per cent, why should there be an additional measure added to the rate of compensation for the distinct and separate act of manufacture?

Mr. HALE. Mr. President, the Senator stated in his own words—and I leave it to him and the Senator from Texas to settle which is the best word—precisely what the Senator from Texas has stated. I was endeavoring to show that that statement is entirely fallacious, and I do not like to repeat myself simply because a question is asked me. But perhaps it will not be trespassing on the patience of the Senate to say again that the fallacy consists in that, when you have fixed the duty upon the raw material, you have only just begun to consider what rate shall be fixed when the advanced stage is reached.

I have never before heard this proposition stated; because if that were the plan upon which we arranged the tariff schedules, the only thing ever to be considered would be what is the duty placed upon the raw material; and we should never have to give ourselves the trouble of looking into the advanced process that the manufacturer has to submit to as a disadvantage to him through the raw material having been raised.

The boot and shoe people, engaged in this most important industry, were opposed to the duty upon hides because it would increase their burden. When the committee considered this subject, and it was so stated to the Senate, it did not take up and report to the Senate what should be the duty on the advanced stage until it was known what was to be the duty upon the raw material—I call it that—not with any intimation that we expected to make it the same, but because in all these schedules it has always been recognized that if there is an increased cost by reason of labor, that should be considered, and an additional duty should be imposed.

I am not wholly content with this proposition of the committee; but, in considering it, instead of restoring the duty to 25 per cent, which is only 10 per cent additional, the committee believed it advisable to fix the advance at only 5 per cent beyond the rate that has been put upon the raw material, if I may call it that, the hide. And I have been wondering myself, in view of the fact that, as I stated the other day, one reason why I propose to vote for the duty on hides is that I expect to advance, as has always been done in every schedule, on the advanced product, the rate to the manufacturer of boots and shoes——

Mr. BACON. Will the Senator permit me for a moment?

The PRESIDING OFFICER. Does the Senator from Maine yield to the Senator from Georgia?

Mr. HALE. Certainly.

Mr. BACON. The Senator says that the increased burden proposed by the placing of hides upon the dutiable list must be compensated to the manufacturer. What I desire to know of the Senator is this: What other burden is there, in the imposition of a duty upon hides, than the 15 per cent? In other words, before the burden was imposed, the recognized proper compensation to the manufacturer was 15 per cent. When you put the burden of 15 per cent upon the raw material, which is necessarily restored in the increased price of the manufactured article, what additional burden is there in the imposition of the duty upon hides to the manufacturer over and above the 15 per cent duty on the hides?

Mr. HALE. I think the boot and shoe men knew what was to their interest when they opposed the addition of the duty upon the raw material, hides. I think they understood what the operation would be upon them if that was put on. I do not need to go into a discussion of the fundamental proposition of whether the additional duty is all an added expense. If we embarked on that discussion, it would revive all these old questions.

But undoubtedly this great industry felt and knew that if the added duty, which is 15 per cent, were put upon the raw material and had to be paid on every importation of hides that would go from the custom-house to these great manufacturing establishments, these hives of human industry, there would be an added burden.

Mr. BACON. I wish to ask the Senator a question, with his permission.

Mr. HALE. Certainly.

Mr. BACON. Suppose that in imposing a duty upon the importation of hides we had coupled it with this provision:

Provided, That upon all hides imported and converted into manufactured shoes the Government shall repay the duty to the manufacturer.

Would the Senator still hold that in the face of such a provision as that the manufacturer would be entitled to an increased duty on the manufacture because of the imposition of the duty on hides? And if not, if the manufacturer gets back the 15 per cent when he sells the shoes, how has he any greater right to have an increased duty on the manufactured article than if the Government itself restored to him the amount that he paid on such an importation?

Mr. CLAPP. Mr. President, will the Senator yield for a moment?

Mr. HALE. Yes.

Mr. CLAPP. I think this matter can be very easily cleared up. While personally I believe the tariff on boots and shoes is sufficiently high, even with the duty on hides left, the idea of raising the tariff from the rate fixed in the House bill, as I understand the committee, is that boots and shoes, independent of whether there is a tariff on hides or not, require a certain amount of protection against foreign-made boots and shoes.

Mr. HALE. Undoubtedly.

Mr. CLAPP. I do not think they require it. That is the reason the committee takes this action. Then, having restored the duty on hides—which, from the standpoint of the committee, will advance the cost of the material to the manufacturer—and believing that, independently of hides, the American manufacturer requires protection as against the foreign manufacturer, that is the occasion for the committee raising the

duty. I should like to be heard on that subject before we get through here.

Mr. McCUMBER. Mr. President——

The PRESIDING OFFICER. Does the Senator from Maine yield to the Senator from North Dakota?

Mr. HALE. Yes.

Mr. McCUMBER. Mr President, this is a very simple proposition in mathematics. If there were no duty on hides and there were no duty upon shoes, there would be no protection. Then, if you place a 15 per cent duty, and only a 15 per cent duty, on hides, there is still no protection whatever; and they balance just the same with the 15 per cent upon both sides. If they are entitled to a duty at all, the shoe manufacturer must be entitled to a duty above 15 per cent, because the 15 per cent is no protection whatever.

Mr. GORE. Mr. President——

Mr. McCUMBER. In just a moment. But there is another feature of the matter that I think ought to be taken into consideration. I doubt very much if there are any of the foreign manufacturers who can manufacture even in a foreign country most of the shoes and import them, but I am certain that some of our great American manufacturers are now building their factories over in Europe. They are supplying the European market in their vicinity with shoes that are manufactured with cheaper labor. All of the manufacturers of shoes are not doing that. If we in this tariff give no protection, with the cheaper labor they can even import those shoes as against the other smaller manufacturers and practically drive them out of business and get the monopoly of the trade practically on both sides of the ocean. I do not want to see them accomplish that.

Mr. HALE obtained the floor.

Mr. STONE. I should like to ask the Senator from North Dakota a question. I wish to ask the Senator from North Dakota if the logic of his position would not apply to leather as well as to shoes?

Mr. McCUMBER. I have not said that it would not apply to leather.

Mr. STONE. The amendment the Senator from Rhode Island has offered raises the duty from 5 to 10 per cent, as I understand it, on leather. You have fixed a duty of 15 per cent on hides. You are raising the per cent on shoes from 15 to 20.

Mr. McCUMBER. There are, of course, many things that must be taken into consideration. The question is whether the 10 per cent and the 5 per cent additional on sole leather is sufficient under all circumstances. The committee seemed to think it was.

Mr. HALE. Mr. President, the last stage of the manufacture that puts the article upon the market, as it is worn by the consumers, the men, women, and children whose feet are shod, has to deal not only with the duty upon hides, but with the duty that we put upon the sole leather that enters into the product. This amendment only relates to the duty upon boots and shoes. The duty upon leather, the Senate having settled what it shall be upon hides, will come up later. All the duty that is put additional upon sole leather which enters into the manufacture of shoes is an additional reason why the final manufacture should be advanced.

I think were it not for my general course of fealty to the committee and my acquiescence in its conclusions, I should move to make the duty upon boots and shoes 25 per cent in lieu of 20 per cent. I do not think that under our system of recognizing the advanced product that that would be an unreasonable duty, considering the duty we put upon hides and sole leather, and that the advanced product has to bear whatever burden comes from that.

But I think, Mr. President, I shall not make that motion. I am content, because hours of discussion will not throw any new light upon this proposition. If the Senate does not recognize that as we advance in the product we advance in the duties, there is no argument I can make that can persuade the Senate. I am so confident in leaving this to the Senate, considering the moderation of the committee in not advancing this duty to 25 per cent, which it is now, after having put up hides to the present duty and proposing to put sole leather beyond the House proposition, I am content to leave it with the real protectionists of this body, who, I am satisfied, will not go back upon this great manufacturing industry.

Mr. GORE. Mr. President, it is not my purpose to discuss this question. I merely wish to propound a question to the Senator from Maine and the Senator from North Dakota. They undoubtedly state the theory of protection correctly. When a specific duty is imposed on a raw material, undoubtedly their theory necessitates an increased differential on the finished product. For instance, if a duty of only 15 cents were levied on the amount of leather necessary to make a pair of shoes, then a duty of only 15 cents on the pair of shoes would undoubtedly be unfair.

But I wish to know if they would apply the same theory when the duties are not specific, but are ad valorem. For instance, assuming, and I take merely a hypothetical case, that the leather necessary to manufacture a pair of shoes costs $1, which is rather high; if there is a 15 per cent duty, it affords only 15 per cent protection to the man who grows the hide. But, assuming that a pair of shoes manufactured from that leather is worth $4, then the same rate of 15 per cent ad valorem affords 60 per cent protection on the finished product. This system is automatic and affords exactly the same measure of protection to the farmer who grows the hide and the manufacturer who makes the shoe. But in the one case it is 15 cents on the hide, and it is 60 cents on the pair of shoes. In other words, a 15-cent specific duty on the hide constituting the shoe is represented by a specific equivalent of 60 cents upon the finished product.

Mr. STONE. Mr. President, when I propounded an inquiry to the Senator from North Dakota about the duty on leather proposed to be fixed at 10 per cent, as against a duty of 15 per cent on hides, it was not with an idea of having the duty on leather raised. It simply occurred to me as being a gross instance illustrating the inconsistencies of the bill.

The Senator was arguing that since the Senate had put a duty of 15 per cent on hides, a higher duty should be put on shoes, because of the larger expenditure of labor, and so forth, in the production, and that that differential should be made in deference to that situation. The thing is exactly reversed when you apply it to leather. There is an additional investment of capital and labor in converting the hides into leather. But here it is proposed to put leather at 10 per cent, whereas you leave the duty on hides at 15 per cent.

My only purpose in calling attention to it, as I said, is to point out what, to me, is a striking instance of inconsistency. For myself I think both hides and leather, yes, and shoes, should go on the free list. There is a far better reason why shoes, for instance, should go on the free list than hides, considered from the standpoint of revenue.

In 1907 the Treasury realized a net revenue of approximately $2,000,000 on hide importations, while it received only $41,000 on the importations of shoes. I am not advised at this moment whether the $41,000 was a net revenue or whether a part of it was afterwards withdrawn on exportation, but I assume not in the case of shoes.

Moreover, Mr. President, if you consider the question from the standpoint of protection, which is the standpoint from which our friends on the other side chiefly view it, then I maintain that there is far less reason for protecting the shoe manufacturer than for protecting the cattle raiser, who produces the hides of cattle. The importations made to this country of shoes are nominal, and all the shoe men say, so far as I know or have heard, that they can, with free leather, take the shoe market of the world; and they are practically doing it now. We are not only not importing shoes to any appreciable degree, but we are large exporters of shoes, and selling them in the markets of the principal states of Europe, within sight of the smokestacks of the factories where shoes are made for the home market and sold in the home market. On the other hand, large amounts of foreign hides from South America are brought into this country. Over $3,000,000 of import duties were collected in 1907; over $18,000,000 of value of that product was brought in and used here in the United States. About a third of it was withdrawn, because of exportation in some form or other.

Whether you consider this question from the standpoint of revenue or from your Republican standpoint of protection, there is infinitely greater reason for levying a protective duty or a revenue duty on hides than on shoes. There is absolutely no excuse or justification found on either standpoint for imposing a differential of this kind in favor of shoes.

Mr. JOHNSTON of Alabama. I wish to say, Mr. President, that we have been advised by several gentlemen who have spoken that the cost of the sole leather in shoes will not average over 4 or 5 cents a pair. If that be so, then the shoes that are composed of uppers and various other articles are untaxed entirely. There is no 15 per cent on upper leather or on any other article that comes into the manufacture as leather.

So if we put a duty of 15 per cent on shoes, we have about three times compensated for the duty on hides. I want to ask the Senator from Maine if the large exportation of shoes from this country and the very insignificant importation do not show that the cost of production is less in this country than in any other country in the world? So, taking these two items together, if you get a tariff of 15 per cent or 20 per cent on all the cost of shoes, including the leather that is not taxed, you

are getting greatly more compensation than that from the duty raised on hides.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Rhode Island.

Mr. BACON. That is the amendment as to sole leather.

Mr. ALDRICH. As to sole leather.

The PRESIDING OFFICER (putting the question). The ayes have it, and the amendment is agreed to.

Mr. BACON. The amendment offered by the Senator from Rhode Island——

The PRESIDING OFFICER. The amendment offered by the Senator from Rhode Island, increasing the duty on sole leather from 5 cents to 10 cents, has been adopted. The next amendment offered by the Senator from Rhode Island will be stated.

The SECRETARY. On page 179, line 21, strike out "fifteen" and insert "twenty."

The PRESIDING OFFICER. The question is on agreeing to that amendment.

Mr. BACON. I desire the yeas and nays on the amendment——

Mr. CLAY. Mr. President, just a word. If there is any industry in this country that is capable of taking care of itself, it is the boot and shoe industry. If the boot and shoe industry had free hides, I have not any question in my mind but that our country could compete with any country in the world. The testimony taken by the Ways and Means Committee demonstrates that fact to be true.

For the year 1907 we exported $31,321,139 worth of leather, and we exported $10,666,949 worth of shoes, making a total of $41,988,078. We imported for the same time $164,509.30 worth of shoes, and the total amount paid into the Treasury from imports was $41,127.46. Now, we are absolutely exporting our leather shoes to every civilized country in the world. We imported into this country only $164,000 worth in the year 1907.

I recognize the fact that inasmuch as we paid a duty of 15 per cent on hides we must necessarily put on a similar duty in regard to shoes. With free hides and free shoes in this country, we could compete with any country in the world. Then, with the 15 per cent on hides and 15 per cent on shoes, we can compete with any country in the world.

Mr. President, we have the trade of the United States now in regard to boots and shoes, and we have a large part of the trade of all the civilized nations of the earth.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Rhode Island [Mr. ALDRICH].

The amendment was agreed to.

Mr. ALDRICH. I ask that the other amendments to the paragraph may be agreed to.

The PRESIDING OFFICER. Without objection——

Mr. BRISTOW. Mr. President, I wish to offer an amendment.

Mr. ALDRICH. Mr. President, the other amendments to the paragraph have not yet been agreed to.

Mr. BACON. I had asked for the yeas and nays on that proposition, Mr. President.

The PRESIDING OFFICER. The Chair did not understand the Senator.

Mr. BACON. I asked for the yeas and nays, and I did not know——

The PRESIDING OFFICER. Does the Senator demand the yeas and nays

Mr. BACON. I do; on the 20 per cent proposition.

The PRESIDING OFFICER. The Senator from Georgia asks for the yeas and nays. Is there a second? In the opinion of the Chair, there is not.

Mr. BACON. I hope Senators will not refuse to give us the yeas and nays on that proposition. I ask for a division.

Mr. HALE. If the Senator from Georgia insists, it is so late that I, for one, do not object. Let us have the yeas and nays, Mr. President. That is the shortest way to dispose of the matter.

The yeas and nays were ordered, and the Secretary proceeded to call the roll.

Mr. FLINT (when his name was called). I am paired with the senior Senator from Texas [Mr. CULBERSON]. If he were present, I should vote "yea."

Mr. JONES (when his name was called). I have a general pair with the junior Senator from South Carolina [Mr. SMITH]. He seems to be absent, and therefore I will withhold my vote. If he were present, I should vote "yea."

Mr. McCUMBER (when his name was called). I have a pair with the junior Senator from Louisiana [Mr. FOSTER]. He being absent, I withhold my vote.

Mr. JOHNSTON of Alabama (when Mr. OVERMAN's name was called). The Senator from North Carolina [Mr. OVERMAN] is absent, and is paired with the Senator from Washington [Mr. PILES].

Mr. SHIVELY (when his name was called). I am paired with the junior Senator from Wisconsin [Mr. STEPHENSON]. I transfer that pair to the junior Senator from Maryland [Mr. SMITH] and vote. I vote "nay."

Mr. SMITH of Michigan (when his name was called). I am paired with the Senator from Mississippi [Mr. McLAURIN], and therefore withhold my vote.

Mr. WARREN (when his name was called). I have a pair with the senior Senator from Mississippi [Mr. MONEY], and therefore withhold my vote. If at liberty to vote, I should vote "yea."

The roll call was concluded.

Mr. ALDRICH. I call the attention of the Senator from Texas [Mr. BAILEY] to the fact that the Senator from West Virginia [Mr. ELKINS], with whom he is paired, is not present.

Mr. BAILEY. I am obliged to the Senator from Rhode Island for calling my attention to that fact. I voted in the negative, but in the absence of the Senator from West Virginia, I withdraw my vote.

Mr. CURTIS. I am requested to announce the pair of the Senator from Illinois [Mr. LORIMER] with the Senator from Tennessee [Mr. TAYLOR].

Mr. BRIGGS (after having voted in the affirmative). I have a pair with the Senator from Maryland [Mr. RAYNER], whom I do not see in the Chamber. I should like to know if he has voted?

The PRESIDING OFFICER. The Senator from Maryland has not voted.

Mr. BRIGGS. Then I withdraw my vote.

Mr. CLAY. I have been requested to announce that the senior Senator from Tennessee [Mr. FRAZIER] is detained from the Senate by illness. If he were present, the Senator from Tennessee would vote "nay."

Mr. TILLMAN. I want to state that my colleague [Mr. SMITH of South Carolina] is detained from the Senate by sickness.

The result was announced—yeas 32, nays 24, as follows:

YEAS—32.

Aldrich	Carter	du Pont	Oliver
Borah	Clark, Wyo.	Gallinger	Page
Brandegee	Crane	Guggenheim	Penrose
Bulkeley	Depew	Hale	Root
Burkett	Dick	Heyburn	Smoot
Burnham	Dillingham	Johnson, N. Dak.	Sutherland
Burrows	Dixon	Kean	Warner
Burton	Dolliver	Lodge	Wetmore

NAYS—24.

Bacon	Crawford	Gore	Newlands
Bankhead	Cummins	Hughes	Paynter
Bristow	Curtis	Johnston, Ala.	Shively
Chamberlain	Davis	La Follette	Simmons
Clapp	Fletcher	Martin	Stone
Clay	Gamble	Nelson	Tillman

NOT VOTING—36.

Bailey	Daniel	McEnery	Richardson
Beveridge	Elkins	McLaurin	Scott
Bourne	Flint	Money	Smith, Md.
Bradley	Foster	Nixon	Smith, Mich.
Briggs	Frazier	Overman	Smith, S. C.
Brown	Frye	Owen	Stephenson
Clarke, Ark.	Jones	Perkins	Tallaferro
Culberson	Lorimer	Piles	Taylor
Cullom	McCumber	Rayner	Warren

So the amendment was agreed to.

Mr. ALDRICH. Mr. President, I now ask that the other amendments in this paragraph submitted by the committee be agreed to.

The PRESIDING OFFICER. Does the Senator from Rhode Island desire to have the amendment stated, beginning at the bottom of page 178?

Mr. ALDRICH. I am not sure whether the amendments in line 25 of paragraph 448 have been agreed to.

The PRESIDING OFFICER. The Chair is informed that those amendments have not yet been agreed to.

Mr. ALDRICH. Then I ask that they be taken up seriatim.

The PRESIDING OFFICER. The amendments will be stated.

The SECRETARY. In paragraph 448, page 178, line 25, after the word "band, it is proposed to insert "bend;" in the same line, after the word "leather," insert the words "rough leather;" on page 179, line 3, after the word "finished," strike out "chamois and;" in line 6, after the words "ad valorem," insert "chamois skins, 20 per cent ad valorem;" and in line 8, after the words "ad valorem," strike out "patent, japanned, varnished, or enameled leather, 20 per cent ad valorem," and insert "patent, japanned, varnished, or enameled leather weighing not over 10 pounds per dozen hides or skins, 27 cents per

pound and 15 per cent ad valorem; if weighing over 10 pounds and not over 25 pounds per dozen, 27 cents per pound and 8 per cent ad valorem; if weighing over 25 pounds per dozen, 20 cents per pound and 10 per cent ad valorem."

The PRESIDING OFFICER. The question is on agreeing to the amendment. In the absence of objection——

Mr. BACON. I ask that that be put to a vote, Mr. President.

Mr. DOLLIVER. Mr. President, this matter between lines 9 and 17 seems to be in lieu of the House provision respecting the same kind of leather, and it is, from the looks of it, a substantial increase of those rates. I should like to have information as to the effect upon the rates by these changes in classification if the chairman of the committee will kindly furnish it.

Mr. ALDRICH. Mr. President, the rates fixed by the House were evidently fixed with an idea that the duties on hides affected the duty upon enameled leather. The present duty on patent and enameled leather is as follows:

Patent, japanned, varnished or enameled leather, weighing not over 10 pounds per dozen hides or skins, 30 cents per pound and 20 per cent ad valorem.

On those skins the Senator from Iowa will see that there is a reduction of 3 cents a pound and 5 per cent ad valorem. The present law next provides:

If weighing over 10 pounds and not over 25 pounds, 30 cents a pound and 10 per cent ad valorem.

Under the amendment reported by the committee there is a reduction in that case of from 30 cents to 27 cents and from 10 per cent ad valorem to 8 per cent ad valorem.

Mr. PAGE. I do not think the tariff on hides affects this paragraph at all.

Mr. ALDRICH. No; that is what I was going to say. The House evidently had that idea in their minds, as they fixed this rate without reference, apparently, to the present law, and the rates that the committee recommend are in every case a reduction from existing rates.

Mr. LODGE. And I will say, if the Senator will allow me, on this leather there is also very sharp foreign competition.

The PRESIDING OFFICER. The question is on agreeing to the amendment.

The amendment was agreed to.

Mr. ALDRICH. I ask that the next amendment be disagreed to.

The PRESIDING OFFICER. The amendment will be stated.

The SECRETARY. In paragraph 448, on page 179, line 17, after the word "leather," it is proposed to strike out the words "and glove leather" and the comma.

The PRESIDING OFFICER. The question is on agreeing to the amendment.

The amendment was rejected.

Mr. ALDRICH. I ask that the paragraph as amended may be agreed to.

Mr. BRISTOW. Mr. President, I offer the amendment which I send to the desk as a substitute for paragraph 448.

The PRESIDING OFFICER. The amendment will be stated.

The SECRETARY. It is proposed to insert as a substitute for paragraph 448 the following:

Hides of cattle, raw or uncured, whether dry, salted, or pickled, harness, saddles, saddlery in sets or in parts, finished or unfinished, band, bend, or belting leather, rough leather, sole leather, dressed upper, and all other leather; calfskins, tanned or tanned and dressed; kangaroo, sheep, and goat skins (including lamb and kid skins), dressed and finished; skins and bookbinders' calfskins, glove leather, leather shoe laces, finished or unfinished, and boots and shoes made of leather shall be admitted into the ports of the United States free of duty: *Provided*, That articles mentioned in this paragraph, if imported from a country which levies an import duty on like articles imported from the United States, shall be subject to the rate of duty existing prior to the passage of this act.

Mr. ALDRICH. Mr. President, I rise to a question of order. The greater portion of that amendment is not in order, the Senate having voted specific rates upon a large number of these items.

The PRESIDING OFFICER. The Chair sustains the point of order.

Mr. BRISTOW. Do I understand that a substitute is not in order for this paragraph?

The PRESIDING OFFICER. The Chair does not understand the amendment to be a substitute for this paragraph, but to be a substitute for some other paragraph.

Mr. BRISTOW. No——

Mr. ALDRICH. It will not even be in order to change the rates in this paragraph, for they have been fixed by a vote of the Senate.

Mr. BRISTOW. This paragraph has not been adopted.

Mr. ALDRICH. I understand that; but the rates in it have been adopted by specific votes of the Senate, and they are not subject to change now.

Mr. BACON. Mr. President, it seems to be a question about which there can be very little doubt——

Mr. ALDRICH. In order to test the sense of the Senate, I move to lay the amendment on the table. I think perhaps that is the best way.

The PRESIDING OFFICER. The Senator from Rhode Island moves to lay the amendment on the table.

Mr. BRISTOW. On that I should like to have the yeas and nays.

The yeas and nays were not ordered.

Mr. BRISTOW. I should like to have a count.

The PRESIDING OFFICER. A division is demanded. Those in favor of the amendment will rise and stand until they are counted.

Mr. BRISTOW. I want a division on the question as to ordering the yeas and nays.

Mr. HALE. Let us have the yeas and nays.

The yeas and nays were ordered, and the Secretary proceeded to call the roll.

Mr. BRIGGS (when his name was called). I am paired with the senior Senator from Maryland [Mr. RAYNER], and therefore withhold my vote.

Mr. FLINT (when his name was called). I am paired with the senior Senator from Texas [Mr. CULBERSON]. I transfer the pair to the junior Senator from Utah [Mr. SUTHERLAND] and will vote. I vote "yea."

Mr. CLAY (when Mr. FRAZIER's name was called). The Senator from Tennessee is absent on account of sickness.

Mr. JONES (when his name was called). I have a general pair with the junior Senator from South Carolina [Mr. SMITH], and therefore withhold my vote.

Mr. McCUMBER (when his name was called). I again announce my pair with the junior Senator from Louisiana [Mr. FOSTER]. He being absent, I withhold my vote.

Mr. McLAURIN (when his name was called). I am paired on this vote with the junior Senator from Michigan [Mr. SMITH].

Mr. JOHNSTON of Alabama (when Mr. OVERMAN's name was called). The Senator from North Carolina is paired with the Senator from Washington [Mr. PILES].

Mr. SHIVELY (when his name was called). I am paired with the junior Senator from Wisconsin [Mr. STEPHENSON]. I transfer the pair to the junior Senator from Maryland [Mr. SMITH], and will vote. I vote "nay."

Mr. WARREN (when his name was called). I again announce my pair.

The roll call was concluded.

Mr. BAILEY. I am paired with the Senator from West Virginia [Mr. ELKINS]. If he were present, I should vote "nay."

Mr. TALIAFERRO. I am paired with the junior Senator from West Virginia [Mr. SCOTT]. If he were present, I should vote "nay."

Mr. BRIGGS. I have a pair with the senior Senator from Maryland [Mr. RAYNER]. I transfer it to the junior Senator from Idaho [Mr. BORAH], and will vote. I vote "yea."

Mr. WARREN. I transfer my pair to the Senator from Mississippi [Mr. MONEY], so that he may stand paired with the Senator from Oregon [Mr. BOURNE], and will vote. I vote "yea."

The result was announced—yeas 33, nays 23, as follows:

YEAS—33.

Aldrich	Clark, Wyo.	Gamble	Penrose
Brandegee	Crane	Guggenheim	Root
Briggs	Depew	Hale	Smoot
Bulkeley	Dick	Heyburn	Warner
Burkett	Dillingham	Johnson, N. Dak.	Warren
Burnham	Dixon	Kean	Wetmore
Burrows	du Pont	Lodge	
Burton	Flint	Oliver	
Carter	Gallinger	Page	

NAYS—23.

Bacon	Crawford	Hughes	Paynter
Bankhead	Cummins	Johnston, Ala.	Shively
Bristow	Curtis	La Follette	Simmons
Chamberlain	Davis	Martin	Stone
Clapp	Fletcher	Nelson	Tillman
Clay	Gore	Newlands	

NOT VOTING—36.

Bailey	Daniel	McEnery	Richardson
Beveridge	Dolliver	McLaurin	Scott
Borah	Elkins	Money	Smith, Md.
Bourne	Foster	Nixon	Smith, Mich.
Bradley	Frazier	Overman	Smith, S. C.
Brown	Frye	Owen	Stephenson
Clarke, Ark.	Jones	Perkins	Sutherland
Culberson	Lorimer	Piles	Taliaferro
Cullom	McCumber	Rayner	Taylor

So Mr. BRISTOW's amendment was laid on the table.

Mr. BRISTOW. Mr. President, I should like to make a parliamentary inquiry. Is it the rule of the Senate that when an amendment fixing a rate in a schedule has been adopted, it is then not in order to offer a substitute for that paragraph before the paragraph itself is adopted?

The PRESIDING OFFICER. The present occupant of the chair will say that that was an amendment to another paragraph of the bill, which had been voted on. But it would be in order for the Senator to offer another amendment in the Senate.

Mr. BACON. O Mr. President——

Mr. NELSON. I think it is a parliamentary rule, universally conceded, that the friends of a measure may perfect a paragraph, may amend it; and after it has been amended and perfected it is open to a substitute for the entire paragraph.

Mr. BACON. Of course; undoubtedly.

Mr. ALDRICH. Not a substitute changing the rate.

Mr. NELSON. I have never heard any parliamentary rule to the contrary.

Mr. ALDRICH. Not a substitute which changes the rates fixed in the paragraph.

Mr. NELSON. A substitute for an entire paragraph, composed of a number of items, is always in order.

Mr. ALDRICH. That is not, perhaps, the question now before the Senate. I will ask that paragraph 453 be disposed of. However, let this paragraph be disposed of first.

Mr. BACON. Mr. President——

Mr. BRISTOW. Mr. President, I think I have the floor.

The PRESIDING OFFICER. The Senator from Kansas is recognized.

Mr. BRISTOW. Before I yield the floor, I want to state that I had some remarks to make as to why I thought this substitute should be adopted. The motion to lay on the table, therefore, shut off debate. If this amendment or substitute amendment that I offered was in order, then I was taken from the floor in violation of the rule of the Senate, and that is what I wanted to know.

Mr. ALDRICH. Not at all.

Mr. BRISTOW. I offered a substitute for this paragraph after I supposed it had been perfected by the committee and was ready for adoption.

Mr. BACON. Mr. President, with the permission of the Senator from Kansas, I desire to say that I do not think there is any possible question about the fact that he had the right to offer an amendment in the nature of a substitute, or, rather, a substitute in the nature of an amendment. I think, however, the last suggestion of the Senator is not maintainable. It was within the rights of any Senator to move to lay that upon the table.

Mr. McLAURIN. How could he move to lay it upon the table while a Senator had the floor?

Mr. BACON. If the Senator was on the floor to address the Chair, of course the Senator from Rhode Island could not make the motion until he had concluded.

But he would have the right to move to lay it on the table before any vote was taken on it. I did not understand that to be the point of the Senator. I understood the point to be that when the amendment was offered it could not then be laid upon the table.

Mr. BRISTOW. I offered the amendment, and it was read. I proposed then to address the Senate in regard to the amendment. In the meantime the Senator from Rhode Island moved to lay it upon the table. I yielded, not knowing that I was yielding for that purpose; and I am simply trying to find out what is the practice of the Senate, so that in future I may know.

Mr. NELSON. Mr. President——

The PRESIDING OFFICER. Does the Senator from Kansas yield to the Senator from Minnesota?

Mr. BRISTOW. I do.

Mr. NELSON. Even assuming that the Senator's amendment was in order, the motion to lay on the table was perfectly in order under our rules. There is no doubt about that.

Mr. BRISTOW. Even while the Senator from Kansas was on the floor for the purpose of addressing the Senate?

Mr. NELSON. Not if the Senator had been recognized and had the floor. I did not understand that to be the case.

Mr. ALDRICH. I ask that the paragraph may be agreed to as amended.

Mr. BRISTOW. Mr. President, I believe I have the floor, have I not?

The PRESIDING OFFICER. The Senator from Kansas has been recognized.

Mr. BRISTOW. I insist on having the floor and being heard. The Senator will not hasten this measure by attempting to take me off the floor until I am ready to sit down, according to the rules of this body. I think I have some of the spirit that the Senator from Idaho has in regard to that. I hope I have in any event.

Now, Mr. President, do I understand I lost the opportunity to discuss the amendment I offered because I did not insist upon being heard and discussing it, and yielded to the motion of the Senator from Rhode Island, without indicating that I had the floor and that I did not yield for that purpose? Am I right in my construction of the parliamentary situation in which I was placed?

Mr. ALDRICH. I ask for the regular order, Mr. President.

Mr. BRISTOW. Mr. President, the regular order, I believe, is that I am asking a parliamentary question.

The PRESIDING OFFICER. The Chair did not hear the question.

Mr. GALLINGER and others. The regular order is adjournment.

Mr. TILLMAN. The regular order is adjournment under the order. I do not want to take the Senator off the floor, but I am very anxious to get out of this hot place.

The PRESIDING OFFICER. The hour of 7 o'clock having arrived, the Senate stands adjourned until to-morrow, Friday, June 25, 1909, at 10 o'clock a. m.

HOUSE OF REPRESENTATIVES.

THURSDAY, *June 24, 1909.*

The House met at 12 o'clock noon.

Prayer by the Chaplain, Rev. Henry N. Couden, D. D.

The Journal of the proceedings of Monday, June 21, 1909, was read and approved.

SCRANTON, MISS.

Mr. PAYNE. Mr. Speaker, I present a privileged report (H. Rept. No. 9) from the Committee on Ways and Means, being a bill (H. R. 10887) to make Scranton, in the State of Mississippi, a subport of entry, and for other purposes, and I desire to call up that bill for action at the present time. I therefore ask unanimous consent that it be considered in the House as in the Committee of the Whole. It is simply making this port a subport of entry.

The SPEAKER. The gentleman from New York presents a privileged report from the Committee on Ways and Means and asks unanimous consent to consider the bill in the House as in the Committee of the Whole at this time. Is there objection?

There was no objection.

The SPEAKER. The Clerk will report the bill.

The Clerk read as follows:

Be it enacted, etc., That Scranton, in the State of Mississippi, is hereby made a subport of entry in the district of Pearl River, and the necessary customs officers stationed at said port may, in the discretion of the Secretary of the Treasury, enter and clear vessels, receive duties, fees, and other moneys, and perform such other service as, in his judgment, the interest of commerce may require.

Mr. PAYNE. Mr. Speaker, I now yield to the gentleman from Mississippi [Mr. BOWERS] such time as he desires.

Mr. BOWERS. Mr. Speaker, Scranton, Miss., by this bill, is made a subport of entry. It has been a port of delivery for a number of years. As a matter of fact, and in practice, it has been for forty years a port of entry. That is, vessels have been entered and cleared there under authority of the department just as if it were a port of entry, but recently a ruling was made upon a section of the Revised Statutes which clearly prohibits the entry of vessels at such ports, and upon that ruling the collector was directed to cease the practice of permitting the entry of vessels at Scranton. That port enters and clears about 200 vessels per year. It furnishes cargo for perhaps 100 more. It is about 40 miles distant by rail from the other port of entry in the district of Pearl River. The whole of the Mississippi seacoast is comprehended in one district known as the district of Pearl River. By recalling the permission to enter and clear vessels there, vessels which are bound for that port and which take their cargo there, are both forced to go first through another channel into the port of Gulfport, enter there, and then go out to sea again and come back through another pass to Scranton or Pascagoula, and this involves double pilotage and a delay of two days and an additional cost of about $300 per vessel. The matter has been considered by the Treasury Department, and in a very lengthy communication addressed to the chairman of the Committee on Ways and Means the passage of this bill has been recommended.

Mr. CAMPBELL. Mr. Speaker, will the gentleman yield?

Mr. BOWERS. Yes.

Mr. CAMPBELL. How far is this proposed port of entry from the next nearest port?

Mr. BOWERS. About 40 miles by rail, but a much longer distance by water. The gentleman will understand that in order to get from one to the other with a seagoing vessel you have to go out through the channel and into the Gulf of Mexico and then around by deep water into the channel that leads up into the other. The Government has expended nearly a million dollars in improving the entrance to this port.

Mr. CAMPBELL. Can the gentleman inform the House as to the probable business to be transacted in this port?

Mr. BOWERS. They do a business approximately of $8,000,000 a year in exports.

Mr. CAMPBELL. In exports?

Mr. BOWERS. Yes; it is an export point. There are no imports there at all. It exports lumber and wood products.

Mr. CAMPBELL. What is the necessity then for making it the port of entry, if it is the port of export?

Mr. BOWERS. As I explained a moment ago, to avoid the additional impost upon the vessels. It will cost them over $300 additional to go first to Gulfport and clear and then return to Scranton, and this $300 additional cost of course goes into the freight money and makes a very considerable embargo in the course of a year on the commerce of that place.

Mr. Speaker, that is all I desire to say.

Mr. PAYNE. Mr. Speaker, I ask for a vote.

The SPEAKER. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed and read a third time, read the third time, and passed.

Mr. PAYNE. Mr. Speaker, I made an additional report (H. Rept. No. 10) from the Committee on Ways and Means reporting back a Senate bill identical with this, and on the ground that it is a bill raising revenue. The recommendation is that the Senate bill do lie on the table.

The SPEAKER. The gentleman from New York reports back a Senate bill with the recommendation that the same do lie on the table. The Clerk will report the title.

The Clerk read as follows:

S. 2493. An act to make Scranton, in the State of Mississippi, a subport of entry, and for other purposes.

The SPEAKER. Without objection, it is so ordered. [After a pause.] The Chair hears no objection.

MESSAGE FROM THE SENATE.

A message from the Senate, by Mr. Platt, one of its clerks, announced that the Senate had passed without amendment joint resolution of the following title:

H. J. Res. 59. Joint resolution amending an act concerning the recent fire in Chelsea, Mass.

ENROLLED JOINT RESOLUTION SIGNED.

The SPEAKER announced his signature to enrolled joint resolution of the following title:

S. J. Res. No. 33. Joint resolution relating to the provisions of section 10 of the sundry civil act of March 4, 1909.

APPROPRIATIONS FOR THIRTEENTH DECENNIAL CENSUS.

Mr. TAWNEY. Mr. Speaker, I ask unanimous consent for the present consideration of the following bill, which I send to the Clerk's desk, being a bill appropriating money for the taking of the next census, and I ask that it be considered in the House as in Committee of the Whole House on the state of the Union.

The SPEAKER. The gentleman from Minnesota asks unanimous consent for the present consideration of the following, the title of which the Clerk will report.

The Clerk read as follows:

A bill (H. R. 10933) making appropriations for expenses of the Thirteenth Decennial Census, and for other purposes.

Be it enacted, etc., That there is hereby appropriated, out of any money in the Treasury not otherwise appropriated, for salaries and necessary expenses for preparing for, taking, compiling, and publishing the Thirteenth Census of the United States, rent of office quarters, for carrying on during the decennial census period all other census work authorized and directed by law, including purchase, rental, construction, repair, and exchange of mechanical appliances, to continue available until June 30, 1912, $10,000,000.

The Director of the Census is authorized to designate three commissioners, with the status of special agents, as provided by the permanent census act, to represent the United States in the International Commission for the Revision of the Classification of Diseases and Causes of Death, called by the Government of France to meet at Paris in July, 1909, one of whom shall be chosen from the Census Office, one from the organized medical profession, and one from the organized registration officials of the United States. For the compensation and traveling expenses of said commissioners not exceeding $2,500 of the foregoing appropriation may be expended.

Mr. HULL of Iowa. Mr. Speaker, one question. My understanding——

Mr. MACON. Mr. Speaker——

The SPEAKER. To whom does the gentleman from Minnesota yield?

Mr. TAWNEY. I yield to the gentleman from Iowa first.

Mr. MACON. Mr. Speaker, I reserve the right to object.

Mr. HULL of Iowa. Mr. Speaker, my understanding was that we were to continue the appropriations of last year for a while until further consideration should be given to the whole matter. I simply want to ask if, in view of the fact there is no Committee on Appropriations yet, there has been a consideration by the committee sufficient to justify the appropriation of $10,000,000 at this time?

Mr. TAWNEY. I will say, in answer to the gentleman from Iowa, that the amount of appropriations carried in this bill for the taking of the next census was estimated for by the department at the last session of the last Congress, and the matter was carefully considered by the committee; but in view of the fact that the new census law had been vetoed, was not to be considered or brought up at that session, but was to be brought up at this session, the committee concluded not to recommend to the House the appropriation for the amount for the taking of the census that this bill now carries.

Now, the proposition to extend the appropriations for the fiscal year 1909 and make them available for the first month of the fiscal year 1910 was considered, and it was intended on last Monday to present a joint resolution for that purpose, but the principal cause of difference between the two Houses having been eliminated by the adoption of the amendment of the gentleman from Tennessee in respect to the census bill, and being assured that the conferees are about to agree on a final report, and also in view of the fact that the appropriations must be made now—to-day—or otherwise, the Census Bureau will have to close on next Wednesday evening, I concluded the only thing to do was to present this bill at this time and thereby provide for the appropriation which has been estimated for, which the Committee on Appropriations at the last session of Congress had considered and had agreed to and also avoid the making of a double appropriation for the first month of the next fiscal year. For that reason we present it at this time. I now yield to the gentleman from Arkansas.

Mr. MACON. Mr. Speaker, I want to ask the chairman of the Committee on Appropriations in charge of this bill if he does not think it better to allow a measure of this magnitude, appropriating $10,000,000 in a lump sum, to pass in the regular way, especially when there is no report or anything whatever to advise the membership of the House whether everything contained in this whole $10,000,000 appropriation ought to be there?

Mr. TAWNEY. I will say to the gentleman from Arkansas it is not the purpose to pass this bill out of the ordinary way, but if unanimous consent is given for its consideration, the House will then have all the time and all the opportunity it desires for that purpose—for the purpose of considering it before it is finally voted upon. There is no intent to pass it out of the ordinary way, but the gentleman from Arkansas knows that we have no committees at the present time and the amount carried in this bill, as I stated to the gentleman from Iowa, was estimated for at the last session of the last Congress, and the Committee on Appropriations considered it both in connection with the legislative bill and in connection with the sundry civil bill, so that this is not a matter that I have brought here entirely upon my own responsibility, but an appropriation must be made to-day by the House of some kind, or otherwise the Census Bureau closes on next Wednesday evening.

Mr. MACON. But the salaries of the various employees of the Census Bureau are carried in the appropriation bill.

Mr. TAWNEY. This does not specify the salaries. The salaries that are to be paid out of this lump-sum appropriation are fixed by law, so that it does not relate to salaries at all.

It merely appropriates money to pay the compensation and salaries which are now authorized or will be authorized by the new census law when the conference report is finally agreed upon.

Mr. MACON. Mr. Speaker, I know that I am powerless to prevent the passage of this bill by myself, but I know also that I would not, in my judgment, be discharging the duties of a Representative if I were to sit quietly in my seat and see $10,000,000 appropriated by unanimous consent without even a report in connection therewith. And for that reason I object.

MRS. LAURITZ OLSEN.

Mr. HUGHES of West Virginia. Mr. Speaker, I desire to offer the following privileged report (H. Rept. No. 11) from the Committee on Accounts.

The SPEAKER. The Clerk will read.

The Clerk read as follows:

House resolution 73.

Resolved, That the Clerk of the House be, and he is hereby, authorized and directed to pay, out of the contingent fund of the House, to Mrs. Laurits Olsen, widow of Laurits Olsen, deceased, late a messenger on the soldiers' roll of the House of Representatives, the balance of the

salary due him at the date of his death, together with a sum equal to six months of his salary as such employee, and an additional amount, not exceeding $250, for the funeral expenses of said Lauritz Olsen.

Also the following amendment:

Strike out the words:

The balance of the salary due him at the date of his death, together with.

The SPEAKER. The question is on agreeing to the amendment.

The question was taken, and the amendment was agreed to.

The resolution as amended was agreed to.

MICHAEL FITZPATRICK.

Mr. HUGHES of West Virginia. Mr. Speaker, I desire also to offer the following House Resolution, No. 77 (H. Rept. No. 11).

The SPEAKER. The Clerk will report the resolution.

The Clerk read as follows:

House resolution 77.

Resolved, That the Clerk of the House be, and he is hereby, authorized and directed to pay, out of the contingent fund of the House, to Michael Fitzpatrick, father of Charles C. Fitzpatrick, deceased, late assistant clerk to the Committee on Indian Affairs of the House of Representatives, the balance of the salary due him at the date of his death, together with a sum equal to six months of his salary as such employee, and an additional amount, not exceeding $250, for the funeral expenses of said Charles C. Fitzpatrick.

Also the following amendment:

Strike out the words:

The balance of the salary due him at the date of his death, together with.

The SPEAKER. The question is on agreeing to the amendment.

The question was taken, and the amendment was agreed to.

The resolution as amended was agreed to.

WAGES AND MANUFACTURES IN FOREIGN COUNTRIES.

Mr. TAWNEY. Mr. Speaker, I demand the regular order.

The SPEAKER. The gentleman from Minnesota demands the regular order, which is the motion made by the gentleman from New York [Mr. PAYNE] to lay the following resolution on the table, which the Clerk will report.

The Clerk read as follows:

House resolution 72.

Resolved, That the President of the United States, if not incompatible with the public interest, be, and he is hereby, requested to transmit to the House of Representatives copies of all correspondence and papers received by the Department of State through diplomatic channels from any foreign government, except Germany, upon request or suggestion of any Member of Congress, or department, or other official of the United States Government, pertaining to wages or manufactures in the countries from which such information has been received.

The SPEAKER. The question is on agreeing to the motion of the gentleman from New York [Mr. PAYNE].

The question was taken, and the Chair announced that the ayes seemed to have it.

Mr. HULL of Tennessee. Division, Mr. Speaker.

The House divided; and there were—ayes 137, noes 80.

So the motion was agreed to.

The SPEAKER. The Clerk will call the committees.

The committees were called.

WITHDRAWAL OF PAPERS.

Mr. HUBBARD of West Virginia, by unanimous consent, was granted leave to withdraw from the files of the House, without leaving copies, the papers in the case of William Linder, Fifty-ninth Congress, no adverse report having been made thereon.

Mr. HUFF, by unanimous consent, was given leave to withdraw papers in the case of Edith Patten, Sixtieth Congress, no adverse report having been made thereon.

CHANGE OF REFERENCE.

By unanimous consent, change of reference of the bill (H. R. 10929) granting a pension to Herbert T. De Lano was made from the Committee on Invalid Pensions to the Committee on Pensions.

THE CENSUS.

Mr. TAWNEY. Mr. Speaker, I offer the bill H. R. 10933—the census appropriation bill—and move that the House resolve itself into the Committee of the Whole House on the state of the Union for its consideration.

The SPEAKER. The bill is referred to the Committee of the Whole House on the state of the Union under the rules. As the Chair understands it, the gentleman from Minnesota offers the bill?

Mr. TAWNEY. Yes.

The SPEAKER. The bill is referred to the Committee of the Whole House on the state of the Union under the rules.

Mr. TAWNEY. Mr. Speaker, I renew my motion that the House resolve itself into the Committee of the Whole House on the state of the Union for its consideration.

Mr. MACON. Mr. Speaker, I make the point of order that the bill is in the hands of the Appropriation Committee, or, at least, has been referred by the Speaker to the Appropriation Committee; that no report has been made upon it; and that it is not properly before the House, inasmuch as the committee has not been properly discharged from the further consideration of it.

Mr. TAWNEY. I will say, Mr. Speaker, that the bill has not been referred to any committee.

The SPEAKER. The gentleman is correct. The Journal does not disclose any record of the bill. The Chair understands that the gentleman from Minnesota——

Mr. MACON. Then I make the point of order——

The SPEAKER. The Chair understands that the gentleman from Minnesota offers the bill from the floor.

Mr. MACON. I make the point of order that the bill is improperly before the House for the reason that it must be referred to the committee and presented by it to the House under the rules before it can be considered in any other manner than by unanimous consent.

The SPEAKER. The Chair overrules the point of order.

The question is on the motion of the gentleman from Minnesota [Mr. TAWNEY].

The motion was agreed to.

Accordingly the House resolved itself into the Committee of the Whole House on the state of the Union for the consideration of the bill (H. R. 10933) making appropriations for expenses of the Thirteenth Decennial Census, and for other purposes, with Mr. HULL of Iowa in the chair.

The CHAIRMAN. The House is in Committee of the Whole House on the state of the Union for the consideration of the bill making appropriations for expenses of taking the Thirteenth Decennial Census, and for other purposes. The Clerk will report the bill.

The Clerk read as follows:

A bill (H. R. 10933) making appropriations for expenses of the Thirteenth Decennial Census, and for other purposes.

Mr. TAWNEY. Mr. Chairman, I ask unanimous consent that the first reading of the bill be dispensed with.

The CHAIRMAN. The gentleman from Minnesota asks unanimous consent that the first reading of the bill be dispensed with. Is there objection? [After a pause.] The Chair hears none.

Mr. TAWNEY. Mr. Chairman, in order that the House may understand that this is not a proposition presented upon my own responsibility, and without investigation, I desire to say that during the last session of Congress the estimates for appropriation for taking the next census were submitted, and as I have said before, considered by the Committee on Appropriations; but because of the peculiar status of the new law or proposed law, authorizing the taking of the new census, the appropriation was not recommended by the Committee on Appropriations; but it was suggested that it await the final passage of that bill. At the beginning of this session of Congress the new Secretary of Commerce and Labor resubmitted the estimates, and submitted them identically in the form in which they were submitted and considered at the last session of Congress. It is estimated that the taking of the next census will cost in the aggregate something over $14,000,000. The amount estimated for the work of taking the census during the next fiscal year will not be less than $10,000,000. The larger part of the expenditure comes in the first year. If the Members of the House will bear with me, I will state the details of the estimates as shown in document No. 5, first session of the Sixty-first Congress:

Supervisors	$1,000,000
Enumerators	4,500,000
Special agents	700,000
Office force	2,100,000
Tabulating machinery	250,000
Cards for tabulating machines	100,000
Alaska	85,000
Porto Rico	160,000
Stationery	150,000
Printing	250,000
Administrative expenses (travel, telegraph, furniture, machines)	250,000
Annual reports	404,000
Total	9,949,000

Now, if gentlemen desire any further information in regard to the bill or the appropriation, I will be very glad to answer any question I can.

Mr. BARTLETT of Georgia and Mr. MACON rose.

Mr. TAWNEY. I yield first to the gentleman from Georgia.

Mr. BARTLETT of Georgia. The gentleman understands that a bill that will pass, or is likely to pass, will provide that the disbursing clerk of the Census Bureau shall give a large bond. He now gives one of $25,000. By reason of the fact of the very large amount that will be paid out by him, in taking the census, which is taken every ten years, the amount of his bond will be increased. Now, does not the gentleman think there ought to be some provision put through permitting the Government to pay the charges caused by this increased premium upon the bond, which amounts to a reduction of the salary of this officer?

Mr. TAWNEY. In answer to the gentleman from Georgia, I would say that I do not think the Government ought to be called upon to pay the premium on any bond issued to any officer or employee of the Government to insure his fidelity. I concede that the proposed census law actually increases the bond of the disbursing officer from $25,000 to $125,000; I also concede that the bonding companies have the right to charge the rates which they do, and which are about 300 per cent in excess of the rates charged last year. I concede also that that will amount to a substantial reduction in the salary of the disbursing officer of the Census Bureau. But while the bonding companies have the right to charge any rate they please, it is also the duty of Congress to provide that their bonds shall not be accepted when the rate is above a certain amount, and thus protect the government employee from extortion. The matter of the premium that should be collected by bonding companies on bonds issued to government officials and employees is a matter under consideration in a bill that will have to be reported to this House later, containing appropriations for some small deficiencies and other matters that must be taken care of; and it is the intention of those who have that in charge to have a provision carried in that bill to remedy the evil spoken of by the gentleman from Georgia.

Mr. BARTLETT of Georgia. I am glad to hear of that. This bill does not make any provision and can not, as it would be a matter of legislation. I merely wanted to know what the gentleman had to say in regard to the matter.

Mr. TAWNEY. The matter has been looked into very thoroughly, and there will be some provision in a bill to be presented carrying general deficiencies and providing for emergencies of that kind. Now I yield to the gentleman from Arkansas.

Mr MACON. Mr. Chairman, I do not want this hot day to unduly exercise the gentleman in charge of the bill.

Mr. TAWNEY. Do not mind me.

Mr. MACON. But I wanted to know how he arrives at the conclusion that it is necessary to appropriate $10,000,000 to take the next census when the law authorizing the taking of that census has not yet been passed?

Mr. TAWNEY. I will say to the gentleman that the estimate by the Secretary of Commerce and Labor is based on the provisions of the bill which both Houses of Congress had agreed to, and are not in conference. The matters in difference between the two Houses do not materially affect the compensation of the employees in the Census Bureau or the cost of taking the census during the next fiscal year.

Mr. MACON. Does the gentleman know about what difference there will be in case the matters in conference are stricken out?

Mr. TAWNEY. No substantial difference whatever.

Mr. MACON. Not if the matters in conference are stricken out?

Mr. TAWNEY. No, sir; the matters in conference will not affect the cost of taking the census.

Mr. MACON. I am talking about those things not yet agreed upon. I desire to ask further, this being an appropriation bill for the purpose of taking the next census, and there has been no law yet passed authorizing the taking of it—I want to ask the gentleman candidly if this appropriation is based upon existing law, or if there is any law authorizing an appropriation which is carried in this bill?

Mr. TAWNEY. There is a law authorizing the taking of the next census. That law stands until it is repealed, and whether the census is taken under that law or a new law the cost of taking it will exceed the amount carried in this appropriation bill.

Mr. MACON. Then, of course, it would not be material.

Mr. TAWNEY. The matters of difference between the two Houses are in regard to appointments, and do not relate to the cost of taking the census.

Mr. MACON. I thank the gentleman. I wanted to get the information.

Mr. SHERLEY. Will the gentleman from Minnesota yield to me for a question?

Mr. TAWNEY. Certainly.

Mr. SHERLEY. I would like to ask the gentleman if there have been any hearings as to these various items?

Mr. TAWNEY. There have been hearings; I do not know that there is any record of them.

Mr. SHERLEY. Before any committee of the House?

Mr. TAWNEY. Before the legislative committee which made up the last legislative bill. At that time the subject was gone into, and I was reading the hearings taken before the legislative committee on this proposition this morning.

Mr. SHERLEY. But there has never been any hearing on the various items, showing whether they are sufficient or excessive?

Mr. TAWNEY. I do not know that there have been any extensive hearings to the extent of determining whether or not the amounts here estimated are in excess or are only sufficient to meet the requirements of the law authorizing the expenditure of particular branches of the service in taking the census.

Mr. SHERLEY. What I am coming to is this: Here is a bill authorizing the appropriation of $10,000,000 for certain purposes. Now, under this bill it would be within the power of the Census Bureau to use any part of that $10,000,000 for any one of the purposes enumerated in the bill, and the gentleman has too often lectured the House on that kind of legislation to now defend it. It does seem to me, in all seriousness, that the bill ought to carry sufficient details to prevent the use of any amount of the $10,000,000 for any particular purpose. For instance, here in the estimates are amounts for supervisors, special agents, and administrative expenses, and various things of that kind, and yet the bill itself simply gives $10,000,000, all of which could be used for any one of these purposes.

Mr. TAWNEY. I think the gentleman from Kentucky is clearly mistaken in that.

Mr. SHERLEY. I will read the bill to him.

Mr. TAWNEY. If the gentleman will pardon me, the appropriation is for taking of the census. Now, the bureau or the Department of Commerce and Labor could not take the $10,000,000 and devote it to any one single purpose connected with the taking of the Thirteenth Census.

Mr. SHERLEY. What is to prevent it?

Mr. TAWNEY. Simply because he is required by law to take the census and that requires expenditures for all the purposes mentioned in the law under which the census will be taken.

Mr. SHERLEY. The gentleman does not mean seriously that there is any line or section in this bill that determines how much of the $10,000,000 shall be expended for administrative purposes, or how much for enumerators, or anything of that kind?

Mr. TAWNEY. The law provides how much shall be paid the enumerators and what shall be paid for these various services.

Mr. SHERLEY. But the director might take so much for one thing and so much for another, and so much for paying traveling expenses, and create a deficit in those matters that Congress would have to give the additional sums necessary to cover such deficit.

Now, in all seriousness, I submit to the gentleman——

Mr. TAWNEY. Well, Mr. Chairman, I am glad to know that the gentleman was not serious.

Mr. SHERLEY. Well, perhaps there is many a thing said in jest that may be meant in earnest; and whether in jest or not, it strikes me that the gentleman is occupying a peculiar position on the floor. For some weeks the House has been doing nothing, absolutely marking time, and now a bill involving $10,000,000 is brought in, and there is not a single provision in the appropriating act that looks to the safeguarding of the expenditure of that money. I do not desire to embarrass the Speaker of the House by requiring him to unduly and too early appoint committees. That seems to be a tragic affair, and yet, rather than have this money appropriated this way, it seems to me it might have been in the interests of good legislation to have appointed a committee that could have considered the matter these days when we were simply doing nothing, and have brought in a bill that would be in keeping with the gentleman's own argument repeatedly made on this floor. No man either in committee or out of committee has been more strenuous in favor of detailed appropriations to prevent the diverting of them to improper purposes, and I submit to the gentleman that he ought to at least amend the bill to the extent of putting in the heads that appear in this document No. 5. That would protect us in some small degree.

Mr. LIVINGSTON. Will the gentleman yield?

Mr. TAWNEY. I yield to the gentleman from Georgia.

Mr. LIVINGSTON. Mr. Chairman, does this bill and the amount it carries cover either the purchase of ground or the erection of a new building?

Mr. TAWNEY. It does not.

Mr. LIVINGSTON. It can not be strained in that way?

Mr. TAWNEY. It can not be used for that purpose at all. There is no authority in the bill for it.

Mr. LIVINGSTON. One other question. Provided the pending census bill passes, I see that carries an amount for these two items, the condemnation of grounds and for the erection of a new census building. Now, if that new bill passes as it is now, can they draw from this fund appropriated by this bill any of that money?

Mr. TAWNEY. They can not under any circumstances, because that is a specific appropriation for a specific object, and they can not divert any part of the money carried in this bill—which is appropriated for another specific purpose—to the erection of a building or the purchase of any ground.

Mr. KEIFER. Will the gentleman yield?

Mr. TAWNEY. I yield to the gentleman from Ohio.

Mr. KEIFER. Mr. Chairman, it is my purpose to call attention to the fact that this appropriation is necessary, whether the pending census bill becomes a law or not. It will be remembered that the census bill passed for the Twelfth Decennial Census provided for its continuance in the taking of subsequent censuses in the United States, so that this appropriation is essential, whether we pass the act that is now pending in conference or not. But to further answer the suggestions made that this proposition to appropriate $10,000,000 is too general, I call attention, Mr. Chairman, to the concise language used in the bill. It provides specifically that this appropriation shall only be made for census "work authorized and directed by law." I use the language of the bill, so that it can not be said, as stated by the gentleman from Kentucky [Mr. SHERLEY], that the $10,000,000 or any particular part of it could be applied to any part of the census work except such part as is authorized and directed by law. In other words, this bill is simply an appropriation pursuant to law and can only be used in pursuance of law, whether according to the law now in force or according to a bill which becomes a law in a day or a week. The proposed appropriation will have to be used as authorized and directed by law, and not otherwise.

Now, Mr. Chairman, I wanted to ask the chairman of the committee something about the last clause of the bill. That clause provides that the Director of the Census "is authorized to designate three commissioners, with the status of special agents, as provided by the permanent census act, to represent the United States in the International Commission for the Revision of the Classification of Diseases and Causes of Death." Then it proceeds to state that there shall be chosen from the Census Office "one from the organized medical profession and one from the organized registration officials of the United States." Who constitutes the "organized medical profession" of the Census Office is my first inquiry?

Mr. TAWNEY. There is a gentleman in charge of the vital statistics in the Census Office who has charge of this whole subject, and is one of the men to be selected for the purpose of representing the Government at this conference.

Mr. KEIFER. Is he classified in the Census Office as a member of the "organized medical profession?"

Mr. TAWNEY. I think he is.

Mr. KEIFER. I am under the impression that there is some mistake about that, and I think there ought to be a provision in this bill which will avoid any difficulty which may grow out of the language used in this bill.

Mr. TAWNEY. There will be no difficulty about that, I will say to the gentleman from Ohio [Mr. KEIFER], for the reason that that is the language which the Director of the Census himself prepared and under which he will act.

Mr. KEIFER. I only desired at this time to call attention to it.

Mr. LANGLEY. The language of the bill is, "one from the organized medical profession" and "one from the organized registration officials of the United States."

Mr. KEIFER. What status has the organized medical profession in the Census Office?

Mr. LANGLEY. That refers to the organized medical profession, not in the Census Office, but outside associations—the American Medical Association and the American Public Health Association. The chief statistician for vital statistics of the Census Office, who is to be one of the delegates, is a member, I understand.

Mr. KEIFER. I think the word "organized" ought to be stricken out, because I do not think there is any organization of the medical profession in the——

Mr. LANGLEY. I think that may be superfluous, but it can do no harm, and may be advisable.

Mr. BURNETT. What is meant by the reference there to the "organized registration officials of the United States?"

Mr. TAWNEY. We have an organization of registrars in the United States. They are officials created under state laws—I do not know that I can answer definitely as to their functions, but they keep a record of the vital statistics of their State. They are called registrars, and one of them is to be put on this commission.

Mr. BURNETT. We have registrars down in our State who register the voters. I do not know about any registration officials of statistics, though. What is their business?

Mr. LANGLEY. These organizations are cooperating with the officials of the Census Office on the subject of vital statistics, to get uniformity of registration, and so forth.

Mr. BURNETT. Are they officials of the census?

Mr. TAWNEY. One of them.

Mr. BURNETT. I know; but these registration fellows?

Mr. TAWNEY. No; they are not.

Mr. BURNETT. They are not members of the Census Bureau at all? Then, who are they, and what are they?

Mr. TAWNEY. They are just what the bill says they are to be.

Mr. BURNETT. That is satisfactory. The gentleman knows more about it than I do. [Laughter.]

Mr. BURKE of South Dakota. Mr. Chairman, I desire to ask the gentleman a question. If I understand the gentleman in charge of this bill, if this or some other appropriation is not made, then the Census Bureau will have to be closed at the end of this month?

Mr. TAWNEY. The Census Bureau will have to close on next Wednesday evening unless this appropriation or some other bill passes between now and then, and there will be but one more legislative day that the matter could be considered by the House, and if we wait until next Monday, the chances are that, owing to the situation in the Senate, it might not pass——

Mr. BURKE of South Dakota. Now, will the gentleman tell the committee why the appropriation was not made by the last Congress for the Census Bureau for the next fiscal year?

Mr. TAWNEY. I will say to the gentleman from South Dakota that the reason is this: In the first place, it was presented to the Committee on Appropriations, and that committee concluded that the only practical way to appropriate for taking the next census would be in a lump sum. The appropriations for taking all the previous censuses have been made in lump-sum appropriations.

Now, in the organization of the temporary force it was proposed to amalgamate the permanent force with the temporary force during the census period of three years. That could not be done; you could not well organize or conduct the two organizations, one for a temporary purpose and the other for a permanent purpose, in the same organization and working on the same identical work. For that reason it was deemed advisable, when the legislative appropriation bill was prepared, to cut out the permanent Census Bureau entirely from the legislative appropriation bill and to include the appropriations for the permanent force, as well as the temporary force, in the general appropriation for the taking of the next census.

Mr. BURKE of South Dakota. Just one more question. How much of this appropriation will be used between now and the reconvening of Congress next December in the taking of this new census over and above the usual expenses of the Census Bureau?

Mr. TAWNEY. I am unable to answer the gentleman's question.

Mr. BURKE of South Dakota. The purpose of that inquiry was to know if the adoption of a resolution continuing the appropriation for the Census Bureau in the last Congress until the next session of Congress would be sufficient.

Mr. TAWNEY. I will say to the gentleman that would be inexpedient; in fact, the delay thus far in securing the appropriations and the enactment of a law for taking the next census will possibly necessitate the abandonment of the enumeration from April 1, as was intended, until July 1.

Mr. BURKE of South Dakota. Can not the gentleman in charge of the bill give us some idea of just how much will be used in the taking of the next census between now and next December?

Mr. TAWNEY. I will say to the gentleman that the amount carried in the legislative bill for the permanent Census Bureau for the current fiscal year is a little over $1,100,000, but it will be necessary to begin the organization at the beginning of the next fiscal year for the taking of this census, and this appropriation is necessary for that purpose.

Mr. BURKE of South Dakota. There will not be any great expense until such time as the supervisors and the enumerators are appointed, will there?

Mr. LANGLEY. Yes; there will be considerable expense that could not be met by merely continuing the permanent appropriation, as has been suggested.

Mr. TAWNEY. I suppose the gentleman is aware of the law that prevents any executive officer from making an appointment until the appropriation has been made to compensate him for the services for which he is to be employed. Therefore it would be impossible, unless we carried the appropriation necessary to compensate the employees that will have to be engaged in taking the census, for him to employ anybody under that general law.

Mr. BURKE of South Dakota. They can make appointments now, can they not?

Mr. TAWNEY. They can not.

Mr. BURKE of South Dakota. Why not?

Mr. TAWNEY. Because there is no appropriation for it.

Mr. BURKE of South Dakota. There is an appropriation for the maintenance of the Census Bureau, is there not?

Mr. TAWNEY. Yes; but those positions are all filled now.

Mr. BURKE of South Dakota. If they are all filled and the money is absorbed, I can appreciate that the gentleman's statement is correct.

Mr. LIVINGSTON. There is no appropriation for the permanent census beyond the 30th of June.

Mr. LANGLEY. The pending census bill provides that the supervisors must be appointed not later than the 15th of October. That provision has been agreed upon by both Houses, and that is one of the reasons why the gentleman's suggestion can not be adopted. I could give others.

Mr. TAWNEY. I will state that under the general law it is not possible for an executive officer to appoint a man to a position until an appropriation has been made to compensate him for the service.

Mr. BURKE of South Dakota. I want to say to the gentleman from Minnesota that I have always heretofore followed him in matters of appropriations, but I am in sympathy with what the gentleman from Kentucky [Mr. SHERLEY] says, namely, that this is rather an unusual proceeding for him to bring before the House.

Mr. TAWNEY. I will say, Mr. Chairman, in answer to the gentleman from Kentucky [Mr. SHERLEY] and the gentleman from South Dakota [Mr. BURKE], that I am as much opposed to lump-sum appropriations as they are, or any other Member of this House, when such appropriations are for an established service—one that has existed long enough to enable the department to classify and estimate accurately the annual cost of such service. But in the performance of this service, the taking of our census, it is absolutely impossible, in my judgment, to estimate or to appropriate specifically for all branches of that service. It is in the nature of a temporary service, involving a great variety of subjects in organizing for it. It is also a fact that Congresses in the past when appropriating money for the taking of the census have found the same difficulty that we have in trying to segregate these items and appropriate for them specifically.

Mr. SHERLEY. Does the gentleman mean to tell the committee that he considers it impossible to have a detail, for instance, as to the money that should be expended for rent of quarters?

Mr. TAWNEY. Yes; it is impossible—absolutely impossible—at this time to do it, unless the estimate were so as to cover any and all possible contingencies.

Mr. SHERLEY. I am not speaking of this time. I am speaking of the position that he has permitted himself and his party to get into. I am speaking of the position that the committee might have taken by having hearings on the different matters. The answer to the gentleman comes from the report of the department itself, which does give the details, and which at the proper time I shall seek to embody by amendment in this bill.

Mr. LANGLEY. The department recommended that this lump-sum plan be adopted.

Mr. SHERLEY. Every department in Washington recommends a lump sum, and Congress has fought for years to prevent lump-sum appropriations, because they always lead to extravagance and misuse of funds.

Mr. LANGLEY. But it can not be itemized in this instance.

Mr. SHERLEY. That is simply nonsense. What big mystery hedges about the Census Bureau and its work that it should be excepted from all the well-known safeguards connected with legislation?

Mr. LANGLEY. No man can tell now how many clerks, for instance, even within a few hundred, that will be necessary from time to time in the taking of the census.

Mr. SHERLEY. That is a fact not unknown to every Member of the House.

Mr. LANGLEY. But it is a fact.

Mr. SHERLEY. Of course it is a fact; but you do not appropriate down to a penny; we will be appropriating deficiencies all the time. The gentleman from Minnesota himself has served notice that he intends to bring in a bill covering some of the deficiencies. But because you can not mathematically determine the number and give the names of all employees that are to be provided for in this appropriation of $10,000,000, is the department to be left entirely free and their judgment to be taken instead of that of Congress?

Mr. LANGLEY. There are a great many that are in the permanent force, and the existing law will govern the salaries for them.

Mr. SHERLEY. The gentleman is mistaken.

Mr. LANGLEY. I take it that my colleague is as likely to be mistaken as I am.

Mr. CLARK of Missouri. I want to ask the gentleman a question.

Mr. TAWNEY. I yield to the gentleman.

Mr. CLARK of Missouri. The amount carried in this bill is $10,000,000, as I understand it. How much was carried in the bill of ten years ago?

Mr. TAWNEY. The first appropriation was $1,000,000, and subsequently it was made $9,000,000—$10,000,000 altogether. The total cost of taking the last census was $12,500,000.

Mr. CLARK of Missouri. Now, you said that this estimate for $10,000,000 was sent to the last Congress?

Mr. TAWNEY. Yes, sir; and has been sent to this Congress.

Mr. CLARK of Missouri. Well, they were made up during the last administration?

Mr. TAWNEY. Yes, sir.

Mr. CLARK of Missouri. The extravagant administration. [Laughter.] That was before the economical streak had struck the present administration, was it not? [Laughter.]

Mr. TAWNEY. I do not know.

Mr. CLARK of Missouri. Now, I want to ask you another question. It is stated in the papers that the Secretary of War has lopped $46,000,000 off the estimates for the army next time, and that the Secretary of the Navy has lopped off $22,000,000 from the estimates for the navy. Now, if you were to turn this over to the gentlemen down at the Census Bureau, might they not scale this down a couple of millions on the same principle of economy ruling now?

Mr. TAWNEY. If the gentleman will pardon me, I will read what the director said:

This is the exact amount appropriated at the beginning of the last decennial census, $1,000,000 having been appropriated in the Twelfth Census act of March 3, 1899, and $9,000,000 in the sundry civil bill of June 6, 1900. The coming census is a larger undertaking than the last one, and the initial appropriation should be at least as large as ten years ago, to avoid all danger of deficiency.

Then I have here a letter from the present Secretary of the Interior.

Mr. CLARK of Missouri. What date was that letter?

Mr. TAWNEY. That letter is dated March 20, 1909.

Mr. CLARK of Missouri. That was the one you just read?

Mr. TAWNEY. March 20, 1909. To the Secretary of Commerce and Labor.

Mr. CLARK of Missouri. Who wrote that letter?

Mr. TAWNEY. Director North.

Mr. CLARK of Missouri. He is out.

Mr. TAWNEY. Yes, sir; he is out.

Mr. CLARK of Missouri. Maybe the new one is more economical than he.

Mr. TAWNEY. And in this letter he says:

This estimate was accompanied by an itemized statement, made by the Director of the Census, of the probable cost of the Thirteenth Census, which is annexed hereto. This estimate puts the approximate cost of the work at $12,930,000, to which is added $1,187,000 required to carry on the annual statistical work of the bureau during the three-year decennial period, making the total sum required for that purpose $14,117,000.

The director urged that the entire amount be appropriated at once, to be continuously available until June 30, 1912. In view of the fact that the deficiency in the revenues of the Government is likely to be somewhat larger than was anticipated, it is now suggested that the appropriation be limited to the expenses that must be incurred during the fiscal year beginning July 1, next.

Mr. CLARK of Missouri. Now, it was Mr. North who wrote that letter?

Mr. TAWNEY. Yes, sir.

Mr. CLARK of Missouri. Was he not fired, partly on the ground that he was too extravagant in his estimates?

Mr. TAWNEY. I do not know on what ground he was fired, or whether he was fired at all, but I do know it was not on account of extravagance. I know the Secretary of Commerce and Labor transmitted Mr. North's letter to the Secretary of the Treasury and the Secretary of the Treasury transmitted it to Congress, and since the new director has been appointed Secretary Nagel has approved of Mr. North's estimates as originally submitted.

Mr. CLARK of Missouri. He was separated from the public crib at any rate, was he not?

Mr. SHERLEY. What was the amount of the first appropriation of the census ten years ago?

Mr. TAWNEY. One million dollars was carried in the law authorizing the taking of the census.

Mr. SHERLEY. And the large sum appropriated did not follow until the next sundry civil bill.

Mr. TAWNEY. That was the lump-sum appropriation carried in the sundry civil bill for the fiscal year preceding the taking of the census.

Mr. SHERLEY. Now, will the gentleman from Minnesota explain this language of his witness, Mr. North? On page 3 of this report Mr. North says:

> This is the exact amount appropriated at the beginning of the last decennial census, $1,000,000 having been appropriated in the Twelfth Census act of March 3, 1899, and $9,000,000 in the sundry civil bill of June 6, 1900. The coming census is a larger undertaking than the last one, and the initial appropriation should be at least as large as ten years ago, to avoid all danger of deficiency.

Now the gentleman is asking that it be ten times as much as it was ten years ago.

Mr. TAWNEY. If the gentleman from Kentucky can not see any distinction between the conditions at the time the law passed authorizing the taking of the census, when a million dollars was appropriated, and the conditions which obtain now, when there is no money appropriated at all and when we are on the eve of beginning to take the census, I am unable to enlighten him.

Mr. SHERLEY. The gentleman from Kentucky will say that he is unable to see how it would be possible to expend between now and the time when Congress will be in regular session $10,000,000, and I ask the gentleman if he believes that that sum or anything like it could be expended?

Mr. TAWNEY. During the next fiscal year?

Mr. SHERLEY. I did not say that. I said between now and the time we will meet in regular session when the appropriation committee can deal with this subject.

Mr. TAWNEY. Does the gentleman mean to say that the Director of the Census or the Secretary of Commerce and Labor would be authorized to appoint men under the existing census law, or under the law which is now proposed to be enacted, if it is enacted, without an appropriation having first been made therefor?

Mr. SHERLEY. No.

Mr. TAWNEY. How would the department prepare for taking the census if we had to wait for the beginning of the work of preparation until next January?

Mr. SHERLEY. I did not say that we should wait until then. I did say they only need money enough to pay for the beginning of the work and not for all of the work.

Mr. TAWNEY. They have to select their enumerators; they have to select supervisors and the entire field force.

A MEMBER. But they do not have to pay them.

Mr. TAWNEY. No; but he can not appoint them until the appropriation is made.

Mr. SHERLEY. The gentleman from Minnesota knows that there will be nothing like $10,000,000 needed for the payment of salaries of the men who will be appointed to office between now and the 1st of January.

Mr. MACON rose.

Mr. TAWNEY. I will yield to the gentleman from Arkansas.

Mr. MACON. In response to what the gentleman from Minnesota has just said, I would like to ask him if he thinks that if Congress were to pass a law creating a particular office with a salary of $5,000 a year, the President would not be authorized to fill that office by appointment until after the appropriation was made?

Mr. TAWNEY. No; he would not be authorized to appoint him.

Mr. MACON. Then, the appropriation carries the authority and not the law authorizing the appropriation, according to the gentleman's statement.

Mr. TAWNEY. No; not at all. No executive officer can appoint a man to a position in the government service without authority of law, and not then until the appropriation has been made for his compensation.

Mr. MACON. I will ask the gentleman if he does not think that the enumerators could be tacitly engaged and the supervisors agreed upon with their salaries to begin next January?

Mr. TAWNEY. What for? Why should we do that; why should we put ourselves into such a ridiculous position?

Mr. MACON. In response to the gentleman from Minnesota, I ask why we put ourselves in the ridiculous position of tying up $10,000,000 in anticipation of something that is going to happen many months in the future, when the next regular session of Congress could pass a law to take care of that situation?

Mr. TAWNEY. Mr. Chairman, I ask for the reading of the bill.

Mr. GILLETT rose.

Mr. TAWNEY. I will yield to the gentleman from Massachusetts.

Mr. GILLETT. I think I will be recognized in my own time.

Mr. TAWNEY. Then I reserve the balance of my time.

Mr. GILLETT. Mr. Chairman, I dislike exceedingly to criticise anything that comes from the late chairman of the late committee of which I was lately a member. But there is one phase of this bill to which I wish to direct the attention of the committee, and that is that if this appropriation passes as suggested, we have passed a census bill. We have made an appropriation of $10,000,000, and the present existing census bill is in force. Now, I suppose everybody admits that the census bill which is now with the conferees is better than the present census law except in one particular, and I suppose the majority of the House and the majority of the Senate think that the old census bill is better in the particular that it gives to the House and to the Senate the patronage. Now, it is perfectly obvious that if four of the conferees, for instance, prefer the old bill to the pending bill, all they have to do, if we pass this appropriation, is to sit quietly, refuse to make any report, and then the appropriation is made for taking the census under the old bill.

The House and the Senate have the patronage under that bill, as they did before, and if nothing affirmative is done except this appropriation they will still have the patronage for the coming census. I do not charge that that is the programme, but I think that if it was the purpose of anybody to effect that result, if anybody wished and cared more for the patronage than for the improvements of the new bill, they would adopt this very scheme which is now being carried out.

Mr. HAY. Will the gentleman yield?

Mr. GILLETT. Yes.

Mr. HAY. Could not the President, under the bill providing for the taking of the Twelfth Census, which the gentleman says might be the bill to take the Thirteenth Census, issue an executive order putting all those employees under civil service?

Mr. GILLETT. I can not answer offhand whether he could or not, but that of course is an evasion, because the contest that went on in this House over that question of patronage did not admit any such possibility. As I say, I do not charge that is the purpose, but I do say that if there was a purpose to accomplish that result, this is the natural way that purpose would be carried out.

Mr. CRUMPACKER. Will the gentleman yield for an interruption?

Mr. GILLETT. Yes; not for an interruption, but for a question. The gentleman can take the floor in his own time.

Mr. CRUMPACKER. Will the gentleman yield me a minute or two later on?

Mr. GILLETT. Yes.

Mr. SCOTT. Will the gentleman yield?

Mr. GILLETT. Yes.

Mr. SCOTT. The gentleman has suggested what might happen if this procedure is followed. Will he advise the committee what procedure he would recommend as a substitute?

Mr. GILLETT. Certainly. The procedure I would recommend is this: I admit that an appropriation should be made immediately, but there is no need of making an appropriation of $10,000,000, and I would suggest this, that we continue the present appropriations for one month or appropriate $100,000, which is all that is required to carry it on for one month, and then let us find out whether the pending census bill is going to become a law or not. If it does, we can then pass this appropriation. If it does not become a law, let us make the appropriation openly and not covertly attain this end. The whole progress of this census bill has evinced a sort of unwillingness to face the patronage issue, and I confess might make a suspicious person think that this was another attempt to evade it.

I remember very well when the census bill first came up a year ago last winter and we reached the section just preceding the section which provided for the patronage. On that immaterial section I remember I was surprised at the amount of trivial amendments which were offered and debated. I could not understand it. Then I noticed that the committee rose before the usual hour, and the next day, when the section treating of patronage should have been reached, the bill was not called up. It was not called up again that whole session, and it occurred to me, and undoubtedly to others, that this was possibly because Members of the House—we were then just before an election—did not care, some of them, to face their constituents after having voted for patronage, and that therefore it was allowed to go over to the next year, after election. So the bill slumbered all of that session. The next year after election it was taken up. We had the contest over the question of patronage and it was decided both by the Senate and the House that we should keep it.

The bill went to the President and came back with his veto. That veto was, if we can judge by the press, overwhelmingly and almost unanimously sustained by public opinion. Public opinion, if the newspapers were a fair gauge, did not think that the House and the Senate ought to divide among themselves the patronage of these clerks. What course was taken upon that veto? Ordinarily, when a veto comes in, we immediately have a vote to see whether it can be passed by a two-thirds vote over the President's veto, but that did not happen here. For the first time I remember since I have been in Congress a motion was made that the veto message be referred to the committee. What the purpose of that was, I can only suspect, but it may have been to count noses and to find out whether a two-thirds vote could be obtained, and if it could not, that men need not subject themselves to the apparent unpopularity which the press had evinced would follow from voting against the President's veto. I suspect they found it would not pass Congress. It slumbered, and the bill was never brought up again that session. They waited, I presume, for the incoming President, to see if he would have different views on the subject, and would allow what the House and Senate desired. It was found that he had not, that he had the same opinions as his predecessor in this respect, and therefore the bill was passed by the House and Senate with the provision that the President desired.

Then it went to the conferees, and it has slumbered there either in conference or on the Speaker's table until now, the 24th of June. For the last six weeks, I think, it has been on the Speaker's table. It could have been called up at any time, and in my opinion ought to have been called up; but here we have been dragging along all summer, doing nothing, and the census bill was not taken up until last Monday; and now, on the very last of June, the last day, as the gentleman from Minnesota says, when action must be taken, it is brought up, and the House is told we must appropriate this money because it is so late. As I say, it looks to me as if a suspicious person might think it has been done for the purpose of having a new census taken under the old census law, so that the House and Senate might again have the patronage. If this bill had gone quietly through and no question had been raised, and then the conferees, for instance, had disagreed or one House refused to pass the bill, the old law would have been in force, and probably nothing would have been thought about it; but I think it is my duty to call the attention of the House to the result that would follow, that might follow, if this bill was passed, and I think——

Mr. BUTLER. Mr. Chairman——

Mr. GILLETT. I think we on this side of the Chamber, who are responsible for legislation, would not stand well before the country if we in such a way as this evaded the issue—did not dare to face it—and in this indirect method give ourselves patronage which we apparently did not dare to give ourselves directly. Now, I think the gentleman from Minnesota ought to amend his resolution. I think he ought simply to make an appropriation continuing the present appropriations for a month, or appropriating some sum, something like $100,000, which is ample for a month, and then after that let us wait and see what the conferees of the census do; and then we can vote knowingly and openly, and there will be no possibility of any indirection or stealth.

Mr. BUTLER. What the gentleman says is generally to the point and always impresses us, but it does not reach me this time. I understand the gentleman to apprehend if we pass this bill and make an appropriation of $10,000,000 it might in some way sort of asphyxiate the conferees, in which event we would be compelled to take the census under the old law. Do I understand the gentleman correctly? Do the conferees have in them now the power to indefinitely postpone action on the bill?

Mr. GILLETT. I would not use such disrespectful language to my distinguished friend from Indiana, but the gentleman has suggested what I think might result.

Mr. BUTLER. Is it desirable that we should have the census taken?

Mr. GILLETT. I think it is.

Mr. BUTLER. Have we any way by which we can move these conferees to action? Will the passage of this appropriation with the enormous sum of $10,000,000, does the gentleman think, have any effect upon the conferees and be likely to put them to sleep politically?

Mr. GILLETT. The gentleman has not followed my remarks if he does not appreciate that I said a suspicious person might think just that would happen.

Mr. BUTLER. I understand. I wish to ask him a further question. Do you think we should take the census——

Mr. GILLETT. Surely.

Mr. BUTLER. The Constitution requires us to take the census, and if the conferees do not report we will have to take it under the old law.

Mr. GILLETT. Certainly.

Mr. BUTLER. And this money will be necessary to pay the expenses under the old law. They must be paid under either the new law or the old law?

Mr. GILLETT. Certainly.

Mr. BUTLER. Now, if we appropriate $100,000, does the gentleman think the Director of the Census would be justified in making these appointments and preparing for this great work?

Mr. GILLETT. Why, Mr. Chairman, of course the appropriation of $100,000 just covers one month and is to be followed by another appropriation for another month and year.

Mr. BUTLER. But my friend will pardon me; we will not be in session another month.

Mr. GILLETT. Indeed we will.

Mr. BUTLER. Oh, no; it is not anticipated by anybody that the session will be prolonged. We will be sure to go away by the 1st or the middle of July.

Mr. GILLETT. We will have plenty of time before we get away to pass an appropriation bill for the census. It would be done undoubtedly by unanimous consent. Nobody would object.

Mr. CLARK of Missouri. Will the gentleman venture an explanation as to why they did not pass that bill over Roosevelt's veto?

Mr. GILLETT. I do not know why they did not.

Mr. CLARK of Missouri. Did it not grow out of the unfortunate habit he had of fighting back?

Mr. GILLETT. I do not know. I was not on the committee.

Mr. CLARK of Missouri. Do you think that patronage is really a thing that is calculated to increase a man's strength in his own district?

Mr. GILLETT. Being a Yankee, I will retort by asking you if you do not think a majority of this House want the patronage?

Mr. CLARK of Missouri. I hardly think they do. I will tell you what I do think. I think this effort to concentrate this census force here in the District of Columbia is a proposition upon which, if you were to go to the country with it, you would get beaten 100 to 1. You can not remodel human nature, and it is human nature that the young folks out in the country want to come here to get a sight of Washington. As far as a man making himself unpopular at home by providing for a chance for those people to come here, it would rather tend to make him popular, and this opinion that you gather out of this press that you are talking about is from the papers in the big cities. Well, I suppose they may represent the public sentiment of the cities, but they do not represent the public sentiment on that question or any other question when you get out of the big cities. And as far as I am individually concerned, I feel this way about it.

I know it does not strengthen the man at home to have patronage, and yet, nevertheless and notwithstanding, there are a great many young men and women in the country who believe that it would do them good to get these places; and we secured just as good a set under the last census as we are going to get under this census, even if the conferees should bring in a bill to turn it all over to the civil service.

I take it that every Senator and Member would take pride in securing the best-equipped young men and women among his constitutents.

I will give my experience. I had three appointees for the Census Department. One of them was a young lady who was a good school-teacher before she came here. When she went back home she got a better place in which to teach school. Another one was a young man, to whom I explained, when he came here, what became of the government clerks. At the end of about

six months he came to me and said he was going to be promoted to $100 a month; that he had a proposition from his brother to go home and go into the mercantile business. I asked him what he was going to do in the world, and he replied that he was going to be a merchant. I said to him, "You go and buy your ticket home before you go down there and settle in the Census Office. If you go down there first, you will die of old age in this town." He took my advice and went home. He now owns the house in which he lives; he owns half of a good stock of goods; and last summer he had $3,500 in the bank. The third one I appointed at $75 per month, and he proved efficient, was put on the permanent force, and was finally promoted to $125, was sent out over the country to examine into the mining business, and learned so much about it that he resigned his $125 place and opened a broker's office. I doubt very much whether there are three people in the census who came out any better than they did.

I am heartily in favor of an honest merit system, but am opposed to taking the big end of the census force from the District of Columbia.

Mr. GILLETT. I did not intend to start a discussion on a matter that we have thrashed out so often in the House, on the merits of the civil service. It is absolutely unnecessary to pass this appropriation now and by and by find out that there has no other census bill been passed. I think this appropriation ought to wait until we know whether the Census Committee is going to agree, and whether the two Houses are going to pass the bill. There is plenty of time after that, and there is no need at all of this $10,000,000 being passed now. All we need is enough to last us until Congress adjourns.

Mr. CRUMPACKER. Mr. Chairman, I have a pretty fair knowledge of the history of the present census bill, and I knew as much, perhaps, as any other Member of the House about the bill that was vetoed by President Roosevelt in the last Congress. I am not ready to admit that in the consideration of that bill by the House the question of patronage was any considerable factor.

The Committee on Census undertook to adjust the merit system of appointments to the peculiar requirements of the Census Office during the decennial period. The Committee on Census undertook to provide business methods; it undertook to incorporate into the bill a little ordinary business sense in selecting clerks and employees. Congress approved the bill finally. It was vetoed on the ground, mainly, that it was said to be a return to the spoils system of appointments, and some reflection was made in the veto message upon the "professional politician." I believe, Mr. Chairman, that as between the professional reformer and the professional politician there is but little of choice from a business standpoint. One is as impracticable as the other is unpatriotic. In my judgment the bill that was passed last winter in relation to the manner of appointments and the business aspect of the service was a better bill than that which is pending to-day. I think there would have been but little abuse of the appointing power under it.

The gentleman from Masachusetts has referred to the practice of making appointments in the Census Office for the Twelfth Census. Why, the Director of the Census is an executive officer; he is appointed by the President, subject to removal by the President at any time, and the President has a large measure of control over his administration. We have a right, Mr. Chairman, to assume that the Director of the Census, in the execution of discretionary matters reposed in him, reflects the policies of the Chief Magistrate. I have no question of that being the case in the Twelfth Census. President McKinley at that time, I happen to know, secured appointments for over a hundred applicants in the Census Office upon his written request without examination. I think you will find down in the archives of the Census Office to-day a record of over a hundred appointments that were made at his request in that manner. The office was being conducted according to the idea of the President. It will be in any administration so far as discretionary matters are concerned. But that is past now.

We have framed the census bill, as far as possible, to conform with the view of the President upon the question of appointments.

Now, this bill was introduced by me early in the present session of Congress. There is no Committee on the Census; and at the very first opportunity I had the bill considered by the House. It went through the House; it went to the Senate, and that august body added 30 or 40 amendments to the bill. It came back to the House and was readily sent to conference, and in a short time a conference report was made to the two Houses of Congress, showing an agreement upon all disputed propositions. The Senate, under the practice, had to act upon the report first, and it refused to ratify it, and so notified the House; and at the very first session of the House after that action on the part of the Senate, I moved that the House further insist upon its disagreement to the Senate amendments and agree to the conference. That motion was being discussed when the question of order was made that there was no quorum present; and it was ascertained that a quorum was not present.

Mr. GILLETT. May I ask the gentleman when that was?

Mr. CRUMPACKER. That was over two months ago.

Mr. GILLETT. Thank you.

Mr. CRUMPACKER (continuing). And there have been but two occasions since then that there has been a quorum present.

Mr. GILLETT. Is it not possible at any time by simply a whip notice to have a quorum?

Mr. CRUMPACKER. I submitted that suggestion to those who were best informed respecting the situation, and it was deemed unwise to bring men who had gone to their homes in different parts of the country back here to make a quorum simply to put this bill in conference, when everybody knew Members would be compelled to come back in the course of a few weeks for the final disposition of the tariff bill; and that is the reason the bill was recently acted on in the House. The fault, if there is any fault, is with Members of the House who were absent so that business could not be transacted.

Mr. SIMS and Mr. GILLETT rose.

Mr. SIMS. Is it not a fact that the chairman of the committee—or the gentleman who would have been the chairman, and has been, the gentleman from Indiana—did not present this matter largely because there seemed to be some sort of a controversy or investigation going on primarily about the Director of the Census, and is not that the primary reason why you did not press it?

Mr. CRUMPACKER. That is not the primary reason why I did not press it. There was no quorum here, and I stated repeatedly that whenever there was a quorum present the bill would be called up for consideration. There has been no secrecy about the matter.

Mr. GILLETT. May I suggest that my opinion is that if the whip had sent out notice to Members in Washington, without bringing them from their homes, there would have been a quorum? The gentleman from Indiana has not attempted it; they have attempted it for other things and have succeeded.

Mr. CRUMPACKER. The gentleman from Massachusetts goes too far when he says that I have not attempted it. I know what I have done; I know the men in connection with the House organization to whom I have gone and whom I have consulted, and have been advised that it would not be prudent to attempt to bring Members back here from their homes in the country, and that there was no quorum in the city; that a quorum would be here when we came to dispose of the tariff bill. But a week or more ago, seeing that the time was getting short and that it was necessary that there should be some legislation upon this subject, we had a quorum summoned here last Monday.

Mr. GILLETT. Notice was sent out for a quorum last Monday, was there not?

Mr. CRUMPACKER. Yes; because the time was approaching when we found it was necessary to provide for the appropriation for the office for the next fiscal year.

Mr. CARLIN. I would like to ask the gentleman a question.

Mr. CRUMPACKER. I will yield to the gentleman.

Mr. CARLIN. Is there any likelihood that the conferees on the census bill will not report at this session?

Mr. CRUMPACKER. I think the conferees that have been named by the House, who were members of the Committee on the Census in the last Congress and in the Congress before, are as earnest and sincere in their desire for general census legislation as even the gentleman from Massachusetts [Mr. GILLETT], and I think perhaps more so. They appreciate the necessity of having a new law for the taking of the Thirteenth Census, and I have not any sort of question but that in one or two conferences there will be a complete agreement, whether this appropriation bill goes through or not. The suggestion made by the gentleman from Massachusetts therefore would have no coercive power over the committee, and particularly now since it has been advertised that that is what it is done for. If the House should adopt his recommendation, it would put the conferees in a position of some degree of embarrassment.

Mr. TAWNEY. I would like to ask the gentleman a question.

Mr. CRUMPACKER. I will yield.

Mr. TAWNEY. Of course it would be possible to pass a joint resolution extending the appropriation and make it available after the 1st of the month, but in that event we would have two appropriations available for the payment of

the expenses of running the Census Bureau during the first month of the next fiscal year, and we would have a complication also with regard to the accounting.

I made an investigation yesterday when the gentleman from Massachusetts first suggested it to me, and found that it would complicate their accounts and involve an entire change in their system because of the fact that under one law they could expend the money for a permanent force, and under another law spend the money at the same time for that force, and so they did not want a duplicate of the appropriation.

Mr. CARLIN. I want to state to the gentleman a fact that may have been overlooked. The act of 1899 was the act under which the census was taken, and subsequent to that there was an act of Congress passed in 1903 by the construction of which the Attorney-General has determined that the Census Bureau was placed under the Department of Commerce and Labor. That was in relation to a seal. If that construction prevails, then the Census Bureau is under the Department of Commerce and Labor.

Mr. CRUMPACKER. I want to say to the gentleman from Virginia [Mr. CARLIN], that the law expressly makes the Census Office a bureau in the Department of Commerce and Labor, and the civil-service law is made applicable to the permanent Census Office. There is no question about that.

Mr. CARLIN. Is the gentleman familiar with the decision of the Attorney-General on that subject?

Mr. CRUMPACKER. I am familiar with the legislation, for I was a member of the committee when it was passed.

Mr. CARLIN. The act of 1899 gave the Director of the Census power to adopt a seal, and when the act of 1903 was passed it was determined that the Bureau of the Census had been put under the Department of Commerce and Labor, and that the Census Bureau could not adopt the seal, but the Department of Commerce and Labor could do it.

Mr. CRUMPACKER. Well, I do not know anything about the seal question.

Mr. CARLIN. And that, therefore, the Civil Service Commission will make all of these appointments.

Mr. LANGLEY. That was simply an administrative question in the department. I remember all about that case. It related entirely to the respective powers of the director and the Secretary. There is no question about the Census Office being a part of the Department of Commerce and Labor. The law plainly fixes that.

Mr. HAMER. Will the gentleman yield for a question?

Mr. CRUMPACKER. Yes.

Mr. HAMER. I desire to inquire whether or not under the existing law any provision is made for civil-service examination?

Mr. CRUMPACKER. No. There is this provision: The existing law authorizes the Director of the Census to make appointments under such examination as he may prescribe. That is the law. That is for the decennial census. In the permanent Census Office the civil-service law is made expressly applicable. There can be no appointment made in the permanent Census Office except through the civil-service law. Right on that point, I have no doubt at all that the President, by executive order, could require every appointee during the decennial census period, under existing law, to be appointed under the civil-service law. The President could issue an order requiring the Director of the Census to require a rigid test of efficiency, and require him to select clerks and employees in the order of rating, without any regard to question of geographical apportionment. There is that aspect of the question to be considered. If the census should be taken under the present law, I have no doubt about what would be the outcome. I have held conferences enough with men in authority to know about what would be done; that is, the Civil Service Commission would conduct the examinations.

A rigid efficiency test would be established. The merit system would be established, abrogating the geographical apportionment rule, because I understand the President and the Secretary of the Department of Commerce and Labor and the Director of the Census are all protesting vigorously against the rigid amendment that the House agreed to on Monday of this week, providing for the geographical distribution of clerks and employees in the temporary Census Office.

Mr. SIMS. Mr. Chairman, does the gentleman say that the President is protesting vigorously against that action of the House and Senate?

Mr. CRUMPACKER. Well, I will not say that.

Mr. SIMS. That is just what the gentleman has said.

Mr. CRUMPACKER. Well, I will correct that statement in revising my remarks. [Laughter.] I will not say that. I have no right to speak for the President. Of course, a Member of the House ought not to quote the President if he has had any personal conversation with him, or make any reference to the attitude of the President on matters of legislation. There is only one way in which the President can properly protest against legislation, and that is by the exercise of his constitutional power to veto. I have never discussed the amendment referred to with the President.

Mr. SIMS. I am glad I mentioned the matter, because the gentleman had put the President in a pretty close place by his statement.

Mr. BUTLER. Well, rub it out and let us get on. [Laughter.]

Mr. CRUMPACKER. In conclusion, I want to say to the gentleman from Massachusetts [Mr. GILLETT] that the conferees on the part of the House will endeavor in good faith to bring about an agreement with the conferees on the part of the Senate at as early a date as practicable. Whether this bill is passed or not, we will do our duty, and I have no doubt of our ability to reach an agreement. We reached an agreement before, and the House on Monday took out of consideration the most serious question in dispute, so that there will be less difficulty in getting together than there was in the former conference. We had better accept all the Senate amendments than to take the census under the present law, for a good many reasons.

Mr. COLE. Mr. Chairman, will the gentleman yield?

Mr. CRUMPACKER. Yes.

Mr. COLE. I just want to ask one question. Are these additional clerks in the Census Department to be appointed in relation to the quota of the different States as they already exist, or are they to be appointed in addition to and supplementary to the quotas?

Mr. CRUMPACKER. I do not know, and I do not think anybody can answer that question.

Mr. LANGLEY. I think I can answer that question. If it is——

Mr. COLE. I want the opinion of the chairman of the committee. I want to state this fact: If this is to be in addition to the quota, of course each State will have its proper proportion; if it is to be supplementary to the quotas as they already stand, Porto Rico will have 40 appointments under this law and New York will have none. Maryland will have none, Virginia will have none, Delaware will have none—in fact, 37 States out of the 52 have more than their quota at the present time.

Mr. CRUMPACKER. The gentleman must remember that this is a purely academic proposition now. We have already settled that question. It is no longer in conference. It is no longer open to controversy. The Senate incorporated that amendment in the bill, and on Monday last the House agreed to it in the identical terms in which it was incorporated in the bill, so there is nothing gained by attempting to analyze that amendment now.

Mr. COLE. Under the provisions of this law, on page 5, from line 7 to 12, I think it admits of two different constructions. One is that they are to be appointed in contemplation of the quotas already in existence, and the other as supplementary to and in addition thereto.

If that construction is to be placed upon the law, each State will have its proportion of these census appointments, but Porto Rico and a few of the smaller places of the country will have a monopoly on all of the appointments under the new census law.

Mr. HUBBARD of West Virginia. That language is in the original bill and not in the amendment with which the gentleman from Ohio dealt. That was not covered by our agreement on last Monday.

Mr. CRUMPACKER. Yes; last Monday we incorporated the amendment requiring every applicant to be examined in the State.

Mr. HUGHES of West Virginia. That is not the part the gentleman from Ohio [Mr. COLE] referred to——

Mr. HUBBARD of West Virginia. The part referred to by the gentleman from Ohio [Mr. COLE] is the language in lines 10, 11, 12, and 13 of the original bill, "the selections are to be made in conformity with the law of apportionment as now provided for the classified service in the order of rating."

Mr. CRUMPACKER. I beg the gentleman's pardon, that is not part of the original bill. That was put in in the House on motion of the gentleman from Illinois [Mr. STERLING]. He proposed that amendment when the bill was first considered in the House. I opposed the proposition, but was voted down.

Mr. HUBBARD of West Virginia. But it was in the bill as passed by the House, and the present question raised by the gentleman from Ohio [Mr. COLE] arises under that language and not out of the amendment which was before us on last Monday.

Mr. CRUMPACKER. They are both history now, they are both agreed to by the two Houses, and the question is no longer within the jurisdiction of the conferees.

Mr. GILLETT. Mr. Chairman, I reserve the balance of my time.

Mr. SHERLEY. Mr. Chairman, I shall not enter upon any discussion of the original census bill. I prefer to speak to the matter before the House. I shall not even echo the suspicions and veiled accusations made by the distinguished gentleman from Massachusetts [Mr. GILLETT] against his political colleagues. The excitement that is aroused whenever the subject of patronage in connection with the census comes up is sufficient without my lending my voice to the turmoil. I desire to call the committee's attention to the condition in which it finds itself, and I want those responsible for that condition to take the responsibility. We are told now by the former distinguished chairman, and I hope the next chairman, of the Committee on Appropriations that we must pass this bill in its crude form, otherwise the fiscal year will have expired and a new one will have commenced without any provision having been made for the taking of the next census. Now, if that condition had necessarily arisen, we might follow the gentleman, though reluctantly; but when the management of this House is responsible for that sort of condition arising, without the slightest excuse, then I submit that it comes with poor grace for the gentleman to urge it as a reason why we should disregard all the safeguards that have heretofore been thought necessary in regard to appropriations. It has been notorious that the House has done nothing for weeks past, waiting for the passage of the tariff bill through the Senate, when it would be again considered by the House. No reason except the pleasure of the Speaker and of the powers that be has prevented the appointment of a committee to consider this matter. If it be so heinous a crime during the consideration of a tariff bill to appoint the usual committees of the House, it might at least have been in order to appoint a special committee to take some testimony and have some hearings in regard to this matter.

The country is confronted to-day with a deficit, and the President sends a special message for unusual forms of taxation to be piled upon the people in order to make good that deficit, and here the House of Representatives proposes to vote $10,000,000 without the slightest sort of restriction upon its expenditure other than the statement that it must be expended in the preparation for and in the taking of the next census. I submit that such legislative conduct can not be justified by anybody at any time. It would have been easy to have brought in a bill, after proper hearings were had, with such detail as to prevent a diverting of appropriations. The gentleman from Minnesota and the gentleman from Kentucky say that that is impossible as to the census bill. We are discovering every day that there is some wondrous mystery about it; that it is of such peculiar nature that the ordinary rules of life and conduct no longer apply to it; and we are discovering that it is pretty difficult to find anybody to take hold of the thing and run it. Now, there was submitted to the House a report (Document No. 5) from the Secretary of the Treasury, which contained a statement from the then Director of the Census. In that is given a somewhat detailed statement of $9,949,000 of money that it is said will be needed in the taking of the next census. Even to put that into the bill would be doing something; and, as I stated a while ago, at the proper time I shall offer an amendment itemizing to that extent this appropriation.

The gentleman from Minnesota [Mr. TAWNEY] says it is impossible to wrongly spend this money. Let us see. The bill reads:

> That there is hereby appropriated, out of any money in the Treasury not otherwise appropriated, for salaries and necessary expenses for preparing for, taking, compiling, and publishing the Thirteenth Census of the United States, rent of office quarters, for carrying on during the decennial census period all other census work authorized and directed by law, including purchase, rental, construction, repair, and exchange of mechanical appliances, to continue available until June 30, 1912, $10,000,000.

Now, take one single item that is mentioned there, namely, "including purchase, rental, construction, repair, and exchange of mechanical appliances." How long ago was it when we had a scandal growing up in the Post-Office Department out of the buying of supplies? Is there any more open place, if men wanted to expend money wrongfully, than through that provision? Machines can be bought ad libitum, with no limitation upon the amount of money expended for the machines or appliances. But the gentleman can reply that these men will not do it. If that be true, if you are going to legislate on the theory of honesty and efficiency in all of your public officials, then every check that exists in the Constitution and every detail that is written into our laws here is a waste of time and an imputation upon the integrity of mankind. But, unfortunately, we know that departments need to be watched to prevent extravagance, and sometimes, unfortunately, wrongdoing. And I submit that to ask us to pass this bill without any restriction, when there has been no reason whatsoever why we should be put in this position, is to ask an unreasonable thing. We could easily appropriate a limited sum, running along for a month or two, or, if necessary, running six months, until we would have the regular committees and the regular hearings. But there is a great eagerness disclosed, and those gentlemen who are the special advocates of the census bill are particularly busy on the floor to suggest that there should be no restriction upon the moneys appropriated, that the nature of the work is of such a character as to make such a division and detail impossible.

Now, without detaining the committee further, if the amendment to be offered by the gentleman from Massachusetts [Mr. GILLETT], limiting the amount to a small sum for temporary use, fails, I shall then offer an amendment embodying in the bill the detailed items set out on page 2 of this report, and which, by the statement of the director at that time, will be sufficient for each of the purposes therein named.

The Clerk read as follows:

> *Be it enacted, etc.*, That there is hereby appropriated, out of any money in the Treasury not otherwise appropriated, for salaries and necessary expenses for preparing for, taking, compiling, and publishing the Thirteenth Census of the United States, rent of office quarters, for carrying on during the decennial census period all other census work authorized and directed by law, including purchase, rental, construction, repair, and exchange of mechanical appliances, to continue available until June 30, 1912, $10,000,000.

Mr. GILLETT. Mr. Chairman, I offer the following amendment as a substitute for the paragraph just read.

The CHAIRMAN. The Clerk will report the substitute.

The Clerk read as follows:

> Insert as a substitute after the first paragraph in the bill the following:
>
> "*Resolved, etc.*, That all appropriations made for the Census Office for the fiscal year 1909 which may be required for the necessary operations of that office during the month of July, 1909, are continued and made available on the same basis for said month or until such time within said period as they may be provided for at the present session of Congress in the appropriation to be made for the Thirteenth Decennial Census: *Provided*, That no greater amount shall be expended for such purposes than will be in the same proportion to the appropriations for the fiscal year 1909 as one-twelfth of a year bears to the whole of said fiscal year; and the sums expended under the provisions of this resolution shall be charged to and become a part of the appropriation to be hereafter made for the Thirteenth Decennial Census. The amount necessary to carry this resolution into effect is hereby appropriated out of any money in the Treasury not otherwise appropriated."

Mr. SHERLEY. Mr. Chairman, I desire to submit a parliamentary inquiry as to whether it would be in order to offer an amendment to the paragraph just read, after action by the committee upon the substitute, or whether it must be offered before the vote upon the substitute?

The CHAIRMAN. The Chair is of the opinion that it is necessary to perfect the paragraph before voting on the substitute. Otherwise, after voting upon the substitute, I think it would not be open to amendment.

Mr. SHERLEY. For that reason, then, I desire to offer now the following amendment:

On line 11, on the first page, strike out the words "ten million dollars" and substitute the following:

Supervisors	$1,000,000
Enumerators	4,500,000
Special agents	700,000
Office force	2,100,000
Tabulating machinery	250,000
Cards for tabulating machines	100,000
Alaska	85,000
Porto Rico	160,000
Stationery	150,000
Printing	250,000
Administrative expenses (travel, telegraph, furniture, machines)	250,000
Annual reports	404,000
Total	9,949,000

Now, Mr. Chairman, all I desire to say is that these figures correspond exactly with the detailed statement sent in by Mr. North, when Director of the Census, and, according to his statement, are sufficient for the purposes for which they are to be appropriated.

Mr. TAWNEY. Mr. Chairman, I desire to call the attention of the committee to the statement that Mr. North made when before the Committee on Appropriations on this very estimate, in which he says:

> You can not conduct a decennial census office in any other way than with a lump-sum appropriation. I think that is clear. That is what we are up against. The pending census bill provides for a hundred additional clerks at salaries from $1,400 to $1,800. Those positions will

be filled, practically all of them, by promotions from our regular force. The vacancies thus created could only be filled by appointment to the statutory roll by calling on people from the civil service, regularly certified people.

Now, he was discussing the question of modifying the classification and making an exact estimate upon which to base the classification in this appropriation, which was in view of the criticism of the Committee on Appropriations against making lump-sum appropriations. The statement of the then Director of the Census before the committee was that he regarded it as an impracticable proposition.

Now, these items the gentleman has enumerated in his amendment are submitted by the Department of Commerce and Labor as a rough estimate. In submitting the statement he says:

Attention is directed to the fact that the larger part of the cost of the Thirteenth Census will fall in the fiscal year beginning on that date. It is the year in which all the expenses of supervisors and enumerators are incurred, together with the cost of tabulating machines, large printing bills, and an increased expenditure for clerical help.

It is impossible to make an accurate estimate of the exact amount which will be necessary for all of these different items.

Then he adds:

I may roughly estimate the census expenses of this first year as follows.

And then he enumerates the amounts necessary for these particular purposes, saying all the time, as everybody knows, that it was a mere rough estimate of the amount required for the various services, and nothing but a rough estimate could be made at that time or can be made now.

Now, the appropriation for taking the census has always been made as it is proposed to be made now, and always because of the impossibility or the impracticability of the officials in charge of taking the census making a reasonably accurate estimate of the various amounts required in the different branches of that particular service. Now I yield to the gentleman.

Mr. SHERLEY. Would there be any difficulty in correcting any mistake that might be made in this rough estimate by making appropriations to cover deficiencies in subsequent bills?

Mr. TAWNEY. Of course Congress can correct anything.

Mr. SHERLEY. Except money that is wrongly expended. You can not correct that. It has gone.

Mr. TAWNEY. Why, as an illustration of that, here is a note, in which he says:

Since the original estimate of the cost of the supervisors' services was made, the salaries to be paid these officers have been increased by Congress by $300 each, an increase of $99,000.

I want to call attention to another fact. In one of the items mentioned by the gentleman from Kentucky, that of tabulating machines, $150,000 of that $250,000 which he now proposes to appropriate has already been appropriated and is now available for that purpose. It only goes to show, Mr. Chairman, that in doing work of this character it is not possible to make an accurate estimate as to the amount required for each specific item of each particular branch of the service. I trust the amendment will not prevail. I do not see that there is any force in the suggestion, if the amount is insufficient in any one item and a greater amount appropriated than is necessary in another, that that can be corrected hereafter. This amount when appropriated will be allotted to the various branches of the service involved in taking the census. Now, if one allotment is insufficient, and another allotment has been made in excess of the amount required, the Director of the Census, or the Secretary of Commerce and Labor, can adjust that allotment so as to meet the requirements of the service and not to embarrass or delay that service. I trust, therefore, the amendment will not prevail.

Mr. SHERLEY. Mr. Chairman, just a word, with the committee's indulgence, in reply. The gentleman suggested, rather facetiously, that anything can be corrected by Congress. I suggest to him that there is one thing that can not be corrected, and that is the wrongful expenditure of public money that has already gone, and it is in order to prevent such possibility that I suggest these details. If I have not been as accurate as the gentleman would have me in getting up legislation, I desire to say that I owe no apology to the gentleman, because he did not permit any hearings to be had, in order that I could get more accurate information, and I have at least been a little more specific than the gentleman has in his bill. Again, I desire to say that there is nothing mysterious about this matter, so that we can not take this statement and make a proper limit to the appropriation, and then, if necessity arises, make other appropriations to cover any deficiencies that have arisen.

Mr. TAWNEY. I should like to ask the gentleman from Kentucky this question: If it is not a fact that the amount specified in his amendment of $1,000,000 is not ninety-nine thousand less than the amount estimated by the department, and if his amendment does not contain $100,000 more for tabulating machines than is necessary?

Mr. SHERLEY. I do not know, not having any hearings, how much they need for tabulating machines, but I can only guess at it, as the gentleman has done.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Kentucky.

The question was taken, and on a division (demanded by Mr. SHERLEY) there were 25 ayes and 67 noes.

So the amendment was lost.

Mr. MACON. Mr. Chairman, I desire to offer an amendment, which I send to the Clerk's desk.

The Clerk read as follows:

Strike out all after the word "States," in line 6, and insert "for salaries and necessary expenses for preparing for, taking, compiling, and publishing the Thirteenth Census of the United States, $2,000,000, authorized and directed by law."

The CHAIRMAN. Does the gentleman offer that as a substitute?

Mr. MACON. That is offered as an amendment.

The CHAIRMAN. It strikes out and inserts.

Mr. MACON. It does not strike out the first part, but it strikes out all after the word "States," in line 6.

Mr. Chairman, this amendment, if adopted, will provide sufficient funds for the preparation for taking the Thirteenth Census. It appropriates $2,000,000 for that purpose. My idea is that, without the matter having been investigated by a proper committee, it is not proper at this time for Congress, called in a special session to consider a revision of the tariff, to make an appropriation to both prepare for and complete the taking of the census when it will convene in regular session on the first Monday of next December, and then by a proper committee can take up the work and present a bill to this House in proper form and in a proper way and at a proper time.

Mr. Chairman, this bill is before the committee upon the cold-blooded theory that might makes right and in absolute violation of the rules of the House. We all know that under the rules no matter can be considered that has not been properly referred to a committee and properly reported by that committee and placed upon the calendar except by unanimous consent, and hence this bill is improperly before the House at this time, because objection was had to the request for unanimous consent. That, in my judgment, is enough to condemn the proposition as a whole. But if it is absolutely necessary to make an appropriation to prepare for the taking of the next census, we ought not to go any further at this time than to make one sufficiently large to provide for the preparation, and not for taking the census in toto. That is the reason I have offered this amendment, and it seems that reason ought to compel its adoption.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Arkansas.

The question was taken, and the amendment was rejected.

Mr. MURPHY. Mr. Chairman, I offer the following amendment, which I send to the Clerk's desk.

The Clerk read as follows:

Add at the end of the paragraph, line 11, page 1; insert a colon and the following:

"*Provided*, That no part of this appropriation shall be expended for any printing or binding, including tabulating cards, other than that done at the Government Printing Office, or a printing office owned by the United States and operated by employees thereof."

Mr. TAWNEY. Mr. Chairman, I make the point of order to that amendment that it is not germane and that it is new legislation.

The CHAIRMAN. Does the gentleman from Minnesota desire to be heard on the point of order?

Mr. TAWNEY. I do not.

Mr. MURPHY. Mr. Chairman, I claim that this is merely a limitation on the appropriation.

The CHAIRMAN. The Chair is of opinion that the point of order is not well taken, and that it is a limitation.

Mr. MURPHY. Mr. Chairman, I am aware that the general law requires that all printing and binding shall be done at the Government Printing Office. Under the census bill, if it should become a law, all printing and binding would be done at the Government Printing Office. What the provisions of the old bill are I do not know, but I have been informed that it must be let out to competitive bids.

That language has been included in several bills for the last fourteen or fifteen years, but within a short time back the Comptroller of the Treasury has decided that under competitive bids the Government Printing Office can not bid upon printing, or that no expenditure upon an appropriation bill containing the competitive provision can be paid the Government Printing Office for any printing. I have that opinion of the Comptroller in my hands.

Now, this office is owned by the Government, was built at a cost of some $3,000,000, with more than a million dollars' worth of machinery in it. We buy our material at wholesale, and the men in that Printing Office under the civil service come from every State in the Union. When they come here and bring their families with them, they ought to expect to be employed, and not reduced or laid off, as was done this year on account of printing being sent outside.

On April 29, 1909, there were 400 men idle in the Government Printing Office, 200 of whom were compositors, men from the different States. I know there were some from Missouri. Three that I know of that were laid off came from there, and also men from other States. Why should we not, then, take care of that office as it ought to be taken care of, and where the printing ought to be done as cheaply as can be done in any part of the United States?

Mr. LIVINGSTON. Will the gentleman yield?

Mr. MURPHY. Just one moment, and then I will yield to the gentleman. There is another thing that is included in this amendment, and that is the provision that 300,000,000 tabulating cards, which are printed, are to be considered as printed matter. They are printed matter, and yet the Census Office has never yet considered it printing, and it has been done outside without competitive bids or without any bid whatever. There are 300,000,000; 100,000,000, as I understand, for population, 100,000,000 for vital statistics, and 100,000,000 for agriculture. Those tabulating cards, according to the estimate of the Director of the Census, cost about $100,000. It seems to me those cards are printed matter, and they ought to be done in the Government Printing Office, and I say they can be done there more cheaply than anywhere in the United States. They say the printing can be done outside more cheaply, but I will give you one instance of how it is done outside more cheaply. They send down to the Government Printing Office and have the type set up, and then it is made into plates, and then they send down and get the plates and have the printing done outside, as the War Department has done within the last thirty days to my own knowledge.

We can set the type and make the plates, but we can not print, and that is the way it has been decided and is being done. I say we are only carrying out the law in adopting this amendment and in determining that tabulating cards are printed matter. I now yield to the gentleman from Georgia.

Mr. LIVINGSTON. Mr. Chairman, I want to ask the gentleman if this is not true, and I am after information: Is not the reason why 700 people are laid off now due to the fact that prior to the last election several hundred were put in that they had no use for? The house was crowded from garret to floor, and they were in each other's way, and one man could not find his way to go to work without walking over some other. That is what was done by the gentleman from the Philippines to show the people over here how to run a printing office. Now, when Mr. Donnelly got hold of the Printing Office, he was compelled, for decency's sake, to let these people off. Is not that the reason why so many are idle now?

Mr. MURPHY. That, Mr. Chairman, is not my understanding of it. My understanding is that because of the printing being done elsewhere than at the Government Printing Office is the reason, and my information comes pretty direct on that.

Mr. LIVINGSTON. Can not the gentleman give us a specific instance of that so as to show that printing is being done outside?

Mr. MURPHY. A copy of the Philippine tariff bill which I saw was printed outside of the Government Printing Office.

Mr. TAWNEY. And so was the Cuban census bill, and paid for by the Cuban Government.

Mr. MURPHY. But this Philippine tariff bill which was printed outside the Government Printing Office was on inferior paper, and the printing and paper were of such quality that they threw it away, refused to use it, sent to the Government Printing Office and had it reprinted at an additional expense to the Government of the United States. That is the character of printing that we are getting outside of the Government Printing Office.

Mr. LIVINGSTON. Mr. Chairman, for the benefit of the gentleman, I want to say to him in all candor—I am not criticising—having been on a committee that was pretty closely related to the payments of all these bills, that I do not remember any printing done on the outside. I can not remember any, and I do not want a mistake made here on the floor of the House by the statement that these people are suffering for that reason if it is not correct. I am after information, that is all.

Mr. MURPHY. Does not the gentleman know that in several bills it is provided that the printing shall be let out under the competitive system? The gentleman knows that is done in several appropriation bills. It is let out to the highest bidder, and yet the Comptroller of the Treasury has ruled, has handed down a decision lately—the Government Printing Office, prior to this recent ruling of the Comptroller, for fifteen years was allowed to bid and procured a great many of these contracts—and yet the Comptroller of the Treasury has, as I said, recently decided that the Government Printing Office can not do the printing under a law containing a competitive provision, but it must be done on the outside. If, Mr. Chairman, the printing at the Government Printing Office is more expensive than it is outside, there is something wrong down there that ought to be investigated by the Joint Committee on Printing. When we own our own shop, when we can buy our material as cheap or cheaper than anyone in the world, when we own our own machinery, with the best and most skillful mechanics and printers in the world, I say it is idle to suggest that printing can not be done as cheap or cheaper and better than it can be done anywhere else, and yet it is said by some——

Mr. BARTHOLDT. Will my colleague permit a question?

Mr. MURPHY. Yes.

Mr. BARTHOLDT. In computing the prices that are to be charged in the Government Printing Office is it not true that the salaries of the administration of the Government Printing Office are always taken into account in computing those prices, which salaries would go on whether the printing is done in the Government Printing Office or not?

Mr. BUTLER. But you would not have the salaries to pay if you did not do any printing, I suggest to the gentleman.

Mr. BARTHOLDT. What is that?

Mr. BUTLER. You would not have these officials if you did no work in the Government Printing Office. You would not hire them simply for the pleasure of hiring them.

Mr. BARTHOLDT. If you abolish it, if you simply cease all printing because it could be done outside, but as long as we have a printing establishment——

Mr. TAWNEY. Mr. Chairman, a parliamentary inquiry. Are we not considering the bill under the five-minute rule?

The CHAIRMAN. We are; the time of the gentleman from Missouri has expired.

Mr. CLARK of Missouri. Mr. Chairman, a parliamentary inquiry. When did we get under the five-minute rule?

Mr. TAWNEY. When the gentleman was asleep, I guess.

Mr. CLARK of Missouri. Was general debate closed?

The CHAIRMAN. Yes. The Chair will state to the gentleman from Missouri that nobody desiring to further address the House in general debate the Clerk commenced the reading under the five-minute rule, and we are now reading the bill under the five-minute rule for amendment.

Mr. TAWNEY. Mr. Chairman, I wish to say in reply to the gentleman from Missouri that, without affirmative legislation, the printing for the taking of the next census could not be done elsewhere than in the Government Printing Office or by the Government. The law to-day would prevent it, and the bill now in conference between the two Houses for the taking of the next census especially provides for the printing of the Census Bureau in the Government Printing Office. The limitation of the gentleman from Missouri is therefore useless and unnecessary. It is simply enacting additional legislation on a subject now covered by statute, and if that statute is not in effect when the next census is taken the statute that will be in effect expressly provides for the printing, and I hope, therefore, the gentleman's amendment will not prevail.

Mr. MURPHY. I want to call the attention of the chairman of the Committee on Appropriations to the fact that these 300,000,000 tabulating cards, at an expense of $100,000, have been held by the Director of the Census not be to printing; that is nothing more nor less than a printed card, and therefore does have to be sent to the Government Printing Office and is not done at the Government Printing Office, and my amendment covers those tabulating cards.

Mr. TAWNEY. I do not know anything about the tabulating cards; we appropriate for tabulating machines; but I do know that all the printing that is done in taking the next census must be done by the Government unless there is some affirmative action by Congress to the contrary. It is now provided for in existing law and provided for in the bill now in conference between the two Houses.

Mr. MURPHY. Will the gentleman permit a question?

Mr. TAWNEY. Certainly.

Mr. MURPHY. If the census is taken under the old law, will all the printing have to be done at the Government Printing Office?

Mr. TAWNEY. Yes. There was no printing done outside at all in the taking of the last census. There was a provision for doing the printing in the Census Bureau, which was changed or modified by executive order or in some other way.

Mr. LANGLEY. It was abolished by the permanent census act.

Mr. TAWNEY. It was abolished by the permanent census act, but all printing was done at the Government Printing Office, so there is no affirmative law authorizing printing to be done outside of the government service, and it is unnecessary to limit this appropriation.

Mr. NICHOLLS. Mr. Chairman, I desire to favor the passage of this amendment for the reason that it seems to me to be ridiculous to invest so much money in a government printing shop, in which are installed a large number of machines and a good many salaried officers, whose pay will go on regardless of whether we print this work in the shop or not. It seems to me the very fact that there is a Government Printing Office ought in itself to be sufficient argument for having all the government printing done there.

Mr. TAWNEY. That is the law now, and nobody proposes to change it.

Mr. NICHOLLS. Then, why do you oppose the amendment?

Mr. TAWNEY. If the gentleman does not know, from what has been said here, why I am opposed to the amendment, I can not tell him.

Mr. LANGLEY. It would be a duplication of legislation.

Mr. NICHOLLS. It seems to me there is some doubt on the question. And for one I propose to resolve that doubt in favor of having it done absolutely in the Government Printing Office. Evidently there is a doubt, else the gentleman from Missouri [Mr. MURPHY] would not offer this amendment, and it can do no harm.

Mr. LANGLEY. Will the gentleman explain what the doubt is and where it arises? The present law expressly provides—that is, the permanent census law—that all of this printing shall be done in the Government Printing Office.

Mr. MURPHY. Then why are not the 300,000,000 tabulating cards printed at the Government Printing Office?

Mr. LANGLEY. I presume the gentleman is referring to the tabulating cards on which there is a patent—those cards that were used in the machines rented by the Census Office from the Tabulating Machine Company. That was the reason they could not be prepared in the Government Printing Office. The Census Office has since developed a system of mechanical tabulation of its own, and is hereafter to do its own tabulating, and therefore that question will probably not arise again in connection with census work.

Mr. MURPHY. If the Assistant Director of the Census says that he never considered the tabulating cards as printing, he was mistaken, was he not?

Mr. LANGLEY. That has no bearing on the question now at issue.

Mr. NICHOLLS. I do not wish to continue the discussion, but wish to voice my sentiments; and inasmuch as there is a doubt, this amendment can do no harm, and I hope it will be adopted.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Missouri [Mr. MURPHY].

The question was taken.

Mr. MURPHY. Division, Mr. Chairman.

The committee divided, and there were—ayes 23, noes 57.

So the amendment was rejected.

Mr. HAMER. Mr. Chairman, I desire to offer an amendment.

The CHAIRMAN. The gentleman from Idaho [Mr. HAMER] offers an amendment, which the Clerk will report.

The Clerk read as follows:

At the end of paragraph 1, on page 1, insert a colon and the following:

"*Provided*, That no part of this appropriation shall be paid to any employee appointed to any position who shall not have first taken an examination in the State or Territory in which said employee resides, nor to any such employee unless he or she shall have been actually domiciled in such State or Territory for at least one year previous to such examination.

Mr. TAWNEY. Mr. Chairman, I reserve a point of order on that.

Mr. HAMER. Mr. Chairman, I ask for a vote. I am ready to submit this matter to the House.

The CHAIRMAN (Mr. HULL of Iowa). The point of order can be decided now. The gentleman's amendment is to strike out the period and insert a colon, and follow that with the proviso which has been read by the Clerk.

The Chair will state that the gentleman's amendment approaches very close to the line which passes beyond the point of a limitation and might be held out of order as additional legislation, and yet it is, in a sense, a limitation upon the appropriation. It is one of those questions that are so close to the dividing line that a ruling either way would not do violence to the rules of the House, but the Chair feels it is better for the Committee of the Whole to pass upon this matter than for the Chair to deprive them of that opportunity by sustaining the point of order. The Chair therefore overrules the point of order.

The question is on the adoption of the amendment.

The question was taken, and the amendment was rejected.

The CHAIRMAN. The question is on the substitute offered by the gentleman from Massachusetts [Mr. GILLETT].

Mr. GILLETT. Just one moment, because I think the House has forgotten just what this amendment is. It is technically drawn, but it simply provides that the present appropriations are extended for one month. Now, personally, I think that the discussion which has been had this morning will go a good way toward removing the possible change I suggested in my remarks. I still believe that the appropriation of $10,000,000 ought not to be made until we know what law it is made to apply to.

Mr. TAWNEY. Mr. Chairman, I just want to say one word in reply. In view of the insinuation of the gentleman from Massachusetts that there was some ulterior motive back of the introduction of this bill at this time, I want to say there was no thought on the part of myself or anyone that suggested the necessity for doing this, that it would in any way influence the action of the conference committee having now under consideration the legislation under which it is proposed to take the next census. The gentleman has said he thought that because that bill is now in conference, and that this appropriation was proposed at this time, therefore it would afford an excuse to those who were opposed to the present bill for not going on and completing that conference and reporting an agreement to their respective Houses.

If that is cause for arousing the suspicion of any man, the gentleman is the only one who has discovered it.

I want to say that if this amendment should be adopted, we will, before the end of July, enact an appropriation bill carrying appropriations for the taking of the next census which will also be available for the expenditures of that department during the same month. As I stated before, on investigation yesterday at the Bureau of the Census, I found it would seriously complicate the accounting for those expenditures. I hope, therefore, the amendment will not be agreed to.

The CHAIRMAN. The question is on agreeing to the substitute.

The question was taken, and the amendment was rejected.

The Clerk read as follows:

The Director of the Census is authorized to designate three commissioners, with the status of special agents, as provided by the permanent census act, to represent the United States in the International Commission for the Revision of the Classification of Diseases and Causes of Death, called by the Government of France to meet at Paris in July, 1909, one of whom shall be chosen from the Census Office, one from the organized medical profession, and one from the organized registration officials of the United States. For the compensation and traveling expenses of said commissioners not exceeding $2,500 of the foregoing appropriation may be expended.

Mr. KEIFER. I would like to inquire of the gentleman from Minnesota if he will not consent to have the word "organized," as it appears in line 6 of page 2, stricken out?

Mr. TAWNEY. I consent to that.

Mr. KEIFER. It relieves it of all possible difficulty.

The Clerk read as follows:

Page 2, line 6, strike out the word "organized."

The question was taken, and the amendment was agreed to.

Mr. TAWNEY. Mr. Chairman, I move that the committee do now rise and report the bill to the House with the recommendation that as amended it do pass.

The motion was agreed to.

The committee accordingly rose; and the Speaker having resumed the chair, Mr. HULL of Iowa, Chairman of the Committee of the Whole House on the state of the Union, reported that that committee had had under consideration the bill H. R. 10933, and had directed him to report the same back with an amendment, with the recommendation that the amendment be agreed to and that the bill as amended do pass.

The SPEAKER. The Clerk will report the amendment.

The Clerk read as follows:

Page 2, line 6, strike out the word "organized."

The question was taken, and the amendment was agreed to.

The bill as amended was ordered to be engrossed for a third reading, and being engrossed, it was accordingly read the third time.

The SPEAKER. The question is on the passage of the bill.

The question was taken, and the Speaker announced that the ayes seemed to have it.

Mr. MACON. Division, Mr. Speaker.

The House divided; and there were—ayes 134, noes 31.

Mr. MACON. Mr. Speaker, I suggest that there is not a quorum present.

The SPEAKER. The gentleman from Arkansas suggests the absence of a quorum. The Doorkeeper will close the doors; the Sergeant-at-Arms will bring in absent Members. As many as are in favor of the passage of the bill will, as their names are called, answer "yea;" as many as are opposed will answer "nay;" those present and not voting will answer "present;" and the Clerk will call the roll.

The question was taken; and there were—yeas 122, nays 72, answered "present" 12, not voting 182, as follows:

YEAS—122.

Alexander, Mo.	Elvins	Kahn	Pearre
Austin	Englebright	Keifer	Pratt
Barchfeld	Esch	Kendall	Pray
Barclay	Fairchild	Kennedy, Iowa	Prince
Barnard	Fish	Kennedy, Ohio	Reeder
Bartholdt	Flood, Va.	Kinkaid, Nebr.	Reynolds
Bartlett, Ga.	Focht	Knowland	Scott
Bennet, N. Y.	Foster, Vt.	Lamb	Small
Bennett, Ky.	Gaines	Langley	Smith, Cal.
Bingham	Gardner, N. J.	Lassiter	Smith, Iowa.
Brownlow	Graham, Pa.	Law	Steenerson
Burke, S. Dak.	Grant	Lee	Sterling
Butler	Gronna	Lindbergh	Sullowway
Calderhead	Guernsey	Livingston	Swasey
Campbell	Hamer	Longworth	Tawney
Cassidy	Hamilton	McCreary	Taylor, Ala.
Chapman	Hanna	McKinney	Taylor, Ohio
Cocks, N. Y.	Haugen	Madison	Tener
Cole	Hawley	Martin, S. Dak.	Thistlewood
Cook	Hay	Miller, Minn.	Thomas, Ohio
Cooper, Pa.	Heald	Millington	Tilson
Cowles	Henry, Conn.	Morehead	Townsend
Crumpacker	Higgins	Morgan, Mo.	Volstead
Dalzell	Hill	Morgan, Okla.	Wanger
Denby	Hinshaw	Murphy	Wheeler
Diekema	Hollingsworth	Needham	Wiley
Dodds	Howell, Utah	Nye	Woods, Iowa
Douglas	Howland	O'Connell	Young, Mich.
Driscoll, M. E.	Hubbard, Iowa	Olcott	Young, N. Y.
Dwight	Hubbard, W. Va.	Parker	
Ellis	Hull, Iowa	Payne	

NAYS—72.

Adamson	Dickson, Miss.	Johnson, S. C.	Richardson
Aiken	Dies	Kelliher	Rucker, Colo.
Beall, Tex.	Dixon, Ind.	Korbly	Rucker, Mo.
Borland	Ferris	Latta	Russell
Bowers	Floyd, Ark.	Macon	Sheppard
Broussard	Garner, Tex.	Maguire, Nebr.	Sherwood
Burgess	Garrett	Martin, Colo.	Sims
Burnett	Gill, Md.	Mays	Sisson
Byrd	Gillespie	Morrison	Slayden
Byrns	Gregg	Moss	Smith, Tex.
Carlin	Hamlin	Nicholls	Spight
Carter	Hardy	Oldfield	Stephens, Tex.
Clark, Mo.	Helm	Page	Taylor, Colo.
Collier	Howard	Palmer, A. M.	Thomas, Ky.
Covington	Hughes, Ga.	Patterson	Thomas, N. C.
Cox, Ind.	Hull, Tenn.	Pou	Tou Velle
Cullop	Humphreys, Miss.	Randell, Tex.	Watkins
De Armond	Jamieson	Rauch	Wickliffe

ANSWERED "PRESENT"—12.

Bartlett, Nev.	Cooper, Wis.	Huff	Loud
Booher	Currier	Hughes, W. Va.	McGuire, Okla.
Clayton	Foster, Ill.	Lever	Sperry

NOT VOTING—182.

Adair	Denver	Hammond	McLachlan, Cal.
Alexander, N. Y.	Draper	Hardwick	McLaughlin, Mich.
Allen	Driscoll, D. A.	Harrison	McMorran
Ames	Durey	Hayes	Madden
Anderson	Edwards, Ga.	Heflin	Malby
Andrus	Edwards, Ky.	Henry, Tex.	Mann
Ansberry	Ellerbe	Hitchcock	Maynard
Anthony	Estopinal	Hobson	Miller, Kans.
Ashbrook	Fassett	Houston	Mondell
Barnhart	Finley	Howell, N. J.	Moon, Pa.
Bates	Fitzgerald	Hughes, N. J.	Moon, Tenn.
Bell, Ga.	Foelker	Humphrey, Wash.	Moore, Pa.
Boehne	Fordney	James	Moore, Tex.
Boutell	Fornes	Johnson, Ky.	Morse
Bradley	Foss	Johnson, Ohio	Mudd
Brantley	Foulkrod	Jones	Murdock
Burke, Pa.	Fowler	Joyce	Nelson
Burleigh	Fuller	Kinkead, N. J.	Norris
Burleson	Gallagher	Kitchin	Olmsted
Calder	Gardner, Mass.	Knapp	Padgett
Candler	Gardner, Mich.	Kopp	Palmer, H. W.
Cantrill	Garner, Pa.	Kronmiller	Parsons
Capron	Gill, Mo.	Küstermann	Perkins
Cary	Gillett	Lafean	Peters
Clark, Fla.	Gilmore	Langham	Pickett
Cline	Glass	Lawrence	Plumley
Conry	Godwin	Lenroot	Poindexter
Coudrey	Goebel	Lindsay	Pujo
Cox, Ohio	Goldfogle	Lloyd	Rainey
Craig	Good	Loudenslager	Ransdell, La.
Cravens	Gordon	Lovering	Reid
Creager	Goulden	Lowden	Rhinock
Crow	Graff	Lundin	Riordan
Cushman	Graham, Ill.	McCall	Roberts
Davidson	Greene	McDermott	Robinson
Davis	Griest	McHenry	Rodenberg
Dawson	Griggs	McKinlay, Cal.	Rothermel
Dent	Hamill	McKinley, Ill.	Sabath
Saunders	Snapp	Talbott	Weisse
Shackleford	Southwick	Tirrell	Willett
Sharp	Sparkman	Underwood	Wilson, Ill.
Sheffield	Stafford	Vreeland	Wilson, Pa.
Sherley	Stanley	Wallace	Wood, N. J.
Simmons	Stevens, Minn.	Washburn	Woodyard
Slemp	Sturgiss	Webb	
Smith, Mich.	Sulzer	Weeks	

So the bill was passed.

The following pairs were announced:

For the session:

Mr. McMORRAN with Mr. PUJO.

Mr. CURRIER with Mr. FINLEY.

Mr. BRADLEY with Mr. GOULDEN.

Until further notice:

Mr. LOUD with Mr. PADGETT.

Mr. DAWSON with Mr. EDWARDS of Georgia.

Mr. OLMSTED with Mr. SABATH.

Mr. LOWDEN with Mr. McHENRY.

Mr. LAWRENCE with Mr. LINDSAY.

Mr. MUDD with Mr. RAINEY.

Mr. BURKE of Pennsylvania with Mr. FORNES.

Mr. BATES with Mr. BELL of Georgia.

Mr. STURGISS with Mr. SULZER.

Mr. AMES with Mr. ANSBERRY.

Mr. GREENE with Mr. GOLDFOGLE.

Mr. McKINLAY of California with Mr. BARTLETT of Nevada.

Mr. MADDEN with Mr. MOORE of Texas.

Mr. MANN with Mr. REID.

Mr. MILLER of Kansas with Mr. PETERS.

Mr. ROBERTS with Mr. SAUNDERS.

Mr. SNAPP with Mr. SPARKMAN.

Mr. WOODYARD with Mr. WILSON of Pennsylvania.

Mr. NORRIS with Mr. WALLACE.

Mr. BENNETT of Kentucky with Mr. BRANTLEY.

Mr. BURLEIGH with Mr. BOOHER.

Mr. KAHN with Mr. ANDERSON.

Mr. McKINLEY of Illinois with Mr. FOSTER of Illinois.

Mr. FULLER with Mr. GRAHAM of Illinois.

Mr. BOUTELL with Mr. GRIGGS.

Mr. COUDREY with Mr. GILL of Missouri.

Mr. FOSTER of Vermont with Mr. POU.

Mr. CAPRON with Mr. JOHNSON of Kentucky.

Mr. NELSON with Mr. CLARK of Florida.

Mr. ANDRUS with Mr. RIORDAN.

Mr. MALBY with Mr. DANIEL A. DRISCOLL.

Mr. SOUTHWICK with Mr. CONRY.

Mr. ANTHONY with Mr. CRAVENS.

Mr. McCALL with Mr. HARDWICK.

Mr. ALLEN with Mr. LEVER.

Mr. SMITH of Michigan with Mr. JONES.

Mr. McGUIRE of Oklahoma with Mr. ROBINSON.

Mr. DUREY with Mr. DENT.

Mr. LANGLEY with Mr. JAMES.

Mr. GARNER of Pennsylvania with Mr. BARNHART.

Mr. SPERRY with Mr. CRAIG.

Mr. HUFF with Mr. HITCHCOCK.

Mr. GOOD with Mr. HAMILL.

Mr. GOEBEL with Mr. GORDON.

Mr. GARDNER of Michigan with Mr. GODWIN.

Mr. DRAPER with Mr. GALLAGHER.

Mr. DAVIDSON with Mr. ESTOPINAL.

Mr. CROW with Mr. DENVER.

Mr. SIMMONS with Mr. ASHBROOK.

Mr. WILSON of Illinois with Mr. WILLETT.

Mr. WEEKS with Mr. WEISSE.

Mr. VREELAND with Mr. WEBB.

Mr. TIRRELL with Mr. UNDERWOOD.

Mr. STEVENS of Minnesota with Mr. TALBOTT.

Mr. SLEMP with Mr. STANLEY.

Mr. RODENBERG with Mr. SHARP.

Mr. PLUMLEY with Mr. SHACKLEFORD.

Mr. PICKETT with Mr. ROTHERMEL.

Mr. PERKINS with Mr. RHINOCK.

Mr. PARSONS with Mr. RANSDELL of Louisiana.

Mr. MURDOCK with Mr. MOON of Tennessee.

Mr. MOORE of Pennsylvania with Mr. MAYNARD.

Mr. MOON of Pennsylvania with Mr. McDERMOTT.

Mr. MONDELL with Mr. KITCHIN.

Mr. McLAUGHLIN of Michigan with Mr. KINKEAD of New Jersey.

Mr. LOUDENSLAGER with Mr. LLOYD.

Mr. KOPP with Mr. HUGHES of New Jersey.

Mr. LAFEAN with Mr. HOUSTON.

Mr. KÜSTERMANN with Mr. HOBSON.

Mr. KRONMILLER with Mr. HEFLIN.
Mr. KNAPP with Mr. HENRY of Texas.
Mr. JOYCE with Mr. HARRISON.
Mr. HUMPHREY of Washington with Mr. HAMMOND.
Mr. HAYES with Mr. GLASS.
Mr. GRIEST with Mr. GILMORE.
Mr. GRAFF with Mr. FITZGERALD.
Mr. FOULKROD with Mr. ELLERBE.
Mr. FASSETT with Mr. COX of Ohio.
Mr. EDWARDS of Kentucky with Mr. CLINE.
Mr. DAVIS with Mr. CLAYTON.
Mr. CUSHMAN with Mr. CANTRILL.
Mr. CARY with Mr. CANDLER.
Mr. CALDER with Mr. BURLESON.
Mr. ALEXANDER of New York with Mr. ADAIR.
Mr. LOVERING with Mr. BOEHNE except on the tariff.
For this day:
Mr. GILLETT with Mr. SHERLEY.

The SPEAKER pro tempore (Mr. DENBY). Upon this question the yeas are 122, the nays are 72, present 12. A quorum is present, the yeas have it, and the bill is passed. The Doorkeeper will open the doors.

On motion of Mr. TAWNEY, a motion to reconsider the vote whereby the bill was passed was laid on the table.

LEAVE OF ABSENCE.

Mr. BOWERS was given leave of absence indefinitely, on account of illness in family.

ADJOURNMENT.

Mr. LIVINGSTON. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; and accordingly (at 3 o'clock and 8 minutes p. m.) the House adjourned until Monday next.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of Rule XXIV, a letter from the president of the Board of Commissioners of the District of Columbia, transmitting a copy of a communication from the board of education relating to unexpended balances of certain appropriations for school buildings (H. Doc. No. 64), was taken from the Speaker's table, referred to the Committee on Appropriations, and ordered to be printed.

PUBLIC BILLS, RESOLUTIONS, AND MEMORIALS.

Under clause 3 of Rule XXII, bills, resolutions, and memorials of the following titles were introduced and severally referred as follows:

By Mr. KENNEDY of Ohio: A bill (H. R. 10934) prohibiting the use of the United States mails for the purposes of extortion and blackmail—to the Committee on the Post-Office and Post-Roads.

By Mr. BURNETT: A bill (H. R. 10935) providing for the adjustment of the grant of lands in aid of the construction of the Corvallis and Yaquina Bay military wagon road, and of conflicting claims to lands within the limits of said grant—to the Committee on the Public Lands.

Also, a bill (H. R. 10936) to pay rural mail carriers the sum of 10 cents per mile per day for each mile and fraction of a mile over 24 miles long—to the Committee on the Post-Office and Post-Roads.

Also, a bill (H. R. 10937) to amend an act approved June 4, 1906, authorizing the use of the waters of Coosa River at Lock No. 4, in Alabama—to the Committee on Rivers and Harbors.

Also, a bill (H. R. 10938) to authorize the Secretary of the Interior to sell the timber off of the lands in Mays Gulf of Little River in Alabama—to the Committee on the Public Lands.

By Mr. BORLAND: A bill (H. R. 10939) to extend the provisions of the pension acts of June 27, 1890, and of February 6, 1907, respectively, to all state militia and other organizations that were organized for the defense of the Union and cooperated with the military or naval forces of the United States in suppressing the war of the rebellion—to the Committee on Invalid Pensions.

By Mr. ANDERSON: A bill (H. R. 10940) appropriating an additional amount of money for the purchase of a building site for the city of Tiffin, Ohio—to the Committee on Appropriations.

By Mr. HUMPHREY of Washington: A bill (H. R. 10941) to promote the American merchant marine in foreign trade and the national defense, and for other purposes—to the Committee on the Merchant Marine and Fisheries.

By Mr. HAWLEY: A bill (H. R. 10942) to create a game preserve to be known as the Siletz Elk Preserve—to the Committee on the Public Lands.

By Mr. BURNETT: A bill (H. R. 10943) to amend section 13 of the naturalization law—to the Committee on Immigration and Naturalization.

By Mr. BUTLER: A bill (H. R. 10944) to provide for the extension and enlargement of the public building at Chester, Pa.—to the Committee on Public Buildings and Grounds.

Also, a bill (H. R. 10945) in amendment of an act entitled "An act to increase pension for total deafness"—to the Committee on Invalid Pensions.

Also, a bill (H. R. 10946) to erect a monument on Brandywine battlefield, Chester County, Pa.—to the Committee on the Library.

Also, a bill (H. R. 10947) to establish a national military park at the Brandywine battle ground, Pennsylvania—to the Committee on Military Affairs.

By Mr. CAMPBELL: A bill (H. R. 10948) to make Cherryvale, in the State of Kansas, a subport of entry, and for other purposes—to the Committee on Ways and Means.

By Mr. BURNETT: A bill (H. R. 10949) to provide for entering the surfaces of certain mineral lands in Alabama—to the Committee on the Public Lands.

Also, a bill (H. R. 10950) granting certain lands belonging to the United States and situated in the State of Alabama to the State of Alabama for the use and benefit of the common schools of that State—to the Committee on the Public Lands.

Also, a bill (H. R. 10951) giving rural mail carriers holiday on the 25th day of December of each year—to the Committee on the Post-Office and Post-Roads.

By Mr. DAVIS: A bill (H. R. 10952) to cooperate with the States in encouraging instruction in farming and home making in agricultural secondary schools with branch experiment stations, instruction in the nonagricultural industries and in home making in city secondary schools, and in providing teachers for these vocational subjects in state normal schools, and to appropriate money therefor and to regulate its expenditure—to the Committee on Agriculture.

By Mr. THOMAS of Kentucky: A bill (H. R. 10953) for the erection of a public building at Glasgow, Barren County, Ky.—to the Committee on Public Buildings and Grounds.

Also, a bill (H. R. 10954) for the erection of a public building at Central City, Muhlenberg County, Ky.—to the Committee on Public Buildings and Grounds.

By Mr. BUTLER: A bill (H. R. 10955) to erect a monument to the memory of John Morton—to the Committee on the Library.

By Mr. DAVIDSON: Resolution (H. Res. 80) providing for salary of assistant document clerk—to the Committee on Accounts.

By Mr. BUTLER: Resolution (H. Res. 81) proposing to make the Post-Office Department self-sustaining—to the Committee on Rules.

By Mr. WEISSE: Memorial of the legislature of Wisconsin, asking Congress to remove the tariff on lumber—to the Committee on Ways and Means.

Also, memorial of the legislature of Wisconsin, respecting national aid for the construction of main highways—to the Committee on Agriculture.

Also, memorial of the legislature of Wisconsin, asking Congress to enact a law providing for physical valuation of railroads—to the Committee on Interstate and Foreign Commerce.

By the SPEAKER: Memorial of the legislature of Wisconsin, praying for national aid in the construction of highways—to the Committee on Agriculture.

Also, memorial of the legislature of Wisconsin, praying for legislation to provide for the physical valuation of railroads—to the Committee on Interstate and Foreign Commerce.

PRIVATE BILLS AND RESOLUTIONS.

Under clause 1 of Rule XXII, private bills and resolutions of the following titles were introduced and severally referred as follows:

By Mr. AUSTIN: A bill (H. R. 10956) for the relief of Walter Lee Christenberry—to the Committee on Naval Affairs.

Also, a bill (H. R. 10957) granting a pension to R. H. Welch—to the Committee on Pensions.

Also, a bill (H. R. 10958) granting a pension to Mattie R. Willoughby—to the Committee on Invalid Pensions.

Also, a bill (H. R. 10959) granting a pension to Mary B. McCubbins—to the Committee on Invalid Pensions.

Also, a bill (H. R. 10960) granting an increase of pension to Benjiman Ellison—to the Committee on Invalid Pensions.

Also, a bill (H. R. 10961) granting an increase of pension to Alexander McNabb—to the Committee on Invalid Pensions.

By Mr. BARCHFELD: A bill (H. R. 10962) granting an increase of pension to Edward Joseph Chester—to the Committee on Pensions.

By Mr. BORLAND: A bill (H. R. 10963) granting an increase of pension to Elizabeth Carroll—to the Committee on Invalid Pensions.

Also, a bill (H. R. 10964) for the relief of A. L. H. Crenshaw—to the Committee on War Claims.

By Mr. BURNETT: A bill (H. R. 10965) for the relief of A. L. Hays—to the Committee on Claims.

Also, a bill (H. R. 10966) for the relief of D. W. Jarrett—to the Committee on Claims.

Also, a bill (H. R. 10967) for the relief of Mrs. S. V. Burks, late postmaster at Vinemont, Ala.—to the Committee on Claims.

Also, a bill (H. R. 10968) for the relief of Nathan Whitaker, of Marshall County, Ala.—to the Committee on War Claims.

Also, a bill (H. R. 10969) for the relief of W. W. Roden, of Dekalb County, Ala.—to the Committee on War Claims.

Also, a bill (H. R. 10970) for the relief of William J. Robertson—to the Committee on War Claims.

Also, a bill (H. R. 10971) for the relief of the heirs of Leonard Daniel, deceased—to the Committee on War Claims.

Also, a bill (H. R. 10972) for the relief of the estate of Elizabeth Blakemore, deceased—to the Committee on War Claims.

Also, a bill (H. R. 10973) granting a pension to John C. Anderson—to the Committee on Pensions.

Also, a bill (H. R. 10974) granting a pension to Pauline E. Hauk—to the Committee on Pensions.

Also, a bill (H. R. 10975) granting a pension to Annie Abney—to the Committee on Pensions.

Also, a bill (H. R. 10976) granting a pension to John H. Pepper—to the Committee on Pensions.

Also, a bill (H. R. 10977) granting a pension to Jesse G. Lott—to the Committee on Pensions.

Also, a bill (H. R. 10978) granting a pension to Samuel D. Minor—to the Committee on Pensions.

Also, a bill (H. R. 10979) granting a pension to Stephen D. Kennamer—to the Committee on Invalid Pensions.

Also, a bill (H. R. 10980) granting a pension to Mary Walls—to the Committee on Invalid Pensions.

Also, a bill (H. R. 10981) granting a pension to Jacob L. Kennamer—to the Committee on Invalid Pensions.

Also, a bill (H. R. 10982) granting a pension to Elizabeth A. Driskell—to the Committee on Invalid Pensions.

Also, a bill (H. R. 10983) granting a pension to Jerry Wildman—to the Committee on Invalid Pensions.

Also, a bill (H. R. 10984) granting a pension to Nancy L. Kirby—to the Committee on Invalid Pensions.

Also, a bill (H. R. 10985) granting a pension to Daniel B. Norwood—to the Committee on Invalid Pensions.

Also, a bill (H. R. 10986) granting a pension to J. L. Marbut, alias John Robinson—to the Committee on Invalid Pensions.

Also, a bill (H. R. 10987) granting a pension to Alexander Johnson—to the Committee on Invalid Pensions.

Also, a bill (H. R. 10988) granting a pension to Henry Morris—to the Committee on Invalid Pensions.

Also, a bill (H. R. 10989) granting an increase of pension to Samuel Shafer—to the Committee on Invalid Pensions.

Also, a bill (H. R. 10990) granting an increase of pension to Emma H. Cooper—to the Committee on Invalid Pensions.

Also, a bill (H. R. 10991) granting an increase of pension to George F. Amos—to the Committee on Pensions.

Also, a bill (H. R. 10992) granting an increase of pension to Mary B. Minton—to the Committee on Pensions.

Also, a bill (H. R. 10993) to remove the charge of desertion from the military record of James W. Gutherie—to the Committee on Military Affairs.

Also, a bill (H. R. 10994) to remove the charge of desertion from the military record of F. M. Bruce—to the Committee on Military Affairs.

Also, a bill (H. R. 10995) to remove the charge of desertion from the military record of George W. Denson—to the Committee on Military Affairs.

Also, a bill (H. R. 10996) to remove the charge of desertion from the record of Joseph A. Choate—to the Committee on Military Affairs.

Also, a bill (H. R. 10997) to remove the charge of desertion from the record of Robert A. Godsey—to the Committee on Military Affairs.

Also, a bill (H. R. 10998) to carry into effect the findings of the Court of Claims in the matter of the claim of the Methodist Episcopal Church South, of Oak Bowery, Ala.—to the Committee on War Claims.

Also, a bill (H. R. 10999) to authorize James Pitts to select lands in lieu of lands lost by reason of the act of June 3, 1856, granting lands to certain railroad companies—to the Committee on the Public Lands.

Also, a bill (H. R. 11000) granting an increase of pension to Henry T. Steffey—to the Committee on Invalid Pensions.

Also, a bill (H. R. 11001) granting an increase of pension to Frances Davis—to the Committee on Pensions.

Also, a bill (H. R. 11002) granting a pension to James M. Ledbetter—to the Committee on Invalid Pensions.

By Mr. BUTLER: A bill (H. R. 11003) granting a pension to Frank E. Laurence—to the Committee on Pensions.

Also, a bill (H. R. 11004) for the relief of J. Howard Mitchell—to the Committee on Claims.

Also, a bill (H. R. 11005) for the relief of David Brinton—to the Committee on Claims.

Also, a bill (H. R. 11006) for the relief of Lieut. Jerome E. Morse, United States Navy, retired—to the Committee on Claims.

Also, a bill (H. R. 11007) for the relief of Pacific Pearl Mullett, administratrix of the estate of the late Alfred B. Mullett—to the Committee on Claims.

Also, a bill (H. R. 11008) for the relief of Oliva J. Baker, widow of Julian G. Baker, late quartermaster, United States Navy—to the Committee on Invalid Pensions.

Also, a bill (H. R. 11009) for the relief of Julius A. Kaiser—to the Committee on Naval Affairs.

Also, a bill (H. R. 11010) for the relief of the legal representatives of Stewart & Co. and A. P. H. Stewart—to the Committee on Claims.

Also, a bill (H. R. 11011) for the relief of the legal representatives of John Roach, deceased—to the Committee on War Claims.

Also, a bill (H. R. 11012) granting an honorable discharge to Alfred L. Dutton—to the Committee on Military Affairs.

Also, a bill (H. R. 11013) referring the claim of William H. Diamond, of Chester, Pa., for damages for personal injuries sustained, to the Court of Claims—to the Committee on Claims.

Also, a bill (H. R. 11014) to pay the Standard Steel Casting Company for one 6-inch gun casting—to the Committee on Military Affairs.

By Mr. DIEKEMA: A bill (H. R. 11015) granting an increase of pension to Delia L. Mills—to the Committee on Invalid Pensions.

Also, a bill (H. R. 11016) granting an increase of pension to Francis M. Forman—to the Committee on Invalid Pensions.

Also, a bill (H. R. 11017) granting an increase of pension to George W. Crawford—to the Committee on Invalid Pensions.

Also, a bill (H. R. 11018) granting a pension to Mary A. Slack—to the Committee on Invalid Pensions.

Also, a bill (H. R. 11019) granting a pension to Carrie Belle Barr—to the Committee on Invalid Pensions.

By Mr. ELLIS: A bill (H. R. 11020) granting an increase of pension to Lorenzo Jean—to the Committee on Invalid Pensions.

Also, a bill (H. R. 11021) granting an increase of pension to James C. Conrad—to the Committee on Invalid Pensions.

By Mr. FAIRCHILD: A bill (H. R. 11022) granting an increase of pension to Orra M. Dimcan—to the Committee on Invalid Pensions.

Also, a bill (H. R. 11023) granting an increase of pension to Patrick S. Doig—to the Committee on Invalid Pensions.

By Mr. FOELKER: A bill (H. R. 11024) granting an increase of pension to Sarah E. Bapp—to the Committee on Invalid Pensions.

By Mr. FOSTER of Illinois: A bill (H. R. 11025) to remove the charge of desertion from the record of Jasper N. Easley—to the Committee on Military Affairs.

By Mr. GRIGGS: A bill (H. R. 11026) granting a pension to Capt. Thomas N. Hopkins—to the Committee on Pensions.

By Mr. HAMER: A bill (H. R. 11027) granting an increase of pension to Edwin P. Durell—to the Committee on Invalid Pensions.

By Mr. HINSHAW: A bill (H. R. 11028) granting a pension to Melissa R. Vaughn—to the Committee on Invalid Pensions.

By Mr. HUGHES of Georgia: A bill (H. R. 11029) granting an increase of pension to Peter Sheppard—to the Committee on Invalid Pensions.

By Mr. HUGHES of New Jersey: A bill (H. R. 11030) granting an increase of pension to William Reinhart—to the Committee on Invalid Pensions.

By Mr. HUMPHREYS of Mississippi: A bill (H. R. 11031) for the relief of S. Ellen Boyd, administratrix of the estate of Mary Dean, deceased—to the Committee on War Claims.

By Mr. McHENRY: A bill (H. R. 11032) granting an increase of pension to David Ruckel—to the Committee on Invalid Pensions.

By Mr. MILLINGTON: A bill (H. R. 11033) granting a pension to Jennie H. Read—to the Committee on Pensions.

By Mr. MURPHY: A bill (H. R. 11034) granting a pension to John E. McQuade—to the Committee on Pensions.

By Mr. REYNOLDS: A bill (H. R. 11035) granting a pension to Jonathan Witt—to the Committee on Invalid Pensions.

Also, a bill (H. R. 11036) granting a pension to Elmer A. Rodkey—to the Committee on Invalid Pensions.

Also, a bill (H. R. 11037) granting an increase of pension to Frank M. Amos—to the Committee on Invalid Pensions.

Also, a bill (H. R. 11038) granting an increase of pension to Franklin Lear—to the Committee on Invalid Pensions.

Also, a bill (H. R. 11039) granting an increase of pension to Morris Walker—to the Committee on Invalid Pensions.

Also, a bill (H. R. 11040) granting an increase of pension to David B. Armstrong—to the Committee on Invalid Pensions.

Also, a bill (H. R. 11041) granting an increase of pension to Robert Dignan—to the Committee on Invalid Pensions.

Also, a bill (H. R. 11042) granting an increase of pension to Alexander Bollinger—to the Committee on Invalid Pensions.

By Mr. RICHARDSON: A bill (H. R. 11043) granting a pension to J. L. Jones—to the Committee on Pensions.

Also, a bill (H. R. 11044) granting a pension to George W. Gilchrist—to the Committee on Invalid Pensions.

Also, a bill (H. R. 11045) granting an increase of pension to Frederick Klammer—to the Committee on Invalid Pensions.

Also, a bill (H. R. 11046) granting an increase of pension to Fletcher Matthews—to the Committee on Invalid Pensions.

Also, a bill (H. R. 11047) granting an increase of pension to George D. Steele—to the Committee on Invalid Pensions.

Also, a bill (H. R. 11048) for the relief of Preston Sandifer—to the Committee on War Claims.

By Mr. SHERLEY: A bill (H. R. 11049) granting a pension to Mary McJenkins—to the Committee on Pensions.

Also, a bill (H. R. 11050) granting a pension to Lottie B. Galleher—to the Committee on Pensions.

By Mr. SMALL: A bill (H. R. 11051) for the relief of W. S. Barnett—to the Committee on Claims.

By Mr. THOMAS of Kentucky: A bill (H. R. 11052) granting an increase of pension to Japhet N. Duvall—to the Committee on Invalid Pensions.

Also, a bill (H. R. 11053) granting an increase of pension to George W. Doss—to the Committee on Invalid Pensions.

Also, a bill (H. R. 11054) granting an increase of pension to Edward J. Hurley, alias John Williams—to the Committee on Invalid Pensions.

By Mr. THOMAS of Ohio: A bill (H. R. 11055) granting an increase of pension to Rollin A. Waters—to the Committee on Invalid Pensions.

By Mr. TOWNSEND: A bill (H. R. 11056) granting a pension to George S. Mann—to the Committee on Invalid Pensions.

Also, a bill (H. R. 11057) granting pensions to Fred J. Jewell and Esther E. Jewell—to the Committee on Invalid Pensions.

By Mr. WANGER: A bill (H. R. 11058) granting an increase of pension to William Kelly—to the Committee on Invalid Pensions.

By Mr. WICKLIFFE: A bill (H. R. 11059) for the relief of the estate of Francisco Deccoro, deceased—to the Committee on War Claims.

By Mr. COVINGTON: A bill (H. R. 11060) granting an increase of pension to Charles M. Watkins—to the Committee on Invalid Pensions.

PETITIONS, ETC.

Under clause 1 of Rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

By the SPEAKER: Petition of Workingmen's Protective Tariff League, of Philadelphia, Pa., expressing confidence in Speaker CANNON, Chairman PAYNE, of the Committee on Ways and Means, and Chairman ALDRICH, of the Senate Committee on Finance, in their actions in relation to tariff revision—to the Committee on Ways and Means.

Also, petition of May Royse, Lela Knapp, Mary Coolahan, Mrs. Louise Stilson, Mrs. A. C. MacDonald, Mrs. Jane Thompson, and 66 others, protesting against the increased duty on women's gloves—to the Committee on Ways and Means.

Also, petitions of B. J. Jeffrey, of Milton, Wis., and T. M. Griffin, of Fitzgerald, Ga., praying for the reduction of the duty on sugar—to the Committee on Ways and Means.

Also, petition of Helena (Mont.) Commercial Club, praying for legislation to increase the authority and power of the Interstate Commerce Commission—to the Committee on Interstate and Foreign Commerce.

Also, petition of Reno (Nev.) Commercial Club and of citizens of Reno, praying for legislation governing the Interstate Commerce Commission concerning freight rates—to the Committee on Interstate and Foreign Commerce.

Also, petition of Wilmington (Del.) Board of Trade, praying for legislation for the establishment of a department of public works—to the Committee on Rivers and Harbors.

Also, petition of Council of the Diocese of Lexington, Ky., praying for legislation right in the sight of God, just and true to all the people—to the Committee on the Judiciary.

Also, petition of Waynesboro, Tunkhannock, Gap Run, and Church Grove councils, of the Order of United American Mechanics in Tennessee, praying for legislation for the exclusion of Asiatics—to the Committee on Foreign Affairs.

Also, petition of Patriotic Order of the Sons of America, praying for the abrogation of the Russian extradition treaty—to the Committee on Foreign Affairs.

By Mr. BARCHFELD: Paper to accompany bill for relief of Edward J. Chester—to the Committee on Pensions.

By Mr. CASSIDY: Petition of Miss B. Nicholls and 242 other ladies, residents of Cleveland, Ohio, against increase of tariff on women's gloves—to the Committee on Ways and Means.

Also, petition of council of the city of Cleveland, Ohio, favoring placing of crude asphalt on the free list—to the Committee on Ways and Means.

Also, petition of committee of cigar manufacturers and Lancaster County (Pa.) Growers' Association, against free importation of Philippine tobacco—to the Committee on Ways and Means.

Also, petition of Lake Region Waterways Association, of Lake County, Fla., for improvement of the upper Ocklawaha River and its tributaries—to the Committee on Rivers and Harbors.

By Mr. CHAPMAN: Petition of Board of Trade of Cairo, Ill., favoring work of the Weather Bureau—to the Committee on Agriculture.

By Mr. CLINE: Petition of 70 citizens of Fort Wayne, Ind., for reduction of duty on wheat to 10 cents per bushel—to the Committee on Ways and Means.

By Mr. DAVIS: Petition of Woman's Literary Club of St. Petersburg, Minn., for reduction of duty on raw and refined sugar—to the Committee on Ways and Means.

Also, petitions of People's Store and others, of Norwood; Economy Cash Store, of Jordan; John Feider and others, of Belleplaine; and A. W. Scharping and others, of Arlington, all in the State of Minnesota, against a parcels-post law—to the Committee on the Post-Office and Post-Roads.

Also, petition of Frederick Iltis and others, of Alaska, Minn., favoring protection of the beet-sugar industry—to the Committee on Ways and Means.

By Mr. HOLLINGSWORTH: Petition of J. W. Holliday Post, No. 12, Department of West Virginia, Grand Army of the Republic, against placing portrait of Jefferson Davis on silver service of battle ship *Mississippi*—to the Committee on Naval Affairs.

By Mr. HULL of Iowa: Petition of business men of Maxwell, Collins, Polk City, Ankeny, and Mitchelville, all in the State of Iowa, against a parcels-post law—to the Committee on the Post-Office and Post-Roads.

By Mr. HUMPHREYS of Mississippi: Paper to accompany bill for relief of the estate of Mary Dean—to the Committee on War Claims.

By Mr. HOWELL of New Jersey: Petition of Monmouth County Historical Association, of New Jersey, favoring law against use of American flag for advertising purposes—to the Committee on the Judiciary.

By Mr. JAMIESON: Papers to accompany bills for relief of James A. Butt, Elisha Stearns, and James W. Pray—to the Committee on Invalid Pensions.

By Mr. LINDBERGH: Petition of business men of Melrose, Minn., against a parcels-post law—to the Committee on the Post-Office and Post-Roads.

By Mr. MILLINGTON: Petition of residents of Rome, Herkimer, and Illion, N. Y., favoring a parcels-post law—to the Committee on the Post-Office and Post-Roads.

Also, paper to accompany bill for relief of Jennie H. Read—to the Committee on Invalid Pensions.

By Mr. NYE: Petition of William Welch, of Minneapolis, Minn., for an amendment to the Constitution of the United

States authorizing annulment of charters of corporations—to the Committee on the Judiciary.

By Mr. REYNOLDS: Paper to accompany bill for relief of Frank M. Amos, Jonathan Witt, Alexander Ballinger, and Daniel A. Lamberson—to the Committee on Invalid Pensions.

Also, petition of citizens of Colerain Township, Bedford County, Pa., favoring abrogation of the Russian extradition treaty—to the Committee on Foreign Affairs.

Also, petition of citizens of Blair County, Pa., for reduction of tariff on wheat to not over 10 cents per bushel—to the Committee on Ways and Means.

By Mr. RICHARDSON: Paper to accompany bill for relief of Preston Sandifer—to the Committee on War Claims.

By Mr. TAYLOR of Colorado: Petition of Delta County (Colo.) Business Men's Association, against any change in tariff rates on sugar—to the Committee on Ways and Means.

SENATE.

FRIDAY, *June 25, 1909.*

The Senate met at 10 o'clock a. m.

Prayer by the Chaplain, Rev. Ulysses G. B. Pierce, D. D.

The VICE-PRESIDENT resumed the chair.

The Secretary proceeded to read the Journal of yesterday's proceedings, when, on request of Mr. HALE, and by unanimous consent, its further reading was dispensed with.

The VICE-PRESIDENT. The Journal will stand approved.

FINDINGS OF THE COURT OF CLAIMS.

The VICE-PRESIDENT laid before the Senate a communication from the assistant clerk of the Court of Claims, transmitting a certified copy of the findings of fact filed by the court in the cause of Hardinia P. Kelsey and Mildred E. Franklin, heirs of Hardin P. Franklin, deceased, *v.* United States (S. Doc. No. 113), which, with the accompanying paper, was referred to the Committee on Claims and ordered to be printed.

WOOL AND WOOL PRODUCTS.

Mr. HALE. I present resolutions adopted by the board of directors of the Carded Woolen Manufacturers' Association. The resolutions need not be read, but I ask that they be printed in the RECORD.

There being no objection, the resolutions were ordered to lie on the table and be printed in the RECORD, as follows:

CARDED WOOLEN MANUFACTURERS' ASSOCIATION,
Boston, Mass., June 23, 1909.

Whereas the American carded woolen industry is seriously burdened by inequalities in the present tariff on wool and wool products, to such an extent as to threaten the existence of this industry; and

Whereas the tariff bill as passed by the House of Representatives made negligible changes looking to a removal of these burdens, and the bill as approved by the vote of the Senate makes no changes at all; and

Whereas the President of the United States has in a message to Congress urged the adoption of an amendment to the tariff bill providing for a tax on the income of corporations and not of individuals:

Therefore the Carded Woolen Manufacturers' Association hereby requests the President to supplement his message to Congress by another recommendation that Congress adopt a thorough and honest amendment to Schedule K of the pending tariff bill, which will remove the present inequalities that now oppress this industry and the consumers of its products.

CENSUS APPROPRIATION BILL.

Mr. HALE. I am directed by the Committee on Appropriations, to whom was referred the bill (H. R. 10933) making appropriations for the expenses of the Thirteenth Decennial Census, and for other purposes, to report it without amendment, and I submit a report (No. 8) thereon. I ask that it be printed, and, with the leave of the Senate, I will call it up for consideration to-morrow morning after the conclusion of the morning business.

The VICE-PRESIDENT. The bill will be placed on the calendar.

BILLS INTRODUCED.

Bills were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. PENROSE:

A bill (S. 2740) to recognize meritorious services of persons who served as officers of volunteers during the civil war; to the Committee on Military Affairs.

A bill (S. 2741) for the relief of Mary Cairney; and

A bill (S. 2742) to carry into effect the judgment of the Court of Claims in favor of the contractors for building the U. S. battle ship *Indiana;* to the Committee on Claims.

A bill (S. 2743) granting an increase of pension to Isaac Armstrong;

A bill (S. 2744) granting an increase of pension to Charles W. Abbott;

A bill (S. 2745) granting a pension to Rachel M. Hunt;

A bill (S. 2746) granting a pension to Eliza S. Blumer;

A bill (S. 2747) granting a pension to surviving officers and enlisted men of the Regular Army who served in the Philippine Islands ninety days or more;

A bill (S. 2748) granting a pension to Sarah Ann Bradford;

A bill (S. 2749) granting an increase of pension to Frank Coogan, alias Francis O'Cleary;

A bill (S. 2750) granting an increase of pension to Albion White;

A bill (S. 2751) granting an increase of pension to Jacob Foust;

A bill (S. 2752) granting a pension to Eliza Wilson;

A bill (S. 2753) granting an increase of pension to Patrick Ambrose;

A bill (S. 2754) granting an increase of pension to Annie M. Allen;

A bill (S. 2755) granting a pension to Henry Coleman;

A bill (S. 2756) granting a pension to George Crow;

A bill (S. 2757) granting an increase of pension to Eliza L. Cake;

A bill (S. 2758) granting an increase of pension to David A. Buchanan; and

A bill (S. 2759) granting a pension to Thomas J. Parker (with the accompanying papers); to the Committee on Pensions.

By Mr. BURROWS:

A bill (S. 2760) granting a pension to Joseph F. Bartini (with the accompanying papers); to the Committee on Pensions.

By Mr. BULKELEY:

A bill (S. 2761) to improve the navigation of the Connecticut River between Hartford and Holyoke and to develop water power in connection therewith; to the Committee on Commerce.

By Mr. GUGGENHEIM:

A bill (S. 2762) granting an increase of pension to John W. Goodlander (with the accompanying paper); to the Committee on Pensions.

AMENDMENTS TO THE TARIFF BILL.

Mr. BRADLEY submitted an amendment intended to be proposed by him to the bill (H. R. 1438) to provide revenue, equalize duties, and encourage the industries of the United States, and for other purposes, which was ordered to lie on the table and be printed.

Mr. ELKINS. I desire to offer an amendment to the pending tariff bill. It consists of only 5 lines, and can come in at the appropriate place. I ask that it be read.

The amendment was read, ordered to be printed, and to lie on the table, as follows:

On all goods, wares, and merchandise, and articles of every kind imported in ships or vessels of the United States, there shall be allowed a reduction of 5 per cent in the duties prescribed by law to be levied, collected, and paid on such goods, wares, and merchandise.

Mr. BEVERIDGE submitted an amendment intended to be proposed by him to the bill (H. R. 1438) to provide revenue, equalize duties, and encourage the industries of the United States, and for other purposes, which was ordered to lie on the table and be printed.

Mr. DICK submitted two amendments intended to be proposed by him to the bill (H. R. 1438) to provide revenue, equalize duties, and encourage the industries of the United States, and for other purposes, which were ordered to lie on the table and be printed.

INHERITANCE-TAX LAWS.

Mr. BULKELEY. I ask leave to have printed as a document (S. Doc. No. 114) a publication by the Department of Commerce and Labor in relation to the tax laws of Great Britain, France, and Germany, together with an outline of inheritance taxation in the United States. A limited edition was printed in 1907, but the demand for it has been very great. Upon application for copies, I was informed by the department that they had but one copy on their files, which they loaned me. The estimate for the printing is attached to the publication I send to the desk.

Mr. SMOOT. Mr. President, I wish to make a statement. I am not going to object to the printing of the document at this time, but I wish to state to the Senator and to the Senate that the Committee on Printing feel that in the future propositions to print documents ought to be referred to them, and allow them to pass upon it before an order is made without consideration. I merely want to make that statement. I do not intend to object to this order.

Mr. BULKELEY. I should like to have 1,000 additional copies printed. The estimate for an additional number is also attached to the publication.

There being no objection, the order was reduced to writing and agreed to, as follows:

Ordered, That 1,000 additional copies of Senate Document No. 114, Sixty-first Congress, first session, "Inheritance-Tax Laws," be printed for the use of the Senate document room.

MERGER OF RAILROADS.

Mr. CULBERSON. Mr. President, the morning papers purport to give a statement of the Attorney-General with reference to the merger of the New York, New Haven and Hartford Railroad with the Boston and Maine Railroad Company, and also state that he has given out a semiofficial or an official statement on the subject. As I desire official information direct, I offer a resolution and ask that it be considered at this time.

The resolution (S. Res. 61) was read, considered by unanimous consent, and agreed to, as follows:

Senate resolution 61.

Resolved, That the Attorney-General be, and he is hereby, directed to inform the Senate whether the legal proceedings against the New York, New Haven and Hartford Railroad Company and the Boston and Maine Railroad Company, for violation of what is known as the "Sherman antitrust law," have been dismissed; and if any statement has been given out by him touching the matter within the past few days, that he attach a copy of such statement to his reply to this resolution. He is also directed to inform the Senate when such proceedings were begun and instituted.

PRESIDENTIAL APPROVAL.

A message from the President of the United States, by Mr. M. C. Latta, one of his secretaries, announced that the President had on the 25th instant approved and signed the following joint resolution:

S. J. R. 33. Joint resolution relating to the provisions of section 10 of the sundry civil act of March 4, 1909.

THE TARIFF.

The VICE-PRESIDENT. The morning business is closed, and the first bill on the calendar will be proceeded with.

The Senate, as in Committee of the Whole, resumed the consideration of the bill (H. R. 1438) to provide revenue, equalize duties, and encourage the industries of the United States, and for other purposes.

The VICE-PRESIDENT. The pending question is on agreeing to paragraph 448 as amended on pages 178 and 179.

Mr. BRISTOW. Mr. President, when the Senate adjourned last night a question of order was pending. After paragraph 448 had been perfected by the committee, and before it was adopted by the Committee of the Whole, I offered a substitute. The Senator from Rhode Island, the chairman of the Committee on Finance, stated that the substitute was not in order because it changed the rates that had been fixed in the paragraph as amended. My contention was that a substitute for the paragraph was in order after the paragraph had been perfected, but before it had been adopted. I want a ruling as to whether I was right or not.

The VICE-PRESIDENT. The Chair thinks that a substitute for a paragraph is in order after the amendments to the paragraphs have been completed.

Mr. BRISTOW. That is what I wanted to know.

The VICE-PRESIDENT. Does the Chair understand, then, that the Senator has a substitute now pending?

Mr. BRISTOW. No; pending the discussion the Senator from Rhode Island moved to lay the substitute on the table, and a vote was taken, and it was laid on the table.

The VICE-PRESIDENT. Then the Chair is now simply a moot court.

Mr. BRISTOW. The Chair was deciding a question of procedure. The reason why I made the inquiry was I wanted to know what is the rule of the Senate in regard to the matter.

Mr. BACON. If the Chair will pardon me, the question was also pending and under discussion when the Senate adjourned yesterday.

The VICE-PRESIDENT. The present occupant of the chair was not present and has not as yet read the RECORD. The question is on agreeing to the paragraph as amended.

Mr. BACON. That is the paragraph with reference to shoe leather?

The VICE-PRESIDENT. The Secretary will read the paragraph as amended.

Mr. BACON. Let it just be indicated.

The SECRETARY. Paragraph 448, band and belting leather, and so forth.

Mr. BACON. I simply ask that the question be put on agreeing to the paragraph as amended.

The VICE-PRESIDENT. The question is on agreeing to the paragraph as amended.

The paragraph as amended was agreed to.

Mr. CLAPP. Mr. President, before any other paragraph is taken up, as I expect to be called from the Chamber to-day, and I have no doubt that probably early in the day the amendments to paragraphs 402 and 405 will be pressed by the committee, I desire at this time to call the attention of the Senate to these paragraphs. They relate to pulp and paper.

Mr. President, ordinarily I certainly would hesitate to challenge the view of the chairman of the Committee on Finance with my own judgment upon a matter relating to finances or commercial relations. But I believe that in these amendments there is a fatal mistake. We have now placed a duty upon print paper reducing the original existing rate from $6 to $4. We have done that upon the theory that paper may be produced in Canada cheaper than it can be produced in this country, and that that rate measures fairly and reasonably the difference in cost.

Now it is proposed, first, to provide as to pulp and wood that if an export duty is placed upon it by the Canadian government, thereupon automatically an equal duty additional shall be placed by our Government upon the importation of wood pulp and paper. Then we go further and seek to provide by this amendment that if the government of Canada interdicts the importation to this country of these articles, then, if the President determines that the discrimination is unfair, a duty shall be added to an article which confessedly by our tariff law can not be made as cheap here as it can in Canada equal to the present duty, or amounting in that case to $8 per ton upon print paper; and that in the face of the fact that the Canadian government can only impose a restriction upon the theory that Canada can do this cheaper than we can, and we have placed a duty upon it only upon the same theory that Canada can do it cheaper than we can.

Mr. BROWN. Mr. President——

The VICE-PRESIDENT. Does the Senator from Minnesota yield to the Senator from Nebraska?

Mr. CLAPP. Certainly.

Mr. BROWN. I wish to inquire what amendment the Senator is discussing. The chairman of the Finance Committee introduced originally one amendment to each of these paragraphs and afterwards amended it by offering another and having it printed.

Mr. CLAPP. I am discussing now the print-paper amendment.

Mr. BROWN. Both of them?

Mr. CLAPP. Both of them. I am discussing the general subject.

Mr. BROWN. One of the proposed amendments is a modification of the other.

Mr. CLAPP. Exactly. One of the proposed amendments provides that in certain cases there shall automatically be placed a duty equal to the export duty proposed by Canada, and, in the other case, upon the President proclaiming an unjust discrimination, then the duty on print paper shall be doubled.

Mr. President, in dealing with this matter, even from the standpoint of protection, we have got to regard the American people as well as the manufacturers within our own lines; and after starting in with a proposition relative to Canada's action in the proposal to raise a duty or prohibit the exportation, coupled with our own action in putting a duty on paper upon the theory that we can not make it as cheap here as it is made there, it is now proposed to double that as a tax upon the American people in the effort to retaliate against Canada for either in the one instance prohibiting the exportation of wood and pulp or in the other case putting an export duty upon wood pulp and upon paper. It does seem to me, and I desire to call the attention of the Senate to the situation, we will be in that confessedly unequal to cope with them now, because they can do this cheaper than we can. It is proposed to punish them by punishing ourselves with an $8 duty upon print paper upon certain conditions.

Mr. ALDRICH. Mr. President——

The VICE-PRESIDENT. Will the Senator from Minnesota yield to the Senator from Rhode Island?

Mr. CLAPP. With pleasure.

Mr. ALDRICH. I will say to the Senator from Minnesota that I am hoping the committee will be able after conference with all parties interested in this question to prepare and present some amendments for adoption that will have general acquiescence. I fell pretty confident that that will be done.

Mr. CLAPP. As I stated before the chairman came in, I expect to be called from the Chamber this morning, and I supposed this matter would come up before I came back, and I desired to enter my objection in the RECORD. If it is not the purpose of the chairman to bring it up until the matter has gone over to be presented in some form——

Mr. ALDRICH. It is not my purpose to bring it up until I have a chance to confer certainly with the Senator from Nebraska [Mr. BROWN] and various other Senators with a view of trying to get some arrangement that will be satisfactory generally.

Mr. CLAPP. In that view of the case, I do not care to proceed further.

Mr. LA FOLLETTE. May I inquire if it will not come up during the day?

Mr. ALDRICH. I think we will be able to take it up some time later in the day.

Mr. BROWN. I desire in this connection, as long as the committee is still further considering its amendments, to offer two proposals modifying the committee's amendments heretofore offered and have them printed. I think an understanding with Senators to take it up to-morrow morning at this hour, as the Senator from Minnesota says he will be away to-day, will be fair.

Mr. ALDRICH. I have no objection to that.

Mr. CLAPP. If that understanding is made, of course I do not care to further discuss the question now.

Mr. BROWN. I offer my proposed amendments, to be printed and printed in the RECORD.

The VICE-PRESIDENT. Does the Chair understand that the Senator from Nebraska offers an amendment to the committee substitute?

Mr. BROWN. They are amendments to the committee's modification.

The VICE-PRESIDENT. The Senator from Nebraska simply asks that they be printed in the RECORD, and they are not now to be offered.

Mr. CLAPP. Just a moment, before that is disposed of.

Mr. BACON. Mr. President——

The VICE-PRESIDENT. Will the Senator from Minnesota yield to the Senator from Georgia?

Mr. CLAPP. With pleasure.

Mr. BACON. If this question is coming up to-morrow morning, we had better hear the amendments now.

Mr. CLAPP. That is just what I was going to suggest, because we can not get them in print before to-morrow morning.

Mr. ALDRICH. Let them be read.

The VICE-PRESIDENT. Is the first amendment, which has a numeral 402, intended as a substitute for the substitute paragraph 402?

Mr. BROWN. It will not be in order to offer it as a substitute. It would be an amendment in the third degree, if not the fourth, because the committee has offered an amendment to their amendment. I simply present it and ask to have it printed as an amendment to be offered, if in order.

The VICE-PRESIDENT. Of course there will come a time when it will be in order, whether in order now or not. There must, of necessity, come a time. Without objection, the amendments will be read and ordered printed.

The SECRETARY. It is proposed to insert to stand as paragraph 402:

402. Chemical wood pulp unbleached, one-sixth of 1 cent per pound dry weight; bleached, one-fourth of 1 cent per pound dry weight. Mechanically ground wood pulp shall be admitted free of duty: *Provided*, That if the President shall make proclamation that any country, dependency, province, or any subdivision thereof has unduly discriminated against the United States by the imposition of an export duty or other export charge of any kind whatsoever upon any pulp wood, wood pulp, or printing paper exported into the United States, or has forbidden or restricted the exportation thereof in any way, either directly or indirectly, thereupon and thereafter there shall be imposed upon all mechanically ground wood pulp a duty of one-twelfth of 1 cent per pound dry weight, and an additional duty upon chemical wood pulp unbleached of one-sixth of 1 cent per pound dry weight and upon chemical wood pulp bleached of one-fourth of 1 cent per pound dry weight when imported from such country, dependency, province, or any subdivision thereof into the United States.

And in lieu of the proviso on page 158, paragraph 405, to insert:

Provided, That if the President shall make proclamation that any country, dependency, province, or any subdivision thereof has unduly discriminated against the United States by the imposition of an export duty or other export charge of any kind whatsoever upon any pulp wood, wood pulp, or printing paper exported into the United States, or has forbidden or restricted the exportation thereof into the United States in any way, thereupon and thereafter there shall be imposed upon all printing paper valued at 3 cents per pound or less an additional duty equal to the rate imposed by this section upon such paper when imported from such country, dependency, province, or any subdivision thereof into the United States.

Mr. HALE. Let these be printed as amendments in addition to the print in the RECORD.

The VICE-PRESIDENT. They will be also printed as amendments.

Mr. HALE. So that we can get them this afternoon.

Mr. SMITH of Michigan. Has any notice been given when this matter will be brought up?

Mr. ALDRICH. To-morrow morning. I ask that paragraph 453 be taken up.

The VICE-PRESIDENT. Is there objection to now considering paragraph 453? The Chair hears none. The Secretary will state the amendment of the committee.

The SECRETARY. In paragraph 453, harness, saddlery, and so forth, page 183, line 15, the committee proposes, after the word "saddlery" and the comma, to strike out the words "and whips or parts thereof."

The VICE-PRESIDENT. The question is on agreeing to the amendment.

Mr. BACON. I think——

The VICE-PRESIDENT. Does the Senator from Rhode Island desire to retain the floor and discuss the amendment?

Mr. ALDRICH. I want to move an amendment to make the rate 40 per cent instead of 35 per cent.

The VICE-PRESIDENT. That will be an amendment additional to the paragraph. The question is on agreeing to the amendment which has been read.

Mr. SMITH of Michigan. That is a reduction of the present law.

Mr. ALDRICH. It is a reduction of the present law and an increase from the House rate of 5 per cent.

I understand that this morning a ruling was made upon a moot question which was not before the Senate. I desire to enter a protest against the ruling as I understand it, and to say that when any real question arises I shall be glad to address the Senate upon it.

Mr. BACON. I do not hear what the Senator says. It is all right, I presume.

The VICE-PRESIDENT. The remark was addressed to the Chair and the Chair heard it. It has reference to a ruling. Does the Senator from Georgia now desire the floor to discuss the pending amendment?

Mr. BACON. The question has been practically answered. I did not understand at the time what the amendment was. I understand it is in line with the prior amendments increasing the duty, in view of the fact that hides have been placed on the dutiable list.

Mr. ALDRICH. That is it. The Senator is quite right.

Mr. BACON. Five per cent additional?

Mr. ALDRICH. Five per cent additional.

The VICE-PRESIDENT. The first question is on agreeing to the amendment of the committee.

The amendment was agreed to.

The VICE-PRESIDENT. The question now is on agreeing to the amendment offered by the Senator from Rhode Island.

The SECRETARY. In line 16, page 183, paragraph 453, strike out "thirty-five" and insert "forty," so as to read "40 per cent ad valorem."

The amendment was agreed to.

The VICE-PRESIDENT. Without objection, the paragraph as amended is agreed to.

Mr. BACON. I desire the question to be put.

The VICE-PRESIDENT. The question is on agreeing to the paragraph as amended.

The paragraph as amended was agreed to.

Mr. ALDRICH. I ask that paragraph 116 be taken up. It is in relation to pig and scrap iron.

The VICE-PRESIDENT. Is there objection to taking up paragraph 116? The Chair hears none. The Secretary will state the amendment to the paragraph.

The SECRETARY. In paragraph 116, on page 32, iron in pigs, the committee proposes to strike out lines 15, 16, and 17, down to and including the words "per ton," in line 17, and to insert:

Iron in pigs, iron kentledge, spiegeleisen, ferromanganese, wrought and cast scrap iron, and scrap steel, $2.50 per ton.

The VICE-PRESIDENT. The question is on agreeing to the amendment of the committee.

Mr. GORE. Mr. President, I do not care to discuss this amendment, but I have here a telegram from H. E. Mills, who is president, as I remember, of the American Manufacturers' Association, which I desire to have printed in the RECORD in this connection. I send it to the desk and ask to have it read.

The VICE-PRESIDENT. Without objection, the telegram will be read.

The Secretary read as follows:

RACINE JUNCTION, WIS., *May 29–31, 1909.*

Hon. T. P. GORE,
United States Senate, Washington, D. C.:

Reports British Iron Trade Commission, 1902, J. Stephen Geans, secretary British Iron Trade Association, says Schwab gave their visiting committee 41.1 cents best record covering labor, general charges, repairs, timekeeping, and superintendents' salaries, etc., per cost books Edward Thompson Works. Full quotation mailed. See also Quarterly Journal Economics, February, cost year, J. Russell Smith, profesor, University of Pennsylvania, 40 cents labor cost, best, biggest furnaces.

H. E. MILLS.

Mr. GORE. Mr. President, so far I have not received the document to which Mr. Mills refers, but this quotation represents Mr. Schwab as stating that 41.1 covered the entire labor

cost of producing pig iron, and not only covered the entire labor cost, but covered the cost of repairs, maintenance, and even the overhead expenses. If there be any purpose to graduate the duties in the bill to cover merely the difference in wages between this country and abroad, certainly $2.50 is too much when not merely the difference in the cost here and abroad is 41.1, but the entire labor cost is 41.1 plus cost of maintenance and overhead expenses.

Mr. CUMMINS. Mr. President, I move to strike from the committee amendment proposed and from the paragraph as passed by the House, in lines 18 and 19, the words "wrought and cast scrap iron, and scrap steel," and in line 19, after the words "per ton," all that remains of the paragraph.

The VICE-PRESIDENT. The Secretary will report the amendment.

The SECRETARY. In the committee amendment, page 32, lines 18 and 19, strike out the words "wrought and cast scrap iron, and scrap steel," and in line 19, in the House text, after the words "per ton," strike out the remainder of the paragraph in the following words:

But nothing shall be deemed scrap iron or scrap steel except waste or refuse iron or steel in such physical form as to be fit only to be remanufactured.

Mr. CUMMINS. Mr. President, it will be observed that this amendment takes from the paragraph scrap iron and scrap steel, to be dealt with hereafter as the Senate may desire. I intend to follow this amendment by another reducing the duty on pig iron to $1.50 per ton. But the first thing upon which I desire the judgment of the Senate, I do not know what it will be, is the proposition of combining in a single paragraph and under a single duty pig iron and scrap iron. While they bear some relation to each other with respect to the propriety of the duty imposed upon one or the other, in my opinion there ought to be no duty on scrap iron and scrap steel. These are purely waste material. They have already served their purpose commercially and they have already paid their duty officially.

As is well known, in this country the railways are the large producers of scrap iron and scrap steel, and there is neither philosophy nor justice in adding to the value of this material, which is simply the accumulation of use, by putting the duty that is proposed upon it. The duty simply adds so much to the cost of iron and steel. All Senators know that in one of the processes for making steel, scrap iron and old steel are necessary materials. The open-hearth process, which is now rapidly coming into favor, and which bids fair to displace the Bessemer process, requires for its successful operation a certain proportion of scrap iron and scrap steel. It seems to me that we are pushing the doctrine of protection to an undue and unjustifiable length to attempt to impose upon this waste the duty that we impose upon pig iron.

I realize that there is some apprehension on the part of some members of the committee that we might be defrauded by those who enter the practice of breaking up pig iron and importing it as scrap iron and scrap steel, but it is entirely feasible and it is altogether easy to provide, if you impose any duty upon scrap iron and scrap steel, such limitations and restrictions as will absolutely prevent any deceit or deception of this character.

I want, first, therefore, a vote on the amendment to eliminate scrap iron and scrap steel from this paragraph. After that I intend to offer an amendment reducing the duty on pig iron itself. There is no justification for a duty of $2.50 per ton on pig iron. I am not going into the details of it. I have already treated it at some length, and every Senator here is familiar in a general way at least with the production of this material. It is the basic material for the smaller independent manufacturers. I do not claim that all duty should be removed, but we ought to reduce his burden to the lowest practicable point.

Mr. OLIVER. Mr. President, every ton of scrap that enters into the manufacture of iron displaces just a little more than a ton of pig iron, because scrap, having once been manufactured, the waste in the use of scrap is less than attends the manufacture of iron from pig. Of course, scrap not being a manufactured article, there is no protection involved so far as the producers of scrap are concerned; but inasmuch as every ton of scrap displaces a ton of pig iron, it is necessary for the protection of our manufacturers of pig iron that the same protection be allowed on scrap coming into the country as is allowed on pig iron.

Mr. DU PONT. Mr. President——

The VICE-PRESIDENT. Does the Senator from Pennsylvania yield to the Senator from Delaware?

Mr. OLIVER. Certainly.

Mr. DU PONT. I should like to ask the Senator from Pennsylvania if it is not true that in the open-hearth process of making steel, at least 40 per cent of scrap iron is absolutely necessary?

Mr. OLIVER. The Senator is undoubtedly right that in the open-hearth process a certain percentage of scrap is necessary.

Mr. DU PONT. So it is not absolutely correct to say that every ton displaces a ton of pig iron. I do not think the Senator's statement is quite correct in that.

Mr. OLIVER. All the same, Mr. President, all the scrap that is used must displace in some way that amount of pig iron. Furthermore, if this country to-day produces all the scrap that is required or that can be used in the manufacture of iron, it is nothing but fair to the producers of scrap, which are principally the great railroad corporations, that they should be to a certain extent protected in enabling them to obtain a fair and reasonable price for the scrap that is produced after it is used. Mr. President, this so far as scrap is concerned.

Replying to the Senator from Iowa [Mr. CUMMINS] with regard to the duty on pig iron, I send to the desk and ask to have read an extract from an article which was published in the Review of Reviews in February, written by a native of China, of English or American parentage, with regard to the advance that is being made in the Far East in the manufacture of pig iron.

The VICE-PRESIDENT. Without objection, the Secretary will read as requested.

The Secretary read as follows:

Fifteen hundred tons of pig iron from the iron and steel works of Hanyang, China, traveled 600 miles down the Yangtse River and 14,000 miles by sea and were laid down in Brooklyn, N. Y., in 1907, at $17.50 a ton. Thus did commercial competition come knocking at our doors to serve notice that the new China was no longer a surmise, but a fact. Under semiofficial management 3,500 workmen at Hanyang turn out daily 500 tons of pig iron and 250 tons of steel. They made the rails and much other constructive material for the 750 miles of Peking-Hankow Railroad and for most of the other Chinese lines since then, besides exporting in 1907, 37,000 tons of pig and manufactured iron. To-day they are putting up another plant for the manufacture of cars, steel bridges, and other structural material. That is a partial expression of the new China, and in such language there is no equivocation. ("The China That Is," by David Lambuth, the American Review of Reviews, February, 1909.)

Mr. BACON. Will the Senator permit me to ask him who are the proprietors—the owners—of the iron industry in China, the product of which has just been given?

Mr. OLIVER. I really do not know, but that article, which is a very interesting one, states that it is made under governmental supervision. So I suppose the Government perhaps has something to do with it.

Mr. BACON. It is not owned by Americans?

Mr. OLIVER. Oh, no; not at all.

Mr. BACON. I will ask the Senator, with his permission, what was the explanation of this importation of that iron which was brought to New York. Was it brought for a specific purpose, or sent as a sample?

Mr. OLIVER. The article does not state, but it is presumed that if any person would import 1,500 tons of pig iron, he would do it as a commercial proposition. It was delivered in Brooklyn at $17.50, which confessedly is less than our manufacturers can make it and transport it to Brooklyn for.

Now, Mr. President, this manufacture of pig iron in the Far East, of course, is a cloud no bigger than a man's hand, but the cloud that hangs over us from Germany is one that is imminent and threatening. When we come to a discussion of the pig-iron duty, I think I have facts I can present that will prove conclusively that unless we maintain this or a better rate of duty on pig iron we are going to surrender a large part of our trade to the manufacturers of the German Empire.

Mr. President, I shall not discuss that question at present, but leave this matter of scrap iron to be first disposed of.

Mr. CRAWFORD. Mr. President, did the Senator from Iowa have the floor?

The VICE-PRESIDENT. The Senator from Iowa [Mr. CUMMINS] has the floor. Does he yield to the Senator from South Dakota?

Mr. CUMMINS. If I have the floor, Mr. President, I yield to the Senator from South Dakota.

Mr. CRAWFORD. Mr. President, I simply desire to say a few words with reference to this scrap-iron proposition. I desire to say that I am heartily in favor of the amendment proposed by the Senator from Iowa [Mr. CUMMINS]. It seems to me that whatever other mistakes we may have made here, if this duty on scrap iron is to be adopted and allowed to remain in the bill, it will put upon the face of this bill the most inexcusable and ridiculous item that has been placed in it by the Senate. Scrap iron and scrap steel, under which designation old, broken stoves, every old fragmentary iron kettle, every old broken wheel, and the junk that may be put to a good use in open-hearth furnaces, are to be put under a duty for the purpose of protecting American manufacturers and American enterprise. American manufacturers of what?

Mr. GORE. Of scrap iron.

Mr. CRAWFORD. American manufacturers of scrap iron, cast-away pieces, in order that they may get a better profit for it. I hope that the Senate will consider this proposition and take second thought before they adopt it in the bill. The railroad companies are not dependent upon what they make out of scrap iron in order to establish a successful business in this country, and the Senator from Pennsylvania [Mr. OLIVER] has stated here that they are the special beneficiaries of this proposition to put $2.50 a ton upon scrap iron. Are the railways reduced to such a state of desperation and are they in such a choppy sea that, in order to protect them, it is necessary to put a tariff of $2.50 a ton on what is cast away in their industry and in their enterprise in the form of broken iron?

Mr. BURTON. Mr. President, the Senator from South Dakota [Mr. CRAWFORD] entirely misapprehends the object of this paragraph. Scrap iron is not an industry; it is a development. The reason why it should be inserted here is to protect the manufacturers of pig iron, a ton of which is always displaced by a ton of scrap; in fact, a ton of scrap amounts to a little more than a ton of pig iron. The strongest protests I have received against the Payne bill——

Mr. DU PONT. Mr. President——

The VICE-PRESIDENT. Does the Senator from Ohio yield to the Senator from Delaware?

Mr. BURTON. In a moment.

The strongest protests which I have received against the Payne bill have been from the independent furnace men on the Ohio River in the neighborhood of Ashland, Ky., from Ironton, Ohio, and from the Mahoning Valley, who say that if scrap can come in for a less duty than pig iron, their business will be very seriously impaired.

If this proposition is ridiculous, as has been, I think, rather carelessly alleged, we have been having a ridiculous schedule in the years that are past. Under the law as it now is, and as it has been for many years, the duty on scrap iron is the same as that on pig iron. It is now $4 on pig iron and also $4 on scrap iron and scrap steel. Business has adjusted itself to that uniformity of rates, and in reducing this to $2.50 a cut is made, which is all that should be asked of the furnace men.

Now I yield to the Senator from Delaware.

Mr. DU PONT. Mr. President, I only wanted to say a few moments ago that I think the statement of the Senator from Ohio that a ton of scrap always displaces a ton of pig iron is not strictly correct, because in the open-hearth manufacture of steel 40 per cent must be scrap iron. Pig iron can not be displaced, and therefore scrap iron does not displace at least the 40 per cent of scrap iron which, of necessity, does not and can not displace an equal quantity of pig iron. Pig iron is not used exclusively.

Mr. BURTON. The Senator from Delaware will admit that, if a ton of finished product is made from scrap iron, whether by the open-hearth process or by any other process, the scrap takes the place of a ton of pig iron. I do not think the Senator's estimate of 40 per cent is correct. Whether or not it is an essential element of the open-hearth process in making iron and steel, still it means the substitution for a ton of pig iron.

The one general fact to which I wish to call attention, Mr. President, is this: In this whole bill no more material or uniform reductions have been made than in the iron and steel schedule. I submit it is unjust to those who are engaged in this business to press these reductions further. If an equal decrease had been made all along the line in this bill, it might have been comparatively easy for them to adjust conditions in their business to such decreases; but theirs are entirely out of proportion with the average reductions in the bill.

As regards the talk about the railroads, I can not ascribe very much substance to that. Of course the railroads are producers of scrap iron. The real object of this paragraph, however, is not their protection, but the protection of those engaged in the manufacture of iron and steel.

Mr. CUMMINS. Mr. President, I want, first, the Senate to be clearly advised as to the scope of my amendment. It does not deal with the whole subject; it does not relate to the duty that ought to be imposed upon pig iron, although I have expressed my opinion with respect to that. It does not relate specifically to the question as to what duty should be placed upon scrap iron and scrap steel, although I feel there should be no duty whatever. The effect of my amendment, if it should be adopted, would be to eliminate from this paragraph scrap iron and scrap steel, leaving the paragraph to relate only to pig iron and one or two other iron products. I hope very much that the Senate will take out of this paragraph scrap iron and scrap steel.

Let us see for a moment whether protection, as we ordinarily understand it, embraces such a subject as this. We have declared that we will put such a duty upon competitive articles as will measure the difference between the cost of production at home and abroad. I should like some Senator to enter upon an inquiry as to the difference between the cost of producing scrap iron and steel abroad and at home. There is no conscious process undertaken in producing scrap iron and scrap steel. There are no men employed to produce scrap iron and scrap steel as a specific purpose or object. This material is simply the result of the use of another material or material made for another purpose. Therefore we ought not, and we can not in fairness and justice to the principle that we advocate here, put a duty on scrap iron and scrap steel.

I now pass to the point suggested by the Senator from Pennsylvania [Mr. OLIVER]. He says that every ton of scrap iron imported into the United States will take the place of a ton of pig iron that ought to be produced in the United States.

The Senator from Delaware [Mr. DU PONT] has well suggested to him that that is not entirely accurate; that we must have scrap iron and scrap steel; that there are certain processes for the manufacture of steel that are required to use this commodity, and that can not use pig iron in the ordinary sense in the stead of scrap iron. There is a sense, however, in which possibly that is true; that is to say, it will enable the open-hearth manufacturers to produce steel a little more cheaply, if you please, than the Bessemer manufacturers. Everybody who is acquainted at all with the iron and steel business knows that it now costs a little more to make a ton of steel by the open-hearth process than it costs to make it by the Bessemer process; and it is recommended only because the product is a little better than the Bessemer product, and it is taking its place in the trade, and it is making its way in the manufacture simply because it is a little better than Bessemer steel.

Mr. OLIVER. Mr. President——

The VICE-PRESIDENT. Does the Senator from Iowa yield to the Senator from Pennsylvania?

Mr. CUMMINS. I do.

Mr. OLIVER. Mr. President, I simply want to correct the Senator from Iowa with regard to the relative cost of the Bessemer and open-hearth processes. In the evolution of business the time has come when open-hearth steel is produced slightly cheaper than Bessemer steel. I state, as a fact, that in the future I think open-hearth steel will be considerably cheaper. The process of making open-hearth steel is a little more expensive, but the materials out of which Bessemer steel is made are enough more expensive than the materials out of which open-hearth steel is made to more than make up the difference.

Mr. CUMMINS. Mr. President, I have no doubt that the Senator from Pennsylvania has carefully studied the matter, and I know that he has had opportunities greater than my own to become familiar with the subject, but I have studied as deeply as I can the evidence which is now before the other House and the Senate with regard to this matter, and I must adhere to my proposition that, so far as this testimony has disclosed the facts, it costs a little more to produce the open-hearth steel than to produce the Bessemer steel. However, that is but an immaterial matter. We ought not, at least, to put in the pathway of the open-hearth men the obstacle that this duty will create. I have no patience with the argument that a ton of scrap will take the place of a ton of pig iron.

Protection has nothing whatsoever to do with that phase of industry and commerce. You might just as well say that you will put a prohibitive duty on cement or forbid the use of cement because it is rapidly taking the place of steel in many structures; you might just as well say that you should not use wood in some instances in which wood is used, because if it were not employed, you would be compelled to use in its stead steel manufactured by any process whatever. That is a fallacious argument. The question is, How is it produced and does the principle of protection require that we protect and help stimulate those who are engaged in producing this waste of commerce and of industry?

Notwithstanding the fact that it has been true of former tariff laws that scrap iron was placed upon the dutiable list, that is no reason why it should continue to be on the dutiable list. I agree with the Senator from South Dakota [Mr. CRAWFORD] that if we put this old junk in the tariff upon a plane and upon a parity with pig iron, we become, as it seems to me, the subject of very great censure and criticism.

I was told not long ago that they were gathering up scrap iron and steel in the United States and taking it to Canada, because it could be used there under a duty less than our own. There is no logic in it; there is no sense in it, as it seems to me. When we reach the point that we have got to say that, in order to enlarge or in order to multiply the production of pig iron, we

have got to keep out of this country every article that would possibly come into competition with pig iron and increase the price of our own waste product accordingly, we have reached an absurdity in the doctrine of protection that sensible men will not accept.

I hope, therefore, that we will put scrap iron out of this paragraph, and then deal with it as it seems proper to deal with it. Some Senators may want to put a small duty upon it; I do not. I think it ought to be free; but at least do not commit the wrong of classifying it with pig iron and putting upon it the same duty.

Mr. CRAWFORD. Mr. President, in the discussion of these various items and in casting my vote, I have not always gone against the committee; but I think that this item is protection gone mad. I do not see how any principle of protection can be applied to it within any reasonable construction of the purposes for which we have followed the protective principle. Are we to put a duty upon old, worn-out, cast-off material that has been discarded because it was worn out, from the uses for which it was intended when it was manufactured? Are we to put a duty upon that simply to protect the manufacturer of a material which entered into the composition of this cast-away material, when it can be used, as has been said here, in the open-hearth manufacture of steel, and when it does not necessarily take the place of pig iron? I say it is protection gone mad to put a $2.50 rate of duty on scrap iron.

I did hope that whatever faults it might have, I could not only vote for this bill, but could go out and smother my disappointment as to certain features of it and defend it; but I do not want to have to go before the people of the Middle West to defend a duty of $2.50 a ton on old scrap iron. I think that you are going to hurt this bill by a proceeding of that kind.

Mr. DICK. Mr. President, according to the Senators from Iowa and South Dakota, all former framers of tariff bills must have been conspicuously short of wisdom, since in every bill that has been written into a tariff law from the foundation of the Government to the present time scrap iron and steel have stood upon a parity with pig iron, and all these bills have had their defenders, and most of them were sustained by the people of this country. Regardless of the present situation, I admit it to be very difficult to even approximate the difference of cost in the production of scrap iron in this country and in other countries. If you look for the source of cost, I assume you will have to go back to the cost of the production of the manufactured article from which scrap iron necessarily comes.

Mr. BRISTOW. Mr. President——

The VICE-PRESIDENT. Does the Senator from Ohio yield to the Senator from Kansas?

Mr. DICK. Certainly.

Mr. BRISTOW. I should like to inquire of the Senator if the original product was not protected? Do you want to protect it twice?

Mr. DICK. The original product, of course, was protected, but not in the hands of the man who sells it. We all know how scrap iron is gathered and sold. It is not any man's monopoly, nor any individual's production. It is of almost universal barter; it is in every back yard, and upon every farm; the railroads produce it, and so it comes from almost every source and becomes a marketable thing in whosesoever hands it may fall.

But the real purpose of the protection or the rate of duty against the imported scrap iron, I assume, has already been stated in that every imported ton of scrap iron displaces a ton of pig iron. Ample protection is afforded to pig iron only by extending the duty to scrap, which would come here in tremendous and unlimited quantities if we were to remove entirely the tariff from it. Nearly every iron producer with whom I have talked, with very few exceptions, feels precisely that way about it; that it is only affording him the protection which we are willing to give to pig iron, and that the parity ought not to be disturbed.

The American manufacturers of pig iron, if the amendment of the Finance Committee is adopted, will endure a cut of 37½ per cent on their product. It will reduce the rate from $4 to $2.50 a ton, and is a heavy cut. England and Germany are heavy producers of pig iron, and the foreign cost ranges from $8.50 to $9 a ton. The freight rates from these centers of production to our Atlantic seaboard is not more than $2.50 a ton. Adding the present duty of $4 a ton, pig iron can be sold on our Atlantic coast at $15 to $15.50 a ton. The cost to our ports in the Gulf of Mexico is not more than 40 cents higher. Ocean freight rates on pig iron to our Pacific coast from England and Germany is just one-half the cost of rail transportation from the pig-iron producing districts of the United States, or $7 for the foreign manufacturer as compared to $14 for the domestic producer. This makes it practically impossible for the domestic producers in the eastern and central parts of the United States to supply the Pacific coast demand. The cost at the furnace of making pig iron in our own blast furnaces is from $15 to $16 a ton.

The reduction, therefore, in the duty of $1.50 a ton is as much as the American manufacturer should be asked to endure. When, however, in addition to the proposed reduction of $1.50 a ton in the duty on pig iron, it is proposed to reduce the duty on scrap iron and scrap steel from $4 a ton to 50 cents a ton, the very life of the American blast furnace is threatened. Even China sends pig iron to this country. The pig-iron importations into San Francisco for six months past to April 30, 1909, were 5,613 gross tons, of which 925 gross tons came from China. The greatest coal deposits known in the world are in the Yangtse Valley. Scrap iron has the same manufacturing value as pig iron in the production of steel, and should bear the same rate of duty. A ton of scrap takes the place of a ton of pig iron. In the manufacture of steel by the open-hearth furnace method, the furnaces may be charged with 20 per cent scrap and 80 per cent pig iron, or vice versa. The largest aggregate producer of scrap in the United States is the farmer. The largest producer and consumer is the steel corporation. With a 50-cent duty on scrap, pig iron would be broken up into scrap forms and imported as scrap, when the United States would become the dumping ground for scrap from all over the world and many of the blast furnaces for making pig iron would be closed down.

Scrap iron and scrap steel have always been considered the same as pig iron, and should be so considered now. These three commodities should pay the same rate of duty. Our opinion is that it should not be lower than $3 per ton. The very low rate of duty provided for scrap iron and scrap steel in the Payne bill will bear heavily against the merchant blast furnaces in the East, and will tend to reduce the value of their product by compelling them to compete with cheap foreign scrap. These eastern furnaces are entitled to the same rate of protection against cheap scrap that they receive against foreign pig iron. A very large quantity of scrap iron and steel has been accumulated by the railroad companies during the last eighteen months, and they will offer the same for sale as soon as they can afford to replace with raw material.

A tariff of 50 cents a ton on scrap would shut down every southern blast furnace. The average consumption of scrap iron and scrap steel for the past three years at a plant of the steel corporation located at Worcester, Mass., was 73,000 tons, and the consumption last year of one of its plants at Philadelphia was 110,000 tons. Every bit of this scrap was used in the manufacture of open-hearth steel.

The fact that all "iron in pigs" must be cast in sand or iron chilled molds restricts the size and capacity of the merchant blast furnaces and thus increases their tonnage cost. The capacity of these furnaces is approximately one-half that of the large furnaces making pig iron, which is taken direct to the steel works in molten state, thus omitting the casting process. The costs of materials entering into the cost of manufacture vary greatly, owing to local variations in freights, costs of coke, and cost of labor.

There are many times when the present duty does not protect and when the selling price of pig iron is less than it would be by adding the tariff to its cost.

The duty should be protective under the most adverse circumstances, such as the practice of dumping of foreign pig iron here, the payment of export bonuses, special through freights to seaboard and interior domestic points, this product being frequently carried as ballast.

There never has been a general combination as to selling prices by the merchant furnace companies of America, hence selling prices have been regulated by supply and demand; consumers, as a rule, make the prices, which have been at several periods below cost.

During the most of last year prices were profitable, but during the most of this year are unprofitable, owing to high costs, small production, and low prices through excessive competition, the production this year being but little over half that for corresponding months of 1907.

In the last analysis practically all the cost of the materials for making pig iron—ore, flux stone, coke, coal, sand, etc.—is for labor, exclusive of mining royalties or interest, and taxes.

To sum up this part of the brief: Without protection "iron in pigs" can not be made and sold at a profit in this country.

I have been furnished by various manufacturers costs of making pig iron in the principal producing districts of the United States. These costs cover operations during the year 1907. The details are submitted and attached hereto as Exhibits No. 1 to No. 17, inclusive. For convenience, these costs are summarized, together with foreign costs, so far as ascertainable, in the following table:

Furnace costs—Pig iron.

	Cost per gross ton.
Exhibit No. 1. Eastern Pennsylvania	$18.79
Exhibit No. 2. Buffalo	16.45
Exhibit Nos. 3, 4, and 5. Southern Ohio	16.44–16.19
Exhibit Nos. 6 and 7. Mahoning and Shenango valleys	16.50–17.79
Exhibit No. 8. Middle West	16.10
Exhibit Nos. 9, 10, and 11. Virginia	14.21–14.17–14.43
Exhibit Nos. 12 and 13. Alabama and Tennessee	12.93–11.90
Exhibit No. 14. Germany	8.71–10.16
Exhibit No. 14. England	9.48

The following tables are also attached and submitted as part of my remarks:

Exhibit No. 15. Comparative blast-furnace wages in the United States and England.

Exhibit No. 16. Comparative costs of foreign and domestic pig iron at principal seacoast points in the United States.

Exhibit No. 17. Pig iron freight rates from producing centers to points of consumption in the United States.

The following cablegrams are given here from an absolutely reliable source:

Translation of cablegram received December 3, 1908.

Average German cost.	Marks per 1,000 kilos.	United States gold per 1,000 kilos.	United States gold per ton of 2,240 pounds.
Coke	13.00	$3.094	$3.14
Ore, Lorraine district	2.00	.476	.48
Ore, foreign	10.00	2.38	2.42
Other German	4.00 to 5.00	.0952 to 1.19	.97 to 1.2
Pig iron, Lorraine district	36.00	8.568	8.71
Pig iron, other	42.00	9.996	10.16

Steel-making pig iron, Middlesboro district.

1 ton Spanish ore	$2.53
1¼ tons Cleveland ore, at $1.25	1.56
	4.09
1.1 tons coke, at $3.77	4.14
One-half ton stone	.25
Other items	1.00
Total	9.48

OCEAN FREIGHT FROM EUROPEAN SEAPORTS TO BOSTON, NEW YORK, PHILADELPHIA, AND BALTIMORE.

Iron ore and pig iron, 6/6, say, $1.60 per gross ton.

The export price of pig iron in Germany is nominally the same as the domestic price. In periods of depression the export price is frequently reduced to cost, or lower, in order to enable the syndicate controlling this commodity to dump the surplus into England and other foreign countries.

TRANSLATION OF CABLEGRAM RECEIVED DECEMBER 9, 1908.

Pig iron costs are present, and include economy effected by and revenue from by-products, use of gas engines, modern appliances. Works: Luxemburg, Lorraine, Sarr district, Germany; Mosalle, France; Liege, Middlesboro. Information as to lowest costs given is from principal works above districts, which represent our principal competition, but numerically as to general average does not represent cost of less favorably situated works, geographically or otherwise, which varies equivalent to £0.4.0 ($1) to £0.6.0 ($1.50) per ton. Position is similar to that in the United States in this respect.

TRANSLATION OF CABLEGRAM RECEIVED DECEMBER 10, 1908.

Pig iron costs include taxes, depreciation, interest, labor, insurance. Subdivision of these charges is not obtainable at the moment. Information given you is very reliable.

EXHIBIT No. 15.

Table showing comparative blast-furnace wages in United States and England.

	United States.	England.
Furnace keeper	$2.90	$1.82
Top fillers	2.55	1.27
Cinderman	2.30	1.21
Bottom fillers	2.30	1.12
Laborers	1.65	.91
Blast enginemen	2.90	1.37

EXHIBIT No. 16.

Comparative costs of foreign and domestic pig iron at principal seacoast points in the United States.

Point of production.	Seaboard point.				
	Philadelphia.	Boston.	Mobile.	New Orleans.	San Francisco.
Eastern Pennsylvania:					
Cost	$18.79	$18.79	$18.79	$18.79	$18.79
Freight	.60	2.10	6.72	6.72	14.00
Total	19.39	20.89	25.51	25.51	32.79
Buffalo:					
Cost	16.45	16.45			16.45
Freight	2.45	2.65			14.00
Total	18.90	19.10			30.45
Southern Ohio:					
Cost	16.19	16.19	16.19	16.19	16.19
Freight	2.65	3.25	6.72	6.72	14.00
Total	18.84	19.44	22.91	22.91	30.19
Mahoning and Shenango Valley:					
Cost	16.50	16.50	16.50	16.50	16.50
Freight	2.65	3.25	6.72	6.72	14.00
Total	19.15	19.75	23.22	23.22	30.50

Comparative costs of foreign and domestic pig iron, etc.—Continued.

Point of production.	Seaboard point.				
	Philadelphia.	Boston.	Mobile.	New Orleans.	San Francisco.
Middle West:					
Cost	$16.10	$16.10	$16.10	$16.10	$16.10
Freight	2.65	3.25	6.72	6.72	14.00
Total	18.75	19.35	22.82	22.82	30.10
Virginia:					
Cost	14.17	14.17	14.17	14.17	14.17
Freight	2.80	3.17	6.72	6.72	14.00
Total	16.97	17.34	20.89	20.89	28.17
Alabama:					
Cost	11.00	11.00	11.00	11.00	11.00
Freight	4.00	4.60	2.75	3.00	13.20
Total	15.00	15.60	13.75	14.00	24.20
Tennessee:					
Cost	12.93	12.93	12.93	12.93	12.93
Freight	4.00	4.60	2.75	3.00	13.20
Total	16.93	17.53	15.68	15.93	26.13
Germany:					
Cost	8.71	8.71	8.71	8.71	8.71
Freight	2.50	2.50	3.35	3.35	7.50
Duty	4.00	4.00	4.00	4.00	4.00
Total	15.21	15.21	16.06	16.06	20.21
England:					
Cost	9.48	9.48	9.48	9.48	9.48
Freight	2.50	2.50	3.35	3.35	7.50
Duty	4.00	4.00	4.00	4.00	4.00
Total	15.98	15.98	16.83	16.83	20.98

EXHIBIT No. 17.

Pig iron freight rates from producing centers to points of consumption in the United States.

[Rail and water rates are given in all cases where available, as they are the cheapest and most generally used.]

From—	To Boston.	To Philadelphia.	To Baltimore.
Birmingham, Ala	$4.60	$4.00	$3.85
Virginia furnaces	3.17½	2.80	2.65
Mahoning and Shenango Valley	3.25	2.65	2.55
Pittsburg	2.85	2.25	2.15
Buffalo	2.65	2.45	2.45
Erie	2.85	2.25	2.15
Emporium	2.55	1.80	1.80
Bellefonte	2.55	1.45	1.50
Harrisburg	2.10	.85	.85
Reading	2.10	.60	1.25
Temple	2.10	.65	1.25
Emaus	2.10	.75	1.40
Swedeland	2.10	.40	1.15
Other eastern furnaces (about the same as Reading)	2.10	.60	1.25

Accurate statistics regarding the scrap-iron trade are difficult to compile, because the business is of a complex nature. However, I have obtained some figures, and I roughly estimate that there is produced and consumed in the United States annually about 8,000,000 tons of scrap, which includes steel and both cast and wrought iron. The money value of this scrap is considerably in excess of $100,000,000.

Scrap comes from the manufacturers of iron and steel finished products, which in the course of various processes make large quantities of waste material, such as crop ends and shearings, useful only for remelting. The railroad companies, whose track equipment and rolling stock constantly require repairs and replacement; this scrap iron goes into the scrap heap. There are numerous other minor sources of supply.

We recommend that the duty on pig iron and steel and iron scrap be uniform, and that the rate be made $3 per ton instead of $2.50, as it appears in the Senate Finance bill, for the following reasons:

First. Every ton of scrap consumed in open-hearth practice or by foundries takes the place of a ton of pig iron; therefore the duty should be the same as pig iron.

Second. The largest producers of scrap in the United States are the railroad companies; and inasmuch as the railroad companies are the largest consumers of protected material, they should not be discriminated against.

Third. With scarcely an exception, every country on the face of the globe produces scrap in one form or another; and if the

duty should be reduced to 50 cents per ton, as proposed in the Payne bill, the United States would be the dumping ground for the world.

Fourth. There is grave danger of fraud upon the revenues being perpetrated by sending in so-called "scrap" which in reality is not scrap. The present law is faulty in its definition, and under it frauds have been perpetrated. Boiler-plate shearings, crop ends of bars, round and square, have been admitted as scrap, and have been used as billets for the production of light rods and shapes, and the boiler-plate shearings admitted as scrap have been rolled down into finished products, sheets, strips, and light plates, thereby defrauding the revenues of the Government.

A meeting of the producers of merchant pig iron was held in Cleveland, Ohio, on March 24, and was attended either in person or by proxy or by representation by 95 per cent of the manufacturers of merchant pig iron west of the Allegheny Mountains. A copy of the proceedings of this meeting is hereto attached, and is made a part of my remarks:

RECORD OF MEETING OF PIG-IRON MANUFACTURERS HELD IN CLEVELAND, OHIO, MARCH 24, 1908.

At a meeting of the pig-iron manufacturers, called and held in Cleveland, Ohio, Wednesday, March 24, for the purpose of protesting against the revised tariff bill now pending in the House of Representatives, the undersigned manufacturers were present or represented.

Mr. J. G. Butler, jr., was elected chairman and Mr. Harvey H. Brown secretary of the meeting.

The proposed tariff bill now pending in the House of Representatives was considered by the meeting, and the following resolution was unanimously adopted:

Whereas the present revised tariff bill pending in the House of Representatives places iron ore on the free list and has reduced the present tariff on pig iron from $4 to $2.50 a ton and the present duty on scrap iron and scrap steel from $4 a ton to 50 cents a ton; and

Whereas such reduction of the present tariff and the placing of iron ore on the free list will very injuriously affect the business interests represented at this meeting: Now be it

Resolved, That it is the sense of this meeting that if a reduction in the tariff on iron ore is made, it should not exceed 25 per cent of the present rate of duty; and be it further

Resolved, That reducing the duty on scrap iron and scrap steel below the duty on pig iron will simply be ruinous to the merchant blast furnaces of the United States in all sections, for the reason that foreigners will evade the law by breaking up pig iron and other material into scrap shapes, thus in effect resulting in a practical reduction of the duty on all of the material to 50 cents a ton; and be it further

Resolved, That for this reason we earnestly protest against permitting the duty on scrap iron and scrap steel to be less than the duty on pig iron, it being the judgment of the interests represented at this meeting that the duty on scrap iron, scrap steel, and pig iron should not be reduced in excess of 25 per cent of the present rate, and that in any event the duty on scrap steel and scrap iron should be the same as the duty on pig iron; be it further

Resolved, That the chairman of this meeting be, and he is hereby, requested to have copies of this resolution prepared and forwarded to the Senators of the United States and to the Members of the Ways and Means Committee of the House of Representatives at Washington and to such other Members of the House as he may deem wise.

Youngstown Steel Co., Youngstown, Ohio; Youngstown Sheet and Tube Co., Youngstown, Ohio; Stewart Iron Co. (Limited), Cleveland, Ohio; Brier Hill Iron and Coal Co., Youngstown, Ohio; Pickands, Mather & Co., Cleveland, Ohio; Struthers Furnace Co., Cleveland, Ohio; M. A. Hanna & Co., Cleveland, Ohio; Ohio Iron and Steel Co., Lowellville, Ohio; Shenango Furnace Co., Sharpsville, Pa.; Clinton Iron and Steel Co., Pittsburg, Pa.; Kittanning Iron and Steel Manufacturing Co., Kittanning, Pa.; United Iron and Steel Co., Pittsburg, Pa.; Sharpsville Furnace Co., Sharpsville, Pa.; Girard Iron Co., Girard, Ohio; Andrews & Hitchcock Iron Co., Youngstown, Ohio; Cleveland Furnace Co., Cleveland, Ohio; Corrigan, McKinney & Co., Cleveland, Ohio; The Hamilton Steel and Iron Co., Hamilton, Ohio; Wellston Steel and Iron Co., Wellston, Ohio; The Cleveland-Cliff Iron Co., Cleveland, Ohio; Lake Superior Iron and Chemical Co., Detroit, Mich.; Spring Lake Iron Co., Spring Lake, Mich.; Perry Iron Co., Erie, Pa.; Tonawanda Steel and Iron Co., Buffalo, N. Y.; Buffalo and Susquehanna Co., Buffalo, N. Y.; Toledo Furnace Co., Toledo, Ohio; Detroit Iron and Steel Co., Detroit, Mich.; The Columbus Iron and Steel Co., Columbus, Ohio; Federal Furnace Co., Chicago, Ill.; Zenith Furnace Co., Duluth, Minn.; Emporium Iron Co., Emporium, Pa.; Star Furnace Co., Jackson, Ohio; Salem Iron Co., Leetonia, Ohio; Hanging Rock Iron Co., Cincinnati, Ohio; Union Furnace Co., Ironton, Ohio; Detroit Furnace Co., Detroit, Mich.; Adrain Furnace Co., Dubois, Pa.; Globe Iron Co., Jackson, Ohio; Northwestern Iron Co., Milwaukee, Wis.; Thomas Furnace Co., Milwaukee, Wis.; Iroquois Iron Co., South Chicago, Ill.

A brief has been filed here asking for this reduction in duty on scrap iron and scrap steel, which bears the signatures of 22 concerns, all located in the East. I am told that one-half of these signers do not use a ton of scrap. Whether they do or not, it is a fact that they are manufacturers of highly finished steel products. Some of them manufacture their own steel, and either the pig iron or the steel billet is their raw material. They illustrate the inconsistent position so many interests in this country have fallen into of asking protection on their finished product and for a low tariff or no duty at all upon their raw material. It would be very unfair to the merchant blast furnaces of the United States and would imperil the security of their investments and the maintenance of American wages at the present high standard if foreign scrap iron could be imported at a low figure, when it is well known that every ton of scrap imported will displace a ton of American pig iron.

Mr. ALDRICH. Mr. President, as the Senator from Ohio [Mr. DICK] has said, pig iron and scrap iron have always been dutiable at the same rate, and this for an obvious reason. Pig iron and scrap iron are used substantially for the same purposes. Of course there are possibly some exceptions to that, and a certain percentage of scrap iron may be necessary to be used in the open-hearth furnaces in place of a certain other percentage of pig iron; but, in the main, scrap iron and pig iron are used for the same purposes.

I agree that there are some forms of scrap iron that perhaps ought to be dutiable at a less rate, but I suggest to the Senator from South Dakota that that is not a practical question affecting the people living in his section of the country. If they are interested at all in scrap iron, it is that the people who have scrap iron should get as high a price for it as possible. There are no industries in his section of the country that use scrap iron as a raw material.

Mr. CRAWFORD. I wish to say to the Senator from Rhode Island that the people in my section, so far as the production and sale of scrap iron are concerned, are not interested at all.

Mr. ALDRICH. That is what I supposed.

Mr. CRAWFORD. And I did not discuss this matter from any standpoint of that character. But it does seem to me to be a weak spot in this bill, and when we go out to defend it before the public, it will be one of the most indefensible provisions in it. It was because I felt that way, not because my people are interested in this item, that I spoke somewhat emphatically about it.

Mr. ALDRICH. All previous tariffs have fixed the duty at the same rate. The present law fixes a duty of $4 a ton upon pig iron and scrap iron of all kinds. The difficulty about the thing is that, if you put a duty upon pig iron at one rate and a duty upon scrap iron at another rate, all the pig iron will be introduced in the United States as scrap iron. It is easy enough to break pig iron into pieces and have it come into the country as scrap iron. I have never yet seen a definition that I was willing to trust as to what constitutes scrap iron and what constituted what might be pig iron or some other description of iron broken up into pieces for the purpose of introducing it at a lower rate of duty; in fact, I do not myself quite see what would prevent the highest forms of steel—take, for instance, steel that might be worth 6, 8, or 10 cents a pound—being introduced into this country as scrap steel. It is an extremely difficult subject to handle, and the makers of tariffs heretofore have tried to get over that difficulty by fixing the duty upon scrap iron and scrap steel and pig iron at the same rate.

There are certain manufacturers in the eastern part of the country along the Atlantic coast who desire to have lower rates on scrap iron and steel, because they use it as a raw material. There is no question but that a large class of manufacturers along the Atlantic seaboard would get an advantage by having scrap steel and scrap iron admitted at a lower rate than pig iron, because for their purposes they answer the same use.

Mr. CRAWFORD. Mr. President——

The VICE-PRESIDENT. Does the Senator from Rhode Island yield to the Senator from South Dakota?

Mr. ALDRICH. Yes.

Mr. CRAWFORD. Where would this scrap iron come from? We have already said to the people east of the Allegheny Mountains, in Delaware and other States, though they can not get iron ore west of the Alleghenies because of the expense of freight, that they must pay 25 cents a ton on iron ore from Cuba; and if they get scrap iron that they want to use east of the mountains, they certainly will have to pay considerable freight on it, for it has got to be brought quite a distance from somewhere.

Mr. ALDRICH. It will be brought from Belgium, from England, and from continental countries, of course, where iron and steel have a less value than in the United States. It would be undoubtedly to the advantage of eastern manufacturers to have a lower rate. I will say that if this matter goes to conference, as I hope it will, in the form of the committee amendment, I shall try to find, if I can, some possible description that will let in certain classes of scrap iron and scrap steel at a lower rate.

Mr. CRAWFORD. Does the Senator from Rhode Island state to me frankly that he thinks that scrap iron from Belgium or elsewhere across the Atlantic Ocean, brought to the Atlantic coast, would jeopardize and change the industry of the production of pig iron in the districts west of the Allegheny Mountains?

Mr. ALDRICH. I say very frankly to the Senator from South Dakota that if there should be considerable importations of scrap iron and scrap steel into the Atlantic coast States for use in foundry purposes, and for various things of that sort for which it would be used, to that extent it would cut down the use of pig iron for the producers of pig iron throughout the country, wherever they are located. I think that is perfectly plain, and must be apparent to everyone. Whether those manufacturers are entitled to a lower rate than $2.50 a ton is, of course, another question. We have never yet been able to draw the line successfully between what was essentially scrap iron and steel and what might be called "manufactured iron and steel," imported for an evasion of a law or for a fraud upon the law.

Mr. BEVERIDGE. Will the Senator let me ask him a question?

The VICE-PRESIDENT. Does the Senator from Rhode Island yield to the Senator from Indiana?

Mr. ALDRICH. Certainly.

Mr. BEVERIDGE. The question is this: The Senator said a moment ago that when the bill got into conference he would try to find a definition for scrap iron. Does he think that that definition can be found any more readily when the bill gets to conference than here in the Senate?

Mr. ALDRICH. No; but I will suggest to the Senator from Indiana that the House has placed a much lower rate upon scrap iron and scrap steel, and it will be necessary for the conferees on the part of the Senate to meet the conferees on the part of the House on that precise question. I therefore suggest that if that question is to be arranged anywhere, it will have to be arranged in conference on account of the conflicting votes of the two Houses.

Mr. CUMMINS. Mr. President——

The VICE-PRESIDENT. Does the Senator from Rhode Island yield to the Senator from Iowa?

Mr. ALDRICH. I do.

Mr. CRAWFORD. Mr. President——

Mr. ALDRICH. I want to yield, but I want to finish the sentence first; that is all.

Mr. BURKETT. Mr. President, I should like to reenforce what the Senator has said——

The VICE-PRESIDENT. To whom does the Senator now yield? A Senator on each side has risen.

Mr. ALDRICH. I yield to the Senator from Nebraska.

Mr. BURKETT. I find that in the law of 1842 scrap iron was the highest. Scrap iron was then dutiable at the rate of $10 a ton, and pig iron at $9.

Mr. ALDRICH. I had forgotten about that, but I remember it now.

Mr. BURKETT. In all the rest of the acts that have been passed, both articles have had the same duty.

Mr. BURTON rose.

Mr. ALDRICH. Yes; I was thinking about recent acts. I know that in all the recent acts, in the act of 1847 and all the recent acts, scrap iron and pig iron have been taxed at the same rate. As I say, for obvious reasons it is difficult to distinguish between the two; and, in a sense, they are both used for the same purpose.

I now yield to the Senator from Ohio.

Mr. BURTON. Mr. President, if the Senator from Rhode Island will yield to me, I should like to give some citations from another tariff act, for the especial benefit of the Senator from South Dakota [Mr. CRAWFORD], who seems to be somewhat troubled by the proportion between scrap and other forms of iron and steel.

The Walker tariff of 1846 has been referred to recently as one of exceptional wisdom. It appears that in that act old or scrap iron was made dutiable at 30 per cent. The same rate was imposed on iron in bolts, pigs, rods, and castings of iron. The same rate of 30 per cent was imposed on manufactures of cotton, linen, silk, wool, or worsted, if embroidered. A 10 per cent less duty, or 20 per cent, was levied on musical instruments. A 5 per cent less duty, or 15 per cent, was levied on glazier's diamonds, set or not set, gold and silver leaf, while dropping clear to 5 per cent was the duty on copper in pigs or bars.

It appears from that that in this Walker tariff the duty on scrap iron was six times as high as that on copper in pigs or bars, twice as great as on diamonds, whether set or not, and 50 per cent more than on musical instruments. So that, at least, there is a precedent which should make it easy for the Senator from South Dakota to explain this item.

Mr. CRAWFORD. Mr. President, I decline to accept as a satisfactory explanation for a rate that is here now what was the rate in the Walker tariff act nearly seventy years ago. I can not see how these references to the Morrill Act, to the Walker Act, or to some other act passed in a generation that has gone by have anything to do with the fixing of rates in this bill in the year 1909. Have we remained stationary industrially? Have we been standing still for two generations, so that when a matter is to be considered here upon its merits Senators will refer, as a matter of precedent to guide us, to something contained in the Walker tariff of seventy years ago?

Why do we revise tariffs? What is the occasion for having a revision at all if we are to be governed by an ossified schedule, contained in some old, buried relic of the past, to determine whether we are to put a scrap-iron duty on all the old iron kettles and old broken pieces of steel that happen to cross the border for the purpose of protecting pig iron in an indirect, and I maintain, an illegitimate way, far beyond the reasonable limits of a protective tariff?

Mr. CUMMINS. Mr. President, evidently the Senator from South Dakota [Mr. CRAWFORD] does not recall the definition of "revision" quoted yesterday or day before yesterday from the Senator from Idaho. Evidently that is the definition that is guiding us here. I refresh his memory when I suggest that "revision" is simply to look at the tariff again—simply to take another view of the subject, without any attendant duty of changing any of its provisions. However, this particular matter seems to be shrouded with a good deal of mystery.

Mr. GORE. Mr. President——

The VICE-PRESIDENT. Does the Senator from Iowa yield to the Senator from Oklahoma?

Mr. CUMMINS. I do.

Mr. GORE. The Senator is correct about the subject being shrouded in mystery. I should like to ask either the Senator from Pennsylvania [Mr. OLIVER] or the Senator from Ohio [Mr. BURTON] what is the market price of scrap iron now as compared with the market price of pig iron? There has been no schedule furnished us on that point, and I should like to know about it.

Mr. CUMMINS. Mr. President, there is no difficulty whatsoever in guarding this statute against the dangers pointed out by the Senator from Rhode Island. I wish the Senator from Rhode Island would rise and read, if he has it, the amendment that I proposed to this paragraph and handed to the Finance Committee.

Mr. ALDRICH. If the Senator's purpose will be served just as well, perhaps the Secretary may read it.

Mr. CUMMINS. Has the Senator the amendment?

Mr. ALDRICH. No; I have not. I have not it before me. Perhaps the Secretary will be able to read it to the Senator, if he desires to have it read.

Mr. CUMMINS. I have not a copy of it; but, at the suggestion of either the Senator from Rhode Island [Mr. ALDRICH] or the Senator from Utah [Mr. SMOOT], I can not now remember which, I prepared an amendment to this paragraph to meet the very danger that the Senator from Rhode Island has suggested upon the floor.

Mr. BEVERIDGE. Has that amendment been printed?

Mr. CUMMINS. It has not. When I want a schedule changed, I consider it my duty to first go to the committee and present my views to the committee.

Mr. BEVERIDGE. Both Senators are here at the present time.

Mr. CUMMINS. And I presented to the committee long, long ago my substitute for this definition.

Mr. BEVERIDGE. This, then, seems to be the situation: At the suggestion of either the Senator from Rhode Island or the Senator from Utah, the Senator from Iowa prepared a substitute which involves this very question. It was not offered on the floor or printed, but was handed to them. Therefore they can produce it, and we can have it read, and know where we are.

Mr. CUMMINS. I do not say that I did it at the suggestion of either the Senator from Rhode Island or the Senator from Utah. But I was interested in the subject; this difficulty, which I thought the merest fanciful and imaginary one, was pointed out to me, and I did what I could in the way of putting in words a definition of scrap iron or scrap steel.

Mr. BEVERIDGE. I am very much interested in the definition. Where is it? Let us have it read.

Mr. CUMMINS. I handed it to either the Senator from Rhode Island or the Senator from Utah.

Mr. SMOOT. Mr. President, so far as the "Senator from Utah" is concerned, he has not seen it.

Mr. BEVERIDGE. Has the Senator from Rhode Island seen it, then?

Mr. ALDRICH. Who is it that is cross-examining Senators?

Mr. CUMMINS. Mr. President, I do not blame them for losing it. My suggestions have not met with very much favor, and I rather expected that the definition would not command very careful scrutiny on their part. But I can easily enough reproduce it.

Mr. SMOOT. Mr. President——

The VICE-PRESIDENT. Does the Senator from Iowa yield to the Senator from Utah?

Mr. CUMMINS. I do.

Mr. SMOOT. I should not care to allow the suggestion or intimation of the Senator from Iowa to pass without saying that whenever he has handed me a suggestion relative to a paragraph I have always taken great pleasure in considering it very carefully, and I have always felt that the suggestion was worthy of consideration. I can call the Senator's attention to a number of paragraphs in which I have taken deep interest and about which I have accepted his suggestions.

Mr. CUMMINS. I remember one, and only one.

Mr. BEVERIDGE. Mr. President——

Mr. CUMMINS. I do not, however, mean to intimate that I was met with any discourtesy, but rather with some skepticism. I think it is the prevailing mood that "nothing good can come out of Nazareth." I think that is the way these suggestions are looked upon, and I do not wonder that this particular amendment was forgotten.

Mr. BEVERIDGE. Mr. President——

The VICE-PRESIDENT. Does the Senator from Iowa yield to the Senator from Indiana?

Mr. BEVERIDGE. Just a moment, Mr. President. It seems to me that this matter is very important at this particular moment. All through the discussion it has appeared that the matter of difficulty has been to ascertain how to define scrap iron. The Senator from Rhode Island said, a moment ago, that he had never yet seen a definition of scrap iron that was satisfactory to him. The Senator from Iowa, who has given this subject very great thought—that is recognized by everybody in the Senate—has solved the difficulty to his own satisfaction. Certainly a great many Senators would like very much to see this definition. That is made more apparent by the fact that the Senator from Rhode Island said that that was the source of difficulty; that they had expected to get up a definition in conference, but that he had never, in all his large experience, seen a definition that was satisfactory.

Mr. ALDRICH. Will the Senator from Indiana permit me to make a suggestion to him right there?

Mr. BEVERIDGE. Just a minute. I therefore think that the definition which the Senator from Iowa has prepared should be laid before the Senate at this point when we are discussing it.

Mr. ALDRICH. I will suggest to the Senator from Indiana, if the Senator from Iowa will permit me, that it has not been customary in the Senate for Senators to appear here by counsel who are to cross-examine witnesses for them; and I have never seen the slightest indication that the Senator from Iowa was not able to take care of his own case in his own way.

Mr. BEVERIDGE. Mr. President, I submit that this is not the case of the Senator from Iowa. Every paragraph in this bill is the case of the American people. Every Senator is, or should be, just as much interested in all of the paragraphs as every other Senator. As to what has been customary in the past, I think I demonstrated yesterday that a good many things have been customary in the past that are not going to be customary in the future. Things have been customary here in times gone by that will no longer be tolerated. We progress—"the old order changeth, giving place to that which is new." A new day has dawned, with new methods, when a certain way of legislating will no longer be permitted.

This has been a difficult point in the consideration of the tariff, as has been pointed out. The Senator from Rhode Island has emphasized that fact by saying that the finding of a satisfactory definition has been the difficulty of the whole scrap-iron business, and that he had never seen one that was satisfactory, but that he would try to evolve one in conference.

If the Senator from Iowa, or any other Senator who has given this subject thought, has devised a satisfactory description, it does become of great moment, not merely to him or to the Senator from Rhode Island, but to the whole Senate, that we should know what that definition is. It would throw great light upon this question. The Senator says that he gave it to one of the Senators; and I do not think it is a matter of any offense to any person, but something absolutely within our rights, to ask to see it while we are discussing this question.

Mr. CUMMINS. Mr. President, it will not be hard for me to reproduce the amendment I presented to the Finance Committee.

Mr. ALDRICH. Mr. President——

The VICE-PRESIDENT. Does the Senator from Iowa yield to the Senator from Rhode Island?

Mr. CUMMINS. But I can not reproduce it just at this moment. I rather assumed that when we should reach the subject, the paper I had already given the committee would be at its command, and that we would have it here. I have not on my desk a copy of the amendment, nor am I sure that I have it anywhere. But the thought is so firmly impressed upon me that I can reproduce it without the slightest trouble; and if the Senator will pass this paragraph for a little while, I can give him, in substance, the amendment that I have already given him.

Mr. ALDRICH. Mr. President, there is no mystery at all about this matter. I talked to the Senator from Iowa and told him that I had never yet seen a description that I was willing to accept classifying scrap iron and scrap steel. The Senator did hand me a suggestion. I am not sure whether I kept it or not. I was under the impression that I did not. But I think I said to the Senator at the time that I did not think his description would do. I certainly am very strongly of the opinion that it would not do, and that it would not at all cover the case. I certainly do not feel responsible, and I am sure the Senator from Iowa does not expect me to be responsible, for all the papers that are handed to me in the way of suggestions.

Mr. CUMMINS. Not at all, Mr. President.

Mr. ALDRICH. If I did, it would take all my time, and I should need to have a corps of clerks a great deal larger than I now have at my command to keep the run of all the suggestions that are made. I will say to the Senator from Iowa and to the Senate that the suggestions made by the Senator from Iowa were, from my standpoint, entirely inadmissible.

Mr. CUMMINS. In what respect were they inadmissible?

Mr. ALDRICH. In that they did not cover the case.

Mr. CUMMINS. Can the Senator from Rhode Island state from memory substantially the suggestions that I made to him?

Mr. ALDRICH. No; I can not. I can not do so, because I looked at the paper for a moment, and my impression is that I then handed it back to the Senator from Iowa. Whether I did or not, however, is not material.

Mr. CUMMINS. The Senator from Rhode Island is mistaken about that. He did not hand the paper back to me.

Mr. ALDRICH. That is not material, however.

Mr. CUMMINS. He is mistaken in that regard.

Mr. ALDRICH. It was not a public transaction; it was a private transaction between the Senator from Iowa and myself. I do not feel responsible for any papers that are handed to me by anybody, whether in the Senate or outside of the Senate.

Mr. CUMMINS. I am not holding the Senator from Rhode Island responsible.

Mr. ALDRICH. But the Senator's representative did.

Mr. BEVERIDGE. Mr. President——

Mr. ALDRICH. That is, if he may be considered his representative.

The VICE-PRESIDENT. Does the Senator from Rhode Island yield?

Mr. BEVERIDGE. I hope the Senator from Iowa will yield.

Mr. CUMMINS. In just a moment. I resent that suggestion on the part of the Senator from Rhode Island. I have no representative on this floor. There is no one who is authorized to speak for me.

Mr. ALDRICH. I did not think the Senator had; and I stated that, in my opinion, the Senator from Iowa is quite able to take care of himself.

Mr. BEVERIDGE. Mr. President, if the Senator from Iowa will please yield for a moment, I understand the situation to be that because another Senator on the floor, no matter who he is, wishes to take part in the debate by way of sustaining a view that has been expressed, the Senator from Rhode Island repeats the proceeding—which heretofore has been repeated to the point where it will not be endured or tolerated any longer—not of answering the question asked, but of making an offensive remark to the effect that the Senator is some other Senator's representative or aid or assistant counsel. That offensive way of responding to proper inquiry will not longer be submitted to, and the Senator from Rhode Island may as well understand it.

The situation has come down to this: The Senator from Rhode Island stated a little while ago that the definition of

scrap iron was the crux of the difficulty, and that he had never seen a definition that was satisfactory. I thought that was important. A little later on it appeared that the Senator from Iowa had very carefully written out such a definition. Now it develops, as the debate proceeds, that when he handed it to the Senator from Rhode Island, the Senator from Rhode Island looked at it, handed it back, and so does not know whether it was a satisfactory definition or not. And yet a moment ago the Senator from Rhode Island said, in defense of including scrap iron in the paragraph, that he did so because he had never seen a definition of it that was satisfactory. Now, it appears that when one was handed to him, he did not even pay enough attention to it to know what it was, and can not now remember it.

Mr. CUMMINS. Mr. President, it will be of vastly more consequence if we get on and see if we can find a satisfactory definition than to complain—I am speaking now of myself—of the loss of a former definition. I can give it to the Senator from Rhode Island and to the Senate almost exactly from memory, I think:

Scrap iron and scrap steel are iron and steel which have been advanced in their final form for use and, being used, have become unfit for further use and are fit only to be remanufactured.

That is my definition of scrap iron and scrap steel; and if the Senator can find any flaw in it, or if there is any omission in it, I shall be very glad to have it pointed out now. That is the definition contained in the paper that I gave to the Senator from Rhode Island.

Mr. ALDRICH. Mr. President, that would not cover pig iron, and would not cover a great variety of——

Mr. CUMMINS. Of course it would not cover pig iron. It expressly excludes pig iron. Pig iron has not been advanced to its final form for use. The definition excludes everything except that thing which has finally gone into use and which, being used, has been worn out and become unfit for further use and can be used for no other purpose save remanufacturing.

Mr. ALDRICH. Let me suggest to the Senator one thing that I think will prevent the Senator from voting for that suggestion. The appraiser in New York, or in any importing port, has to decide, in the first instance, whether the iron or steel has been advanced to the form of its final use. How is anybody going to tell that about scrap iron? The definition is absolutely impossible of execution. I do not think we need to consider it for a great while.

Mr. CUMMINS. There is no difficulty whatsoever in any man's determining that fact. If it is a part of a wheel, it has been advanced to the final form. If it is a part of a rail, it has been advanced to the form in which it is to be finally used. If it is a part of a locomotive, the same thing is true. You can not possibly confound the definition with any form of broken-up pig iron. Still that is not the point at the present time.

Mr. OLIVER. Mr. President——

The VICE-PRESIDENT. Does the Senator yield?

Mr. CUMMINS. Allow me to clear the atmosphere a little. We are now discussing the proposition of eliminating from the pig-iron paragraph all reference to scrap iron and scrap steel, leaving that subject to be dealt with after we have disposed of the paragraph as thus modified. I do not want to have the minds of Senators disturbed or obscured by a reference to a definition of scrap iron and scrap steel when we are simply considering the question, "Shall scrap iron and scrap steel remain in the paragraph affixing a duty to pig iron?"

Now I yield to the Senator from Pennsylvania, who desires to ask a question.

Mr. OLIVER. Mr. President, I merely want to say that a very large proportion of the scrap iron that is produced is scrap made in the course of manufacture, which never reaches its final form. For instance, in a wire-rod mill, approximately 5 per cent of the entire product is turned into scrap by reason of the cobbling of the rods in the course of rolling. The Senator's definition would entirely exclude that scrap.

Mr. CUMMINS. Mr. President, the Senator from Pennsylvania is arguing against his own interests.

Mr. OLIVER. I am simply trying to enlighten the Senator from Iowa about things that he does not appear to understand.

Mr. CUMMINS. The Senator from Iowa can not enlighten the Senator from Pennsylvania upon that subject. I am perfectly willing that scrap iron from rolling mills shall be dutiable. It is not pretended that the definition I gave covers or embraces scrap of that sort. Such scrap ought to be dutiable. The Senator from Pennsylvania is endeavoring, I assume, to put that scrap in the same category with the scrap iron and scrap steel which people usually understand when they see that term, and put it all on the free list. I am willing to exclude the scrap iron and steel that is the waste of manufacture and allow a duty to be levied upon it. It is the scrap iron or scrap steel that is the waste of use to which I object. And that scrap iron and scrap steel is carefully and thoroughly and securely guarded in the definition that I gave to the Senator from Rhode Island.

But let us not consider that question until we reach it. Let us first separate these two things in the tariff law, and deal with pig iron and scrap steel or iron as two distinct and separate substances.

Mr. ALDRICH and others. Question!

Mr. CRAWFORD. I call for the yeas and nays.

The VICE-PRESIDENT. The question is on the amendment of the Senator from Iowa to the committee amendment, paragraph 116.

Mr. DANIEL. I ask that the amendment be read.

Mr. STONE. I should like to have it reported.

The VICE-PRESIDENT. Without objection, the amendment will again be reported.

The SECRETARY. On page 32, line 18, after the word "ferromanganese," strike out the words "wrought and cast scrap iron, and scrap steel," and the comma; also, after the word "ton," strike out the semicolon and the remainder of the paragraph as it appears in the House text.

Mr. STONE. How will it then read?

The SECRETARY. So that, if amended, it would read:

Iron in pigs, iron kentledge, spiegeleisen, and ferromanganese, $2.50 per ton.

The VICE-PRESIDENT. The Secretary will call the roll.

The Secretary proceeded to call the roll.

Mr. JONES (when his name was called). I have a general pair with the junior Senator from South Carolina [Mr. SMITH]. He is absent on account of sickness, and I withhold my vote.

Mr. McLAURIN (when his name was called). I am paired with the junior Senator from Michigan [Mr. SMITH]. I do not see him in the Chamber, and therefore withhold my vote. If he were present, I should vote "yea."

Mr. RAYNER (when his name was called). I desire to announce my pair with the junior Senator from New Jersey [Mr. BRIGGS] until Monday. I shall make no further announcement of this pair.

The roll call was concluded.

Mr. BRIGGS. I am paired with the senior Senator from Maryland [Mr. RAYNER]. I understand he has not voted. I therefore withhold my vote. If I were at liberty to vote, I should vote "nay."

Mr. ELKINS (after having voted in the negative). I am informed that the junior Senator from Texas [Mr. BAILEY] has not voted. As I have a pair with that Senator, I withdraw my vote.

Mr. JONES. I transfer my pair to the junior Senator from Montana [Mr. DIXON] and will vote. I vote "nay."

Mr. CURTIS. I desire to announce that the Senator from Wisconsin [Mr. STEPHENSON] is paired with the Senator from Indiana [Mr. SHIVELY], and that the Senator from Delaware [Mr. RICHARDSON] is paired with the Senator from Arkansas [Mr. CLARKE].

The result was announced—yeas 28, nays 42, as follows:

YEAS—28.

Bacon	Culberson	Fletcher	Money
Beveridge	Cummins	Frazier	Nelson
Bristow	Curtis	Gamble	Newlands
Brown	Daniel	Gore	Overman
Chamberlain	Davis	Hughes	Smith, Md.
Clay	Dolliver	La Follette	Stone
Crawford	du Pont	Martin	Taliaferro

NAYS—42.

Aldrich	Crane	Johnston, Ala.	Root
Bankhead	Cullom	Jones	Scott
Bradley	Dick	Kean	Smoot
Brandegee	Dillingham	Lodge	Sutherland
Bulkeley	Flint	McEnery	Taylor
Burkett	Foster	Nixon	Tillman
Burnham	Gallinger	Oliver	Warner
Burrows	Guggenheim	Page	Warren
Burton	Hale	Penrose	Wetmore
Carter	Heyburn	Perkins	
Clark, Wyo.	Johnson, N. Dak.	Piles	

NOT VOTING—22.

Bailey	Depew	McLaurin	Simmons
Borah	Dixon	Owen	Smith, Mich.
Bourne	Elkins	Paynter	Smith, S. C.
Briggs	Frye	Rayner	Stephenson
Clapp	Lorimer	Richardson	
Clarke, Ark.	McCumber	Shively	

So the amendment of Mr. CUMMINS was rejected.

Mr. CUMMINS. I move to strike from line 19 of the paragraph the words "two dollars" and to insert the words "one dollar."

The VICE-PRESIDENT. The Secretary will state the amendment.

The SECRETARY. In paragraph 116, page 32, line 19, strike out "two dollars" and insert "one dollar," so as to read "$1.50 per ton."

Mr. BACON. May I inquire what is the House rate?

Mr. ALDRICH. The House rate is $2.50 a ton.

Mr. BACON. The same as the committee proposes.

Mr. LODGE. The committee reports the House provision on pig iron.

The VICE-PRESIDENT. The question is on agreeing to the amendment of the Senator from Iowa.

Mr. CUMMINS. In answer to the suggestion or inquiry just made by the Senator from Georgia, I want the Senator to understand the situation. If I were to say that the House bill reports the duty at $2.50 a ton, and the duty on scrap steel and iron at 50 cents a ton, the Senate committee by its amendment raises the duty on scrap iron and steel from 50 cents a ton to $2.50 a ton, and the Senate has just refused to strike out scrap iron and steel from the paragraph. I now move to reduce the duty on both pig iron and scrap iron and steel to $1.50 a ton instead of $2.50 a ton.

I will not delay the Senate by any further argument upon this subject. I assume that you are all fairly familiar with the production of pig iron and the difference between the cost of its production here and abroad. There is no defense, there can be none, for a duty of $2.50 a ton upon pig iron when you compare the cost of making pig iron abroad and in the United States.

Mr. BURKETT. Mr. President, I supported the committee upon the other amendment, believing, as I did, that we ought not to separate the scrap iron from pig iron, because all the evidence that is here shows they are interchangeable in use and one is used in place of the other, and if you separate scrap iron and put it on the free list you might as well put that much pig iron on the free list. I voted upon that proposition, of course, without any reference to what the rate should be upon either.

I am firmly convinced of that proposition, and am sustained in that contention by all the laws of the country, showing that all other committees and all other Congresses have, upon investigation, considered it in the same light. The law of 1842, as I called attention to a moment ago, made the rate on scrap iron a dollar higher than on pig iron—the rate being on pig iron $9 per ton and on scrap $10 per ton. They are the same thing for manufacturing purposes, and I know of no reason why they should have a different rate.

But I am going to say to the committee that, having read the evidence here, I have been persuaded that $2.50 a ton is higher than has been necessary. I should not want, as big as this industry is, to do anything that would injure it. I certainly think in reading the evidence that there is nothing to indicate that $2.50 is necessary to-day. In fact, to-day I do not believe that any tariff is necessary. Yet we ought to guard against contingencies. We do not know what conditions may arise in the future.

I would not want to put it on the free list and have something develop in the industrial world which would enable somebody somewhere to unload a lot of their products onto our market to the detriment of our producers. Yet it does seem to me that we ought to put this duty as low as we consistently can with absolute safety to our own industry. I think perhaps it could go lower than a dollar and a half. Yet perhaps it would not be best to make it lower than that. But in my opinion a dollar and a half is absolutely safe.

It seems to be on a matter where it can be done with safety, as all the evidence has shown in this case we might well reduce the rate. While I regret to differ with the judgment of the committee, yet, after reading the evidence, I am persuaded that a dollar and a half is plenty. I realize that probably it will not make any difference in the price whether the duty is $2.50 or $1.50. But I think, in making up the bill, we ought to fix the rates as low as we can with absolute safety. I realize that there is a good reduction on this item, yet there are some items in the development of iron we have cut 200 per cent, as a matter of fact. This is a cut of from $4 to $2.50, yet on some other items we have found that we could make a cut of 200 per cent. On this item we could cut with perfect safety, I think, to $1.50.

The VICE-PRESIDENT. The question is on agreeing to the amendment proposed by the Senator from Iowa [Mr. CUMMINS].

Mr. CUMMINS. On that I ask for the yeas and nays.

The yeas and nays were ordered, and the Secretary proceeded to call the roll.

Mr. BRIGGS (when his name was called). I am paired with the senior Senator from Maryland [Mr. RAYNER]. If he were present and voting, I should vote "nay."

Mr. ELKINS (when his name was called). I am paired with the junior Senator from Texas [Mr. BAILEY]. I will withhold my vote for the present, to see if the Senator comes in.

Mr. JONES (when his name was called). I am paired with the Senator from South Carolina [Mr. SMITH]. I transfer that pair to the junior Senator from Montana [Mr. DIXON], and vote "nay."

Mr. McLAURIN (when his name was called). I am paired with the junior Senator from Michigan [Mr. SMITH]. I do not see him in the Chamber, and I withhold my vote. If he were here, I should vote "yea."

Mr. SIMMONS (when his name was called). I am paired with the Senator from Illinois [Mr. LORIMER] who is absent, and I withhold my vote.

The roll call was concluded.

Mr. CLARK of Wyoming (after having voted in the negative). I have a general pair with the Senator from Missouri [Mr. STONE]. As that Senator is not present, I withdraw my vote.

Mr. BRIGGS. I am paired with the senior Senator from Maryland [Mr. RAYNER]. I transfer my pair to the senior Senator from Oregon [Mr. BOURNE], and vote "nay."

Mr. FOSTER (after having voted in the affirmative). I will state that my pair has not voted, and I withdraw my vote.

Mr. CURTIS. I desire to announce that the Senator from Wisconsin [Mr. STEPHENSON] is paired with the Senator from Indiana [Mr. SHIVELY], and that the Senator from Delaware [Mr. RICHARDSON] is paired with the Senator from Arkansas [Mr. CLARKE].

The result was announced—yeas 26, nays 45, as follows:

YEAS—26.

Bacon	Clay	Fletcher	Newlands
Beveridge	Crawford	Frazier	Overman
Borah	Culberson	Gamble	Owen
Bristow	Cummins	Gore	Paynter
Brown	Curtis	Hughes	Taliaferro
Burkett	Davis	La Follette	
Chamberlain	Dolliver	Nelson	

NAYS—45.

Aldrich	Daniel	Johnston, Ala.	Root
Bankhead	Depew	Jones	Scott
Bradley	Dick	Kean	Smoot
Brandegee	Dillingham	Lodge	Sutherland
Briggs	du Pont	McEnery	Taylor
Bulkeley	Flint	Martin	Tillman
Burnham	Frye	Nixon	Warner
Burrows	Gallinger	Oliver	Warren
Burton	Guggenheim	Page	Wetmore
Carter	Hale	Penrose	
Crane	Heyburn	Perkins	
Cullom	Johnson, N. Dak.	Piles	

NOT VOTING—21.

Bailey	Elkins	Rayner	Smith, S. C.
Bourne	Foster	Richardson	Stephenson
Clapp	Lorimer	Shively	Stone
Clark, Wyo.	McCumber	Simmons	
Clarke, Ark.	McLaurin	Smith, Md.	
Dixon	Money	Smith, Mich.	

So Mr. CUMMINS's amendment was rejected.

Mr. GORE. Mr. President, I have an extract from an article by Andrew Carnegie, in the Century Magazine for December last, which I ask to have printed in the RECORD. Mr. Carnegie shows that steel and iron are produced cheaper in the United States than in any other country on earth, cheaper than in Germany, and he shows that the labor cost in Germany is higher than it is in the United States. I will not ask to have it read.

The VICE-PRESIDENT. The Chair hears no objection to the request.

The matter referred to is as follows:

The writer has cooperated in making several reductions as steel manufacturers became able to bear reductions. To-day they need no protection, unless perhaps in some new specialties unknown to the writer, because steel is now produced cheaper here than anywhere else, notwithstanding the higher wages paid per man. Not a ton of steel is produced in the world at as small an outlay for labor as in our own country. Our coke, coal, and iron ores are much cheaper because more easily obtained and transported, and our output per man is so much greater, owing chiefly to the large standardized orders obtainable only upon our continent, the specialized rolling mills, machinery kept weeks upon uniform shapes without change of rolls, and several other advantages. Britain and Germany are the only important steel-manufacturing nations other than ourselves. I am assured by one who has recently examined the matter that he found even in Germany to-day that the cost per ton for labor was greater than with us, unusually high as our wages are at present.

The VICE-PRESIDENT. The question is on agreeing to the amendment offered by the committee on paragraph 116.

The amendment was agreed to.

The VICE-PRESIDENT. The question is on agreeing to the paragraph as amended.

The paragraph as amended was agreed to.

Mr. ALDRICH. I ask to take up paragraph 160.

The VICE-PRESIDENT. Without objection, paragraph 160 will be taken up.

Mr. ALDRICH. I move to amend the paragraph by striking out, in line 1, on page 54, the word "one-fourth" and inserting "one-half." I send the amendment to the desk.

The VICE-PRESIDENT. The amendment will be reported.

The SECRETARY. On page 54, line 1, paragraph 160, strike out the word "one-fourth" and insert the word "one-half," so as to read:

160. Wire nails made of wrought iron or steel, not less than 1 inch in length and not lighter than No. 16 wire gauge, one-half of 1 cent per pound; less than 1 inch in length and lighter than No. 16 wire gauge, one-half of 1 cent per pound.

The VICE-PRESIDENT. The question is on agreeing to the amendment.

The amendment was agreed to.

Mr. BACON. I had intended to ask the Senator from Rhode Island if I could have done so, but the proceedings are so rapid that it is impossible, what is the reason why the duty should be doubled.

Mr. ALDRICH. The committee found, upon examination, that the duty upon wire nails was less than the wire from which they were made, and in order to make the schedule——

Mr. BACON. Less than the duty on wire?

Mr. ALDRICH. Less than the duty on wire.

Mr. BACON. Would it not have been better to have reduced the duty on wire rather than raise the duty on nails?

Mr. ALDRICH. The committee thought not.

Mr. BACON. Of course I am not as familiar with this subject as the learned Senator from Rhode Island, but here is a matter of absolute and universal everyday use by everybody. It seems to me this is one place where, unless there is some paramount reason to the contrary, the House schedule should have been allowed to prevail. The committee thought the proper course was to double the rate on nails rather than reduce the rate on wire. There may be some reason for that, but not being familiar with the subject, I do not know what it is.

Mr. ALDRICH. As I remember the present rate, it is only 8 per cent ad valorem. The present rate of half a cent a pound is one of the anomalies of the present law. The rate is altogether too low, from my standpoint.

Mr. BACON. I will ask the Senator, if he will pardon me, he says it is so low, what is the equivalent ad valorem rate on wire nails at half a cent a pound?

Mr. ALDRICH. Eight per cent, as I remember it.

Mr. BACON. On one-half cent a pound?

Mr. ALDRICH. Yes; that is my recollection. The Senator from Pennsylvania [Mr. OLIVER] has the figures before him. He can give them.

Mr. OLIVER. In the statement before us the Senator can see that at half a cent a pound the equivalent ad valorem is 8.13; and at the proposed rate of a quarter of a cent a pound, in the Payne bill, it is 4.07.

Mr. BACON. I should like to ask the Senator what is the average market price of wire nails?

Mr. OLIVER. About 2 cents a pound.

Mr. BACON. If that is the case, it must be 25 per cent.

Mr. OLIVER. But the statistics show the small amount imported. In a term of years the equivalent ad valorem runs from a maximum of 17 per cent down to a rate as low, in 1907, as 8.33.

I will state, Mr. President, that, for some reason or other, the Dingley law placed an extraordinarily low duty on wire nails, and this is a case where it is just upon the lines, and where even a slight reduction will unquestionably lead to great importations.

Mr. CRAWFORD. Mr. President——

Mr. OLIVER. If the Senator will allow me to finish, I will say that of this great industry, of which the Germans are the parents, about twenty-four years ago the American manufacturers deliberately went in and captured the business from the Germans by reason of the high grade of the nails. The ad valorem is very low. The duty is less than the duty on the wire of which the nails are made. The proposed duty is less than the duty on the rods of which the wire is made, and it is less than the duty upon the steel billets of which the rods are made. I think to perpetuate a thing like that would be a crime.

The Senator from South Dakota [Mr. CRAWFORD] a little while ago said the proposed duty on scrap iron was protection run mad. I say that to place the low duty proposed in the Payne bill upon wire nails is downward reduction run raving mad.

Mr. BACON. I quite agree with the Senator that the duties upon the various classes of iron that he has mentioned, including wire, possibly are out of proper relation to wire nails at a quarter of a cent; but the place where the Senator and I differ is in what the remedy should consist—whether it should consist in doubling the duty on nails or whether it should be found in properly reducing the duty on the material out of which nails are made.

Mr. OLIVER. I suggest to the Senator that we are not proposing to double any duty, but simply to continue the duty. I may say here that I understand it is the intention of the committee to offer in the next bracket a very considerable reduction from the present duty, but these larger sizes of wire nails are now being admitted at as low a rate of duty as the business will stand, without opening upon the entire seacoast trade north and south, and particularly on the Pacific coast, not only to the competition, but to the absolute domination of the German manufacturers, who are more expert than we are really in this particular line of manufacture.

Mr. BACON. I understand the answer which the Senator gave as to the market price of wire nails related to our domestic price and not to the price at the port. If the Senator can give me that information, I will be very glad to have it. What is the approximate price? I do not ask with absolute accuracy, but approximately the price when it reaches the port. What is the value upon which the duty is assessed of imported nails where they come into competition with the home product?

Mr. OLIVER. That I can only answer from the record here. In 1907 the value per unit was——

Mr. BACON. Is it not less than the 2 cents that the Senator spoke of?

Mr. OLIVER. It is more than 2 cents. The nails that were imported were undoubtedly of the small sizes, and of course brought a higher rate per pound.

Mr. BACON. But, all things being equal, the price was less, of course, on the foreign article than on the domestic.

Mr. OLIVER. Very much less. I have the average price here of the kind of nails that we use. I will be glad to give it to the Senator.

Mr. BACON. I hope the Senator will give it. But, with his permission, I wish to say, according to the statement of the Senator, even if the price of the foreign nails was the same as the domestic product, the proposed duty of a half a cent a pound would be 25 per cent instead of 8, as stated.

I find that by the table, furnished us by the committee, of estimated revenues that the present duty is practically prohibitory, and that in the vast consumption of nails the importations are practically nothing. The revenue, according to this table, under the present law is $267. On an article of necessarily immense consumption, found everywhere every day, the entire revenue under the present law is $267. Under the proposed law as it stood it would be only $133.

Mr. CLAY. The exports are $2,498,923 worth.

Mr. BACON. My colleague kindly furnishes me a statement of the exports, amounting to over $2,000,000. It does seem to me that it is not a case at all for any such increase over the House bill as is proposed by the Senate committee amendment.

Of course I do not wish to delay the Senate upon it, but I think it is a radical matter, when the wire nails of the country are proposed to be increased 100 per cent in the amendment offered by the Senate committee. There is no revenue produced under the present rate, and there certainly will be none produced under the proposed rate. It is a matter of prime necessity, of everyday use, benefiting the rich and the poor, the high and the low.

Mr. ALDRICH. Certainly the Senator does not want to make a misstatement. Do I understand him to say that it is an increase over the Dingley rate?

Mr. BACON. I do not.

Mr. ALDRICH. Then I misunderstood the Senator.

Mr. BACON. I said the increase proposed over the House rate is 100 per cent.

Mr. ALDRICH. But not over the Dingley rate.

Mr. BACON. I did not say over the Dingley rate. The Senator from Pennsylvania had previously stated, and therefore it was not necessary for me to repeat it, that it was less than the Dingley rate.

Mr. CRAWFORD. It puts it back to the Dingley rate.

Mr. BACON. I am comparing the Senate amendment with the House provision, and I repeat the Senate amendment increases the rate over the House provision 100 per cent upon this article of prime necessity and of universal everyday use. Therefore, Mr. President, at the proper time, when the debate is over, I propose to ask for the yeas and nays on this proposition.

Mr. CRAWFORD. Mr. President, as I understand it, this restores the Dingley rate. Is not that correct?

Mr. ALDRICH. Yes; on the small sizes.

Mr. CRAWFORD. It restores the Dingley rate; and the record shows that there are absolutely no importations worth

mentioning under the Dingley rate, and it also shows that we export $2,000,000 worth. Still, it is claimed, we must restore the Dingley rate.

Mr. BACON. I have no doubt—if the Senator from South Dakota will permit me—that the nails exported are sold to foreigners very much cheaper than nails are sold to our people at home.

Mr. ALDRICH. I will call the attention of the Senator from South Dakota [Mr. CRAWFORD] to the fact that it does restore the Dingley rate on small sizes, but not on the large sizes. The present Dingley rate is a cent a pound, while the suggested rate is three-fourths of a cent a pound—a reduction of 25 per cent in existing rates on large sizes.

Mr. CRAWFORD. On one item?

Mr. ALDRICH. Yes; on large sizes.

Mr. TILLMAN. It appears, however, that the present rate is prohibitive, and therefore it does not matter how much higher you carry it.

Mr. ALDRICH. We do not carry it any higher.

Mr. TILLMAN. But suppose you did double or treble or quadruple it or run it up 500 times, what difference does it make? The present rate keeps out importations.

Mr. BACON. It will make a great deal of difference to a man who buys nails in this country.

Mr. TILLMAN. I do not see why.

Mr. BACON. If the Senator will pardon me, it will make no difference as to revenue, of course, because the rate is prohibitive; but if you put up a wall, of course those who are inside the wall can, as occasion offers and opportunity is presented, raise the price to the consumers in this country.

Mr. TILLMAN. They can do it, anyway.

Mr. BACON. But they can not do it above a certain limit of the tariff wall.

Mr. TILLMAN. I know; but unless the rate shall admit imports from abroad, the difference between the tariff wall, whether it is high or low, does not matter, unless it is low enough to let some imports get over.

Mr. BACON. I do not agree with the Senator from South Carolina.

Mr. ALDRICH. I wish to say that the Senator from Georgia [Mr. BACON] is right about it. The present rate is half a cent a pound. The House made it a quarter of a cent, and the Senate committee propose to restore it to the present rate. Does the Senator think that is going to put up the price of nails in this country?

Mr. BACON. Beyond what it is now?

Mr. ALDRICH. Yes.

Mr. BACON. I do not know whether the manufacturers of nails have raised the price of nails to the limit which the present law will permit them. If they have, then, of course, the perpetuation of that rate would not prevent an increase of price; but it may be that there are conditions now on account of which the nail manufacturers have not raised the price as high as the tariff will permit them to do; but conditions may change, and they may do it hereafter. The contention is that that rate would not give them any greater advantage; but what I want is that it shall be put down to a rate where, whether they have availed themselves of it in the past or not, they can not avail themselves of it in the future, and that our consumers may have the benefit of the price which would be reasonably guaranteed to them by leaving the rate down at one-quarter of a cent a pound as it came from the other House.

Mr. CUMMINS. Mr. President, I may not have understood the statement just made by the Senator from Rhode Island with respect to a comparison betweeen the rates now proposed and the Dingley rates, and he will do me a great favor if he will restate that proposition.

Mr. ALDRICH. Mr. President, the rates of the existing law are, on wire nails not less than 1 inch in length and not lighter than No. 16 wire gauge, one-half cent a pound; less than 1 inch in length and lighter than No. 16 wire gauge, 1 cent a pound. The suggestion is to make the larger nails. I misstated the proposition——

Mr. CUMMINS. That is what I thought.

Mr. ALDRICH. I beg the Senator's pardon; I misstated it.

Mr. CUMMINS. I know the Senator did not intend to mislead the Senate. That was the reason I mentioned it.

Mr. ALDRICH. I should have said the smaller sizes. I just reversed the facts.

Mr. CUMMINS. Mr. President, the effect of my amendment is to restore the ordinary wire nails of commerce; that is, those generally used, to the rates established by the Dingley Act. The other House reduced the duty just one-half.

I do not intend to claim at this moment that the duty of $5 a ton upon wire nails is right if the duties upon the other products of steel, which precede in manufacture the wire nails, are right. Indeed, I believe that a duty of $5 a ton upon wire nails and a duty of from twenty to twenty-five dollars a ton upon the wire out of which those nails are made is simply absurd. I hope the committee will not take offense at that statement, because it is not intended to be offensive; but this whole schedule is so ill adjusted that it ought, as it seems to me, to be completely readjusted. I intend, when this bill gets into the Senate, to present some amendments that will, I hope, offer an harmonious whole to some, at least, of the phases of the iron and steel business. I do not do it now, because I was caught napping when we passed through these schedules—it was my own fault entirely—and some of the paragraphs were adopted before I could gather my wits about me and present the amendments which I intended to present.

Mr. ALDRICH. Mr. President, I will say very frankly to the Senator from Iowa that if he desires to have any of the votes on the iron and steel schedule reconsidered, I shall be very willing to have him do so, in order that he may be permitted to have an opportunity to offer his amendments.

Mr. CUMMINS. Very well. Then, before we have passed out of Committee of the Whole, I shall do in committee what I had expected at some time to do in the Senate; but inasmuch as I am on my feet, I desire to call the attention of the Senate to some of the inconsistencies, as I view them, of this schedule.

We have the duty, just changed, on wire nails of $5 a ton. Wire nails are the highest, the final product of a certain form of manufacture. What precedes the wire nails are the pig iron, the ingot, the billet, the wire rod, the wire, and then come the wire nails. You have attached a duty, or until this change was made of $5 a ton, upon the highest form, which embodies all the labor that preceded it, together with the labor of making the wire nail out of the wire. I think that $5 a ton is enough upon the wire nail to give to our manufacturers a complete possession of our market. I do not believe that wire nails can be imported into the United States under a duty of $5 a ton; but I am not nearly so sure of that as I am about the heavy overduties on some of the forms that precede. For instance, take the next form just before the wire nails—the wire. The duties that the Senate have attached to the very wire out of which the wire nails are made are $20 a ton, $25 a ton, and $35 a ton; in other words, if anyone wanted to import the wire out of which the wire nails could be made and enter that business, he would be compelled to pay a duty of $20 or $25 or $35 a ton, according to the sizes and the prices of the wire.

The duty imposed upon the billet is more than the duty imposed upon the wire nails; that is, on the billet that would be used in finally working it into wire nails, first into wire and then into wire nails; the duty is more upon the billet than upon the wire nails.

We have seen the duty on barbed wire reduced to $15 a ton; and it has been heralded as a great victory for the farmer, reduced to $15 a ton; and yet the duty upon wire nails even now, as suggested by the amendment just proposed by the Committee on Finance, is only $10 a ton. What justification can you present to the farmers of the United States for attaching a duty of $15 a ton on barbed wire, which is less expensive per pound and per ton than the wire nails, and attaching a duty only of from $5 to $10 a ton upon wire nails? There ought to be some harmony here; there ought to be some kind of a relation between these things, because the Senator from Rhode Island [Mr. ALDRICH] will agree with me that it costs less, everything considered, to turn wire into barbed wire than it does to turn that wire into wire nails. Does it not?

Mr. ALDRICH. Mr. President, the Senator from Iowa, I think, will, upon consideration, realize that, when he speaks about the duty on wire, he speaks about something which varies from a cent a pound to a dollar a pound. A duty on wire by itself, without any qualifying description, might mean one thing or it might mean a dozen things. The kind of wire that goes into wire nails is one thing, and the kind of wire that goes into tempered steel wire, or a great variety of other wires that may be worth a hundred times as much, is another thing. You can not undertake to fix a duty on wire because it is wire. You have to take into consideration its character and its value.

Mr. CUMMINS. The Senator is quite right with regard to the different prices of wire; but, according to the schedule as it has been adjusted now, the lowest duty upon wire that is used in making wire nails is $20 a ton. It is just as easy to differentiate with regard to wire as it is with regard to a great many other products which have been so differentiated as that no injustice will occur.

Mr. ALDRICH. Mr. President, the Senator is probably aware that wire nails never exist in the form of wire, or if they do, it

is only for the fractional part of a second. The manufacture of wire nails is a continuous process.

Mr. CUMMINS. Precisely; I know that. And yet, Mr. President, it is entirely feasible to take a coil of wire that may have been made somewhere else and turn it into wire nails by the very same machine.

Mr. ALDRICH. It is possible, but not practicable.

Mr. CUMMINS. I am not prepared to admit that; but however that may be, it does not disturb the fact that I have stated.

Again, take cut nails. There is a duty imposed upon them here of $8 a ton; and yet the very iron sheets or the steel sheets out of which the nails are cut have more duty than $8 a ton. I am inclined to think that a duty of $8 a ton is quite enough on cut nails; but it can not be differentiated when you put a duty upon the material out of which the nails are made greater than the duty that the nails themselves have.

I have not risen to present any amendment at the present time; but I have had it in mind at least to express my views in regard to some of these important tonnage products of iron and steel in a series of amendments, and I shall do that whenever it is most convenient to the Finance Committee, or when the bill reaches the Senate.

Mr. ALDRICH. I think that perhaps to-morrow I may ask the Senate to take up the structural-iron paragraph. I think the Senator has some amendments that he wants to suggest to that, and the committee desires to readjust the language of that paragraph.

Mr. CUMMINS. Very well; I shall be very glad to present them at that time.

Mr. ALDRICH. I think they might be presented then.

Mr. BACON. I should be very glad if the Senator from Rhode Island, if the information he has just given is important, would let us have it, because we could not hear a word he said over here. I have some such design as the Senator from Iowa has just expressed it, and I should like to know what was the Senator's response to him.

Mr. ALDRICH. I said that to-morrow, perhaps, I would ask to have taken up the structural-iron paragraph. The Senator from Iowa [Mr. CUMMINS] has some amendments which he desires to offer, and the committee desires to make a change of phraseology. I thought we might take that matter up to-morrow.

Mr. BACON. The question I want to ask the Senator is this: Do I understand that the entire metal schedule is open to amendment or only such paragraphs——

Mr. ALDRICH. No. I said to the Senator from Iowa that I would not object to taking up now any suggested amendment that he has to offer. Of course the whole metal schedule is not open; but I am willing to agree as to any substantial amendment or as to any desire to change something that——

Mr. BACON. It is open as to a particular paragraph, but not as to the whole schedule.

Mr. ALDRICH. Not as to the whole schedule.

Mr. CUMMINS. Mr. President, I could not hear the last suggestion.

Mr. ALDRICH. I said that I did not consider the whole metal schedule open, of course, for amendment, but I am quite willing to listen to suggestions of Senators who desire that some particular paragraph may be amended.

Mr. CUMMINS. Mr. President, it is perfectly obvious that if one offers an amendment or amendments to a certain part of a paragraph and that amendment or those amendments are adopted, it might involve changes in some other paragraphs.

Mr. ALDRICH. Undoubtedly. If the Senate should change its mind with reference to articles or items which would involve changes in other paragraphs, a further change would be necessary, but I do not apprehend the Senate is likely to do that.

Mr. CUMMINS. I confess I have not that abiding and profound hope with which I entered this debate; it has not expired altogether, however, but it may do so before long under the heat and the adverse vote.

Mr. TILLMAN. If the Senator from Rhode Island will permit me, I should like to know if he is yet ready to give us free cotton ties?

Mr. ALDRICH. I am not yet.

Mr. TILLMAN. When does the Senator expect that discussion will come up?

Mr. ALDRICH. Probably in the next tariff bill.

Mr. TILLMAN. Oh, no; you need not think you are going to get this one passed without having a good long talk—it may be for a week—on that item.

Mr. ALDRICH. I think that, perhaps, to-morrow we may be able to take up the question of a duty on cotton ties. It is my purpose to proceed, as soon as we dispose of this question, to the consideration of paragraph 181. I am taking them as nearly as I can in order.

Mr. TILLMAN. Paragraph 123 has been passed over?

Mr. ALDRICH. Yes.

Mr. TILLMAN. When will it come up?

Mr. ALDRICH. The Senator from Texas is very desirous of being present when paragraph 123 is considered.

Mr. TILLMAN. I do not want to press it now, but I want to get the progress of the Senator's mind toward justice——

Mr. ALDRICH. To-morrow, I should say.

Mr. TILLMAN. If the Senator thinks he will be in a frame of mind to give the southern cotton planters justice to-morrow, I will wait until his conscience relaxes a little. [Laughter.]

The PRESIDING OFFICER (Mr. DEPEW in the chair). The pending amendment will be stated.

The SECRETARY. On page 54, line 3, the committee propose to strike out "one-half," and to insert "three-fourths"——

Mr. BRISTOW. Did paragraph 160 go over?

The PRESIDING OFFICER. No; it did not.

Mr. BACON. The amendment offered has not been disposed of.

The PRESIDING OFFICER. It has been agreed to.

Mr. ALDRICH. I understood the first amendment was agreed to, but I am not sure.

Mr. BACON. I stated that I intended to make some inquiry, but the matter was disposed of so rapidly it was a physical impossibility to do so, and I supposed by general consent it was recognized as open.

Mr. ALDRICH. I have no objection to that.

Mr. BACON. After I had finished what I had to say, I said that after the discussion was concluded I proposed to ask for the yeas and nays upon the proposed amendment upon the proposition to increase the price of nails 100 per cent over——

Mr. ALDRICH. I have no objection to that matter being considered open. I would suggest to the Senator from Georgia that we vote upon both amendments at once.

Mr. BACON. I am willing to do that.

Mr. KEAN. On the amendment increasing one-fourth to one-half and the one increasing one-half to three-fourths.

Mr. JOHNSTON of Alabama. Mr. President, I want to ask the Senator from Pennsylvania [Mr. OLIVER] to give us the prices of nails in foreign countries. He stated that he had that information, and I want to see exactly how high or how low this tariff wall must be before it will rain nails in the United States.

Mr. OLIVER. Mr. President, according to the best information that I can obtain—and I am satisfied that it is authentic—the cost of manufacturing nails in Germany is, on the average, the equivalent of $1.36 per keg of 100 pounds each; in France, $1.40; in Belgium, $1.34. The average freight from points of production in those countries to New York is about 14 cents a keg, making the cost, free on board at New York, $1.50 a keg for the German nails, $1.54 for the French nails, and $1.48 for the Belgian nails. If to this you add the duty of half a cent a pound, you will get, in round figures, a net cost of $2 per keg delivered in New York. The cost of manufacturing nails in this country, on the average sizes, during the calendar year of 1907 was $1.94 per keg, and the average freight from the mill to New York was 17 cents, so that with half a cent duty, or, as proposed in the amendment, with an average duty of 62½ cents per keg, the foreign manufacturers could put their nails into New York on about an equality with our manufacturers.

I want to say right here, Mr. President, while the duty of 25 cents a keg, or $5 a ton, may not seem much, that I manufactured nails for years and years, and was satisfied with a profit of 5 cents a keg. The business is a close one; it is not subject to heavy profits. Nails are a staple article; they are sold in large quantities; and the manufacturer, of necessity, must be satisfied with a very small profit. So that this difference, if persisted in, would, in my opinion, inevitably give the South Atlantic and the Pacific trade entirely to the German manufacturers, who are standing ready to seize it at any moment.

Remember, Mr. President, that, in fact, the duty proposed in the Payne bill is less than the rebates which are given by the syndicate managers in Germany to the manufacturers as a bonus for export. The German manufacturer of wire products receives cumulative rebates from his associates in the same line of manufacture, which in these wire products run up as high as $5 a ton, so as to enable him to sell his goods in foreign countries at a lower price than he sells them to his own fellow-countrymen. The very thing which our people condemn the foreigners encourage. That is the reason why I am so insistent in endeavoring to have this very moderate duty maintained upon this great item of manufacture, which runs to something like fifteen or twenty million dollars a year to our people.

Mr. McLAURIN. Mr. President, according to the last statement of the Senator from Pennsylvania, instead of this being a tariff of 25 per cent, it is a tariff of more than 33⅓ per cent ad valorem. Whatever there is in the proposition that there ought to be equally as high a tariff on the importation of wire as upon the importation of nails, one thing is certain, namely, that the tariff on wire has not been sufficient to prevent the importation of wire. A great deal of wire has been imported and none exported. The tariff on nails has been sufficient practically to prevent any importation at all of nails, and there has been a large exportation of nails. That being so, I do not see how it can be claimed that the law has done any injustice to the manufacturers of wire nails, and I do not see how any injustice could be done by leaving the rate as it was in the House bill.

As was said, and well said, by the Senator from Georgia [Mr. BACON], wire nails are used a great deal and in great quantities by the farmers all over this country, and not only by the farmers, but by a great many other people in a great many other callings all over the country. There ought not to be anything done that would raise the price of nails to the people who consume them. I do not see any good reason for adopting the amendment and increasing the rates that were sent to us by the House of Representatives.

I hope when this amendment is voted upon that it will be, as suggested by the Senator from Georgia, by yeas and nays, and that it will be voted down. I should like to see that done; but I can not say that I hope it will be done, because the committee has been supported and sustained in so many efforts that have been made to raise the prices of manufactured products to the consumers that I can not say that I have any hope that that will be done; but I should like very much to see the amendment of the committee voted down.

Mr. BACON. I want to call attention to the fact that the duty is really greater than that suggested by the Senator from Mississippi [Mr. McLAURIN]. Under the suggestion of the Senator from Rhode Island [Mr. ALDRICH], both of those amendments are to be voted upon together. As the bill came from the House, the duty upon the larger sizes was one-fourth of 1 cent per pound and upon the smaller sizes one-half of 1 cent per pound, so that the average duty as provided in the House bill is greater than one-fourth; it is between one-fourth and one-half, according as the larger amount may be on the smaller nails or on the larger nails. If the Senator from Rhode Island will pardon me, I did not catch what the last amendment is. What is the amount?

Mr. ALDRICH. It reduces it from 1 cent to three-fourths of a cent. It increases the House rate from one-half to three-fourths of a cent, and reduces the existing rate from 1 cent. In other words, it is a quarter of a cent advance on both sides from the House bill.

Mr. BACON. According to the last amendment, then, it will be three-fourths of 1 cent a pound on the small sizes?

Mr. ALDRICH. On the small sizes.

Mr. BACON. And half a cent on the large sizes?

Mr. ALDRICH. That is right.

Mr. BACON. So that the average duty is more than half a cent; it is between one-half and three-quarters of a cent. I thought attention should be called to that. If it were half a cent, the duty would be about 33⅓ per cent upon the value of the imported article. But with the larger duty upon the smaller sizes, if they are of equal value in importation or in product in this country, which is the relative consideration, it would be nearer 50 per cent than 33⅓ per cent.

Mr. BRISTOW. Mr. President, it seems to me, with an exportation of nearly $2,000,000 worth of these nails, that we are not in much danger of foreign competition at home with a duty of 25 cents a keg. If the nail manufacturers of this country can compete abroad with those of Germany and sell $600 worth of our manufactured products abroad for every dollar's worth that is imported, it seems to me there is no justification for a duty of half a cent a pound. We made in this country, according to these figures, more than $24,000,000 worth in 1904, while the importations were practically nothing. We are exporting six hundred times as much as we import; and yet there is a proposition here to sustain this duty.

Mr. PENROSE. Mr. President, I ask unanimous consent to have printed in the RECORD a concise statement of the whole situation regarding wire nails.

The PRESIDING OFFICER. The Chair hears no objection. The matter referred to is as follows:

WIRE NAILS.

The duty in the Payne bill is 50 per cent less than the Dingley law. The duty on nails 1 inch in length and not lighter than No. 16 gauge, which constitutes the bulk of the production, is thereby reduced from $11.20 per gross ton to $5.60 per gross ton, or 50 per cent.

The total production in the United States in 1907 was 11,731,044 kegs of 100 pounds, valued at $27,450,642 approximately, of which companies outside the United States Steel Corporation produced 3,609,344 kegs, valued at $8,445,865. The amount paid by the manufacturers for cooperage, staves, and hoops to mills in the West and South totaled $1,407,725.

Taking New York as a basis for importation, the average price of domestic nails f. o. b. New York, including extras over base sizes, was $2.34 per keg of 100 pounds.

At the present time the average domestic price is about $2.05 per keg of 100 pounds f. o. b. New York and seaboard cities, taking approximately the same rate of freight.

The cost of production abroad of manufacturers favorably situated for export, so far as ascertainable, is as follows:

	Germany.	France.	Belgium.
Manufacturing cost per 100 pounds	$1.36	$1.40	$1.34
Freight to United States Atlantic ports	.14	.14	.14
Total	1.50	1.54	1.48

In the British Board of Trade Inquiry Report into German Industrial Conditions, dated April 10, 1908, page 333, wages of wire drawers are given at 27 marks ($6.48) to 33 marks ($7.92) per working week of sixty-three hours, as against $15 to $24 paid in the United States, according to the skill of the employee. In the same report laborers' wages are shown at $4.32 to $5.04. In the mills in this country laborers are paid $10 to $14. This among other things explains one of the conditions that make for lower costs in Europe.

The average commercial cost of wire nails, of the principal manufacturing interests of the United States, based on the operations for the calendar year 1907, were $1.94 per keg of 100 pounds at the mill, plus freight to New York, at 17 cents per keg, made the total cost $2.11 per 100 pounds for that year. From these figures it will be seen that the average commercial costs of the principal interests for wire nails, laid down in New York or at other Atlantic seaboard points, based on a keg of 100 pounds, are 61 cents higher than the German cost, 63 cents higher than the Belgian cost, and 57 cents higher than the French cost. According to these figures, it will be readily seen that the reduced rates of duty contained in the Payne bill on this commodity will permit the dumping of German, Belgian, and French manufacturers of wire nails at all of our Atlantic seaboard points. The condition is worse on the Pacific seaboard, for the reason that the European manufacturers, on account of low ocean freight rates, as compared with our railroad rates from Pittsburg and Chicago to the territory, have the advantage over and above the situation on the Atlantic seaboard of about 40 cents per 100 pounds.

Because government statistics show exportations representing about 7 per cent to 8 per cent of the domestic consumption and comparatively little imports, the Finance Committee seemed to think that this commodity could stand a considerable reduction. Exports of wire nails, largely of special sizes and packing not used in the United States, are exported largely to Japan, China, and Australia, the Far East, and also Mexico and South American countries. The manufacturers of wire nails in this country have cultivated this business by catering to the special requirements of consumers in those countries, and have also been enabled to compete with European manufacturers by favorable ocean freight rates to the countries with which the great volume of this business is done.

If the very low rates reported in the Payne bill are allowed to stand, European manufacturers having low costs and favorably located for export will be enabled to dump their products on our Atlantic and Pacific seaboard points at prices lower than the cost of domestic manufacturers. This is bound to have a serious effect upon a great many domestic manufacturers of wire nails depending upon our Atlantic, Gulf, and Pacific coast territories for a market. For this reason it would seem that the rates in the Dingley law are none too low to protect manufacturers on our Atlantic and Pacific seaboards, whose costs are high. In any event it would seem that the rates on this commodity should not be lower than four-tenths cent per pound on the base sizes and three-fourths cent per pound on all other sizes.

The exports, according to the Department of Commerce and Labor, during 1907 amounted to 945,034 kegs, valued at $2,367,544, equal to $2.40 per keg of 100 pounds, total exports representing about 8 per cent of the domestic production.

Prices obtained for export are slightly higher than the average price for home consumption, for the reason that thinner gauges are used. The nails are put up in paper packages and are packed in strong wood boxes to enable them to withstand many transshipments to their ultimate destination. Domestic nails are packed in kegs, cost of such packing being about 25 per cent cheaper than export packing.

The manufacturers of wire nails, particularly the independents, are a unit in stating that if the rates in the Payne bill become a law that both the Atlantic and Pacific coast trade on wire nails will be lost to the American manufacturer.

Labor enters largely into the production of this article, being fully 60 per cent of its total cost from the ore up, and requires a duty equivalent to four-tenths cent per pound for nails 1 inch in length and not lighter than No. 16 gauge (wire gauge) and three-fourths cent per pound on less than 1 inch in length and lighter than No. 16 wire gauge.

The rate in the Payne bill of one-fourth cent per pound would mean the closing down of a large number of plants. Even Canada, which grants a duty of six-tenths cent per pound to her manufacturers, would supply the trade contiguous to the American border, while millions of kegs per annum would be exported from Europe to the seaboard points. A reasonable protection is all that is asked, and four-tenths cent per pound would still leave a reduction of $2 per ton from the present rate, equivalent to 20 per cent. The bounties paid by the various syndicates to wire-nail manufacturers in Germany amount to $6 per ton, from which it will be seen that the German competitors of wire-nail manufacturers in the United States receive in bounties more than the rate of duty proposed in the Payne bill.

Wire nails, cost of manufacture.

FOREIGN AND DOMESTIC.

	United States North Atlantic ports.	United States Pacific ports.	United States Gulf ports.
UNITED STATES.			
Manufacturing cost	$43.55	$43.55	$43.55
Freight, mill to United States seaboard	3.58	19.04	5.50
Cost United States seaboard	47.13	62.59	50.05
GERMANY.			
Manufacturing cost	30.60	30.60	30.60
Freight, mill to United States seaboard	3.00	8.75	3.40
Duty, Dingley tariff	11.20	11.20	11.20
Duty-paid cost United States seaboard	44.80	50.55	45.20
FRANCE.			
Manufacturing cost	31.60	31.60	31.60
Freight, mill to United States seaboard	3.00	8.75	3.40
Duty, Dingley tariff	11.20	11.20	11.20
Duty-paid cost United States seaboard	45.80	51.55	46.20
BELGIUM.			
Manufacturing cost	30.00	30.00	30.00
Freight, mill to United States seaboard	3.00	8.75	3.40
Duty, Dingley tariff	11.20	11.20	11.20
Duty-paid cost United States seaboard	44.20	49.95	44.60

The PRESIDING OFFICER. The question is upon the amendment offered by the committee to paragraph 160. On that the Senator from Georgia [Mr. BACON] asks for the yeas and nays. Is there a second?

The yeas and nays were ordered, and the Secretary proceeded to call the roll.

Mr. BRIGGS (when his name was called). I have a pair with the senior Senator from Maryland [Mr. RAYNER], and therefore withhold my vote.

Mr. FLINT (when his name was called). I am paired with the senior Senator from Texas [Mr. CULBERSON]. I transfer the pair to the junior Senator from Kentucky [Mr. BRADLEY], and will vote. I vote "yea."

Mr. JONES (when his name was called). I am paired with the Senator from South Carolina [Mr. SMITH]. I transfer the pair to the junior Senator from Montana [Mr. DIXON], and will vote. I vote "yea."

Mr. McLAURIN (when his name was called). I am paired with the junior Senator from Michigan [Mr. SMITH]. If he were present, he would vote "yea" and I should vote "nay."

Mr. SIMMONS (when his name was called). I am paired with the junior Senator from Illinois [Mr. LORIMER].

Mr. TILLMAN (when the name of Mr. SMITH of South Carolina was called). I wish to announce that my colleague is ill, and hence is absent from the Senate.

The roll call was concluded.

Mr. BRIGGS. I have a pair with the Senator from Maryland [Mr. RAYNER]. I transfer the pair to the senior Senator from Oregon [Mr. BOURNE], and will vote. I vote "yea."

Mr. FOSTER. I desire to inquire whether the senior Senator from North Dakota [Mr. MCCUMBER] has voted?

The PRESIDING OFFICER. He has not voted.

Mr. FOSTER. I withhold my vote. If he were present and voting, I would vote "nay."

Mr. CURTIS. I desire to announce that the Senator from Delaware [Mr. RICHARDSON] is paired with the Senator from Arkansas [Mr. CLARKE], and that the Senator from Wisconsin [Mr. STEPHENSON] is paired with the Senator from Indiana [Mr. SHIVELY].

The result was announced—yeas 41, nays 33, as follows:

YEAS—41.

Aldrich	Cullom	Heyburn	Piles
Brandegee	Depew	Johnson, N. Dak.	Root
Briggs	Dick	Jones	Scott
Bulkeley	Dillingham	Kean	Smoot
Burkett	du Pont	Lodge	Sutherland
Burnham	Elkins	McEnery	Warner
Burrows	Flint	Nixon	Warren
Burton	Frye	Oliver	Wetmore
Carter	Gallinger	Page	
Clark, Wyo.	Guggenheim	Penrose	
Crane	Hale	Perkins	

NAYS—33.

Bacon	Clay	Gamble	Paynter
Bailey	Crawford	Gore	Smith, Md.
Bankhead	Cummins	Johnston, Ala.	Stone
Beveridge	Curtis	La Follette	Taliaferro
Borah	Daniel	Martin	Taylor
Bristow	Davis	Money	Tillman
Brown	Dolliver	Nelson	
Chamberlain	Fletcher	Overman	
Clapp	Frazier	Owen	

NOT VOTING—18.

Bourne	Foster	Newlands	Smith, Mich.
Bradley	Hughes	Rayner	Smith, S. C.
Clarke, Ark.	Lorimer	Richardson	Stephenson
Culberson	McCumber	Shively	
Dixon	McLaurin	Simmons	

So the committee amendments were agreed to.

The PRESIDING OFFICER. The question is upon the adoption of the paragraph as amended.

The paragraph as amended was agreed to.

Mr. ALDRICH. Mr. President, on page 61——

Mr. BACON. I should like to ask the Senator from Rhode Island whether paragraphs 161 and 162 have been finally disposed of?

Mr. ALDRICH. They have.

The PRESIDING OFFICER. They have been disposed of.

Mr. BACON. They were passed over originally.

Mr. ALDRICH. They have been disposed of.

Mr. HEYBURN. I desire to offer an amendment to section 181.

Mr. ALDRICH. That is the paragraph which I have just asked to be taken up.

Mr. HEYBURN. I have two amendments.

The Secretary read as follows:

On page 61, line 3, it is proposed to strike out the word "four" and insert "six," so as to make the paragraph read:

"Monazite sand and thorite, 6 cents per pound."

Mr. HEYBURN. And I also move to amend, on the same line, so that the paragraph will read as follows——

Mr. CLAPP. Mr. President, I should like to know what was done with the amendment just reported.

Mr. ALDRICH. Nothing has yet been done with it.

Mr. CLAPP. I desire to have a vote on it.

The PRESIDING OFFICER. The Senator from Idaho [Mr. HEYBURN] proposes an amendment, which will be stated.

The SECRETARY. Add at the end of the paragraph the following words:

Thorium, oxide of and salts of, and gas mantles treated with chemicals or metallic oxides, 60 per cent ad valorem. Gas mantle scrap, consisting in chief value of metallic oxides, 20 per cent ad valorem.

Mr. ALDRICH. Mr. President, the committee will accept these amendments.

The PRESIDING OFFICER. The question is upon the adoption of the amendments.

Mr. DOLLIVER. Mr. President, I should like to have the chairman of the Finance Committee make a statement as to the effect of this amendment upon the industry of manufacturing these gas mantles. This industry is one that seems to be very widely scattered over the country, and it seems to have been very hard hit by the provisions of the House bill.

Mr. ALDRICH. I think the proposition as originally made by the Senator did not take care of mantles, but the suggestion now made takes care of mantles fully, and, as I say, satisfactorily to all the manufacturers of mantles in the United States.

Mr. DOLLIVER. The complaint that came to me was that the rates imposed upon this sand and thorite operate as a very great burden upon them.

Mr. ALDRICH. They would certainly do so, if the old duty had not been allowed to remain on mantles, but the adjustment which is now suggested by the amendment reported by the committee takes full care of the manufacturers of mantles.

Mr. CUMMINS. Mr. President, I should like to have the amendment reported.

The SECRETARY. On page 61, line 3, it is first proposed to strike out "four" and insert "six," so that it will read:

Monazite sand and thorite, 6 cents per pound.

And after the word "pound," it is proposed to insert the following words:

Thorium, oxide of and salts of, and gas mantles treated with chemicals or metallic oxides, 60 per cent ad valorem. Gas mantle scrap, consisting in chief value of metallic oxides, 20 per cent ad valorem.

Mr. CUMMINS. I should like to inquire how much monazite sand has been imported into the United States in recent years; and why is a duty put upon the sand?

Mr. SMOOT. I will state that of late years there has been very little of the sand imported here, for the reason that the Brazilian Government controls virtually all of the sand in the world outside of the United States. But in this amendment, if the Senator will notice, we have made a reduction from 25 per

cent on gas mantle scrap to 20 per cent. That is done to assist the independent gas mantle manufacturers of this country. And we have increased the duty on thorium from the present rate of 25 per cent to 60 per cent, and have also included in that advance the gas mantles themselves. So that while the mantle manufacturers of the country have, in the past, had but a duty of 25 per cent, we have now included that in the rate of 60 per cent with the thorium.

Mr. CUMMINS. Mr. President, I am entirely in sympathy with the committee with regard to most of what has been stated by the Senator from Utah; but I do not see why there should be a duty upon the monazite sand. We know, I suppose, that the Brazilian monazite sand is of two kinds—one that is obtainable along the shore, that has practically been purified by the action of nature, and the other the interior Brazilian monazite sand. In this country, as I am advised, the sand has not yet been greatly exploited. Why should we exclude the raw material by putting so heavy a duty upon it if it be true that so heavy a duty is laid upon thorium itself?

Mr. HEYBURN. Mr. President——

Mr. CUMMINS. I can not see how we can be helped by giving to a certain company in this country—which, I understand, has practically the only workable plant now in operation—a chance to monopolize the market.

Mr. SMOOT. In relation to monopoly of the sand, I will say that I am strongly of the belief—in fact, I know positively—that the Welsbach people do not control all the monazite sand in this country. It is being mined—and the Senator from Idaho will inform the Senator as to the extent of operations—in Idaho, in North Carolina, in South Carolina, and to some extent in Connecticut.

The only reason, it seems to me, why a duty of 6 cents should be maintained upon the sand now, is that at some future time shipments may come in here and close up our mines—that is, the mining of the thorite or the monazite sand itself. We feel, therefore, that the duty should be maintained, although I will frankly state to the Senator that at the present time, with only one or two manufacturers, I doubt very much whether it has any considerable effect upon the price of the sand.

Mr. HEYBURN. Mr. President, this question is rather new to the commercial world. On the 1st day of July the power will be turned upon the first important monazite mill that has been established in the western country. Until an investigation of black sands was made a few years ago, by virtue of a provision of law, it was not suspected that these sands existed in that section in any considerable quantities. But the investigation disclosed the fact that they were more generally found than had been supposed, and in what is known as the "Boise Basin" they were found to exist in great quantities. Capital was immediately interested; and they started in, some two years ago, to develop the mining of these sands. They have now expended something over $100,000. I have here a photograph of their mills and works, but it is sufficient to say that on the 1st day of July they will start operating this mill.

The quantity of these monazite sands is very large. The Government has examined and reported upon them, and they are estimated to exist in sufficient quantities to supply, with the development that will naturally follow, as it is sure to do in the case of any profitable enterprise, all the sands that may be needed in this country. This will avoid the importation of the sands that now come in practically through Germany—that is to say, from Brazil by way of Germany—and from some other sections of the world. North Carolina has very considerable quantities of this sand, and for a long time that State produced what we used of it. But Germany cut the price, and practically drove the North Carolina sand out of the market. The industry of manufacturing these mantles, and other industries that use the material, have now, in a measure, restored the market—not completely so, because it takes some time to construct machinery and enter into operation; but it is safe to say that with the duties proposed by this amendment the industry will, at a very early day, take possession of the American market and will produce all of the material that is needed for our purposes.

Mr. CUMMINS. Mr. President——

The PRESIDING OFFICER. Does the Senator from Idaho yield to the Senator from Iowa?

Mr. HEYBURN. I yield.

Mr. CUMMINS. May I ask a question? What proportion of thorium is found in the Idaho monazite sand?

Mr. HEYBURN. About 4 per cent.

Mr. CUMMINS. Does the Senator think that can be worked or mined profitably?

Mr. HEYBURN. Oh, that has been demonstrated. It is not claimed by anyone that these sands are not of a good character and a firm basis for prosperous enterprises.

Mr. CUMMINS. One more word. Is the company that is organized to work the Idaho sands connected in any way with the manufacture of the mantles?

Mr. HEYBURN. Not at all. I am personally acquainted, and have been for many years, with some of the men who are connected with this industry. It is one of the things that has sprung up in the local community because of the discovery of the existence and value of these deposits. I will say that the discoveries are being extended all the time, and it is impossible to say at this time where they will end.

Mr. CLAPP. Mr. President, the men who are engaged in the independent manufacture of gas mantles in this country are very much opposed to this measure.

Mr. ALDRICH. Oh, no; not opposed to it.

Mr. CLAPP. Yes; they are. I have received letters from them to that effect.

Mr. LODGE. Will the Senator permit me a moment?

Mr. CLAPP. Yes; with pleasure.

Mr. LODGE. There are in my State a number of independent manufacturers of mantles, and I have looked into this matter with the greatest possible thoroughness. The mantle manufacturers objected to this on the ground that they would have no protection at all if mantles came in at a very low rate of duty and a high duty were placed on the material essential to their manufacture. They had no objection if they were given a compensating duty, such as this amendment gives; and they had no objection to the duty being placed on thorium. I have had long letters from all of them.

Mr. CLAPP. I am not questioning the letters that the Senator from Massachusetts has. I have had letters of the kind I mentioned from the beginning of this session, the last one this morning.

What I propose to say is this: I had intended, first, to call for the yeas and nays; but I am thoroughly satisfied that the committee will carry its amendment. And making a protest on behalf of these people, who feel that the independent concerns are being crushed out by the operation of these various amendments, I submit the matter without asking for the yeas and nays.

Mr. DOLLIVER. Mr. President, if it be true that the proposition of increasing the duty on gas mantles will probably have the effect of protecting this widely scattered industry against ruinous foreign competition, it can only be, I think, at the expense of the consumers of the article. I feel it my duty to have read to the Senate the protests of the citizens of my own State against the increase of the duty on this raw material.

The PRESIDING OFFICER. The Secretary will read as requested.

The Secretary read as follows:

CITIZENS' RAILWAY AND LIGHT COMPANY,
Muscatine, Iowa, June 19, 1909.

To the Hon. JONATHAN P. DOLLIVER,
United States Senate, Washington, D. C.

DEAR SIR: Our attention has just been called to the fact that there is an amendment offered to the tariff bill now before the Senate recommending that the duty be increased on thorium nitrate from 25 per cent to 45 per cent, plus 60 cents per pound additional. You are no doubt aware that thorium nitrate is used largely, in fact, is the most important element in the manufacture of gas mantles, and all the supply of this product is refined in Germany, taken from monazite sand found on the east coast of Brazil. Some monazite sand is found in North and South Carolina, but we understand that this supply is practically controlled by one concern in this country, who are also the only refiners of monazite sand here. We believe that this concern is connected or controlled by one gas-mantle manufacturer in this country, and that they are behind this movement to increase the duty on thorium, in order to shut out the foreign product, and by so doing give them a monopoly in this country. This would probably result in closing down all of the independent gas-mantle manufacturers in this country.

There can be no good reason why the duty should be increased on thorium except to claim protection to a few who may be fortunate enough to own monazite-sand lands here or encourage the refining of monazite sand in this country. As to the former, like other rare earths, monazite-sand fields will be worked when found in sufficient quantity to warrant it; and as to the latter, if all the thorium used in this country was refined here, it would not require the services, we believe, of more than 100 men yearly, and this would not in any way offset the number that would be thrown out of employment by shutting out the independent manufacturers that must necessarily follow if the duty be more. Furthermore, it would act as a direct check on the gas-lighting business in this country and become a burden on nearly every household and merchant in all the cities throughout our land.

Therefore we appeal to you on behalf of the citizens of this community which we serve, as well as this company, to use your best endeavor to defeat this amendment; and, further, recommend that the duty be increased on manufactured gas mantles; that thorium nitrate be treated as a rare material and put on the free list. By so doing you will not only be encouraging the manufacture of gas mantles in this country, that will mean the employment of many extra men here, but at the same time will have the effect of decreasing the cost of gas mantles, without injury to the mantle manufacturers, and become a great benefit to the gas industry and the users of gas for lighting in this country.

Yours, truly,

E. M. WALKER,
General Manager.

Mr. SMOOT. I wish to say to the Senator from Iowa that I received at least 50 such letters.

Mr. HEYBURN. I got one this morning.

Mr. CULLOM. So did I.

Mr. SMOOT. If we had made no change in the amendment offered by the Senator from Ohio there would have been a great deal in the complaint in the letter just read. But the amendment which has been offered changes that situation entirely. We have no specific duty of 60 cents a pound. We simply put on a duty of 60 per cent ad valorem on thorium and have no specific duty, and in doing that we have also protected the mantle manufacturers themselves. They are on the same basis now as the manufacturers of thorium or the importers.

Mr. GUGGENHEIM. I have a circular from a manufacturer which I would like to have inserted in the RECORD without being read.

The PRESIDING OFFICER. The Chair hears no objection.

The circular referred to is as follows:

FACTS AND FIGURES CONCERNING THE MONAZITE SAND AND THORIUM INDUSTRY IN THE UNITED STATES AND GERMANY.

When Americans began the manufacture and sale of thorium a few years ago, the price of thorium was $6 per pound. Then the German syndicate suddenly lowered it to $3.50 per pound. The Americans were consequently compelled to suspend manufacturing. Then the price was advanced to $4.80, but when the sale was resumed by the Americans the price was recently reduced to $3.70.

To the honorable Members of the Senate and House of Representatives of the United States, Washington, D. C.:

Your attention is respectfully directed to the decline in the monazite and thorium industry in the United States. After spending large amounts of money to establish the business here, the interests concerned have been forced to suspend, and unless your honorable body can extend protection, a great loss will be sustained by a number of American citizens, as will appear.

Thorium is used in the manufacture of incandescent gas mantles, and is extracted by chemical process from monazite sand. Monazite, known as one of the rare and valuable earths, is found in commercial quantities only in Brazil and the United States. It is recovered in the same manner as placer gold, by washing gravel and alluvial soil in sluice troughs.

One man produces from ten to fifteen pounds of monazite sand in a day. In Brazil the monazite miner works for less than 30 cents a day; in North and South Carolina he receives from $1.25 to $1.75, and the industry there has contributed largely to the support of a numerous community, particularly in the mountainous regions where no other occupation is available.

In Brazil the monazite industry is controlled by a German syndicate, under a concession from the Government. All Brazilian monazite mined by the syndicate is taken to Germany and the thorium extracted therefrom.

It requires 16 pounds of monazite to make 1 pound of thorium. With cheap labor in Brazil the Germans obtain monazite for less than 7 cents per pound (official valuation for entry is 6¼ cents. Evans. Imports 1894–1907, p. 636). In the Carolinas the value ranges from 12 to 18 cents. (Mineral Resources of United States for the Calendar Year 1907, p. 793, U. S. Geol. Survey.)

Comparative cost of thorium in the United States and Germany.

UNITED STATES.

16 pounds of monazite, at 16 cents	$2.56

GERMANY.

16 pounds of monazite, at 7 cents	1.12
Advantage in favor of Germany in cost of monazite	1.44

By reason of the cheaper acids and cheaper labor, the cost of reduction in Germany is approximately $1 per pound of thorium. In the United States it is $1.50, making the full comparative cost as follows:

UNITED STATES.

Labor and acids		$1.50
Monazite		2.56
		4.06

GERMANY.

Labor and acids	1.00	
Monazite	1.12	
		2.12
Difference		1.94

Practically four-fifths of the difference is the difference in the value of labor.

When Americans began the manufacture and sale of thorium a few years ago, the price of thorium was $6 per pound. Then the German syndicate suddenly lowered it to $3.50 per pound. The Americans were consequently compelled to suspend manufacturing. Then the price was advanced to $4.80; but when the manufacture was resumed, the price was recently again reduced to $3.70.

The following table of thorium imports, from Imports and Duties, 1894–1907, Evans, page 138, shows the effect of the raising and lowering of prices in order to harass the American manufacturers:

Year.	Quantity.	Value.	Duty.	Value per pound.	Ad valorem rate.
	Pounds.				*Per cent.*
1903	72,900	$244,258	$61,064.50	$3.35	25
1904	71,595	261,282	65,308.00	3.65	25
1905	38,274	200,238	50,059.50	5.23	25
1906	57,802	254,558	63,714.50	4.40	25
1907	88,653	240,128	60,032.00	2.71	25

Note in the above that in 1905, when the value was $5.23 per pound, and the American manufacturer sold his product, the imports fell from 71,595 pounds the previous year to 38,274, and that when the price was reduced the imports rose to 88,653 pounds.

The following table of the production of monazite in the United States from Mineral Resources of the United States for the calendar year 1907, page 793, shows that as the imports of thorium increased the production of monazite decreased correspondingly.

Year.	Quantity.	Value.
1903	[a] 935,000	$95,200
1904	[b] 745,000	85,038
1905	[c] 1,352,418	103,908
1906	[d] 817,275	152,560
1907	[e] 548,153	65,800

[a] Including 3,000 pounds of zircon, valued at $570.
[b] Including the small production of zircon, gadolinite, and columbite.
[c] Including a small quantity of zircon and columbite.
[d] Including 1,100 pounds zircon, valued at $248.
[e] Including 204 pounds of zircon, valued at $46.

Observe the uninterrupted decline on monazite production since 1905, the year in which the imports of thorium were 38,274 pounds, as compared with 88,653 pounds in 1907. Note that in the same interval the production of monazite declined from 1,350,000 pounds in 1905 to only 548,000 pounds in 1907.

These figures, from the Government's own records, show unmistakably the effect of inadequate protection and the results of the efforts of the foreign manufacturers to prevent the continuance of the industry in this country.

Your petitioners pray merely for sufficient duty to equalize the cost in the United States with the cost in Germany. A duty on monazite sand of 8 cents per pound and on thorium of 60 cents per pound and 45 per cent ad valorem would not exclude the German product, but only enable the American manufacturers to compete in this market. No Brazilian monazite sand is at present sold, because the German monopoly prefers to convert the Brazilian monazite sand in Germany; but it is obvious that an advance in the duty on thorium would induce the sale and importation of monazite, to the injury of the American miner.

In the mountainous regions of the Carolinas, where most of the monazite is produced, agriculture is not sufficient to support the inhabitants, and they are consequently compelled to rely to a great extent on the industry of mining monazite. They take the sand into the villages and to the buying stations and receive currency from the thorium manufacturers for it. In many cases almost the only currency received by whole communities is derived from this source, since all vegetable and animal products are required at home. This industry is, however, practically at a standstill at the present time, by reason of the operations of the German monopoly. It is significant to note that since the monazite industry was established in the remote regions of the Carolinas the production and traffic in illicit spirits have stopped.

It is readily seen that protection to the thorium-producing industry would not affect the consumer of mantles. In the first place the duty on mantles is only 20 per cent ad valorem, and that prohibits an advance in the price of mantles, especially in view of the lower wages paid in the mantle factories of Germany. On the other hand, an adequate protective duty to thorium salts would give stability to the thorium and monazite industries and the allied mantle industry without cost to the consumer, as will be seen.

For example, a duty of, say, $1.90 per pound on thorium salts would be equal to about one-half cent on mantles. Mantles are sold to the consumer in multiples of 5 cents, thus, 10 each or 3 for 25 cents, 15 cents each or 2 for 25 cents. If there should be anything added, it would be added to the manufacturer's cost and paid by the jobber or distributer, to whom the distribution of the mantles is but an incident, inasmuch as he handles many other things. But the stability which would result from the protection to the home industry would, in fact, inure to the benefit of the mantle manufacturer, for at the present time he is wholly dependent upon the caprices of the foreign syndicate or trust, which raises and lowers prices in order to destroy competition in thorium here. Some obtain from the syndicate better terms than others, in consequence of which the mantle industry is always unsettled.

Since the monazite deposits in the Southern States are widely scattered over an area of many hundreds of square miles, they never can be brought into a monopoly, and consequently the protection of the thorium industry here would create active competition for the monazite sands here, to the benefit of the inhabitants of the regions mentioned.

From these facts it is seen that protection is needed for the thorium, and an increased duty is urged that would equalize the cost here with the cost in Germany under existing conditions, not giving the American manufacturer any undue advantage, but merely placing him on the same cost basis as the German manufacturer.

Such a duty would result in an increased revenue to the Government, for a time at least, since it would not altogether exclude the foreign thorium, but merely divide the business with the American manufacturer.

Respectfully submitted.

NATIONAL LIGHT AND THORIUM COMPANY,
Youngstown, Ohio.

APRIL 10, 1909.

The PRESIDING OFFICER. The Secretary will read a further paper sent to the desk by the Senator from Iowa [Mr. DOLLIVER].

The Secretary read as follows:

CAPITAL GAS MANTLE COMPANY,
Des Moines, Iowa, June 5, 1909.

Hon. J. P. DOLLIVER,
Washington, D. C.

MY DEAR SENATOR: Referring again to the proposed increase of duty on thorium nitrate, the proposition, as we understand it, is to increase the duty to approximately $2 per pound, on the basis of the present price of this commodity. We, along with the other independent mantle manufacturers of this country, are opposing this increase in duty, recognizing plainly that it would put us out of business.

The Senator from Ohio states that he proposed this duty in the interest of a Youngstown (Ohio) manufacturer of thorium, and we would call your attention to the fact that this Youngstown concern has never been able to supply the American mantle trade with goods, because they were unable to manufacture thorium of a quality such as the trade could use. Their factory in Youngstown burnt down about two years

ago and, having no outlet for their product, they have not rebuilt the same.

The only real beneficiary of the higher duty would be the Welsbach Company, of Gloucester, N. J., and Philadelphia, who own monazite mines in North Carolina, and who manufacture therefrom the thorium nitrate, which is the raw material for their incandescent gas mantles. As they are really the only producers of thorium in this country, and which they need for their own manufactures, we, their competitors in the mantle field, have necessarily to rely on imported thorium made from monazite obtained in Brazil.

It follows that the sole purpose of the proposed higher duty is to eliminate the competition in the mantle field to the Welsbach Company.

It has also been stated that imported thorium nitrate is ruled by a trust. This is not according to the fact. There is indeed a syndicate composed of five manufacturers of thorium, but there are 20 other European factories not in that syndicate. There are also a number of different companies mining the sand in Brazil, who are competitors of each other.

You will see that no monopoly exists now that is harmful to the mantle industry of America, but that it will exist if the proposed raise in the duty on thorium is adopted.

Monazite sand: As to this raw material of thorium nitrate, of which we also wrote you, our opposition claims that mines of this mineral occur in other States than only in North Carolina and Brazil, and that those mines should be protected.

We would point out that deposits in the places cited are the only practical ones in the world, are very large, easily mined, and run from 40 to 80 per cent pure sand.

An effort has also been made, and is now being made, to utilize deposits of this sand which occur in Idaho, but these are impractical and can never become competitors of the larger deposits owing to the poverty of the mineral carrying the sand, which, according to a prospectus of the Centerville Mine and Milling Company, of Chicago, yields but $1 of sand per cubic yard of earth.

The insignificance of the Idaho mine is furthermore illustrated by the fact that their prospectus asks for subscriptions to $10,000 worth of stock at 20 cents a share.

You will pardon our calling your attention to this matter again, but it is all important with us.

Thanking you for your valued effort in our behalf, we remain,

Yours, very truly,

CAPITAL GAS MANTLE COMPANY,
By GEORGE CARR.

Mr. HEYBURN. Mr. President, to anyone conversant with mining this or any other product, the statement that it will yield only a dollar a cubic yard, made for the purpose of discrediting this, would be rather amusing. One dollar per cubic yard upon the processes of hydraulic mining is pretty rich ground in any claim. If you get 50 cents in gold on a cubic yard, you do not need anything else.

Mr. SMOOT. Or 25 cents.

Mr. HEYBURN. Or 25 cents.

Mr. DOLLIVER. If the writer of this letter had known of the versatility of my honorable friend from Idaho, he would never have ventured into a controversy with him as to the product of a manufacture in his State.

Mr. SMOOT. Mr. President——

The VICE-PRESIDENT. Does the Senator from Idaho yield to the Senator from Utah?

Mr. HEYBURN. I do.

Mr. SMOOT. I was going to call attention to the fact that the letter states that the advance, of course, would be $2 a pound on thorium. Certainly the writer has not heard or known anything about the amendment the committee have offered, because the price to-day of thorium in Germany is $2.62, and 25 per cent of that is only 65 cents. So I take it for granted that he must have figured upon what the price was a year ago, and the rate of 60 cents specific duty that was proposed by the Senator from Ohio, which of course we have cut out entirely.

Mr. DOLLIVER. Would it trouble the Senator from Utah to state exactly what the committee proposes to protect?

Mr. HEYBURN. If the Senator from Utah does not mind, I should like to call attention to some facts. Here is a letter from the president of the Centerville Mine and Milling Company, which is a company operating its works at Centerville, Boise County, Idaho. It would be very well, I think, for information for it to go into the RECORD under the circumstances. It is dated June 16 and is written from the Chicago office of the company. It is addressed to myself. It is as follows:

I am in receipt of a copy of a letter written to you by Mr. S. K. Atkinson, engineer for the Centerville Mine and Milling Company, at Centerville, Idaho. The letter was in reference to the monazite industry we have been establishing there, and concerning which I wrote to you a few days ago after receiving a telegram from Mr. Atkinson, in which he repeated your telegram to him—

I telegraphed to the mine for the facts—

I want to call your attention to an apparent discrepancy between his letter and mine. In his letter he said the company to date had expended $45,000 on the properties in the Boise Basin. Mr. Atkinson merely referred to the money that has been spent there since he took hold of the mine, but did not include the money spent there during the year and a half that prospecting and preliminary work were being carried on before Mr. Atkinson took charge. This preliminary work—which, besides prospecting, included the building of dams, the construction of ditches, the installation of monitors, and a small concentrating plant, together with the usual corporation expenses—brings the total amount of money invested in the mine at Centerville to date close to $80,000. This, with the additional money that will be spent within the next two months, will bring the total to about $100,000.

In addition to what Mr. Atkinson has told you concerning the values of gold and monazite in the mine at Centerville, when replying to the statement in your telegram that circulars were being sent out stating our sand was worth only $1 per cubic yard, I would like to say that while the statement, made in a sneering way, that the mine contained only $1 per yard in monazite might make the proposition look ridiculous to the uninitiated, yet this statement made to a man who knows anything about recovering monazite or gold from placer mining tells him at once that the mine is a wonderfully rich one, for he knows that reports of the state geological survey of California show that the several scores of big gold dredges operating there are handling material averaging only 17 cents in gold per cubic yard, and the placer mine that will average 25 cents in gold is considered a very rich mine. But add to this $1 in monazite values per cubic yard and it will immediately become apparent to anyone who will study the subject for a moment that the mine at Centerville must be unusually rich in monazite if it runs $1 a yard, since the monazite is concentrated at the same time the concentration is being made for the gold and they are recovered together. Surely, if it pays to sluice a placer mine for gold that runs 17 cents to 25 cents per cubic yard, it will pay to sluice for monazite when the monazite runs $1 per cubic yard, to say nothing of the gold values.

I have tried to bring out this point clearly, since it was evident from your telegram to Mr. Atkinson you were under the impression, from what had been said or circulated, that a mine that ran $1 per cubic yard in monazite was of no consequence. Instead, it makes it one of the richest monazite mines in the world.

When the same letter that was read here, and others like it were brought in, I telegraphed these parties for information that would be accurate on the subject. Mr. Parkyn says:

In no way can we account for the attack on our modest efforts at Centerville, unless people connected with the German thorium trust, realizing the great monazite values we have in the mine at Centerville, are seeking to minimize our efforts and the value of the mine, and are putting up a fight for reduction of the duty on monazite, thus apparently making a fight over the monazite, which is not a very serious matter, while surreptitiously endeavoring to have the duty on thorium nitrate reduced, for the history of the thorium nitrate business in the United States shows that any independent manufacturer of thorium nitrate has been promptly crushed by the thorium trust; and this move against us may be the first indication of a step in that direction, since it must be evident to the trust that if we are allowed to proceed with our work under the protection of a reasonable tariff we will be able to supply the independent manufacturers of thorium nitrate in the United States with their raw material at a price that will enable them to successfully compete with the foreign trust.

Thanking you for the effort you are making in behalf of the company, and again assuring you that should you desire it, one of the officers of our company will gladly go to Washington to give you any additional information, I am,

Yours, very truly, HERBERT A. PARKYN, *President.*

That is the statement of facts in regard to the mine. I have a great deal of detailed information here, and if the subject is to be one of extended and serious consideration, I would be glad to give the Senate the benefit of it.

Mr. DOLLIVER. Are they producing this there now?

Mr. HEYBURN. They are washing it down, but they start a mill the 1st day of July. I was advised yesterday of that fact.

Mr. DOLLIVER. And this $6 a ton is to protect an enterprise that is about to begin operations?

Mr. HEYBURN. Yes; it is the beginning of an enterprise that will continue for a very long time. I will say that that country up there in which this is found, and in which these conditions exist, is probably 30 miles in length. It is the old placer mines, from which, in 1862 and 1863, over $200,000,000 in placer gold was taken out. At that time they knew nothing of the value of this sand, and allowed it to run down with the tailings.

Mr. DOLLIVER. How much is this sand worth?

Mr. HEYBURN. I can give the Senator the exact figures as to the value of the sand. It has varied. The German trust reduced the selling price in this country to $3.50 per pound, but the price prior to that was $6 a pound. So you can see it varies. They practically drove the North Carolina product out of existence.

Mr. DOLLIVER. It is almost a precious metal, then?

Mr. TILLMAN. How many pounds of monazite will it take to make a pound of thorium?

Mr. SIMMONS. Sixteen pounds.

Mr. HEYBURN. That is like asking how many pounds of quartz it will take to make an ounce of gold.

Mr. TILLMAN. No; I presume there must be a relative proportion of thorium in the monazite.

Mr. HEYBURN. I was going to say the sands are not uniform in richness. I presume I could state the average price.

Mr. SIMMONS rose.

Mr. HEYBURN. Perhaps the Senator from North Carolina has it.

The VICE-PRESIDENT. The Senator from Kansas [Mr. CURTIS] had risen to interrogate the Senator from Idaho.

Mr. SIMMONS. I can give the Senator from Idaho information as to the number of pounds of monazite in my State it takes to make a pound of thorium. It takes exactly 16 pounds of monazite as it is recovered in my State to make 1 pound of thorium.

Mr. HEYBURN. I remember now that is the exact figure I have here. The papers I have not in my hand, but that is the information I was prepared to give.

Mr. CURTIS. I should like to ask the Senator from Idaho if he knows the value of the sand; what the sand sells for per pound?

Mr. HEYBURN. That is a matter of calculation. I have the figures here, which I will give.

Mr. CURTIS. Has there been any development of the industry in your State?

Mr. LODGE. On the basis of $3.50 it would be 25 cents a pound.

Mr. HEYBURN. It is really worth more than that. I have here this article [exhibiting]. This sand here is worth a dollar and something a pound. Here is the product, the thorium.

Mr. CURTIS. The report I have before me shows that it is 9 cents a pound. That is the price, I suppose, of the southern product.

Mr. HEYBURN. I can give you the exact figures.

Mr. LODGE. I only wish to repeat the statement I made as to the attitude of the gas-mantle makers. They desire simply if their raw material is raised that they shall be put on an equality. I have letters here from two large makers of mantles in my State. One of them says:

If the raw material * * * is to have a high rate, we believe the gas-mantle fabric and semi or finished mantles should have an equally high rate.

I will not read the whole passage, but I have marked certain passages which I will ask to have printed with the signatures in the RECORD.

The VICE-PRESIDENT. Without objection, that request will be complied with.

The matter referred to is as follows:

KNIT GOODS SPECIALTY COMPANY,
Chicopee Falls, Mass., June 4, 1909.

* * * * * * *

All we ask is an equitable rate on all classes of goods (raw ramie threads, yarns, and fabrics, thorium nitrate, and the semi or finished mantles). If the raw material is allowed free entry, we will not object to the semi or finished goods coming in free. If the raw material (ramie threads and yarns and thorium nitrate) is to have a high rate, we believe the gas-mantle fabric and semi or finished mantles should have an equally high rate.

We are interested in this phase of the matter, as thorium nitrate has to be used to impregnate the gas-mantle fabric we sell to mantle manufacturers located throughout the United States. If these manufacturers should be driven out by the high rate on thorium, there would be no demand for our goods.

We believe there is a great future for the incandescent gas mantle manufacturers of this country, if they are rightfully treated. Will you kindly do what you can to secure this treatment?

* * * * * * *

Yours, very truly,

KNIT GOODS SPECIALTY COMPANY,
F. E. PATTERSON, *President.*

PERFECTED MANTLE COMPANY,
Springfield, Mass., June 7, 1909.

Hon. HENRY CABOT LODGE,
Senate Chamber, Washington, D. C.

DEAR SIR:

* * * * * * *

The point I wish to make is this, that if the duty on thorium is raised there should be a corresponding rise in the duty on manufactured mantles, otherwise the American manufacturer outside of Welsbach will have not only the increased cost of raw material to contend with but will have to face competition of Welsbach and the German trade combined, as the German mantles coming in at a low duty will be able on account of the low cost of labor in their country to easily compete with Welsbach, and unquestionably undersell the other American manufacturers if they are compelled to pay exorbitant prices for raw material.

I will cite one case which has come under my personal observation within the past six weeks, that is, of a large German manufacturer of incandescent mantles for use on kerosene burners, who, in attempting to hold their trade in competition with the kerosene mantle made by our concern, cut the price $2 per hundred and, I understand, are ready to make a further concession if by so doing they can hold their present contract.

By actual tests our mantles have proved of greater efficiency, both in durability and candlepower, than the imported article, yet at a difference of from $2 to $4 per hundred, we can not hope to enter into competition with the imported goods. Even should the duty on raw material be kept on the present basis with no increase, there should, in my opinion, be an increase on the imported manufactured mantle sufficient to offset the difference between the present duty and that on the raw material which we have to pay.

Thanking you for your courtesy in this matter, I am,

Respectfully, yours,

PERFECTED MANTLE COMPANY,
W. S. PRATT, *Treasurer.*

Mr. DOLLIVER. If the Senator from Idaho will pardon me, it appears there never has been but one year in which any of this material has been imported. A rate of 6 cents a pound would make an equivalent ad valorem of 95 per cent.

Mr. HEYBURN. We imported in 1903, 72,990 pounds; in 1904, 71,595; in 1905, 38,274; in 1906, 57,892; in 1907, 88,653.

Mr. CURTIS. Will the Senator permit me a minute on the question asked by the Senator from Iowa? I think the difficulty is that thorium is imported in the form of concentrated solutions of thorium nitrate and classified as a chemical compound.

Mr. DOLLIVER. Monazite sand and thorite as described in the act of 1897 are reported in the book of Imports and Duties under that name, but there appear to be no statistics of the importation except in the year 1902, when 190 pounds, worth $12, was imported and paid a duty of 6 cents a pound, the duty being $11.40, which is an equivalent ad valorem of 95 per cent.

Mr. HEYBURN. I have given the figures of the imports.

Mr. SIMMONS. Mr. President——

The VICE-PRESIDENT. Does the Senator from Idaho yield to the Senator from North Carolina?

Mr. HEYBURN. Certainly.

Mr. SIMMONS. I can give the Senator from Iowa the imports into this country of thorium, beginning in the year 1893, if that is what he desires.

Mr. HEYBURN. I will say to the Senator that I have just read that table from 1893 to 1897. I should like to give the information requested by the Senator from Kansas. I have it in compact form.

I have here the comparative cost of thorium in the United States and Germany. In the United States 16 pounds of monazite make 1 pound of thorium, at 16 cents, $2.56. In Germany, 16 pounds of monazite, at 7 cents, make $1.12. The cost is, in Germany, $1.12, as against $2.56, leaving the advantage in favor of Germany in the cost of monazite $1.44.

Then there are other advantages in Germany than those of labor. They have cheaper raw material. They take the monazite sent from Brazil and other countries to Germany, and from Germany export it to this country, so it does not come directly from Brazil in quantities.

When Americans began the manufacture and sale of thorium a few years ago, the price of thorium was $6 a pound. Then the German syndicate suddenly lowered it to $3.50 per pound. The Americans were consequently compelled to suspend manufacturing. Then the price was advanced by the Germans to $4.80, and when the manufacture was resumed the price was recently again reduced to $3.70. That is the way they have been playing with our market, because of conditions that have existed. The American producers have not been well equipped heretofore for cheap production or for profitable production.

I have the report of the United States Geological Survey in regard to this matter, but I doubt the necessity or wisdom of entering into it.

Mr. SIMMONS. We can not hear the Senator over here.

Mr. HEYBURN. I say I have the report of the United States Geological Survey in support of this statement, and other authentic information, but I had thought it was not necessary to go into this question at length, inasmuch as the amendments I have offered have been accepted by the committee. They have given a great deal of investigation to this question and are thoroughly familiar with it. There has been a bringing together of various conflicting interests here and harmonizing all of them, until every element, from the producer of sand to the manufacturer of the product, is satisfied with this result.

Many of the letters which Senators are receiving were written before this amendment was perfected, in anticipation of a less favorable condition. The amendment is the result of a general agreement among parties that they shall receive a fair measure of protection and at the same time protect the producer of this country and tend to build up an independent source of production that will not leave us at the mercy of the foreign market.

Mr. BULKELEY. Mr. President——

The VICE-PRESIDENT. Does the Senator from Idaho yield to the Senator from Connecticut?

Mr. HEYBURN. Certainly.

Mr. BULKELEY. Mr. President, the use of these nitrates in this country, I understand, is very limited. The use at present is almost entirely confined to the manufacture of mantles for gas or kerosene burners. The product is practically indestructible, along the same line as asbestos, and it is used for that reason in the manufacture for the filaments of the mantles. It is not destroyed. The sale of the mantle after the thread filaments are destroyed, all these nitrate products, is just as great as the sale of the original product itself.

All the remonstrances that have come here are apparently of a stereotyped character, and they have all come from gas companies, that are not usually looked to for really valuable information in the interest of the public.

Mr. CURTIS. Now, if I may interrupt the Senator——

The VICE-PRESIDENT. Does the Senator from Idaho yield to the Senator from Kansas?

Mr. HEYBURN. Certainly.

Mr. CURTIS. I will state to the Senator the objection I have received to the increase of this duty comes from the dealers in mantles, the small dealers. I have received a large number of letters from them; none from gas companies, but from dealers in mantles.

Mr. BULKELEY. I will say that the letters that were read from the desk were what I referred to. I have several of the same character myself.

Mr. CURTIS. I have received a number of such letters.

Mr. BULKELEY. I am not opposing a duty on this article, even for the protection of the mantle manufacturers. I shall vote for it, as I have voted for every protective duty that has been presented to this Senate.

Mr. BEVERIDGE. Mr. President——

The VICE-PRESIDENT. Does the Senator from Idaho yield to the Senator from Indiana?

Mr. HEYBURN. I do.

Mr. BEVERIDGE. Just for a question. If we do not produce as much as we consume in this country, that is one of the cases, I guess, where all protectionists agree that the duty would be added to the price. That, I believe, is correct, is it not?

Mr. HEYBURN. I had not called attention to this production, but its extent would probably surprise the Senator somewhat. It is not very large, because it is not the character of product that runs up into the millions of tons. In 1893 we produced in the United States 130,000 pounds only; in 1894 we produced 546,855 pounds; in 1895 we produced 1,573,000 pounds. Then we ran up against the German competition, and it was cut down in 1896 and 1897 to 30,000 and 40,000 pounds, respectively; but the uses for the product were growing and multiplying, so that the influence of German competition was not so disastrous or potent, and it began to grow up again. In 1898 we produced 250,776 pounds; in 1899 we produced 350,000 pounds; in 1900 we produced 968,000 pounds. We dropped down to 748,000 in 1901; in 1902 we went up to 802,000; in 1903 to 865,000; in 1904 we produced 745,000, but we produced some by-products that year in the same line. In 1905 we produced 1,352,418; in 1906 we produced 847,275; and in 1907 we produced 548,152 pounds. Now we are struggling backward and forward with the German market.

Mr. BEVERIDGE. It would appear, then, Mr. President, that this is a pretty far-reaching industry at present under the existing rates, unless the Senator means to absolutely shut out all competition of every kind; but, even then, enough is not produced for our use. Where that happens to be the case it is one of the few instances where all protectionists believe that the duty is added to the price that goes into the mantles. These mantles go into every common home in the land. It means, in the end, especially if you also not only increase the duty upon the raw material, but upon the mantles, that the persons who will be injured will be the people who buy the mantles. By the way, may I ask from what was the Senator reading?

Mr. HEYBURN. I was reading from the geological report of the Government of the United States.

Mr. BEVERIDGE. Just one thing before the Senator sits down, and that was called to my mind by the remark of the Senator from Connecticut [Mr. BULKELEY], or perhaps by the remark of the Senator from Idaho himself, as to where this appeal comes from; that it was from the manufacturers of gas mantles, and that the people who buy them have not appealed to us. Well, I have heard that statement repeatedly in reference to nearly everything, that the people themselves are not asking for it. How are they going to do so, as a practical matter? There is nothing more foolish. A family buys a mantle, and because they do not write to the chairman of the Committee on Finance from all over the United States asking for a reduction it is said that the people are not demanding it. The truth about it is——

Mr. HEYBURN. The Senator will thank me for saying to him that the people do not buy the mantles at all, but that the gas companies supply the mantles.

Mr. BEVERIDGE. I suppose the people come into this at some place, do they not?

Mr. HEYBURN. No; except in the use of them.

Mr. BEVERIDGE. It is another place where the people have nothing to do with the tariff.

Mr. HEYBURN. I do not know whether the people in the country with which the Senator is familiar use these mantles or not or whether he ever saw them used.

Mr. BEVERIDGE. I intend to read a short letter in a moment——

Mr. HEYBURN. Let me finish this statement.

Mr. BEVERIDGE. I shall not do so now, but after the Senator has gotten through I intend to present it. The matter is called up by what the Senator has read, that the resistance to this increase was evidently the machination of some manufacturers.

Mr. HEYBURN. The Senator is mistaken. I have not stated that. Some other Senator suggested that it might be construed in that way.

Mr. BEVERIDGE. The Senator did not, but it was something which he read.

Mr. HEYBURN. I was merely reading from a letter. If the Senator is not familiar with the use of this particular article, I think he would find it safe to advise himself about it. This mantle stands between coal oil and candle and electric light. It is an intermediate stage of the growth of the lighting processes of this country. We see more of it on the frontier, a great deal more in those new countries than you would see here; perhaps you would see more of it in a month than you would see here in a lifetime. Where facilities for producing electric light have not yet been brought about, they use these mantles or these various substitutes for gas or for gas burners. The use of them passes away as fast as they can get electric lights.

Mr. CURTIS. I should like to ask the Senator from Idaho if he knows how many people are engaged in this industry?

Mr. HEYBURN. I could very readily ascertain. I have the data here. If the Senator thinks it important, I shall try to get the information for him.

Mr. CURTIS. If there are only a few, of course——

Mr. HEYBURN. Mr. President, there are a great many, and there will be a great many more. The question is, Shall we develop a great home industry and produce an article of necessity, or shall we allow its production to go unprotected or unencouraged until some other tariff bill is made, and in future bring this article from abroad?

Mr. CURTIS. It has had protection for ten years, and there has not been much development of the industry.

Mr. HEYBURN. Mr. President, there are very many things that have not been developed in this country, especially in the mountainous country; and that is not surprising. It has been four years since these parties had their first suggestion, out of which their enterprise has grown. They have not been idle a day. They have been industriously engaged in bringing together the necessary conditions. There are a great many miles of flume—I will not undertake to say offhand how many, but probably 30 miles—which they cut from the solid rock. Those people have been working day and night to prepare themselves to produce this article, and I have the absolute facts here.

I have photographs of the buildings in process of construction, of the great rock cuts coming down through those mountains, that were constructed by the hand of labor, hammer, and drill. It has taken pretty nearly four years to bring together the elements that will make a success out of this enterprise. That will go on being repeated for years in the mountainous countries.

The Geological Survey says that there are many States containing these deposits. Let us see what they say:

> Appreciable quantities of monazite are found in gravel and sand beds in parts of California, Colorado, Idaho, Indiana, Montana, Nevada, New Mexico, Oregon, South Dakota, Texas, Utah, Washington, and Wyoming.

From all of those States the Geological Survey has brought actual test results, and you can get just as extended information—yes; there may be monazite mines in Indiana; and then the Senator had better be a little cautious how he denounces an enterprise that may some day be demanding his attention——

Mr. BEVERIDGE. Mr. President, the industries of Indiana do not ask that the entire American people shall be taxed for their special and particular benefit where the duty does go onto the price, as in this case.

Mr. HEYBURN. I am sorry to say that there was some evidence of that last fall, but the Senator is not in sympathy with it.

Mr. BEVERIDGE. I did not understand the Senator.

Mr. HEYBURN. There was some evidence of the fact that they did not need any protection, or thought they did not, last fall. That is not said in the way of reproach, but it is a justifiable pleasantry.

Now, Mr. President, I do not believe that the Senate desires that I shall go at greater length into this question. I desire to place in the RECORD, with the consent of the Senate, two letters in the form of statements that will convey some information.

The VICE-PRESIDENT. Without objection, the statements will be printed in the RECORD as requested.

The statements referred to are as follows:

SWORN STATEMENT OF ALEXANDER P. WHITE IN REPLY TO IMPORTERS AND MANTLE MAKERS.

CITY OF WASHINGTON, *District of Columbia, ss:*

Alexander P. White, being duly sworn according to law, deposes and says that he is the vice-president of the National Light and Thorium Company; that the said company with great effort and expense successfully established the manufacture of thorium from monazite sand; that in the year 1905, when the company began the production of said material on an extensive scale, it manufactured and sold upward of 25,000 pounds of a total consumption in this country of about 150,000 pounds; that in that year the lowest price in the United States of the thorium exported from Germany by the German trust, which controls the product outside of the United States, was $6 per pound; that coincident with the marketing of the said 25,000 pounds the imports of the material declined from 71,595 pounds the previous year to 38,274 pounds in 1905; that thereupon the said German trust reduced the selling price in this country to $3.50 per pound, thus compelling deponent's company to suspend manufacture, whereupon the imports rose to 57,892 pounds in 1906 and 88,653 pounds in 1907, after which the price was advanced to $4.80, at which price it remained until after the publication of the Payne tariff bill. Thereupon the price was again reduced and the material sold at prices varying from $3.40 to $3.70, which is less than the cost of production in United States. Coincident with this last reduction the agents of said German trust announced that they had the American producer where his "career was at an end," and that it was to the interest of the consumer to trade only with agents of said trust, lest his supply be cut off.

At the same time the said trust's agents bid up the price of mantle-factory waste, from which the thorium contents are recovered, to prices beyond its value, the avowed object being to prevent it from going into the hands of the domestic thorium producers. (See letter of Bauer to Solar Light Company, January 22, 1909, and affidavits of Granger Hartley and C. B. White.)

Deponent avers that systematic and persistent efforts by falsehood, intimidation, and coercion have been made by agents of said German trust to destroy the business of deponent's company, and, he is informed, also the business of other concerns competing with said German trust. (See letter from Peerless Light Company, Chicago, to Chemical Refining Company, March 11; letters Hipwell Manufacturing Company to same company February 1, February 11, and March 4, 1909.)

Deponent further states that, in pursuance of the efforts to destroy the business of his company, it has been subjected to serious inconvenience and great loss and damage by interference with the conduct of its manufacturing operations. By persons unknown, its employees have been corrupted. Substances of a highly deleterious nature, such as calcium (lime), were on different occasions secretly introduced into the unfinished compounds, causing great trouble and loss and involving unusual trouble and expense in order to guard against repeated attempts to ruin its business.

Deponent also states that if the industry is protected by a tariff duty, all the thorium nitrate, amounting to about 150,000 pounds per year, consumed in this country can and will in time be produced from monazite sand mined in this country. Deponent has spent months in the mountainous regions of North and South Carolina, engaged in an investigation of the occurrence of monazite in those States; that its presence is easily observed, and that he has seen it on areas extending over several hundred square miles; that the United States Geological Survey Report of 1907 states that the field covers 3,500 square miles; that it has been commercially mined there continuously since 1894, and that owing to the extent of the deposits it can not be controlled by any trust or combination. Deponent also is credibly informed that it also occurs in many of the Western States, and that it is especially abundant in Idaho, where the industry of mining it has also been established.

Deponent also states that the proposed duty of 60 cents per pound and 45 per cent ad valorem will not prohibit imports; that since the Germans can produce thorium for $2 per pound, the duty will not even fully restore the price in this country to the price existing prior to March of this year; that the proposed duty can not damage the mantle manufacturer, especially since it adds but about a quarter of a cent to the mantles which retail from 10 to 35 cents each.

Deponent also avers that the larger manufacturers of mantles not affiliated with the said German trust are in favor of a duty which will preserve the thorium industry and maintain competition in this country. Deponent is informed and believed that some of the mantle makers have been coerced into making remonstrance against the proposed duty by intimation that their supply will be cut off when the American manufacturers are forced out.

Deponent also believes that it is not the intention of the said German trust to keep down the price longer than necessary to destroy the American industry, and that after competition here is thereby removed, the price will be restored or an attempt made to control the production of gas mantles in this country.

Deponent also avers that there are no combinations among the thorium manufactures; that they are in open and unrestrained competition; that the industry is open to all with energy and capital; that the processes of manufacture are widely known, and neither the processes nor devices used for the practice thereof are controlled by patents.

ALEXANDER P. WHITE.

Sworn and subscribed to before me this 8th day of June, 1909.

[SEAL.] BENJ. VAIL, *Notary Public.*

BOISE COMMERCIAL CLUB,
Boise, Idaho, June 14, 1909.

Senator W. B. HEYBURN,
Washington, D. C.

DEAR SENATOR: Mr. Atkinson has informed me that he has received a telegram from you in regard to his monazite mine, stating that circulars are being sent out discrediting his property. In order to offset what these blackmailers are saying, I want to state that there is no question but what they have a large amount of monazite in their ground; that they are developing the same in a systematic way and are constructing a large plant to treat not less than 300 tons per day, which will be in operation not later than July 1. The men interested in the proposition are prominent and reliable business men; they are spending a great deal of money in this section for labor and supplies, and are paying their bills promptly.

I have seen a copy of the letter which Mr. Atkinson has written you, and in order that there will be no misunderstanding I want to explain where he states that the virgin ground carries an average value of 50 cents per ton in gold. This, as you know, is extremely rich placer ground and could be worked without any by-products, but, owing to the fact that part of this ground and adjacent ground was worked in the early days, when only rich pockets were being taken out, nearly their entire ground is covered with tailings, and in order to get at the virgin ground these tailings must be moved. This could not be done if it were mined for gold values alone, but by saving the monazite and other precious metals they can also mine the rich ground which has not been touched. They hydraulic about 1,000 yards per day, and after this has gone over the grizzlies about 300 tons of the fine stuff is run through their mill, from which the monazite is extracted. From this you can readily see that the ground does not average 50 cents per yard in gold, and it must be mined for all the metals which are contained in there in order to make it pay; but with the method they are using, and under the excellent management of Mr. Atkinson, I am confident that they will make a success, and I trust you will use every effort to prevent any reduction in the tariff on this metal, as well as convince the blackmailers that the proposition is absolutely legitimate.

Yours, truly,

A. E. CARLSON,
President Boise Commercial Club.

Mr. BURTON. In connection with the discussion of the monazite question, I ask unanimous consent that the pamphlet issued by the National Light and Thorium Company, which I send to the desk, be inserted in the RECORD.

The VICE-PRESIDENT. In the absence of objection, permission is granted.

The matter referred to is as follows:

FIGURES AND FACTS V. INNUENDO.

Many hundreds of copies of the circular letter reproduced below are being sent to gas companies, dealers in gas mantles and gas appliances generally, with the request that they be signed and sent to Members of the United States Senate and House of Representatives.

It will be noted that the circular omits to state—

That the proposed increase in duty will not even fully restore the price of thorium nitrate to the price prevailing ninety days ago, when the German trust cut the price in order to destroy the American competition. (See affidavit and correspondence following.)

That the price was then, and had been throughout the year 1908, $4.80 per pound.

That on the basis of the present entry value, $2.60, plus the proposed duty, $1.77, the cost would be $4.37, or 43 cents less than the price the past year.

That the proposed increase over the present price is equal to only about one-fourth of a cent on a mantle, which is sold to the consumer at from 10 cents to 35 cents each.

That the reduction in the price from $6.13 per pound, the price in 1906, was brought about by the competition of the thorium manufacturers—the same interests whom the petitioners would for a selfish purpose now strike down.

That the Germans did not reduce the price for the benevolent purpose of helping the consumer, and that the price will undoubtedly be advanced when the competing thorium manufacturers are destroyed, which is inevitable unless protection is extended.

That the failure to protect the thorium industry will destroy also the monazite industry and deprive several thousand persons in the remote regions of the Carolinas of means of earning a livelihood by mining monazite. The industry is already practically at a standstill. It will also prevent the development already underway in the Western States.

The circular referred to is as follows:

To the Hon. ———— ————,
Washington, D. C.

DEAR SIR: Our attention has just been called to the fact that there is an amendment offered to the tariff bill that is now before the Senate, recommending that the duty be increased on thorium nitrate from 25 per cent to 45 per cent plus 60 cents per pound additional. You are no doubt aware that thorium nitrate is used largely, in fact, is the most important element, in the manufacture of gas mantles, and all the supply of this product is refined in Germany, taken from monazite sand found on the east coast of Brazil. Some monazite sand is found in North and South Carolina, but we understand that this supply is practically controlled by one concern in this country, who are also the only refiners of monazite sand here. We believe that this concern is connected or controlled by one gas-mantle manufacturer in this country, and that they are behind the movement to increase the duty on thorium in order to shut out the foreign product, and by so doing give them a monopoly in this country. This would result probably in closing down all the independent gas-mantle manufacturers in this country.

There can be no good reason given why the duty should be increased on thorium, except to claim protection to a few who may be fortunate enough to own monazite-sand lands here or encourage the refining of monazite sand in this country. As to the former, like other rare earths, monzanite-sand fields will be worked when found in sufficient quantity to warrant it, and, as to the latter, if all the thorium used in this country was refined here, it would not require the services, we believe, of more than 100 men yearly, and this would not in any way offset the number that would be thrown out of employment by shutting out the independent manufacturers that must necessarily follow if the duty be more. Furthermore, it would act as a direct check on the gas-lighting business in this country and become a burden on nearly every household and merchant in all the cities throughout our land.

Therefore we appeal to you on behalf of the citizens of this community, which we serve, as well as this company, to use your best endeavor to defeat this amendment, and further recommend *that the duty be increased on manufactured gas mantles, thorium nitrate be treated as a rare material, and put on the free list.* By so doing you will not only be encouraging the manufacturing of gas mantles in this country, that will mean the employment of many extra men here, but at the same time will have the effect of decreasing the cost of gas mantles without injury to the mantle manufacturers, and become a great benefit to the gas industry and the users of gas for lighting in this country.

Yours, truly,

————— —————.

(Note that instead of making definite and specific statements from knowledge the circular says "we understand," "we believe," and so forth, depending merely on innuendo for the impression.)

Few of the people induced to sign these remonstrances know anything about the thorium industry. They know that thorium is used

for incandescent gas mantles. They do not know, however, that the industry in Germany is in the absolute control of a trust that brooks no opposition, and that persistent and systematic efforts have been made to destroy all competition.

Bearing on the policy of the German trust, we quote from Mineral Industries, 1906, volume 15, which can be seen in any large library:

"In January, 1906, the German thorium convention, which controls the monazite and thorium nitrate industry, decided to kill all competition in thorium nitrate by suddenly dropping the selling price to $6.43 per kilogram less 3 per cent discount. Early in 1894 thorium nitrate was sold at $476 (equal to $216 per pound) per kilogram, but dropped in price year by year, being maintained during the period from May, 1904, to January, 1906, however, at $12.61 per kilogram. The sudden drop spread consternation throughout the gas-mantle manufacturing trade. The result has been disastrous to the small thorium works outside the ring with large stocks of high-priced material on hand. Some suspended operations, others went bankrupt, and the thorium convention was left completely master of the situation."

The following specimen letters and affidavits reveal the methods of the importing agents of the German thorium trust to destroy competition in this country:

F. M. BAUER,
New York, January 22, 1909.

SOLAR LIGHT COMPANY, *City.*

GENTLEMEN: This letter is to ask if you will kindly let me know at what price I can buy clippings and ash from you.

It is very important that the clippings and ash should not be sold to the domestic thorium manufacturers, as I find out that they manufacture cheap thorium, and sell the same to mantle manufacturers, putting them in a position to make a cheap product, and undersell you in the market right and left, and by so doing ruin the price of mantles.

It is the utmost interest to you that this should be done away with, and I request you to write me in confidence advising me at what price you will sell me ash, and in this connection I beg to say that I can pay $4.25 for ash and for clippings $1.75.

Hoping to hear from you, I am,
Yours, very truly,
F. M. BAUER.

(Mantle clippings are the portions trimmed off mantles to make them symmetrical. "Ashes" represent mantles broken in process of manufacture. Both these things correspond in this art to scrap iron in the iron industry.)

STATE OF NEW YORK,
City and County of New York, ss:

Arthur Otis Granger, president Auer Incandescent Light Manufacturing Company, Montreal, Canada, being duly sworn, deposes and says: That on March 23, 1909, he held a conversation with F. M. Bauer, one of the agents of the German thorium convention, the subject of said conversation being the question of the supply of thorium nitrate to said deponent. Said Bauer informed said deponent that the *price of thorium nitrate had been reduced for the purpose of "freezing" out the manufacturers of domestic thorium nitrate;* that they, the importers, were now in such a position that they could prevent the domestic manufacturers from *securing a supply of raw material,* and that, in consequence, they would be driven out of business; that the foreign manufacturers, his principals, controlled the *only available sources of raw material,* Brazilian monazite, and that the career of the domestic manufacturers was *at an end,* or words to that effect.

ARTHUR OTIS GRANGER.

Sworn and subscribed before me this 20th day of May, 1909.
[SEAL.] F. W. ELLIOTT,
Notary Public.

PEERLESS LIGHT COMPANY,
Chicago, March 11, 1909.

CHEMICAL REFINING COMPANY,
Brooklyn, N. Y.

GENTLEMEN: We wish to report to you that we are being offered $4.40 per pound for mantle ashes and $2.20 per pound for trimmings. Kindly advise us how you wish us to handle this matter in the future. Do you want us to ship the goods in the future at this price?

We understand that *the importers are working hard to keep you from producing thorium, and we have helped you at our own disadvantage right along in sending you this material,* but we hope that you will be in a position to meet other quotations for the time being. We understand that unless you do some tall thinking you will lose 250 pounds of ashes, which is on hand at the office of the People's Gas Light and Coke Company of Chicago, as they will sell it for $4.40 if you don't get after them.

Yours, truly,
PEERLESS LIGHT COMPANY,
A. S. HIRSKOWITZ, *Secretary.*

MONAZITE QUANTITIES.

Concerning the status of monazite, the mineral from which thorium is made, we quote from the reports of the United States Geological Survey. The report for the calendar year 1907 says:

"Up to the present time the production for commercial purposes has come entirely from North Carolina and South Carolina. The area in which deposits of monazite of commercial value have been found in these States lies in the central part of western North Carolina and in the extreme northwestern part of South Carolina. This area covers about 3,500 square miles and includes part or all of Alexander, Iredell, Caldwell, Catawba, Burke, McDowell, Gaston, Lincoln, Cleveland, Rutherford, and Polk counties, in North Carolina, and Cherokee, Laurens, Spartanburg, Greenville, Pickens, Anderson, and Oconee counties, in South Carolina."

It is obviously impossible to control this great territory.

The report for the same year (1907) also states:

"Appreciable quantities of monazite are found in gravel and sand beds in parts of California, Colorado, Idaho, Indiana, Montana, Nevada, New Mexico, Oregon, South Dakota, Texas, Utah, Washington, and Wyoming. In samples of sands from some of these States the tests made by the United States Geological Survey concentrating plant at Portland, Oreg., indicated rich deposits. In Idaho samples of sands tested indicated a wide occurrence of monazite and zircon, often associated with gold, in the gravels. Near Centerville, in the Boise Basin, Idaho, mining for monazite was undertaken in 1906 and continued in a small way through part of 1907."

* * * * * * *

In 1907, as compared with 1906, there was a decrease of 204,207 pounds in quantity and of $86,558 in value. This large decrease in production is due to several causes, among which were the small amount of mining done by some of the companies as compared with 1906, and the closing out of one company in the first half of the year 1907. The lack of activity in mining was brought about by the continued low price of thorium nitrate, with a consequent drop in the price of monazite from 18 to 12 cents per pound for refined sand.

HOUSE OF REPRESENTATIVES,
Washington, June 9, 1909.

Mr. A. P. WHITE, *Washington, D. C.*

MY DEAR SIR: I have been informed that the importers of thorium are claiming that the monazite mines of North Carolina are exhausted. This, to my own knowledge, is untrue. The mines have been abandoned on the ground that the monazite miners have been unable to compete with the prices established by the German manufacturers of thorium nitrate. The monazite in North Carolina occurs in an area embracing many square miles, and it is my opinion that it would be a physical impossibility to exhaust it in many years of extensive operation. In short, I think there is enough there for everybody, and that it is only a question of greater wages as to how much is taken from the earth. I hope the industry can be protected, as it affords employment to many people in the remote parts, who need it.

Respectfully,
JOHN G. GRANT.

(MR. GRANT represents in the House the Tenth North Carolina District, in which there are large deposits of monazite.)

The thorium manufacturers in the United States are as follows:
National Light and Thorium Company, Youngstown, Ohio.
Chemical Refining Company, Brooklyn, N. Y.
Thorium Chemical Company, Maywood, N. J.
Welsbach Light Company, Gloucester, N. J.

These factories are at present producing only about enough to maintain their organizations. The Welsbach Light Company uses its thorium product; the others sell it.

Some of the mantle-manufacturing concerns, which are widely scattered about the country, already are practically dominated by the German thorium trust.

For several years until the current year about as much thorium was produced in this country as was imported. Now production is practically at a standstill here. If the Treasury statistics be examined, it will be found that the German trust rushes thorium into this country when it nominally drops the price abroad.

Respectfully submitted.

NATIONAL LIGHT AND THORIUM CO.,
By A. P. WHITE, *Vice-President.*

YOUNGSTOWN, OHIO.

SYNOPSIS OF ARGUMENTS FOR INCREASED DUTY ON THORIUM.

Price of imported thorium, including 25 per cent ad valorem duty under the Dingley law:

	Per pound.
1900	$4.60
1901	4.60
1902	4.60
1903	5.45
1904	6.10
1905	6.13
1906	3.70
1907	4.55
1908	4.80
1909	3.87

The average price of thorium for the past five years (1904 to 1908) has been $5.05 per pound.

The price during 1908 was $4.80 per pound.

The present entry price ($2.60 per pound) plus the proposed duty would be $4.16 per pound, or 64 cents less than the price in 1908, and 89 cents below the average price for the past five years.

Prior to the Dingley law, thorium was not an article of commerce. Under the Dingley law thorium has been dutiable at 25 per cent ad valorem under the blanket provision for chemical compounds.

In general use there are two sizes of mantles: One is 3¼ inches long, the other 4¼ inches long; the diameter of all sizes is uniform, being about 1⅛ inches; 60 per cent of the mantles used are of the 3¼-inch size; these run from 275 to 375 per pound of thorium.

The remaining mantles (the inverted styles) run about 400 to 550 mantles to a pound of thorium. The average of thorium in all sizes and styles is about 15 grains of thorium to each mantle. This makes the total cost of thorium to each mantle about 1 cent.

Until the expiration of the patents, mantles retailed at from 15 cents to 50 cents each. At this time thorium was selling at around $14 per pound.

Since the expiration of the patents, from 1898 to 1900, the retail price has remained practically stationary at from 10 cents to 35 cents each.

Mr. SIMMONS. Mr. President, I do not desire to discuss this question. I simply want to make a statement as to this industry in my State. Most of the facts that I desired to call to the attention of the Senate have already been recited by the Senator from Idaho [Mr. HEYBURN]. I will content myself simply with the statement that in recent years the recovery of monazite sand and the production of thorium nitrate, a product of these sands, has become a very important industry in about a dozen counties in my State. The Geological Survey, referring to the industry in North Carolina, said it is scattered in that State over an area covering about 100 square miles. Much capital is invested in manufacturing thorium and many men are employed in recovering the monazite out of which it is made. In some localities of my State it is one of the chief industries.

I know, Mr. President, that at one time that industry in my State was a very prosperous one. At the time it was started thorium was selling in this country at $6 a pound, and at that price the production of both monazite and thorium was remunerative; but in recent years the price has fallen, until thorium is now selling for only about $3 a pound, that being less than the cost of production. As a result of that, I am advised by

representatives of this industry in my State that nearly all the plants in that State had to be closed, and but few are now in operation. They advised me that it is utterly impossible for them to meet the prices of the foreign thorium trust.

As the Senator from Idaho has shown, during the last three years the importations of thorium into this country have very greatly increased, growing from 38,274 pounds in 1905 to 88,653 pounds in 1907—more than double. During this period the production in this country of monazite, out of which thorium is made, has correspondingly fallen off.

The domestic production of monazite sand in 1905 was 1,352,418 pounds, and in 1907, 548,152 pounds; that is to say, Mr. President, that in the last three years the importations of thorium have doubled and the domestic production of monazite sand has fallen off about two-thirds.

The men who are engaged in these industries in my State are men of the highest character. They are among the best citizens in the section in which they live, and are entirely reliable. I have felt that it was due them that I should present to the Senate these general facts with reference to their business, as they have presented them to me.

Mr. BRISTOW. I desire to ask that the letter which I send to the desk, bearing upon this question, be read.

The PRESIDING OFFICER (Mr. GALLINGER in the chair). In the absence of objection, the letter will be read as requested.

The Secretary read as follows:

THE SUNSHINE MANTLE COMPANY,
Chanute, Kans., June 1, 1909.

Senator JOSEPH L. BRISTOW,
Washington, D. C.

DEAR SIR: We are informed that an effort is being made to have the duty on thorium nitrate raised quite materially; in fact, so much as to practically stop the importation of this article.

As you know, thorium nitrate is extracted from monazite sand. There is some monazite sand found or mined in this country, but only a little, and that is found in North and South Carolina and in Virginia. We understand also that a company in this country has practically a monopoly on this monazite sand. This being so, a material advance in the duty on thorium nitrate would work a great hardship on probably 99 per cent of the manufacturers of gas mantles in this country, for thorium nitrate is the principal ingredient in gas mantles.

The company that has a monopoly on this monazite sand in this country is directly interested, or very closely identified, we understand, with the Welsbach Company. Hence an advance in duty on thorium nitrate would work to the advantage of the Welsbach Company and greatly to the disadvantage of all other companies in the United States manufacturing mantles. The Welsbach Company is only one of probably 100 or 125 different concerns in this country manufacturing mantles; and while their production is probably the largest of any one factory, still the combined output of all the factories aside from the Welsbach makes a large majority of the mantles manufactured in this country.

The thorium nitrate used by the factories other than the Welsbach factory is imported from Germany, the monazite sand being found or mined in Brazil and shipped to Germany, where the thorium nitrate is extracted. Should the advance in duty on thorium nitrate which is sought at this time by, we will say, the Welsbach Company, or those interested in this company, be brought about, it will mean that the other factories in the United States will be compelled to close up because of the fact that the Welsbach Company would then be in a position to undersell us to such an extent that we could get no business, or if we got business, get it at absolutely no profit.

If this condition should prevail again, as it did prevail some ten or fifteen years ago, when the Welsbach Company had the entire field, the prices would very likely advance, until the consumer would be paying from 30 cents to 50 cents for a mantle which he can now buy for from 10 cents to 25 cents. We all know that fifteen years ago the prevailing price of an incandescent gas mantle was 50 cents. At that time the Welsbach Company had no competition. To-day the prevailing price of a gas mantle is not to exceed 15 cents. This reduction has been brought about by competition, and we certainly hope you will do what you can to prevent the advance in duty on thorium nitrate, which would bring about a condition which prevailed some twelve or fifteen years ago and which would also be the cause of driving out of business something like 100 prosperous industries scattered over the United States.

There are two factories in the State of Kansas manufacturing gas mantles, one at Wichita and this one here. And I believe I can safely say that we will be compelled to go out of business if the duty on thorium nitrate should be advanced to the figure sought by those now endeavoring to have it advanced.

We sincerely hope you will consider the vital importance this matter is to all of the mantle manufacturers using German thorium, and that you will use your influence to the extent of your ability to prevent a condition being brought about that will work a hardship or injustice to a lot of manufacturers in favor of some one or two manufacturers. The industry of extracting thorium nitrate from the monazite sand is as nothing compared with the industry of manufacturing gas mantles. So it appears to us there can be no argument in favor of protecting that very small industry of extracting thorium nitrate from the sand, especially in view of the fact that a protective tariff to protect that industry would be the means of practically destroying larger and more important industries.

Believing that your every effort will be to bring about results that will do the greatest good to the greatest number of our citizens, we are,

Yours, truly,

THE SUNSHINE MANTLE COMPANY,
SETH J. BAILEY, *President.*

Mr. BRISTOW. Mr. President, it was said by some Senator in discussing this question that these letters were practically machine made, and all alike. I had the letter read to demonstrate that they are not coming from one source. There is a manufacturing establishment in Kansas that feels this increased duty will work a great hardship and would compel it, in a measure, to buy the raw material which is used in the manufacture of such mantles from its competitor, which is a strong institution in this country. I think it is very unjust to enact such legislation. I ask that the letter which I now send to the desk may be printed in the RECORD. It is an argument along the same lines, but not a stereotyped letter.

The PRESIDING OFFICER. In the absence of objection, the letter will be printed in the RECORD.

The letter referred to is as follows:

THE INCANDESCENT LIGHT AND SUPPLY COMPANY,
Wichita, Kans., May 21, 1909.

Hon. J. L. BRISTOW,
Washington, D. C.

DEAR SIR: We understand an effort is made by the miners of monazite sand of North Carolina to have the duty on thorium nitrate raised so as to practically stop importations of the same.

We wish you to take such steps as are necessary to prevent this for the following reasons:

Monazite sand is the raw material for thorium nitrate. It is found in North and South Carolina, and Virginia, in North America, and in Brazil in South America. The North American product is almost exclusively bought and worked up into thorium nitrate by the Welsbach Company, of Philadelphia, Pa., and Gloucester, N. J. The Brazilian sand is shipped almost exclusively to Germany where it is converted into the thorium.

We being competitors of Welsbach, can naturally not buy our thorium from them, which in its turn forms the raw material for our product, incandescent gas mantles. We must therefore draw our supplies of thorium from Germany, and if the imported product is raised in duty, and therefore in cost to us, it will favor our said competitor unduly, in fact, may drive us out of the market, as he could sell his finished mantles at a large profit below our cost.

The output of incandescent gas mantles is hard to establish accurately, but for the purpose of this argument, and based on the most generally accepted opinion, we will assume that the 80 or 90 mantle manufacturers who use imported thorium produce a total of 50,000,000 mantles per year, against a yearly production of 30,000,000 mantles of the Welsbach Company.

The manufacture of thorium nitrate is extremely difficult and expensive, and there are but a very few chemists in the world capable of producing a serviceable nitrate. There are probably only five or six, of which the Welsbach Company has one, while the others are employed in European factories.

It would therefore be impossible for us in any contingency to manufacture our own raw material, especially also because the deposits of monazite sand which occur in this country are largely controlled by Welsbach.

Should Welsbach through the tariff obtain a monopoly of the manufacture of mantles in this country, this would have an effect on the consumer which can perhaps best be judged by the record of the past.

From 1890 to about 1898, Welsbach had the mantle field to himself, with the exception of some small and unimportant competitors from whom he had nothing to fear. His prices to the public at that time ranged from 35 to 50 cents per mantle. These prices have since then, through growing competition, been reduced until similar quality of mantles can now be bought from 10 to 15 cents. It is not an unreasonable assumption that in the aforesaid event consumers would have to pay the former excessively high prices. Gas mantles having become a staple article, almost as necessary as sugar and coffee, practically every citizen of the United States would necessarily suffer.

As our existence is at stake, we recommend this most important matter to your most careful attention and effort.

Yours, very truly,

THE INCANDESCENT LIGHT AND SUPPLY COMPANY,
F. A. REED, *Secretary.*

Mr. BRISTOW. It seems, Mr. President, that an effort has been made to satisfy the manufacturers of mantles by increasing the duty on imported mantles; that is, it is proposed to increase the duty on the raw material from which the mantles are made, and then, in order to satisfy the manufacturer, who has to pay more for the raw material or buy it from his competitor, it is proposed to increase the duty so that he can sell his product enough higher to make up the additional cost which he has to pay for his raw material. The public, which uses these articles, is being milked for the benefit of a few establishments under this schedule, the same as it has been in hundreds of other items that have been enacted into this bill. For one, I want to stand here and protest against it as unjust to the American people and to those who are compelled to buy these articles that are used in every home where gaslight is used.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Idaho.

Mr. DOLLIVER. I ask for the yeas and nays.

The yeas and nays were not ordered.

Mr. DOLLIVER. I suggest the absence of a quorum.

The PRESIDING OFFICER. The absence of a quorum being suggested, the Secretary will call the roll.

The Secretary called the roll, and the following Senators answered to their names:

Aldrich	Burkett	Crawford	Dillingham
Bacon	Burrows	Cullom	Dolliver
Bailey	Burton	Cummins	du Pont
Bankhead	Chamberlain	Curtis	Elkins
Borah	Clapp	Daniel	Fletcher
Briggs	Clark, Wyo.	Davis	Flint
Bristow	Clay	Depew	Foster
Bulkeley	Crane	Dick	Frazier

Frye	Lodge	Page	Smoot
Gallinger	McCumber	Paynter	Stone
Gamble	McEnery	Penrose	Sutherland
Guggenheim	Martin	Piles	Taylor
Heyburn	Money	Root	Warner
Johnson, N. Dak.	Nelson	Scott	Warren
Johnston, Ala.	Oliver	Shively	
Jones	Overman	Simmons	
Kean	Owen	Smith, Md.	

The PRESIDING OFFICER. Sixty-five Senators have answered to their names. A quorum of the Senate is present.

Mr. DOLLIVER. I desire to renew my request for the yeas and nays on the pending amendment.

The yeas and nays were ordered.

Mr. BULKELEY. As I understand, the question is on the committee amendment.

The PRESIDING OFFICER. On the amendment of the Senator from Idaho.

The Secretary proceeded to call the roll.

Mr. BRIGGS (when his name was called). I have a pair with the senior Senator from Maryland [Mr. RAYNER]. I transfer that pair to the senior Senator from Oregon [Mr. BOURNE], and vote. I vote "yea."

Mr. FLINT (when his name was called). I am paired with the senior Senator from Texas [Mr. CULBERSON]. He is absent, and I withhold my vote. If he were present, I should vote "yea."

Mr. JONES (when his name was called). I am paired with the junior Senator from South Carolina [Mr. SMITH]. I transfer the pair to the junior Senator from Montana [Mr. DIXON], and will vote. I vote "yea."

Mr. MONEY (when Mr. MCLAURIN's name was called). My colleague is paired with the junior Senator from Michigan [Mr. SMITH].

Mr. OVERMAN (when his name was called). I notice that the senior Senator from California [Mr. PERKINS] is not in his seat. I have a general pair with him, and therefore withhold my vote.

Mr. SHIVELY (when his name was called). I am paired with the junior Senator from Kentucky [Mr. BRADLEY]. I transfer the pair to the junior Senator from Colorado [Mr. HUGHES], and will vote. I vote "nay."

Mr. SIMMONS (when his name was called). I have a pair with the junior Senator from Illinois [Mr. LORIMER].

The roll call was concluded.

Mr. BACON. On this vote I am paired with the Senator from New Hampshire [Mr. BURNHAM], and therefore withhold my vote.

Mr. FLINT. I transfer my pair with the senior Senator from Texas [Mr. CULBERSON] to the junior Senator from Wisconsin [Mr. STEPHENSON], and will vote. I vote "yea."

Mr. FLETCHER. I wish to announce that my colleague [Mr. TALIAFERRO] is detained by committee work, and is paired on this vote.

Mr. DILLINGHAM (after having voted in the affirmative). I desire to inquire whether the Senator from South Carolina [Mr. TILLMAN] has voted?

The PRESIDING OFFICER (Mr. GALLINGER in the chair). The Chair is informed he has not voted.

Mr. DILLINGHAM. Then, I am compelled to withdraw my vote, having a pair with him.

The result was announced—yeas 39, nays 24, as follows:

YEAS—39.

Aldrich	Cullom	Heyburn	Penrose
Borah	Depew	Johnson, N. Dak.	Piles
Brandegee	Dick	Jones	Root
Briggs	du Pont	Kean	Scott
Bulkeley	Elkins	Lodge	Smoot
Burrows	Flint	McCumber	Sutherland
Burton	Frye	McEnery	Warner
Carter	Gallinger	Nixon	Warren
Clark, Wyo.	Guggenheim	Oliver	Wetmore
Crane	Hale	Page	

NAYS—24.

Bankhead	Clapp	Dolliver	La Follette
Beveridge	Crawford	Fletcher	Martin
Bristow	Cummins	Foster	Money
Brown	Curtis	Frazier	Nelson
Burkett	Daniel	Gamble	Paynter
Chamberlain	Davis	Johnston, Ala.	Shively

NOT VOTING—29.

Bacon	Dillingham	Owen	Stephenson
Bailey	Dixon	Perkins	Stone
Bourne	Gore	Rayner	Taliaferro
Bradley	Hughes	Richardson	Taylor
Burnham	Lorimer	Simmons	Tillman
Clarke, Ark.	McLaurin	Smith, Md.	
Clay	Newlands	Smith, Mich.	
Culberson	Overman	Smith, S. C.	

So Mr. HEYBURN's amendment was agreed to.

Mr. ALDRICH. I ask that the paragraph as amended be agreed to.

The PRESIDING OFFICER. Without objection, the paragraph as amended will be agreed to.

Mr. ALDRICH. I ask now to take up paragraph 154, on page 52; and I offer the following committee amendment.

The PRESIDING OFFICER. The Senator from Rhode Island offers the following amendment to paragraph 154, which will be reported.

The Secretary read as follows:

As a substitute for paragraph 154, insert the following:

"154. Files, file blanks, rasps, and floats of all cuts and kinds, 2½ inches in length and under, 25 cents per dozen; over 2½ inches in length and not over 4½ inches, 50 cents per dozen; over 4½ inches in length and under 7 inches, 65 cents per dozen; 7 inches in length and over, 80 cents per dozen.

Mr. BACON. May I ask the number of that paragraph?

Mr. ALDRICH. Paragraph 154. It is the committee amendment.

Mr. BACON. Mr. President, I beg the Senator's indulgence, but I could not, from the reading, catch the effect of the paragraph. What is it?

Mr. ALDRICH. It substitutes specific for ad valorem duties, and reduces the rates below those of the existing law about 15 per cent, on the average.

Mr. BACON. What is the fact with reference to its relations to the House rates?

Mr. ALDRICH. The rates are practically the same as the House rates except that the amendment substitutes specific for ad valorem rates.

Mr. BACON. Otherwise it is practically the same?

Mr. ALDRICH. Yes.

The PRESIDING OFFICER. The question is on the amendment offered by the Senator from Rhode Island.

The amendment was agreed to.

The PRESIDING OFFICER. Without objection, the paragraph as amended will be agreed to.

Mr. ALDRICH. I now ask that paragraph 343, relating to oilcloth, be taken up. And I want to invite the attention of the Senator from Iowa——

Mr. GUGGENHEIM. Before leaving the metal schedule, I want to offer an amendment that I have. I believe we are leaving the metal schedule now?

Mr. ELKINS. Yes.

Mr. GUGGENHEIM. Mr. President, I have an amendment to offer as paragraph 115½, which I should like to have read.

The PRESIDING OFFICER. The Senator from Colorado [Mr. GUGGENHEIM] offers the following amendment, which will be reported by the Secretary.

The Secretary read as follows:

On page 32, line 9, after the words "manganiferous iron ore," insert the words "and manganiferous silver ore."

On page 32, line 12, after the words "iron ore," insert the words "and manganiferous silver ore."

Mr. BURTON. Mr. President, what is the number of the paragraph?

The PRESIDING OFFICER. Paragraph 115½, on page 32. Unless there be objection, the vote adopting the paragraph will be reconsidered. The Senator from Colorado offers the amendment which has just been read.

The amendment was agreed to.

The paragraph as amended was agreed to.

Mr. ALDRICH. I now move to take up paragraph 343, which was passed over.

Mr. CUMMINS. Mr. President——

Mr. ALDRICH. I offer, for the committee, the amendment of which I have heretofore given notice.

The PRESIDING OFFICER. The Senator from Rhode Island offers the following amendment to paragraph 343.

The SECRETARY. In lieu of paragraph 343 insert the following:

343. Oilcloth for floors, plain, stamped, painted, or printed, only, and linoleum, corticene, and all other floor oilcloth and fabrics or coverings for floors, made in part of oil or any similar product, if 9 feet or less in width, and not specially provided for herein, 8 cents per square yard and 15 per cent ad valorem; over 9 feet in width, 12 cents per square yard and 15 per cent ad valorem; any of the foregoing of whatever width, the composition of which forms designs or patterns, whether inlaid or otherwise, by whatever name known, and cork carpets, 20 cents per square yard and 20 per cent ad valorem; mats for floors, composed of any of the foregoing, shall be subject to the rate of duty herein provided for oilcloth, linoleum, corticene, or other floor oilcloth; waterproof cloth, composed of cotton or other vegetable fiber, whether composed in part of india rubber or otherwise, 10 cents per square yard and 20 per cent ad valorem.

Mr. CUMMINS. Mr. President, I desire to suggest to the Senator from Rhode Island that the Senator from Maryland [Mr. RAYNER] has indicated a great interest in this paragraph, and while I am entirely ready to take it up, I do not——

Mr. ALDRICH. The Senator from Maryland is somewhere about the Chamber, I think; and he knew that we were likely

to take up this paragraph. I have no objection to his being sent for, of course.

Mr. CUMMINS. I hope he will be sent for, so that he will have an opportunity to be present during the debate on this paragraph.

Mr. ALDRICH. I think the Senator from Maryland does not expect us to delay action on the bill on account of his absence. He told the Senator from New Jersey——

Mr. SMOOT. Mr. President, I have just been informed by the junior Senator from Maryland [Mr. SMITH] that the senior Senator has left the city, and is paired, and will not be here for two days.

Mr. ALDRICH. Therefore I do not think it is desirable to keep this paragraph open until he returns.

Mr. SMOOT. I know that he is very deeply interested in the paragraph.

Mr. CUMMINS. Inasmuch as we have had some conferences about it, and a former arrangement was made with the Senator from Rhode Island with regard to it, I feel it to be my duty to ask that the consideration of this paragraph be postponed until the Senator from Maryland [Mr. RAYNER] can be here, and leave entirely with the committee the responsibility as to bringing the matter on for hearing.

Mr. PENROSE. Question!

Mr. KEAN. Let us agree to it, anyway.

Mr. PENROSE. I call for the regular order.

Mr. ALDRICH. Mr. President, I suggest to the Senator from Iowa that we go on and dispose of the paragraph; and I assure him that when the Senator from Maryland returns, if he wants to reopen it in the Senate, or possibly in the Committee of the Whole, there will be no objection, if we have not already concluded the consideration of these paragraphs in Committee of the Whole. I hope we shall be able to finish all the paragraphs before to-morrow night, my idea being that we shall commence on Monday morning with the consideration of the income-tax amendment; and I certainly can not consent to having this paragraph left open until after the return of the Senator from Maryland. But I am willing to have it reopened at any time that we can consistently do so, if the Senator from Maryland so desires.

Mr. CUMMINS. With reference to the income tax, is it probable that the amendment will be reported to-day?

Mr. ALDRICH. I hope so. I think it may be reported. The committee have practically completed its preparation, and I expect to report it before the session closes to-day.

Mr. CUMMINS. I know it will very greatly facilitate its disposition if the amendment is reported soon.

Mr. ALDRICH. I assure the Senator that it will be reported before adjournment this afternoon.

Mr. CUMMINS. Mr. President, in so far as I am concerned, and so far as the paragraph goes that is now under consideration, I am now quite as ready to dispose of it as I ever shall be. What I have said has been with a desire that the Senator from Maryland [Mr. RAYNER] shall have a full opportunity of presenting his views.

This paragraph relates to oilcloth and linoleum; that is, oilcloth and linoleum are the principal subjects involved in it. Formerly the paragraph—at least, under the interpretation that I would have put upon it—included, as well, oilcloth for table and general use. But through an amendment offered by the committee that has heretofore been adopted, it is limited to oilcloth for floors and linoleum, corticene, cork carpet, and the like.

This matter, I think, very closely concerns a great many of the people of the United States. Only those who live in the country, and among the poorer people, can form any adequate conception of the extensive use of oilcloth as a covering for floors, and of the cheaper grades of linoleum for the same purpose. My objection to this paragraph is that it is lacking in proper classification and imposes the same duty upon an article that is worth 12 cents a square yard as it imposes upon an article worth $1.50 a square yard, or even more.

The duty imposed by the amendment now offered by the Senate committee is 8 cents a square yard, with 15 per cent ad valorem added, upon all oilcloth and linoleum under 9 feet in width, or not more than 9 feet in width; a duty of 12 cents a square yard upon all oilcloth and linoleum more than 9 feet in width—that is to say, plain oilcloth and plain linoleum—and a duty of 20 cents a square yard and 20 per cent ad valorem upon all oilcloth and linoleum, of whatever kind or description, if there is any design in the composition of the oilcloth or linoleum.

I have in my hand a piece of common oilcloth. It is the cheapest variety of oilcloth. I do not know about the exact retail price, but it is sold everywhere at about 12 cents a square yard. The duty upon that, if it is not more than 9 feet in width, is 8 cents a square yard and 15 per cent ad valorem, which amounts to 80 per cent ad valorem. If it is over 9 feet in width, the duty is 12 cents a square yard and 15 per cent ad valorem, or an ad valorem duty of 115 per cent. If it is so made as to include in the composition itself a design in colors, it becomes dutiable at the rate of 20 cents a square yard and 20 per cent ad valorem, or 180 per cent ad valorem.

Mr. SMOOT. Mr. President——

Mr. CUMMINS. If the Senator from Utah will allow me to finish the sentence, I believe that under the amendment the oilcloth that I hold in my hand, and that you see everywhere in the stores, will be dutiable at 20 cents a square yard and 20 per cent ad valorem, although I desire to do the committee the justice to say that it is the opinion of the committee and the opinion of one of the experts with whom the committee has consulted that this oilcloth is not made with a design in the composition itself.

I now yield to the Senator from Utah.

Mr. SMOOT. The only object I had in rising was to simply state the fact the Senator has already stated—that the piece of oilcloth he has in his hand is a printed oilcloth, so held by the appraisers, and I have no doubt in the world that it is. It is not an inlaid oilcloth, nor does it nor can it come under that clause.

Mr. CUMMINS. Mr. President, it of course has not been so held by the appraisers in an official way, because until now there never has been a law that imposed a duty of 20 cents a square yard upon oilcloth designed in this fashion, if I am right with regard to its composition.

Let me remind the Senator from Utah of the provisions of the Dingley law. After providing for oilcloth for floors, and so on, it proceeds:

> Inlaid linoleum or corticene, and cork carpets, 20 cents per square yard and 20 per cent ad valorem.

There is no provision in the Dingley law that has any relation whatever or that bears any comparison to the phrases that have now been incorporated into this paragraph.

Mr. SMOOT. Mr. President——

Mr. CUMMINS. Only inlaid linoleum and inlaid corticene came under this heavier duty. But you have now provided that oilcloth or any kind of linoleum or corticene, if including any design whatever in its composition, shall be subject to this heavier duty.

I now yield to the Senator.

Mr. SMOOT. Mr. President, I should like to call the Senator's attention to the fact that the Dingley bill says:

> Oilcloth for floors, stamped, painted, or printed.

The oilcloth that the Senator has there is a printed oilcloth; and the only reason we changed the wording in the present bill was to cover oak-plank and inlaid linoleum. The Senator must know that in the suits that have been brought by the importers the court held that that [showing sample] was not an oak-plank linoleum or inlaid linoleum. Therefore the wording has been changed so as to cover the planked linoleum, which, in fact, is as high priced and as costly to make as the best inlaid linoleum that ever was made.

Mr. CUMMINS. Mr. President, the Senator from Utah, it seems to me, does not touch the question I was just considering.

It is true that the committee has enlarged the paragraph for the purpose of including or attaching a heavier duty to some forms of inlaid linoleum than was ever before imposed upon them. But in the Dingley law there was no such thing as a duty of 20 cents a square yard and 20 per cent ad valorem upon oilcloth; and there never could have been an opportunity for the appraisers to determine whether oilcloth in any form came under that part of the law which imposed a duty of 20 cents a square yard.

Mr. SMOOT. Mr. President, I desire to call the Senator's attention to the fact that in the present law there is no such thing as a printed oilcloth that can carry a duty of 20 cents a square yard and 20 per cent ad valorem.

Mr. CUMMINS. But, Mr. President, under the old law there were no oilcloths except printed oilcloths. There were no such things as the Senator from Utah now suggests. Every kind of oilcloth, if it was of a certain width, came in at a certain rate, no matter how it was made. Under the present bill you change that and put oilcloth in the same category as certain kinds of linoleum.

Now, let me read the Senator——

Mr. SMOOT. Before the Senator reads that, I wish to call his attention to the law itself. If he will observe the old law—he has the book before him, I believe——

Mr. CUMMINS. I have.

Mr. SMOOT. It says, on page 69:

Oilcloth for floors and linoleum or corticene, 12 feet and over in width, * * * and cork carpets, 20 cents per square yard and 20 per cent ad valorem.

So the Senator certainly must be mistaken in the statement he makes.

Mr. CUMMINS. No; the Senator is not mistaken.

Mr. SMOOT. Because the present law says "oilcloth for floors."

Mr. CUMMINS. The Senator is right about that; but I am still attempting to bring to his attention the fact that in the provision of the old law there was no distinction with regard to oilcloths, except that they be over or under 12 feet in width.

Mr. SMOOT. Well, Mr. President——

Mr. CUMMINS. Let me read the entire paragraph.

Mr. SMOOT. The only distinction we make now is that we take the 12 feet and make it 9 feet or under, and we reduce the 20 cents a square foot and 20 per cent ad valorem to 12 cents a square foot and 15 per cent ad valorem.

Mr. CUMMINS. We certainly can not have any difference about the old law when it is right before us. It says—

Oilcloth for floors and linoleum or corticene, 12 feet and over in width.

That is the end of oilcloth.

Mr. SMOOT. Yes.

Mr. CUMMINS. "Inlaid linoleum or corticene and cork carpets, 20 cents per square yard."

Mr. SMOOT. That refers to the oilcloth.

Mr. CUMMINS. But does it refer to inlaid oilcloth? The Senator from Utah apparently refuses to see the point that I am attempting to make.

Mr. SMOOT. Mr. President, I do not refuse to see any point; nor can I see the Senator's point, because the oilcloth he is talking about is a printed oilcloth. It is not inlaid oilcloth.

Mr. CUMMINS. That is what the Senator from Utah says, but I say that there never could have been any such decision under the old law, because the imposition on printed oilcloth of 20 cents per square yard and 20 per cent ad valorem had no reference, so far as oilcloths are concerned, to the inquiry whether they were printed or stamped or inlaid or what not.

Mr. SMOOT. But the Senator knew that the 20 per cent ad valorem and the 20 cents per square yard did apply to oilcloth, and the Senator admitted that. I am right in that.

Mr. CUMMINS. You are quite right about that.

Mr. SMOOT. The only contention left——

Mr. CUMMINS. You are right to this extent, it applied when 12 feet or over.

Mr. SMOOT. That is exactly what I said.

Mr. CUMMINS. I agreed to that.

Mr. SMOOT. Now, the objection the Senator raises is that the sample of oilcloth he has, worth 12 cents a square yard, comes in now at 20 cents a square yard and 20 per cent ad valorem, and under the bill it is impossible to fall under that provision.

Mr. CUMMINS. I call the attention of the Senate to the language which the committee has used:

Any of the foregoing of whatever width, the composition of which forms designs or patterns whether inlaid or otherwise, by whatever name known, and cork carpets, cork mats, etc., 20 cents a square yard and 20 per cent ad valorem.

Mr. President, I submit that as to this piece of oilcloth, assuming that before it was finished was perfectly white, and you pass a machine over it and change the composition of the oilcloth into designs and colors, the composition of which would fall directly within that provision, which attaches a duty of 20 cents a square yard and 20 per cent ad valorem, there can be no judicial decisions cited to the contrary, because there has never been any such language in the law before and there ought not to be any such language now.

Mr. SMOOT. That is exactly where the Senator makes a mistake in the oilcloth that he has there and that he compares with inlaid oilcloth.

Mr. CUMMINS. I did not say it was inlaid oilcloth.

Mr. SMOOT. It is not a granite oilcloth.

Mr. CUMMINS. I did not say it was granite oilcloth.

Mr. SMOOT. Then if it is printed oilcloth, it must take the rate that is provided in this paragraph on painted oilcloth.

Let me direct the Senator's attention to the fact that the reason of the change of these words was in order to provide for granite linoleum and planked linoleum. As the Senator knows, the case was brought before the courts in New York, and they held that the so-called "granite linoleum," in the manufacture of which different colors are so introduced and laid as to penetrate the body of the plastic material from the surface to the burlap foundation, the colored materials taking such form as the pressure of the rollers and resistance of the materials give them, is dutiable as linoleum plain or figured, and not as inlaid linoleum. (United States *v.* Hunter, 127 Fed. Rep., 1022.)

So-called "plank" or "oak" linoleum held to be dutiable as plain linoleum, and not as inlaid linoleum. (G. A., 6633; T. D., 28291.)

The reason of that decision was that in the planked linoleum, I suppose the Senator knows——

Mr. CUMMINS. I hope the Senator will remember that I have not reached linoleum yet. I am talking about oilcloth.

Mr. SMOOT. Of course the Senator wants to go on with this, but I was going to explain the difference between linoleums and the sample of oilcloth he has. It is a printed oilcloth. The body of it is put on the burlap not as a figure, but the figure is printed on it, and therefore it is a printed oilcloth.

Mr. CUMMINS. The Senator from Utah is just as wrong with respect to this matter as it is possible for a mortal to be, and I discover that we can go a great way in the path of error, either here or elsewhere.

I understand perfectly the definition he is making of inlaid linoleum. I know something about the decision he has just quoted. But my contention is now, and I am speaking only of oilcloth, that in the effort to avoid the effect of that decision you have used words that will bring in the commonest oilcloth in the designation, and charge the oilcloth 20 cents a square yard and 20 per cent ad valorem, when it is sold everywhere and bought everywhere for from 11 to 16 cents a square yard.

The duty preceding, which I shall speak of presently, is altogether too great, and I wonder the committee can face the American people with an increase in the duty on oilcloth when there have not been any oilcloths imported into the United States for a long time. We have now an absolute monopoly in the manufacture of oilcloths. Why shall you seek to increase very largely the duties on this common article?

Mr. SMOOT. I want to say there is no increase in the whole paragraph, but, on the contrary, a material and a large decrease.

Mr. CUMMINS. I say there is an increase. That we will find out a little later on. I hope the Senator is right about that.

Mr. SMITH of Michigan. Mr. President, sitting between these two extremes, I hope we can reconcile these statements.

Mr. CUMMINS. We can. We will be sure to reconcile them before we get through.

Mr. BURKETT. Will the Senator let me ask him a question?

Mr. CUMMINS. Certainly.

Mr. BURKETT. The first two or three lines of this paragraph provide that oilcloths for floors, plain, stamped, painted, or printed, and so forth, shall be assessed at such a rate. A little further it says any "of the foregoing of whatever width, the composition which forms designs or patterns, whether inlaid or otherwise, by whatever name known," and so forth, 20 cents. Is it the Senator's contention that it may be construed that oilcloth similar to what he has displayed might be termed to come in the last part of the paragraph?

Mr. CUMMINS. Precisely. That is what I have been endeavoring to make clear.

Now, let us review again the purpose of this change. The Senator from Utah is right about it; it was found that there were certain linoleums that were sought to be imported that were held not to be inlaid linoleums and yet in which the composition formed some kind of a design, as it was laid upon the jute foundation.

In order to reach and to overcome that decision and to raise the rates on linoleum as the Dingley law was construed, we have another case here in which the Dingley law, after having gone into the courts, and the courts having put an interpretation upon it, in order to avoid the interpretation put by the appraisers and the courts upon it, they seek to increase the rate under the suggestion that the Dingley law did not intend these forms—that it was not held to be inlaid—to come in under the lower duty. But I will reach that presently.

Mr. SMOOT. Right there I should like to ask the Senator if granite linoleum and planked linoleum are not made as a higher-priced article than any other kind of linoleum?

Mr. CUMMINS. I am not an expert in the different prices of the different kinds of linoleum of that sort, and I can not answer the Senator.

Mr. SMOOT. Then I will say that they are just as costly to-day——

Mr. CUMMINS. That does not make any difference.

Mr. SMOOT. And I can not conceive of the Senator's thinking that a linoleum, because forsooth they call it a "granite" or a "planked" linoleum, should carry a less rate of duty than an ordinary linoleum.

Mr. CUMMINS. I am not arguing that question yet. I am only saying you have raised the rate on linoleum, and you might just as well stand here and admit it. If you say it was right and justifiable to raise the rate, that is a logical position to take; but do not insist upon the suggestion possibly that you have not raised the rate.

Mr. SMOOT. I want to say here that this linoleum, 20 cents a square foot and 20 per cent ad valorem, was cut by the committee to 12 cents a square foot and 15 per cent ad valorem; and not only that, but as to cork carpet, linoleum mats, and other mats for the floor, made in part of oil and which are subject to the rate of duty herein provided for oilcloth and linoleum, the committee reduced the other oilcloths which before came in at a higher rate. Therefore there is a great reduction in this paragraph.

Mr. CUMMINS. I have not suggested that there was not a reduction in some forms of the inlaid linoleum. I am trying very hard to confine my attention, and the attention of the Senator from Utah, to this little humble piece of oilcloth that a great many people buy, and of which we have already a monopoly in this country. We have a duty on it now that no sensible man defends, and you are seeking to raise that duty, and that is what I am protesting against at the present moment.

Now, I want to come back to the proposition that the committee has just made, that this oilcloth may not be dutiable under the last provision of your amendment. The substitute you have now offered provides:

> Any of the foregoing, of whatever width, the composition of which forms designs or patterns, whether inlaid or otherwise, by whatever name known, and cork carpets, 20 cents per square yard and 20 per cent ad valorem.

That is the amendment that is offered by the committee, I believe.

Mr. SMOOT. The trouble with the Senator is this——

Mr. CUMMINS. Just a moment. I do not yield to the Senator for just a moment. I will in a minute, but I want to complete this argument. Take this piece of oilcloth; notwithstanding it has heretofore been termed "stamped or printed," the composition of which forms designs or patterns. I think those words have never before been used to describe either oilcloth or linoleum, so far as I know; they are yet to be interpreted by the appraisers and by the courts.

Now, if those appraisers or the courts should hold that designs are created or formed by the composition of those oilcloths, it would pay 20 cents a square yard and 20 per cent ad valorem.

Mr. SMOOT. Mr. President, in answer to that, I want to tell the Senator it is absolutely impossible to make a linoleum of the thickness of the oilcloth that he holds in his hands.

Mr. CUMMINS. I am not talking about linoleum. It is impossible for me to retain the attention of the committee to oilcloths.

Mr. ALDRICH. Mr. President, will the Senator allow me to ask him a question?

Mr. CUMMINS. Certainly.

Mr. ALDRICH. How many different kinds of oilcloth has the Senator ever seen except that one that he thinks would be increased in duty?

Mr. CUMMINS. I have seen a great many.

Mr. ALDRICH. It is impossible to put a specific duty on a long line of goods that may not work a hardship on some sample that might be selected among the ten thousand that are imported into the United States. Does the Senator contend that that is an ordinary form of oilcloth?

Mr. CUMMINS. Yes; the commonest, most ordinary form of oilcloth.

Mr. ALDRICH. Why does the Senator think it is not included in the first terms of the paragraph?

Mr. CUMMINS. It is included, and is also included in the last.

Mr. ALDRICH. Then it would be dutiable under the first.

Mr. CUMMINS. Why do you make it dutiable under the last? Why do you want to put on an oilcloth a duty of 20 cents a square yard and 20 per cent ad valorem? There is not an oilcloth in the United States that has ever been sold at that price.

Mr. ALDRICH. We contend that it can not come under the last clause.

Mr. CUMMINS. Then why not cut it out so that there will be no question about it?

Mr. ALDRICH. It is cut out, I say to the Senator from Iowa.

Mr. CUMMINS. I submit that it has not been cut out. It is expressly included, and yet you have to submit to the construction of these words. I read them again:

> The composition of which forms designs or patterns.

I know how this oilcloth is made, and the Senator does also, in a general way.

Mr. ALDRICH. Suppose we put in here the words "not otherwise provided for."

Mr. CUMMINS. I want you to take out the oilcloth entirely from this law.

Mr. ALDRICH. The words I have suggested will cover the sample.

Mr. CUMMINS. Because in the preceding part of the paragraph you have more than equal protection to cover all kinds of oilcloth. So why not cut out the last part?

Mr. ALDRICH. If we put in "not otherwise provided for in this section" it answers every statement which the Senator is making.

Mr. CUMMINS. That is pretty nearly what is right; and if you go just a little further, and then exclude oilcloth, because you know——

Mr. ALDRICH. I can not do that.

Mr. CUMMINS. You know there is no oilcloth that ever has been made or ever probably will be made that will require any such duty as 20 cents a square yard and 20 per cent ad valorem.

Mr. ALDRICH. I am willing to put in the paragraph "not otherwise provided for in this section." That will certainly cover the contention of the Senator from Iowa.

Mr. CUMMINS. I think probably that will close out the last paragraph.

Mr. ALDRICH. That is what the Senator is contending for.

Mr. CUMMINS. But then I am going to ask you right away to reduce that duty.

Mr. ALDRICH. We can not do that.

Mr. CUMMINS. Well, you will after I am through.

Mr. ALDRICH. I think not.

Mr. CUMMINS. Well, I hope so.

Mr. ALDRICH. After the word "patterns" insert "not otherwise provided for in this section."

The PRESIDING OFFICER. The Senator from Rhode Island modified the committee amendment.

Mr. SMITH of Michigan. I understand from the Senator from Rhode Island that that cures the trouble.

Mr. ALDRICH. The trouble that the Senator from Iowa is now contending for.

Mr. CUMMINS. I think that that eliminates or excludes this oilcloth from the duty of 20 cents a square yard and 20 per cent ad valorem.

Mr. SMITH of Maryland. There is considerable opposition to it, and it seems to me if it cuts that out it brings it within the idea of the Senator from Iowa.

Mr. CUMMINS. I agree that that would be the interpretation.

The PRESIDING OFFICER. Will the Senator from Rhode Island kindly restate his amendment.

Mr. ALDRICH. After the word "known," in the tenth line of the printed amendment, insert "not otherwise provided for in this section."

The PRESIDING OFFICER. The Senator from Rhode Island modifies his amendment as follows:

The SECRETARY. In the amendment of the committee, line 10, after the word "known," insert "not otherwise provided for in this section."

Mr. CUMMINS. I accept that as the solution in answer to the question I am just arguing, but I now recur to quite as important a question, namely, the duty of 8 cents a square yard and again 12 cents a square yard upon this oilcloth. I am sure that there is not a member of the committee who believes we need a duty of 8 cents a square yard if it is not over 9 feet, and then the duty of 12 cents a square yard if it is over 9 feet.

This oilcloth is worth 12 cents a square yard. I suppose there are varieties of floor oilcloth that will run to 18 or 20 cents a square yard.

Mr. SMOOT. I call the attention of the Senator to the fact that the average value of oilcloth, the imported value, is 21.4 cents a square yard.

Mr. CUMMINS. I refuse to accept that. The suggestion just made is taken from the report made by the committee. There was evidently no oilcloth imported of this sort. That includes a great variety of linoleum as well as oilcloth. If the Senator will only analyze it, he will find that to be true. But I appeal now to the knowledge of the Senator from Rhode Island and the Senator from Utah. They know what the oilcloth of the country is worth. They know it is not an expensive article. It ranges from 11 to 20 cents a square yard. Now, why should you impose a duty of either 8 cents and then 15 per cent ad valorem, or 12 cents and 15 per cent ad valorem?

Let me refer to what you have already done with regard to table oilcloth. There is not a great deal of difference between the cost of table oilcloth and floor oilcloth. I mean——

Mr. SMOOT. Mr. President, I want to suggest to the Senator that the price of the floor oilcloth to-day certainly would be an average of 25 cents a square yard.

Mr. CUMMINS. Mr. President, I can not believe it, as much confidence as I have in the judgment of the Senator from Utah and in his knowledge and experience. I ask him this question however, to test him. Are you now speaking of the retail price or the mill price?

Mr. SMOOT. I am speaking of the mill price.

Mr. CUMMINS. The Senator from Utah is mistaken.

Mr. SMOOT. I have purchased many thousands of yards of it.

Mr. CUMMINS. The Senator from Utah is mistaken. I have tested the matter in recent days by some inquiries I made. I know the Senator is mistaken in saying the average of the mill price of oilcloth is 25 cents a yard.

Mr. SMOOT. I have pretty good authority, I assure the Senator.

Mr. CUMMINS. The Senator is all wrong, Mr. President, about that. Table oilcloth you have taken out and reduced to 3 cents a square yard and 20 per cent ad valorem.

Now, the process of making floor oilcloth is exactly the same as table oilcloth. There is no difference except in the amount of material, the paint that is put upon the cloth, and in the value of the cloth itself. You use a heavier jute cloth or something of that sort for making the floor oilcloth, whereas you use cotton or something of that kind for the table oilcloth. But if 3 cents a square yard and 20 per cent ad valorem is sufficient protection for the table oilcloth, it can not be that 8 cents a square yard, if it is under 9 feet, 12 cents a square yard if it is over 9 feet in width, and 15 per cent ad valorem will be found necessary to measure the difference between the cost of producing oilcloth here and in some other country. You can not defend that anywhere before any company of sensible and intelligent men gathered together within the limits of the United States.

Mr. SMOOT. I think the Senator can find out that the oil alone it takes to make the two kinds of cloth, the tablecloth and the floor cloth, will make a great part of that difference.

Mr. CUMMINS. The jute from which the floor oilcloth is made enters the United States free.

Mr. SMOOT. Oh, no.

Mr. CUMMINS. Unless the amendment——

Mr. SMOOT. There is six-tenths of 1 cent a pound.

Mr. CUMMINS. Shall be maintained. I do not think anybody takes that seriously.

Mr. SMOOT. On jute bagging, as you know, the duty is six-tenths.

Mr. CUMMINS. I am not talking about jute bagging, but I am talking about jute itself. It enters free and can be manufactured in our country substantially as cheaply as it can be anywhere else.

I pass from oilcloth. It seems to me that if there is an item in this whole category that deserves reduction it is oilcloth, and I really thought that the moment I called it to the attention of the committee it would be admitted as a mistake and directly corrected.

Now I come to linoleum, and there the disparity is just as striking.

Mr. BEVERIDGE. May I ask the Senator a question for information?

The PRESIDING OFFICER. Does the Senator from Iowa yield to the Senator from Indiana?

Mr. CUMMINS. I do.

Mr. BEVERIDGE. The Senator had in his hand a moment ago a piece of oilcloth which he said, as I caught it, sold at 12 cents a yard.

Mr. CUMMINS. From 12 to 20 cents a yard.

Mr. BEVERIDGE. Upon that what is the rate of duty fixed by the Committee on Finance?

Mr. CUMMINS. The rate of duty fixed, now that we have excluded it from the last paragraph, is, if it is under 9 feet in width, 80 per cent, reducing it to ad valorems, and if it is over 9 feet, the rate is 115 per cent.

Mr. BEVERIDGE. Is that the oilcloth that is used in the common homes of this country?

Mr. CUMMINS. Yes, sir; that is the kind that is used in those homes.

Now I come to linoleum. There [exhibiting] is a piece of linoleum that is of the commoner grade. That is the sort that the poor people of this country buy. Its price abroad was 16½ cents per square yard. It is dutiable under this bill, if it is imported not over 9 feet in width, at 65 per cent ad valorem; that is 8 cents per square yard and 15 per cent ad valorem. That linoleum [exhibiting], which, if I were buying linoleum, because I must buy cheap cloth, I would have to pay a duty of 65 per cent, and that is the sort which is commonly used by people of little fortune.

There [exhibiting] is another piece of linoleum made just like this piece [exhibiting], of the same material, save there is more of it, and it is richer and stronger. That piece is valued abroad at 80 cents a square yard; and if it is brought into the United States 9 feet or under in width, it also pays 8 cents per square yard and 15 per cent ad valorem, or an equivalent of 25 per cent ad valorem; if it is over 9 feet, it pays 12 cents per square yard, which is 30 per cent ad valorem.

Mr. BEVERIDGE. May I ask a question, so as to get the matter straight in my own mind? The first piece of linoleum which the Senator from Iowa exhibited is a wider and a cheaper linoleum?

Mr. CUMMINS. It costs just about one-fifth as much as this piece [exhibiting].

Mr. BEVERIDGE. I know. Therefore it is the linoleum that is used by the people to a much greater extent than the other?

Mr. CUMMINS. Precisely.

Mr. BEVERIDGE. Does the Senator from Iowa mean to say that on the cheaper linoleum, commonly used by the people, the duty has been fixed at 60 per cent ad valorem, and on the more expensive linoleum, which is not used by the common people, it is only 25 per cent?

Mr. CUMMINS. That is the effect of it. There is the same specific duty per square yard and the same ad valorem duty of 15 per cent.

Mr. BEVERIDGE. I am talking about the result.

Mr. CUMMINS. So that the cheaper linoleum pays just as much per square yard, except the difference that is made by the 15 per cent ad valorem, as the expensive linoleum that is used only in the palaces of the rich or as a convenience to great companies that desire that kind of matting or covering for their floors.

Mr. BEVERIDGE. Mr. President——

The PRESIDING OFFICER. Does the Senator from Iowa yield to the Senator from Indiana?

Mr. CUMMINS. I do.

Mr. BEVERIDGE. So that the effect is, wiping out everything else, that upon the cheaper linoleum, used everywhere, the duty is nearly three times as great as upon the expensive linoleum, which is only used by those who are very rich. Is that the end of it?

Mr. CUMMINS. It is three times as great.

Mr. SMOOT. Mr. President——

The PRESIDING OFFICER. Does the Senator from Iowa yield to the Senator from Utah?

Mr. CUMMINS. I do.

Mr. SMOOT. Mr. President, I do not think the Senator from Iowa [Mr. CUMMINS] wants it understood that the great majority of the linoleums are of that class which he says are used by the poor people; because, if he has had any experience whatever in buying linoleum at retail or wholesale, he would know that nearly 85 per cent of all of the linoleum is that which is medium-priced; and that the sample he shows is the lowest-priced linoleum that he could find in the United States, and selected for that very reason. It is so thin that, were it 12 feet wide, it would hardly hold up its own weight.

Mr. CUMMINS. What does the Senator from Utah say?

Mr. SMOOT. I say it is so thin that, if you will take, say, 15 yards of it unrolled and stand it on edge, it will hardly stand alone; it will not hold its own weight up; it will bend and crack.

Mr. CUMMINS. We do not buy linoleum to stand up erect. We buy it to put on the floor.

Mr. SMOOT. As to the linoleum that the Senator has just referred to as being worth three times as much as the one he has been exhibiting, you could stand it on edge and it would not crack.

Mr. CUMMINS. Precisely; but I take it there are only a few people who can afford to buy that linoleum which will stand erect like a plank, and there are a great many people who have to buy the cheap sort.

Mr. SMOOT. The only place that you will ever see a piece of linoleum such as the Senator from Iowa is exhibiting now is on a battle ship. The homes do not buy it; no man puts it on the floor of his home, but the battle ships use it.

Mr. CUMMINS. You mean the heavier linoleum?

Mr. SMOOT. Yes; that is what I mean.

Mr. BEVERIDGE. If that is so, why not make it free?

Mr. SMOOT. If the Senator from Indiana wants it made in foreign countries, we can put it on the free list.

Mr. CUMMINS. Mr. President, I do not myself want it made in a foreign country, but I want it made and sold here at a fair price. I think it is true that the battle ships and other ships, the great offices, possibly the Pullman Palace Car Company, and other institutions of that sort use this very expensive linoleum. That is why I complain, that you allow them to buy linoleum with a duty of only 25 per cent upon it, while if I want to buy a piece for my house, I have got to pay 65 and 75 per cent upon it. That is my complaint. All I ask is that you make a reclassification. I do not think the duty on this character of linoleum [exhibiting] is high enough.

Mr. ALDRICH. Mr. President——

The PRESIDING OFFICER. Does the Senator from Iowa yield to the Senator from Rhode Island?

Mr. CUMMINS. I do.

Mr. ALDRICH. Mr. President, the Senator from Iowa realizes, of course, that the arguments he is using with these equivalent ad valorems are made all the time in these tariff discussions. It is very plain as a mathematical proposition that if an article is worth a cent per yard, that a cent duty is 100 per cent ad valorem; that if it is worth 2 cents per yard, the ad valorem duty is only 50 per cent, and if it is worth 10 cents per yard, the ad valorem duty is 10 per cent. It is quite easy for anybody to get up and say that this duty is 10 per cent and that duty is 100 per cent; but that is not the question that we have to deal with in a practical way in the construction of a tariff bill. The question is to take what is the average and fair price and value of these goods, and try to get your rate so arranged and adjusted that it will bear fairly upon every value of the article, and not to take an extremely low-priced article or an extremely high-priced article, because always with a specific duty it is possible to show great ranges and differences in the equivalent ad valorems. But I suggest to the Senator from Iowa that he ought to take the fair average value of these articles, and see what the average percentage is. If the Senator does that, I am sure that he will arrive at the conclusion that the rates fixed by the House bill or fixed by the present law upon these high-priced articles, and what has been the law for twelve years, bears fairly upon the average of the goods imported and upon the average of the goods made in the United States.

Mr. CUMMINS. Mr. President, with the principle announced by the Senator from Rhode Island I have no difference whatever. I understand fully the value of specifics; I understand that they ought to be substituted for ad valorems wherever they can be; but when you came to apply specifics to linoleums instead of ad valorems, the committee ought not to have attempted to cover so wide a range. The committee ought to have done with linoleum just as it did with cotton cloth. But I may differ, and I do differ with the committee with regard to specifics attached to cotton cloth. It proceeded upon an entirely reasonable, upon an entirely defensible plan, and it increased the specifics by small steps. It said that cotton cloth worth not less than 7 cents a yard and not more than 9 cents a yard should bear a certain specific duty; that cloth worth not less than 9 cents nor more than 11 cents should bear another specific duty. That is exactly what I asked it to do and what I ask the Senate to do if the committee fails to do it in this instance. I asked it to take linoleum, beginning, if you please, at the cheapest—although I can not agree with the Senator from Utah that this sample [exhibiting] is the very cheapest—but beginning at, say, 16 cents a square yard, and reaching up with reasonable steps and with reasonable breaks until you get to 80 cents a square yard for plain linoleum, there ought to be several specific duties between those points; and then, although you would even by that plan do a little injustice, you would not commit the obvious and glaring wrong of putting as high a duty upon an article costing 16 cents a square yard as you do on an article that costs 80 cents a square yard.

Mr. SMITH of Maryland. Mr. President——

The PRESIDING OFFICER. Does the Senator from Iowa yield to the Senator from Maryland?

Mr. CUMMINS. Certainly.

Mr. SMITH of Maryland. As I understand, the Senator's contention is that on the lower grades the same specific duty exists as on the higher grades, and therefore the lower grades carry very much higher duties in proportion to their value than the higher grades. Is not that correct?

Mr. CUMMINS. That is the idea I have been attempting to state.

Mr. SMITH of Maryland. I think the Senator's contention is fair. It does seem to me that the lower grades should not have the same specific duty as the higher grades; that there ought to be some difference between the specific duty on the lower grades and that on the higher grades; otherwise you increase the ad valorem very much greater on the lower grades than on the higher grades. It seems to me that the Senator's argument is perfectly fair, and I do hope that the committee will make some difference so far as the lower grades are concerned, in order to get a fair average rate of duty on the various grades.

Mr. ALDRICH. What does the Senator from Iowa suggest, say, on linoleums valued at 20 cents a square yard or less?

Mr. CUMMINS. I have to confess that I have not been able to work it out; that is, I have not attempted to work it out.

Mr. ALDRICH. Suppose we should make it 10 cents a square yard and 20 per cent ad valorem?

Mr. CUMMINS. On what?

Mr. ALDRICH. On linoleums valued at less than 20 cents a square yard.

Mr. CUMMINS. Will the Senator state that again?

Mr. ALDRICH. Linoleums valued at 20 cents a square yard or less, 10 cents per square yard and 20 per cent ad valorem.

Mr. CUMMINS. That would be a great increase on some of the cheaper linoleums.

Mr. ALDRICH. Well, make it 8 cents a square yard.

Mr. CUMMINS. You put it at 8 cents a square yard, because you find it necessary to cover such expensive linoleums as this [exhibiting]. On linoleums worth 16 cents a square yard your specific duty ought not to be more than 6 cents a square yard. Forty per cent duty upon these goods is ample protection, is it not?

Mr. ALDRICH. Well, I am not so certain about that. I think it would have to be more than 40 per cent. I should say that we might perhaps agree to 8 cents per square yard and 20 per cent ad valorem when valued at 20 cents or less; and possibly we might make it less.

Mr. CUMMINS. It seems to me that it ought to begin at about 6 cents, and a general line of 40 or 45 per cent ad valorem ought to be carried into the specifics as nearly as possible. I believe that the industry is fairly entitled to a duty of 40 or 45 per cent, but I think such an amendment as the Senator suggests here, attaching a 40 per cent ad valorem duty to all these materials, simply gives—I do not pretend to have the skill which will enable me to divide this subject and apply the specifics as they should be applied——

Mr. ALDRICH. The committee think the rates as established in the House bill and the present law are correct, but, in order to get this paragraph through, I am myself willing, and I think the committee would be, to make the duty on all linoleums valued at 20 cents per square yard or less 6 cents a square yard and 20 per cent ad valorem.

Mr. CUMMINS. Say 6 cents per square yard and 15 per cent ad valorem.

Mr. SMOOT. That is cutting the specific absolutely in two.

Mr. CUMMINS. No; it is not.

Mr. SMOOT. Yes.

Mr. CUMMINS. The specific is now 8 cents per square yard——

Mr. SMOOT. If the Senator is speaking of linoleum under 9 feet in width, that would be right; but if over 9 feet, then, of course, it would not be 6 cents.

Mr. CUMMINS. I am afraid that the suggestion of the Senator from Rhode Island would create the same injustice that is now in the bill. I think the committee ought to take linoleums and increase the rate, beginning with linoleum valued at 16 cents a yard, up to whatever the price is to the highest grade of linoleum, in steps of 10 and 15 cents a square yard, and attach a proper specific duty to each of those classes.

Mr. SMOOT. Let me call the Senator's attention to the fact that on linoleum and oilcloth that is 9 feet and under the committee amendment proposes a duty of 8 cents a yard and 15 per cent ad valorem. Twenty-five per cent off of this specific would be 6 cents, and leaving the ad valorem at 15 per cent. The average price, as will be seen from the importations, is 21.4 cents; but take 20 cents, which is almost the average of the importations, as the dividing line, and fix the duty at 6 cents per square yard and 15 per cent ad valorem, and then on the other linoleum over 9 feet wide let the specific be from 10 cents to 12 cents, with a dividing line, say, of 45 cents a square yard——

Mr. CUMMINS. I am utterly unable, with my inadequate knowledge upon this subject, to agree upon a schedule of specific rates while on the floor. I will be compelled to take a little time to think about it and to apply this suggestion to the case. I have said that I believe that 40 or 45 per cent protection is about right. I should like to see that protection go into specific rates, if the committee will put it in form.

Mr. SMOOT. I call the Senator's attention to the fact that in the Wilson bill there was an ad valorem duty only, and the men who are now objecting to this provision were the ones who desired the change from ad valorem to specific rates, because they said the undervaluations were so great that no one knew exactly what his competitors' goods were valued at or would be valued at.

Mr. CUMMINS. I am not defending the ad valorem rates.

Mr. SMOOT. I am suggesting to the Senator now a reduction with a division line almost where the average price of importation of the two kinds begins.

Mr. CUMMINS. Will the Senator from Utah put his suggestion in writing? I will not even ask that it go over to-day, but if he will put it in writing, so that I can have it under my eye, I will suspend what I am saying, and give the Senator, so far as I am concerned, my answer in a very few moments.

Mr. SMOOT. Of course, if the Senator prefers to have it in writing, I will write it, but I can state it to him.

Mr. CUMMINS. I do not comprehend such things as readily as the Senator from Utah. I am so made up that I have to see such a thing before my eyes in order to understand fully what it means.

Mr. ALDRICH. I suggest to the Senator from Iowa that we amend the paragraph as suggested by the Senator from Utah, and the Senator from Iowa can look at it in the morning.

Mr. CUMMINS. I beg the Senator's pardon; I did not hear him.

Mr. ALDRICH. I suggested that we might amend the paragraph as suggested by the Senator from Utah; then the Senator from Iowa can see it in the morning, and, if there is any objection to it, we can reopen it.

Mr. SMITH of Michigan. The Senator can see it in the morning, and it will be open in any event when the bill reaches the Senate.

Mr. CUMMINS. If the Senator from Rhode Island or the Senator from Utah will say that they will bring it up again——

Mr. ALDRICH. We certainly will bring it up again, if it is desired.

Mr. CUMMINS. In Committee of the Whole. I have no objection as to the time of considering it, nor do I care anything about this formal business of agreeing to the paragraph, if I have the assurance that it will come up again in Committee of the Whole.

Mr. ALDRICH. It will come up again, if the Senator so desires.

Mr. SMITH of Maryland. I understand, however, that the amendment is to be proposed to-day by the Senator from Rhode Island so that we may know what will be done.

Mr. ALDRICH. Yes.

Mr. CUMMINS. Very well.

Mr. SMOOT. I can state it now.

Mr. ALDRICH. I suggest that the Senator from Utah state it, and have it taken down.

The PRESIDING OFFICER. The amendment will be stated.

The SECRETARY. In line 5 strike out "eight" before the word "cents," and insert "six"——

Mr. SMOOT. We will have to make a division as to the price. It should read: "Valued at 20 cents and under per square yard, 6 cents per square yard and 15 per cent ad valorem; valued at 20 cents and over"——

Mr. ALDRICH. "Valued at not more than 20 cents a square yard."

Mr. SMOOT. "Valued at not more than 20 cents per square yard, 6 cents a square yard and 15 per cent ad valorem; valued at more than 20 cents per square yard, 8 cents per square yard and 15 per cent ad valorem;" and then on line 6, after the words "over 9 feet in width," insert "valued at not more than 45 cents per square yard, 10 cents per square yard and 15 per cent ad valorem; valued at more than 45 cents per square yard, 12 cents per square yard and 15 per cent ad valorem."

Mr. BURKETT. What were the first figures? I did not catch them.

Mr. SMOOT. Six cents per square yard and 15 per cent ad valorem.

Mr. CUMMINS. The Senator intends, I assume, to carry on the same classification into the inlaid, because there is just as much difference between the cheaper forms of inlaid and designed linoleums as in the other linoleums.

Mr. SMOOT. I do not think that the Senator wants that reduction made, because the inlaid, the granite, and the plank are exceedingly high-priced goods.

Mr. CUMMINS. They are high priced, it is true, but they have no relation to each other. For instance, let me show you. There [exhibiting] is an inlaid linoleum of very common design, and the value of that is 36 cents a square yard abroad; that is the foreign value. There [exhibiting] is another linoleum made precisely like it, inlaid, and the value of that is 66 cents per square yard. Of course this is neither the cheapest form of inlaid linoleum, nor is it the most expensive form of inlaid.

Mr. ALDRICH. The rates will not be very high on either of those.

Mr. CUMMINS. There is this difference, Mr. President, and I call the attention of the Senator from Rhode Island to it: The ad valorem rate on this form [exhibiting], that is the cheaper form of inlaid, is 74 per cent, and the ad valorem rate upon the dearer form is 50 per cent.

Mr. ALDRICH. That is not so essential; it is not a very great difference.

Mr. CUMMINS. It is a difference of 24 per cent.

Mr. ALDRICH. There are always such differences in specific rates.

The PRESIDING OFFICER. Will the Senator from Utah send his amendment to the desk, if he has it in form?

Mr. SMOOT. I have not written it out.

The PRESIDING OFFICER. Will the Senator step to the desk and dictate it to the Clerk?

Mr. CUMMINS. As I understand, Mr. President, this will be in the RECORD so that we can read it in the morning?

The PRESIDING OFFICER. After it has been stated. The Senator from Utah offers an amendment, which will be reported by the Secretary.

The SECRETARY. It is proposed to insert the following in lieu of paragraph 343:

343. Oilcloth for floors, plain, stamped, painted, or printed only, and linoleum, corticene, and all other floor oilcloth and fabrics or coverings for floors, made in part of oil or any similar product, if 9 feet or less in width, and not specially provided for herein, valued at not more than 20 cents per square yard, 6 cents per square yard and 15 per cent ad valorem; valued at more than 20 cents per square yard, 8 cents per square yard and 15 per cent ad valorem; over 9 feet in width, valued at not more than 45 cents per square yard, 10 cents per square yard and 15 per cent ad valorem; valued at more than 45 cents per square yard, 12 cents per square yard and 15 per cent ad valorem; any of the foregoing of whatever width, the composition of which forms designs or patterns, whether inlaid or otherwise, by whatever name known, not otherwise provided for in this section, and cork carpets, 20 cents per square yard and 20 per cent ad valorem; mats for floors, composed of any of the foregoing, shall be subject to the rate of duty herein provided for oilcloth, linoleum, corticene, or other floor oilcloth; waterproof cloth, composed of cotton or other vegetable fiber, whether composed in part of india rubber or otherwise, 10 cents per square yard and 20 per cent ad valorem.

Mr. CUMMINS. So far as I am concerned, I think that is about what I have been contending for.

Mr. STONE. I ask that the original agreement be adhered to. Let the entire amendment be printed in the RECORD.

Mr. CULLOM. Let it be adopted.

Mr. STONE. Let it be adopted, with the understanding that if we desire to open it up there will be no objection.

The PRESIDING OFFICER. The amendment of the committee will be modified as suggested in the amendment just read.

Mr. ALDRICH. Then I ask that the paragraph as amended be agreed to, with the understanding as stated by the Senator from Missouri.

The paragraph as amended was agreed to.

Mr. ALDRICH. Mr. President, the committee have no further amendments to suggest this afternoon, or, at least, until——

Mr. PENROSE rose.

Mr. ALDRICH. The Senator from Pennsylvania proposes to offer an amendment for himself on petroleum.

Mr. PENROSE. I offer the following amendment, providing for an additional paragraph, numbered 37½, reading as follows:

Petroleum, crude, one-half cent per gallon.

I hope this matter is so well understood that it will not lead to any prolonged discussion before the Senate has an opportunity to consider it. I will merely state that is it the amendment finally agreed on by the independent oil producers of the United States.

Mr. CULBERSON. Mr. President, I suggest that the amendment be reported.

Mr. PENROSE. I read the amendment.

Mr. CULBERSON. I should like to have it reported from the desk.

The PRESIDING OFFICER. The amendment proposed by the Senator from Pennsylvania will be reported.

The SECRETARY. On page 10, after line 21, insert the following as a new paragraph:

37½. Petroleum, crude, one-half cent per gallon.

Mr. PENROSE. Mr. President, I desire to state that this amendment is the final conclusion of the independent oil producers of the United States, representing 89 per cent of the total crude petroleum production of the United States, and also

of the independent refiners of the country, representing some 20 per cent of that part of the business.

Mr. ELKINS. Mr. President, I suggest the want of a quorum.

Several SENATORS. There is a quorum present.

The PRESIDING OFFICER. Does the Senator insist upon his suggestion?

Mr. ELKINS. I will withdraw it, Mr. President, if desired.

Mr. CULBERSON. Mr. President, I renew the suggestion.

Mr. ELKINS. I think it is a good one.

The PRESIDING OFFICER. The point of no quorum has been made. The Secretary will call the roll.

The Secretary called the roll, and the following Senators answered to their names:

Aldrich	Crawford	Guggenheim	Paynter
Bacon	Culberson	Heyburn	Penrose
Bailey	Cullom	Hughes	Perkins
Bankhead	Cummins	Johnson, N. Dak.	Piles
Beveridge	Curtis	Johnston, Ala.	Root
Borah	Davis	Jones	Scott
Brandegee	Depew	Kean	Shively
Bristow	Dick	McCumber	Simmons
Brown	Dolliver	McLaurin	Smith, Md.
Bulkeley	Elkins	Martin	Smith, Mich.
Burkett	Fletcher	Money	Smoot
Burrows	Flint	Nelson	Stone
Burton	Foster	Newlands	Sutherland
Chamberlain	Frazier	Nixon	Tillman
Clapp	Frye	Oliver	Warner
Clark, Wyo.	Gallinger	Overman	Warren
Clay	Gamble	Owen	Wetmore
Crane	Gore	Page	

The PRESIDING OFFICER. Seventy-one Senators have answered to their names. A quorum of the Senate is present. The question is on the amendment offered by the Senator from Pennsylvania [Mr. PENROSE].

Mr. CULBERSON. Mr. President, on that amendment, unless some Senator desires to speak, I demand the yeas and nays.

The yeas and nays were ordered.

Mr. BRISTOW. I should like to have the amendment reported.

The PRESIDING OFFICER. The amendment will be again reported.

The SECRETARY. On page 10, after line 21, insert a new section, to be known as 37½, as follows:

Petroleum, crude, one-half cent per gallon.

The PRESIDING OFFICER. The Secretary will call the roll.

Mr. BRISTOW. Mr. President, I desire to have read the letter I send to the desk. I will state that it is from a gentleman of wealth and intelligence, who has lately spent a month in Mexico, and is interested in oil production as well as oil refining. He is an independent oil producer, and is interested in independent oil refineries.

The PRESIDING OFFICER. The letter will be read.

The Secretary read as follows:

JUNE 1, 1909.

MY DEAR SIR: Your favor of the 7th instant, together with a copy of your letter to Senator King, was received to-day on my return home from four weeks' absence in Mexico.

I do not wish to enter into this matter at any length, as I presume the question of the duty on oil has been settled, although I have not kept up with this matter. You are mistaken about there being any 10-cent oil in Mexico. The Waters-Pierce Company and the Mexican Central Railroad have bought the production of the Dehaneys in Tampico field under contract. I understand the contract price is 50 cents gold per barrel. My understanding is that all the oil produced on the Isthmus of Tehauntepec and Veracruz field is owned or controlled by the Pearsons. There are very few if any independent producers of oil in the Republic of Mexico. There are a few oil promoters down there who are making considerable noise but not producing any oil nor drilling any wells. I do not think there is any danger from the Mexican field to American producers, and my opinion of this matter is that the Standard has been using you independents to pull their chestnuts out of the fire, as the conclusion I have reached is that the Standard fears the Pearsons may ship refined oil into this country in competition with them. In my judgment, this would be beneficial to the great masses of the people, as it might result in their getting cheaper oil. This, however, is all contingent upon future discoveries of oil in the Mexican field. There is not enough oil down there now to grease the wagons of the United States.

Yours, very truly,

——— ———.

Mr. BEVERIDGE. Mr. President, this is not a committee amendment, as I understand it, but it is presented by the Senator from Pennsylvania [Mr. PENROSE], and imposes a duty where the House put this article on the free list. It appeared that we were about to vote, and I am sure there are a good many Senators here who would like to hear some statement of reasons given, one way or the other. As was pointed out yesterday, everybody is working very hard concerning a great many matters as they come up, and I am sure that there ought to be some light thrown on this question by the proponents of the amendment, or the persons who object to it. I merely want to make that suggestion for what it may be worth.

Mr. PENROSE and others. Question!

Mr. BACON. As I understand it, this is not a committee amendment.

The PRESIDING OFFICER. As many as are in favor——

Mr. CULBERSON. Mr. President, the yeas and nays have been ordered.

The PRESIDING OFFICER. The Chair begs pardon. His attention was called in another direction, and he did not observe that. The Senator from Texas demands the yeas and nays.

Mr. CULBERSON. The Senator from Texas demanded the yeas and nays, and they have been ordered.

Mr. BAILEY. Mr. President, before the roll is called——

Mr. CULBERSON. If my colleague will pardon me a moment, I will suggest that the roll call was suspended in order that a letter might be read which was presented by the Senator from Kansas [Mr. BRISTOW].

The PRESIDING OFFICER. The Chair begs pardon for having overlooked that fact.

Mr. BAILEY. Mr. President, I should like to have the amendment read before we vote on it.

The PRESIDING OFFICER. The amendment will be again reported.

The SECRETARY. On page 10, after line 21, insert the following as a new paragraph:

37½. Petroleum, crude, one-half cent per gallon.

Mr. BAILEY. Mr. President, the effect of that amendment is to transfer oil from the free list to the dutiable list, and it is to be followed, of course, by another amendment transferring all the products of petroleum from the free list to the dutiable list.

Mr. PENROSE. I of course expect, Mr. President, to correct the bill, as far as the free-list paragraph is concerned, if the amendment should be acted upon favorably.

Mr. BAILEY. Mr. President, I shall detain the Senate but a moment. I am opposed to levying a duty on oil, for two reasons, either of them sufficient to control my vote.

In the first place, oil is an article of universal and necessary use, and I should not, therefore, be willing, except for some imperative revenue necessity of the Government, to levy a tax on it any more than I should be willing to levy a tax on coffee. When you look to the importations of oil and to the revenues that the Government has derived from those importations, you find that they amount practically to nothing.

Without having very recently examined the matter, I think I am well within the facts when I say that in no recent year has the Government collected more than $35,000 in revenue from the importation of oil. It is a matter of common knowledge, sir, that the United States produces more oil than our people consume, and that we export vast quantities. Therefore it must happen that a duty on it is levied not for the sake of raising revenue, but purely for the purpose of enabling those who produce oil to charge more for it to those who consume it. There is not in all this bill a duty more purely and essentially protective than this; and I am not willing to see this item transferred from the free list to the dutiable list without recording my protest against it.

Mr. BORAH. Mr. President, I do not care to discuss this matter, but I wish to ask the committee if any hearings were had before the Finance Committee with reference to the question as to how much crude oil is now produced by the Standard and how much by independent producers.

Mr. PENROSE. The committee heard a great many independent oil producers from all over the United States—I think one morning there must have been a hundred of them present—and the testimony was, as I have stated, that 89 per cent of the oil production is absolutely controlled by what are known as "independent oil producers" and about 11 per cent by the Standard Oil Company.

Mr. BORAH. Has the committee any doubt about there being independent oil producers?

Mr. PENROSE. I hardly understand that question. The independent oil producers of the United States, who are probably fifty or a hundred thousand in number, are among the most active and aggressive pioneers in the country. Many of them are Pennsylvanians, who, after our fields were abandoned, went to Oklahoma and the Indian Territory and California and West Virginia, still, however, maintaining their identity with the State. They are among the most intelligent, aggressive, and enterprising of our people; and I know, speaking for Pennsylvania, with which I am, of course, familiar, that no amendment to the tariff bill is more popular than the one I have just offered among the independent people directly and indirectly connected with the oil business in the western part of the State.

Mr. SHIVELY. Will the Senator permit a question?

Mr. PENROSE. Certainly.

Mr. SHIVELY. I am interested in this classification of independent oil producers. I will ask the Senator if it is not a fact that where a body of citizens incorporate themselves into

a company for the purpose of boring or mining for oil, and they put down a series of wells and strike oil and that oil is owned by them as a company—the wells having been put down, of course, by independents—that when the oil is lifted it is tapped into the Standard Oil Company's lines? Does he regard that kind of an oil producer as an independent oil producer? Does that class of oil producers fall within the percentage he has given here as some 80 per cent as independents?

Mr. PENROSE. Of course the producer is dependent upon the transportation facilities of the Standard Oil Company and of independent pipe lines. Fully 20 per cent of the transportation business is now controlled by independent companies, companies absolutely separate and independent of the Standard Oil Company. There is one in Pennsylvania, with its line extending across the State, tapping the western country and terminating at the seaboard, near Philadelphia, with its refineries, its ocean steamers, its stations in Europe, and all the appurtenances and facilities which attach to the Standard Oil Company.

They are formidable competitors in the farthest extremities of Europe and in every market. Their representatives are here to-day in Washington and have been all winter. Mr. Chamberlain, one of the gentlemen who started the independent pipe line in Pennsylvania; Mr. Lewis Emery, who has for forty years been contending for independence in the oil industry; all the independents of Pennsylvania and throughout the country have been here during the winter urging this amendment.

They do not underrate, as the gentleman did in the letter which was read, the menace to this industry in the Mexican field. This Mexican development is considered as threatening the destruction of the oil producers in the United States. Here is the statement of Mr. Lewis Emery, who has spent ten years in investigating the Mexican wells and who knows probably as much about it as any man in America. He says, as is stated in a communication addressed to the Finance Committee—

I have been over a great portion of Mexico which I describe and speak of from personal observation. We have drilled there several wells, one of them the largest ever opened in any of the world's oil fields. This was the El Bocas well, on the banks of the Tamiahua lagoon, which produced upward of 5,000,000 barrels of oil in a few weeks and is still flowing about 10,000 barrels per day and is uncontrollable.

If the Republic of Mexico would maintain the countervailing duty there would be no cause for fear of the great overflow of oil from there. But the fact that she is now producing and refining more than sufficient to supply her needs, which causes her to look for outside markets, and in order to secure entrance to the United States markets she will undoubtedly cancel the present duty, and if so our duty will go with it and she will have easier access than our own producers and refiners to all our markets on our southern land border and on the Gulf and Atlantic coasts from the Rio Grande to Eastport, Me.

In other words, if this vast supply of Mexican oil, which probably exists in quantities undreamed of, should become available and Mexico should abolish the countervailing duty, there would not be an oil well in any of the middle western country that could find a market for its products in the East. The refineries would be started in Mexico by the Standard Oil Company and by the Pearson concern, and the refined product would be shipped by cheap ocean transportation into every Gulf and Atlantic port in the country.

Mr. McCUMBER. Mr. President, I prepared a table from the tables of the Bureau of Statistics covering the exports of petroleum, showing to what countries and our foreign markets, showing the imports of petroleum and the import duties on petroleum of countries producing the same, reduced to American currency and in American gallons, the world's production of petroleum, and the percentage of the total production in each of the great subdivisions, and also petroleum by kinds for the year 1904–1907, in gallons, in the world, and the total imports.

As they all bear upon this subject, without having them read, I will ask that the tables may be printed in the RECORD.

The PRESIDING OFFICER. Without objection, that order will be made.

The tables referred to are as follows:

EXPORTS—PETROLEUM.

The following tables are the official statement by the Bureau of Statistics of the Department of Commerce and Labor of the quantity and value of petroleum and its products (mineral oils) exported from ports and districts in the United States for the years ending December 31, 1906 and 1907:

Recapitulation by kinds, in gallons.

	Quantity.	Value.	Quantity.	Value.
Crude petroleum	148,045,315	$7,731,226	126,306,549	$6,333,715
Naphtha	27,544,939	2,488,401	34,625,525	3,676,206
Illuminating oil	878,274,104	54,858,312	905,924,296	59,635,208
Lubricating oil and paraffin	151,238,522	18,689,622	152,028,855	19,210,353
Residuum	64,644,765	1,971,305	75,774,754	2,527,582
Total	1,269,777,645	85,738,866	1,294,659,979	91,383,064

FOREIGN MARKETS.

In the following table is given a statement showing the foreign markets for our oil in the four fiscal years ending June 30, 1907:

Exports of petroleum in its various forms from the United States for the fiscal years 1904–1907, by countries and kinds, in gallons.

Country and kind.	1904.	1905.	1906.	1907.
Crude:				
Europe	91,557,224	79,358,206	94,270,179	74,875,794
North America	23,016,790	43,700,489	44,561,256	53,255,910
South America	114,576,920	123,059,010	130,688,615	128,175,737
Refined:				
Naphtha—				
Europe	13,380,996	26,705,956	27,232,694	16,691,709
North America	3,529,125	4,110,699	5,524,000	9,635,345
Illuminating—				
Europe	498,430,827	529,939,821	572,463,662	572,077,868
North America	27,910,344	22,667,483	21,528,028	21,252,558

IMPORTS—PETROLEUM, 1907.

The imports of mineral crude oil to the United States is as follows:

		Quantity.	Value.
Crude	gallons	1,302,555	$91,547
Refined	do	3,556,250	194,706
Mineral wax	pounds	1,451,231	149,507

Import duties on petroleum by countries producing petroleum, reduced to American currency and American gallons.

Country.	Crude, per gallon.	Refined, per gallon.
	Cents.	*Cents.*
Austria (Gallacia)	4.967	14.36
Germany		7
Roumania	1.14	2.84
Burma (India)	1.66	1.66
Russia	2.816	16.895
Mexico	4.86	13.27
Canada	Free.	2.068

Java (Dutch East Indies), 5.19 per cent ad valorem plus 37 cents.
Japan, 20 per cent ad valorem plus 20 per cent for sundries, 4.785 cents.

WORLD'S PRODUCTION OF PETROLEUM.

The total production of petroleum for the various countries of the world, according to the report of the United States Geological Survey of 1907, was, in round numbers, 262,000,000 barrels, about 720,000 barrels per day, divided among the various countries, as follows:

Country.	1906.	1907.	1907.
	Barrels.	*Barrels.*	*Metric tons.*
United States	126,493,936	166,095,335	22,149,862
Russia	58,897,311	61,850,734	8,247,795
Sumatra, Java, and Borneo	8,602,572	*8,738,302	1,178,797
Galicia	5,467,967	8,360,441	1,175,974
Roumania	6,378,184	8,118,207	1,129,097
India	4,015,808	4,344,162	579,316
Japan	1,710,768	2,010,639	268,129
Mexico	----------	1,000,000	133,355
Canada	569,753	788,872	105,200
Germany	578,610	756,631	100,379
Peru	42,419	65,476	8,732
Italy	53,577	*53,500	7,450
Other	30,000	*30,000	4,000
Total	212,900,900	262,212,299	35,094,086

* Estimated.

Percentage of total production, 1907.

United States	63.12
Russia	23.50
Sumatra, Java, and Borneo	3.36
Galicia	3.36
Roumania	3.22
India	1.65
Japan	.76
Mexico	.38
Canada	.30
Germany	.30
Peru	.02
Italy	.02
Others	.01
Total	100.00

Petroleum, by kinds, for the years 1904–1907, in gallons.

Country and kind.	1904.	1905.	1906.	1907.
Refined:				
Illuminating—				
South America	45,598,915	50,734,250	54,984,746	55,081,352
Asia	134,313,290	174,941,348	164,893,450	196,306,228
Oceania	21,517,840	28,997,401	22,200,688	27,767,540
British Africa	741,567,086	822,881,953	834,361,210	894,529,432
Lubricating—				
Europe	67,830,877	76,537,696	117,398,470	108,153,422
North America	88,810,130	97,357,196	140,110,702	136,140,226
Residuum (barrels):				
Europe	537,155	1,165,461	1,736,472	65,228,009

Total imports.

February.	Exports.	Imports.	Excess of exports.
1909	$126,036,204	$118,635,807	$7,400,397
1908	167,757,032	84,752,651	83,004,381
1907	159,517,221	123,005,683	36,511,538
1906	141,706,538	104,332,879	37,553,679
1905	105,870,782	105,084,413	3,785,369
1904	118,800,282	80,022,500	29,777,782
1903	125,586,024	82,622,246	42,963,778

Mr. McCUMBER. Mr. President, we passed a Senate resolution inquiring into the question of this wonderful production of oil in Mexico, which was to swamp all of the American concerns. The President sent in his message, and without having the message read, I should like to have read the report of C. W. Hayes, chief geologist, who made the investigation.

The PRESIDING OFFICER. Without objection, the paper will be read by the Secretary.

The Secretary read as follows:

The conclusions of general public interest derived from my personal inspection of the Mexican oil fields are briefly as follows:

While these fields promise to yield a large quantity of crude oil, its quality is such that it can not compete under present conditions in the markets of the United States or Europe with the higher grade petroleum of the Appalachian, Illinois, or mid-continent fields. Further, the conditions are such that the demand for fuel oil and refined products in Mexico exceeds the supply available at present or in sight in the near future. There is practically no coal in Mexico, and the railroads now dependent chiefly on Texas, Oklahoma, and English coal could consume several times the present production of oil if it were generally adopted as fuel. The increased production in the Mexican fields therefore will affect the United States by reducing the demand for coal; by reducing the demand for high-grade crude oil for refining to supply the local market, and to some extent by competing in the European market with American refined products.

Finally, the conditions in the Mexican fields are not favorable for the small operator, and it is highly probable that production as well as refining will remain in the control of a very few strong companies. The geological conditions under which the oil occurs are such as to increase the hazards and uncertainties encountered in the development of an oil field, and it is probable that both the difficulty of securing a steady supply of oil and the average cost of production will be correspondingly increased.

C. W. HAYES, *Chief Geologist.*

Mr. PENROSE. In addition to the menace from the Mexican fields, which, in the opinion of all practical independent oil producers who have visited that country, is a serious one, I ought to call the attention of the Senate to the Canadian fields. I would recall the fact that to encourage production the Ottawa government enacted a law giving a bounty of 54 cents per gallon on all oil produced in the Dominion. As a result of that bounty the production has increased quite rapidly, and large operations are being started not only in eastern and central Canada, but in the far northeast.

As to the amount of the duty fixed in the amendment, I should like to call the attention of the Senate to the fact that Austria imposes a duty on crude petroleum per gallon of nearly 5 cents; Roumania, a duty of 1.14 cents; India, a duty of 1.66 cents; Russia, a duty of 2.81 cents; Mexico, a duty of 4.86 cents; and Japan, 20 per cent ad valorem.

All of the above countries have high duties on the refined product per gallon. Therefore the amount of duty as fixed in the amendment which I have offered is smaller by over a half than any duty imposed by any other country in the world.

Mr. GUGGENHEIM. Mr. President, the oil industry is a very important one in the State of Colorado. To protect that industry, I shall vote for the amendment offered by the Senator from Pennsylvania. In connection with that matter, I have a clipping here from a very important newspaper of Denver, which I send to the desk and ask to have the Secretary read.

The PRESIDING OFFICER. Without objection, the paper will be read.

The Secretary read as follows:

TWO NEW STRIKES OF OIL IN SECTIONS WIDELY APART GIVE PROMISE OF GREAT DEVELOPMENT OF THE INDUSTRY.

An industry that has long been a part of the commercial and industrial life of Colorado and that last year received a strong impetus through new development is the oil industry. For twenty years there have been a large number of good producing wells in Fremont County, near Florence, and the past six years have seen a new field developed in the Boulder district that is netting handsome returns to a number of operating companies; but in 1908 new strikes were made in two sections of the State that promise extensions beyond the $2,000,000 a year that is now produced. Discoveries were made in Rio Blanco County, on the western slope of the Rocky Mountains, and in Lamar, in the Arkansas Valley, which is believed to be the same field as in the Florence district.

PRODUCE 3,300 BARRELS A DAY.

The wells in the Florence district produce about 3,000 barrels a day, and those in the Boulder district about 10 per cent as much. The crude product is handled by refineries located in the districts, and gasoline, kerosene, and the numerous other products of petroleum are manufactured on an extensive scale.

The wells supply a large portion of this commodity that is consumed in Colorado and the States adjoining on the north, south, and west. Development is going on all the time in the Florence field and every few weeks a new well is opened that adds to the wealth of the community. In 1908 a large wax factory was opened at Florence to further increase the value of the residue from the refining process that was formerly sold for $1 a barrel, and the profits of the operating company will be increased by a handsome figure.

The business in the Florence field is practically controlled by the United Oil Company and that of the Boulder field by the Inland and Colorado companies.

MILLION AND A HALF FROM ONE WELL.

Explorations in the Florence field have developed about 275,000 acres of oil-bearing land, and there is about one well for each 750 acres. One well has produced nearly 1,500,000 barrels of oil and has netted the owners not less than $1,500,000 above operating expenses.

Development has not progressed far enough in the new districts to base any prediction on their future. The operators in the Rio Blanco County district declare their wells are located on the same field as the newly opened wells in the Bluff City (Utah) district, which has been heralded as the greatest oil district opened since the Texas and Kansas and Indian Territory fields.

Mr. OWEN. Mr. President, the State which I have the honor in part to represent has a present output of crude oil which is larger than was the entire production of crude oil in the United States at the period of the last census. It has a capacity of over 50,000,000 barrels output per annum at this time. That oil is being sold at from 20 cents to 41 cents a barrel, of 42 gallons—a very low price indeed. If refined oil was sold at any measurable degree in proportion to the cheapness of the crude oil of Oklahoma, it could be sold for illuminating purposes at not exceeding 5 cents a gallon wholesale. It costs only half a cent a gallon to refine the oil. The high price of petroleum in this country for illuminating purposes is not due to the high price of crude oil, but to artificial high prices fixed by the worst monopoly on earth, the Standard Oil Company. It is in spite of the very low price of crude oil that refined oil is still maintained at a high figure by the commercial machinery of the Standard.

Mr. President, I call the attention of my Democratic colleagues to the fact that the Wilson bill, the only tariff measure that the Democrats have presented to the country since the war, carried a 40 per cent ad valorem on crude oil and on its products. This tax on oil was presented in the Senate by Senator James K. Jones, the leader of the Democracy at that time. Without an objecting voice, it was adopted by the acquiescence of every Democratic Senator in this body. This item imposing a 40 per cent ad valorem tax on oil went to the House of Representatives. It was adopted by the House of Representatives, then controlled by the Democrats, and became the law.

I do not, because of that, say to the Senate that it was necessarily a wise or judicious thing to do, nor that it is worthy to be followed now, unless for other reasons this tariff is justified, but I do insist that a tax on crude oil of half a cent a gallon can not be regarded as un-Democratic with this Democratic precedent. The suggestion has just been made that the independent producer and independent refiners are being used as the cat's paw of the Standard Oil Company.

Mr. President, I confess that I have but little sympathy with that charge. I have caused to have presented to the Senate heretofore the proceedings of the independent oil refiners and oil producers in their session in this city on the 21st of April, 1900, which will be found in Senate Document No. 88 of the present session of Congress, and there is recorded a long list of men notable in the production and refining of oil in this country, men whose business acumen, whose business sense, whose skill, and whose good faith ought not to be impugned. They deserve better treatment at the hands of the Senate than either to be discredited in motive or in the intelligence of their prayer.

I grant that any duty carries with it some measure of protection, because any duty whatever put upon our statute book to that extent interposes a barrier against competition from

abroad, but this tax will interpose a barrier alone to the anticipated shipments of the Standard.

As far as my State is concerned, I favor this small import duty, because if the producers and refiners in my State are right in their apprehensions it will operate as a barrier to the Standard and give our independents a better chance to devlop competition with the Standard; and if the Mexican oil is brought in, it will compel the Standard to pay a revenue into the Federal Treasury.

"Oh," is is said, "we have never imported any oil and we never will, and therefore this tax is not justified." Very well; if that be true, I respectfully represent that the opposition to the tax is not justified as the tax, on this theory, is harmless.

Suppose, however, that this production in Mexico, which the producers so greatly fear, should grow by leaps and bounds, as it has done in Oklahoma. Mr. President, I call attention to the rapid growth of this production in Oklahoma. Only a few short years ago, in 1903, the total midcontinnental production was only 1,500,000 barrels, and now in Oklahoma alone I think it is no exaggeration to say that the output is 50,000,000 barrels. Mexico in 1906 had 1,000,000 barrels, in 1907, 4,000,000 barrels. Suppose the output in ten years, before another tariff bill may pass, is 100,000,000 barrels and the Oklahoma producer put out of business. What then of the consumer?

The good faith of the men who fear the Mexican production is abundantly vouched for not only by their own high character, but also by letters which they present from the highest officers of this Government; one from Martin A. Knapp, chairman of the Interstate Commerce Commission, which, without reading, I will ask to place in the RECORD.

The PRESIDING OFFICER. Without objection, that order will be made.

The letter is as follows:

INTERSTATE COMMERCE COMMISSION,
Washington, May 21, 1909.

Mr. C. D. CHAMBERLAIN,
Secretary, etc., New Willard Hotel, Washington, D. C.

DEAR SIR: In response to your request of 20th instant, I write to say that, so far as I have information or belief, either official or personal, the producers and dealers of oil which you represent are entirely independent of and have no affiliation with the Standard Oil Company.

In the various investigations which the commission has conducted, both in formal proceedings under the act to regulate commerce and in compliance with the joint resolution of the Congress, nothing has been disclosed or suggested to indicate that the members of your association are not actual and active competitors of the Standard Oil Company. I have no reason to doubt that they are entirely independent and rival concerns. Nothing has come to my knowledge which would warrant a contrary belief.

Yours, very truly, MARTIN A. KNAPP, *Chairman.*

I hereby certify that I have compared the foregoing copy of a letter from Martin A. Knapp with the original bearing his signature, and find it a true copy.

Witness my hand and seal this 22d day of May, 1909.

[SEAL.] WARREN M. MITCHELL,
Notary Public, District of Columbia.

Mr. OWEN. Here is a letter from Frank B. Kellogg, who is prosecuting with all his might the Standard Oil Company, and who can not be suspected of any sympathy with them. I ask that the letter may go into the RECORD without reading.

The PRESIDING OFFICER. It is so ordered.

The letter referred to is as follows:

DAVIS, KELLOGG & SEVERANCE,
St. Paul, Minn., May 26, 1909.

C. D. CHAMBERLAIN,
New Willard Hotel, Washington, D. C.

MY DEAR SIR: The refiners which you have represented in the past, members of the National Petroleum Refiners' Association, are, I have no doubt, independent of the Standard Oil Company. In the very thorough investigation we made and in all the testimony taken before the special examiner in the Standard Oil case, these refiners were treated as independent, and I believe them to be so.

I do not agree with you about the tariff on petroleum and its products. It does not seem to me that it will in any way injure you to have the tariff taken off. I do not wish, therefore, to be understood in any way as advocating the tariff on petroleum and its products. I am not, however, in the business, and every man is entitled to take a position to suit himself.

Very truly, yours, FRANK B. KELLOGG.

Mr. OWEN. Here is a letter from C. B. Morrison to like effect, which I ask may go into the RECORD.

The PRESIDING OFFICER. Without objection, that order will be made.

The letter referred to is as follows:

MORRISON, BROWN & GOULD,
Chicago, May 25, 1909.

Mr. C. D. CHAMBERLAIN,
New Willard Hotel, Washington, D. C.

DEAR MR. CHAMBERLAIN: Yours of the 20th instant just reached me, and in reply I have to say that if the question as to whether the petroleum interests which you represent are independent of the Standard arises at any time you are at liberty to call upon me, and I think I can satisfy any person that those interests are independent. From the time we commenced the suit in behalf of the Government against the Standard Oil Company and its affiliated companies you and those connected with your office were of great help to us, not only in posting us as to the facts, but in assisting us in gathering the testimony and in presenting it to establish the facts; and if there is any one thing that I learned thoroughly during the progress of that lawsuit, it was that you and the companies engaged in the petroleum business with which you were connected were wholly and completely independent of the Standard companies and independent of Standard interests. And you were not afraid to have your hostility to those interests known to everybody, because what you did in assisting the Government in its prosecution was done openly and fearlessly, and was greatly appreciated by the attorneys representing the Government.

It seems strange to me, knowing the facts as I do, that anyone at all posted should ever raise the question as to the independence of the companies which you represent. However, I can readily understand that one not going through it as we did might not be so thoroughly posted upon the situation as I am. I can also well understand how the real independent interests might be accused by honest men with affiliation with the Standard, because, as you know, it developed upon the taking of testimony that the Standard has at different times run, managed and controlled companies which held themselves out to be independent; and in one case some of these bogus independent companies employed counsel to appear before the legislature of Georgia and represent that they were real independent companies, and that the bill which they opposed was a bill in the interest of the Standard Oil Company, when, as a matter of fact, the Standard, and not the independent companies, was back of the opposition to the bill and paid the attorneys who appeared before the legislature and opposed the bill. So that after all it may not be strange that a real independent company should be suspected of affiliation with the Standard.

I wish you success in your efforts to uphold and advance the independent oil interests of the country.

Very truly, yours, C. B. MORRISON.

Mr. OWEN. Now, Mr. President, the increase of the production in Oklahoma has jumped in a few short years from nothing to 50,000,000 barrels per annum. These producers come here and submit their petition, which I submitted for the information of the Senate in Senate Document No. 88, parts 1 and 2. They point out what they expect from Mexico. Doctor Day's report only two days ago showed that Mexico from practically no production had jumped to a million barrels, then to 4,000,000 barrels the following year, and Lewis Emery, in his statement, which is before the Senate (S. Doc. No. 88), a man who has distinguished himself all his life as the most untiring opponent of the Standard Oil Company, nominated by the Democracy as its candidate as governor of Pennsylvania because he had distinguished himself as the opponent of the Standard Oil Company, comes here and points out in the most emphatic manner from personal experience what may be expected from the Mexican field.

I have in my hands a map of Mexico upon which Lewis Emery marked out the various fields in which oil had already been found. In a field near the Rio Grande, adjacent the Texas border; a field down the coast, below Tampico; a field down near to Veracruz; a field down on the Isthmus; and he states that for a distance of 800 miles these measures are oil bearing. He himself put down on the coast of the Gulf of Mexico, just below Tampico, a well which was so remarkable its story was published all over the world. He put down a well, an 8-inch hole, which struck a flow of oil that became an artesian fountain of oil and hot salt water, turning up the soil for 30 or 40 acres, boiling out two rivers of water, and pouring out an incredible volume of oil mixed with hot salt water of 159 degrees temperature, destroying the oil, but proving beyond the shadow of a doubt the enormous potentiality of the great oil-bearing measures of Mexico.

Mexico now charges us over 4 cents a gallon on crude petroleum, for any petroleum we may ship into Mexico. This amendment proposes only one-half of a cent a gallon on crude petroleum.

Mr. President, in my opinion the first duty of a legislator is to consider the welfare of the great body of the people of the country, to consider, as far as this oil matter is concerned, first of all the consumer; and in his name alone I shall speak in behalf of this proposed tax. His welfare is absolutely dependent on the development of competition by the independent producer and refiner. In 1887 the independent refiners refined only 5 per cent of the oil in this country, and now, by virtue of our more considerate interstate-commerce laws, the anti-rebate laws, and so forth, they have increased, and very much more rapidly in recent years than previously, until they have an output of 20 per cent of the refined oil used in this country.

The producers are afraid, because the Standard Oil Company purchases over 80 per cent, approximately, of the crude petroleum of the country, that if the Standard Oil Company controls the Mexican fields, it will naturally withdraw as chief purchaser of the crude oil of the American producer. Why should it not? Why should not the Standard Oil Company buy the cheapest oil available?

Any man in business, and in that business to make money, would buy his crude oil where he could get it the cheapest, and this Mexican field will furnish the cheapest oil in the world. If the Standard Oil Company does buy its supplies of crude there and can ship those supplies of crude into the United States

without tax, why should it continue to buy from the independent producer, who now produces 89 per cent of the oil of this country? And if the Standard ceases to buy, the independent producer in that degree is thrown out of business, the towns now dependent on the oil production and the allied industries dependent thereon fall into decay, the taxes paid to town, county, and State from such sources will cease, and Oklahoma might receive in this way an enormous injury. It shall not happen if my voice will prevent it.

When the independent producer diminishes and grows less and less and gradually goes out of business, the Standard Oil Company can thereafter the more easily control the crude oil in this country by purchase of a large part of such valuable production as remains, and, controlling the volume of production remaining, are in position to embarrass and destroy the independent refiner by irregular, defective, or deficient oil supply.

I earnestly call the attention of the Senate again to the important fact that, under our improving laws, the independents have increased from 5 per cent to 20 per cent. They are getting their refineries established all over the West, in Kansas, Oklahoma, Illinois, and at various other points. In Senate Document No. 88, Sixty-first Congress, first session, I submitted a map showing the price of refined oil where there was competition in refined oil by the independents and where practically there was no competition. That map, which I hold in my hand, shows that the price of oil goes down very decidedly where there is this competition.

I think it proper to say to the Senate that the competition in refined oil has to be most skillfully and carefully conducted by those who engage in it, for fear of their great antagonist, which has known no mercy in the past and has destroyed many and many an independent concern, as the history of the Standard Oil Company abundantly proves.

Mr. President, I believe that it is better for the consumer that we should have competition in this country. I believe that if oil is brought in from Mexico it will be brought in, not by the little independent, who has no oil fleet, but it will be brought in, if brought in at all, by the Standard Oil Company alone.

I think, if it is brought in, if the fears of the independent producer and refiner be well founded, there is no good reason why a small tax should not be imposed upon the crude oil, which would add to our revenues and at the same time would afford incidental protection to the independent producers and refiners. I for one will stand by the interests of my own State and the desire of my people, who believe that they are in jeopardy in this matter, and who have by their industry and enterprise developed an enormous industry in Oklahoma. I therefore shall cast my vote for this amendment. It has sound Democratic precedent, and was voted for by W. J. Bryan when he voted for the Wilson bill in 1904, not to mention every Democrat then in the Senate and, I believe, all who voted in the House. It is justified from a prospective revenue standpoint, and is in the best interest of the consumer.

Mr. GORE. Mr. President, it had been my purpose to offer an amendment to the pending amendment, limiting its operation to the Republic of Mexico; but I have just conferred with the junior Senator from New York [Mr. ROOT], and he expresses it as his impression that the subsisting treaty between the United States and that Republic contains the "favored-nation" clause, and that such an amendment would fly in the face of that treaty obligation. I shall, therefore, not offer the amendment which I had intended to propose.

Perhaps I should say, however, that I should not have voted for the pending amendment, whether my own amendment had been adopted or rejected. My colleague [Mr. OWEN] has forcibly stated the situation as it exists in our State, and has reflected the feeling that prevails among the independent producers and refiners in the State of Oklahoma. But, for my own part, I regard the Mexican oil field as being, in great measure, a Mexican myth. I regard it, at least up to the present time, as being almost as much a myth as the story of the eagle, the serpent, and the cactus. My information is that crude oil is now selling to the railroads in Mexico at 25 cents per barrel, and that refined oil is retailing in Mexico at 34 cents per gallon. Of course, it is subject to an import duty of about 13 cents per gallon.

It is my information, and I think it is undisputed, that the Standard Oil Company is transporting crude oil from the United States in order to supply its refinery at Tampico, Mexico. This statement is based upon our consular report. Mexico maintains an enormous tariff against oil from the United States, and if Mexican oil needs this protection against our oil, it seems inconceivable that our oil should need protection against Mexican oil.

Mr. President, there is no doubt that there are a great many independent oil producers in the United States; that the vast majority of the producers are independent, as much so as anyone can be who is dependent upon any one overpowering concern for a market. There is good business sense on the part of the Standard Oil Company in not engaging largely in the production of crude oil. It is infinitely better for that concern to allow private individuals, to allow independent producers, to take the risk of sinking a dry hole, or a "duster," as it is called, the Standard reserving to itself the power to fix the price upon the output of crude oil.

Mr. President, I say without reserve that if I were convinced that there were an unlimited oil field in the Republic of Mexico, if I were convinced that the Standard Oil Company owned and controlled that field, if I were convinced that if free oil were adopted here the Standard would import Mexican oil with which to crush and destroy the independent producers and the independent refiners of the United States, I should not hesitate for one moment to cast my vote in order to shield the independent producer, in order to shield the independent refiner, and, more than all, in order to shield the American consumer. I would not base my vote upon any claim or pretense of protection in the way of tariff protection. I would not base it upon any idea or pretense of a tariff for revenue only. I would vote for it to safeguard and shield the independent producer, the independent refiner, and the American consumer against the coil of that serpent whose full embrace is death. I confess there is a good deal of human nature in me. I wish that this cup might pass from my lips. Many of the independent producers in the State of Oklahoma are my personal and my political friends. They would render me any possible service, and I would reciprocate. I would render them any possible service that I could without violence to my conscience and my convictions. Perhaps my attitude on this occasion is attributable rather to verdure than to virtue. Perhaps when I have grown older in statecraft and in political finesse I may revise both my views and my policies.

Mr. President, I am not unaware that I may now be making a serious, a fatal political mistake. I am not unaware that I may be ordering a political casket. I am not unaware that I may be like the ancient queen lighting my own funeral pyre.

But, sir, I shall never demand a protective duty in behalf of a product or an industry in my own State until I am willing to concede protection to every other industry in every other State of the American Union.

Mr. FLINT. Mr. President, the State of California is one of the largest producers of crude petroleum and oil. I have received communications from the various commercial bodies in the State asking me to vote for a duty upon oil. In addition to that, we had a hearing before the Committee on Finance in reference to this subject. Independent oil producers from every State in this Union producing oil appeared before the committee and stated that it was absolutely necessary for them to have a duty on oil or they could not exist; that the Mexican field would be such an important factor in the future that without this duty they would be driven from business, and that the entire oil business of the country would be left in the possession of one corporation. They convinced me that the only way that the independent oil companies could survive was by this duty, and for that reason I intend to support the amendment offered by the Senator from Pennsylvania.

Mr. CUMMINS. Mr. President, I have given this matter some thought. I shall not detain the Senate surely more than five minutes in expressing the conclusions that I have reached.

First, I have no doubt about the attitude of the independent oil refiners and the attitude of the independent oil producers. Indeed, nearly all the oil producers are independent. The Standard Oil Company and the independent refineries together produce but a small fraction of the oil used in the United States and exported from our country. I have no doubt they are entirely honest in their belief that they have something to fear from Mexico. Therefore they are entirely natural in their desire to build this wall between our country and our southern neighbor. I am not willing, however, to accept the judgment of the independent oil refiners. I would not accept it more quickly than I would accept the judgment of the Standard Oil Company.

I would not accept the judgment of the independent oil producers. They each have their view, and they are each entitled to a fair hearing; but it is for us to determine whether there is any reason for imposing this high protective duty upon oil.

In my opinion, the Standard Oil Company is just as well served with a duty on oil as any other manufacturer is served with a duty upon his product. The Standard Oil Company is

especially well served with a duty on oil, because, as I understand, there is no suggestion of repealing the provision which permits the Standard Oil Company to be reimbursed for all the duties which it pays upon imported oil. The Standard Oil Company—and if I am wrong about that, I beg to be corrected now—if I understand the law aright, if this great refiner of oil imports oil and pays a duty upon it and then exports the oil, it is then reimbursed for 99 per cent of the duty that it has paid; and it is not only reimbursed for the duty it has paid upon oil, but it is reimbursed the duty it has paid upon any package in which that oil may be contained.

Impose this duty upon oil and what is the result? The Standard Oil Company, if the time shall come, will import oil from Mexico, if the fears of the independent refiners are realized; it will pay the duty on that oil; it will export the oil to other countries of the world; and it will be repaid by the Government of the United States the duty it has expended. The proposition therefore is a little worse, as it seems to me, for the independent refiners and the independent oil producers than free oil.

If a duty on oil is tolerable at all, it is only tolerable in connection with a repeal of the provision which gives the oil refiner the opportunity to receive a rebate or reimbursement for the duty. That is true, because the United States is a very large exporter of oil, and we will continue to be a large exporter of oil, and if the Standard Oil Company takes this oil from Mexico without duty and uses it for export, it will displace just so much of the domestic oil that it has been in the habit of buying.

Mr. OWEN. Mr. President——

The PRESIDING OFFICER. Does the Senator from Iowa yield to the Senator from Oklahoma?

Mr. CUMMINS. I do.

Mr. OWEN. I call the Senator's attention to the fact that the Standard Oil Company has three refineries in Mexico—one at Tampico, one at Veracruz, and one at the City of Mexico. So if they desire to ship abroad the refined product, they would not bring it into the United States and then ship it out, although they might do so.

Mr. CUMMINS. Precisely; and yet that is the very thing which is feared. The only reason that is suggested for the imposition of the duty on oil is the danger of the Standard Oil Company importing oil from Mexico, refining it here, and in that way having the Mexican oil take the place of the domestic oil.

Mr. OWEN. The Senator, I think, does not understand the argument of the independent producer, because while of course the foreign market would be open to the refineries of the Standard Oil Company in Mexico or in this country, for that matter, under the theory on which the Senator now speaks it is not that market which would in anywise be affected by the tariff one way or the other, but it is the market within our own borders.

Mr. CUMMINS. Mr. President, I understand that; but the result is precisely the same. The foreign market takes so much oil and the domestic market takes so much oil; and if the Standard Oil Company can reach those markets, even though you impose a duty upon the oil, without paying any duty, it makes no difference whether the Standard Oil Company exports it from Mexico or whether it exports it from the United States.

Mr. PENROSE. Mr. President——

The PRESIDING OFFICER. Does the Senator from Iowa yield to the Senator from Pennsylvania?

Mr. CUMMINS. I do.

Mr. PENROSE. In answer to the objection which the Senator from Iowa has made, I desire to state, for his information and the information of the Senate, that it is my purpose to offer a proviso at the proper time and at some suitable place in the bill abolishing the drawback provisions so far as they may apply to crude petroleum; but I do not understand that the Finance Committee has yet definitely acted on a drawback provision in this tariff bill, and therefore I withhold the amendment until the proper occasion and in the proper place.

Mr. CUMMINS. Mr. President, I am very much gratified to hear that the abolition of the drawback is under consideration; but we ought to deal with the two things at the same time, because, as it seems to me, they are inseparably connected with each other. We might impose a duty on oil, and, even though the Senator from Pennsylvania afterwards offers the provision that he suggests, we might fail upon that, and in that way fall between these two propositions. I hope the Senator from Pennsylvania, if that be his purpose, will in some way couple it with the amendment that he has now offered.

Mr. PENROSE. Then, I will offer it now, Mr. President, and ask to have both amendments voted on together.

Mr. CUMMINS. I have no hesitation in saying that such a proposition makes the duty on oil much more consistent with my views of what should be done than the absence of that proposition.

The PRESIDING OFFICER. The Senator from Pennsylvania submits a further amendment, which will be read for the information of the Senate.

The SECRETARY. It is proposed to add a provision at the end of the paragraph as follows:

Provided, That no drawback shall be allowed on exportations of petroleum or the products thereof.

The PRESIDING OFFICER. The Senator from Pennsylvania makes the request that the two amendments offered by him be voted upon together.

Mr. PENROSE. That they be considered as one amendment.

The PRESIDING OFFICER. That they be considered as one amendment. Is there objection to that request?

Mr. BANKHEAD. I desire to suggest, Mr. President, that I do not think those two propositions ought to be coupled together. I should like them to be voted on separately.

Mr. CRAWFORD. Mr. President, I think that provision is hardly fair to those who wish to vote against the duty on oil, but wish to vote for the provision abolishing the rebate.

The PRESIDING OFFICER. Objection being made, the amendments will be voted upon separately. The question is upon the first amendment submitted by the Senator from Pennsylvania [Mr. PENROSE].

Mr. CUMMINS. I have not yet concluded what I desire to say. I repeat the statement that the duty on oil, which I do not favor in any event, is only made tolerable by the suggestion just made by the Senator from Pennsylvania. I think many of the evil effects of the duty upon oil would be removed by the adoption of that amendment, although I am opposed to a duty on oil at the present time under any circumstance, and I will briefly submit to the Senate my reasons for that opposition.

I do not want the product of Mexico to supplant the product of the United States, and, as I have suggested more than once, I shall be perfectly willing to vote for an amendment or a proposition that will establish this arrangement: That whenever the imports of oil amount to 5 per cent of our domestic production, then there should be laid a duty on oil that is provided for in the amendment of the Senator from Pennsylvania; but we have never had any such imports, and, in my opinion, we never will, and we are legislating against a mere fear, a chimera.

I beg to recall the attention of the Senate to a message of the President of the United States, which was transmitted in response to a resolution that I had the honor to introduce some time ago, and which gives the results of the visit of the geologist, Doctor Hayes, to Mexico. I was unable to get the details. There was a confidential seal, apparently, placed upon the investigation, which prevented a full disclosure; but I want to read to the Senate the report actually made by Doctor Hayes to the Geological Survey.

Mr. SCOTT. If the Senator will allow me, that statement has already been put in by the Senator from North Dakota [Mr. MCCUMBER].

Mr. MCCUMBER. I just had it read, I will say to the Senator.

Mr. CUMMINS. If that be true, I will not then either add to the volume of the RECORD or consume the time of Senators in reading it again. But if there is anything that can be safely proceeded upon at this time as established as a reasonable basis for procedure, it is that we are in no danger of importations from Mexico, at least, at this time.

Mr. SUTHERLAND. Mr. President——

The PRESIDING OFFICER. Does the Senator from Iowa yield to the Senator from Utah?

Mr. CUMMINS. Yes.

Mr. SUTHERLAND. If the Senator is correct in thinking that we are not menaced by any threatened importations of oil, and if the Senator is correct in thinking that there will be no importations of oil from Mexico, what harm does the Senator see in the adoption of the proposed amendment?

Mr. CUMMINS. My answer to that is this: It is wholly impossible to unravel all the skeins of commerce. I do not know to what evil purpose the duty may be put. I may not be able at the present time to point out any danger, just as the Senator from Utah may be unable to point out any good, that will follow the imposition of the duty. But if I understand the policy of this country, it is not to put a duty upon an article until there is something to be protected here, and some danger to be apprehended from competition abroad. Therefore I take the safer course, and believe in keeping the channels of commerce open until we see that it is necessary to obstruct them in some fashion or other.

Mr. SUTHERLAND. I did not intend by my question to indicate my own position with reference to the matter. So far as the information I have is concerned, I am inclined to think

there is very great danger of the importation of oil from Mexico.

Mr. CUMMINS. If that be the conclusion which the Senator from Utah has reached, it will necessarily determine his vote upon this proposition. I have reached a different conclusion, and therefore must register my vote against the duty on oil.

Mr. PENROSE. Mr. President, I desire to withdraw the amendment I have just offered providing for the abolishing of the drawback.

The PRESIDING OFFICER. That is the Senator's privilege.

Mr. PENROSE. I now offer it again as an amendment to my original amendment. The vote will then be taken first on the amendment to the amendment—the drawback amendment.

The PRESIDING OFFICER. The Chair was laboring under the impression that when the amendment was first offered, it was an amendment to another section of the bill. As a matter of fact——

Mr. PENROSE. It was a new paragraph.

The PRESIDING OFFICER. As a matter of fact, the Chair understands that the Senator did offer it in the first place as an amendment to his amendment. The question, then, will be upon the amendment to the amendment, which will be stated.

The SECRETARY. At the end of the paragraph, add the following words:

Provided, That no drawback shall be allowed on exportations of petroleum or the products thereof.

Mr. GORE. Mr. President, I do not think this is the proper procedure. The yeas and nays have already been ordered on the other amendment. I make the point of order that it is not in order to offer this amendment now. I desire to vote for the last amendment offered, and against the first. I shall be obliged to vote against both, if this course of procedure is adopted; and I insist that the roll be called, as it had been ordered on the original amendment. I make the point that this amendment is out of order.

The PRESIDING OFFICER. The Chair sustains the point of order made by the Senator from Oklahoma, and the roll will be called upon the first amendment.

The Secretary proceeded to call the roll.

Mr. CLAY (when his name was called). I have a general pair with the senior Senator from Massachusetts [Mr. LODGE], who is necessarily absent from the Chamber; but he informed me before leaving that he would vote the same way that I would on this proposition. He authorized me to state that he is paired with the senior Senator from New Hampshire [Mr. GALLINGER], and that he would vote "nay," if present. I will therefore vote. I vote "nay."

The PRESIDING OFFICER (when Mr. GALLINGER'S name was called). The present occupant of the Chair is paired on this vote with the senior Senator from Massachusetts [Mr. LODGE]. The Senator from Massachusetts, if present, would vote "nay," and the Senator from New Hampshire would vote "yea."

Mr. JONES (when his name was called). I am paired with the junior Senator from South Carolina [Mr. SMITH]. I transfer the pair to the junior Senator from Montana [Mr. DIXON], and will vote. I vote "nay."

Mr. SHIVELY (when his name was called). I have a general pair with the junior Senator from Kentucky [Mr. BRADLEY]. I transfer the pair to the junior Senator from Tennessee [Mr. TAYLOR], and will vote. I vote "nay."

Mr. OVERMAN (when the name of Mr. SIMMONS was called). My colleague is temporarily absent from the Chamber. He is paired with the junior Senator from Illinois [Mr. LORIMER]. If my colleague were present, he would vote "nay."

Mr. TILLMAN (when the name of Mr. SMITH of South Carolina was called). My colleague is ill, and therefore absent. If present, he would vote "nay."

Mr. WARREN (when his name was called). I have a pair with the senior Senator from Mississippi [Mr. MONEY], which I transfer, so that he will stand paired with the junior Senator from Wisconsin [Mr. STEPHENSON]. I vote "yea."

The roll call was concluded.

Mr. BRIGGS. I have a pair with the senior Senator from Maryland [Mr. RAYNER]. I transfer the pair to the senior Senator from Oregon [Mr. BOURNE] and will vote. I vote "yea."

Mr. BANKHEAD. The junior Senator from Mississippi [Mr. MCLAURIN] is absent, with the understanding that he had a pair with the junior Senator from Michigan [Mr. SMITH]. I notice that the junior Senator from Michigan has voted.

Mr. SMITH of Michigan. I did not hear the statement of the Senator from Alabama.

Mr. BANKHEAD. I beg pardon; that is all right.

Mr. SMITH of Michigan. I understood that the Senator from Mississippi if present would vote "nay."

Mr. BANKHEAD. That is true.

Mr. SMITH of Michigan. And I voted "nay."

Mr. BANKHEAD. I did not observe that. I beg the Senator's pardon.

The result was announced—yeas 34, nays 40, as follows:

YEAS—34.

Aldrich	Clark, Wyo.	Guggenheim	Perkins
Borah	Cullom	Hale	Scott
Brandegee	Curtis	Heyburn	Smoot
Briggs	Depew	Kean	Sutherland
Bulkeley	Dick	McEnery	Warner
Burnham	du Pont	Nixon	Warren
Burrows	Elkins	Oliver	Wetmore
Burton	Flint	Owen	
Carter	Frye	Penrose	

NAYS—40.

Bacon	Crawford	Gore	Overman
Bailey	Culberson	Hughes	Page
Bankhead	Cummins	Johnson, N. Dak.	Paynter
Bristow	Davis	Johnston, Ala.	Piles
Brown	Dillingham	Jones	Root
Burkett	Dolliver	La Follette	Shively
Chamberlain	Fletcher	McCumber	Smith, Mich.
Clapp	Foster	Martin	Stone
Clay	Frazier	Nelson	Taliaferro
Crane	Gamble	Newlands	Tillman

NOT VOTING—18.

Beveridge	Dixon	Money	Smith, S. C.
Bourne	Gallinger	Rayner	Stephenson
Bradley	Lodge	Richardson	Taylor
Clarke, Ark.	Lorimer	Simmons	
Daniel	McLaurin	Smith, Md.	

So Mr. PENROSE'S amendment was rejected.

Mr. OWEN. Mr. President, I offer an amendment, to be numbered section 37½.

Mr. PENROSE. There is an amendment pending, Mr. President, which I suppose I might as well withdraw, under the circumstances. I withdraw the drawback amendment.

The PRESIDING OFFICER. The Senator from Oklahoma submits the following amendment, which will be reported.

The SECRETARY. Insert in the bill a new paragraph, 37½, as follows:

Provided, That no person, firm, association, or corporation doing an interstate business and engaged in the production, manufacture, distribution, or sale of petroleum oil or of any of its products, shall, for the purpose of creating a monopoly or destroying competition in trade, discriminate between different persons, associations, or corporations, or different sections, communities, or cities, of the United States, by selling such commodity at a lower rate in one section, community, or city than in another, after making just allowance only for the difference, if any, in the grade, quantity, or quality, and in the actual cost of transportation from the point of production or manufacture.

The PRESIDING OFFICER. The Chair will suggest to the Senator the propriety of striking out the word "Provided."

Mr. OWEN. I will strike out the word "Provided."

Mr. President, one way in which the Standard Oil Company has heretofore oppressed its independent competitor has been by raising the price of oil in one part of the country to pay the expense of lowering the price where there is competition, and in that way breaking down a competitor in one locality and reimbursing itself by raising the price in another locality. This has gone to so great an extent that 13 different States of the Union have passed a similar proviso for the control of that character of manipulation, to wit, Minnesota, North Dakota, South Dakota, Iowa, Kansas, Oklahoma, Missouri, Arkansas, Louisiana, Mississippi, North Carolina, South Carolina, and Nebraska.

I regard the proposed amendment as a very important provision of law—one which will go far to abate the triumphant march of monopolies over their weaker competitors—and I hope that it will receive the support of those who are in charge of this bill, and that they will give their acquiescence to it.

Mr. ALDRICH. Mr. President, the amendment is not in order. It is practically an amendment to the Sherman Act. That, certainly, is against our agreement to proceed with the consideration of the schedules, and to dispose of them before taking up any administrative matters. I raise the point that it is not in order.

The PRESIDING OFFICER. The Chair sustains the point of order.

Mr. OWEN. I offer this, then, as an amendment at the end of the bill.

Mr. ALDRICH. That is not in order now. We are proceeding under a general order to dispose of the dutiable paragraphs before taking up any administrative matters.

Mr. OWEN. Then I give notice that I shall, at the proper time, offer this as an amendment to this bill.

Mr. ALDRICH. I ask that we now take up paragraph 433, and I offer the following amendment——

The PRESIDING OFFICER. The Senator from Rhode Island [Mr. ALDRICH] offers an amendment to paragraph 433, which will be reported.

The SECRETARY. Paragraph 433, on page 173: Modify the committee amendment by inserting, on page 173, line 20, after the word "dollars," the words "and 25 cents;" and on line 21 by striking out "thirty" and inserting "forty."

Mr. BAILEY. Mr. President, yesterday after I concluded my address to the Senate, and while I was resting from the fatigue of it, the Senator from Oklahoma [Mr. GORE], as a part of his remarks, printed an extract from an article contributed by Mr. Carnegie to some magazine. I know that the Senator from Oklahoma would not willingly do any man an injustice, least of all a dead man, who can not speak in his own defense, but I feel that I owe it to the late Senator from Maryland, Mr. Gorman, to correct the misstatement Mr. Carnegie has made and which the Senator from Oklahoma has reproduced.

I will go out of my way to say that I do not believe that Mr. Carnegie would willfully misrepresent any man or any circumstance, but he has evidently very much confused his facts.

That part of the magazine article which the Senator from Oklahoma had printed begins in this way:

> To two Democrats belong the chief credit of defeating the revolutionary features of the Wilson bill—Senator Gorman, Democratic leader of the Senate, and Governor Flower, of New York, an influential leader in the House.

Mr. President, the honorable Roswell P. Flower was not a Member of the House of Representatives when the Wilson bill was pending in that body. He was elected to the Fifty-second Congress, but resigned his membership in that body in September, 1891, and was elected governor of New York the following November. Obviously, therefore, Mr. Carnegie is mistaken when he says that Governor Flower, as "an influential leader in the House," assisted him. I know just as well that he is mistaken in what he says about Senator Gorman as I do know that he is mistaken in what he said about Governor Flower.

The statement proceeds further to say that Mr. Carnegie wrote out the steel schedule, and Senator Gorman incorporated it in the Wilson bill exactly as Mr. Carnegie had prepared it. I waive the reflection upon the members of the committee, though I do not believe that the Finance Committee would have permitted Mr. Carnegie to write its schedule. The Democratic portion of the committee was composed of Daniel W. Voorhees, of Indiana; John R. McPherson, of New Jersey, who was sick and absent and whose place on the committee was filled by the Hon. Roger Q. Mills, who was, as I recall it, designated by special resolution of the Senate to act in the absence of the New Jersey Senator. Also on that committee was the late Isham G. Harris, of Tennessee; the late Senator Vance, of North Carolina; the late Senator Vest, of Missouri; and the late Senator James K. Jones, of Arkansas; and Senator Gorman was not even a member of the Finance Committee at that time.

Therefore Mr. Carnegie's recollection must be at fault, unless, indeed, we assume that the members of that committee would have permitted Senator Gorman to take from the hands of Mr. Carnegie a tariff schedule which he had prepared and that they would write it in the bill at Mr. Gorman's request.

It happens, Mr. President, that but one Democrat who served on that committee then is living to-day. He is a distinguished citizen of my own State, and although I have not always been able to agree with him on political questions, I pay him the tribute to say that no living man could have made Roger Q. Mills accept a tariff schedule written by Mr. Andrew Carnegie. I think I owe it to Senator Gorman, and I think I owe it to the other Democrats, to incorporate this statement in the RECORD.

Senator Gorman has in many places been held responsible for many of the matters that appeared in that bill with which the public was never quite content, and he has been represented as the man who prevented the framing of a bill acceptable to the Democratic masses of the country. There never was a greater injustice done any man, living or dead.

I happened once to be at a conference where there were assembled a number of Democrats charged with the responsibility of that bill, and I remember that Senator Gorman said to them:

> Gentlemen, I am ready to vote for the bill whenever you call the roll. I am simply trying to adjust the differences between my Democratic colleagues, if I can; and if you choose to call the roll to-morrow, I will vote for it. But I warn you there are others who will not.

And while he did exert his great talents and occupy himself day and night in an effort to reconcile the differences which existed, he was the one man in this Chamber who never threatened to assist in the defeat of that bill.

As to the particular question of iron ore, Mr. Gorman was not the Senator who insisted upon that. The Senators from Alabama—Senators Morgan and Pugh—were the ones who demanded a duty upon iron ore. There sat in this Chamber yesterday afternoon while I was addressing the body an ex-Member of the Senate who was a Senator in 1894, and he said to a Senator who sat beside him that the Senators from Alabama demanded the duty on iron ore, and the Senator to whom he made that statement now sits before me.

A Senator now near me heard one of the Senators from Alabama say that he would not vote for the bill unless a duty was laid on iron ore. I do not doubt that he meant it when he said that, though I have always doubted if he would have done it had he been put to the test. But if any man can be criticised for that provision, it is my duty to relieve the memory of Senator Gorman from the aspersion. He was my friend, and I do not hesitate to say, here and elsewhere, that I felt honored by his confidence and his friendship. I came here a very young man, and I found him always a wise counselor, but never a selfish one. His political methods were not what I had been taught to practice; but, sir, whatever of question there could have been about them, his methods were always employed on behalf of the Democratic party, and never for the benefit of Arthur P. Gorman.

Mr. GORE. Mr. President, I certainly had no disposition yesterday or at any other time to do any injustice either to the living or the dead. I have always remembered, and I have always practiced, the maxim that noble spirits war not with the dead. It was my own recollection that Governor Flower was not a Member of the House at that time. I was not distinct in that memory.

So far as what Mr. Carnegie said with reference to Senator Gorman, of course I had no way of verifying his statement. I do regard it as somewhat exceptional, as my remarks on yesterday abundantly proved. I stated then that I would have Mr. Carnegie's statement printed for whatever it was worth, and that every Senator could accept it or reject it in response to his own judgment.

Mr. ALDRICH. Mr. President, the Senator from Texas [Mr. BAILEY] has called attention to this magazine article. The rules of the Senate forbid Senators from ascribing motives to Members of the body. There certainly ought to be a feeling on the part of every Member of the Senate about presenting and having published in the RECORD of this body any article written by responsible or irresponsible parties ascribing motives to those who have left us.

I knew Arthur P. Gorman as well as any man. I served with him in this body for nearly twenty years, and I know that whatever his opinions were and whatever his acts were, they were his own opinions and his own acts. He did not attempt to legislate at the suggestion or the dictation of any man, especially any man whose interests ran, perhaps, counter to the interests of the public generally.

I am very glad the Senator from Texas has called this matter to the attention of the Senate, and I hope that there will be no further insertion of articles in the RECORD ascribing motives to dead Senators.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Rhode Island.

Mr. STONE. Mr. President, I desire to ask the Senator from Rhode Island a question or two. He is proposing to increase the duties by the amendment pending on blasting caps and mining and blasting fuses, increasing them not only above the House bill and above the bill as first reported to the Senate, but above the Dingley law.

Mr. President, the last statement was not wholly correct, but partly so. It is proposed, as I understand the amendment, to increase the duty on mining and blasting fuses above the Dingley law. The Dingley law imposed 35 per cent; the House bill continued 35 per cent; and the Senate committee proposed in the first instance to reduce it to 30 per cent; and now it is proposed to raise it to 40 per cent. In the case of blasting caps the Dingley law was $2.36 per thousand. Both the House bill and the Senate committee bill as first reported fixed the duty at $2 per thousand. It is now proposed to make it $2.25 per thousand.

Mr. President, I see that in 1897 the amount of duties collected on blasting caps was a little over $14,000, and on the fuses mentioned about $4,000. The importations were very

small. The revenues were small. I should like to know what is the necessity for this increase in duty.

Mr. ALDRICH. Mr. President, there is a decrease in the duty on blasting caps. The present duty is $2.36.

Mr. STONE. I remarked that there was a decrease of duty of 25 cents a thousand, but there is an increase of 5 per cent——

Mr. ALDRICH. On fuses.

Mr. STONE. On fuses.

Mr. ALDRICH. I will modify the amendment by making it 35 per cent instead of 40 per cent.

Mr. KEAN. I am told that it really ought to be 45 per cent.

The PRESIDING OFFICER. The amendment as modified will be stated.

The SECRETARY. In line 21, page 173, paragraph 433, it is proposed to strike out "thirty" and to insert in lieu thereof "thirty-five."

The PRESIDING OFFICER. The question is on agreeing to the amendment submitted by the Senator from Rhode Island as modified.

The amendment as modified was agreed to.

The PRESIDING OFFICER. Without objection the paragraph as amended is agreed to.

Mr. ALDRICH. The next paragraph that has been passed over is paragraph 419.

The PRESIDING OFFICER. The paragraph will be read.

The Secretary read paragraph 419, on page 168, as follows:

419. Brushes, brooms, and feather dusters of all kinds, and hair pencils in quills or otherwise, 40 per cent ad valorem.

Mr. ALDRICH. I ask that the paragraph be agreed to.

The PRESIDING OFFICER. The question is on agreeing to the paragraph.

The paragraph was agreed to.

Mr. ALDRICH. The next paragraph passed over is paragraph 465, on page 186.

The PRESIDING OFFICER. It will be read.

The SECRETARY. In paragraph 465, page 186, lines 3 and 4, the committee proposes to strike out the words "10 per cent ad valorem" and to insert, "or other material, black, 1½ cents per ounce; colored, 2 cents per ounce; copying, 3 cents per ounce," so as to read:

465. Pencil leads not in wood or other material, black, 1½ cents per ounce; colored, 2 cents per ounce; copying, 3 cents per ounce.

Mr. ALDRICH. The committee proposes to modify that amendment. The Senator from Utah [Mr. SMOOT] will present the modification.

Mr. SMOOT. The committee modify the amendment by striking out "one and one-half" and making it "1 cent" on black, 1¾ cents instead of 2 cents on colored, and 2¾ cents instead of 3 cents on copying.

The PRESIDING OFFICER. The amendment as modified will be read.

The SECRETARY. It is proposed to modify the amendment so as to read:

Pencil leads, not in wood or other material, black, 1 cent per ounce; colored, 1¾ cents per ounce; copying, 2¾ cents per ounce.

Mr. DOLLIVER. I desire to have the Senator from Utah, if he has the information, make a statement as to the actual effect of this change in the classification of this paragraph and in the mode of assessing the duty and the amount of the duty.

Mr. SMOOT. Mr. President, the paragraph in the Dingley law carries only 10 per cent ad valorem. Since the passage of that law there has grown up in this country virtually a new business under it. Certain men have started manufacturing lead pencils by importing the pencil leads at 10 per cent ad valorem duty and incasing them with wood and selling them as American manufactured pencils. That has grown to such an extent that if the duty on pencil leads is not increased the manufacture of pencil leads in this country will cease entirely.

I will frankly admit that this is an advance, and I was interested in knowing just how much advance it was. I wrote a letter to the appraiser's office in New York to find out. I will say to the Senator from Iowa that Mr. Best, I think, is the man who is objecting to this increase.

The Richard Best Pencil Works, of New Jersey, has sent, I suppose to all Senators, a statement claiming that it is an increase of some thousand per cent, or, in some cases, even more, but from the report received from the appraiser's office this is not the case. With the duty now, as submitted by the Finance Committee, of 1 cent for black, 1¾ cents for colored, 2¾ cents for copying, the increased rate is about 35 per cent instead of 10 per cent ad valorem.

I asked the question whether it would be proper to raise the ad valorem on pencil leads from 10 per cent to 35 per cent, and the appraiser said that it would be almost impossible of administration. The only way they could tell the value of the lead was to make an examination of every shipment, and that was next to impossible. But the duties provided here will make so little difference in the cost of lead pencils, and will make no difference whatever in the cheap lead pencils that sell at 35 cents a gross, because Mr. Best has never tried to import such leads, that to the great bulk of the American people it simply means no advancement to them whatever.

But if the present rate is not changed, there is no doubt in the minds of the committee but that the manufacture of pencil leads will be transferred to a foreign country.

Now, Mr. President, nearly everything that pencil leads are made of is dutiable. All the colors are dutiable. We find that the duty of 10 per cent in the Dingley law amounts to about 1.9 cents per gross upon the leads, whereas the duty upon the chemicals and colorings that the leads are made of amounts to 4 cents. Therefore we feel positive that this change should be made, and we ask the Senate to consider it favorably.

Mr. DOLLIVER. Mr. President, I do not care particularly about the matter, except that my attention has been called to it by a gentleman residing at Irvington, N. J., and I will ask my friend the Senator from New Jersey [Mr. KEAN], if he is present, to verify what I say, that this is an upright, straightforward man. I intend to read what he says about it. I have here his letter to the Committee on Finance of the Senate, in which he says:

The Senate amendments to paragraph 465 of the Payne bill, covering pencil leads, increase the rates 666 per cent to 1,350 per cent, as shown by the accompanying statement. Such rates, if adopted, would absolutely prohibit importation and entirely deprive the Government of any revenue from imports under this item.

The present duty of 10 per cent ad valorem has been unchanged since 1883, and as pencil leads are in a measure one of the "raw materials" in the manufacture of lead pencils the duty should not be increased, particularly as the materials, graphite and clay or chalk, are largely produced in this country. Moreover, 90 per cent of the pencils consumed in this country are produced here, owing largely to the high duty on this article of necessity, and the prices are controlled by a trust or community of interest, viz:

The Eagle Pencil Company, the American Lead Pencil Company, Joseph Dixon Crucible Company, and Eberhard Faber, who fix the prices for lead pencils.

I was formerly an importer of lead pencils, handling chiefly the goods of the well-known firm of Johann Faber, Nuremberg, Bavaria.

Owing to the high protective rates of the Dingley bill, I was compelled in order to retain any portion of the pencil trade, to manufacture lead pencils in this country, basing my calculations on the duty on pencil leads of 10 per cent, which rate had been in existence ever since 1883, believing if there was to be any change it would be more likely in lowering than in raising the duty.

In view of the fact that myself and a few others started to manufacture lead pencils in this country, the trust concluded to ask for prohibitive duties on pencil leads, in order that they might continue to control the lead-pencil business and entirely crush out any competition from the few independent makers who dared enter this field, like myself.

I do not want to go on with this letter unless the Senator from New Jersey [Mr. KEAN] will corroborate the statement that I made, that this is an upright and square-dealing man.

Mr. KEAN. I do not happen to know the gentleman personally.

Mr. DOLLIVER. Do you know the reputation of Mr. Best, of New Jersey?

Mr. KEAN. I do not. I have never taken any occasion to find out.

Mr. DOLLIVER. Then I will proceed.

Mr. SCOTT. Will the Senator from Iowa let me ask him a question?

Mr. DOLLIVER. Certainly.

Mr. SCOTT. Do I understand that the letter and the argument the Senator from Iowa is making are in behalf of the independent establishments as against this trust?

Mr. DOLLIVER. Yes; this man claims to be manufacturing lead pencils.

Mr. SCOTT. A few minutes ago we had a vote when we were trying our best to protect the independent oil people of this country as against the greatest monopoly the country has ever seen, and I believe the Senator registered his vote against the independents.

Mr. DOLLIVER. I was a little in doubt as to the exact attitude of the various oil wells toward the Standard Oil Company. That is not a question involved here. Mr. Best says that he and others started in to manufacture lead pencils in this country, and that if these rates are adopted the only competition that exists against this lead-pencil combination is entirely crushed out.

I intend to print the whole of that letter, and I also intend to print a statement made by Mr. Best as to the present and the proposed rate of duty on lead pencils, the present duty being 10 per cent ad valorem on black leads, and the proposed duty, as I understand, a cent and a half per ounce. Am I correct?

Mr. KEAN. No; it has been reduced.

Mr. DOLLIVER. One cent an ounce. Therefore these figures are not applicable to the rate proposed, although they are of such a character as to indicate that the proposed rate is a very substantial and startling increase over the existing rate. These figures have the peculiarity that they are taken from invoices covering the importation of lead pencils, and can be verified in the New York custom-house. According to this statement:

These figures refer to my own importations only—

Mr. Best says—

but it is a well-known fact that other parties import cheaper leads, in which case the increase in duty will be proportionately higher.

I desire also to add Mr. Best's letter to the Ways and Means Committee of the House of Representatives, and to add just one word for myself. Of course I do not grow very enthusiastic as to the process of defeating these increases; but it seems to me that we make a vital error, when we find men struggling under adverse circumstances to maintain a little business like this, to so change the phraseology of our tariffs, as they have existed for a great many years favorable to such an enterprise, as to destroy the enterprise and leave even a small business like the manufacture of lead pencils in the hands of a group of corporations and individual manufacturers who, according to this statement and other statements in which I at least have confidence, have shown a very marked tendency to monopolize the trade and control the price, without regard to the public interest.

The PRESIDING OFFICER. In the absence of objection, the papers referred to by the Senator from Iowa will be inserted in the RECORD. The Chair hears none.

The papers referred to are as follows:

RICHARD BEST PENCIL WORKS,
Irvington, N. J., April 22, 1909.

To the honorable Committee on Finance,
United States Senate, Washington, D. C.

GENTLEMEN: The Senate amendments to paragraph 465 of the Payne bill, covering pencil leads, increase the rates 666 per cent to 1,350 per cent, as shown by the accompanying statement. Such rates, if adopted, would absolutely prohibit importation and entirely deprive the Government of any revenue from imports under this item.

The present duty of 10 per cent ad valorem has been unchanged since 1883, and, as pencil leads are in a measure one of the "raw materials" in the manufacture of lead pencils, the duty should not be increased, particularly as the materials, graphite and clay, or chalk, are largely produced in this country. Moreover, 90 per cent of the pencils consumed in this country are produced here, owing largely to the high duty on this article of necessity, and the prices are controlled by a trust or community of interest, viz:

The Eagle Pencil Company, the American Lead Pencil Company, Joseph Dixon Crucible Company, and Eberhard Faber, who fix the prices for lead pencils.

I was formerly an importer of lead pencils, handling chiefly the goods of the well-known firm of Johann Faber, Nuremberg, Bavaria.

Owing to the high protective rates of the Dingley bill, I was compelled, in order to retain any portion of the pencil trade, to manufacture lead pencils in this country, basing my calculations on the duty on pencil leads of 10 per cent, which rate had been in existence ever since 1883, believing if there was to be any change it would be more likely in lowering than in raising the duty.

In view of the fact that myself and a few others started to manufacture lead pencils in this country, the trust concluded to ask for prohibitive duties on pencil leads, in order that they might continue to control the lead-pencil business and entirely crush out any competition from the few independent makers who dared enter this field, like myself.

During the hearings before the Committee on Ways and Means, the aforesaid lead pencil companies, comprising the trust, filed a statement asking for an increase of duty on pencil leads as follows: Ten cents per gross and 10 per cent ad valorem on black leads; 10 cents per gross and 25 per cent ad valorem on colored and copying leads; claiming that a profitable industry might be established by importing these leads for the purpose of extracting the colors. I called Mr. PAYNE's attention to the fact that inasmuch as these leads only contain 12 per cent to 20 per cent coloring matter, this would be both impracticable and unprofitable, with the result that the Committee on Ways and Means did not change the duty on pencil leads. (Copy of my statement to the committee is attached hereto.)

It seems to me that your honorable committee must have been misled as to the weights and values of pencil leads, since the increased duties, as shown by the accompanying statement, which is reliable in every particular and can be verified at the New York custom-house, are prohibitive, amounting to an advance of 666 per cent to 1,350 per cent, which I can not believe was ever the intention of your honorable committee.

I submit that if any change is to be made, it should be in the nature of a reduction rather than an increase, particularly if assistance and protection is to be given to the upbuilding of an independent pencil industry.

Respectfully submitted.

RICHARD BEST.

Statement showing the present and proposed duty on pencil leads.

BLACK LEADS.[a]

Number on consular invoice.	Dutiable value (per gross).	Present duty (per gross).	Weight of leads (per gross).	Proposed duty.		Advancing present duty by—
				Equals (per gross)—	Equal to—	
	Cents.	*Cents.*	*Ounces.*	*Cents.*	*Per cent.*	*Per cent.*
1001	10	1	6⅔	10	100	1,000
1003	15	1½	6⅔	10	66⅔	666

COLORED LEADS.[b]

1046 blue	35	3½	21	42	120	1,200
1047 red	35	3½	24	48	135	1,350

COPYING LEADS.[c]

1061 H	43	4.3	10	30	70	700

[a] Present duty, 10 per cent ad valorem; proposed duty, 1½ cents per ounce.

[b] Present duty, 10 per cent ad valorem; proposed duty, 2 cents per ounce.

[c] Present duty, 10 per cent ad valorem; proposed duty, 3 cents per ounce.

These are the actual figures taken from my invoices covering importations of pencil leads, and can be verified at the New York custom-house.

These figures refer to my own importations only, but it is a well-known fact that other parties import cheaper leads in which the increase in duty will be proportionately higher.

RICHARD BEST PENCIL WORKS,
Irvington, N. J., January 27, 1909.

Hon. SERENO E. PAYNE,
Chairman Committee on Ways and Means, Washington, D. C.

DEAR SIR: You have before you an application for an increase in duty on black, colored, and copying leads for pencils from 10 per cent ad valorem to 10 cents per gross and 10 per cent ad valorem on black leads and 10 cents per gross and 25 per cent ad valorem on colored and copying leads. I submit that the increase in duty asked for on the basis of importations during the past year would compare with the duty now in force as follows:

	Per cent.
Black leads, average dutiable value per gross, 15 cents:	
Present duty	10
Proposed duty equal to	76. 66
Colored and copying leads, average dutiable value per gross, 50 cents:	
Present duty	10
Proposed duty equal to	45

The duty has been unchanged at 10 per cent ad valorem since 1883, or over twenty-five years, and the very fact that at least 90 per cent of all pencils sold in this market are of domestic manufacture should be of sufficient proof that this industry is not in need of any increased protection at this time. On the contrary, if a change in duty is made, I, as an importer of leads and a manufacturer of pencils in this country, submit that it should be reduced and not advanced. As to the statement advanced that under the present ad valorem duty of 10 per cent a profitable industry might be developed by importing leads for the purpose of extracting colors, I submit that the percentage of color in leads varies from 12 per cent to 20 per cent, and as the cost of extraction would exceed the value of the color, the statement referred to is not worthy of serious consideration.

Yours, respectfully,

RICHARD BEST.

Mr. SMOOT. Mr. President, I received an exact copy of the letter to which the Senator from Iowa [Mr. DOLLIVER] has referred, and a statement showing the present and proposed duty on pencil leads submitted by Mr. Richard Best. Upon the receipt of the letter, as I stated when this paragraph was before the Senate some time ago, not having had time to go into the details of it, I wrote to the appraisers' office in New York, submitting the statement of Richard Best to the appraisers, and I am in receipt of a letter from the general appraiser that I should like to place in the RECORD without reading, and also a table showing——

Mr. DICK. I would suggest to the Senator from Utah to read it. It covers a rather important point, I think.

Mr. SMOOT. I have the samples of lead pencils, and I can read the letter, if the Senator so desires. It is as follows:

UNITED STATES CUSTOMS SERVICE,
Port of New York, June 9, 1909.

SIR: This office is in receipt of your letter of June 4, 1909, requesting Examiner Webster to get up a full line of imported pencil leads and a table showing their weights and values per gross; also a line of "The Best" pencils of different grades, stripping the wood off same, weighing the leads, and indicating what the dutiable value of the complete lead pencils is from which the leads were taken.

In reply I submit herewith a sample line of pencil leads imported by Richard Best from Johann Faber, with a corresponding line of pencils from which leads were taken, and a tabulated statement herewith showing—

1. The serial number of the sample.
2. The designation of corresponding pencil.
3. Value of the pencils per gross in reichmarks and United States currency.

4. Value of the leads per gross in reichmarks and United States currency.
5. Weight of the leads per gross, each sample being marked with the weight and value per gross.

Respectfully, GEO. W. WANAMAKER, *Appraiser.*

The letter enumerates the samples, and I have the samples here, showing each one, with the leads taken from the pencil itself, the output, also the invoice price, the duty paid, the effect of the present duty, and showing the difference between the present rate and the proposed rate. I will not go any further, but will place in the RECORD, if there is no objection, this table without reading.

The PRESIDING OFFICER. Without objection, permission to do so is granted.

The table referred to is as follows:

Designation of pencil.	Sample number.	Value of pencil.	Value of lead (per gross).	Weight of lead (per gross).
		Rm.	*Rm.*	*Ounces.*
Ajax	1	9.45=$2.27	0.60=$0.144	6½
Alligator	2	8.70= 2.08	.60= .144	6½
Jupiter	3	7.95= 1.91	.60= .144	6½
235	4	7.20= 1.75	.60= .144	6½
Pencil not imported	5	----------	.40= .096	6½
517	6	9.87= 2.36	1.40= .336	22½
518	7	9.87= 2.36	1.40= .336	19½
Golden Rod 261	8	10.60= 2.54	2.75= .66	17½
100	9	9.50= 2.28	1.70= .408	6½
504	10	17.10= 4.10	2.75= .66	23½
650	11	6.45= 1.55	1.75= .42	9½
505	12	14.10= 3.38	2.75= .66	19½
Press 260	13	9.25= 2.20	2.75= .66	17½
Siberian	14	19.75= 4.74	5.00= 1.20	5½
Ledger	15	13.65= 3.28	3.50= .84	6½
Adonis copying	16	19.20= 4.61	5.00= 1.20	7½

Mr. SMOOT. Mr. President, I take it that there is no Senator here who will think for a minute that 10 per cent duty on leads and 40 per cent upon lead pencils is correct. It is true that Mr. Best was an importer of lead pencils for years, and is to-day representing in the United States the German firm of Johann Faber, a German pencil manufacturer. He now imports the pencil leads and incases them, and claims to be a pencil manufacturer. He has only a duty of 10 per cent to pay on the leads, whereas the duty on lead pencils is now 40 per cent, and the committee proposes that the 10 per cent duty be raised to about 35 per cent, or even less than that, on the lead pencils themselves.

Mr. President, the 10 per cent was imposed as a duty on a very small lead pencil that has never been made in this country, which goes into a pocket lead-pencil holder. Nobody ever dreamed the law would be evaded until Mr. Richard Best and others thought that money could be made by importing the leads, incase them here, and get the advantage of the difference between the ad valorem duty on the leads of 10 per cent and the duty on lead pencils of 40 per cent.

Mr. DICK. Mr. President——

The PRESIDING OFFICER. Does the Senator from Utah yield to the Senator from Ohio?

Mr. SMOOT. I do.

Mr. DICK. It would appear to me that the manufacture of lead for pencil making would be much more difficult and costly than the manufacture of the wood which incases it, and that if a larger duty were to be placed on either, it would be upon the lead inclosed in a pencil.

Mr. SMOOT. That is correct.

Mr. DICK. Pencil leads are only imported for manufacturers' use. They are not of interest to the general public. The present duty of 10 per cent on colored pencils is less than the duty lead-pencil manufacturers have to pay on the material they have to import to make the same.

German and Austrian pencil manufacturers have started so-called "factories" in this country. They import the leads and cover them with wood in the United States. The black leads used by the Eagle Lead Pencil Company, of New York, cost them to make in this country 23 to 30 cents per gross. Foreign leads of the same quality are invoiced and pass through the customs at New York at a valuation of 14.4 cents per gross. Add to this 10 per cent, and the duty-paid price is less than 16 cents per gross.

Ten per cent is the duty levied on unmanufactured crude articles. That is less than is levied on any manufactured article. Making pencil leads requires skill and hand labor in their construction. Ten per cent is absolutely inadequate, and it is an unfair discrimination against the pencil manufacturers of this country.

This amendment, I understand, reduces the committee rates from 1½ cents per ounce on black leads to 1 cent per ounce. As shown by the statistics furnished by the appraiser at New York, based upon all importations, this rate equals an average equivalent of not more than 27 per cent—a rate of duty that is far below the average of all imported merchandise.

The cost of pencils to the consumer will not, in my judgment, be affected, as the duty on finished pencils has been reduced from the House bill. No change will therefore be made from the present selling prices.

But I want to ask a further question. What would be the ad valorem rate, approximately, as it is made in this proposed amendment which has been offered by the Senator?

Mr. SMOOT. About 35 per cent.

Mr. DOLLIVER. If the Senator will permit me, that, of course, would depend entirely upon the weight of a gross of these leads.

Mr. SMOOT. Certainly; but as they increase in weight so do they increase in price; and the ad valorem rate upon the leads would be about 35 per cent. That is the reason we made the difference in the copying rates, the colors, and so forth.

Mr. DOLLIVER. Mr. Best took his actual figures from invoices of importations of lead, which, he says, can be verified at the custom-house, giving the number of the consular invoices; and he says that the dutiable value per gross is 10 cents, which would carry a duty of 1 cent under the present law; that the weight of that gross is 6¾ ounces, which, at 1 cent an ounce, would be 6¾ cents, which is evidently six times the duty that is now paid.

Mr. SMOOT. Mr. President, Mr. Best is figuring upon 1½ cents upon black, 2 cents on colors, and 3 cents upon copying.

Mr. DOLLIVER. He seems to be figuring on the duties he has actually paid.

Mr. SMOOT. I have here the different kinds of pencils that Mr. Best imports; and the statement that is made by Mr. Best is not correct, according to the appraiser's own statement in a letter to me in relation to the leads that Mr. Best has imported. This fact was brought to my attention:

> As importer, the records of the Treasury Department will show that Richard Best undervalued his imported goods for years and years, until it was discovered, when he had to pay heavy fines and penalties to the United States Government.

I wanted to satisfy myself as to the facts, so I had a telegram sent to New York, and received the appraiser's further reply. This is what he says:

> NEW YORK, *June 16.*
>
> Undervaluations have frequently been detected in lead pencils imported by Richard Best, agent for J. Faber, and advances made thereon have always been upheld by General Appraisers.
>
> WANAMAKER, *Appraiser.*

I know of no more just and reasonable advance in rates than the rate asked for by the committee in this particular case.

Mr. STONE. Mr. President——

The PRESIDING OFFICER. Does the Senator from Utah yield to the Senator from Missouri?

Mr. SMOOT. Certainly.

Mr. STONE. I do not know the value of the pencils or the amount of the consumption of pencils in the United States per annum, but it must be very large. Lead pencils are used by everybody, from school children to business men. The duty heretofore has been 10 per cent.

Mr. SMOOT. Only on the lead; not on the lead pencils.

Mr. STONE. Ten per cent; and it is now proposed, I understood the Senator to say, to increase it to 35 per cent.

Mr. SMOOT. That is the proposition.

Mr. STONE. Has not the importation under the 10 per cent duty been very small?

Mr. SMOOT. I will tell the Senator in just a moment. Since the Dingley law was passed the importations have increased from a few thousand dollars up to $135,000 in leads alone. The Senator can hardly conceive the number of leads represented in $135,000 worth of them, which were imported in 1908.

Mr. STONE. That embraces the lead that goes into the wood.

Mr. SMOOT. Just the lead alone—not the pencils.

Mr. STONE. Well, the duty on that would have been about twelve or thirteen thousand dollars.

Mr. SMOOT. That is correct.

Mr. STONE. That seems to me, without having the data at hand, to bear rather a low proportion to the entire consumption.

Mr. SMOOT. Mr. President, I can not say as to the relative proportion of consumption of lead pencils, but it does represent an immense number of pencils. I can not figure it out, because I can not say as to how many ounces there are in every gross of leads, but they run from 6½ up to 16 ounces per gross.

Mr. STONE. The point I have in mind is that if the present duty of 10 per cent keeps out practically the great bulk of leads used in pencils, and it keeps out lead pencils, so as to give a practical monopoly of the business to American manufacturers, I do not see the object of increasing this duty 350 per cent.

Mr. SMOOT. The increased importation of leads has been of late years. The duty on lead pencils has been 40 per cent, while leads have been carrying a duty of only 10 per cent. If this increase is not made, the practice of importing leads and putting them into cases in this country will go on until all of the leads are imported and none of them made in this country.

Mr. DOLLIVER. If it will not trouble the Senator from Utah, I should like to make an inquiry. In the Book of Estimates the statistics relative to the importations of "black and colored leads not in the wood" are omitted. I should like to know what figures he is using.

Mr. SMOOT. The Senator means as to the importation of leads?

Mr. DOLLIVER. Yes, sir.

Mr. SMOOT. Mr. President, in explanation of what the Senator says, I will say that all the pencil leads, black, colored, and copying, are now included "in pencil leads not in the wood," because of the fact that the kinds were never mentioned separately before.

Mr. DOLLIVER. But there seem to be statistics as to black, colored, copying, or lead not in the wood. None of them seem to be estimated upon in this book.

Mr. SMOOT. They have never been heretofore specially mentioned in any bill. Under the present law they are simply designated "pencil leads," and that includes the black, the copying, and the colored leads.

Mr. DOLLIVER. So that we are without the official estimate of the committee as to what this change of specific assessments on these leads actually amounts to.

Mr. SMOOT. So far as the Estimate Book is concerned, yes; because there are no figures in the department showing that, for they have all come in under one head as "pencil leads."

Mr. DOLLIVER. But "pencil leads" are not put down here.

Mr. SMOOT. Yes; "pencil leads" are there. The Senator will find that in 1907 there were $113,000 worth of them imported, and that in 1908 there were $135,000 worth. He will find that in the Book of Estimates. I have the figures from the department showing an increase in a year of $22,000.

Mr. STONE. Mr. President, it seems to me it is a very great waste of time to be "monkeying" here over a little increase of 350 per cent. Why not go on?

Mr. SMOOT. We are simply trying to protect an industry that, if forced to go on in the way it is now, will be wiped out of existence in this country.

The PRESIDING OFFICER. The question is on agreeing to the amendment.

The amendment was agreed to.

The paragraph as amended was agreed to.

Mr. ALDRICH. I ask now to take up paragraph 442.

The SECRETARY. Page 176, paragraph 442—hats, bonnets or hoods, and so forth.

Mr. ALDRICH. The committee, after a careful and long investigation of this subject, became satisfied that the House provision was better than the Senate provision, and the committee desire to withdraw their amendment to the House provision.

The PRESIDING OFFICER. The question is on the amendment of the committee.

The amendment was rejected.

Mr. BULKELEY. Has that paragraph been agreed to?

The PRESIDING OFFICER. The paragraph as it came from the House of Representatives will be agreed to in the absence of objection. The Chair hears no objection.

Mr. ALDRICH. I ask to take up paragraph 468.

The SECRETARY. Paragraph 468—agricultural implements.

Mr. ALDRICH. I ask that the committee amendment be agreed to. The Senator from Georgia [Mr. BACON] has an amendment to offer, I believe.

The PRESIDING OFFICER. The Chair will inquire of the Senator from Rhode Island if the committee amendment is to strike out the proviso?

Mr. ALDRICH. Yes; the committee amendment is to strike out the proviso. The Senator from Georgia [Mr. BACON], I think, objected to striking it out, though I am not sure. He asked to have the paragraph go over, at any rate.

Mr. BACON. Mr. President, I asked that the paragraph might go over, because I had an amendment which I desired to offer. It is in the nature of an amendment, although it would come in at a different place in the bill. It recites the language of the paragraph prior to the proviso, except there are certain words interpolated. I have previously presented the amendment to the Senate; it has been printed and, I presume, it is on Senators' desks.

It proposes to strike out that paragraph which imposes a duty on agricultural implements and in lieu of it to insert one on the free list, using the same language, with this exception: I call the Senator's attention to the fact that two classes of machinery are specified which are not in his amendment, and which I think ought to be in the amendment—that is, it inserts the words "forage and feed cutters." These are important articles among agricultural implements. I will ask that the amendment be read from the desk. I suppose it is there.

The SECRETARY. Amend by inserting the following paragraph in the free list, on page 214, to be designated as paragraph 651½, as follows:

Plows, tooth and disk harrows, harvesters, forage and feed cutters, reapers, agricultural drills and planters, mowers, horse rakes, cultivators, thrashing machines, and cotton gins: *Provided*, That articles mentioned in this paragraph, if imported from a country which lays an import duty on like articles imported from the United States, shall be subject to duties existing prior to the passage of this act.

Mr. BACON. Mr. President, I do not desire to discuss this amendment at length. I simply wish to call the attention of the Senate to the fact that the articles there specified which are manufactured in this country are not articles with which any articles of foreign manufacture come into any important competition. There are practically no importations of harvesting and agricultural machinery. The tariff duty in the present law keeps out practically all importations of agricultural machinery and agricultural tools and implements.

Mr. CLAPP. Will the Senator pardon me a moment?

Mr. BACON. I will.

Mr. CLAPP. I think that in the last two or three years some of our large manufacturers have erected plants in Canada. If this amendment is adopted, it may be that, while their products would be made by American capital, they would be Canadian-made products that would come in by reason of these matters going on the free list. I would not particularly object to voting with the Senator, and then the matter can be looked into further in conference. That is the only thing I think of that would seriously militate against the Senator's position.

Mr. BACON. Mr. President, there is nothing in which the country is more generally and deeply interested, at least so far as the agricultural interest is concerned, than this matter of agricultural machinery and agricultural tools and implements. I do not by any means pose as a farmer. I am only an amateur one, and as such I contribute more to the support of the industry than the industry contributes to my support, so I am not sailing under any false colors. But I do have some little practical knowledge of the fact that the prices of these articles in this country are absolutely exorbitant and extortionate. The makers of them have a monopoly, which enables them to fix prices to such an extent that I know of my own personal knowledge that eighteen months ago, in the midst of the panic, when everyone else was lowering prices, the prices of these articles were put up. And they have a monopoly to such an extent that dealers in these articles can not sell them at a reasonable rate to their customers, even if they wish to do so. They absolutely dictate the prices at which those to whom they sell these articles can dispose of them to others. If any man who bought one of these articles dared to sell it to somebody else at a less price, he would be made to suffer for it in one way or the other, either by the people thereafter refusing to let him have any further goods or in some other way.

I do not think the suggestion of the Senator from Minnesota [Mr. CLAPP] should be controlling as to articles of such prime necessity, articles which are essential to use in the preparation, cultivation, and harvesting of the great crops of the country—cereals, cotton, and all other crops—and upon which the prosperity of this country absolutely rests. If the agricultural industry of the country were destroyed, all other industries would necessarily fail. The smoke would die out in the factory chimneys and grass would grow in the streets of our cities.

Mr. CLAPP. Will the Senator pardon me a moment?

Mr. BACON. If the Senator will pardon me until I finish what I am saying, I will yield with pleasure. The suggestion the Senator makes is one which had some corresponding suggestions from the Senator from Rhode Island, if I recall correctly, when this matter was first suggested by me. If I remember correctly, the Senator from Rhode Island called the attention of the Senate to the fact that there had been either some information given by him or some suggestion to him that these very parties who have the monopoly in this country were possibly preparing to manufacture them in Germany. I think the Senator made a statement of that kind, did he not?

Mr. ALDRICH. Mr. President, the International Harvester Company, who are the principal manufacturers in the United States, are building plants in Germany, in France, I think in Russia, and possibly in some other countries. It seemed to me to be absolute folly to remove the duty in the United States, when these manufacturers can easily send here free of duty their machinery made in Germany, when the cost of production in those countries would be a great deal less than it is in the United States. It seems to me that those facts furnish conclusive evidence that the amendment of the Senator from Georgia ought not to be adopted.

Mr. BACON. Mr. President, the idea upon which I go is this: That anything so essential to the prosperity of this country as the machinery and the tools with which the farmers work, with which they prepare the ground, cultivate the crops, and harvest the crops, ought to be as far as possible removed from the opportunity of this great corporation to monopolize the trade and dictate the prices to those who have to use these agricultural machines and tools.

Mr. CLAPP. Mr. President——

Mr. BACON. I yield to the Senator from Minnesota.

Mr. CLAPP. The point is right here: If the men who went to Canada or to Germany or to France to build the plant were some one other than the men who already have the business in their hands in this country, I could readily see how, by letting those articles in, even perhaps at a sacrifice of American production, we would get a benefit in price.

But here is where I fear the trouble lies with this proposition: So far as the Canadian business is concerned, I am very certain that the same men who make the thrashing machines or other implements here will go over into Canada and make them cheaper than they make them here, and would still, being the only makers of the machines, have a monopoly of our market. We would gain nothing by that; they would gain something; and we would transfer the work of producing the machines from our own country over to Canada or somewhere else, because they are to-day the only makers of this kind of machinery. The whole farm-machinery business is to-day practically in one set of hands. If, by taking the duty down, we could get some one else to go into the manufacture, very well; but if it is going to be the same men, they would still have the same grasp on our market, and we would gain nothing.

I am willing to vote with the Senator, and then have the matter looked up later. That is the only thing I see in the way of objection to his amendment.

Mr. BACON. Mr. President, I of course like to have the support of the Senator; but I confess I am not in sympathy with the suggestions which are so freely thrown out that we are simply proposing things, and that the conference committee at last is going to do the legislating. I am not in sympathy with that view. I think the Senate and House of Representatives should legislate, and not the conference committee.

Mr. CLAPP. I did not mean that, Mr. President.

Mr. BACON. Oh, I know that. I know that the Senator did not mean that in the broad sense. But, I say, the Senator's remark brings up that suggestion. The suggestion is frequently made that the matter is going to be arranged in conference.

If the Senator will pardon me, and I may resume, Mr. President, it is a conceded fact, a recognized fact, an undisputed fact, that this harvester company has a grand and practically an exclusive monopoly of these machines and tools and implements that are absolutely essential to the carrying on of the great work of agriculture in this country. The agricultural interest is the basis of all other industries and of all other prosperity; and here is a great monopolizing company that actually dictates prices and holds the entire trade in its essential implements in its grasp.

Mr. President, conceding for the argument that the protective policy is sound, if there ever was a time when the maintenance of that policy ought to be varied, it seems to me that this is the time. As far as the Senator from Rhode Island is concerned, I recognize entirely the motive which inspires his objection. It is that he does not in any way wish to invade the protective policy for any reason whatever. I do not understand that the Senator from Rhode Island or any other Senator in this Chamber desires to uphold this gigantic monopoly in its extortions upon the great agricultural interests of this country. But that in the devotion to the protective principle, it is thought better that that monopoly should continue, with its resulting extortions, than that the protective policy should in any instance and for any reason be varied to the extent of removing from it the barriers it has against foreign competition.

It seems to me there are exceptions to all rules. A man who believes in a revenue tariff only may sometimes find an instance where the public interests require a higher rate of duty than he otherwise would approve of. And it seems to me that a man who is in favor of a protective tariff may recognize that there may be a situation so unbearable as to justify and require the abandonment, for the time being, in that particular instance, of the protective policy, and that in a case such as this, the world should have the opportunity to compete with those who are thus doing wrong to this great body of our citizens engaged in this most fundamental and most important of all industries.

Of course, if there are no other agricultural-implement manufacturers in the world, if there are none that can be found in Germany or France or England, that will send machinery here and compete with these monopolies, of course this legislation will be idle. If it be true that these people are going over to Germany to manufacture, and that there will be no Germans also to manufacture, and that they are going into France and that there will be no Frenchmen to manufacture, and that the same is true in England, it would be idle to pass the bill. But if we remove the tariff barrier from this undisputed, gigantic, extortionate monopoly, and if it be true that removing the barrier will give to the great farming interests of the country, North, East, South, and West—because they are all suffering under the burden—the opportunity to get cheaper foreign machinery than they now have the opportunity to get it at home, this is the time when it ought to be done. The present conditions and the great burden which they impose on the agriculturists in all parts of the country call aloud to Congress for this much needed and highly deserved relief.

I do not know, Mr. President, that I could express myself more fully if I were to continue to discuss the matter. There are just two points. One is that there are now no importations. To remove the duty will not lose any revenue to the Government, because there are practically no importations. The second is the undisputed fact of a gigantic monopoly under the protection of the tariff law, dictating and extorting exorbitant prices from the agriculturists of the country, who themselves receive no benefits under the protective tariff. The question is whether we shall permit it to go on in the same way or whether the great rule of protection is to be varied by the Republican party in this instance and an opportunity given to the farming classes of this country to obtain agricultural machinery and tools and implements at reasonable rates, even if it has to be made in another country. That is the view I take of it.

Mr. ALDRICH. Mr. President, protectionists are not in favor of regulating trusts by putting the articles they produce upon the free list.

Mr. BACON. I am not either, as a general rule.

Mr. ALDRICH. That is what the Senator's argument means. I do not know what he is in favor of.

Mr. BACON. No. Let me interrupt the Senator.

Mr. ALDRICH. In the confusion of the new Democratic doctrines which have been promulgated in the Senate within the last ten days——

Mr. BACON. The Senator——

Mr. ALDRICH. The Senator will excuse me for a moment—these doctrines about putting a duty upon raw materials and putting finished articles on the free list—I do not know where our Democratic friends are going; where they are tending. The Senators have been voting with more or less unanimity to put revenue duties upon raw materials, and now the Senator from Georgia is trying to get us to put all kinds of manufactured articles upon the free list. I do not know whether or not that is consistent, according to his ideas of the way a tariff should be constructed. It does not agree with mine, certainly.

Mr. BACON. The Senator will permit me to interrupt him?

Mr. ALDRICH. Yes.

Mr. BACON. I can not be led off of this matter by a discussion as to whether the general principle cited by the Senator is a correct one—that all trust-manufactured articles should be put upon the free list. I simply desire to say that I myself do not accord with any such view. Similar articles may be made by concerns and organizations that are not trusts. I only approve it where the trust has a monopoly and extorts from the people. But leaving out altogether the question as to the general proposition that trust-made articles should be put upon the free list, for I recognize the impracticability of that for the reason stated, I say, in this particular case, not as a general rule, where we find an undisputed, gigantic monopoly having entire control of this business, dictating prices and exacting exorbitant prices upon a matter so important as the agricultural machinery and agricultural implements used in the entire United States, from one end of it to the other, from the East to the West and from the North to the South—I say that in this particular case the rule might be applied, whether it is in general a correct rule or not.

Mr. ALDRICH. Senators upon the other side—I am not so sure about the Senator from Georgia—have within a comparatively recent time voted to put a duty upon iron ore.

Mr. BACON. Yes. I will say to the Senator——

Mr. ALDRICH. And a duty upon lumber. Iron and lumber are the principal components of agricultural implements. After voting, and their votes having been controlling, I think, to put a duty upon iron and upon lumber, they now propose to turn around and put upon the free list a combination of iron and lumber, upon which a considerable percentage of American labor has been expended. That may seem consistent with the views of the Senator from Georgia, but it strikes my uneducated mind as quite inconsistent.

Mr. BACON. If the Senator will pardon me a moment, I will interrupt him long enough to say that I would be delighted to put not only lumber and iron ore, but the products of iron ore, such as iron and steel used in manufacturing agricultural machinery, upon the free list, if the Senator will agree to put agricultural machinery and agricultural implements upon the free list.

Mr. ALDRICH. Is the Senator one of Mr. Bryan's disciples or is he not?

Mr. BACON. Let me say to the Senator——

Mr. ALDRICH. I do not know whether or not the Senator has expressed his views at length upon the new Democratic theories. I am not certain.

Mr. BACON. The Senator asked me a question, and he should let me answer.

Mr. ALDRICH. I am not able at this moment to classify the Senator from Georgia, to know whether he is a disciple of Mr. Bryan or whether he is impregnated with the idea that we ought to have duties upon some kinds of raw materials.

Mr. BACON. Let me say to the Senator, I am no man's disciple. I am here in a much higher capacity.

Mr. ALDRICH. No; I understand that. The Senator from Georgia has——

Mr. BACON. The Senator must let me reply——

Mr. ALDRICH. The Senator from Georgia has his disciples. He is a prophet.

Mr. BACON. The Senator must let me reply. The great question whether those who use agricultural implements in this country, the agriculturists of practically a continent, are to be put in a position where they can have them at a reasonable price, is not to be downed by the Senator attempting to divert us into a semipolitical discussion. I will meet the political discussion at the proper time, but we are not to be diverted now.

The question is whether the Senator believes, regardless of what my political opinions may be, that the agricultural people of this country, the millions of them engaged in all sorts of agriculture, shall be left at the mercy of this merciless, extortionate trust, this conceded, undeniable, controlling monopoly, or whether relief shall be had through appropriate legislation. We are not going to be diverted from that issue by any side issues. I have no doubt the honorable Senator would be delighted if this great issue could be sidetracked by a political discussion.

Mr. ALDRICH. Is the Senator through with his question?

Mr. BACON. I think the Senator in that question implies a transgression of which he himself is frequently guilty.

Mr. ALDRICH. I thought I had the floor, and I did not know whether the Senator had asked his question or not.

Mr. BACON. The Senator is about as frequent a transgressor in that direction as anyone I know.

Mr. ALDRICH. I think very likely.

Mr. BACON. Therefore, while I plead guilty, I to that extent claim his companionship.

Mr. ALDRICH. The Senator from Georgia says there is a combination in this country that has control—I think he said it had a monopoly—of the manufacture of agricultural implements. I think that is not precisely correct. I think there are in the United States a large number of people engaged in the manufacture of agricultural implements of various kinds. That there is in this country one large concern engaged in the manufacture of agricultural implements is true.

That combination, I am glad to say, sell their agricultural implements, and the fact is beyond question, to the people of the United States more cheaply than they can sell them in any country abroad. They are unlike perhaps some of the other companies.

Mr. OVERMAN. How long have they been doing it?

Mr. ALDRICH. All the time; for years.

Mr. OVERMAN. I have read articles, and one of the traveling men told me he went all through, and they were selling them 50 per cent cheaper abroad.

Mr. ALDRICH. I have seen myself the record evidence of my statement.

Mr. OVERMAN. I have been trying to get record evidence here.

Mr. ALDRICH. It will be placed before the Senate in answer to a resolution of the Senate, offered by the Senator from Kansas [Mr. CURTIS] some time ago. It will soon be placed before the Senate in an official form from the Department of Commerce and Labor.

Mr. OVERMAN. I want to say——

Mr. ALDRICH. If the Senator will please excuse me.

The PRESIDING OFFICER. The Senator will please address the Chair.

Mr. OVERMAN. If the Senator does not yield to me——

Mr. ALDRICH. I will yield for a question. I do not want to go into an argument as to what a company is doing. If the Senator desires to ask a question, I will yield.

Mr. OVERMAN. I want to correct the Senator. I think he is mistaken.

Mr. ALDRICH. The Senator can not correct me on that subject, because I think I am better advised than he is. I have been examining the evidence on that subject. Whether that is true or not, it is not necessary for the argument which I am trying to make. The International Harvester Company have not only large plants in the United States, but they have, as the Senator from Minnesota has already suggested, large plants in Canada, and they are erecting large plants in three or four foreign countries. They fix the prices for their own product both here and abroad. I do not say that they fix the prices of the agricultural implements in the United States, because I do not think they do, but they fix the price of their own products, which are well known throughout the world.

If this company should make agricultural implements in Germany or in France or in Canada more cheaply than they could in the United States, they might transfer the manufacture altogether to those countries and sell their product in the United States at the same price they do now, because they have no competitors in that field, according to the Senator from Georgia.

The sole result of this suggested legislation might be to enable the International Harvester Company to make their machines in Belgium and send them to the United States and sell them here at their own prices, having manufactured them at a less cost abroad than here. If there were no other reason why the amendment of the Senator from Georgia should not be adopted, that is a first-class reason, according to my idea.

Aside from that, as I stated before, protectionists—and I mean to include all grades of protectionists so far as I know—are not in favor of putting manufactured articles on the free list, because, in a certain case, there happens to be a combination for the time being in their manufacture. They believe that that action would necessarily prevent competition in the United States and would put the whole industry into the hands of existing combinations beyond recovery. It seems to me there can be no question about that at all. So, I can not understand how any Senator who believes in caring for American industries should be in favor of putting agricultural implements upon the free list.

Mr. BACON. I simply desire to ask the Senator this question: If he concedes the proposition that there is a large monopoly, and that they are charging exorbitant prices——

Mr. ALDRICH. I do not concede either one of those propositions.

Mr. BACON. Then there is no use for me to press the question, because if the premise is not conceded, the conclusion, of course, can not be claimed. But I will say to the Senator that failing to concede that he refuses to recognize what every well-informed man in this country knows to be a fact, that they do charge the most exorbitant prices, and that they dictate prices throughout this country.

Mr. OVERMAN. It was stated here by a Senator who lives on the Canadian line, a Republican Senator from North Dakota, last January that these machines were sold in Canada across the line at from 25 to 50 per cent cheaper than they are sold in this country. He also stated, and no one denied it at that time, that the reaper and binder that was sold in North Dakota at $150 was manufactured for $48 and cost $125 to the Canadian.

He also introduced a resolution at that time which was passed through the Senate, requesting the Department of Commerce and Labor to investigate these facts, and during the present session I have asked the Secretary myself for that report, and I have not been able to get it. He has sent me some sort of a report which the Senator speaks of, but it is no report such as the Senator asked for at that time. It is a very strange thing to me that we could not get the facts and figures on the subject.

Mr. ALDRICH. The resolution of inquiry which I refer to was a resolution offered by the Senator from Kansas [Mr.

CURTIS] a few weeks ago. No answer has yet been received from the Department of Commerce and Labor, but I have myself seen the report and examined the details. I assure the Senators that when that report comes here it will establish the fact beyond question that the prices of all kinds of agricultural implements charged by the International Harvester Company are less in the United States than in any foreign country.

Mr. OVERMAN. It is extremely strange that when I go there I can not get that information, but I am told that it is scattered about in such places that it can not be gotten together, that it has not been printed, and they have not been able to furnish it. The Senator says he can get it. Not more than two weeks ago I was informed that I could not get it, that they were not able to furnish it, that it was scattered around in pigeonholes, and they could not get it together.

I would rather take the word of the Senator who stood on the other side of the Chamber last January and made that statement, speaking from his own experience, living on the Canadian line, who knew the facts and knew that those machines were selling in Canada for $125 when they were sold here for $150, and who knew the fact, furthermore, that it costs only $48 to make the machine. That is the evidence of a Republican Senator who sat on the other side of the Chamber, and the Senator remembers it.

Mr. ALDRICH. I think the Senator refers to the Senator from North Dakota, not now a Member of the body. I know that the Senator from North Dakota, not now a Member of the body, introduced a series of resolutions on the subject. I do not remember any statement which he made with reference to the sales.

Mr. OVERMAN. I will furnish the record. I have no doubt the Senator from Missouri [Mr. STONE] remembers the controversy, because he took part in the debate.

Mr. STONE. Mr. President, I listened with interest to the colloquy which occurred a few moments since between the Senator from Georgia [Mr. BACON] and the Senator from Rhode Island [Mr. ALDRICH] on the subject of free raw material. The Senator from Rhode Island appears to be profoundly disturbed with respect to the doctrinal attitude of the Democratic party as to raw material in a tariff law. It seems to me that vastly more attention has been recently given this subject, both in and out of Congress, than its importance deserves. For myself I wish to say that I do not consider either free raw material or taxed raw material as a fundamental and recognized Democratic doctrine.

Mr. ALDRICH. The matter seems to be rather in a formative period; I might say, in rather a chaotic condition.

Mr. STONE. No; it is not in a formative nor chaotic condition. There is no question of principle directly involved in it; it is a question of policy rather than of principle. It may be said that a principle is indirectly involved, and in this way: It is an old Democratic doctrine that taxation, in whatever form, should be equal as nearly as possible, and so distributed as to make all the people share as nearly equal as may be in the burden. In other words, this old principle is well stated in the phrase, so often used, "Equal rights to all and special privileges to none." Outside the scope of this ancient doctrine of treating all alike, there is no principle involved when, in making a tariff law, we come to determine whether a given article—either raw material or a finished product—shall go on the free list or dutiable list, and, if on the dutiable list, what the rate shall be. I think raw material should be dealt with just as manufactured products should be dealt with, and each case should be determined according to its own circumstances. Some raw material I would put on the free list and some I would not. The same might be said of products which come from the hands of the manufacturer. This much further I wish to say with emphasis, that I do not, as a general rule, believe in giving free raw material to the manufacturer, and then, at the same time and in the same law, give a high protective duty to the manufacturer on the product he fabricates out of that raw material, and especially would I never willingly vote to give free raw material to a great monopoly and at the same time give the monopoly protection on what it produces.

Mr. ALDRICH. Will the Senator allow me?

The PRESIDING OFFICER (Mr. GALLINGER in the chair). Does the Senator from Missouri yield to the Senator from Rhode Island?

Mr. STONE. I do.

Mr. ALDRICH. I know the Senator from Missouri is a patriotic Senator and that he recognizes the interests of his own constituents. I assume that locality has something to do with the judgment of Democratic Senators as to whether raw material should be on the free list or not.

Mr. STONE. Not with me; and, in my judgment, that should not be true of any Senator. I think a question of that kind should be weighed and decided from a higher and broader point of view. A Senator poorly discharges his duty, in my opinion, who votes for protection or free trade on any article solely because of some local interest. While vigilant in guarding the interests of his own constituency, he should nevertheless strive first to advance the welfare of the whole people. I do not think the suggestion of the Senator is warranted. I do not think, generally speaking, it has any substantial basis of truth. I did not arise, however, to discuss the subject of raw material, but to discuss the question immediately before the Senate. I was diverted into saying what I have by the colloquy between the Senator from Georgia and the Senator from Rhode Island.

I turn now to the question immediately in hand. To-day, while the Senator from Rhode Island was debating this proposed amendment to put agricultural machinery on the free list, the Senator from Georgia propounded this question to the Senator from Rhode Island:

> I simply desire to ask the Senator this question: If he concedes the proposition that there is a large monopoly, and that they are charging exorbitant prices?

The Senator from Rhode Island answered:

> I do not concede either one of those propositions.

That answer is tantamount to denying the existence of the monopoly or that exorbitant prices are charged for agricultural implements. I intend to prove that both the allegations made by the Senator from Georgia are true, and to give some reasons why such machinery should go on the free list.

Mr. President, to begin with I will read a clause from the Denver platform, hoping I will not thereby give occasion for either resentment or derision. I read as follows:

> We favor immediate revision of the tariff by the reduction of import duties. Articles entering into competition with trust-controlled products should be placed upon the free list.

I indorse that declaration. It announces a sound party policy and a sound economic policy. I would like to see it crystallized into law and then enforced. I am going to prove that the case in hand furnishes an instance where that policy ought to be observed and enforced.

First, is the International Harvester Company of New Jersey, coupled with its twin corporation, the International Harvester Company of America, a monopoly which has control of the American market in agricultural machinery? I answer, yes; and now for the proof.

Mr. President, the attorney-general of Missouri, Hon. Elliot W. Major, was here to-day, returning home from New York, where he had been taking the depositions of Mr. George W. Perkins, of the firm of J. P. Morgan & Co. Mr. Perkins is the man who organized this harvester trust. This he did some seven or eight years ago by combining five of the leading establishments then engaged in manufacturing farm machinery into one great corporation, known as the "International Harvester Company of New Jersey," organized under the laws of New Jersey, with an authorized capital of $120,000,000. The McCormick, the Deering, the Champion, the Piano, and the Milwaukee were the concerns first taken over into the combine. They were the original members of the union, but other concerns were subsequently absorbed. Their general properties, franchises, and so forth, were transferred to the New Jersey corporation and paid for in the stocks of that corporation.

Later on what is known as the "International Harvester Company of America" was organized in Wisconsin, with a capital, as I understand, of $3,000,000. This corporation is merely an adjunct of the New Jersey corporation, used solely as a selling agent to dispose of the products of the New Jersey corporation. The Wisconsin concern buys only from the New Jersey concern. The latter manufactures, but does not sell to the public. The former sells, but does not manufacture. The New Jersey corporation sells exclusively to the Wisconsin corporation, and the Wisconsin corporation buys exclusively of the New Jersey corporation. In other words, the New Jersey corporation is a manufacturing concern, and uses the Wisconsin corporation to sell and distribute its products.

This combine has taken practical possession and control of the markets of the country. It is as near to a complete monopoly as can well be conceived of. Competition is so small, weak, and ineffective as to be unworthy of notice. Several of the Middle Western States, acting through and on the relation of their respective attorneys-general, have instituted suits against this corporate combination to oust it from doing business in those States, on the ground that it was organized and is operating in violation of the state laws.

A suit of that kind was brought in my State and another was brought in Kansas. These suits were brought before the supreme courts of the States, and each court appointed a commissioner to take testimony, make findings, and report. The Missouri court appointed as commissioner the Hon. Theodore Brace, a former member of the court, a man of fine character

and a great lawyer. The commissioner appointed by the Kansas court is also a gentleman who commands the highest respect. This commissioner, I am informed, has concluded his work and reported. He has reported the testimony with his findings, and he finds that the defendant corporation is a trust—a monopoly—and that it is conducting business in contravention of the laws of Kansas. The suit in Missouri is still in progress. Depositions of the president and other officers of the corporation have been taken. The deposition of Mr. Perkins, the organizer of the trust, was taken by the attorney-general in the city of New York on Tuesday last, and with that deposition I understand the State will close its case.

Mr. President, I have in my office a transcript of all the testimony taken up to Tuesday last. The attorney-general, while here to-day, was interviewed by certain newspapers. His interview was offered to the Associated Press, but for some reason the manager of that great news agency declined to handle it. But I have a copy of the interview, and I intend to read it, not only that it may go into the RECORD, but for the information of the Senate, and in support of my contention. It is as follows:

I am on my way home from New York City, and have stopped in Washington on official business connected with my department.

I was in New York for the sole purpose of taking the evidence of George W. Perkins, of the firm of J. P. Morgan & Co., in the ouster suit of the State of Missouri against the International Harvester Company of America, charged with violating its antipool trust and conspiracy laws.

The State secured from Mr. Perkins valuable and necessary evidence to make a case, and the State is now satisfied to close with his evidence.

Among other things he squarely contradicted the evidence of Mr. McCormick, president of both the International Harvester Company of America and its mother corporation, the International Harvester Company of New Jersey. Mr. Perkins is himself a director in both of these corporations, and both corporations have the same officers and directors. The New Jersey corporation is the manufacturing concern and the America is its selling agent.

J. P. Morgan & Co., through Mr. Perkins, promoted the merger of practically all the harvesting-machine interests in the country. The International Harvester Company of New Jersey merged all the properties of the McCormick Harvesting Machine Company, the Deering Harvesting Machine Company, the Champion, the Plano, and the Milwaukee Harvesting Machine Company. The new corporation continues to manufacture the machines of these separate companies, preserving their separate makes and identities, and sells them at a uniform price, and there is now no competition as to the prices on these machines and the makes of other companies it has since purchased. The new company does 85 per cent of the harvesting-machine business, not only of the State of Missouri, but of the entire United States.

Mr. Perkins admitted that the stockholders of each one of these independent companies which transferred its properties to the International Harvester Company did so knowing at the time that they would be paid for the property transferred by taking and receiving stock in the new corporation, the International Harvester Company.

Mr. Perkins further admitted that J. P. Morgan & Co. through him controlled the entire business of the International Harvester Company. He further admitted that the new corporation after its organization bought the D. M. Osborne Company's business, because it cut the prices of harvesters and mowers abroad and at home.

He further testified that he had kept his eye on the harvesting machine business, and that the McCormick Harvesting Machine Company, with the prestige of J. P. Morgan & Co., could have controlled the situation alone had not the balance of the companies came in and transferred their companies. That being true, they can certainly control it now. He further admitted that William Lane, to whom the properties of all these companies were first transferred, was merely the conduit through which the title was passed to the International Harvester Company.

Mr. Perkins said he was familiar with and controlled the business of the New Jersey corporation, yet did not know whether or not he was a director in the International Harvester Company of America—

That is the selling concern—

This seemed strange, especially when the International Harvester Company of America was the selling agent of the New Jersey concern and organized by him for that special purpose, and whatever moneys the New Jersey concern received from the harvester business it had to receive through the International of America.

The International of America being a subsidiary corporation of the International of New Jersey, and both corporations having the same president, we have a novel situation.

President McCormick, of the New Jersey concern, must contract and deal with President McCormick, of the International of America. Which corporation derives the better bargain? An answer is unnecessary, because the stockholders of the New Jersey corporation get the profits anyway, and it is simply a question of which hand shall be used in placing the money in their pockets.

Mr. Perkins, Cyrus H. McCormick, and Charles Deering compose what is called the "voting trust" and hold all the stock, not only of the New Jersey corporation, but also all the stock, save $900, in the International of America. They vote these stocks as they please, and it does not take a philosopher to solve the situation.

The evidence of Mr. Perkins was taken in the office of J. P. Morgan & Co. before Alexander Taylor, a notary public, the evidence being reported by J. L. Roberts, of Marshall, Mo., the official reporter in the case. The only other parties present were myself and my assistant, C. G. Revelle, for the State, and Judge Seldon P. Spencer, of St. Louis, and Mr. Bancroft, general counsel for the company. The State, being satisfied with the evidence given by Mr. Perkins, will close its side of the case on July 12.

Mr. President, I offer that statement as one item of proof to show the existence of one of the worst monopolies that has ever cursed our land. And right here let me add that not only did Mr. Perkins, acting for J. P. Morgan & Co., organize this trust and finance it, but Judge Gary, president of the United States Steel Corporation, also bore an important part in the organization of those gigantic corporations, in both of which he is a director.

Mr. OVERMAN. Right along that line I desire to ask the Senator a question, if he will permit me to interrupt him.

The PRESIDING OFFICER. Does the Senator from Missouri yield to the Senator from North Carolina?

Mr. STONE. I do.

Mr. OVERMAN. I desire to ask the Senator from Missouri if he has the Hansbrough statement in regard to this matter?

Mr. STONE. I have it here.

Mr. OVERMAN. Very well.

Mr. ALDRICH. Mr. President, will the Senator from Missouri yield to me for a moment?

The PRESIDING OFFICER. Does the Senator from Missouri yield to the Senator from Rhode Island?

Mr. STONE. I do.

Mr. ALDRICH. I desire to report from the Committee on Finance an amendment to the pending bill providing for a tax upon corporations. The amendment is in print, and Senators can obtain copies of it. I desire again to state that I expect on Monday morning, or as soon as the consideration of the paragraphs of the pending bill are concluded, to proceed with the matter.

The PRESIDING OFFICER. Does the Senator desire the amendment, which he has just reported, printed in the RECORD?

Mr. NELSON. Mr. President, when will the committee be prepared to report the constitutional amendment in regard to an income tax?

Mr. ALDRICH. Although the committee have not had any formal meeting, I think they are prepared to report it now, but I should not like to report the amendment until after the formal action of the committee. We shall report it to-morrow.

The PRESIDING OFFICER. Does the Senator from Rhode Island desire the amendment which he has just reported printed?

Mr. CUMMINS. I did not hear what the Senator from Rhode Island said.

Mr. ALDRICH. I desire to have the amendment printed in the RECORD and also printed as an amendment.

The PRESIDING OFFICER. That order will be made in the absence of objection.

The amendment referred to is as follows:

Amendment reported by Mr. ALDRICH, from the Committee on Finance, to the bill (H. R. 1438) to provide revenue, equalize duties, and encourage the industries of the United States, and for other purposes: Add as a new section the following:

SEC. 4. That every corporation, joint stock company or association, organized for profit and having a capital stock represented by shares, and every insurance company, now or hereafter organized under the laws of the United States or of any State or Territory of the United States or under the acts of Congress applicable to Alaska or the District of Columbia, or organized under the laws of any foreign country and engaged in business in any State or Territory of the United States or in Alaska or in the District of Columbia, shall be subject to pay annually a special excise tax with respect to the carrying on or doing business by such corporation, joint stock company or association, or insurance company, equivalent to 2 per cent upon the entire net income over and above $5,000 received by it from all sources during such year, exclusive of amounts received by it as dividends upon stock of other corporations, joint stock companies or associations, or insurance companies, subject to the tax hereby imposed, or if organized under the laws of any foreign country, upon the amount of net income over and above $5,000 received by it from business transacted and capital invested within the United States and its Territories, Alaska, and the District of Columbia during such year, exclusive of amounts so received by it as dividends upon stock of other corporations, joint stock companies or associations, or insurance companies subject to the tax hereby imposed.

Second. Such net income shall be ascertained by deducting from the gross amount of the income of such corporation, joint stock company or association, or insurance company from all sources, (first) all the ordinary and necessary expenses actually paid within the year out of income in the maintenance and operation of its business and properties; (second) all losses actually sustained within the year and not compensated by insurance or otherwise, including a reasonable allowance for depreciation of property, if any, and in the case of insurance companies the sums required by law to be carried to premium reserve fund; (third) interest actually paid within the year on its bonded or other indebtedness to an amount of such bonded and other indebtedness not exceeding the paid-up capital stock of such corporation, joint stock company or association, or insurance company, outstanding at the close of the year; (fourth) all sums paid by it within the year for taxes imposed under the authority of the United States or of any State or Territory thereof; (fifth) all amounts received by it within the year as dividends upon stock of other corporations, joint stock companies or associations, or insurance companies, subject to the tax hereby imposed: *Provided*, That in the case of a corporation, joint stock company or association, or insurance company, organized under the laws of a foreign country, such net income shall be ascertained by deducting from the gross amount of its income from business transacted and capital invested within the United States and any of its Territories, Alaska, and the District of Columbia, (first) all the ordinary and necessary expenses actually paid within the year out of earnings in the maintenance and operation of its business and property within the United States and its Territories, Alaska, and the District of Columbia; (second) all losses actually sustained within the year in business conducted by it within the United States or its Territories, Alaska, or the District of Columbia not compensated by insurance or otherwise, including a reasonable allowance for depreciation of property, if any, and in the case of insurance companies the sums required by law to be carried to premium reserve fund; (third) interest actually paid within the year on its bonded or other indebtedness to an amount of such bonded and other

indebtedness, not exceeding the proportion of its paid-up capital stock outstanding at the close of the year which the gross amount of its income for the year from business transacted and capital invested within the United States and any of its Territories, Alaska, and the District of Columbia bears to the gross amount of its income derived from all sources within and without the United States; (fourth) the sums paid by it within the year for taxes imposed under the authority of the United States or of any State or Territory thereof; (fifth) all amounts received by it within the year as dividends upon stock of other corporations, joint stock companies or associations, and insurance companies, subject to the tax hereby imposed.

Third. That there shall be deducted from the amount of the net income of each of such corporations, joint stock companies or associations, or insurance companies, ascertained as provided in the foregoing paragraphs of this section, the sum of $5,000, and said tax shall be computed upon the remainder of said net income of such corporation, joint stock company or association, or insurance company for the year ending December 31, 1909, and for each year thereafter; and on or before the 1st day of March, 1910, and the 1st day of March in each year thereafter, a true and accurate return under oath or affirmation of its president, vice-president, or other principal officer, and its treasurer or assistant treasurer, shall be made by each of the corporations, joint stock companies or associations, and insurance companies, subject to the tax imposed by this section, to the collector of internal revenue for the district in which such corporation, joint stock company or association, or insurance company has its principal place of business, or, in the case of a corporation, joint stock company or association, or insurance company, organized under the laws of a foreign country, in the place where its principal business is carried on within the United States, in such form as the Commissioner of Internal Revenue, with the approval of the Secretary of the Treasury, shall prescribe, setting forth (first) the total amount of the paid-up capital stock of such corporation, joint stock company or association, or insurance company outstanding at the close of the year; (second) the total amount of the bonded and other indebtedness of such corporation, joint stock company or association, or insurance company at the close of the year; (third) the gross amount of the income of such corporation, joint stock company or association, or insurance company received during such year from all sources, and if organized under the laws of a foreign country the gross amount of its income from business transacted and capital invested within the United States and any of its Territories, Alaska, and the District of Columbia; (fourth) the amount received by such corporation, joint stock company or association, or insurance company within the year by way of dividends upon stock of other corporations, joint stock companies or associations, or insurance companies, subject to the tax imposed by this section; (fifth) the total amount of all the ordinary and necessary expenses actually paid out of earnings in the maintenance and operation of the business and properties of such corporation, joint stock company or association, or insurance company within the year, and if organized under the laws of a foreign country the amount so paid in the maintenance and operation of its business within the United States and its Territories, Alaska, and the District of Columbia; (sixth) the total amount of all losses actually sustained during the year and not compensated by insurance or otherwise, stating separately any amounts allowed for depreciation of property, and in the case of insurance companies the sums required by law to be carried to premium reserve fund, and in the case of a corporation, joint stock company or association, or insurance company organized under the laws of a foreign country all losses actually sustained by it during the year in business conducted by it within the United States or its Territories, Alaska, and the District of Columbia, not compensated by insurance or otherwise, stating separately any amounts allowed for depreciation of property, and in the case of insurance companies the sums required by law to be carried to premium reserve fund; (seventh) the amount of interest actually paid within the year on its bonded or other indebtedness to an amount of such bonded and other indebtedness not exceeding the paid-up capital stock of such corporation, joint stock company or association, or insurance company outstanding at the close of the year, or in case of a corporation, joint stock company or association, or insurance company organized under the laws of a foreign country interest so paid on its bonded or other indebtedness to an amount of such bonded and other indebtedness not exceeding the proportion of its paid-up capital stock outstanding at the close of the year which the gross amount of its income for the year from business transacted and capital invested within the United States and any of its Territories, Alaska, and the District of Columbia bears to the gross amount of its income derived from all sources within and without the United States; (eighth) the amount paid by it within the year for taxes imposed under the authority of the United States or any State or Territory thereof; (ninth) the net income of such corporation, joint stock company or association, or insurance company, after making the deductions in this section authorized. All such returns shall as received be transmitted forthwith by the collector to the Commissioner of Internal Revenue.

Fourth. Whenever evidence shall be produced before the Commissioner of Internal Revenue which in the opinion of the commissioner justifies the belief that the return made by any corporation, joint stock company or association, or insurance company, is incorrect, or whenever any collector shall report to the Commissioner of Internal Revenue that any corporation, joint stock company or association, or insurance company, has failed to make a return as required by law, the Commissioner of Internal Revenue may require from the corporation, joint stock company or association, or insurance company, making such return such further information with reference to its capital, income, losses, and expenditures as he may deem expedient; and the Commissioner of Internal Revenue, for the purpose of ascertaining the correctness of such return or for the purpose of making a return where none has been made, is hereby authorized, by any regularly appointed revenue agent specially designated by him for that purpose, to examine any books and papers bearing upon the matters required to be included in the return of such corporation, joint stock company or association, or insurance company, and to require the attendance of any officer or employee of such corporation, joint stock company or association, or insurance company, and to take his testimony with reference to the matter required by law to be included in such return, with power to administer oaths to such person or persons; and the Commissioner of Internal Revenue may also invoke the aid of any court of the United States to require the attendance of such officers or employees and the production of such books and papers. Upon the information so acquired the Commissioner of Internal Revenue may amend any return or make a return where none has been made. All proceedings taken by the Commissioner of Internal Revenue under the provisions of this section shall be subject to the approval of the Secretary of the Treasury.

Fifth. All returns shall be retained by the Commissioner of Internal Revenue, who shall make assessments thereon; and in case of any return made with false or fraudulent intent, he shall add 100 per cent of such tax, and in case of a refusal or neglect to make a return or to verify the same as aforesaid he shall add 50 per cent of such tax. In case of neglect occasioned by the sickness or absence of an officer of such corporation, joint stock company or association, or insurance company, required to make said return, the collector may allow such further time for making and delivering such return as he may deem necessary, not exceeding thirty days. The amount so added to the tax shall be collected at the same time and in the same manner as the tax originally assessed unless the refusal, neglect, or falsity is discovered after the date for payment of said taxes, in which case the amount so added shall be paid by the delinquent corporation, joint stock company or association, or insurance company, immediately upon notice given by the collector. All assessments shall be made and the several corporations, joint stock companies or associations, or insurance companies, shall be notified of the amount for which they are respectively liable on or before the 1st day of June of each successive year, and said assessments shall be paid on or before the 30th day of June, except in cases of refusal or neglect to make such return, and in cases of false or fraudulent returns, in which cases the Commissioner of Internal Revenue shall, upon the discovery thereof, at any time within three years after said return is due, make a return upon information obtained as above provided for, and the assessment made by the Commissioner of Internal Revenue thereon shall be paid by such corporation, joint stock company or association, or insurance company immediately upon notification of the amount of such assessment; and to any sum or sums due and unpaid after the 30th day of June in any year, and for ten days after notice and demand thereof by the collector, there shall be added the sum of 5 per cent on the amount of tax unpaid and interest at the rate of 1 per cent per month upon said tax from the time the same becomes due, as a penalty.

Sixth. When the assessment shall be made, as provided in this section, the returns, together with any corrections thereof which may have been made by the commissioner, shall be filed in the office of the Commissioner of Internal Revenue and shall constitute public records and be open to inspection as such.

Seventh. It shall be unlawful for any collector, deputy collector, agent, clerk, or other officer or employee of the United States to divulge or make known in any manner whatever not provided by law to any person any information obtained by him in the discharge of his official duty, or to divulge or make known in any manner not provided by law any document received, evidence taken, or report made under this section except upon the special direction of the President; and any offense against the foregoing provision shall be a misdemeanor and be punished by a fine not exceeding $1,000, or by imprisonment not exceeding one year, or both, at the discretion of the court.

Eighth. That if any of the corporations, joint-stock companies or associations, or insurance companies, aforesaid, shall refuse or neglect to make a return as above specified on or before the 1st day of March in each successive year, or shall render a false or fraudulent return, such corporation, joint-stock company or association, or insurance company, shall be liable to a penalty of not less than $1,000 and not exceeding $10,000.

That any person authorized by law to make, render, sign, or verify any return who makes any false or fraudulent return or statement, with intent to defeat or evade the assessment required by this section to be made, shall be guilty of a misdemeanor, and shall be fined not exceeding $1,000 or be imprisoned not exceeding one year, or both, at the discretion of the court, with the costs of prosecution.

That all laws relating to the collection, remission, and refund of internal-revenue taxes, so far as applicable to and not inconsistent with the provisions of this section, are hereby extended and made applicable to the tax imposed by this section.

Jurisdiction is hereby conferred upon the circuit and district courts of the United States for the district within which any person summoned under this section to appear to testify or to produce books, as aforesaid, shall reside, to compel such attendance, production of books, and testimony by appropriate process.

Mr. CUMMINS. I understand there is no suggestion as to the time for taking up the amendment?

Mr. ALDRICH. Yes; I stated that I hoped that we shall finish the consideration of the paragraphs of the dutiable list and of the free list to-morrow; and that, if we should finish them to-morrow, I shall ask to proceed to the consideration of the income-tax amendment and this amendment on Monday.

Mr. CUMMINS. That is, that the amendment already offered by the Senator from Texas [Mr. BAILEY] and myself and this amendment be taken up immediately after the disposition of the schedules?

Mr. ALDRICH. That is my purpose.

I ask the Senator from Missouri [Mr. STONE] to also yield to me that I may report a new paragraph to the bill, which I ask may be printed. I do not ask to have it read, but printed as an amendment.

The PRESIDING OFFICER. Does the Senator desire to have the amendment printed in the RECORD?

Mr. ALDRICH. Let it be printed in the RECORD also.

The PRESIDING OFFICER. In the absence of objection, that order will be made.

The amendment referred to is as follows:

345½. All laces, edgings, insertings, galloons, flouncings, nets, and veils, composed of cotton, silk, or other material (except wool), made on the Lever's or Gothrough machine, costing 5 cents or less per dozen yards, 2 cents per dozen yards; costing more than 5 cents per dozen yards, two-fifths of 1 cent for each cent in value and in addition thereto on all of the foregoing, 30 per cent ad valorem: *Provided*, That no wearing apparel or articles of any description composed wholly or in chief value of any of the foregoing shall pay a less rate of duty than that imposed upon the articles or the materials of which the same are composed.

Mr. OVERMAN. I did not exactly hear the suggestion of the Senator from Rhode Island. As I understand, it is the intention to take up the income-tax amendment on Monday. Is that the arrangement?

Mr. ALDRICH. That is my purpose, if we get through to-morrow with the paragraphs of the dutiable list and the free list.

Mr. OVERMAN. But it will not be called up to-morrow?

Mr. ALDRICH. It will not be called up to-morrow. It is my purpose to-morrow to have the Senate adjourn as soon as we get through with the dutiable paragraphs and the free list.

Mr. STONE. Mr. President, one of the witnesses who was called to the stand in the suit brought by the attorney-general of Missouri was Cyrus H. McCormick, who is president of both the New Jersey and Wisconsin corporations. He was questioned at great length. He stated, in substance, that the competition between the various companies then operating independently of each other was sharp, severe, and, as he expressed it, "fierce;" that they were put to large and unnecessary expense in exploiting their business; and that because of that condition it was thought that if the competing companies could be combined into a single holding, they could control the market, carry on business at less expense, and realize larger profits. Of course, in all that he was right beyond peradventure. The presidents of the other companies concurred with Mr. McCormick, and then Perkins came in to work out the details. The five companies I have named were combined, and soon after that the D. M. Osborne Company was taken in, and other interests have since been added. Mr. McCormick explained how the combination was brought about and how it was organized. He was questioned as to the total amount of business the new combination controlled. I read from his testimony:

Q. What percentage of the entire business of the United States did the business of these six companies constitute?

That is, the six companies which had gone into this combination—

A. I think about 80 per cent; I think about that much.
Q. That would be your judgment from a general knowledge of the business?—A. Yes, sir.

These six companies, while doing business independently and without concert, controlled, in the judgment of President McCormick, about 80 per cent of the business of the country. They have since taken over other smaller concerns and, according to the statement of Attorney-General Major, are now doing about 85 per cent of the total business done in all the States. I offer that as another proof of the existence of a monopoly.

Mr. President, I wish now to read an excerpt from the deposition of Mr. William H. Jones, formerly of the Piano Company, and now one of the vice-presidents of this new combined corporation. He is one of the witnesses examined for the State in the Missouri case. I read as follows:

Q. You think the McCormick was crowding you out of the home market?—A. No question about that. The survival of the fittest.
Q. You think McCormick was the survivor?—A. Yes, sir; had more capital and the best chances in more ways than the rest of us.
Q. So, in order to get rid of this fierce competition, you formed this new organization?—A. We had to do it or wind up the business. If we had not, we would have thrown all of our men out of business. The best to do was to get rid of the fierce competition; to get rid of the canvassers. We have not half as many canvassers to-day as we did have.
Q. The canvassers were made necessary to maintain your competition?—A. Before that we did it to beat one another out of business.
Q. Is that not what you call competition?—A. Pretty sharp competition.
Q. It was to get rid of that you made your combination?—A. Yes, sir; to better the entire thing; no question about that.

There is a statement made by the vice-president of the combine, which is a confession without disguise, that the sole purpose of the combination was to destroy competition and create a monopoly.

Mr. OVERMAN. Does the Senator know how many men were thrown out of employment? He read, as I understood, that the combination was made also to throw out and to get rid of certain employees, and that by reason of the monopoly they were able to get along with fewer men.

Mr. STONE. That is correct. The Senator repeats the substance of the statement, but I am not able to say how many men lost their places. I read further from Mr. Jones:

Q. Mr. Jones, what led you to sell in July, 1902, when Judge Gary asked you to come to New York?—A. Simply because the business was so demoralized that there was no profit in the business.
Q. Tell his honor what you mean by that.—A. I tell you what I mean: The prices had gotten down practically so there was no margin in the business, and competition was fierce. The farmer lost by it because canvassers persuaded farmers in their fierce competition to buy new machinery when it was not needed. The farmer was not to blame for that. It was competition. Everything was demoralized, and the price of material of late years was continually going up and the labor the same way, and we could make no money, particularly the last few years we were in business. We made no profit in this country—it was all in the foreign trade.

Mr. President, later on I will show that Mr. Jones was mistaken about profits. He admits there was profit in the foreign trade. I will show that there was profit also in the domestic trade, notwithstanding the hot competition between the rival concerns.

Mr. ALDRICH. It is evident that the Senator can not complete his remarks to-night. There is a desire for a short executive session; and if it will not inconvenience the Senator, I will ask him to yield.

Mr. STONE. Very well; I yield to the Senator.

EXECUTIVE SESSION.

Mr. ALDRICH. I move that the Senate proceed to the consideration of executive business.

Th motion was agreed to, and the Senate proceeded to the consideration of executive business. After three minutes spent in executive session the doors were reopened, and (at 6 o'clock and 55 minutes p. m.) the Senate adjourned until to-morrow, Saturday, June 26, 1909, at 10 o'clock a. m.

NOMINATIONS.

Executive nominations received by the Senate June 25, 1909.

COLLECTOR OF CUSTOMS.

Henry G. Nelson, of Florida, to be collector of customs for the district of St. Marks, in the State of Florida, to take the place of Fred C. Cubberly, resigned.

SECRETARIES OF LEGATIONS.

Philip M. Hoefele, of Missouri, now secretary of the legation at Santo Domingo, to be secretary of the legation of the United States of America at Madrid, Spain, vice William H. Buckler, resigned.

Jordan Herbert Stabler, of Maryland, to be secretary of the legation of the United States of America at Quito, Ecuador, to fill an original vacancy.

APPOINTMENT IN THE ARMY.

MEDICAL RESERVE CORPS.

Dr. Walter Bensel, of New York, to be first lieutenant in the Medical Reserve Corps, with rank from June 22, 1909.

PROMOTIONS IN THE ARMY.

CORPS OF ENGINEERS.

Lieut. Col. Frederic V. Abbot, Corps of Engineers, to be colonel from June 24, 1909, vice Col. Ernest H. Ruffner, retired from active service on that date.

Maj. Harry Taylor, Corps of Engineers, to be lieutenant-colonel from June 24, 1909, vice Lieut. Col. Frederic V. Abbot, promoted.

Capt. Edward H. Schulz, Corps of Engineers, to be major from June 24, 1909, vice Maj. Harry Taylor, promoted.

First. Lieut. Wildurr Willing, Corps of Engineers, to be captain from June 24, 1909, vice Capt. Edward H. Schulz, promoted.

Second Lieut. James J. Loving, Corps of Engineers, to be first lieutenant from June 24, 1909, vice First Lieut. Wildurr Willing, promoted.

POSTMASTERS.

CALIFORNIA.

F. H. Howell to be postmaster at Newcastle, Cal., in place of John C. Boggs, deceased.

J. L. Talbott to be postmaster at Lompoc, Cal., in place of John F. Rudolph, resigned.

COLORADO.

Ahiman V. Bohn to be postmaster at Leadville, Colo., in place of John Alfred, deceased.

A. C. Moulton to be postmaster at Meeker, Colo., in place of Ernest E. Fordham, resigned.

DELAWARE.

M. Howard Jester to be postmaster at Wilmington, Del., in place of Henry C. Conrad, resigned.

GEORGIA.

William H. Blitch to be postmaster at Statesboro, Ga., in place of David B. Rigdon. Incumbent's commission expired January 13, 1909.

Hardy C. Fryer to be postmaster at Blakely, Ga., in place of Hardy C. Fryer. Incumbent's commission expired May 9, 1906.

IOWA.

W. R. Harris to be postmaster at Hamburg, Iowa, in place of George A. Danforth, resigned.

KENTUCKY.

C. F. Taylor to be postmaster at Greenup, Ky., in place of Thomas E. Myers, removed.

LOUISIANA.

Lou S. Flournoy to be postmaster at Ruston, La., in place of Lou S. Flournoy. Incumbent's commission expired March 3, 1909.

James C. Weaks to be postmaster at Monroe, La., in place of Pinckney Weaks. Incumbent's commission expired December 12, 1908.

MINNESOTA.

Edwin G. Braden to be postmaster at Wayzata, Minn. Office becomes presidential July 1, 1909.

NEW HAMPSHIRE.

Arthur H. Copp to be postmaster at Wolfeboro, N. H., in place of Forrest W. Peavey, deceased.

NEW JERSEY.

Alonzo Hand to be postmaster at Highlands, N. J. Office becomes presidential July 1, 1909.

William K. Van Iderstine to be postmaster at Maplewood, N. J. Office becomes presidential July 1, 1909.

NEW YORK.

Elijah P. Raynor to be postmaster at West Hampton Beach, N. Y. Office becomes presidential July 1, 1909.

Lincoln Sackett to be postmaster at New Lebanon, N. Y., in place of Kathryn C. M. McGrath. Incumbent's commission expired December 13, 1908.

NORTH CAROLINA.

James B. Winders to be postmaster at Warsaw, N. C., in place of James B. Winders. Incumbent's commission expired February 10, 1909.

NORTH DAKOTA.

Jesse M. Pierson to be postmaster at Granville, N. Dak., in place of Edward T. Pierson, resigned.

J. M. Stewart to be postmaster at Mayville, N. Dak., in place of David Larin, resigned.

OHIO.

William O. Custis to be postmaster at Jamestown, Ohio, in place of William O. Custis. Incumbent's commission expired February 10, 1909.

SOUTH DAKOTA.

William H. Doherty to be postmaster at Lemmon, S. Dak. Office becomes presidential July 1, 1909.

Herbert B. Tysell to be postmaster at Britton, S. Dak., in place of Frederic J. Brown, resigned.

CONFIRMATIONS

Executive nominations confirmed by the Senate June 25, 1909.

POSTMASTERS.

COLORADO.

Ahiman V. Bohn, at Leadville, Colo.

IDAHO.

Claude H. Duval, at Nampa, Idaho.

IOWA.

Oswell Z. Wellman, at Arlington, Iowa.

MARYLAND.

Mary W. Tise, at Hyattsville, Md.

MASSACHUSETTS.

George C. Look, at Woods Hole, Mass.
Elisha Peterson, at Duxbury, Mass.

NEW JERSEY.

Charles G. Melick, at Milford, N. J.
George Phillips, at Branchville, N. J.

SENATE.

SATURDAY, *June 26, 1909.*

The Senate met at 10 o'clock a. m.

Prayer by the Chaplain, Rev. Ulysses G. B. Pierce, D. D.

The Secretary proceeded to read the Journal of yesterday's proceedings, when, on request of Mr. KEAN and by unanimous consent, the further reading was dispensed with.

The VICE-PRESIDENT. The Journal is approved.

MERGER OF RAILROADS.

The VICE-PRESIDENT. The Chair lays before the Senate a communication from the Attorney-General, transmitting, in response to a resolution of the 25th instant, certain information relative to the legal proceedings against the New York, New Haven and Hartford Railroad Company and the Boston and Maine Railroad Company for a violation of what is known as the "Sherman antitrust law," and so forth.

The communication will be referred, with the accompanying papers, to the Committee on Commerce and printed (S. Doc. No. 116).

Mr. CULBERSON. I ask that it may be printed as a document.

The VICE-PRESIDENT. It will be printed.

Mr. KEAN. It should not go to the Committee on Commerce, I think.

Mr. CULBERSON. It ought to go to the Committee on the Judiciary, it occurs to me.

Mr. KEAN. Either the Committee on the Judiciary or the Committee on Interstate Commerce.

Mr. HALE. Let it go to the Committee on the Judiciary.

The VICE-PRESIDENT. Without objection, the former reference made by the Chair is abrogated and the communication will be referred to the Committee on the Judiciary.

Mr. CULBERSON. I understand the order is, also, that it shall be printed as a document.

The VICE-PRESIDENT. It will be printed under the rule as a document.

Mr. CULBERSON. It might be printed in the RECORD also. It is a short statement, I think.

There being no objection, the communication was ordered to be printed in the RECORD, as follows:

DEPARTMENT OF JUSTICE,
OFFICE OF THE ATTORNEY-GENERAL,
Washington, D. C., June 25, 1909.

SIR: I have the honor to acknowledge the receipt of a copy of a resolution adopted by the Senate on June 25, 1909, as follows:

"That the Attorney-General be, and he is hereby, directed to inform the Senate whether the legal proceedings against the New York, New Haven and Hartford Railroad Company, and the Boston and Maine Railroad Company, for violation of what is known as the 'Sherman antitrust law,' have been dismissed; and if any statement has been given out by him touching the matter within the past few days, that he attach a copy of such statement to his reply to this resolution. He is also directed to inform the Senate when such proceedings were begun and instituted."

In reply, I beg to state that I have directed the United States attorney for the district of Massachusetts to dismiss the legal proceedings brought by the United States against the New York, New Haven and Hartford Railroad Company and the Boston and Maine Railroad Company for violation of what is known as the "Sherman antitrust law." In connection with that matter, a statement was given out by me touching the matter, a copy of which accompanies this communication.

The proceedings were begun and instituted by the filing of a bill in equity in the circuit court for the district of Massachusetts on May 22, 1908.

I have the honor to be, sir,
Very respectfully,

GEO. W. WICKERSHAM,
Attorney-General.

The PRESIDENT OF THE SENATE.

JUNE 24, 1909.

The Attorney-General received to-day a certified copy of the act passed by the legislature of Massachusetts and approved last Friday by the governor of that State, creating the Boston Railroad Holding Company. This act authorizes the new corporation created under it to acquire and hold all or any part of the stock and bonds of the Boston and Maine Railroad Company, and further authorizes any railroad corporation theretofore incorporated under the laws of Massachusetts to acquire and hold the stock and bonds of the Boston Holding Company.

The purpose and effect of this statute, as publicly announced and as contemplated by its terms, is to authorize the consolidation of the Boston and Maine Railroad Company and the New York, New Haven and Hartford Railroad Company. This is to be accomplished, first, by the Boston Holding Company acquiring the control of the Boston and Maine Railroad Company, and, next, by the New York, New Haven and Hartford Railroad Company acquiring control of the Boston Holding Company.

The statute referred to further provides that the stock of the Boston and Maine to be acquired by the holding company shall not hereafter be sold without express authority from the legislature, and that the stock of the holding company, if acquired by the New Haven road, shall not hereafter be sold without express authority of the legislature. Finally, it is provided that the Commonwealth of Massachusetts may, at any time, by an act of the legislature, upon one year's notice, take for its own use, by purchase or otherwise, all the stock and bonds of the holding company upon certain terms designed to protect creditors and secure just compensation, the whole plan and purpose being to permit the consolidation of the Boston and Maine with the New Haven Company, and to provide for their operation hereafter under one management, with safeguards to protect the interests of the people of Massachusetts.

In view of the fact that the suit of the United States now pending against the New York, New Haven and Hartford and the Boston and Maine Railroad companies for a violation of the antitrust act rests almost entirely upon a claim that these companies had already consolidated by means of stock ownership, and since the community most directly affected is the State of Massachusetts, whose laws now expressly authorize such consolidation, the Attorney-General has determined to dismiss the Government's action.

In that action the further complaint was made that the New Haven Railroad had acquired a number of trolley lines in Massachusetts and adjoining States, and that this was a combination in restraint of interstate commerce. Since the Government's suit was determined upon, however, the supreme judicial court of Massachusetts, in a case involving the right of the New Haven road to acquire trolley properties in Massachusetts, has decided that the railroad company has no such power, and that company has been parting with such trolley properties. Upon this question the Attorney-General is convinced that whatever may have been the merit of the claim when the suit was begun, there is not now in this case any such element of competition in interstate commerce by reason of such ownership of trolley lines as would justify a further prosecution of the action.

The Attorney-General has directed that the case of the United States against the New York, New Haven and Hartford Railroad Company and the Boston and Maine Railroad Company et al. will be dismissed at once.

PETITIONS AND MEMORIALS.

Mr. PILES. I present resolutions adopted by the Central Labor Council of Seattle and vicinity, in the State of Washington, which I ask may be printed in the RECORD.

There being no objection, the resolutions were ordered to lie on the table and be printed in the RECORD, as follows:

CENTRAL LABOR COUNCIL,
Seattle, Wash., June 18, 1909.

To United States Senator SAMUEL H. PILES.

DEAR SIR: The inclosed resolution speaks for itself, and it is the wish of this Central Labor Council of Seattle and vicinity that you indorse the same and do all possible for passage of the same. Hoping this will meet with your approval, and that we shall hear from you concerning the same, I am,

Very respectfully,

[SEAL.] JAS. R. HARRIS,
Secretary Central Labor Council of Seattle and Vicinity.

The following resolutions were unanimously adopted at a meeting of the Central Labor Council of Seattle and vicinity, held on Wednesday, June 16, 1909:

Believing that the proposed amendment to the pending tariff bill which changes the per capita tax on immigrants from $4 to $10 is a step in the right direction, and knowing that the American Federation of Labor, of which we are a part, has advocated further restrictions on immigrants: Therefore be it

Resolved, By the Central Labor Council of Seattle and vicinity, in regular session this 16th day of June, 1909, that we favor the proposed amendment, and earnestly hope that our Washington Senators and Congressmen will support the same; and be it further

Resolved, That a copy of this resolution be sent to Senators PILES and JONES and Representatives HUMPHREYS, CUSHMAN, and POINDEXTER; also to the President of the United States and the Speaker of the House.

Mr. FRYE presented a memorial of Willow Grange, No. 366, Patrons of Husbandry, of Jefferson, Me., remonstrating against an increase of the duty on imported gloves, which was ordered to lie on the table.

Mr. NELSON presented a petition of the Business League of St. Paul, Minn., praying for the creation of a permanent tariff commission, which was ordered to lie on the table.

Mr. DEPEW presented telegrams in the nature of memorials from sundry manufacturers of New York City, N. Y., remonstrating against the repeal of the duty on Paris green, which were ordered to lie on the table.

AMELIA L. DICK BOYD.

Mr. KEAN, from the Committee to Audit and Control the Contingent Expenses of the Senate, to whom was referred Senate resolution 59, submitted by Mr. BURTON on the 22d instant, reported it without amendment, and it was considered by unanimouse consent and agreed to, as follows:

Senate resolution 59.

Resolved, That the Secretary of the Senate be, and he is hereby, authorized and directed to pay to Amelia L. Dick Boyd, widow of Charles W. Boyd, late a laborer of the United States Senate, a sum equal to six months' salary at the rate he was receiving by law at the time of his demise, said sum to be considered as including funeral expenses and all other allowances.

JOSIAH L. PEARCY, JR.

Mr. KEAN, from the Committee to Audit and Control the Contingent Expenses of the Senate, to whom was referred Senate resolution 60, submitted by Mr. JOHNSTON of Alabama (for Mr. TAYLOR) on the 24th instant, reported it without amendment, and it was considered by unanimous consent and agreed to, as follows:

Senate resolution 60.

Resolved, That the Secretary of the Senate be, and he is hereby, authorized and directed to pay to Josiah L. Pearcy, jr., son of Josiah L. Pearcy, late a laborer of the United States Senate, for the sole benefit of the widow of the deceased, a sum equal to six months' salary, at the rate he was receiving by law at the time of his demise, said sum to be considered as including funeral expenses and all other allowances.

BILLS INTRODUCED.

Bills were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. CARTER:

A bill (S. 2763) to establish postal savings depositories for depositing savings at interest with the security of the Government for repayment thereof, and for other purposes; to the Committee on Post-Offices and Post-Roads.

A bill (S. 2764) to establish a fish-hatching and fish-culture station at or near Columbia Falls, in the State of Montana; to the Committee on Fisheries.

A bill (S. 2765) providing for the purchase of a painting of Abraham Lincoln; to the Committee on the Library.

A bill (S. 2766) providing for the appointment of an inspector of mines for the district of Alaska, defining his powers and duties, fixing his compensation, and for other purposes; to the Committee on Mines and Mining.

A bill (S. 2767) for the relief of Edward Brassey; to the Committee on Claims.

A bill (S. 2768) to establish engineering experiment stations at land-grant colleges; to the Committee on Agriculture and Forestry.

A bill (S. 2769) to amend article 6 of an agreement between the Turtle Mountain band of Chippewa Indians and the United States, through the commissioners of the United States duly appointed for that purpose, on the 2d day of October, 1892, as modified and amended by act approved April 21, 1904; to the Committee on Indian Affairs.

A bill (S. 2770) granting an increase of pension to Charles Maxwell Waterman;

A bill (S. 2771) granting a pension to Charlotte W. White;

A bill (S. 2772) granting an increase of pension to John A. Richards; and

A bill (S. 2773) granting a pension to George Walters; to the Committee on Pensions.

A bill (S. 2774) for the relief of George H. Potter;

A bill (S. 2775) for the relief of the heirs of Warren S. Baxter, deceased;

A bill (S. 2776) providing for the inclusion of certain unappropriated public lands in the State of Montana within the boundaries of Madison National Forest;

A bill (S. 2777) to establish the Glacier National Park in the Rocky Mountains south of the international boundary line in the State of Montana, and for other purposes;

A bill (S. 2778) to create an additional land district in the State of Montana, to be known as the "Harlowton land district;" and

A bill (S. 2779) for the relief of S. W. Langhorne and H. S. Howell; to the Committee on Public Lands.

By Mr. TALIAFERRO:

A bill (S. 2780) granting an increase of pension to James M. Adams (with the accompanying paper); to the Committee on Pensions.

By Mr. CARTER:

A bill (S. 2781) to provide for the extension of Nineteenth street from Belmont road to Biltmore street, in the District of Columbia, with a uniform width of 50 feet, and for other purposes; to the Committee on the District of Columbia.

By Mr. LA FOLLETTE:

A bill (S. 2782) granting an increase of pension to Levi L. Beers; and

A bill (S. 2783) granting an increase of pension to Charles Kisow; to the Committee on Pensions.

RATES OF REVENUE.

Mr. NELSON. I present a compilation of the estimated rates of duty under the bill H. R. 1438, known as the "tariff bill," as it passed the House of Representatives, together with the rates estimated under section 3 of the bill based upon the law of 1897 for the year ended June 30, 1907, including rates on free-list articles under section 3 of the House bill. I move that the compilation be printed as a document (S. Doc. No. 115).

The motion was agreed to.

CENSUS APPROPRIATION BILL.

Mr. HALE. I ask that House bill 10933, reported by me yesterday from the Committee on Appropriations, be laid before the Senate and proceeded with.

Mr. CULLOM. I should like to hear it read.

Mr. HALE. There are no amendments. Let it be read.

The Secretary read the bill (H. R. 10933) making appropriations for expenses of the Thirteenth Decennial Census, and for other purposes, and by unanimous consent the Senate, as in Committee of the Whole, proceeded to its consideration.

The bill was reported to the Senate without amendment, ordered to a third reading, read the third time, and passed.

THE TARIFF.

The VICE-PRESIDENT. The calendar is in order. The first bill on the calendar will be proceeded with.

The Senate, as in Committee of the Whole, resumed the consideration of the bill (H. R. 1438) to provide revenue, equalize duties, and encourage the industries of the United States, and for other purposes.

Mr. BRADLEY. I desire to offer an amendment to strike out paragraph 333 and insert a new paragraph.

The VICE-PRESIDENT. That will be considered after the pending amendment is disposed of. The pending amendment is that offered by the Senator from Georgia [Mr. BACON]. It will be read.

The SECRETARY. It is proposed to insert the following paragraph in the free list, to be designated as paragraph 651½:

Plows, tooth and disk harrows, harvesters, forage and feed cutters, reapers, agricultural drills and planters, mowers, horse rakes, cultivators, thrashing machines, and cotton gins: *Provided*, That articles mentioned in this paragraph, if imported from a country which lays an import duty on like articles imported from the United States, shall be subject to duties existing prior to the passage of this act.

Mr. STONE. Mr. President——

Mr. OVERMAN. I suggest the want of a quorum.

The VICE-PRESIDENT. Does the Senator from Missouri yield to the Senator from North Carolina?

Mr. STONE. Yes.

The VICE-PRESIDENT. The Senator from North Carolina suggests the absence of a quorum. The Secretary will call the roll.

The Secretary called the roll, and the following Senators answered to their names:

Aldrich	Clark, Wyo.	Frye	Overman
Bacon	Clay	Gallinger	Page
Beveridge	Crane	Gamble	Paynter
Borah	Crawford	Gore	Penrose
Bradley	Culberson	Guggenheim	Perkins
Brandegee	Cullom	Hale	Piles
Briggs	Cummins	Hughes	Scott
Bristow	Curtis	Johnson, N. Dak.	Simmons
Brown	Davis	Johnston, Ala.	Smith, Mich.
Bulkeley	Depew	Jones	Smoot
Burkett	Dick	Kean	Stone
Burnham	Dillingham	McLaurin	Sutherland
Burrows	Dixon	Martin	Taliaferro
Burton	du Pont	Money	Tillman
Carter	Fletcher	Nelson	Warner
Chamberlain	Flint	Nixon	
Clapp	Frazier	Oliver	

The VICE-PRESIDENT. Sixty-six Senators have answered to the roll call. A quorum of the Senate is present. The Senator from Missouri will proceed.

Mr. STONE. Mr. President, before I resume the thread of my remarks on the pending amendment I desire to address myself briefly to another subject. I wish to call attention to the fact that neither the President nor the Secretary of State nor the Finance Committee—whoever should have furnished it—has yet sent to the Senate the report made by the German Government to our Government on industrial conditions in Germany. The Senator from Rhode Island [Mr. ALDRICH] has promised from time to time that that report would be forthcoming in two or three days. He has made that statement several times, and yet days lengthen into weeks—I would not be far wrong if I said into months—until we are now practically through with the dutiable schedules, and still this document is withheld from the Senate, for what reason I do not know, and Senators have been denied an opportunity to examine it and see whether it would be of value in the consideration of the rates fixed in these multitudinous paragraphs. I suppose now we will not have it at all during this session.

Mr. President, it appeared during the discussion of that question in the earlier stages that a large number of like reports had come from other governments. The Senator from Rhode Island stated that they ought not to be made public, and he objected to having them printed for the use of the Senate, because he said they were confidential. As no Senator was willing to violate international propriety, the matter rested on the statement of the Senator from Rhode Island.

I have here a clipping from the Textile World Record for October, 1908. It seems that the editor of that publication addressed a letter to the then Secretary of State, Mr. ROOT, in September last, and asked him for a copy of the correspondence had between his department and our diplomatic and consular representatives respecting this matter. The Secretary wrote that the matter could not be furnished for publication. It seems, however, that the correspondence was not regarded as confidential in England, and a part of it was given out and published there. The editor of the Textile World Record obtained that correspondence, or some portion of it, and printed it. I wish to insert in the RECORD what was so printed, without reading, to show that inasmuch as this matter was made public in England there is no reason why it should not be made public in the United States, and there is no reason for claiming that the publication of it here would be a breach of propriety as between the two nations. I ask that it may be inserted.

The VICE-PRESIDENT. Is there objection? The Chair hears none.

The matter referred to is as follows:

FOREIGNERS ASKED TO MAKE OUR TARIFF.

[From the Textile World Record for October, 1908.]

Our English correspondent refers briefly in this issue to an inquiry that is being made by American consuls into industrial conditions abroad with the object of securing information regarding cost of production to aid Congress in revising the tariff next spring. Upon receipt of our correspondent's letter and English papers containing similar items we sent the following to the Secretary of State:

BOSTON, MASS., *September 12, 1908.*

Hon. ELIHU ROOT,
Secretary of State, Washington, D. C.

DEAR SIR: I learn from the English newspapers that the American consuls in England are sending to British manufacturers a list of questions regarding cost of production, which they ask to have answered by the British manufacturers for the purpose of helping the House Ways and Means Committee to revise the American tariff next spring. I would consider it a favor if you would send me a copy of the questions which our consuls have been authorized to submit to foreign manufacturers, and which I take it have been approved by your department.

Yours, very truly, SAMUEL S. DALE, *Editor.*

To this we received the following reply:

DEPARTMENT OF STATE,
Washington, September 16, 1908.

Mr. SAMUEL S. DALE,
Editor Textile World Record.

SIR: The department is in receipt of your letter of the 12th instant, requesting a copy of the questions sent by the department to American consular officers with a view to procuring information for the use of the Committee on Ways and Means of the House of Representatives in its work preparatory to the revision of the United States tariff. In reply I have to inform you that the questions to which you refer are *not for publication*, and the department regrets that it must decline to comply with your request. They will probably be made public in due time by the committee of Congress at whose instance they were issued.

I am, sir, your obedient servant,
ALVEY A. ADEE, *Acting Secretary.*

When this letter was received we knew that the information the Acting Secretary of State refused to give to us for the American public had already been published in England, where it had been the subject of general comment. Under these conditions there could be no good reason why it should not be made known in the United States. Accordingly we cabled to our English correspondent, asking him to send us a copy of the State Department's questions, and here they are, with the letter from the consul at Birmingham to the manufacturers and exporters in his district. (We omit the questions.)

BIRMINGHAM, ENGLAND, *August 25, 1908.*

DEAR SIR: I am instructed to make a report on industrial conditions in this consular district, covering cost of labor and conditions, cost of production, prices, and exports to the United States, for the use of the Committee on Ways and Means of the United States House of Representatives. The inquiries made of me are most comprehensive in character, and indicate a determination to obtain the most exact information possible as a basis for the complete revision of the existing tariff law. This revision will, in all probability, be in the direction of *a reduction of duties*, but, of course, that is all in a tentative condition.

To obtain this information I must apply to manufacturers engaged in the many industries of this district, and I am anxious for your assistance. I would say the more exact and complete the information I can furnish the better will my Government be prepared to act. *If, as it appears, the general tendency of the revision is to be in a downward direction, such a revision should increase exports from the United Kingdom to the United States, and you will see, therefore, that it is in the interests of this district, as it is of my own Government, that the fullest information be furnished me.*

In these circumstances I must ask questions in regard to your business which ordinarily the business man regard as business secrets. The information furnished, I am informed by my Government, will be treated in confidence—that is, none of it will be so used as to indicate the source whence it came.

I inclose a copy of a schedule that I request you to fill up and return to me at your early convenience. You will observe that by figure 3 is the statement, "Name of establishment." This information is desired so that if any further inquiries be necessary, it may be possible to inquire through me. Appreciating that, while you may be willing to give the information desired you may think it important that your name should not be included in my report, I shall, if you so desire, refrain from furnishing your name to my Government, and shall substitute therefor a number by which I can identify you and be prepared to answer any further inquiries that may be made of me.

I am hopeful of obtaining this information, and feel sure that, *as an exporter*, you will be glad to furnish me with it. I shall be very pleased, in fact, would prefer, to discuss this question personally with you, in order to more fully explain what I seek.

Yours, respectfully,
ALBERT HALSTEAD, *American Consul.*

Mr. STONE. Mr. President, on yesterday the Senator from Georgia [Mr. BACON] addressed a question to the Senator from Rhode Island [Mr. ALDRICH] while the latter was on the floor speaking to the amendment proposed by the Senator from Georgia. The question asked by the Senator from Georgia was this:

I simply desire to ask the Senator this question: If he concedes the proposition that there is a large monopoly, and they are charging exorbitant prices——

Mr. ALDRICH. I do not concede either one of those propositions.

I was proceeding when the adjournment was had yesterday to show that both those propositions advanced by the Senator from Georgia are true. I had put in some evidence to prove, first, that the International Harvester Company of New Jersey and the International Harvester Company of America constitute one of the most perfect examples of industrial monopoly this country has known or that human ingenuity could contrive.

I had read an interview given out on yesterday by the attorney-general of Missouri, who had been to New York to take the deposition of Mr. Perkins, of the firm of J. Pierpont Morgan & Co. From this interview we learn that Mr. Perkins is the man who organized this giant monopoly. We learn further from this interview that Mr. Perkins stated in his deposition that while the president of the two corporations, Mr. McCormick, and one of the vice-presidents, Mr. Deering, were nominally associated with him in the management of the corporations, inasmuch as his firm had financed it, he did himself in fact dominate and control both concerns.

I also read from the testimony of Cyrus H. McCormick, given by him in the case now pending in the supreme court of Missouri to oust the trust from doing business in that State. I read that testimony to show that this combination was made up of five or six of the largest companies which theretofore had been doing business independently, and that these companies thus merged into one had been doing about 80 per cent of the business of the entire country. Since the merger other concerns have been absorbed, until now that combination is doing 85 per cent of the business of the country.

I read from the testimony of William H. Jones, vice-president of both the manufacturing and selling corporations, to the same effect; and at that point I was obliged to discontinue because the hour of adjournment had arrived. I was then about to supplement the testimony I had offered to prove that a monopoly does exist, notwithstanding the denial of the Senator from Rhode Island, by the statement referred to by the Senator from North Carolina [Mr. OVERMAN].

Mr. DAVIS. Mr. President——

The VICE-PRESIDENT. Will the Senator from Missouri yield to the Senator from Arkansas?

Mr. STONE. Certainly.

Mr. DAVIS. If the Senator from Missouri will permit a voluntary suggestion, I will state that the International Harvester Company was driven out of Arkansas and forced to retire from business there because of prosecutions and convictions under the Arkansas antitrust law.

Mr. STONE. I am obliged to the Senator for interpolating that statement and furnishing that information. In one State, then, the courts have already found that this International Harvester Company is a trust. Was it a state court?

Mr. DAVIS. It was the state court, and the judgment still stands. The federal court had jurisdiction of another branch. It was not appealed.

Mr. STONE. A similar suit is pending before the supreme court of Kansas, as I remarked on yesterday, and the commissioner appointed by that court to take depositions has, I am informed, reported the testimony with his findings, and he finds that the International Harvester Company is a trust and a monopoly. A similar suit before the supreme court of Missouri is now pending; a large amount of testimony has been taken; and the attorney-general stated on yesterday that he believes that a clear case has been made by the State, and that the testimony on behalf of the State is now practically closed. I make this résumé of my remarks on yesterday, so that I may now get a better start from the point at which I then left off.

Mr. President, on January 22, 1908, Mr. Hansbrough, then a Senator from North Dakota, made a speech on the floor of the Senate, which can be found on page 963, part 1, of the RECORD of that session. I desire to read some extracts from that speech. Mr. Hansbrough said:

The International Harvester trust was organized in August, 1902. There were at that time some eight or ten separate companies engaged in the manufacture of harvesting machinery. About that time an effort was made to get these different constituent companies together, to consolidate them. That effort was finally successful, and eight of the constituent companies went into the International Harvester trust.

The International Harvester Company was organized under the laws of the State of New Jersey with a capital of $120,000,000. About the same time the International Harvester Company of America, with a capital of $1,000,000—

I think he is mistaken as to that. I understand the capital is $3,000,000—

was organized under the laws of the State of Wisconsin by the same men. It was clearly the purpose of this monopoly, of this combination, to evade the federal law by having the manufacturing company organized under the laws of one State, and the distributing or selling company organized under the laws of another State.

Mr. President, at the time that this monopoly was created the average price of a self-binder to a farmer in my part of the country was from $95 to $105. To-day the same machine costs the farmer $145, or it did last year, and I am advised that the monopoly has put the price of machines for the present year at $150.

That is not all, Mr. President. The International Harvester Company obtained control and a monopoly over most of the ingredients entering into the manufacture of binding twine, so that the farmer who purchases his binding machinery of the trust must also buy his binding twine of the trust.

And that is not all. They have obtained a control over several manufacturing establishments devoted to the making of gasoline engines, an establishment devoted to the manufacture of cream separators, and one engaged in the manufacture of manure spreaders. They have also secured a monopoly of the harness business, as well as of other necessary articles that the farmers of the country must buy; and all these articles have been advanced in price in keeping with the price that the trust has put upon its harvesting machinery.

Mr. President, in my own State of North Dakota, which produces over $100,000,000 worth of grain every year—wheat, barley, oats, and flax—the farmers are obliged to purchase somewhere near 10,000 binders every year. The price of these binders has been advanced since 1902 from about $100 to about $150. Senators can easily calculate the amount of tribute that the farmers of my State alone are obliged to pay to this monopoly.

Further he said:

At this very hour, Mr. President, this monopoly in farming implements is taking a hand in the politics of the State of North Dakota. It is laying its wires at this moment, through its trusted political agents, to capture and control the delegates who will represent that State in the next Republican national convention. Not alone this, but the edict has gone forth from this monopoly that I am to be defeated for the United States Senate because I had the temerity to offer a resolution of investigation.

Mr. President, it seems that they got the right kind of delegates elected to the Republican convention, and the right kind of members of the state legislature also, for if they were after his scalp, as the Senator said they were, they got it. The trust has the scalp of the North Dakota Senator dangling at its belt. Here, Mr. President, is testimony furnished by a Senator standing on this floor and speaking, as he said, from personal knowledge of the facts, showing that the International Harvester combine not only controlled the market of North Dakota, but that it had increased its prices to the point of extortion. Here is testimony to prove that the Senator from Georgia was right on both points involved in his issue with the Senator from Rhode Island.

Mr. President, I have other testimony at hand to prove that the International Harvester Company is a trust and a monopoly, but what I have supplied is certainly sufficient for that purpose, since it comes for the most part from the lips of the chief officers of the corporations constituting the trust; and so I think I can safely rest that issue at this point.

Mr. President, I said I would have something to say about the profits of this business before the trust was organized. I assert that there was no excuse, from an industrial or business standpoint, for this great combination. When asked why it was made, the answer was that competition was fierce; that expenditures were unnecessarily large, as a result of that competition; that by uniting their properties and efforts they could curtail the expenses of operation; that they could reduce largely the number of men employed, and introduce other economies in running the business; and that by this and by putting an end to competition they could manage the business more successfully and secure better returns and larger profits. I have no doubt of that; but they were making money when operating separately and in competition.

Mr. President, in proof of that I will read another extract from the testimony of Mr. Cyrus H. McCormick, given in the case to which I have referred. He is not only the president of the two new corporations, but he was also the president of the McCormick Company before the consolidation. I read the following:

Q. What was the capitalization of the McCormick Harvesting Machine Company?—A. Three million.

Q. What had it been in the first instance?—A. Two million and a half, I should say. It was always two million and a half.

Q. It was always that?—A. Yes, sir.

Q. In 1902 it had an existence of fifty years?—A. It was organized in 1879.

Q. Before that the business had existed not as a corporation?—A. It existed in 1831, when my father started it.

Q. It had a small beginning?—A. Yes, sir; began from nothing.

Q. It increased to a corporation of two million and a half and larger assets?—A. Yes, sir.

Q. Had you paid dividends on your stock?—A. Yes, sir; every year.

Q. Increasingly large?—A. Yes, sir; I do not remember what they were. The capital increased in the business until the surplus was much larger than the capital stock.

Q. What was your surplus in 1902?—A. I do not know; I should say it was—I could not tell—it was many times, many times two and a half millions.

Q. And it was more than it was in 1901; that is, in 1902?—A. Yes, sir; it must have been more; yes, sir.

Q. And 1901 more than 1900?—A. Yes, sir; it increased each year.

I read that to show that this company, before it entered into this consolidation and became a party to this criminal organization, was paying dividends to its stockholders, and accumulating a surplus, which its president said had grown until it had become many, many times larger than the capital stock of two and a half or three million dollars. If his company was doing that, it is inconceivable that the other large competing companies were losing money or doing an unprofitable business. If the McCormick had been the only company making money, and if all the others had been losing money, do you suppose with that advantage and mastery of the trade Mr. McCormick would have gone to New York to consult Mr. Perkins and initiate a move to bring his distressed and losing competitors into an organization whereby they would share in his enormous profits? That would present an instance of commercial altruism without a parallel. But he did go to see Perkins and opened up negotiations which brought the presidents of the other great companies to New York for a like consultation with the mighty Mr. Perkins. The result was that Mr. Perkins went over to New Jersey and organized the International Harvester Company of New Jersey, and took over these great independent

establishments, paying for their properties in the stock of the New Jersey company.

Mr. OVERMAN. What Perkins is that, I will ask the Senator from Missouri?

Mr. STONE. George W. Perkins, of J. Pierpont Morgan & Co., bankers and brokers in New York.

Mr. OVERMAN. The same man who engineered the deal between the Tennessee Coal and Iron Company and the United States Steel Company?

Mr. STONE. Yes; I so understand.

Mr. President, I wish now to read a brief extract from the testimony of Edwin D. Metcalf, of Auburn, N. Y., who was formerly an officer of the D. M. Osborne Company, once large, independent manufacturers and sellers of agricultural implements, but now a part of the trust. I am reading from the testimony given by him before the Ways and Means Committee, on page 7317 of the hearings.

The CHAIRMAN. How long have you been engaged in the manufacture of these implements?

Mr. METCALF. Since 1890.

The CHAIRMAN. You were connected with D. M. Osborne & Co., of New York?

Mr. METCALF. Yes, sir.

The CHAIRMAN. At the time that you commenced your engagement with them, were they exporting to any extent?

Mr. METCALF. Our foreign sales in 1890 were about $20,000.

The CHAIRMAN. Abroad?

Mr. METCALF. Yes, sir. Our exports have risen to over $3,000,000 a year from Auburn.

The CHAIRMAN. They are $3,000,000 a year now?

Mr. METCALF. They were for that one company at Auburn.

The CHAIRMAN. What means did your company take to obtain that trade abroad?

Mr. METCALF. We formed an organization in foreign countries the same as we had in this country. We visited the countries and learned what the people wanted and how they wanted their tools made, and made them as they wished them and did not try to compel them to take a machine which was known as a "standard machine" in this country.

Mr. President, this company organized its foreign business as it organized its domestic business, and both grew enormously. Can it be imagined that this was a losing business? He must be a very credulous man who would think so. I can produce other testimony of like kind, but this is enough. I offer this to sustain my averment that there existed no sound industrial reason or excuse for organizing this combination. There was no question of self-preservation in it, for they were prosperous. The organization was made for the selfish and cold-blooded purpose of throttling competition, creating a monopoly, and extorting at pleasure from the people.

Mr. President, perhaps it would be interesting to read a page or two from this testimony to show the devious methods resorted to when this trust was formed. I will quote an extract from the testimony of Mr. McCormick—next to Perkins the best angel of the trust:

Q. Were you present in New York when you signed this agreement of the transfer of your company?—A. Yes, sir; I was.

Q. Where were you?—A. At the Manhattan Hotel.

Q. Were any other members of the companies present?—A. Yes, sir; it was signed down in town in the office of one of the lawyers.

Q. Who was that?—A. I think Mr. Cravath's office.

Q. What other representatives of what other companies were there?—A. Mr. Deering was there, Mr. Jones, Mr. Glessner, and myself.

Q. That was what date?—A. That was the date of the paper, the 28th of July; that was the date I referred to as the first time we met.

Q. Upon that date a paper similar to this was signed by each of these representatives of each of their companies?—A. I understood so; I never saw the paper.

Q. You understood so?—A. Yes, sir.

Q. That was the first time your company had agreed to go into this consolidation or whatever you please to call it?—A. That was the culmination of the conferences with Mr. Perkins. We had come to an agreement with him a day or two before.

Q. I mean the papers were signed up then?—A. Yes, sir; that is the first time we signed up the papers. That is the first time I met these gentlemen or saw them.

Q. Had you known they were in New York?—A. I had heard by hearsay one of them was there.

Q. Mr. Casson, who wrote these articles, tells a somewhat dramatic story, and that you all were placed around at different hotels and Mr. Perkins went from hotel to hotel and kept you there pending an organization and bringing you all to a common understanding.—A. That part is largely pictorial.

Q. State what element of fact there is in it.—A. I suppose, in view of subsequent matters, that they were at different hotels.

Q. You have since come to know that?—A. We did not know at that time.

Q. You have since known, from your association with these gentlemen, that they were placed around at other hotels or were at their hotel and Mr. Perkins was conferring with each of you separately?—A. Yes, sir.

Q. You say you had knowledge one of these gentlemen was there?—A. Some one told me he saw Mr. Glessner on the street. I do not remember who he was.

Q. You knew at that time that other companies were to be taken over by the International Harvester Company?—A. I inferred it very distinctly. As I said, there was nothing in our talk with Mr. Perkins that would indicate that.

Q. I asked you where you got the inference—where had you secured the inference that these other companies would become a part of the consolidation?—A. Simply our own judgment as we talked the matter over; my brothers were there with me. We inferred the matter ourselves. We had no positive information on the subject.

Q. I do not want to quibble on a matter of legal knowledge. It was your understanding when you were in New York that there was a New Jersey corporation that was to take over the five companies that did go in?—A. It was not limited to five companies. Mr. Perkins never said he would buy five companies. We imagined the New Jersey company was to be formed and it was not to buy only our company.

Q. Your imagination went to the extent that you had a pretty well settled conviction that at least these five companies would be taken over?—A. We had a conviction that some of the companies would be taken over.

Q. You imagined that these five would be in the list?—A. Naturally, these were the ones we thought about.

Q. Because they were the largest companies that had produced these conditions you thought were injurious?—A. Yes, sir; we naturally would think about those. That would occur to anybody in forming a new company.

Q. That did occur to you?—A. Yes, sir.

Q. They were the largest companies, as you stated?—A. Yes, sir; in the order stated.

Mr. President, I read that to show the secrecy and covertness with which this combination was effected. Here were the presidents of these five or six companies gathered in New York to confer with Mr. Perkins and Judge Gary, and to close a transaction in which a new corporation, with a capitalization of $120,000,000, was to be formed; in which great properties were to be transferred to and paid for in the stock of this new corporation; and these presidents, assembled for this common purpose, were kept apart and hidden from each other. They were placed at different hotels, and Perkins passed from one to another, conferring with them, so that it might be said that they did not themselves meet around a council table, discuss the business, and come to a conclusion with regard to it; but that each dealt separately with Mr. Perkins, and sold to him, without reference to anything or anybody else. But McCormick says he knew the other men were in New York and that Perkins was conferring with them, as he was with him; and he imagined—"imagined" is the word—that they would all be taken over with his company. Of course he knew all about the business and how it would eventuate. Why not? The McCormick Company was not in distress, and it did not need J. Pierpont Morgan & Co. for its separate and individual uses. It was already enormously rich and prosperous. It had a capitalization of $3,000,000, with a surplus many, many times in excess of that capitalization, and it had paid out the very year before the combination was effected enormous dividends to its stockholders. McCormick was there, and all of them were there, to organize this stupendous combination in restraint of trade. It is not difficult, therefore, to understand the reason for all this secretiveness, for all this slipping around and about in the shadow. They were engaged upon an enterprise they knew was contrary to the law of the land. The explanation is apparent.

Mr. President, on yesterday the Senator from Rhode Island said that even though it should be conceded that this corporation exists in violation of law, even though it should be conceded that the products of its factories were trust controlled, he would still oppose putting their products upon the free list, because, he said, that would result in transferring the business of manufacturing those products from this country to Canada and to Europe. I submit that that is a remarkable contention. It amounts to this—at least, so far as Congress is concerned, and amounts to nothing more or less—that when a criminal combination has been organized, and even though it stands boldly forth flaunting defiance in the face of the law and public authority, we will not legislate so as to circumscribe and lessen its power for evil by opening our doors to the world, and thus inviting outside competition after home competition has been destroyed, but that we will let it go on merrily along its lawless way for fear that we might drive that particular manufacturing business to foreign lands. To my thinking, that position is intolerable. I know the Senator may say that the way to proceed is to attack through the courts. He will say enjoin and dissolve the corporation and prosecute its officials criminally. Undoubtedly that is what the Department of Justice ought to do, but the Department of Justice seems not only to be blind, but asleep. It does not seem possible to make the department conscious of this criminal assault upon the industries of the land or to drive it into active hostility against it.

But, sir, if the Department of Justice sits with palsied hands, the Senate of the United States, at least, should assert itself. I could not pause to consider a question like this from the standpoint suggested by the Senator from Rhode Island. First of all, we should see to it that no corporation should violate the law and defy the public authority of the Nation. Such a criminal as that should be crushed at whatever cost.

But, sir, as a matter of fact, there is no danger of driving the manufacture of agricultural implements to Canada or to Europe. Let me read you something from the testimony of

high officers of this very combination, being statements made under oath. Here is what Mr. Metcalf said on the hearings before the Ways and Means Committee:

Mr. CRUMPACKER. Why did you build your Canadian plant?
Mr. METCALF. Because of the Canadian duty.

I pause to say that the Senator from Rhode Island was in error—I think it was he who made the statement; some one did, at any rate—that the International Harvester Company had more than one plant in Canada. They have but one; and when this witness was asked why they built that one, his answer was because of the Canadian duty.

Mr. CRUMPACKER. Do you manufacture any cheaper in Canada than in the United States?
Mr. METCALF. They do not.
Mr. CRUMPACKER. As cheaply?
Mr. METCALF. Comparatively.
Mr. CRUMPACKER. Can you manufacture cheaper than the English manufacturer or the German manufacturer?
Mr. METCALF. I think they can. Otherwise they could not compete with them in Germany and also in England.
Mr. CRUMPACKER. About labor; the price of labor is higher here than in England and Germany?
Mr. METCALF. Yes; it is.
Mr. CRUMPACKER. By manufacturing upon a large scale it enables you, with others, to make your products cheaper than your foreign competitor who has the cheaper labor?
Mr. METCALF. We have improved methods in this country in almost every industry, which help our industries.

Mr. C. S. Funk, general manager of the International Harvester Company, testified before the commissioner appointed by the supreme court of Missouri to take testimony in the case pending there, and in answering a question as to the cost of production he said:

Q. The material is more than the labor?—A. The material is more than the labor.

The chief cost, therefore, is in material, not in labor. And so it would seem from this testimony that agricultural implements are not produced in Canada any cheaper than here, if as cheaply; and Mr. Metcalf says that the cost of production here is not any greater, but, in his judgment, less than the cost of production in England or Germany. Here is a man who for many years has been associated with this business, first as an officer of the D. M. Osborne Company before it was absorbed by the trust and since then employed by the trust itself. He was largely instrumental in working up a considerable trade for his old company in Europe, a trade that grew in a few years from $20,000 a year to over $3,000,000, and who is familiar with conditions both here and there, and he states under oath that the cost of manufacture is not greater in America than in England or Germany.

But that is not all. I wish to call attention to another interesting fact. I quote again from McCormick's deposition:

Q. Well, has the International of New Jersey, directly or indirectly, or the stockholders of that company any connection or interest in the Wisconsin Steel Company?—A. It has; the Wisconsin Steel Company owns the ore mines and coal properties and steel mills of the International of New Jersey.
Q. And the International of New Jersey owns the controlling stock of the Wisconsin Steel Company?—A. All the stock.
Q. The same thing is true of the Wisconsin Lumber Company; the International Harvester Company owns the land?—A. Yes, sir.
Q. And the South Chicago Furnace Company, is that a separate company?—A. There is no such company now, because the Wisconsin Steel Company bought the plant and everything belonging to the South Chicago Furnace Company; that was the former name under which the steel plant operated at Chicago.
Q. How did the International take over the Illinois Northern Railway Company?—A. That was turned over by the McCormick Harvesting Machine Company. It was owned by the McCormick Harvesting Machine Company.

And so we find that this great combination owns large areas of timber, owns coal mines, and iron mines, and railroads and everything necessary for the successful and economical administrations of its business; and these represent vast investments that can not be transported to Canada or to Europe. Now, Mr. President, in the face of all this, why would these people close their factories in America, where they monopolize the greatest market in the world, and flee to Canada or to Europe if we should put their products on the free list? Do you suppose they would abandon this market? And could they not supply it far more conveniently and economically from factories here than from factories in Europe, especially as the cost of production is about equal in the two countries? If they should run away and spend millions in building new factories abroad, what would become of the millions invested in factories here? Would they go away in a spirit of spite and abandon their factories, forests, mines, and railroads in America? It is positively ludicrous to think of it.

Mr. President, I turn now to show that the retail prices of farm machinery have increased since the organization of this New Jersey trust. I have already read the testimony of Senator Hansbrough and other testimony upon that point, but I will offer something in addition.

Referring again to the deposition of Cyrus H. McCormick, I find that the harvester business of the trust amounted to $42,000,000 in 1906 and $46,000,000 in 1907. And I find that near the close of 1907 an average advance of 5 per cent was made on the then prevailing prices on all descriptions of agricultural machinery, the advance to become operative in January, 1908. This advance was intended to be a 5 per cent advance on the total sales then being made. Based on the sales of $46,000,000 in 1907, the advance would aggregate approximately two and one-half million dollars. Some classes of machinery were advanced more than others, but it was intended to make the total advance average about 5 per cent of the total sales. It appears, for example, in this deposition that a 6-foot binder was advanced from $95 to $107.50. These were advances, so Mr. McCormick said, made by his manufacturing concern to local retail dealers. What advance the local dealer made to the farmer who purchased for use and consumption I am not prepared to say; but it is safe to assume that the local dealer was not slow in taking care of his own profits.

Mr. President, this arbitrary enhancement by the trust of the selling price of their productions was not demanded on any ground of necessity or fair dealing. From the deposition of Vice-President William H. Jones, to which I have already referred, I read the following:

Q. Was it in 1907 you made a horizontal increase in the price of your output?—A. In 1908.
Q. Although during 1907 you made $8,000,000?—Yes, sir. I suppose.

And so we have this case, that this New Jersey combine was organized on a capitalization far in excess of the value of the assets turned over to it—a capitalization wherein perhaps one-half was represented by water—and this concern, organized in this way, cleared $8,000,000 in 1907; and, not being satisfied with that, an arbitrary advance in prices was made which would add another two and a half million to its profits.

Mr. President, I will rest this issue at this point. I think I have shown beyond reasonable controversy that this trust is a monopoly, and that its prices are extortionate.

Mr. President, I wish now to show our protection Republican friends that a duty on imported agricultural machinery is not necessary to protect the American manufacturer. I hold in my hand some official statistics taken from a volume issued by the Department of Commerce and Labor in 1908, entitled, "Commerce and Navigation." These statistics show that the American manufacturers of agricultural implements of all kinds in 1907 exported and sold in foreign countries $26,937,000 of their productions. These statistics cover different years and show that there has been a steady increase in exports of these manufactures. On the other hand, the imports of this class of manufactures have been nominal. In 1907, when imports reached the highest point, the value of the imports was only $23,643. The excess of exports over imports for that year was $26,913,000.

Mr. BACON. Mr. President, I will ask leave to give to the Senator, to be inserted right in that connection, a statement of the product of the manufacturers of agricultural implements. In 1905—this being the last statement made in the official publication of statistics—the annual product was $112,007,428. It is interesting to have that figure placed in juxtaposition with the figures which the Senator has just given as to imports and exports. They are taken from the Statistical Abstract.

Mr. STONE. I am gratified to have the Senator put that in. But in addition to these official statistics, which alone show there is no necessity for a protective tariff on agricultural implements, I wish now to offer some additional proof to the same effect. I desire to read from statements made by manufacturers of this machinery when they were heard before the House Ways and Means Committee at the time that body had this measure under consideration. Some of these witnesses are connected with the trust, and some are associated with smaller concerns not yet bodily taken over into the combine, although there can be no doubt that the prices they fix on their manufactures are practically dictated by the trust.

I read, first, an extract from a brief filed by Hugh R. Griffin, of the Johnston Harvester Company, as follows:

Our industry needs little or no protection. * * * To get we must give, for France is alive to her interest. Our industries require the open door, or the door ajar, at least, and we can not afford to see the gates locked in our face without the strongest effort to protect and retain what American inventive genius created. American industry established, and the eternal watchfulness of American citizens abroad, who have opened the remotest countries for our production, have fought for and are striving to conserve.

I read now from a written statement made by S. S. Strattan, jr., secretary of Gaar, Scott & Co., of Richmond, Ind., as follows:

It is also true that as a general thing foreign agricultural implements and machinery are inferior to those produced in this country, and in many lines this exists to such an extent that the American farmer would not have the foreign product regardless of price. The

difference in wages of this country and Canada in our line is not very great, and we have no objection whatever to the tariff on thrashing machinery from that country being reduced to the same amount that the Canadian government puts on our machinery or even to a lower point. In fact, we think the duty should be reduced at least one-half, regardless of what the Canadian government may do, and taken off entirely if they will do the same.

I read now from the testimony given by Edwin D. Metcalf, an officer of the International Harvester Company, as follows:

Q. You recommend an abolition of the duty on farm implements, do you not?—A. I do.

Q. What for?—A. So as to open the markets of all nations on an equal basis, so as to increase our foreign business.

Q. That we have but one tariff for foreign manufacturers and treat them all alike, and you think that if we would abolish that tariff we can get better trade conditions in foreign countries?—A. With the proviso which I recommend, which is very important to the smaller manufacturer.

Q. That is, the retaliatory provision?—A. If we do not get the same treatment they give favored nations, then they shall pay the 20 per cent tariff.

Q. Would it be any inducement to the foreign manufacturer of foreign implements to open a market here for him when he can not compete successfully with you in his own market?—A. There are some nations that would probably send some goods to this country.

Mr. President, could a better case be made out to show the utter uselessness of this tariff? According to these manufacturers, whether they be of the trust or outside the trust, this tariff is unnecessary for their protection. Like the shoe manufacturers of America, they are prepared to go forth into the world and dominate the markets of the world. But I want the tariff off for another reason. It is all right for these manufacturers to go out into the world beyond our boundaries and seek foreign markets, but I want our own doors wide open, to the end that foreign manufacturers of this machinery may come here also and to that extent put a check upon extortions practiced by domestic manufacturers on American consumers. The harvester trust has one plant in Canada, but there are numerous other plants, owned by Canadians, engaged in making the best and most modern types of agricultural machinery. Open our vast market to those manufacturers, and they will come in here and compete for the trade of our farmers. I do not care whether these American manufacturers think they need a protective tariff or not. Considering the fact that this great business is controlled by a stupendous monopoly, which exists in open defiance of law and to the detriment of the public welfare, I think the products of their mills should be put on the free list, and this should be done without reference to their wishes in the premises.

Mr. DOLLIVER. Mr. President——

The VICE-PRESIDENT. Does the Senator from Missouri yield to the Senator from Iowa?

Mr. STONE. I do.

Mr. DOLLIVER. The Senator spoke of a certain lawsuit in Missouri, and gave extracts from the testimony therein taken. What was the character of the suit, and how did it result?

Mr. STONE. I have given an epitome of the history of the trust and of the suit the Senator inquires about, but evidently the Senator was not in the Chamber and did not hear what I said. I will repeat briefly what I said. The International Harvester Company of New Jersey was organized in 1902. It took over and absorbed five or six of the leading companies manufacturing farm machinery, and whose aggregate business amounted to about 80 per cent of the total business of the country. Other smaller concerns have since been added to the combination. A little later on a corporation known as the "International Harvester Company of America" was organized in Wisconsin by the people who owned and controlled the New Jersey concern. The two corporations are owned and managed by the same people. The New Jersey concern manufactures, but does not sell its products to the public. The Wisconsin concern is the selling agent of the New Jersey concern. Now, the suit brought in Missouri was instituted by the State on the relation of the attorney-general before the supreme court, and it is alleged in the petition that this combination exists and is doing business in violation of the laws of the State, and the prayer of the petition is that these corporations be ousted from the right to do business in that Commonwealth. Similar suits were brought in Kansas and Arkansas. The commissioner appointed by the supreme court of Kansas to take testimony has reported to the court, and he finds that this harvester company is a trust and a monopoly, doing business in violation of the laws of that State. In Arkansas the case has been finally concluded, and a judgment of ouster rendered. In the Missouri case the testimony on the part of the State has just been completed. The case, of course, is still pending. A good part of what I have read to the Senate is from depositions taken by the attorney-general of Missouri in the case pending in that State. I hope this will give the Senator a fair insight into the matter about which he inquired.

Mr. President, much more might be said, but I will not pursue the subject further. This much only will I add. I will cheerfully vote for the amendment proposed by the Senator from Georgia [Mr. BACON], although not quite in the form I would prefer to have it. His amendment puts agricultural machinery on the free list, but with a proviso that if any foreign country imposes a tariff duty on American-made agricultural machinery when it is introduced into that country, then and in that case a tariff shall be levied here upon importations of like machinery from that country into this. I would prefer the amendment should provide that a tariff should be levied here upon imports into this country only when the imports come from a country which imposes a discriminating duty against the manufactures of the United States. I would incorporate in the proviso of his amendment a provision to this effect: That when any foreign country imposed a discriminating duty against American exports into that country, then a tariff should be levied here on importations from that country. A discriminating duty is now imposed on American manufactures of this kind in France, and possibly in other countries. Referring to the House Hearings, page 7312, I find that Mr. Griffin, of the Johnston Harvester Company, made this statement:

At present in France all American and Canadian makers of agricultural machinery pay a duty of 15 francs per 100 kilos. England, Germany, and Sweden all sell their machinery in France, but pay two-fifths less duty because they enjoy the minimum tariff rate of 9 francs per 100 kilos.

In other words, England, Germany, and Sweden are allowed the minimum rate provided for in the French law, while the maximum rate is assessed against American manufactures of farm machinery. I do not like that. The fact that American manufacturers take their goods into France despite this discrimination and there successfully compete with the manufacturers of surrounding nations is a strong proof that they do not need a protective tariff to shield them against foreign competition at home. There is no necessity for a countervailing or retaliatory provision in our law. Nevertheless, I resent this discrimination of the French Government against American products. I would frame the proviso therefore on the line suggested, not because of any industrial or commercial necessity, but as a demand that we be treated in all respects upon terms of equality with other nations. However, I will not offer any amendment to the amendment, but will content myself with allowing the proposition to go to a vote in the form in which it has been presented by the Senator from Georgia.

Mr. President, I apologize to the Senate for having occupied so much time. I know all Senators are anxious to hurry this bill along to a conclusion and are impatient of delay. Still I have felt that what I have said ought to be said in the public interest and out of the hope that it might aid in winning votes to the amendment offered by the Senator from Georgia.

Mr. DAVIS. Mr. President, I observe before beginning that most of the seats of the Republican Members of the Senate are vacant. I suspect before I shall have finally concluded some of them at least will be occupied.

Mr. HALE. Mr. President——

The VICE-PRESIDENT. Does the Senator from Arkansas yield to the Senator from Maine?

Mr. DAVIS. Certainly.

Mr. HALE. I do not want to interfere with the Senator's plans, but the committee has felt that, if practicable, it would be desirable to finish the schedules to-day. Of course, if much time is taken by Senators in addressing the Senate it makes that less likely to take place. I only rose, as I said, without desiring to interfere with the Senator's plans, to ask him whether it would be as convenient for him to let the consideration of the remaining schedules—there are only a few—go on to-day and perhaps defer his remarks until Monday.

I do not mean by that to attempt to interfere at all with the Senator, but if he could do that, I think we probably would to-day dispose of most of the schedules. Of course, that must rest in the discretion of the Senator.

Mr. DAVIS. Has the Senator concluded?

Mr. HALE. Yes.

Mr. DAVIS. I should like very much to accede to the wishes of the committee, but I prefer to make my remarks at this time.

The VICE-PRESIDENT. The Senator from Arkansas will proceed.

Mr. DAVIS. Mr. President, I shall not discuss particularly the amendment under consideration, but, availing myself of the latitude permitted in debate upon this floor, I shall submit a few general observations on some features of the bill now under consideration.

It had been my intention, sir, for reasons well known to the Senate, to content myself with merely casting my vote as seemed

best according to the dictates of my conscience and under my obligations as a Senator, but the more I think of the outrageous iniquities embraced in this bill, and because of certain statements which have been made upon this floor, I can not content myself, Mr. President, in merely casting my vote, but shall attempt in a very brief way to point out and call attention to some of the outrages perpetrated upon the American poeple by this bill.

I shall preface my remarks with the statement and discussion of a few fundamental principles underlying this whole matter that are as old, perhaps, as the subject-matter under consideration, and that are well known to each Senator upon this floor.

It has come to be generally understood now by all men who have sufficient intelligence to discuss this subject that the tariff is a tax, and that this tax is paid by the consumer of the article which the tariff seeks to protect. It is also well understood and generally accepted to be true that the higher the tariff, the heavier the tax. If this were not true, Mr. President, and if the import duties laid by the Government upon foreign products did not permit the home manufacturer to charge a higher price for the products of our own country, I would feel but little interest in the tariff and the extent to which it might be levied.

In former times I have heard it contended by protectionists of some intelligence that the tariff was simply a duty laid by the Government upon foreign commodities, by means of which the Government derived her revenue for governmental expenses, and that this tax was not paid to any extent by the consumer of domestic products and did not permit the home manufacturer to increase the price of his commodity; but this contention, Mr. President, has long been exploded, and is not contended for by the advocates of this bill.

The original idea, Mr. President, as I understand it, in the levying and collecting of customs duties under the tariff system, was to place the tariff so reasonable as to stimulate imports, thereby enlarging the revenue to the point that the expenses of the Government might be paid largely in this way; but, sir, a new school of political economy is present in the land to-day, and we are told boldly by the advocates of this bill upon the floor of the Senate that the chief consideration of its promoters is not to collect a revenue for governmental expenses, but to permit the home manufacturer to reap greater profits upon the commodities manufactured by him. We are told in the selfsame breath that the collection of revenue to the Government is of minor importance; that the principal object and ultimate purpose of this bill is to make the rich richer and the poor poorer. Sir, this, in my judgment, is a willful and deliberate prostitution of the taxing power of the Government in the interest of a select few, and so great has been the solicitude of Senators in this Chamber for the protected industries of the country, and so high has been the tax laid, that the import duties collected by the Government have not been sufficient, together with the internal revenue and other taxes, to meet its current expenses; and the Republicans of this body, headed by the President of the United States, are driven in their pitiful extremity to the Democratic household for relief, and to the adoption of Democratic principles to sustain the Government in this time of profound peace.

Mr. President, I shall not consume the time of the Senate with any historical discussions of the tariff, but shall content myself, sir, with the broad definition, laid down by myself, that the tariff is a tax paid by the consumer of the article upon which it is laid; and this tax has grown so heavy and burdensome, Mr. President, by steps of gradual progression since the Republican party came into power, that the people of this Government, in all parts of its great Union, and of whatever political belief or faith, have grown to understand this great question, at least to the extent of recognizing the justice of the definition I have given, and to know that they, who consume the products, are paying the tax; and in recent years so great have become the discontent and the murmurings of the people on account of the great burdens thus imposed upon them, and that their brethren more fortunate are reaping greater rewards, that they have constantly demanded of the dominant party in power that they be partially relieved of these burdens; that the tax be lowered; that the profits of manufacturers be lessened, and the cost of living to the great American consumer be cheapened; that the burden of taxation be lowered upon the necessities of life and raised, if necessary, upon its luxuries; that the dinner pail of the laborer might be filled with better and more wholesome food; and that the household of the common people might be blessed with more of the daily comforts of life.

Procrastination and delay, sir, has been the watchword of the Republican party in this Nation, until they saw defeat staring them in the face in the good year of 1908. Then it was that, in convention assembled in the city of Chicago, they solemnly promised the American people that the tax rate would be lowered; that the burden of the American wage-earner, laborer, and consumer would be lightened; that there would be a revision of the tariff. Ah, Mr. President, I am not willing to accept the definition of that term, "revision of the tariff," as expounded to us by the supporters of this measure. What they term a "revision of the tariff" for the American people, means a revision upward instead of downward.

If the dominant party, Mr. President, had possessed the courage and patriotism and the manhood to have stated boldly and plainly in their platform declarations of 1908 that they intended to increase rather than to lower the tariff rates, the places that know them to-day would have known them no longer forever, and they would have been a hiss and a by-word in their land; their destruction would have been inevitable. But, sir, by artifice and cunning and by platform jugglery they led the American people to believe that they intended to do just what they did not intend to do—lighten the burden of taxation upon the consumer. They dared not disclose their real purpose. They dared not let it be known that they intended to make the possibilities of the American protected industries yet greater, and to still swell their already colossal fortunes, and to take from the poor man the last vestige of hope and from their helpless families their means of sustenance.

But, sir, the American people are awakening to-day to the full realization of the fact that they have been tricked and cheated of their birthright, and that the promises of the Republican party of this country are but as broken reeds and smoking flax; and to-day, sir, they are turning their faces in hopefulness and glad acclaim to the great Middle West, where a small cloud has arisen, not larger than a man's hand, but which is gathering in strength and volume, led on by the insurgent forces of the Republican party in this body, that assures, sir, the downfall and destruction of the Bourbon element, that old dominant party planted by Hamilton, in which there yet reposes the spirit of kings and the belief that one crowd was created to be ridden, booted, and spurred by their masters, and that when they call for bread they should be given a stone, and when their children cry for a fish they should be given a serpent. These insurgents, sir, catching the spirit of freedom and independence, catching the spirit of Democracy, and catching the spirit of the eternal brotherhood of man, have before them great possibilities, and in their ultimate success and helpfulness to the people depends much for the future happiness of this Republic.

I do not say this, Mr. President, because I approve of Republicanism in any form, whether insurgent or Bourbon, but I realize that if any relief shall come to the people of this country this old spirit of the kings must be stamped out and the old Republican idea of protection must be uprooted. I hail with delight, sir, any evidence of the breaking away from old-time Republicanism and the turning to the true principles of government, even though remotely advocated, of Thomas Jefferson and his followers, which have been the mainstay, the security, and blessing to this Republic.

Now, Mr. President, has the ultra wing of the Republican party, headed in this body by the senior Senator from Rhode Island, been true to the American people? Have they kept their promises, if not made in so many words, yet accepted and understood by all men, that they would lighten the burden of taxation, and that the tariff would be revised downward, and not upward?

It would not be possible, sir, in the time I shall take, to enter into an analytical discussion of this bill, but it is not contended, Mr. President, even by its authors, that it is a revision downward, but it is admitted on all hands that, upon the general averages of the entire bill, it is an increase rather than a decrease. Why was there such an insistent demand by the American people that the tariff be revised if they did not mean it was to be revised downward? Is there any so foolish to think for a moment that the American people would ask that their taxes be yet greater; that their burdens be made heavier; and the possibilities of the manufacturers be augmented? Sir, the very statement of the proposition is its own refutation, and the man who would contend for it upon the floor of this Senate would be held up to ridicule and execration by the American public.

All people want the tax lowered, and the Republican party, knowing this desire, whether by trickery or otherwise, led them to believe that their demands would be acceded to, that their supplications would be heard, and were the beneficiary of such

belief in the election of 1908. That they have proven false to the people is evidenced by every line of this bill; and, sir, with brazen effrontery, the Finance Committee of the Senate tell us in no uncertain words that it is the object of this bill to give to a select class in this Government yet greater privileges, to build yet higher and stronger the wall of protection, that the American industries may prosper and grow rich at the expense of the consumer in this great Republic; that its object is not primarily to raise revenue.

Why is this true, Mr. President? Why do the Republican leaders on this floor no longer conceal their real purpose? Why do they exhibit their mailed hand and cloven hoof in this transaction? Sir, they are drunk upon power, upon temporary glory, upon passing success. They feel that these protected industries, whose "slush fund" and whose "blood money" has kept them in power for the last quarter of a century, possess now such omnipotent power that their hold upon the throats of the people can not be loosened, and their power to further rob them can not be destroyed.

Sir, there are many strange things and peculiar conditions that have been evolved by a discussion of this measure. First of all, this bill is virtually the product of one man, the senior Senator from Rhode Island, a little State scarcely larger than one of the counties in the Empire State of Texas; and he, Mr. President, was selected, it has been charged and not denied, as a Member of this body by a legislature chosen by 11 per cent of the votes of Rhode Island. So it is, sir, that this bill to-day, with all of its iniquity and all of its enormous burdens, is imposed upon the American people by the representative of the will of 11 per cent of the people of the little State of Rhode Island.

Ah, sir, members of the Finance Committee may proclaim until their hair grows white with remonstrance that this statement is not true, but, sir, we see daily and hourly a demonstration of its truthfulness upon the floor of this Senate. Members of that committee accede to the dictates of the chairman of this committee to such an extent that it is patent to all. Why, sir, the Senator from Utah [Mr. SMOOT] has so long been under the influence of this environment that he has copied the mannerisms, the mode of speech, and the other senatorial paraphernalia of the senior Senator from Rhode Island.

Sir, I listened with astonishment only a few days ago when the Senate was considering the duty upon glass that the Senator from West Virginia [Mr. SCOTT] pleaded, I will not say abjectly, but pleaded, sir, with the senior Senator from Rhode Island for the permission to be allowed to offer an amendment to the pending schedule. He was nodded down with the tactics of a schoolmaster, and to such an extent, sir, that it called forth an impassioned resentment from the Senator from Idaho [Mr. HEYBURN], who served public notice upon the chairman of the Finance Committee, the senior Senator from Rhode Island, that no such schoolmaster tactics would be tolerated by him.

Mr. PERKINS. Mr. President——

The VICE-PRESIDENT. Does the Senator from Arkansas yield to the Senator from California?

Mr. DAVIS. Certainly.

Mr. PERKINS. I should like to inquire of the Senator from Arkansas if this bill did not originate in the House of Representatives, and if it was not passed there by a majority of that body?

Mr. DAVIS. Yes, sir; but it has been truly stated by the metropolitan press of the day that all the PAYNE has been extracted from the bill and the ALDRICH injected into it.

Mr. PERKINS. Does it not require a majority vote of the Senate to amend the bill?

Mr. DAVIS. The very point of which I complain is that the superabundant effulgence of the mighty intellect of the senior Senator from Rhode Island is so great that the majority upon the Republican side, catching its scintillations, fall in abject reverence before the mighty senior Senator from Rhode Island, and a majority vote is forthcoming.

Ah, sir, I speak from the record. I do not violate parliamentary usage and custom when I confine myself to facts, as disclosed by the records of this body, and it demonstrates conclusively to my mind that this bill is the result of the dominating influence of the senior Senator from Rhode Island.

In the ranks of Republican Bourbonism a new situation has developed, Mr. President, that was never heard of before in this Government, that was never attempted by the dominant party in the history of this Nation. Search the records, sir. I defy Democrat or Republican to produce for it a precedent. The Democratic minority upon the Finance Committee have absolutely been excluded from a participation in the framing of this bill. They have been politely and courteously advised, if not directly, they have indirectly, that their presence at the sittings of that committee are not necessary. They have not been permitted to be present at the submission of any amendment offered by the majority. Neither have they been allowed to offer any suggestions themselves or to report to this Senate a minority finding.

And, sir, upon each morning, as the Senator from Rhode Island submitted amendments by the committee, almost invariably he announced that it was the unanimous report of the committee, and each time it became necessary or was thought proper for the senior Senator from Mississippi [Mr. MONEY] to rise in his place and state to the Senate that the statement of the Senator from Rhode Island applied only to the majority of the committee and did not embrace the will of the minority.

I grant you, sir, that it is entirely proper that the majority should frame this tariff bill. Sir, upon their shoulders I want it understood that the burden of these iniquities rest; but decency and the proper regard for the minority on this committee should at least suggest, sir, that they be allowed the privileges accorded to the meanest criminal in the land, the right to be heard, the right of protest, and the right of appeal, and the right to have submitted to the entire Senate the wishes of the minority. But, sir, so arrogant has grown this old Bourbon crowd of Republicanism that they absolutely trample under foot courtesy and the ordinary amenities and civilities that should be accorded to a helpless minority.

Shall the Democrats of this body bear one iota of the responsibility of this iniquitous measure? Sir, I say no. It rests not upon the Republicans as a whole, not upon the Finance Committee as such, but the responsibility rests solely and alone upon the senior Senator from the little State of Rhode Island.

This, Mr. President, has grown to such an extent that the minority here on this side of the Chamber felt called upon to hold a caucus, and I violate no party secret or no secret of my colleagues when I say that in that caucus a solemn protest of the minority was registered against this unheard-of conduct of the majority of the committee; and that protest, framed in the shape of a resolution, was intrusted to the senior Senator from Virginia [Mr. DANIEL], who, no doubt, will explain and introduce it at his own proper convenience.

Sir, it had never been heard of before in the Senate. Can any Senator point me to a precedent where the minority were not permitted to be present in committee to vote on an amendment? Can any Senator point me to a precedent where a minority were not allowed to offer their views as a minority upon any proposition and present it before the Senate? The senior Senator from Rhode Island said, "Nay, nay, Pauline," and so it was done.

I have never yet known, Mr. President, neither can any Senator cite me to a precedent, where the minority upon any committee were not permitted to be present at the hearing of amendments proposed, and to vote upon the same, and were not permitted to offer their views for the views of the majority. This, sir, may be said to be a trivial matter by the friends of this majority, but to my mind it is of the greatest moment. It shows, sir, the utter disregard and the haughty indifference to the will of the few as against the will of the many. It absolutely inaugurates a precedent in this deliberative body that, in my judgment, will arise in the years to come to fret you; marks the beginning of that intolerance and disrespectful regard to the will of the minority that may reach to the point of stifling their voice upon the floor of this body.

But, sir, let us turn to the questions at issue. If the tax upon the common people has been increased, and the opportunities of the protected classes have been enlarged, then, sir, proportionately has the power for evil been increased, and the resistive forces of the masses have been correspondingly diminished. This protective system, sir, has built up for its beneficiaries such colossal fortunes that they are no longer content with the mere robbing of the masses, but they have turned upon the lesser of their own class, and by great combinations of wealth and capital great corporations have been formed for the sole purpose of controlling the entire output of a given article and controlling the markets of the world, squeezing out its smaller competitors, forcing them to the wall, thereby acquiring to the large corporations a complete monopoly of the entire industry.

This mode of procedure, sir, has been known at all times, from the common law in England down to this good moment, as a trust, and has been held criminal by the courts of final resort throughout the length and breadth of the land. It can no longer be denied, Mr. President, that the protective tariff, and

the protective tariff alone, is responsible for these gigantic trusts, for these corporations without a soul to damn, a body to punish—mere creatures; entities of the law—for their crushing and blighting influence upon the trade and consumers of our land.

It is not my purpose, sir, in this discussion to invade the field of the trust question at length; but, in a speech which I had the honor to deliver on this floor upon the 11th day of December, 1907, I attempted to show the evil features and disastrous consequences of this offspring of tariff protection, and there gave a list of the combinations protected by this bill, who are to-day shutting out competition, stifling their competitors, and seeking to dominate the commerce of the land.

In that speech, sir, I showed from the testimony taken before the Industrial Commission, appointed by Congress for the purpose of investigating the subject of trusts and their formations, that Mr. Havemeyer, the great sugar king, in his testimony, said that the tariff was the immediate and prime cause of the formation of the trusts. Mr. Gates, the great wire king, said the tariff protection was responsible for the trust in which he was interested, and that their object in the formation of the trust under the protective wing of the tariff was that they might become wire kings of the world, and so it is shown by the testimony of all of the witnesses summed up by that commission that more than 500 industrial trusts that flourish to-day are the direct and proximate result of the protective system, and so alarming has this condition become, Mr. President, that the late President of the United States, Mr. Roosevelt, in a special message to Congress, called attention to the necessity of national legislation along this line, and every State in this Union, where the will of the people is regarded, have set themselves to the task of destroying and uprooting this gigantic evil. It is said, sir, by naturalists, that fish never die a natural death; that they are destroyed by artificial causes, and in most part are eaten by the larger fish. So these giant monopolies, these great aggregations of wealth, are to-day engaged in the task of swallowing up and destroying their smaller competitors, that they may live undisputed masters of the land.

If these great concerns, Mr. President, could pilfer and destroy under former tariff laws, how much more their power is augmented by an increase of their opportunities, as is developed in the present tariff bill. I have stated upon the floor of this Senate upon a former occasion that if the common people were compelled to pay directly taxes for the support of the Government of the United States, in its present profligate waste and extravagance, just as they pay their state and county taxes, this Republic would not last twenty-four hours.

I would not be understood, Mr. President, as advocating the discontinuance of the custom-houses and the entire abolition of custom-house duties. I adhere to, and give willing assent to, the Democratic doctrine that a tariff may be properly levied for revenue only; and the very minute, sir, that it crosses the line and gives to the eastern manufacturer and the western sheep grower or any other industry of this land protection to their business, then, sir, it is money wrongfully taken from the pockets of the consumer and added to the profits of the beneficiary.

Just what is a revenue tax and what is a tax for protection has long been a mooted question; but that question, Mr. President, has been put at rest in this bill by the very words of its promoters, when they proclaim to the American people that the true object of the bill is not to raise revenue, but to afford protection. So, sir, in this discussion we do not have to split hairs as to what is a revenue tax and what is a protection tax.

Ah, Mr. President, the framer of this bill might, to an extent, be excused if he had even kept the promises of the Republican party to the poor people of the land, to the middle classes, if you please, to the consumers of this Republic, who eat their bread, as God commanded, in the sweat of their faces. If he, in the formation of this bill, had reduced the tax on the necessities of life and had raised it upon the luxuries, so as to have equalized the burdens, required the man who coveted the better things of life to pay the burden, then, I say, he might, in some measure, be forgiven; but I submit here a table, prepared by the experts of the Committee on Finance—and that is just as close as any Democrat has ever been able to get to that committee, to get hold of a couple of their experts—showing the articles of everyday necessities under the Dingley bill and the rate of taxation, and on the same class and quantity of articles, under the present bill.

So, Mr. President, in many instances, upon those articles of daily necessity and comfort to the laboring man of this Republic, the tax has been gradually increased, while upon the whole, sir, it has not been decreased, and I submit this table for the consideration of the Senate, and ask that it be printed with my remarks as a part thereof, without the necessity of reading.

The VICE-PRESIDENT. In the absence of objection, permission is granted.

The table referred to is as follows:

Farmers' supplies—Approximate tariff duties on $1,525 worth of articles under the present law and the amount of duties under the proposed law.

Description of article and price.	Amount purchased.	Retail price.	Rate of duty under present law.	Amount of duty under present law.	Rate of duty under proposed law.	Amount of duty under proposed law.
Meat:						
500 pounds bacon, at 10 cents per pound	$100.00	$50.00	5 cents per pound	$25.00	5 cents per pound	$25.00
357 pounds ham, at 14 cents per pound		50.00	....do	18.75	....do	18.75
Flour, 10 barrels, at $5 per barrel	50.00	50.00	25 per cent	12.50	25 per cent	12.50
Coffee, 250 pounds, at 10 cents per pound	25.00	25.00	Free		5 cents per pound	a 12.50
Tea, 25 pounds, at 20 cents per pound	5.00	5.00	....do		10 cents per pound	a 2.50
Corn meal, 1,666 pounds, at 1½ cents per pound	25.00	25.00	20 cents per bushel (48 pounds)	6.94	40 cents per 100 pounds	
Soda, 100 pounds saleratus, at 5 cents per pound	5.00	5.00	¾ cent per pound	.75	⅝ cent per pound	.62
Salt, 10 barrels, at $1 per barrel	10.00	10.00	12 cents per 100 pounds	3.40	12 cents per 100 pounds	3.40
Lard, 416.8 pounds, at 12 cents per pound	50.00	50.00	2 cents per pound	8.34	2 cents per pound	8.34
Sugar, 1,000 pounds, at 5 cents per pound	50.00	50.00	1.95 cents per pound	19.50	1.9 cents per pound	19.00
Molasses, 25 gallons, at 40 cents per gallon	10.00	10.00	6 cents per gallon	1.50	6 cents per gallon	1.50
Cotton goods of all kinds for clothing:						
31½ yards fine unbleached cloth, at 40 cents per yard.	100.00	12.50	1½ cents plus 2 cents per yard	1.10	8 cents plus 2 cents per yard	3.14
200 yards sheeting, unbleached, at 22 cents per yard, 2¼ yards wide.		44.00	25 per cent	8.00	4½ cents per square yard	12.12
100 yards cloth, bleached, at 10 cents per yard		10.00	2½ cents per square yard	2.50	3 cents per square yard	3.00
100 yards calico, dyed, at 13 cents per yard		13.00	30 per cent	3.90	8 cents per square yard	8.00
50 yards cloth, gingham, at 15 cents per yard		7.50	40 per cent	3.00	....do	4.00
50 yards cloth, checks, at 13 cents per yard		6.50	30 per cent	1.95	....do	4.00
2 dozen pairs stockings, at $1.75 per dozen		3.50	70 cents per dozen and 15 per cent	1.93	70 cents per dozen and 15 per cent	1.93
2 dozen pairs stockings, at $1.50 per dozen		3.00	60 cents per dozen and 15 per cent	1.65	60 cents per dozen and 15 per cent	1.65
Wool clothing:						
2 suits men's clothes, at $15 per suit	200.00	30.00	44 cents per pound and 60 per cent	13.60	44 cents per pound and 60 per cent	13.60
6 suits boys' clothes, at $6 per suit		36.00	....do	16.00	....do	16.00
50 yards worsted, at 40 cents per yard		20.00	11 cents per square yard and 55 per cent.	12.10	11 cents per square yard and 55 per cent.	12.10
50 yards flannel, at 35 cents per yard		17.50	11 cents per square yard and 50 per cent.	10.50	11 cents per square yard and 50 per cent.	10.50
100 yards dress goods, part wool, at 30 cents per yard.		30.00	8 cents per yard and 50 per cent	15.50	8 cents per yard and 50 per cent	15.50
1 man's overcoat		16.00				
3 boys' overcoats		18.00	44 cents per pound and 60 per cent	32.00	44 cents per pound and 60 per cent	32.00
1 woman's cloak		16.50				
4 girls' jackets		16.00				
Hats and caps, men's and boys' hats, ladies' and girls':						
2 men's wool hats	25.00	3.00				
3 boys' wool hats		3.00	....do	4.76	....do	4.76
3 boys' wool caps		1.50				
2 ladies' hats, trimmed		6.00	50 per cent	4.37	50 per cent	4.37
8 girls' hats, trimmed		11.50				

* Taxed in section 2 under the maximum rates to go into effect after March 31, 1910.

Farmers' supplies—Approximate tariff duties on $1,525 worth of articles under the present law and the amount of duties under the proposed law—Continued.

Description of article and price.	Amount purchased.	Retail price.	Rate of duty under present law.	Amount of duty under present law.	Rate of duty under proposed law.	Amount of duty under proposed law.
Blankets and bed linen:						
1 pair wool blankets, extra length	$20.00	$4.00	33 cents per pound and 50 per cent	$2.47	33 cents per pound and 50 per cent	$2.47
3 pair wool blankets		6.00	22 cents per pound and 30 per cent	2.68	22 cents per pound and 30 per cent	2.68
1 pair single blankets		1.50	do	.67	do	.67
50 yards unbleached sheeting, at 17 cents per yard.		8.50	2½ cents per square yard	2.50	3 cents per square yard	3.00
Mattresses, cotton ticking, filled with vegetable substances:						
4 double mattresses	23.00	20.00	45 per cent	6.30	45 per cent	6.30
1 single mattress		3.00	do	.90	do	.90
China dishes, etc.:						
Set dinner china, with colored edge	25.00	15.00	60 per cent	6.00	60 per cent	6.00
White china		6.00	55 per cent	2.20	55 per cent	2.20
Earthenware, yellow and brown		4.00	25 per cent	.50	25 per cent	.50
Furniture	100.00	100.00	35 per cent	21.00	35 per cent	21.00
Stoves and cutlery:						
1 kitchen stove	60.00	35.00	45 per cent	9.00	45 per cent	9.00
1 heating stove		20.00	do	5.40	do	5.40
Knives and forks, spoons—Carving knife, butcher knives, etc.		5.00	do	1.35	do	1.35
Carpet, 30 yards, 2-ply ingrain	15.00	15.00	18 cents per square yard and 40 per cent.	7.20	18 cents per square yard and 40 per cent.	7.20
Picture frames, etc.:						
Wooden picture frames	10.00	6.00	35 per cent	1.40	35 per cent	1.40
Glass for same		2.00	75 per cent	.75	75 per cent	.75
Looking-glass		2.00	10 cents per square foot and 50 per cent.	.55	12½ cents per square foot and 50 per cent.	a.76
Musical instruments:						
Organ	75.00	65.00	45 per cent	18.00	45 per cent	18.00
Fiddle		10.00	do	4.50	do	4.50
Family Bible	5.00	5.00	25 per cent	.75	25 per cent	.75
Boots and shoes for family	50.00	50.00	do	8.75	15 per cent	5.25
Farm machinery:						
1 harrow	310.00	20.00	20 per cent	60.80	do	45.60
1 self binder		130.00				
1 cultivator		20.00				
1 mower		40.00				
1 stubble plow		14.00				
1 horse rake		30.00				
1 drill		50.00				
Farm and garden tools		6.00	45 per cent	1.80	45 per cent	1.80
Vehicles:						
1 wagon	135.00	60.00	35 per cent	41.25	35 per cent	41.25
1 hack, 3-seated		75.00				
Harness:						
1 wagon harness	42.00	17.00	45 per cent	18.90	do	14.70
1 light harness		25.00				
Total	1,525.00			455.76		450.67

a Taxed on glass, that being component of most value.

NOTE.—The value of the cotton and woolen goods if appraised for duty is estimated.

In the above table the amount of duty or tariff tax is appraised upon the value of the articles, if imported. The average import prices are about 60 per cent of retail prices.

The rates of duty, and so forth, in the above table are given in the Estimated Revenues, and comparison of the present and proposed laws published by the Committee on Finance, United States Senate, April 12, 1909.

Mr. DAVIS. In passing, sir, I wish to call attention to the enormous tax to consumers of articles of daily necessity—and I am truly glad that my good friend the Senator from Vermont [Mr. PAGE] has just come into the Chamber. I am coming to his case just now. Let us take here, first, the item of meat, bacon, and hams, the prices of which are controlled in this Government by the great packing-house combination, by the great meat trust, in which Mr. Cudahy, Mr. Armour, Mr. Swift, and Mr. Hammond are its chief exponents. We do not import meat of this character, Mr. President. Only a few Westphalian hams, to tickle the palate of the epicure, are brought into this country. We are exporters of meat of this character. If the tax does not increase the price of the commodity, and is not paid by the consumer, let the Government of the United States place an export duty of 5 cents a pound upon hams and bacon instead of an import tax, and you will see the great meat trusts throw a fit in the twinkling of an eye. No, Mr. President, the tax engine is reversed. A tax of 5 cents a pound is put in the Dingley bill, and in the present bill upon all hams and bacon imported into this country. What for? To shut out competition; to give an absolute monopoly to Cudahy, Swift, Armour, and others of their ilk, and allow them to invade the breakfast room of every family in this Government from the highest to the lowest; levy a tribute upon every man's breakfast, where hams and bacon are consumed.

Ah, sir, I was surprised when I heard my good friend the Senator from Vermont [Mr. PAGE] pay such a high tribute to the business character and integrity of his compatriot and acquaintance, Mr. Swift. He said he disliked very much to hear these men and their business held up to public ridicule and contempt in the staid Senate of the United States. They may be decent men, Mr. President, personally—about this I shall not speak because of the lack of knowledge—but in their business methods, sir, and under the license and liberty accorded to them by the Congress of the United States, they are robbing and filching from the pockets of the common people the cost of their daily meals.

I thank God, Mr. President, that the Southern and Western States, at least, have instituted a warfare against these corporations that is driving them from their borders and lessening the confines of their operations.

I am proud of the fact, Mr. President, that I myself drafted a law for the good State of Arkansas that has driven these vampires from our borders. Only a few days since the Hammond Packing Company, one of the members of this gigantic combine, was forced to stand and deliver at the muzzle of the law. They paid into the common school funds of my State $25,000 of their ill-gotten gains, and withdrew from the State. The other big companies are still under fire. The law has been upheld in all of its parts. The same bill, enlarged only so as to meet the exigencies of interstate traffic, which I have had the honor to introduce at each session of this Congress since I have been a Member, has been sneered at and ridiculed by some of the wiseacres of the land; by high-collared lawyers of the country, their pockets filled with corporation fees. And, sir, I am proud to say that after one of the most searching and critical dissections any statute has ever undergone, the Supreme Court of the United States, without a dissenting vote, upheld that law in its most vulnerable points, and to-day it stands in all of its entirety and forcefulness on the statute books of my native State, to the terror and menace of the wicked and unjust combinations of this land.

And under the provisions of this law, Mr. President, the good friend of the Senator from Vermont, Mr. Swift, dare not cross the borders of Arkansas, dare not put his foot in a business way upon our soil. We recognize in him, sir, that same spirit

as that of the pirates that lurked along our cliffs to rob our merchant marine that passed their way. Mr. Swift, Mr. Armour, and Mr. Cudahy have formed a combination, sir, the worst that can possibly be imagined, because they fix the price on the breakfast bacon that the Senator from Mississippi [Mr. MCLAURIN] ate this morning for his breakfast. That causes, I see, a titter of amusement on the part of some of my Republican friends. They are disposed to laugh while Rome burns; they are disposed to make merry while the trusts throttle the laboring men of this country and take from their dinner pails and the homes of their families the necessities of life.

Sir, this bill lays a tax of 5 cents per pound upon cured meat and a tax of $5 a barrel on flour, enabling the great flouring mills of the country to exact a tribute from the breakfast table of the consumer; on the corn bread that is eaten by the people of the country a tax of 1½ cents a pound is laid; on the soda that enters into the corn bread and biscuit of the consumer a tax of 5 cents a pound is laid; on the salt that is also one of the constituent parts of both, 1 cent a pound; on lard, which enters into the making of the bread of the country and other necessities, there is a tax of 1½ cents a pound. These, sir, are prohibitive duties, levied not for the purpose of revenue, but levied for the purpose of protection.

The sugar that is used by the consumer of this land has a tax of 2 cents per pound; on the molasses of the consumer a duty of 6 cents a gallon is laid. Ah, Mr. President, I was astounded at the reasoning of my good friend the senior Senator from Virginia [Mr. DANIEL], in a recent speech delivered upon this floor, in which he argued that the farmer is the beneficiary under these duties. For his opinions I retain the most profound respect, for him personally I entertain the tenderest regard, and not in any sense do I attempt a criticism of that great speech, but I am compelled to differ from his conclusions.

As an illustration, Mr. President, we do not import hogs from which meat and lard are produced. The farmer who produces these animals gets no benefit from the tax laid upon live stock in this bill. Why? Because none are imported, and these articles, upon which it would seem, upon a casual observation, the farmer is benefited, are put in the bill to purposely deceive and to purposely mislead. Can any Senator insist that the farmer gets a better price for his hogs on foot when he sells them to the packer because of the tariff laid upon live stock? I say he does not, but the minute the hog becomes the finished product in the process of killing, packing, and curing, it passes into the hand of the meat trust, and because of the reason that no meat and no hogs are imported into this country, because the duty is so high as to be prohibitive, and hence they have the exclusive monopoly on this necessity of life, fixing their prices on this finished product at their own sweet will, limited always of course to the amount of the tariff.

Let us take another item of everyday necessity. Cotton goods of all kinds have a tax rate upon them that is prohibitive and gives to the manufacturer of this product of the Southland, that must be sold in open competition with the markets of the world, an absolute monopoly upon the finished product. The manufacturer gets our cotton free of duty and returns to us the finished product with a prohibitive tax added.

Upon $12.50 worth of unbleached cloth, Mr. President, 31½ inches wide, under the Dingley bill the tax is 1½ per cent plus 2 cents a yard, which would be $1.10. Under the present bill it is 8 per cent plus 2 cents a yard, which would be $3.14 tax on $12.50 worth of goods. Does the Senator from Mississippi [Mr. MCLAURIN] think the farmers of his State would stand that for a minute if they knew it?

But, sir, the further you get into this cotton schedule the worse the enormity of the bill. Under the Dingley bill 200 yards of unbleached sheeting, such as is used by the poor people, worth $44, was taxed 25 per cent, or $8. Under the present bill it is taxed 43 per cent plus 8 cents a square yard, or $12.12. A hundred yards of bleached cloth, worth 10 cents a yard, or $10, under the Dingley bill was taxed $2.50. Under the present law it is $3. Under the Dingley bill 100 yards of dyed calico, worth $13, estimated, a tax of $3.90 was laid. I used to think the prettiest sight I ever saw in my life was 8 yards of calico, a good fiddle, a puncheon floor, a pretty southern girl, and a country dance; but I never imagined, Mr. President, that we were paying $8 in taxes for the 8 yards of calico worn by our partners. Under the present law a tax of 8 cents per square yard is laid, or $8 in taxes upon $13 worth of cotton goods.

Do you think, Mr. President, that the American people would stand this if they knew it? They are long-suffering and patient, but when they once awaken to the situation of this outrageous taxing system of the Republican party their vengeance may know no bounds.

The further you go into this thing the worse it is. Under the present bill, sir, 50 yards of cotton checks—that is a thing that every little nigger in the South has to wear. A cotton check slip is the first thing a nigger kid wears. I want to tell Republican Senators what they are doing for nigger kids—50 yards of cotton checks, costing 13 cents per yard, worth $6.50, paid a tax of $1.95; but under the present law a duty of 8 cents a square yard is laid, a tax of $4 on $6.50 worth of goods. Tell me, sir, that this is equality, that this is justice? Go before the American people in the next campaign and tell them that you forced a revision of the tariff upward. They will dodge from you, Mr. President, like a blind goose in a back alley that hears a hissing noise, or an old mule who has been hit too frequently over the head with a bridle. They will want no more revision such as you have in this bill.

On 2 dozen pairs of stockings—and those are not stockings worn by the élite of the land. They are the common, everyday stockings worn by the common everyday folk; they are not the stockings that are worn by the silk-stocking brigade in this country—just the common, ordinary, all-cotton stockings. What is the tax on them, Mr. President? On 2 dozen pairs of stockings, costing $1.50 a dozen, a tax of $1.65 is laid under the present bill, or a tax of $1.65 upon $3 worth of goods.

Let us pass from this to the woolen schedule. And there, sir, the iniquities are more plain and more palpable, keeping in mind, Mr. President, that the Republican party has promised the American people that they proposed to reduce the tax upon them. Let us take two suits of men's clothes—common wool clothes, if you please—costing $15 per suit, or $30 for both. There is a tax of $13.60 laid in the present bill; not for the purpose of revenue, but to please the colleagues of the distinguished Senator from Wyoming [Mr. WARREN] and the associates of the Senator from Utah [Mr. SMOOT]. Thirteen dollars and sixty cents, sir, of tax upon $30 worth of clothes. It must go into the pockets of the manufacturer, and we are told without a blush of shame that this is the expressed purpose; that it was the deliberate and ultimate purpose of the framers of this bill. When you touch the cheap woolen clothes of the children of the land, the iniquities of the bill are greater. Six suits of clothes worth $36 are taxed $16; 50 yards of worsted, valued at $120, is taxed $12.10; 50 yards of cheap flannel, valued at $17.50, is taxed $10.50; $30 worth of cheap part-woolen dress goods is taxed $15.50; $7.50 worth of cheap woolen hats for men and boys under this bill are taxed $4.76; $6 worth of ladies' trimmed hats is taxed $4.37—you can not tell where the hat begins and where the tax ends—upon one pair of woolen blankets costing $4 a tax of $2.47 is laid.

And so I might go throughout the entire woolen schedule. But what more is needed to show the absolute injustice, the terrible wrong, that is being perpetrated upon the American people by means of this unjust and outrageous measure?

Let us pursue our investigation along another line for a moment. Twenty dollars' worth of mattresses is taxed $6.30. A set of cheap china, such as is used by ordinary men, valued at $15, is taxed $6. A hundred dollars' worth of cheap furniture is taxed $21. A kitchen stove worth $35 is taxed $9. Five dollars' worth of cheap knives, forks, spoons, and butcher knives, such as are used by the poor people of the country, is taxed $1.35. One cheap carpet, two-ply ingrain, costing $15, is taxed $7.20.

Wooden frames, sir, that are used by the poor for framing pictures of their relatives and friends, costing $6, glass upon the same costing $2, making a total of $8 in all, are taxed $2.15. The cheap looking-glass hanging on the back porch, where the farmer washes his face at his return to his humble meal, costing $2, is taxed 75 cents. A cheap organ, upon which his daughter learns to play for Sunday school and church, costing $65, is taxed $18. The old man's fiddle, that has so often brought peace and happiness around the fireside at eventide, costing $10, is taxed $4.50. The family Bible, from which the words of the blessed God are read in family devotions, costing $5, is taxed 75 cents. So we see, Mr. President, that not an article of daily necessity or comfort escapes the terrible burdens laid by this bill.

Fifty dollars' worth of boots and shoes, Mr. President, is taxed $8.75. Three hundred dollars' worth of farming implements—and this touches the schedule under consideration—consisting of plows, rakes, drills, cultivators, mowers, and binders, is taxed $45.60. One cheap hack, three seated, valued at $75, Mr. President, is taxed $41.75. Thirty-five dollars' worth of harness is taxed $14.70; and, according to the totals shown, if taken altogether, sir, a purchase of $1,500 worth of goods of daily necessities imposes a tax upon the consumer of $450.70.

The highest rate of tax laid in my State to support municipal, county, and state governments is 29 mills, or about thirty-five or forty dollars on the same amount of property. Ah, Mr. President, see the gross injustice; see the terrible iniquity. For whose benefit is this outrageous tax levied? I am told that the framers of this bill had a wonderful solicitude for the wage-earner, for the producer, and for the farmer, but if we analyze it and see the duties imposed, we stand astounded and amazed at the monumental cheek and gall of the man who would make such a contention.

If the figures I have quoted are not correct—and I see some of the members of the Finance Committee present—let some member of the committee arise in his place and refute them here. I pause for a reply. Let the issue be fought out here. Let there be no dispute as to the facts when we go before the American people, for by them this issue will be finally settled. These great burdens, sir, placed upon the consumer but aptly illustrate the terrible danger in a long lease of power given to any political party or to any man. One man, sir, ought not to hold one office always. He soon comes to disregard the will of his people and to think the office belongs to him. Rotation in office, as well as rotation in political parties, is one of the safeguards of this Republic.

I was surprised, sir, at the senior Senator from Indiana—and I am indeed sorry the Senator is not in the Chamber—in a recent speech before this body, discussing the iniquities of the cash-register monopoly, in which he showed conclusively by the testimony at hand that this monopoly, fostered and protected by the tariff system, as proposed in this bill, were selling their products to home consumers at twice the price charged to foreign consumers. Without competition either at home or abroad, yet he handled them with gloves, declaring that he disliked to even use the word monopoly in the discussion, fearing that he might do them some wrong. I can not understand, Mr. President, why this delicacy of treatment of this evil upon the part of the Senator from Indiana. Is the word monopoly, as applied to an evil of this kind, distasteful to him, or has he grown so sensitive that he no longer calls a spade a spade and a hoe a hoe?

I am fully conscious, Mr. President, that no good results are accomplished by mere invective, but it is with some alarm that I see Senators upon this floor bowing and apologizing to these giant monopolies—saying they do not wish them held up to derision and spoken of with scorn—and handled with kid gloves in the discussion of their iniquities.

Having seen, Mr. President, to some extent the enormous burdens imposed upon the American consumer by the framers of this bill, let us see for a moment what is given as a compensation for these burdens, free of tax, by the promoters of this measure. Let us examine some of the demands of the consumer upon this floor and see what he is given in lieu thereof by the chairman of this committee. A very large and respectable minority of this Government, the great Democratic party, in its convention in the city of Denver, in July, 1908, demanded that this Congress should place lumber upon the free list; should give to the poor man, as well as the rich, cheap material of which to construct his home. Ah, Mr. President, I am not one of that school of latter-day Democrats that believe that cheap lumber should not be given to the poor man simply because it helps the rich as well.

I am not one of that class of Democrats that believe that great commodities of this character of such daily necessity should be taxed by the American Government to the point of protection. A dollar and a half a thousand is proposed by the present bill, which itself would not be protective, but adding 25 per cent ad valorem, the maximum rate that may be added by the President of the United States, and under the terms of this bill will be added, makes this joint rate prohibitive.

In other words, sir, rough lumber, quoted at $17 per thousand, would bear a maximum rate of $4.25, and a rate of $1.50 is fixed by this bill, making $5.75 a thousand, which I contend is prohibitive.

I am not here, sir, to read a lecture to Democratic Senators who failed to carry out this pledge of the Democratic platform, solemnly made to the people of this Government. Neither am I here to read those Senators out of the Democratic party or to substitute my conscience for theirs. I am here to say, Mr. President, that I am that character of a Democrat that will swallow the Democratic platform from "ende to ende," and that believes every enunciation when once agreed to in solemn convention from "kiver to kiver."

I believe, sir, that the will of the majority, right or wrong, should rule. It is more often right than wrong, and if wrong, it would soon readjust itself to the right. When I come to that point in Democracy, Mr. President, where I can not give loyal support to such important planks in the Democratic party, when promulgated, I will pack my bag and baggage and boldly leave the organization and hunt for principles and tenets to which I can yield willing service.

This is the kind of a Democrat I am, sir. Others may choose for themselves, and justify if they can their conduct in party councils.

It has been said by some on this floor, sir, in a spirit of disparagement, I thought, that the last Democratic platform was born of the brain of that matchless leader of the common people of this land; was born of the brain of that man who is beloved to-day and idolized by the middle and poorer classes as no other man has ever been loved in this Government.

I may be asked here—and I digress just for the purpose of replying to what might be injected if Republican Senators so desired—I might be asked the question, If Mr. Bryan is so well loved by the common people and middle classes of the land, why was he not elected President? Why did he receive fewer votes in the last election than even in the election before?

In answer to that, Mr. President, I want to say that a majority of the white people in this country are Democrats. Let some Senator make a note of that and look up the record. The balance of power thrown against Democracy in this country is the vote of the nigger in Illinois, Ohio, and Indiana. Leave to the Caucasian race the vote of this Government on the question of Presidency, and you will not last as long as the proverbial snowball in the lower regions.

But for myself, sir, and my people, I wish to thank God, that in these days of greed and graft; that in these days of commercialism, when the world has run mad for the acquisition of wealth; in these dark days, when the old ship of state is tempest tossed and threatened with destruction, that he has raised up a man with the purity of character and nobility of life, the keen insight into all public questions, the honest and courageous spirit of expression, the matchless mind, and the honesty of purpose he has given to William J. Bryan.

I am not one of those, sir, jealous of his fame, jealous of his goodness of heart, jealous of his breadth and intellect, that would bark at his heels and decry and pull him down. Neither am I one of those, sir, that proclaim to the world to-day that the star of his destiny is upon the wane.

True, it is, sir, that the God of nations, the God of the plain people of this country, who holds all things in the hollow of His hand, by whom the very hairs of our heads are numbered, and in whose presence a sparrow does not fall without His notice, has decreed that he shall not be President of the United States, but, in my judgment, has reserved his life for grander and nobler purposes, for yet greater blessings and benefits to mankind; and I trust, sir, that he will never circumscribe the field of his usefulness, the field of his eternal greatness, by accepting a seat in the Senate of the United States. I say that, Mr. President, with due regard to the dignity and importance of this position. I do not mean to disparage either arm of the legislative branch of the Government. But, sir, the field is too small. His powers of usefulness would be too circumscribed, and a pitiable spectacle he would present, indeed, were he here to-day, bound and gagged, helpless and impotent, as are the minority, by the overpowering prowess of the senior Senator from Rhode Island.

In this connection, sir, I wish to say that so far as actual results are concerned, so far as the real good we may hope to accomplish for our constituency and for the people at large, every Democratic Senator had as well fold his tent and return to his people. Why longer contend against the inevitable? The edict has gone forth that the bill shall pass as written, and it will. The groaning and murmurings of a discontented and outraged public will continue to ascend to high heaven until they are either hushed in absolute, abject despondency and slavery or stilled by the terrible blast of the bugle and the cannon's dreadful roar.

Ah, sir, the common people demanded lumber on the free list, and they are given instead acorns and persimmons. We asked for free bagging and ties with which to wrap the product of the South, but we are met with the withering smile of the senior Senator from Rhode Island, and instead we are given catguts and dried blood. We asked for free hides, that will enable the manufacturers of boots and shoes to give to this country cheaper footwear, who were here with petitions, by letter, and protest, asking Congress to take off the duty on hides, giving the country their assurance that if this is done they can compete with the shoe manufacturers of the world and give to the American consumer cheaper and better shoes. We are met again by the senior Senator from Rhode Island, and, instead of cheap shoes and free leather, we are given ipecac and rags. My God, Mr.

President, insult is added to injury, and the free list, as proposed by this committee, is an insult to the intelligence of the American people.

Digressing for a moment, I call upon the members of the committee who are present to point out to me one item of everyday consumption, of necessity, of general utility, that is put upon the free list by this bill. I pause for an answer. O Mr. President, echo answers! Apatite—I do not reckon it is the old appetite that we all carry around with us; I do not know—is on the free list; catgut, dried blood, ashes, acorns, persimmons. Why do you not put "Billy Possum" on the free list and help out your persimmon schedule, and make cheap 'possums for the White House emblem? My God, Mr. President, did you ever hear of such a free list? Free, free, free, just like the Gospel of the lowly Nazarene—free to the poor in all countries and all climes.

When we ask for free wool we are given free ashes, which fittingly typifies the hopes of the American consumer. I had thought, Mr. President, that the American Congress were called upon to legislate for the American people at large, and not in the interest of the favored few, the plutocracy of this Government. We must either serve plutocracy, sir, or serve the people. Their interests are diametrically opposed, and we can not serve two masters. We will serve one and despise the other. We will serve one to the neglect of the other. Nothing in Holy Writ is truer than this declaration, Mr. President.

I would not impugn the motives of any Senator, because I do not deal in that sort of tactics. When I want to say a Senator is corrupt, I will just say so in so many words, and fight it out on a question of impeachment. Neither would I, by indirection or comparison, violate the rules of propriety of this Senate; but, sir, I was pleased recently when the senior Senator from Wisconsin arose in his place, when the schedule of iron ore and lead was under consideration, and withheld his vote, because he said he was interested in that product. He said he had some of that kind of stuff in his pocket, and he could not afford to vote for a tax that would benefit him and keep the stuff.

Ah, Mr. President, I would not hold up the senior Senator from Wisconsin as the most honest man in this Senate, who possesses all the virtues extant. Neither, indeed, sir, do I think he would have me do so; but I think such an exhibition of candor as his—yea, sir, of common fairness—demands public recognition at the hands of the American people.

On the other hand, Mr. President, I was much surprised and chagrined at the remark that fell from the lips of the Senator from West Virginia [Mr. SCOTT], unwittingly perhaps, on June 15, in the discussion of the schedule upon window glass, who complained seriously when a reduction was proposed upon this industry, stating the glass factories in his State were threatened with bankruptcy and annihilation, and boldly proclaimed that a certain Senator, who was not then on the floor of the Senate, had told him that he had lost $25,000 in the window-glass industry last year; and, more strange still, Mr. President, this statement is not contained in the RECORD. I can not understand, Mr. President, why this does not occur in the RECORD. In vain have I searched, with the assistance of the clerks. Nowhere can it be found.

Have you any wonder, then, Mr. President, that there are continuously being published articles in the metropolitan press of this country, such as come to my desk daily and such as lie there now, to the effect that the Senate is honeycombed with Senators who are voting strictly in their own interests?

Mr. President, I neither assume responsibility for these publications nor do I attempt to insinuate that they are true.

Sir, I remember well the testimony before the Finance Committee read on this floor where the Senator from Utah stated to the carded-wool manufacturers of this country, "If the duty proposed by this bill is not satisfactory to you, quit your business, like I am going to do, and go into the worsted manufacture, which is specially cared for by the bill."

Ah, sir, I speak from the record. I call public attention to the facts, as shown by the record, that the country may draw their own conclusions. Sir, I am willing to stand with the Senator from Wisconsin and turn my pockets before my constituents every Saturday night, if they require it.

Ah, Mr. President, I implore this Senate to return to the principles of the fathers in the administration of the affairs of this Republic and restore her to her primitive moorings, for fleeting show only at last is wealth, ambition, and power. Alluring and seductive are their enticements to selfishness alone; and be reminded, sir, they are transitory, and in the end are a tinkling brass and a sounding cymbal. Do not chide me, Mr. President, when I plead for the Republic. To her I have given my best love, and devotedly do I pray that it may be kept a perpetual heritage to our children.

Let us, I implore you, sir, win back the confidence and love of the people while yet it is day. Let us build to ourselves a living monument in their hearts and affections. Let us arise above selfish consideration and awaken from sinister and partisan dreams, and assure forever for our posterity the priceless blessings of equal rights and universal liberty.

The VICE-PRESIDENT. The question is on agreeing to the amendment offered by the Senator from Georgia [Mr. BACON].

Mr. STONE. Mr. President, I suggest the absence of a quorum.

The VICE-PRESIDENT. The Secretary will call the roll.

The Secretary called the roll, and the following Senators answered to their names:

Aldrich	Crane	Gore	Page
Bacon	Crawford	Guggenheim	Paynter
Bailey	Culberson	Heyburn	Penrose
Beveridge	Cummins	Hughes	Perkins
Borah	Curtis	Johnson, N. Dak.	Piles
Bradley	Davis	Johnston, Ala.	Scott
Brandegee	Depew	Jones	Shively
Briggs	Dick	Kean	Simmons
Bristow	Dillingham	La Follette	Smith, Mich.
Brown	Dolliver	McCumber	Smoot
Burkett	du Pont	McEnery	Stone
Burrows	Elkins	McLaurin	Sutherland
Burton	Fletcher	Martin	Taliaferro
Carter	Flint	Money	Taylor
Chamberlain	Foster	Nixon	Warner
Clapp	Frazier	Oliver	Wetmore
Clark, Wyo.	Gallinger	Overman	
Clay	Gamble	Owen	

The VICE-PRESIDENT. Seventy Senators have answered to the roll call. A quorum of the Senate is present. The question is on agreeing to the amendment offered by the Senator from Georgia [Mr. BACON].

Mr. BACON. On that I ask for the yeas and nays.

The yeas and nays were ordered.

Mr. BEVERIDGE. Just a minute, before the vote is taken. Some days ago, when this question came up, I made an investigation of the consular reports. I have made a compilation here, which shows the remarkable fact that the International Harvester Company, instead of selling its machinery abroad cheaper than it does here, sells it cheaper here than it does abroad. It gets more for its agricultural machinery in foreign countries, according to these consular reports, than the same machines bring here. If that be true, Mr. President, it is certain that the International Harvester Company is perfectly indifferent whether these machines do or do not go on the free list. The exportations of these machines by the International Harvester Company, according to consular reports, bring it a greater price than it gets for the machines it sells here. So far as the Harvester Company is concerned, I think it would welcome free trade. But by putting these machines on the free list I can see the possibility of injuring such manufacturers of agricultural implements as are not in the trust and yet not helping the farmers a bit. There are several of them in my State. I think there are a few in every State in the Union.

The International Harvester people do not in the least need this duty. I do not know whether the independent manufacturers need it or not; but if anybody does need it, they do.

Mr. GALLINGER. Mr. President——

The VICE-PRESIDENT. Does the Senator from Indiana yield to the Senator from New Hampshire?

Mr. BEVERIDGE. Yes.

Mr. GALLINGER. The Senator very aptly suggests that he does not know whether the independent manufacturers need this protection or not. I want to suggest to the Senator that putting these articles on the free list may be a very great advantage to the harvester trust in this respect: They now have a factory in Canada; they are about establishing factories in Germany, in France, and very likely in other countries.

If they can get these machines manufactured cheaper abroad than they are manufactured here, putting them on the free list would be a great advantage to them in the way of enabling them to export them to this country.

Mr. BEVERIDGE. That consideration seems to have weight; although, in quickly thinking upon the subject, it would seem that they would not manufacture abroad, in Canada, or elsewhere, and then import here to compete with their own American product. Why should they want to compete with themselves?

Mr. GALLINGER. Why not?

Mr. BEVERIDGE. Does the Senator think they would compete with themselves? But, in any event, the figures from the consular reports show that instead of selling abroad cheaper than they do here, which is true of a great many other manu-

factured articles, it is a singular circumstance, and the only one of which I know, that here the reverse is true. I do not understand the explanation, though probably such an explanation exists. But according to these government figures, the International Harvester Company appears to be one great combination that is showing some sense and some honesty, unless these figures are false. Where government figures show a thing like that of such a corporation, it ought to be given the credit, and all the more because it is so unusual a case.

Mr. McLAURIN. Will the Senator allow me to ask him a question?

The VICE-PRESIDENT. Does the Senator from Indiana yield to the Senator from Mississippi?

Mr. BEVERIDGE. Yes.

Mr. McLAURIN. If this company is selling its manufactured products at higher prices abroad than here, I should hardly think it would want to manufacture these articles abroad and bring them here.

Mr. BEVERIDGE. That is the point that I made.

Mr. McLAURIN. It does not seem reasonable that they would bring them from a market where they could get a higher price, and pay the freight and the insurance to this country, and sell them in a market where they would have to sell cheaper, or where they would, at all events, sell cheaper.

Mr. GALLINGER. If the Senator will permit me, they would very likely glut the market in Canada, for instance, and have a surplus that they could send here. There is no trouble about that, it seems to me.

Mr. BEVERIDGE. I think I will put this compilation in the RECORD. If there should be any mistake about the figures—though I am sure there is not, because it has been very carefully compiled—it can be corrected. I should like to put that in the RECORD.

The VICE-PRESIDENT. Without objection, it will be printed in the RECORD.

The statement is as follows:

Comparative statement of the retail prices of binders, mowers, reapers, and rakes in the United States and the principal European countries, as shown by the reports of Bureau of Manufactures, United States Department of Commerce and Labor.

	Binder.	Reaper.	Mower.	Rake.
United States	$125.00	$75.00	$50.00	$22.00
Great Britain	135.16	81.22	55.80	26.70
France	173.70	105.18	63.09	29.91
Germany	203.00	113.00	67.50	27.00
Denmark	167.50	91.12	60.30	20.82
Sweden	160.80	80.04	60.30	24.13
Hungary	243.60	121.80	81.20	36.54
South Russia	169.95	96.82	66.95	27.29
North Russia	180.25	91.70	66.95	29.05
West Siberia	187.98	101.97	72.19	30.90

NOTE—The foreign prices are taken from the official reports published in the Daily Consular and Trade Reports. Issue of February 23, 1909 (No. 3413); issue of March 3, 1909 (No. 3420); issue of April 8, 1909 (No. 3450).

Mr. BEVERIDGE. I again say that this is an extraordinary circumstance, because usually the reverse is the case. I presented here the other day some figures as to the amazing difference between the price of cash registers in this country and precisely the same machines in England. The difference is astounding—just half there what they are here.

I mean to say cash registers were sold abroad for just half what they were sold for here. But the agricultural implements of the International Harvester Company seem to be an exception. I do not know what the reason is. Certainly free trade in these implements could not possibly harm that corporation. But I can see a possible injury to every manufacturer of agricultural implements who is not in this combination—and they exist in every State in the Union.

Mr. STONE. Will the Senator permit me?

Mr. BEVERIDGE. Certainly.

Mr. STONE. Waiving the question of European manufacture and import, waiving the question of the cost of production there and here and all questions relating to that view of the subject, if it be true, as I think I conclusively showed this morning it is true, that the International Harvester Company has an absolute monopoly, or as nearly absolute as can well be conceived of, of the American market; if it be also true that like machines can be made, and are made, in Canada at about the same cost of production—and not necessarily by this trust, which has one establishment of its own there, but by Canadian manufacturers—and if agricultural implements were put on the free list, would not the Canadian manufacturers stand in the way of an abuse by the American monopoly of the opportunity to charge extortionate prices to the American consumer?

Mr. OVERMAN. Mr. President, I wish to read here a letter taken from The Commoner, written by a hardware dealer in Lynden, Kans. He says:

> The writer has spent several years in the employ of the International Harvester trust, the last four years of which I spent having charge of a large territory for them in northern Europe, quitting their employ about seventeen months ago; am now engaged in the hardware and implement business here. During my trips to Europe, I sold to European dealers harvesting machinery f. o. b. cars at Chicago as follows: Binders, $33; mowers, $12; hay rakes, $5; and reapers for $15 less than they are sold to American dealers, besides selling the European trade a special, stronger made, and more durable machine than domestic types in order to handle the heavy crops raised over there and compete with the substantially built European machines. Here the trust is free from any such competition, as our tariff imposes a prohibitive duty on machinery, namely, $85 on a self-binder.

In response to a resolution of the Senate a report was submitted by the Secretary of Commerce and Labor, from which I quote:

> I have the honor to acknowledge the receipt of the following resolution of the Senate of April 5:
>
> "*Resolved*, That the Secretary of Commerce and Labor be, and he is hereby, directed to inform the Senate what has been accomplished with reference to the statement requested by resolution sent to that department, and to give to the Senate such information as he can with respect to manufactured products which are sold in foreign markets at lower rates than in America."

Here [exhibiting] is the report. Nothing is said about agricultural implements; it seems to be all about sewing machines. It is a general report by a man by the name of Davis, when there was a specific resolution with respect to this very matter passed by the Senate, and the department has paid no attention to it.

Mr. SMITH of Michigan. The Senator from North Carolina [Mr. OVERMAN] said yesterday that some Senator on this side of the Chamber had made the statement that agricultural implements were sold in Canada for $125 and in this country for $150. I should like to ask the Senator from North Carolina what implement he referred to?

Mr. OVERMAN. The RECORD in regard to that matter was read this morning by the Senator from Missouri.

Mr. SMITH of Michigan. No.

Mr. OVERMAN. As I understood, the Senator said $150 in Canada.

Mr. SMITH of Michigan. No; you said it was sold for $125 in Canada and $150 here.

Mr. OVERMAN. I was told——

Mr. SMITH of Michigan. I understood the Senator to make that statement. What sort of implement was it?

Mr. OVERMAN. A self-binder; a harvesting machine.

Mr. SMITH of Michigan. Let me demonstrate to the Senator how absurd such a proposition is on its face.

In the first place, Canada is right on our border. We will assume a case at Detroit, where agricultural implements are largely sold. If they were to sell a reaper in Canada for $50 and in the United States for $70, the man who bought a reaper in Canada almost anywhere near the American border might turn right around and ship it to the United States and make a profit on his deal of almost twenty times the duty. In other words, a reaper purchased in the city of Detroit by parties in Windsor for $20 less than it is sold for in Detroit could be sent back under the proviso contained in section 27 of the Dingley law, and the seller would not be penalized by our tariff at all.

I think it is utterly absurd that any concern would sell its manufactured products in Canada cheaper than it sells them here. But assuming that extravagance to be correct, I want the Senator from North Carolina to understand that every workman who makes agricultural implements gets the same wage for the agricultural implement that is sold abroad, no matter at what price, as for the agricultural implement that is sold at home.

Mr. LA FOLLETTE. Mr. President——

The VICE-PRESIDENT. Will the Senator from Michigan yield to the Senator from Wisconsin?

Mr. SMITH of Michigan. Certainly.

Mr. LA FOLLETTE. With reference to the Harvester Company's plant in Canada, I should like to call the attention of the Senator from Michigan to the fact that their representatives before the Committee on Ways and Means asserted that with respect to their manufacture in Canada it costs them just as much as it does to manufacture here.

Mr. SMITH of Michigan. I have no doubt about that.

Mr. LA FOLLETTE. That the wages are the same, and they have no advantage whatever over the production in this country.

Mr. SMITH of Michigan. No; I have no doubt about that. I cheerfully concede the statement of the Senator from Wisconsin to be founded in fact. But the point I desire to make is that if they sell an American plow in Canada, that plow may be reimported into the United States without duty. So the only

thing that would be added to the American price would be the freight to Canada and back again, and the freight from Canada to almost any point along the Michigan border would be so small that if that discrepancy in price existed they could afford to buy these plows in Canada and send them back here and sell them at an additional profit in competition with the very factory that made them.

Mr. LA FOLLETTE. The Senator understands they can not sell their articles in Canada without paying a tariff duty on them.

Mr. SMITH of Michigan. The Canadian tariff?

Mr. LA FOLLETTE. Yes.

Mr. SMITH of Michigan. Certainly not; but the American tariff does not restrict reimportations of American manufactures, and nobody would be foolish enough to sell for $50 over there an article that they could resell in the United States for $70 without taking it off the car.

Mr. PILES. Will the Senator yield to me for a moment?

Mr. SMITH of Michigan. Certainly.

Mr. PILES. The Senator said, and I think correctly, that every American machine that is sent abroad carries with it the wages of an American workman.

Mr. SMITH of Michigan. Certainly.

Mr. PILES. Such being the case, I should like to ask the Senator this question: Suppose the International Harvester Company having, as it has, large manufacturing plants in the United States, should establish similar plants in Germany or any other foreign country where its machines can be manufactured at a less cost than in this country; would not the American workman be at the mercy of the Harvester Company if its machines were admitted free of duty?

Mr. SMITH of Michigan. Yes; and I doubt whether the price would be lowered to Americans.

Mr. PILES. In the case of a strike against a reduction in the American wage scale, all the Harvester Company would have to do to bring its workmen to its terms would be to import its machines free of duty from its foreign factory until its workmen acceded to its demands.

Mr. SMITH of Michigan. Certainly. Mr. President, I agree entirely with the admirable statement of the honored Senator from Washington. It would not only be a most extraordinary competition for us to invite, but it would absolutely put the American workingman in the agricultural-implement factories of our country out of business; and if this course is to be pursued, the wage-earner, who is the customer of the farmer and the patron of all other producers within the radius of his necessities, would suffer a loss of purchasing power.

The other day the Senator from Mississippi [Mr. MCLAURIN] offered an amendment to put all agricultural implements and sewing machines on the free list. I ran over in my own mind the number of American workmen who would be thrown out of employment if that were done, and I figured it into the tens of thousands. Every one of those Americans is a consumer of our products; he is a consumer of the agricultural products of the farms; he is a consumer of the work of every loom; he is a user of the products of every factory; and is a patron of every other employee under our industrial system. I would no more throw the markets of this country open to the free importations of that kind of products than I would burn the humble home of the artisan, mechanic, and American laboring man.

Mr. OVERMAN. Will the Senator allow me?

Mr. SMITH of Michigan. Certainly.

Mr. OVERMAN. The Senator seems to be well acquainted with these manufacturing operations.

Mr. SMITH of Michigan. I am not acquainted at all. I do not know anyone connected with these institutions. I have no acquaintance with a single person engaged in the business. But I do know that there are tens and tens of thousands of Americans employed in making agricultural implements.

Mr. OVERMAN. I want to ask the Senator if the following is true, as stated by the former Senator from North Dakota January 22, 1908:

> Mr. President, at the time that this monopoly was created the average price of a self-binder to a farmer in my part of the country was from $95 to $105. To-day the same machine costs the farmer $145, or it did last year, and I am advised that the monopoly has put the price of machines for the present year at $150.

I do not know whether that is true or not. I desire to ask the Senator if he knows.

Mr. SMITH of Michigan. I do not know a single fact upon which the Senator from North Dakota predicated his statement. I do not know whether it is true or not, but I do know that this is not the place to dissolve a monopoly by driving workmen out of employment. You can dissolve unlawful corporations in the courts of justice if they offend the State and not in the Senate, and I am unwilling to even attempt it here, knowing that hundreds of thousands of men would thus suffer from our flagrant disregard for constitutional procedure.

Mr. OVERMAN. I am satisfied the Senator was not here, and that he did not hear the evidence read yesterday by the Senator from Missouri [Mr. STONE], taken in court at St. Louis a month ago, in which the witness admitted that they had created this monopoly for the purpose of crushing out competition, and also in order that they might get along without so much labor, that they might discharge many laborers.

Mr. SMITH of Michigan. Mr. President, the Senate of the United States is not sitting as a grand jury to indict offenders against the law. Our function is not judicial or executive. It is our business to make laws, and we may define offenses; it is the business of the Executive and the judicial department to pass upon them and prescribe rules of procedure. We are not sitting as a grand jury impaneled to try citizens for infraction of the statutes. Our business is to make the laws.

Mr. OVERMAN. But the Senator does not get my point.

Mr. SMITH of Michigan. We are not here to punish.

Mr. OVERMAN. The Senator is standing up for the employment of American labor, but instead of giving employment to the laborers this monopoly decreased the employment of laborers.

Mr. SMITH of Michigan. Does not the Senator from North Carolina admit that the men in agricultural implement manufacture abroad are getting lower wages than in America?

Mr. OVERMAN. I think so, except in Canada.

Mr. SMITH of Michigan. Then why do you wish to throw them into competition with our own?

Mr. OVERMAN. I asked the Senator a question. The Senator said he was in favor of the American laborer. I show him by this testimony that this monopoly was enabled to throw and did throw out of employment scores of laborers in this country.

Mr. SMITH of Michigan. There is not a better illustration of the efficiency and wisdom of the policy of the protective tariff to be found in any State of the Union than the illustrations that are furnished upon every side in the State of the Senator from North Carolina.

Mr. OVERMAN. Does the Senator admit that this monopoly has obtained and absorbed 85 per cent of the industrial institutions of this country by reason of the protective tariff? I want to know if the Senator admits that this is true.

Mr. SMITH of Michigan. I admit that the Senator from North Carolina represents a great industrial State, and that its industries have been developed under the policies of the Republican party.

Mr. OVERMAN. I will not admit that, Mr. President——

Mr. SMITH of Michigan. The cities of North Carolina stand as a bulwark for our political principles. I was in three Congressional districts in the Senator's own State in the last campaign.

Mr. OVERMAN. But the Senator does not answer my question.

Mr. SMITH of Michigan. In one moment. Those three districts returned Representatives in direct contradiction to the wishes of the honored Senator from North Carolina, whom I greatly respect, and in full sympathy with the principles of the party that I represent.

Mr. OVERMAN. Did the Senator hear the letter read from the president of the Cotton Mills Association, saying that they can compete with the world and need no protection?

Mr. SMITH of Michigan. No; but I saw the spindles and I heard their merry music, and I saw the happy people in your State actively employed.

Mr. OVERMAN. The Senator is getting away from the point. I desire the Senator to answer my question.

Mr. SMITH of Michigan. The honored Senator enjoys and contributes to the prosperity of the people of his State, and they honor him for it, and we honor him here.

Mr. OVERMAN. I asked the Senator if he admitted that this absorption of the industrial institutions engaged in making farming implements to the extent of 85 per cent was the result of the protective tariff. That is the question I ask the Senator.

Mr. SMITH of Michigan. No, indeed; otherwise they would not have built additional factories in Europe.

But, Mr. President, will the Senator from North Carolina be willing to take the duty off of cotton manufactures?

Mr. OVERMAN. A high protective duty, a prohibitive duty, yes.

Mr. SMITH of Michigan. I am sure the Senator will not be willing to throw the cotton mills of his own State open to unfair competition.

Mr. OVERMAN. I voted against the cotton schedule as reported by the committee.

Mr. SMITH of Michigan. The Senator from North Carolina would not be willing to reduce the cotton workers in his own State to competition with the cotton workers in Europe?

Mr. OVERMAN. Mr. President, it will not have that effect. We have no fear on that score. I am told by the president of the association that we can compete with the world, notwithstanding their low wages. I believe in what he tells me, because he knows, and the Senator does not know.

Mr. SMITH of Michigan. Mr. President, I do not think we can afford to experiment with this danger, and the Senator from North Carolina would be the last to invite disaster. We carried three Congressional districts in North Carolina against the protest of the Senator from North Carolina, and the Representatives of those districts voted for the passage of the House bill.

Mr. OVERMAN. Yes; my people in those districts understood that you were going to revise the tariff downward. You have not kept faith with them. Here you are revising it upward. It was the talk of North Carolina, I heard it all over the State, that you were going to revise the tariff downward.

Mr. SMITH of Michigan. And the Senator knows full well that the growth of the protective principle is no greater in any part of the Union than it is in his own State of North Carolina.

Mr. CULBERSON. Mr. President, it is a happy condition when we turn from men who discuss whether this or that one understands the subject to read from a Senator whom we all admit thoroughly understands the tariff question and its effect upon the question whether American goods are sold in foreign countries cheaper than in the United States. I want to contribute a sentence from the speech of the Senator from Rhode Island [Mr. ALDRICH], chairman of the Committee on Finance, who we all know understands this subject. This speech will be found in the CONGRESSIONAL RECORD of June 2, 1906, pages 7943–7946, inclusive, in which that Senator says:

> It is a well-known fact, about which there is no dispute, that producers in the United States and in every one of the great industrial nations sell portions of their products from time to time at a less price to people of other countries than to their regular customers at home.

Now, Mr. President, coming to this question of agricultural implements, which is immediately under discussion, I want to call attention to a letter written by Mr. George J. Seabury, of New York, of June 23, published in the American Industries of July 1, 1905. I will not stop now to read it all, but I want to call attention to a paragraph or so in the letter, and ask that the remainder may be inserted:

> PRICES ON AGRICULTURAL IMPLEMENTS—MR. SEABURY TO THE FRAY AGAIN.
>
> EDITOR AMERICAN INDUSTRIES: A speech was made at the last convention of the National Association of Manufacturers at Atlanta by the manager of an agricultural-implement industry, in answer to a statement made by me in an address "On tariff revision and the remedy." In it I asserted that American agricultural implements were sold for export below home prices, and I also stated that Canadian, English, and German firms were successful competitors of our American implement manufacturers; moreover, that German manufacturers were sending competitive wares into our home market, mentioning Texas in particular. These statements are true. The speaker had the assurance to state that my assertions were untrue, and volunteered the statement that the wares of his establishment were not only sold at the same price for export as in the United States, but higher prices were obtained. In my general statement I qualified my assertion by saying that exporters of American products operated under that rule except where the wares represented a monopoly or were patented. To this statement I also added in my own behalf that we were compelled to undersell home prices in order to acquire export trade, which is also true.

The remainder of the letter referred to is as follows:

> These facts are generally known, our surplus agricultural implements being disposed of at from 25 to 40 per cent less on export orders for competitive wares. If proofs are needed to sustain this assurance, an application to the undersigned at 59 and 61 Maiden Lane, New York City, will satisfy the most incredulous investigator that I spoke truthfully and that evidence will be furnished from the largest manufacturing firms in and out of the agricultural implement syndicates or combinations and from export merchants, who ship these goods to every part of the world.
>
> Facts and statistics are unimpeachable. I have no motive in studying international problems other than to present our strength and weaknesses in promoting and preserving our national commercial interests in any form. It is seldom that an incident like the above has occurred in my experience, covering more than thirty years; whenever it has, it was inspired either through willful misrepresentation or lack of definite information.
>
> GEORGE J. SEABURY.
>
> NEW YORK, *June 23.* (*American Industries, July 1, 1905.*)

I want now to read what may be called ancient history, but it is such a Republican authority, Mr. President, that I feel disposed to print it, notwithstanding.

In 1890, the Hon. Jeremiah M. Rusk, Secretary of Agriculture under the Harrison administration, said:

> I had an opportunity to take some stock in the combination (American Harvester Company), and I know what inducements were offered. An investigation will show that this same combination is now selling, or offering to sell, machinery in Russia and Australia and other wheat-growing countries at a lower figure than they do in this country. This won't do, and I need not offer any argument to prove the weight or truth of the assertion. The first thing the farmer will do when he is acquainted with the facts will be to make a howl against trusts and protection that does not protect. Whether justly or not, he will charge it to the Republican party. I am as certain as I can be of anything that this mower and reaper trust will cost the Republican party hundreds of thousands of votes at the next presidential election unless it takes a firm stand against it and trusts in general.

Mr. BACON. I just want to understand in regard to the price list submitted by the Senator from Indiana. I glanced at it hurriedly. I think the list probably will be the American prices with the transportation added. Of course I can not speak of that with definite certainty, but I should judge from the amount of increase that that is about it.

Now, it struck the Senator from Indiana as a very strange and remarkable fact, if a fact, that the machinery was sold for a greater price in Europe than in America. I presume the explanation is simply this: These are simply their price lists, but there is no evidence of any sale in such price lists, and I have not the slightest idea myself that there were sales at the prices indicated, because it is so utterly at variance with the conceded fact as to all other articles of American manufacture which are sold in Europe.

The Senator from Michigan endeavored to show the improbability of such sales by the illustrations which he gave of what a purchaser of an American implement could do if he bought it for a less price in Canada and was permitted to reship it into the United States under the provision of our law, which permits the product of American-made goods without payment of duty.

I call the Senator's attention to the fact that that argument would apply to all sales in foreign countries of articles of American manufacture at a less price than they are sold in this country, and we do know the fact is not disputed that in a vast number of articles of American manufacture this is done. This is the only instance in which it has been claimed that there is anything to the contrary of that, or that goods of American manufacture are sold in foreign markets at a higher rate than they are sold in this market.

Without detaining the Senate I will simply call attention to a fact, not within my personal knowledge, but it has been published, and I presume it is a fact. I have never seen it denied. A man in New York bought a lot of American-made watches in England and brought them back and sold them in the United States at a very large profit, and, as is generally considered, he made a fortune. Of course whether it was a fortune or not would depend upon each man's estimate of what would constitute a fortune.

Mr. ALDRICH. Mr. President, I stand by the statement which I made and which the Senator from Texas [Mr. CULBERSON] has quoted. But in this particular industry I have had the figures submitted to me, and in justice to the International Harvester Company I am bound to say that they have convinced me, and I think when the figures are published they will convince every Senator, that the net sum received by them for the machines which they make is less in the United States than it is in any other country in which they compete.

Again, the Senator says that we must not build up a monopoly, and that practically we must put these articles on the free list because there is a monopoly. There is no monopoly. There are a considerable number of independent agricultural-implement manufacturers in the United States. I was told by one of them this morning that the sole effect of putting these articles upon the free list would be to strengthen the hands of the International Harvester Company and to drive out of business all of their competitors.

Mr. BACON. The Senator speaks about building up a monopoly. That is not the question at all. It is an existing monopoly. The fact is one which has been stated here repeatedly, and it has never found denial, that this monopoly has so increased prices that they are receiving on articles now 50 per cent more than they were a few years ago.

I simply desire to say in connection with that, referring to the question which was before the Senate yesterday afternoon as to what probable effect the removal of this barrier would have upon prices, if it has no other effect it would have a conservative influence in restraining these people from fixing exorbitant prices, which are so burdensome to people.

As to the independent concerns, I have no doubt it is true of them as it is true of the independent iron industry, as testified to by Mr. Carnegie, that at last those who are controlling the great mass of the business fix the price, and those who claim to be independents, and who may be in a sense independents, do not dare to vary from those prices. If they did, they would be crushed and driven out of business.

Mr. MONEY. Mr. President, if it be true, as stated by Senators on the other side of the Chamber, that American manufacturers of these machines used in America sell at a higher rate abroad in competition with the world than they do at home, then a tax upon what they make has no sense in it either as a revenue or as a protective measure, because the competitors with whom they contend in foreign fields will not insist upon sending their products here to sell at a lower rate than they do everywhere else. It is nonsense to talk that way. I do not undertake to say to-day what is the difference in prices here and abroad; but I recollect very distinctly that in the debate on the tariff in 1894 I had, and made proffer of it to the House of Representatives, of which I then had the honor to be a Member, a pamphlet or catalogue of the prices issued by a great implement firm in Pennsylvania. I have forgotten in what part of that State their establishment was located, but I recollect distinctly they made agricultural implements, and blacksmith's and carpenter's tools especially. I recollect that I had the English catalogue for the American market and the Spanish translation for the Argentine and Habana Oriente, and also another English catalogue for Australia and South Africa. I recollect that the price of almost every single thing was a long way below the price to the American consumer. I am informed now that when an American buyer purchases a carload of material of any of these manufacturers, it is not crated to him, as a general thing, but is put f. o. b. the cars at the depot; but if it is sold abroad, it is crated, sent by railroad to the nearest port, and put on ship f. o. b. I do not know whether these things are true or not, but that is what I get as the result of some investigation into the question.

Certainly, Mr. President, we can not fear the competition of the world, because they will never bring their goods to the cheapest market. So we shall never get a revenue from the tax, and we can not possibly get protection, because the American himself is going abroad to get a higher price. If the object of the tax is simply to reduce the price of things in America, there would not be a single protectionist who would vote for it. I will modify that and say that certainly no manufacturer has ever appeared before a committee of this House or of the other and asked to have a tax placed upon his product to reduce its price to the home consumer.

My friend from Michigan [Mr. SMITH], who is always listened to with such interest, would protect any trust, if I understand him, or any monopoly for fear if that were not done it would throw some American laborer out of employment. That does not seem to be at all likely when they have got control of the home market and are competing successfully all over the world. No reduction of the tax can possibly hurt a man who is already in competition with the universe. He does not need protection. He is not a protected man, if the statement is true; and I want to say that I believe much of it is true, though perhaps some of it is not.

As for the sentiment in North Carolina, discovered by the Senator from Michigan on his tour through that State and his meeting with transient North Carolinians at conventions and elsewhere, I will say that I happened to have the honor some years ago—four or five or six—of being invited to address the club at Charlotte, N. C. It was not a commercial club, as it is called, but purely a manufacturers' club. It was an exceedingly intelligent body of men, and they had to be to make money as they did. I found that 300 men within a radius of 100 miles of the city of Charlotte were at that meeting. There are 15 mills in that city. After a good deal of conversation, I think I convinced some of them—at least they said they were convinced—that the only competitors which they needed to fear were the mills of the East, and that when they joined in the cry for protection it was simply to establish more firmly in business their only competitors on the face of the earth, for if there is no benefit in the tax to the manufacturer, as has been ably demonstrated by the Senator from Michigan at least, then the mills of the East would move to the South or they would go out of business, except in those articles of manufacture where the artistic skill of their employees enables them to overcome the difference in the price of the material that enters into the finished product.

I can understand that. I gave the other day, in a minute or two, my reason for so thinking, as I was told in the city of Boston that they would retain it for that reason, just as the Bohemians maintained the manufacture of painted glassware in their cottages in the mountains, long, long after the manufacturers of the earth had endeavored to crush them out of business, simply by the force of their genius, their skill, and their talent in the most beautiful painting that made articles of glass works of art, now of almost priceless value wherever they are found.

I can understand very well how that class of goods can be maintained by a protective tariff; but it seems to me that if there is any manufacturer of cotton goods in the South—and they are nearly all heavy goods—he does not understand very well his own interests when he attempts to coalesce with the people engaged in the manufacture of finer goods in the North and wants to keep in business the only competitors he has on the face of the earth in the making of heavy goods. Those goods are never sold in the American markets to any extent. They go abroad. The English, as everybody knows, have attempted to imitate our goods by putting sizing in the cloth to give it weight. They have gone far enough to imitate our brands and paste them on the cloth, but the Chinese, to whom those goods are generally sent, keen in trade, detected at once the imposition, and rejected the British goods for American goods.

I can understand very well how a district or two of North Carolina could change its vote about almost anything; that happens sometimes even in the State of Michigan, and may happen elsewhere; but it is not at all dependent upon a tariff that neither protects nor adds to revenue. I can believe the statement made by the Senator from Michigan and other Senators upon the other side of the House.

I do not object to the amendment offered by the Senator from Georgia [Mr. BACON] particularly. I know it is not going to pass, however, because it is fixed that we are to have something in this bill for everybody who has applied for it. But it would be inconsistent with the common sense of the manufacturer to say that he would send his people down here day after day by the hundred to ask for something that would reduce the price of his wares in the market which he desires to control.

Mr. SIMMONS. Mr. President, I do not desire to make a speech upon this question, but for some time I have been engaged in collecting the statements of various manufacturers in this country with reference to the difference between the prices charged for their products in this country and abroad.

I have in my hand a compilation of those statements. They embrace statements of probably eight or ten or a dozen different manufacturers. I had intended to read these statements to the Senate; but I know how anxious we all are to reach a vote on these schedules, and so I shall content myself, if I can get the consent of the Senate, with putting the statements in the RECORD as a part of my remarks.

I also desire, Mr. President, to insert as a part of my remarks a statement which I have caused to be prepared by an expert, who has been assisting the minority members of the Committee on Finance, showing the export and the domestic prices of certain important products in this country.

The PRESIDING OFFICER. Without objection, permission to do so is granted.

The statements referred to are as follows:

EXPORT PRICES.

For some years it has been claimed by the Democrats in Congress and denied by the Republicans that the trusts and combines of the United States were selling their products cheaper abroad than here. It was difficult to prove the facts. The protectionists claimed that only our out-of-fashion goods or nonsalable surplus was dumped abroad at bargain prices. In August, 1900, however, the Bureau of Statistics issued a report on commerce and finance, admitting that "if restriction of consumption at home does not operate to prevent the shortsighted policy of discrimination against domestic development of manufacturing industries, the other contingency is more or less sure to arise, namely, the demand for the reduction of the tariff." Then on May 11, 1901, Charles M. Schwab, president of the steel trust, in testifying before the Industrial Commission, stated that export prices are always somewhat lower than home prices, and cited that the export price for steel rails was about $23 a ton and the price here was $26 and $28.

On April 2, 1902, Mr. John M. Peters testified before the Ways and Means Committee that lead was being exported and sold for but little more than half of the home price. On the same day Mr. A. G. Webster, president of the New England Shoe Association, testified that leather was sold for export at 5 to 10 per cent below domestic prices, but whether this leather was the product of the beef-trust tanneries he did not state.

ENGLISH EVIDENCE.

In July, 1904, the first volume of the report of the Chamberlain commission, which consisted of about 60 of the leading business men of England, was published. It related to iron and steel, and the evidence of some of the witnesses that appeared before that body throws a lurid light upon the "dumping" process of protectionist countries on free-trade England. A few extracts make interesting evidence for American consumers of iron and steel products:

EVIDENCE OF ENGLISH FIRMS AS TO PRICES OF "DUMPED" GOODS.

Firm No. 898. Pig iron from the United States is imported into this country below cost price here. Our customers are buying at 5s. per ton less than we can produce at, and the Americans are reported to be selling for export to England at a price equivalent to 8s. per ton lower than the price at which they are supplying their own country.

Firm No. 1147. We were informed by an American mattress maker last summer that American wire, which could be bought in Birmingham at £18 per ton, was sold for £21 in the States, and when freight, etc., is taken into consideration this would be a drop of between 15 per cent to 20 per cent. Our price in Birmingham is £18 10s., but 90 per cent of the wire used by mattress makers in Birmingham is American, and doubtless the same condition prevails in other towns.

REPUBLICANS APOLOGIZE.

In 1908 our Republican friends concluded it was no longer wise to combat the overwhelming evidence that the trusts and combines were selling cheaper abroad than at home, and their only excuse became that all protectionist countries do it. Their campaign text-book for that year contains a quotation of a statement by E. H. Gary, the head of the steel trust, made before the Committee on Merchant Marine and Fisheries of the House of Representatives in April, 1906, as follows:

"The Great Britain home price of rails is $31.50 per ton, and the export price of Great Britain is $25 f. o. b. their mills. In Germany the home price is $30 and the export price $24; in France the home price is $31 and the export price $25.50; in Austria the home price is $31 and the export price $25.50; in Belgium the home price is $30 and the export price $24; in the United States the home price is $28 and the export price about $26.60. There is less margin in this country than anywhere else, and the home prices abroad, you will observe, are invariably larger than our home prices.

"Now, take structural material, including shapes, plates, bars, angles, and tees. In Great Britain the home price is $1.60 per 100 pounds, and the export price $1.35; in Germany the home price is $1.50 and the export price $1.25; in France the home price is $1.65 and the export price $1.35; in Austria the home price is $1.50 and the export price $1.35; in Belgium the home price is $1.55 and the export price $1.35; in the United States the home price is $1.60 and the export price $1.40. Our customers, generally, however, are covered for the season at about $1.40. These figures are taken from authoritative sources, and I think that there is no doubt that they are reliable. They are the figures upon which we are doing our business right along every day.

"'If you did not have this avenue of export trade by which you could dispose of the surplus product which is in excess of the domestic demand,' said Representative Littlefield, 'you would either have to stop producing and therefore lose the use of your mills and sustain a loss in that respect, or you would have to carry the surplus product on hand until the demand was created for it elsewhere.'

"Yes; but I do not think it would be practicable to manufacture and carry the surplus; it runs into money so fast. I think we would have to shut down our mills, and you know what that means in the disorganisation of forces. So it really comes to this: That we would be obliged to increase the cost of manufacture if we could not run at full capacity. That would be the inevitable result."

MANUFACTURERS ADMIT SELLING CHEAPER ABROAD THAN AT HOME.

Mr. Charles M. Schwab, in his sworn testimony before the Ways and Means Committee on December 15, 1908, when asked the question, "How much lower did American manufactured steel rails sell for abroad as compared with what they sold for at home?" answered, "I should say probably $10." When asked, "It is a habitual process to sell them cheaper abroad, is it not?" he replied, "Yes, sir; and a very wise process." (Tariff Hearings, 60th Cong., pp. 661, 662.)

Mr. Gary, head of the steel trust, the next day at the same hearings testified that in 1905 the export price of steel rails was $20.98, which was $6.39 less than the home price.

Mr. H. F. Lyman, in a letter to the Ways and Means Committee, says: "He had seen prices on wire quoted by the American Steel and Wire Company from their London office to wire-rope manufacturers in England which were nearly 50 per cent less in price than the prices he found existing at the same time on the same grade of wire in this country."

Mr. Samuel M. Nicholson, president of the Nicholson File Company, known as the "file trust," acknowledged, on January 15, 1909, in his evidence before the Ways and Means Committee, that his company sold files in the United States for 25 to 28 per cent more than those they sold in Germany. (Hearings, pp. 2202, 2203.)

On November 10, 1908, Mr. N. B. Arnold, of the Keystone Varnish Company, of Brooklyn, N. Y., representing the Varnish Manufacturers' Association, gave testimony before the Ways and Means Committee asking that the presenting duty on varnish be retained. He also gave evidence as follows:

"Mr. COCKRAN. But, as a matter of fact, you are able to compete with the foreigner?

"Mr. ARNOLD. Absolutely. We go into foreign countries and compete with the world. We sell the goods, and those shipments are increasing from year to year, the goods being sold at a profit. There is no dumping ground for varnish. I have sold goods in foreign countries all over the world myself as far back as 1882. I do not believe this story about giving away goods to get rid of them. I will say that I sold sewing machines in 1882 abroad at a price of $19.50 for the same machines that were selling in this country for $65, and they were not made anywhere else excepting in this country. And I will say, too, that I made money out of it.

"Mr. COCKRAN. Where did you sell them?

"Mr. ARNOLD. In South Africa.

"Mr. COCKRAN. At a profit?

"Mr. ARNOLD. Yes.

"Mr. COCKRAN. There was some difference in the profit between Africa and America, was there not?

"Mr. ARNOLD. Yes.

"Mr. POU. And the same kind of machines were sold as here?

"Mr. ARNOLD. Yes; and at a price of $65. I sold plows in South Africa for $8.50 that you could not buy for less than $12.50 up to $20 in this country. And I say that all this rubbish about dumping goods in foreign countries is nonsense. I have been connected with the foreign business, as I say, for three years, and I want to say that I can do better business here than I can over there. I have been over there looking the situation over, and there is nothing in it."

Similar testimony on other articles will be found in the tariff hearings, amongst which are:

TULIO LARRINAGA, prices in Porto Rico (pp. 4145, 4146).
Charles De Witt, corkscrews (pp. 6586, 6587).
Von Lengerke & Detmold, shotgun shells (pp. 6651, 6652).
Winchester Bennett, ammunition (p. 6657).
J. Fritz Brind, safety fuse (p. 6660).
Lau & Co., mining fuse (p. 6665).
R. L. McCormick, lumber (p. 3005).
E. B. Walden, cornstarch (pp. 4240, 4241).

STANDARD OIL TRUST.

The Report of the Commissioner of Corporations on the Petroleum Industry, part 2, published in August, 1907, says, on page 317:

"In the discussion of the foreign-oil trade (Pt. III) it will be made clear that the prices of American oil in the chief export markets have been dictated by the Standard. During 1904 and the first nine months of 1905 foreign prices of American oil were depressed to an unusually low level, a level much below that in the domestic market. While this reduction of foreign prices may have lowered the aggregate profits of the Standard, this is no excuse for the maintenance of exorbitant prices in the United States. It was the voluntary policy of the Standard, and constituted an unfair discrimination against the domestic consumer."

The report gives detailed comparisons of prices, both domestic and for export, and "the movement of prices in the domestic market, at least since 1897, has been widely different from the movement of the New York export price. The latter does not begin to show the enormous advance which has taken place in the domestic trade." For Germany, the report says (p. 372):

"This table shows that the prices of oil in Germany have been constantly at a lower level than prices in the United States, the difference (after allowing for difference in quality) ranging from 1.11 to 2.56 cents, and averaging 2.02 cents per gallon. The excess in the United States price was particularly great from November, 1905, the average for this period being 2.17 cents. This was a period of very sharp competition in Germany. The records of the Deutsch-Amerikanische, Petroleum-Gesellschaft, the Standard's leading marketing concern there, as well as those of independent companies, show a great decline or an absolute disappearance of profits during this period, as will be shown in the part on foreign trade."

For the United Kingdom, Denmark, and the oriental countries, the report shows a similar reduction from the prices charged in the United States.

HARVESTERS CHEAPER IN NORTHERN EUROPE.

Olaf Larsen, a hardware dealer of Lynden, Kans., in a letter published in the Commoner, of Lincoln, Nebr., states how agricultural machinery is sold cheaper abroad than here. He says:

"The writer has spent several years in the employ of the International Harvester trust, the last four years of which I spent having charge of a large territory for them in northern Europe, quitting their employ about seventeen months ago; am now engaged in the hardware and implement business here. During my trips to Europe I sold to European dealers harvesting machinery f. o. b. cars at Chicago as follows: Binders, $33; mowers, $12; hayrakes, $5; and reapers for $15 less than they are sold to American dealers, besides selling the European trade a special stronger made and more durable machine than domestic types, in order to handle the heavy crops raised over there and compete with the substantially built European machines. Here the trust is free from any such competition, as our tariff imposes a prohibitive duty on machinery, namely, $85 on a self-binder."

The tariff-reform committee of the Reform Club, New York, published on May 20, 1909, a pamphlet entitled "Protective Favors to Foreigners," by James G. Parsons, secretary of the tariff-reform committee, and, under the head of "Prices from the export commission houses," says:

"In addition to the great volume of exportations which a number of the big trusts and manufacturing concerns make directly through their own export departments and which have been referred to above, the export commission houses are constantly sending out a great quantity and variety of miscellaneous manufactured goods and specialties of all sorts. By far the larger part of the exportations of the great number of smaller manufacturing establishments, as well as of a considerable number of very large ones, are made through these export houses. These are apparently not quite as numerous as they were a few years ago, because the big trusts are doing more of their own export business themselves, but there are yet between two and three hundred export concerns in New York. Some of the largest of these publish weekly or monthly export trade journals, which circulate only in foreign countries, and which, besides giving descriptive articles, serve as catalogues and price lists through the announcements in their advertising columns and elsewhere.

* * * * * * *

"Of all the export journals, the Exporters and Importers' Journal gives by far the most comprehensive assortment of export prices. At the publication offices of all the export journals precautions are taken to prevent copies from getting into the hands of any domestic buyers or inquirers. The greatest precautions are observed at the office of the Exporters and Importers' Journal. It is very difficult for anyone but a subscriber or advertiser to obtain a copy of this periodical. If a copy is obtained in this country, it contains only the list prices in the department of prices current for export, which is the journal's most important feature. The key to the actual prices of these articles is given only in a separate special discount sheet, which is inserted only in the copies of the journal actually mailed to a foreign country. This sheet contains several hundred discounts arranged in columns, each discount opposite a number, each number referring to a certain part of the list of prices current in the journal, so that, with the discount sheet and journal together, the actual selling prices of the articles listed can be determined.

* * * * * * *

"A copy of the issue of the Exporters and Importers' Journal for January 16, 1909, with the discount sheet to make it complete, has very recently come into the possession of the tariff-reform committee through a correspondent abroad. A number of manufacturers' export price lists were also obtained to corroborate and supplement the figures given in this issue. The form and appearance of the discount sheet and of the list prices in the Exporters and Importers' Journal are here given.

* * * * * * *

"Table 1 shows the difference in discounts, and is therefore much more comprehensive than Table 2, which shows the differences in dollars and cents between export and home prices of certain specific articles. For example, the export discount on plumbs and levels is 70, 10, 10, 10, and 5 per cent, while the home discount is only 60 and 10 per cent. This means not merely that a particular plumb or level is referred to, but that these discounts apply to many kinds and sizes of plumbs and levels made by the manufacturer mentioned, all of which are sold for 72 per cent more in the home market than for export. Frequently, if not usually, the price lists of other manufacturers of the same articles as are here compared show about the same differences between export and home prices. It has been thought best in most cases not to publish the names of the manufacturers whose prices are quoted."

TABLE I.—*Showing differences in discounts between export and home prices.*

[By James G. Parsons, Senate Document No. 54, Sixty-first Congress, first session.]

Articles and description.	Export discount from list.	Home discount from list.	Per cent difference.
Auger bits:	*Per cent.*	*Per cent.*	
Irwin's solid center	60, 10, and 10	50 and 10	39
Snell's	70	60	33⅓
Snell's "King"	60 and 10	50	39
Auger handles, Gunn's No. 5, adjustable and ratchet	35	15 and 10	18
Bells, Texas cow	50 and 10	50	11
Bird cages, Hendryx's brass	50	30	40
Bolt clippers, "New Easy"	60, 10, and 5	50, 10, and 10	18
Bolts:			
Carriage, ¾ by 6 inches and smaller	80 and 10	75 and 10	25
Machine, ¾ by 4 inches and smaller	80 and 10	75, 10, and 5	19
Tire	80, 10, and 5	80	17
Borers, bunghole, Enterprise	40 and 2	25	27
Braces:			
Fray's genuine "Spofford"	70	60	33⅓
Fray's ratchet, Nos. 81-161	60 and 10	50	39
Fray's ratchet, Nos. 83-143	60 and 10	50	39
Fray's ratchet, Nos. 62-142	70	50	66⅔
Fray's ratchet, Nos. 66-166	60 and 10	50	39
Fray's sleeve, Nos. 207-214	60, 10, and 10	50	54
Fray's sleeve, Nos. 407-414	60 and 10	50	39
Fray's sleeve, Nos. 606-614	60 and 10	50	39
Fray's plain, Nos. 306-314	70	50	66⅔
Can openers, "King"	25	0	33⅓
Cartridges, rim fire	60, 10, 10, and 6	50	64
Chains, kennel	60 and 10	60	11
Coffee mills, Enterprise	40 and 10	20 and 25	11
Door rollers and hangers, Lane's	60, 10, 10, and 5	60 and 10	17
Gauges, Disston's steel and center	45	25, 7½, and 10	12
Harness snaps:			
Covert's "Trojan"	50 and 10	40	33⅓
Covert's "Yankee"	50	30 and 2	37
Covert's "Derby"	40 and 10	25	39
Lawn sprinklers, Enterprise	40 and 2	30	19
Levels, Starrett's bench and pocket	40 and 5	33⅓ and 5	11
Oilstones, "Lily White" and "Washita" No. 1	50	33⅓	33⅓
Plumbs, levels, etc., Disston's	70, 10, 10, 10, and 5	60 and 10	72
Sausage stuffers, Enterprise	40 and 2	25 and 7½	18
Saws:			
Disston's Nos. 7, 107, 107½, 3, and 1	45 and 7½	30 and 7½	27
Disston's combination	45 and 7½	30 and 7½	27
Disston's Nos. 12, 16, D8, 120, 76, 8	40 and 10	25 and 7½	28
Disston's compass and keyhole	40 and 10	25 and 7½	28
Disston's butcher	50	30	40
Disston's framed wood	50	25	50
Disston's band	70, 10, and 10	60	65
Scroll saws, Barnes's velocipede	30	20	14
Screw-drivers, Disston's electric	70, 10, 10, and 10	70	37
Smoked beef shavers, Enterprise	40 and 10	25 and 7½	28
Squares:			
Disston's try, rosewood handle	70, 10, 10, 10, and 5	60 and 10	72
Disston's steel	45	25, 7½, and 10	13
Traps, Lovell's rat and mouse	50	33⅓	33⅓
Trowels, Disston's brick	45 and 7½	25	47
Vises:			
Armstrong's plain and hinged	80 and 10	60	122
Armstrong's pipe	60	50	25
Bonney's	50	30 and 10	26

TABLE II.—*Showing difference between export and home prices of certain specified articles.*

Articles and description.	Export price.	Home price.	Difference.
Auger bits:			*P. ct.*
Irwin's solid center, 4-16 per doz	$1.30	$1.80	39
Irwin's solid center, 16-16 do	2.92	4.05	39
Auger handles, Gunn's No. 5 do	9.75	11.48	18
Bird cages, Hendryx's No. 316 do	13.00	18.20	40
Bolt clippers, "Easy" and "New Easy," No. 1 each	1.71	2.03	18
Bolts:			
Carriage, ¾ by 6 inches per 100	.60	.75	25
Machine, ¾ by 4 inches do	.57	.68	19
Tire, ¾ by 6 inches do	.65	.76	17
Braces:			
Fray's genuine "Spofford," No. 107 per doz	6.30	8.40	33⅓
Fray's ratchet, No. 81 do	10.44	14.50	39
Fray's ratchet, No. 62 do	6.90	11.50	66⅔
Fray's sleeve, No. 207 do	7.13	11.00	54
Fray's sleeve, No. 606 do	7.56	10.50	39
Fray's plain, No. 306 do	3.60	6.00	66⅔
Bunghole borers, Enterprise, No. 1 do	.74	.94	27
Can openers, "King" per gross	4.50	6.00	33⅓
Coffee mills, Enterprise, No. 1 each	1.22	1.35	11
Files, Nicholson's:			
Mill and round bastard, 3 to 4 inch per doz	.40	.64	60
Mill and round bastard 5-inch do	.48	.68	45
Mill and round bastard, 6-inch do	.59	.75	27
Flat bastard, 3 to 4 inch do	.40	.79	98
Flat bastard, 5-inch do	.48	.83	73
Flat bastard, 6-inch do	.59	.92	56
Flat bastard, 7-inch do	.75	1.03	37
Flat bastard, 8-inch do	.88	1.13	28
Flat bastard, 9-inch do	1.01	1.35	34

TABLE II.—*Showing difference between export and home prices of certain specified articles*—Continued.

Articles and description.	Export price.	Home price.	Difference.
Files, Nicholson's—Continued.			*P. ct.*
Flat bastard, 11-inch per doz	$1.51	$1.84	22
Flat bastard, 13-inch do	2.11	2.52	19
Square bastard, 3 to 4 inch do	.40	.81	102
Square bastard, 5-inch do	.48	.88	83
Square bastard, 6-inch do	.59	.98	66
Square bastard, 7-inch do	.75	1.09	45
Square bastard, 8-inch do	.88	1.18	34
Square bastard, 9-inch do	1.01	1.41	40
Square bastard, 10-inch do	1.26	1.58	25
Square bastard, 11-inch do	1.51	1.94	29
Square bastard, 12-inch do	1.82	2.18	20
Square bastard, 13-inch do	2.11	2.67	27
Gauges:			
Disston's combined steel each	.55	.62	12
Disston's center do	.17	.19	12
Harness snaps:			
"Trojan," 1½ loop per gross	2.70	3.60	33⅓
"Yankee," 1½ loop do	2.90	3.98	37
"Derby," No. 735 do	2.70	3.75	39
Lamp chimneys:			
Macbeth's No. 502 per doz	.40	.68	70
Macbeth's No. 504 do	.50	.82	64
Lawn sprinklers, Enterprise, No. 2 each	1.76	2.10	19
Levels, Starrett's 24-inch bench do	1.28	1.42	11
Plumbs and levels, Disston, No. 12 per doz	5.82	10.08	72
Pocketknife and tool kit, Ulery's per set	1.15	1.50	30
Rifles:			
Stevens's "Little Scout," No. 14 each	1.35	1.75	30
Stevens's "Maynard Jr.," No. 14 do	1.80	2.20	22
Stevens's No. 16 do	2.00	2.60	30
Stevens's "Little Krag," No. 65 do	2.50	3.00	20
Stevens's "Favorite" do	3.47	4.50	30
Sausage stuffers, Enterprise, No. 5 do	2.20	2.61	18
Saws:			
Disston's hand, 30-inch, No. 7 per doz	13.74	17.48	27
Disston's hand, 30-inch, No. 16 do	15.39	19.98	28
Disston's combination, No. 43 do	15.26	19.42	27
Disston's butcher, 24-inch, No. 7 do	8.50	11.90	40
Disston's framed wood, No. 60 do	6.00	9.00	50
Disston's band, 2-inch, 18-gauge per foot	.157	.26	65
Barnes's combined scroll and circular each	28.00	32.00	14
Screws, flat-head iron wood:			
Size, ¼ inch, Nos. 1 to 4 per gross	.034	.073	115
Size, ¾ inch, Nos. 1 to 4 do	.034	.073	115
Size, ½ inch, Nos. 1 to 3 do	.034	.073	115
Size, ¾ inch, No. 4 do	.038	.076	100
Size, ⅞ inch, No. 4 do	.04	.079	97½
Screws, flat-head brass wood:			
Size, ¼ inch, No. 1 do	.072	.136	89
Size, ¾ inch, No. 6 do	.084	.195	132
Size, ½ inch, No. 6 do	.084	.211	151
Size, ¾ inch, No. 6 do	.096	.227	136
Size, ⅞ inch, No. 6 do	.108	.251	132
Screws, round-head iron wood:			
Size, ¾ inch, No. 1 do	.034	.087	156
Size, 1 inch, No. 6 do	.06	.112	87
Size, 1¼ inches, No. 10 do	.10	.17	70
Size, 2 inches, No. 16 do	.228	.378	66
Size, 3 inches, No. 18 do	.412	.67	63
Screws, round-head brass wood:			
Size, ¼ inch, No. 1 do	.072	.168	133
Size, 1 inch, No. 6 do	.16	.329	106
Size, 1¼ inches, No. 10 do	.336	.776	131
Size, 2 inches, No. 16 do	.768	1.955	155
Size 3 inches, No. 18 do	1.24	3.645	194
Screw-drivers, Disston's electric, 12-inch per doz	1.86	1.86	37
Shoe dressing:			
Whittemore's "Gilt Edge" do	1.20	1.75	46
Whittemore's "Baby Elite" do	.60	.67	12
Shotguns:			
Stevens' No. 105 each	2.80	4.25	52
Stevens' No. 107 do	3.00	4.50	50
Stevens' No. 225 do	8.67	9.75	12
Smoked-beef shavers, Enterprise, No. 23 do	4.32	5.55	28
Squares:			
Disston's try, rosewood, 10-inch, No. 1 per doz	1.66	2.88	72
Disston's steel, 4-inch each	1.10	1.46	13
Traps, Lovell's mouse and rat, metallic per gross	5.50	7.33	33⅓
Trowels, Disston's brick, 8-inch, No. 1 per doz	4.07	6.00	47
Vises:			
Armstrong's hinged, No. 1 each	1.80	4.00	122
Armstrong's combination, with leg sockets do	6.40	8.00	25
Bonney's No. 112 per doz	2.25	2.84	26
Watches:			
Elgin movement, 20-year gold-filled case each	7.98	10.23	28
Elgin movement, silveroid case do	3.04	4.47	47
Wrenches, Hawkeye "5 in 1" per doz	3.60	4.50	25

Mr. GORE. Mr. President, I hope that this debate will not close until some Senator on the other side has explained why it is that the man who is engaged in manufacturing farming implements in the United States can not compete with the foreigner, when the man who is engaged in producing farm products in the United States must compete with the foreigners of all the earth. Farm labor in the United States is paid from 50 cents a day all the way to $1.75 a day. This is from 2 to 20 times as much as the wages that are paid to their competitors throughout the farming nations of the world. The man who produces wheat in the great wheat fields of the West

must meet the foreigner in all the markets of the civilized world. He must sell his wheat in competition with Russian wheat, which is produced by labor that is paid from 10 to 15 cents per day; he must sell his wheat in the market places in competition with wheat that is produced in India by pauper labor that is paid from 7 to 10 cents a day. The cotton farmers of the South must meet in the markets of the earth the cotton that is grown in India and in Egypt, and grown by ryots and coolies, who toil from the rising to the setting sun for the miserable pittance of from 6 to 10 cents a day.

If the farmers of the United States must compete with the half-fed, half-clad pauper laborers of the earth, then why should they be compelled to buy their implements from a tariff-protected trust, sheltered against all foreign competition?

The Senate has not extended, and the Senate can not extend, any beneficial protection to the farmers of the United States. I am well aware that the tariff on corn has been increased by this bill from 15 to 20 cents per bushel. Mr. President, I confess that I enjoy a joke, but the tariff on corn is an overdraft on my sense of the ridiculous. You might as well levy a tariff on the trade winds or impose protection upon waterfalls in order to encourage Niagara or Yosemite.

Think of it! In 1906 we produced 2,927,000,000 bushels of corn and imported only 10,000 bushels, and that principally for seed. For every 200,000 bushels which we produced we imported 1 bushel; for every 70,000 bushels produced we imported 1 peck; for every 9,000 bushels produced we imported 1 quart; for every 4,500 bushels produced we imported a pint. Terrible competition that, and the farmer must be protected against the foreigner. This tariff on corn is an insult to the self-respecting, intelligent, and patriotic producers. The farmer is not only to be crucified upon this cross of high protection, but he is being compelled to carry his own cross to his own crucifixion.

The Senator from North Dakota [Mr. McCUMBER] labored hard on one occasion to prove that wheat was higher in the United States than in Canada owing to our present tariff of 25 cents a bushel, which the Senate has generously increased to 30 cents per bushel. Some good Samaritan sent me a copy of the Chicago Record-Herald, I believe of June 12, and I desire to quote the market prices of July wheat in the hearing of the Senate. At Winnipeg July wheat was quoted at $1.30¾, at Duluth at $1.30¼, and at Minneapolis at $1.31¼. Now, sir, mark the change when you leave the Canadian line. July wheat was quoted in New York at $1.26; in Chicago at from $1.18 to $1.22, notwithstanding our protection of 25 cents per bushel. But, sir, the contrast sharpens as we proceed. July wheat was quoted in St. Louis at $1.16, 14 cents less than in Winnipeg, notwithstanding the duty of 25 cents, and in Kansas City, the market in which I feel the deepest interest, July wheat was quoted at $1.12, 18 cents less than the Canadian wheat in Winnipeg, notwithstanding your splendid protection of 25 cents per bushel.

Mr. President, the tariff on corn and the tariff on wheat are a delusion and a snare; they are intended to be a delusion and a snare; and whenever farmers complain that duties have been increased on the necessaries of life, the great statesmen of this Senate will complacently assure them that they ought not to murmur; that the farmer was not neglected; that the duties were increased on agricultural products.

These increased duties on farm products are intended to dazzle and to deceive the farmers of this country.

I repeat that, despite all your tariff protection, the farmers of the United States must meet the pauper farmers of all the earth in the market places of the earth; and I say, in God's name, since they must sell in the cheapest markets of the world, they ought to be allowed to buy their farming implements in the cheapest markets of the world. It is simply a question as to who stands higher in the esteem and affection of the Senate—the American farmer or the international trust on farming implements.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Georgia [Mr. BACON].

Mr. BACON. On that I ask for the yeas and nays.

The yeas and nays were ordered, and the Secretary proceeded to call the roll.

Mr. BRIGGS (when his name was called). I am paired with the senior Senator from Maryland [Mr. RAYNER]. I transfer that pair to the senior Senator from Oregon [Mr. BOURNE] and vote. I vote "nay."

Mr. CLAPP (when his name was called). I am paired for the present with the junior Senator from Arkansas [Mr. DAVIS]. I understand, however, that he would vote "yea" if present, and therefore I will take the liberty of voting. I vote "yea."

Mr. CLAY (when his name was called). I have a pair with the senior Senator from Massachusetts [Mr. LODGE], who is necessarily absent from the Senate. If he were present, he would vote "nay" and I should vote "yea."

Mr. FRYE (when his name was called). I am paired with the senior Senator from Virginia [Mr. DANIEL]. I make the announcement for the day.

Mr. JONES (when his name was called). I have a pair with the junior Senator from South Carolina [Mr. SMITH], who is absent on account of sickness. I transfer that pair to the junior Senator from Wisconsin [Mr. STEPHENSON] and vote. I vote "nay."

Mr. OWEN (when his name was called). I am paired for the afternoon with the Senator from Montana [Mr. DIXON]. I transfer that pair to the Senator from Arkansas [Mr. DAVIS] and vote. I vote "yea."

Mr. SIMMONS (when his name was called). I am paired for the day with the junior Senator from Illinois [Mr. LORIMER]. I am advised that if he were present, he would vote "nay." If permitted to vote, I should vote "yea."

Mr. TILLMAN (when the name of Mr. SMITH of South Carolina was called). My colleague [Mr. SMITH] is detained from the Chamber on account of illness. He is paired with the Senator from Washington [Mr. JONES].

The roll call was concluded.

Mr. SMITH of Maryland. The senior Senator from Maryland [Mr. RAYNER] is unavoidably absent to-day. He is paired with the junior Senator from New Jersey [Mr. BRIGGS]. If my colleague were present, he would vote "yea."

Mr. McLAURIN (after having voted in the affirmative). I inquire if the junior Senator from Michigan [Mr. SMITH] has voted?

The PRESIDING OFFICER. The Chair in informed that he has not voted.

Mr. McLAURIN. I am paired with the junior Senator from Michigan on this vote. If he were present, he would vote "nay" and I should vote "yea." I withdraw my vote.

Mr. FRYE. I will transfer my pair with the Senator from Virginia [Mr. DANIEL] to the senior Senator from Connecticut [Mr. BULKELEY] and vote. I vote "nay."

The result was announced—yeas 26, nays 45, as follows:

YEAS—26.

Bacon	Fletcher	Martin	Smith, Md.
Bailey	Foster	Money	Stone
Bankhead	Frazier	Newlands	Taliaferro
Bristow	Gore	Overman	Taylor
Chamberlain	Hughes	Owen	Tillman
Clapp	Johnston, Ala.	Paynter	
Culberson	La Follette	Shively	

NAYS—45.

Aldrich	Crane	Gallinger	Penrose
Borah	Crawford	Gamble	Perkins
Bradley	Cullom	Guggenheim	Piles
Brandegee	Curtis	Hale	Scott
Briggs	Depew	Heyburn	Smoot
Brown	Dick	Johnson, N. Dak.	Sutherland
Burkett	Dillingham	Jones	Warner
Burnham	Dolliver	Kean	Warren
Burrows	du Pont	McCumber	Wetmore
Burton	Elkins	Nixon	
Carter	Flint	Oliver	
Clark, Wyo.	Frye	Page	

NOT VOTING—21.

Beveridge	Daniel	McLaurin	Smith, Mich.
Bourne	Davis	Nelson	Smith, S. C.
Bulkeley	Dixon	Rayner	Stephenson
Clarke, Ark.	Lodge	Richardson	
Clay	Lorimer	Root	
Cummins	McEnery	Simmons	

So the amendment of Mr. BACON was rejected.

Mr. ALDRICH. I ask that the committee amendment be now agreed to.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the committee.

Mr. BACON. What is the committee amendment?

Mr. ALDRICH. Striking out the proviso.

Mr. BACON. I understand the Senator proposes to strike out that proviso upon the ground that he anticipates the adoption of the minimum and maximum provision. I suppose if that is not adopted, he will restore the proviso.

Mr. ALDRICH. Probably.

The PRESIDING OFFICER. The pending amendment will be stated.

The SECRETARY. On page 186, paragraph 468, it is proposed to strike out the proviso.

The amendment was agreed to.

The paragraph as amended was agreed to.

Mr. MARTIN. Mr. President, I desire to offer an amendment——

Mr. ALDRICH. I suggest to the Senator from Virginia that I promised to take up the paper paragraph next; and if he will withhold his amendment for the present——

Mr. MARTIN. Very well.

Mr. BROWN. I offer the amendment which I send to the desk as a substitute.

Mr. BRADLEY. I desire to offer an amendment to strike out paragraph 333 and insert a new paragraph.

Mr. ALDRICH. If the Senator from Kentucky will wait until we dispose of the pending proposition——

Mr. BRADLEY. Why not dispose of it now?

Mr. ALDRICH. I am willing. I think it will not cause any discussion.

Mr. BRADLEY. I desire to leave the Senate, as I am not feeling very well, and I should like to have it disposed of.

Mr. ALDRICH. Very well.

Mr. BRADLEY. I offer the amendment which I send to the desk.

The PRESIDING OFFICER. The amendment will be stated.

The SECRETARY. It is proposed to strike out paragraph 333 and insert a new paragraph in lieu thereof, as follows:

333. Hemp and tow of hemp, 2 cents per pound; hemp, hackled, known as "line of hemp," 4 cents per pound.

The PRESIDING OFFICER. The question is on agreeing to the amendment.

The amendment was agreed to.

Mr. BROWN. I offer the amendment I send to the desk as a substitute for paragraph 402.

The PRESIDING OFFICER. The Senator from Nebraska offers a substitute for paragraph 402.

Mr. ALDRICH. I ask that the vote may be reconsidered by which that paragraph was agreed to——

Mr. BROWN. It never has been acted upon.

Mr. ALDRICH. That is correct.

The VICE-PRESIDENT. The amendment proposed by the Senator from Nebraska [Mr. BROWN] will be stated.

The SECRETARY. As a substitute for paragraph 402 it is proposed to insert the following:

402. Chemical wood pulp, unbleached, one-sixth of 1 cent per pound, dry weight; bleached, one-fourth of 1 cent per pound, dry weight. Mechanically ground wood pulp shall be admitted free of duty: *Provided*, That if the President shall ascertain and shall make proclamation to that effect that any country, dependency, province, or any subdivision thereof, has unduly discriminated against the United States by the imposition of an export duty or other export charge of any kind whatsoever upon any pulp wood, wood pulp, or printing paper exported into the United States, or has forbidden or unfairly restricted the exportation thereof in any way, either directly or indirectly, thereupon and thereafter there shall be imposed upon all mechanically ground wood pulp a duty of one-twelfth of 1 cent per pound, dry weight; and an additional duty upon chemical wood pulp, unbleached, of one-sixth of 1 cent per pound, dry weight; and upon chemical wood pulp, bleached, of one-fourth of 1 cent per pound, dry weight, when imported from such country, dependency, province, or any subdivision thereof, into the United States.

Mr. BROWN. Mr. President, I desire to point out the only difference between the substitute and the paragraph sought to be displaced. There is no difference with respect to chemical pulp. The Senate will observe that the proposal contained in the House measure is a reenactment of the Dingley rate, so far as pulp is concerned, at one-twelfth of 1 cent a pound. But it contains a proviso that says it may be admitted free on certain conditions and provides for countervailing and additional duties.

My substitute reverses the order by declaring, in the first place, that mechanically ground pulp shall be free; but it contains a proviso which authorizes a rate of duty of one-twelfth of a cent a pound, on condition that the rate shall go into effect after the President has investigated and ascertained and has by proclamation declared that there has been undue discrimination against us. In other words, my substitute postpones the imposition of countervailing and retaliatory duties until the President shall have ascertained the existence of undue discrimination against us. It seems to me that is better logic. It is certainly simpler in form, and I believe it ought to be adopted.

I wish to say, further, that the substitute contains one provision that is not in the House bill at all. I refer to the provision mentioned a moment ago, that the President shall be the moving power to ascertain the condition of the business and of the duties with reference to both countries. Every student of the question for the last twelve years has advocated making it a matter of treaty between the governments. This substitute gives the President authority to enter that dominion of inquiry and investigation and consideration with other governments.

I hope the amendment will be adopted.

The PRESIDING OFFICER. The question is on agreeing to the amendment.

The amendment was agreed to.

Mr. ALDRICH. I ask that paragraph 402, as amended, may be agreed to.

Mr. MARTIN. Mr. President——

Mr. ALDRICH. I hope the Senator will allow me for a moment.

The PRESIDING OFFICER. Without objection, the paragraph as amended is agreed to.

Mr. ALDRICH. I now ask that paragraph 405 be agreed to.

Mr. GORE. Mr. President——

The PRESIDING OFFICER. The Chair did not hear the Senator. What paragraph is referred to?

Mr. BROWN. Paragraph 405—the printing-paper paragraph. I ask that the proviso found on page 158, beginning on line 5, be stricken out and the following inserted as a substitute; and I will say in advance that this has the same effect with respect to printing paper that the other amendment had with respect to pulp.

The PRESIDING OFFICER. Will the Senator from Nebraska kindly indicate what he wishes to have done?

Mr. BROWN. I offer a substitute for the proviso beginning at line 5.

The SECRETARY. In lieu of the proviso in paragraph 405, on page 158, beginning on line 5, insert the following proviso:

Provided, That if the President shall ascertain, and make proclamation to that effect, that any country, dependency, province, or any subdivision thereof, has unduly discriminated against the United States by the imposition of an export duty or other export charge of any kind whatsoever upon any pulp wood, wood pulp, or printing paper exported into the United States, or has forbidden or unfairly restricted the exportation thereof into the United States in any way, thereupon and thereafter there shall be imposed upon all printing paper valued at 3 cents per pound or less an additional duty equal to the rate imposed by this section upon such paper when imported from such country, dependency, province, or any subdivision thereof, into the United States.

Mr. CLAPP. Mr. President, before the vote is taken on the substitute, I simply want to say that, personally, I am opposed to any provision whatever by which the President or anyone else shall impose a duty on paper or pulp. But I believe that both of these substitutes very much improve the House provision, and I do not care to embarrass them by any discussion at this time. I might offer substitutes after they are adopted, but I realize that it is Saturday afternoon, and that Senators are anxious to get through with the matter. I will therefore bring it up when the maximum and minimum clause comes up, or perhaps when the bill is in the Senate.

The PRESIDING OFFICER. The question is on the amendment offered by the Senator from Nebraska.

Mr. LA FOLLETTE. Mr. President, I hope we may be permitted to have the yeas and nays on this vote.

The PRESIDING OFFICER. On which the Senator from Wisconsin demands the yeas and nays. Is there a second? In the opinion of the Chair, not a sufficient number have asked for the yeas and nays.

Mr. LA FOLLETTE. I wish the Chair would again put the question to the Senate. I do not believe it is understood.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Nebraska [Mr. BROWN], upon which the Senator from Wisconsin [Mr. LA FOLLETTE] asks for the yeas and nays. Is there a second? In the opinion of the Chair, there is not a sufficient number. The question is on agreeing to the substitute.

The substitute was agreed to.

Mr. ALDRICH. I ask that the paragraph as amended be agreed to.

The PRESIDING OFFICER. The question is on agreeing to the paragraph as amended.

Mr. CRAWFORD. Mr. President, I simply wish to express the hope that at some time before these matters are finally disposed of we may have an opportunity to vote directly upon the question of admitting into this country absolutely free of duty, without these provisions, wood pulp and pulp wood. I am willing to accept this, if we can not get anything better; but I am not satisfied that we are gaining much by putting these conditions upon the admission of pulp wood and wood pulp. I say that because, whether the President does it or whether the law does it automatically, I believe that whatever duty is imposed is simply an additional tax from which there is no escape, and that it will be paid on this side of the boundary line.

The PRESIDING OFFICER. The question is on agreeing to the amended paragraph.

The paragraph as amended was agreed to.

Mr. ALDRICH. Mr. President, the Senator from Virginia has an amendment he desires to offer.

Mr. MARTIN. Mr. President, with the permission of the chairman of the committee, I desire to return to paragraph 55, on page 14.

The VICE-PRESIDENT. Without objection, the Senate will return to paragraph 55.

Mr. MARTIN. And I ask its reconsideration, with a view of offering an amendment.

The VICE-PRESIDENT. It is not necessary to reconsider the paragraph.

Mr. MARTIN. Mr. President, that paragraph places Paris green and London purple on the dutiable list at 15 per cent ad valorem. Almost the sole use of these articles is as insecticides. They are used by truck raisers all over the country, and especially by the potato growers in the States of Maine, Maryland, Delaware, and Michigan; in fact, in all the trucking districts of the country.

I think these articles ought to be placed on the free list; and I shall, later on, move an amendment in another place putting them on the free list. I now move that paragraph 55 be stricken out.

The VICE-PRESIDENT. The Secretary will report the amendment offered by the Senator from Virginia.

The SECRETARY. On page 14, strike out paragraph 55, reading as follows:

Paris green and London purple, 15 per cent ad valorem.

Mr. ALDRICH. Mr. President, I have a large number of very vigorous protests with reference to this matter from the manufacturers of Paris green and London purple. I am willing that the amendment of the Senator from Virginia shall be adopted; but the committee reserve the right to investigate the question, and may perhaps ask the Senate to reverse the action if they find it necessary.

Mr. MARTIN. Of course it will be in the power of the Senator to ask for a reversal of the action of the Senate, but I can certainly ask no more at present than that it be adopted. If a motion to reverse is made later, I shall ask to be heard upon it.

Mr. HALE. This is not a committee amendment?

Mr. MARTIN. Oh, no; it is not a committee amendment.

The VICE-PRESIDENT. The question is on agreeing to the amendment offered by the Senator from Virginia.

The amendment was agreed to.

Mr. MARTIN. I now move that an additional paragraph, to be numbered 472½, be inserted after——

Mr. ALDRICH. It had better be added to the paragraph dealing with arsenic, paragraph 488 of the free list, after the words "arsenic and sulphide of arsenic, or orpiment."

Mr. MARTIN. I would just as soon have it there.

Mr. ALDRICH. That is where it belongs.

Mr. MARTIN. I move the insertion of an additional paragraph there.

Mr. ALDRICH. At the end of paragraph 488.

Mr. MARTIN. Just add the clause there, making it paragraph 488½.

Mr. ALDRICH. No; you do not need to make it paragraph 488½. Make it a part of paragraph 488.

Mr. MARTIN. I will make it part of that paragraph, then. I move to add the words "Paris green, and London purple."

The VICE-PRESIDENT. The Senator from Virginia [Mr. MARTIN] offers an amendment, which will be reported by the Secretary.

The SECRETARY. On page 196, line 5, after the word "orpiment" and before the period, insert a semicolon and the following words:

Paris green, and London purple.

The VICE-PRESIDENT. The question is on agreeing to the amendment.

The amendment was agreed to.

The VICE-PRESIDENT. Without objection, the paragraph as amended is agreed to.

Mr. McCUMBER. Mr. President, I offer the following amendment, which has been agreed to by the committee.

The VICE-PRESIDENT. The Secretary will report the amendment.

The SECRETARY. On page 68, paragraph 194, insert, to come in after the words "ad valorem," in line 16:

Provided, however, That all machines used for the manufacture of linen or cloth from flax and flax fiber imported prior to January 1, 1912, shall be admitted free of duty.

The VICE-PRESIDENT. The question is on agreeing to the amendment offered by the Senator from North Dakota.

Mr. DOLLIVER. I wish to know the effect of the amendment.

Mr. McCUMBER. It refers to machinery for the manufacture of flax fiber into any kind of cloth. There is no such machinery manufactured in the United States at the present time, and a number of contemplated establishments desire to install their machinery this year.

Mr. KEAN. Every flax manufacturer in the country has paid 45 per cent on his machinery.

Mr. McCUMBER. There is not any machinery of this kind manufactured in the United States.

Mr. KEAN. But all that has been brought in has paid 45 per cent.

Mr. McCUMBER. That may be; but there is none being brought in now.

Mr. KEAN. Do you not think you are working a great injustice to the people that have paid 45 per cent duty on their machinery?

Mr. McCUMBER. No; I do not.

Mr. KEAN. I do.

Mr. McCUMBER. I do not, in the case of this character of machinery, as long as it is not manufactured in the United States.

Mr. ALDRICH. Mr. President, I will say to the Senator from New Jersey that the committee will examine this amendment, and see that no machinery that has heretofore been imported shall be discriminated against.

Mr. BURTON. Mr. President——

Mr. DICK. Mr. President——

The VICE-PRESIDENT. Does the Senator from North Dakota yield to the junior Senator from Ohio?

Mr. BURTON. I yield to my colleague.

Mr. DICK. What is the character of this machinery? In the first place, is it patented machinery?

Mr. McCUMBER. I can not say whether the machinery is patented or not. I simply know, from the information I get from the companies that desire to use the flax fiber in Minnesota, in North Dakota, and in Michigan, that they wish to import this machinery free until they can establish their business.

Mr. DICK. Is it machinery of a very complicated character?

Mr. McCUMBER. I do not know much about the machinery.

Mr. NELSON. Mr. President, I think it is the machinery described in the volume I have in my hand.

Mr. McCUMBER. No; it is not. This is flax machinery.

Mr. DICK. Is all the machinery used for that purpose now machinery that is imported?

Mr. McCUMBER. There is none now manufactured in the United States, according to my information, and there never has been any.

Mr. DICK. And all that has been imported heretofore has paid 45 per cent duty?

Mr. McCUMBER. I do not know what character of the machinery has been introduced heretofore, because there has been very little, if any, of this kind imported.

The VICE-PRESIDENT. Now, does the Senator from North Dakota yield to the junior Senator from Ohio?

Mr. McCUMBER. I do.

Mr. BURTON. I do not fully understand what is included in this paragraph. Does it admit lace-making machines free of duty until July 1, 1912?

Mr. McCUMBER. Up until 1912; no longer. That gives us only a year and a half.

Mr. BURTON. The Senator from North Dakota is in error in stating that no machines of this nature are manufactured in this country.

Mr. McCUMBER. Not only is that the information I get from the American Society of Equity, a farmers' association which has looked into the matter, but the Senator from Michigan wired to ascertain whether any of this machinery is manufactured in the United States, and he got the same response—that there is none manufactured here.

Mr. BURTON. I am informed that an establishment for making that class of machinery is now under way, if not already completed, at Elyria, Ohio. They wrote to inquire about this paragraph, and have relied upon it in the form in which it stands in the bill. It seems to me this is a very dangerous exception to make.

Mr. McCUMBER. In this short period of time, Mr. President, there will be very little of this machinery imported. I should like to call the Senator's attention to the fact that the whole question of whether or not we can manufacture the flax fiber that is raised in the States I have named into cloth, linen, and so forth, is an uncertain question in the development of the industry. Undoubtedly it will be quite a while before it can be made to pay, and at most it is only in the experimental stage. It seems to me we ought to encourage these experiments and make the cost of the attempt as reasonable as possible in view of the fact that it may result in loss and failure.

Mr. BURTON. I can not agree with the Senator from North Dakota that three years—from July 1 next until July 1, 1912—is only a short time. It is three years; and that is long enough——

Mr. McCUMBER. It will only be two years and a half, Mr. President.

Mr. BURTON. That is long enough to destroy a new industry that has relied on the law as it has been for years, and as it is now. I see no reason for this favoritism, for bringing in

free this kind of machinery, when all other varieties of machinery of the same class are made dutiable; and I must enter my decided protest and my opposition to the passage of this amendment.

Mr. McCUMBER. Mr. President, when the Senator states that a factory for making machinery of this kind is being built by manufacturers of this country, does he not refer to lace-making machinery, and not to flax machinery?

Mr. BURTON. It is a factory for the manufacture of lace-making machinery. I asked the Senator from North Dakota the direct question whether the amendment included lace-making machinery, and I understood him to answer in the affirmative.

Mr. McCUMBER. My amendment has nothing to do with lace-making machinery.

Mr. BURTON. I certainly misunderstood the Senator from North Dakota then; for that was the direct question I asked.

Mr. McCUMBER. No; it is only for the manufacture of flax straw into linen cloths, not lace articles.

Mr. BURTON. It has nothing to do with lace making, then?

Mr. McCUMBER. Oh, no; nothing at all.

The VICE-PRESIDENT. The question is on agreeing to the amendment offered by the Senator from North Dakota [Mr. McCUMBER].

Mr. CRAWFORD. Let us hear it read.

The VICE-PRESIDENT. Without objection, the amendment will again be reported.

The SECRETARY. In paragraph 194, after the words "ad valorem," in line 16, insert:

Provided, however, That all machines used for the manufacture of linen or cloth from flax and flax fiber, imported prior to January 1, 1912, shall be admitted free of duty.

Mr. SMITH of Michigan. This is not a new proposition——

Mr. ALDRICH (to Mr. SMITH of Michigan). The amendment has been agreed to.

Mr. HALE. I offer the amendment I send to the desk.

The VICE-PRESIDENT. Is it an amendment to the amendment?

Mr. ALDRICH. The amendment was agreed to, I thought.

The VICE-PRESIDENT. Oh, no. The question has not been put upon the amendment.

Mr. ALDRICH. I ask that it may be put.

The VICE-PRESIDENT. The question is on agreeing to the amendment offered by the Senator from North Dakota [Mr. McCUMBER].

The amendment was agreed to.

Mr. GORE. Mr. President——

Mr. HALE. Let my amendment be acted upon.

Mr. ALDRICH. I ask that the paragraph be disposed of.

The VICE-PRESIDENT. The Chair will recognize the Senator from Oklahoma in a moment. The Senator from Maine offers an amendment, which will be stated.

The SECRETARY. On page 167, at the end of paragraph 412, and the amendment already agreed to at that place, insert the words:

The rates fixed by this paragraph shall take effect November 1, 1909.

The amendment was agreed to.

Mr. GORE. I desire to offer an additional paragraph to this schedule——

Mr. ALDRICH. That is not now in order, I suggest.

Mr. BEVERIDGE. Not until the paragraph is disposed of.

Mr. BACON. Mr. President——

Mr. ALDRICH. This paragraph should be disposed of first, and then the committee amendments will be first in order.

The VICE-PRESIDENT. The Chair does not know what it is that the Senator from Oklahoma desires to do.

Mr. GORE. I desire to offer an additional paragraph to the print-paper schedule. I attempted to get recognition of the Chair when we were on that schedule, but was unsuccessful.

Mr. ALDRICH. All the print-paper paragraphs have been disposed of, and the amendment would not now be in order.

Mr. BACON. Mr. President——

Mr. GORE. I attempted to obtain recognition, but the occupant of the chair changed before I succeeded.

Mr. ALDRICH. I have no objection to the paragraph being read, that we may know what it is about.

The VICE-PRESIDENT. The only way to reach it is by unanimous consent, which is what the Senate is doing now—jumping from one place to another. No regular order is being pursued.

Mr. ALDRICH. I ask for the regular order.

The VICE-PRESIDENT. Does the Senator from Rhode Island demand the regular order?

Mr. ALDRICH. I do.

The VICE-PRESIDENT. Will the Senator from Rhode Island kindly indicate what is the regular order?

Mr. ALDRICH. The question is on agreeing to the paragraph just amended.

The VICE-PRESIDENT. The Senator from Rhode Island is correct about that. The question is on agreeing to the paragraph to which an amendment has been accepted.

Mr. BEVERIDGE. I move to amend the paragraph in line 10 by inserting after the words "cash registers" the words "15 per cent ad valorem."

The VICE-PRESIDENT. We are not on that paragraph at all.

Mr. BEVERIDGE. Yes; indeed we are.

The VICE-PRESIDENT. We are attempting to approve paragraph 412.

Mr. BEVERIDGE. One hundred and ninety-four is what we are on.

The VICE-PRESIDENT. The Senator from Maine has since offered an amendment to another paragraph, which amendment has been accepted, and the question now is on the approval of the paragraph as amended.

Mr. HALE. That is all.

Mr. ALDRICH. I ask that it be done.

Mr. BEVERIDGE. What paragraph?

The VICE-PRESIDENT. Paragraph 412.

Mr. BEVERIDGE. Then, the Senator from Maine jumped to another paragraph?

Mr. HALE. I did.

Mr. BEVERIDGE. Ah, yes; I understand.

The VICE-PRESIDENT. The question is on agreeing to the paragraph as amended.

Mr. BEVERIDGE. What is that?

The VICE-PRESIDENT. Paragraph 412.

The paragraph as amended was agreed to.

Mr. BEVERIDGE. I renew my amendment.

The VICE-PRESIDENT. The Chair would suggest that we first dispose of the matter of the Senator from Oklahoma.

Mr. BEVERIDGE. It is not in order. The Senator from Rhode Island has called for the regular order.

Mr. BACON. I have several times addressed the Chair. I desire to be heard on that question.

The VICE-PRESIDENT. The Chair desires to inquire, if he may, of the Senator from Rhode Island, what he now considers the regular order?

Mr. ALDRICH. Paragraph 194 was not disposed of, I think. I may be mistaken. The amendment of the Senator from North Dakota was agreed to, but the paragraph as amended was not.

Mr. BEVERIDGE. That is correct. Then, the Senator from Maine put in an amendment to another paragraph, which left paragraph 194 amended, but not agreed to.

The VICE-PRESIDENT. The statement is correct. The perfection of paragraph 194 is the regular order.

Mr. BEVERIDGE. I renew my amendment.

Mr. BACON. Mr. President——

The VICE-PRESIDENT. In one moment. The Secretary will state the amendment.

The SECRETARY. After the words "cash registers," in line 10, insert "15 per cent ad valorem."

Mr. BACON. I do not desire to interfere with action upon the amendment, but when it shall have been disposed of I wish to say something on the other question.

The VICE-PRESIDENT. The question is on agreeing to the amendment offered by the Senator from Indiana.

Mr. BURTON. Mr. President——

Mr. ALDRICH. I hope the Senator from Ohio will allow this amendment to go in. I assure the Senator that the committee will, before final action is taken, carefully consider the matter.

Mr. BURTON. I have no objection to that if it is requested. But this is rather an unusual proceeding—to allow an accusation of this kind, when the accused should at least have a chance to be heard in defense, to influence the action of the Senate in changing a duty. Under the promise, however, of the Finance Committee I am willing that the amendment be adopted. I presume it makes very little difference to the company whether the duty is 30 or 15 per cent.

Mr. DICK. Mr. President, I want to understand the assurance of the chairman of the Finance Committee. I did not hear it when it was made.

Mr. ALDRICH. I made the request that the amendment be allowed to go in, but with the understanding that before final action the committee would carefully examine whether or not the rate ought to be reduced.

Mr. DICK. Is not this practically final action?

Mr. ALDRICH. I think not. The bill will have to be considered in the Senate and in conference. There are several important stages, I think, through which the bill must go before it is finally passed.

Mr. DICK. I appreciate, however, that each step taken removes us just that much further from a fair consideration of the subject. When the matter was up a day or two ago we understood that before it would be disposed of a full hearing would be given to all parties in interest. I think, under that agreement, the Senator from Indiana ought not to press his amendment at this time, but should wait until such hearing has been given and there has been such consideration by the committee as will warrant a recommendation on its part.

Mr. BEVERIDGE. Mr. President, if I was not absolutely sure that the manufacturers themselves could not by any possibility be injured by this rate on cash registers, and if I was not sure, to a moral certainty, that even they themselves, for the reasons given, would not object to 15 per cent or even to having all of the duty taken off, I certainly would be willing to let it go over. But in view of the fact that there are absolutely no importations, and of difference in the prices abroad and here, and of the unquestioned fact that 15 per cent is abundant and not even needed by this company, I think we may as well dispose of it now.

Mr. BURTON. Will the Senator from Indiana yield to me for a question?

Mr. BEVERIDGE. Certainly.

Mr. BURTON. Is he willing to state to the Senate the source of his information on this subject? Is it not true that it came from the attorney of a rival corporation——

Mr. BEVERIDGE. I do not know a thing about that.

Mr. BURTON. Between which and the National Cash Register Company there is a bitter feud?

Mr. BEVERIDGE. It came, I will say, from a man of the very highest credibility. What his relations are to any rival of the Dayton Cash Register Company I do not know; and I never did know until you suggested it just now. The question, however, is whether or not any of these statements of fact are untrue. One or two statements that I got and asked about were stated to me by a Senator on the floor as I was speaking who himself had had experience with this company.

Mr. BURTON. Did not the informant of the Senator from Indiana admit that he was the attorney for a rival corporation?

Mr. BEVERIDGE. He never said a word to me about being the attorney of a rival organization.

Mr. BURTON. Did not the Senator from Indiana know that?

Mr. BEVERIDGE. No; I did not.

Mr. BURTON. He was an attorney, was he not?

Mr. BEVERIDGE. I do not know whether he is an attorney or not. The Senator knows perfectly well who it was, and the Senator knows that he is reliable. But that is aside from the point. The question is whether or not it was true. I am assured it was. A part of the information came from one of the Senators sitting right behind me while I was speaking.

Mr. BURTON. Did the informant of the Senator from Indiana claim to be a friend of the public?

Mr. BEVERIDGE. No; he made no claim of being a friend of the public. But, as a matter of fact, I think he was a friend of the public.

Mr. BURTON. If my colleague will yield to me, I want to state the facts in regard to this matter. I know them to be that the informant, who was the attorney of the rival company, trying in every way to destroy the business of the National Cash Register Company, went to the Senator from Indiana, believing that if they destroyed that they would build up their own, and apparently the Senator from Indiana listened to a prejudiced party seeking to do them an injury.

I do not object to this matter being passed on by the Senate, but I do object to the precedent that we are to act upon information that is conveyed to the Senate in that kind of a way. I do not question the good faith of the Senator from Indiana, although I think he displayed an unusual degree of enthusiasm against this company and in action against it; but I think it is time to question whether that is a proper basis to act upon in the Senate.

Mr. BEVERIDGE. Mr. President, I displayed not any more enthusiasm than I am accustomed to show upon a question involving a public duty. The question is not at all where the source of information was. The Senator knows full well that it was brought by a man as highly reputable as any man of his acquaintance. His connection as an attorney of an independent company is something I knew nothing about; and it would not have affected me one way or the other if I had known. That is not the question. The question is whether it is true.

Do I understand that the Senator from Ohio is in the attitude of defending that corporation? I have always known that it is one of the most model plants of the world from an industrial and sociological point of view. That does not excuse it for its outrageous business practices. I do not wish to bring up the matter unless the Senator wants to.

Mr. BURTON. I say, whether the accusations are true or not, they are of so serious a nature that, unlike the Senator from Indiana, I am unwilling to come to a conclusion upon them until a thorough investigation of the facts has been made. I would not be willing now to listen to the officers even of the cash register company without further information. I certainly would not listen to a lawyer who came here for the express purpose of injuring the business of another company.

Mr. BEVERIDGE. Even aside from its business practices, not one allegation of which can be questioned as far as that is concerned, the reduction of this duty rests upon the fact that there is not a single one of these machines imported, though these very identical machines are now selling in England at precisely half the price. That is proved by the price lists here in America and in England. When the question came up the Senator from Rhode Island, I think, at once stated that the cash registers, which heretofore had not appeared by name in our tariff bills, were inserted here as a matter of classification. Formerly they came in under "Manufactured machines not specifically classified." That is how they had, then, a duty of 45 per cent. In order to make a better classification they were put in here.

The Senator never had had his attention called to it; there had been no hearings upon it, and it went into the bill at 30 per cent as a matter of classification. But upon those facts the Senator from Ohio would not suggest that more than a duty of 15 per cent should go on. If that would injure this enormous corporation, it would certainly a great deal more injure any little corporations or factories or firms that are trying to make cash registers.

Mr. BURTON. Mr. President, the objection is that it is not facts, but imagination—accusations that are made by an enemy. I must enter my decided opinion that that is not a proper way in which to settle a tariff schedule.

In view of the form that this discussion has taken I am inclined to ask for a vote upon this subject, if it is taken now, or it can be postponed for a fuller and freer discussion in the future.

Mr. BEVERIDGE. I join the Senator in asking for a vote.

Mr. BURTON. We have heard hardly a word from this company. I have not investigated the facts relating to its business, the amount of importations, if any, and the prices charged abroad, but I do not think the Senate ought to accept some photograph brought in here by an attorney for a rival concern—an establishment that is more than a rival concern; it is a vicious opponent.

Mr. BEVERIDGE. Does the Senator——.

Mr. BURTON. As they rely not upon facts——

Mr. BEVERIDGE. Does the Senator deny that these very machines are selling in England at exactly one-half what they are selling here?

Mr. BURTON. I do not know the facts about it, but I do not believe they are. In the first place, they would have to be of a different model, and they would have to be marked, as is very obvious, in pounds, shillings, and pence. The Senator from Indiana is very ready to accept that statement when it comes to him from a partial and prejudiced source. I am not equally willing to accept such statements.

Mr. BEVERIDGE. I am relying for my source of information upon a man with whom the Senator can settle himself. He knows as well as I do that a more reputable and honorable man does not live in the world. But that aside, there are two facts to which nobody can make objection. One of them is that this machine is sold in England for half it is sold here, and, second, not a single machine is imported.

Mr. McCUMBER. Will the Senator give me a little information further on this subject?

Mr. BEVERIDGE. If I can.

Mr. McCUMBER. I understand that the National cash register is a patented article.

Mr. BEVERIDGE. I think it is.

Mr. McCUMBER. Therefore the same article could not come from a foreign country here. The competition must necessarily be another character of a cash register manufactured in a foreign country. If I understand the Senator correctly, the National cash register is sold, we will say, in England for one-half as much as it is sold in the United States.

The Senator, I think, rightly assumes, therefore, that it could not be manufactured abroad or manufactured, at least, for 50 per cent of its present selling price.

Mr. BEVERIDGE. No; I did not say that.

Mr. McCUMBER. I assume that would follow.

Mr. BEVERIDGE. No.

Mr. McCUMBER. And sold at a profit.

Mr. BEVERIDGE. The facts, as I understand them to be, are that this machine is sold in England at one-half of what it is sold for here; that it is shipped to England, and the manufacturer sells abroad——

Mr. McCUMBER. It is not sold at a loss.

Mr. BEVERIDGE. Of course not; I assume not.

Mr. McCUMBER. I have reason to believe that they are making a machine that can be manufactured as cheap as can be made here. If they can be manufactured and sold for just one-half of what they are sold for here, then we are levying a duty at the present time under the law of 30 per cent. Why can not the foreign manufacturer come in and still make a good profit, because he has still 70 per cent above the 30 per cent to compete against the National cash register, and if he does not compete against the cash register with a spread of 30 cents above what he could sell it for, what is the reason?

Mr. BEVERIDGE. According to that argument——

Mr. McCUMBER. I am asking for information. That conclusion is my own.

Mr. BEVERIDGE. The Senator's last statement was not a matter of information. It was a matter of reasoning.

Mr. McCUMBER. I want to know why they can not do it?

Mr. BEVERIDGE. According to that reasoning, they would have been wiped out of existence already. As a matter of fact there is not one single machine that is imported into this country. On the other hand, we are immense exporters.

Mr. McCUMBER. I assume they are not imported. The duty at present is 45 per cent. What I mean is this: If we make that duty 30 per cent, they could still have a spread of 70 per cent above what is necessary now for reasonable profit, provided they can sell it now for 50 per cent less than they are selling in the United States.

Mr. BEVERIDGE. That would mean that this same company would make their machines here and send them abroad and then send them back here, or if they manufactured abroad they would send them here and sell them in competition with themselves, which is a reductio ad absurdum.

Mr. McCUMBER. I hope the Senator will not assume that I have made a statement of that kind. I am speaking of any competing company that would be inclined to take advantage of our markets upon a reasonable duty and import. The point I want to make is that they could still have paid a duty of 30 per cent and have 70 per cent above that before they would reach the American price. Therefore they could come in under the new law and cut down the price 70 per cent without reference to the duty.

Mr. BEVERIDGE. Mr. President, that argument could have been made very much more to the point this morning. It seems to have been demonstrated this morning and yesterday that agricultural implements of a certain kind can be manufactured abroad much cheaper than they can here.

The International Harvester Company gets more abroad than it does here for a certain class of machinery. If the Senator had applied that reasoning to agricultural implements, he would have raised the duty from 15 per cent to 30 per cent. Now, in voting on that we placed only 15 per cent on agricultural implements. Why should we not also place 15 per cent on another machine of which there has never been one imported into this country, in which there is one of the most complete monopolies of the country, and which exports machines made here and sells them in England at half the price they charge the American purchaser?

Mr. TILLMAN. Is the Senator from Indiana certain that they make cash registers in England?

Mr. BEVERIDGE. Oh, yes; they use them. They are sold there; they are made here. They are shipped to England. The price of the freight from where they are made to New York and from there by ship is added, the insurance is added, and they are taken to England and sold there for half they are here, according to their price lists.

Mr. BURTON. May I ask again the Senator from Indiana where he received that information?

Mr. BEVERIDGE. Merely from the price lists.

Mr. BURTON. Where is their agency for them in England and where are they used? Does the Senator from Indiana know anything about that?

Mr. BEVERIDGE. I assume that they are used in England in stores and shops, just as they are here.

Mr. BURTON. Does the Senator from Indiana know whether there is a manufactory for them in England?

Mr. BEVERIDGE. I understand not, but an assembling factory, where machines made here are taken over there and assembled.

Mr. BURTON. Who furnished the Senator from Indiana the prices?

Mr. BEVERIDGE. The same source the Senator knows. The Senator has asked that question several times. He is just as familiar with the source as I am myself. I ask the Senator to state whether or not the gentleman, whom he knows much better than I do, is not as honorable and reputable a man as he knows in the world?

Mr. BURTON. I do not wish to deny that he is a very honorable man. I think his course, however, in this matter has not been entirely within the limitations in which a lawyer should act.

Mr. BEVERIDGE. That is not a subject of discussion with me. I never knew until this moment of a lawyer being in the concern. The Senator knows much better than I do, and he knows perfectly well that a more reputable and honorable gentleman never lived.

Mr. TILLMAN. Before the Senator takes his seat I wish to ask him if he has ever been in Dayton, Ohio?

Mr. BEVERIDGE. Oh, yes.

Mr. TILLMAN. And has he been to the National cash register factory?

Mr. BEVERIDGE. I have not. I understand that it is one of the most perfectly and admirably managed concerns from the sociological point of view.

Mr. TILLMAN. Do I understand that it is one of those puling infants begging for protection?

Mr. BEVERIDGE. The Senator can see the situation. Here it is: It is almost a complete monopoly. It has had, under an unclassified schedule, a duty of 45 per cent. Not one machine is imported or has been. It makes its machines here. It ships them to New York. It ships them across the water. It pays the freight. It assembles them in England and then sells them at half of what is paid for them here. When I asked that the rate be reduced from 30 per cent to 15 per cent I was astounded to find that proposition opposed, although even the chairman of the Finance Committee was willing to accept it.

Mr. TILLMAN. I am astounded. I have visited the factory. I know that it is one of the most perfect factories in the world; and certainly it has a monopoly practically of the world's trade in cash registers.

Mr. DICK. Mr. President, this cash-register business is an Ohio industry, not an Indiana industry. The factories of the National Cash Register Company, at Dayton, Ohio, have an international reputation for their completeness and the company a reputation for the care with which they look after those employed by them. It goes even into the cottage system of living. It has become a very great manufacturing business in that State.

I know little of its methods, and care little about it. We are dealing with the question of industries, not the conduct of the corporations conducting them. The Senate of the United States is not a criminal court to punish corporations for what they may have done in the past or what they may be engaged in at present.

A few days ago, when the Senator from Indiana offered his amendment he predicated it largely upon the fact that many years ago the junior Senator from New York [Mr. ROOT] had brought a prosecution under the federal laws against this company, and he also stated that arrangements were being made now to prosecute it further for a violation of certain federal laws.

Mr. BEVERIDGE. Mr. President——

The VICE-PRESIDENT. Does the Senator from Ohio yield to the Senator from Indiana?

Mr. DICK. Certainly.

Mr. BEVERIDGE. The Senator I know of all men does not want to misstate any Senator. What I said was not that arrangements were being made; I said I predicted it.

Mr. DICK. Well, I accept the Senator's qualification.

Mr. BEVERIDGE. It is no qualification—that is what is in the RECORD.

Mr. DICK. I still insist that it is not the business of the Senate to punish corporations in a tariff bill. The courts of justice are organized for that purpose; it is their business. If the Senator from Indiana has valid complaint to make, let him take his complaint to the courts.

That it is an important industry is already indicated by the debate so far indulged in, and the assurance of the Finance Committee a few days ago that the matter should not again be

considered in Committee of the Whole until the parties interested could be heard.

Upon that assurance, Mr. President, I shall insist on or request a debate sufficient to inform the Senate, so that a vote understandingly can be had. I think it but fair courtesy on the part of the Senator from Indiana not to insist upon the present consideration of his amendment, but to let it go over until such time as was suggested earlier in the debate, when a full hearing can be had.

Mr. GALLINGER. Mr. President, I wish to make an inquiry of the Senator from Ohio. I have had, indirectly, some knowledge of this company through a friend who has dealt with them. I am laboring under the impression that in many ways it is a model corporation. If I mistake not, it has gone to the extent of profit sharing with the employees, or at least has done something toward providing homes.

I do not know exactly what it has done, but I recall the fact that my friend, who frequently goes to Dayton, has told me more than once of the fact that this corporation is in that regard very different from the ordinary corporation. I should like to know precisely, if the Senator can state what course it pursues. Of course it has no direct bearing upon the question before the Senate, but that to my mind is worth considering.

Mr. DICK. What the Senator states has come to me also, yet I can not repeat with absolute authority that there is a profit-sharing feature to their business among those in their employ. It has been my pleasure to observe and to see the employees of this company in their cottages, which anywhere might be called fine homes, indeed, residences, in fact. Except as complaints come from competitors I have never heard any criticism of its business management; and I protest that in the settlement of this question we ought to have more than the ex parte testimony of its competitor.

Mr. BEVERIDGE. Mr. President, I submit that if a monopoly's methods of doing business in crushing out its competitors may not be mentioned in this body when we are seeking to reduce the duties, then neither should the excellence of its humanitarian efforts in its factory be mentioned for the purpose of keeping up the duties which it does not need.

It was about the last suggestion of the Senator from Ohio, and it was at his request the other day, that I did not then ask for a vote, but allowed it to go over as a matter of courtesy. That has given more than perhaps a week of time for this company, in case it desires to have the duty retained, to appear here and give the reasons why it should be retained, and if it had been wronged in any way to have informed the Senators from Ohio, so that they could have corrected it before the public.

But now that it has had that time and not a step has been taken by it, not even by communication to the Senators which those Senators can give to the Finance Committee, I submit that the reasons which before induced me to let the matter go over do not now exist. It has had its time. The Senator from Rhode Island himself asked that this amendment of mine should be accepted; that the committee would consider it very carefully, and if any wrong or injury had been done, they would grant the remedy later on. I think if anybody can be trusted to see that any injury caused by a reduction of duty would be remedied, it would be the Senator from Rhode Island.

Now, Mr. President——

Mr. DICK. I just want to interject long enough to say that the Senator from Indiana does not more highly regard the promise of the Senator from Rhode Island than I do.

Mr. BEVERIDGE. I think that is true.

Mr. DICK. But this I feel—that when a vote of this kind is taken, it removes just that much further from possibility an equitable adjustment of the question under consideration.

Mr. BEVERIDGE. The Senator seems to think——

Mr. DICK. I do not want to prejudice the right of these people in the consideration of this matter, and I will not agree to do so until they have had a chance to be heard respecting their interest in this bill.

Mr. BEVERIDGE. Mr. President, it has been about a week ago or more——

Mr. DICK. The Senator is mistaken about that.

Mr. BEVERIDGE. How long ago?

Mr. DICK. I should say not over three or four days.

Mr. BEVERIDGE. The Senator is entirely mistaken.

Mr. DICK. It has not been a week.

Mr. BEVERIDGE. Oh, yes; more than a week. The Senator has had all that time. Has the National Cash Register corporation protested to him against a reduction of this duty?

Mr. DICK. Mr. President, if I may interrupt again, if the demand for this reduction in rates had come from the purchasers of cash registers, if there were great numbers of petitions, letters, and resolutions, as has been the case in reference to many of the schedules of the bill, the Senator might feel the responsibility of insisting upon its immediate consideration; but confessedly no one has appeared here, except only the attorney representing some competitor of this company, whom he aims to injure by a reduction of the rates.

Mr. BEVERIDGE. Well, Mr. President, the answer to that at once comes that if this gentleman, who has been admitted by the junior Senator from Ohio [Mr. BURTON] to be as honorable and reputable a man as lives, and whom the senior Senator from Ohio [Mr. DICK] knows to be the same—if it be true that he was the attorney for a rival corporation, then certainly he was not going to be asking for a reduction of duty that would hurt his corporation more than it would hurt this. That is the answer to that.

Mr. DICK. Mr. President——

Mr. BEVERIDGE. Pardon me; I will yield in just a moment.

The Senator from Ohio says that there has been no demand for this legislation from any of the purchasers of these machines. Mr. President, if we waited until we got letters from the people who buy the various things covered by this bill before we ever reduced duties, we should never reduce them. In the first place, most of the purchasers do not know about the facts until they are made public. When they find them out there is a howl about them. In the second place, people go along and buy the things they consume from day to day. These consumers are not enormous interests—they are small consumers—who are interested in coming here and making their applications for increased or for reduced rates or for a free list when it benefits them. There are great interests that do come here and make their wishes known. The consumers are the 90,000,000 American people; and because each one of those 90,000,000 does not write the Senator from Ohio that he objects to a certain rate he is paying and that he wants the tariff reduced, then, according to the Senator, there is no demand for this on the part of the people.

Mr. DICK. May I interrupt the Senator from Indiana there?

Mr. BEVERIDGE. You may.

Mr. DICK. Mr. President, I have no communication from them, and, like my colleague, I do not know that the cash register company at Dayton are not entirely satisfied with a 15 per cent rate. I do not know that they care for any rate. It is possible that their patents sufficiently protect them; but what I insist upon is that action shall not be taken until they have had their day in court. That, I think, is only a fair request.

Mr. BEVERIDGE. Mr. President, the Senator's recollection, I find on inquiry, is just 100 per cent wrong as to how long a time they have already had. I presented this matter early Saturday morning a week ago. If they had been injured by this proposed reduction, or could be injured, they have had more than enough time to get several letters here; yet the senior Senator from Ohio [Mr. DICK] says he has not heard a thing from them. Well, their business reputation is such—I think both Senators from Ohio will agree with me—that when anything is going to hurt their pocketbook, such as a reduction of the tariff, if it did, the Senators would hear from them very quickly. That is the case, is it not?

Mr. BURTON. Mr. President——

The VICE-PRESIDENT. Does the Senator from Indiana yield to the Senator from Ohio?

Mr. BEVERIDGE. Pardon me for a moment just to explain what I want. I hope the Senator from Ohio will permit me to answer, and then I will yield to him.

The other day when the matter was brought up and the case opened the statement that not one machine of this kind was imported, while, on the other hand, there are great exports and the machines are sold abroad cheaper than here, was sufficient—and that the provision was put in here as a matter of classification—to induce the chairman of the Committee on Finance himself to at once accept it. When the Senator from Ohio asked that it go over, so that he could find out whether they were going to be injured or not by this reduction in duty, I at once said, as the Senator will remember, "Certainly, as a matter of courtesy to the Senator, I will." They have had a week; and when the matter comes up again, as we are finishing the schedules, the Senator will himself see that he is not in a position to make the same suggestion with reference to letting them have a time for a hearing that he then was. I repeat, they have had a week, and the Senator says he has not heard a word from them. Now I will yield to the Senator from Ohio.

Mr. BURTON. Mr. President, I will say to the Senator from Indiana [Mr. BEVERIDGE] that I received a telegram early in the week from an officer of this company, stating that the accusations against their organization were altogether unjust, and

further stating that their senior first vice-president was absent in California and would not return until to-day, and desiring to have an opportunity until his return before they were compelled to answer. I must concede in all candor that I think they should have answered a little more promptly, though it is very natural under the circumstances that they should await the return of this superior officer of the company.

The Senator from Indiana has repeatedly challenged me here about this most intelligent and most honorable man. I do not want to bring in any name here; perhaps up to this episode I should have vouched for the attorney, whom he has mentioned in the very highest terms; but I most severely censured him last Saturday for his course in this transaction. I do not think it was fair to the company; I do not think it was fair to my colleague from Ohio or to myself. Why did he not in an open, frank way come to us? Did he think that the Senator from Indiana was less charitable and would have a more ready ear to listen to accusations? He certainly knew that neither of us had any ground for favor or partiality for the National Cash Register Company. I submit that, as an Ohio attorney, as a man somewhat associated in politics, he should have stated the case to us.

I submit also that it was not entirely becoming for a man who has not only a legal association, but a political association as well, to accept that kind of employment.

The question here is not really so much a question of the rate of duty before the Senate—whether it is 45 per cent or 30 per cent or 15 per cent—as it is a question whether the Senate will act upon information and a line of argument that would not be accepted in the court of a justice of the peace.

There has not been a single request filed before the House Ways and Means Committee for lowering these duties; not a single request before the Committee on Finance of the Senate; not a single Member of the House, so far as I know, or of the Senate, rose to suggest such a rate until the Senator from Indiana came here last Saturday and said we must cut the duty in two because it is a very bad company.

I have carefully refrained from defending this organization; but I want to say to the Senator from Indiana that in its relations with its employees, the care that it takes of them, and the skill that it displays, it is fit to be compared with any corporation, not only in the State of Indiana, but in any other State. If the managers of this company have gained unusual preeminence in the business, it has been because of their skill.

Their brain has been embodied in their patents—patents which are protected by the laws and the Constitution of the United States. There is just one thing in which they are not protected, and that is against random accusations which can be used as a ground for lowering their duties. Patents may be protected, but their character and standing can not be protected if a lawyer, engaged by another concern wishing to injure them, even though it may not build up itself, can come here with ex parte and prejudiced statements to hamper an important corporation. It may, as regards duties, probably be immaterial, but I submit the Senate should not listen to arguments of this kind.

Mr. McLAURIN. Will the Senator allow me to ask him a question?

Mr. BURTON. Certainly.

Mr. McLAURIN. I understood the Senator to say that the lawyer or the witness, whose name has not been mentioned, is a politician. May I ask if he is a Democrat or a Republican?

Mr. BURTON. I do not think the Senator had better ask that. We have a great many very fine Democrats as well as Republicans in Ohio. I presume, however, in view of this discussion it is quite likely that his name may be revealed in public in the future, but I do not want to take the responsibility of revealing it myself.

Mr. McLAURIN. I merely wanted to know whether it were a fact that even a Republican would want a reduction of the tariff, if it redounded to the benefit of a corporation for which he was the attorney.

Mr. BURTON. In their employment as attorneys for corporations the question of the tariff seems to disappear when questions of business are involved.

The VICE-PRESIDENT. The question is on agreeing to the amendment offered by the Senator from Indiana [Mr. BEVERIDGE].

Mr. BEVERIDGE. I ask for the yeas and nays.

The yeas and nays were ordered, and the Secretary proceeded to call the roll.

Mr. BRIGGS (when his name was called). I am paired with the senior Senator from Maryland [Mr. RAYNER]. I transfer that pair to the senior Senator from Oregon [Mr. BOURNE] and vote. I vote "nay." I make this announcement for the balance of the day.

Mr. CLAY (when his name was called). I have a pair with the senior Senator from Massachusetts [Mr. LODGE]. I do not know how he would vote on this question if present, and I therefore withhold my vote.

Mr. GUGGENHEIM (when his name was called). I have a pair with the senior Senator from Kentucky [Mr. PAYNTER]. I transfer that pair to the Senator from Delaware [Mr. DU PONT] and vote. I vote "nay."

Mr. JONES (when his name was called). I am paired with the junior Senator from South Carolina [Mr. SMITH]. I transfer that pair to the junior Senator from Wisconsin [Mr. STEPHENSON] and vote. I vote "nay."

Mr. OWEN (when his name was called). I wish to announce that I am paired with the junior Senator from Montana [Mr. DIXON]. I transfer that pair to the junior Senator from Tennessee [Mr. TAYLOR] and vote. I vote "yea."

Mr. SIMMONS (when his name was called). I wish again to announce my pair for the day with the junior Senator from Illinois [Mr. LORIMER].

Mr. STONE (when his name was called). I have a general pair with the junior Senator from Wyoming [Mr. CLARK]. If he were present, I should vote "yea."

The roll call having been concluded, the result was announced—yeas 31, nays 33, as follows:

YEAS—31.

Bacon	Culberson	Gamble	Money
Bankhead	Cullom	Gore	Overman
Beveridge	Cummins	Hughes	Owen
Bristow	Curtis	Johnson, N. Dak.	Shively
Brown	Davis	Johnston, Ala.	Smith, Md.
Burkett	Dolliver	La Follette	Smith, Mich.
Chamberlain	Fletcher	McCumber	Tillman
Clapp	Frazier	McLaurin	

NAYS—33.

Aldrich	Depew	Jones	Scott
Borah	Dick	Kean	Smoot
Brandegee	Dillingham	McEnery	Sutherland
Briggs	Elkins	Nixon	Warner
Burnham	Flint	Oliver	Warren
Burrows	Gallinger	Page	Wetmore
Burton	Guggenheim	Penrose	
Carter	Hale	Perkins	
Crane	Heyburn	Root	

NOT VOTING—28.

Bailey	Crawford	Lorimer	Richardson
Bourne	Daniel	Martin	Simmons
Bradley	Dixon	Nelson	Smith, S. C.
Bulkeley	du Pont	Newlands	Stephenson
Clark, Wyo.	Foster	Paynter	Stone
Clarke, Ark.	Frye	Piles	Taliaferro
Clay	Lodge	Rayner	Taylor

So Mr. BEVERIDGE's amendment was rejected.

Mr. BEVERIDGE subsequently said: Mr. President, I want to say that I shall renew my amendment in reference to cash registers when the bill reaches the Senate. I give that notice in advance. I have found since the vote was taken that several Senators did not understand the question that was voted upon.

The VICE-PRESIDENT. The question is on agreeing to the paragraph as amended.

The paragraph as amended was agreed to.

Mr. ALDRICH. I offer the amendment which I send to the desk as a new paragraph.

The VICE-PRESIDENT. Is there objection to returning to that portion of the bill? No objection is heard. The Secretary will state the amendment.

The SECRETARY. It is proposed to insert a new paragraph, to be known as paragraph 345½, as follows:

345½. All laces, embroideries, edgings, insertings, galloons, flouncings, nets, nettings, trimmings, and veils, composed of cotton, silk, artificial silk or other material (except wool), made on the lever or go through machine, multiple needle embroidery machine and Schiffli embroidery machine costing 5 cents or less per dozen yards, 2 cents per dozen yards; costing more than 5 cents per dozen yards, two-fifths of 1 cent for each cent in value, and in addition thereto on all of the foregoing, 30 per cent ad valorem: *Provided*, That no wearing apparel or articles of any description composed wholly or in chief value of any of the foregoing shall pay a less rate of duty than that imposed upon the articles or the materials of which the same are composed.

The VICE-PRESIDENT. The question is on agreeing to the amendment.

Mr. BACON. What paragraph is that?

The VICE-PRESIDENT. A new paragraph to be known as "paragraph 345½."

Mr. BACON. Has that amendment been printed?

Mr. ALDRICH. It has been printed. It was offered by me for the committee several days ago and printed. It puts specific or compound duties upon certain classes of laces. It increases the duty about 10 per cent on the present rate. It will give us additional revenue; and I hope it will enable the American manufacturers of lace to compete with the foreign product.

Mr. BACON. What is the present rate?

Mr. ALDRICH. Sixty per cent. The average rate of the amendment is about 70 per cent.

Mr. BACON. Does it cover all classes of laces?

Mr. ALDRICH. No; it covers laces made by machinery. It does not cover handmade laces at all.

Mr. BACON. No cotton laces are made by hand, are they?

Mr. ALDRICH. No; the amendment covers all laces made by machines, or practically all of them. It covers about $20,000,000 in value of importations last year.

Mr. BACON. They are the character of laces that are made out of long-staple cotton, are they not?

Mr. ALDRICH. They are made out of all kinds of cotton.

Mr. BACON. But principally out of long staple?

Mr. ALDRICH. I should say that more were made out of long-staple cotton than out of any other kind.

The VICE-PRESIDENT. The question is on agreeing to the amendment.

The amendment was agreed to.

Mr. ALDRICH. I offer an amendment to paragraph 131.

The VICE-PRESIDENT. Is there objection to recurring to paragraph 131? The Chair hears none. The amendment will be stated.

The SECRETARY. On page 39, line 8, in lieu of paragraph 131 stricken out of the House bill, it is proposed to insert the following:

131. Grit, shot, and sand made of iron or steel that can be used only as abrasives, 1 cent per pound.

The VICE-PRESIDENT. The question is on agreeing to the amendment.

The amendment was agreed to.

Mr. ALDRICH. I ask that the paragraph as amended be agreed to.

The paragraph as amended was agreed to.

Mr. ALDRICH. I desire to amend paragraph 164, page 55. I send the amendments to the desk.

The VICE-PRESIDENT. Without objection, the Senate will take up paragraph 164, to which the Senator from Rhode Island offers an amendment, which will be stated.

The SECRETARY. On page 55, paragraph 164, line 5, strike out the words "or lithographed" at the end of the line.

The VICE-PRESIDENT. The question is on agreeing to the amendment.

Mr. BRISTOW. Where is that?

The VICE-PRESIDENT. On page 55, in line 5, to strike out the last two words in the line—"or lithographed." The question is on agreeing to the amendment.

The amendment was agreed to.

The SECRETARY. It is also proposed, at the end of the paragraph, to strike out the period, add a semicolon, and insert the following:

Lithographic plates of stone or other material, engraved, drawn, or prepared, and wet transfer paper or paper prepared wholly with glycerin, or glycerin combined with other materials, containing the imprints taken from lithographic plates, 50 per cent ad valorem.

The VICE-PRESIDENT. The question is on agreeing to the amendment.

The amendment was agreed to.

The VICE-PRESIDENT. Without objection, the paragraph as amended is agreed to.

Mr. ALDRICH. I now ask that we take up paragraph 178, on page 59.

The VICE-PRESIDENT. Without objection, the Senate will now consider paragraph 178. The Senator from Rhode Island offers an amendment, which the Secretary will report.

The SECRETARY. On page 59, paragraph 178, "Hooks and eyes," in line 11, before the word "cents," strike out "four" and insert "five," so that it will read:

Hooks and eyes, metallic, whether loose, carded, or otherwise, including weight of cards, cartons, and immediate wrappings and labels, 5 cents per pound and 15 per cent ad valorem.

The VICE-PRESIDENT. The question is on agreeing to the amendment.

Mr. BACON. I have not had the opportunity to refer to the documents. I will ask the Senator from Rhode Island how that compares with the present law?

Mr. ALDRICH. It is a reduction from the present law, but an increase of a cent over the House bill.

Mr. BACON. To what extent is it a reduction from the present law?

Mr. TILLMAN. Half a cent.

Mr. ALDRICH. One-half cent.

Mr. BACON. I trust the Senator has some reason for increasing the duty.

Mr. ALDRICH. The senior Senator from Connecticut [Mr. BULKELEY] does not seem to be now in his seat; but he has the data. The manufacturers of hooks and eyes, who are largely located in Connecticut, I think, almost entirely, if not entirely, have satisfied the committee that the old rate, or approximately the old rate, ought to be retained.

Mr. BACON. I do not wish to be understood as agreeing to that; but I do not know that I can do anything to prevent it.

The VICE-PRESIDENT. The question is on agreeing to the amendment.

The amendment was agreed to.

The VICE-PRESIDENT. Without objection, the paragraph as amended is agreed to.

Mr. ALDRICH. I now ask that we take up paragraph 406.

The VICE-PRESIDENT. Without objection, the Senate will consider paragraph 406, to which the Senator from Rhode Island offers an amendment.

The SECRETARY. On page 159, in paragraph 406, line 8, at the end of the paragraph, add a colon and the following proviso:

Provided, That no article composed wholly or in chief value of one or more of the papers specified in this paragraph shall pay a less rate of duty than that imposed upon the component paper of chief value of which such article is made.

Mr. BACON. Will the Senator please state to us what the effect of that is?

Mr. ALDRICH. It has simply the effect that manufactures of surface-coated papers shall not be admitted at a less rate of duty than the papers of which they are made.

Mr. BACON. That is almost the exact language of the provision.

Mr. ALDRICH. Yes.

Mr. BACON. Of course the Senator will understand that these amendments are being sent to and read from the desk without the opportunity for us to look into the paragraphs.

Mr. ALDRICH. Paragraph 406, if the Senator will examine it, includes surface-coated papers and tissue papers. This is simply a proviso which prevents boxes and other articles manufactured from these papers being admitted at a less rate of duty than the papers themselves.

Mr. BACON. I did not catch that. It relates to boxes, does it?

Mr. ALDRICH. It relates to any articles made from the papers that are included in paragraph 406.

Mr. BACON. Does that have the effect of requiring a duty to be paid upon the boxes in which imports are made?

Mr. ALDRICH. Oh, no; it does not touch that question at all.

The VICE-PRESIDENT. The question is on agreeing to the amendment.

The amendment was agreed to.

The VICE-PRESIDENT. Without objection, the paragraph as amended is agreed to.

Mr. ALDRICH. I offer an amendment to paragraph 650.

The VICE-PRESIDENT. Without objection, the Senate will consider paragraph 650, to which the Senator from Rhode Island offers an amendment, which the Secretary will report.

The SECRETARY. On page 214, paragraph 650, in line 2, after the word "scrap," at the end of the paragraph, insert a comma and the following:

And vases, retorts, and other apparatus, vessels, and parts thereof, composed of platinum, for chemical uses.

Mr. ALDRICH. That is on the free list.

Mr. KEAN. I will ask the Senator from Rhode Island if he will not put in after the word "wire," in that paragraph, the word "sponge?"

Mr. ALDRICH. Platinum sponge?

Mr. KEAN. Yes; platinum sponge.

Mr. ALDRICH. I have no objection to that.

Mr. KEAN. After the word "wire," then, I move to insert the word "sponge."

The SECRETARY. It is proposed, after the word "wire," on line 2, to insert the word "sponge."

The VICE-PRESIDENT. Without objection, the whole thing will be considered as one amendment. The question is on agreeing to the amendment.

The amendment was agreed to.

The VICE-PRESIDENT. Without objection, the paragraph as amended is agreed to.

Mr. ALDRICH. I now ask to take up paragraph 637.

The VICE-PRESIDENT. Without objection, the Senate will consider paragraph 637, to which the Senator from Rhode Island offers an amendment, which the Secretary will report.

The SECRETARY. On page 212, paragraph 637, in line 7, after the word "cocoanut" and before the comma, insert the following in parentheses:

Not refined and deodorized.

The VICE-PRESIDENT. The question is on agreeing to the amendment.

The amendment was agreed to.

The SECRETARY. And in line 9 of the same paragraph, after the word "grease" at the end of the line, insert the following:

Liquid and solid primal flower essences not compounded.

The VICE-PRESIDENT. The question is on agreeing to the amendment.

The amendment was agreed to.

The VICE-PRESIDENT. Without objection, the paragraph as amended is agreed to.

Mr. ALDRICH. Mr. President, in lines 17 and 18 the committee ask to have the words "and the products thereof" stricken out.

In the same paragraph, page 212——

The VICE-PRESIDENT. Without objection, then, we will reconsider the agreement to the paragraph.

The SECRETARY. It is proposed, after the word "refined," to strike out the words "and the products thereof."

Mr. BACON. I understand the House put these products on the free list.

Mr. ALDRICH. It has.

Mr. BACON. And we have refused to put crude petroleum on the dutiable list. As I understand, the effect of this amendment, if adopted, will be to take the products of petroleum from off the free list and put them on the dutiable list.

Mr. ALDRICH. It would keep both crude and refined petroleum upon the free list, but would strike out the words "and the products thereof." The committee were unanimous in this regard. The words "the products thereof" cover hundreds of articles which are made from crude petroleum which are at the present time covered by a great variety of rates; and if we put all the products of crude petroleum upon the free list, it would be impossible to determine just what was put upon the free list.

The Senator is probably as well aware as I am that coal-tar products now cover almost every conceivable article; and I have no doubt that in the course of the scientific progress we are making there will in the future be discovered in crude petroleum all or certainly most of the elements that have been discovered in coal tar, as they are, in a sense, similar products.

As the Senator is well aware, there are a great variety of medicinal preparations, for instance, which are the product of crude petroleum. The committee have in their library two octavo volumes, each containing five or six hundred pages, enumerating some of the products of crude petroleum. I think there are five or six or seven hundred known products of crude petroleum. These include the greatest variety of articles—articles that are in common use for medicinal purposes, articles of domestic use, and a great variety of articles. And the committee were unanimously of the opinion that we certainly should not put a general description of this kind in the free list.

Mr. BACON. Mr. President, the Senate will remember that the House originally left off this provision; they did not include it in the free list, and they thought it of such importance that they recalled the bill from the Senate for the purpose of adding it. I am not familiar with the subject, and shall not try to take issue with what the Senator has said. But I should like to inquire of the Senator whether the committee has determined even approximately as to the distribution of these various products on the dutiable list, and the character of duties which should be imposed, or whether it is proposed to leave them to the basket clause?

Mr. ALDRICH. It is proposed to let them be put wherever they will go. If they are medicinal preparations, they will pay 25 per cent. They will go into the classes where they belong.

Mr. BACON. They would have to be specifically placed there, would they not?

Mr. ALDRICH. Oh, no.

Mr. BACON. They will not?

Mr. ALDRICH. Not at all. The only thing that is necessary to do is to strike out these words here.

Mr. BACON. Then, will they automatically take their places in the various schedules?

Mr. ALDRICH. Yes. The Senator can very readily see that as it stands it would be almost impossible to enforce this provision at the custom-house. Everybody who wanted an article brought in free would at once raise the point that it was a product of either coal tar or crude petroleum if it was anything that could be made in any way of them, or any portion of it. And whatever differences there were in the committee as to what disposition should be made of crude petroleum or refined petroleum, there was no difference whatever about the fact that these indefinite and indeterminate articles should not be admitted free.

Mr. BACON. The Senator will recognize the fact that this proposition has come on us rather unawares, and therefore we have not had an opportunity to look into it. I presume the proper course will be not to make any contention over it now; but I ask that the Senator will give us an opportunity, as of course I know he will do, to consider the matter in the Senate. And if in the meantime persons who are interested in the subject, either as consumers or producers of the various articles, will make known their wishes, we shall be in a better position to decide intelligently what to do.

Mr. ALDRICH. That course is entirely agreeable to me. I have been hoping we would get rid of these small amendments to-day, so that we can have an early adjournment.

Mr. SHIVELY. Will the Senator permit a question?

Mr. ALDRICH. Certainly.

Mr. SHIVELY. Can the Senator give any estimate of the proportion of refined petroleum used in the manufacture of these products of petroleum?

Mr. ALDRICH. Hardly any of them are made from refined petroleum. They are almost all made from crude petroleum.

Mr. SHIVELY. From crude petroleum?

Mr. ALDRICH. Oh, yes; I think all of them are. In fact, I do not know that there are any that are not.

Mr. SHIVELY. Then, can the Senator give an estimate as to what proportion of the total amount of our crude-petroleum production goes into this sort of product?

Mr. ALDRICH. No; that is impossible. As the Senator from Indiana can imagine, it is impossible for me to make such an estimate. But I will say to him that there is a very rapidly increasing amount of crude petroleum used in the manufacture of various articles from time to time. There is no question about that. New uses and new articles are being discovered almost every day in connection with this matter.

Mr. CRAWFORD. Mr. President——

The VICE-PRESIDENT. Does the Senator from Rhode Island yield to the Senator from South Dakota?

Mr. ALDRICH. Certainly.

Mr. CRAWFORD. What is the amount of importation of any such products?

Mr. ALDRICH. They are imported separately, as the Senator can understand, and are not now imported as products of petroleum.

Mr. CRAWFORD. In what way are they imported?

Mr. ALDRICH. They are imported, for instance, as medicinal preparations. There is a great variety, I think 50 or 60, of well-known varieties of medicinal preparations manufactured from petroleum. As the Senator from New Hampshire suggests to me, antikamnia and a great many of the newer discoveries in the way of medicinal preparations are imported, and they are imported separately. I will say to the Senator from South Dakota that there is no possible classification that can be made of these articles now. They are hundreds in number.

Mr. CRAWFORD. And have they been on the dutiable list heretofore?

Mr. ALDRICH. They have always been on the dutiable list.

Mr. CRAWFORD. By what specification and name?

Mr. ALDRICH. According to what they were. If they were medicinal preparations, they would pay 25 per cent. If they were articles made up from crude petroleum, they would pay whatever was the rate on the article.

Mr. CRAWFORD. Are they in this bill now under these various names?

Mr. ALDRICH. They are.

Mr. CRAWFORD. So that they are in here by specific names, bearing a duty, and the question is what effect this language—"products of petroleum"—would have upon them as they are now specifically named in other paragraphs.

Mr. ALDRICH. It would have no effect at all. They would come in, as I tried to explain to the Senator, depending upon what the articles were. The Senator is aware, of course, that coal-tar products, for instance, cover sugar and the greatest variety of articles. Almost every known element is contained in those crude deposits of petroleum and tar. I think they have discovered elements that are almost innumerable, valuable elements, in both of these products, and they will come in as they are now—as dyes, medicines, or whatever they are. The Senator can understand perfectly well if we were to put on the free list, for instance, coal tar and its products, we would not have the slightest idea of what we were covering. The same is true of the products of crude petroleum. We know it does cover five or six hundred different articles; and if the Senator desires, I can easily have put into the RECORD a list of several hundred of them, or if he will go to the library of the committee he can examine these two volumes of a recent publication, which refer to products of petroleum.

Mr. CUMMINS. Mr. President——

The PRESIDING OFFICER (Mr. KEAN in the chair). Does the Senator from Rhode Island yield to the Senator from Iowa?

Mr. ALDRICH. Certainly.

Mr. CUMMINS. I rose to ask a question of the Senator from Rhode Island. I understand some of the difficulties of defining the products of petroleum. I should like to have the Senator's understanding of the term "refined petroleum." What does it include?

Mr. ALDRICH. I think the term "refined petroleum" as here used would cover all the direct products of refining petroleum. I think it would cover gasoline and illuminating oils and naphtha, and all the direct products of the process of refining petroleum. That is my understanding.

Mr. CUMMINS. I did not hear what was the arrangement which was made in the colloquy between the Senator from Rhode Island and the Senator from Georgia in regard to the disposition of this matter.

Mr. ALDRICH. The Senator from Georgia made the suggestion that we might agree to this, with the understanding that if it was desirable to have it taken up later it can be done.

Mr. CUMMINS. It seems to me that if some of the products of petroleum are to be dutiable—and I see very good reasons for that—it ought to be very clearly defined that those articles in common use, such as gasoline and benzine and naphtha, and other articles of that sort, are included within the term "refined petroleum."

Mr. ALDRICH. I should have no objection to having those named specifically, if the Senator from Iowa thinks it necessary. My own judgment is they would certainly be included in the description "refined oil." It is not the intention of the committee to try to place a duty upon any of these articles.

Mr. CUMMINS. It might very well be, then, it seems to me, that the language should be changed so as to include all oil which is the product of crude petroleum.

Mr. ALDRICH. There is none except the direct product, as I understand.

Mr. CUMMINS. I am not familiar with the very many products of petroleum.

Mr. ALDRICH. If the Senator will allow this amendment to be adopted, I think we can subsequently come to some agreement that the term "refined oil" as used here shall include all ordinary products of refined petroleum.

Mr. BRISTOW. As I understand the proposition, it is to cut out the products of crude petroleum.

Mr. ALDRICH. "And the products thereof," leaving crude and refined oil on the free list.

Mr. BRISTOW. Yes; and it will practically in the end put all the by-products coming from the refining of petroleum on the dutiable list and leave crude petroleum on the free list.

Mr. ALDRICH. The Senator is mistaken about that. The proposition is to have both crude and refined oil free, and that "refined oil" shall cover and include all ordinary products of the refining process—like benzine, naphtha, and gasoline.

Mr. BRISTOW. What about paraffin and axle grease and a hundred other products?

Mr. ALDRICH. Axle grease is now on the free list. All kinds of grease are on the free list.

Mr. BRISTOW. What specific items on the free list would be put on the dutiable list if this phraseology is changed?

Mr. ALDRICH. I have been trying—I suppose in vain—for the last ten minutes to state it, and have stated and restated the question a half dozen times. Perhaps the Senator did not hear what I said.

Mr. BRISTOW. It is almost impossible at this end of the room to hear all the time what the Senator says. Frequently we do not hear a single word out of a sentence.

Mr. ALDRICH. I repeat to the Senator what I have already stated to the Senator from Georgia, that if this amendment is adopted, I am quite willing to have it reopened if any Senator thinks there are any products of petroleum which ought to be free that would not be free under the clause as it would stand if this amendment is adopted.

Mr. BRISTOW. This is the way it came from the House, after a very animated discussion, and for one I am not in favor of putting upon the dutiable list products that come from the refining of petroleum—about 85 or 90 per cent of which is done by the Standard Oil Company—while we have voted to keep the crude petroleum, or raw material which the Standard Oil Company purchases, on the free list. That is the question here, it seems to me.

Mr. ALDRICH. It is my understanding that the Standard Oil Company does not manufacture any of these products to which I have alluded; that they are manufactured by a great variety of small concerns throughout the country, whose livelihood and whose industry depend upon protection against similar foreign products. They are not the products of the Standard Oil Company at all.

Mr. DOLLIVER. I suggest that a great many of the commercially important products of petroleum are specifically enumerated, such as asphaltum, which is a sort of by-product, I reckon, and medicinal products, such as vaseline. I suggest that the matter could be rather effectually covered by adding the words "not otherwise enumerated."

Mr. ALDRICH. Mr. President, I am afraid that would not cover the case. If any Senator would talk with the people who administer the law in any custom-house in the country they would tell him that it would be practically impossible to administer the law as it now stands with products like crude petroleum on the free list. Nobody could tell what was made from crude petroleum and what was not. Crude petroleum of course vanishes in the chemical processes by which these articles are made. It would be simply impossible to administer the law; and it is to the interest of good administration and the interest of the small producers of these various articles that the committee are earnestly in favor of this amendment.

Mr. GORE. I desire to ask the Senator from Rhode Island whether, if this amendment is not adopted, it would open up in conference the question of the duty on crude and refined oil?

Mr. ALDRICH. Certainly not; because that would be the close of the action of both Houses.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the committee.

The amendment was agreed to.

Mr. DAVIS. Mr. President, we are now upon the free list proper, and I submit——

The PRESIDING OFFICER. What paragraph does the Senator want to amend?

Mr. DAVIS. I want to offer an additional paragraph to be numbered 472½.

The PRESIDING OFFICER. Without objection, the pending paragraph as amended will be agreed to.

Mr. DAVIS. I offer as an additional paragraph——

Mr. ALDRICH. The committee are not quite through with their amendments.

The PRESIDING OFFICER. The committee amendments are first in order.

Mr. GALLINGER. Let the amendment be read for information.

The PRESIDING OFFICER. It will be read.

The SECRETARY. It is proposed to insert the following as an additional paragraph:

472½. Sawed boards, planks, deals, and all other lumber of whitewood, sycamore, basswood, and all sawed lumber of every kind, whether dressed or undressed, finished or unfinished, shall be admitted free of duty.

Mr. DAVIS. Mr. President, I do not desire to discuss the additional paragraph which I have proposed, but I ask for a vote upon it by yeas and nays.

The PRESIDING OFFICER. The question is on agreeing to the amendment proposed by the Senator from Arkansas.

Mr. ALDRICH. I think we voted on that amendment once, but I do not wish to detain the Senate.

Mr. DAVIS. I ask for the yeas and nays on agreeing to the amendment.

The yeas and nays were not ordered.

The PRESIDING OFFICER. The question is on agreeing to the amendment. [Putting the question.]

Mr. DAVIS. I demand a division on the question.

The PRESIDING OFFICER. The noes seem to have it.

Mr. DAVIS. I ask for a division on calling for the yeas and nays.

The PRESIDING OFFICER. That is not in order. The Senator from Arkansas asks for a division on agreeing to his amendment.

Mr. DAVIS. That is not what I ask for.

The PRESIDING OFFICER. The Chair understands that that is what he is allowed to give.

Mr. DAVIS. I want a division upon the question whether or not I am entitled to a roll call.

The PRESIDING OFFICER. The Chair can again put the question, Shall the yeas and nays be ordered?

Mr. GALLINGER. That is a matter which is always decided by the raising of hands. I have never known the Senate to decide on that question by a division.

The PRESIDING OFFICER. The Chair can again put the question.

Mr. DAVIS. I will be glad if the Senate will accord me that one privilege.

The PRESIDING OFFICER. Is there a second to the demand for the yeas and nays?

The yeas and nays were ordered, and the Secretary proceeded to call the roll.

Mr. CLAY (when his name was called). I again announce my pair with the senior Senator from Massachusetts [Mr. LODGE]. If he were present, he would vote "nay" and I would vote "yea."

Mr. FLETCHER (when his name was called). I am paired with the senior Senator from Kansas [Mr. CURTIS].

Mr. FLINT (when his name was called). I am paired with the senior Senator from Texas [Mr. CULBERSON]. If he were present, I would vote "nay."

Mr. GUGGENHEIM (when his name was called). I again announce my pair with the senior Senator from Kentucky [Mr. PAYNTER].

Mr. HUGHES (when his name was called). I am paired with the senior Senator from Montana [Mr. CARTER]. If he were here, I should vote "yea."

Mr. JONES (when his name was called). I am paired with the junior senator from South Carolina [Mr. SMITH]. I transfer that pair to the junior Senator from Wisconsin [Mr. STEPHENSON], and vote "nay."

Mr. McLAURIN (when his name was called). I am paired on this vote with the junior Senator from Michigan [Mr. SMITH].

Mr. OWEN (when his name was called). I transfer my pair with the junior Senator from Montana [Mr. DIXON] to the junior Senator from Tennessee [Mr. TAYLOR], and vote "yea."

Mr. SIMMONS (when his name was called). I again announce my pair with the junior Senator from Illinois [Mr. LORIMER]. If he were present, I should vote "nay."

Mr. TALIAFERRO (when his name was called). I have a general pair with the junior Senator from West Virginia [Mr. SCOTT]. In his absence, I withhold my vote.

The roll call was concluded.

Mr. PERKINS (after having voted in the negative). I have a general pair with the junior Senator from North Carolina [Mr. OVERMAN]. He is absent. I transfer my pair to the Senator from Wyoming [Mr. WARREN], and let my vote stand.

The result was announced—yeas 18, nays 37, as follows:

YEAS—18.

Beveridge	Crawford	Gore	Shively
Bristow	Cummins	Johnson, N. Dak.	Stone
Brown	Davis	La Follette	Tillman
Burkett	Frazier	Nelson	
Clapp	Gamble	Owen	

NAYS—37.

Aldrich	Cullom	Heyburn	Piles
Borah	Depew	Jones	Root
Brandegee	Dick	Kean	Smith, Md.
Briggs	Dillingham	McEnery	Smoot
Burnham	Dolliver	Money	Sutherland
Burrows	Flint	Nixon	Warner
Burton	Foster	Oliver	Wetmore
Chamberlain	Frye	Page	
Clark, Wyo.	Gallinger	Penrose	
Crane	Hale	Perkins	

NOT VOTING—37.

Bacon	Curtis	Lorimer	Simmons
Bailey	Daniel	McCumber	Smith, Mich.
Bankhead	Dixon	McLaurin	Smith, S. C.
Bourne	du Pont	Martin	Stephenson
Bradley	Elkins	Newlands	Taliaferro
Bulkeley	Fletcher	Overman	Taylor
Carter	Guggenheim	Paynter	Warren
Clarke, Ark.	Hughes	Rayner	
Clay	Johnston, Ala.	Richardson	
Culberson	Lodge	Scott	

So Mr. DAVIS's amendment was rejected.

Mr. ALDRICH. In paragraph 345, page 120, line 3, after the word "braids," I move to insert "featherstitch braids."

The amendment was agreed to.

Mr. ALDRICH. I ask for a vote on paragraph 347, Schedule J, which was passed over.

The SECRETARY. On page 121, paragraph 347——

The PRESIDING OFFICER. The Chair understands that the amendments to that paragraph have been agreed to.

Mr. ALDRICH. In line 24, I move to strike out the word "five-eighths" and to insert "one-half."

Mr. JONES. I have an amendment pending to the paragraph.

Mr. ALDRICH. I suggest to the Senator from Washington to let us perfect the paragraph, and then he can move to strike it out. I think that is what he wants to do.

Mr. JONES. I have an amendment pending to paragraphs 347 and 349. In case the amendment now proposed to paragraph 347 should be adopted, I do not know what the effect would be.

Mr. ALDRICH. It reduces the duty on plain woven fabrics of single jute yarns from five-eighths to one-half of 1 cent per pound. I think it is along the line of the Senator's wishes.

Mr. JONES. That is paragraph 347?

Mr. ALDRICH. Paragraph 347.

Mr. JONES. Has the Senator an amendment to paragraph 349?

Mr. ALDRICH. There is no amendment to paragraph 349. The amendment proposing to insert "except for purposes of identification" to paragraph 349 has been disagreed to.

The PRESIDING OFFICER. That is correct. The question is on agreeing to the amendment of the Senator from Rhode Island to paragraph 347.

The amendment was agreed to.

The paragraph as amended was agreed to.

Mr. ALDRICH. I ask that paragraph 349 be agreed to.

The PRESIDING OFFICER. The question is on agreeing to paragraph 349.

Mr. JONES. I wish to reserve the right to recur to these two paragraphs, independent of any amendment, when I find out just what is the effect of the amendment which the chairman presented.

Mr. ALDRICH. I ask that the paragraph may be agreed to.

The PRESIDING OFFICER. Without objection, paragraph 349 is agreed to.

Mr. JONES. I want to present an amendment to paragraph 347.

Mr. ALDRICH. The Senator can do that now if he desires.

Mr. JONES. Or we can take it up Monday.

Mr. ALDRICH. No; I want to dispose of it now.

The PRESIDING OFFICER. The Chair will consider paragraph 347 open for that purpose. The amendment proposed by the Senator from Washington will be stated.

Mr. JONES. I want to offer the amendment to paragraph 349 instead of 347.

The PRESIDING OFFICER. Then paragraph 347 is agreed to, without objection. The amendment proposed to paragraph 349 will be stated.

The SECRETARY. On page 122, paragraph 349, at the close of the paragraph insert:

Except jute grain bags, known commercially as standard calcutta 22 inches by 32 inches grain bags, which shall be admitted free of duty.

Mr. JONES. Mr. President, I desire to state to the Senate that we have a peculiar condition in our State in reference to the transportation of wheat in these grain bags. Our wheat is transported and must be transported largely by vessel, and hence it must be placed in bags in order that it may be transported.

We can not ship it in bulk. Therefore the farmers have to purchase bags in which to place the wheat for transportation. These bags are imported almost entirely from Calcutta.

There are about four or five millions of bags made in the state penitentiaries of Washington and California, and possibly two or three million bags made on the Pacific coast in private concerns. The remainder of the bags, possibly from twenty-five to thirty million, are imported from Calcutta, with the tariff added, and here is where it seems to me we have a distinction that warrants the action proposed in this amendment. These bags are imported for the purpose of placing the wheat in and then carrying it out. The bags are not, in a sense, consumed in this country. They are simply the vehicle of exporting the wheat. Then, when the bags go out, they are reimported, if they get back, and the duty is paid here. So every year the farmers of our State who raise and sell their wheat have to purchase bags that are almost entirely imported into the country, and if the tariff is added, as it probably is in a case of this kind, where there is no home competition, they must every year pay the tariff on these bags.

They do not get anything for the bags as a part of the purchase of the wheat. They simply sell the wheat. The price of the wheat, of course, is fixed in the wheat market, and the price they pay for the bags necessary for the transportation of wheat is simply that much taken every year out of the price of the wheat.

Furthermore, these bags are purchased, as I said, almost exclusively on the Pacific coast. So it makes a tax in that particular section of the country, which the people pay. It is a tax upon a particular class of people. It makes practically, in effect, an export tax rather than an import tax. It seems to me that we should furnish relief in this case. There does not seem to be any possibility of our being able to build up a manufacturing industry in this country that will produce anywhere like the number of bags that are desired.

I should like to see all these bags manufactured in this country. I will say that there does not seem to be any possibility of doing that. The raw material we do not produce; it must be imported in order to be manufactured in this country. But in addition to that, the manufacturers in Calcutta have

such cheap labor, such improved machinery, and improved methods that it does not seem possible for our people with the labor we have to do it, in view of the large expense that they must go through here, even if we could get the raw material free of duty. It does not seem possible to build up the industry in this country. Even in the two penitentiaries, where they use convict labor, they do not seem to be able to compete with the Calcutta manufacturers of these bags. As I said, our people are very anxious that this tariff should be taken off the bags, and it seems to me that they have good ground for it.

I have here letters and resolutions—but I will not take the time to read them—from the various farmers' organizations in eastern Washington, and from the governor of the State, urging that this tariff should be taken off. I trust that the Senate will feel justified in giving this relief. It is true it will reduce the duty somewhat, and yet not to a very great extent. The reduction will be possibly four or five hundred thousand dollars if this duty should be cut off. This reduction should be made in the interest of the people of eastern Washington and eastern Oregon. I want to say that it bears almost exclusively upon the people of a particular part of our State and of Oregon, the eastern part, which is the only wheat-raising section there. Those people should be relieved from this burden of four or five hundred thousand dollars, which is in effect an export charge upon them rather than an import duty.

If the bags could be kept at home and used here, I would not complain of the duty; but they are not used here. They are sent out with the wheat, and if they come back again, the farmers must pay the duty on them.

That, in brief, without taking up further time of the Senate, is the situation. These are the reasons why it seems to me this relief can be consistently furnished from a protective standpoint, and from a revenue standpoint, as far as that is concerned.

Mr. ALDRICH. Putting these bags on the free list of course means putting burlaps on the free list, and the two together would make a loss of $10,000,000 to the revenues. Of course it is absolutely impossible, from my standpoint, that any protectionists should vote to put these articles upon the free list. When they are sent abroad and come back again, they come back free of duty now.

Mr. JONES. No; I do not understand that they do.

Mr. ALDRICH. They do. This very bill provides in terms that when they go from this country and come back, they shall come in without paying any duty.

Mr. JONES. That does not help the farmer, because he does not import them back. He buys them from the importer.

Mr. ALDRICH. I know we can not put these articles on the free list, from the protective standpoint or the revenue standpoint. It would seem to me to be an anomaly to have the material of which the bags are made at one rate and to put the finished product on the free list.

Mr. JONES. Bags are not the only thing made out of burlaps. This applies to a particular bag well known, and the designation here is a commercial designation of it. So it seems to me that the argument of the chairman of the committee is not valid.

Mr. PILES. I should like to call attention to the fact that the legislature of the State of Washington passed a memorial on this subject last January, and in that memorial they say:

> Whereas the expense of such bags is a very heavy item in the cost of growing, harvesting, and disposing of wheat and grain products, the farmers of Washington alone paying out annually almost $1,500,000 for such bags; and
>
> Whereas there is at the present time a duty imposed upon grain bags which adds materially to the cost of the same to the farmer, greatly increasing the burden upon him and upon the consumer over what it would be if grain bags were admitted free of duty; and
>
> Whereas there is in the United States about one factory engaged in the manufacture of jute bags for grain products, and that is a small concern which can not manufacture a tithe of the grain bags required for handling the crops of the State of Washington alone.

Mr. ALDRICH. There is more than one manufacturer. It is just as consistent for the Senator from Washington to have bags put on the free list as it is for the Senators upon the other side or upon this side to have lumber and all manufactures of lumber put on the free list. We have always voted consistently for the protection of everything that is grown and produced in the State of Washington, and I can see absolutely no consistency whatever in the proposition to put these manufactured articles on the free list.

Mr. TILLMAN. Will the Senator from Rhode Island answer me a question?

Mr. ALDRICH. I will try to.

Mr. TILLMAN. Lumber is produced in the United States. These bags are not.

Mr. ALDRICH. The Senator is mistaken about that; they are produced in the United States; they are made here.

Mr. TILLMAN. Burlaps are not a product of the United States.

Mr. ALDRICH. Burlaps are made here to some extent.

Mr. TILLMAN. In what way?

Mr. ALDRICH. We have a revenue duty which produces $5,700,000 from burlaps.

Mr. TILLMAN. Do we grow jute in this country?

Mr. ALDRICH. We do not grow jute.

Mr. TILLMAN. These are jute bags we are trying to get on the free list, and I want to call the Senator's attention to the fact that the farmers of the West are not the only ones interested in getting these materials in free. Our case is even worse than theirs, because we consume in the South somewhere around 4,000,000 tons of fertilizers. Those fertilizers are compelled to be sacked in order to reach the farmer. It takes 10 sacks to a ton, which would make 40,000,000 bags. Our sacks are absolutely lost, because the fertilizer rots the sack, and very often you can hardly get it to the field after you get it out of the car before the sack is gone by reason of the sulphuric acid in the fertilizer. The gentlemen in the West who are desiring to get free sacks in which to ship their wheat are in no worse condition than we are who are trying to get the bags in which to ship our fertilizers. Their grain sacks can be reimported. I asked the Senator the other day whether grain sacks could be reimported free. He said "yes." So while the farmer does not get the direct benefit, the merchant who exports the wheat and reimports the bags does get the benefit.

It does seem to me very singular that the Senator's heart always hardens toward that poor fellow who walks behind the plow handle, while it gets as soft and as generous in dealing with some manufacturers as if they were made of different clay from the man who farms. I can not understand, for the life of me, why he should be so stern and relentless in maintaining this grip for somebody, some combination of capital somewhere, when we ask him to give relief to our people who handle fertilizer; to give relief to the farmers who grow wheat and ship it to the Orient in sacks.

Mr. PERKINS. Mr. President, I desire to say, in answer to the Senator from Washington [Mr. JONES], that California uses from forty to fifty million sacks annually. We have several manufacturing establishments, but one especially at the state prison, where we turn out annually about four and a half million sacks, manufactured from jute, which is imported free of duty. Those grain sacks in California have been to the farmer a very great benefit, for the reason that heretofore the importers of grain bags and burlap sacks into California have pooled their issues and taken advantage of the farmer in that respect. The result has been that the prison manufacture of bags, amounting to four or five million annually, has regulated the price, and the farmers have had the benefit of it, because no farmer can purchase more than a certain number of sacks for the grain that he raises on his own ranch.

I think it would be very disastrous to the interests of California if grain bags should be permitted to come in free from Calcutta or from any other country. Therefore, I think from a revenue standpoint certainly we ought to continue the duty on them.

Mr. BACON. Mr. President, I simply desire to emphasize what the Senator from South Carolina [Mr. TILLMAN] has already said. It is a matter of very grave importance to those who are engaged in the production of cotton, and it so happens that it is of more importance to my State than to any other cotton-growing State. The State of Georgia consumes about one-fourth of the commercial fertilizers that go to all the cotton States. The farmers use about a million tons of fertilizer every year in the State of Georgia, and from the estimate of the Senator from South Carolina, of 10 bags to the ton, Georgia uses 10,000,000 bags.

It is true, as stated by him, and as everyone knows who is at all familiar with the circumstances, that fertilizer bags can be used but once. They are an utter loss; they fall to pieces literally and utterly, as described by the Senator from South Carolina.

It does seem to me that Senators will recognize the fact that so far, at least, as the direct benefits of a protective tariff go—not making any controversy as to indirect benefits—I suppose nineteen-twentieths of those benefits go to the manufacturer. Something ought to be done, it seems to me, to equalize, as far as possible, the burden that the farmers have to bear in paying the increased price because of the protective tariff, when they themselves get no increased price on account of it.

You have put wheat on the dutiable list, but everybody knows that it does not affect the price of wheat. We are large ex-

porters of wheat, and the tariff can not raise to any material extent the price of a thing where we have a surplus of it. The same thing is true of cotton.

Between two-thirds and three-fourths of our cotton is exported, and it performs a tremendous office in maintaining the prosperity of this country and in equalizing the balance of trade, but it can receive no benefit from the tariff. I can not understand why in these little matters—not simply one, but in every particular where it is possible to relieve them of the burden—an effort is not made in that direction. They certainly have a very strong claim upon those who impose the burden, and it is impossible for them to share any part of the benefit.

Mr. JONES. Mr. President, I believe in protection; I think I have voted pretty consistently that way during the pendency of this bill, but I can hardly go so far as to support a proposition in behalf of labor in the penitentiaries, at least until we can get some of the trust magnates there when our Democratic friends get into power and put some of them there. Then I might be willing to vote on the line of furnishing them a little bit more labor.

I can not agree with the chairman of the committee that this is a proposition to violate the principle of protection. I do not think that it is at all. I do not believe in a tariff upon coffee, for instance, simply because we do not produce it here. We do not produce these bags here to any extent compared with the amount we must have. We never will produce them here. In my judgment, we can not produce them here unless you make a tremendous differential between the raw material and the bags—a differential that this Congress and no other Congress will dare to give, so far as that is concerned. Therefore I do not consider that I am going contrary to the principle of protection when I urge that these bags, which can not be produced here, but which must be imported from a foreign country, shall be relieved of duty.

Importing these bags is not like importing lumber. Lumber, if it is imported here, is consumed here, kept here, used here. These bags are simply, as I said before, a conveyance to carry the wheat out of the country; and if they are reimported free—I did not know anything about that provision in this bill—but if they are allowed to be brought back here free, that is no benefit to the farmer, because he does not import them. It is simply the export merchant who may reimport them who gets the benefit, and he possibly makes the farmer pay, in addition to the price of the bags, the duty that he would otherwise have to pay; or if it were a new bag, possibly a profit on that duty as well.

So, upon the principles of the Republican party of protection and of revenue, I ask that these bags, which come from Calcutta and come only to the Pacific coast to a particular class of people simply for the purpose of carrying the products of this country out of the country, shall be placed on the free list.

Mr. HEYBURN. Mr. President, I would not participate in this matter, and shall not at any length, except that it is so important as a revenue item that I am compelled to waive any natural inclination that I might feel on behalf of any advantage that might be derived by the farmers. This is a very large revenue item. I should like to have seen the raw material come into the country free, because we can not produce it here, and, so far as we know, we can not produce it at all. Then it would have been manufactured into bags and cloth here by American labor and would have made a pay roll and employment.

I should like to put in the RECORD a letter from the superintendent or manager of the bag factory at Walla Walla. He shows that we import from Calcutta about 40,000,000 bags; that there are made at San Quentin prison, California, 3,000,000; that there are made at Walla Walla 1,500,000, and by the local bag factories on the Pacific coast, from imported material, 2,000,000, making in all 46,500,000. Those are grain sacks.

Of course, in addition to that, there is a vast amount of this cloth made; and if that cloth could be made in this country, I should like very much to have seen the law so adjusted that we could have had the material out of which to make it.

We use some millions of these bags in the State of Idaho, but the Congress, so far as it has acted, has been generous with the people of our State in giving them a protective duty on lumber and lead and their various industries, giving us the support of the principle of protection; and I do not feel that I can, under the circumstances, support the amendment, even though there might be a local sentiment in favor of free bags. I think they will have to learn that the man who receives must be ready to contribute. I will ask to put in the RECORD——

Mr. TILLMAN. Mr. President, will the Senator from Idaho yield to me?

The PRESIDING OFFICER. Does the Senator from Idaho yield to the Senator from South Carolina?

Mr. HEYBURN. Certainly.

Mr. TILLMAN. Can the Senator see any relationship between the lead producers of Idaho and the farmers who grow wheat out there?

Mr. HEYBURN. The farmers get a very good market from the lead mines of Idaho and everywhere else. The men who mine lead eat.

Mr. TILLMAN. The Senator can settle that with his constituents.

Mr. HEYBURN. Yes; they buy the products from the farmers, and have the money to pay for them.

Mr. TILLMAN. I say the Senator can settle that with his constituents.

Mr. HEYBURN. Oh, I am perfectly willing to do that.

Mr. ALDRICH. I dislike to interrupt this colloquy——

Mr. TILLMAN. I merely want to say——

Mr. ALDRICH. But I desire to ask the Senator from South Carolina if he will not let us go on and dispose of the few remaining items of the bill? I hope to be able to adjourn soon.

Mr. TILLMAN. I have taken very little time in this debate, Mr. President.

Mr. ALDRICH. I understand that.

Mr. TILLMAN. I simply want to make one remark, and that is, as I understand, the guano sacks used in the South are made in the South. I do not think they are ever imported. The burlaps are brought there by the million yards, and are cut into the proper lengths and sewed up there on machines right at home.

Mr. FLINT. Mr. President——

The PRESIDING OFFICER. Does the Senator from Idaho yield to the Senator from California?

Mr. HEYBURN. Let me get these papers in, and then I will yield. I ask unanimous consent to insert in the RECORD and have printed the communications which I send to the desk.

The PRESIDING OFFICER. In the absence of objection, permission is granted.

The communications referred to are as follows:

WASHINGTON, D. C., *May 17, 1909.*

Senator W. B. HEYBURN,
Washington, D. C.

DEAR SIR: The consumption of wheat bags in the States of Washington, Oregon, Idaho, and California amount to between 45,000,000 and 50,000,000 bags annually. These bags are supplied from the following sources:

Imported from Calcutta, India, about	40,000,000
Made at San Quentin prison, California	3,000,000
Made at Walla Walla prison, Washington	1,500,000
Made by local bag factories on Pacific coast from imported material	2,000,000
Total	46,500,000

These are the figures for the years 1907 and 1908, and can be verified by reference to importation statistics. The purchases in Calcutta for shipment to the Pacific coast during 1909 already amount to 45,000,000 bags.

With a slightly increased differential in the duty between the burlap and the bags, the local bag manufacturers would be placed in a position to manufacture a portion of the bags now imported from Calcutta, and the effect would be to prevent any combination on the part of the Calcutta mills to raise the price of bags, and would tend to break the practical monopoly which those mills now have.

We will not burden you at this time with a lengthy argument on this subject. The fact that 90 per cent of the wheat bags that are used on the Pacific coast are imported from Calcutta is proof sufficient that the local manufacturers can not compete for this business under the existing conditions. If any further argument or additional information is required, we will gladly furnish it.

Very truly, yours,

EVERTT AMES.

STATE PENITENTIARY,
Walla Walla, Wash., May 15, 1909.

Hon. W. L. JONES,
United States Senate, Washington, D. C.

DEAR SIR: Your wire of even date received, and in reply will state that we manufacture jute fabrics from the raw material, which we get from India at a cost of $103.50 per ton, laid down in Walla Walla. This is bought on contract yearly. We use from 2,500 to 3,000 bales per year, the bales averaging about 400 pounds each. The cost of bags varies considerably on account of the cost of material we use in the manufacture of same. I will give you the figures for the April product of our mill: We manufactured 172,600 grain bags, at 5¼ cents. This includes all materials, salaries of guards, power, and repair costs. The jute in the bags cost 4 cents, the balance of 1¼ cents being for other materials used in the manufacture of same. It takes 80 pounds of jute to make 100 bags, 5 pounds being allowed for waste. One bale of jute will manufacture 500 bags.

We are selling wheat bags at 6 cents f. o. b. any railroad station in the State of Washington. The Calcutta people are making this price in the immediate vicinity of this institution, but their price varies considerably in the outlying districts, ranging all the way from 7¼ to 6¼ cents. They have a great desire to put this institution out of business—that is, in the manufacture of jute fabrics—thereby having the entire market to themselves.

The farmers throughout the State are greatly pleased with our price on bags, and the Farmers' Union, at Garfield, recently passed a resolution adopting the penitentiary bags.

We make a far superior bag than the Calcutta sack, and I presume, if we would make the same quality of bag that the Calcutta people are making, we could produce our product at a great deal cheaper price. Our sacks are 12¼ ounces in weight, while the Calcutta sacks are only 12 ounces. Our bags are 12 by 13 shot and theirs are 11 by 12, thereby making our sacks a great deal closer woven.

If we can hold the price of sacks at 6 cents, we will probably get all the business we can possibly do and be able to sell all the sacks we can possibly make at this institution. Our new jute mill, which is about completed, will double our capacity and will therefore give us a larger supply of sacks to dispose of to the farmers.

We sell our sacks exclusively to the farmers, they having to make affidavit that the sacks are for their own use, thereby eliminating all chances of speculation.

The following is a list of jute fabrics we manufacture, with price of same:

Grain bags, 12¼ ounces, 22 by 36 inches	$0.06
Oat bags, 14 ounces, 24 by 40 inches	.07½
Ore bags, 12 ounces, 14 by 24 inches	.12½
Wool bags, 56 ounces, 40 by 86 inches	.31
Hop cloth, 24 ounces, 44 inches wide	.11
Burlap, 11¼ ounces, 45 inches wide	.07
Kiln cloth, 9 ounces, 45 inches wide	.06
Matting, 20 ounces, 18 inches wide	.25
Matting, 30 ounces, 27 inches wide	.30
Matting, 40 ounces, 36 inches wide	.35
Fleece twine, 120 strings to pound	.12
Hop warp, 240 strings to hank	.12

We also manufacture special bags whenever desired, providing the quantity is large enough to warrant the readjustment of the machinery.

Hoping the information herewith submitted is what you desire, I beg to remain,

Yours, very respectfully, C. S. REED, *Superintendent.*

Mr. TILLMAN obtained the floor.

Mr. FLINT. Mr. President, I want to state to the Senator——

The PRESIDING OFFICER. Does the Senator from South Carolina yield to the Senator from California?

Mr. TILLMAN. Certainly.

Mr. FLINT. I desire to state that there are 15 factories in the Southern States, 25 in the Northern and Middle States, and 5 on the Pacific coast that manufacture bags from burlap that is imported.

Mr. TILLMAN. Mr. President, I know that our fertilizers are largely sacked in bags made at home; and it is seen from the statement as to the quantities used on the Pacific coast that the South uses as much of the burlap to handle guanos as the western farmers use in handling grain. Our guano sacks are a dead loss, but the handling of grain does not hurt the sacks at all. They can be reimported and used three or four times before they begin to break down and wear out by age.

Of course I know perfectly well that our appeal will be to deaf ears; that whenever the chieftain of protection blows his horn—and he has already given notice to his followers that they must "rally 'round the flag, boys"—we will get nothing out of it; but I simply want to call attention to the way in which the farmers are treated by those in the West who love them so well, like the Senator from Idaho [Mr. HEYBURN]. I suppose we will just have to continue to bear our burdens as best we can.

Mr. HEYBURN. I only desire to say that there is no one in this body who has stood more consistently and firmly for the interest of the farmer in the administration of this protective-tariff policy than myself. I am not regardless of their rights, nor do I disregard them in taking the position that I have in this case.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Washington [Mr. JONES].

Mr. JONES. I ask for the yeas and nays.

The yeas and nays were not ordered.

Mr. TILLMAN. I hope the Senator from Rhode Island will himself hold up his hand and at least give us the poor comfort of seeing those who are going to kill us.

Mr. ALDRICH. I hope not. I want to get through with this bill.

Mr. TILLMAN. I give the Senator notice that we will not get away from here as soon as he thinks we will.

Mr. ALDRICH. That is all right.

Mr. TILLMAN. If you will not give us the yeas and nays so as to let us see how the vote goes, and let Senators put themselves on record, we may just as well have some little row over it as not.

Mr. BACON. Mr. President, I make the point that one-fifth of a quorum is sufficient to call the yeas and nays, unless it be demonstrated that there is more than a quorum present.

The PRESIDING OFFICER. The Chair understands the rule to be one-fifth of the Senators present.

Mr. BACON. I did not understand the Chair.

The PRESIDING OFFICER. The Chair understands the rule to require one-fifth of the Senators present.

Mr. BACON. I understand; but unless the Chair makes a count, or ascertains in some other way, that there are more than 46 Senators present when——

Mr. ALDRICH. One-fifth of the last vote is the usual rule.

Mr. BACON. One-fifth of a quorum is the presumption, or one-fifth of those present, so far as calling the yeas and nays is concerned. How does the Chair ascertain——

Mr. JONES. I ask the Chair to put the request again.

The PRESIDING OFFICER. The Chair will again put the request. Is there a second to the demand for the yeas and the nays on the amendment of the Senator from Washington?

The yeas and nays were ordered, and the Secretary proceeded to call the roll.

Mr. CLAY (when his name was called). I am paired with the senior Senator from Massachusetts [Mr. LODGE]. If he were present, he would vote "nay," and I should vote "yea."

Mr. FLINT (when his name was called). I transfer my pair with the senior Senator from Texas [Mr. CULBERSON] to the senior Senator from Delaware [Mr. DU PONT], and vote. I vote "nay."

Mr. GUGGENHEIM (when his name was called). I again announce my pair with the senior Senator from Kentucky [Mr. PAYNTER].

Mr. McLAURIN (when his name was called). I am paired with the junior Senator from Michigan [Mr. SMITH], and therefore withhold my vote.

Mr. OWEN (when his name was called). I am paired with the junior Senator from Montana [Mr. DIXON]. I transfer that pair to the junior Senator from Tennessee [Mr. TAYLOR], and vote. I vote "yea."

Mr. SIMMONS (when his name was called). I am paired with the junior Senator from Illinois [Mr. LORIMER], and therefore withhold my vote.

Mr. TALIAFERRO (when his name was called). I am paired with the junior Senator from West Virginia [Mr. SCOTT]. In his absence I withhold my vote.

Mr. TILLMAN (when his name was called). I am paired with the Senator from Vermont [Mr. DILLINGHAM]. I do not see him in the Chamber, and therefore withhold my vote.

Mr. WARREN (when his name was called). I am paired with the Senator from Mississippi [Mr. MONEY], and therefore withhold my vote.

The roll call was concluded.

Mr. FLETCHER. I am paired with the senior Senator from Kansas [Mr. CURTIS]. I transfer that pair to the Senator from Nevada [Mr. NEWLANDS], and vote. I vote "yea."

Mr. JONES. I am paired with the junior Senator from South Carolina [Mr. SMITH], but I understand that he would vote "yea" if present. Therefore I vote "yea."

Mr. TILLMAN. I transfer my pair with the Senator from Vermont [Mr. DILLINGHAM] to my colleague [Mr. SMITH], who, I know, would vote "yea," as his pair [Mr. JONES] has already voted "yea." I therefore feel at liberty to vote, and I vote "yea."

Mr. WARREN. By an arrangement of pairs, the Senator from Mississippi [Mr. MONEY] will stand paired with the Senator from Wisconsin [Mr. STEPHENSON], which will leave me at liberty to vote. I vote "nay."

The result was announced—yeas 25, nays 33, as follows:

YEAS—25.

Bacon	Cummins	Johnson, N. Dak.	Piles
Bankhead	Davis	Johnston, Ala.	Shively
Bristow	Fletcher	Jones	Stone
Brown	Foster	La Follette	Tillman
Chamberlain	Frazier	Nelson	
Clapp	Gore	Overman	
Crawford	Hughes	Owen	

NAYS—33.

Aldrich	Cullom	Heyburn	Smith, Mich.
Brandegee	Depew	Kean	Smoot
Briggs	Dick	McEnery	Sutherland
Burnham	Dolliver	Nixon	Warner
Burrows	Flint	Oliver	Warren
Burton	Frye	Page	Wetmore
Carter	Gallinger	Penrose	
Clark, Wyo.	Gamble	Perkins	
Crane	Hale	Root	

NOT VOTING—34.

Bailey	Culberson	Lorimer	Scott
Beveridge	Curtis	McCumber	Simmons
Borah	Daniel	McLaurin	Smith, Md.
Bourne	Dillingham	Martin	Smith, S. C.
Bradley	Dixon	Money	Stephenson
Bulkeley	du Pont	Newlands	Taliaferro
Burkett	Elkins	Paynter	Taylor
Clarke, Ark.	Guggenheim	Rayner	
Clay	Lodge	Richardson	

So the amendment of Mr. JONES was rejected.

The PRESIDING OFFICER. The question is on agreeing to the paragraph.

The paragraph was agreed to.

Mr. ALDRICH. On page 213, line 19, after the word "learning," I move to insert "public hospitals or municipal laboratories."

The PRESIDING OFFICER. The amendment will be stated.

The SECRETARY. In paragraph 647, page 213, line 19, after the words "seminary of learning," it is proposed to insert "public hospitals or municipal laboratories."

The PRESIDING OFFICER. The question is on agreeing to the amendment.

The amendment was agreed to.

The paragraph as amended was agreed to.

Mr. ALDRICH. I should like to ask whether in paragraph 319, on page 109, the words "all oilcloths (except silk oilcloths and oilcloths for floors)" were inserted?

The PRESIDING OFFICER. The Chair is informed that they have not been.

Mr. ALDRICH. I move that amendment.

The PRESIDING OFFICER. The amendment will be stated.

The SECRETARY. In paragraph 319, on page 109, after the word "coated," it is proposed to insert "all oilcloths (except silk oilcloths and oilcloths for floors)."

The PRESIDING OFFICER. The question is on agreeing to the amendment.

The amendment was agreed to.

The SECRETARY. It is also proposed to insert, in line 23, at the end of the paragraph, a semicolon and the words "tracing cloth, 5 cents per square yard and 20 per cent ad valorem."

The PRESIDING OFFICER. The question is on agreeing to the amendment.

The amendment was agreed to.

The paragraph as amended was agreed to.

Mr. ALDRICH. On page 5, line 17, I move to strike out "one and one-fourth" and insert "two."

The PRESIDING OFFICER. The question is on agreeing to the amendment.

Mr. DOLLIVER. I did not hear what the amendment was.

Mr. BACON. What is that amendment?

Mr. ALDRICH. The amendment relates to borate materials. The committee are satisfied that they have not had this borate material properly classified. The duty on borax is 2 cents a pound; and, in the opinion of the committee, the duty on borate material should be at least 2 cents a pound. It is 4 cents under the present law, and this is a reduction of 50 per cent.

The PRESIDING OFFICER. The question is on agreeing to the amendment which the Secretary will report.

The SECRETARY. On page 5, line 17, strike out, in the committee amendment, the words "one and one-fourth," and in lieu thereof insert the word "two."

The PRESIDING OFFICER. The question is on agreeing to the amendment.

The amendment was agreed to.

The PRESIDING OFFICER. Without objection, the paragraph as amended will be agreed to.

Mr. PENROSE. I should like to ask the chairman of the committee whether or not he will agree, in paragraph 71, to have yellow prussiate of soda made dutiable at the specific rate of 2 cents, as in the case of the other soda? It now is 25 per cent ad valorem as a chemical compound. The rate is the same, but it ought to be specific.

Mr. ALDRICH. What page is that?

Mr. PENROSE. Page 17, paragraph 71, line 15, after the words "nitrite of soda," insert "and yellow prussiate of soda."

Mr. ALDRICH. I have no objection to that.

The PRESIDING OFFICER. The Secretary will report the amendment.

The SECRETARY. In the amendment inserted as a substitute for paragraph 71, on page 17, after the words "nitrite of soda, 2 cents per pound," insert "and yellow prussiate of soda."

The PRESIDING OFFICER. The question is on agreeing to the amendment.

The amendment was agreed to.

The PRESIDING OFFICER. Without objection, the paragraph as amended is agreed to.

Mr. ALDRICH. I now ask to take up paragraph 454, to which I offer the following amendment:

The SECRETARY. Paragraph 454, page 183, at the end of the paragraph, strike out the period and insert:

Woven fabrics, composed wholly or in chief value of asbestos, 40 per cent ad valorem.

The PRESIDING OFFICER. The question is on agreeing to the amendment.

The amendment was agreed to.

The PRESIDING OFFICER. Without objection, the paragraph as amended will be agreed to.

Mr. ALDRICH. I now ask to take up paragraph 88.

The SECRETARY. Paragraph 88, clays, asphaltum, bauxite, and so forth.

Mr. ALDRICH. Mr. President, I ask that that paragraph may be agreed to. The Senator from Ohio has some amendments, but I do not know exactly what they are.

Mr. BURTON. I wish to first amend that portion pertaining to fuller's earth by making it conform to the phraseology relating to crude asphalt. The paragraph as it now reads is:

Fuller's earth, unwrought and unmanufactured, $1.50 per ton.

I move to strike out "unwrought and unmanufactured" and make it read:

If not dried or otherwise advanced in any manner.

Then, in lines 11 and 12, strike out "wrought or manufactured" and insert:

If dried or otherwise advanced in any manner.

The PRESIDING OFFICER. The Senator from Ohio offers an amendment.

Mr. BURTON. There is a printed amendment which has been submitted on that point; and I move that the paragraph be so amended.

The PRESIDING OFFICER. The Secretary will report the amendment.

The SECRETARY. On page 21, lines 10 and 11, strike out the words "unwrought and unmanufactured" and insert in lieu thereof "if not dried or otherwise advanced in any manner."

The PRESIDING OFFICER. The question is on agreeing to the amendment.

The amendment was agreed to.

Mr. BURTON. Also, in lines 11 and 12, I move to strike out the words "wrought or manufactured" and insert——

Mr. ALDRICH. Mr. President, in regard to these amendments, I will say that the committee has not had time to examine them. My own inclinations are entirely against them, but I have no objection to their being adopted; and I will say to the Senator from Ohio that the committee will carefully examine them, and if they are not correct, we shall ask the Senate afterwards to change them.

Mr. BURTON. Do I understand the chairman of the Finance Committee to say he does not object?

Mr. ALDRICH. I do not object to their being agreed to now.

Mr. CULLOM. Mr. President, I should like to know what we are agreeing to.

The PRESIDING OFFICER. The paragraph we have under consideration at the present time is paragraph 88, in regard to clay. It is proposed to strike out the words which the Secretary will state.

Mr. GUGGENHEIM. Mr. President, I should like to ask a question of the Senator from Ohio.

The PRESIDING OFFICER. The Chair will recognize the Senator from Colorado in a moment.

The SECRETARY. The first amendment is as follows: On page 21, line 10, after the words "fuller's earth" and the comma, strike out the words "unwrought and unmanufactured," and in lieu thereof insert "if not dried or otherwise advanced in any manner." Also, at the end of line 11, strike out the words "wrought or manufactured" and insert "if dried or otherwise advanced in any manner," so that it will read:

Fuller's earth, if not dried or otherwise advanced in any manner, one dollar and a half per ton; if dried or otherwise advanced in any manner, $3 per ton.

Mr. GUGGENHEIM. Mr. President——

The PRESIDING OFFICER. Will the Senator from Ohio yield to the Senator from Colorado?

Mr. BURTON. I do.

Mr. GUGGENHEIM. Mr. President, I should like to ask the Senator from Ohio if this new language will tend to lower the duty on fuller's earth?

Mr. BURTON. If anything, I think it will tend to increase it; but the object of it is a better classification.

Mr. ALDRICH. Mr. President, I will say to the Senator that I am very much afraid it increases the duty very largely, and I have very grave doubts as to whether it ought to be adopted. But I am willing, for the sake of saving time, to have it adopted at this time.

Mr. BURTON. The Treasury Department has reported that it can not draw the line closely between the unwrought and the wrought material.

The PRESIDING OFFICER. The question is on the amendments offered by the Senator from Ohio.

The amendments were agreed to.

The PRESIDING OFFICER. Without objection, the paragraph as amended will be agreed to.

Mr. BURTON. Mr. President, I wish to give notice that in the Senate I shall ask to have considered the amendment relating to asphalt and bitumen, crude.

The PRESIDING OFFICER. The Chair will call the attention of the Senator from Rhode Island to the fact that there is a committee amendment pending to this paragraph, proposing to strike out, in lines 13 and 14, "one dollar and a half" and to insert "three dollars."

Mr. ALDRICH. What is that?

The PRESIDING OFFICER. That is the paragraph under consideration.

Mr. CULLOM. What does that apply to?

Mr. ALDRICH. That has already been done, I think.

The PRESIDING OFFICER. No; it is pending.

Mr. ALDRICH. I accept that amendment.

The PRESIDING OFFICER. Without objection, the amendment will be agreed to, and the paragraph as amended will be agreed to.

Mr. HEYBURN. I should like to inquire if the item on page 20, line 24, remains at $2.50 a ton?

The PRESIDING OFFICER. It does; the Chair so understands.

Mr. HEYBURN. I had an inquiry marked over it.

Mr. ALDRICH. I now ask that we take up paragraph 497.

Mr. CULLOM. If that last amendment, $3, applies to fluorspar, it is right.

Mr. ALDRICH. It does.

Mr. CULLOM. If it does not apply to that, I do not know what it means.

Mr. ALDRICH. I now ask that paragraph 497 be taken up.

The PRESIDING OFFICER. The Secretary will report the paragraph.

The SECRETARY. Page 198, binding twine. There is no amendment to the paragraph.

Mr. ALDRICH. Mr. President, I ask that the paragraph be agreed to.

The PRESIDING OFFICER. The question is on agreeing to the paragraph.

Mr. BACON. I ask that it be passed over, but I do not now desire to press the amendment I have.

Mr. ALDRICH. Mr. President, we have but two or three items left of the dutiable and free lists, and I am extremely anxious to dispose of them this afternoon, with a view to an early adjournment.

Mr. BACON. I have several amendments to offer to the free list. I have been waiting on the Senator.

Mr. ALDRICH. The Senator can offer them now.

Mr. BACON. I ask that this paragraph may be passed by for the present, then.

Mr. ALDRICH. The Senator had an amendment to this paragraph, I understand.

Mr. BACON. I did; yes; but I do not desire to offer it now, because there are other amendments of a similar character to be offered by other Senators.

Mr. ALDRICH. I ask that paragraph 217 be now taken up.

The PRESIDING OFFICER. The Chair did not hear the Senator.

Mr. BACON. I have some other amendments to offer.

Mr. ALDRICH. I ask that paragraph 217 be now taken up, and that the committee amendment be agreed to.

The SECRETARY. Paragraph 217, on page 74, Schedule F, "Tobacco and manufactures of."

Mr. ALDRICH. I ask that the committee amendment be agreed to.

The PRESIDING OFFICER. The question is on agreeing to the committee amendment.

Mr. ALDRICH. I understand that the committee amendment has been agreed to.

The PRESIDING OFFICER. It has not. There was a motion to reconsider.

Mr. ALDRICH. I ask that the amendment be agreed to.

The PRESIDING OFFICER. The question is on agreeing to the amendment, which the Secretary will report.

The SECRETARY. The amendment strikes out the proviso.

The amendment was agreed to.

Mr. BACON. Let us understand what amendment that is.

The PRESIDING OFFICER. And the paragraph as amended is agreed to.

Mr. BACON. What paragraph is that?

The PRESIDING OFFICER. That is paragraph 217, in regard to wrapper tobacco. The amendment strikes out the proviso.

Mr. BACON. Paragraph 217?

The PRESIDING OFFICER. Paragraph 217, on page 74.

Mr. PENROSE. Mr. President——

The PRESIDING OFFICER. Does the Senator from Rhode Island yield to the Senator from Pennsylvania?

Mr. ALDRICH. I ask that the paragraph as amended be agreed to.

The PRESIDING OFFICER. It has been agreed to.

Mr. ALDRICH. Now, Mr. President, I ask that paragraph 5 be taken up.

Mr. SIMMONS. Mr. President, I have an amendment to that paragraph.

The SECRETARY. Paragraph 5, on page 4.

Mr. ALDRICH. This paragraph the committee are going to permit to go on the free list.

Mr. SIMMONS. That is the amendment I proposed to offer.

Mr. ALDRICH. But the committee do this very reluctantly; and I am not at all certain that the action is correct. But, for the present, we are willing that the paragraph shall go on the free list. It relates to sulphate of ammonia.

Mr. SIMMONS. I think that the Senator may be assured that the action is eminently correct.

Mr. PENROSE. I should like to call the attention of the chairman of the committee to an inequality in the chemical schedule, paragraph 70.

Mr. ALDRICH. We are not yet through with this paragraph.

Mr. PENROSE. Oh, I beg pardon.

Mr. BURROWS. I desire to say a word in relation to the matter the chairman has just called up—sulphate of ammonia. It is understood that that matter will be open for future consideration?

Mr. ALDRICH. That, of course, is what I meant when I said I was not at all certain that the action of the committee was as it should be.

Mr. BURROWS. Yes; I wanted it understood.

Mr. ALDRICH. What we are accomplishing is to put sulphate of ammonia on the free list. We strike it out of the dutiable list in paragraph 5, lines 13 and 14, where we strike out the words "sulphate of ammonia, two-tenths of 1 cent per pound," and restore paragraph 480 of the free list.

Mr. BEVERIDGE. I am not informed about these matters, but I know that several Senators, some of whom I do not see here, are. I want to know just exactly what this means. It goes on the free list, to be open hereafter?

Mr. ALDRICH. I beg the Senator's pardon. What I said was that the committee are not, at least I am not, fully satisfied that this action is correct. I think the Senator from Michigan probably disagrees with me as to whether or not it ought to go on the free list; but my point is that at any time before the bill passes from the consideration of the Senate the committee may ask for a reconsideration.

Mr. BEVERIDGE. I merely call attention to this: Would not that, in substance at least, amount to a practical breaking of the unanimous-consent agreement? In other words, does that mean that this is disposed of by putting it on the free list before we take up the income tax and the corporation tax matter——

Mr. ALDRICH. Not at all.

Mr. BEVERIDGE. If that is true——

Mr. ALDRICH. Not at all. It is open in the Senate.

Mr. BEVERIDGE. If that is true, schedules might be disposed of in that way at the present time and then be taken up again——

Mr. ALDRICH. That is not my desire, and it is not my suggestion, I will say to the Senator.

Mr. BEVERIDGE. If it would have that effect, however—I am sure that is not the Senator's intention——

Mr. ALDRICH. Not at all.

Mr. BEVERIDGE. If that were the effect of it, however, it would be substantially a violation of the unanimous-consent agreement, which was that we should complete the schedules in Committee of the Whole before we took up the corporation and income tax matter. I am not informed——

Mr. ALDRICH. I am not making any reservation about it.

Mr. BEVERIDGE. If this or any other schedule should be disposed of in that way, with the understanding that it might be taken up afterwards, after the income tax and the corporation matter were disposed of——

Mr. ALDRICH. I am not asking any understanding at all. I am only saying——

Mr. BEVERIDGE. It would be a violation of the unanimous-consent agreement.

Mr. ALDRICH. The committee certainly will not violate the unanimous-consent agreement——

Mr. BEVERIDGE. It does not intend to, but it may result in it.

Mr. ALDRICH. Either in letter or spirit.
Mr. TILLMAN. Mr. President——
The PRESIDING OFFICER. Does the Senator from Rhode Island yield to the Senator from South Carolina?
Mr. ALDRICH. Certainly.
Mr. TILLMAN. I want to make an inquiry as to what is the exact status. I heard something about paragraph 5 and then about 480.
The PRESIDING OFFICER. Will the Senator from South Carolina allow the Secretary to state the amendment?
Mr. TILLMAN. Certainly.
The SECRETARY. On page 4, in paragraph 5, it is proposed to strike out the following words in the committee amendment:

Sulphate of ammonia, two-tenths of 1 cent per pound.

And it is proposed to disagree to the amendment on page 194, striking out paragraph 480, "ammonia, sulphate of," leaving it upon the free list.
Mr. TILLMAN. That is exactly what we want. I want to say that the southern farmers who use sulphate of ammonia, and for whose benefit we on this side have been contending, do not care a straw about these other ammoniacal preparations. You can put any old duty you want on them, but we want the fertilizer to be free.
Several SENATORS. You have it.
Mr. TILLMAN. We get it; but I did not know what we were getting.
Mr. LA FOLLETTE. Is that the committee amendment?
Mr. ALDRICH. It is taken from the dutiable list and put on the free list.
The PRESIDING OFFICER. Without objection, the committee amendment proposed by the Senator from Rhode Island is agreed to, and paragraph 5, as amended, is agreed to. Without objection, the committee amendment on page 194 is disagreed to.
Mr. ALDRICH. Mr. President——
Mr. CRAWFORD. I want to make an inquiry.
Mr. ALDRICH. I was about to say that this disposes of all the paragraphs to which the committee have any suggested amendments.
Mr. CRAWFORD. Mr. President——
The PRESIDING OFFICER. The Chair will recognize the Senator from South Dakota in a moment.
Mr. CRAWFORD. I only want to make an inquiry.
Mr. GALLINGER. I desire to submit an amendment.
The PRESIDING OFFICER. The Chair will recognize the Senator from New Hampshire in a moment.
Mr. ALDRICH. There are some amendments in regard to——
Mr. BACON. We can not hear the Senator.
The PRESIDING OFFICER. The Senate will be in order.
Mr. ALDRICH. I had an understanding with the Senator from Iowa [Mr. CUMMINS] that we would take up the paragraph in regard to structural iron and steel and dispose of it, but I assume we will hardly be able to do that to-night, especially in view of the notice of the Senator from Georgia that he has several amendments to the free list which he desires to have disposed of.
Mr. STONE. I have an amendment I wish to offer.
Mr. ALDRICH. Then I think perhaps the Senate might as well adjourn.
Mr. GALLINGER. Mr. President——
The PRESIDING OFFICER. Does the Senator from Rhode Island yield to the Senator from New Hampshire?
Mr. ALDRICH. Certainly.
Mr. GALLINGER. I want to submit an amendment for the purpose of sending it to conference. It is a trifling matter. In the committee amendment on page 54, lines 13 and 14, I move to strike out the word "twenty-five" where it appears the second time and insert in lieu thereof "thirty-five."
The amendment was agreed to.
Mr. PENROSE. I desire to call the attention of the chairman of the committee to an inequality in the chemical schedule which I think ought to be corrected. I refer to paragraph 70, page 17, line 12. If he wants to make the bill symmetrical and perfected, chlorate of soda ought to be 2 cents instead of 1¼ cents, so as to make it the same as chlorate of potash. Both are quoted as chlorates. Both are the same proposition in the markets of the world. Both are made electrolytically, and my attention has been called to it as an absence of symmetry in the bill and a lack of equality. I move that chlorate of soda be 2 cents instead of 1¼ cents.
The PRESIDING OFFICER. The Senator from Pennsylvania offers an amendment, which will be stated.
Mr. ALDRICH. I think we had better take that up later.
Mr. PENROSE. Very well.
Mr. ALDRICH. I move that the Senate proceed to the consideration of executive business.
Mr. CLAY. Will the Senator withhold that motion for one minute?
Mr. ALDRICH. Certainly.
Mr. CLAY. I do not think I caught the Senator correctly. I understood him to say that all of the paragraphs in this bill had now been disposed of.
Mr. ALDRICH. Oh, no; I said there were two or three exceptions.
Mr. CLAY. Ah, I did not understand that. Paragraph 350 has not been disposed of?
Mr. ALDRICH. Cotton bagging; it has not been disposed of.
Mr. CLAY. That is all right.
Mr. ALDRICH. And cotton ties and binding twine have not been disposed of.
Mr. TILLMAN. And tea has not been disposed of.
Mr. ALDRICH. That amendment has not been offered.
Mr. TILLMAN. I am going to speak several hours when we get on that subject.

EXECUTIVE SESSION.

Mr. ALDRICH. I move that the Senate proceed to the consideration of executive business.
The motion was agreed to, and the Senate proceeded to the consideration of executive business. After four minutes spent in executive session the doors were reopened, and (at 5 o'clock and 14 minutes p. m.) the Senate adjourned until Monday, June 28, 1909, at 10 o'clock a. m.

CONFIRMATIONS.

Executive nominations confirmed by the Senate June 26, 1909.

PROMOTIONS IN THE NAVY.

Capt. Albert G. Berry to be a rear-admiral.
Commander William S. Hogg to be a captain.
Lieut. (Junior Grade) Joseph D. Little to be a lieutenant.
Second Lieut. Edward A. Ostermann to be a first lieutenant in the Marine Corps.
Lester S. Wass to be a second lieutenant in the Marine Corps.

POSTMASTERS.

DELAWARE.

Charles C. Tomlinson, at Delmar, Del.

LOUISIANA.

Lou S. Flournoy, at Ruston, La.
James C. Weaks, at Monroe, La.

MICHIGAN.

Alonzo B. Hyatt, at Linden, Mich.

MISSOURI.

Edgar A. Remley, at Columbia, Mo.

NEW YORK.

John L. McKinney, at Pine Bush, N. Y.
Josiah S. Remington, at Fort Ann, N. Y.

NORTH DAKOTA.

Jesse M. Pierson, at Granville, N. Dak.
J. M. Stewart, at Mayville, N. Dak.

OKLAHOMA.

Charles N. Martin, at Haileyville, Okla.
Albert R. Phillips, at Waynoka, Okla.

SENATE.

MONDAY, *June 28, 1909.*

The Senate met at 10 o'clock a. m.
Prayer by the Chaplain, Rev. Ulysses G. B. Pierce, D. D.
The Journal of the proceedings of Saturday last was read and approved.

LAWS OF ARIZONA.

The VICE-PRESIDENT laid before the Senate a communication from the secretary of the Territory of Arizona, transmitting pursuant to law, a copy of the session laws of the Twenty-fifth legislative assembly of the Territory of Arizona, which, with the accompanying document, was referred to the Committee on Territories.

MESSAGE FROM THE HOUSE.

A message from the House of Representatives, by Mr. W. J. Browning, its Chief Clerk, announced that the House had agreed to the report of the committee of conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H. R. 1033) to provide for the Thirteenth and subsequent decennial censuses.

ENROLLED BILLS SIGNED.

The message also announced that the Speaker of the House had signed the following enrolled bills and joint resolution, and they were thereupon signed by the Vice-President:

H. R. 10887. An act to make Scranton, in the State of Mississippi, a subport of entry, and for other purposes;

H. R. 10933. An act making appropriations for expenses of the Thirteenth Decennial Census, and for other purposes; and

H. J. Res. 59. Joint resolution amending an act concerning the recent fire in Chelsea, Mass.

GUS D. ROBISON.

Mr. BROWN presented sundry affidavits to accompany the bill (S. 990) granting an increase of pension to Gus D. Robison, which were referred to the Committee on Pensions.

OTIS B. SMITH.

He also presented sundry affidavits to accompany the bill (S. 554) granting an increase of pension to Otis B. Smith, which were referred to the Committee on Pensions.

DAUGHTERS OF THE AMERICAN REVOLUTION.

Mr. SMOOT. I am directed by the Committee on Printing, to whom was referred a communication from the Secretary of the Smithsonian Institution, transmitting, pursuant to law, the Eleventh Annual Report of the National Society of the Daughters of the American Revolution (S. Doc. No. 117), to report it favorably, and to request that an order be made for printing the usual number of the report.

The VICE-PRESIDENT. Without objection, the report will be printed as requested.

BILLS INTRODUCED.

Bills were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. CARTER:

A bill (S. 2784) granting an increase of pension to George Twible; to the Committee on Pensions.

By Mr. GUGGENHEIM:

A bill (S. 2785) granting an increase of pension to Thomas H. Waltemeyer; to the Committee on Pensions.

By Mr. CRANE:

A bill (S. 2786) granting an increase of pension to Charles H. Miller; to the Committee on Pensions.

AMENDMENTS TO TARIFF BILL.

Mr. CULBERSON. I submit an amendment intended to be proposed by me to the amendment submitted by the Senator from Rhode Island [Mr. ALDRICH]. I ask that it be read, printed, and lie on the table.

The VICE-PRESIDENT. The amendment will be read.

The SECRETARY. On page 11, line 16, after the word "President," insert:

Provided, That either House of the Congress, or any committee thereof, may demand and receive any information obtained, or copies of any document received, evidence taken, or report made, under the provisions of this section.

Mr. CUMMINS. May I ask whether the amendment just read is an amendment to the so-called "corporation income-tax amendment," and is it an amendment proposed by the committee?

The VICE-PRESIDENT. It is an amendment proposed by the Senator from Texas [Mr. CULBERSON].

Mr. CULBERSON. It is an amendment to the amendment.

Mr. CUMMINS. Thank you; I did not hear it.

Mr. CULBERSON. I ask that the Secretary may again read the amendment to the amendment.

The Secretary again read the amendment to the amendment.

The VICE-PRESIDENT. The amendment to the amendment will be printed.

Mr. CLAPP. The President, in his message transmitted to Congress a few days ago, suggested the propriety of an excise tax on the privilege of being incorporated. The committee in reporting its amendment has evidently overlooked the feature of the President's message as to corporations holding stock in other corporations. I desire to offer a substitute, and I ask that it be printed.

The VICE-PRESIDENT. Without objection, it will be printed and lie on the table.

THE TARIFF.

The VICE-PRESIDENT. The morning business is closed, and the first bill on the calendar will be proceeded with.

The Senate, as in Committee of the Whole, resumed the consideration of the bill (H. R. 1438) to provide revenue, equalize duties, and encourage the industries of the United States, and for other purposes.

Mr. McLAURIN. Mr. President, I offer an amendment to the bill.

The VICE-PRESIDENT. The amendment will be stated.

The SECRETARY. It is proposed to add a new paragraph, as follows:

497½. Bagging for cotton, gunny cloth, and similar fabrics suitable for covering cotton.

The VICE-PRESIDENT. The question is on agreeing to the amendment proposed by the Senator from Mississippi.

The amendment was agreed to.

Mr. ALDRICH. I ask that paragraph 497, which was passed over, be now agreed to.

The SECRETARY. Paragraph 497, page 198, binding twine, and so forth.

The VICE-PRESIDENT. The question is on agreeing to the paragraph.

Mr. BACON. I should like to take up another matter, with the permission of the Senate, before proceeding to that, and one that has been before the Senate several times.

Mr. NELSON. What is the paragraph the Senator from Rhode Island has called up?

Mr. ALDRICH. Paragraph 497; but the Senator from Georgia prefers to proceed with another paragraph.

Mr. BACON. I desire to state that I have an amendment pending to that paragraph, and that it was an amendment putting bagging upon the same footing as binding twine—each of them on the free list. I did not know the fact at the time I addressed the Chair, that that has been practically disposed of by the adoption of an amendment putting bagging upon the free list. Therefore I will withdraw the amendment which I had offered to that particular paragraph.

Mr. ALDRICH. Then we will proceed to consider paragraph 497.

The VICE-PRESIDENT. The Senator from Georgia withdraws his amendment to paragraph 497. The question is on agreeing to the paragraph.

The paragraph was agreed to.

Mr. ALDRICH. I ask that paragraph 123 be agreed to.

The SECRETARY. On page 35, paragraph 123, "hoop or band iron, or hoop or band steel," and so forth.

The VICE-PRESIDENT. The question is on agreeing to the paragraph.

Mr. CULBERSON. Mr. President, I have an amendment striking out that provision and putting cotton ties on the free list.

Mr. ALDRICH. If the Senate votes down my proposition to agree to this paragraph, then, of course, the Senator could move to put them on the free list; but I hope the paragraph will be agreed to.

Mr. CULBERSON. Very well; I will follow that course.

The VICE-PRESIDENT. The question is on agreeing to the paragraph.

Mr. OVERMAN. I have an amendment which I desire to offer. I hope the Senator from Rhode Island will accept it.

The VICE-PRESIDENT. The amendment will be stated.

The SECRETARY. It is proposed to amend paragraph 123, page 35, by inserting the following at the end of the paragraph:

Provided, That exporters of cotton which has been baled in the United States, and in the baling of which imported hoop or band iron, or hoop or band steel, commonly called cotton ties, for baling cotton, has been used, shall, upon satisfactory proof, under such regulations as the Secretary of the Treasury shall prescribe, that such imported hoop or band iron, or hoop or band steel, has been used in the baling of such cotton, have refunded to them from the Treasury the duties paid on the hoop or band iron, or hoop or band steel, so used in the baling of such exported cotton.

Mr. ALDRICH. That amendment ought not to be offered as an amendment to this paragraph. The amendment should be offered to the drawback provision of the bill.

Mr. OVERMAN. If the Senator thinks it had better come in at another place, I will defer it for the present. I hope the Senator will accept it.

The VICE-PRESIDENT. The question is on agreeing to paragraph 123.

The paragraph was agreed to.

Mr. ALDRICH. On page 68, line 6, after the word "color"——

Mr. OVERMAN. Will the Senator yield to me for a moment? I ask that the amendment I offered be printed and lie on the table, to be presented at the proper time.

The VICE-PRESIDENT. Without objection, the amendment will lie on the table and be printed. Without objection, the Senate will consider paragraph 193 on page 68.

Mr. CULBERSON. Before passing to paragraph 123 let me see if I understand the Senator from Rhode Island. My idea is the Senator agreed after that provision should be adopted there would be no objection to the presentation of my amendment to put it on the free list. That is the effect of the amendment, anyway.

Mr. ALDRICH. The effect of agreeing to it is to keep it on the dutiable list; but the Senator can move, of course, if he sees fit, to put it on the free list.

Mr. CULBERSON. I understand.

Mr. ALDRICH. On page 68, line 6, after the word "color," I move to add "one-half of 1 cent per pound and."

Mr. STONE. I did not quite catch that amendment.

Mr. ALDRICH. It adds a duty of half a cent a pound in addition to the existing duty on bottle caps.

Mr. STONE. In addition to the ad valorem duty.

Mr. ALDRICH. Yes; in addition to the ad valorem duty.

The VICE-PRESIDENT. The question is on agreeing to the amendment.

The amendment was agreed to.

The VICE-PRESIDENT. Without objection, the paragraph as amended is agreed to. The paragraph is agreed to.

Mr. BACON. If the Senator will pardon me a moment, I did not catch the full import of the amendment. Are these the caps dairymen use for bottles?

Mr. ALDRICH. No; they are bottle caps for champagne wines—high-priced caps.

Mr. BACON. I should certainly object to it if it did apply to them.

Mr. ALDRICH. It does not.

Mr. BACON. Because that is a matter of general and universal use.

Mr. SMOOT. The advance is made, I will say to the Senator, on account of the advance made in the duty on lead. Those caps contain about 95 per cent lead.

Mr. KEAN. In paragraph 189, page 65, line 3, after the word "movement," I move to amend by inserting "including time detectors."

The VICE-PRESIDENT. Without objection, the Senate will consider paragraph 189. The Senator from New Jersey offers an amendment, which will be stated.

The SECRETARY. On page 65, line 3, paragraph 189, after the word "movement," insert "including time detectors."

Mr. CULLOM. That is a good amendment. I hope it will be made.

The VICE-PRESIDENT. The question is on agreeing to the amendment.

The amendment was agreed to.

The VICE-PRESIDENT. Without objection, the paragraph as amended is agreed to.

Mr. ALDRICH. The amendment offered by the Senator from Mississippi [Mr. MCLAURIN] necessitates striking out paragraph 350 from the dutiable list.

The VICE-PRESIDENT. Without objection, the Senate will consider paragraph 350.

The SECRETARY. Page 122, paragraph 350——

Mr. ALDRICH. I ask that the paragraph be stricken from the bill.

The VICE-PRESIDENT. The Senator from Rhode Island moves that paragraph 350 be stricken out.

The motion was agreed to.

Mr. ALDRICH. I move to strike out paragraph 515. Broom corn has been put on the dutiable list, and this is to remove it from the free list.

The SECRETARY. Page 201, strike out paragraph 515.

The VICE-PRESIDENT. Without objection, the Senate will consider paragraph 515. The Senator from Rhode Island moves to strike out the paragraph.

The motion was agreed to.

Mr. CURTIS. I desire to call the attention of the chairman to paragraph 191, and to propose an amendment.

The SECRETARY. Page 67, paragraph 191, the paragraph inserted by the committee, zinc in blocks, and so forth.

The VICE-PRESIDENT. Is there objection to considering paragraph 191?

Mr. CURTIS. I move to strike out "one-third" and to insert "one-half," so as to read: "1½ cents per pound" for zinc in blocks or zinc dust.

The VICE-PRESIDENT. The amendment will be stated.

The SECRETARY. In the committee amendment inserted as paragraph 191, strike out "one-third" and insert "one-half," so as to read:

Zinc in blocks or pigs and zinc dust, 1½ cents per pound.

The VICE-PRESIDENT. The question is on agreeing to the amendment proposed by the Senator from Kansas.

The amendment was agreed to.

The VICE-PRESIDENT. Without objection, the paragraph as amended is agreed to.

Mr. STONE. Mr. President, I desire to offer an amendment.

The VICE-PRESIDENT. To what paragraph?

Mr. STONE. A new paragraph.

The VICE-PRESIDENT. Without objection, the Senate will consider the amendment offered by the Senator from Missouri. It will be read.

The SECRETARY. In the free list it is proposed to insert as a new paragraph, to be known as "paragraph 625½," the following:

Iron ore, iron in pigs, iron kentledge, spiegeleisen, ferromanganese, scrap iron, scrap steel, bar iron, muck bars, square iron, rolled or hammered, round iron in coils or rods; iron in slabs, blooms, loops, or other forms; beams, girders, joists, angles, channels, and all other structural shapes of iron or steel; boiler or other plate iron or steel; iron or steel anchors or parts thereof; forgings of iron or steel, or of combined iron or steel; all forms of hoop, band, or scroll iron or steel; railway bars made of iron or steel, and railway bars made in part of steel, T rails, punched iron or steel flat rails; railway fish plates or spliced bars made of iron or steel; sheets of iron or steel, common or black, of whatever dimensions, and skelp iron or steel; all iron or steel sheets or plates, and all hoop, band, or scroll iron or steel; sheets or plates of iron or steel, polished or plated, by whatever name designated; steel ingots, cogged ingots, blooms, and slabs, by whatever process made; die blocks or blanks; billets and bars, and tapered or beveled bars, mill shafting, steel wool or steel shavings; iron or steel wire rods of every description; iron or steel wire of every description; axles, or parts thereof; axle bars, axle blanks, or forgings for axles, whether of iron or steel; blacksmith's hammers or sledges, track tools, wedges, and crowbars, whether of iron or steel; bolts and hinges, whether of iron or steel; cast-iron pipe of every description; cast-iron andirons, plates, stove plates, sad irons, tailor's irons, hatter's irons, and castings and vessels wholly of cast-iron; cast hollow ware of every description; chain or chains of all kinds made of iron or steel; iron or steel tubes, pipes, flues, or stays of every description, made of iron or steel; horse-shoe nails, hobnails, cut nails, and cut spikes, of iron or steel, and all wrought-iron or steel nails, of whatever description; horse, mule, or ox shoes of wrought iron or steel; cut tacks, braids, or sprigs; crosscut saws, mill saws, pit and drag saws, circular saws, steel band saws, screws of all kinds made of iron or steel; wheels for railway purposes made of iron or steel, and steel-tired wheels for railway purposes, and iron or steel locomotive, car, or other railway tires or parts thereof; all the foregoing shall be admitted free of duty.

The VICE-PRESIDENT. The question is on agreeing to the amendment offered by the Senator from Missouri.

The amendment was rejected.

Mr. ALDRICH. I now ask to take up paragraph 119.

The VICE-PRESIDENT. Without objection, the Senate will consider paragraph 119.

The SECRETARY. Page 33, paragraph 119, beams, girders, joists, angles, and so forth.

Mr. ALDRICH. The committee offer a modification of their former amendment.

The VICE-PRESIDENT. The Secretary will report the amendment offered by the Senator from Rhode Island on behalf of the committee.

The SECRETARY. On page 33, lines 22 and 23, strike out the words "three-tenths of one cent per pound" and insert in lieu thereof:

Valued at nine-tenths of 1 cent per pound or less, three-tenths of 1 cent per pound; valued above nine-tenths of 1 cent per pound, four-tenths of 1 cent per pound.

The VICE-PRESIDENT. The question is on agreeing to the amendment.

Mr. CUMMINS. I intend to offer another substitute for that paragraph. I can defer it until after this amendment is acted upon. I can offer it just as well then.

Mr. ALDRICH. Certainly.

The VICE-PRESIDENT. The paragraph must first be perfected before a substitute will be in order. The question is on agreeing to the amendment offered by the Senator from Rhode Island.

Mr. BACON. The amendment has not been printed.

Mr. ALDRICH. No. It simply makes a change in the classification; that is all.

Mr. BACON. It does not make any change in the rates?

Mr. ALDRICH. It increases the rate on structural steel above $18 a ton from three-tenths to four-tenths.

Mr. BACON. It increases the rate.

Mr. ALDRICH. It increases the rate on structural steel above $18 a ton from three-tenths to four-tenths a ton, not over the Dingley law, but over the first suggestion of the committee. It is below the rates of existing law, but above the rates as suggested by the committee. The committee were satisfied that they had not classified structural iron properly. This is simply a change in classification, with no increase of rate above the present rate, but a reduction of one-tenth, from four-tenths to three-tenths, practically cutting the rate one-tenth, but making a better classification of both.

Mr. BACON. If I am correct in my understanding, this is the paragraph about which we had discussion——

Mr. CRAWFORD. Mr. President——

The VICE-PRESIDENT. Does the Senator from Georgia yield to the Senator from South Dakota?

Mr. BACON. I wish to ask the Senator from Rhode Island a question. This is the same paragraph about structural steel we had under discussion some time ago.

Mr. ALDRICH. It is. Under the amendment as now suggested, structural steel valued at $18 a ton or less pays three-tenths, and structural steel which is not manufactured into forms above $18 a ton pays four-tenths, and all manufactured and put into form, window frames, and so forth, pay 45 per cent ad valorem.

Mr. CRAWFORD. I wish to ask a question.

Mr. BACON. I am undertaking to ask one, and I have not finished, but I will yield to the Senator if he desires.

Mr. CRAWFORD. This is the purpose of my question: As I understand, the amendment proposed now is a reduction of the amendment first reported by the Finance Committee.

Mr. ALDRICH. It is.

Mr. CRAWFORD. Because that was four-tenths a ton, I think, and this is three-tenths.

Mr. ALDRICH. It is three-tenths, and four-tenths was the first.

Mr. CRAWFORD. So that the amendment now proposed is lower than the first amendment.

Mr. ALDRICH. It is lower than the original amendment submitted by the committee.

Mr. BACON. I will state the point I was trying to get at when interrupted first by the Senator from Rhode Island and then by the Senator from South Dakota, so that I was not able to express myself clearly. The Senator will remember we had a discussion as to the classification of structural steel which had been cut to lengths and put into a class in itself, and there was an increase of duty.

Mr. ALDRICH. Not cut to lengths, but manufactured into forms. The amendment as it was originally reported from the committee, as suggested by the Senator from South Dakota, placed all structural steel not made up into forms, not manufactured, at four-tenths of a cent, and all that was manufactured at 45 per cent ad valorem.

Mr. BACON. That is what I had reference to.

Mr. ALDRICH. The present amendment makes all plain forms of steel three-tenths, valued at $18 a ton and less, and those that are valued above $18 a ton four-tenths, and leaves the steel manufactured into forms at 45 per cent ad valorem, which is a reduction of one-tenth on the structural steel valued at less than $18 a ton from the original report of the committee.

Mr. BACON. I have been trying my best to get the Senator to let me tell him what I wanted to find out. When I stated cut to lengths that was an improper expression. I meant put in forms for building. Does this amendment relate to that?

Mr. ALDRICH. No; it leaves that at 45 per cent ad valorem.

Mr. BACON. That is the question I was trying to ask.

Mr. ALDRICH. I beg pardon. That is left at 45 per cent ad valorem.

The VICE-PRESIDENT. The question is on agreeing to the amendment.

The amendment was agreed to.

The VICE-PRESIDENT. Without objection, the paragraph as amended is agreed to.

Mr. ALDRICH. Now, the Senator from Iowa [Mr. CUMMINS] has an amendment to offer to the paragraph as a substitute, I think.

The VICE-PRESIDENT. The Senator from Iowa offers a substitute for the paragraph.

Mr. CUMMINS. Mr. President, before I send the substitute to the desk, I desire to say that I have certain amendments to more than this single paragraph, and it has been understood that at this time I might offer amendments to all the paragraphs which concern what is known as "tonnage steel." I should like the attention of the Senator from Rhode Island just a moment in order to ascertain whether my understanding is in accord with his. I desire at this time to offer certain amendments to all these paragraphs which, in my opinion, embrace what is known in the trade as "tonnage steel." I already indicated them to some extent in the very beginning of this debate. I should like to know now whether the Senator from Rhode Island will put the paragraphs in such a position as that I may offer the amendments to them.

Mr. ALDRICH. I assured the Senator on Saturday, I think it was, that I would do it, and I am quite willing. I think the amendments might as well be disposed of now as in the Senate.

Mr. CUMMINS. I think so. Then, Mr. President, it is understood that the parliamentary situation is such that the amendments I now offer can be considered. The paragraphs to which I desire the amendments are to be reconsidered for that purpose. That is the understanding, and with that understanding I will proceed very briefly.

It is obvious that the duties imposed on iron and steel ought to bear some relation to each other as the product is advanced in manufacture. I therefore offer first a substitute for paragraph 116, which is the paragraph relating to pig iron and scrap iron and steel. My substitute is as follows:

116. Iron in pigs, iron kentledge, spiegeleisen, and ferro-manganese, $1.50 per ton; wrought and cast scrap iron and scrap steel, 50 cents per ton; but nothing shall be deemed scrap iron or scrap steel except waste or refuse iron or steel which, having at one time been advanced in manufacture to the final form for use and having been used, has by such use become unfit for further use and has become fit only to be manufactured.

It will be observed that this reduces the duty on pig iron to a dollar and a half a ton, and it reduces the duty on scrap iron to 50 cents a ton. That is the duty placed on it by the House. I have endeavored to eliminate the difficulty with respect to the commingling of pig iron or new iron with worn-out waste of iron and steel. I believe the definition I have given here separates absolutely the new from the old, and it does not include, as was suggested by the Senator from Pennsylvania the other day, the scrap that is produced in the manufacture of iron and steel. I can see very good reasons why such scrap iron and steel should bear the same duty as pig iron. I say nothing further with respect to it.

I begin with pig iron and put a duty on it of a dollar and a half a ton, which is ample to protect it, and which is now almost twice as much as the difference between the cost and the selling price of pig iron in this country and in England. There is not now more than 80 cents difference between the market price of pig iron in England and in the United States, and I think that when we put a duty of a dollar and a half a ton we have amply protected the manufacturer of that product.

Mr. ALDRICH. I wondered if the Senator would be willing to put all his amendments together and have them voted on? This one has been voted on, as the Senator knows, and it would save time greatly if the Senator would put in his amendments and have them voted on as a whole.

Mr. CUMMINS. As soon as I have gone through them, which I will do in a very few minutes, I intend to offer them as a whole, and if the Senate is willing, to let it vote on them as a whole, because they are, as I hope, parts of a harmonious whole and are properly related to each other.

I also offer an amendment to paragraph 118, which relates to round iron in coils or rods. I ask to reduce the duty from six-tenths of 1 cent per pound to four-tenths of 1 cent per pound, or $8 a ton.

I might as well say here that we have proceeded with a good deal possibly of misunderstanding in discussing the duties upon iron and steel. We assume that a ton of iron and steel is 2,000 pounds. As a matter of fact iron and steel in commerce are sold by the long ton, and the duty is therefore correspondingly increased; that is, when the duty is calculated on 2,240 pounds it is more, naturally, than when calculated upon a ton of 2,000 pounds.

I also amend, in line 11 of paragraph 118, that provision which relates to iron in slabs, blooms, loops, or other forms less finished than iron in bars by reducing the rate from four-tenths of a cent per pound to one-fourth of a cent per pound.

I say again, with respect to these items, that the duties I have proposed are more than the difference between the market price of these products in the United States and in our rival countries.

I also move to strike out paragraph 119 that was just before the Senate and concerning which the Senator from Georgia [Mr. BACON] made inquiry.

My substitute is as follows:

119. Beams, girders, joists, angles, channels, car-track channels, tees, columns and posts or parts or sections of columns and posts, deck and bulb beams, and building forms, together with all other structural shapes of iron or steel, whether plain, punched, or fitted for use, assembled and manufactured, three-tenths of 1 cent per pound.

Now, if I may have the attention of the Senator from Georgia for a moment, I think I can elucidate the difficulty which he experienced a moment ago. The amendment just offered by the Senator from Rhode Island to this paragraph does, indeed, reduce the duty upon certain structural forms of iron and steel as compared with the original report, but the difficulty with the report is that it eliminated originally all the structural iron and steel, or substantially all of it, in the form in which it is sold and bought, and increased the duty upon that phase of the product nearly or wholly 50 per cent as compared not with the report, but as compared with the Dingley law.

Now, structural iron and steel is bought after it has been manufactured; it is bought after it has been punched; it is bought after it has been assembled; it is bought after it has been riveted together; and therefore when the committee eliminates all such forms from the paragraph and attaches to them a duty of 45 per cent ad valorem, it has increased the duty upon this, the very largest product of our iron and steel mills, with the exception of steel rails. It increases the duty from $10 a

ton, as it is in the Dingley law, to $16 a ton, as it is in this report.

If there was any reason for that, I would not complain. But let us compare just a moment the structural iron and steel so assembled and so manufactured with some other product that has reached about the same stage in development. Structural iron and steel bear substantially the same relation in its original form to the ingot that the steel rail bears to the ingot. It is rolled and produced in substantially the same way. It then must be punched and assembled or manufactured, as it is so said. What additional price or cost is added to this form of steel by that process? It is well known to every man who has inquired anything about this subject that steel rails are worth in the market $28 a ton. What is structural steel assembled and manufactured worth? It is worth about $35 a ton. That is all the difference between iron and steel rails and structural iron and steel, a difference of $7 a ton, and that represents the entire cost of the labor put upon the product in addition to that which has been bestowed upon steel rails. Yet what do you see? You see iron and steel rails with a duty, as reported by the committee, of $3.50 a ton, though they are worth $28 a ton, and you see structural iron and steel inflicted or imposed with a duty of $14, $15, or $16 a ton, although they are worth about $7 a ton and more in the open market.

It seems to me there can be no defense for such a discrimination. We are buying a great deal of structural iron and steel in these days. It is a product as necessary to our development as are the steel rails. Why then do you put a duty of 45 per cent ad valorem upon this form, recognizing at the same time that another form, which costs only $7 a ton less, shall bear a duty of $3.50 a ton.

You will not be able to answer that question, Senators, when it is asked of you in the future; much more will it become difficult when it is known that structural iron and steel commands in the English market a price of not to exceed $3 a ton less than it commands in our market. It is selling there now at about the same price as it sells in our own market, and yet to protect it you are about to put upon it a duty of $14, $15 or $16 more a ton if the price shall rise to $40 a ton or more. It is indefensible, and in order that it shall bear the proper relation to other forms of iron and steel I have offered these amendments. I also offer an amendment to paragraph 124.

The VICE-PRESIDENT. As part of the same amendment? Does the Senator desire that to be considered as a part of the whole scheme or as a separate amendment?

Mr. CUMMINS. I am willing that they shall all be consided together, unless some Senator desires to separate them.

The VICE-PRESIDENT. The Senator will have the opportunity to determine.

Mr. CUMMINS. Because this arrangement is proportionate throughout. It relates these duties as they ought to be related, as I view the question.

My next amendment is in paragraph 124. The change is to reduce the duty on steel rails from seven-fortieths of a cent per pound to six-fortieths of a cent per pound—that is, from $3.50 a ton to $3 a ton—and to reduce the duty on fish plates and splice bars from two-tenths of a cent to seven-fortieths of a cent per pound.

My next amendment relates to iron or steel sheets, common steel sheets, and it is to reduce the duty correspondingly. I need not take the time of the Senate in reading it. I propose a substitute for paragraph 134, which relates to steel and iron rods. I am trying to save the committee the humiliation of attaching a higher duty to the steel rod than it attaches to a subsequent product of the steel rod.

I also offer an amendment to paragraph 160, which relates to wire nails. I have attached a duty to wire nails not less than 1 inch in length and not lighter than No. 16 wire gauge of two-fifths of a cent per pound, and less than that of one-half of a cent per pound. This increases the duty originally reported by the committee $3 a ton, and leaves the small nails at the same point.

I also offer a new paragraph with regard to barbed wire. I know that the Senator from Nebraska [Mr. BURKETT] has rendered to the farmers of this country a conspicuous service, and one which will be appreciated by them, in already securing the reduction from about $50 a ton to $15 a ton, but it is nevertheless still twice as much as it ought to be. There is no possible defense in putting the duty on barbed wire at a higher point than the duty on wire nails or cut nails, and they are both, according to my amendment, left at $8 per ton.

Mr. President, these are my amendments, and I now present them.

The VICE-PRESIDENT. Is there objection to considering the amendments offered by the Senator from Iowa as one amendment? The Chair hears none. The Secretary will state the amendments.

The SECRETARY. The amendments proposed by Mr. CUMMINS to Schedule C are as follows:

Paragraph 116. It is proposed to strike out paragraph 116 and substitute the following:

116. Iron in pigs, iron kentledge, spiegeleisen, and ferromanganese, $1.50 per ton; wrought and cast scrap iron and scrap steel, 50 cents per ton; but nothing shall be deemed scrap iron or scrap steel except waste or refuse iron or steel which, having at one time been advanced in manufacture to the final form for use, and, having been used, has by such use become unfit for further use, and has become fit only to be remanufactured.

Paragraph 118. In line 7 of paragraph 118 strike out the word "six-tenths" and insert "four-tenths;" and in line 11 strike out the word "four-tenths" and insert "one-fourth."

Paragraph 119. Strike out the paragraph and substitute the following therefor:

119. Beams, girders, joists, angles, channels, car-truck channels, tees, columns and posts or parts or sections of columns and posts, deck and bulb beams, and building forms, together with all other structural shapes of iron or steel, whether plain, punched, or fitted for use, assembled and manufactured, three-tenths of 1 cent per pound.

Paragraph 124. Strike out of line 22 the word "seven-fortieths" and insert "six-fortieths;" and to strike out of line 23 the word "two-tenths" and insert "seven-fortieths."

Paragraph 125. Strike from line 2, page 36, the word "five-tenths" and insert "three-tenths;" and strike from line 4 the word "six-tenths" and insert "four-tenths."

Paragraph 129. In line 16, after the word "blanks," insert the words "two-tenths of 1 cent per pound."

Paragraph 134. Strike out lines 3, 4, 5, 6, 7, and the word "pound" in line 8, and substitute therefor the following:

134. Round iron or steel wire, not smaller than No. 13 wire gauge, valued at not more than 2½ cents per pound, three-tenths of 1 cent per pound; smaller than No. 13 and not smaller than No. 16 wire gauge, valued at not more than 3½ cents per pound, five-tenths of 1 cent per pound; smaller than No. 16 wire gauge, and valued at not more than 4 cents per pound, three-fourths of 1 cent per pound.

It is also proposed to insert, after the word "wire," in line 8, on page 41, the words "not herein specially provided for."

Paragraph 160. Strike out the paragraph and the committee amendments thereto and insert the following:

160. Wire nails made of wrought iron or steel, not less than 1 inch in length and not lighter than No. 16 wire gauge, two-fifths of 1 cent per pound; less than 1 inch in length and lighter than No. 16 wire gauge, one half of 1 cent per pound.

Insert as a new paragraph, 160½, as follows:

160½. Barbed wire for fencing, two-fifths of 1 cent per pound.

The VICE-PRESIDENT. The question is on agreeing to the amendments proposed by the Senator from Iowa [Mr. CUMMINS].

Mr. CUMMINS. I ask for the yeas and nays on the amendments.

The yeas and nays were ordered, and the Secretary proceeded to call the roll.

Mr. SIMMONS (when his name was called). I am paired for the day with the junior Senator from Illinois [Mr. LORIMER]. If he were present, he would vote "nay." I should vote "yea."

The roll call was concluded.

Mr. CLARK of Wyoming. I have a general pair with the Senator from Missouri [Mr. STONE]. I transfer that pair to the junior Senator from Wisconsin [Mr. STEPHENSON] and vote. I vote "nay."

Mr. DANIEL. I am paired with the Senator from Maine [Mr. FRYE]. If he were present, he would vote "nay," and I should vote "yea."

Mr. BACON (after having voted in the affirmative). I had forgotten at the time I cast my vote that I had agreed for the present with the Senator from Rhode Island to stand paired with the Senator from Maine [Mr. HALE]. I therefore withdraw my vote. I presume, if present, the Senator from Maine would vote "nay." I should vote "yea."

Mr. SCOTT. My colleague [Mr. ELKINS] is on his way to the Chamber, but has not yet arrived. He is paired with the Senator from Texas [Mr. BAILEY]. If he were here, my colleague would vote "nay."

Mr. NELSON. My colleague [Mr. CLAPP] is unavoidably absent from the Chamber. If he were present, he would vote "yea."

Mr. CURTIS. I desire to announce that the Senator from Nevada [Mr. NEWLANDS] is paired with the Senator from Connecticut [Mr. BULKELEY], and that the Senator from Arkansas [Mr. CLARKE] is paired with the Senator from Delaware [Mr. RICHARDSON].

The result was announced—yeas 31, nays 40, as follows:

YEAS—31.

Bankhead	Cummins	Gore	Owen
Borah	Curtis	Hughes	Shively
Bristow	Davis	La Follette	Smith, S. C.
Brown	Dolliver	McLaurin	Stone
Chamberlain	Fletcher	Martin	Taliaferro
Clay	Foster	Money	Taylor
Crawford	Frazier	Nelson	Tillman
Culberson	Gamble	Overman	

NAYS—40.

Aldrich	Crane	Johnson, N. Dak.	Perkins
Bradley	Cullom	Jones	Piles
Brandegee	Depew	Kean	Root
Briggs	Dick	Lodge	Scott
Burkett	Dillingham	McCumber	Smith, Mich.
Burnham	Dixon	McEnery	Smoot
Burrows	Flint	Nixon	Sutherland
Burton	Gallinger	Oliver	Warner
Carter	Guggenheim	Page	Warren
Clark, Wyo.	Heyburn	Penrose	Wetmore

NOT VOTING—21.

Bacon	Clarke, Ark.	Johnston, Ala.	Simmons
Bailey	Daniel	Lorimer	Smith, Md.
Beveridge	du Pont	Newlands	Stephenson
Bourne	Elkins	Paynter	
Bulkeley	Frye	Rayner	
Clapp	Hale	Richardson	

So the amendments of Mr. CUMMINS were rejected.

Mr. ALDRICH. I ask that the paragraph be agreed to.

The VICE-PRESIDENT. Without objection, paragraph 119 is agreed to as amended.

Mr. ALDRICH. And all the other paragraphs.

The VICE-PRESIDENT. All the others were agreed to. The vote did not affect them.

Mr. ALDRICH. I ask to return to paragraph 470.

The VICE-PRESIDENT. Without objection, the Senate will consider paragraph 470.

Mr. ALDRICH. In paragraph 470, after the word "paper," in line 5, I move to insert "or lace." The habit has sprung up of late of importing lace on umbrellas. This is to obviate that.

The VICE-PRESIDENT. The amendment will be stated.

The SECRETARY. On page 187, paragraph 470, relating to umbrellas, parasols, and so forth, in line 5, after the word "paper" and before the comma, it is proposed to insert the words "or lace."

Mr. BACON. Will the Senator permit me to ask him what is the effect of the amendment including the words "or lace?"

Mr. ALDRICH. It makes them pay duty.

Mr. BACON. Is the lace dutiable under another paragraph?

Mr. ALDRICH. The habit has sprung up lately of importing lace upon umbrellas, and it is for the purpose of preventing that.

Mr. BACON. In other words, the lace will be dutiable under another paragraph.

Mr. ALDRICH. Under the lace paragraph, instead of under this paragraph.

The VICE-PRESIDENT. The question is on agreeing to the amendment.

The amendment was agreed to.

The paragraph as amended was agreed to.

Mr. ALDRICH. I ask to return to paragraph 186.

The VICE-PRESIDENT. Without objection, the Senate will consider paragraph 186.

Mr. ALDRICH. In paragraph 186, on line 23, after the word "plated," I move to insert the words "with gold or silver."

The VICE-PRESIDENT. The amendment will be stated.

The SECRETARY. On page 62, paragraph 186, line 23, after the words "not plated," it is proposed to insert "with gold or silver" before the comma.

The VICE-PRESIDENT. The question is on agreeing to the amendment.

The amendment was agreed to.

The paragraph as amended was agreed to.

Mr. ALDRICH. On page 221, paragraph 708½, in line 6, I move to strike out the words "briar root or briar wood and."

The VICE-PRESIDENT. Without objection, the Senate will return to paragraph 708½.

Mr. ALDRICH. I ask that the words "briar root or briar wood and" be stricken out. These were put upon the dutiable list upon the motion of the Senator from West Virginia [Mr. SCOTT].

The VICE-PRESIDENT. The amendment will be stated.

The SECRETARY. On page 221, in paragraph 708½, in the committee amendment, in line 6, it is proposed to strike out the words "briar root or briar wood and."

The VICE-PRESIDENT. The question is on agreeing to the amendment.

The amendment was agreed to.

Mr. MARTIN. Mr. President, while we are on that paragraph, there is a small amendment that I think ought to be added in reference to red cedar. As the paragraph stands, it can be imported hewn or round. I want the provision so amended that it may be imported hewn, sided, squared, or round—just the addition of the words "sided, squared."

Mr. ALDRICH. Mr. President, I am not sure about the description. Red cedar certainly ought not to be put on the free list if it is in the shape of lumber; otherwise, we would be admitting cedar lumber free in all forms. If there can be a description of cedar which the Senator——

Mr. MARTIN. It is limited to red cedar——

Mr. ALDRICH. "Red cedar" may include all cedars, for all cedars are more or less red.

Mr. MARTIN. The amendment that I offer is after the word "only," in line 5, to strike out the semicolon and insert a comma, and then add after the comma the words "and red cedar (Juniperus Virginiana) timber, hewn, sided, squared, or round: *Provided*, That it is not used in the original shape in which it is brought in."

Mr. ALDRICH. The words "*Provided*, That it is not used in the original shape" would not do, because it could not be used, to begin with, in the original shape in which it is brought in.

Mr. MARTIN. Very well; let those words be stricken out. The amendment was sent to me in that shape. Those who are in the business suggested it, and the proposed amendment follows the language used in several other places in reference to other commodities. For myself, I do not see how it can be effective. So I will leave out the words "*Provided*, That it is not used in the original shape in which it is brought in," and let the amendment stop at the end of the word "round."

Mr. ALDRICH. I have no objection to the amendment going in, and the committee will later examine it.

Mr. MARTIN. I am sure that when the committee examines it it will see that the amendment is desirable.

The VICE-PRESIDENT. The amendment will be stated.

The SECRETARY. On page 221, line 5, at the end of the line, after the word "only" and before the semicolon, it is proposed to insert a comma and the words "and red cedar (Juniperus Virginiana) timber, hewn, sided, squared, or round."

The VICE-PRESIDENT. The question is on agreeing to the amendment.

The amendment was agreed to.

The paragraph as amended was agreed to.

Mr. ALDRICH. In paragraph 521, on page 201, I move to strike out the words "catgut, whip gut, or worm gut" and insert "animal intestines."

The VICE-PRESIDENT. Without objection, the Senate will consider paragraph 521. The amendment will be stated.

The SECRETARY. On page 201, paragraph 521, line 9, strike out the words "catgut, whip gut, or worm gut" and insert the words "animal intestines."

The amendment was agreed to.

The paragraph as amended was agreed to.

Mr. ALDRICH. I think that completes all the paragraphs that have been passed over, except the one in relation to cotton. The Senator from Georgia [Mr. BACON] has an amendment in reference to that, I think.

Mr. BACON. I ask that the amendment which I propose to paragraph 541 may be read.

The VICE-PRESIDENT. Without objection, paragraph 541 will be considered by the Senate. The Secretary will state the amendment.

The SECRETARY. After the word "cotton," in line 2, insert "having fiber or staple not less than 1⅛ inches in length."

Mr. ALDRICH. I would suggest to the Senator from Georgia, as he intends to follow this, I suppose, with an amendment on the dutiable list, that he offer his amendment to the dutiable list and have a direct vote upon that.

Mr. BACON. I prefer to do it in this way.

Mr. ALDRICH. It amounts to the same thing, take it one way or the other.

Mr. BACON. That depends. If the Senator will consent or, rather, should it be determined to put it upon the dutiable list, it will be time enough then to determine what the duty should be. I hope I may have the attention of the Senate, because I am sure that there are some matters that I wish to present to it which are not generally known, or to which, at least, it has not had its attention attracted.

The VICE-PRESIDENT. Will the Senator from Georgia give his attention to the amendment, so that the Secretary may be certain that the amendment has been correctly stated? The Secretary will restate the amendment.

The SECRETARY. After the word "cotton," and before the comma, insert "having fiber or staple not less than 1⅛ inches in length."

Mr. BACON. That is right.

The VICE-PRESIDENT. The word "not" is correct?

Mr. BACON. Yes. I am not going to be long, Mr. President, and I should like to have the attention of the Senate. I can not have it, if there is so much conversation.

The VICE-PRESIDENT. Senators will please cease conversation.

Mr. BACON. Mr. President, the paragraph as it now stands in the bill puts all cotton on the free list. The purpose of the amendment is to remove long-staple cotton from the free list. So far as relates to the common article of cotton, that which is generally known as the "commercial cotton" of the country, it is entirely proper and in accordance with the wishes of those who are most interested in cotton that it should be on the free list. I suppose ninety-nine one-hundredths or more of all the cotton that is raised is of the common upland variety, and there is no disposition——

Mr. FLETCHER. Mr. President——

The VICE-PRESIDENT. Does the Senator from Georgia yield to the Senator from Florida?

Mr. FLETCHER. I merely want to suggest to the Senator that I do not think the amendment has been stated as he intended.

Mr. BACON. Yes; it has.

Mr. FLETCHER. It was read "not less than 1⅛ inches."

Mr. BACON. Yes.

Mr. FLETCHER. I think it should be, "having fiber or staples less than 1⅛ inches."

Mr. BACON. The Senator is correct about it. The word "not" ought not to be in there. I have it here correctly written in the copy before me without the word "not," but at the moment of the inquiry I was confused.

The VICE-PRESIDENT. The amendment will be corrected by the Secretary.

Mr. BACON. I wrote it originally in the way the Senator from Florida suggests.

I repeat, Mr. President, that the provision of the bill which puts the common article of cotton on the free list is one which meets with the entire approval of all those who are interested in cotton, and it is not proposed to change that. The common article of cotton, known to the commercial world generally as "cotton," ought to be on the free list, and if there were a proposition to put it upon the dutiable list, it would be resisted.

The Senate will remember that when the proposition was made to put cotton-seed oil upon the dutiable list it was objected to by Senators representing the section of the country interested in that product on the ground that there is little or no importation of it, and that it would be a delusion and a sham to put it upon the dutiable list. For that reason this amendment proposes to state the duty in such a way that any effort to remove it to the free list can not apply to the common article of cotton, of which there are some 13,000,000 bales made annually, whereas as to another kind of cotton, there are less than 100,000 bales made in the entire country; that is, estimating the amount by the 500-pound bale as a standard.

It may be a matter of some little interest and somewhat of surprise to the Senate to know that in the year 1907—the date of the last Statistical Abstract—there were, in round numbers, 210,000 bales of what is known as "long-staple" cotton imported into the country. It is a class of cotton which is not used at all for the ordinary manufactures of cotton. It is used only in the manufacture of very high-class goods, such as cotton laces, a very high grade of knit underwear, and things of that kind. Almost every pound of the Egyptian cotton goes to one section of the country—New England. I do not suppose a single pound of it comes south of New York City; certainly not, unless it is to New Jersey and possibly Pennsylvania.

Mr. ALDRICH. Mr. President, I have to call the Senator's attention to the fact that he gave me a letter from the Bibb Manufacturing Company, in which they stated that they had a plant costing a million dollars engaged in the production of fine yarns from Egyptian and other long-staple cottons.

Mr. BACON. Mr. President, I did not read the letter.

Mr. ALDRICH. That statement could be amplified indefinitely for every part of the South and every part of New England.

Mr. TILLMAN. Will the Senator yield to me for a suggestion?

Mr. BACON. Let me go on for just a few moments.

Mr. TILLMAN. I simply want to suggest that this is not a sectional matter.

Mr. BACON. I know that.

Mr. TILLMAN. And the fact that some New England mills use it and other southern mills use it has nothing to do with the tariff.

Mr. BACON. Mr. President, I have never read the letter which I handed to the Senator, and the Senator knows the circumstances under which I gave it to him. I presume it is a fact that goods of the class manufactured in the factory to which he alludes are made entirely of domestic long-staple cotton. It would be very foolish for them, when such cotton is raised in Georgia, to import it from Egypt for the purpose of making that class of goods.

Mr. ALDRICH. But the long-staple cotton raised in Georgia does not and can not take the place of the Egyptian cotton, as the Senator ought to know.

Mr. BACON. Very well; I withdraw that part of my statement, if the Senator desires. I want to call attention, though, to the quantity and the class of this cotton. In giving quantities I shall use the term "bales," meaning by that 500 pounds; for that is generally understood as the standard of a bale of cotton, although the long-staple cotton is not put up in bales of that weight. Reducing the figures to bales of that standard, there were imported into the United States in 1907, in round numbers, 210,000 bales of cotton of this class, about four-fifths of which came from Egypt, and is known as the "Egyptian long-staple cotton," which, as I am informed by cotton experts in New York, varies in length of staple from 1⅛ to 1⅜ inches. That is the cotton out of which the class of goods I have spoken of is made—laces, fine knit underwear, and high-class goods of all kinds. One-fifth of the cotton comes from Peru, and is not the same kind of cotton at all. It is described by the New York experts as a rough, crinkly cotton, which is not used at all in cotton manufactures, but is used altogether in wool manufactures. It is imported into this country and mixed with wool. It is not used in any cotton factories.

There is the situation—210,000 bales imported, four-fifths of the total being the Egyptian cotton, which goes into high-class cotton goods, and one-fifth of it being the Peruvian cotton, which goes altogether into woolen goods.

When the Dingley bill was before the Senate I offered an amendment proposing a duty of 20 per cent upon that class of cotton. It passed the Senate and went into the conference committee, where it was rejected. I have added up the importations of cotton between the time that amendment was offered by me and the year 1907 and the value of the same, according to the Statistical Abstract. I find that if that amendment had stood there would to-day have been in the United States Treasury $20,000,000 more than there is. And if the imports of 1908 and 1909 have been the same each year as they were in 1907 there would have been in the Treasury nearly $30,000,000 more than there is to-day. And I want to add that if the duty I then proposed were now imposed on long-staple cotton, and if the same amount is imported hereafter as was imported in the year 1907, approximately $40,000,000 of revenue will be derived from it in the next ten years.

The other day, when an effort was made to put grain sacks and guano sacks on the free list, the Senator from Rhode Island was very much disturbed by the suggestion, made by himself, that to do so would deprive the Government of a large amount of revenue. I want to say that if the Senator was simply opposing the grain-sack matter on account of revenue, there is an opportunity here, by the adoption of this amendment and by putting a proper revenue duty upon this cotton, of making up certainly a very large part of what would be lost if the duty were removed from grain sacks. I hope the Senator will reconsider and put grain sacks on the free list, and make up the loss in revenue this way.

While I am not going to speak at all elaborately upon this point, I wish to call attention to the fact that certain duties are imposed upon all the great staples of the country; and I wish to call attention to the amount of revenue that it is estimated will be received therefrom. I take these figures from the Book of Estimates the Finance Committee has furnished us. The revenue from barley, with an ad valorem duty of 53.64 per cent are placed at $3,544 annually; from corn, with an ad valorem of 23.96 per cent, the revenues are estimated at $1,897 annually; from oats, with an ad valorem duty of 43 per cent, the revenues are estimated at $7,425; from rice, which has a very high duty, 62.06 per cent, the revenue is placed at $539,081; from rye, with an ad valorem duty of 25 per cent, the revenue is estimated at $31.50; from wheat, with an ad valorem duty of 34.62 per cent, the revenue is placed at $5,742. Therefore, from those six great staples, the entire estimated revenue is $557,720.

The value of the 210,000 bales of cotton that I have referred to is $19,930,988—or, in round numbers, twenty millions of

dollars. A duty of 20 per cent upon that would yield to the Government a revenue of $4,000,000 a year. Four million dollars a year is, in round numbers, eight times as much as the revenue on barley, corn, oats, rice, rye, and wheat, all put together. I think that that is a pretty good showing as a revenue proposition.

Mr. ALDRICH rose.

Mr. BACON. If the Senator will pardon me a moment, I am nearly through.

Mr. ALDRICH. Mr. President——

Mr. BACON. I will hear the Senator now if he prefers to have me.

Mr. ALDRICH. If we should put an excise tax of 10 cents a pound on raw cotton, the amount of revenue to be derived would be much greater than what the Senator now suggests.

Mr. BACON. Yes; but that is not a pertinent suggestion, Mr. President, and I shall not reply to it. It is not a pertinent suggestion; and I am sure that no Senator within the sound of my voice will deny that it is not a pertinent suggestion, or claim that I am not right in not replying to it.

As I said, Mr. President, an importation of this cotton to the value of $20,000,000 a year, with a revenue duty of 20 per cent—which everyone will admit is a reasonable revenue duty—would yield $4,000,000 a year. Now I want to call attention to something which may impress Senators with the discriminations that exist here. The importation of cotton is in value about half of the entire importation of wool; and if you were to put the same duty on long-staple cotton that you put on wool, you would have a revenue of $9,000,000 a year. What an outcry there would be if there were a suggestion at this time of putting wool upon the free list, and how much we would hear, as we heard on Saturday, when the proposal was made to put grain sacks on the free list, about the destruction of the revenues of the Government.

I should not be in favor of putting the same duty upon long-staple cotton that is put upon wool, because I regard the latter as a protective duty. But I should be glad to see wool and long-staple cotton put upon the same basis as far as a legitimate, reasonable, revenue duty is concerned. There is no reason in the world that can be urged in favor of a revenue duty upon wool that can not be urged with equal strength in favor of a revenue duty upon long-staple cotton. In each case, of course, it adds to the expense of manufacture. In each case the duty upon it necessarily enhances the price of the goods thus manufactured. That is, it enhances the price provided the article is not protected by a tariff so high, as I think I can show to be the case with cotton manufactures, that there is no excuse for any increase of the price.

I want to call the attention of the Senator from Rhode Island [Mr. ALDRICH] to the statement I am about to make, and I hope I may also have the attention of the senior Senator from Iowa [Mr. DOLLIVER], because I may have to appeal to him, before I get through, on one proposition. I know the argument the Senator from Rhode Island will use against the imposition of this revenue duty. The same argument was made twelve years ago, and the Senator has made the same argument to me in private.

Mr. ALDRICH. Mr. President, I was not in the Senate twelve years ago when this paragraph was adopted; that is, I was not present. So the Senator is mistaken about the argument I made twelve years ago.

Mr. BACON. The Senator was not in the Senate?

Mr. ALDRICH. I was not present, I think, when this matter came up.

Mr. BACON. I did not say the Senator made the argument twelve years ago, though I think he did; but I mean that it was made by those who opposed the duty. The Senator from Rhode Island and the then senior Senator from Iowa, Mr. Allison, were the Senators in charge of the bill and actively engaged in its consideration, and I think the Senator from Rhode Island was present. However, I may be mistaken about that.

The argument to which I refer is that to impose a revenue duty upon long-staple cotton will necessitate an increase of the duty upon the class of goods into which that cotton goes in process of manufacture; and that if a duty is put upon long-staple cotton, it will be necessary to raise the rate of duty now imposed upon cotton laces and the high-class cotton goods that are made out of Egyptian cotton.

My reply to that argument is this: I do not think it is a good argument in any particular; but it is particularly not a sound argument in this case, for the reason that in this bill the duties upon cotton goods of that particular class have been raised so high that, as fixed already in the bill, they would cover any proper revenue duty that might be imposed upon the raw material employed in their manufacture.

The Senator from Iowa [Mr. DOLLIVER], in the remarkable speech he made upon this subject, demonstrated that proposition, as to the tremendous increase which has been made in the duty upon cotton goods of that class. It was up then to about 60 per cent; and there was, under that range of duties, more than full room for the imposition of a proper revenue duty upon the material used in their manufacture. But since then, Mr. President, within the last two or three days the Senator from Rhode Island, with the facility which he enjoys to the exclusion of everyone else in the Senate, sent to the desk a little slip of paper an inch deep and the width of a page, increasing these duties 10 per cent and making them 70 instead of 60 per cent. Therefore I say there can be no possible excuse for the contention that the imposition of this duty would necessitate an increase of the duty on the manufactured goods.

If 20 per cent duty upon the long-staple cotton is too much, make it lower. I am not standing on that. I am not now proposing any hard and fast duty, but I am using that by way of illustration. The question here is simply this: Shall long-staple cotton be free or shall it be dutiable? If it is to be dutiable, the question as to what the duty shall be will come up later.

What I have said about Egyptian cotton is equally true of Peruvian cotton. Peruvian cotton has no competitor in this country. Egyptian cotton has a very slight competitor. In the entire United States less than 100,000 bales of this long-staple cotton are produced. It is of a different variety from the other cotton. It is, in fact, a different plant; it has a different seed; it is ginned by a different process.

Mr. DOLLIVER. Mr. President——

The VICE-PRESIDENT. Does the Senator from Georgia yield to the Senator from Iowa?

Mr. BACON. I do.

Mr. DOLLIVER. I would be glad if the Senator would state why more of this cotton is not made. The price seems to be almost twice that of the other cotton. Are there any geographical limitations?

Mr. BACON. There are geographical limitations upon it, and I am glad the Senator asked my attention to it. I was born and reared as a child in a section of country where they made no other cotton except the sea-island cotton—our long-staple cotton. I never saw the article commonly known as "cotton"—that is, the upland cotton—until I was 14 or 15 years of age, when I went to the upcountry. This cotton was originally grown on the seacoast of South Carolina, Georgia, and Florida. Latterly it has been introduced in some degree into the interior, but it has to be within the influence of sea air. It can not be grown outside of certain geographical limitations. When you get a certain distance from the seashore it can not be grown successfully. That, I think, is the answer.

Mr. DOLLIVER. Is all the productive territory now occupied? Would it be possible by the imposition of duties to enlarge the production?

Mr. BACON. I do not know that it would, and I do not ask it for the purpose of enlarging it. I will say to the Senator it is a plant different in its growth from the ordinary cotton. It has an extremely small boll. I can recollect when I was a child it was considered that the women were better adapted to picking the cotton than the men, because their fingers were smaller and they could the more easily get into the boll.

I do not know that its production would be increased. It is not a plant so easily cultivated as the other. It is not so productive as the other, and I doubt very much if there is any more money—in fact, I am quite confident there is no more money—in the raising of this cotton than in the raising of the other, because of the difficulties in its cultivation and the less product there is with a given amount of labor and a given area of territory.

When I was interrupted by the Senator from Iowa I was proceeding to say so far as Peruvian cotton is concerned, of which there is imported about one-fifth of the entire import of foreign product, that there is no competitor whatever in this country for it. There is no cotton raised in the United States that takes the place of the Peruvian cotton. It is a coarse cotton. As described in the language of the New York experts who have given me the information, it is a "crinkly" cotton, and is known as "vegetable wool." It is commonly called "vegetable wool," and is used only in admixtures with wool in the manufacture of woolen goods.

What I said about the high prices of these cotton goods applies to the prices of the woolen goods into which the Peruvian cotton goes. No question of protection can come in there, because there is no cotton of the kind raised in the United States or anywhere else that I know of except in Peru, and some forty or fifty thousand bales of that cotton come into this country free of duty, which has no competitor in the United States;

that is estimating the bales at the standard of 500 pounds, although the bales are not of this standard.

Mr. TILLMAN. What does it sell at?

Mr. BACON. I do not know; but I think it is probably worth more than sea-island cotton. It is a longer staple; I will not say longer staple. The average of the Egyptian cotton, as given to me by New York experts, is about one and a half. The minimum is one and one-eighth, running from one and one-eighth up to one and five-eighths.

My informants say:

Rough Peruvian has strong, rough, crinkly staple, 1⅛ to 1¼ inches long.

There is not much difference in the staple of that and long-staple cotton, but there can be, as to that, no possible ground of criticism upon it as a strictly revenue article.

Mr. TILLMAN. What is the staple of the Egyptian cotton?

Mr. BACON. Egyptian, one and one-eighth to one and five-eighths. I will state that this information I get from a cotton firm in New York, which is entirely reliable. The Peruvian is from 1⅛ to 1¼ inches long.

I repeat that, so far as the Peruvian cotton is concerned, there can be no possible criticism upon the proposition to put it upon the dutiable list with any purpose to have any protective influence, because there is none raised in the United States, and it is not used for any purpose for which any American cotton is used. It is purely that much, forty or fifty thousand bales coming into this country every year, used by the wool manufacturers, which they get free of duty, at a time when in this bill woolen goods composed in part or in whole of wool, which would include goods with this Peruvian admixture, are fixed at over 100 per cent, and from that up to 140 per cent.

Mr. President, I repeat that I am not now asking for the imposition of any duty. I think this foreign long-staple cotton is a proper subject of revenue, and therefore I have separated it from any question of the amount of duty, and I have just simply brought up squarely the question whether it shall be on the free list or the dutiable list.

Mr. MARTIN. I should like to ask the Senator from Georgia a question. Does the Senator think this duty, if imposed, would increase the cost to the consumers of certain classes of cotton fabrics?

Mr. BACON. I have answered that. I suppose the Senator was not in the Chamber.

Mr. MARTIN. I was not.

Mr. BACON. I will repeat it. I called attention to the fact that that was the objection urged against it, and I called attention to the fact that the kind of fabrics in the manufacture of which this long-staple cotton is employed were not common cotton goods at all. It is used only in making laces and in high-grade goods of that kind—very high grade knit underwear, and possibly some of the very highest class of cotton manufactures, but nothing of the common sheeting or shirting.

Mr. MARTIN. Mr. President——

Mr. BACON. If the Senator will pardon me for a moment, I called attention to the fact that while that might be an objection under ordinary circumstances that in this particular bill, as had been shown by the Senator from Iowa in his speech, the class of cotton goods in which this Egyptian cotton goes is a class of goods which in this bill has had a duty imposed upon it, I think, of 40 or 50 per cent higher than ever before. In other words, it has gone up to 60 per cent, and within the last three days the Senator from Rhode Island has by an amendment put a duty of 70 per cent upon it. So there is opportunity for the manufacture of these goods, with this rate of duty, without giving them free raw material and without increasing the price to the consumer if they do not have free raw material.

Mr. ALDRICH. If the Senator from Virginia will wait until the Senator from Georgia has concluded his remarks, I will undertake to answer the question in a very different way from that in which the Senator from Georgia has answered it.

Mr. MARTIN. I want to get a satisfactory opinion, if I can, from the Senator from Georgia. If I understand him correctly, he admits that this duty would increase the cost to the consumer of certain kinds of material.

Mr. BACON. I do not admit it at all. On the contrary, I deny it.

Mr. MARTIN. Even on the fine fabrics—laces—the prices will not be increased?

Mr. BACON. I do not say the prices will not be increased; but they ought not to be.

Mr. MARTIN. I want to know what the legitimate effect will be.

Mr. BACON. The legitimate effect of it would be that the prices would not be increased, because the rates of duty have been fixed so high that they do not need free raw material. That is the reply.

Mr. MARTIN. Then the opinion of the Senator from Georgia is it will not tend to increase prices?

Mr. BACON. Certainly not, unless they abuse the opportunity given them by the amendment of the Senator from Rhode Island.

Mr. MARTIN. Did the Senator ever know a manufacturer to fail to abuse such an opportunity?

Mr. BACON. That may be. I am rather inclined to think they will abuse it whenever they have the opportunity. But that is no reason why the interests of the Government, to say nothing of the interests of anybody else, should be sacrificed. The same thing would apply to wool or any other raw material. If the Senator is in favor of all free raw materials, the argument is good; if not, it is not. There is no reason why one raw material should be given to the manufacturer free on the ground that if he does not have it he would abuse his opportunity to raise prices unless the same argument is applied to all others.

Mr. ALDRICH. I think the speech of the Senator from Georgia is rather an extraordinary one. I was curious to see what argument the Senator would adduce for the imposition of this duty. The Senator says there are 100,000 bales of long-staple cotton produced in the United States.

Mr. BACON. Less than that.

Mr. ALDRICH. Less than that. It is entirely produced in three States—in Georgia and South Carolina and Florida. He says that the area can not be increased, and that the production can not be increased largely.

Mr. BACON. I did not say it could not be.

Mr. ALDRICH. Well, probably it could not be. If the Senator will permit me——

Mr. BACON. I will state, in order that the Senator may have it accurately, that it can not be enlarged beyond a certain distance from the seashore.

Mr. ALDRICH. I supposed, of course, the Senator from Georgia was going to ask for the imposition of this duty merely for protective purposes under the guise of a duty for revenue only; but it seems that there is no protection in it, according to the Senator's statement. It is only a question of imposing 4 cents a pound on Egyptian cotton. Now, Egyptian cotton does not compete with the cotton produced in the United States in color and in texture. It has a use of its own, and the long-staple cotton raised in Georgia, South Carolina, and Florida does not compete and can not compete in the large part of uses with the Egyptian cotton at all. Egyptian cotton, as the Senator says, is used in the manufacture of laces. There are very few laces made in the United States.

The rates which are imposed under the amendment which I suggested a few days ago are not upon such laces as are made in the United States, and not a pound of Egyptian cotton imported into the United States is used at all in the manufacture of that class of laces. Egyptian cotton goes into fabrics of all kinds where the particular color and particular texture and particular length of staple are necessary. It is used in the development and diversification of cotton making in every State in the Union. It is used very largely in the Senator's own State, and it will be used very largely in the State of South Carolina, because in the manufacture of certain fabrics in common use they are obliged to buy Egyptian cotton.

I make this proposition: That a duty of 4 cents a pound on Egyptian cotton would be added to the cost of Egyptian cotton imported in the United States. There is no competition here. Every cent of it will be added to the cost of the cotton that is imported, and every cent of it will be added to the cost of the fabrics which are made from cotton. It is mixed with the cotton grown in all the cotton-growing States of the Union.

Mr. BACON. Does the Senator mean to say that Egyptian cotton is mixed with common cotton out of which common sheeting and shirting is made?

Mr. ALDRICH. It is very often mixed. I have very great confidence in the Senator's judgment, and I do not believe——

Mr. BACON. Does the Senator say that it is used in common sheeting and shirting? Does the Senator say that?

Mr. ALDRICH. I have not made any statement of that kind.

Mr. BACON. The Senator did say it.

Mr. ALDRICH. I did not. I could not have said it.

Mr. BACON. The Senator then says that is not?

Mr. ALDRICH. That is an impossible question to answer. The Senator might as well ask me if 2 and 2 make 6.

Mr. BACON. Very well. The fabrics made from Egyptian cotton do not correspond with the cotton used in common sheeting and shirting.

Mr. ALDRICH. I have made the statement that Egyptian cotton is used in fabrics in common use. I repeat that. There

is no woman in the State of Georgia to-day, probably, who is not wearing garments that are made from long-staple cotton, from Egyptian and other cotton of that size. It is in use in every family in the State of Georgia. The duty will be added to the cost. There is no escape from it. It will add to the cost of every pound of Egyptian cotton brought to the United States and to the cost of every article made of Egyptian cotton. For what good? For protection? No; the Senator from Georgia is not willing to admit that it is for protection. The Senator from Georgia has voted consistently and persistently for free wool and for free everything else.

Mr. BACON. The Senator is mistaken.

Mr. ALDRICH. Did not the Senator vote for free wool in 1894?

Mr. BACON. I did not. I was not in Congress at that time.

Mr. ALDRICH. In 1897 he voted for free wool.

Mr. BACON. I have no recollection of doing so.

Mr. ALDRICH. I have no question but that the Senator voted for free wool in 1897.

Mr. BACON. I voted in accord with the views I then had and still have for duties that would bring revenue for the support of the Government, and so I cast my vote.

Mr. ALDRICH. As far as I know, the Senator has always voted consistently, as I said, and persistently for a repeal of duties on everything.

Mr. BACON. I am glad to be so considered.

Mr. TILLMAN. Mr. President——

Mr. ALDRICH. Now, the Senator for some reason or other creates an impression——

Mr. BACON. If the Senator from South Carolina will pardon me, I will say that I have been urged to vote for a higher rate of duty upon this article than I would agree to do.

Mr. ALDRICH. Urged by whom?

Mr. BACON. By some of those who are interested in it.

Mr. ALDRICH. Who is interested in it?

Mr. BACON. The cotton growers.

Mr. ALDRICH. Do the cotton growers think——

Mr. BACON. If I may be permitted to proceed——

Mr. ALDRICH (continuing). Every duty on cotton is not a protective measure? I thought the Senator from Georgia declined to offer a protective duty for the people he represents here. I should say that 4 cents a pound is a pretty large duty on cotton myself, especially upon manufactures produced in the United States, where the duty will impose an additional cost upon everybody who buys cotton goods.

Mr. TILLMAN. Mr. President——

Mr. ALDRICH. I will yield to the Senator.

Mr. TILLMAN. Mr. President, I have been on the floor for the last fifteen or twenty minutes.

Mr. BACON. I beg the Senator's pardon.

Mr. TILLMAN. Perhaps I know more about sea-island cotton than the Senator from Georgia.

Mr. BACON. If the Senator wants to give me light, I will be glad to see.

Mr. TILLMAN. I want to help you out, if I can, and enlighten you a little, if that be possible. I have myself grown two crops of sea-island cotton and seen it picked and sold. The Senator from Georgia has had nothing to do with sea-island cotton except, possibly, to see it along a railroad in southeast Georgia since his boyhood.

I know the land adapted to the cultivation of sea-island cotton in southeast Georgia, running inland, say, 30 miles from the sea, and on the Florida Peninsula. I believed I could make a million or two bales of that cotton. But the caterpillar got away with it for me. I left Florida after having grown two crops of sea-island cotton. The first year I got 55 cents a pound. That was in 1867. The second year I got a dollar a pound. How much did I make? The caterpillars came the 4th day of July. I had a prospect of 10 bales on about 30 acres. On Saturday evening I rode over the field, and, like the milkmaid with the pail on her head, I calculated my profits. On Monday morning there was not a leaf or a square or a boll that had not been stripped clean. I made just 1 bale on the 30 acres. I decided to go back to South Carolina.

Now, coming to the question——

Mr. ALDRICH. I was trying to make this speech myself, as I believe I have the floor.

Mr. TILLMAN. I will yield the Senator the floor. It belongs to him, anyhow.

Mr. ALDRICH. I can not conceive how the Senator from Georgia, with his well-known views upon all these subjects, can possibly ask the Senate to adopt a protective duty or high duty upon an article not produced in the United States when he says himself it can have no effect upon the producers in the United States.

When this matter was up in the Senate before, the Senator from Georgia had a colloquy with the Senator from Texas, in which both Senators agreed that there was a duty upon cotton in all the earlier years, and it was taken off for the benefit of the manufacturers. Now, let us see what the facts were in that respect: The duty on cotton was first placed in the act of 1816 by Mr. Calhoun and his associates. It remained upon the dutiable list until 1846. The Senator from Georgia has himself had printed as a document Mr. Robert J. Walker's well-known report upon the act of 1846, and I want to show to the Senate how the duty upon cotton came to be taken off and who took it off. Mr. Walker says in that report:

> Accompanying the drawback of the duty on cotton bagging should be the repeal of the duty on foreign cotton, which is inoperative and delusive and not desired by the domestic producer.

That is the gentleman who had the duty taken off.

Mr. BACON. Will the Senator allow me?

Mr. ALDRICH. Not now; wait a minute. He is the gentleman who had the duty removed from cotton. It was this Democratic Secretary of the Treasury, who has been appealed to so constantly by Senators upon the other side as the great apostle of Democratic tariff, and it was the act of 1846, which has also been appealed to by the Senator from Georgia and by the Senator from Texas as the model tariff, that took the duty off of cotton, because it was inoperative and delusive and not desired by the producer. It was taken off by the vote of every Democratic Senator and every Democratic Representative in 1846, after having been on the dutiable list from 1816 to 1846.

Mr. BACON. Will the Senator permit me?

Mr. ALDRICH. No; not now. It reappeared again. When? It reappeared in 1867, when the cotton of the South had been sent to Europe and was coming back to this country. It had belonged largely to southern planters or to the southern confederacy and was coming back here, and it was decided by Congress to put a revenue duty upon cotton. Cotton was then worth 36 to 40 cents a pound. It was put on and stayed on until 1872, when it was taken off, and it has been on the free list ever since. So there never has been an attempt by any Democratic Congress or by any Democratic representative, except the Senator from Georgia, to reimpose this duty upon cotton. There can not be a plainer case where a duty must be sought to be imposed, because there is no other sensible hypothesis upon which a Senator can ask to have the duty imposed, because it will either protect the few people, few or greater, I do not know how many, who are engaged in raising sea-island cotton in the three States mentioned. There is no justification for it as a revenue duty. If it is imposed, it will add 5 or 6 cents a pound to the cost of every article and every fabric in which sea-island cotton is used, because nothing can take the place either in color and in texture and in length of staple. Why should the Senate of the United States be asked to impose this duty of 4 cents a pound or 30 per cent ad valorem upon this article which is not made in the United States, which can not be made here, and which, with the limited amount of importations, would be simply added to the cost of the fabrics made in this country?

Mr. BACON. Mr. President, I am entirely familiar with the extract from Mr. Walker's report which was read by the honorable Senator.

Mr. ALDRICH. But the Senator could not have been——

Mr. BACON. Pardon me a moment. I tried to interrupt the Senator and he would not let me. I will not be equally ungracious to the Senator, however; I will yield to him in a moment. I simply want to reply to the suggestion of the Senator that loyalty to the teachings of R. J. Walker requires that we should not now advocate this duty, because, as stated by R. J. Walker in his celebrated paper, it was a delusion and a snare. Will the Senator turn me to the page he read from?

Mr. ALDRICH. I was reading from the original report. I was not reading from the reprint.

Mr. BACON. Very well; that is it practically.

Mr. ALDRICH. It is on the sixth page of his report as Secretary of the Treasury of 1845.

Mr. BACON. Mr. President——

Mr. TILLMAN. I call attention to the fact that at that time there was no Egyptian cotton.

Mr. BACON. I am trying my best to show——

Mr. TILLMAN. I will not interrupt the Senator again. He gets fidgety when a Democrat gets up to help him. I will not bother him any more.

Mr. BACON. I am sorry to have irritated the honorable Senator. I had no such desire.

If the conditions were now as they were when R. J. Walker wrote his report, the same thing would be true as was then stated by him.

Mr. ALDRICH. Will the Senator allow me?

Mr. BACON. Yes; I will be more gracious than the Senator was in refusing to permit me to interrupt him.

Mr. ALDRICH. Does the Senator think if there had been any Egyptian then in existence Mr. Walker would have recommended a protective duty on cotton?

Mr. BACON. I do not say a protective duty, but he would have recommended a revenue duty. I want the Senator to bear in mind that I simply want the question settled now whether it shall come in free; and if it is settled it shall not come in free, I should be opposed to any high duty upon it or any protective duty. I should only be in favor of a legitimate revenue duty.

I want to call attention to certain figures on the line of the suggestion of the Senator from South Carolina [Mr. TILLMAN]. I regret that I should have inadvertently said anything which was distasteful to him; I had no such design. The Walker report was in 1846.

Mr. ALDRICH. Eighteen hundred and forty-five.

Mr. BACON. It is generally known as 1846, because the tariff law, in pursuance of its recommendations, was passed in 1846. The report was made the 1st of December, 1845. The Senator is correct about that. It is always spoken of in connection with the tariff which was passed in the succeeding year. December, 1845, was the time of Mr. Polk's message, and within a few days thereafter there came in the report of R. J. Walker, Secretary of the Treasury.

Now, we have statistics here in the Statistical Abstract of the imports of cotton in the year of 1840 and in the year of 1850. We have them not, I think, for 1845. In the year 1840 the value of cotton imported into the United States was $11,281 and in 1850 it was $12,521. So we may say that in 1845 it was about the same amount.

Now, Mr. President, with the importations of $10,000 or $12,000 worth of cotton, of course to impose a duty on it was just like it is to impose a duty on corn, an absolute sham and fraud, intended to deceive those who are tickled with the idea that they are getting some benefit from it.

So far from that being the case now, there are, as I said, 210,000 bales of cotton brought into this country every year, worth $20,000,000, half the amount in value of the imports of all the wool brought into the country.

Mr. ALDRICH. Will the Senator allow me?

Mr. BACON. With pleasure.

Mr. ALDRICH. The Senator from Georgia and the Senator from Texas have called attention to this report as a masterly document which laid down the principles upon which a tariff should be constructed. Does the Senator from Georgia think that Mr. Walker's principles were determined by the amount of importations?

Mr. BACON. I will read what I do not think has been read, although reference has been made to the Walker report several times, the cardinal principles upon which R. J. Walker thought should be based the framing of a tariff bill. I will read them. There are six.

First—

Of course, the first one is a matter of economy—

First. That no more money should be collected than is necessary for the wants of the Government, economically administered.

Second. That no duty be imposed on any article above the lowest rate which will yield the largest amount of revenue.

Third. That below such rate discrimination may be made, descending in the scale of duties, or, for imperative reasons, the article may be placed in the list of those free from all duty.

Fourth. That the maximum revenue duty should be imposed on luxuries.

Fifth. That all minimums and all specific duties should be abolished and ad valorem duties substituted in their place, care being taken to guard against fraudulent invoices and undervaluation, and to assess the duty upon the actual market value.

Sixth. That the duty should be so imposed as to operate as equally as possible throughout the Union, discriminating neither for nor against any class or section.

I agree to each and all of these principles; and the sixth is a principle which I think is a vital one in the framing and imposition of a tariff.

Mr. ALDRICH. As I now understand the Senator, Mr. Walker's report and tariff are conclusive upon Democrats when it happens to meet their views at the present moment, but if it happens to be contrary to their views at the present moment it is obsolete.

Mr. BACON. Quite the contrary. I think I can stand upon every one of those six propositions, and I think I can defend any vote I have cast in the Senate by one or the other of these six propositions without exception. If I have cast a vote in the Senate for what I recognized as a protective duty, it was only under the circumstances which I mentioned the other day, in voting for a duty proposed by some certain Republican here, not because it was as low as I thought it ought to be, but because it was lower than the Senator from Rhode Island thought it ought to be and lower than he was trying to get the Senate to impose. But wherever the opportunity was offered to me to decide between a revenue duty and a protective duty, never have I failed in any instance to refuse to vote for a protective duty, and in no instance will I fail to refuse to vote for it.

Mr. TALIAFERRO. Mr. President, a part of this long-staple cotton is grown in Florida, and the people there, I should like to say for the benefit of the Senator from Rhode Island, make no concealment of the fact that they would like to have some protection on their cotton. They contend and they believe that the Egyptian cotton comes in competition with their cotton. They believe that the two are mixed, and that in some instances the Egyptian cotton is substituted for the long-staple product of this country.

The Senator from Georgia [Mr. BACON], I understand, has proposed an amendment that does not contemplate protection, but simply a revenue; and when he does it, the Senator from Rhode Island singularly enough invokes the Walker report against him. The Senator has not constructed a bill here under the Walker report, and what the people of the long-staple sections of the country want to know is why every product in the section north of us that has a competitor in foreign products has a duty in this bill, and this product of the South is utterly and entirely ignored and neglected. The Senator from Georgia has shown that a very low duty on this Egyptian cotton would yield a very large revenue to the Government, and he has also shown that the Egyptian cotton enters into the manufacture of the fabrics that carry the very highest protective rates under the bill. Under the circumstances it seems remarkable that the contention should be made that this product has no place properly in the bill.

I know that the rate the Senator from Georgia originally proposed would not be protective, but the producers of long-staple cotton in the South are living under a protective tariff and they are producing under a protective tariff which many of them estimate costs them about 30 per cent more to produce than it would cost them without such a tariff. Yet the foreigner, according to the contention of the Senator from Rhode Island, must be allowed to bring his cotton in here in competition with the products of this country without contributing one cent to the revenues for the support of this Government.

For my part, I do not understand the contention. I think it is an eminently proper product to be provided for in this bill, and especially on the basis that has been suggested by the Senator from Georgia, at a rate of duty which, while not even protective, would yield a large revenue to the Government.

Sometime ago the legislature of Florida passed a memorial requesting the representatives from that State to support a provision for a duty on long-staple cotton. That legislature made no hesitation in asking for the duty, protective or otherwise, and the people make no concealment of the fact that they are suffering from foreign competition. We are not here asking that a prohibitive duty be written in the bill. We ask that the amount which has been suggested by the Senator from Georgia, I think it was 5 cents a pound originally, be placed on Egyptian cotton.

Mr. BACON. And the Peruvian.

Mr. TALIAFERRO. And the Peruvian; on long staple generally. When, as I said before, it is considered that this cotton enters into the manufacture of the most expensive products that are used by the people of this country, products which carry in some instances more than 100 per cent duty, the raw material should not be utterly and entirely ignored. I think that the amendment of the Senator from Georgia should prevail, and I hope, Mr. President, that it may.

Mr. TALIAFERRO subsequently said: Mr. President, I ask that the memorial of the legislature of the State of Florida to which I have referred may be printed in the RECORD in connection with my remarks.

The VICE-PRESIDENT. Without objection, that will be done.

The memorial referred to is as follows:

Memorial to the Congress of the United States, asking that a duty of at least 10 cents per pound be levied on all importations of Egyptian and other long-staple cotton brought into the United States as raw material.

Whereas the present price of long-staple or sea-island cotton is below the standard of profitable production and has so been for some years past, causing a large area of our State to be uncultivated and our farming interests to languish; and

Whereas the policy of protection to American interests, if to be continued, should embrace within its fostering care the tillers of the soil, who are now and must ever be the mainstay of our republican form of government; and

Whereas the long-staple or sea-island cotton grown in this country is used exclusively in the manufacture of the finer fabrics, such as

laces, and so forth, and a duty upon the Egyptian cotton and other foreign long-staple cottons would therefore be no burden upon the poor, but would only affect those well able to bear it, and at the same time would greatly encourage a large portion of our farming population; and

Whereas we believe that the levy of such a duty would materially aid in building up our factories engaged in the manufacture of the finer cotton fabrics, while at the same time protecting our farmers from the pauper labor of Egypt: Therefore be it

Resolved, That it is the sense of this legislature that a duty of 10 cents per pound on all Egyptian and other long-staple cottons imported into the United States should be levied by Congress.

Resolved further, That our Senators and Representatives in Congress are hereby earnestly requested to use all honorable means to accomplish this end: Be it further

Resolved, That the secretary of state is hereby requested to furnish each of our Senators and Representatives in Congress with a certified copy of this memorial.

Approved May 23, 1905.

(Laws of Florida, 1905, pp. 448–449.)

Mr. FLETCHER. Mr. President, I had occasion some time ago to discuss this matter, and I will not repeat at any length the data which I then laid before the Senate.

The proposition now is to remove cotton of fiber or staple more than 1⅛ inches in length from the free list. If that amendment is adopted and no further action is taken, this long-staple cotton, the fiber of which will exceed in length 1⅛ inches, would be placed in what we call the "basket clause," and bear a duty of 20 per cent ad valorem, or, as the Senator from Rhode Island has suggested, about 4 cents a pound.

Mr. President, there can be no question, I think, that Egyptian cotton does come into competition with the long-staple or sea-island cotton grown in South Carolina, Florida, and Georgia. If it does not come in direct competition, it certainly displaces in the mills of this country the long-staple or sea-island cotton. The people who are interested and those engaged in the industry are thoroughly convinced there is direct competition with Egyptian cotton.

The amount produced in this country last year was 87,000 bales. The amount of sea-island cotton exported last season was 32,383 bales. This amount of cotton would have been used unquestionably in this country by the mills here, if it had not been replaced with the Egyptian long-staple cotton. The amount of Egyptian cotton imported into this country last year was 71,000,000 pounds, or 143,490 bales of 500 pounds each. A rate of duty of 20 per cent ad valorem would mean $2,840,000, which would come into the Treasury of the Government if that rate of duty is imposed upon Egyptian long-staple cotton. That much would be derived from the duty on the Egyptian importation alone. In addition to that, we would get the revenue derived from the duty on the importations from other countries.

There is no doubt in the world, Mr. President, that not a pound of Egyptian cotton would be kept out of this country by imposing a duty of 4 cents a pound upon it. The duty would be paid, and the Treasury would get the benefit of the duty. It can not be urged with any sort of justification that that rate is a protective duty. It could not be dreamed of as a prohibitive duty. The Treasury of the country would derive a revenue approaching $3,000,000 annually if this duty were put upon the importation of Egyptian long-staple cotton. There can be no doubt about that.

If the amount of duty would be added to the price of the cotton to the spinner, the answer as to that is: This would not necessarily increase the price of the products manufactured from that cotton, because, evidently, the manufacturers have already discounted this duty and have increased the rates upon every single item in this bill the products of which could be manufactured out of long-staple cotton.

Every item of mercerized silk or of cotton goods containing long-staple cotton, including those products where this long-staple cotton is used, like automobile tires, like laces, extra-length thread, like the higher-priced cotton goods; all those articles have been protected to the extent of from 54 to 70 per cent in this very bill, and there should be no occasion and no justification for the increase of the price of those products to the consumer by the manufacturer; in other words, if you permit this kind of cotton to come into this country free of duty, you are simply doing what the manufacturers desire to have done, namely, furnishing to them their raw material free. It is an additional benefit to the manufacturers, and the Treasury of the country is deprived of that much revenue.

I shall not enlarge on the question of free raw material. It has been thoroughly discussed in this body, and on our desks this morning is the able speech of the Senator from Texas [Mr. BAILEY] on that subject, which he exhausts in a magnificent and splendid argument, and I simply refer to it as applying just as much to long-staple cotton as it applies to wool or iron ore or hides or lumber or any of the other articles mentioned by him in that argument.

In reply to the Senator from Iowa, who asked the question why it is that, since this cotton brings nearly twice as much in the market as the short-staple cotton, there is any complaint about the price to the grower, I wish to say that the Senator from Iowa will understand that it costs a great deal more to produce the long-staple cotton than to produce the short-staple cotton. It is practically a twelve-months' crop. It takes a longer time to grow it; it requires longer and more cultivation; it requires more time to mature; it costs a great deal more to pick it; it costs tremendously more to gin it and prepare it for market. So, even though the price is practically twice the price of short-staple cotton, the cost to the producer is more than twice the cost of the short-staple cotton. The hearings before the Ways and Means Committee demonstrate that it costs practically $21.50 per acre to cultivate and produce the crop, and the yield is about 100 to 150 pounds to the acre. That is the average yield. The quotation now at Savannah is about 22 cents per pound.

Mr. President, I shall not dwell upon the question as to whether it would afford protection to the cotton growers. The Senator from Georgia [Mr. BACON] has not based this amendment upon any such theory. If he had, he should have asked for at least 10 cents a pound upon the importation of the long-staple or Egyptian cotton. I know it is useless to urge that.

There is this to be said further with regard to the recommendation in the Walker report: That not only was there no Egyptian cotton imported into this country at that time, but that the development in Egypt is of but recent origin. England is to-day opening up the fertile valley of the Nile and building dams for irrigation and reclamation purposes, and in a comparatively few years from two to five million acres of the richest land on earth will be open to the cultivation of this kind of cotton, and then the importations into this country will greatly increase.

Labor in Egypt costs from 10 to 20 cents a day, while in this country, as is well known, it costs from a dollar to a dollar and a half a day. The importations will increase, unquestionably, and you will not stop a single pound even if you place this duty at from 5 to 8 cents a pound instead of at 4 cents, as contemplated by this amendment.

Further than that, Mr. President, as my colleague [Mr. TALIAFERRO] has observed, I think it proper to call the attention of the Senate to the memorials of the legislature of Florida. In 1899 the legislature of Florida memorialized Congress as follows:

Memorial 1.

Memorial to our Senators and Representatives in Congress in reference to a duty on Egyptian or long-staple cotton or the importation thereof.

Whereas the present price of long-staple or sea-island cotton is now far below the cost of production, causing a large area of our State to languish and a once profitable industry to wane and die; and

Whereas the low price referred to is not due to overproduction, as is demonstrated by the fact that for a crop of 104,557 bales in 1896 and in 1897 the average price for the grade of "fine" was 11 cents, while the last crop, 75,000 bales only, or 25 per cent less than the year previous, and the average price for the grade of "fine" was 2 cents less, or 9 cents per pound; and

Whereas the indisputable cause for our low prices, financial depression, and agricultural discontent is found in the annually increasing importation of Egyptian cotton, the product of pauper labor; and

Whereas the Democratic party and people have not deemed it derogatory to their principles and interests to have a duty placed on wool, pineapples, citrus fruits, and tobacco; and

Whereas the placing of said duty on the above-mentioned articles has proven a direct benefit to our people and with which protection they would not part without a struggle; and

Whereas there are but two ways whereby the money necessary to maintain the National Government can be raised, and since the funds derived from internal revenue are insufficient even when made onerous and burdensome, as they now are; and

Whereas we are forced from the nature of things to depend on a tax laid upon goods and products imported into this country from foreign countries to raise funds to assist in the support of the Government: Therefore be it

Resolved, That it is the sense of this legislature that a tariff should be laid for revenue only and arranged so that if it shall prove a burthen all may equally bear it, if a benefit it may be equally shared.

Resolved further, That we are unalterably opposed to the free importation of Egyptian or other long-staple cotton.

Resolved, That we favor an import duty of 50 per cent ad valorem and 5 cents per pound on all long-staple cotton imported into the United States, and that a copy of these resolutions be furnished each of our Senators and Representatives at Washington.

In 1905 the legislature of Florida again memorialized Congress, as follows:

Memorial 2.

Memorial to the Congress of the United States asking that a duty of at least 10 cents per pound be levied on all importations of Egyptian and other long-staple cotton brought into the United States as raw material.

Whereas the present price of long-staple or sea-island cotton is below the standard of profitable production and has so been for some years past, causing a large area of our State to be uncultivated and our farming interests to languish; and

Whereas the policy of protection to American interests, if to be continued, should embrace within its fostering care the tillers of the soil, who are now and must ever be the mainstay of our republican form of government; and

Whereas the long-staple or sea-island cotton grown in this country is used exclusively in the manufacture of the finer fabrics, such as laces, etc., and a duty upon the Egyptian cotton and other foreign long-staple cottons would therefore be no burden upon the poor, but would only affect those well able to bear it, and at the same time would greatly encourage a large portion of our farming population; and

Whereas we believe that the levy of such a duty would materially aid in building up our factories engaged in the manufacture of the finer cotton fabrics, while at the same time protecting our farmers from the pauper labor of Egypt: Therefore be it

Resolved, That it is the sense of this legislature that a duty of 10 cents per pound on all Egyptian and other long-staple cottons imported into the United States should be levied by Congress.

Resolved further, That our Senators and Representatives in Congress are hereby earnestly requested to use all honorable means to accomplish this end: Be it further

Resolved, That the secretary of state is hereby requested to furnish each of our Senators and Representatives in Congress with a certified copy of this memorial.

—

STATE OF FLORIDA,
Office of the Secretary of State, ss:

I, H. Clay Crawford, secretary of state of the State of Florida, do hereby certify that the foregoing are true and correct copies of memorials to the Congress of the United States as passed by the legislature of Florida, sessions 1899 and 1905, respectively, as shown by the original enrolled resolutions as filed in this office.

Given under my hand and the great seal of the State of Florida, at Tallahassee, the capital, this the 11th day of November, A. D. 1908.

[SEAL.] H. CLAY CRAWFORD,
Secretary of State.

I submit those resolutions as expressing the sentiments of the people of Florida upon this question. I shall heartily support the amendment of the Senator from Georgia, and submit it, as it can unquestionably be defended, as a pure revenue proposition. It would yield to this country something like $3,000,000 annually in revenue. If you refuse to adopt this amendment, you simply give the manufacturer some more raw material; the consumers of the manufactured products will get no benefit, and the revenues of the Government will suffer that loss.

Mr. NEWLANDS. Mr. President, I am not in favor of a large free list. I believe that the free list should be confined to a limited number of the necessaries of life. I do not regard long-staple cotton as a necessary of life, and I shall be glad, therefore, to vote to take it off the free list. I understand that that action will result, if no further action is taken, in the imposition under the general clause in this tariff bill of a duty of 20 per cent on long-staple cotton, and that that duty will yield about $3,000,000 annually. I believe that duty will be too high. I do not think it fair to impose the one-hundredth part of the burden of the customs duties of the country upon this particular product, and I shall vote to take this product off the free list upon the assumption that a motion will then be made to reduce this duty and to make it 10 or 15 per cent.

Mr. President, in my votes thus far I have been controlled by the principle which I have declared, except where I have been controlled by the platform. I have voted for free lumber against my judgment, because the national platform declared for free lumber. I voted for free iron ore because I felt satisfied that the iron ore of the country was under the control of a great trust, and our platform declared—though I was against that specific plank—that trust-controlled products should be put upon the free list. I voted for a duty of 15 per cent on hides, because there was no instruction in the platform regarding it, and because I did not believe that hides in this country were under the control of a trust. So, pursuing this line of action, I shall vote to take long-staple cotton off the free list and put it upon the dutiable list.

The VICE-PRESIDENT. The question is on agreeing to the amendment offered by the Senator from Georgia [Mr. BACON].

The amendment was rejected.

Mr. ALDRICH. Mr. President, so far as I know, this completes the dutiable paragraphs and the paragraphs of the free list. I think, however, the Senator from South Carolina [Mr. TILLMAN] has an amendment which he desires to offer.

Mr. TILLMAN obtained the floor.

Mr. CLAY. Just one moment.

The VICE-PRESIDENT. Does the Senator from South Carolina yield to the Senator from Georgia?

Mr. TILLMAN. I do.

Mr. CLAY. Mr. President, the vote was taken rapidly and without a roll call on the amendment offered by my colleague [Mr. BACON]. I desire to state that the legislature of my State in joint session passed a resolution instructing the Senators from Georgia to vote in favor of that amendment or in favor of an amendment of a similar character, and I voted in favor of the amendment.

Mr. GORE. Mr. President——

The VICE-PRESIDENT. The Senator from Oklahoma.

Mr. GORE. Mr. President, I desire to submit an amendment, to be numbered 653¼.

The VICE-PRESIDENT. The amendment proposed by the Senator from Oklahoma will be stated.

The SECRETARY. On page 205, after line 8, it is proposed to insert as a new paragraph the following.

653¼. All text-books imported for use in the public schools of any State, Territory, district, or municipality in the United States, or imported for use in any college or university maintained in whole or in part by local or federal taxation, shall be admitted free of duty. And the Secretary of the Treasury is so authorized to prescribe suitable rules and regulations to carry this provision into effect.

Mr. GORE. Mr. President, this is one instance in which the consumer is not a myth. He is a living, breathing, human being made of flesh and blood. There are 17,000,000 families in the United States. There are 17,000,000 school children enrolled in the public schools of this country. We raise, by taxation, $343,000,000 annually to maintain the public schools that exist throughout the 46 States and the Territories. I have no statistics upon the subject, but I doubt not that $100,000,000 are spent annually in the purchase of text-books.

The duty on print paper, from which schoolbooks are generally manufactured, is from $10 to $12 a ton. If this amendment were adopted and if it reduced the price of schoolbooks in this country, it would lift a burden from the backs of 17,000,000 families. If this amendment would reduce the price of schoolbooks, it would remove an obstacle from the path of 17,000,000 school children, who make their daily pilgrimage to the district school.

If this amendment would not reduce the price of schoolbooks, it would inflict no injury upon the manufacturers either of wood pulp or of print paper. In my own judgment, if it injured anybody at all, it would injure only the text-book trust of the United States, which, in my opinion, is the most heartless, the most ruthless, the most pitiless, and among the most tyrannical trusts known to our financial, commercial, or industrial system, as suggested by a Senator near me.

Mr. President, in offering this amendment I am actuated by the same motive which inspired me to submit an amendment to place on the free list building materials entering into the construction of school buildings, colleges, and universities; in presenting this amendment I am actuated by the same motive which impelled me when I voted to place wood pulp and print paper upon the free list.

Intelligence and morality constitute the only foundation upon which an enlightened, self-governing Republic can be firmly established or permanently maintained. I cast my vote for any measure which has for its object the general diffusion of intelligence and information among the masses of our people, regarding it as an additional guaranty of the perpetuity and the glory of our republican institutions. In the name of 17,000,000 children, I ask the Senate that the yeas and nays be taken upon this amendment.

The VICE-PRESIDENT. The question is upon the amendment offered by the Senator from Oklahoma, upon which he demands the yeas and nays. Is the demand seconded? There appears to be a sufficient number to order the yeas and nays.

Mr. ALDRICH. Is the President sure that there were a sufficient number to second the demand?

The VICE-PRESIDENT. The Chair will count. As many as second the demand for the yeas and nays will raise their hands. [After counting.] Not a sufficient number has seconded the demand.

Mr. GORE. Mr. President, if it is permissible under the rules, I should like to have Senators stand——

The VICE-PRESIDENT. It is not permissible——

Mr. GORE. I raise the point of no quorum, and will demand the yeas and nays again.

The VICE-PRESIDENT. The Senator from Oklahoma suggests the absence of a quorum. The Secretary will call the roll.

The Secretary called the roll, and the following Senators answered to their names:

Aldrich	Crane	Gore	Piles
Bacon	Curtis	Guggenheim	Rayner
Borah	Davis	Heyburn	Root
Bourne	Depew	Johnston, Ala.	Scott
Bradley	Dick	Kean	Shively
Brandegee	Dillingham	La Follette	Simmons
Briggs	Dixon	McCumber	Smith, Mich.
Bristow	Dolliver	McEnery	Smoot
Brown	du Pont	Martin	Sutherland
Burkett	Fletcher	Money	Taliaferro
Burnham	Flint	Nelson	Taylor
Burrows	Foster	Oliver	Tillman
Burton	Frazier	Overman	Warner
Carter	Frye	Owen	Warren
Chamberlain	Gallinger	Page	Wetmore
Clark, Wyo.	Gamble	Perkins	

The VICE-PRESIDENT. Sixty-three Senators have answered to the roll call. A quorum of the Senate is present.

Mr. GORE. I wish to say to the Senators who were absent when the roll call began and who have since come in that I submitted an amendment to the pending bill to place school text-books on the free list when imported for the use of public schools, colleges, and universities in this country maintained in whole or in part by taxation. On that amendment I demanded the yeas and nays, which demand was not at that time sufficiently seconded. I desire the question submitted again by the Chair.

Mr. NELSON. Mr. President, does the Senator from Oklahoma think that people in other countries would be prepared to get up schoolbooks for our schools here?

Mr. GORE. The people of Canada, who speak our own language and who have the cheapest print paper of any country excepting our own, might be able to do so. If the Senator from Minnesota [Mr. NELSON] thinks that no schoolbooks would be imported, he can vote for my amendment on that assumption. I will vote for it on the assumption that they will be imported or at least that they might be imported, and we will make the vote unanimous in behalf of free text-books. If that Senator is right, the amendment will do no harm to the text-book trust, but if I am right it might confer a great blessing upon 17,000,000 families and 17,000,000 school children who are powerless to protect themselves against the tyranny of this trust.

The VICE-PRESIDENT. The yeas and nays have been refused.

Mr. GORE. I ask that the Chair submit the question again.

Mr. BACON. I beg to suggest to the Chair that, when the Chair said there was not a sufficient number, the Senator from Oklahoma then called for a quorum, in order that there might be a full vote on the question. If there was not then a quorum, I think the demand of the Senator that the question be voted upon by the full Senate is in order.

The VICE-PRESIDENT. But the roll call has disclosed that there is a quorum present. That is the first evidence that the Chair has had and that the Senate had. The yeas and nays having been refused, the Chair thinks that the demand can not be immediately submitted again.

Mr. GORE. Mr. President, my understanding was that the Chair first announced that the request was seconded, then a Senator on the other side demanded that the Chair count hands, and after that count the Chair made the announcement that the demand was not seconded. I ask unanimous consent that the yeas and nays be taken on the amendment I have offered.

The VICE-PRESIDENT. The Senator from Oklahoma asks unanimous consent that a vote by yeas and nays be taken upon his amendment. Is there objection? The Chair hears none; and the Secretary will call the roll.

The Secretary proceeded to call the roll.

Mr. FRYE (when his name was called). I am paired with the senior Senator from Virginia [Mr. DANIEL]. I make the announcement for the day.

Mr. RAYNER (when his name was called). I am paired with the junior Senator from Wisconsin [Mr. STEPHENSON]. If he were present, I should vote "yea."

Mr. SIMMONS (when his name was called). I am paired with the junior Senator from Illinois [Mr. LORIMER]. If he were present, I should vote "yea."

Mr. SMITH of Michigan (when his name was called). I am paired with the Senator from Mississippi [Mr. MCLAURIN], who is not here. I therefore withhold my vote.

The roll call was concluded.

Mr. BACON (after having voted in the affirmative). I observe that the Senator from Maine [Mr. HALE] is absent from the Chamber, and, under the pair with him for the day, announcement to which I previously made, I withdraw my vote. If he were here, he would vote "nay," and I would allow my vote in the affirmative to stand.

Mr. RAYNER. My colleague [Mr. SMITH of Maryland] is paired with the senior Senator from Connecticut [Mr. BULKELEY].

Mr. FLINT (after having voted in the negative). Has the senior Senator from Texas [Mr. CULBERSON] voted?

The VICE-PRESIDENT. He has not.

Mr. FLINT. I withdraw my vote, as I am paired with him.

Mr. CLARK of Wyoming (after having voted in the negative). I ask if the Senator from Missouri [Mr. STONE] has voted?

The VICE-PRESIDENT. The senior Senator from Missouri has not voted.

Mr. CLARK of Wyoming. I desire to withdraw my vote.

Mr. ELKINS. Has the junior Senator from Texas [Mr. BAILEY] voted?

The VICE-PRESIDENT. He has not.

Mr. ELKINS. I am paired with the junior Senator from Texas. If he were present, I should vote "nay."

Mr. MONEY. My colleague [Mr. MCLAURIN] is paired with the Senator from Michigan [Mr. SMITH]. He was in the Hall a while ago, and I promised to send for him in case there was a vote, but I forgot to do so in time.

The result was announced—yeas 18, nays 45, as follows:

YEAS—18.

Bankhead	Foster	Martin	Taliaferro
Chamberlain	Frazier	Money	Taylor
Clay	Gore	Overman	Tillman
Davis	Johnston, Ala.	Owen	
Fletcher	McEnery	Shively	

NAYS—45.

Aldrich	Burton	Gamble	Perkins
Beveridge	Carter	Guggenheim	Piles
Borah	Crane	Heyburn	Root
Bourne	Cullom	Kean	Scott
Bradley	Curtis	La Follette	Smoot
Brandegee	Depew	Lodge	Sutherland
Briggs	Dick	McCumber	Warner
Bristow	Dillingham	Nelson	Warren
Brown	Dixon	Nixon	Wetmore
Burkett	Dolliver	Oliver	
Burnham	du Pont	Page	
Burrows	Gallinger	Penrose	

NOT VOTING—29.

Bacon	Cummins	Jones	Smith, Md.
Bailey	Daniel	Lorimer	Smith, Mich.
Bulkeley	Elkins	McLaurin	Smith, S. C.
Clapp	Flint	Newlands	Stephenson
Clark, Wyo.	Frye	Paynter	Stone
Clarke, Ark.	Hale	Rayner	
Crawford	Hughes	Richardson	
Culberson	Johnson, N. Dak.	Simmons	

So Mr. GORE's amendment was rejected.

Mr. BACON. Mr. President, I have some other amendments I wish to offer. I offer an amendment to be known as "paragraph 662½."

The VICE-PRESIDENT. Without objection, the Senate will consider a new paragraph. The Senator from Georgia offers an amendment, which the Secretary will report.

The SECRETARY. Add a new paragraph on the free list, to be known as "paragraph 662½," as follows:

Salt in bags, sacks, barrels, or other packages, or in bulk: *Provided*, That if salt is imported from any country, whether independent or a dependency, which imposes a duty upon salt exported from the United States, then there shall be levied, paid, and collected upon such salt the rate of duty existing prior to the passage of this act.

Mr. BACON. Mr. President, the place assigned for the proposed amendment is on the free list. The number of the paragraph indicates that its position is on the free list. The purpose of the amendment is to put salt on the free list. I simply desire to say a word in connection with it.

It is no new suggestion that salt, of all articles, ought to be on the free list. Of all articles, it is perhaps the one most essential to human comfort and health and life. One would have to go back nearly, if not quite, a hundred years to find the first contention to this effect—one which, I think, is always based on sound reason. I desire to call the attention of the Senate to the fact that the entire revenue from this article of absolute necessity, of universal use, essential to every living human being, used of course from one end of the country to the other in the preparation of food and in the preservation of food, besides other purposes, is but $207,773.

The Senator from Rhode Island [Mr. ALDRICH] seriously objected to putting upon the free list a commodity which would yield $4,000,000 of revenue a year to the Treasury, for it was demonstrated by the figures in the Statistical Abstract that the duty upon long-staple cotton would yield $4,000,000 of revenue a year. The Senator opposed it upon the ground that it would deprive the manufacturers of the benefit of bringing in free the raw material, which would be put upon the dutiable list by that proposition.

I desire to submit that if $4,000,000 a year of revenue can be given up for the benefit of one small class of manufacturers in this country certainly a revenue of $207,000 can be given up to put free salt within the reach of all the people and all the industries of the United States.

That is all I desire to say about the amendment.

The VICE-PRESIDENT. The question is on agreeing to the amendment offered by the Senator from Georgia [Mr. BACON].

Mr. BACON. On that question I ask for the yeas and nays.

The yeas and nays were ordered, and the Secretary proceeded to call the roll.

Mr. CLARK of Wyoming (when his name was called). I have a general pair with the Senator from Missouri [Mr. STONE]. I note his absence from the Chamber, and withhold my vote. I ask that this announcement may stand for the day, unless he returns.

Mr. ELKINS (when his name was called). I am paired with the junior Senator from Texas [Mr. BAILEY]. I withhold my vote. I ask that this announcement may stand good until he appears in the Chamber.

Mr. RAYNER (when his name was called). I am paired with the Senator from Wisconsin [Mr. STEPHENSON]. I wish to announce that my colleague [Mr. SMITH of Maryland] is paired with the senior Senator from Connecticut [Mr. BULKELEY].

Mr. OVERMAN (when the name of Mr. SIMMONS was called). I desire to announce that my colleague [Mr. SIMMONS] is paired with the junior Senator from Illinois [Mr. LORIMER]. If my colleague were present, he would vote "yea."

Mr. SMITH of Michigan (when his name was called). I am paired with the Senator from Mississippi [Mr. MCLAURIN]. If he were present, I should vote "nay."

The roll call was concluded.

Mr. CHAMBERLAIN. I am paired with the senior Senator from Washington [Mr. PILES]. If he were present, I should vote "yea."

Mr. GAMBLE. I desire to state that my colleague [Mr. CRAWFORD] was called away from the Chamber necessarily. He expected to return by this time. If present, he would vote "nay."

The result was announced—yeas 18, nays 42, as follows:

YEAS—18.

Bacon	Davis	Martin	Taliaferro
Bankhead	Fletcher	Money	Taylor
Clay	Frazier	Overman	Tillman
Culberson	Gore	Owen	
Daniel	Johnston, Ala.	Shively	

NAYS—42.

Aldrich	Crane	Gallinger	Penrose
Beveridge	Cullom	Gamble	Perkins
Borah	Curtis	Guggenheim	Root
Bradley	Depew	Heyburn	Scott
Brandegee	Dick	Kean	Smoot
Briggs	Dillingham	Lodge	Sutherland
Burkett	Dixon	McCumber	Warner
Burnham	Dolliver	McEnery	Warren
Burrows	du Pont	Nelson	Wetmore
Burton	Flint	Oliver	
Carter	Foster	Page	

NOT VOTING—32.

Bailey	Clarke, Ark.	Jones	Rayner
Bourne	Crawford	La Follette	Richardson
Bristow	Cummins	Lorimer	Simmons
Brown	Elkins	McLaurin	Smith, Md.
Bulkeley	Frye	Newlands	Smith, Mich.
Chamberlain	Hale	Nixon	Smith, S. C.
Clapp	Hughes	Paynter	Stephenson
Clark, Wyo.	Johnson, N. Dak.	Piles	Stone

So Mr. BACON's amendment was rejected.

Mr. BACON. Mr. President, when paragraph 291 was first reached I requested that it be passed over, and it was so marked on the book; but it was afterwards taken up at a time when my attention was diverted and was adopted. I wish to offer an amendment to it.

Mr. ALDRICH. I am willing to have it reconsidered for the purpose of permitting the Senator to offer an amendment, if he desires.

Mr. BACON. I shall not occupy any time on it. I desire to move to strike out the provisos of the salt paragraph—291. I will ask that the Clerk read the provisos. I will state that they follow the imposition of duty upon salt in bags and in bulk, and that under the bill the ad valorem duty upon salt in bags, sacks, and so forth, is 36 per cent and a fraction, while in the case of salt in bulk it is 90 per cent. Then, following the imposition of the duty, come the provisos, which I ask the Secretary to read, on page 87.

The SECRETARY. On page 87, beginning after the word "pounds" in line 13, strike out:

Provided, That imported salt in bond may be used in curing fish taken by vessels licensed to engage in the fisheries and in curing fish on the shores of the navigable waters of the United States under such regulations as the Secretary of the Treasury shall prescribe; and upon proof that the salt has been used for either of the purposes stated in this proviso, the duties on the same shall be remitted: *Provided further*, That exporters of meats, whether packed or smoked, which have been cured in the United States with imported salt, shall, upon satisfactory proof, under such regulations as the Secretary of the Treasury shall prescribe, that such meats have been cured with imported salt, have refunded to them from the Treasury the duties paid on the salt so used in curing such exported meats, in amounts not less than $100.

Mr. BACON. Mr. President, I wish to say that I was in favor of having salt placed on the free list, so that persons engaged in the fisheries might have free salt, and so that persons engaged in salting and curing meats for export might have the advantage of free salt; and I desired that all other people and interests in the country should also have the advantage of free salt. But if salt is to be denied to the American farmer who puts up his own meat, I certainly am not in favor of permitting the great packing industry of the country to have free salt to pack its meats to be shipped to foreigners. I am not in favor of giving foreigners the advantage in this country of free salt to be used in the curing of products for their use, when our people are denied free salt for use in the curing of meats for their own use and for other purposes. I therefore move to strike out the provisos.

The PRESIDING OFFICER (Mr. BRIGGS in the chair). The question is on the amendment offered by the Senator from Georgia to paragraph 291, to strike out all after the word "pounds" in line 13.

Mr. BACON. Mr. President, I did not understand that the Chair was putting the question; my attention was diverted. I ask for the yeas and nays on the amendment.

Mr. ALDRICH. I hope the Senator from Georgia will not ask for the yeas and nays.

Mr. BACON. It will not take long.

Mr. ALDRICH. I think the Senator knows as well in advance as he will later what the result will be.

Mr. BACON. I do.

Mr. ALDRICH. And it simply takes up the time of the Senate.

Mr. BACON. Mr. President, I did not take two minutes in presenting the amendment to the Senate. I think I ought to have the yeas and nays.

The PRESIDING OFFICER. The Senator from Georgia asks for the yeas and nays on this amendment.

The yeas and nays were ordered, and the Secretary proceeded to call the roll.

Mr. ELKINS (when his name was called). I am paired with the junior Senator from Texas [Mr. BAILEY], and withhold my vote.

Mr. RAYNER (when his name was called). I am paired with the junior Senator from Wisconsin [Mr. STEPHENSON] for to-day and to-morrow. I will make no further announcement of the pair.

Mr. SIMMONS (when his name was called). I am paired with the junior Senator from Illinois [Mr. LORIMER]. If he were present, I should vote "yea."

Mr. SMITH of South Carolina (when his name was called). Has the Senator from Washington [Mr. JONES] voted?

The PRESIDING OFFICER. He has not.

Mr. SMITH of South Carolina. I withhold my vote.

Mr. TILLMAN (when his name was called). Has the Senator from Vermont [Mr. DILLINGHAM] voted?

The PRESIDING OFFICER. He has not.

Mr. TILLMAN. I withhold my vote. I have a general pair with that Senator.

The roll call was concluded.

Mr. CHAMBERLAIN (after having voted in the affirmative). I am paired with the senior Senator from Washington [Mr. PILES], and therefore withdraw my vote.

Mr. TALIAFERRO. Has the senior Senator from West Virginia voted?

The PRESIDING OFFICER. He has not.

Mr. BACON. The senior Senator from Maine [Mr. HALE] is not present. I am paired with him for the day. I transfer my pair to the Senator from Indiana [Mr. SHIVELY] and let my vote stand.

The result was announced—yeas 17, nays 39, as follows:

YEAS—17.

Bacon	Daniel	Hughes	Owen
Bankhead	Davis	Johnston, Ala.	Taylor
Bristow	Foster	La Follette	
Clay	Frazier	Martin	
Culberson	Gore	Overman	

NAYS—39.

Aldrich	Crane	Gallinger	Penrose
Beveridge	Crawford	Gamble	Perkins
Bradley	Cullom	Guggenheim	Root
Brandegee	Curtis	Heyburn	Scott
Briggs	Depew	Kean	Smoot
Burkett	Dick	Lodge	Sutherland
Burnham	Dixon	McCumber	Warner
Burrows	du Pont	McEnery	Warren
Burton	Flint	Oliver	Wetmore
Carter	Frye	Page	

NOT VOTING—36.

Bailey	Cummins	McLaurin	Shively
Borah	Dillingham	Money	Simmons
Bourne	Dolliver	Nelson	Smith, Md.
Brown	Elkins	Newlands	Smith, Mich.
Bulkeley	Fletcher	Nixon	Smith, S. C.
Chamberlain	Hale	Paynter	Stephenson
Clapp	Johnson, N. Dak.	Piles	Stone
Clark, Wyo.	Jones	Rayner	Taliaferro
Clarke, Ark.	Lorimer	Richardson	Tillman

So Mr. BACON's amendment was rejected.

Mr. GAMBLE. I submit the amendment I send to the desk.

The SECRETARY. On page 219 strike out paragraph 691, "Tin ore, cassiterite, or black oxide of tin, and tin in bars, blocks, pigs, or grain or granulated."

On page 187, before paragraph 470, insert a new paragraph to read as follows:

Mr. ALDRICH. I suggest to the Senator that he leave the amendment on the free list instead of the dutiable list. It is to operate if certain conditions arise.

Mr. GAMBLE. I think perhaps it would be just as well to transfer it, because under the amendment proposed it is a conditional application of a duty.

Mr. ALDRICH. I think it had better be put in the paragraph on the free list.

Mr. GAMBLE. I assume that it would be better to substitute this amendment for paragraph 691.

The PRESIDING OFFICER. It is proposed to strike out paragraph 691 and insert what will be read.

The Secretary read as follows:

There shall be imposed and paid upon cassiterite, or black oxide of tin, and upon bar, block, pig tin and grain or granulated, a duty of 4 cents per pound when it is made to appear to the satisfaction of the President of the United States that the mines of the United States are producing, and will continue to produce, 1,500 tons of cassiterite and bar, block, and pig tin per year. The President shall make known this fact and fix the date upon which this duty shall go into effect by proclamation.

Mr. ALDRICH. It should be put in the form of a proviso to the paragraph on the free list.

Mr. LODGE. And not strike out the paragraph.

Mr. ALDRICH. Not striking out the paragraph, but inserting it as a proviso.

Mr. GAMBLE. I presume it would not be material as to the form. It would remain undutiable until this condition arises.

The PRESIDING OFFICER. The question is on agreeing to the amendment proposed by the Senator from South Dakota as a proviso to paragraph 691. [Putting the question.] The noes seem to have it.

Mr. GAMBLE. If there is any question about this matter, I do not want to take the time of the Senate, but——

Mr. ALDRICH. I think it had better go in, and the committee will examine it.

Mr. GALLINGER. Let the question be submitted again.

The PRESIDING OFFICER. The question is on agreeing to the amendment proposed by the Senator from South Dakota.

The amendment was agreed to.

Mr. CULBERSON. I offer an amendment which was proposed May 3, 1909, as paragraph 583½ on the free list.

The PRESIDING OFFICER. The Secretary will read the amendment.

Mr. CULBERSON. It is to put cotton ties on the free list.

The SECRETARY. It is proposed to insert the following paragraph:

583½. Hoop or band iron, or hoop or band steel, cut to lengths, or wholly or partly manufactured into hoops or ties, coated or not coated with paint or any other preparation, with or without buckles or fastenings, for baling cotton or any other commodity.

Mr. CULBERSON. Mr. President, it requires about 8½ pounds of cotton ties to properly bind a bale of cotton. Under the Dingley Act ties were subject to a duty of half a cent a pound, or a duty of 4¼ cents per bale. This duty was prohibitive. But few cotton ties were imported. The actual importations for 1907 amounted to only 716,819 pounds, valued at $20,805. The revenue derived in 1907 was only $3,584.10, and it is estimated that under the Senate committee bill the revenue will amount to only $2,150.46. This tax against the cotton planter amounted in the aggregate on 13,000,000 bales of cotton to $550,000. It is proposed to be reduced in the Senate committee bill to three-tenths of a cent per pound, which will still tax the planters $330,000.

It is claimed and sworn to in the testimony before the Committee on Ways and Means of the House of Representatives that 99 per cent of the cotton ties used in this country are manufactured by the United States steel trust. Binding twine for the western farmers has been placed on the free list. Cotton bagging was this morning placed on the free list. There is no logical reason why cotton ties should not be placed on the free list, as proposed in this amendment, especially as the only beneficiary in this country is the most gigantic monopoly that exists to-day in America.

It is said, as one of the objections to this measure, that the farmers receive back the amount which they have paid for the cotton ties and the cotton bagging. I will ask to have read a voluntary letter written to me on the 27th of May by Mr. C. L. McMillan, of New Orleans, on this subject, so that Senators may understand that this claim of the farmers being reimbursed, as it were, is altogether unfounded.

The PRESIDING OFFICER. The Secretary will read as requested.

The Secretary read as follows:

C. LEE MCMILLAN & CO. (LIMITED),
New Orleans, May 27, 1909.

Senator CHARLES A. CULBERSON,
Washington, D. C.

DEAR SIR: Yesterday Representative BURLESON telegraphed me as follows:

Antagonists of free bagging and ties contend that the spinner pays for bagging and ties when he buys cotton, and that in the end it proves a profit rather than a loss to cotton producers. I contend that 26 pounds tare is considered when market price of cotton is fixed and want telegrams from cotton buyers and exchange officials to support my contention. Are deductions made for tare by foreign as well as domestic purchasers, and what effect does it have on price?

And the following messages were sent in reply:

Your contention in dispatch concerning tare on cotton is true. When the farmer buys bagging and ties, he pays therefor some 9 cents per bale more than he would pay if free. When the spinner buys from the farmer, he deducts from the worth of the cotton the amount of his loss by bagging and ties. Therefore the spinner does not pay the tariff profit that goes to the manufacturers of bagging and ties and the farmer does. But even if the spinner did pay, antagonists' argument is not strengthened, because spinner would add excess to manufactured product and thus increase the cost to consumer. In either case the trust collects the profit and the people pay.

W. B. THOMPSON,
President New Orleans Cotton Exchange.

—

It is a well-known fact that all buyers on both sides of the Atlantic allow in the prices they pay fully enough, if not more than enough, to offset the weight on bagging and ties on a bale. As a general thing, 6 per cent is allowed for tare by foreign spinners. While all spinners practically buy on the basis of tare, care is generally taken that allowances always equal and frequently exceed actual tare.

HENRY G. HESTER.

—

All cotton sold for export deducts 6 per cent tare for bagging and ties. Domestic mills claim 4 to 5 per cent tare.

NORMAN EUSTIS,
Acting Chairman Cotton Factors' Association.

—

Cotton sold for export carries 6 per cent deduction for tare. Domestic mills calculate about 5 per cent.

NEW ORLEANS COTTON BUYERS AND EXPORTERS' ASSN.,
A. M. WEST, *President.*

—

Cotton exporters calculate 6 per cent tare for bagging and ties. Eastern spinners 23 to 25 pounds per bale. Carolina Mills Association rule 4 reads: "On compressed cotton the tare should not exceed 24 pounds and on uncompressed cotton 20 pounds per bale." Cotton producers pay for their bagging and ties. Any spinner will give more for 500 pounds net cotton than for a bale weighing 500 pounds gross, including bagging and ties.

C. LEE MCMILLAN.

—

You doubtless know as well as I do that every spinner calculates in buying cotton what allowance to make for tare on bagging and ties, and as the same amounts to between 5 and 6 per cent no one ever overlooks it.

I send you the above, thinking same may be of interest to you, as it will show one of the contentions the bagging and tie trust allies will put forward. If they have nothing stronger than this, I think the cotton farmer surely should win out for "free bagging and ties," or, at least, for a very material reduction in the duty.

What do you now consider are the chances for success?

Yours, very truly,

C. LEE MCMILLAN.

Mr. CULBERSON. In the same connection I wish to read a short extract from the report of Secretary Walker in 1846, showing that as early as that date this proposition was answered. It is page 5 of the reprint of the report.

The duty on cotton bagging—

And it applies to cotton ties as well—

is equivalent to 55.20 per cent ad valorem on the Scotch bagging and to 123.11 per cent on the gunny bag, and yet the whole revenue from these duties has fallen to $66,064.50. Nearly the entire amount, therefore, of this enormous tax makes no addition to the revenue, but inures to the benefit of about 30 manufacturers. As five-sixths of the cotton crop is exported abroad, the same proportion of the bagging around the bale is exported and sold abroad at a heavy loss, growing out of a deduction for tare.

Mr. ALDRICH. Mr. President, there is no more reason why cotton ties should be put upon the free list than that steel rails should be. The present duty on ore itself is half a cent a pound. It is reduced by this bill to three-tenths of a cent a pound, or $6 a ton. With the unrivaled iron resources of Virginia, Tennessee, Alabama, and Georgia, with their ore deposits and opportunities to manufacture ties, every Senator from the South ought to vote against this proposition. There is no reason for it whatever. The duty on pig iron is $2.50 a ton and on cotton ties only $6 a ton. They ought to be made in the South, and the South ought to be opposed to any proposition of this kind to have them imported from a foreign country.

Mr. TILLMAN. It so happens, however, that they are not made in the South, and even if they were they would have to pay a tribute to the steel trust, because since the steel trust has absorbed the Tennessee Coal and Iron Company it has practically put the possibility of any independent production out

of the question in that part of the world, at least for the few years ahead of us.

I hold in my hand [exhibiting] a miniature bale of cotton, which indicates the process of preparation for its entry into commerce. After the cotton has been picked from the field, carried to the gin, where it is separated from the seed, and then being in a very fluffy, expansive, bulky condition, which would make it impossible to handle it commercially, it is pressed or packed into a bale, about 4½ to 5 feet long, the natural size, and about 4 feet wide edgewise, and 2 feet through. Bagging and ties are put around it like this miniature bale. That bale is further compressed by the great hydraulic processes for shipment abroad to one-half of its bulk, and it gets to a density of steel and is as heavy almost, bulk for bulk, as steel.

The Senator from Rhode Island says that there is no more reason to put cotton ties on the free list than there is to put steel rails. They are not in the same category at all. I think it is an infamy that we have not steel rails on the free list, in view of the confession made by Mr. Carnegie and by Mr. Schwab before the Committee on Ways and Means of the House, because the steel rails which we produce in this country in such enormous quantities are sold to our railroads, and those railroads being the means of transporting and handling the commerce of the country, the entire people pay tribute to the steel trust to the extent that they produce steel rails. Our railways cost over $1,000 per mile in tariff alone. The railroads, of course, cost more per mile because of this increase in the price of rails, and to that extent the entire people pay tribute.

But the steel rail is in constant use and remains on the roadbed and lasts five, ten, twenty years, according to the amount of traffic over it; then it is sold at a good price and again rolled. The cotton tie, which goes around a bale of cotton, is nearly always cut when it gets to the factory; it is not unbuckled, and it goes into the scrap heap. It is an increase in the expense of handling cotton absolutely necessary for commercial use, and is lost as soon as we have parted from it. They deduct the price in tare, so that it is lost to the cotton farmer absolutely.

I have appealed to the Senator from Rhode Island time and again in this debate at odd moments when opportunity came to me, to do away with the discrimination against southern farmers, shown in the previous tariff bills in giving the western farmers free binding twine and denying to us free bagging. It is one of those things which, while it does not amount to much in money, involves the great principle of unfairness, of injustice, of wrong.

I hope the Senator will recall how pleasant it is to have a little drop of oil sometimes placed on a thing that is being rubbed, where there are fire and friction and heat; it is screaking or screaming for want of a lubricant; just think how great a pleasure it will give to the cotton farmers to think that they are in the Union, that they are no longer being taxed unjustly and wrongfully as compared with our brothers of the West. I think he might open the portals of his heart enough to take the little three or four hundred thousand dollars which we pay tribute to Carnegie and Schwab and Corey and all that blessed gang, not to speak disrespectfully, and let us have this one little modicum of relief. I should think he would not have it in his heart to resist this appeal. I can not see how he can refuse it, a man who otherwise and ordinarily is so high and generous and just and reasonable and honorable, I will say, though a great many people of this country do not entirely agree with me in that.

But with my long personal contact with the Senator here I am ready to say that I would trust his word as soon as I would any man's in this Chamber. I say I make an appeal to him to put us on an equality with our friends of the West, that all the cotton bales shall have no more burden attached to them than is necessary. You let the bag which covers it go on the free list, while you let Carnegie and Schwab take 6 or 7 cents for every bale in the South from our pockets to add to their—I will not put in an adjective—what kind of millions they have made. You all know what I think about it. I appeal to the Senator from Rhode Island not to call on his Macedonian phalanx over there to put this amendment out of joint.

Mr. OLIVER. Mr. President, I desire to detain the Senate but a moment to reply to the allegation of the Senator from Texas [Mr. CULBERSON] with regard to who pays for the cotton ties when cotton is sold in the bale. I have here a letter from a merchant of Memphis, Tenn., who is well informed upon this subject, in which he uses the following language:

> Everyone connected with the cotton industry of the South knows that the planter of cotton buys in the fall of the year either directly or indirectly bagging and ties to wrap his cotton with. Everyone knows that the actual raiser of cotton, after the cotton has been ginned and baled, sells the bale at the gross weight. This has been a universal custom for many years past, and whoever denies these facts must be some one totally ignorant of conditions pertaining to the cotton trade.
>
> I am herewith handing you a set of official rules and regulations of the Memphis Cotton Exchange, and you will note by the cross on article 5 that "Six ties only shall be permitted on each bale unless an allowance is made of 2 pounds for every tie above that number."

Mr. SMITH of South Carolina. Will the Senator just allow me to interrupt him there?

Mr. OLIVER. I should like to finish the letter, and then I would be glad to yield.

Mr. SMITH of South Carolina. At this point I want to submit a statement to the Senate. Every man who knows anything about the cotton business, who has ever exported a bale or sold a bale in the domestic market, knows that the price of cotton is fixed in Liverpool net and then cabled to this country so that the domestic buyer in the United States fixes his price net. A complaint was brought up in the world's congress, of which I had the honor of being a member, and the question most prominent before our body was how to get rid of the practice of the exporters from this side when we had 6 per cent deducted, or 30 pounds on 500, in order to get the full advantage of the 30 pounds deduction patched the sample holes and spliced the sides. Everybody who has handled cotton at all knows that bagging and ties are deducted in America. It is true it is an indirect charge, just like this tariff business.

Mr. OLIVER. At the same time they buy our cotton ties at a cent and a half or 2 cents and sell them for 10 and 11.

Mr. SMITH of South Carolina. The cotton ties are deducted entirely from the price of cotton. If there were no tare on cotton, we would get 10 cents a pound for 30 pounds that we do not get.

Mr. LODGE. Mr. President, will the Senator permit me?

The PRESIDING OFFICER. Does the Senator from Pennsylvania yield to the Senator from Massachusetts?

Mr. OLIVER. Certainly.

Mr. LODGE. It is perfectly true that exported cotton is sold net weight in Liverpool and home cotton is sold gross weight.

Mr. OLIVER. I was just going to say that.

Mr. LODGE. And the domestic consumer pays. I read from a letter of superintendent of the National Cotton Exchange:

> The farmer or grower pays for the bagging and ties, but gets back the cost thereof in selling his cotton by its gross weight to the buyer. In this country no allowance is made for ties or bagging by the farmer to the buyer.

Mr. SMITH of South Carolina. May I ask——

Mr. LODGE. One moment, please.

> Except in occasional instances where the farmer has put on more bagging than will cover the bale, in which event the extra bagging is cut from the bale before weighing the latter.
>
> As a matter of fact, therefore, the buyer in this country pays the cost of the ties and bagging in paying for each bale by its gross weight.
>
> In Europe, as stated in my previous letter of this date, cotton is sold by its net weight, which is arrived at in the manner therein described.
>
> Repeating my offer to serve you, believe me,
>
> Yours, truly,
>
> WM. V. KING,
> *Superintendent New York Cotton Exchange.*

I have any amount of evidence as to that; and I know, as a matter of fact, as to the paying for the bagging and the ties, that the New England mills had to limit it to 22 pounds, as they were paying for so much bagging and ties at cotton rates. They now pay on 22 pounds of bagging and ties at the rate of cotton. That is done by the mills. I do not pretend to say who gets the money, but I know the users pay for the gross weight of the cotton.

Mr. OLIVER. I decline to yield further, as I wish to finish what I have to say. Then the Senator can reply to it.

Rule 7 of the New Orleans Cotton Exchange reads as follows:

> Rule 7. Six iron bands or ropes, not exceeding in weight 12 pounds in the aggregate, shall be considered sufficient for each uncompressed bale of cotton. Any excess shall, at the option of the buyer, be removed from the bale or be deducted from the gross weight. If a bale has less than 6 bands, allowance shall be made to the seller, the bands to be put on by the press at the expense of the seller.

Mr. President, I have here a letter which I send to the desk to be read. It was sent to me voluntarily by a citizen of the State of Georgia who is familiar with this matter.

The PRESIDING OFFICER. The Secretary will read the letter, as requested by the Senator from Pennsylvania.

The Secretary read as follows:

> SOUTHERN CAR WHEEL IRON COMPANY,
> *Tallapoosa, Ga., June 15, 1909.*
>
> Hon. GEORGE T. OLIVER,
> *United States Senate, Washington, D. C.*
>
> DEAR SIR: Referring to the pending tariff bill, and particularly to the item of cotton ties, from which the effort is being made to remove the duty, may I take up some of your time to say a few words?
>
> I have looked into the subject to some extent, and it seems to me that cotton ties as well as jute bagging for cotton are two items on which

the duty may properly be placed, owing to the fact that the cotton raiser makes a profit on every pound of them he buys, and on ties his profit is such a magnificent one there is no room for complaining. The figures show as follows:

	Cents per bale.
Ties per bale of cotton, 9 pounds, average cost 3 cents	27
Ties weighed in with cotton, farmer receives pay for same at cotton price, average price 10 cents per pound	90
Average profit per bale from ties	63

Last season's production was approximately 13,000,000 bales, so that on the above figures the cotton farmer had a gross profit on the ties for which he paid 3 cents per pound and sold for 10 cents of $8,190,000, approximately. An actual profit of this amount; and in view of the figures, why should not the duty remain?

The claim is made that the ties and bagging are taken into account when the price is fixed, and proper deduction is made, but this claim can not well be proven. If the price of cotton were fixed each month or quarter or season, and there was a starting point at which these values were adjusted, this deduction might be made, but the price of cotton may be likened unto the brook, "but I go on forever." When the price was a question simply between the grower and the buyer, a deduction for tare could be made; but when the price is made, as it has been for years, on the exchanges, with a gradual rise from an average of 7 cents per pound of ten years ago to the present average of 10 to 11 cents, and occasionally to 12 cents and over, I do not see how the subject of tare can enter into the price. We know that the cotton weigher weighs in the ties and bagging, and it is paid for at the cotton price with the resulting profit to the cotton grower. The price of cotton is already fixed for the season by the exchanges; it may be higher or lower, with the varying crop prospects.

Yours, truly,

W. M. KELLEY.

Mr. SMITH of South Carolina. Mr. President, it is not worth while for us to attempt to discuss such a monstrous proposition as that the tare is not deducted on every bale of cotton bought in America, for the reason that every man who buys a bale of cotton and exports it knows that the contract reads "c. i. f. and 6 per cent." Every man who ships a bale of cotton knows that his contract reads in that way. The 6 per cent fixed for tare after the "c. i. f."—commission, insurance, and freight—have been deducted. Therefore when a bale of cotton goes to Liverpool, Manchester, Lancaster, Munich, Barcelona, Genoa, or Alexandria, it is sold net. So the American buyer, in buying cotton for export, deducts those fixed charges and gives the man who owns the cotton the balance.

If it were true that we were getting the price for bagging and ties, then it would be true that every American buyer after buying a bale of cotton and who exported it to Europe was giving the European buyer the bagging and ties on the bale of cotton, because, as stated here, they deduct 30 pounds tare. No man denies that, and yet the American price is fixed according to the Liverpool price. Every morning when you go into a stock exchange you will find that they wait until they get a cablegram from Liverpool.

Mr. TILLMAN. I call the attention of the Senator from South Carolina to this remarkable letter from Tallapoosa, in which it is stated that the prices are fixed by the exchanges, thereby doing away with all the balance of the argument of the Senator from Pennsylvania [Mr. OLIVER].

Mr. SMITH of South Carolina. Certainly; the price is fixed by the exchanges. The New York and New Orleans exchanges fix their price according to the Liverpool exchange.

Mr. CULBERSON. Mr. President——

The PRESIDING OFFICER. Does the Senator from South Carolina yield to the Senator from Texas?

Mr. SMITH of South Carolina. I do.

Mr. CULBERSON. Will the Senator permit me to make a suggestion right there, from sworn testimony taken before the committee of the other House—a few paragraphs upon this particular point?

Mr. SMITH of South Carolina. I will.

Mr. CULBERSON. At page 4937 of the hearings is the testimony of Mr. McMillan on this subject, as follows:

Mr. GRIGGS. I want to settle one matter that I think you understand very thoroughly. An intimation was made here this morning that the farmer resells his sacks. What tare is taken off for bagging and ties at the factory?

Mr. MCMILLAN. Six per cent is the allowance calculated upon; 30 pounds for each 500-pound bale of cotton.

Mr. GRIGGS. At 9 cents a pound that would be how much?

Mr. MCMILLAN. That would be $2.70.

Mr. GRIGGS. That the farmer loses in the price of cotton, because it is taken off the price of cotton. I don't believe it is deducted absolutely, but that is taken into consideration in fixing the price of cotton.

Mr. MCMILLAN. In other words, he doesn't sell bagging and ties at the price of cotton, but their weight is deducted in the final account.

Mr. GRIGGS. And it amounts to $2.70?

Mr. MCMILLAN. Yes, sir.

Mr. GRIGGS. At 9 cents a yard—because that is about the ruling price of bagging for the last few years—how many yards does it take to cover a bale of cotton?

Mr. MCMILLAN. Six and one-half yards is about the average.

Mr. GRIGGS. How much is that?

Mr. MCMILLAN. About 60 cents.

Mr. GRIGGS. What is the cost of the ties to the farmer who has to buy them?

Mr. MCMILLAN. About 20 cents per bale of cotton.

Mr. GRIGGS. The two cost him 80 cents, and he loses for them $2.70?

Mr. MCMILLAN. Well, I do not follow you exactly that way.

Mr. GRIGGS. In the shape of tare?

Mr. MCMILLAN. He gets for his cotton a net price, and what he pays for his bagging he gets no return on at all.

Mr. GRIGGS. He really loses?

Mr. MCMILLAN. There is no account taken of that?

Mr. GRIGGS. That is, he loses the tare?

Mr. MCMILLAN. Yes.

Mr. GRIGGS. And the tare is $2.70?

Mr. MCMILLAN. Well, he would have to pay for the bagging then, at the price of cotton to start with, to lose that.

Mr. GRIGGS. I understand that, and he does that, does he not? He loses on the packing because that weight is deducted.

Mr. MCMILLAN. He would not be entitled to the price on the gross weight.

Mr. GRIGGS. Two dollars and seventy cents are deducted from the gross?

Mr. MCMILLAN. That is correct.

Mr. SIMMONS. Mr. President——

The VICE-PRESIDENT. Does the Senator from South Carolina yield to the Senator from North Carolina?

Mr. SMITH of South Carolina. I do.

Mr. SIMMONS. I have a letter upon this subject from Mr. Charles E. Johnson, the largest exporter of cotton in my State, I think. He is located at Raleigh. Here is what he says with reference to the matter now under consideration. This letter was written April 2, 1909:

When cotton is sold for export, the export price is less 6 per cent for tare; that is, 6 per cent of the weight of the bale to cover the bagging and ties. Cotton is exported "commission, insurance, freight, and 6 per cent tare," the slang for which is "c. i. f. and 6."

Mr. SMITH of South Carolina. Mr. President, the whole question involved in this matter comes back to the very principle which has been advocated on this floor by the Republican Members of this Senate. So far as the amount saved, that would almost be a negligible quantity. But I want to call the attention of the Senate to the fact that we, by force of circumstances, are giving to New England one of the largest forms of the raw material out of which she makes her wealth. We are giving it to her absolutely free. Millions of dollars are invested in the production of the finished article out of the raw material produced in the South. The Agricultural Department is spending thousands and thousands of dollars in order to teach us how we can secure more cotton per acre at a less cost, so as to furnish to the manufacturers of this country that one article that stands as one of the two necessities of the human family, for there are but two necessities when it comes down to the fundamental question: One is what shall we eat; and the other is what we shall wear. And the South, by virtue of her geographical position, answers the second question. We furnish the basis of the raw material, and we get no possible benefit from this protective tariff.

Our surplus is so great that three out of every four bales are sold abroad. We furnish the basis out of which these manufacturers are making their wealth; and yet, in spite of the fact that the Government is spending so much through the Agricultural Department for the work of promoting the growth of cotton, we come to the question of bagging, which this morning went on the free list, but when we come to the question of cotton ties, here are the New England States and Pennsylvania, where the bulk of the ties are made, and in order to save, it seems, a miserable pittance compared with the vast amount that they are wringing from the American people, the overtaxed and hard-working producer of that upon which New England is dependent, the cotton of the South—when it comes to a question of them being liberal-hearted and broad-minded enough to yield that little in the high protective tariff and turn back to the cotton grower, who gets no protection, this little encouragement to go to work to make more, there must be wrung from him 6 cents a bale, to go into the pockets of the poor, down-trodden steel trust of America!

On April 25, 1906, it looked as if we were going to make a magnificent crop of cotton. There were about 2,500,000 bundles of ties ready for shipment, but by one touch of the key of the electric button it was flashed over the cotton belt that the steel trust of Pittsburg, Pa., had raised the price of ties 10 cents a bundle, thus exacting from the pockets of the cotton growers of the South $250,000 in one hour on 2,500,000 bundles of ties. We were absolutely helpless. Why? The mills were waiting for the cotton; the farmer was waiting to pay his debts; the railroads were waiting to run; and because debt was grinding us we had to put our cotton on the market, and we had to put into the pockets of the steel trust in five minutes $250,000, because by virtue of the operation of this high tariff. All competitors were shut out of the field, and we had either to buy from them or go without any ties for our cotton.

A few years previous to that the bagging trust tried the same procedure; but we were not as dependent upon the bagging for covering as we are for ties for binding. A lot of us used clapboards. We covered our cotton with bags and clapboards and

with all kinds of old junk that we picked up about the yards and fields, and we beat the bagging trust to a standstill.

In view of the magnificent crop of the South, free not only to America, but to the world at large, the Senate should see to it that every encouragement possible shall be given to those who have held the balance of trade since the war and before in favor of America, instead of, for the sake of maintaining a miserable principle, taxing those who produce the larger part of the wealth of this country merely in order to keep up a system that takes from the growers of cotton this tremendous amount.

It is not any use to talk about our getting paid for our bagging and ties. Do you know, Mr. President and gentlemen of the Senate, they not only charge us full value for bagging and ties when we buy them and deduct them when we sell the cotton, but they take the miserable stuff, piece it together, and sell it back to us again with the duty on it, and we have used old bagging and old pieced ties until we have nearly worn them out, paying practically every time full value for that which we had bought before and given to them.

There is no possible argument that any broad-minded American can urge against this proposition. If our cotton was paying a duty or was protected, there might be some semblance of justice in saying that we should pay a proportionate duty on bagging and ties; but since by virtue of the case we have got to sell our cotton in the free markets of the world, and since you are spending so many thousands of dollars encouraging and supporting the industry of cotton culture, upon which we are all so dependent, it does seem that we might at least be allowed to get free of duty the covering that goes on the cotton to fix it for the market. We do not ask you to put a duty on the cotton. We simply ask you to give us a fair chance. Thank God, the South is getting to a point where at last, by virtue of her enforced poverty, by a system of economy that was absolutely cruel, she has learned how to retrench and save her money and come to the front; and whether you take the duty off of ties or whether you put it on, the time will come when we will come into our own and remember our friends.

Mr. LODGE. Mr. President, there is no question but that cotton is sold at Liverpool and for export at net weight, and the weight is deducted up to 30 pounds, or 6 per cent, for ties and bagging on the bales; but I think there is no possible doubt that on the cotton used at home—the domestic cotton—the ties and bagging are paid for by the consumers up to 22 pounds at the price of raw cotton. I do not undertake to say who gets that money; but I do say that it is paid by all the mills. I have here the rules for buying cotton laid down by the Arkwright Club, which includes all the eastern mills, in which they say:

Purchasers of cotton have for many years regarded it as a special grievance that bales are frequently loaded with bagging and secured by an excess of ties, all of which, unless the extra weight be deducted, is to be paid for as raw cotton. To overcome this difficulty rules have been established limiting the amount of tare which will be allowed. These rules are almost as many and as various as the cotton exchanges or the individual establishments which have adopted them. The fixing of a high allowance for tare is a temptation to load bales up to the limit, as a high allowance for difference of weight of bales is a temptation to thievery from the bale itself. The desirability of uniform rules relating to every question involved in the buying of cotton is universally admitted, but no general agreement has yet been reached upon any single point.

They establish 22 pounds as the limit. Here I have the description of a contract for cotton for future delivery as dealt in at New York and New Orleans. The New York contract is 50,000 pounds gross. Here are the rules of the Arkwright Club for buying cotton. The first rule is:

1. The weight of bagging and ties shall not exceed 22 pounds per bale, and claims shall be made on the excess over that weight.

There is no question that the mills pay; but where the money goes I do not pretend to say. I have here the orders from special mills—the Chicopee Manufacturing Company and the Hamilton Manufacturing Company—giving directions as to the buying of cotton. I ask that they be printed in the RECORD, together with the extract which I send to the desk.

Mr. SMITH of South Carolina. Mr. President——

The VICE-PRESIDENT. Does the Senator from Massachusetts yield to the Senator from South Carolina?

Mr. LODGE. Yes.

Mr. SMITH of South Carolina. I should merely like to ask one question.

Mr. LODGE. Certainly.

Mr. SMITH of South Carolina. The Senator from Massachusetts says that they have fixed on 22 pounds. On what basis is the price fixed before they agree to allow that 22 pounds?

Mr. LODGE. They pay for a bale; that is, 500 pounds——

Mr. SMITH of South Carolina. That is not the question. I say, where is the price fixed?

Mr. LODGE. The price of cotton, of course, is fixed in Liverpool.

Mr. SMITH of South Carolina. Precisely.

Mr. LODGE. But on every bale that goes into New England, I think, they pay for 22 or 24 pounds of bagging and ties at the rate of raw cotton. That is, in a bale of 500 pounds, they get 478 pounds of cotton and the rest ties and bagging.

Mr. SMITH of South Carolina. The Senator from Massachusetts wants to be fair.

Mr. LODGE. Certainly I do.

Mr. SMITH of South Carolina. The price is fixed at Liverpool, and 30 pounds is deducted at Liverpool for tare. They only allow 22 pounds and deduct 30, getting 8 pounds of our cotton free.

Mr. LODGE. The Senator is entirely mistaken.

Mr. SMITH of South Carolina. I have handled cotton all my life, and I am not mistaken.

Mr. LODGE. Thirty pounds is not deducted here.

Mr. SMITH of South Carolina. It is deducted in Liverpool.

Mr. LODGE. It is deducted in Liverpool; but that has nothing to do with the price of cotton.

Mr. SMITH of South Carolina. If the price is fixed in Liverpool, less c. i. f.—that is, fixed charges, 6 per cent, and 30 pounds to the bale——

Mr. LODGE. Mr. President, if the Senator will allow me, I believe I have the floor. They pay net weight and we pay gross. That is the whole story.

Mr. SMITH of South Carolina. Exactly——

Mr. LODGE. The price in Liverpool has nothing whatever to do with the deduction made.

Mr. SMITH of South Carolina. They deduct the bagging and ties before they fix that price.

Mr. LODGE. Not at all. I know our mills pay it. I do not say that the planter gets it, but I know that our mills pay it.

Mr. SMITH of South Carolina. Why is it that at the compress exporters have been warned about packing sample holes and splicing sides? Thirty pounds are deducted for tare before the price is fixed. You only allow us on 22 pounds for bagging and ties, and you deduct 30 pounds, thereby not only getting our bagging and ties for nothing, but getting 8 pounds of our cotton free.

Mr. TILLMAN. Mr. President——

The VICE-PRESIDENT. Does the Senator from Massachusetts yield to the Senator from South Carolina?

Mr. LODGE. Certainly.

Mr. TILLMAN. I want to explain what my friend means when he speaks about "splicing sides," else you gentlemen will be in the dark and it will be Sanskrit to you. An ordinary commercial bale of cotton has this much cotton exposed. [Indicating.] This is on the side. The demand has been made by some of the factories that in order to keep that from getting muddied and filled with grit when they roll it over carrying it to the cars, that bagging shall be put under hoops reaching to the end and on the underside so as to cover the cotton and leave none open. That is what is called "splicing sides."

"Sample holes" are the cuts in the side where the buyer, sampling the cotton, runs his gimlet in and twists it around to get out a fair sample. He runs it in sometimes a foot and twists it around and pulls the cotton through. That is to find whether the bale has been padded by having good, nice, white cotton put on the outside and having dirty and inferior cotton put in the inside of the bale. When it gets to the compress they put a patch over that cut. That is what the Senator means by "patching sample holes."

Mr. LODGE. I only want to say, in conclusion—for I do not want to take any time—that I have not the slightest doubt that if bagging and ties were admitted free the New England mills would cease to pay for them; but, Mr. President, I see no reason why industries, such as the manufacture of bagging and ties, fairly built up under the system of tariff that we have had for many years, are not entitled to a reasonable protection like any other industry in this country. I do not want to discuss the question further. I merely want to put in the RECORD the papers to which I have referred.

The VICE-PRESIDENT. In the absence of objection, permission is granted.

The papers referred to are as follows:

HAMILTON MANUFACTURING COMPANY,
TREASURER'S OFFICE,
Boston, September 1, 1907.

All purchases of cotton after this date by the Hamilton Manufacturing Company will be subject to the rules adopted by the Arkwright Club, as follows:

The bagging and bands on any one bale shall not exceed 22 pounds.

All bagging and bands appearing to be excessive in weight will be weighed when the bale is opened at the picker, and claim for overweight made on the shipper.

Claims for extra bagging and bands to be good for fifteen months from purchase of cotton.

CHICOPEE MANUFACTURING COMPANY,
Boston, August 1, 1905.

All purchases of cotton after this date by the Chicopee Manufacturing Company will be subject to the following conditions:

Invoices, accompanied by duplicate bills of lading, and all other correspondence should be addressed to the Chicopee Manufacturing Company, post-office box 2966, Boston, Mass.

State on invoice date of order and the name of the broker.

Invoices of 100 bales of one mark preferred.

Drafts must be drawn at sight on the Chicopee Manufacturing Company, Albert Greene Duncan, treasurer, 70 Kilby street, Boston, Mass.

Bills of lading must state route, especially the port, if a rail-and-water shipment, and should read: "Notify Chicopee Manufacturing Company, Chicopee Falls, Mass. Drafts will not be paid on bills of lading containing clauses giving the carrier the benefit of insurance or which limit the time in which notice of loss of damage must be given or suits instituted.

Drafts will not be paid on bills of lading representing shipments from different points under the same mark.

Insurance will be effected by the mill.

All purchases, except from the Atlantic States, are made on the basis of all-rail insurance, and any excess in rate of insurance on cotton from Gulf ports will be charged to the shippers.

Weights on bills of lading to agree with invoice weights.

Loss in weight not to exceed 3 pounds per bale, with cotton in a sound and dry condition.

Cotton received wet or damp will be set aside to dry before weighing at the mill.

The general outturn of each shipper's weights will be carefully considered in purchasing.

Tare. The bagging and bands on any one bale shall not exceed 24 pounds, and all bagging and bands appearing to be excessive in weight will be weighed when the bale is opened at the picker, and claims for overweight made on the shipper. These claims to be good for fifteen months after the purchase of the cotton.

Claims will be made on all cotton found to be below the grade and staple specified in the sale note when sampled on arrival at the mill, and if cotton should be so far below grade and staple that we can not use it shipper must replace it.

Claims will also be made against the shipper for mixed packed, false packed, water packed, country damaged, or plated bales. These latter claims to be good until the cotton is used. In making all claims each invoice or mark will be considered by itself regardless of the number of bales in the sale.

Yours, truly, ALBERT GREENE DUNCAN,
Treasurer.

DESCRIPTION OF CONTRACTS FOR COTTON FOR FUTURE DELIVERY, AS DEALT IN AT NEW YORK AND NEW ORLEANS.

The New York contract is for 50,000 pounds (gross) in about 100 square bales cotton, growth of the United States, to be delivered from licensed warehouse in the port of New York during the month agreed. The delivery to be at seller's option upon three days' notice to buyer, and from one warehouse.

The cotton to be of any grade, from good ordinary (white) to fair, inclusive, and if tinged or stained, nothing below "middling, stained" to be delivered.

Price to be for middling, with additions or deductions for other grades according to the rates of the Cotton Exchange existing on the afternoon of the day previous to the date of the notice of delivery. Certificates of inspection, classification, and weights issued by the "inspector in chief of cotton" of the New York Cotton Exchange to be tendered with the cotton and made the basis of settlement. (For details, see p. 92.)

Payment to be made upon the day of delivery of warehouse receipts for the cotton.

Either party to have the right to call for margin, as the variations of the market for like deliveries may warrant. An original margin up to $5 per bale, to remain in trust company until settlement of the contract, may be required by either party, provided demand therefor is made within twenty-four hours after the transaction. The party demanding original margin must also deposit an equal amount himself. All margins are required to be deposited in a trust company or bank.

The New Orleans contract differs from the New York contract as follows:

The seller gives five days' notice of delivery and can deliver from cotton presses and railroad depots and can deliver from two places.

The lowest grade of stained cotton tenderable is "low middling, stained," and the receiver has the right to refuse all sandy, dusty, red, or gin-cut cotton. Dusty cotton being defined under the contract as cotton lessened in value more than one-eighth of a cent per pound by reason of dust and "sandy cotton" as cotton containing more than 1 per cent of sand. Cotton is weighed and classed for each delivery.

Mr. BACON. Mr. President, the contention of the Senator from Massachusetts, that the seller of cotton gets back the price of bagging and ties, and that therefore he should not have his ties duty free, I suppose may be considered as to some extent at least an admission that he should have free ties if he does not get back the price. It would certainly be a strong argument why bagging and ties should be allowed to the cotton producer free of tariff duty. It is utterly impossible for me to see upon what grounds the Senator from Massachusetts can base any such contention. If I may have his attention for a moment, I should like to put the case to him in a way which, I think, must cause him to recognize his mistake. The price of cotton is regulated in Liverpool, and that price is for net cotton, the cotton without any addition on account of bagging or ties; in other words, it is the price which we are paid for cotton when it reaches Liverpool and the bagging and ties have been deducted therefrom, or an allowance of 6 per cent made for them, which is little more than the same thing, as explained by the Senator from South Carolina.

That price is communicated, say, to Savannah, which is a large cotton port, the third largest in the United States. That fixes the price of cotton per pound in Savannah, the tare being taken into consideration and the transportation, insurance, and so forth, also being taken into consideration. If there were one class of sellers to the foreign purchaser and another class of sellers to the domestic purchaser, it might be, as the Senator suggests, that there is a gross weight considered in the one case and a net weight in the other. If there were different classes of purchasers, recognized as such and allowed different prices as such, in the one case the price being fixed to the foreign purchaser on the net cotton and in the other case the price being fixed to the domestic purchaser on the gross cotton, there might be ground for such a contention, but such is not the case. Cotton is sent to a warehouse or samples are sent to a factor.

They are spread out upon a table, classified, and graded. Purchasers come in, and the factor names a certain price on this grade of cotton, a certain price on another grade of cotton, and a certain price on yet another grade of cotton. He does not say "it is so much gross to you," speaking to a domestic purchaser, and "so much net to you," speaking to a purchaser for foreign export, but the price is fixed exactly at the same rate for each purchaser. In each case it is a price of so much per pound gross. To say that the purchaser who buys cotton for export is charged a greater price because it is on the net cotton than is given to the domestic purchaser because his is on the gross weight is utterly untenable. It is the same price to each; in each case it is so much a pound gross; and in each case the factor, in fixing the price, is fixing it on the basis of the net price in Liverpool. If it has this tare upon it when sold gross here, of course the price is diminished in that proportion—necessarily so. If that were not true, of course the domestic purchaser would go and buy cotton upon the representation that he was buying it for export, or vice versa.

Mr. TILLMAN. And we would have two prices of cotton.

Mr. BACON. Yes; we would have two prices of cotton. But there are not two prices of cotton. One man buys for export, and another man buys for domestic consumption. They both buy from the same man, from the same table of samples, and at the same price; and that must necessarily be the case. Not only does the producer of cotton lose the tare, the 6 per cent which goes on cotton to foreign ports, but he loses it to the domestic consumer just the same. That is so because the price is fixed in Liverpool at the net price of cotton, and the tare is deducted therefrom; and when the price is fixed in Savannah or Charleston or New Orleans, the price is necessarily fixed with reference to what it will yield net. There is no possibility of doubt about it.

Mr. SMOOT. Mr. President——

The VICE-PRESIDENT. Does the Senator from Georgia yield to the Senator from Utah?

Mr. BACON. I do.

Mr. SMOOT. I should like to ask a question of the Senator as to the actual practice in this country. Does the American manufacturer in buying a bale of cotton pay for 500 pounds?

Mr. BACON. If it weighs that much on the scales; yes.

Mr. SMOOT. I mean with the bagging and ties and all?

Mr. BACON. Yes.

Mr. SMOOT. He pays for the gross weight?

Mr. BACON. For the gross weight; that is the universal custom in this country.

Mr. SMOOT. And he pays the Liverpool price?

Mr. BACON. The Liverpool price.

Mr. SMOOT. Then the American buyer is certainly at a disadvantage, because the Liverpool price is made upon the net weight of the cotton.

Mr. BACON. Exactly.

Mr. SMOOT. Let us take an example: In Liverpool they pay for 470 pounds?

Mr. BACON. Yes.

Mr. SMOOT. That, at 10 cents a pound, would be $47. That same bale of cotton, at 10 cents a pound in this country, Liverpool making the rate 10 cents, would be $50, would it not?

Mr. BACON. No; the Senator is all wrong.

Mr. LODGE. That is exactly what our mills pay. They pay $50 for the bale that sells for $47 in Liverpool.

Mr. BACON. The Senator has asked me a question, and I will reply to it.

Mr. SMOOT. If that is not the case, I do not see the soundness of the position taken by the Senator—that we pay on the gross weight and England pays on the net weight.

Mr. BACON. If the Senator will permit me, I will explain that to him. It is very simple. As he says, a 500-pound bale of cotton is paid for in Liverpool at the rate of 470 pounds. When that price is transmitted to New Orleans, for instance, which is the largest cotton port, and a 500-pound bale is put up for sale, the price of that 500-pound bale per pound is graduated by what would be the net price—not by the gross price—although it is paid for as a 500-pound bale.

Mr. TILLMAN. They pay at the rate of $47 for it.

Mr. BACON. Yes; as suggested, if the price of the bale in Liverpool is $47, or 10 cents per pound net, when the price came to be fixed in New Orleans it would not be 10 cents on 500 pounds; but they would figure out how much it would be per pound of a 500-pound bale if it were only 470 pounds, and how much in addition to that must be deducted for the transportation.

In that way the price of the cotton per pound is fixed, not, as the Senator suggests, by giving the same price for the gross weight that is paid for the net weight, but a price is paid for the gross weight which is equivalent to the net price. Although it is paid for gross, there is a deduction made in the price, so that it is the equivalent of the net price.

Mr. SMOOT. Then the position the Senator takes is this——

Mr. BACON. It is not a position; I am stating the fact.

Mr. SMOOT. Then the facts, as they Senator says they are, are these: Instead of getting 10 cents a pound, if that is the Liverpool price, the cotton grower here does not get 10 cents?

Mr. BACON. Of course not.

Mr. SMOOT. Then he does not get the Liverpool price?

Mr. BACON. He gets the Liverpool price figured down so as to exclude the tare.

Mr. TILLMAN. I will explain the idea to the Senator. The buyer figures in this way: "I have to get this 500-pound bale of cotton at $47."

Mr. BACON. Yes.

Mr. TILLMAN. "I have to get it at the Liverpool rate." Therefore he makes a rule of three: "As $50 is to $47, so is 10 cents a pound to the price I have to pay."

Mr. BACON. Less transportation.

Mr. SMOOT. Then, instead of being 10 cents a pound, as at Liverpool, the price is 9.4 cents here?

Mr. TILLMAN. Yes.

Mr. BACON. Yes; but the difference is this, if the Senator will pardon me: If the price were fixed here, of course the Senator would be correct; it would be 10 cents here and that much more in Liverpool, because of the cost of transportation. That would increase the price. If the price were fixed here, when it got there is would be that much greater, of course. But the price is fixed there, and it is a net price; and the Senator from South Carolina has stated the matter with absolute clearness and accuracy.

Mr. TILLMAN. Except for this—that cotton at Liverpool is quoted in pennies.

Mr. BACON. Yes.

Mr. TILLMAN. And in figuring out just what they shall pay in cents, they allow for the difference in exchange, whatever that may be, and fix the price according to that rule.

Mr. BACON. Yes; exchange, transportation, insurance and freight all have to be figured. Upon the basis of $47 in Liverpool, as stated by the Senator from South Carolina, the calculation is made, taking all these elements into consideration, as to what can be paid for the same cotton, estimating it as a gross article. There is no question in the world about it, Mr. President. It is beyond possibility that any man who knew anything about business would think that cotton could be bought in New Orleans at one price if it was going abroad and be bought at another price if it was going to stay here; because in that case the man would always purchase it for the particular purpose for which he could get it the cheapest.

Mr. TILLMAN. Let me state here, Mr. President, that if we ever get to the point in this country where we consume all the cotton that is produced, and only send it abroad when they give us a bonus for it, we will fix the price, and they will pay for all these privileges and deductions.

Mr. BACON. We had this identical question here twelve years ago, when the Dingley bill was before the Senate, and when the matter of free bagging and ties was being discussed; and all this matter was thrashed out then. There is no question about the fact that the seller of cotton does not get back one single particle of the price he pays for the bagging and ties. It is an absolute dead loss, not only as to cotton that goes to Europe, but as to cotton that goes to Massachusetts, to Fall River, or anywhere else.

Mr. MONEY. Mr. President, this subject has been so lucidly explained by the junior Senator from South Carolina, by the Senator from Georgia, and by the senior Senator from South Carolina, that it seems to me it is unnecessary for me to say anything, except as to the continuance of the illusion that seems to prevail in some quarters about it.

It has been just about thirty years, or probably thirty-one years, since I had a debate on this subject in the House with Mr. Ballou, a cotton manufacturer of the State of Rhode Island, and a most excellent gentleman he was. He made the very statement that has been made here to-day—that the cotton manufacturer paid for the bagging and the ties. I think I showed very clearly, and I know I convinced that gentleman, that there was a tare and tret, as has been explained, in Liverpool, and that in this country the tare and tret did not come off in the weight, but is reduced in the price. It is so simple a thing that I do not see how there can be any misunderstanding about it. I know very well that there is not a single Senator here who would attempt to make an erroneous statement concerning it or to leave a false impression, but they are in the receipt of letters such as have been filed by the junior Senator from Pennsylvania, which are enough to mislead anyone who has any confidence whatever in the writer. I do not know who Mr. Kelley is, and I do not know what he is doing in Tallapoosa, but I know that one of two things is true: Either a man who is so purely and crassly ignorant of the matter should never attempt to give any information or his cold mendacity should meet some sort of reproof. If he knows anything about the question upon which he is attempting to instruct people, he knows, when he writes that letter, that there is not a single word of truth in his statements.

It is simply absurd to suppose that any manufacturer on earth will give anything for old junk. You can not use the old ties except for scrap iron, and you can not use the old bagging from a bale of cotton except for raw material. It can not be again used as bagging without being remanufactured. No man ever will pay for it, and no man ever has yet paid a single cent for it.

I planted cotton all my life until four years ago. When I or my manager informed the cotton buyers by telegraph or telephone that there were a certain number of bales of cotton waiting to be bought, two or three of them would come up and bid upon it. Some of those men were buying for eastern markets; one of them was buying for Liverpool; but it has been many years since any cotton has gone from that far up the Mississippi to New Orleans. It nearly all goes east by rail. Some of it, as I said, is exported, and some is used at home. But it never occurred to anybody that the man who was buying the cotton for Liverpool and the man who came with him buying for an eastern market were going to bid except upon the quality of the cotton, the length of its fiber, its freedom from what is called "nap" or the entanglement of the soil, the dust or dirt in it, and the stain that results from rain. Quality is the only thing that is ever considered. But while it is so plain and simple to people who know something about cotton, I can understand very well that a Senator who does not know anything about it can be easily misled by misinformation. I do not care what quarter it comes from—in some cases, I suppose, people who undertake to give information are simply not informed; but in other cases I am inclined to think it arises from a pure effort to deceive and leave a false impression.

That seems to be a harsh thing to say, but I think it is justified by the facts of the case. Of course to any man who lives in the cotton country it is perfectly plain how this thing works. I know, too, that there is some difficulty about understanding it elsewhere. This whole question of tare and tret ought to be worked out legitimately here, just as it is in England, and then it will be plain to everybody. But it is not, and we see the result that follows.

It has been thirty or thirty-one years since I had this very question up in the House, and it was argued out. I know that Mr. Ballou—who was, I believe, a Quaker, and I know he was every inch a gentleman—confessed that he was wrong about it, and that he was convinced he was mistaken. He admitted that, although he had been a cotton buyer, and had been under the impression—as I know he was, from what he said—that he had been paying the ruling price on cotton for old junk, which was absolutely useless to him or anybody else, and went to the scrap heap.

Mr. DICK. Mr. President, the memorandum I have on this cotton-ties question I submit to the Senators from cotton States; and if the statements are not correct, I shall be very glad indeed to have them corrected.

The price to dealers this season (1909) in quantities at warehouses throughout the South has ranged from 60 cents to 75 cents per bundle.

That one bundle cotton ties weighs 45 pounds and contains 30 ties.

That six ties, weighing 9 pounds, are ordinarily used on each bale of cotton.

That the domestic price at the maximum figure this season, viz, 75 cents per bundle, equals $37.33 per gross ton.

That present import price is $31.20 per gross ton in bond.

The duty in the Dingley law, paragraph 129, is five-tenths cent per pound, and is equal to $11.20 per gross ton.

The rate in the Payne bill, paragraph 123, is three-tenths cent per pound, and is equal to $6.72 per gross ton.

The Dingley tariff on cotton ties is therefore 22½ cents per bundle, equivalent to 4½ cents per bale of cotton.

The Payne tariff is 13½ cents per bundle, equivalent to 2.7 cents per bale of cotton, or a reduction of 40 per cent on the present law.

According to my information, cotton ties are retailed to the farmers, delivered at the railroad stations throughout the cotton belt, at 2 cents per pound.

It takes 9 pounds of cotton ties to bale one bale of cotton, at a cost to the farmer for the ties of 18 cents per bale.

One bale cotton weighs about 500 pounds and, valued at 10 cents per pound, sells for $50.

The farmer pays 18 cents for his cotton ties and sells them, included in the weight of his bale of cotton, for 90 cents, a profit of 72 cents.

Based on the market price to-day for a bale of cotton, the cost of the cotton ties is equivalent to nine twenty-fifths of 1 per cent of the value of the cotton contained in the bale. According to the rules and practice of the New York Cotton Exchange, cotton has always been sold at gross weight, which includes the weight of the cotton ties and the bagging. This same rule and practice controls in all other cotton exchanges throughout the United States, so I am informed.

Mr. SMITH of South Carolina. Let me make a statement right here.

Mr. DICK. Certainly.

Mr. SMITH of South Carolina. Before that is fixed there has been deducted on the 10 cent a pound cotton $3. Now then, calculate how much has he lost. Let him have $1.10 for that, and then lose $3 in tare, and he has lost $1.90. That is making money fast.

Mr. DICK. The Senator assumes that the reduction made in Liverpool must apply in this instance. With that proposition I can not agree.

Mr. SMITH of South Carolina. That is absolutely true.

Mr. DICK. The cotton purchasers of this country and the cotton manufacturers of this country make no deduction for tare, except where it is in excess of 22 or 24 pounds to the bale. Am I right about that?

Mr. SMITH of South Carolina. He does not deduct any tare until it gets to 30 pounds, but you must understand that the 30 pounds is deducted in the world-fixing market of Liverpool. Suppose cotton is 11 cents. There is a difference of a cent between the Liverpool and the American price. There is deducted $5 from that bale of cotton, in order to cover fixed charges; therefore cotton at 11 cents in Liverpool is 10 cents in America. That $5 a bale is $2 for commissions, insurance, and freight, and $3 for tare. There is where you come. You get only $50, whereas, if your tare was not deducted, you ought to get $53. It is as simple as it can be.

Do you suppose any American cotton buyer would buy a bale of cotton at gross weight and sell it to the Liverpool man less the bagging and ties?

Mr. DICK. I think the Senator's colleague answered that question perhaps better than I can. He said that when we consume at home all, or approximately all, the cotton we produce in this country, we will fix the rules with reference to all these matters. My contention is—and I think it is in harmony with the suggestion of the senior Senator from South Carolina himself—that Liverpool does not fix the price. The law of supply and demand does that. Liverpool simply registers the price.

Mr. TILLMAN. I did not say that Liverpool does not fix the price, because Liverpool is the great cotton mart of the world. India ships her cotton to Liverpool, Egypt ships her cotton to Liverpool, and all the American surplus goes to Liverpool. Of course, there are shipments to Genoa and Bremen, and the French ports—Marseille, and so forth. Some little goes to Spain and some little to Austria. But the whole of it is rated on the Liverpool price. Where is the price of wheat fixed?

Mr. DICK. The price of wheat, I insist, is fixed by the law of supply and demand.

Mr. TILLMAN. Sure; and the law of supply and demand has its office in Liverpool.

Mr. DICK. And the price of cotton is fixed by the law of supply and demand, and it is registered in Liverpool. Wheat and cotton are subject to the same commercial laws, and with precisely similar results.

Mr. MONEY. Will the Senator from Ohio permit me?

Mr. DICK. Certainly.

Mr. MONEY. I wish to add one word that I forgot to mention, and that is as to the complaint which I understand has been voiced from some buyer that he had to pay for excessive waste, in excessive bagging and excessive ties, leaving the very bad impression that the cotton planters of the South were putting in more bagging and ties than were necessary.

Mr. DICK. Oh, no.

Mr. MONEY. That is what was said.

Mr. TILLMAN. That charge has been made. The Senator from Mississippi knows it.

Mr. DICK. Of course I said nothing of that kind.

Mr. TILLMAN. I know.

Mr. MONEY. I do not say the Senator did. But somebody did. In the first place, the great complaint made against the cotton planter of the South is that he does not put enough of bagging or of ties on his bale to make it secure. That complaint comes constantly from Liverpool, and every cotton dealer of any extent in the United States has sent around photographs of a bale of Indian cotton on the dock at Liverpool, of the Egyptian bale, of the Brazilian bale of cotton, and of the American bale of cotton, and in every instance the American bale is about half wrapped up, the cotton extending in every direction on account of the imperfect wrapping, the bale entirely out of shape and cotton lost in every direction. That is the common complaint, and it is a just one. Endeavor has been made to have the farmers put enough bagging on their cotton to preserve the fiber from the weather and the dirt. That is a common case.

Of late years public ginners have been doing all the ginning, except on the large plantations. These ginners gin the cotton for a certain price, and they put the bagging and ties on it, and the farmers are continually complaining of these ginners that they will not put enough of bagging and ties on their cotton to preserve it. That is one of the complaints which the Senator can find anywhere by making inquiry.

That charge against the Southern cotton planter must fall to the ground, because the fact is just exactly the reverse. If you find a bale superabundantly wrapped, it is due to a mistake and is not a matter of intention on the part of the farmer to pay for more than is necessary to get the cotton to market.

Mr. DICK. Before the Senator from Mississippi takes his seat, I should like to ask him a question. Is the rather indifferent baling responsible for any part of the $3 deduction?

Mr. MONEY. Oh, no; that is simply tare and tret. It is an average of 6 per cent—I do not care what the weight may be—that is taken off. Suppose 50 pounds have been lost in transit on account of imperfect bagging. The 30 pounds comes off just the same, because 500 pounds is the average bale.

The tare is not deducted by the weight of each individual bale, but by the average 500-pound bale, and it is 30 pounds. Even if the cotton bale weighs 600 pounds, only 30 pounds are taken off, and if it weighs 400 pounds it comes off. For this reason it has been inculcated over and over again a million times into the Southern mind that the farmer must put up his bale at about 500 pounds. I have known some cases where they have put seven or eight hundred pounds into one bale, because they wanted to save freight on the railroad, which charges by the bale and not by the pound.

Mr. DICK. There is another question, if I may ask it.

Mr. MONEY. Certainly.

Mr. DICK. Is that rule universally applied to other countries as well as to the United States?

Mr. MONEY. What rule?

Mr. TILLMAN. Our bales in America are heavier than in Europe or in England.

Mr. MONEY. There is no sort of comparison between the American and the Egyptian and Indian bale.

Mr. SMITH of South Carolina. If the Senator will allow me, he asked about a rule. Did he mean the amount of tare?

Mr. DICK. Yes.

Mr. SMITH of South Carolina. The Egyptian cotton is not packed in what we call "bagging," in the rough jute, but in fine burlap, and with four times as many ties as an American bale. It is also compressed to a great density and carries 750 pounds to the bale, and only about 3 per cent is deducted for tare.

Mr. TILLMAN. I was going to remark that it would be a great reflection upon the sense of the southern cotton planters if they could buy ties at 5 cents a pound and sell them at 10. that they did not get rich. They could wrap and rewrap them and have practically nothing but the bagging itself. But our friends abroad who buy from us will not take it in that way.

Mr. DICK. I am not objecting to any profit the cotton planter may get out of the ties he purchases and sells to some one else. I was only thinking that if my information is correct, and that if cotton ties sufficient for a bale of cotton could be purchased for 18 cents and sold for 90, the matter has been already very largely adjusted and altogether in favor of the cotton planter. I was led to believe all that as set out by the rule which has been adopted by the Arkwright Club, which the Senator from Massachusetts has already read, and some correspondence which came to my hand during the consideration of this bill.

I have, among others, a letter from William G. King, superintendent of the New York Cotton Exchange, who, under date of May 19, 1909, says:

The Arkwright Club, Boston, Mass., is an association of cotton buyers and has certain rules for buying cotton. The regulations for purchasing, regarding weight, are covered by rules No. 1 and No. 2, as follows:

"1. The weight of bagging and ties shall not exceed 22 pounds per bale, and claims shall be made on the excess over that weight.

"2. Claims for extra tare shall be good for fifteen months from purchase of cotton."

The rules adopted by the Arkwright Club are followed by all purchasers of cotton and are in accordance with the rules and practice which have controlled the leading exchanges in the United States for many years.

The following is an extract from the circular letter of the Hamilton Manufacturing Company dated Boston, September 1, 1907:

"All purchases of cotton after this date by the Hamilton Manufacturing Company will be subject to the rules adopted by the Arkwright Club, as follows: 'The bagging and bands (ties) on any one bale shall not exceed 22 pounds. All bagging and bands appearing to be excessive in weight shall be made when the bale is opened at the picker, and claims for overweight made on jobber. Claims for extra bagging and bands to be good from fifteen months from purchase of cotton.'"

Chickopee Manufacturing Company, in circular letter dated Boston, August 1, 1903:

"Promulgate rules allowing a tare of 24 pounds for all bagging and bands (ties)."

The following are abstracts from letters written by William G. King, superintendent New York Cotton Exchange:

MAY 19, 1909.

The farmer or broker pays for the bagging and ties, but gets back the cost thereof in selling his cotton by its gross weight to the buyer. In this country no allowance is made for ties or bagging by the farmer to the buyers except in occasional instances where the farmer has put on more bagging than will cover the bale, in which event the extra bagging is cut from the bale before weighing the latter.

As a matter of fact, therefore, the buyer in this country bases the cost of the ties and bagging in paying for each bale by its gross weight.

NEW YORK, *June 9, 1909.*

In answer to your inquiry of this date, cotton has always been delivered in the port of New York upon the gross weight of the cotton; and I believe this is the universal custom throughout the United States for American cotton.

Mr. TILLMAN. That is entirely correct, so far as it goes; but it does not state that the price which has been arranged on that cotton has taken into consideration that there is so much bagging and ties which must be deducted, and that is allowed for in the price.

Mr. DICK. Does not the Senator think that in a very large degree his grievance has been modified by the fact that under existing conditions we have established great cotton factories in this country and consume a very great portion of the supply here, which consumption goes on increasing and will, I hope, continue to increase until his own desire may find its consummation, namely, that we shall consume in this country all the cotton we raise?

Mr. TILLMAN. I hope to see that some day. No; I will not see it. I will be dead before it comes.

Mr. DICK. I hope not.

Mr. TILLMAN. But it will come.

Mr. DICK. Then my information is correct that cotton is regularly bought and sold on the basis of the gross weight of the bale, including the weight of the bagging and the weight of the ties.

The standard practice, covering all contracts for the purchase or sale of cotton, provides a limit of 22 pounds per bale for the weight of the bagging and the cotton ties. All tare—that is, weight of bagging and cotton ties—in excess of 22 pounds is not paid for.

Again, in the matter of deductions in the weight of baled cotton: An examination of the statute law of most of the cotton States indicates that while some of them have forbidden any deductions from the actual weight of the bale of cotton for any purpose whatever—scalage, breakage, or any other deduction—that the same object is accomplished by compelling all cotton purchased and sold to be weighed by public weighers elected by the locality producing the cotton and in sympathy with them, and whose decisions are final and invariably in favor of the seller of the baled cotton.

Section 1510, of the Sandels and Hill Digest of the Statutes of Arkansas, says:

It shall be unlawful for any person who weighs cotton in the State of Arkansas to take off anything for scalage.

The act 284 of Arkansas, 1905, creates a public weigher in the counties of Howard, Columbia, Garland, Polk, Montgomery, Nevada, White, and Clark, and as amended by act 243, of 1907, provides that any person or persons other than the said cotton weigher or his deputy, who shall weigh or attempt to weigh cotton within his jurisdiction, shall be guilty of a misdemeanor and fined not less than $10 and not more than $25 for each bale of cotton so weighed.

Quoting Mayfield's Criminal Code of Alabama, volume 3, published 1907:

6671. (1380) (1186) (1411) (1160) (931). What unlawful in buying cotton. It shall be unlawful for any person, firm, company, or corporation, in buying baled cotton or in weighing said cotton for sale, to deduct from the actual weight thereof, as shown on a level-standing beam of the scale, or to use in weighing cotton untested weights, so as to deprive the seller of the cotton of any of its real value.

Genesis on Statute, Loulmin's Digest, page 103, provided a heavy penalty for failure to securely inclose cotton gins or to allow cotton seed to be deposited in streams. (Amended Dec. 3, 1890, p. 23; Feb. 28, 1887, p. 72, sec. 1.)

6672. (1390) (1187) (1412) 1161) (923). Penalty for making deductions, etc. Any person, company, firm, or corporation who violates the preceding section shall be guilty of a misdemeanor, and on conviction, be fined in each case not less than ten or more than fifty dollars. But deductions may be made by mutual consent of buyer and seller, or their authorized agents or representatives, on wet or damaged cotton bales, on each bale so weighed or deducted from. (Dec. 3, 1890, p. 22; Feb. 28, 1887, p. 72, sec. 2.)

South Carolina. Code of Laws, 1902. Volume II. Criminal Code:

SEC. 343. Any person who shall put and make the charge known as "breakage upon the weighing of cotton" shall be guilty of a misdemeanor, and on conviction thereof shall be fined not more than $25 or imprisonment of not more than thirty days, or both, in the discretion of the court.

SEC. 351. It shall be unlawful for any cotton buyer to refuse to accept any bale of cotton after he has bought the same by sample thereof, weighing over 300 pounds, provided the same corresponds in quality with the sample bought by; and any such buyer who docks or deducts any amount from the purchase price of any such bale of cotton or attempts to dock or deduct any amount from the purchase price of such bale of cotton shall be deemed guilty of a misdemeanor and fined not more than one hundred and not less than twenty dollars.

SEC. 353. Any person weighing cotton in a cotton market where a public weigher has been elected shall be deemed guilty of a misdemeanor and fined not less than five nor more than ten dollars for each offense.

The Civil Code of South Carolina, section 1552, provides for election of cotton weigher, who shall give an oath and a bond; whose compensation shall be not more than 10 cents a bale, to be paid in equal proportion by the buyer and the seller; who shall weigh all cotton sold in such cotton markets and give a certificate showing the weight of each bale or package of cotton weighed. It shall be his further duty to adjust any difference between sellers and buyers as to moisture and mixed or false packing.

Section 1555 makes special provisions for Sumter County.

Section 1556 for the town of Homeopath, and appoints a similar weigher.

Similar weighers are provided for many other counties.

Sales of cotton by other than the aforesaid public weighers are a misdemeanor.

Act 21, Laws of 1888, page 17, Louisiana, is an act to prohibit the deduction of 2 pounds or any number of pounds, known as "scalage," from the weight of cotton, and provides a penalty therefor:

SECTION 1. That it shall be unlawful for any purchaser or weigher of cotton to deduct 2 pounds or any number of pounds, known as "scalage," from the actual weight of any bale of cotton weighed or purchased by them.

SEC. 2. The purchasers shall account to the seller of cotton in all instances for the actual weight of the bale purchased or weighed, except in case of wet or damaged cotton, when the amount to be deducted may be agreed upon by the parties buying and selling.

SEC. 3. That for each violation of this act the offender shall be deemed guilty of a misdemeanor, and upon conviction by a court of competent jurisdiction he shall be fined not less than ten nor more than fifty dollars.

Article 575-579, Wilson's Texas Criminal Statutes, provides for appointments of public weighers and forbids other persons to weigh cotton under penalty of misdemeanor, $5 for each bale of cotton weighed. It permits a person to weigh his own cotton.

Section 4308, Sayles's Texas Civil Statutes, provides public weighers; forbids any factory, commission merchant, or person to employ any but a publicly appointed weigher; penalty of $5 for each weigher, and so forth.

I have no patience with the manufacturer who wants protection on his finished product, and yet asks for free raw materials, which are the finished product of somebody else; but my attention has not been called to any other industry which makes a profit of 300 per cent on the covering and wrapping in which it sells its product, and then comes here and asks that this covering be admitted free of duty at the expense of the American manufacturer of cotton ties.

Mr. CULBERSON. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER (Mr. DEPEW in the chair). The Secretary will call the roll.

The Secretary called the roll, and the following Senators answered to their names.

Aldrich	Culberson	Guggenheim	Overman
Bacon	Cummins	Heyburn	Owen
Bankhead	Curtis	Hughes	Page
Borah	Daniel	Johnson, N. Dak.	Penrose
Brandegee	Davis	Johnston, Ala.	Perkins
Briggs	Depew	Jones	Piles
Bristow	Dick	Kean	Root
Brown	Dillingham	La Follette	Smith, Mich.
Burkett	Dixon	McCumber	Smith, S. C.
Burnham	du Pont	McEnery	Smoot
Burrows	Elkins	McLaurin	Stone
Burton	Fletcher	Martin	Taliaferro
Carter	Flint	Money	Taylor
Clapp	Foster	Nelson	Tillman
Clark, Wyo.	Frazier	Newlands	Warner
Clay	Frye	Nixon	Wetmore
Crane	Gallinger	Oliver	

The PRESIDING OFFICER. Sixty-seven Senators have answered to their names. There is a quorum present. The question is on agreeing to the amendment proposed by the Senator from Texas [Mr. CULBERSON].

Mr. CULBERSON. On that I ask for the yeas and nays.

The yeas and nays were ordered, and the Secretary proceeded to call the roll.

Mr. ELKINS (when his name was called). I again announce my pair with the junior Senator from Texas [Mr. BAILEY], and withhold my vote.

Mr. OWEN (when Mr. GORE's name was called). I should like to announce in behalf of my colleague [Mr. GORE] that he was called from the Chamber unexpectedly, and that, if present, he would vote "yea."

Mr. PILES (when his name was called). I am paired with the Senator from Oregon [Mr. CHAMBERLAIN] for the afternoon, and withhold my vote.

Mr. SIMMONS (when his name was called). I wish to announce my pair with the Senator from Illinois [Mr. LORIMER]. If he were present, I should vote "yea."

Mr. SMITH of South Carolina (when his name was called). I transfer my pair with the Senator from Washington [Mr. JONES] to the junior Senator from Oklahoma [Mr. GORE], and I vote "yea."

The roll call was concluded.

Mr. JONES. I understand that the Senator from South Carolina [Mr. SMITH] has transferred his pair with me to the Senator from Oklahoma [Mr. GORE]. I transfer my pair to the Senator from Kentucky [Mr. BRADLEY], and vote "nay."

Mr. BACON. I am paired for the day with the Senator from Maine [Mr. HALE]. I transfer my pair to the Senator from Indiana [Mr. SHIVELY], and vote "yea."

Mr. HUGHES (after having voted in the affirmative). Did the Senator from Oregon [Mr. BOURNE] vote?

The PRESIDING OFFICER. He has not voted.

Mr. HUGHES. I am paired with that Senator, and I withdraw my vote.

Mr. SHIVELY. I am paired with the senior Senator from Maine [Mr. HALE]. If he were present, I should vote "yea." I withhold my vote.

Mr. MONEY. I wish to ask if my colleague [Mr. MCLAURIN] is recorded?

The PRESIDING OFFICER. He has not voted.

Mr. MONEY. My colleague is paired with the junior Senator from Michigan [Mr. SMITH]. If my colleague were present, he would vote "yea."

Mr. SMITH of Michigan (after having voted in the negative). In view of the statement of the Senator from Mississippi, I think I should withdraw my vote and let my pair stand. I should vote "nay," if the junior Senator from Mississippi [Mr. MCLAURIN] were present.

The result was announced—yeas 31, nays 38, as follows:

YEAS—31.

Bacon	Culberson	Johnson, N. Dak.	Overman
Bankhead	Cummins	Johnston, Ala.	Owen
Beveridge	Daniel	La Follette	Smith, S. C.
Bristow	Davis	McEnery	Stone
Brown	du Pont	Martin	Taliaferro
Clapp	Fletcher	Money	Taylor
Clay	Foster	Nelson	Tillman
Crawford	Frazier	Newlands	

NAYS—38.

Aldrich	Burnham	Crane	Dillingham
Borah	Burrows	Cullom	Dixon
Brandegee	Burton	Curtis	Flint
Briggs	Carter	Depew	Frye
Burkett	Clark, Wyo.	Dick	Gallinger
Gamble	Lodge	Perkins	Warner
Guggenheim	Nixon	Root	Warren
Heyburn	Oliver	Scott	Wetmore
Jones	Page	Smoot	
Kean	Penrose	Sutherland	

NOT VOTING—23.

Bailey	Dolliver	McCumber	Shively
Bourne	Elkins	McLaurin	Simmons
Bradley	Gore	Paynter	Smith, Md.
Bulkeley	Hale	Piles	Smith, Mich.
Chamberlain	Hughes	Rayner	Stephenson
Clarke, Ark.	Lorimer	Richardson	

So Mr. CULBERSON's amendment was rejected.

THE CENSUS.

Mr. LA FOLLETTE. Mr. President, I submit a privileged report.

The PRESIDING OFFICER. The report will be read.

The Secretary read the report, as follows:

The committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 1033) to provide for the Thirteenth and subsequent decennial censuses having met, after full and free conference have agreed to recommend and do recommend to their respective Houses as follows:

That the Senate recede from its amendments numbered 1, 4, 12, 14, 21, 31, and 35.

That the House recede from its disagreement to the amendments of the Senate numbered 2, 3, 5, 6, 8, 9, 10, 11, 16, 18, 19, 20, 22, 23, 24, 25, 26, 27, 28, 29, 30, 32, 33, 34, and 36; and agree to the same.

That the House recede from its disagreement to the amendment of the Senate numbered 7, and agree to the same with an amendment as follows: In lieu of the sum proposed insert "$2,875;" and the Senate agree to the same.

That the House recede from its disagreement to the amendment of the Senate numbered 13, and agree to the same with an amendment as follows: Strike out the matter inserted by said amendment; and the Senate agree to the same.

That the House recede from its disagreement to the amendment of the Senate numbered 17, and agree to the same with an amendment as follows: In lieu of the matter inserted by said amendment insert the following: "That when the exigencies of the service require, the director may appoint for temporary employment not exceeding sixty days' duration from the aforesaid list of eligibles those who, by reason of residence or other conditions, are immediately available; and may also appoint for not exceeding sixty days' duration, persons having had previous experience in operating mechanical appliances in census work whose efficiency records in operating such appliances are satisfactory to him, and may accept such records in lieu of the civil-service examination;" and the Senate agree to the same.

That the House recede from its disagreement to the amendment of the Senate numbered 37, and agree to the same with an amendment as follows: Strike out the matter inserted by said amendment; and the Senate agree to the same.

That the House recede from its disagreement to the amendment of the Senate numbered 38, and agree to the same with an amendment as follows: In lieu of the number proposed by said amendment insert the following: "33;" and the Senate agree to the same.

ROBERT M. LA FOLLETTE,
EUGENE HALE,
JAMES P. TALIAFERRO,
Managers on the part of the Senate.
EDGAR D. CRUMPACKER,
JAMES HAY,
Managers on the part of the House.

Mr. NEWLANDS. I simply wish to make inquiry of the Senator from Wisconsin. I observe that there is a provision in this act for a temporary employment of sixty days. I understand examinations are to be made for the regular service in the various States in accordance with the amendment to the bill adopted in the Senate.

Mr. LA FOLLETTE. That is true.

Mr. NEWLANDS. And to meet any emergency, temporary employees are authorized.

Mr. LA FOLLETTE. They are authorized, but their employment is limited to sixty days. The limitation was put on since the bill was under consideration in the Senate. There was a provision that employees might be without examination temporarily employed, but no limitation was fixed. That provision was in the bill when it was under consideration here and passed the Senate.

Mr. NEWLANDS. I will ask the Senator whether he thinks sixty days give a sufficient period?

Mr. LA FOLLETTE. In the opinion of the conferees, it was thought to be a reasonable provision and that it would give ample time for——

Mr. NEWLANDS. I wish also to inquire regarding the housing of the census force—some 3,000 or 4,000 men. I understand that the provision was entirely stricken out.

Mr. LA FOLLETTE. With respect to the purchase of property, it was.

Mr. NEWLANDS. What arrangement is proposed to be made regarding the housing of the Census Bureau?

Mr. LA FOLLETTE. Provision is made for that in the appropriation bill. It is expected that the extra force will be housed as in the last decennial census; that is, that the department will rent such rooms and apartments as are necessary to make provision for the census.

Mr. NEWLANDS. Would there be any authority under the bill appropriating $10,000,000 for this work to erect or to purchase a building, if that was thought more advisable than leasing?

Mr. LA FOLLETTE. I will say to the Senator that no provision is made for the purchase of a site or a building.

Mr. NEWLANDS. And no provision is made for leasing?

Mr. LA FOLLETTE. I am not certain whether the appropriation bill——

Mr. KEAN. Mr. President, it is utterly impossible to hear what is going on.

Mr. LA FOLLETTE. The appropriation bill was not assigned to the Committee on the Census. It was considered by the Committee on Appropriations.

The PRESIDING OFFICER. The question is on agreeing to the conference report.

The report was agreed to.

TAXES ON INCOMES.

Mr. ALDRICH. From the Committee on Finance, I report a joint resolution proposing an amendment to the Constitution of the United States, and if there is no objection I should be glad to have this disposed of without debate. I ask that it may be read.

Mr. TILLMAN. I thought we had an understanding that we would not deal with any of these constitutional or income tax or other amendments until we got through with the dutiable list.

Mr. ALDRICH. If the Senator proposes——

Mr. TILLMAN. I have an amendment which I wish to offer. I have been waiting here patiently in this oven about six hours to get a chance to present it.

Mr. ALDRICH. I ask that the joint resolution may be read and printed.

Mr. CULBERSON. I ask the Senator from Rhode Island if he has finished with the other schedules.

Mr. ALDRICH. No; I was only making this suggestion now, if it can be done without debate, by unanimous consent; but if there is any objection I shall ask to have the joint resolution read and printed, and I give notice that I shall call it up at the first convenient period and ask to have it disposed of without debate.

The PRESIDING OFFICER. The Senator from Rhode Island, from the Committee on Finance, reports a joint resolution, which will be read.

The joint resolution (S. J. R. 40) proposing an amendment to the Constitution of the United States was read the first time by its title and the second time at length, as follows:

Senate joint resolution 40.

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled (two-thirds of each House concurring therein). That the following article is proposed as an amendment to the Constitution of the United States, which, when ratified by the legislatures of three-fourths of the several States, shall be valid to all intents and purposes as a part of the Constitution:

ARTICLE XVI. The Congress shall have power to lay and collect taxes on incomes, from whatever source derived, without apportionment among the several States and without regard to any census or enumeration."

The PRESIDING OFFICER. If there be no objection, the joint resolution will be printed and lie on the table.

Mr. BORAH. Do I understand that it is the intention to take up this amendment before the income-tax amendment is disposed of?

Mr. ALDRICH. I thought perhaps the Senate might be able to dispose of it without debate. If they can, that might be done. If not, I shall not press it until after the income-tax provisions are disposed of.

Mr. BORAH. But not before the income-tax amendment if it is to be opposed?

Mr. ALDRICH. I certainly have no disposition to do that unless it can be done by unanimous consent.

THE TARIFF.

The Senate, as in Committee of the Whole, resumed the consideration of the bill (H. R. 1438) to provide revenue, equalize duties, and encourage the industries of the United States, and for other purposes.

Mr. TILLMAN. I ask that the amendment which I offered in regard to tea may be called up.

The PRESIDING OFFICER. The amendment will be read.

The SECRETARY. On page 80, after line 3, it is proposed to add a new paragraph, as follows:

258½. Tea, 10 cents per pound.

Mr. TILLMAN. Mr. President, it is, I think, the tenth week we have entered on that we have been debating the tariff bill, strenuously and with considerable heat at times. It is too warm, or hot, to use a better term, for me to consume much time of the Senate in presenting this amendment, but there are certain facts which stick out very prominently which I want to have Senators consider, though I know in advance, in a way, that many men's minds are already made up, and that it is understood the Committee on Finance have refused absolutely to give any favorable consideration to this proposition. We all know what the refusal of the chairman of that committee, who always speaks for the committee and speaks with authority, means. When that committee says "no," the Senator says "no;" and when the Senator from Rhode Island says "no," the committee says "no." Therefore, I might forego the discussion of this question if it were not that I want to get the protectionists in this Chamber in an uncomfortable condition or situation.

Mr. FRYE. They are in one.

Mr. TILLMAN. The Senator from Maine says we are undoubtedly very uncomfortable now, and I agree with him. I will say I feel we are very near the devil's kitchen and the fumes from below are coming up. Probably some of us are having foretaste of what we are going to get hereafter for our sins committed in this Chamber during this debate. This duty on tea is taken as a joke by many on that side of the Chamber, and I have not taken the trouble to try to proselyte anybody.

I have facts here, with which very few Senators are acquainted, that ought to give me the support of every man on this side, and I shall present arguments which ought to give me the vote of every man on the other side. So I ought to get this duty imposed without a single adverse vote.

Mr. President, this bill is labeled "An act to provide revenue, equalize duties, and encourage the industries of the United States, and for other purposes." If we consider the tariff question in general, it is very evident to any student of that subject that there are two schools, and that there have been two schools, of political economy in regard to it from the beginning of our Government. There are those who believe that the tariff is a tax, and that no duty should be levied except for the purpose of raising revenue. There are those who have come to believe—and they are in the majority now in this Chamber and probably in the country for the time being—that, in addition to levying a tariff for revenue, it is permissible and lawful to levy a tariff solely to encourage American industries or to protect American labor against foreign labor. I am going to address myself, first, to my Democratic brethren on the subject of revenue.

We are told by the officials that we are from ninety to one hundred million dollars behind on account of the deficit, the revenues not equaling the expenditures; and this bill is ostensibly to be passed to give us additional revenue. Tea, with a tariff of 10 cents a pound, offers to the people of this country and to the Treasury between nine and ten million dollars.

The duty will be generally levied. It is not upon an article of prime necessity, because there are a great many millions of Americans who do not drink tea. There are others who drink tea and love it, and to whom it has become, in a way, a necessity, just as whisky is a necessity for other people and tobacco a necessity for still other people. But it is not a real necessity of life.

As this proposed duty on tea would give us $9,000,000 revenue, we will say, in round numbers, thereby increasing the revenue to that extent, I do not see for the life of me how any Democrat can object to voting for it if he wants additional revenue, and especially when Senators on this side have advocated duties on lumber and iron ore—for which I voted—quebracho, and one thing or another here, which gave revenue while affording some degree of encouragement—I will not say "protection"—to certain local industries. I do not see for the life of me how any man who simply votes for a revenue tariff can object to giving the Government the power to levy and collect this duty on tea.

Coming to the other side of the Chamber, I want to say to those who have grown so eloquent and stiffened their backs and hardened their hearts on the question of protection, who are just now refusing us this little modicum or pittance on cotton ties on the ground that it is necessary to protect Carnegie & Co. in the manufacture of them—I want the Senator from Rhode Island to listen carefully to this, and not to turn his back on me. I expect him to turn it on me a little later, and if he will go out of the Chamber when the vote is taken, I think I may be able to get my proposition through; but I want him not to go away from here at present, because I am going to address myself to him as the Senate. He is not only the Committee on Finance, but to all intents and purposes he is the Senate of the United States in the making of this law, and he knows it. [Laughter.]

Mr. ALDRICH. Mr. President——

Mr. TILLMAN. Now, do not be modest. It is not becoming to you——

Mr. ALDRICH. Mr. President, there are some statements that cease to be jokes by constant repetition.

Mr. TILLMAN. This is not a joke. It is spoken in dead, cold earnest, because it is a fact.

But I want to say to the Senator that the claim on the other side of the Chamber and the Republican proclamation is that they want to protect American industry and American labor. Is not that true, I ask the Senator from Rhode Island directly?

Mr. ALDRICH. I say it is true that seems to be the doctrine of the Republican party.

Mr. TILLMAN. Now I ask the Senator and his brethren on the other side of the Chamber to give me a duty on tea to help protect an American industry which is struggling and is in its infancy; but it is a lusty little baby and can cry; and if the Senator thinks we do not produce tea, I will give him some nice tea to-morrow from South Carolina that will cool his "inwards" and will make him feel so good that I think he will agree to give us this duty. [Laughter.]

Mr. ALDRICH. Was it produced in South Carolina or in a laboratory?

Mr. TILLMAN. It was produced on a farm in South Carolina, and I have just had a communication from Doctor True, the expert of the Bureau of Plant Industry of the Agricultural Department, in charge of the tea experiments. The product varies as the bushes grow older; but it has increased. I will ask to have the communication printed in the RECORD, if there is no objection.

The PRESIDING OFFICER. The communication will be printed in the RECORD in the absence of objection.

The communication referred to is as follows:

UNITED STATES DEPARTMENT OF AGRICULTURE,
BUREAU OF PLANT INDUSTRY,
Washington, D. C., June 28, 1909.

MEMORANDUM FOR SENATOR TILLMAN:

In response to telegram for figures on tea production at "Pinehurst" tea gardens, Dr. C. U. Shepard submits the following figures:

	Pounds dry tea.
1899	3,780
1900	4,320
1901	4,599
1902	8,439
1903	8,786
1904	8,951
1905	10,521
1906	13,125
1907	11,735
1908	9,274

This year's crop promises to exceed 12,000 pounds.

Mr. TILLMAN. There is no more doubt that we produce tea in South Carolina, and can produce it, than that you produce cotton cloth in Rhode Island or that you produce corn in Rhode Island.

Mr. ALDRICH. The Senator is addressing me upon the subject of a tax on tea. I say to him that I would not object especially to a tax on tea under some circumstances. If we were not getting sufficient revenue from other things, and purely as a revenue duty, I would not object to a tax on tea.

Mr. TILLMAN. I want a protective tariff on it.

Mr. ALDRICH. I do not believe the Senator can ask for that with any sort of reasoning or assurance.

Mr. TILLMAN. I have in the past voted for a duty on rice and on some of our other products.

Mr. ALDRICH. Doctor Shepard—if that is his name—has been before Congress, I think, for twenty-five years at least.

Mr. TILLMAN. Oh, no.

Mr. ALDRICH. Well, for a good many years. I can remember two or three different tariff bills, certainly, when he appeared.

Mr. TILLMAN. The Senator will recall that in 1898, when the Spanish war was on and we were hunting for revenue, and hunting for it industriously, the Committee on Finance accepted without a word, and it went into the law, a duty I offered, and it was enforced for five years.

Mr. ALDRICH. That was purely a revenue duty.

Mr. TILLMAN. And it gave us eight or nine million dollars annually, which we needed, and Congress ought never to have repealed it.

Mr. ALDRICH. I do not think the fact that the tea farm in South Carolina has produced spasmodically a certain amount of tea——

Mr. TILLMAN. It does not produce it spasmodically.

Mr. ALDRICH. Well, intermittently——

Mr. TILLMAN. Will the Senator take my word, as I said I would take his word a moment ago?

Mr. ALDRICH. Certainly; the Senator knows that.

Mr. TILLMAN. Then I tell the Senator right here and now, and upon my word of honor, that we can produce tea, and have produced it, and the facts show that we can grow it at Summerville, 500 pounds to the acre, with good cultivation.

Mr. ALDRICH. Why can it not be produced as cheaply as in China, then?

Mr. TILLMAN. Because we have not the labor there that they have in China. We have a different labor scale. According to the principles of the Republican party, I do not suppose you want to put American laborers upon a plane with Chinese laborers. Mr. Macy has given me the scale of wages in the Orient, and I will insert it.

The PRESIDING OFFICER. Without objection, the statement will be printed.

The statement is as follows:

Senator BENJAMIN R. TILLMAN,
United States Senate, Washington, D. C.

DEAR SIR: Replying to your inquiry as to the scale of wages paid laborers in the Far East in connection with the cultivation and firing of tea. Having establishments of my own in each of the principal tea centers in Japan, China, Formosa, India, and Ceylon, in the conduct of which I have received full information on the subject referred to, I am able to state that the laborers, including men and women, receive wages, expressed in the equivalent of our currency, as follows:

In Japan, 15 to 20 cents per day, dependent on skill required.
In China, 11 to 15 cents per day, dependent on skill required.
In Ceylon, 9 to 13 cents per day, dependent on skill required.
In India, 8 to 12 cents per day, dependent on skill required.

In 1899 Dr. Seaman A. Knapp, in behalf of the Agricultural Department, investigated the labor question in the East and reported that laborers were paid the following scale of wages:

In Japan, men and women about 10 cents per day.
In British India, men 3 to 5 cents per day.
In British India, women 2 to 3 cents per day.
In Ceylon, men 5 cents per day.
In Ceylon, women 4 cents per day.
Since 1899 there has been a steady advancement in the cost of labor.
Respectfully submitted.

GEO. H. MACY.

WASHINGTON, D. C., *May 19, 1909.*

Mr. TILLMAN. Let us look at this matter of wages a moment. The Senator and his party have always stood out as being the exponents par excellence of the equality of the African with the white man. The Senator knows, as well as he knows anything—or, if he does not know, I can tell him, and he can find out whether I tell the truth or not—that in the very region where this tea is produced negroes are in such excessive numbers and the malaria is so great that very few white people live there, and it is a blessing that that class of labor may have some industry started which will give them some little opportunity to get out of the state of semibarbarism in which they live. I am willing even to help protect, if you call it protection, by giving them employment, the poor little negro children who do the picking. I am willing to help protect the negro children of South Carolina and other parts of the South to the extent of having this duty levied on tea in order to support an industry there which promises to be one which, if capital will go there, will give us all the tea we consume in this country in a few years. This is no joke with me so far as the question of its being feasible is concerned. It is a question of producing conditions which will make it profitable.

Mr. ALDRICH. Has the State of South Carolina ever offered a bounty to encourage the tea industry?

Mr. TILLMAN. South Carolina does not believe in bounties.

Mr. ALDRICH. They believe in bounties if the United States will pay them?

Mr. TILLMAN. No; I would not vote for a bounty on tea now; it is against my principles. I do not believe in the Government taxing the people to give anybody a bounty, but if you give indirect help—I mean if you levy a revenue duty which gives incidental protection—that is good Democracy; and if it

is not good enough for my friends over here, it is good enough for me.

Mr. ALDRICH. I am very much afraid that there will be no Democratic doctrine that will be adhered to by everybody on the other side.

Mr. TILLMAN. The Senator may take care of the doctrine of his own party. There is a greater split on his side than there is on this.

Mr. ALDRICH. Between the Senator from Maryland [Mr. RAYNER], who is now listening to me, the Senator from South Carolina [Mr. TILLMAN], and the Senator from Georgia [Mr. BACON], they are all at sea as to what are the real doctrines and principles of the Democratic party.

Mr. TILLMAN. And as to the Republican party, it is too much to expect any of us to know what the Republican party stands for. There are two well-defined Republican factions in this Senate.

Mr. ALDRICH. There is more cohesion over here in principles, if there is some difference when it comes to votes, than there is on the other side.

Mr. TILLMAN. There is more cohesion on the principle which Calhoun described as "the cohesive power of public plunder;" and that is the only thing that holds you together. [Laughter.] The combination of our friend from Nebraska and of other friends out in the West for protection on lemons and beet sugar and lead and every other kind of thing which they grow or produce, and the manufacturers of the East have brought about the arrangement by which, when the Senator from Rhode Island votes "nay," 44 others vote "nay," without even having heard the debate. We have not always had a full Senate here, but the 44 are always around enough for the Senator to get them.

But I do not want to bandy words back and forth as to the question whether or not this is a legitimate Democratic doctrine. I am addressing my protective argument to you gentlemen on the other side. I have already gotten every man over here who wants to vote for a tariff for revenue; and, if he is going to stand by his principles, he can not get away from that doctrine, because there would be in this tariff $9,000,000 of revenue with about $1.200 of protection; and when anybody wants any greater percentage of revenue than that—well, he is too gluttonous for me. [Laughter.]

But the one proposition here, Mr. President, is this: Will this tariff on tea really encourage the growth of tea in the South? I do not know whether it will or not, but I have understood that in 1901 a great number of men had bought estates in the swamp country down there and had set about establishing tea gardens, when the repeal of the law caused them to see that probably their ventures would result in failure, that they could not compete on equal terms with the pauper labor of China, Japan, and Ceylon, and consequently they quit.

One curious thing about this proposition is that the United States is almost the only civilized country in the world that has not a duty on tea. Canada has no duty on tea, except against this country. She will not allow us to export tea from this country into Canada without paying 10 cents a pound duty, but she allows it to come in free from across the ocean. It can be brought into this country free from Canada, and a large number, in fact, the greater number, of tea stores in this country, as I understand, are under the control and yield profits to Sir Thomas Lipton and to two or three other English and Canadian concerns that, along with the Japanese, are about to capture the whole tea trade of the United States.

I have here a statement as to the revenue duties levied on tea in civilized countries, which I will insert without reading, with the permission of the Senate.

The PRESIDING OFFICER. In the absence of objection, permission is granted.

The statement referred to is as follows:

A duty on tea considered a proper source of revenue in other countries.—A duty on tea is in force in other countries where the per capita consumption is many times greater than that of this country. In England the annual consumption per capita is 6.18 pounds and the prevailing duty is equivalent to 10 cents per pound. In Russia the duty is equivalent to 16 to 44 cents. Duty in Austria and Hungary is equivalent to 19½ cents; Denmark, 8 cents; Germany, 11 cents; Italy, 22 cents; Norway, 24 cents; Spain, 13 cents; and France, 18 to 35 cents.

Mr. TILLMAN. I will say to the Senate that this matter has been brought to my attention by Doctor Shepard, but I did not pay any attention to him other than to get the facts. I know him to be an honorable and an absolutely reliable man. He is an enthusiast on this subject, and has demonstrated its feasibility and its possibility of success in the United States. When the New York importers and others interested in the tea trade came to me, I demanded that they should demonstrate, first, their characters, who they were, and what sort of men they were. I said, "I will listen to nobody as to whom I can not have the assurance that he is an honorable and clean man." I have seen three gentlemen from New York merely to get at the facts. Mr. George H. Macy, of Carter, Macy & Co., has furnished me most of the information I possess. He is one of the seven general appraiser experts of the United States Government, is largely engaged in the tea trade in the Orient, and, so far as I could gather, is entirely honorable and square. Mr. Buttfield is the president of the Tea Association of New York.

Mr. KEAN. Not growers.

Mr. TILLMAN. They are importers and merchants. Does the Senator know him?

Mr. KEAN. I do, very well; and I have a very high opinion of him.

Mr. TILLMAN. He impressed me as being an absolutely honorable and clean man. Then there was Mr. Dallas, who is in the employ of Carter, Macy & Co., who says he has been their tea expert in China for forty years. He gave me some facts within his personal knowledge in regard to the comparison between the tea farms which he had visited in the east and the tea farms in the South. Here is his letter:

NEW YORK *May 14, 1909.*

DEAR SIR: The writer would respectfully advise you that on recently visiting Doctor Shepard's "Pinehurst" tea gardens I was simply astounded at the progress made in the culture of tea in South Carolina.

The gardens in appearance and the condition of the tea plants were above the average of anything I had seen in the Orient. One garden in particular was simply superb, and I do not believe that it can be excelled by any garden in the Orient. Doctor Shepard informed me that the outturn of fired leaf from this garden last season was 600 pounds.

The firing furnaces and machinery, also the bins for storing fired leaf, are simply perfect in detail and cleanliness, and when I compare the odors surrounding the tea factories of the Orient and the sweet, clean air of the "Pinehurst" tea factories, I should consider the home-grown teas of South Carolina more valuable on account of this sanitary condition.

I have been in the tea business over forty years in close touch with the leaf of all oriental countries, and have since 1870 been in all countries where teas are grown and in a position to make the comparisons and facts given you.

I am, yours, respectfully,

WM. DALLAS.

Hon. BENJAMIN R. TILLMAN,
United States Senate, Washington, D. C.

I became absolutely certain from investigations I have made that it is possible to grow tea in the South. If it were only as feasible to grow it in New England or anywhere up in this part of the world as it is to grow it down there, there would have been a duty on it long, long ago, until the whole region would have blossomed like the rose with tea gardens. I am not, of course, charging you gentlemen with any special selfishness or with looking out for No. 1; but it is just simply my observation of operations in this part of the world.

But the strangest thing that came to me in my investigation on this subject was this: They demonstrated—I have got the evidence here—that the duty on tea will not increase the price one scintilla to the American consumer.

Mr. SMITH of Michigan. Who pays the tax?

Mr. TILLMAN. That is exactly what I asked. I said, "Gentlemen, tell me how you are going to get 10 cents a pound duty on tea and then not increase the price to the consumer." They brought the evidence in such overwhelming form that I did not have any chance to shake it; and I do not think any Senator on the other side can shake it. I found that tea sold at the retail stores in New York, in Washington, and almost everywhere else in this country ranging at prices from 40 cents up to a dollar a pound cost only from 11 cents to 21 cents to the importer.

Mr. SMITH of Michigan. To raise it?

Mr. TILLMAN. No; that is the importer's price to the retailer everywhere in this country.

I have here the affidavit of Mr. Macy that he went to one of the ten stores in the city of Washington and bought these samples here [exhibiting], containing half a pound each. Here [exhibiting] is the bill from the ten store receipted; here [exhibiting] is his affidavit as a tea expert, who by reason of long practice and facility in tasting has come to be able to estimate exactly the value of tea. I give his affidavit, which I ask may be inserted.

The PRESIDING OFFICER. Without objection, the affidavit will be inserted in the RECORD.

The affidavit is as follows:

George H. Macy, a member of the United States Government board of tea experts, being duly sworn, states that on May 18, 1909, he personally purchased nine different teas from the Grand Union Tea Company at their branch store at 427–429 Seventh street, Washington, D. C. The receipted bill for said teas is hereto attached. The actual teas purchased are transmitted herewith.

Deponent states that he has made an expert examination of said teas, and that the following is a correct statement of their import values and of the retail prices per pound paid by him for said teas:

	Import value.	Retail price.
	Per pound.	*Per pound.*
English breakfast tea	$0.22	$1.00
Do	.17	.75
Do	.16	.60
Do	.11	.50
Do	.11	.40
Imperial tea	.17	1.00
Do	.14	.60
Gunpowder tea	.20	1.00
Do	.16	.60

Deponent states that he received 17 "premium" tickets with purchase of said 4½ pounds of tea, which tickets he thereupon exchanged for a china plate, the value of which does not exceed 5 cents.

The annexed price list of Grand Union goods was handed to deponent by said company at time of making purchase.

GEO. H. MACY.

MAY 10, 1909.

Personally appeared before me, a notary public in and for the city of Washington, District of Columbia, George H. Macy, who, being duly sworn according to law, did depose and say that the facts as set forth in the above statement are just and true.

[SEAL.] B. B. WILSON,
Notary Public, District of Columbia.

My commission expires May 10, 1911.

Mr. TILLMAN. What does that affidavit demonstrate? It demonstrates that the import value of these teas ranges from 10 to 20 cents and that the American consumer is paying from 40 cents to $1 for every pound he buys.

Mr. DILLINGHAM. Mr. President, I should like to ask the Senator whether the deposition or affidavit shows who makes the profit—the importer or the retailer?

Mr. TILLMAN. Mr. Macy stated that the importer gets very little of the profit, but that the retailer makes from 250 to 300 per cent on every pound of tea he sells, and sometimes as high as 350 per cent. These gentlemen contend that during the war with Spain, when we had 10 cents a pound duty on tea, there was no increase in price, but an improvement in the quality, and that when the war tax was taken off the price remained the same, although the retailers had been relieved of the tariff. Mr. Macy gave the price list in Japan and the quotations from Jardine, Matheson & Co., the greatest handlers of tea at Yokohama.

I have the whole thing here at first-hand showing the absolute accuracy of their statements and the impossibility of shaking them. The contention of these gentlemen is that if we will put a duty on tea it will not increase the price to the American consumer at all, because one-half of it will be paid by the producers in the East, who will have to reduce their prices; and the other half by the retailers here, who will have to reduce their profits.

Here are the quotations showing the price in Japan before the duty was put on in 1898 and after the duty was taken off in 1901, which I ask may be inserted.

The PRESIDING OFFICER. Without objection, the quotations will be inserted.

The quotations are as follows:

Quotations taken from Messrs. Jardine, Matthesson & Co.'s Yokohama Tea Reports for the year 1901 (10 cents duty in force), and also the years 1902 and 1903, duty having been removed.

FINE JAPANS.

	Yen.
1901:	
May 10	27. 8
June 11	26. 7
August 15	26. 6
October 3	24. 6
1902:	
May 14	31. 3
June 4	32. 3
August 14	30. 2
October 2	30. 2
1903:	
May 15	42. 3
June 1	37. 9
August 13	32. 4
October 1	32. 4

GOOD MEDIUM JAPANS.

	Yen.
1901:	
June 11	24. 5
July 25	22. 4
August 15	21. 3
September 5	21. 3
October 3	21. 3
October 31	22. 4
1902:	
June 4	31
July 24	27. 9
August 14	27. 9
September 4	27. 9
October 2	27. 9
October 30	27. 9
1903:	
June 11	34. 5
July 23	30. 1
August 13	30. 1
September 3	30. 1
October 1	30. 1
October 29	30. 1

Mr. SMITH of Michigan. Mr. President——

The VICE-PRESIDENT. Does the Senator yield?

Mr. TILLMAN. Certainly.

Mr. SMITH of Michigan. I should like to ask the Senator if he has any data showing the acreage of land in South Carolina suitable for tea culture? If the Senator will pardon me, I have been examining the reports that have been made upon this industry, and I find, to my astonishment, that there is produced in South Carolina to-day fifteen times as much tea as was produced in the island of Ceylon in 1875.

Mr. TILLMAN. And yet even to-day the island of Ceylon, with its minimum of production, exports 182,000,000 pounds. When the coffee disease, the fungi, attacked the coffee plant in Ceylon in the seventies, and destroyed the coffee plantations, and the people were on the verge of starvation, the tea industry was introduced by the British Government as an experiment, with the result that it is to-day one of the most profitable of all the exports of the island.

Mr. SMITH of Michigan. From what I know of the tea industry, I should not hesitate one moment to vote to put a bounty on the production of tea. I am a little surprised that the State of South Carolina has not undertaken it. In the early stages of the beet-sugar industry we did exactly that in the State of Michigan, and the Government saw fit to do it later on, with no better prospects of success than are disclosed by the Senator from South Carolina to-day.

Mr. TILLMAN. I do not think the Senator would get from the taxpayers of South Carolina much support for the proposition to tax them on their other products—cotton, corn, and so forth, which are largely the source of their income—in order to try to grow something else. They would say, "If it can not be grown on its own hook, we can not afford to encourage it in that way."

Mr. SMITH of Michigan. That would not be out of harmony with the historical analogy, however. We have put a tariff on a great many things the South formerly thought we could not produce; yet we have demonstrated our ability to produce them, and have become independent of foreign countries in regard to them.

Mr. TILLMAN. I am asking for a tariff; I am not asking for a bounty.

Mr. SMITH of Michigan. I know the Senator is asking for a tariff, and I am not so sure that he ought not to have it; but I would vote very quickly for a bounty on tea.

Mr. TILLMAN. I want to call this subject to the attention of Senators who are in favor of encouraging American industries and giving them the benefit of protection, either incidentally or directly. On this side we claim to want protection only incidentally, if at all. On that side you boldly proclaim your willingness to levy a tariff for protection, pure and simple; and you have gone so far along that line that you levy tariffs that are prohibitive. You do not merely encourage industries; you say to them, "We will give you a monopoly of the American market."

Mr. SMITH of Michigan. I wish we could monopolize the American market with our tea.

Mr. TILLMAN. We certainly can do it if you will give us the same encouragement that you are giving wheat.

Mr. SMITH of Michigan. I should like very much to have us do anything that will save to this country the tremendous amount of money that is spent abroad every year for tea.

Mr. TILLMAN. The Senator asked me a moment ago whether I had any knowledge as to the amount of land in the South that is fit for the cultivation of tea. All I can say is this: Reasoning by analogy, knowing nothing of any experiments having been tried anywhere except in South Carolina and in a limited way on the coast of Georgia, I believe from my investigation and study of the question that tea of good quality can be produced without the slightest trouble anywhere from North Carolina to Texas where the rainfall is sufficient.

Mr. HEYBURN. Mr. President——

The VICE-PRESIDENT. Does the Senator from South Carolina yield to the Senator from Idaho?

Mr. TILLMAN. I do.

Mr. HEYBURN. If the Senator does not object to my making at this time such suggestions as I desire to make, I will say that for a number of years I have taken considerable interest in this question. For six or seven years we have used nothing but South Carolina tea; and we use it because of its quality. If anyone will open a package of South Carolina tea and open a package of the best imported tea to be had in the market and compare them, he will not hesitate a moment to declare in favor of the South Carolina tea. It is free from the broken leaves and dusty conditions that even the best other tea has; and it has the very best flavor of any tea you can get in the market.

I know of men—it is not necessary to mention their names; they are northern men—who have expended from $75,000 to $100,000 in this proposition of raising tea in South Carolina; and I have from them their report on the possibilities of raising tea in the South. They tell me that after a most careful and scientific investigation they find that the tea belt that is just as good as that which has been developed in South Carolina extends clear to the Mississippi River, and that it can be extended over a vast amount of country. They have backed their judgment and their investigation with cash, and they stand ready to do so further. They think there should be a duty on tea. And if I vote for the amendment of the Senator from South Carolina, it will be because I believe that an enterprise of such importance to all of the people should be encouraged and built up; and I will do it on the ground of the principles of the protective tariff.

I thought I would interject these remarks into those of the Senator from South Carolina, as I did not desire to proceed at any length upon this subject. But I have taken a good bit of pains to ascertain the facts, and so have these other responsible men. They are able, without inconvenience to themselves, to put a great many times the amount they have already put into this industry.

Mr. TILLMAN. The Senator is entirely correct. There are capitalists who are on the lookout for lands and have bought some down in my State with a view to starting tea plantations when a tariff tax is placed upon it. As far as the quantity of land is concerned, I think, from my study of the question, that the areas suitable for growing the cotton plant and the tea plant are coextensive, except that cotton will stand a much drier climate than tea will, for as tea is produced from leaves, it is necessary to have a sufficient amount of rainfall to produce successive crops of leaves. The process is to pick from the bushes the tips of the young shoots and one additional leaf every ten days to two weeks, according to the rainfall and the growth. Then they manipulate the tea by processes which I do not care to consume the time of the Senate to describe, but which are here in the various reports of the Agricultural Bureau. There is no more doubt of the feasibility and practicability of growing all the tea we use in this country than there is of growing all the cotton we use in this country. It is a mere question of giving the people an opportunity of getting a little help, so that they can start even with the Asiatics. That is all there is about it.

Mr. SMITH of Michigan. If the Senator will permit me, I understood him to say that the maximum production of tea here is about 600 pounds per acre?

Mr. TILLMAN. That is the maximum so far produced, whereas in the East they do not get more than two, or three, or four hundred pounds to the acre.

Mr. SMITH of Michigan. And in China 300?

Mr. TILLMAN. About 300, I think, is the average.

Mr. SMITH of Michigan. Is that due to the science of tea culture, or is it due to the climate?

Mr. TILLMAN. I do not know, but I think it is due to the superior intelligence of the white man who is directing the operations here as compared with the type of men who direct the operations in oriental countries.

I am so warm myself, and there are so many Senators here who are merely listening to me on sufferance, that I do not feel disposed to prolong this discussion. I have here a good many exhibits. For instance, I have from Mr. Buttfield a statement as to the relative prices of Lipton's best grade of tea in the United States, which, roughly, is 80 cents. The same tea sells in London, after paying 10 cents a pound duty, at 42 cents. Here is the whole list, which I ask may be inserted.

The VICE-PRESIDENT. The list will be printed, if there be no objection.

The list is as follows:

THE TEA ASSOCIATION OF NEW YORK,
New York, May 29, 1909.

Comparative statement of teas sold in the United States and also in England and Canada.

	Retail price in the United States.	Retail price in England.[a]
	Cents.	*Cents.*
Lipton's best grade, in packets	80	42
Lipton's lowest grade, in packets	60	36
Average of total importations for entire country, about	60	32½
"Salada," in packets	60	[b] 40

[a] Expressed in United States currency.
[b] In Canada.

This statement of figures shows that the consumer of the United States pays almost double the price that the consumer in England is charged for the same quality of tea, notwithstanding the fact that the English Government first receives a revenue equivalent to 10 cents per pound, while the United States Government collects no duty.

STOCKS OF TEA.

The stocks of tea in the United States are the smallest in many years. As a matter of fact, the total actual stock in New York public warehouses five years ago was 41 per cent larger than that of May 1 last.

In this respect tea is in the reverse position to that of coffee; exceptionally large supplies are held in the country for account of a syndicate of Brazilian and other interests.

W. J. BUTTFIELD.

Mr. TILLMAN. It seems that the tea drinkers of this country are at the mercy of the Japanese and the English tea dealers. The Japanese Government has subsidized a line of steamers to bring tea into this country, along with other products, and they are encouraging in every way possible the closing out of the American competitor. I asked these New York importers the direct question: "What is your interest in this? Why are you importers clamorous for a duty on tea when the Senator from Rhode Island has stood in the Senate and twitted other Senators with being the mouthpieces of the importers because they are clamoring for a reduction of duties?" We have had men here almost insulted in presenting their cases in regard to cotton goods and one thing or other by being charged with being the mouthpieces of the importers. Now, I come here as the mouthpiece of the importers, and almost to a man they beg you to put this duty on tea. Why? They say that it will enable them to compete on equal terms with, or give them the advantage of, their English and Japanese competitors. That is all there is to it. It will do that, while it will give the American people a better quality of tea, and it will not cost them a cent more. If there ever was a clear-cut case made out, these men have made it out.

As I do not want to consume your time further, I shall ask permission to insert in the RECORD such exhibits in the way of evidence as will give any Senator who wants to examine them in the morning an opportunity to see just what facts are adduced and what the real status is, and then have them vote intelligently, if we can have a postponement of the vote until tomorrow. I ask that permission.

The VICE-PRESIDENT. Without objection, the request of the Senator from South Carolina will be granted.

The papers referred to are as follows:

LETTER FROM MR. BUTTFIELD TO SENATOR TILLMAN IN REPLY TO CERTAIN INQUIRIES.

THE TEA ASSOCIATION OF NEW YORK,
New York, May 24, 1909.

Hon. BENJAMIN R. TILLMAN,
United States Senate, Washington, D. C.

SIR: As briefly as possible I will endeavor to comply with your request for categorical replies to the following two questions in connection with the proposed impost on tea:

Upon what hypothesis do we base our statement that retail prices of tea will not advance in event of a duty being imposed?

Within reasonable limitations a duty is not a controlling factor in fixing retail prices of tea, for the reason that such prices are so high the retailer can well afford to pay a moderate advance and still retain an excessive margin of profit. Furthermore, it is a cardinal policy of the largest retailers to maintain, year after year, a fixed scale of retail prices and also fixed grades or qualities sold at such figures. These fixed prices and grades are not affected by any ordinary first-hand market fluctuations.

That the producer pays approximately one-half the duty on tea has been demonstrated beyond question. This applies to an average of Japan,[a] Oolong [a] and China [a] green teas—the market for which is controlled by the United States—but not to Indias and Ceylons. The Hon. SERENO E. PAYNE stated before the House on April 7 last that, "After we took this (tea) duty off, a Japanese merchant proved to me that Japan had paid half of that duty and the tea merchant paid the other."

Retail prices in the United States are predicated upon the gullibility of the average consumer, or perhaps it would be more fair to say, upon his inability to gauge the respective merits of the many descriptions

[a] These constitute 70 per cent of the United States importations.

and qualities sold. In England, and to a lesser degree in Canada, the public has become educated and demand good tea at a reasonable cost. A fair instance of this is that of the Salada brand, retailed (by the Salada Tea Company, of Canada) in the States at 60 cents per pound and, of identically the same quality, in Canada at 40 cents per pound. In England equal quality, after payment of a 10-cent revenue tax, is retailed at 35 cents per pound. Maintenance of the existing high range of retail prices in the States is fostered by the fact that consumers are accustomed to certain fixed prices and would question the quality of anything at reduced quotations.

Retail prices of tea have but little relation to tariff or to import costs, as is shown by the following few instances out of many: Price lists of the Grand Union Tea Company, previously submitted, show that its average retail price of tea in 1901 and 1902 (duty in force) was 56 cents, and that their average price after the duty was removed was 65 cents. This importing company, with over 200 retail stores, claims to be the largest seller of tea in the United States. The Grand Union Tea Company sells an 11-cent tea at 40 cents, and also a same cost tea at 50 cents. It retails a 16-cent tea at 60 cents and a 17-cent tea at $1. Lipton & Co., of London, sell in the States a 17-cent tea at 60 cents and an 18-cent tea at 80 cents.

WHAT ARE THE INTERESTS OR MOTIVES OF THOSE NOW ADVOCATING A TAX ON TEA?

Practically the same question was asked at a hearing of the tea trade before the Ways and Means Committee January 27, 1902. In reply I stated that while "we will be benefited (by removal of the duty) in respect of the stocks of tea we now have on hand, yet we think a duty is a protection against poor tea, and will eventually tend to increase the consumption." (See p. 72, minutes of said hearing.)

A duty serves to restrict the importation and use of the lowest grades (costing from 6 cents to 10 cents per pound), which, with scarcely a particle of real drinking merit, create an actual distaste for tea, lessens its consumption in this country and, as a consequence, the volume of our business. These lowest grades are handled largely by peddlers in their house-to-house trade.

A duty on tea, entailing a substantial cash payment upon removal from bond before delivery to the retailers, is a severe handicap to Japanese distributive agents in this country. These cash payments can not be financed through international bankers, and the Japanese merchant is given but scant "credit" outside of his own country.

A duty is a stumbling block to London and Canadian merchants who conduct an increasingly large distributive business in the States through the mails. They are under no expense in this country and pay no United States federal or state tax, and yet in many respects are on an equality with the American merchant. With Canadian merchants there is added the further aggravation that Canada maintains a 10 per cent discriminating duty against the United States, while admitting tea free from England and all producing countries other than the States.

Respectfully submitted.

W. J. BUTTFIELD.

EXTRACT OF A PETITION FILED IN 1901.

NEW YORK, *December 30, 1901.*

Hon. SERENO E. PAYNE,
Chairman Ways and Means Committee,
House of Representatives, Washington, D. C.

SIR: In view of the present agitation to repeal the import duty on tea, we beg to submit for the consideration of your committee the following arguments in opposition to such proposed action:

For many years prior to the imposition of the tea duty those in the tea business were almost unanimous in requesting Congress to impose a tax of from 10 to 15 cents per pound, and now that the trade has practically adapted itself to the present position any change would be disturbing and harmful.

In our opinion the duty has not interfered with or curtailed the consumption of tea, the average price to the consumer showing slight, if any, advance.

It was urged before your committee four years back that the producing markets would bear fully one-half the duty, and this has proved to be approximately correct. A removal of the tax would result in the foreign growers reaping the benefit of a corresponding advance in price.

As far as we can judge, the movement is actuated by both the foreign producers and the retail grocers, who find their past excessive profits somewhat reduced, but we fail to see any reason why a duty so easily collected and bearing so lightly upon the consumer should be repealed.

Signed by:

GEO. H. MACY,
G. L. MONTGOMERY,
W. J. BUTTFIELD,
Committee.

William Dallas, being duly sworn, deposes and says that within the past week he has purchased in New York a package of the "Salada" brand of Ceylon tea sold in the United States at 60 cents per pound by the Salada Tea Company, of Canada; that he has also caused to be purchased a package of the Salada brand of Ceylon tea sold in Toronto, Canada, at 40 cents per pound by same company.

Deponent states that he has been in the tea trade for the past forty years, and that he has an expert knowledge of the qualities, description, and market values of all classes of tea consumed in the United States.

Deponent further states that he has made an expert examination of said packages of Salada tea and finds that said Salada package sold in New York at 60 cents per pound is identical in quality and grade with the Salada package sold at 40 cents per pound in Toronto, Canada.

Deponent further states that teas of equal quality to that contained in the Salada package has been imported into the United States for the past twelve months at 14 cents to 16 cents.

WILLIAM DALLAS.

STATE OF NEW YORK, *County of New York, ss:*

Personally appeared before me this 4th day of May, in the year 1909, the said William Dallas, to me known and known to me to be the identical person named, and made declaration to the foregoing.

Witness my hand and official seal the date above written.

H. B. DELEPIERRE,
Notary Public, Kings County.

Certificate filed in New York County.

FURTHER EXTRACT FROM MINUTES OF HEARING OF THE TEA TRADE BEFORE THE WAYS AND MEANS COMMITTEE JANUARY 27, 1902.

W. J. BUTTFIELD. If the duty is taken off, the benefit will accrue to the exporting country, without doubt. (See p. 57.)

W. J. BUTTFIELD. In 1898 my firm sold one jobber over three-quarters of a million pounds of tea dust at 8½ cents. The selfsame tea dust can now be bought at 2 cents per pound. It has practically gone out of consumption under the tax. I am simply laying before you gentlemen the fact that the retailer will not pay 10 cents per pound on a 2-cent article, and so that article is driven out of consumption. (See pp. 58, 59, 60, and 61.)

Quotations from Jardine, Matheson & Co.'s Yokohama tea reports, showing advance in prices after removal of duty, January 1, 1903.

	Yen.
Year 1901, November 27, medium Japans	19. 21
Year 1902, November 27, medium Japans	24. 26
Year 1903, November 26, medium Japans	27. 29
Year 1907, November 15, medium Japans	30. 31
Year 1908, October 12, medium Japans	29. 31

It might be well to note that prices in 1902 advanced in anticipation of the removal of the tax.

COMMUNICATION FROM THE CHIEF OF THE BUREAU OF STATISTICS IN REGARD TO THE PRESENT STOCK OF TEA ON HAND IN AMERICA.

DEPARTMENT OF COMMERCE AND LABOR,
BUREAU OF STATISTICS,
Washington, June 3, 1909.

Mr. LORD,
Finance Committee, United States Senate,
Washington, D. C.

SIR: In further response to the telephonic inquiry of the Senate Finance Committee, I inclose to you herewith a copy of a letter from Messrs. James and John R. Montgomery & Co., 127–129 Water street, New York, N. Y., under date of the 2d instant, on the subject. These gentlemen are considered to be reliable authorities in regard to the matter.

Very truly, yours, O. P. AUSTIN, *Chief of Bureau.*

JAS. & JNO. R. MONTGOMERY & CO.,
New York, June 2, 1909.

Mr. O. P. AUSTIN,
Chief Bureau of Statistics, Washington, D. C.

DEAR SIR: Since writing you yesterday we have had time to look further into the question of stocks of tea in New York warehouses. It might be well to state that the only available figures of such stocks are those collected by the Tea Association of New York, which association has, since the removal of the duty, established a system by which they obtain each month a statement from all the public warehouses in New York City, with the exception of that of Messrs. Baker & Williams, who are not thought to be large storers of tea.

We give below figures showing April 30 stocks in New York City warehouses for the entire time during which such figures have been collected:

	Packages.
April 30, 1903	455, 598
April 30, 1904	495, 282
April 30, 1905	682, 979
April 30, 1906	653, 870
April 30, 1907	503, 259
April 30, 1908	489, 543
April 30, 1909	484, 074

NOTE.—The firm named states that the average weight of package of tea is about 50 pounds.

The above figures include first and second hand stocks. As brokers, we can state that, as far as we can remember, first-hand stocks were never as light as they are now. We remain,

Yours, truly, JAS. & JNO. R. MONTGOMERY & CO.

JAPAN'S PURPOSE AND HOPE IN REGARD TO THE TEA TRADE IN AMERICA.

SEYMOUR S. SMITH & CO.,
New York, June 16, 1909.

Hon. BENJAMIN R. TILLMAN,
Washington, D. C.

MY DEAR SIR: The United States Government is trying to break up trusts; but there appears to be no law to prevent trusts being formed in other countries to monopolize the business of this country.

The Japan tea trust continues to absorb American business, and with all its power is fighting the proposal to place a duty on tea which would check its encroachments. The inclosed article throws light on this subject, and helps to illustrate the Japanese ambition to drive out American merchants.

The commercial agent of the new Japanese line ($95,000 round-trip government subsidy) stated, on his arrival at Tacoma, that the tea duty would be a severe blow to Japan, as the Japanese would have $2,000,000 less for tea culture and profit.

The agitation against a duty was instigated by foreign interests, and has been aided by merchants, who feared a loss of some of their liberal profits.

Respectfully submitted.

SEYMOUR S. SMITH & CO.

TEA AND COFFEE TRADE JOURNAL.
(The blue book of the trade.)

TOKYO, *April 17, 1907.*

T. Furuya is now at work in Japan on a big combination scheme.

If Mr. Furuya's plans do not miscarry, he will eventually control over 95 per cent of the tea firing and the tea farmers in Japan. This will mean that the American houses at present engaged in the tea business here will either have to go out of business or purchase their supplies from Mr. Furuya's company.

It is said that the company will be subsidized, either directly or indirectly, by the Japanese Government.

It is Mr. Furuya's intention to model the company along the lines of the American tobacco trust.

There is already in existence an organization known as the "Japan Central Tea Traders' Association," which embraces local tea traders' associations in the principal tea districts, and which has the stamp of its official approval on the scheme.

The tea market was for many years controlled by the foreign (American) companies, which fixed prices low.

After the Japan tea-selling companies were formed, under the patronage of the Japan Central Tea Traders' Association, the value of the tea exported was increased to 14,000,000 yen ($7,000,000), which is several million dollars in excess of previous years.

Offer of the tea association showing the enormous profits of the tea trade as now conducted, and its ability to stand even a higher tariff than 10 cents per pound:

W. J. BUTTFIELD,
New York, June 21, 1909.

Hon. BENJAMIN R. TILLMAN,
Washington, D. C.

DEAR SIR: I inclose copy of communication forwarded on April 30 last to each and every member of the Finance Committee of the Senate. By other letters it was understood that the provisions stated in said communication were applicable to a term of five to ten years.

A very natural question arises as to why we do not now engage in the retail tea business, and to such I will endeavor to reply.

The per capita consumption of tea in the United States is so small that as a general proposition it does not pay to advertise tea except in conjunction with other merchandise.

If the Government could devise a plan by which it was officially and publicly made known that we would guarantee the price and quality of teas to the consumers of the United States and by so doing advertise the fact that we were obligated to sell tea for considerably less money than they are now paying, such in itself would be the finest advertisement possible and without expense to ourselves. Under such conditions we would soon have a lion's share of the retail trade.

Respectfully submitted.

W. J. BUTTFIELD.

COPY OF LETTER SENT TO EACH SENATOR ON THE FINANCE COMMITTEE.

NEW YORK, *April 30, 1909.*

DEAR SIR: In substantiation of statements previously made as to the extravagant retail prices of tea over its import cost, in behalf of Messrs. Carter, Macy & Co. and my firm I desire to place before you a proposition which, if feasible, will definitely settle any argument on this subject.

Messrs. J. Tetley & Co., of England; Messrs. T. Lipton & Co., of England; the Salada Tea Company, of Canada; Messrs. Seeman Brothers, of New York; and the Great Atlantic and Pacific Tea Company, of New York, are all members of the National Coffee and Tea Association, which has flooded Congress with 70,000 protests against a duty on tea "in the interests of millions of American consumers." The first four named companies comprise the largest distributors of "packet" tea in the United States, and the Great Atlantic and Pacific Tea Company maintain an extensive "chain" of tea stores.

All said five companies retail a tea at 60 cents per pound.

We are ready now to furnish any reasonable bond obligating ourselves to sell at 50 cents per pound to the ultimate consumer of the United States all tea required by them, such tea to be fully equal to the best tea sold by any of the above-named five companies at 60 cents per pound.

This offer is predicated upon an import duty of 15 cents per pound or less and upon import costs of tea being within 30 per cent of the average import cost of the past one, two, or three years; said tea to be sold in one or more places in any or all cities or towns in the United States of 50,000 inhabitants or more.

In other words, we are willing to contract to sell the ultimate consumers tea at 10 cents per pound less than they are now paying—quality for quality—and this understanding will hold good even under an import duty of 15 cents per pound or less and also under an advance in import costs of 30 per cent.

I appreciate that the United States Government can hardly enter into any such contract, but it seems that an unofficial suggestion might be in order indicating some method by which an obligation of the kind above outlined can be entered into.

It has occurred to me that a bond of, say, $50,000 could be now given to a trust company as trustee for subsequent contracts with the municipal authorities of each city or town wishing to avail of this matter.

Our sincerity in this matter can be easily tested by a mere suggestion from yourself or any one of your Finance Committee.

As previously stated, the margin of profit over import cost on tea in the States is upward of 35 cents per pound, while in England tea is retailed at an average equivalent to 7 cents over such cost.

Respectfully submitted.

W. J. BUTTFIELD.

LETTER OF GEORGE H. MACY IN REGARD TO THE TEA TRADE IN GENERAL.

WASHINGTON, D. C., *May 15, 1909.*

MY DEAR SENATOR: I am sending you herewith a condensed statement on the subject of tea, headed "Import duty on tea;" also a statement of the retail prices of tea in New York City vouched for by Mr. W. J. Buttfield, president of the Tea Association of New York.

I also attach a clipping taken from the New York Journal of Commerce of April 20, 1909, which substantially gives the same data.

I inclose also the reports from the United States Government tea inspectors, showing that the quality of tea used in the States was of a higher grade under the Spanish war revenue tax than that theretofore imported.

The inclosed letter addressed to the Hon. NELSON W. ALDRICH, signed by William A. Courtney, states that the American consumer is being sold a 12-cent tea for 60 cents. Mr. Courtney is a well-qualified authority, having represented the Ceylon growers as tea commissioner to this country.

The inclosed copy of petition in favor of a duty on tea in 1897 shows that practically all the important tea houses of the United States then petitioned Congress for a tax on tea, stating that the consumer "will get better goods at the same prices."

It is unnecessary for me to dwell on the tea industry of the State of South Carolina, but it may be in order for me to point out that South Carolina is now raising 15,000 pounds annually, which is ten times the amount of tea which the island of Ceylon produced in 1875. To-day Ceylon ranks among the largest tea-producing countries of the world, having exported last year 182,000,000 pounds.

I understand that the experiments of the Department of Agriculture show that South Carolina is producing 600 pounds of tea per annum to the acre, whereas in China and Japan the maximum reached is 350 pounds to the acre.

The tea trade of the United States is fast being monopolized by foreigners and, in this connection, I would call attention to the fact that the Japanese Government are now paying a subsidy of $95,000 gold to Japanese vessels, carrying Japanese tea, for each round trip between Japan and the United States. The Japanese have, under subsidy, established distributing agents of tea throughout the United States, and it is a well-recognized fact in the trade that within a few years they will control not only the growing, exporting, and shipping of tea to the United States, but also its very distribution in this country. It was demonstrated under the Spanish war-revenue tax that a duty on tea involving a cash transaction upon withdrawal from bond of such tea severely curtailed the operations of these foreign firms.

In conclusion, I wish to emphasize the following:

(1) The consumer of the United States is being sold a 12-cent article at 60 cents.

(2) The opposition to a duty originates entirely from large foreign companies and domestic retailers, some of whom have a capital of $10,000,000, which companies have, from past experience, found that a large proportion of any tax imposed is deducted from their unconscionable profits. The Great Atlantic and Pacific Tea Company, the Grand Union Tea Company, and James Butler alone have over 800 tea stores.

(3) Messrs. Tetley & Co. and Messrs. Lipton & Co., both of London, and the Salada Tea Company of Canada are the largest distributors of packet teas in this country, and, as a matter of fact, they are the foremost and most active members of the National Coffee and Tea Association, organized February last to oppose the duty on tea.

(4) These large foreign firms are flooding this country with tea at extreme prices without paying one dollar of revenue to the United States Government.

(5) Among the vice-presidents of said National Coffee and Tea Association are Messrs. Seeman Brothers. This firm, in the Evening Mail of April 15 last, publicly advertised that tariff or no tariff, quality and price of their White Rose Ceylon tea will remain unchanged. Can there be any more conclusive corroborative evidence of our statement that the consumer will not pay this tax?

(6) I have yet to hear of one retailer throughout the United States that reduced the retail price of his teas when the Spanish war-revenue tax was repealed.

Respectfully submitted.

GEO. H. MACY.

Hon. BENJAMIN R. TILLMAN,
United States Senate, Washington, D. C.

Mr. TILLMAN. Here we have the retail prices for the three years, 1901, 1904, and 1908, of the Grand Union Tea Company, the largest importers and retailers of teas and coffees in the United States. It will be seen that in 1901, while the duty was on, the price was 9 cents cheaper than it was in 1904 and 1908, when the duty had been removed:

GRAND UNION TEA COMPANY.

The largest importers and retailers of teas and coffees in the United States.

Two hundred branch stores in principal cities throughout the United States.

Price list, revised July 1, 1901.

Four grades of six discriptions of tea retailed at an average price of 56 cents per pound.

Price list, revised April 1, 1904.

Five grades of six descriptions of tea retailed at an average price of 65 cents per pound.

Price list, revised April 1, 1908.

Five grades of six descriptions of tea retailed at an average price of 65 cents per pound.

Mr. BURROWS. I offer the amendment I send to the desk.

The SECRETARY. On page 5, line 3, it is proposed to strike out the word "one-fifth" and insert "one-half."

The amendment was agreed to.

EXECUTIVE SESSION.

Mr. SMOOT. I move that the Senate adjourn.

Mr. CULLOM. I should like to have a brief executive session.

Mr. SMOOT. Very well; I withdraw the motion in order that we may have an executive session.

Mr. CULLOM. I move that the Senate proceed to the consideration of executive business.

The motion was agreed to; and the Senate proceeded to the consideration of executive business. After five minutes spent in executive session the doors were reopened, and (at 3 o'clock and 50 minutes p. m.) the Senate adjourned until to-morrow, Tuesday, June 29, 1909, at 10 o'clock a. m.

NOMINATIONS.

Executive nominations received by the Senate June 28, 1909.

APPOINTMENT IN THE ARMY.

JUDGE-ADVOCATE-GENERAL'S DEPARTMENT.

Capt. Beverly A. Read, Sixth Cavalry, to be judge-advocate with the rank of major from June 25, 1909, vice Maj. Frank R. Lang, retired from active service on that date.

APPOINTMENT, BY TRANSFER, IN THE ARMY.

FIELD ARTILLERY.

Second Lieut. Herbert Hayden, Third Infantry, to the Field Artillery, with rank from June 10, 1909.

APPOINTMENTS OF GRADUATES OF UNITED STATES MILITARY ACADEMY IN THE ARMY.

CORPS OF ENGINEERS.

To be second lieutenants, with rank from June 11, 1909.

1. Cadet Stuart Chapin Godfrey.
2. Cadet Francis Clark Harrington.
3. Cadet Cleveland C. Gee.
4. Cadet John Marvin Wright.
5. Cadet John Roy Douglas Matheson.
6. Cadet William Hampden Sage, jr.
7. Cadet Charles Joel Taylor.
8. Cadet Edwin Hall Marks.
9. Cadet Earl North.
10. Cadet Albert Hilands Acher.
11. Cadet Gilbert Van Buren Wilkes.
12. Cadet John Clifford Hodges Lee.
13. Cadet Frank Schaffer Besson.
14. Cadet Lindsay Coates Herkness.
15. Cadet Albert Kualii Brickwood Lyman.

FIELD ARTILLERY.

18. Cadet Leo James Ahern.
19. Cadet Donald Meredith Beere.
20. Cadet Thomas Henry McNabb.
22. Cadet Herman Erlenkotter.
23. Cadet Claude B. Thummel.
26. Cadet Harold Earl Miner.
37. Cadet Edwin St. John Greble, jr.
39. Cadet Jacob Loucks Devers.
49. Cadet Frederick Weeden Teague.

COAST ARTILLERY CORPS.

16. Cadet Charles Todd Richardson.
21. Cadet Homer Ray Oldfield.
24. Cadet Norton Meade Beardslee.
25. Cadet William Cooper Whitaker.
27. Cadet James Alexander Brice, jr.
29. Cadet James Leo Dunsworth.
30. Cadet Dana Harold Crissy.
38. Cadet Francis Greason Delano.
42. Cadet Raphael Robert Nix.
43. Cadet James Lawrence Walsh.
47. Cadet Henry Horace Malven, jr.
48. Cadet Edward Luke Kelly.
51. Cadet Thruston Hughes.
54. Cadet Charles Bartell Meyer.
58. Cadet Frederick Arthur Mountford.
60. Cadet Fordyce La Due Perego.
67. Cadet Philip Stearns Gage.
69. Cadet Monte Jackson Hickok.
72. Cadet Frederick Hanna.
77. Cadet Theodore Mosher Chase.

CAVALRY ARM.

28. Cadet N. Butler Briscoe.
31. Cadet Elbert Eli Farman, jr.
32. Cadet Ronald De Vore Johnson.
45. Cadet Elkin Leland Franklin.
46. Cadet George Smith Patton, jr.
52. Cadet Robert Stanley Donaldson.
55. Cadet Cuthbert Powell Stearns.
57. Cadet James Rowland Hill.
59. Cadet Horace Hayes Fuller.
64. Cadet Thomas De Witt Milling.
66. Cadet Henry Dorsey Farnandis Munnikhuysen.
70. Cadet Stanley Maddox Rumbough.
71. Cadet Robert Charles Frederick Goetz.
73. Cadet Archibald Toombs Colley.
76. Cadet Hugh Henry McGee.
80. Cadet Carleton George Chapman.
86. Cadet Joseph Plassmeyer, jr.
87. Cadet Chester Paddock Mills.
90. Cadet Edwin Russell Van Deusen.
99. Cadet Guy William McClelland.

INFANTRY ARM.

17. Cadet Clarence Edward Partridge.
33. Cadet George Lane Van Deusen.
34. Cadet Edward Aloysius Everts.
35. Cadet Thom Catron.
36. Cadet Robert Butcher Parker.
40. Cadet Philip Hayes.
41. Cadet Franz August Doniat.
44. Cadet Carl Adolph Baehr.
50. Cadet James Garesché Ord.
53. Cadet Wallace Copeland Philoon.
56. Cadet Herbert Le Roy Taylor.
61. Cadet Delos Carleton Emmons.
62. Cadet Arnold Norman Krogstad.
63. Cadet Eley Parker Denson.
65. Cadet Roy Howard Coles.
68. Cadet Robert Lawrence Eichelberger.
74. Cadet Edwin Forrest Harding.
75. Cadet Joseph Caldwell Morrow, jr.
78. Cadet Warder Higgins Roberts.
79. Cadet Raymond Durno Smith.
81. Cadet Arthur Rutledge Underwood.
83. Cadet Robert Sears.
84. Cadet Thomas South Bowen.
85. Cadet William Allison Reed.
88. Cadet William Harrison Anderson.
89. Cadet Lee Dunnington Davis.
91. Cadet Frank Leroy Purdon.
92. Cadet Merl Paul Schillerstrom.
93. Cadet Carlin Curtis Stokely.
94. Cadet Louis Philip Ford.
95. Cadet John May McDowell.
96. Cadet Clifford Bluemel.
97. Cadet Wentworth Harris Moss.
98. Cadet Francis Robert Hunter.
100. Cadet Manton Campbell Mitchell.
101. Cadet William Hood Simpson.
102. Cadet Walker Evans Hobson.

CONFIRMATIONS.

Executive nominations confirmed by the Senate June 28, 1909.

SECRETARIES OF LEGATION.

Philip M. Hoefele to be secretary of the legation at Madrid, Spain.

Jordan Herbert Stabler to be secretary of the legation at Quito, Ecuador.

PROMOTIONS IN THE ARMY.

ORDNANCE DEPARTMENT.

Lieut. Col. Lawrence L. Bruff to be colonel.
Maj. Charles B. Wheeler to be lieutenant-colonel.

CORPS OF ENGINEERS.

Lieut. Col. Frederic V. Abbot to be colonel.
Maj. Harry Taylor to be lieutenant-colonel.
Capt. Edward H. Schulz to be major.
First Lieut. Wildurr Willing to be captain.
Second Lieut. James J. Loving to be first lieutenant.

TO BE JUDGE-ADVOCATE.

Capt. Beverly A. Read.

APPOINTMENTS IN THE ARMY.

CHAPLAINS.

Rev. Marinius Martin Londahl to be chaplain with the rank of first lieutenant.

Rev. Dennis Brendan O'Sullivan to be chaplain with the rank of first lieutenant.

MEDICAL RESERVE CORPS.

Walter Bensel, of New York, to be first lieutenant.

ENGINEER CORPS.

Cadets to be second lieutenants.

Stuart Chapin Godfrey,
Cleveland C. Gee,
John Roy Douglas Matheson,
Charles Joel Taylor,
Earl North,
Gilbert Van Buren Wilkes,
Frank Schaffer Besson,
Albert Kualii Brickwood Lyman,
Francis Clark Harrington,
John Marvin Wright,
William Hampden Sage, jr.,
Edwin Hall Marks,
Albert Hilands Acher,
John Clifford Hodges Lee, and
Lindsay Coates Herkness.

FIELD ARTILLERY.

Cadets to be second lieutenants.

Lee James Ahern,
Thomas Henry McNabb,
Claude B. Thummel,

Edwin St. John Greble, jr.,
Frederick Weeden Teague,
Donald Meredith Beere,
Herman Erlenkotter,
Harold Earl Miner, and
Jacob Loucks Devers.

COAST ARTILLERY.

Cadets to be second lieutenants.

Charles Todd Richardson,
Norton Meade Beardslee,
James Alexander Brice, jr.,
Dana Harold Crissy,
Raphael Robert Nix,
Henry Horace Malven, jr.,
Thruston Hughes,
Frederick Arthur Mountford,
Philip Stearns Gage,
Frederick Hanna,
Homer Ray Oldfield,
William Cooper Whitaker,
James Leo Dunsworth,
Francis Greason Delano,
James Lawrence Walsh,
Edward Luke Kelly,
Charles Bartell Meyer,
Fordyce La Due Perego,
Monte Jackson Hickok, and
Theodore Mosher Chase.

CAVALRY ARM.

Cadets to be second lieutenants.

N. Butler Briscoe,
Ronald De Vore Johnson,
George Smith Patton, jr.,
Cuthbert Powell Stearns,
Horace Hayes Fuller,
Henry Dorsey Farnandis Münnikhuysen,
Robert Charles Frederick Goetz,
Hugh Henry McGee,
Joseph Plassmeyer, jr.,
Edwin Russell Van Deusen,
Elbert Eli Farman, jr.,
Elkin Leland Franklin,
Robert Stanley Donaldson,
James Rowland Hill,
Thomas De Witt Milling,
Stanley Maddox Rumbough,
Archibald Toombs Colley,
Carleton George Chapman,
Chester Paddock Mills, and
Guy William McClelland.

INFANTRY ARM.

Cadets to be second lieutenants.

Clarence Edward Partridge,
Edward Aloysius Everts,
Robert Butcher Parker,
Franz August Doniat,
James Garesche Ord,
Herbert Le Roy Taylor,
Arnold Norman Krogstad,
Roy Howard Coles,
Edwin Forrest Harding,
Warder Higgins Roberts,
Arthur Rutledge Underwood,
Thomas South Bowen,
William Harrison Anderson,
Frank Leroy Purdon,
Carlin Curtis Stokely,
John May McDowell,
Wentworth Harris Moss,
Manton Campbell Mitchell,
Walker Evans Hobson,
George Lane Van Deusen,
Thom Catron,
Philip Hayes,
Carl Adolph Baehr,
Wallace Copeland Philoon,
Delos Carleton Emmons,
Eley Parker Denson,
Robert Lawrence Eichelberger,
Joseph Caldwell Morrow, jr.,
Raymond Durno Smith,
Robert Sears,
William Allison Reed,
Lee Dunnington Davis,
Merl Paul Schillerstrom,
Louis Philip Ford,
Clifford Bluemel,
Francis Robert Hunter, and
William Hood Simpson.

POSTMASTERS.

COLORADO.

A. C. Moulton, at Meeker, Colo.

DELAWARE.

M. Howard Jester, at Wilmington, Del.

IOWA.

W. R. Harris, at Hamburg, Iowa.

NEW HAMPSHIRE.

Arthur H. Copp, at Wolfeboro, N. H.

NEW JERSEY.

Alonzo Hand, at Highlands, N. J.
William K. Van Iderstine, at Maplewood, N. J.

NEW YORK.

Elijah P. Raynor, at West Hampton Beach, N. Y.
Lincoln Sackett, at New Lebanon, N. Y.

HOUSE OF REPRESENTATIVES.

MONDAY, *June 28, 1909.*

The House met at 12 o'clock m.

Prayer by the Chaplain, Rev. Henry N. Couden, D. D.

The Journal of the proceedings of Thursday, June 24, 1909, was read and approved.

LEAVE OF ABSENCE.

By unanimous consent, leave of absence was granted to Mr. CRAIG indefinitely, on account of illness in the family.

MESSAGE FROM THE SENATE.

A message from the Senate, by Mr. Crockett, one of its clerks, announced that the Senate had passed without amendment bills of the following titles:

H. R. 10933. An act making appropriations for expenses of the Thirteenth Decennial Census, and for other purposes; and

H. R. 10887. An act to make Scranton, in the State of Mississippi, a subport of entry, and for other purposes.

ENROLLED BILLS AND JOINT RESOLUTION SIGNED.

Mr. WILSON of Illinois, from the Committee on Enrolled Bills, reported that they had examined and found truly enrolled joint resolution and bills of the following titles, when the Speaker signed the same:

H. J. Res. 59. Joint resolution amending an act concerning the recent fire in Chelsea, Mass.;

H. R. 10933. An act making appropriations for expenses of the Thirteenth Decennial Census, and for other purposes; and

H. R. 10887. An act to make Scranton, in the State of Mississippi, a subport of entry, and for other purposes.

THE CENSUS.

Mr. CRUMPACKER. Mr. Speaker, I send to the Clerk's desk the conference report on the bill (H. R. 1033) to provide for the Thirteenth and subsequent decennial censuses, and I ask unanimous consent that the report be taken up for consideration at this time.

The SPEAKER. The gentleman from Indiana presents a conference report upon the census bill and asks unanimous consent that the report be taken up for consideration at this time. Is there objection?

Mr. MACON. Mr. Speaker, reserving the right to object, I would like to ask the gentleman in charge of the bill a question or two. I understand that the conference committee have come to an agreement upon a final report.

Mr. CRUMPACKER. That is the fact.

Mr. MACON. Does the agreement save anything to the Treasury at this time?

Mr. CRUMPACKER. It saves considerable to the Treasury at this time. The agreement strikes out all the provisions in relation to the purchase of a site and the construction of a new building. It saves nearly a million dollars in that respect. Then the agreement saves from twelve to fifteen thousand dollars a year in the way of salaries.

Mr. HAY. And I might say, Mr. Speaker, that it also saves about $150,000 a year in the salaries of clerks.

Mr. CRUMPACKER. Yes; that is true; and from twelve to fifteen thousand dollars a year in the salaries of officers.

Mr. MACON. Mr. Speaker, the gentlemen have said enough. I certainly have no objection to the immediate consideration of the conference report, as it seems to be based upon economy, and I do not think it is even necessary to have a quorum present to adopt a report when anything is to be saved to the Government by its adoption.

The SPEAKER. The Chair hears no objection.

Mr. CRUMPACKER. Mr. Speaker, I now ask unanimous consent that the statement of the House managers be read in lieu of the report.

The SPEAKER. The gentleman from Indiana asks unanimous consent that the statement be read in lieu of the report. Is there objection?

There was no objection.

The Clerk read the statement.

The conference report and statement are as follows:

CONFERENCE REPORT.

The committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 1033) to provide for the Thirteenth and subsequent decennial censuses having met, after full and free conference have agreed to recommend and do recommend to their respective Houses as follows:

That the Senate recede from its amendments numbered 1, 4, 12, 14, 21, 31, and 35.

That the House recede from its disagreement to the amendments of the Senate numbered 2, 3, 5, 6, 8, 9, 10, 11, 16, 18, 19, 20, 22, 23, 24, 25, 26, 27, 28, 29, 30, 32, 33, 34, and 36; and agree to the same.

Amendment numbered 7: That the House recede from its disagreement to the amendment of the Senate numbered 7, and agree to the same with an amendment as follows: In lieu of the sum proposed insert "two thousand eight hundred and seventy-five dollars;" and the Senate agree to the same.

Amendment numbered 13: That the House recede from its disagreement to the amendment of the Senate numbered 13, and agree to the same with an amendment as follows: Strike out the matter inserted by said amendment; and the Senate agree to the same.

Amendment numbered 17: That the House recede from its disagreement to the amendment of the Senate numbered 17, and agree to the same with an amendment as follows: In lieu of the matter inserted by said amendment, insert the following: "That when the exigencies of the service require, the director may appoint for temporary employment not exceeding sixty days' duration from the aforesaid list of eligibles those who, by reason of residence or other conditions, are immediately available; and may also appoint, for not exceeding sixty days' duration, persons having had previous experience in operating mechanical appliances in census work, whose efficiency records in operating such appliances are satisfactory to him, and may accept such records in lieu of the civil-service examination;" and the Senate agree to the same.

Amendment numbered 37: That the House recede from its disagreement to the amendment of the Senate numbered 37, and agree to the same with an amendment as follows: Strike out the matter inserted by said amendment; and the Senate agree to the same.

Amendment numbered 38: That the House recede from its disagreement to the amendment of the Senate numbered 38, and agree to the same with an amendment as follows: In lieu of the number proposed by said amendment insert the following: "33;" and the Senate agree to the same.

EDGAR D. CRUMPACKER,
JAMES HAY,
Managers on the part of the House.

ROBERT M. LA FOLLETTE,
EUGENE HALE,
JAMES P. TALIAFERRO,
Managers on the part of the Senate.

STATEMENT.

Statement by the managers on the part of the House to accompany the conference report on H. R. 1033:

Amendment No. 1 required the appointment of all clerks and officers provided in section 3 by the Director of the Census upon competitive examination. The agreement restores the House provision.

Amendment No. 2 reduced the salary of the Assistant Director of the Census from $5,000 to $4,000 a year. The agreement restores the amount fixed by the House.

Amendment No. 12 increased the minimum salaries of clerks and employees, provided in section 6, from $600 to $720 a year. The agreement restores the amount fixed by the House.

Amendment No. 14 required officers and employees, provided in section 8, to be examined in the same manner as those provided in section 6.

Amendment No. 21 provided for a census of ruptured, crippled, or deformed persons under 18 years of age.

Amendment No. 31 required an investigation into the business of producing turpentine and rosin and the manner in which such business is conducted.

Amendment No. 35 reduced the maximum pay of interpreters from $5 to $4 a day.

Amendment No. 2, to which the House recedes, reduces the salary of the Director of the Census from $7,500 to $7,000 a year.

Amendment No. 3 reduces the salary of the private secretary to the director from $2,500 to $2,250 a year.

Amendment No. 5 reduces the salaries of the chief statisticians from $3,500 to $3,000 a year.

Amendment No. 6 reduces the salary of the chief clerk from $3,000 to $2,500 a year.

Amendment No. 8 reduces the salary of the appointment clerk from $3,000 to $2,500 a year.

Amendment No. 9 reduces the salary of the geographer from $3,000 to $2,500 a year.

Amendment No. 10 reduces the salaries of chiefs of divisions from $2,250 to $2,000 a year.

Amendment No. 11 reduces the salaries of stenographers from $2,000 to $1,800 a year.

Amendment No. 16 provides that in no instance shall more than one person from the same family be appointed in the classified service.

Amendments Nos. 18 and 19 are changes in phraseology.

Amendment No. 20 provides for an inquiry respecting employment in the census of population.

Amendment No. 22 is phraseological only.

Amendments 23, 24, 25, 26, and 27 relate to the census of agriculture and require inquiries respecting the color and nativity of those engaged therein, the acreage of crops and woodland, and the character of timber on woodland.

Amendments 28, 29, and 30 relate to the quantity and quality of turpentine and rosin produced and marketed.

Amendments 32 and 33 are phraseological only.

Amendment 34 provides that the appointment of supervisors of census shall be confirmed by the Senate.

Amendment 36 reduces the amount that may be allowed special agents for subsistence from $4 to $3 a day.

The House receded from its disagreement to amendment No. 7 with an amendment striking out the amount fixed by the Senate amendment as salary for the disbursing clerk and substituting therefor the sum of $2,875.

The House receded from its disagreement to amendment No. 13 with an amendment striking out the new language inserted by said amendment.

The House receded from its disagreement to amendment No. 17 with an amendment striking out the new matter inserted by said amendment and substituting therefor the following provision:

"That when the exigencies of the service require, the director may appoint for temporary employment, not exceeding sixty days' duration, from the aforesaid list of eligibles those who, by reason of residence or other conditions, are immediately available, and may also appoint, for not exceeding sixty days' duration, persons having had previous experience in operating mechanical appliances in census work whose efficiency records in operating such appliances are satisfactory to him, and may accept such records in lieu of the civil-service examination."

The House receded from its disagreement to amendment No. 37 with an amendment striking out the new matter inserted by said amendment. The effect of this agreement is to eliminate from the bill all authority to acquire a site and building or to construct a building for the Census Office.

Amendment No. 38 relates only to the numbering of the sections of the bill.

EDGAR D. CRUMPACKER,
JAMES HAY,
Managers on the part of the House.

Mr. HULL of Iowa. Mr. Speaker, before the gentleman begins I would like to ask him a question.

Mr. CRUMPACKER. I yield to the gentleman.

Mr. HULL of Iowa. Mr. Speaker, the statement which has just been read in nearly all cases does not state the action of the conferees. For instance, there is one amendment which provides that only one member of a family shall be employed, and so forth. That tells what the amendment is, but the statement does not say whether the House receded or whether the Senate receded. I give that merely as an illustration.

Mr. CRUMPACKER. The statement is made to accompany the report, and the report shows the action of the conferees in relation to the various amendments. In the amendment to which the gentleman has just referred, the report shows what was done; that the house receded from its disagreement to that amendment and agreed to the same. That amendment is so nearly allied to amendment No. 15, which the House decided ought to be in the bill the other day, that the House conferees felt that in carrying out the spirit and purpose of amendment No. 15, it ought to recede from its disagreement and agree to amendment No. 16, I think it is.

Mr. Speaker, the principal change made by the conferees was in striking out the provision of the bill authorizing the Secretary of Commerce and Labor and the Director of the Census to purchase a site and building and to construct a temporary building for the temporary Census Office.

When that provision was first put in the bill there was an abundance of time to negotiate the purchase and provide for the construction of the temporary building, and the House provision related exclusively to the building and site now occupied by the permanent Census Office and some property adjoining. The Senate provision gave the Secretary of the Treasury general authority to negotiate the purchase of a site anywhere in the city and to construct a building thereon. Time has so run along that we reached the conclusion it would be impossible, or impracticable at least, for the Census Office or the Secretary of Commerce and Labor to buy the additional land and construct a building in time to accommodate the overflow of clerks and employees for the Thirteenth Census, and there is some question now in the minds of the conferees on both sides about the desirability of buying the site of the present Census Office for that purpose. The only argument that was made for it in the first place was that if it could be bought in time and a building put up, the Government might have saved enough during the decennial census period to have paid for the property and for the construction of the temporary building.

That advantage seems largely removed now by the lapse of time, and therefore the conferees concluded it would be better to strike out all authority to anyone in reference to the purchase of property and for the construction of a new building. It is likely that the Government in the course of a few years will provide for a new building for the Department of Commerce and Labor, and it would be much better, I think, to have the department building large enough to accommodate every bureau in that department, including the permanent Census Office. During the temporary period it is hardly likely that the department building would be large enough to accommodate all the force of clerks in the office, but it would not be good business for the Government to buy a site and put up a building for the extra force in the Census Office when it could only occupy it three years out of every ten. We made an investigation and found fairly satisfactory provision could be made for the rental of quarters during the temporary census period this year. Now, we raised—we did not increase either; but the Senate receded from the amendment reducing the salary of the Assistant Director of the Census from $5,000 to $4,000 a year, and it is now restored to $5,000 a year; and the Senate agreed to fix the salary of the disbursing officer at $2,875 a year. The House bill fixed it at $3,000 a year and the Senate bill fixed it at $2,500. We added $375 a year because we ascertained it would cost the disbursing officer $375 a year to pay for the additional bond that the bill requires him to give. Therefore he will receive a net salary of $2,500 a year. Then the Senate receded from its amendment fixing the minimum salary of the force of clerks during the temporary period in the Census Office. It increased the minimum from $600 to $720 a year, and that goes back to $600 a year. Perhaps the most important amendment among these small ones was the amendment in reference to the census of naval stores, the collection of statistics relating to the manufacture of turpentine and rosin. The Senate had a provision authorizing and requiring the Census Office to make an inquiry into the business and manner in which it was conducted, palpably for the purpose of determining whether the antitrust laws were being violated. The House managers took the position that the Census Office ought not to go into the business of making investigations involving criminal or quasi criminal conduct; that its functions should be to gather facts for statistical purposes only; that if it should make investigations that could be used in criminal prosecutions, no company or concern in the country would feel safe in giving information that is necessary for statistical purposes; and the Senate receded from this vital amendment.

Now, another amendment that the House receded from was the one authorizing the appointment of supervisors of the census by and with the consent of the Senate or requiring confirmation of the Senate in those appointments. I do not believe the Senate ought to confirm appointments of supervisors of the census. The Constitution requires confirmation on the part of the Senate respecting appointments to certain offices of importance, of dignity and responsibility; but it authorizes the Congress to create other offices, giving the President and heads of departments permission to appoint without confirmation on the part of the Senate. Supervisors of the census are temporary. Probably the tenure will not exceed six or eight months. The average salary will not be above $1,600, and it would seem that these minor officers ought to be appointed by the President or the head of the department, without regard to the Senate.

But, Mr. Speaker, the House conferees were notified in the first place that it was a piece of impertinence on the part of the House to say to the Senators what particular officers they should be allowed to confirm and what not. One Senator insisted that that was a function that belonged to the Senate to decide, and that the House of Representatives ought not to have anything to say about it. Of course, we did not agree to that theory, but we were persuaded that under the circumstances, if the Senate managers receded from that amendment, the probabilities were that the bill would have to go back into conference. The House conferees were handicapped.

Mr. COOPER of Wisconsin. Will the gentleman indicate to the House about how many officers would require confirmation by the Senate under that plan?

Mr. CRUMPACKER. The Director of the Census and the assistant director; and there are 330 supervisors provided for. The House conferees were handicapped in the fact that the present law requires the confirmation of supervisors by the Senate, and by the further fact that the bill that was passed last winter by both Houses, and disapproved by the Executive, made the same provision, and the recent precedents seem to be against the House; but if it had not been for the question of time, which we regarded as the "essence of the contract" almost, we probably would have brought the question back to the House for further consideration. But we concluded that it would be better to close out the bill, agree to the provisions, and have it ended.

Now, Mr. Speaker, I move that the conference report——

Mr. GARRETT. The Senate had the advantage by reason of the fact that they would refuse to agree to any bill, which would still leave the matter in the hands of the Senate?

Mr. CRUMPACKER. Yes.

Mr. TAWNEY. I desire to ask the gentleman a question.

Mr. CRUMPACKER. I yield.

Mr. TAWNEY. The gentleman may have covered the question; but I understand in reading the report that it is proposed to increase the salary of the disbursing officer from $2,500 to $2,875?

Mr. CRUMPACKER. Yes.

Mr. TAWNEY. Has the gentleman stated why that increase is necessary?

Mr. CRUMPACKER. Yes. We ascertained that $300 a year additional was required from the disbursing officer on account of the increased bond the bill required, and he is required to pay, we are informed, $75 now, and we simply put enough in the bill to cover the entire cost of furnishing bond, so that his salary might be $2,500 a year, the same salary that is paid now. The work and responsibility, too, have greatly increased.

Mr. TAWNEY. Is the gentleman aware of the fact that since January 1, 1909, the premium rate on his bond has been increased 300 per cent?

Mr. CRUMPACKER. I know it has been increased. I did not suppose it was 300 per cent.

Mr. TAWNEY. One dollar was the rate paid by the disbursing officer of the Census Bureau prior to January, 1909, and $3 is the rate that is demanded of him now. It requires the payment of $375 a year to pay the premium on the bond which the disbursing officer is obliged to give.

Mr. CRUMPACKER. I think the disbursing officer ought to have a little more to compensate him for the additional work required, and we fixed it at $375, and it is explainable on the theory that that officer was required to give the additional bond.

But the House bill fixed the salary at $3,000. We thought the amount fixed by the Senate was too small, in view of the increased bond. I knew that the surety rate was higher than that fixed prior to January 1, but did not know that it had been increased 300 per cent.

Mr. TAWNEY. A dollar a thousand is what they charged to disbursing officers generally prior to January 1, 1909, and it is $3 now; and they are obliged to pay it. I merely wanted to call attention to this, because it only goes to show that if the rates now charged, as the result of the combination between the bonding companies, are enforced the Government will have

to pay the premium rates on all the bonds, either directly or indirectly.

Mr. DOUGLAS. Will the gentleman from Indiana allow me to ask the gentleman from Minnesota a question?

Mr. CRUMPACKER. I yield to the gentleman for that purpose.

Mr. DOUGLAS. The gentleman speaks of a combination of all the bonding companies of the country. They are not all in the combination, are they?

Mr. TAWNEY. My information is that about all but one are in the combination.

Mr. DOUGLAS. Five of the largest are. Some of the largest in the country are not in the combination; so that it is not absolutely essential that we should pay this increase.

Mr. TAWNEY. Under the law the Treasury Department has made a regulation whereby only bonding companies which come within the regulation as to surplus and capital are allowed to bond government officials and government employees.

Mr. DOUGLAS. But I assure the gentleman that some of the companies that do come within the requisites are not in this combination.

Mr. TAWNEY. I know of only one.

Mr. DOUGLAS. I know of one, and that is a large company.

Mr. SLAYDEN. Mr. Speaker, I would like to ask the gentleman from Minnesota what, if any, steps are being taken to prevent the Government from being "held up" by these bonding companies in this way that he speaks of, if the Government is "held up" for this increased premium?

Mr. TAWNEY. There will be a hearing to-morrow before Members of the House who were formerly members of the Committee on Appropriations, at which the bonding companies will appear, with the view of arriving at some solution of this question, so as to prevent the Government from paying the premium rate, either directly or indirectly.

Mr. SLAYDEN. Does this independent company of which the gentleman from Ohio speaks make low charges, or have they advanced their rates also?

Mr. TAWNEY. They have not advanced any, but I know of only one company that has not.

Mr. CLAYTON. Mr. Speaker, I desire to ask the gentleman from Indiana a question.

Mr. CRUMPACKER. I yield to the gentleman for a question.

Mr. CLAYTON. How does the compensation of this disbursing officer of the Census Bureau compare with the compensation given to other disbursing officers of the Government?

Mr. CRUMPACKER. I think it is about the same.

Mr. CLAYTON. It runs, in your opinion, about the average?

Mr. CRUMPACKER. That is my understanding.

Mr. TAWNEY. It is the maximum, with one exception. I think there is one exception.

Mr. CLAYTON. What is the average pay?

Mr. TAWNEY. Two thousand five hundred dollars.

Mr. CLAYTON. That is the average pay of disbursing officers?

Mr. CRUMPACKER. We fixed it first at $2,500. The increase we have made is so that the officer will receive that after paying for the bond.

Mr. CLAYTON. How much is it fixed at now?

Mr. CRUMPACKER. At $2,875, in view of the additional amount of the bond and the additional amount of work and responsibility.

Mr. CLAYTON. I understood the gentleman from Minnesota to say that $2,500 was the maximum given to other disbursing officers, and this officer is given this increased amount in view of the extra amount of work, and at last it is only a fair average——

Mr. CRUMPACKER. It is.

Mr. CLAYTON. Compared with the compensation of all the other disbursing officers.

Mr. CRUMPACKER. There is one other question I have been asked to explain briefly, and it is the modification in respect to the appointment provision. The House agreed to the Senate amendment No. 15, in relation to the place of examination and the question of domicile. The House also put in the bill a provision respecting the geographical distribution of appointees throughout the country. There was another feature in the bill giving some flexibility to the appointment provision, so as to allow the Director of the Census to meet emergencies.

That was modified so that the director, when an exigency arises, has power to appoint from the eligible list those who may be immediately available to tide over the emergency, for not exceeding a period of sixty days; and then the director also has permission to appoint, without any examination, for a period not exceeding sixty days, those who have had previous experience in the Census Office respecting tabulating machines and whose record of efficiency in the office is satisfactory. Those appointments can not exceed sixty days.

That modification was made for the purpose of giving the Director of the Census the power to meet any exigency that might arise on account of anything that can not be foreseen, so that he will then have plenty of time to secure the regular clerks from the country; and when they come down, the temporaries will go out of the service.

Mr. DOUGLAS. Will the gentleman yield to me?

Mr. CRUMPACKER. Certainly.

Mr. DOUGLAS. In the gentleman's opinion is not the bill so framed that if an exigency occurs and the director does appoint men of experience for sixty days he can keep on reappointing them for periods of sixty days, and thus keep them employed for six or seven months or longer?

Mr. CRUMPACKER. Well, I do not know about that. He could not do it without violating the spirit of the law.

Mr. DOUGLAS. But he could, without violating the letter of the law?

Mr. CRUMPACKER. Not without violating the spirit anyhow, and I hardly think we have a right to presume that the director will do that.

Mr. Speaker, I move that the conference report be agreed to.

The question was taken, and the conference report was agreed to.

On motion of Mr. CRUMPACKER, a motion to reconsider the last vote was laid on the table.

ADJOURNMENT.

Mr. PAYNE. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to.

Accordingly (at 12 o'clock and 35 minutes p. m.) the House, in accordance with the order heretofore adopted, adjourned until Thursday, July 1, 1909.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of Rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

A letter from the Acting Secretary of the Treasury, transmitting a copy of a letter from the Secretary of Commerce and Labor requesting that the estimate of appropriation of $80,000 to complete immigration station, Ellis Island, N. Y., be canceled (H. Doc. No. 33, pt. 2)—to the Committee on Appropriations and ordered to be printed.

A letter from the Acting Secretary of the Treasury, transmitting a copy of a letter from Acting Librarian of Congress submitting an estimate of appropriation for carrier service during the extra session of Sixty-first Congress (H. Doc. No. 65)—to the Committee on Appropriations and ordered to be printed.

A letter from the Secretary of the Treasury, submitting an estimate of appropriation for the manufacture of ice for the Treasury building (H. Doc. No. 66)—to the Committee on Appropriations and ordered to be printed.

A letter from the Secretary of the Treasury, submitting the draft of a proposed act to enable certain unexpended balances to be used in fitting up offices for the Supervising Architect (H. Doc. No. 67)—to the Committee on Appropriations and ordered to be printed.

A letter from the Acting Secretary of the Treasury, transmitting a letter from the Secretary of Commerce and Labor submitting an estimate of appropriation of $3,000 to carry into effect the provisions of the act of March 4, 1909, for surveys of waters of North Carolina (H. Doc. No. 68)—to the Committee on Rivers and Harbors and ordered to be printed.

A letter from the Secretary of War, submitting a report from Maj. M. L. Walker, Corps of Engineers, of a preliminary examination of Arkansas River at Douglas, Ark., made in compliance with the river and harbor act of March 3, 1909 (H. Doc. No. 69)—to the Committee on Rivers and Harbors and ordered to be printed.

A letter from the Secretary of War, transmitting, with a letter from the Chief of Engineers, report of examination of New River, Dade County, Fla. (H. Doc. No. 70)—to the Committee on Rivers and Harbors and ordered to be printed.

A letter from the Secretary of War, transmitting, with a letter from the Chief of Engineers, reports of examination of Arkansas River up to Muskogee and at Pine Bluff; Red River between Fulton, Ark., and mouth of Wichita River; and White River at Augusta Narrows, Arkansas (H. Doc. No. 71)—to the Committee on River and Harbors and ordered to be printed.

A letter from the Secretary of War, transmitting, with a letter from the Chief of Engineers, together with copy of a report from Capt. E. M. Adams, Corps of Engineers, of a preliminary examination of Waverly Creek, South Carolina, made in com-

pliance with the river and harbor act of March 3, 1909 (H. Doc. No. 72)—to the Committee on Rivers and Harbors and ordered to be printed.

A letter from the Secretary of War, transmitting, with a letter from the Chief of Engineers, reports from Maj. M. L. Walker, Corps of Engineers, of a preliminary examination of Blackfish Bayou, Arkansas, made in compliance with the river and harbor act of March 3, 1909 (H. Doc. No. 73)—to the Committee on Rivers and Harbors and ordered to be printed.

A letter from the Secretary of War, transmitting, with a letter from the Chief of Engineers, together with a copy of a report from Maj. M. L. Walker, Corps of Engineers, of a preliminary examination of Little Black River, Arkansas and Missouri, made in compliance with the river and harbor act of March 3, 1909 (H. Doc. No. 74)—to the Committee on Rivers and Harbors and ordered to be printed.

A letter from the Secretary of War, transmitting, with a letter from the Chief of Engineers, report of examination of Indian River, Florida, from Fort Pierce to Sewalls Point (H. Doc. No. 75)—to the Committee on Rivers and Harbors and ordered to be printed.

A letter from the Secretary of War, transmitting, with a letter from the Chief of Engineers, report of examination of Feather River, California, from the mouth to Marysville (H. Doc. No. 76)—to the Committee on Rivers and Harbors and ordered to be printed.

PUBLIC BILLS, RESOLUTIONS, AND MEMORIALS.

Under clause 3 of Rule XXII, bills, resolutions, and memorials of the following titles were introduced and severally referred as follows:

By Mr. OLCOTT: A bill (H. R. 11061) authorizing the purchase of 13 historical paintings—to the Committee on the Library.

By Mr. AUSTIN: A bill (H. R. 11062) to make certain funds applicable in the payment of expenses of encampments of the organized militia—to the Committee on Military Affairs.

By Mr. HOBSON: A bill (H. R. 11063) to authorize the Alabama, Tennessee and Northern Railroad Company to construct a bridge across Noxubee River—to the Committee on Interstate and Foreign Commerce.

By Mr. BARTHOLDT: Concurrent resolution (H. C. Res. 18) providing for the appointment of two commissions, one to be known as the "Commission on the Permanent International Court of Arbitral Justice," and the other as the "Commission on the Limitation of Armaments"—to the Committee on Foreign Affairs.

PRIVATE BILLS AND RESOLUTIONS.

Under clause 1 of Rule XXII, private bills and resolutions of the following titles were introduced and severally referred as follows:

By Mr. BROWNLOW: A bill (H. R. 11064) granting a pension to Robert B. Moreland—to the Committee on Invalid Pensions.

Also, a bill (H. R. 11065) granting an increase of pension to John Gibbins—to the Committee on Invalid Pensions.

By Mr. BYRNS: A bill (H. R. 11066) for the relief of the estate of A. J. Tynes, deceased—to the Committee on War Claims.

By Mr. CALDERHEAD: A bill (H. R. 11067) granting an increase of pension to Thomas Haxton—to the Committee on Invalid Pensions.

Also, a bill (H. R. 11068) granting an increase of pension to Thomas J. Snodgrass—to the Committee on Invalid Pensions.

By Mr. CARLIN: A bill (H. R. 11069) to carry into effect the findings of the Court of Claims in the matter of the claim of the trustees of the Presbyterian Church of Marshall, Va.—to the Committee on War Claims.

Also, a bill (H. R. 11070) to carry into effect the findings of the Court of Claims in the matter of the claim of the trustees of Cedar Run Baptist Church, of Culpeper County, Va.—to the Committee on War Claims.

By Mr. DODDS: A bill (H. R. 11071) granting an increase of pension to Harvey T. Alcott—to the Committee on Invalid Pensions.

By Mr. EDWARDS of Kentucky: A bill (H. R. 11072) for the relief of Thomas J. Wells—to the Committee on Military Affairs.

Also, a bill (H. R. 11073) for the relief of W. E. Hancock, of Cane Valley, Adair County, Ky.—to the Committee on War Claims.

Also, a bill (H. R. 11074) for the relief of Sallie A. Slaven—to the Committee on War Claims.

Also, a bill (H. R. 11075) granting a pension to William H. Lewis—to the Committee on Pensions.

Also, a bill (H. R. 11076) granting a pension to Cobb T. Berry—to the Committee on Pensions.

Also, a bill (H. R. 11077) granting a pension to Martha Jones—to the Committee on Pensions.

Also, a bill (H. R. 11078) granting a pension to Warner Raiser—to the Committee on Pensions.

Also, a bill (H. R. 11079) granting a pension to Susan Murphy—to the Committee on Pensions.

Also, a bill (H. R. 11080) granting a pension to Briant Scott—to the Committee on Pensions.

Also, a bill (H. R. 11081) granting a pension to Starlin Stanfill—to the Committee on Invalid Pensions.

Also, a bill (H. R. 11082) granting a pension to Jesse Abbott—to the Committee on Invalid Pensions.

Also, a bill (H. R. 11083) granting a pension to Ephriam D. Prewitt—to the Committee on Invalid Pensions.

Also, a bill (H. R. 11084) granting an increase of pension to Martin R. Dutton—to the Committee on Invalid Pensions.

Also, a bill (H. R. 11085) granting an increase of pension to Merida Wilson—to the Committee on Invalid Pensions.

Also, a bill (H. R. 11086) granting an increase of pension to John W. Thompson—to the Committee on Invalid Pensions.

Also, a bill (H. R. 11087) granting an increase of pension to Pitser Coop—to the Committee on Invalid Pensions.

Also, a bill (H. R. 11088) granting an increase of pension to Eli Couch—to the Committee on Invalid Pensions.

Also, a bill (H. R. 11089) granting an increase of pension to Thomas J. Underwood—to the Committee on Invalid Pensions.

Also, a bill (H. R. 11090) granting an increase of pension to William Stringer—to the Committee on Invalid Pensions.

Also, a bill (H. R. 11091) granting an increase of pension to George W. Brown—to the Committee on Invalid Pensions.

Also, a bill (H. R. 11092) granting an increase of pension to Stephen K. Ashley—to the Committee on Invalid Pensions.

Also, a bill (H. R. 11093) granting an increase of pension to Ira McCrary—to the Committee on Invalid Pensions.

Also, a bill (H. R. 11094) granting an increase of pension to Thomas J. Taylor—to the Committee on Invalid Pensions.

Also, a bill (H. R. 11095) granting an increase of pension to Thomas M. Floyd—to the Committee on Invalid Pensions.

Also, a bill (H. R. 11096) granting an increase of pension to Benjamin J. Bowman—to the Committee on Invalid Pensions.

Also, a bill (H. R. 11097) granting an increase of pension to Hiram Moore—to the Committee on Invalid Pensions.

Also, a bill (H. R. 11098) granting an increase of pension to Zachariah Roy—to the Committee on Invalid Pensions.

Also, a bill (H. R. 11099) granting an increase of pension to William T. Hines—to the Committee on Invalid Pensions.

Also, a bill (H. R. 11100) granting an increase of pension to Minor McKiddy—to the Committee on Invalid Pensions.

Also, a bill (H. R. 11101) granting an increase of pension to John Doss—to the Committee on Invalid Pensions.

Also, a bill (H. R. 11102) granting an increase of pension to John P. Hamilton—to the Committee on Invalid Pensions.

Also, a bill (H. R. 11103) granting an increase of pension to Henry Pettyjohn—to the Committee on Invalid Pensions.

Also, a bill (H. R. 11104) granting an increase of pension to George Nichols—to the Committee on Invalid Pensions.

Also, a bill (H. R. 11105) granting an increase of pension to James M. Ard—to the Committee on Invalid Pensions.

Also, a bill (H. R. 11106) granting an increase of pension to William L. Brown—to the Committee on Invalid Pensions.

Also, a bill (H. R. 11107) granting an increase of pension to Halcom Tarter—to the Committee on Invalid Pensions.

Also, a bill (H. R. 11108) granting an increase of pension to John Perkins—to the Committee on Invalid Pensions.

Also, a bill (H. R. 11109) granting an increase of pension to Perry Weddle—to the Committee on Invalid Pensions.

Also, a bill (H. R. 11110) granting an increase of pension to Benjamin Roberts—to the Committee on Invalid Pensions.

Also, a bill (H. R. 11111) granting an increase of pension to Margaret A. Hope—to the Committee on Invalid Pensions.

Also, a bill (H. R. 11112) granting an increase of pension to Baley M. Bryant—to the Committee on Invalid Pensions.

Also, a bill (H. R. 11113) granting an increase of pension to Joseph Sumpter—to the Committee on Invalid Pensions.

Also, a bill (H. R. 11114) granting an increase of pension to James R. Campbell—to the Committee on Invalid Pensions.

Also, a bill (H. R. 11115) granting an increase of pension to Thomas J. Hicks—to the Committee on Invalid Pensions.

Also, a bill (H. R. 11116) granting an increase of pension to Henderson Smith—to the Committee on Invalid Pensions.

Also, a bill (H. R. 11117) granting an increase of pension to William S. Gregory—to the Committee on Invalid Pensions.

Also, a bill (H. R. 11118) granting an increase of pension to Laban McGahan—to the Committee on Pensions.

Also, a bill (H. R. 11119) granting an increase of pension to Charles W. Gilbert—to the Committee on Pensions.

Also, a bill (H. R. 11120) granting an honorable discharge to William Bush—to the Committee on Military Affairs.

Also, a bill (H. R. 11121) granting an honorable discharge to John Thacker—to the Committee on Military Affairs.

Also, a bill (H. R. 11122) granting an honorable discharge to Benjamin H. Pruett—to the Committee on Military Affairs.

Also, a bill (H. R. 11123) granting an honorable discharge to Charles Abbott—to the Committee on Military Affairs.

Also, a bill (H. R. 11124) to correct the military record of Capt. John C. Wilson—to the Committee on Military Affairs.

By Mr. GARDNER of New Jersey: A bill (H. R. 11125) granting an increase of pension to Isaac Brooks—to the Committee on Invalid Pensions.

By Mr. GOULDEN: A bill (H. R. 11126) for the relief of Theodore Schroeter—to the Committee on Appropriations.

By Mr. McCALL: A bill (H. R. 11127) for the relief of J. Hovey Rand—to the Committee on War Claims.

By Mr. PATTERSON: A bill (H. R. 11128) granting a pension to Ernest E. Pearsall—to the Committee on Pensions.

By Mr. SLAYDEN: A bill (H. R. 11129) for the relief of Ramon Hernandez—to the Committee on Claims.

By Mr. YOUNG of Michigan: A bill (H. R. 11130) granting an increase of pension to Staford Oatman—to the Committee on Invalid Pensions.

PETITIONS, ETC.

Under clause 1 of Rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

By the SPEAKER: Petition of Chicago (Ill.) Association of Commerce, composed of 3,000 firms, corporations, and individuals, protesting against legislation to tax the net income of corporations while omitting individuals and copartnerships engaged in competitive lines of business—to the Committee on Ways and Means.

By Mr. BURKE of Pennsylvania: Petition of Mrs. R. Le Grant and other citizens of Pittsburg, Pa., against the increase of duty on women's gloves—to the Committee on Ways and Means.

By Mr. CLARK of Florida: Petition of numerous cigar makers' unions of the State of Florida, against free cigars from the Philippine Islands—to the Committee on Ways and Means.

By Mr. HANNA: Petition of citizens of Lisbon, N. Dak., against a parcels-post law—to the Committee on the Post-Office and Post-Roads.

By Mr. HILL: Petition of Chamber of Commerce, New Haven, Conn., favoring an expert tariff commission—to the Committee on Ways and Means.

By Mr. HOLLINGSWORTH: Petition of W. H. Ragan and others, against placing engraved portrait of Jefferson Davis on silver service of the battle ship *Mississippi*—to the Committee on Naval Affairs.

By Mr. JOYCE: Petition of citizens of Frazeysburg, Ohio, against a parcels-post law—to the Committee on the Post-Office and Post-Roads.

By Mr. LOVERING: Petition of Brockton Printing Pressmen and Assistants' Union, No. 102, against the duty on print paper and wood pulp and against the tariff bill as it relates to the printing industry—to the Committee on Ways and Means.

By Mr. MOORE of Pennsylvania: Petition of Hat Makers' Beneficial Association, Americo Vespucci Circle, for adoption of October 12 as a holiday, to be known as "Columbus Day"—to the Committee on the Judiciary.

By Mr. HENRY W. PALMER: Petition of Plains Council, No. 660, Junior Order United American Mechanics, favoring enactment of anti-Asiatic immigration legislation—to the Committee on Immigration and Naturalization.

By Mr. RUCKER of Colorado: Petitions of Chamber of Commerce of Rifle, Delta County Business Men's Association, Olathe Chamber of Commerce, Colorado Springs Chamber of Commerce, all in the State of Colorado, against any reduction of the tariff on sugar—to the Committee on Ways and Means.

Also, petition of Denver Chamber of Commerce and Board of Trade, against reduction of duty on lead ore and lead products—to the Committee on Ways and Means.

Also, petition of Denver Live Stock Exchange, favoring retention of the 15 per cent duty on hides—to the Committee on Ways and Means.

Also, petition of Left Hand Grange, No. 9, of Minot, Colo., for a nonpartisan tariff commission—to the Committee on Ways and Means.

By Mr. SLAYDEN: Paper to accompany bill for relief of Ramon H. Fernandez—to the Committee on Claims.

By Mr. SPERRY: Resolutions of the Chamber of Commerce of New Haven, Conn., favoring the creation of a tariff commission—to the Committee on Ways and Means.

By Mr. TAYLOR of Colorado: Petition of chambers of commerce of Rifle, Olathe, and Plateau City, all of the State of Colorado, favoring retention of present rate of duty on sugar—to the Committee on Ways and Means.

By Mr. WEEKS: Petition of directors of the Boston Chamber of Commerce, against federal tax on earnings of corporations—to the Committee on Ways and Means.

SENATE.

TUESDAY, *June 29, 1909.*

The Senate met at 10 o'clock a. m.

Prayer by the Chaplain, Rev. Ulysses G. B. Pierce, D. D.

The Journal of yesterday's proceedings was read and approved.

PETITIONS AND MEMORIALS.

The VICE-PRESIDENT presented a memorial of the Retail Grocers' Association of Brooklyn, N. Y., remonstrating against the assertion that the retail dealers of the country are responsible for the prevailing high-priced commodities, which was referred to the Committee on Finance.

Mr. JONES presented a petition of the Chamber of Commerce of Seattle, Wash., praying that an annual appropriation of $50,000,000 be made for the improvement of the waterways and harbors of the country, which was referred to the Committee on Commerce.

Mr. OLIVER presented a petition of North Orwell Grange, No. 128, Patrons of Husbandry, of Bradford County, Pa., praying for the retention of the duty on oleomargarine, which was ordered to lie on the table.

Mr. PILES presented a petition of the Chamber of Commerce of Seattle, Wash., praying that an annual appropriation of $50,000,000 be made for the improvement of the waterways and harbors of the country, which was referred to the Committee on Commerce.

IMPRISONMENT OF NAVAJO INDIANS.

Mr. OWEN. I present the memorial of S. M. Brosius, on behalf of the Indian Rights Association, relative to the decision of the supreme court of Arizona in the habeas corpus proceedings instituted by that association on behalf of certain imprisoned Navajo Indians, and so forth. I ask that the memorial be printed as a document and also that it be printed in the RECORD.

There being no objection, the memorial was ordered to be printed as a document (S. Doc. No. 118) and in the RECORD, as follows:

WASHINGTON, D. C., *June 28, 1909.*

To the Senate of the United States:

On behalf of the Indian Rights Association, I inclose as a memorial the decree of the supreme court of Arizona, with accompanying papers, in the matter of the petition by Bi-a-lil-le and other Navajo Indians for a writ of habeas corpus. These Indians have been imprisoned for one year and eight months and subjected to hard labor, upon approval of the Commissioner of Indian Affairs, without a charge having been filed against them in any court of law, without benefit of counsel or proceeding by due course of law.

The decision in this case marks an epoch, guaranteeing to the red man those rights secured to our forefathers by Magna Charta.

Very respectfully,

S. M. BROSIUS,
Agent Indian Rights Association.

IMPRISONMENT WITHOUT TRIAL.

INDIAN RIGHTS ASSOCIATION,
709 PROVIDENT BUILDING,
Philadelphia, April 15, 1909.

For the information of our members and the general public, we give below a decision recently rendered by the Arizona supreme court in the habeas corpus proceedings instituted by this association on behalf of certain Navajos who were imprisoned, as we contend, without warrant of law by the arbitrary action of the Commissioner of Indian Affairs. We also append a reply by Doctor Grammer to the article in The Outlook of January 30, 1909, by Hon. F. E. Leupp, Commissioner of Indian Affairs, defending his "law or no law" method of dealing with the Indians, as enunciated by him at the Lake Mohonk conference in October, 1908.

This matter was taken up by the association because it was believed to be one of fundamental importance in dealing with Indians. We contend that the Indian is a person within the meaning of the Constitution and can not be deprived of his liberty "without due process of law." The court of first instance in Arizona denied the application for

a writ of habeas corpus. The association appealed the case to the territorial supreme court, where a unanimous opinion was rendered reversing the lower court. The department has announced its intention of appealing from this decision, and the case may yet be argued in the United States Supreme Court. Under these circumstances, while the matter may not be regarded as finally settled, it is deemed proper to acquaint our members with the case as far as it has been developed.

It is worthy of note that criticism upon the commissioner's action, which he treated as a proof of bias and captious opposition on the part of the critics, has been sustained as rightful by a weighty judiciary. It is worthy of mention that the criticism upon the commissioner's action, which has been justified by such an important judiciary, was stigmatized at the Mohonk conference by the commissioner himself as so clearly biased that he had to asperse the motive of those who made it. It is not too much to say that the commissioner's attitude of pronounced hostility to any suggestion or criticism is one of the great difficulties in the way of this association.

It should be noted that after the habeas corpus proceedings were begun six of the Indians were released by the Commissioner of Indian Affairs. Bi-a-lil-le and Polly are still held in confinement in default of $5,000 bail.

In the supreme court of the Territory of Arizona, No. 273.

In the matter of the application of Bi-a-lil-le and seven others for a writ of habeas corpus—Opinion.

Appeal from the district court of the second judicial district; Hon. Fletcher M. Doan, judge.

Mr. O. Gibson, for petitioners; Mr. J. L. B. Alexander, United States attorney, for the respondent.

Opinion by Nave, J.: A group of Navajo Indians under the leadership of Bi-a-lil-le threatened serious trouble upon the Navajo Reservation. Upon the representations of the Secretary of the Interior, the Secretary of War sent two troops of cavalry into the vicinity of the reservation to serve as a repressing influence upon the Indians. After a conference with the Indian agent, the officer in command of the troops determined it to be wise to arrest Bi-a-lil-le and certain of his companions. Accordingly, he made a night march to Bi-a-lil-le's camp and captured him and his immediate followers about daybreak the next morning. While this arrest was being made, the troops were fired upon by other Indians in the vicinity. The fire was returned. The casualties were two Indians killed and one wounded; except that a horse of one of the soldiers was killed. Upon the recommendation of the Secretary of the Interior, without a trial or hearing of any sort, Bi-a-lil-le and seven of his companions were transported to Fort Huachuca, Ariz., "where," to quote the Secretary of the Interior, "they are to be confined for an indefinite period at hard labor. They can be released whenever it may be deemed wise to do so, each case to be considered on its own merits. The time for the release of these prisoners has been left to the judgment of the war Department."

These Indians, setting up in detail the facts of which the foregoing statement is a brief abstract, and averring that their detention is unlawful, petitioned the district court of the second judicial district for a writ of habeas corpus directed to the commanding officer at Fort Huachuca to the end that they be discharged. The writ was denied, and from its denial petitioners have prosecuted this appeal. The contention of petitioners is that they are deprived of liberty without due process of law, in contravention of Article V of the amendments to the Constitution of the United States.

The detention of these Indians is supported by the respondent upon three contentions. One of these contentions is that it is authorized by the provisions of section 2149, Revised Statutes of the United States, which reads as follows:

"The Commissioner of Indian Affairs is authorized and required, with the approval of the Secretary of the Interior, to remove from any tribal reservation any person being therein without authority of law, or whose presence within the limits of the reservation may, in the judgment of the commissioner, be detrimental to the peace and welfare of the Indians; and may employ for the purpose such force as may be necessary to enable the agent to effect the removal of such person."

The inadequacy of this contention is self-evident. Authority to remove troublesome persons from a reservation does not imply authority to detain them in confinement after such removal; hence the detention of these Indians is not maintainable by reason of the provisions of this section or of any of its implications.

The second contention is that the facts disclosed the petitioners to be prisoners of war, and hence lawfully to be held in military custody. We do not infer, from the facts, that a state of war existed at the time of the apprehension of the petitioners, nor does it appear that it was or is the view of the Secretary of the Interior or of the Secretary of War that a state of war existed then, or exists now between the Indians and the United States. It affirmatively appears that, though in the custody of the War Department, these Indians are maintained at the expense of the Interior Department and are to be confined at hard labor for an indefinite period as a punishment to them and an object lesson to the rest of their tribe, in the language of the Secretary of the Interior, because they "have defied the Government and its authorities; they have impeded the progress of the other Indians in their efforts to improve and better their condition; they armed themselves, * * * threatened to kill any person or persons who molested them, and fired first upon United States troops in the discharge of their duty." Confinement at hard labor is a characteristic of the punishment of criminals and not, under the code of modern civilized warfare, an incident of the detention of prisoners of war. We do not assume that we have jurisdiction to interfere with the treatment accorded them, were they, in fact, prisoners of war; but we point to the fact of their confinement at hard labor as inconsistent with a theory that they are regarded by the executive departments as prisoners of war. The consideration and freedom from unnecessary restraint which, within our judicial knowledge, marked the detention of Spanish prisoners during our recent war and has marked the detention, as prisoners of war, of Geronimo and his band of Apaches, warrant, as fully as our patriotic pride also demands, that we attribute to the executive departments the most enlightened chivalry in their attitude toward prisoners of war. It is manifest that petitioners are not prisoners of war.

As a third contention, it is urged with great earnestness that the Indians are but wards of the Government and therefore are subject to administrative correction of their conduct as are other wards to the correction of their guardians; that the disposition which has been made of these Indians is pursuant to a long-followed policy of the departments of the Interior and of War; and that it is highly salutary in safeguarding the relations of the Indians to the Government and to their white neighbors, and, indeed, among themselves. However salutary in its results and desirable such a method of dealing with recalcitrant Indians may be, and however long such a system may have prevailed, it can not be sanctioned unless there is authority for it in the acts of Congress. Indians are not wards of the executive officers, but wards of the United States, acting through executive officers, it is true, but expressing its fostering will by legislation. We may pass as unnecessary to determine the question whether Congress may constitutionally vest in executive officers such summary authority as is here sought to be exercised. Our attention has not been directed to legislation expressly authorizing such summary methods. Comprehensive authority is conferred upon the President by sections 463 and 465, Revised Statutes of the United States, to control the conduct of Indian affairs by his regulations; but we do not find a general rule or regulation promulgated by or under the authority of the President applicable in this case.

The Supreme Court of the United States, in Bad Elk *v.* United States (177 U. S., 529), has held that an executive officer in the Indian Service has no authority to direct arrests in the absence of law, rule, or regulation authorizing such direction, and that the conduct of an Indian is not to be held misbehavior in the absence of a law, rule, or regulation so defining it. Among the necessary implications of that decision is that, there being no law, rule, or regulation defining what conduct of Indians shall be deemed reprehensible and subject them to correction, it does not rest in executive discretion to administer corrective punishment. We deem this conclusion inevitable and determinative of this case, irrespective of the question whether such summary discipline might be sustained if pursuant to a rule or regulation.

The position of these particular petitioners, members of the Navajo tribe, is fortified by one of the stipulations of the treaty between the United States and the Navajos, which is as follows:

"If bad men among the Indians shall commit a wrong or depredation upon the person or property of anyone, white, black, or Indian, subject to the authority of the United States and at peace therewith, the Navajo tribe agree that they will, on proof made to their agent and on notice by him, deliver up the wrongdoer to the United States, to be tried and punished according to its laws." (Art. I, treaty of June 1, 1868. 15 Stat. L., 667.)

This stipulation amounts to a covenant that bad Indians shall not be punished by the United States except pursuant to laws defining their offense and prescribing the punishments therefor. While Congress by its legislation may disregard treaties, the executive branch of the Government may not do so.

The district court was in error in denying the writ of habeas corpus.

The proceedings in the court below were solely upon the petition. The United States attorney appeared on behalf of the United States and argued against the granting of the writ without filing a demurrer or other formal pleading. The trial judge rendered an opinion in writing, which appears as part of the record, in which we find it has been suggested by the court and agreed to by counsel that, in effect, "the ruling may be as though the writ had been granted and the applicants were here in person before the court. * * * If the writ should be granted by the court, the granting of the writ would be equivalent to the release of the applicants for the writ, and the writ will not be denied unless the court is satisfied from the hearing that the applicants would be remanded to the custody of those now having them in charge." The petition contains at full length what purport to be all of the proceedings of the departments of the Interior and of War, resulting in the detention of petitioners. In view of that fact, we construe the expression of the trial court as disclosing the stipulation that if the facts upon the petition disclose that petitioners are entitled to be discharged, the judgment of the court should be to discharge them. Therefore it will be adjudged that the judgment of the trial court be reversed and that the petitioners be discharged, with leave to the respondent, however, to present within fifteen days reasons, if any there be, why instead of discharging the petitioners we should remand the cause with direction to the trial court to grant the writ.

FREDERICK S. NAVE,
Associate Justice.

We concur:
EDWARD KENT, *Chief Justice.*
RICHARD E. SLOAN, *Associate Justice.*
JOHN H. CAMPBELL, *Associate Justice.*

SUPREME COURT,
Territory of Arizona, ss:

I, F. A. Tritle, jr., clerk of the supreme court of the Territory of Arizona, do hereby certify the foregoing to be a full, true, and correct copy of the opinion rendered by said supreme court on the 20th day of March, A. D. 1909, in the matter of the application of Bi-a-lil-le and seven others for a writ of habeas corpus.

In witness whereof I have hereunto set my hand and affixed the seal of said court this 25th day of March, A. D. 1909, at Phoenix, Ariz.

[SEAL.] F. A. TRITLE, Jr.,
Clerk Supreme Court of Arizona.

In the supreme court of the Territory of Arizona, No. 273.

In the matter of the application of Bi-a-lil-le and seven others for a writ of habeas corpus.

At this day respondent gave notice of appeal to the Supreme Court of the United States, and moved the court that applicants be held on bail until the determination of the appeal by the Supreme Court of the United States under rule 34 of said Supreme Court, and it was ordered by the court that the notice of appeal be noted and that applicants be each enlarged in the sum of $5,000; and it was

Further ordered that respondent may have leave to withdraw its notice of appeal upon application to the Chief Justice therefor.

SUPREME COURT,
Territory of Arizona, ss:

I, F. A. Tritle, jr., clerk of the supreme court of the Territory of Arizona, do hereby certify the foregoing to be a full, true, and correct copy of the order made and entered by said supreme court on the 20th day of March, A. D. 1909, in the matter of the application of Bi-a-lil-le and seven others for a writ of habeas corpus, admitting applicants to bail.

In witness whereof, I have hereunto set my hand and affixed the seal of said court this 25th day of March, A. D. 1909, at Phoenix, Ariz.

[SEAL.] F. A. TRITLE, Jr.,
Clerk Supreme Court of Arizona.

Question of "law or no law" in treatment of the Indians.

REPLY OF THE INDIAN RIGHTS ASSOCIATION TO COMMISSIONER LEUPP'S SURPRISING ASSERTION.

[From the Springfield (Mass.) Republican, March 15, 1909.]

To the editor of the Republican:

The question raised by Commissioner Leupp in his article on "Law or no law in Indian administration," in The Outlook of January 30, is of fundamental importance. The Indian Rights Association has undertaken to test the validity of his conclusion as to the relation of an executive agent to the law by an appeal to the courts; but it is eminently desirable that the public, who read the commissioner's vehement explanation, should know the issues involved. They are much larger than the question whether the commissioner was misrepresented by those who quoted his own words, "law or no law," as the keynote of his remarks about the Navajo Indians. But we must not fall into the custom which, according to Freeman, spoils so much historical writing, and content ourselves with allusions instead of telling a plain tale. The commissioner began his explanatory statement with the Mohonk conference, but the controversy can not be understood without going further back and beginning at the beginning.

In October, 1907, William T. Shelton, superintendent of the Eastern Navajo Reservation, Shiprock, N. Mex., requested that cavalry be sent into his reservation to arrest a troublesome Navajo named Bi-a-lil-le, that he might be confined long enough to show that the time for bad men was past; or, if this were not thought expedient, that the troops might be stationed in the vicinity of Bi-a-lil-le's camp long enough to give the Indian police courage. The more drastic of the two methods was chosen. The cavalry surrounded the Indians' hogans at daylight, and arrested Bi-a-lil-le and his men. There was some shooting by the soldiers and on the part of some Indians in the vicinity, though not by the prisoners, and two Indians were killed by shots in the back. A search of all the hogans only brought to light three old rifles, one Colt's revolver, and several knives. Such a lack of warlike equipment suggests that the milder remedy of camping in the vicinity by the troops would probably have been sufficient to overawe the Indians and reduce their spirits to the necessary subordination. Still, it is easier to discern the right course in the light of experience, and there is here no controversy over the killing of these Indians and the arrest of the band. They had been made to feel most unmistakably the power of the Government, and it might have seemed that they had been sufficiently schooled. If it was not thought wise to allow them to remain on the reservation, the superintendent had the undoubted authority to remove them, or if he was unwilling to set them at liberty in new scenes, he might have brought them into court. Western courts are not generally weakly indulgent to the red man. Neither of these lines of action, however, was taken. Without the decree of any court, martial or civil, Bi-a-lil-le and seven other Indians were incarcerated, with the approval of the commissioner, in a military prison in Arizona, at hard labor for an indeterminate period.

At the conference at Lake Mohonk, last October, Mr. Leupp tells us that he was intensely indignant when he heard that a resolution was to be offered that would test the sense of the conference upon such imprisonment without trial. The commissioner is obliged to admit that in his vehement anticipatory defense he said that he would take such measures if he thought the public safety required it, "law or no law." This language does not appear in the report, and the commissioner withdraws it as too crude and unqualified. Still, he claims that his character for clemency and fairness is so well known that it should have protected him from misconstruction. So, if he is obliged to confess that he spake unadvisedly with his lips, he also feels it necessary to charge his critics with "dishonesty" and "malice." After learning the facts and reading this explanation, most people will probably agree that the blunt and pointed expression that he withdraws describes his attitude very fairly. After all, the point of language is of minor importance. The main points are Mr. Leupp's attitude toward those who differ from him and his theory of the relation of the law to the public welfare.

The commissioner asserts with pride that his policy of treating Indian offenders in a state of barbarism by dealing out justice according to his own personal views has justified itself by its success, on the principle that "the proof of the pudding is the eating." No one, however, can read his passionate article, with its charges upon his critics of "malice," "dishonesty," "paltering," "vituperation," and "angry clamor," without realizing that his theory has made our commissioner a very lofty personage, who is inclined to regard any difference of opinion about the legality of his acts as a proof of moral obliquity. So far is he from inviting scrutiny and welcoming an interchange of opinion, that the very idea of the expression of criticism filled him with indignation, as he confesses in his case. Yet, if the Indian Commissioner has the right to put Indians in prison without trial, simply upon his own judgment that a prison is the best place for them, such a tremendous power ought to be carefully watched, and such a conference as Mohonk might well interest itself in the wisdom with which such extraordinary authority was exercised.

Indian agents, through whom he must gain his information, are but fallible men; and it was no less a person than Lincoln who said that no man could safely be trusted with absolute power over another. Indian agents are not a class of men who, according to the opinion of them expressed by President Roosevelt in a recent message, can wisely be allowed to feel themselves exempt from criticism. Even if the criticism should prove mistaken, the discussion could hardly fail to do good. It was, however, resented deeply by Mr. Leupp, and is characterized in scathing terms. His known kindness and clemency, he holds, should have prevented anyone from regarding the imprisonment of Indians for sixteen months without trial as an act of oppression. This is certainly a great claim.

There are, however, many who believe that the law of the land is a better defense of our rights than the kindly temper of our officials. Indeed, it is the deepest source of our controversy with the commissioner that on his statement at Mohonk and in his treatment of these Indians he shows an inadequate sense of the value of law as a means of securing the public weal. He ignores the courts. His theory is that the public safety is to take precedence of the public safeguards. This mistake lay at the bottom of the worst excesses of the French Revolution. To quote Lord Morley:

"Couthon laid the theoretic basis [of the infamous law of Twenty-second Prairial] in a fallacy that must always be full of seduction to shallow persons in authority: 'He who would subordinate the public safety to the inventions of jurisconsults and to the formulas of the courts is either an imbecile or a scoundrel.' As if the public safety could mean anything but the safety of the public! 'All becomes legitimate and even virtuous,' Helvetius had written, 'on behalf of the public safety.' But Rousseau was wiser in his marginal note: 'The public safety is nothing unless the individual enjoys security.'"

Have we not an example of Couthon's fallacy in the commissioner's article in the Outlook, when he writes: "The mere technical definition of the rights of any person under the law is always subordinate to the question of the social order?" What better way is there of teaching an Indian the greatness of the law than by showing that it can save as well as punish? How can the social order be better preserved than in the exaltation of the law? Bi-a-lil-le and Polly, with their companions, in prison for sixteen months, knotting on a cord the days of their imprisonment at the discretion of a distant commissioner, will hardly agree that the right to liberty or a fair trial comes under the head of a "mere technical definition."

In spite of the warnings of the commissioner of possible evils in consequence of the liberation of these men, the Indian Rights Association applied for a writ of habeas corpus. The court of first instance denied the application, but the denial was anticipated. Nevertheless, something has been accomplished, since six of the prisoners have since been released. An appeal has been taken in behalf of the other two, and the friends of order and liberty will not rest until, if necessary, the Supreme Court of the United States has decided whether or not Indians are persons within the meaning of the article of the Constitution that declares that no person (except certain classes in which Indians are not included) shall be deprived of life, liberty, or property without due process of law. Of one thing we may be absolutely certain, and that is that the greatest tribunal in the world, as Bryce has taught us to call it, will give no countenance to the doctrine, so fruitful of tyranny and injustice, that the law can be safely ignored if in the judgment of an official its restraints stand in the way of the public welfare.

CARL E. GRAMMER,
President of the Indian Rights Association.

PHILADELPHIA, *March 1, 1909.*

DEPARTMENT OF JUSTICE,
Washington, June 22, 1909.

SIR: In accordance with your oral request to be informed of the action of the department in the matter of the prosecution of the appeal in the Supreme Court in the case of Bi-a-lil-le and others, petitioners for a writ of habeas corpus, I beg to say that after careful consideration of the matter the Government has decided not to prosecute the appeal. Instructions have to-day been given to the United States attorney for Arizona, by wire, to ask leave of the chief justice of the supreme court of Arizona, in accordance with an order of that court, to withdraw notice of the appeal; also instructing him to have the petitioners discharged from custody at once, and stating that this department has requested the Secretary of the Interior to arrange, by wire, to have the petitioners restored to their homes in the Navajo Reservation at government expense.

Respectfully,

LLOYD W. BOWERS,
Acting Attorney-General.

S. M. BROSIUS, Esq.,
Agent Indian Rights Association,
McGill Building, Washington, D. C.

BILLS INTRODUCED.

Bills were introduced, read the first time, and by unanimous consent the second time, and referred as follows:

By Mr. SMITH of Michigan:

A bill (S. 2787) to discontinue suit in United States court against James C. Eslow, surety; to the Committee on the Judiciary.

A bill (S. 2788) to remove the charge of desertion from the military record of William H. Smith; to the Committee on Military Affairs.

A bill (S. 2789) granting a pension to Catherine O'Keefe;

A bill (S. 2790) granting a pension to Emeline Fields;

A bill (S. 2791) granting an increase of pension to Gardner B. Clark;

A bill (S. 2792) granting an increase of pension to J. A. Stephenson;

A bill (S. 2793) granting an increase of pension to Charles H. Eding; and

A bill (S. 2794) granting a pension to Katherine Van Strate (with accompanying papers); to the Committee on Pensions.

By Mr. TALIAFERRO:

A bill (S. 2795) granting an increase of pension to Nicholas Graddick (with accompanying papers); to the Committee on Pensions.

By Mr. BOURNE:

A bill (S. 2796) granting an increase of pension to Joseph Thomas (with accompanying papers); to the Committee on Pensions.

By Mr. GUGGENHEIM:

A bill (S. 2797) granting an increase of pension to Josephine S. Jones (with accompanying papers); to the Committee on Pensions.

By Mr. SMITH of Michigan:

A bill (S. 2798) granting an increase of pension to Jesse Gray; to the Committee on Pensions.

AMENDMENTS TO THE TARIFF BILL.

Mr. BURTON submitted an amendment intended to be proposed by him to the bill (H. R. 1438) to provide revenue, equalize duties, and encourage the industries of the United States,

and for other purposes, which was ordered to lie on the table and be printed.

Mr. DICK submitted an amendment intended to be proposed by him to the bill (H. R. 1438) to provide revenue, equalize duties, and encourage the industries of the United States, and for other purposes, which was ordered to lie on the table and be printed.

THE TARIFF.

The VICE-PRESIDENT. The morning business is closed, and the first bill on the calendar will be proceeded with.

The Senate, as in Committee of the Whole, resumed the consideration of the bill (H. R. 1438) to provide revenue, equalize duties, and encourage the industries of the United States, and for other purposes.

Mr. BEVERIDGE. Mr. President, I suggest the absence of a quorum.

The VICE-PRESIDENT. The Secretary will call the roll.

The Secretary called the roll, and the following Senators answered to their names:

Aldrich	Chamberlain	Frye	Page
Bacon	Clark, Wyo.	Gallinger	Perkins
Bailey	Crane	Heyburn	Piles
Beveridge	Cullom	Hughes	Scott
Borah	Cummins	Johnson, N. Dak.	Shively
Brandegee	Curtis	Johnston, Ala.	Simmons
Briggs	Daniel	Jones	Smith, Mich.
Bristow	Davis	Kean	Smith, S. C.
Brown	Dick	Lodge	Smoot
Burkett	Dillingham	McCumber	Sutherland
Burnham	Dixon	Nixon	Taliaferro
Burrows	Fletcher	Oliver	Taylor
Burton	Flint	Overman	Tillman
Carter	Foster	Owen	Warner

The VICE-PRESIDENT. Fifty-six Senators have answered to their names. A quorum of the Senate is present.

Mr. OWEN. Mr. President, I want to ask permission to place upon the record a statement.

The Senator from Arkansas [Mr. DAVIS] was detained from the Senate by the death of his wife, and not being able to return because of the demands made at home, he requested that during his absence he be paired in favor of free lumber, free wood pulp, free hides, free iron ore, and generally for free raw materials. It not being customary to make this announcement as the votes were taken from time to time, I failed to make any announcement of the matter, although he desired to have it done. I merely wish to have it placed on record so that his position in the matter might not be misunderstood.

Mr. BROWN. Mr. President, I ask unanimous consent for the present consideration of the joint resolution reported from the Committee on Finance yesterday, proposing an amendment to the Constitution of the United States which shall authorize the levying of a tax on incomes.

Mr. ALDRICH. I am quite willing to have that done, provided it can be agreed upon that there shall be no debate.

Mr. BEVERIDGE. Mr. President, I wish to make a parliamentary inquiry.

The VICE-PRESIDENT. The Senator from Indiana rises to a parliamentary inquiry.

Mr. BEVERIDGE. Unanimous consent having been given, can that unanimous consent be displaced by a subsequent unanimous consent? I think that question has been raised four or five times in the Senate.

The VICE-PRESIDENT. The Chair would suppose that it could, of course.

Mr. BEVERIDGE. I should like to know the opinion of the Senator from Maine and the Senator from New Hampshire about that matter. The question has been discussed here four or five times as to whether or not a unanimous consent having been entered into subsequently it could be destroyed or modified by a unanimous consent.

The VICE-PRESIDENT. The Chair would think that the Senate could take any action it desired at any time by unanimous consent.

Mr. BAILEY. Mr. President, I do not concur in the view that a unanimous consent once granted can be set aside. I do not think the Senator from Nebraska would ask that, or any other Senator. I think when a Senator gets unanimous consent he can at least be sure that that will not be set aside. That is one of the things which I think the Senate could not do. But it is at the most an understanding, and that understanding one Senator might say would interfere with a unanimous consent or violate its spirit at least; another might not. But in view of the fact that the Senator from Nebraska always voted not to settle this income-tax question until these schedules were finished, he will have to take his own course. I object.

The VICE-PRESIDENT. Objection is made.

Mr. BROWN. I have no desire to press it. I simply wanted to give the Senate an opportunity, if it was willing at this time, to get the Constitution out of the question for future days at least. It seemed to me that the friends of an income-tax law, and its enemies as well, could find no objection to remitting to the States an opportunity to give Congress the undoubted power to pass a law that would be valid after it was passed. But it need not be considered now. I do not press it.

Mr. BAILEY. Of course quite a number of us here think that is not necessary, and yet would not object to doing an unnecessary thing, provided we were sure it was not a hurtful thing. At any rate, I think the entire question ought to be considered together. I should myself prefer to pass an income-tax bill or amendment, and then if any Senator doubted the constitutionality of it, I would relieve his doubts by passing the amendment proposed by the Senator from Nebraska or any other suitable amendment. But I hardly think we ought to discuss that until we find what we are going to do about the other. I hope the Senator will let the matter go until then.

Mr. BEVERIDGE. Upon the general parliamentary question which I addressed to the Chair, I think it has been the practice in the Senate always where a unanimous consent is entered upon that it could not afterwards be destroyed by a subsequent unanimous consent, the reason being the very fact that there might be different people there; that the men who had agreed to the unanimous consent in the first place, and relying upon it, might be away in committee rooms and at work, or elsewhere, and there would be a unanimous consent obtained later which would destroy that one, and to any Members of the Senate who believed that the original unanimous consent was operative and relied upon that unanimous consent an injustice would be done. I think that has been practically the practice in the Senate.

Mr. CULLOM. I call for the regular order.

Mr. BEVERIDGE. I merely take a moment now to call attention to it, because, as a matter of fact, it is a parliamentary question which we ought to have the Chair to rule upon.

The VICE-PRESIDENT. The Chair understood that it was practically a moot question, and therefore simply announced his impression without making a distinct ruling.

Mr. BEVERIDGE. Unanimous consent, of course, being something for the Senate itself to determine after it has so agreed, there ought not to be any wrong impression about the unanimous consent. Of course, a unanimous consent is not binding as a parliamentary proposition at all. Any Senator who sees fit to do so can at any time violate a matter of unanimous consent. It is a matter of his own conscience. But the rule of the Senate has been that when a unanimous consent has been entered into it can not subsequently be modified or destroyed by a unanimous consent.

Mr. CULLOM. I call for the regular order.

Mr. TILLMAN. Mr. President, agreeing in the main——

Mr. ALDRICH. Will the Senator yield to me for a moment?

Mr. TILLMAN. I just wanted to discuss the proposition in one sentence. I am not a parliamentarian, but I have great faith in common sense. While I agree with the contention of the Senator from Indiana as to there being a possible absence of men who agreed to a unanimous consent once, whose rights would be invaded if it was afterwards changed, the Senator himself will not deny that the entire Senate can always change a unanimous consent. In other words, whenever a man who was present at the preceding session when a unanimous consent was given is there and the roll shows that every Senator is in his place, it is utterly absurd to say that the Senate can not change the unanimous consent.

Mr. BEVERIDGE. It is more absurd in appearance than in reality. A sufficient answer to that is what I believe has been the unbroken practice of the Senate. Otherwise a unanimous consent, which has no legislative binding at all, but only a binding upon the honorable understanding of Senators, might be made absolutely worthless.

Mr. TILLMAN. In that case the Senate would be binding itself to something it could not undo. It would be like a law of the Medes and Persians.

Mr. BEVERIDGE. Of course, as I said two or three times, any Senator can violate a unanimous consent from a parliamentary point of view.

Mr. TILLMAN. But only the whole Senate can change a unanimous consent.

Mr. BEVERIDGE. It is binding in honor only as an understanding among Senators; but once entered into, as a matter of fact no Senator ever violates it, and as a matter of practice it never has been violated.

Mr. TILLMAN. Unless the whole Senate were present at the time.

Mr. BEVERIDGE. Not even then.

Mr. CULLOM. I call for the regular order.

Mr. ALDRICH. The amendment of the Senator from South Carolina [Mr. TILLMAN] is before the Senate. I desire to give notice that when that amendment is disposed of I shall move to lay any other amendment upon the table with reference to the schedules of the dutiable list or the free list, believing that we have arrived at a point where it is necessary to close that part of the bill.

Mr. JONES. Mr. President——

Mr. ALDRICH. In just a moment. Of course any Senator can offer an amendment to the bill when it may reach the Senate, but it is necessary to bring the matter in Committee of the Whole to a conclusion. Therefore, in behalf of the committee, I will move to lay on the table any amendment which may be offered to the schedules after the amendment of the Senator from South Carolina is disposed of.

Mr. JONES. I desire to suggest to the chairman of the committee that I have an amendment pending with reference to the arsenic proposition.

Mr. ALDRICH. No Senator will lose any rights whatever. As I have suggested already, the Senate expects to proceed with the consideration of the income-tax amendment, and I think, in justice to all, I must insist upon the rule which I have suggested. The Senator from Washington will have a full right in the Senate. Of course he can test the sense of the Senate in regard to laying on the table.

Mr. JONES. I understand that, Mr. President, and I think it would take only just about as much time now as it would afterwards. When I brought up the amendment in the Senate I asked that it might go over, and that was done, and yesterday in my absence——

Mr. ALDRICH. The paragraph was reached on yesterday. I am not sure whether the Senator was present or not.

Mr. JONES. It was during my absence. I was absent for a while yesterday. I have no particular objection to bringing up the matter in the Senate.

Mr. ALDRICH. I will say to the Senator from Washington, I think the best thing to do, as we have to come to an end of this at some time——

Mr. JONES. I am willing to accommodate myself to the action of the chairman of the committee in the matter.

Mr. OWEN. Mr. President, I wish to enter a protest against the action of the chairman of the committee in refusing to have considered in Committee of the Whole any further amendments. I have waited with great patience until the committee amendments were disposed of, having an amendment to the schedules which I regard as of great importance, and which I shall submit at the first opportunity.

I think the Committee of the Whole should consider the amendment, and therefore I think it proper to enter a protest against the proposed action of the committee in announcing in advance that it will not agree that the Committee of the Whole shall consider an amendment which is offered by a Senator to the schedules.

Mr. ALDRICH. I hope the Senator from Oklahoma did not understand the statement in that way. Of course I can not control the action of Senators in offering amendments or in discussing them. I simply said that as far as the committee was concerned they consider the schedules on the dutiable and the free list closed for the Committee of the Whole, and I shall in their behalf move to lay any amendment on the table which may be offered.

Mr. OWEN. I do not at all underestimate the announcement of the Senator from Rhode Island. He announces the action of the Senate substantially, because it is the practice of the Senate to respond to the desire and will of the Committee on Finance, and, in effect, the announcement is that the Committee of the Whole will not pass upon an amendment, no matter how important, but that the chairman will move to lay it on the table. Immediately after the disposition of the amendment offered by the Senator from South Carolina I shall offer a series of amendments to the schedules.

Mr. BEVERIDGE. Mr. President, in view of the announcement of the Senator from Rhode Island that the committee will consider the schedules closed after the vote is taken on the amendment of the Senator from South Carolina, I wish to suggest to the committee whether it would not be advisable and necessary at this time, at the conclusion of the schedules, to have the following things done for the use of the Senate—that is to say, have a print made of the various sections of the present law first; of the House bill second; of the bill reported by the Senate committee third; and of the bill as now amended, in parallel columns, from which it can be seen at a glance what the changed language is.

Second, that this volume of Estimated Revenues shall have added to it in italics a very simple thing, the changes that now have been made in the rates, so that we may see at a glance what they are.

And third, that the increases which have been made and the decreases which have been made since the bill was reported to the Senate shall be printed, so that they may be seen at a glance, each of the documents to be separate documents.

I suggest the printing of that to the chairman of the Finance Committee for the use of the Senate. Of course, there is no hurry about it, but now as we are about to close the schedules and enter into a discussion which may be either brief or protracted, it will not be a hardship upon anybody and will be a great convenience to Senators.

Mr. ALDRICH. I suggest to the Senator from Indiana that he put his proposition in writing, because it will be impossible——

Mr. BEVERIDGE. Very well; I will put it in writing, and hand it to the chairman of the Committee on Finance. I am sure it will meet with his approval, as I am sure it meets with the approval and desires of a great majority of Senators. I venture to express the hope that during the discussion which we are now about to enter upon, a new and important piece of legislation, the country will not in the meantime have its attention too greatly diverted from the schedules.

The VICE-PRESIDENT. The question is on agreeing to the amendment offered by the Senator from South Carolina [Mr. TILLMAN].

Mr. McLAURIN. I should like to have the amendment read.

The VICE-PRESIDENT. The Secretary will read the amendment.

The SECRETARY. Insert as a new paragraph the following:

258½. Tea, 10 cents per pound.

Mr. TILLMAN. Mr. President, yesterday afternoon, when I attempted to discuss this amendment, the Senate Chamber was so insufferably hot that before I completed my remarks entirely it was suggested that it would be better to postpone a vote and let us adjourn, which was very agreeable to me, because I felt that it was possibly dangerous to remain longer in this muggy and overheated atmosphere. I do not propose to make any speech this morning, but I want to briefly recapitulate or sum up the points which were made and the statement of the facts. We are discussing a bill which has for its purpose, and its title is, "To provide revenue, equalize duties, and encourage the industries of the United States, and for other purposes."

This amendment will add to the revenues of the Government between nine and ten million dollars. It is levied on an article of luxury, in a way, because tea is not a drink of the poor in this country, but is largely confined to the better classes, or more comfortably situated and more prosperous people, and it is not very largely consumed, anyway. The per capita consumption of tea in England is about 6 pounds; in America it is only one-half or a little over. Therefore we could get the $9,000,000 without burdening anybody especially, and least of all those who are least able to bear it.

I have the evidence, and when I say evidence I mean evidence that would be admitted in court, that would have weight with juries, the statements, sworn to, of reputable witnesses, or the extracts and quotations from the actual documents of the trade, showing the prices of tea. One remarkable thing about it is that those who ought to know and whose word I take tell me that this additional tax will not increase the price one cent. It is entirely contrary to all my ideas in regard to a tariff, because it is axiomatic with me that the consumer pays the tax; but tea seems to be the one exception, and the proof is that when the tax was laid on at the time we were increasing our revenues on account of the Spanish war the retail price of tea did not go up, and when the tax was removed in 1901 the retail price of tea did not go down. The duty was 10 cents a pound from 1898 to 1901.

It would therefore seem to be a fact that this will not be a burden to anyone. Secondly, it is shown by the evidence that the only change which would come into the tea situation would be that we would get a better article of tea, with less trash and dirt, at the same rates.

To those of my friends on this side who are sticklers for the doctrine of a tariff for revenue only, or a tariff for revenue—I believe we have about agreed among ourselves that "only" has no business in there and never ought to have been put there, and does not really embody the Democratic position either of the past, prior to Mr. Cleveland's administration, or since Mr. Cleveland was discredited as a Democratic leader—but to my friends on this side who want to levy a tariff for revenue, with the purpose of revenue only, here is a typical tariff schedule,

because it gives $9,000,000 of revenue, we will say, and the beneficiaries, the incidental or accidental beneficiaries, would get protection. The production of tea, for instance, in the South is 12,000 pounds, we will say, and we get $9,000,000 revenue with $1,200 protection. There may be some stiff-backed Democrat over here who can not agree to that much protection, but I hope not. I ought therefore to get every vote among Democrats for this proposition.

Now, turning to the other side, there is here a protective idea which embodies a long-continued, persistent policy of the Republicans in this country to throw around any production of this country a tariff tax with the purpose of protecting that article of production, with a view to increasing its quantity and saving to the American people the money which we would send abroad to buy tea.

Mr. SCOTT. Mr. President——

The VICE-PRESIDENT. Does the Senator from South Carolina yield to the Senator from West Virginia?

Mr. TILLMAN. With pleasure.

Mr. SCOTT. I wish to ask the Senator from South Carolina if he really thinks if we put this duty of 10 cents a pound on tea, it will encourage the growing of tea in the United States to any susceptible extent? Is it a kind of industry that we can build up by putting a duty on tea, in the opinion of the Senator from South Carolina?

Mr. TILLMAN. Mr. President, I want to say on my word of honor as a man that from my investigation we have in the South, and especially in South Carolina, the possibility of not only supplying all the tea which we need in America, but of becoming an exporter of tea.

Mr. DIXON. Mr. President——

The VICE-PRESIDENT. Does the Senator from South Carolina yield to the Senator from Montana?

Mr. TILLMAN. With pleasure.

Mr. DIXON. I have been very much interested in the Senator's exposition of the possibility of growing tea in the United States, and I am convinced that if some practical, sensible plan can be devised South Carolina, Florida, and other Southern States will produce all our tea without any question. The sample which the Senator kindly gave me a few days ago I gave to my wife and she says it is equal to the best English breakfast tea.

While I am a pretty good protectionist, I want to say this would be going pretty far. Why does not the Senator accept the suggestion and take a 10 cents per pound bounty for ten years? I think it would accomplish the same result as putting us in the attitude of protecting only a 10,000-pound industry. I think 10 cents a pound paid as a bounty from the Federal Treasury for ten years would develop your tea industry to an extent that would practically supply the United States. As a practical man asking for practical results, why should not the Senator change his amendment to a bounty? I believe the Senate would vote it, and I believe he would render a great service to his State and to his country.

Mr. TILLMAN. Mr. President, the idea of taxing the people to get money into the Treasury for the purpose of paying it out to some person as a bounty to encourage that person to engage in a certain calling or industry is obnoxious to every principal of Democracy or genuine Republicanism that I have ever heard of. It is taking something for nothing. It is taking from one man and giving to another. It is bad enough to levy a tariff duty for the sole purpose of protecting some industry. It is infamous to levy a tariff duty or any other duty to get money to pay as a bonus to some one.

Mr. DIXON. And if the Senator will pardon me, he does not object to Congress levying this tariff duty?

Mr. TILLMAN. Not at all; I plead for it. You gentlemen on the other side who clamor in season and out of season for the protection of American industries should help to give me this duty.

Mr. DIXON. The Senator will take a little of the infamous conduct——

Mr. TILLMAN. There is no infamy about it, because it is a tariff that is going to bring $9,000,000 revenue with twelve hundred dollars' protection. If it shall grow to be a great industry, it will flourish in South Carolina, Louisiana, and Texas, I believe, because it seems to be the fact that wherever cotton will grow there tea will grow, the only difference being that the farther edge of the cotton belt, where it is too dry to make tea, will still make very good cotton. It will not make tea, because tea is the product of the leaves of the plant which are plucked and dried, and you must have rain to get leaves. You can get a crop of cotton even with the leaves all shriveled up and, apparently, the plant half dead, but you can not get tea that way.

I do not want the Senator to endeavor to tempt me to depart from the straight path of rectitude and inveigle me into the Republican programme or scheme under the plea of a bonus. If you were to offer me a dollar a pound bonus on this business, I would not vote for it. I am not here seeking for any selfish interest for South Carolina. I hardly know this man Shepard, but I know that all along the coast of South Carolina, where this tea farm exists and where successful cultivation has been demonstrated beyond all possibility of dispute, there is a very large area of the same land adapted to tea culture, and it only awaits the hand of capital to use the labor already there, because the negroes outnumber us—they are practically six and eight and ten to one. It will give employment to these people and bring into the South a new industry which will aid us to recover our fortunes, which were so nearly completely destroyed by the war. I say if this tea would grow as well in Montana as it does in South Carolina, you would have a tariff on tea, and you would have one as soon as you found that you could grow it there.

Mr. SMITH of Michigan. Mr. President——

The VICE-PRESIDENT. Does the Senator from South Carolina yield to the Senator from Michigan?

Mr. TILLMAN. With pleasure.

Mr. SMITH of Michigan. Can the Senator from South Carolina tell us where the market for this domestic tea is at the present time? Is it confined to South Carolina?

Mr. TILLMAN. My impression is that the small quantity produced does not enable Doctor Shepard to enter into competition with the imported tea; but it has been bruited around in one direction and another that there is native tea produced down there of very superior quality, and it is known to men like our distinguished colleague from Idaho [Mr. HEYBURN], who told me yesterday evening that he had been using this tea for six years and had become a kind of habitué of it. He does not want any other, because it is the best in the country.

Mr. SMITH of Michigan. The point I desire to make is this: On examining the statistics, I find that the production of tea has increased from year to year since 1891.

Mr. TILLMAN. Down there?

Mr. SMITH of Michigan. Down there.

Mr. TILLMAN. It is just this one man, who, having found that it was sufficiently productive and remunerative, gradually increased his garden. He has established a means of obtaining negroes who are intelligent by negro schools. He furnishes the teacher and invites negro children of the surrounding neighborhood to come to school. He teaches them all winter, when the tea is not growing, and then he gives them employment in the summer to go into this tea garden to pluck the leaves, and they make a little pittance of 15, 20, or 30 cents a day. They are little tots of 6, 8, and 10 years old, too young and small to go into the cotton field.

Mr. SMITH of Michigan. Mr. President, I understood the Senator from South Carolina to say that they get a higher price for this American tea than is paid for imported tea.

Mr. TILLMAN. Certainly. I presume the consumer pays a very high price for his imported tea, but the retail dealer, who buys from the importer, would not touch Shepard's tea because he could not make as much profit on it as on the other tea. It was shown in the evidence which I produced yesterday evening that no tea is retailed in America for less than 40 cents a pound. The average price to the retailer is about 15 cents a pound. From 250 to 500 per cent is made on every pound of tea which is sold to the American consumer.

Mr. SMITH of Michigan. One more question, if the Senator will permit me. I understood him to say that when we imposed a tax upon tea, it did not add to the cost of the tea?

Mr. TILLMAN. To the consumer.

Mr. SMITH of Michigan. To the consumer?

Mr. TILLMAN. Not a cent; but that tariff or tax was paid by the exporter or the importer.

Mr. SMITH of Michigan. It is paid by the man who grows the tea in Japan and in China and by the importer here. The retailer simply keeps the same old price per pound, and he pays the Government the tariff, whereas the Japanese producer or the Chinese producer has to reduce his price or lose some of his profit.

Mr. TILLMAN. I find, on examining these reports, that a reputable body have decided that they will obligate themselves to this Government that, in the event of a tariff of 10 cents a pound being put upon tea, its price will not be increased to the consumer in this country.

Mr. SMITH of Michigan. Yes; I understand there is such a body.

Mr. TILLMAN. And they will agree to furnish that tea without additional cost.

Mr. SMITH of Michigan. And furnish a bond of good faith and responsibility.

Mr. TILLMAN. Here is the proposition right in this paper I hold in my hand.

Mr. SMITH of Michigan. Mr. President, I can not conceive of a better case than that made by the Senator from South Carolina. It is strictly within every rule of protection. If we can absolve our people from the necessity of sending abroad millions of dollars to pay for foreign tea, and can retain that money in the circulating medium of our country for the benefit of our own people, I do not understand why we should not be willing to do it.

Mr. HEYBURN. Mr. President——

The VICE-PRESIDENT. Does the Senator from South Carolina yield to the Senator from Idaho?

Mr. TILLMAN. With pleasure.

Mr. HEYBURN. Mr. President, I want to add, with the permission of the Senator from South Carolina, a little information to that which I gave last night. I have since inquired further. The men who started upon the enterprise of enlarging this production of tea in South Carolina during the time the duty was on, only suspended it because of the taking off of the duty. They stand ready—and they are people of great responsibility—to pick up the enterprise, which represents an investment already made of between $75,000 and $100,000. Not only do they stand ready, but there are a good many people, to whose attention they have called this matter, who stand ready to take hold of the tea industry in South Carolina and entirely through that belt—for they have examined it and are capable of knowing—just as soon as there is the protection they need against China and the filthy article of tea that comes to this country, against which they do not desire to compete. The leaves of tea that you will find in the cans from South Carolina are so clean, distinct, and individual as compared with the musty, broken, crushed leaves of tea from China, even of the best brands, that even to the uninitiated there is no difficulty whatever in determining the superior value of that tea. I propose, so far as I am concerned, to vote for a duty on tea.

Mr. BRANDEGEE. Mr. President——

The VICE-PRESIDENT. Does the Senator from South Carolina yield to the Senator from Connecticut?

Mr. TILLMAN. I do.

Mr. BRANDEGEE. I want to ask the Senator to what extent the present tea production in this country is unprofitable?

Mr. TILLMAN. Mr. President, the only producer of tea in a commercial way is this one man, Doctor Shepard, and it is not unprofitable to him because of the particular conditions under which he is growing it. It has become noised abroad, as I stated, that there is a very superior article of domestic tea, a small quantity of it down there, which people buy direct from Doctor Shepard or from one or two of his agents in the large cities.

I do not know how many places he has where he deposits this tea to be sold, but I dare say he gets 50 cents a pound for every pound of tea he grows. Therefore it is profitable to Doctor Shepard; but I am told that the actual cost of preparing the land, getting the seed, growing the plants, putting them out, and waiting for them to mature so that they will yield a crop—counting all that as investment, then adding the interest on it, the labor, the picking, the curing, and everything, he puts the cost at 21 cents. You can buy millions of pounds of tea not so good, but which will answer, for 15 cents. Therefore he is out of business, whereas, if you give him 10 cents protection, he would have that additional benefit from the tariff and could compete, and ultimately others would enter the business because they would see a good investment in it.

Mr. BRANDEGEE. I wanted to ascertain whether Doctor Shepard, or his company, or whatever it is——

Mr. TILLMAN. It is no company, it is an individual man. He is an enthusiast, one of those men who has spent his own money right along, who has traveled all over the East, who has studied the tea question, invented machines of his own contrivance, and substituted machinery for hand labor. I have been to his establishment, and know what I am talking about.

Mr. BRANDEGEE. As it stands, and as he conducts his business now, I want to know whether Doctor Shepard is making a profit or losing money on account of tea?

Mr. TILLMAN. I do not think he is losing money, but he is simply acting as a pioneer to demonstrate the feasibility and possibility and profit, under certain conditions, of the tea industry. When you consider that, beginning in North Carolina and running clear around through to the Texas border, or even beyond, there is a belt of country where, on account of climatic conditions and rainfall, the tea plant grows without the slightest trouble, you can see the vast possibilities of tea culture, if it is given a living show.

Mr. BRANDEGEE. Has the Senator from South Carolina any idea, or has he made any investigation with a view of ascertaining, if this duty of 10 cents a pound should be imposed, how long it would probably be before this country would be producing, say, 50 per cent of the tea used by the people of the United States?

Mr. TILLMAN. Well, Mr. President, I could not pretend even to guess, because I do not know how soon capital would take to this new branch of industry. This one thing is certain about tea: It is absolutely sure of a crop, because there are bound to grow leaves in the spring, and there will be other leaves according to the rainfall. Under the conditions at Summerville they pick their tea bushes about 20 times during a season. They have to wait until the new growth has begun, for they do not pick the fully matured leaves. They pick the little tender buds and the half-grown leaves, and cure them by certain processes.

Mr. SMITH of Michigan. Mr. President——

The PRESIDING OFFICER (Mr. CARTER in the chair). Does the Senator from South Carolina yield to the Senator from Michigan?

Mr. TILLMAN. I do.

Mr. SMITH of Michigan. Mr. President, I have often heard this propaganda of free tea in the interest of the consumer, and it may be interesting to the Senate to know the source from which some of that agitation springs. If the Senator from South Carolina will permit me to read a line or two——

Mr. TILLMAN. I will.

Mr. SMITH of Michigan. I want the Senate to understand it. Whenever we agitate the question of a duty upon tea as an encouragement to domestic production, the exporters and their agents here raise a merry war. The Yokohama (Japan) Times said some time ago when the movement was on to repeal the tea duty that—

> The Central Japanese Tea Guild has applied to the authorities for the grant of an additional subsidy. The corporation spent such large sums of money in Washington in connection with the agitation in the United States for the abolition of taxation on tea in the United States that there occurred last year a deficit to the extent of many thousand yen in the finances of the guild. The agitation has to be continued this year, and there will be a great necessity for getting an ample supply of money for the purpose; hence the application.
>
> Japan and her dependency, the island of Formosa, exports over one-half the tea consumed in the United States and admittedly Japan interests will pay one-half of any duty imposed. It is not to be wondered that they have been active in securing so-called "consumers' protests" and in spending "large sums of money in Washington in connection with agitation for the abolition of taxation on tea."
>
> Public circulars issued by American export houses in Japan show that in 1903 (immediately after repeal of the 10-cent Spanish war revenue) the per picul price of Japan tea advanced 10 to 12 yen, equivalent to 5 to 6 cents gold, per pound.

Here is a copy of the recommendation that is made to the importer by the tea producers of the Orient:

> *To dealers:*
>
> Please have petitions [against tea tax] signed by as many voters as possible, especially those interested in politics, for we hardly think you are anxious to pay the Government a tax on every pound of tea you sell. Send in at once your membership fee of $25.

I say that this propaganda against the imposition of a duty on tea is a fraud. The consumers have never been obliged to pay this duty. The price of tea has never increased under an import duty or decreased when the duty was taken off. Tea is an article of necessity among our people; and it is perfectly idle for the American people, when they have such abundant fields for its production in the South, to be dependent upon a foreign country for a great article of necessity like this.

Mr. President, I know that it may be unpopular to vote for a duty on tea; that the exporters in Japan may make it appear that we are voting an additional burden upon the breakfast table of the American citizen; but I would rather take whatever responsibility comes with our vote and put a duty upon an article that may be easily produced here, enabling us to supply the American necessity, than to passively submit to the reasoning advocated in the Yokohama Times.

I am not, like the Senator from South Carolina, afraid of a bounty. I am perfectly willing to vote for a bounty. We once voted for a bounty on sugar; and I would cheerfully vote for a bounty on tea, if its production can not be otherwise encouraged by Congress. The flimsy excuse that we have no territory that can be successfully devoted to tea culture should not be urged in view of our achievements in South Carolina. For one, I declare myself in favor of ridding the American

people of the necessity of depending upon a foreign country for the supply of any article of necessity which our people need and can produce.

Mr. TILLMAN. Mr. President, the Senator from Michigan is very eloquent and forceful, as he always is; and, of course, he and his fellows will follow whatever course they see proper, either to vote for the tariff and afford relief to the Treasury by giving us the additional revenue, or, if that does not suit him, and if Senators on the other side want to vote a bounty on tea—as they did once on Louisiana sugar about twenty years ago, and very nearly captured that State—they are welcome to do so or to follow whatever course their judgment dictates. I do not know whether——

Mr. SMITH of Michigan. I have no hope of capturing South Carolina, Mr. President.

Mr. TILLMAN. I do not know what might happen. There is a very large contingent of our people down there who are engaged in cotton manufacturing who are squinting toward protection; there is another considerable element, some of whom are from Michigan, who have bought up our timber lands, and they have been very solicitous about the lumber duties; but so long as the Republican party maintains its attitude toward the negro, I think South Carolina will likely go Democratic. I do not bring that in here as a bone of contention to be discussed, but merely as a statement of a fact. Senators now have the facts before them; and, realizing just what the situation is, will vote as they see fit.

Mr. CARTER. Mr. President, intending, as I do, to support the amendment of the Senator from South Carolina [Mr. TILLMAN], I elect to consume a few moments in stating the reasons why I intend to cast that vote.

First, it is a genuine pleasure to welcome the Senator from South Carolina into ways which are right politically and right economically. He, too, gives additional evidence of the approach of that day when the great western country and the southern country will unite in supporting the protective tariff, which is destined to result in the erection of factories and centers of industrial activity all over the great region south of the Ohio and Potomac and west of the Mississippi.

Much has been done in this direction heretofore, but more will be done hereafter; and I am much gratified to observe that the Senators from the South have given evidence of their capacity to appreciate the beneficial effect of that policy, notwithstanding the ancient prejudice which has existed against it.

To my mind, as a protectionist, no amendment has been presented in the course of this tariff discussion more meritorious or desirable than the amendment presented by the Senator from South Carolina. Many years ago not an orange was produced in the United States; and grape fruit, now an article of commerce of very great value and a joy and luxury on every table where it can be delivered, was not known. The United States gave a bounty in lands within the State of Florida to encourage the growth of tropical fruits in that portion of the country. An enthusiast, who had been in the consular service in Central America, secured the passage of that law, or was instrumental in presenting the facts which induced its passage. He died without realizing the dreams which he had dreamed; and yet that old land grant, which gave a bounty in land to induce the planting of tropical fruits in the Gulf States, particularly in Florida, finally led to the immense output of tropical fruits now grown within the limits of the United States—in California, the Gulf States, and Florida in particular.

Not long ago different States of the Union gave a bounty on sugar beets. The States which provided that bounty were regarded at the time as engaged in a vicious practice, and many believed they were indulging in an Utopian dream; but in due time the bounty on sugar, and subsequently the duty which encouraged the growth of sugar beets, resulted in opening up the way for the production by the people of the United States in their own fields of the great volume of the sugar required for home consumption.

I remember not many years ago, when the McKinley bill was passed, it was believed that the tin-plate duty would never produce any beneficial result. At the time we levied a duty on tin plate we were producing little or none of that article; and I think we lost a general election upon the claim that we were putting a duty upon tin plate, without any prospect whatever of building up an American industry or benefiting any American citizen; but we have lived to see the time—and within a few years—when no one questions the wisdom of the Committee on Ways and Means and of the Congress in imposing that duty.

Mr. President, the Senator from South Carolina brings to us assurance, based upon his personal observation, that tea culture is unquestionably successfully conducted in South Carolina. The area upon which tea may be successfully grown in our Southern States has not been determined; but, unquestionably, if the culture of tea can be successfully conducted in South Carolina, it can be successfully conducted in the States to the west in the same latitude, and having the same soil and climate.

It is true that this 10 cents per pound duty on tea might be avoided by paying a bounty; but, Mr. President, there is no more justification for departing from Republican principles and paying a bounty in this case than there was in the case of tin plate. We avoided paying a bounty on the growth of sugar beets; and I am glad we resorted to the duty on the importations of sugar instead, because it resulted in benefit to the Treasury in way of revenue, and at the same time encouraged the citizen to expand the business.

I agree fully with the Senator from Michigan [Mr. SMITH] that this country ought to be self-sustaining, in so far as the necessaries of life are concerned, to the extent of its fair productive capacity. I would see the American people clothed with cotton and wool grown in the fields and on the backs of sheep owned by the American people, and pastured within the realm. I would see all the sugar our people need produced in the beet and cane fields of the United States. I would see all the flour and meat and every necessary of life of American production. There is more in that than sentiment, because in the contingency of war or strife or international difficulty that nation is in the strongest imaginable position which can, with the least possible inconvenience, sustain itself indefinitely within its own boundaries.

Our friends across the water, the great British Empire, the majestic power that has dominated this earth for a long time, is compelled to keep a channel fleet moving continuously about the islands, and ever in such a state of preparedness as to resist attack at any time. Why? Because if the food supplies were cut off from the islands for ninety days, every living thing upon the islands would be dead. Hence the necessity of *Dreadnoughts;* hence the necessity of masterful naval power; for, in the absence of this power of defense, humiliating conditions would follow in the event of aggressive warfare on the part of any other nation.

We are so situated geographically, cushioned by a great ocean on the west and another on the east, with friendly States north and south, with a variety of climate and soil, enabling us to produce everything that is necessary for the support and comfort of life in this country that, it seems to me, enlightened public policy requires that we should at all times direct our legislation in such course as will encourage the development of the commercial and industrial independence of the people of the United States. I would have this country so thoroughly capable of producing the necessaries and the comforts of life that, if the whole of our naval armament were swept from the sea and imports were kept away from our harbors and our ports, we could still live indefinitely, and live in comfort, notwithstanding our relations had been severed with all the markets of the outside world.

I would rather have that position of preparedness than to have a thousand battle ships floating the sea; because the one condition leads to perpetual peace and repose and the development of a high order of civilization, while the other leads to eternal expense, suspicion, strife, and groaning taxpayers, laboring under burdens that they ought not in this twentieth century to be compelled to bear.

Mr. President, believing that the people of South Carolina and of the other Southern States can develop this tea industry, having climate and soil suitable, as has been demonstrated by experience, the question is why not extend the strong arm of the Government out to them that they may have a fair market opportunity for that which they produce?

I agree with the Senator from South Carolina that the price of tea will not be raised to the consumer one farthing in extent, because a like tax did not raise the price to the consumer heretofore. That which has been, presumably will be true in the future. But it would naturally be argued, How can it benefit the South Carolina tea raiser if it does not increase the price of tea? It would, perchance, increase the price charged by the wholesaler and importer, but the distributing agencies have attached unconscionable additions that can not in decency be increased. Mr. President, the price of tea has run so high and the quality of tea has gone so low in this country that we consume less tea per capita than any people in the world, I believe. Our consumption amounts to about 1 pound per capita, as against about 6 pounds per capita in England. In England they levy a duty of from 11 to 12 cents a pound on tea, and the people buy the tea cheaper in the retail markets than they buy it here. The effect of the duty would, in my humble judgment, operate to exclude all the refuse trash of the tea markets of the world, which is shipped in here and called "tea." It is a

fact, often asserted and, I believe, pretty generally conceded, that this country is a dumping ground for all the discarded offal of the tea markets of Christendom. There is no duty——

Mr. TILLMAN. And heathendom.

Mr. CARTER. Of both heathendom and Christendom. We will have to include heathendom. The offscourings of the market, the low-grade trash, the partially spoiled crop, can not afford to pay its way into the English market, where it has to pay a duty of 11 or 12 cents a pound.

Mr. SMITH of Michigan. If the Senator will permit me, I will state that in the Russian market tea pays a duty of from 16 to 44 cents; in Austria and Hungary, 19½ cents; in Denmark, 8 cents; in Germany, 11 cents; in Italy, 22 cents; in Norway, 24 cents; in Spain, 13 cents; and in France, from 18 to 35 cents.

Mr. CARTER. I am obliged to the Senator for supplying the figures with reference to the duty imposed by the countries he has named. There being no relation between the rate and the market price of the tea, the duty being in each case specific, and the same amount upon a pound of high-grade tea as upon a pound of low-grade tea, it naturally follows that where the duty is the highest only the highest grade of tea is imported. That is so because you can get a high grade of tea in just as cheaply as you can a low grade; and the high grade when brought into the market will sell for more than the low grade.

Mr. TILLMAN. Mr. President——

The VICE-PRESIDENT. Does the Senator from Montana yield to the Senator from South Carolina?

Mr. CARTER. I do.

Mr. TILLMAN. Right along that line, I want to give the Senator some facts which were brought out last night in reference to relative prices. The identical tea which Sir Thomas Lipton sells in England at 42 cents is retailed to the American purchaser at 80 cents by Sir Thomas Lipton's stores. One grade of tea that is sold for 60 cents in the United States is sold in England for 26 cents. Another grade of our 60-cent tea is sold in England for 32½ cents; and a third grade of our 60-cent tea is sold in England for 40 cents. The highest priced tea sold in London brings 42 cents; and the very same grade sells here for from 80 cents to a dollar.

Mr. CARTER. Mr. President, I think it is clear from the history of the tea trade, the history of our tea duties, and the testimony of those best able to understand the facts from experience, that this country pays more for tea than any other tea-using country; and, moreover, that this country gets the poorest tea shipped into any market in the world. If it is possible for us not only to improve the quality of tea in the market, but likewise to encourage the production of tea at home, and that without the addition of a farthing to the cost to the consumer I think a long-continued debate on the question should not be considered necessary. Our friends on the other side of the Chamber may support this as a revenue tariff, or a tariff for revenue only. On this side I know that as an industry, the success of which in the United States has been demonstrated on a small scale, we, as protectionists, are called upon to discriminate in its favor in order to give the American market to the American tea grower, just as we gave the American market to the manufacturers of tin plate in the United States.

Mr. DILLINGHAM. Mr. President——

The VICE-PRESIDENT. Does the Senator from Montana yield to the Senator from Vermont?

Mr. CARTER. I do.

Mr. DILLINGHAM. Does the Senator know what revenue this tax of 10 cents a pound would produce?

Mr. CARTER. My information is, though I will not make the statement positively, that it would produce about $9,000,000.

Mr. SMITH of Michigan. About ten million.

Mr. CARTER. From nine to ten million dollars annually.

Mr. TILLMAN. Will the Senator repeat his question? I did not hear it.

Mr. DILLINGHAM. I was asking about what revenue could be expected from this tea duty.

Mr. TILLMAN. From nine to ten million dollars. We now import 90,000,000 pounds a year, and of course that would give us a revenue of $9,000,000. If we should increase the imports by reason of the better quality, of course the revenue would increase, too.

Mr. DILLINGHAM. I understood the Senator to be advocating the theory that this duty is justifiable on a revenue basis as well as on a protective basis, and I was wondering whether the same argument would not apply to a tax of 4 cents on coffee, and what the revenue would be from that source.

Mr. CARTER. As far as the revenue from coffee is concerned, I should say that coffee stands in the same class as tea, but we do not produce coffee in this country.

Mr. DILLINGHAM. No; I was only thinking of it from the standpoint of a revenue tariff.

Mr. CARTER. From the revenue point of view, undoubtedly, coffee would be one of the prime articles to consider.

Mr. DU PONT. Do we not produce coffee in Porto Rico and Hawaii, and even a little in the Philippine Islands?

Mr. CARTER. I understand that we produce some coffee in Hawaii and some in Porto Rico, but I think it is produced under labor conditions that are not dissimilar from those in other coffee-producing countries. I believe this mainland is the great theater in which the American standard of labor is to operate, and that whatsoever we can successfully grow in the States under our wage standard ought to be the subject of very keen solicitude on the part of Congress. I can see no argument to be invoked in favor of a duty on any tropical fruit, in favor of the support of any infant manufacturing industry, or in favor of a duty on sugar in the interest of the beet-sugar grower that can not, according to the admitted facts in the case, be applied to the application of the Senator from South Carolina, as represented in his pending amendment. I think we should support the amendment, and support it without any question.

Mr. HEYBURN. Mr. President, I shall detain the Senate but a minute. But inasmuch as the subject has widened somewhat in the scope of its consideration, it will be well to have in the RECORD full information regarding it.

I have turned to the official figures in regard to the importation of tea from 1898 to 1902, which are a necessary part of the consideration of this question, because of the inquiries that have been made as to price and consumption. In 1897 we imported 113,347,175 pounds of tea. The average import price was 13.1 cents per pound. The consumption per capita was 1.58 pounds. The next year—the year of the Spanish war and the year of the imposition of the duty—we imported 71,957,715 pounds. The imports fell off for various reasons—among others, doubtless, the duty—to the extent of about 41,000,000 pounds. The price, however, remained substantially the same. In 1898 the price was 13.9 cents; in 1899 it was 13.1 cents; in 1900 it was 12.4 cents; in 1901 it was 12.3 cents; and in 1902, the year that the duty was taken off, the average import price was 12.4 cents. In 1903 it was 14.4 cents; in 1904 it was 16.1 cents; in 1905 it was 15.8 cents; in 1906 it was 15.6 cents; in 1907 it was 16.1 cents. It increased in price after the duty went off. The price was lessened during the time the duty was on. The only effect of the duty seems to have been that the imports decreased. It would not be fair to take the imports of 1897, because only the year before the imports had been 93,998,372 pounds.

So we may say that the average decrease of imports because of the duty was 20,000,000 pounds. It remained about at that rate during the time the duty was on tea. The price to the consumer was less. The amount consumed was substantially the same. There were two years—the years 1898 and 1899—when the amount consumed per capita fell off somewhat, although not very materially. Those are the official figures.

Before I take my seat I desire to say that my purpose in supporting the duty proposed upon tea is, perhaps more than anything else, because of the new field of enterprise that it opens for the production of a new commodity. We have all seen in our lives a good many commodities come into use that have at first been trifling in value or in extent, but that have grown to be of overwhelming importance. Take the production of alfalfa, for instance—the grass that to-day is more generally used than any other; and yet it used to be raised only in garden plots as an experiment. And so it is with other great products.

I want to stimulate the curiosity of the people, so that they will exploit the possibilities of this question. If we can develop the fact that we can raise tea as well in this country as in others, we shall have accomplished a great work. That is aside from the political proposition of affording protection and at the same time raising revenue.

I shall vote for the duty on tea.

Mr. McLAURIN. Mr. President, I have but a very few words to say. I rise principally to ask unanimous consent to put in the RECORD, without reading it, a letter I have before me.

The VICE-PRESIDENT. Is there objection? The Chair hears none.

The letter referred to is as follows:

WASHINGTON, D. C., *June 10, 1909.*

To the honorable members of the Finance Committee of the United States Senate:

A committee representing all branches of the tea trade, namely, importing, jobbing, and retail, from the principal centers of the United States. Meeting held at the New Willard Hotel, Washington, D. C., June 10, 1909.

We desire to present an urgent and emphatic protest against the imposition of an import duty on tea for the following reasons:

First. A duty on tea would most seriously injure the trade.

(a) Because of the curtailment of consumption, which can be easily proven by statistics during the years 1898 to 1902, during the period of the Spanish war tax, when imports decreased, averaging 25 per cent.

(b) The experience of the country during the Spanish war tax clearly proves the tax forced consumption onto lowest grades of tea, with a corresponding decrease in the imports of higher grades, as is shown by detailed statement of imports of Japan tea during this period, when the choicest grades declined 75 per cent and the choice 50 per cent. This fact also applies to all other kinds of teas.

Second. We firmly believe that a duty for revenue should not be levied upon an article of food, especially when that article is one of the necessities in the daily food supply of the working classes of our country.

Third. We also emphatically declare, without fear of successful contradiction, that a duty on tea would most certainly increase the cost to the consumer, either through higher prices for the same quality or the purchase of an inferior article.

Fourth. Regarding the absurd proposition to tax tea as a protection to the infant industry of tea growth in the United States, will say that tea is, however, one of the industries that can only be a success where, in addition to climatic advantages, an unlimited amount of cheap labor can be had. These conditions can never exist in America. This is proved, in that after twenty to twenty-five years of experimenting under government patronage South Carolina has only been able to produce 15,000 pounds of tea annually, a trifle over one one-hundredth of 1 per cent, at an abnormally high cost.

Fifth. We also enter our protest against the truthfulness of the statement made that the average retail price of tea is 60 cents per pound, on a cost basis of 16 cents, for after a careful investigation and a thorough knowledge of the facts, being in close touch with the retail trade of the country, we maintain that the average retail price of tea to the consumer is from 30 to 40 cents, and, in addition, the average net import cost of Japan tea, which includes one-third of the total imports of tea to the United States, was during the past season 21 to 22 cents.

In conclusion, we submit to your honorable committee that, apart from the fact that the cost would be materially increased to the consumer, 98 per cent of all those engaged in the handling of tea in the United States are emphatically opposed to the imposition of any duty whatever.

Any other information or figures you may desire will be furnished by any one of this committee.

Mr. Samuel Young (chairman), of Young, Mahood & Co., Pittsburg, Pa.; Mr. F. Hellyer, of Hellyer & Co., Chicago, Ill.; Mr. J. C. Whitney, of J. C. Whitney & Co., Chicago, Ill.; Mr. H. G. Woodworth, of Robinson, Woodworth & Co., Boston, Mass.; Mr. J. B. Brown, of John B. Brown & Co.; Mr. Robert Hecht, of Harrison & Crossfield, New York, N. Y.; Mr. Russell Bleecker, of Formosa Mercantile Company, New York, N. Y.; Mr. Herbert Heroy, of R. R. Heroy & Co., Trenton, N. J.; Mr. E. A. Nathan, of George C. Cholwell & Co., New York, N. Y.; Mr. A. F. Tripp, of Bennett, Sloan & Co., New York, N. Y.

Mr. McLAURIN. Mr. President, some doctrines that are strange to me are advanced by those who have advocated this duty. The Senator from Michigan [Mr. SMITH] and the Senator from Montana [Mr. CARTER] have both spoken of tea as an article of necessary consumption. If that necessary consumption reaches to the great mass of the people of the country, including those who are less able to pay the expenses of the Government than those who are more able, that would be, with me, a sufficient reason for opposing the duty. But that which to me is a strange doctrine is that a protective tariff which is intended to protect the producer is not availed of by the man for whom it is intended and for whose protection it is enacted, but is only availed of by the retailer, whom it never was intended to benefit, and who, according to the argument of the Senator from Montana, is the extortioner.

I deny that the price of this article is extortionately raised by the retailer. I deny that the prices of articles of consumption that are retailed in this country are raised by the retailer to an extortionate extent. How can it be that a duty benefits the manufacturer if it does not allow him to raise the price of his article by the amount of the duty levied? How does it benefit him if he does not add the amount of the duty to the price of his goods? The retailer is not intended to be benefited by a protective tariff; that is, what is called a "protective tariff," but what ought to be called an "extorsive tariff." It is not made in his behalf. It is not intended to be made in his behalf. It is not intended to benefit or advantage him; yet he is the man who is made the scapegoat for the manufacturer.

Mr. HEYBURN. Mr. President, will the Senator yield to me for a moment?

Mr. McLAURIN. I will.

Mr. HEYBURN. I suggest to the Senator that the retailer would not be able to acquire the commodity at all, at any price, unless it were produced, and the wholesaler would not be able to acquire American tea to sell to the retailer. The people would be deprived of it. Both the wholesaler and the retailer would be deprived of it, and would be compelled to seek tea somewhere else in the world. There would be no producer in this country, and consequently there would be no labor, no investment. Is it not worth something to have all those things in this country?

Mr. McLAURIN. The retailer can get it from the importer.

Mr. HEYBURN. He can not get South Carolina tea; he can not get American tea.

Mr. McLAURIN. No; because there is not enough South Carolina tea to go around. I believe South Carolina produces only about 15,000 pounds of tea annually.

Mr. SMITH of Michigan. I would suggest to the Senator from Mississippi that there has been enough of it to go around with the Senator from Idaho. He has been using it for six years.

Mr. McLAURIN. I admit that it would take a good deal to go around with the Senator from Idaho.

Mr. HEYBURN. Will the Senator permit me for just a moment, and then I will be through? While I dislike to be personal in these matters, I will state that this morning I had a request from some of my friends on the Pacific coast to send them some of this South Carolina tea. They had had a taste of it and wanted more, and I gave the necessary instructions this morning to have that tea sent to the Pacific coast.

Mr. McLAURIN. I am glad the Senator has done that; and if he will send a great many of the products of the South to his constituents I have no doubt they will be very much pleased with them.

There is another thing that is a strange doctrine to me. If the duty does not raise the price of the article, how is it going to benefit the producer of the tea? It is contended here that it does not raise the price of the article to the consumer. If not, where is the producer of the tea to be benefited by a protective tariff?

I am opposed to all this doctrine of protection, anywhere, at any time, and under any circumstances. I believe the revenues of the country ought to be raised without reference to the doctrine of protection, but that they ought to be raised by a tax levied for the purpose of raising sufficient revenue to defray the expenses of the Government when it is economically administered—I mean, administered according to Democratic doctrines.

Mr. GALLINGER and Mr. CARTER addressed the Chair.

The VICE-PRESIDENT. Does the Senator from Mississippi yield?

Mr. McLAURIN. With pleasure. I will yield first to the Senator from New Hampshire, who first rose.

Mr. GALLINGER. I will ask if a tariff does not benefit the producer if it creates for him a market that did not previously exist, and if it excludes from the American market the foreign product and enlarges the domestic market, even though the price may not be increased? Is it not a very great benefit to the American producer?

Mr. McLAURIN. I do not see how it could be. There is sufficient market for all the tea that is raised in this country; and if the tariff does not increase the price, I can not see that the producer would be benefited at all. I dare say there has been no failure on the part of the producer of tea in South Carolina to find a market for it.

Now I will yield to the Senator from Montana.

Mr. CARTER. I desire to call the attention of the Senator to the method of disposing of imported tea. The Senator suggests that he inferred from what I said that the retailers charge an unconscionable price for the tea.

Mr. McLAURIN. I believe it has been the rule to charge the retailer of all articles with all offenses, and to that I enter a protest.

Mr. CARTER. There is no such charge in this case except as to the people who are engaged in this tea business. If the Senator will investigate the subject, he will find that the tea monopoly is one of the most thoroughly organized and effective, in so far as keeping up prices is concerned, that we have in the United States. The Great Atlantic and Pacific Tea Company, the Grand Union Tea Company, and James Butler alone have 800 distributing tea stores under central management.

The remainder of the tea distribution throughout this country is by Lipton & Co. and some other English firms. So the retail grocer, to whom a few caddies of tea are shipped now and then for distribution, is not the offender in this case. It is the combination of tea importers who have become tea distributors at all the jobbing centers of the country who fix the price, and without regard to the cost to them in the country where the tea is produced and without any regard whatever to the quality of the tea.

Mr. McLAURIN. Mr. President, I have always understood it to be the correct enunciation of a proposition that water will seek its level, and if you have access to the tea of the world for importation it is calculated to make competition. The doctrine

of the protectionist has always been to cut off, or at least to restrict, competition. If tea is too high because of the fact that importers have combined for the purpose of running up the price, the way to combat that is to leave unrestricted the importation of tea, and competition is calculated to reduce the price of it, as it is the price of any other article.

Besides that, the sharper the competition the better the article sold and the cheaper the price. On the contrary, the advocates of this protective duty, especially in this instance, and I believe in many other instances, contend that the less the competition the better the article and the cheaper the price. It does not need anything more than the statement of the proposition to refute it. Its statement is its best refutation. How long would it take, if it were possible, out of the 15,000-pound tea industry in this country now, to develop a large producing industry, until there would be a tea trust in this country, just as there is a shoe trust and a steel trust and other trusts that afflict the country? I do not believe in the doctrine of protection——

Mr. TILLMAN. Mr. President——

The VICE-PRESIDENT. Does the Senator from Mississippi yield to the Senator from South Carolina?

Mr. McLAURIN. I do.

Mr. TILLMAN. Does the Senator think it is possible to have a cotton trust in this country?

Mr. McLAURIN. No; I do not.

Mr. TILLMAN. Because it is produced upon each farm, and the tea will have to be produced in small quantities on each farm, and therefore the possibility of a trust in tea is absurd.

Mr. McLAURIN. It may be absurd to the Senator from South Carolina. A great many things are absurd to that Senator. I think probably everything that does not strike into his mind at first blush is absurd to that Senator. But I do not regard it as absurd, Mr. President, and I do not think that in his time or in my time there will be any production of tea such as there is of cotton.

I did not intend to say this much, and had I not been interrupted I would not have said it. I merely intended when I rose to ask for the insertion of the letter which has been put into the RECORD.

I shall not vote for this amendment; but I am going to move now an amendment to the amendment to insert the word "five" where the word "ten" is.

Mr. BRADLEY. Mr. President, it seems to me there should be no difficulty in any Senator arriving at a vote on the amendment of the Senator from South Carolina. As I understand the title of the bill now before the Senate, it is "An act to provide revenue, equalize duties, and encourage the industries of the United States, and for other purposes." This amendment, in the first place, is a revenue producer and in full line with the title of the bill.

In the second place it is a protection to an American industry, and an infant industry at that. It seems to me that our Democratic brethren should have no hesitation in arriving at their conclusion, if they see fit, with a view to producing revenue, and it seems to me my Republican brethren should have no difficulty in arriving at a conclusion on the ground that we are protecting an American industry.

So far as I am concerned, I shall vote for this amendment upon the theory of protection. The protection of industries in the West, in the East, and all through this country is Republican doctrine, and I want to see this doctrine extended to the people of the South. I want to see the time come when we will not be dependent upon foreign nations for the tea we buy, or rather the filth we buy, at their own prices, and I hope that the Republicans in the Senate will see fit, one and all, to cast their votes in favor of this amendment; and if our Democratic brethren want to call it something else, let them call it something else, but let us pass this amendment substantially with unanimity.

I want to see it passed, because I believe it is right, and it would be a great pleasure to me to cast my vote in favor of a measure which is suggested by my distinguished friend the Senator from the State of South Carolina.

Mr. OWEN. Mr. President, I am utterly opposed to this amendment. I am opposed to it for the same reason that I would be opposed to raising the revenues of the United States by a poll tax. It is a tax upon the common people almost as harsh in its operation as would be a poll tax.

I have in my mind a letter by Mr. W. J. Buttfield, of New York, of June 21, 1909, submitting an argument in favor of this proposition, in which he states as a reason that this tax will come out of the retailer and not out of the consumer, on the ground that these teas, which cost only from 15 to 18 cents, are retailed at from 50 to 75 cents a pound.

Mr. BRADLEY. Will the Senator from Oklahoma suffer an interruption?

Mr. OWEN. I yield.

Mr. BRADLEY. I should like to know how the Senator can reconcile his position on this matter with his vote on the question of oil.

Mr. OWEN. The Senator's interruption I will answer now, although its obvious purpose is to interrupt and confuse the argument which I was making, and therefore is not a proper or a courteous interruption. The Senate has too often seen this character of interruption, and against it I enter my emphatic protest. A Senator is almost obliged, as a matter of courtesy, to yield to an interruption, but when the interruption is for the purpose of distracting his argument, leading it to one side and making abortive the attempt of the speaker to make a point, I regard the interruption as entirely improper and unjustified.

Mr. BRADLEY. Mr. President——

Mr. OWEN. I yield again to the Senator from Kentucky.

Mr. BRADLEY. May I say a word?

The VICE-PRESIDENT. Does the Senator from Oklahoma yield to the Senator from Kentucky?

Mr. OWEN. With pleasure.

Mr. BRADLEY. I want to say that it was far from my purpose to be discourteous to the Senator from Oklahoma. I simply could not understand how that matter was. I did not mean any harm by it; but I supposed the reason of it is that Oklahoma is interested in oil and South Carolina is interested in tea.

Mr. OWEN. I understand perfectly well the spirit of the interruption, and while I am willing to accord to the Senator a genial good purpose in that interruption, his suggested explanation of my position I will answer now. I stood for a tax on oil because I believed the importation from Mexico was threatening this country on a vast scale. I believed it would be used by the most gigantic trust in this country to break down the independent producer and the independent refiner. I voted for a tax on oil because if the import on a large scale of Mexican oil did become an agency of oppression of the independent competitor in the hands of a giant monopoly, such import would at least be abated to the extent of being compelled to pay a revenue tax to the United States Treasury.

That is a very different proposition from this case, proposing to tax the people of the United States $9,000,000, on the theory of the proponents, for the purpose of protecting an infant industry, which, by the very figures of its advocates, giving the retail price of 70 cents a pound for tea imported at the price of 18 cents a pound, shows that there is already a protection of over 50 cents a pound between the import price and the retail price.

What more protection is needed than the protection now afforded by the monopolistic prices of this great tea combination, which is a well-recognized trust? Since that margin is so very large for the tea producer, I think he will suffer no harm.

What I believe to be the policy of this Government is to raise the revenue from those who can best afford it, and there are many sources of income from those who can better afford it than the man who drinks tea. I should be glad ordinarily to support my colleague. I have almost always found myself in accord with him; and in this case, where his interest in a local industry has led him to favor this matter, I shall not criticise him. He thinks it will serve the purpose of his State and of the country and will raise a large volume of revenue. I shall not criticise him, but I do propose to put on the record my emphatic protest against raising the revenues by this character of tax. I am opposed to it for the same reason that I would oppose a tax upon coffee—because it is so universally used. I am opposed to it because I do not believe it is needed; and if I did think it was needed, I should still oppose it, because I think it would be better to let the people who make tea at 10 cents a day continue at that business rather than to have the people of this country engage in competition with low-priced imported tea and low-priced labor of that character, when they could be better employed in more profitable labor.

I will submit this letter of Mr. A. J. Buttfield as a part of my remarks, entering my emphatic dissent from the argument which it contains, and using his facts as he represents them to be as a sufficient justification of my objection.

The letter referred to is as follows:

TEA.

Summary of facts submitted to the Senate of the United States relative to the proposed duty on tea.

There is but little relation between import costs and retail prices of tea in the United States.

Sworn and other undisputed evidence shows that:

Sold by—	United States retail price per pound.	United States import value per pound.
Five different teas, Great Atlantic and Pacific Tea Co.	[a]$0.72	$0.16
Nine different teas, Grand Union Tea Co.	.71½	.16
Imperial tea, Grand Union Tea Co.	1.00	.17
Gunpowder tea, Grand Union Tea Co.	.60	.16
English breakfast tea, Grand Union Tea Co.	.50	.11
Do.	.40	.11
White Rose brand, Seaman Brothers, of New York.	.60	.12
Salada brand, Salada Tea Co., of Canada.	.60	[b].15
Lipton's best grade, Lipton & Co., of England.	.90	[c].18
Lipton's lowest grade, Lipton & Co., of England.	.60	[d].17
Tetley & Co. brand, Tetley & Co., of England.	.80	.18½
All tea imported by the United States average about.	.60	
All tea imported by England average about.		.32½

[a] Average.
[b] Retailed in Canada at 40 cents.
[c] Retailed in England after paying 10 cents tax at 42 cents.
[d] Retailed in England after paying 10 cents tax at 34 cents.

NOTE.—The first two-named companies are the largest retailers of bulk tea in the United States and the other four are the largest sellers of packet teas.

Retail prices in the United Stafes are not affected by tariff.

The Grand Union Tea Company (the largest retailers of tea in the United States) retailed their teas while duty was in force at from 40 cents to 75 cents per pound; after duty was removed at from 40 cents to $1 per pound.

This company sells no teas under 40 cents.

Seeman Brothers, vice-presidents of the association formed to combat a duty on tea, advertise that price and quality of their teas will remain unchanged "tariff or no tariff." This firm stated to the Ways and Means Committee this year that it is the largest American distributer of "packet" teas.

One-half of a duty on tea was, and will be, paid by the foreign producer. Of the remaining 50 per cent a considerable amount will be paid by foreigners retailing tea in this country without contributing to its support, and the balance will be deducted from the retailers' excessive profits.

This was the testimony before Congress in 1897, again in 1902, and is also confirmed by the Hon. SERENO E. PAYNE, in his statement before the House, April 7, 1909. The price of "medium" Japan teas advanced from 19/21 yen in 1901 to 27/29 yen in 1903, and to 29/31 yen in 1908. The average cost of all teas imported into the United States in 1902 was 12.4 cents; in 1904, 16.1 cents; and in 1908, 17.1 cents.

R. Fukao, agent of the Osaka Shosen Kaisha, stated in the San Francisco News last month that if an 8-cent duty was levied on tea, Japan would be compelled to pay $2,000,000 of same. This is exactly one-half of such a duty on the 50,000,000 pounds annually exported to the United States from Japan and Formosa.

Consular Report No. 3491, dated May 26, 1909, states that one Japan tea district alone was petitioning their Government for a subsidy of $1,000,000, due to the fear of a United States tariff on tea.

A duty on tea will not be paid by the ultimate consumer. It will encourage consumption by discouraging importation of the lowest grades, which, while genuine, are without any drinking merit. It will protect, in measure, the tea trade of this country from foreign distributive competition. It will compel the foreign producers and the foreign firms now retailing their teas throughout this country to the detriment of the American merchant to contribute $5,000,000 to $7,000,000 per annum toward the revenue of the United States, thus relieving the American taxpayer to a like amount. Is there in the entire schedule a better source of revenue?

Respectfully submitted.

W. J. BUTTFIELD.

NEW YORK, *June 21, 1909.*

Mr. BAILEY obtained the floor.

Mr. McLAURIN. I merely want to say that inasmuch as I am opposed to any tax on tea and will vote against any tax on tea, I withdraw the amendment I offered.

The VICE-PRESIDENT. The Senator from Mississippi withdraws the amendment to the amendment.

Mr. BAILEY. Mr. President, I would rejoice very much if all men could be emancipated from all taxes. But as that is impossible, I have usually followed the plan of taxing those who are best able to bear it with the least of inconvenience. I have also in the levy of tariff duties followed the plan of laying those duties on such articles, where that was possible, that would pour into the Public Treasury as nearly as could be every dollar which was added to the price of a given commodity.

I was taught as a Democrat that the ideal revenue-producing article was one which was imported into this country from other countries and not produced at all in this country. Obviously, sir, there is no possibility of a protection resulting from the levy of a duty on that kind of an article, and every farthing which that duty takes out of the pockets of the people is put into the Treasury of the Government.

It was this view of the matter that moved the early Democrats. Possibly I offend at this day by referring so often to the early Democrats, but I must be excused for thinking they were the better Democrats—and I mean that as no reflection—than the Democrats of this day. They had less of local matter to disturb them and to divert them, and though there was enough there was still less of local influences operating upon their minds. It was this view that led the early Democrats to favor a tax on both tea and coffee. It was an ideal and purely revenue tax. But in the course of time coffee became such an article of universal use that the Democrats first remitted the tax on it when produced in certain countries and imported into this country in the vessels of the United States or in the vessels, I believe, of Holland. Thus they began their concession to that policy which would exempt an article of common and daily, not to say an article of necessary, use.

We followed that recently. I follow it resolutely myself. I would not vote for a tax on coffee. If coffee were on the dutiable list I would hesitate to remove it until I could first also remove some of those articles which are even of more common, more universal, and more necessary use than coffee itself.

But I will never consent except where the revenues of the country imperatively require it to transfer any article of common and necessary use from the free list to the dutiable list.

But, sir, as I understand it, though I may not know much about the consumption of tea, it lacks very much of being an article of common, and much less of necessary, use. The statistics before us show that we consume less than 1 pound per capita per annum in the United States. That is an abundant proof that it is used by a very small per cent of our people, and it is used by those who can well afford to pay this duty to the Government.

I may be mistaken in my facts; if so, I will be mistaken in my vote, but I undertake to say that if we go back to the old State of Mississippi not one out of every 20 constituents of the Senator from Mississippi indulges in the use of tea. I feel warranted in saying that of the people of my own State not one in 30 use it. I was never in a farmhouse in my life, as I now recall, where they had tea. I have been on some plantations where they had a mansion and where they lived on the very fat of the land where they had tea, but the people who owned that plantation and lived in that mansion were as well able to pay a tax on tea as any other people of my acquaintance. But, going back to the people who live on the modest farms, I do not recall that I ever sat at one of their tables in my life and found tea there. Coffee is always there; tea is never there.

I do not think a Democrat can put these two articles on the same level. They do not fall within the same rule. In the first place, they are not equally an article of necessary and common use. In the next place, they are not used equally by the people who can ill afford to pay any tax at all. My own experience is supplemented, confirmed, and reenforced by statistics here that show the use of only 1 pound or less than 1 pound per capita per annum. That means that the people who use it are a small per cent of our people, because everybody understands perfectly well that, if they use it at all, they will use more than 1 pound per capita per annum; and if they did not, then that is only 10 cents, and raises $9,000,000 toward the support of our Government.

Mr. President, when I can find an article that will raise $9,000,000 of revenue to this Government, which is used by less than one man out of twenty, and that one man who uses it is well able to pay the tax, I think I am fortunate in selecting it. Not only so, but, according to the statement here, there are only 12,000 pounds of tea produced in the United States. If there were 12,000,000 pounds, it would make no difference with me, for I have no sympathy with the plan of building up an industry by taxing the people who must use the products of that industry.

I have absolutely no sympathy with that. I think if a man can not engage in an industry in this country without taxing other people to support it, he ought to close that one up and engage in one by which he can support both himself and family. But neither do I believe that any man ought to be permitted to continue in the business unless he can pay his fair share of taxes along with everybody else.

But admitting that the full duty of 10 per cent is added to the cost of every pound of tea grown or produced in the United States, that would mean $1,200 which the tea consumers pay to the tea producers as against $9,000,000 the tea consumers pay to the Government.

Now, sir, I challenge these Democrats who talk about being for revenue only, as I am, and who regret even incidental protection, as I do, to point out another article on that list that would put as little in the producer's pocket and as much revenue

into the Government Treasury as tea. It is not there. There is no one article in all the bill with a duty levied upon it that will put so small a per cent into the hands of the people who do not earn it of the full amount which they take from the pockets of the people who consume the article.

Of course, I do not pretend that I better understand the principles of my party or the principles of a tariff for revenue than my colleagues here; but I will never fail to vote for an import duty upon an article used by but a small per cent of our people, and that per cent well able to pay the tax. If anything other and further were needed to recommend it to me as a Democrat, I find it in the fact that, as against nine millions of public revenue, there is the inconsiderable tribute of only $1,200 to the people who produce it.

Mr. President, when I was younger I thought if a man could discover a new use of the soil, producing some new and valuable plant, he was a fortunate citizen, and he would have the value of his land increased; but in this day, just as soon as a man finds some new use to which he can put the land, he wants the Government to tax everybody else to encourage him in doing so. When I was younger I thought the most fortunate individual in the country was the man who struck oil. That was a synonym for great prosperity. A man who struck oil was a rich man; but now every time a man sinks an oil well and finds an abundant flow, he rushes to Congress with a prayer for a protective-tariff duty to be saved from the competition of some other country.

It is a singular view that everything in this country has to be protected from every other country in the world. As for oil, I wish they would discover it in every other country on the globe until it will be well-nigh as cheap as water, because it is almost as necessary in the economy and civilization of our land.

As for tea, I am not sure that it is a fortunate circumstance for the people that you can extend its cultivation. I am rather inclined to think that it is not a healthy beverage. Whether it is or not, I am willing to leave each man to settle that with his own appetite. But I do insist that the small percentage of the people who prefer the patrician's tea against the plebeian's coffee ought to be made to pay for that preference.

With this $10,000,000 do you know what I would do, Mr. President? I would keep piling this $10,000,000 up with any other $10,000,000 and adding it to that corporation tax, if they succeed, or that income tax, if we succeed; and then when we shall raise some more I would call on the Senator from Rhode Island to go back, when we reach the Senate from the Committee of the Whole, and reduce this enormous and unconscionable duty upon the necessaries of life.

I never, Mr. President, can get my consent to vote against a duty of 10 cents a pound on tea as long as the statute books levy a duty of 40 per cent on the common cotton cloths that the people wear.

Mr. STONE. Mr. President, I desire to offer an amendment to the amendment.

The VICE-PRESIDENT. The Secretary will report the amendment to the amendment.

The SECRETARY. At the end of the pending amendment strike out the period, insert a semicolon and the following:

But not including inferior tea, tea waste, tea siftings, or tea sweepings, imported under the provisions and for the purposes set forth in the act approved May 16, 1908.

Mr. STONE. Mr. President, the act approved March 2, 1897, was passed to provide against the importation of impure teas. During the existence of the tea tax, levied to raise war revenue, the impure teas, tea waste, and tea siftings were subject to the tax, and after its repeal they were brought within the provisions of the pure-tea act.

Last year, after a considerable debate and thorough understanding of the subject by the Senate, a bill was passed which had been reported unanimously from the Committee on Commerce with a recommendation that it pass, adding a proviso to the pure-tea law, which reads:

Provided, That nothing herein shall affect or prevent the importation into the United States, under such regulations as the Secretary of the Treasury may prescribe, of any merchandise as tea which may be inferior in purity, quality, and fitness for consumption to the standards established by the Secretary of the Treasury, or of any tea waste, tea siftings, or tea sweepings, for the sole purpose of manufacturing theine, caffeine, or other chemical products whereby the identity and character of the original material is entirely destroyed or changed.

These inferior teas, sweepings, and waste are imported in large quantities into this country, not for domestic use, for they are wholly unfit for that, but they are imported solely for use in chemical manufactures.

The provision to which I have called attention was incorporated in the law last year permitting the importation of these tea wastes and siftings without bringing them under the provisions of the pure-tea law. Of course at that time there was no tax on tea; it was free; but if the amendment proposed by the Senator from South Carolina should be adopted, then the amendment I suggest ought to accompany it as a part of it, or else we will find these impure teas, waste, and siftings that are brought in solely for manufacturing purposes compelled to pay a duty.

Mr. TILLMAN. I am ready to accept the amendment offered by the Senator from Missouri, because I realize that there might be some hocus-pocus by which dirt and trash and other adulterations might get into the trade as tea, and I think we are getting too much of that anyhow.

The VICE-PRESIDENT. The Chair understands the Senator from South Carolina accepts the amendment to the amendment?

Mr. TILLMAN. I do.

The VICE-PRESIDENT. The Senator makes it a part of his amendment.

Mr. STONE. That is satisfactory.

Mr. DU PONT. Mr. President, the question has been so thoroughly discussed that I do not believe anything I could say would shed any more light on it, but I desire to say that I am always in favor of protecting as far as possible the American market for the American agriculturists, and on that principle I shall vote for the amendment of the Senator from South Carolina.

Mr. SHIVELY. Mr. President, by the express terms of the proposed section 2 of the pending bill, tea will become subject to a duty of at least 10 cents per pound on March 31, 1910, whatever may become of the pending amendment. That is one of the duties prescribed by the maximum rate provisions of this bill. It is a substantive part of what the statute will define as "the tariff of the United States." If the amendment be adopted as a part of section 1, then tea will become one of the articles to which the additional "25 per cent ad valorem" provided in the proposed section 2 would apply, and the real duty will be 10 cents per pound plus 25 per cent ad valorem. This is inevitable unless section 2 should be so amended as to except tea from its operation. But whether the "minimum tariff of the United States" should be finally put in force as to tea by executive proclamation, or whether what section 2 defines as "the tariff of the United States" should remain in force after March 31, 1910, the objection to the proposed amendment still remains.

Mr. President, tea is now an article of free commerce. I am not one of those who are swift to seek new subjects of taxation, and certainly not for the private purpose of so-called "protection." It is inconceivable to me that any tax can be in itself a good thing. All taxes are at best necessary evils. Whatever be their names, they fall within the category of burdens, and are justified only by the fiscal necessities of government.

Mr. BAILEY. Mr. President——

The VICE-PRESIDENT. Does the Senator from Indiana yield to the Senator from Texas?

Mr. SHIVELY. Certainly.

Mr. BAILEY. I simply want to suggest, so that the Senator's statement standing that way may not hereafter be misconstrued, he does not intend to have it construed that he is opposed to an income tax, which is, of course, a new subject of taxation.

Mr. SHIVELY. Certainly not. I am not opposed to an income tax or any other equitable tax where the fiscal necessities of government require the revenue derivable from it. And permit me to add that I know of few propositions submitted to the Senate which, if adopted, are more likely to prevent a real income tax than that on which the Senate is about to vote.

But by all the arguments submitted from the other side of this Chamber, it is palpable that we are now asked to incorporate a new statutory industry. The exercise of the federal taxing power was not necessary to induce the production of wheat in the United States. It was not necessary to induce the production of corn, nor of cotton, nor of beef, nor of pork in this country. Whatever duties appear on these articles, and about all other duties in the agricultural schedule, are purely political duties, as such duties always have been. Our soil, climate, and other natural conditions were adapted to the production of these articles, and the genius and energy of our people did the rest. I do not say that no portion of our soil and climate is not adapted to the production of tea. If some portion is, then the exercise of the taxing power is not needed in behalf of the tea industry. If soil, climate, and other conditions are averse to the industry, then the proposed duty, in so far as it is designed to be protective, would only subsidize a new beneficiary of special privilege from the natural and legitimate profits of other industries.

It is contended that tea is a luxury. This may be the subject of an honest difference of opinion. There is no precise dividing line between necessaries and luxuries. That there is less tea

consumed than coffee is not a test. The higher price of the one and the greater hardship in procuring it are not tests. Those who would make it dutiable may regard and proclaim it a luxury. Certain it is that the great body of those who use it regard it as a necessary. The legislation that would increase its price might lend it the character of a luxury, but only as it would disable the citizen to buy and use it.

It is admitted in this debate that only a very slender territory in this country is at all measurably suitable to the production of tea. This territory is confined to within 30 miles of the ocean line, and a comparatively short distance along that line. The ocean dampness and other ocean influences seem necessary to making the crop. The very facts of the smallness of the territory and the few who could engage in the industry disclose how easily, by the assistance of a tariff, it could become the subject of monopoly.

I am not unmindful that in behalf of the proposed duty has been invoked the contention that obstructive customs taxation has been useful in naturalizing certain industries in this country. Among such industries named this morning, and the one most frequently recurred to in the course of the consideration of this bill, is tin plate. It has been repeatedly claimed that the tin-plate industry was established by and under the high duty prescribed in the McKinley Act of 1890. A little inquiry into the real history of that industry shows that it was not naturalized under that act, but under the lower duty of the Wilson-Gorman Act and the Dingley law.

The whole subject of tin-plate duty and tin-plate production was the topic of thorough investigation in the Fifty-second Congress. I took a modest part in that work. It was claimed that the industry was established and rapidly growing, and Treasury statistics, gathered by a special agent of the Treasury Department, were presented in proof. Then it developed that the increase in the importation of finished black plates corresponded almost to the pound with the returns to the Treasury Department of what was called "tin plate produced in the United States."

It was conclusively shown that the so-called "tin-plate industry" developed under the act of 1890 did not mean tin-plate production in the United States, but only a slender tinning attachment to an alien industry. In other words, the ore had been mined abroad, the ore had been smelted in Wales, the iron had been wrought into steel billets in Wales, the billets had been hot rolled into sheets in Wales, the sheets had been pickled in Wales, annealed in Wales, cold rolled in Wales, cut into commercial sizes ready for tinning and boxed in Wales, and then had been shipped to this country and run through imported molten tin in an imported Welsh tinning pot, generally by an imported Welshman, and certified to the Treasury Department as "tin plate produced in the United States."

The high duty on tin plate had been used to exclude this article and force higher priced granite ware on the American market as a substitute for tinware. The high duty on terne plate had been used to force expensive heavy gauge domestic galvanized sheet iron on the market as a substitute for terne plate. The duty on tin and terne plate placed in the act of 1890 was used to raise the prices of the products of old and well-established industries rather than establish or encourage new industries.

After my investigation of the subject in 1892, I never had a doubt of the ultimate naturalization of tin-plate production in the United States. It is a natural part of the iron and steel industry. If Wales had the iron and steel, so did the United States. Wales was compelled to import the necessary pig tin and olive oil; so could the United States. In 1892, in the House of Representatives, after showing the facts briefly stated to-day, I ventured to forecast the future of tin-plate production in this country in the following language:

> I do not contend, Mr. Chairman, that the real tin-plate industry can not be naturalized in the United States. In my judgment it can be, it ought to be, and eventually will be. We have here every raw material necessary in the production of tin plate that Wales has. The rolling mills of this country are now producing nearly a quarter of a million tons per year of the heavier-gauge sheet iron and steel. To roll the sheets to the thinner guage and finer quality, and coat them with tin, or tin and lead, solves the problem in so far as the mechanical process is concerned. But the tin-plate industry will not be naturalized in the United States by fiats of Congress. It will not be naturalized by men who depend on the caprices of politics or the expedients of legislation. It will not be done by men who assign only a part of their producing capital to producing tin plate and the rest to political campaigns. When it is naturalized it will be done by men of boldness, energy, skill, and self-reliance making an intelligent application of approved business principles and business methods to the natural advantages which this country presents.

The real tin-plate industry was naturalized in the United States in 1894, 1895, and succeeding years, and under a tariff reduced from the high rate of 1890. I do not for a moment contend that this lower rate established the industry. It was established by causes absolutely apart from and independent of the tariff. He who studies the statistics of the iron and steel market for the years 1894 and 1895 will discern the true influence that caused the beginning and rapid development of the industry. General depression of industry had come upon the country while the act of 1890 was on the statute books. In 1894 and 1895 the price of pig iron went as low as $17 per ton. The slackened demand for steel rails, structural steel, and other steel products put the wits of the bright men in the iron and steel industry at work to devise new means of carrying their steel billets forward into final consumable products. Tin and terne plate presented the prospect and they seized it. They put in the additional rolls and proceeded to take charge of an industry which had been theirs to command for many years before. It was the hot energy of competition for a market for their billets, not the sloth of monopoly, that gave them their triumph in a real tin-plate industry, however much that triumph may have afterwards been abused in capitalizing the Dingley tariff into enormous issues of watered stock.

Now, we have here presented a proposition to subject tea to this duty, and tin plate is invoked as an example to urge the Senate on. The example does not exemplify. The majority of reasons assigned in support of this duty present tea as a new candidate for subsidy from other forms of agricultural industry and other nonprotected and nonprotectable industries and occupations. I am unwilling to vote a new member into that confederacy of special privilege which seems so resistless in the formation of these schedules.

Mr. SMITH of Michigan. Mr. President, I intend to detain the Senate only for a moment. The answer to the Senator from Indiana [Mr. SHIVELY], that our tariff upon tin plate did not stimulate the domestic industry, can best be made by quoting the figures. In 1899, before we put on the tariff, we exported 205,000 pounds of tin plate; and in 1907, after the duty had been on for a few years, we exported 19,804,000 pounds of tin plate, thus demonstrating that we not only supplied our domestic demand, but that we had an excess of tin plate for exportation of over 19,000,000 pounds, which found its way back to Europe, with the stamp of the American laboring man upon it. That is a sufficient answer as to the effect of our duty upon tin plate.

I wish to put into the RECORD, so that I may not be misunderstood, the reasons why I would favor such a duty upon tea as would stimulate the domestic production. In the first place, the special agent of the United States Department of Agriculture says that—

> It has been abundantly established that, at least for certain sections of the United States, American-grown tea can hold its own against the imported article.
>
> A widespread American tea industry awaits the same advantages that are enjoyed by the sugar, tobacco, and other protected crops of this country, whether in the form of a bounty on the domestic article or a duty on foreign teas, such as is levied on tea in almost every civilized nation.

He further says that tea is a necessity to many people, and that it is wise to cultivate the domestic supply, in order that our people may never be embarrassed in their supply, as they were in the supply of coffee but a few years ago when insects destroyed the plant.

Mr. President, it costs 12 cents a pound to produce tea in Ceylon or in the East. The American consumer pays from 60 cents to a dollar a pound for it. Somebody gets that tremendous profit between the grower of tea and the consumer; and all must admit that millions of dollars of American money go out of our country every year to pay for tea.

As a consistent protectionist, having confidence in the ability of our country and the character of our soil to produce almost anything that the American people need, I propose by my vote to extend the beneficent effects of our policy to the domestic tea industry.

I said a little while ago that the propaganda that is now extant in our country against the duty upon tea is the result of a deliberate and carefully planned scheme among the exporters who control this market. I read a little while ago to the Senate one of the petitions that they are circulating in this country among the consumers, and I read from the Yokohama Times, a Japanese newspaper, a report that the Japanese Government had been called upon for large contributions in order that this propaganda against the tariff on tea might be conducted in the United States.

Tea is being produced in the United States. Fifteen thousand pounds of it will be produced in South Carolina this year. That is fifteen times as much as was produced in Ceylon in 1875, and Ceylon now exports 184,000,000 pounds of tea. I believe, with

the Department of Agriculture, that this is a fruitful field for American enterprise.

Further, South Carolina produces 600 pounds of tea per acre, while the people in the Far East produce but 350 pounds per acre, showing the fertility of our soil and the adaptation of the climate to the production of tea.

If the same pessimistic and doubtful attitude of the opponents of this proposition had been applied to the beet-sugar industry, there would not have been an acre of sugar beets now produced in America. If the same doubtful attitude had been assumed toward tin plate, we would not now be exporting millions of pounds of tin plates and giving to the American consumer that necessary article cheaper than he ever bought it before the duty was placed upon it under the McKinley law.

The Japanese people consider the American market so essential that they subsidize ships to handle tea exclusively between Japan and the United States.

As I said a moment ago, we are paying 60 cents for tea that costs 12 cents to produce, and we will continue to pay a high price for tea until we have domestic competition with those who send their tea here. I quote from a letter written by Mr. George H. Macy, a tea expert, to the Senator from South Carolina [Mr. TILLMAN]:

> The opposition to a duty originates entirely from large foreign companies and domestic dealers, some of whom have a capital of $10,000,000.

Before the Committee on Ways and Means but a few years ago, when an effort was being made to take the duty off of tea, the importers of tea—this colossal organization, originated for their own profit and for the control of this market—went before the Committee on Ways and Means, and in a hearing, under oath, were obliged to say that their own profits had been curtailed 10 cents per pound by reason of the tariff. I ask those gentlemen, who are so solicitous about the consumers, to consider whether those importers told the truth when, under oath, they admitted that their profits had been curtailed by this duty upon tea, while the statistics amply demonstrate that the price of tea was not increased to the consumer a single penny by the imposition of the duty which we put upon it a few years ago; and there has been no reduction since that duty was taken off, as is suggested to me by the Senator from Montana [Mr. CARTER].

A few moments ago we were talking of the duty upon tea in England. Every great country in the world imposes a duty upon tea. England has a duty upon tea; and all those who have been talking about fashioning our domestic policy after the policy of England had better read the history of England a little more carefully. Some would have us abandon our protective principle and impose a tariff for revenue such as England imposes, in the face of the fact that the English people pay more per capita in import duties than the American people pay. While our import duties average about four dollars and a half per capita, the import duties of England average over $5 per capita, thus showing that to change our policy and adopt theirs would impose greater burdens upon the American people than they are called upon to bear to-day.

Russia imposes a duty on tea of from 16 to 44 cents a pound; Austria-Hungary, a duty of 19½ cents; Denmark, 8 cents; Germany, 11 cents; Italy, 22 cents; Norway, 24 cents; Spain, 13 cents; and France from 18 to 25 cents; and yet neither Russia, Austria-Hungary, Denmark, nor any of the countries enumerated can produce a pound of tea, and do not pretend to do it, while the Senator from South Carolina and the Department of Agriculture demonstrate beyond a question of doubt that there is a vast area in the South capable of producing all the tea that the American people desire.

I do not advocate this duty as a revenue proposition. If that were the only thing to be derived from it, I should not favor it; but I put it upon the ground that it is a protective duty; that it will stimulate that industry in the South, just as tariff duties have stimulated the sugar industry in Louisiana and the sugar industry in Michigan, lowering the cost to the consumer.

Mr. President, I do not intend to delay the Senate longer. I think that we ought to protect and encourage this infant industry. If, as has been stated by Democrats and Republicans, the duty proposed to be levied will not increase the cost of tea to the consumer, why should we not try an experiment so full of promise according to the report of every expert who has investigated it?

I feel very sure that in voting for this duty I am doing what those Representatives and Senators did who had the courage to vote for a duty on tin plate in order that it might be perpetually lowered to the consumers of our country.

As I have read the debates which took place in 1890, when the McKinley bill was under discussion, I have marveled at the range of wise prophecy which has been realized. There were pessimists in those days; there were doubters then; but, in view of all that has been achieved, we can smile at their doubts and their pessimism and go to the American people with every confidence upon a record of achievement which has no parallel in the industrial history of any country in the world.

Mr. BAILEY. Mr. President, with most of what the Senator from Indiana [Mr. SHIVELY] has so well said, I heartily concur. I am as much opposed as he could be to the hothousing process for the establishment of an American industry. I do not, however, consent to the proposition that a Democrat must never search for some new object of taxation, nor can I agree to the opinion that an article once on the free list must always be left there by Democrats.

As I now recall the history of this particular item, the first bill that distinctly and squarely put it on the free list was the McKinley bill. There was a provision for both tea and coffee in the act of 1846 when imported in certain vessels, as I said a moment ago; but the McKinley bill not only put tea and coffee on the free list, but, in its effort to delude the American people, also put sugar on the free list; and then invited the American people to sit down to what was called "a free breakfast table." When the Democratic party came into power in 1892 in the Presidential election and in the House, and afterwards obtained the control of the Senate, and we came to make a tariff bill, we were compelled to break up that free breakfast table, and we did it.

We did not take tea and put it on the dutiable list; we did not take coffee and put it on the dutiable list; but we did put a duty on sugar. Why? Because the Democratic party could not spare the something like $40,000,000 which the sugar duty would then yield to the Public Treasury. And I should not at any time hesitate to take from the free list any article that would yield an abundant revenue and transfer it to the dutiable list, if I could take some more necessary article from the dutiable list and transfer it to the free list. Nor should I hesitate to take an article from the free list and transfer it to the dutiable list, if by so doing I could greatly reduce the duty on a number of necessary articles, even though I did not put a single one of them on the free list.

Again, sir, I have devoted the very best part of my time and my very best energies from the beginning of this session until this day to an effort to subject new articles to taxation. In other words, I am now, and I always will be, in favor of subjecting to a tax any article whose consumers can well afford to pay it—not necessarily as high a tax as it will bear, but one as high as the revenue necessities of the Government require.

I should not hesitate a moment to take it from the free list and transfer it to the dutiable list, whenever I thought I could reduce the evil effects of protection by doing so, or whenever I felt that I could lift a burden from those who are ill able to bear it and lay it on those who are better able to bear it; and, in my view of the matter, Democrats must not adopt the policy that an article once free must always be free.

Again, I wish to suggest that Democrats who vote for revenue duties should not be confused—and of course the Senator from Indiana did not confuse them; he is too clear of mind not to understand that distinction—by the statement Senators on that side make that they will vote for a given duty for the purpose of protection, for by that means they could keep Senators on this side from voting for any duty at all. When we started to vote for a duty to raise revenue to support the Government, all that would be necessary would be for some Senator over there to rise and say, "I am going to vote for this duty for the purpose of protection;" and straightaway the Democrats would be compelled to abandon their measure; and the result would be that when we finished the bill, every article in it would be on the free list, and not a dollar's worth of revenue would be raised to support the Government.

It does not distress me that Senators stand up over there and say that they will vote for a given rate, even for the purpose of protection. It does not disturb me in my intention to vote for that rate, if I intend to vote for the same rate for the purpose of raising revenue. Two men may do the same thing from very different motives. One man may give a certain vote because he thinks it right and in the general public interest. Another man may be influenced to give that particular vote because it will aid some local industry or some personal interest. I do not judge the motives of men nor do I determine my vote thereby. I adhere to my rule, which is this: That we must raise revenue to support the Government; that in raising revenue for this purpose I want to compel as many articles as I can to contribute; not because I want to burden everybody, but because I know that the wider the distribution I make of these duties the lower I can make the duty on every article subjected to a

tax. And I thus serve a double purpose: I distribute the burden, and thus make it lighter on every man who bears it; and in addition to the lightening of the universal burden, I make it more equal.

No man has ever heard me say that I was in favor of protection because other States obtained protection. No man can find where I ever cast a vote upon that doctrine. And yet I say unhesitatingly that I can go into any forum of conscience on the earth and successfully defend the Senator who does say that. A Senator from any State has a right to say: "I abhor this principle; I am opposed to its application; but if you are going to apply it to any State, apply it to all States." He can do that.

Let me illustrate what I mean: Suppose the Republican majority should bring into this Chamber a proposition for a per capita tax of $100 on every man, woman, and child in the United States. I should oppose it. I should denounce it as unnecessary, oppressive, and unjust; and I should strive with all my power to defeat it. But if I could not defeat it, and if some man should rise up and say, "I move to amend by inserting: 'Provided, however, that the States of Rhode Island, Utah, and Massachusetts shall be exempted from the operations of this law,'" I should denounce that proviso.

I should first say: "Under the Constitution of the United States you can not make that kind of an exemption, because our fathers"—who were wiser in their day than many of us are in our day—"made it impossible." But, sir, if you should tear out by force and consign that provision to the flames, I should still oppose the exemption. I should say: "Your tax of $100 per capita is infamous, but all must bear its burdens, share and share alike."

But while Senators may say that, I have never said it. I have never said it, either here during the consideration of this bill or elsewhere. This is the third tariff bill I have participated in making. Twice I have participated in a very slight degree, because I was and am in a minority; once I participated when the Democrats were in the majority and were framing this bill. And in all the consideration of those three tariff measures no living man can find where I have ever voted for a duty on an article that would not produce revenue. Nor can he find where I ever failed to put an article of necessary and common use on the free list whenever the revenues of the Government would permit us to do so.

In addition to that, Mr. President, I have followed my creed. I will restate it, and then I will be through. My creed is this:

So far as the Government can dispense with the revenue, every necessary of life should go on the free list. At the other extreme stand the luxuries of life, and on them I would impose the highest duty that would raise the largest amount of revenue. In other words, I should never stop in raising the duty on a luxury of life until I had reached the maximum revenue-producing point. When I reached the maximum revenue-producing point, and found that a higher duty meant a smaller revenue, there I would stop, but not until then. Between those two extremes, with the necessaries of life on the free list and with the luxuries of life subjected to the highest duty of which they would admit, on everything else I would make the duty as low as the revenue necessities of the Government would allow.

Nor should I expect that a bill so framed would never be subject to change; because, as the years come and pass, if an article which had been a luxury should come to be one of common use, I would transfer it from the high duty to the more moderate one; or if, because of the substitution of some other article, one of the articles on the free list ceased to be necessary in the everyday life of the people, I should take it from the free list and put it back on the dutiable list. And from time to time, as the condition of the people and the development of the country required it, I would make my readjustment. But I would still always readjust according to the old-time, unchangeable Democratic principle—that the necessaries of life should be free as far as possible; that the luxuries should be taxed to the utmost limit, and that the articles between the two extremes should bear the lowest duty that would raise enough money to support the Government.

And still, Mr. President, I should not be content. I should go on striving from time to time to transfer some of these articles from the low schedules to the free list by subjecting the swollen fortunes of prosperous people to their just contribution toward the public support. I believe that whatever may be the difference between me and other Democrats as to a particular article, there is no difference between me and any real Democrat as to the principles which should govern.

Mr. CLAY. Mr. President, I have reached the point in the discussion of the tariff where I can scarcely get my bearings. I remember that when this debate began, the Senator from Rhode Island made a very elaborate argument, two-thirds of which was devoted to the assertion that this bill will produce enough revenue to support the Government.

Mr. ALDRICH. And the Senator from Rhode Island has not changed in the slightest degree from that view.

Mr. CLAY. I never said that the Senator had; I never thought of saying it.

Mr. ALDRICH. And existing conditions confirm my original judgment that no additional revenue is required.

Mr. CLAY. I had not intimated that the Senator from Rhode Island had changed his view in any particular. But I am going to apply it to certain other things that have transpired in the Senate; and I am going to take but a very few minutes to do it.

The Senator made a most critical examination of the different schedules, and how much revenue would be produced, distinctly stating that the bill will produce ample revenue to support the Government. The Senator now confirms that view. The Senator also told us that by rigid economy—and I observe that the different departments are now beginning to practice rigid economy—the expenses of the Government can be cut down to the extent of from thirty-five to fifty million dollars per year.

Again, when the income-tax proposition was presented to the Senate, the Senator from Rhode Island told the Senate and the country that this bill will produce ample revenue to sustain the Government without an income tax, and that if the income tax is adopted, and brings into the Treasury sixty or eighty million dollars per year, this sum will not be needed to pay the expenses of the Government, and we shall necessarily have to go over all the schedules and reduce them, and thus destroy the principles of protection.

My friend the Senator from Rhode Island told the Senate and the country that the worst enemy of the system of protection, the worst feature of legislation that could be adopted antagonistic to the protective system, would be an income tax, which would force the Finance Committee to reduce the rates generally in the bill, thus destroying protective principles. I think I am correct, and that statement is borne out by the CONGRESSIONAL RECORD.

Now, again, if the Senator was correct in regard to the amount of revenue this bill then produced, then unless you are going to change existing schedules I lay down the proposition that not $1 additional revenue should be raised. If you are going to raise $9,000,000 from tea, to add to the revenue, beyond any question, if the Senator was correct in the first instance, then there ought to be a reduction of $9,000,000 made somewhere else.

But now again the Senator from Rhode Island, the chairman of the Finance Committee, generally consistent and always intelligent, has told the country that an amendment which the Finance Committee has presented to the Senate, providing for a tax upon the dividends of corporations, will produce between forty and fifty million dollars. He has told the country that the railroads alone will pay between fifteen and seventeen million dollars. I believe that the tax on corporations, instead of producing $50,000,000, will produce $75,000,000. But, Mr. President, if the logic of the Senator from Rhode Island is good—and it was good—if we are going to adopt a tax on corporations, producing $50,000,000 per year, why will it not be necessary to go through every schedule of the tariff bill and reduce the duties so as to make them correspond with the revenue you raise by your tax on corporations?

If the Senator from Rhode Island was correct, that an income tax is a vicious assault upon the protective system, is not your tax upon corporations also a vicious assault upon your protective system? If the Senator found it necessary to revise the entire schedules in the bill in the event of the adoption of an income tax, will not the Senator find it necessary to revise the schedules if a corporation tax is adopted?

If the Senator was correct in the first instance, that the bill will produce all the revenue we need to meet the Government's expenses, is it not true that this additional corporation tax will put a surplus in the Treasury, and is it not the duty of the chairman of the Finance Committee to reduce the duties on clothing, on sugar, on boots and shoes, on the necessities of life, reducing the revenue equal to the amount that the corporation tax will produce?

Mr. President, if the Senator's position is consistent, the very minute that we adopt the corporation tax raising $50,000,000, the Senator will turn to the woolen schedule and turn to the sugar schedule—and I know of no subject that needs more attention at the hands of the Senate and the Finance Committee than the sugar schedule—and cut the duties on the necessities of life equal to the amount that will be produced by the corporation tax.

Mr. President, I expect to vote in favor of an income tax. If I knew that you were going to put $60,000,000 into the Treasury and not reduce the duties on the necessaries of life, I would say that you were unnecessarily taxing the people.

Mr. ALDRICH. Mr. President——

The VICE-PRESIDENT. Does the Senator from Georgia yield to the Senator from Rhode Island?

Mr. CLAY. Yes.

Mr. ALDRICH. Does the Senator from Georgia indulge in the hope that the Senate will reduce the duties on the articles he has mentioned?

Mr. CLAY. I can not hear the Senator.

Mr. ALDRICH. If the Senate should follow him and adopt an income tax, does the Senator think that we should go back and revise the schedules generally?

Mr. CLAY. I always deal frankly. I say to the Senator I would raise enough revenue to support this Government outside of the income tax until the income tax was held to be constitutional, and then, when it was held to be constitutional, I would go all along the line and reduce the duties on the necessaries of life.

Mr. ALDRICH. The Senator probably did not understand my question, or else he does not desire to answer it. Does the Senator——

Mr. BAILEY. I understood it, and I should like to answer it.

Mr. ALDRICH. I should like the Senator from Georgia——

Mr. BAILEY. The Senator from Georgia will pursue his own course.

Mr. ALDRICH. The Senator from Georgia seems to be able to make this speech.

Mr. BAILEY. And he is entirely able to take care of himself, and does not need any help.

Mr. ALDRICH. I would be glad if he would answer the question.

Mr. BAILEY. The Senator from Georgia did not hear it, and I did.

Mr. ALDRICH. My question was this: If the income tax was adopted by his vote, does he expect that we should go back and reduce the duties in the schedules in this bill?

Mr. BAILEY. You said you would.

Mr. ALDRICH. I beg the Senator's pardon.

Mr. BAILEY. The RECORD will show, when you were appealing to your side not to depose you as leader that afternoon when we thought we would probably defeat you on that vote, you said: "If the income tax is adopted, I would feel it necessary to go back and revise every schedule in this bill." I have not looked at the RECORD since that day, but I will have it examined, and the Senator will find that I have substantially quoted him.

Mr. ALDRICH. I do not expect the income tax to be adopted——

Mr. BAILEY. Did you say that?

Mr. ALDRICH. And if it were adopted, I do not expect to destroy the protective system now.

Mr. BAILEY. But did you not say that you would go back——

Mr. ALDRICH. I think perhaps it would be destructive in time.

Mr. CLAY. The Senator said it. I have the RECORD here.

Mr. ALDRICH. What I am trying to find out from the Senator from Georgia is whether he would vote for an income tax if he thought it would not be possible to revise this protective tariff according to his ideas, downward.

Mr. CLAY. I will vote for an income tax, because I believe it to be right, and I would continue to battle before the country to induce the country to send Representatives to Congress who would enact it into a law and who would reduce the tariff duties on the necessities of life in proportion to the amount raised by an income tax.

I want to ask the Senator a question. If we are to raise $50,000,000 per year by a tax on corporation dividends, does the Senator think that such a tax is a vicious assault upon the protective system; and, second, if this bill, as it stands, will produce enough revenue to support the Government and we adopt the corporation tax, raising $50,000,000, does not the Senator think we ought to take up some of the other schedules of this bill and reduce the duty in proportion to the amount that we raise by the corporation tax?

Mr. ALDRICH. Does the Senator from Georgia want an answer?

Mr. CLAY. I would not have asked the question if I did not.

Mr. ALDRICH. I shall vote for a corporation tax as a means to defeat the income tax.

Mr. CLAY. I think that is an honest statement.

Mr. ALDRICH. I will be perfectly frank with the Senate in that respect. I shall vote for it for another reason. The statement which I made shows a deficit for this year and next year. This year I estimated $69,000,000. It will be $60,000,000. And next year I estimate a deficit of $45,000,000. I am willing that that deficit shall be taken care of by a corporation tax. That corporation tax, however, at the end of two years, if my estimate should be correct, should be reduced to a nominal amount or repealed. It can be reduced to a nominal amount, and the features of the corporation tax that commend it to many Senators and a great many other people is that the corporation tax, if it is adopted, will certainly be very largely reduced, if not repealed, at the end of two years.

So I am willing to accept a proposition of this kind for the purpose of avoiding what, to my mind, is a great evil and the imposition of a tax in time of peace when there is no emergency, a tax which is sure in the end to destroy the protective system. I have been perfectly frank with the Senator in stating my own views on the subject.

Mr. BAILEY. Will the Senator from Georgia permit me?

Mr. CLAY. Certainly.

Mr. BAILEY. I simply want to commend the statement of the Senator from Rhode Island to those Senators who say they are in favor of an income tax and who join with him in this subterfuge to defeat it. The Senator from Rhode Island has very frankly served notice on those Republicans whom he has won from the income-tax amendment to the support of the corporation tax that it is to be entirely repealed or at least emasculated within the next two years; and so, after all, it is simply a contest between an income tax as a permanent part of our fiscal system and a corporation tax as a subterfuge for two years. That clarifies the atmosphere, Mr. President.

Mr. ALDRICH. The corporation tax is not a subterfuge in any sense of the word. It is a tax upon the incomes of corporations, which is clearly within the constitutional right of the Congress to impose, and those Senators and others who are honestly in favor of the imposition of an income tax which is constitutional and can be so held and will be operative, will certainly support the proposition offered by the committee, the proposition of the administration, as against the proposition of the Senator from Texas, which is certainly, in the minds of most thoughtful people, unconstitutional and unwise in all its provisions.

Mr. BAILEY. Not the most thoughtful, but the least thoughtful.

Mr. ALDRICH. That is the difference between the Senator from Texas and myself. I used the term "most thoughtful" because I thought it was a most proper designation of the people supporting this proposition.

Mr. BAILEY. I may say that the President of the United States thought with me once, until the Senator from Rhode Island persuaded him or he persuaded the Senator from Rhode Island, and I am not prepared to say which. But I only trespass upon the Senator's time far enough to reassert my characterization of this as a subterfuge, and my direct authority for saying—although I did not need it, for I knew it before—is the statement of the Senator from Rhode Island that he votes for the corporation tax for the purpose of defeating the income tax. If that does not define a subterfuge, I need a new dictionary.

Mr. ALDRICH. I stated, and I will repeat, that the proposition of the Senator from Texas, in the opinion of a great majority of the thoughtful lawyers of the United States, is unconstitutional. It is an attempt in time of peace to take the taxing power, which was only intended for use in emergencies, and try to force it upon the American people, accompanied by the declaration which my friend, the Senator from Texas, has had the courage to make, that it is the purpose to destroy the protective system. Now, I say, on the other hand, that those men who believe that we can tax corporations in a perfectly constitutional way will support the proposition of the administration.

The Senator from Texas says he does not know whether the President of the United States succeeded in persuading me to support this amendment or whether I succeeded in persuading him. I will say to the Senator from Texas that this proposition of the President of the United States was made to the House Committee on Ways and Means long before I considered the subject at all, and I am here as a Republican to support the President and the Republican administration as far as I can consistently with my views of my duty to the country and my position as a Senator. I shall vote for this proposition for the very purposes I have named, and among them the fact that it is a Republican proposition and has the support of the President of the United States is not the least controlling.

Mr. BAILEY. The Senator has not told us whether he persuaded the President or the President persuaded him.

Mr. ALDRICH. I think I did. I said this proposition in terms was made to the Ways and Means Committee of the House of Representatives.

Mr. BAILEY. Who made it?

Mr. ALDRICH. By the President.

Mr. BAILEY. In a communication?

Mr. ALDRICH. In a communication to the Republican members of that committee.

Mr. BAILEY. That is a new way to communicate with Congress, not recognized in the Constitution.

Mr. ALDRICH. That is the way a President would naturally communicate with Republican or Democratic Representatives, as the case may be. He would communicate, naturally, with committees, and not in messages to Congress. I have made the statement because I want to be perfectly frank with Senators, as far as I am concerned, and I have told the whole story.

Mr. BAILEY. The Senator has not told the whole story, if he will pardon me for saying so, because, notwithstanding the President's recommendation in that grapevine communication to the Ways and Means Committee of the House, his suggestion was not adopted, and it laid in abeyance or at rest until it became apparent that unless something was done the Senate would adopt the income-tax amendment to this bill, and in that necessity of the case it is revived.

It is said to be a woman's province to be curious, but I have the same kind of human nature in my composition, and I am a little curious to know whether, when they set themselves to work to defeat this income-tax amendment, the President made this suggestion to the Senator from Rhode Island or the Senator from Rhode Island made the suggestion to the President; and in this unusual burst of confidence to which the Senator has treated the Senate I think he could well afford to tell the Senate whether the Senator suggested it to the President or the President suggested it to the Senator.

Mr. CLAY. Mr. President, I think I can not yield further.

Mr. ALDRICH. In answer to the suggestion of the Senator from Texas, I suppose the Senator seriously does not expect an answer to that proposition. It will not be possible for me to say; and if it were possible for me to say, I should not.

Mr. BAILEY. Then the Senator is not entirely frank with the Senate.

Mr. ALDRICH. I am not inclined to be frank about a private conversation I have with anybody. I think that is a matter between myself and the person.

Mr. BAILEY. I supposed there were no private conversations between public officials with respect to public matters.

Mr. ALDRICH. The Senator is entirely mistaken.

Mr. TILLMAN. With the kind permission of the Senator from Georgia——

Mr. CLAY. I hope Senators will permit me to conclude.

Mr. TILLMAN. I am not going to make any speech, but I am going to state a fact which it seems to me has escaped the minds of Senators. We have gone beyond the understanding that we were not to take up the income tax until the dutiable schedules are completed. The Senator from Rhode Island this morning served notice that as soon as the amendment on tea which I offered is disposed of he would then move to lay on the table any amendment proposed to the schedules of the bill. Now, my poor little tea baby is lying in the pine woods crying for pap or something of that sort, asking for votes which will give us $9,000,000 of revenue and satisfy the Democrats and give us $1,200 of protection and satisfy the Republicans, and Senators jump up this income tax, corporation tax, subterfuge, humbug, whatever it may be, and my poor little infant goes on suffering. Let us get back to the tea.

Mr. CLAY. Mr. President, I wish to consume only a few more minutes of the time of the Senate.

Mr. GORE. Mr. President——

The VICE-PRESIDENT. Does the Senator from Georgia yield to the Senator from Oklahoma?

Mr. CLAY. I do; but this is the last time I am going to yield.

Mr. GORE. Mr. President, just a minute. I merely wish to commend the Senator from Texas for the interesting information he has drawn out; and I hope he will be able to induce the Senator from Rhode Island to state whether the President has the same object in view that the Senator from Rhode Island has in this corporation tax as a substitute for the income tax. I wish to know whether the President of the United States has made himself a party to this plan to sidetrack Congress with reference to the income-tax amendment?

Mr. ALDRICH. I am not called upon to speak for the President of the United States. The Senator from Oklahoma has, I suppose, the same facility all of us have for finding out the opinion of the President of the United States on this or any other question. I am not——

Mr. BAILEY. He only sends public communications to us. His private ones are intended for the Republicans.

Mr. ALDRICH. Oh, no.

Mr. CLAY. I think the Senator from Rhode Island has been pretty frank in one respect in regard to this matter. The Senator has told us that he was not in favor of this corporation tax as an original proposition, and that he simply consented to it for the purpose of defeating the income tax.

Mr. ALDRICH. The Senator goes a good deal further than I went in that statement.

Mr. CLAY. I do not want to do the Senator any injustice.

Mr. ALDRICH. I did not say whether I would be in favor of the corporation tax as an original proposition or not. I said I was voting for it now, when there is no revenue needed from my standpoint, except possibly for the deficiency which might occur this year and next year; and for that purpose a tax on corporations is a wise tax. I think the amendment which I have offered has other provisions which are wise and salutary. It provides for the publicity of the business of all corporations in the United States through the imposition of the taxing power of this Government. It puts, in a certain sense——

Mr. CLAY. I hope the Senator will not discuss it now.

Mr. ALDRICH. The Senator from Georgia was undertaking to say what my opinion is, and I was trying to correct him. I do not intend to take up his time; but at the proper time and under proper circumstances, when permitted in my own way to explain my views, I prefer to do that. I desired to correct the Senator from Georgia in his statement as to what my views were.

Mr. CLAY. Mr. President, I do not go, probably, as far as some of the members of my party in regard to the income tax. I am in favor of an income tax, but I am frank to confess that I would not regard the revenue derived from an income tax in providing means to support the Government until the question was tested and decided in the Supreme Court. I would not consider for a certainty that we had $80,000,000 of revenue from that direction until I knew that the law was declared to be constitutional. I would be perfectly willing to vote to send that question to the Supreme Court to be reargued, and I hope, after a rehearing, the court will decide in favor of its constitutionality.

I concede that you can not rely absolutely upon the revenue coming from that tax until that question is settled, but I think this——

Mr. ALDRICH. Will the Senator allow me to ask him a question? Will the Senator vote for an income tax which will levy at least $125,000,000 upon the people of the United States, with his doubts about its constitutionality, in preference to a tax upon corporations, which is admittedly constitutional and which would raise forty or fifty million dollars?

Mr. CLAY. I never had the least doubt about the constitutionality of the income tax until the decision was made, which has often been referred to on this floor, during Mr. Cleveland's administration. Of course it becomes the duty of every good citizen to accept the decision of the Supreme Court on any question as final, but time and again not only the Supreme Court of the United States, but the highest tribunals in our States, after a rehearing, have reversed themselves on important questions.

In regard to the corporation tax, I am going to vote first for an income tax and to send this question back to the Supreme Court, and then if that proposition should be voted down I am going to vote in favor of a corporation tax. I want to say though, and I believe that I am justified in making this statement under the facts: As an original proposition, the Senator from Rhode Island most assuredly was not in favor of a corporation tax, because if he had been he would have prepared the bill on that line, and he would have incorporated it in this measure. The Senator is bound to concede that if we raise $60,000,000 by reason of this incorporation tax there is no excuse for leaving the schedules in the bill as they stand to-day. Suppose we are to raise $75,000,000, Mr. President, then you add an additional $75,000,000 of revenue. If the bill originally raised enough revenue to support the Government, why ought we not to make the reductions so as to make the expenditures and the receipts equal to each other in the Government? If we do not need this $75,000,000, and if we do not intend to make any other reductions, I ask the Senator what excuse we can give to the people of the United States for raising $75,000,000 revenue we do not need and do not expect to expend, and at the same time do not relieve them of a part of the burdens of taxation?

Mr. ALDRICH. Mr. President, I thought I made my own position perfectly clear. I decline to vote for an income tax of

$125,000,000, offered by the Senator from Texas, as the representative of the Democratic party in the Senate, when that proposition, to my mind, clearly involves unconstitutional provisions, and I decide for myself to follow the President of the United States, a Republican, in the proposition to impose a tax upon corporations, which is admittedly constitutional, and which will raise money enough this year and next year to meet the deficiency which we all admit there will be in the revenues.

Mr. CLAY. If the Senator from Rhode Island has ever been in favor of an income tax either before or since that decision was made by the Supreme Court, I am not aware of it. If the Senator will examine the CONGRESSIONAL RECORD and see his own expressions, he will find that time and again on the floor of the Senate he has declared that an income tax was socialistic in its nature.

Mr. ALDRICH. There is no concealment about my position in regard to this matter. I am opposed to an income tax. I think an income tax never ought to be imposed except in times of stress or emergency when it is not possible to raise revenue from the ordinary sources. There can be no question about my views upon that subject. I have not changed them and I will not change them by any proposition which I have made now.

Mr. CLAY. But I understood from the remarks of the Senator that he was now opposed to an income tax purely on the ground that the Supreme Court had declared it unconstitutional.

Mr. ALDRICH. That is an additional ground.

Mr. CLAY. Mr. President, I am justified in saying that the Senator was correct when he said to the Senate and the country that he consented to this corporation tax, which will produce fifty or sixty million dollars, solely for the purpose of defeating the income tax.

Mr. ALDRICH. Mr. President——

The VICE-PRESIDENT. Does the Senator from Georgia yield to the Senator from Rhode Island?

Mr. CLAY. Certainly.

Mr. ALDRICH. I did not say "for the purpose solely of defeating the income tax." I said that was one of the reasons why I should vote that way, and I certainly should not have been frank with the Senate if I had not stated it.

I desire to say one thing further about the proposition of the Senator from Texas which he has reported and which he and his party associates stand for, as I understand him. The imposition of an income tax now is not only an attempt to adopt an unconstitutional provision, but it is an assault, a rebuke in any way, of the Supreme Court of the United States. There can be no question in my mind about that. The Supreme Court have decided this question. They argued it twice, and they have decided it after deliberation, and now, without any change in that decision or without any belief on the part of most people that there is any possibility of a change in that court, it is proposed that we shall fly in the face of that decision and rebuke the highest judicial tribunal in this country by undertaking to enact legislation which is contrary to every principle which was asserted in their last decision.

Mr. McLAURIN. Will the Senator from Georgia allow me to ask the Senator from Rhode Island a question?

Mr. CLAY. Certainly.

Mr. McLAURIN. When the moot case of Pollock was presented to the Supreme Court, up to that time——

Mr. ALDRICH. Why does the Senator call it a moot case?

Mr. McLAURIN. I regard it as a moot case.

Mr. ALDRICH. That is the Senator's own opinion, but the Senator realizes, of course, that it was not a moot case.

Mr. McLAURIN. The same interests were on both sides of that case. The plaintiff and the defendant in that case were both interested in having the case decided against the defendant.

Mr. BEVERIDGE. Will the Senator permit me? He perhaps forgets that in that case there was an intervener, a trust company of New York, which wanted to uphold the tax. It was represented by Mr. Carter, who perhaps made the most learned argument for upholding the tax. The Senator is wrong about his facts.

Mr. McLAURIN. Both parties were interested in the same decision. Up to that time the Supreme Court had held the income tax was unconstitutional. Now, did it appear to the Senator from Rhode Island——

Mr. ALDRICH. Did not the Democratic Attorney-General appear for the Government of the United States?

Mr. McLAURIN. That is not pertinent to this question.

Mr. ALDRICH. I think it is a very pertinent question. The Senator calls this a moot case. Does the Senator mean that the Democratic Attorney-General was a party to some collusive agreement to strike the law down?

Mr. McLAURIN. So far as my question, it was not a moot case.

Mr. ALDRICH. Will the Senator answer the question? Does he think the Democratic Attorney-General was in collusion with other parties to try to strike the law down.

Mr. McLAURIN. Suppose there was a Democrat——

Mr. CLAY. I hope the Senator will allow me to proceed.

Mr. McLAURIN. Certainly.

Mr. CLAY. Now, Mr. President, just one word and I am through. Here is my position: I feel sure that the income-tax provision would have been adopted and sent to the Supreme Court for its consideration had this corporation tax not been presented to the Senate, and I believe I am justified in saying that it was presented for the purpose of defeating the income tax.

Mr. President, I do not regard it as any reflection upon the Supreme Court of the United States that we should ask that court again to hear this question and pass upon it. Lawyers familiar with the history of that great court will readily concede that time and again applications for a rehearing have been made before that court and passed upon, and the same can be said in regard to the highest judicial tribunals in the different States in this Union. That court at first decided this tax constitutional by one majority, and afterwards against its constitutionality by one vote. I am not making any reflection upon the court; but I insist that it is the privilege of this Congress to send that question to the court again and ask the court to hear arguments, and no Senator has a right to say that a vote in favor of the income tax is a reflection upon the Supreme Court of the United States.

Now, what will be the result? Mr. President, we will adopt the corporation tax. A majority of the Senate will defeat the income tax. We will in all probability adopt an amendment submitting that constitutional amendment to the different States, and, Mr. President, I predict that the chairman of the Finance Committee will never exert his great influence and his great intellect in favor of the adoption of that feature by the different States in the Union. I predict, Mr. President, that when we adopt it twelve States of this Union will defeat it, and after it is defeated, then the income tax will be at an end. It is the very best way that you could defeat it. You will come back to Congress and say that the question was submitted to the different States and that twelve States defeated it, and then, if that is done, and you should go to the Supreme Court it can be said that the people failed to adopt it, when an overwhelming majority of the people of the United States are in favor, in my judgment, of an income tax.

But I rose for one purpose, and that purpose was this: If this corporation tax is adopted, and we provide $60,000,000 of revenue, we can not excuse ourselves to the American people for our failure to make reductions where we have raised this sum by a corporation tax. I believe an income tax more equitable than a corporation tax.

Mr. LODGE. The Senator, of course, is aware that according to the amendment offered by the Senator from Texas there is embodied not only an income tax, but a corporation tax and an inheritance tax.

Mr. BAILEY. That is correct; and a tax on gifts, too.

Mr. LODGE. Devises and bequests.

Mr. CLAY. That is correct.

Mr. LODGE. So the Senator holds them all three equitable and inequitable.

Mr. CLAY. I think that an income tax on individuals and on corporations, beginning at a certain sum—five or ten thousand dollars per year, a graduated income tax—is absolutely just and equitable. If I am not incorrectly informed, Massachusetts has an income tax. Am I correct in that?

Mr. LODGE. Yes; Massachusetts has an income tax.

Mr. CLAY. There are only a few States in the Union that have adopted an income tax. A great many of the States in the Union have adopted an inheritance tax. If the Senator from Rhode Island was correct when he said if an income tax were adopted it would be necessary to go over all these schedules and that it was a severe blow to protection, then the Senator must admit that if we adopt the corporation tax and raise fifty or sixty million dollars, it is equally necessary to go over the different schedules and make reductions, and one is as severe a blow to the principles of protection as the other.

Mr. McLAURIN. Mr. President, I will state the question which I intended to propound to the Senator from Rhode Island [Mr. ALDRICH] when I was taken off the floor by the impatience of the Senator from Georgia [Mr. CLAY]. The Senator from Rhode Island regards it as a rebuke to the Supreme Court for the Congress to enact an income tax after the Supreme Court of the United States has decided in the Pollock case that that income-tax law was unconstitutional. Up to that time, for more than a hundred years, the Supreme Court of the United

States had held that an income tax was constitutional, and had so held time and time again. Was it a rebuke to the Supreme Court for the plaintiff in that case to go before the court and contend that the decisions of the Supreme Court were up to that time unwise, unjust, and in violation of the Constitution? If not a rebuke to the Supreme Court for the plaintiff in that case to contend that the decisions theretofore rendered by the Supreme Court were wrong, how could it be a rebuke for the Congress of the United States now to pass another law for an income tax, somewhat dissimilar to the law that was enacted in 1894 in the Wilson Act?

Mr. BAILEY. Mr. President, I want to suggest, in addition to what the Senator from Mississippi [Mr. MCLAURIN] has said in reply to what the Senator from Rhode Island [Mr. ALDRICH] has said, that in this very case a justice of the Supreme Court changed his mind between the argument and the reargument. If a justice can do that and be honest—and I have no doubt in this world that he can change his mind and be honest; indeed, I think men who change their minds are sometimes more honest than some who do not change them, though they have been convinced—are we to say that this justice had not the right to change his mind? If he had the right to change his mind between the argument and the reargument, have we not the right to assume that justices even who were on the bench at that time may have changed their minds? But, sir, does the Senator forget that a great change in the personnel of that bench has occurred?

The Senator from Rhode Island and no other man in this country would have ever presented the Pollock case to the same Supreme Court that decided the Springer case. If the same judges had sat when the Pollock case was brought who sat when the Springer case was decided, no case would have ever been carried to that tribunal. It was the very change in the personnel of the court—and that is an important matter, as was made manifest by the present President of the United States who, in his Columbus speech, referred to that—the very change in the personnel of the court not only makes it permissible, but makes it respectful to submit the question again to that tribunal.

Mr. DIXON. Mr. President, I am as adverse as anyone to taking up any more time about this amendment on tea; but as the Senator from South Carolina [Mr. TILLMAN] has said, his infant has become utterly neglected during the last hour of this debate, I think we at least ought to understand what we are voting upon. I think I am a pretty consistent protectionist. I sincerely and honestly would in some way like to vote to help develop what I believe would be a great tea industry in this country. I am willing to go to almost any extreme for the sake of developing a new industry in this Republic. I am willing at this time, and, as I said to the Senator from South Carolina this morning, I would gladly vote for a bounty of 10 cents a pound for ten years upon every pound of tea that could be produced in the South. I think that in itself would greatly tend to develop that great industry here; but there are some extremes to which, as a protectionist, I can not consistently go. In this case we are asked to vote an amendment carrying a duty of at least 50 per cent in nearly every class of tea imported, and in the cheaper grades of tea a duty of 75 or 80 per cent, for the purpose of protecting 12,000 pounds of tea produced at this time.

Mr. TILLMAN. Not protecting at all, but just getting $9,000,000 of revenue.

Mr. DIXON. Getting $9,000,000 of revenue, it is true; but if you put the amendment on a tariff for revenue basis, we cannot support a tariff for revenue based on a 50 to 75 per cent duty. I do not think we can consistently do that.

Mr. TILLMAN. We put a 128 per cent increase on pineapples only two or three days ago.

Mr. TALIAFERRO. Mr. President, that is a very unfair statement.

The PRESIDING OFFICER (Mr. CARTER in the chair). Does the Senator from Montana yield to the Senator from Florida?

Mr. DIXON. Yes.

Mr. TALIAFERRO. That was only 30 to 32 per cent.

Mr. TILLMAN. It is pretty hard to be consistent here. Anybody who undertakes to hunt consistency in this Chamber will have a very difficult job.

Mr. TALIAFERRO. Mr. President——

Mr. TILLMAN. I am not complaining of the duty on pineapples. I am only talking to my friend from Montana here, who is discussing the question of what we are proposing to do as to tea.

Mr. TALIAFERRO. We ought to be able to get at the facts. There certainly is no duty of 128 per cent on pineapples.

Mr. TILLMAN. Well, an increase of 128 per cent over the previous duty.

Mr. TALIAFERRO. The case would have been more fairly stated if the Senator from South Carolina had said that the duty was from 30 to 32 per cent.

Mr. TILLMAN. I had not figured out what the duty on the value of the article was, because I did not know.

Mr. DIXON. Mr. President, I am glad that the Senator from South Carolina brought up the question of pineapples. I voted for the pineapple duty of, as I understood it, about 25 to 30 per cent, because at this time we do produce about one-third of the pineapples consumed in this country; but I think it is carrying protection to the furthest extreme for the people of this country to deliberately add $10,000,000 a year to the cost of tea for the sake of protecting 12,000 pounds grown in one State.

Mr. TILLMAN. Has not the Senator from Montana heard the statements made here, and repeated time and again, coming from the best sources of information possible, that the duty does not increase the price; that when we put a duty of 10 cents a pound on tea during the Spanish war the price did not go up to the consumer, and when we took it off it did not go down, and that this is one case in which the duty will be paid by the producing countries and by a reduction of the profits of the retailers?

Mr. DIXON. I have heard that argument advanced on this side of the Chamber.

Mr. TILLMAN. It is not only an argument, but it is a fact, based on all the prices quoted in the newspapers and in the other instrumentalities which merchants use to send their prices out.

Mr. DIXON. But this is the first time I have heard that thing demonstrated on the other side of the Chamber.

Mr. TILLMAN. Yes; and it is the first time, I believe, when it could be demonstrated. I am a believer in the doctrine that the consumer pays the duty, but this seems to be the exception which proves the rule.

Mr. DIXON. Except in the case of tea.

Mr. TILLMAN. Tea is the one thing where the consumer does not pay the duty.

Mr. DIXON. It has been my experience, Mr. President, that at various stages in this debate there have been exceptions to rules drawn in different parts of the Chamber, and this is one. I wish to say to the Senator from South Carolina that I want to help the tea industry. I would gladly vote for a bounty of 10 cents a pound for ten years, which, I think, would demonstrate the fact whether or not we can raise tea in the United States successfully. I believe we can; but to deliberately add $10,000,000 to the cost of tea drinking in the country for the sake of 12,000 pounds produced at this time, I think, is protection gone mad.

Mr. JONES. Mr. President, I want to suggest, in that connection, that, as I understand it, those 12,000 pounds of tea are produced by one individual, and he is making money out of the business.

Mr. DIXON. That is important.

Mr. TILLMAN. That is simply because he is the only producer and has a special class of consumers, who find that they can get the best tea in the world in South Carolina, and so they send down there and pay him fancy prices; but if it becomes an industry into which hundreds of thousands of people will enter, they will have to go into the markets and compete with the Japanese, the Chinese, the people of Ceylon, and other oriental countries.

Mr. BAILEY. Mr. President——

The PRESIDING OFFICER. Does the Senator from Montana yield to the Senator from Texas?

Mr. DIXON. I do.

Mr. BAILEY. Mr. President, nothing better illustrates the difference between a Democrat, who is a revenue advocate, and a Republican, who is a protectionist, than the statement which the Senator from Montana [Mr. DIXON] has just made. He declares that this duty would add $10,000,000 to the expense of the tea drinkers of the country, and he leaves us to suppose that it disappears in the clouds; but he must remember that the $10,000,000, which the tea drinkers pay, go into the Treasury of the Government to lighten the burdens of somebody else.

Mr. DIXON. There is no question about that.

Mr. SCOTT. Will the Senator from Montana allow me to interrupt him a minute?

The PRESIDING OFFICER. Does the Senator from Montana yield to the Senator from West Virginia?

Mr. DIXON. I do.

Mr. SCOTT. I believe that the majority, speaking of this tea question, if they are protectionists, have made a mistake. My

theory as a protectionist is, and always has been, that the protection of the home industry always lowers the price of the article. I have no apology to make, though the Senator from South Carolina [Mr. TILLMAN] said a while ago that the majority would have to apologize for some of their votes. I shall not, for I have voted consistently on this tariff bill from the standpoint of a protectionist. If we can produce tea in this country, it will only be a short time before this production will bring the price down. This has been proved in the case of every article protected, manufactured or agricultural, in the history of protective tariffs. That is the kind of a protectionist I am.

Mr. DIXON. And that is the kind of a protectionist I am; but when you start with only 12,000 pounds to supply an importation of 90,000,000 pounds, when we know it will take years to grow the tea plant, it is a different proposition. If it takes five years, the people will pay $50,000,000 for the sake of establishing the industry; and if it takes ten years, they will pay over $100,000,000.

Mr. SCOTT. If this proposed duty be imposed, the people will not pay a cent more for tea than they are paying to-day. The Senator from South Carolina stated the case very properly when he said that the history of the price of tea substantiated the assertion that when the duty went on or went off it did not change the price of tea to the consumer.

Mr. DIXON. I want to confess that the Senator from South Carolina has almost demonstrated to me that the consumer does not pay the tariff duty.

Mr. TILLMAN. On this thing.

Mr. DIXON. But there is another feature of it that I think the friends of the inheritance tax, the income tax, and the corporation tax do not take into consideration. There is no question of the widespread feeling here that some Senators would like to get some kind of revenue that would make it impossible to add an inheritance-tax or a corporation-tax or an income-tax provision to this bill. Here you are adding $10,000,000 in one lump sum, and every time you add $10,000,000 to the revenues under the bill it is one more vehement argument why neither the income nor inheritance nor corporation tax should be adopted. I think the vote on this tea proposition is surrounded with a lot of difficulties, and I would beg the Senator from South Carolina to let us avoid the dangers which come with it and take 10 cents a pound bounty on tea. I assure him that from what I have heard in the Chamber I think it will receive almost a unanimous vote on the Republican side.

Mr. PERKINS. Mr. President——

The PRESIDING OFFICER. Does the Senator from Montana yield to the Senator from California?

Mr. DIXON. Gladly.

Mr. PERKINS. I want to give my friend from Montana an object lesson which will enable him to ease his conscience and vote for the proposed amendment of the Senator from South Carolina. Twelve years ago layer raisins and Zante currants, but raisins in particular, were worth from 10 to 15 cents a pound. We succeeded in getting a duty of 6 cents a pound placed upon them under what is known as the "Dingley law." We were then producing no raisins, comparatively speaking, in the United States. To-day raisins are selling for 3 and 3½ cents a pound in California, and we are producing enough layer raisins of the best quality to supply every person in the United States with them.

Mr. SCOTT. That is good Republican doctrine.

Mr. DIXON. The Senator from California has undoubtedly convinced my friend from West Virginia of the potency of his argument.

Mr. PERKINS. It is unanswerable, it seems to me.

Mr. DIXON. I will ask the Senator from California to what extent raisins were raised in California at the time the duty was imposed?

Mr. PERKINS. Comparatively speaking, there were none raised. We demonstrated the fact that it was practicable to raise them, but they had not been raised to any extent until this duty was placed upon them.

Mr. DIXON. What were raisins selling for when we put on 2 cents a pound duty?

Mr. PERKINS. From 10 to 15 cents a pound for layer raisins. To-day they are sold at retail in California at 3 cents a pound in any quantity, and we are selling them by the carload for 3 cents a pound.

Mr. DIXON. In that case the duty was 2 cents per pound?

Mr. PERKINS. Two cents per pound.

Mr. DIXON. Which is about 20 per cent, or less than 20 per cent. In this case we are asked to vote for a duty of not less than 50 per cent on the higher grades of imported tea; and in the case of tea which is imported at 15 cents per pound, it would be a matter of 66⅔ per cent.

Mr. PERKINS. The report of the Agricultural Department shows that it costs to raise tea in Ceylon and Formosa from 10 to 12 cents a pound.

Mr. DIXON. Then we would be putting on a 100 per cent duty under the amendment of the Senator from South Carolina. I want to help the Senator——

Mr. TILLMAN. How much duty did you put on Montana wool?

Mr. DIXON. About 7 cents a pound.

Mr. TILLMAN. How much is wool worth without it?

Mr. DIXON. Wool is worth about 23 or 24 cents in the market.

Mr. TILLMAN. What was it worth without a duty?

Mr. DIXON. When we had no duty, the woolgrower went bankrupt and wool was worth nothing.

Mr. TILLMAN. Very well; then the duty on wool, when wool sold for 10 cents per pound, was about 50 or 60 per cent. You hug it and how sweet it is, and you wrap yourself in it and keep it. [Laughter.]

Mr. DIXON. It is a fine duty, Mr. President, but the Senator forgets that we were raising 50,000,000 pounds of wool at the time the duty was put on. Suppose we had only been raising 1,200 or 12,000 pounds of wool in this country?

Mr. TILLMAN. Mr. President, the Senator may be uncomfortable, but I have demonstrated, beyond all possibility of reasonable dispute, that this is a protective duty, which will develop the tea industry in the South.

Mr. DIXON. There is no question about that.

Mr. TILLMAN. Very well, then; the Senator ought to stop cavilling and complaining and other objections, and he ought to "go it blind," like he has been "going it blind" after our friend from Rhode Island [Mr. ALDRICH] all these months. [Laughter.]

Mr. DIXON. I confess the Senator from Rhode Island has been a little more reasonable in his demand for protective duties than is the Senator from South Carolina in this case.

Mr. BRANDEGEE. Mr. President——

The PRESIDING OFFICER. Does the Senator from Montana yield to the Senator from Connecticut?

Mr. DIXON. I do.

Mr. BRANDEGEE. I should like to ask the Senator from South Carolina how long it takes a tea plantation to get started and to become a producing plantation?

Mr. TILLMAN. I think you can begin to gather the leaves the third year; and as the plant grows in size and in strength, with the deep-root system, the foliage will increase and the yield increase. It will take ten or twelve years for a bush to get to its full productive capacity.

Mr. BRANDEGEE. Has the Senator any idea what it costs per acre to plant a tea plantation?

Mr. TILLMAN. I have not; but I would not think it would be very expensive when lands are so cheap. The main trouble is preparing the land for the plants, underdraining, cutting out the roots, putting on lime, and all that sort of thing.

Mr. DIXON. The Senator from South Carolina frankly says that he wants 10 cents a pound, as a matter of protection, to develop the tea industry in the South.

Mr. TILLMAN. I say "protection" on the other side, but I want $9,000,000 for revenue on this side. [Laughter.] This is the only proposition that has come in here that catches you all; and it is only by all sorts of quibbling and inconsequential reasoning that you can vote against this proposition. I ought to get the vote of every solitary Republican protectionist in this Chamber, and I ought to get the vote of every solitary Democrat for revenue in this Chamber.

Mr. DIXON. The Senator shoots with a double-barreled gun.

Mr. TILLMAN. Surely; it is the only double-barreled gun that has been in here, too. [Laughter.]

Mr. DIXON. But when he asks the Democratic Senators to vote for a 66 per cent duty upon a tariff for revenue, and the Senator asks us to vote $50,000,000——

Mr. TILLMAN. Do not multiply it so. It is only eight or nine million dollars to begin with, though I do not know what it might grow to, as the quality of tea improves and people begin to like it better.

Mr. DIXON. The Senator says it will take three years before they can begin to pick tea leaves from the plants. If everybody in the South started tea farms the minute this bill passed——

Mr. TILLMAN. But I am not afraid about them all starting. I am afraid the number who will be benefited by this will be very limited.

Mr. DIXON. Now, cold-bloodedly, the Senator wants this duty for the purpose of developing a new industry. I am wholly in sympathy with that, but the price we have to pay for it is too big.

Mr. TILLMAN. I tell you you do not have to pay anything—that is where the good part of it comes in—because the consumer will not have to pay any more for his tea than he does now.

Mr. DIXON. I want the Senator from Rhode Island to take note of the new Democratic doctrine enunciated this morning by the Senator from South Carolina.

Mr. TILLMAN. If it be that this is new Democratic doctrine, which gets $9,000,000 of revenue and $1,200 protection, I will stand the responsibility for it at any time and anywhere.

Mr. JONES. Mr. President——

The PRESIDING OFFICER. Does the Senator from Montana yield to the Senator from Washington?

Mr. DIXON. I do.

Mr. JONES. As I understand, the Senator from South Carolina is urging the Republicans to vote for his amendment on the ground of protection. I wonder whether or not the Senator indorsed the Democratic platform of a few years ago, which denounced protection as robbery, and whether the Senator is trying to have the Republicans here commit robbery.

Mr. TILLMAN. No; you will not rob anybody if we only get $1,200 from it.

Mr. JONES. Twelve hundred dollars is as much robbery as a larger sum.

Mr. DIXON. I observe the Senator from Washington and the Senator from South Carolina are firing the other barrel now.

Mr. STONE. Mr. President——

The PRESIDING OFFICER. Does the Senator from Montana yield to the Senator from Missouri?

Mr. DIXON. I do.

Mr. STONE. I should like permission of the Senator from Montana to ask the Senator from South Carolina whether any part of the forty-three thousand and odd dollars appropriated in the last agricultural appropriation bill for experiments in tea culture, among other things, has been expended in South Carolina?

Mr. TILLMAN. I can not pretend to tell you, sir. I think they have been trying to experiment in the different States, from Texas all the way east.

Mr. DIXON. Would it hurt the feelings of the Senator from South Carolina, in spite of his protest against the doctrine of paying a bounty, if, notwithstanding his own opposition in the matter, the Senate deliberately ran over the Senator, figuratively speaking, and put 10 cents a pound bounty on tea?

Mr. TILLMAN. I am not here to complain of what the Senate does. If the Senate does not give me anything, I shall not worry. I believe I have presented a case here which is entitled to support in two particulars. It demands that every protectionist in this Chamber shall support this duty, and it demands that every tariff-for-revenue Democrat in this Chamber shall vote for this duty, knowing that we have a deficit.

Mr. DIXON. If we are honest, we are going to have a unanimous vote.

Mr. TILLMAN. A unanimous vote; and I am going to watch the men who vote "nay."

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from South Carolina.

Mr. DIXON. I ask for the yeas and nays.

The yeas and nays were ordered, and the Secretary proceeded to call the roll.

Mr. GUGGENHEIM (when his name was called). I have a general pair with the senior Senator from Kentucky, [Mr. PAYNTER], who is unavoidably absent. I shall therefore withhold my vote.

Mr. HUGHES (when his name was called). I am paired with the senior Senator from Maine [Mr. HALE]. I transfer that pair to the junior Senator from Maryland [Mr. SMITH], and vote. I vote "nay."

Mr. RAYNER (when his name was called). I am paired with the junior Senator from Wisconsin [Mr. STEPHENSON]. If he were present, I should vote "nay."

Mr. WARREN (when his name was called). I have a general pair with the senior Senator from Mississippi [Mr. MONEY], and therefore withhold my vote.

The roll call having been concluded, the result was announced—yeas 18, nays 55, as follows:

YEAS—18.

Bailey	Dick	Heyburn	Smith, Mich.
Bradley	du Pont	Nixon	Tillman
Bulkeley	Elkins	Perkins	Wetmore
Burnham	Frye	Root	
Carter	Gallinger	Scott	

NAYS—55.

Aldrich	Clark, Wyo.	Gore	Oliver
Bacon	Clay	Hughes	Overman
Bankhead	Crawford	Johnson, N. Dak.	Owen
Beveridge	Culberson	Johnston, Ala.	Page
Borah	Cullom	Jones	Penrose
Bourne	Cummins	Kean	Shively
Brandegee	Curtis	La Follette	Simmons
Bristow	Daniel	Lodge	Smith, S. C.
Brown	Davis	Lorimer	Smoot
Burkett	Dillingham	McCumber	Stone
Burrows	Dixon	McLaurin	Sutherland
Burton	Fletcher	Martin	Taylor
Chamberlain	Flint	Nelson	Warner
Clapp	Foster	Newlands	

NOT VOTING—19.

Briggs	Frazier	Money	Smith, Md.
Clarke, Ark.	Gamble	Paynter	Stephenson
Crane	Guggenheim	Piles	Tallaferro
Depew	Hale	Rayner	Warren
Dolliver	McEnery	Richardson	

So Mr. TILLMAN's amendment was rejected.

Mr. SMITH of Michigan. Mr. President, as I understand the rules, we will be privileged to offer amendments to the bill when it goes into the Senate. I desire to give notice of my intention to offer an amendment or a new section of the bill providing for a bounty upon domestic tea, to extend over a period of five years.

Mr. BEVERIDGE. Mr. President, it is not necessary, under the agreement made here, or under the rules of the Senate, for the Senator to reserve an amendment to the bill in the Senate.

Mr. ALDRICH. No; that can be done without such a reservation.

Mr. SMITH of Michigan. I simply wish to give notice that that is my intention.

Mr. BEVERIDGE. An amendment can be offered after the bill gets in the Senate without any reservation. That was discussed here for a whole day.

Mr. SMITH of Michigan. I propose to offer an amendment providing for a bounty on domestic tea extending over a period of five and possibly ten years, the bounty to consist of 10 cents a pound.

Mr. OWEN. Mr. President, before we dispose of the dutiable schedules, I wish to offer an amendment proposing a reduction of 5 per cent per annum on all of the items of all of the schedules, except Schedule H—the liquor schedule—for the next ensuing five years, provided that under the amendment such rate shall not be reduced or fixed below the point at which it would produce an amount equal to the difference in the cost of the production of any such article in the United States and abroad. I propose that the difference in the cost of the production of any such article in the United States and abroad shall be determined upon proper evidence, duly recorded by a nonpartisan commission of five experts, to be appointed by the President of the United States and confirmed by the Senate.

I do not intend to take the time of the Senate to go into an elaborate discussion of this proposition. As I understand, the Democratic party is committed to a gradual reduction of the tariff schedules. As I understand the Republican platform, the Republican party is committed to writing these schedules in the light of the difference in the cost of production at home and abroad. The Senate has not been furnished with any evidence sufficient to show what that difference in the cost of production at home and abroad is. I propose that the difference shall be determined by a nonpartisan board of five experts, to be appointed by the President and confirmed by the Senate. Many of the schedules are recognized to be far above the maximum revenue-producing point, and lowering them would increase the revenue to be derived from such schedules by increasing imports.

I desire a record vote upon the matter; and, without debating it further, I ask a vote of the Senate upon it.

The PRESIDING OFFICER. The amendment proposed by the Senator from Oklahoma will be read by the Secretary for the information of the Senate.

The SECRETARY. On page 193, after line 2, insert:

That the rate fixed on all articles enumerated in section 1 of this act, in schedules A, B, C, D, E, F, G, I, J, K, L, M, N, shall be reduced 5 per cent per annum of the rate fixed in this act, annually on June 30, for each of the next ensuing five fiscal years: *Provided*, That such rate shall not hereunder be reduced or fixed below the point at which it would produce an amount equal to the difference in the cost of the production of any such article in the United States and abroad.

The difference in the cost of the production of any such article in the United States and abroad shall be determined, upon proper evidence duly recorded, by a nonpartisan commission of five experts, to be appointed by the President of the United States and confirmed by the Senate.

Mr. ALDRICH. I move to lay the amendment on the table.

Mr. OWEN. Upon that I ask for the yeas and nays.

The yeas and nays were not ordered.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Rhode Island.

The motion to lay on the table was agreed to.

Mr. OWEN. I offer an amendment which I will ask the Secretary to report.

The PRESIDING OFFICER. The Secretary will report the amendment offered by the Senator from Oklahoma.

The SECRETARY. On page 193, after line 2, insert:

That the rate fixed on all articles enumerated in section 1 of this act in Schedules A, B, C, D, E, F, G, I, J, K, L, M, and N shall be reduced 5 per cent per annum of the rate fixed in this act, annually on June 30, for each of the next ensuing five fiscal years: *Provided*, That if such graduated reduction shall cause a diminution of the annual revenue from any one or more of the articles enumerated therein, the President is directed to restore the rate on any such article or articles severally at the point at which any such article is found to have had the greatest normal revenue-producing power.

Mr. ALDRICH. I move to lay the amendment on the table.

Mr. OWEN. Upon that I ask for the yeas and nays.

The yeas and nays were not ordered.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Rhode Island.

The motion to lay on the table was agreed to.

Mr. OWEN. Mr. President, I offer an amendment which I will ask the Secretary to report.

The PRESIDING OFFICER. The Secretary will report the amendment offered by the Senator from Oklahoma.

The SECRETARY. On page 193, after line 2, insert:

471½. That the rate fixed on all articles enumerated in section 1 of this act, in schedules A, B, C, D, E, F, G, I, J, K, L, M, N, shall be reduced 5 per cent per annum of the rate fixed in this act, annually on June 30, for each of the next ensuing five fiscal years: *Provided*, That if such graduated reduction shall cause a diminution of the annual revenue from any one or more of the articles enumerated therein, the President is authorized and directed to restore the rate on any such article or articles severally at the point at which any such article is found to have had the greatest normal revenue-producing power: *And provided further*, That such rate shall not hereunder be reduced or fixed below the point at which it would produce an amount equal to the difference in the cost of the production of any such article in the United States and abroad.

The difference in the cost of the production of any such article in the United States and abroad shall be determined from time to time, upon proper evidence, duly recorded, by a nonpartisan commission of five experts to be appointed by the President and confirmed by the Senate.

Mr. ALDRICH. I move to lay the amendment on the table.

Mr. OWEN. Upon that I demand the yeas and nays.

The yeas and nays were not ordered.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Rhode Island to lay the proposed amendment on the table.

The motion to lay on the table was agreed to.

Mr. OWEN. I offer the amendment which I send to the desk.

The PRESIDING OFFICER. The Secretary will report the amendment proposed by the Senator from Oklahoma.

The SECRETARY. On page 193, after line 2, insert:

That the rate fixed on all articles enumerated in section 1 of this act in Schedules A, B, C, D, E, F, G, I, J, K, L, M, and N shall be reduced 5 per cent per annum of the rate fixed in this act, annually on June 30, for each of the next ensuing five fiscal years.

Mr. ALDRICH. I move to lay the amendment on the table.

Mr. OWEN. Upon that I demand the yeas and nays.

The yeas and nays were not ordered.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Rhode Island.

The motion to lay upon the table was agreed to.

Mr. OWEN. I present the amendment which I send to the desk.

The PRESIDING OFFICER. The Secretary will report the amendment of the Senator from Oklahoma.

The SECRETARY. In paragraph 637, at the end of line 17, insert the following proviso:

Provided, That no person, firm, association, or corporation doing an interstate business and engaged in the production, manufacture, distribution, or sale of petroleum oil or of any of its products, shall, for the purpose of creating a monopoly or destroying competition in trade, discriminate between different persons, associations, or corporations, or different sections, communities, or cities of the United States, by selling such commodity at a lower rate in one section, community, or city than in another, after making just allowance only for the difference, if any, in the grade, quantity, or quality, and in the actual cost of transportation from the point of production or manufacture.

Mr. ALDRICH. I move to lay the amendment on the table.

Mr. OWEN. On that I demand the yeas and nays.

The yeas and nays were not ordered.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Rhode Island.

The motion to lay upon the table was agreed to.

Mr. ALDRICH. Mr. President, I think that completes the consideration of the schedules and paragraphs, and I ask that the amendment of the Senator from Texas [Mr. BAILEY] be laid before the Senate.

The PRESIDING OFFICER. The amendment of the Senator from Texas is pending.

Mr. LODGE. I understand that the amendment of the Senator from Texas is now pending under the agreement.

The PRESIDING OFFICER. That is the understanding of the present occupant of the chair.

Mr. LODGE. It was offered, and is pending.

Mr. BEVERIDGE. The amendment has been offered.

Mr. LODGE. I move to amend the pending amendment by striking out the body of the amendment and inserting the amendment which I send to the desk.

The PRESIDING OFFICER. The Secretary will report the amendment proposed by the Senator from Massachusetts.

The SECRETARY. As a substitute for the amendment offered by the Senator from Texas insert the following:

SEC. —. That whenever any country, dependency, colony, province, or other political subdivision of government shall pay or bestow, directly or indirectly, any bounty on grant upon the exportation of any article or merchandise from such country, dependency, colony, province, or other political subdivision of government, and such article or merchandise is dutiable under the provisions of this act, then upon the importation of any such article or merchandise into the United States, whether the same shall be imported directly from the country of production or otherwise, and whether such article or merchandise is imported in the same condition as when exported from the country of production or has been changed in condition by remanufacture or otherwise, there shall be levied and paid, in all such cases, in addition to the duties otherwise imposed by this act, an additional duty equal to the net amount of such bounty or grant, however the same be paid or bestowed. The net amount of all such bounties or grants shall be from time to time ascertained, determined, and declared by the Secretary of the Treasury, who shall make all needful regulations for the identification of such articles and merchandise and for the assessment and collection of such additional duties.

Mr. ALDRICH. I move to amend the substitute offered by the Senator from Massachusetts by adding to it the language which I send to the Secretary's desk.

The PRESIDING OFFICER. The Secretary will report the amendment to the amendment proposed by the Senator from Rhode Island.

The SECRETARY. It is proposed to add to the amendment of the Senator from Massachusetts the following:

That every corporation, joint-stock company or association, organized for profit and having a capital stock represented by shares, and every insurance company, now or hereafter organized under the laws of the United States or of any State or Territory of the United States or under the acts of Congress applicable to Alaska or the District of Columbia, or organized under the laws of any foreign country and engaged in business in any State or Territory of the United States or in Alaska or in the District of Columbia, shall be subject to pay annually a special excise tax with respect to the carrying on or doing business by such corporation, joint-stock company or association, or insurance company, equivalent to 2 per cent upon the entire net income over and above $5,000 received by it from all sources during such year, exclusive of amounts received by it as dividends upon stock of other corporations, joint-stock companies or associations, or insurance companies, subject to the tax hereby imposed, or if organized under the laws of any foreign country, upon the amount of net income over and above $5,000 received by it from business transacted and capital invested within the United States and its Territories, Alaska, and the District of Columbia during such year, exclusive of amounts so received by it as dividends upon stock of other corporations, joint-stock companies or associations, or insurance companies subject to the tax hereby imposed.

Second. Such net income shall be ascertained by deducting from the gross amount of the income of such corporation, joint-stock company or association, or insurance company from all sources, (first) all the ordinary and necessary expenses actually paid within the year out of income in the maintenance and operation of its business and properties; (second) all losses actually sustained within the year and not compensated by insurance or otherwise, including a reasonable allowance for depreciation of property, if any, and in the case of insurance companies the sums required by law to be carried to premium reserve fund; (third) interest actually paid within the year on its bonded or other indebtedness to an amount of such bonded and other indebtedness not exceeding the paid-up capital stock of such corporation, joint-stock company or association, or insurance company, outstanding at the close of the year; (fourth) all sums paid by it within the year for taxes imposed under the authority of the United States or of any State or Territory thereof; (fifth) all amounts received by it within the year as dividends upon stock of other corporations, joint-stock companies or associations, or insurance companies, subject to the tax hereby imposed: *Provided*, That in the case of a corporation, joint-stock company or association, or insurance company, organized under the laws of a foreign country, such net income shall be ascertained by deducting from the gross amount of its income from business transacted and capital invested within the United States and any of its Territories, Alaska, and the District of Columbia, (first) all the ordinary and necessary expenses actually paid within the year out of earnings in the maintenance and operation of its business and property within the United States and its Territories, Alaska, and the District of Columbia; (second) all losses actually sustained within the year in business conducted by it within the United States or its Territories, Alaska, or the District of Columbia not compensated by insurance or otherwise, including a reasonable allowance for depreciation of property, if any, and in the case of insurance companies the sums required by law to be carried to premium reserve fund; (third) interest actually paid within the year on its bonded or other indebtedness to an amount of such bonded and other indebtedness, not exceeding the proportion of its paid-up capital stock outstanding at the close of the year which the gross amount of its income for the year from business transacted and capital invested within the United States and any of its Territories, Alaska, and the District of Columbia bears to the gross amount of its income derived from all sources within and without the United States; (fourth) the sums paid by it within the year for taxes imposed under

the authority of the United States or of any State or Territory thereof; (fifth) all amounts received by it within the year as dividends upon stock of other corporations, joint-stock companies or associations, and insurance companies, subject to the tax hereby imposed.

Third. That there shall be deducted from the amount of the net income of each of such corporations, joint-stock companies or associations, or insurance companies, ascertained as provided in the foregoing paragraphs of this section, the sum of $5,000, and said tax shall be computed upon the remainder of said net income of such corporation, joint-stock company or association, or insurance company for the year ending December 31, 1909, and for each year thereafter; and on or before the 1st day of March, 1910, and the 1st day of March in each year thereafter, a true and accurate return under oath or affirmation of its president, vice-president, or other principal officer, and its teasurer or assistant treasurer, shall be made by each of the corporations, joint-stock companies or associations, and insurance companies, subject to the tax imposed by this section, to the collector of internal revenue for the district in which such corporation, joint-stock company or association, or insurance company has its principal place of business, or, in the case of a corporation, joint-stock company or association, or insurance company, organized under the laws of a foreign country, in the place where its principal business is carried on within the United States, in such form as the Commissioner of Internal Revenue, with the approval of the Secretary of the Treasury, shall prescribe, setting forth, (first) the total amount of the paid-up capital stock of such corporation, joint-stock company or association, or insurance company, outstanding at the close of the year; (second) the total amount of the bonded and other indebtedness of such corporation, joint-stock company or association, or insurance company at the close of the year; (third) the gross amount of the income of such corporation, joint-stock company or association, or insurance company received during such year from all sources, and if organized under the laws of a foreign country the gross amount of its income from business transacted and capital invested within the United States and any of its Territories, Alaska, and the District of Columbia; (fourth) the amount received by such corporation, joint-stock company or association, or insurance company, within the year by way of dividends upon stock of other corporations, joint-stock companies or associations, or insurance companies, subject to the tax imposed by this section; (fifth) the total amount of all the ordinary and necessary expenses actually paid out of earnings in the maintenance and operation of the business and properties of such corporation, joint-stock company or association, or insurance company, within the year, and if organized under the laws of a foreign country the amount so paid in the maintenance and operation of its business within the United States and its Territories, Alaska, and the District of Columbia; (sixth) the total amount of all losses actually sustained during the year and not compensated by insurance or otherwise, stating separately any amounts allowed for depreciation of property, and in the case of insurance companies the sums required by law to be carried to premium reserve fund, and in the case of a corporation, joint-stock company or association, or insurance company, organized under the laws of a foreign country, all losses actually sustained by it during the year in business conducted by it within the United States or its Territories, Alaska, and the District of Columbia, not compensated by insurance or otherwise, stating separately any amounts allowed for depreciation of property, and in the case of insurance companies the sums required by law to be carried to premium reserve fund; (seventh) the amount of interest actually paid within the year on its bonded or other indebtedness to an amount of such bonded and other indebtedness not exceeding the paid-up capital stock of such corporation, joint-stock company or association, or insurance company outstanding at the close of the year, or in case of a corporation, joint-stock company or association, or insurance company, organized under the laws of a foreign country, interest so paid on its bonded or other indebtedness, to an amount of such bonded and other indebtedness, not exceeding the proportion of its paid-up capital stock outstanding at the close of the year which the gross amount of its income for the year from business transacted and capital invested within the United States and any of its Territories, Alaska, and the District of Columbia, bears to the gross amount of its income derived from all sources within and without the United States; (eighth) the amount paid by it within the year for taxes imposed under the authority of the United States or any State or Territory thereof; (ninth) the net income of such corporation, joint-stock company or association, or insurance company, after making the deductions in this section authorized. All such returns shall as received be transmitted forthwith by the collector to the Commissioner of Internal Revenue.

Fourth. Whenever evidence shall be produced before the Commissioner of Internal Revenue which in the opinion of the commissioner justifies the belief that the return made by any corporation, joint-stock company or association, or insurance company is incorrect, or whenever any collector shall report to the Commissioner of Internal Revenue that any corporation, joint-stock company or association, or insurance company has failed to make a return as required by law, the Commissioner of Internal Revenue may require from the corporation, joint-stock company or association, or insurance company making such return such further information with reference to its capital, income, losses, and expenditures as he may deem expedient; and the Commissioner of Internal Revenue, for the purpose of ascertaining the correctness of such return or for the purpose of making a return where none has been made, is hereby authorized, by any regularly appointed revenue agent specially designated by him for that purpose, to examine any books and papers bearing upon the matters required to be included in the return of such corporation, joint-stock company or association, or insurance company, and to require the attendance of any officer or employee of such corporation, joint-stock company or association, or insurance company, and to take his testimony with reference to the matter required by law to be included in such return, with power to administer oaths to such person or persons; and the Commissioner of Internal Revenue may also invoke the aid of any court of the United States to require the attendance of such officers or employees and the production of such books and papers. Upon the information so acquired the Commissioner of Internal Revenue may amend any return or make a return where none has been made. All proceedings taken by the Commissioner of Internal Revenue under the provisions of this section shall be subject to the approval of the Secretary of the Treasury.

Fifth. All returns shall be retained by the Commissioner of Internal Revenue, who shall make assessments thereon; and in case of any return made with false or fraudulent intent, he shall add 100 per cent of such tax; and in case of refusal or neglect to make a return or to verify the same as aforesaid, he shall add 50 per cent of such tax. In case of neglect occasioned by the sickness or absence of an officer of such corporation, joint-stock company or association, or insurance company, required to make said return, the collector may allow such further time for making and delivering such return as he may deem necessary, not exceeding thirty days. The amount so added to the tax shall be collected at the same time and in the same manner as the tax originally assessed unless the refusal, neglect, or falsity is discovered after the date for payment of said taxes, in which case the amount so added shall be paid by the delinquent corporation, joint-stock company or association, or insurance company, immediately upon notice given by the collector. All assessments shall be made, and the several corporations, joint-stock companies or associations, or insurance companies, shall be notified of the amount for which they are respectively liable on or before the 1st day of June of each successive year, and said assessments shall be paid on or before the 30th day of June, except in cases of refusal or neglect to make such return, and in cases of false or fraudulent returns, in which cases the Commissioner of Internal Revenue shall, upon the discovery thereof, at any time within three years after said return is due, make a return upon information obtained as above provided for, and the assessment made by the Commissioner of Internal Revenue thereon shall be paid by such corporation, joint-stock company or association, or insurance company immediately upon notification of the amount of such assessment; and to any sum or sums due and unpaid after the 30th day of June in any year, and for ten days after notice and demand thereof by the collector, there shall be added the sum of 5 per cent on the amount of tax unpaid and interest at the rate of 1 per cent per month upon said tax from the time the same becomes due, as a penalty.

Sixth. When the assessment shall be made, as provided in this section, the returns, together with any corrections thereof which may have been made by the commissioner, shall be filed in the office of the Commissioner of Internal Revenue and shall constitute public records and be open to inspection as such.

Seventh. It shall be unlawful for any collector, deputy collector, agent, clerk, or other officer or employee of the United States to divulge or make known in any manner whatever not provided by law to any person any information obtained by him in the discharge of his official duty, or to divulge or make known in any manner not provided by law any document received, evidence taken, or report made under this section except upon the special direction of the President; and any offense against the foregoing provision shall be a misdemeanor and be punished by a fine not exceeding $1,000, or by imprisonment not exceeding one year, or both, at the discretion of the court.

Eighth. That if any of the corporations, joint-stock companies or associations, or insurance companies aforesaid shall refuse or neglect to make a return as above specified on or before the 1st day of March in each successive year, or shall render a false or fraudulent return, such corporation, joint-stock company or association, or insurance company shall be liable to a penalty of not less than $1,000 and not exceeding $10,000.

That any person authorized by law to make, render, sign, or verify any return who makes any false or fraudulent return or statement, with intent to defeat or evade the assessment required by this section to be made, shall be guilty of a misdemeanor, and shall be fined not exceeding $1,000, or be imprisoned not exceeding one year, or both, at the discretion of the court, with the costs of prosecution.

That all laws relating to the collection, remission, and refund of internal-revenue taxes, so far as applicable to and not inconsistent with the provisions of this section, are hereby extended and made applicable to the tax imposed by this section.

Jurisdiction is hereby conferred upon the circuit and district courts of the United States for the district within which any person summoned under this section to appear to testify or to produce books, as aforesaid, shall reside, to compel such attendance, production of books, and testimony by appropriate process.

Mr. FLINT. Mr. President, this amendment was offered by the chairman of the Finance Committee after careful consideration by the committee, and is in accordance with the recommendation of the President of the United States in his message of June 16, 1909. Prior to the receipt of the message of the President by the Congress of the United States the Finance Committee had considered the question of obtaining additional revenue. The committee were not altogether united on the question whether it was necessary to have revenue in addition to what would be produced by the pending bill. We considered not only the question of taxing corporations, as recommended by the President, but also the income tax and the tax upon inheritances, as passed by the House of Representatives.

The committee decided that it would be unwise to pass an income-tax amendment in form and substance like those introduced by the Senator from Texas [Mr. BAILEY] and the Senator from Iowa [Mr. CUMMINS]. We felt that, in view of the decision of the Supreme Court of the United States in the Pollock case, it would be indelicate, at least, for the Congress of the United States to pass another measure and ask the Supreme Court to pass upon it, when they had already passed upon the proposition in that case.

We felt in the matter of the inheritance tax that it was unwise to adopt the measure as passed by the House of Representatives, for the reason that a large number of the States of the Union have adopted inheritance taxes as a means of revenue in those States, and that it would be a hardship upon the people of those States to have the additional burden of a national tax on inheritances.

When the President of the United States recommended the passage of a bill for a tax on corporations, on the privilege of doing business, the committee agreed that it was a proper measure to recommend to Congress for additional revenue. As I stated, there were members of the committee who believed that the present bill will produce sufficient revenue, but there are others of the committee—a majority, I believe—who believe it is necessary to have additional revenue.

We were also in favor of having a measure which, in our opinion, would work the least hardship to the people of this country, and we believe the amendment we have recommended will do this.

It provides for a tax of 2 per cent upon the entire net income of all corporations or joint stock companies for profit, represented by shares, or having a capital stock, and insurance companies. It provides for certain deductions from the gross income of the corporation, so as to make definite what the net income will be. It also provides for the taxation of foreign companies doing business in the United States, and a deduction from the gross income of those companies. It also provides a penalty for making false returns. It provides that the penalty for a false return shall be 100 per cent, and a penalty of 50 per cent for failure to make the return. It also provides that in the event of a failure to pay the tax when it becomes due a penalty of 5 per cent shall be added and interest at 1 per cent per month. It provides, in addition to that, that the making of a false return by a corporation shall be punishable by a penalty of not less than $1,000 and not more than $10,000. It provides that the officer who makes the false return shall be punished by fine of not more than $1,000, or by imprisonment for not more than one year, or both.

In addition to the provisions in reference to increasing the income of the Government, there was an additional recommendation by the President of the United States in his message that it would give a certain amount of control of corporations by the National Government, publicity as to the condition of the affairs of corporations, and supervision to a certain extent over those corporations. The bill provides that these returns as made by these corporations to the collector of internal revenue shall be forwarded to the Commissioner of Internal Revenue and become public records. But it provides also that no collector of internal revenue shall have the right to examine the books and affairs of any corporation, unless the Commissioner of Internal Revenue is satisfied that a false return has been made; or, in another instance, where no return has been made, he can then appoint a deputy specially authorized to examine the books and the papers necessary to ascertain the correct amount that should be returned by the corporation, and obtain knowledge sufficient to make a return where no return has been made. By reason of these various provisions in the measure the public will be advised of the condition of the affairs of corporations throughout the country, and at the same time the fear of many people that these internal-revenue agents will be prying into the affairs of corporations is protected, as no investigation of their affairs can be done except by an officer specially authorized for that purpose.

Mr. GALLINGER. Mr. President——

The PRESIDING OFFICER. Does the Senator from California yield to the Senator from New Hampshire?

Mr. FLINT. Certainly.

Mr. GALLINGER. If I do not disturb the Senator, I have had two or three letters of complaints about this proposed law, the complaint largely being based upon the assumption that there was to be an army of agents and inspectors sent out by the Government to pry into the affairs of these corporations. I infer from what the Senator says that that has been very carefully guarded, and that there need be no apprehension on that point.

Mr. FLINT. The Senator is correct. The amendment limits the right of investigation to an officer specially authorized for that purpose and does not permit revenue agents to pry into the affairs of a corporation out of mere curiosity.

Mr. GALLINGER. Or to make a record.

Mr. FLINT. And such investigations can only be made of the affairs of that corporation as are necessary to make this return.

The committee has no pride of opinion as to the form of this measure, for the reason that it is as drawn by the Attorney-General of the United States after conference with the President and with the junior Senator from New York [Mr. ROOT]. After the bill had been prepared, it was then sent to the committee and the committee made certain amendments and changes.

The PRESIDING OFFICER. Does the Senator from California yield to the Senator from Nebraska?

Mr. FLINT. I yield.

Mr. BURKETT. I did not want to interrupt the Senator until he got through with his answer, but I wish to ask him a question in connection with these insurance companies. Does it also include the fraternal beneficiary companies? We have a great many fraternal beneficiary societies not organized for profit. They pay nothing except a salary here and there for those who conduct the organization. As I have looked over the bill, this would include a tax on them. I ask the Senator if that is correct or if there has been any consideration of that phase of the question?

Mr. FLINT. I desire to say that the provision the Senator from Nebraska refers to has also been carefully considered by the committee, and the committee is of the opinion that none of those organizations would be taxed under the provisions of the bill. My attention was called to-day to the matter of the organizations of the Brotherhood of Locomotive Engineers, the Railway Conductors' Association, the Railway Mail Association, and the Trainmen's Association, and numerous organizations of that kind in addition to the organizations the Senator refers to, like the Odd Fellows, the Royal Arcanum, and organizations of that kind. The committee is of opinion that they are not included within the provisions of this bill, and it does not intend to have them included.

Mr. McCUMBER. Will the Senator allow me to make a suggestion right there?

Mr. FLINT. Certainly.

Mr. McCUMBER. The bill applies only to those organizations having a capital stock. None of the corporations the Senator from Nebraska is speaking of have a capital stock.

Mr. BURKETT. I will say that as I read it through I rather thought that they were protected, but I have just had two or three telegrams from lawyers representing some of these fraternal organizations who have a little apprehension the other way. That is why I wish now to have the opinion of the committee, because I expect to confer more with them with a view perhaps, if the bill does not protect them, of offering an amendment.

Mr. FLINT. I can say to the Senator that we intend to exclude those organizations.

Mr. BURKETT. I understood that that was the intention, and that is the reason why I ask the question now.

Mr. CUMMINS. Mr. President——

The PRESIDING OFFICER. Does the Senator from California yield to the Senator from Iowa?

Mr. FLINT. Certainly.

Mr. CUMMINS. I do not want any erroneous impression to get abroad, and an error might be inferred from the suggestion of the Senator from North Dakota [Mr. McCUMBER]. The bill covers all insurance companies.

Mr. FLINT. The Senator is correct in that.

Mr. CUMMINS. Whether they have capital stock or not.

Mr. FLINT. The Senator is correct.

Mr. CUMMINS. And whether a particular organization is an insurance company is to be decided by the laws of the State in which the company is organized.

Mr. FLINT. I take it the Senator is correct.

Mr. CUMMINS. One of the companies mentioned by the Senator from Nebraska in Iowa would be and is an insurance company.

Mr. FLINT. As far as the provisions of this bill are concerned, we are not endeavoring to cover the organizations referred to by the Senator from Nebraska, and his suggestion will have the careful attention of the committee during this debate. I am satisfied in my own mind that they are not within the provisions of the bill.

Mr. BURKETT. I will say to the Senator that I did not mention any particular one.

Mr. FLINT. You did not.

Mr. BURKETT. I took it from the term "organized for profit" that it would exclude the ones to which I referred.

Mr. FLINT. That is true. If the Senator will look at the bill, he will see that it refers to insurance companies. It says insurance companies in the bill; and the question in my mind, and, I think, in the mind of the Senator, is as to whether the organizations such as he refers to are insurance companies. In my opinion they are not. The insurance is a mere incident to the purpose of the organization.

Mr. BURKETT. Of course I had in mind the purely beneficiary organizations, the Ancient Order of United Workmen, and others. It does not include any of those, I understand, and it is intended to cover them in the provisions of this tax. I wanted to get the Senator's opinion because I want to confer more with these attorneys; and if that is not clear I want to offer an amendment later on.

Mr. BULKELEY. Mr. President——

The PRESIDING OFFICER. Does the Senator from California yield to the Senator from Connecticut?

Mr. FLINT. I do.

Mr. BULKELEY. I should like to ask the Senator if the provision in regard to insurance companies he is now explaining, as not affecting organizations of a certain character, how it affects other and very much larger organizations that have

no capital stock whatever? The largest insurance corporations in the country are corporations without any capital stock whatever.

Mr. FLINT. We intend to include those within the provisions of the bill. The great insurance companies in New York and throughout the Union that have accumulated these funds, in our opinion, should pay the tax.

Mr. BULKELEY. Where do you draw the line?

Mr. FLINT. We draw the line between insurance companies and organizations, such as were referred to by the Senator from Nebraska, and organizations such as the Railway Trainmen and like organizations, where the insurance is a mere incident to the other part of their work, which is fraternal and charitable.

Mr. BULKELEY. Does it not include the greater part? I wish to ask the Senator another question. The Senator stated, I think, that the committee abandoned the idea of an inheritance tax for the reason that that subject was attended to largely by the States, and that the inheritance tax had been adopted by the States generally as a source of income for the State. Did I understand the Senator correctly?

Mr. FLINT. The Senator understood me correctly.

Mr. BULKELEY. Did the committee make any investigation into the question as to how the States were taxing these corporations, particularly insurance corporations, for the sake of doing business in the State?

Mr. FLINT. We have.

Mr. BULKELEY. How did it compare, if you made the investigation, with the inheritance tax?

Mr. FLINT. There is no way of comparing it. As a matter of fact the insurance companies that are doing business in States other than the State in which they are incorporated are required to pay taxes. In some States it appears to be very high and in some reasonable.

Mr. BULKELEY. Is the Senator aware that the insurance corporations in the United States are taxed in every State in which they do business?

Mr. FLINT. I am.

Mr. BULKELEY. So the same argument would not apply to insurance companies which would apply to an inheritance tax. They are taxed by the States in which they do business very much higher than any inheritance tax which has been imposed.

Mr. SMOOT. Mr. President——

The PRESIDING OFFICER. Does the Senator from California yield to the Senator from Utah?

Mr. FLINT. I do.

Mr. SMOOT. In answer to the Senator from Connecticut, I desire to call his attention to the bill, and to the wording as found in line 3, page 1, where it says "and every insurance company now or hereafter organized." That, of course, would take in all insurance companies, whether they have capital stock or whether they have not capital stock, but I can not see how it is going to apply to any company that was not organized as an insurance company, as the one mentioned by the Senator from Iowa. The fraternal organization that he speaks of was not organized as an insurance company, as I take it, from his own statement.

Mr. CUMMINS. Mr. President——

The PRESIDING OFFICER. Does the Senator from California yield to the Senator from Iowa?

Mr. FLINT. I do.

Mr. CUMMINS. The insurance company is well known in the law. Whether a particular company is an insurance company depends upon the business it does. If it carries on the business of insuring either lives or property, or against accident, it is an insurance company, if it be an incorporation, and the laws of every State determine for themselves what are and what are not insurance companies. The Congress of the United States can not determine what are insurance companies, inasmuch as——

Mr. FLINT. We are not endeavoring to do that.

Mr. CUMMINS. Inasmuch as these corporations are organized under State laws. I will put you an instance. We have in our State a very large company, known as the "Traveling Men's Accident Insurance Company." No one belongs to it but traveling men. It is a very large concern, and it accumulates in the course of a year a very large amount of money. It is, however, an insurance company under the laws of our State. I could mention a hundred in our State alone, without any capital stock, that are as purely mutual and fraternal as the Order of Railway Conductors or the Modern Woodmen. You will find when we have gone into this subject that the appellation "insurance companies" will cover a very great number of organizations engaged in this business.

Mr. FLINT. Mr. President, I desire to say to the Senator from Iowa he will find the committee in this as in all other matters that have been before the Senate in connection with this bill ready and willing to receive suggestions, our endeavor being to have a bill that will meet with the approval of the people of the country.

Mr. CUMMINS. I have not made the suggestion with any idea of offering an amendment. I think the bill is quite as good in that respect as it is in any other.

Mr. BULKELEY. Mr. President——

The PRESIDING OFFICER. Does the Senator from California yield to the Senator from Connecticut?

Mr. FLINT. Certainly.

Mr. BULKELEY. I wish to ask a question, with a view of offering an amendment at some period in the consideration of the bill. I wish to get the theory upon which the committee had prepared the bill, especially in regard to insurance corporations, which they seem to have singled out from all the other corporations of the country and put into a class by themselves. I do not understand the reason. Certain of the great insurance companies of the United States, the largest ones, have never had any capital stock. They are not organized for profit, and the savings made in those corporations are returned to their policy holders. The committee seem to have singled out a body of that class by themselves. The railroads are in a class by themselves. The insurance company corporations embrace large and very prosperous institutions all over the land and of great character. They are all chartered and organized to do business under the laws of some State. They are taxed, so far as taxation goes, and that is made an excuse by this committee for dropping any form of tax other than a corporation tax. They are taxed in every State not on their profits, but on their gross receipts received in that State. It is not confined to the life-insurance companies. The fire-insurance companies are in the same condition. That seems to be the only reason why these companies are picked out.

Mr. BEVERIDGE. May I ask the Senator a question for information at this point? Is it not true that these companies in the States are not only taxed upon their gross receipts, but in many instances pay what is called a "privilege" tax and are subject to other forms of taxation?

Mr. BULKELEY. In the course of this discussion I will try to inform the Senate on those points. I will say in answer to the Senator's question that in almost every State of the Union, the whole forty-six, life, fire, and other insurance organizations are taxed on their gross premiums, and they are not only taxed in that way, but they are taxed for the support of the insurance department of the State. They are required to pay a license for agents. They are required in many parts of the country to have licenses in every city in which they do business, in addition to the state taxes they pay.

I do not know anybody that has had a chance to talk with the Finance Committee, when a great measure of this character was before it and before it was reported to the Senate; but, as I understand it, nobody has had the opportunity. This measure, according to the Senator from California, was sent to the Finance Committee from other sources. It has not been formed in the Finance Committee after any hearing from anybody that could properly be interested and then sent here to the Senate.

Mr. FLINT. It would be impossible for this committee to define the line between the various corporations the Senator refers to, and we have not attempted to do that in this amendment.

I desire further to say that the Senator is mistaken when he states that there was no consideration given by the committee. On the contrary, there was great consideration given to this subject and it was carefully investigated. We realized that there were problems to meet, just as the Senator from Connecticut pointed out, and we endeavored to meet them in this bill.

There is one more word I want to say in reference to this bill.

Mr. FOSTER. Mr. President——

The VICE-PRESIDENT. Does the Senator from California yield to the Senator from Louisiana?

Mr. FLINT. I do.

Mr. FOSTER. Is it the purpose to include within the operations of this measure homestead associations?

Mr. FLINT. What does the Senator mean by homestead associations?

Mr. FOSTER. I thought the Senator in charge pretty well understood what homestead associations are. The President seems to understand what they are, as I understand in his message he recommended that homestead associations be exempted, I refer to building and loan associations, sometimes called "homestead associations."

Mr. ALDRICH. I do not think they are included.

Mr. FLINT. No; I do not think they are included.

Mr. FOSTER. I used the word "homestead." It is a building and loan association. Is it the purpose of the committee——

Mr. DICK. We can not hear the Senator.

Mr. FOSTER. I ask the Senator in charge of the bill——

Mr. CLAPP. Will the Senator pardon me a moment? I do not know just what the form of a building and loan association is, but I know that in our part of the country a building and loan association issues its stock. It has its stockholders outside of those, perhaps, who may borrow. I should like to have the Senator or some one else point out what there is in this bill that will exempt such an association?

Mr. FLINT. I do not think they are corporations for profit.

Mr. CLAPP. Where they issue stock and take dividends on stock?

Mr. FLINT. They simply distribute the earnings among the members.

Mr. CLAPP. That may be, but the Senator said they were not included. I am not arguing whether they ought to be.

Mr. ALDRICH. We did not think they were included, because we thought that they were not corporations for profit. If they are corporations for profit, they ought to pay a tax as other corporations.

Mr. CUMMINS. I would suggest at least one State where building and loan associations are organized for profit.

Mr. FLINT. Then they ought to pay.

Mr. CUMMINS. They are organized under our chapter relating to associations for profit, and in no case can they exist without capital stock, because it is essential to their method of doing business.

Mr. FLINT. Then they ought to pay the tax, if they are organized for profit and have a capital stock.

Mr. CUMMINS. The building and loan association issues stock. The money is paid into it. It loans that money. It makes a profit and divides it among its stockholders. In that way it makes it profitable to belong to a building and loan association. I do not know how it is in other States, but in my own State the building and loan association is a corporation for pecuniary profit, having shares represented by capital stock.

Mr. DICK. Mr. President——

The VICE-PRESIDENT. Does the Senator from California yield to the Senator from Ohio?

Mr. FLINT. Certainly.

Mr. DICK. The courts have repeatedly held that building and loan associations are corporations for profit, and in my judgment, unless by some express provision in this bill they are exempted, they will come under its provisions.

Mr. FLINT. If they are corporations for profit, they certainly will wherever it has been held that they are corporations for profit.

Mr. BULKELEY. I should like to ask the Senator if in the wording of the bill it does not provide that insurance companies shall be included, whether organized for profit or not?

Mr. FLINT. It does.

Mr. BULKELEY. A purely mutual insurance company, that is organized practically on the lines of the fraternal organizations, no matter how little it may be, it is intended to include under the provisions of the bill.

Mr. FLINT. Yes, sir.

Mr. BULKELEY. Where do you draw the line between what are known as "fraternal associations," if they have a charter? They are all incorporated under some state law.

Mr. CLAPP. In response to the criticism that these building and loan associations organized for profit, and they undoubtedly are, should be taxed, I understood the Senator to say that the bill was drawn by reason of the recommendations of the President, in which he expressly suggested that they should be exempted.

Mr. FLINT. I think the President's present recommendation contemplated building and loan associations not organized for profit; and from what I know of the building and loan associations they are not corporations for profit. I do not believe that a corporation that divides its earnings among its members is a corporation for profit.

Mr. BULKELEY. It need not be an insurance company for profit, under the wording of the act.

Mr. FLINT. I so stated to the Senator.

Mr. BULKELEY. But if it is an insurance company, it will have to pay this tax, whether it is organized for profit or not.

Mr. FLINT. I so stated.

Mr. BULKELEY. I am much obliged to the Senator. I only wanted to understand it.

Mr. NELSON. Mr. President, will the Senator yield to me?

The VICE-PRESIDENT. Does the Senator from California yield to the Senator from Minnesota?

Mr. FLINT. I do.

Mr. NELSON. Mr. President, I only want to say, as to such building associations, that I do not think Senators need have any scruples about including them. I had occasion some years ago to investigate their methods in this District, and I found that in the aggregate they charged a much higher rate of interest than other loan institutions, so that the poor people who deal with them have to pay pretty big prices. In fact, we had a case in this District where one company had been exacting usurious interest under the guise of being a loan and building association.

In respect to mutual insurance companies, which seem to trouble some Senators here, there is a class of mutual insurance companies that are genuine and turn their profits over to their members; then there is another class, like the big insurance companies in New York, who call themselves "mutual insurance companies," who absorb enormous funds and use them for all purposes. Does anybody want such companies as those to be immune?

Mr. FLINT. Mr. President, the Senator from Minnesota [Mr. NELSON], as usual, is very clear in his statement as to this matter. A great many of us know that such companies exist. In my own State I know the condition is just as the Senator from Minnesota has stated it—that many of these building and loan associations are so conducted that the earnings remain in the hands of a few, and they charge a greater rate of interest on the installment plan than would be charged the borrower if he went to a savings bank. Many a poor man has lost his home because of their manipulations. I have no desire to save those associations from the provisions of this bill. There are associations that are purely mutual, and, if they are not organized for profit, they will not come within the provisions of this amendment.

Mr. GALLINGER. Mr. President, just a word.

The VICE-PRESIDENT. Does the Senator from California yield to the Senator from New Hampshire?

Mr. FLINT. Certainly.

Mr. GALLINGER. The Senator from Minnesota has alluded to a building and loan association in this District which was not doing business on proper principles. That was true of one association; but we have legislated since then, so that I think there is going to be no trouble of that kind in the future.

I simply want to say that, from my knowledge, the building and loan associations in my own section of the country, as well as those in the District of Columbia, are doing a very great work for the laboring people and the mechanics of the country in enabling them to get homes. While I am not going to offer an opinion as to whether or not such associations ought to be exempt, I want simply to testify, so far as my knowledge goes, to their integrity and to the fact that they are conducting business without the purpose of profit or gain to themselves, but for the benefit of the men who take stock in their organizations.

Mr. CRAWFORD. Mr. President——

The VICE-PRESIDENT. Does the Senator from California yield to the Senator from South Dakota?

Mr. FLINT. I do.

Mr. CRAWFORD. Upon the question of building and loan associations, my experience has been very largely the same as that just expressed by the Senator from Minnesota [Mr. NELSON]. The building and loan associations in the State of South Dakota have gone to the legislature more than once, and, under a plea that they were home-building institutions, have succeeded in hoodwinking the legislature into giving them privileges exempting them from state taxation. Instances of the grossest frauds that have ever been committed in my State are the instances of two predatory institutions, calling themselves "building and loan associations," which, under the guise of loaning to a poor man money to acquire his home by paying installments, extorted from him usurious interest, and got him entangled deeper and deeper, until, after a series of eight or ten years, during which they had exacted these rates and payments, they involved him so hopelessly that he had to lose it all. Then, at the end of it, they went into pretended failure, in order to clean up and rob the treasury of what was left. I hope that institutions of that kind are not going to be exempted from the operation of this law.

Mr. BORAH. Mr. President——

The VICE-PRESIDENT. Does the Senator from California yield to the Senator from Idaho?

Mr. FLINT. I do.

Mr. BORAH. I want to ask the Senator from South Dakota if he thinks we can correct that evil under this bill by the publicity clause?

Mr. CRAWFORD. I do not think we can remove that evil by extending the exemption to that class of institutions in this bill.

Mr. BORAH. But the difficulty is that you are visiting punishment upon the just and the unjust, as you are doing throughout this entire bill.

Mr. CRAWFORD. The answer to that, so far as building and loan associations are concerned, is that it turns upon whether they are corporations for profit. If they are, why should they have any privilege that other corporations for profit do not have?

Mr. SCOTT. I should like to ask the Senator a question for information.

The VICE-PRESIDENT. Does the Senator from California yield to the Senator from West Virginia?

Mr. FLINT. I do.

Mr. SCOTT. I understand that the amendment provides for the exemption of national banks and savings banks.

Mr. FLINT. Oh, no.

Mr. ALDRICH. There is nothing of that kind in it.

Mr. SCOTT. Banks are not exempted at all?

Mr. ALDRICH. Not at all.

Mr. SCOTT. And no banking institutions?

Mr. ALDRICH. No banking institutions organized for profit.

Mr. SCOTT. Then, I would ask the Senator from California, suppose there was a corporation on one side of the street in business, and on the other side of the street a firm in the same business, would there be any distinction? Could you tax the firm on its profits?

Mr. FLINT. No.

Mr. SCOTT. Although they might be in the same business?

Mr. FLINT. I have just one word more to say in reference to this amendment, and that is as to the income which will be derived from it. I have devoted considerable time in endeavoring to obtain an estimate of the revenue which would be produced from the corporation-tax provision. I have conferred with the Interstate Commerce Commission, the Comptroller of the Treasury, and with the Department of Commerce and Labor, and it is absolutely impossible from the data they have to make any reliable estimate of the amount of revenue that will be derived from the amendment, but I am satisfied that the estimate made by the President of the United States in his message, of $25,000,000, is altogether too low. In my opinion, the revenue that will be derived from it will be from forty to fifty million dollars.

Mr. KEAN. I think the Senator had better revise that and make it $100,000,000.

Mr. FLINT. The question is one that should be carefully considered by the Senate, even by those who are of the opinion that the bill now before the Senate will not produce sufficient revenue. This amendment, if adopted, will produce, in my opinion, an additional revenue of from forty to fifty million dollars.

Mr. BORAH. I should like to ask the Senator a question before he sits down.

The VICE-PRESIDENT. Does the Senator from California yield to the Senator from Idaho?

Mr. FLINT. I do.

Mr. BORAH. For the purpose of information, I should like to know the Senator's view as to what is taxed under this amendment—what it is that we lay this tax upon?

Mr. FLINT. The privilege of doing business.

Mr. BORAH. The privilege of doing business as a corporation, or the privilege of doing business?

Mr. FLINT. The privilege of doing business.

Mr. BORAH. As a corporation, or simply doing business?

Mr. FLINT. Simply doing business.

Mr. BORAH. That is all.

Mr. DIXON. Mr. President, a little over three months ago in this Senate Chamber the President of the United States, in delivering his inaugural address and outlining the policies of the incoming administration, said to the Congress that, in the event the proposed revision of the revenue laws did not yield a sufficient revenue, in his opinion the most plausible source of additional taxation was an inheritance tax. The Ways and Means Committee of the House followed the President's suggestion by a unanimous vote, and incorporated an inheritance-tax provision in this bill. It passed the House of Representatives with not a voice raised in protest. It came to the Finance Committee of the Senate, and, after due deliberation, they struck it from the bill; and in all of the debate over the income tax, the inheritance tax, and the corporation tax you have hardly heard a voice raised in defense of the inheritance tax, which, I think, all of us will agree is the most equitable of all. Before the debate drifts further into the income tax and the corporation tax, I want to address my remarks to the Senate this afternoon especially toward the inheritance-tax feature that was reported by the House committee, passed by the House of Representatives, and eliminated by the Senate Committee on Finance.

Mr. President, I have taken but little of the time of the Senate during the discussion of the tariff schedules, for it has been patent to me from the beginning of this debate that the differences of opinion about which a war of words has raged here during the past few weeks have mostly been concerning only the *degree* of the duty to be levied. It has been a debate over *percentages* rather than one concerning *principles*. My belief is that an honest expression of opinion of the individual Members of both Houses of Congress, whether Republican or Democrat, would in nearly every single individual case result in a confession of faith—that the duty to be fixed in the various schedules of this bill should measure the difference of cost of production of the article in question in the United States as against the cost of production of the same article in a foreign country. And it is my belief that the Finance Committee have, in good faith, attempted to apply that rule in fixing the duties under the various schedules of this bill.

The tariff schedules having been completed, we are now confronted with an entirely new proposition—one about which men may and do differ, on principle, with deep and vehement earnestness.

To my mind the action which this Congress shall take relative to the disposition of the income, the inheritance, and the corporation tax propositions will influence political parties and their individual membership in the immediate future to a far greater degree than we at this time anticipate. My own judgment is that the final results of the action of this extra session of the Sixty-first Congress may result in greater disturbance of the personnel of the present Congress than has been usual in the last few years.

We know, and the country knows, that while the percentages fixed in this bill have not met with the full approval of eight or ten Senators on this side of the Chamber, probably at least as large a number of Democratic Senators on the other side of the Chamber, to put it mildly, have not been at all disturbed by the rates of duty fixed in the bill that particularly affected the industries in that particular portion of the country that they represent.

THE PRESENT REVENUE NOT SUFFICIENT.

Notwithstanding the somewhat cheerful and optimistic view of the chairman of the Finance Committee concerning the revenue that the bill will probably produce, in common with many other Members of this body I am thoroughly of the belief that unless the tariff and internal revenues are largely supplemented we will not have during the next few years a revenue sufficient to meet the rapidly growing demands of the Federal Government, economically administered.

The experience of a hundred years teaches us that the expenditures of the municipal, state, and federal governments are continually on the increase and, with thriving, growing communities, States, and Nation, the expenditures will certainly largely increase in the years that lie before us.

It is not a secret that in preparing the estimates for the appropriation bills for the coming session of Congress the orders to each department chief here in Washington is to cut the estimates to the very bone. This can be done for one appropriation bill, and one only. Except in rare and minor instances, it can not be done and important governmental enterprises not suffer serious embarrassment.

We have not yet forgotten the hue and cry raised by the Democratic party about the "billion-dollar Congress" in the campaign of 1890, and the charges of "Republican extravagance," and how the next Congress, under Democratic leadership, appropriated more than $50,000,000 in excess of its Republican predecessors.

In addition to the ordinary expenses of the past years, Congress is now confronted with the task of raising $300,000,000 for the completion of the Panama Canal; not less than five hundred million will be required to carry out the proposed deep-waterway programme, to dig the ship canal from Chicago to the Gulf, and extend the cross arm of real inland navigation from Pittsburg to Sioux City. The inland waterway from New York southward, along the Atlantic coast line, and from New Orleans to Galveston, along the Gulf coast, will require a hundred million more.

If our foreign commerce is ever to be rehabilitated, whether in the form of a ship subsidy for carrying our mails or otherwise, so we can send a letter to a South American port without the humiliation of first sending it to Europe and thence in a foreign mail steamer to South America, not less than ten millions annually must be appropriated from the Federal Treasury.

For years every western Member of Congress has been embarrassed because of the fact that a pitifully insignificant sum is doled out each year for surveying the public lands of the Government instead of a liberal appropriation sufficient to survey the land already occupied by bona fide settlers.

If Congress were to at once provide the public buildings now badly needed in the city of Washington for actually housing the various departments of the Government that now are occupying rented quarters in fire-trap buildings in this city, not less than twenty-five millions would be required.

If business methods were applied by the Government, we could annually expend fifty millions a year in irrigating the vast stretches of arid land in the West instead of limiting the engineers to the use of the mere pittance that now accrues from the sale of public land. With these overwhelming demands confronting us, we are confronted by a not increasing revenue.

Prophecies are always subject to a discount, but it is not unreasonable to suppose that, with the wave of prohibition that has been sweeping over the country, the receipts from internal revenue will largely decrease—at best, will not yield the same proportion of income as it has in the past.

The free importation of 300,000 tons of Philippine sugar and the rapidly increasing production of beet sugar in the West will, within a few years, largely reduce the amount of money now received from the sugar duty, which is the largest single source of customs revenue.

THREE PROPOSITIONS FOR ADDITIONAL REVENUE.

There are now pending before the Senate three separate propositions for raising additional revenue.

One of the three will undoubtedly become a law within the next thirty days. These are the inheritance tax, the income tax, and the corporation tax.

So that my position may not be misunderstood, I want to say, first, that I shall vote for the corporation-tax amendment as proposed by President Taft in his message, with the full understanding that I believe its chief virtue lies in the publicity feature as applied to large corporations, for I am fearful that the tax that will be imposed by it will, in the end, in many cases at least, be "passed on to the public."

Before casting our vote for or against these three separate measures, I sincerely wish it were possible that the Senators could lay aside their preconceived notions of the merits of the three different methods, and, without regard to past political alliances or party platform declarations or expressed personal allegiance to either of the three proposed measures, approach the subject in a spirit of fair investigation of the merits of each plan, with due regard to the conditions that confront us, and not mere theories.

Seeking only to ascertain the truth, and with no pride of my own opinion, my conclusions are that the inheritance-tax provisions, as passed by the House of Representatives and incorporated in the bill, before its provisions were stricken out by the Senate Finance Committee, met the requirements of the present situation and did so without encountering the objections that have, in good faith, I believe, been urged against both of the other propositions.

In the first place, no question can be raised as to its constitutionality, as the United States Supreme Court, while holding that the former income-tax law was unconstitutional, has already, in the case of Knowlton *v.* Moore (178 U. S., 41, 1900), held that the inheritance-tax provision enacted at the time of the Spanish war was constitutional.

Mr. BORAH. Mr. President——

The VICE-PRESIDENT. Does the Senator from Montana yield to the Senator from Idaho?

Mr. DIXON. With pleasure.

Mr. BORAH. Is not that the same position we were in when we passed the income-tax law in 1894?

Mr. DIXON. In 1894 the Supreme Court had not passed upon the validity of the inheritance-tax law.

Mr. BORAH. But it had passed upon the validity of the income-tax law.

Mr. DIXON. It had, I think, in a dozen different decisions held that the income-tax law was valid, but, unfortunately, afterwards, by a divided court, it held that it was not.

While it had been my intention, in the event the Senate would not adopt the provision of the House regarding the inheritance tax, to have voted for an income-tax provision in this bill, I always realized fully the uncomfortable situation that would follow a second declaration of its invalidity by the Supreme Court, and I was not unmindful of the embarrassment and full lack of confidence in the public mind in the supreme law tribunal of the Republic should that court, with its personnel largely changed, reverse its own former ruling.

To the most sincere and ardent friends of the income-tax theory—and I am one of those who see a large measure of merit in its provisions—I respectfully and earnestly commend the embarrassment that would follow either a favorable or an unfavorable decision by the Supreme Court.

I yield to no man in my allegiance to the principle that wealth should bear more of the burden of federal expenditures than it does under the present system of federal taxation.

Theoretically at least, in apportioning the burden of taxation for municipal, county, and state purposes, men do contribute in proportion to their wealth.

In federal taxation men do not contribute, even theoretically, in proportion to their wealth.

That such a condition of unequal burden and inequality of contribution is inequitable and unfair no one will deny.

That such a condition of inequality will long continue is an indictment of the intelligence of the American people.

I confess that when the discussion of this matter began of providing additional revenues by some form of taxation outside the tariff duties and the internal-revenue laws, that the theory of a revenue based on incomes appeared to me to be the ideal one.

Accepting as correct the theory of Adam Smith, that "the subjects of every state ought to contribute toward the support of its government as nearly as possible in proportion to their respective abilities," and fortified by the dictum of John Stuart Mill, that "equality of taxation means equality of sacrifice; it means the apportioning the contribution of each person toward the expense of the government so that he shall feel neither more nor less inconvenienced from his share of the payment than every other person experiences from his," it seemed to me that the income tax was theoretically the correct and perfect one.

So far as the theory is concerned, I am of that belief still. But when it comes to applying the theory to actual practice, I am fearful of results.

PERSONAL PROPERTY NOT TAXED.

It is a well-known condition that confronts every community in this country to-day that the tax collector finds and collects the taxes upon property that is tangible and revealed to the eye, but finds it most difficult to reach any property than can be hidden from view.

As an example, not many months ago it came under my personal observation that in a certain county in a certain State the returns to the Comptroller of the Treasury by the national banks in that county showed cash deposits by its taxpayers of about $4,000,000. The cash returned by the taxpayers of that county for assessment for taxes that same month showed about $25,000, and most of that belonging to estates of dead men then in the probate court.

The assessment of intangible personal property for taxation not in plain view of the assessor has become a farce in this country. When the person to be taxed makes his return to the assessor, whether under oath or otherwise, the general results are the same in actual experience.

I understand that the government of the city of New York costs annually about $125,000,000; that of this sum only about two and one-half millions are collected from personal property in that great city, where its wealth in personal property is measured by billions of dollars.

A commission on taxation appointed by the mayor of New York recently made public its report on personal-property taxation in that city, and said:

> So far as the personal-property tax attempts to reach intangible forms of wealth, its administration is so comical as to have become a byword. Its practice has come to be merely a requisition by the board of assessors upon leading citizens for such donations as the assessors think should be made, and is paid as assessed, or reduced, according as the citizen agrees. With the estimate of the assessor, such a method of collecting revenue would be a serious menace to democratic institutions were it not so generally recognized as a howling farce.

The Boston Post of July 27, 1906, in discussing this question, said:

> It is notorious that the greater part of taxable personal property escapes the payment of contribution to the support of the Government during the lifetime of its owners. It is considered no crime to hide such property from the view of the assessors. The practice is well-nigh universal, contrary though it is to the principles of morality. The only point at which the community can lay hands upon such concealed property and levy the contribution which it ought to have paid is when it is exposed to view in the probate court. In New York it was recently shown that estates in probate aggregating $247,000,000 had stood for only $17,000,000 for purposes of taxation during the life of their deceased owners.

What is true in New York City regarding the assessment of personal property where the person taxed makes his own returns, as he must do, of the amount of personal property owned by him, is equally true in all other parts of the United States.

Will not the officers of the United States Government probably confront similar conditions in attempting to enforce an income tax?

NEW YORK TAX COMMISSION.

In 1906 the legislature of the State of New York authorized the appointment of a special tax commission to investigate and consider the various schemes of taxation at that time existing

in that State, and to report upon a plan for a modern, scientific, and equitable scheme for the levying and assessment of taxes for the support of the state government. A nonpartisan commission of 15 learned and distinguished men of that State was named for the purpose. They organized with Hon. Warner Miller, a former Senator of the United States, as its chairman.

After months of intelligent and painstaking research, the commission submitted most exhaustive reports to the legislature of New York.

From that report I quote some of the findings of fact, which are of the greatest value and interest in the discussion of the three measures now pending before this Senate; and I call the especial attention of Senators to the findings of fact I am about to read:

First. That the assessed value of all personal property is (in New York State) approximately $800,000,000.

Second. That the value of all personal property owned by citizens of this State is not less than $25,000,000,000—

In other words, that personal property in New York State is assessed about at the ratio of 1 to 30—

Third. That the richer a person grows, the less he pays in relation to his property or income.

Fourth. Experience has shown that under the present system personal property practically escapes taxation for either local or state purposes. As proof of this, the following table showing the amount assessed against well-known multimillionaires for personal property is as follows, for the year 1907, in the city of New York—

These are the actual results in New York City—

August Belmont	$100,000

Mr. BEVERIDGE. One hundred thousand dollars on his what?

Mr. DIXON. On his personal property in the year 1907. That is the assessment.

O. H. P. Belmont	$200,000
Cornelius Bliss	100,000
Andrew Carnegie	5,000,000
Henry Clews	100,000
William E. Corey	100,000
Morris K. Jessup	100,000
John W. Gates	250,000
Frank J. Gould	50,000
John D. Rockefeller	2,500,000
John D. Rockefeller, jr	50,000
William Rockefeller	300,000
H. H. Rogers	300,000
Russell Sage	2,000,000
Alfred G. Vanderbilt	250,000
Cornelius Vanderbilt	150,000
George W. Vanderbilt	50,000
William K. Vanderbilt	100,000
John Jacob Astor	300,000

That is the assessment roll in New York City for the year 1907.

Mr. BEVERIDGE. Mr. President——

The VICE-PRESIDENT. Does the Senator from Montana yield to the Senator from Indiana?

Mr. DIXON. Certainly.

Mr. BEVERIDGE. Are the amounts the Senator has just read the amount of the tax they pay, or the amount of property on which they are taxed?

Mr. DIXON. The amount of personal property on which these men are assessed.

Mr. CRAWFORD. For what year?

Mr. DIXON. The year 1907.

Mr. SCOTT. Mr. President, I should like to ask a question of the Senator from Montana.

The VICE-PRESIDENT. Does the Senator yield?

Mr. DIXON. Certainly.

Mr. SCOTT. Under the laws of New York, would they have to count all the personal property in New York?

Mr. DIXON. So this commission says.

Mr. SCOTT. How about property in other States?

Mr. DIXON. Intangible personal property follows the situs of its owner.

Mr. SCOTT. In the State proper?

Mr. DIXON. Yes.

Mr. BAILEY. I should like to ask the Senator from Montana whether or not there is any provision in the New York law exempting the holder of railroad or other corporation securities from the payment of the tax where the corporation itself has paid a tax?

Mr. DIXON. To be frank, I can not answer that.

Mr. BAILEY. That would be the only possible explanation of what has been read, for it is inconceivable that public officials would tolerate that kind of an evasion unless there were something of the kind.

Will the Senator permit me to inquire of the Senator from New York [Mr. ROOT] whether or not the law of his State provides for exemption in the case of stockholders in a corporation which itself pays a tax?

Mr. ROOT. Mr. President, the Senator from Texas is correct in the impression he has expressed. The personal-tax law of New York exempts from taxation that part of the personal property of persons subjected to the tax which consists of stock in corporations that are themselves supposed to pay taxes—that is, not merely the stock of the domestic corporations of New York, but the stock of all corporations, in whatever State they may be organized. So that all that great part of the personal wealth of residents of New York which consists in the ownership of corporate stock is relieved from taxation in New York, and taxes are paid by the corporations, wherever they may be.

Mr. BAILEY. Then I should like to ask the Senator from New York, with the permission of the Senator from Montana, what provision the law makes with respect to bonds? I take it that a different principle prevails in the taxation of bonds.

Mr. ROOT. Bonds are taxed in the possession of the holder.

Mr. DIXON. I did not understand the Senator from New York. Does he state that bonds are taxed in the possession of the holder?

Mr. ROOT. Corporate bonds are taxed as the property of the holder.

Mr. BEVERIDGE. As his personal property?

Mr. ROOT. As the personal property of the holder. But I think year before last, or the year before that, a law was enacted providing for a registration tax upon bonds secured by mortgage upon real estate, so that upon the payment of that initial tax such bonds are relieved thereafter from the payment of personal taxes, leaving, however, the ordinary corporate bond subject to tax as personal property.

Mr. BAILEY. And that would be true of railroad bonds, I presume. Although they are, of course, secured by a mortgage on the physical property, they are not subject to this registration act, and are taxable in the hands of the holder?

Mr. ROOT. I have never examined that subject particularly; but my understanding is that it does not apply to railroad bonds, even though they are to so great an extent secured upon real estate. But that is only an impression, and I do not wish to state it as anything but an impression.

Mr. BEVERIDGE. Mr. President, I have asked the Senator to let me look at this list, and I find that the list is itself given by the commission.

Mr. DIXON. Yes; it is. It is the commission's report. It is not my list. Before giving this list the commission says experience has shown that under the present systems personal property practically escapes taxation for either local or state purposes.

Mr. BEVERIDGE. The Senator from New York says that of course bonds are taxed there as personal property. But a review of these names will show that utterly aside from the question of holding stocks or bonds in railroads, even if they were excepted, the amount upon which these men have been taxed is a startling and almost unrealizable fraction of their true wealth. I shall not go over the list again, although I think it would be profitable for the Senator to go over it again. There are certain names there that show, from the public knowledge of the vast fortunes they possess, that on their personal property they are paying, as the commission says, practically no tax.

Mr. CLAPP. Mr. President, I should like to ask what good it will do to go over the list again? Under the proposed "corporation tax" we do not tax them, and under an inheritance tax we would not tax them.

Mr. DIXON. Under an inheritance tax we would tax them.

Mr. CLAPP. And unless we are going to have an income tax, I do not see any use in again reading the names to this Senate.

Mr. DIXON. If the Senator from Minnesota will possess his soul in patience, I think I will demonstrate to him that an inheritance-tax law is the only measure proposed here that ever will result in properly taxing the fortunes of these men.

Mr. CUMMINS. Mr. President——

The VICE-PRESIDENT. Does the Senator from Montana yield to the Senator from Iowa?

Mr. DIXON. With pleasure.

Mr. CUMMINS. In the State or city from which I come our taxes are about 2 per cent upon the actual value of the property.

Mr. DIXON. Two per cent?

Mr. CUMMINS. Two per cent upon the actual value of the property upon which the taxes are laid. Does the Senator think it would be a very fair equivalent for an income tax to allow a man to escape those taxes for fifty years?

Mr. CLAPP. That is the point exactly.

Mr. CUMMINS. And then, when he dies, to pay 2 per cent on what he has left?

Mr. DIXON. The Senator from Iowa will realize the fact that unless there is an inheritance tax such a man will escape forever. That is the time when the tax collector does get a chance at him, and we do not propose to limit an inheritance tax to only 2 per cent of the value of the property.

Mr. CUMMINS. Would the Senator be willing to add in the inheritance tax all the tax the man had escaped during his life?

Mr. DIXON. Personally, I should not object to it, and I shall be glad if the Senate will amend the House bill in that regard.

Mr. BAILEY. In that way you would take most of his estate.

Mr. CUMMINS. Something of that sort might be very satisfactory even to the proponents of the income tax.

Mr. BAILEY. If he lived long enough, that would result in taking it all.

Mr. DIXON. And on such estates I would levy such a heavy tax, especially in the case of the collateral heirs, that there would be no question that the State would take its just part of the taxation that had been escaped during life.

I commend to the Members of the Senate the report of the New York tax commission, as containing the most valuable information that I have been able to find in all my research about these various phases of taxation. A minority of 2 members of that commission, out of a total membership of 15, recommended the enactment, by the New York legislature, of a state income-tax law; but in view of the findings of fact above quoted, other members of the commission, believing it would only result in a continuation of the present system of rank inequality in taxation, said:

We therefore conclude that any form of state income tax is at present inadvisable. Some of the undersigned were years ago in favor of such a scheme, but a closer acquaintance with the administrative and economic conditions of American life has forced them to the conclusion that a state income tax would be a failure. The prospect is beautiful in theory, but useless in actual practice.

I quote further from their discussion of the income tax:

We feel that the only result of levying such a direct income tax, resting on the listing of all incomes by the taxpayers, would be, as in the case of a vigorous personal-property tax, to increase, not equality, but perjury and corruption. The law would remain a dead letter, as is the case in most of the American States where the income tax is now imposed, or it would tend to create illicit bargains between the taxpayers and the assessors. * * * The rich experience of the United States shows conclusively that an income tax * * * would be ineffective. Even the national income tax during the civil war was a notorious offender in this respect. The amount of revenue derived from it was ludicrously small; in fact, from careful investigations, it has been shown that in the State of New York during the civil war the federal income tax worked scarcely, if at all, better than the personal-property tax, when its administration became a byword throughout the length and breadth of the land.

Mr. BAILEY. I could hardly be surprised that a commission appointed in a State where such gross frauds are practiced would despair of ever making anyone contribute his due share to the support of the Government. But I rose simply to record my protest against any respectable official body in this country presenting such an indictment against the American people and against the American system of government. To tell us that we should not call upon men to contribute their fair proportion to the support of the Government because they will not obey our call is to indict our system of government as a failure; and I think no valid argument can be made against any tax in this country, except it be against the justice of it. I will never agree that it is a good reason against levying a tax that somebody would perjure himself to evade the payment of it.

Mr. DIXON. With the Senator from Texas, I was astounded at some of the conclusions of the tax commission. They started out apparently to frame an income tax. They frankly say so. It was a nonpartisan commission; five were appointed by Governor Hughes, five by the speaker of the house, and five by the lieutenant-governor—prominent, distinguished, high-grade citizens of New York State, whose names are synonymous with fair dealing and high integrity in private and public life. They argue all through the report that while the income tax is theoretically the beautiful one, they say frankly, after taking into consideration economic, social, and political conditions as now existing, the only way to make the personal-property owner bear his share is through the probate court and an inheritance law.

Mr. BAILEY. That does not fall on him at last. The man who has cheated the Government escapes through the grave, and the burden falls on those who are the beneficiaries of his good will. I thoroughly agree with the Senator from Montana in favor of an inheritance tax, though I would prefer it reserved, as such, to the States. The one man in this world who has no right to complain anywhere or at any time about a tax is the one who is getting something for nothing, and getting it through the agency of the Government, as a man does always when the Government takes from the dead and hands it over to the living, whether under a will or under a statute of distribution; and I have no objection to taxing him. Indeed, I suppose I would tax him somewhat more onerously than the Senator from Montana.

Mr. DIXON. I doubt whether the Senator would.

Mr. BAILEY. If the Senator would go as far as I would, we would go a long way toward eradicating the "posthumous avarice," which Hargrove denounced with such great and just severity in the celebrated case of Peter Thellusson.

Mr. DIXON. If the Senator will kindly listen to the remainder of my argument, I think he and I will be found in absolute accord in the matter of "posthumous avarice."

Mr. BAILEY. I was interested in what I heard. I only want to say that when any official body in this country admits a law is just and then says it can not be enforced because of the greed of the men against whom it operates——

Mr. DIXON. They say there is a more feasible method.

Mr. GALLINGER. I will ask the Senator, if he can, to tell me how many of the States have to-day an income-tax law.

Mr. DIXON. The only ones I personally know of are the States of Massachusetts and North Carolina. I am informed by a Senator on my right that there are four, but I am not acquainted with the fact.

Mr. GALLINGER. I have an impression that the law in Massachusetts——

Mr. BAILEY. Before the Senator from New Hampshire proceeds——

Mr. GALLINGER. Yes.

Mr. BAILEY. The State of South Carolina also has one, I am told.

Mr. GALLINGER. I have an impression that the law in Massachusetts has fallen into, to use a well-known phrase, "innocuous desuetude;" that no effort whatever is made to enforce it, and no returns are made under it. That is my impression.

One other matter. We have in our State a collateral inheritance tax which is producing a very fine revenue to the State; and if it were not for that, I would feel that that was the best possible mode of federal taxation, if it did not interfere to too great an extent with the revenue the State derives from that form of taxation.

One other point. I am not going to apologize for men who do not make returns on securities that they hold, and yet there is a reason for it founded in human nature. In my own little city the rate of taxation is either 2.20 or 2.30—I have forgotten which—and bonds are held by our people that pay 3½ or 4 per cent. If those bonds were returned, the owners would have from 1 to 1½ per cent return on the investment that they had made, and I apprehend that that circumstance induces many of them to persuade their consciences that it is not expected that they will make the return, and, to a very large extent, they do not make the return.

It is no excuse, but it is a pretty common practice. I do not know how a national income-tax law might work, whether it would be evaded, as it seems to be very largely evaded in the States that have such laws, but I do believe that if it were not for the fact that thirty-odd States have collateral and direct inheritance taxes, that that, after all, would be the best form of taxation that we could devise.

Mr. DIXON. When I show the Senator from New Hampshire, by the actual returns from these 32 States that take a little toll, that the state tax, with that proposed in the House bill itself, is a mere bagatelle, why is not this the most equitable form after all?

Mr. GALLINGER. I shall be glad to listen to the Senator.

Mr. DIXON. I want Senators to listen, especially to the latter part of my speech, for, with all due deference to my fellow-Senators, I think they will find some things in it that will be of interest. I will not detain you very long.

Mr. BEVERIDGE. Just one word on the point the Senator from New Hampshire raised. Because a State has an inheritance tax it does not follow that the Nation ought not to have an inheritance tax also, and its enactment, of course, would not deprive the State of that source of revenue; and so just is an inheritance tax, since the inheritance is given only by law and not by natural right, that it might not only be doubled and trebled, but quadrupled and still be more infinitely just than any other form of taxation, because it is taxation upon some person who has never earned one dollar of it.

I would ask the Senator from Montana, who, I see, has given this subject very careful research, if his research shows this: The States, of course, have both sources of revenue, and the experience of one hundred years has made them nearly all adopt inheritance tax, whereas only three or four of them have adopted the income tax. I ask whether the reason of that has been that they found in the one case that the inheritance tax gave a better return of revenue than the income tax gave. Is that the case?

Mr. DIXON. The New York tax commission discussed that at length and in detail and say that the universal experience where the two taxes have been applied is that no general tax is collected as successfully as an inheritance tax.

Mr. BORAH. Will the Senator permit me to make a suggestion there? It is very common in these late days to say that an income tax can be avoided, that it leads to perjury, deception, duplicity, and so forth. We have had no income tax in this country since 1870 which stood any length of time. I desired to know how it would work, in view of the constant charges that have been made. It has been my pleasure to go back and examine with a great deal of care the judgment of men who watched the working of that tax, and such men as Sherman and Morton and Howard and McCrary, men who had seen it in operation, stood up in Congress and insisted that it was the most collectible tax outside of customs dues that could be put on the statute books, and they protested against its repeal, and it was only repealed by a narrow vote of 1.

Mr. BEVERIDGE. Mr. President, just one word. I ask the Senator if, in the experience of the States for a hundred years as to the revenues they derive from an income tax, showing that it is not easy of collection, it is true not only of incomes, but of every form of taxation upon personal property where it can be concealed and is not visible to public view. I call the Senator's attention to the fact that the extract which he read from the great speech of General Harrison on the subject of the rich evading their taxation was directed not to the point the report of the New York commission shows, but that in every form of taxation on personal property that could be concealed the records did show that it was evaded. I do not think the Senator from Montana thought that the vice is peculiar to the income tax at all. It covers all sources of personal tax where it can be evaded. The Senator himself read a pertinent extract from that great speech.

Mr. CUMMINS. Mr. President, just a word, if I do not embarrass or unduly interrupt the Senator from Montana.

Mr. DIXON. Not at all.

Mr. CUMMINS. We have had no experience in this country—properly speaking, in the States—as to the operation of an income tax. We have never provided the machinery to impose or collect it properly. I rose, however, to suggest that across the sea we have one example which I think is a rather instructive one. Great Britain raises more revenue from income taxes than from any other one item of its taxation. I remember that Great Britain now raises about $133,000,000 per year from an income tax.

Mr. DIXON. And about $94,000,000 from an inheritance tax.

Mr. CUMMINS. About $90,000,000 to $94,000,000 from an inheritance tax. As I gathered from an observation of those taxes in Great Britain, the income tax is not more avoided than any other. I agree that the inheritance tax can not be concealed as easily as the case of incomes; but if we would depart from every tax that it is possible to avoid, it would be utterly impracticable to secure the revenue necessary for the Government.

Mr. BEVERIDGE. If we had the choice between the two—one of which could not be avoided and the other which could—then, of course, we would select the one which could not be avoided. I understood the Senator from Montana to say, and I asked the question of him and the Senator from New Hampshire also, that for a hundred years the States have had the two sources of taxation, one inheritance and the other income, and they selected the inheritance rather than the incomes, and was it not for the reason given by the Senator from New Hampshire, which was that the income tax in his State had not yielded revenue and the other one had?

Mr. CUMMINS. The Senator from New Hampshire did not suggest that the income tax had failed in New Hampshire.

Mr. GALLINGER. No.

Mr. BEVERIDGE. He gave some illustrations.

Mr. CUMMINS. New Hampshire never had an income tax. Only three or four States ever had an income tax.

Mr. GALLINGER. I used Massachusetts as an illustration.

Mr. CUMMINS. But an income tax is levied for several other reasons, which might very easily be given. I will not interrupt the Senator from Montana long enough to give those reasons. The suggestion that we should not levy an income tax simply because it is possible for a man to lie about his estate or about his income would, as it seems to me, apply with equal force to every kind of taxation except on physical, tangible property. I am not opposed to an inheritance tax. I would rather resort to an inheritance tax first than any other sort of tax.

Mr. DIXON. I am glad to hear the Senator say that.

Mr. CUMMINS. The income tax which is now before the Senate, the joint product of the Senator from Texas and myself, contains apt provisions with regard to inheritance and gifts and bequests and, in addition to the income year after year, all the inheritance that they may fall in during any given period. I want the Senator from Montana to know that I am thoroughly in accord with him with respect to the justice of an inheritance tax.

Mr. DIXON. I think the Senator from Iowa will agree that an inheritance tax is the easier collected of the two, as between that and an income tax. It is collected with more certainty.

Mr. CUMMINS. I believe it is collected with more certainty, but it would be necessary to impose a rather large percentage upon the inheritances of this country to raise the revenue which I believe it is necessary to raise now in order to add to the bill which is shortly to become a law.

I do not agree altogether with the Senator from California [Mr. FLINT] with regard to the amount which the bill will raise. I think some of the duties have been lifted to such an extent that they will not only not increase the revenue, but will very much decrease it.

Mr. BORAH. I wish to make a suggestion, and then I will not interrupt the Senator again. I do not know how it has been since, but in 1898 they collected on the income tax in Massachusetts $500,000, a fact of which the Senator from Massachusetts boasted in the corporation-tax discussion of 1898, at a time when he was opposing the tax with a good deal of earnestness.

Mr. DIXON. I think the $500,000 raised by Massachusetts in 1898 was from an inheritance tax and not from its income tax.

Mr. BORAH. Secondly, we are in the habit of saying it is all right to tax inheritance for the reason that somebody is receiving that which they did not help to give and to produce. That can only be true as to collateral heirs. I do not agree with the proposition that the family are not entitled, and entitled by every rule of morality, though technically not of law, to the earnings of the parent during their lifetime. So, while I would tax the collateral heirs very heavily, I would not tax the family to any considerable extent.

Mr. DIXON. What would the Senator from Idaho do in the case of an estate of $100,000,000? Would he apply the same rule?

Mr. BORAH. I would tax the direct heirs in such instance on that which they receive, to a limited extent, but I would not tax them wholly upon the theory that they were receiving something which they did not help to make, or were not, at least by every rule of justice entitled to. I think such a system of taxation might be carried to the extent of tearing away the foundation of family organization, and would be destructive of civilization, for the law of civilization, at whose base is the integrity of the family, is as strong in some respects as statute law.

Mr. DIXON. I will have to disagree with the Senator in the latter proposition.

Mr. President, I do not say that it would be impossible for Congress to frame an income-tax law that could not be enforced with some approximate degree of certainty. But in view of the universal experience in every State of the unsatisfactory condition resulting from an attempted assessment of intangible personal property, which would be only accentuated in attempting to levy a tax upon the net income of property, I am convinced that the same general results aimed at in an income-tax law can be accomplished with absolute certainty by the inheritance-tax provisions already placed in this bill by the House.

While all taxes are naturally repugnant to those who are compelled to pay them, it is my belief that the general desire and intent on the part of the taxpayer to avoid the payment of taxes largely arises from the almost universal belief that they are not levied with an even-handed and exact justice.

Any tax levied upon the property or the income of a person who has earned and saved that income or property is a direct burden placed upon that person's individual effort and thrift, and to that extent takes from him the net results of his effort. The proposed tax upon inheritance levies no burden upon the man from whom it is taken.

It is like the proposition of the Senator from South Carolina [Mr. TILLMAN] in his speech to-day urging us to place a duty on tea, to protect that "infant industry" in his own State; it is the exception to the rule. In no case does it work any hardship, for it merely takes slight toll from him who receives wealth which he in no way helped create.

The man who inherits wealth does so by the accident of birth. The very fact that he inherits unearned wealth gives the beneficiary a large advantage over his fellow-man in the struggle for existence.

The fact that the State itself by law, and not by natural right, creates and maintains at a large cost the right of inheritance

gives the State the right to take large toll for the privilege of inheriting wealth that the beneficiary never created.

During the past few years the inheritance-tax idea has appealed most strongly to thinking men. Practically every civilized nation except our own has already adopted it as a permanent part of its national revenue.

The inheritance tax has been imposed by the United States Government temporarily on three separate occasions. First, by the act of July 6, 1797; second, by the act of July 1, 1862; and more recently by the act of 1898, that was repealed four years later.

President Roosevelt in his message to Congress on the 4th day of December, 1906—and I want the junior Senator from Idaho to listen to this—said, in reference to inheritance and income taxes:

> There is every reason why, when our next system of taxation is revised, the National Government should impose a graduated inheritance tax, and, if possible, a graduated income tax. The man of great wealth owes a peculiar obligation to the State, because he derives special advantages from the mere existence of government.

Mr. BORAH. I agree with the President entirely. I think the man of great wealth owes it before he dies and while he is here as well as after. I agree with the President also in the proposition that we should have a graduated inheritance tax, and I would graduate it so that with the birth of the child, the direct heir, it would be very light.

Mr. DIXON. President Taft in his inaugural address delivered in this Chamber less than four months ago said:

> Due largely to the business depression that followed the financial panic of 1907, the revenue from customs and other sources has decreased to such an extent that the expenditures for the current fiscal year will exceed the receipts by $100,000,000. It is imperative that such a deficit shall not continue, and the framers of the tariff bill must, of course, have in mind the total revenues likely to be produced by it and so arrange the duties as to secure an adequate income. Should it be impossible to do so by import duties, new kinds of taxation must be adopted, and among these I recommend a graduated inheritance tax as correct in principle and as certain and easy of collection.

The Committee on Ways and Means of the House of Representatives adopted the recommendation of President Taft and inserted the provision in the present bill, based on the New York State inheritance-tax law, and estimated to yield, as I understand from members of the House committee, about twenty-five millions per year.

Why this wise provision should be rejected by the Senate now and in its stead to send the country into a laborious and circuitous campaign for an amendment to the Constitution in order to make an income tax surely possible, I am at a loss to understand.

The reasons advanced, that many of the States have already adopted inheritance-tax provisions for raising revenue, to my mind is not a tenable one. For the income tax must be levied from the same general class of citizens from whose estates the inheritance-tax revenue must come.

The fact that 32 States have already adopted inheritance-tax laws in my mind detracts but little from the argument for a national inheritance tax. The field is so fertile that both State and Nation can easily take tribute and no individual be damaged.

As a matter of fact, while the States have inheritance-tax laws on their statute books, the amount collected is at the present time a mere bagatelle.

I heard in the beginning of this debate, when the question was asked why the Finance Committee did not report the House provision regarding the inheritance tax, that 32 States have already adopted it and we do not want to invade the domain of States in this collection of revenue. I do not believe the Senate as a whole realize what a farce the inheritance tax is in the 32 States that have already adopted it. With the exception of 2 or 3 States it does not amount to enough hardly to pay for the printing of the statutes by which the tax was enacted.

I want you to listen to the returns. We have heard so much about the great field of taxation to the individual States, I want you to know the truth about it.

The whole amount of tax levied from this source by all the 32 States in 1905 was only $10,028,451.71; and I think, about $5,000,000 of the total amount came from the State of New York.

The fact that 7 States enacted inheritance-tax laws while the National Government was also collecting the same tax from 1898 to 1902 shows that no fear was entertained on that score by the state legislatures.

I ask permission to here insert a table showing the amount of revenues collected by the inheritance-tax laws of the different States for the year 1905, which was the only accurate complete return that I could find.

The table is as follows:

State revenue from inheritance taxes.

State.	Fiscal year.	Inheritance-tax receipts.
Arkansas	1905-6	$850.18
California	1905-6	[a] 292,704.89
Colorado	1905-6	[b] 48,646.40
Connecticut	1905-6	274,258.52
Delaware	1905-6	3,101.63
Illinois	1905-6	[b] 688,311.93
Iowa	1905-6	190,747.62
Louisiana	1906	86,654.88
Maine	1906	70,534.43
Maryland	1905-6	107,820.26
Massachusetts	1906	712,720.18
Michigan	1905-6	[a] 289,024.64
Minnesota	1905-6	159,454.91
Missouri	1906	213,131.09
Montana	1905-6	[b] 6,038.23
Nebraska	1905-6	[b] 2,120.24
New Hampshire	1905-6	[d] 3,276.55
New Jersey	1905-6	200,780.30
New York	1905-6	4,713,311.33
North Carolina	1905-6	4,673.41
North Dakota	1903-4	[e]
Ohio	1905-6	[f] 124,456.69
Oregon	1905-6	15,289.81
Pennsylvania	1905-6	1,507,962.11
South Dakota	1905-6	[d] 1,450.41
Tennessee	1905-6	[b] 34,309.93
Utah	1905-6	39,889.09
Vermont	1905-6	40,561.14
Virginia	1905-6	28,741.59
Washington	1905-6	[b] 33,267.34
West Virginia	1905-6	26,052.10
Wisconsin	1905-6	103,916.88
Wyoming	1905-6	[b] 4,372.99
Total continental United States		10,028,451.71
Hawaii	1905-6	5,879.69
Porto Rico	1905-6	14,413.68
Total		10,048,745.08

[a] Direct inheritance tax not fully in operation. Refunds ($45.12) deducted.
[b] One-half of receipts for two years.
[c] Refunds ($20) deducted.
[d] Law of 1905 not fully in operation.
[e] Law of 1903 not yet fully in operation.
[f] Including direct inheritance tax repealed 1906.

The great State of Ohio, with hundreds of estates of great wealth being transmitted to beneficiaries that year, who had toiled not, neither had they spun, for the vast accumulated wealth handed down to them, collected from her inheritance-tax laws only $124,456.69.

The State of West Virginia——

Mr. BORAH. What is the per cent in that State?

Mr. DIXON. As I recall it, the state government of Ohio cost about $15,000,000 a year to administer.

Mr. BORAH. What was the per cent that was levied as an inheritance tax?

Mr. DIXON. About the same amount, I think, provided for in the House provision.

Talk of robbing the States! In the great State of Ohio it did not produce——

Mr. BORAH. Of course, if no one died——

Mr. DIXON. But they are always dying. That is one of the beauties of this inheritance-tax law. It can not be escaped.

Mr. SCOTT. The climate of West Virginia is so good that we live to be very old there.

Mr. DIXON. I want the Senator from West Virginia now to listen. The great State of West Virginia, with its accumulated wealth of billions of dollars represented by its immense coal, iron, and oil fields, its timber lands and railroads, scores of millions of which that year were handed down to the people who had little or nothing to do with its creation, collected from her inheritance-tax laws the insignificant sum of only $28,052.10.

Yet you talk about holding back the inheritance-tax provision of this bill and not "robbing the States."

Mr. SCOTT. I will say to the Senator from Montana, if he will allow me, that I will admit that the inheritance tax has remained a dead letter on the books of West Virginia for a great many years, but from the showing of last year you will find much more.

Mr. DIXON. This is for the years 1905 and 1906.

Mr. SCOTT. It was a dead letter virtually before.

Mr. BRISTOW. I should like to inquire if the cause of such a small collection is due to the evading of the tax.

Mr. DIXON. The tax can not be evaded, for the reason that the probate court records are an open book.

Mr. BRISTOW. Why was it not collected, then, if it can not be evaded?

Mr. DIXON. Because the proportion they take is so insignificantly small it does not amount to anything. The rate——

Mr. BRISTOW. If the Ohio levy is the same as provided in the House bill, it is a very good levy and certainly would raise more than $28,000 on the enormous inheritances in the State of Ohio.

Mr. SCOTT. That was in West Virginia.

Mr. DIXON. I am giving the official record and return of the probate courts in Ohio.

Mr. BRISTOW. Is not that evidence that they are evading the tax in Ohio?

Mr. DIXON. How can the tax be evaded? It is the only tax that can not be evaded.

Mr. CLAPP. Will the Senator pardon an interruption?

Mr. DIXON. I want to be interrupted.

Mr. CLAPP. I can tell one way in which it can be evaded. I know one case where a man organized a corporation, put all his property into it, and then made a will, and took back a lease for the balance of his natural life. The State, however, was enabled to collect a part of it.

Mr. DIXON. I am not surprised at what people do in Minnesota, but this House bill and the New York statute expressly covers a case of that kind. If that gentleman had died after this bill had become a law with the House provision, his estate would have contributed.

Mr. CLAPP. The trouble is we can not frame a law which will prevent men while they are alive from disposing of their estates to their heirs with what they may consider judicious management.

Mr. DIXON. My experience——

Mr. CLAPP. Just a moment. I am not combating the idea of an inheritance tax; I think it is a good thing; but I undertake to say the small tax which has been collected, as shown by the Senator, if you could trace the matter down, you will find was very largely due to different devices that have been adopted.

Mr. GALLINGER and Mr. SUTHERLAND addressed the Chair.

The VICE-PRESIDENT. To whom does the Senator from Montana yield?

Mr. DIXON. I will yield first to the Senator from New Hampshire.

Mr. GALLINGER. I was about to remark that I am surprised at the figures the Senator gives as returned from these large States. I represent a very small State in population and we have had a collateral inheritance tax, I think, on the statute books for three or four years, not longer than that, as I remember. Our people are now agitating a direct inheritance tax likewise. I think in Massachusetts they have both. I am very sure of that. Yet in my little State we have had a hundred thousand dollars in the last year paid into the State treasury from the collateral inheritance tax.

Mr. DIXON. Collateral alone?

Mr. GALLINGER. Collateral alone. I can not understand how these great States have not made greater returns if the law has been enforced, unless the probate courts——

Mr. DIXON. Is the Senator certain of the figures he gives of the amount the inheritance-tax law of New Hampshire yielded last year?

Mr. GALLINGER. I am quite sure.

Mr. DIXON. I quote from the bulletin issued by the Bureau of Commerce and Labor for the year 1905-6, and New Hampshire yielded only $3,276.

Mr. GALLINGER. I think——

Mr. DIXON. The law of 1905 was not fully in operation.

Mr. GALLINGER. Certainly, it was not fully in operation. I will say to the Senator that last year it was something over $70,000. The state treasurer recently told me that for the ensuing year it would be fully $100,000. That is my authority, and I think that it is correct.

Mr. CUMMINS. Let me suggest that in those States which have only a collateral inheritance-tax law it is one of the easiest laws to evade of which I know, because it requires an alert, vigilant district attorney to look after the interests of the State and to establish in proper cases that there are no direct heirs; otherwise the estate is distributed and the tax is lost. In our State, it is my opinion that we do not collect more than 50 per cent of the tax we ought to collect. We have only a collateral-tax law. I think the Senator will discover that, like all other taxing laws, the ingenuity of man can evade its operations and escape its provisions.

Mr. GALLINGER. On that point, if the Senator will permit me——

The VICE-PRESIDENT. Does the Senator from Montana yield to the Senator from New Hampshire?

Mr. DIXON. Certainly.

Mr. GALLINGER. I would suggest that we have an official, either elected by the legislature or appointed by the governor, I think the latter, a very efficient lawyer, who gives his time to this matter, and I think we are making the collections absolutely all right.

Mr. BULKELEY. I was not in the Chamber, but I presume the Senator was talking about the New England States inheritance tax. I will say that in Connecticut we have no difficulty whatever in collecting it, and do collect it to the amount of $250,000 a year. It depends, of course, upon who happens to die; but the process of collection is a very simple one.

Where a will or an estate is probated in our probate courts, we pursue the same method in our State as we did in colonial times. Almost exclusively, in every town where a will is probated or an estate is probated, the court appoints the administrator of the estate, and the judge of that court is required to certify to the state treasurer the amount of the tax that is due the State, and that is the first thing that must be paid out of the estate.

Mr. DIXON. But not in Ohio.

Mr. DICK. Mr. President, while I was absent from the Chamber for a few moments, figures were quoted as to the law in Ohio. I am not materially interested in the figures, but I want to state that an inheritance-tax law was passed in Ohio one year and that it was repealed by the legislature the next year, the storm of protest and the unpopularity of the legislation making its repeal by an almost unanimous vote the logical result.

Mr. DIXON. Then you have no inheritance tax at this time?

Mr. DICK. None in Ohio at this time.

Mr. DIXON. I want to say that is the first time I have ever heard from any State that the law was unpopular. On the contrary, it is universally conceded to be the most popular of all the tax laws. That, I repeat, is the first time I ever heard the law criticised.

Mr. McCUMBER. Mr. President, will the Senator answer me a question?

The VICE-PRESIDENT. Does the Senator from Montana yield to the Senator from North Dakota?

Mr. DIXON. I do; and I will answer the question if I can.

Mr. McCUMBER. If the Senator from Montana says the amount collected was a mere bagatelle under the state law, why will that not be equally true under the federal law?

Mr. DIXON. Because we have the right to fix the rate at anything we want to.

Mr. McCUMBER. I am assuming that you fix the same rate.

Mr. DIXON. I think the House has practically fixed the same rate, except that it is a progressive tax in the case of secondary heirs to a larger extent than it is in most of the States.

Mr. McCUMBER. If the small amount collected is due to the avoidance of the tax in some manner or form, will there not be a greater disposition to avoid it if you add to the tax than there is at the present time?

Mr. DIXON. I think, in all fairness, anyone who has ever had any experience in regard to an inheritance-tax law will admit that the testimony is overwhelming that it is the only law that can not well be avoided.

Mr. McCUMBER. Does not the Senator find it to be the case that the great majority of the large estates are distributed before the death of the ancestor, instead of making a will as to the whole amount and allowing it to be probated? Where the tax would be at all heavy, would there not be a conveyance beforehand to the heirs of their proper share?

Mr. DIXON. Has the Senator, as a member of the Finance Committee, read the provisions of the House bill?

Mr. McCUMBER. Yes; I have read them.

Mr. DIXON. That bill expressly provides that all gifts or deeds of personal property, made in contemplation of death, are expressly taxed under the terms of the House provision. But I must hurry on. I have taken up more time than I had expected.

New Jersey, the very citadel of accumulated dividends, the home of thousands of multimillionaires, deducted from its inherited wealth that year only $200,780.30.

Montana, with its cattle and sheep barons and copper kings, withheld from their heirs and devisees, who received these millions as a gift, the pitiful sum of $6,038.22.

Mr. CLAPP. Mr. President——

The VICE-PRESIDENT. Does the Senator from Montana yield to the Senator from Minnesota?

Mr. DIXON. I do.

Mr. CLAPP. The Senator paid a sidewise compliment to the ingenuity of Minnesotans in avoiding this tax. I should like to know to what expedient the people in Montana resorted?

Mr. DIXON. Fortunately, or unfortunately, we did not happen to lose any very prominent citizens that year. It is a very healthy State, as my colleague [Mr. CARTER] remarks to me.

That year great States like Indiana, Texas, Kentucky, Alabama, Kansas, Idaho, South Dakota, Rhode Island, and a dozen others having no inheritance-tax laws, neither State nor National Government, took anything from the hundreds of millions of dollars that passed from their dead owners to the living beneficiaries, who did nothing only take and spend their "unearned increment." One or two of these States have since adopted inheritance-tax laws.

During this year (1905–6), while this great Nation, as a National Government, took nothing and the constituent States took only $10,000,000 from inherited wealth to help defray an expense of more than $3,000,000,000, largely expended in protecting property, the nations of Europe collected from this, the most equitable of all forms of taxation, enormous amounts.

INHERITANCE TAX IN EUROPE.

During the year 1908 England collected about $94,230,000 from inheritance—England, with a population of 44,000,000; the United States, with 90,000,000 population.

France from her inheritance-tax laws collected last year $57,123,000, and in addition thereto an additional local tax from the same source.

In Germany, until 1906, an inheritance tax had only been imposed by the separate States of the Empire. But by the imperial financial act of July 3, 1906, a federal inheritance-tax law was enacted, which allots to the separate States a part of the proceeds and at the same time allows them the privilege of levying additional inheritance taxes on their own account. The imperial tax produces about 72,000,000 marks annually, of which 48,000,000 marks go to the Empire, leaving the States 24,000,000 marks, about the same amount as they formerly received from that source.

Mr. CRAWFORD. Mr. President——

The VICE-PRESIDENT. Does the Senator from Montana yield to the Senator from South Dakota?

Mr. DIXON. I yield to the Senator.

Mr. CRAWFORD. I should like to know if the Senator has ascertained how much was received by the Government under the inheritance tax when it was in force?

Mr. DIXON. About $5,000,000 a year.

Mr. CRAWFORD. No more than that?

Mr. DIXON. I think before the act was repealed, subsequent to the Spanish-American war, it yielded altogether about $20,000,000; but it was a very slight tax.

Switzerland, Italy, Australia, New Zealand, each have inheritance-tax laws, in every case taking much larger toll than any similar law in any State of the Union, and far more drastic than that proposed by the House bill. In fact, the United States is practically the only civilized Nation that has not made the inheritance tax a part of its system of national revenue.

The inheritance-tax scheme in the House bill is most mild-mannered in its provisions as compared with that imposed in Europe.

Under its provisions, estates valued at $10,000 and not exceeding $100,000 pay a tax of 1 per cent of the market value; if exceeding $100,000 and not exceeding $500,000, 2 per cent of the market value; if exceeding $500,000, 3 per cent.

The foregoing provisions apply to the direct heirs, including father, mother, husband, wife, child, brother, sister; to the collateral heirs the rate is 5 per cent straight.

I find that the rate imposed in the House provision is approximately that in force in the various States that have adopted an inheritance-tax provision. So that in the event this present House provision regarding inheritances should be adopted, an estate upon which the tax was collected both by the State and National Governments would only contribute to both 2 per cent through the direct heirs and 10 per cent through the collateral heirs.

As against this tax the French Government takes from the direct heir from 4 to 7 per cent and from the collateral heir from 12 to 20 per cent, the tax there, as in all foreign countries, varying both according to the amount involved and the varying kinship.

In France, where the estate exceeds 50,000,000 francs (about $10,000,000), the State takes 5 per cent from the direct heir and as much as 20 per cent from the second cousin.

In Germany the rates are so sharply progressive that inheritances exceeding 1,000,000 marks ($250,000) going to distant relatives are taxed 25 per cent.

England sharply graduates her inheritance tax from about 1 per cent on estates between $500 and $2,500 in value to from 10 to 15 per cent on estates exceeding £750,000 ($3,500,000) in value. In addition to the above "estate duty," there is a "legacy duty" on personal property and a "succession duty" on real estate passing to collateral heirs, graduated according to the relationship existing between the decedent and the heir, from 3 per cent for brothers and sisters to 10 per cent for distant relatives.

Mr. HEYBURN. Mr. President——

The VICE-PRESIDENT. Does the Senator from Montana yield to the Senator from Idaho?

Mr. DIXON. Certainly.

Mr. HEYBURN. I rise merely to suggest that the comparison between England or Germany and this country is hardly a fair comparison. The presumption in both of those countries is, and always has been, that the estate belongs to the lord of the fee. There is a natural presumption in favor of it thus passing, and the inheritance tax is a fine in the nature of a release. We have no corresponding element in our Government whatever. There is no presumption that the Government of the United States is the owner of the estate of a deceased person. We are purely creatures of legislation, and I think it is hardly fair to compare the principle in those countries with this country.

I do not very much differ in the ultimate conclusion from the Senator from Montana; but I do not think, as an argument, that it is entirely fair to compare the conditions in those countries with conditions in this country. I think the Senator will find a stronger reason for the imposition of an inheritance tax under our system of government.

Mr. DICK. Mr. President——

The VICE-PRESIDENT. Does the Senator from Montana yield to the Senator from Ohio?

Mr. DIXON. I do.

Mr. DICK. I may suggest a little further extension of the illustration made by the Senator from Idaho in this, that in the foreign countries referred to they levy their tax as one general tax upon all the people, while here we are dealing with 46 States.

Mr. DIXON. The Senator from Ohio is mistaken. The German Government expressly levies the tax and divides it pro rata in certain proportions from the tax received from the collateral heirs, and leaves the individual States of the German confederation the right to levy on the direct heir.

Mr. DICK. Then there is a very great difference, because they levy the tax and distribute it, while we do not permit the States to be disturbed in their methods of taxation by the Federal Government from any standpoint whatsoever.

Mr. DIXON. I can not conceive of the reasonableness of that argument. We are proposing to do in the House provision exactly what the German Government is doing.

Mr. CUMMINS. Before the Senator passes on——

The VICE-PRESIDENT. Does the Senator from Montana yield to the Senator from Iowa?

Mr. DIXON. Yes.

Mr. CUMMINS. I was very much impressed a few moments ago by the statement of the Senator from Montana to the effect that the United States was about the only civilized nation in the world that did not levy an inheritance tax.

Mr. DIXON. As a national tax.

Mr. CUMMINS. As a national tax. Undoubtedly the Senator, as he has been examining this matter, can also answer whether the United States is not about the only civilized nation that does not levy a national income tax.

Mr. DIXON. The United States is about the only civilized nation that does not levy an income tax. I want the Senator especially to understand my position. I believe that both the income tax and the inheritance tax reach the same source of supply. One, I contend, is easily collected and the other is not, especially in view of the adverse decision of the Supreme Court.

Mr. CUMMINS. I think I understand the Senator from Montana. I know that he is not hostile to the income tax; but I wanted those two statements to go out together——

Mr. DIXON. They are both in the RECORD.

Mr. CUMMINS. So that the country might know that we were not only the only nation which did not levy a national inheritance tax, but we were the only considerable nation in the world that did not levy a national income tax.

Mr. DIXON. That is correct.

Mr. SUTHERLAND. Mr. President——

The VICE-PRESIDENT. Does the Senator from Montana yield to the Senator from Utah?

Mr. DIXON. I yield to the Senator from Utah.

Mr. SUTHERLAND. Can the Senator from Montana tell us whether or not the German Empire levies an income tax?

Mr. DIXON. The German Empire levies a tax on collateral heirs.

Mr. SUTHERLAND. No; an income tax?

Mr. DIXON. I think they do.

Mr. SUTHERLAND. My understanding is to the contrary.

Mr. DIXON. I am not positive.

Mr. SUTHERLAND. I understand that the German Empire does not levy a national income tax, but some of the States of the German Empire do.

Mr. DIXON. That may probably be correct.

Mr. SUTHERLAND. And in that respect there would be a parallel between the case of the German Empire and the United States, the German Empire leaving it to the individual States to deal with that subject, as, I think, under ordinary circumstances, the United States Government ought to leave it to the individual States to deal with it. The Senator said, in answer to the question of the Senator from Iowa, that the United States is about the only civilized country that does not levy an income tax. France does not, as I understand.

Mr. CUMMINS. I beg the Senator's pardon; France does levy an income tax.

Mr. SUTHERLAND. An income tax?

Mr. CUMMINS. Certainly; at least that is my information, and I have given the subject a good deal of study.

Mr. SUTHERLAND. My information is to the contrary.

Mr. CUMMINS. I have a pamphlet on my table showing the proceeds of the income tax in France.

Mr. BORAH. Mr. President——

The VICE-PRESIDENT. Does the Senator from Montana yield to the Senator from Idaho?

Mr. DIXON. I yield to the Senator from Idaho.

Mr. BORAH. One of the issues of the late campaign in France was the question of an income tax. It was adopted and made a law some five or six months ago, and is now an existing law in that country.

Mr. SUTHERLAND. It was not levied prior to four or five months ago.

Mr. BORAH. I think it is about four or five months ago that it was put in operation for the first time.

Mr. DIXON. Then the Senator from Utah was right in his information as to former conditions in France.

Mr. CUMMINS. I can give the exact date. I have it in my pamphlet.

Mr. SUTHERLAND. I have no doubt that the Senator from Idaho is correct in his statement, but it had escaped my attention. My information is—and it is historic—that ever since the French revolution in 1793, the people of France have been bitterly opposed to an income tax; and while it has been proposed at different times, uniformly the Government has declined to impose it.

Mr. DIXON. Now, what I have tried to say three or four times, and have been unable to say, on account of the importunities of my friends, is that in England the combined effects of these duties is that an estate exceeding $3,000,000 in value passing to a distant relative, or by will to a stranger in blood, pays about 23 per cent. And why should it not?

In a recent edition of the Cleveland Leader, I noticed an editorial—and I want the senior Senator from Ohio [Mr. DICK] to listen to this, as he says that the inheritance tax was unpopular—regarding this plan of the inheritance tax, which I send to the desk and ask that it may be read.

It is from the Cleveland Leader of June 1, 1909, and does not sound as if the inheritance tax is unpopular in Ohio.

The VICE-PRESIDENT. In the absence of objection, the Secretary will read as requested.

The Secretary read as follows:

INHERITANCE TAXES.

[From the Cleveland Leader, Tuesday, June 1, 1909.]

A very old bachelor named Charles Morrison has died in England, leaving a fortune believed to exceed $50,000,000. It may prove to be $75,000,000. He was a man of simple habits, and his great wealth was therefore little noticed or commented upon.

If the new schemes of taxation devised and promoted by Mr. Lloyd-George and his colleagues in the Liberal ministry are accepted, as there is strong reason to believe that they will be, the British Government will take more than $10,000,000 out of this big Morrison estate. It will be taxed at the highest rate for what the English call "death duties," or 15 per cent, and 5 per cent additional for succession dues.

Why should not such a share in so vast an accumulation of property go to the state? Who is harmed thereby? Not the heirs, because they have left more than they can need. No violence is done to the strictest principles of justice, because there is no such thing as passing lands and other property from the hands of a dead man to those of his kinsfolk or other heirs except by the aid of laws and governmental power. Those who inherit a great estate take possession by virtue of institutions created by society, not because they are themselves able to seize and hold the property. They do not earn the riches that come to them. They have lived without that wealth. It falls to their hands by good fortune and the consent of the state.

No hardship is inflicted by taking a liberal slice of a great estate, under such circumstances, for the use of the government upon which the ability to inherit wealth depends. It is one of the least oppressive taxes which can be levied anywhere at any time, and in advocating graduated inheritance taxes Theodore Roosevelt and other statesmen are in harmony with a powerful and growing public sentiment.

Mr. DIXON. Mr. President, it has been a surprise to me that the Finance Committee has seen fit to quietly ignore the one provision of the House bill that, to my mind, seemed to meet the requirements of the present state of the Federal Treasury, without any question being raised against it on account of a second possible adverse decision from the Supreme Court as to its constitutionality, as is the case in the income tax and possibly the newly proposed corporation tax. There can be no question raised as to the certainty and ease with which it can be collected. To the unprejudiced mind, it certainly is the fairest and most equitable of all.

Some one has said regarding income tax: "Don't disturb the bee while he is gathering the honey." As to the inheritance tax, I would carry the suggestion a little further, and suggest that when the bee has gathered the honey by his own laborious efforts through the season of a long and laborious life, before turning the accumulated hive of honey over to the drones to eat and fatten at the expense of him who gathered it, let the guardian of the hive, the Government, step in and take at least a small share as a recompense for the expense and care that was necessary in safeguarding the hive, without which care it would have been impossible for the bee to have accumulated his honey.

MISFORTUNE OF VAST FORTUNES.

I now come to that phase of the inheritance-tax question that might be a fertile source for a demagogic appeal to the spirit of envy and hatred in the man who has not against him who has wealth.

Speaking personally, I have no envy for the multimillionaire or the great modern financial "captains of industry." To the man who enters the lists of the commercial and financial world, and by his brain and nerve and brawn fights the battle successfully, and wins by honorable means, I have nothing but sincere admiration and words of praise.

And my opinion is not changed, whether the fortune he wins by his efforts be measured by the thousands or by the millions of dollars.

What that man has legitimately won, I believe he should enjoy to the utmost degree.

If mansions and art galleries, steam yachts and princely gifts, endowments, and all the other [illegible]es that wealth can buy are either necessary, convenient, or helpful to his full enjoyment of life, I would give him full rein.

But I do believe that in a democracy, where that which we all profess to believe the ideal condition of government is that which gives equal opportunity to all, that the entailing or the handing down to posterity of these latter-day enormous fortunes may produce a condition in society that is fraught with great danger.

I would not deny to any man the right to transmit to his children any sum sufficient to enable them to have everything that would be conducive to their comfort and welfare measured by the highest priced standard of modern living, and I would not overlook the decision of the New York court in the Gould divorce case a day or two ago in fixing that standard. I confess I am not able to at this time nor will I attempt to fix that limit.

The ancient law of primogeniture, giving to the eldest son the right to inherit all the property of the ancestor, a result of the feudal system, while transmitted to the new world was abolished by the founders of this Republic.

They fully appreciated both the injustice to the individual and the dangers of such an unequal accumulation of wealth in the hands of the few.

The founders of this Republic forbade by constitutional prohibitions the entailing of estates. They were rightly afraid of the consequences that permitted men to direct for generations after they were dead and gone the disposition of real property, acquired by them during their lifetime, either by purchase or gift.

While all lawyers are familiar with the celebrated English statutes of mortmain (from the Latin, mortua manus—a dead hand), no common-school history of the English people would be complete unless it recited the story of the struggle, lasting for five hundred years, of the English nation to free itself from the "dead hand" of the great ecclesiastical corporations, which threatened gradually to absorb the lands of England, without rendering in return for their tenure services to the overlord or, in other words, the State, the earliest of the provisions against alienation in mortmain being one of the provisions of the Magna Charta itself.

While the law of primogeniture is unknown in our national life, while the practice of entailing landed estates is prohibited by constitutional enactments, as a matter of cold fact the actual entailing of large estates to the second and third generation by their dead owners is rapidly becoming the custom with the owners of these latter-day swollen fortunes.

Of recent years it is the almost universal custom of these multimillionaires to place their vast estates in a trusteeship by the terms of which they can direct its course for a hundred years after they are dead and gone.

The well-known case of the great estate of Marshall Field, of the estimated value of $150,000,000, is now securely lodged

in the management of trustees for the ultimate benefit and use of two boys of the third generation, who are being at this time reared and educated in England, and are, as I understand it, now actually citizens of a foreign country. The $150,000,000 of American property for the protection of which this Government maintains its army and navy, its courts, its legislative and executive branches of government, yields no direct service to its overlord, the Federal Government.

THE "DEAD HAND" STILL IN EVIDENCE.

In this and hundreds of other cases, the "dead hand" is once more in direct evidence, in some degree directing and controlling the conditions under which men and women of this and succeeding generations must earn their living, and yet that "dead hand" gives little or nothing in return.

Whatever may be the remedy, if there be a remedy, it is apparent to us all that a condition of society that permits two of its members to absorb one hundred and fifty millions (and the natural increase will probably double the amount by the time they reach maturity) of the accumulated earnings of others by the mere accident of birth is an abnormal and dangerous condition for society and government.

We may hold up our hands in holy horror at this assertion and say this is "rank socialism," but it is nevertheless true.

Even the Wall Street Journal as recently as October, 1906, in discussing the dangers from "swollen fortunes," said:

President Roosevelt isn't the only one who has discovered in great individual fortunes a possible peril to American liberties. As long ago as 1849 Horace Mann, one of the most patriotic and unselfish servants of the people this country has ever produced and to whom it owes in largest measure its present great system of public-school education, said: "Vast fortunes are misfortunes to the State. They confer irresponsible power; and human nature, except in the rarest instances, has proved incapable of wielding irresponsible power without abuse. The feudalism of capital is not a whit less formidable than the feudalism of force. The millionaire of our day is no less dangerous to the welfare of the community than was the baronial lord of the middle ages."

In the April 10, 1906, issue of that conservative journal, the Boston Herald, I find the following editorial:

"Shall not a man do what he will with his own?" This question is raised again by the publication of the will of E. C. Swift, the Chicago meat packer, who died last week. He left property valued at $10,000,000 and upward, and with the exception of $5,000 to the Methodist Church at Sagamore, in this State, and $2,000 to the cemetery in that town, made in public bequests, the bulk of his great fortune is left to the widow; his daughter, an only child; and his son-in-law. Coming so soon after a similar disposition of a far greater property by Marshall Field, who made no public bequest except an endowment to the museum which bears his name, the Swift will naturally causes some discussion. Legally, of course, a man may do what he will with his own except so far as the State steps in with its inheritance tax and takes a tithe in partial compensation for the care and protection which it has given to the fortune builder in his work in amassing riches. But if these two Chicago examples illustrated the rule rather than the exception in the disposition of vast estates, there would very soon arise a popular demand for an income tax or heavier "death duties" or some other method of limiting the size of individual fortunes or preventing that practical reestablishment here of the law of primogeniture and entail, which the framers of our Constitution sought to abolish.

It is well known that Andrew Carnegie has advocated for years a progressive inheritance tax and that only recently in an address in New York City he reaffirmed, with exceptional significance, his belief that the state should exact from every large estate "a tremendous share, a progressive share."

President Roosevelt, in a recent message to Congress, said:

I feel that in the near future our National Legislators should enact a law providing for a graduated inheritance tax by which a steadily increasing rate of duty should be put upon all money or other valuables coming by gift, bequest, or devise to any individual or corporation. In any event, in my judgment, the pro rata of the tax should increase very heavily with the increase of the amount left to any one individual after a certain point has been reached. It is most desirable to encourage thrift, and a potent source of thrift and ambition is the desire on the part of the breadwinner to leave his children well off. This object can be obtained by making the tax levy very small on moderate amounts of property left; because the prime object should be to put a constantly increasing burden on the inheritance of those swollen fortunes which it is certainly no benefit to this country to perpetuate.

My own judgment is that the provisions of the House bill in fixing the minimum of value of estates to be taxed should have made the limit fifty thousand instead of ten thousand, as applied to the direct heirs. As to collateral heirs, I would fix no minimum, but include all estates.

Why should not the Senate adopt the House inheritance-tax provision?

Why is it that it has been stricken from this bill by the Senate committee with not a voice raised in protest against the action of the Finance Committee?

No question is raised as to its being constitutional, for the Supreme Court of the United States within less than ten years has expressly held that such a tax is constitutional, while holding that the income tax is not constitutional.

Its provisions reach the same class that would an income tax.

Its collection is easy and certain, whereas in actual experience the income tax has not been easy and certain of collection.

It has all the virtues that are claimed for the income tax, without a question raised as to the vices of the income tax in the matter of its enforcement and constitutionality.

Are we simply acting on the assumption that all legislative wisdom rests in the Finance Committee of the Senate?

Because an agitation has been raised here and in the newspapers over an "income tax," will we pass by in silence an actual opportunity to enact an inheritance tax, which nearly every individual Senator admits is more easily enforced and with no doubt as to its validity?

The psychological moment for the enactment into law of this most meritorious of measures is now presented to us. I am quoting from my friend the Senator from Oregon. [Laughter.]

We know, as experienced legislators, that not in years will its enactment be so easy as now. If we disagree with the Finance Committee amendment and adopt the House provision, there can no legislative situation arise so that it will be possible for it to "go out in conference."

What say you, Senators, on the other side of this Chamber?

From what I have seen and heard and know of the sentiment among many Republican Senators on this side of the Chamber, I am certain that if you will vote with us a graduated inheritance tax will become a permanent part of the Nation's revenue within the next thirty days, and that its final passage will mark a milestone in the economic history of this great Republic.

Mr. President, I ask leave to insert, as a part of my remarks, a table showing the main provisions of the American inheritance-tax laws, by States.

The VICE-PRESIDENT. Without objection, permission will be granted.

The table referred to is as follows:

Main provisions of American inheritance-tax laws.

State.	Dates of principal acts.[a]	Collateral.		Direct.	
		Rates.	Exemptions.	Rates.	Exemptions.
		Per cent.		*Per cent.*	
Arkansas	1901	5			
California	1903, 1905	1½-15	$500-$2,000	1 - 3	[b] $4,000
Colorado	1901, 1902	3 - 6	500	2	10,000
Connecticut	1889, 1897	3	10,000	1	10,000
Delaware[c]	1869, 1883	5	500		
Idaho	1907	1½-15	500- 2,000	1 - 3	[b] 4,000
Illinois	1895	2 - 6	500- 2,000	1	20,000
Iowa	1896, 1904 [d]	5	1,000		
Kentucky	1906	5	500		
Louisiana[e]	1904	5		2	10,000
Maine	1893, 1901	4	500		
Maryland	1845, 1874	2½	500		
Massachusetts	1891, 1907	2 - 5	1,000	1 - 2	10,000
Michigan	(1893) 1899, 1902	5	100	1	2,000
Minnesota	(1875) 1905	1½- 5	10,000	1½- 5	10,000
Missouri	(1895) 1899	5			
Montana	1897	5	500	[f] 1	7,500
Nebraska	1901	2 - 6	500- 2,000	1	10,000
New Hampshire	(1878) 1905	5			
New Jersey	1892, 1894	5	500		
New York	(1885, 1891, 1900, 1905	5	500	1	10,000
North Carolina	(1847) 1901	1½-15	2,000	1	2,000
North Dakota	1908	2	25,000		
Ohio	(1893, 1894 (1904)	5	200		
Oregon	1903	2 - 6	500- 2,000	1	[g] 5,000
Pennsylvania	(1826, 1887 (1897)	5	250		
South Dakota	1905	2 -10	100- 500	1	5,000
Tennessee	1891, 1893	5	250		
Texas	1907	2 -12	500- 2,000		
Utah	1901	5	10,000	5	10,000
Vermont	1896, 1904	5			
Virginia	(1844) 1896	5			
Washington	1901, 1907 [h]	3 -12		1	10,000
West Virginia	(1887, 1904, 1907	3 - 7½		1	20,000
Wisconsin	(1868) 1899, 1903	1½-15	100- 500	1 - 3	[i] 2,000
Wyoming	1908	5	500	2	[j] 10,000
Hawaii	1892, 1905	5	500	2	1,000
Porto Rico	1901	3 - 9	200	1 - 3	200

[a] Dates in parentheses indicate acts which have been repealed or declared unconstitutional.

[b] Widows and minor children taxable only on the excess above $10,000 received by each.

[c] Tax payable only by strangers in blood.

[d] Discriminating rates against nonresident aliens introduced by Iowa in 1904) chap. 51).

[e] Tax not payable when the property bore its just proportion of taxes prior to the owner's death.

[f] Applies to personal property only.

[g] Decedent's estates of less than $10,000 are also exempt.

[h] Discriminating rates against nonresident aliens introduced by Washington in 1907 (chap. 217).

[i] Widows taxable only on the excess above $10,000.

[j] For the surviving husband or wife and children, if residents of Wyoming, $25,000.

Mr. OWEN. Mr. President, I do not agree with the Senator from Montana [Mr. DIXON] that the psychological moment is at hand for the adoption of the inheritance tax. I have not the slightest idea that there is any probability of the programme laid down by the committee being changed in any respect. But I am in thorough accord with the view of the Senator from Montana in regard to the wisdom and propriety of an inheritance tax. I favor, equally, the income tax. But I regard the inheritance tax as a matter of far greater importance, and that it ought to be added to our permanent fiscal system, not only for the purpose of raising revenue, but for the further and more important purpose of abating the increasing danger of the accumulation of fortunes swollen beyond all reason, which now constitute a menace to the stability of our finance and of our commerce and to the liberties of the people of the United States and of the civilized world.

I suggest to the Senate a progressive inheritance-tax amendment, which I ask the Secretary to read.

The VICE-PRESIDENT. Without objection, the Secretary will read the amendment proposed by the Senator from Oklahoma.

The Secretary read as follows:

PROGRESSIVE INHERITANCE TAX AMENDMENT.

Suggested to the Senate by Mr. OWEN.

In lieu of sections 34 and 35, insert the following:

"A legacy duty shall be and is hereby imposed upon the transfer of any right, title, and interest in or to any property, real or personal, by will, grant, or transfer in any manner, or under the intestate law of any State or Territory, or of the United States, from any person in anticipation of death, or of any person dying, who is seized or possessed of such property while a resident of the United States, or of any of its possessions; or when the property of such decedent lies within the United States, or within any of its possessions, and the decedent or grantor was a nonresident of the United States, or of any of its possessions, at the time of his death, in accordance with the following schedule, to wit:

"Where the clear value of the entire estate is less than $100,000 it shall be exempt from legacy duty, otherwise, subject to the following duties, to wit:

"Where the clear value of the entire estate is between $100,000 and $300,000, 1 per cent; between $300,000 and $500,000, 2 per cent; between $500,000 and $600,000, 3 per cent; between $600,000 and $700,000, 4 per cent; between $700,000 and $1,000,000, 5 per cent; and upon every excess in the clear value of such estate over and above $1,000,000 there shall be automatically added in addition to 5 per cent, and accumulative as to each additional increase, 1 per cent additional legacy duty to be laid upon each increase in the clear value of such estate of $1,000,000, or the major fractional part thereof, until such duty reaches 100 per cent cumulative duty upon such additional increase in the clear value of such estate.

"*Provided*, That when such estate, by will, devise, grant, or inheritance law goes to collateral kin, there shall be imposed the following additional legacy duty upon such portion only of such estate as may descend to such persons severally, to wit:

"Brothers and sisters, or their descendants, 3 per cent; uncles and aunts, or their descendants, 5 per cent; other persons, not children or parents, 10 per cent.

"*Provided*, That any property conveyed, in anticipation of death, by any person, as a gift or grant to the extent conveyed without adequate consideration, where such estate would come within the rule imposed by this act, fixing such legacy duties, such conveyance, gift, or transfer, however made, shall be subject to the legacy duty herein provided, as if it were the estate of a decedent, and the estate shall be chargeable therewith unless otherwise paid. Where corporate stocks or bonds are transferred or placed under a trust for transfer within five years previous to death, as a gift, either in whole or in part, to that extent such transfer shall be conclusive evidence of its character as a legacy.

"*Provided, however*, That property devised or bequeathed to any religious, educational, patriotic, charitable, or benevolent corporation or institution shall be exempt from legacy duty.

"The legacy duty hereby imposed shall be a lien and charge upon the property of every person who may die as aforesaid, from the date of the death of such person, and shall be payable within one year, bearing 6 per cent from the date of the death for the first twelve months, and thereafter at the rate of 10 per cent until fully paid.

"The Secretary of the Treasury is authorized and directed to submit to Congress rules and regulations for the collection of the same for further congressional action."

Mr. OWEN. Mr. President, the Finance Committee has struck out the inheritance-tax provision of the House of Representatives. It should have been heavily increased and made progressive on the swollen fortunes of the country. The most important need of the people of the United States of this generation requires the abatement of the gigantic fortunes being piled up by successful monopoly, by successful stock jobbing, by skillful appropriation under the protection of the law of all the opportunities of life, and which have brought about a grossly inequitable distribution of the proceeds of human labor and of the values created by the activities of men.

I have framed this provision for the express purpose of proposing a readjustment in the distribution of wealth in this country in a manner which will restore to the people who have created these values the gigantic sums appropriated either by fraud or by the permission and the assistance of the law itself.

DISTRIBUTION OF WEALTH.

Mr. President, I have heretofore shown to the Senate in a manner most conclusive that the very great part of all of the wealth of this country has already passed into the hands of less than 10 per cent, and over half of the national wealth into the hands of less than 1 per cent of the people. (P. 3282, CONGRESSIONAL RECORD, June 15.)

Spahrs's table for the distribution of wealth in the United States, taken from his work, "The Present Distribution of Wealth in the United States," when our national wealth was $60,000,000,000, is as follows:

Class.	Families.	Per cent.	Average wealth.	Aggregate wealth.	Per cent.
Rich	125,000	1.0	$263,040	$32,880,000,000	54.8
Middle	1,362,500	10.9	14,180	19,320,000,000	32.2
Poor	4,762,500	38.1	1,639	7,800,000,000	13.0
Very poor	6,250,000	50.0			
Total	13,500,000	100.0	4,800	60,000,000,000	100.0

The inequalities have been steadily growing worse, and when a single person's fortune is estimated at a thousand millions and is gathering in $50,000,000 per annum of the net proceeds of the products of the labor of this country, while millions of human beings can not lay aside $50 apiece per annum, what must be the inevitable result? It is this condition, half understood, that is developing rapidly a sentiment of radical socialism, discontent, and social unrest.

Moody's Manual of 1907, page 30, presents a "General Summary" of corporations offering stocks and bonds for sale to the stock exchanges and recorded by him in great detail in a volume of nearly 3,000 pages, as follows:

	Total stocks and bonds.
Steam railroad division	$15,436,758,000
Public utilities division	8,130,464,000
Industrial division	10,156,333,000
Mining division	2,525,173,000
	36,248,668,000

In addition to this enormous volume of corporate wealth, which comprises a registered one-third of our national wealth, there is an unregistered volume of corporations which are close corporations which do not sell stock, which are personal corporations, amounting to thousands of millions of dollars.

I respectfully call your attention to the Statistical Abstract of 1907, Table 244, which sets forth the wealth of the United States, which shows clearly where its approximate ownership may be found, to wit:

Table 244, Statistical Abstract, 1907.

Real property	$62,341,492,134
Live stock	4,073,791,736
Farm implements and machinery	844,989,863
Manufacturing machinery, tools, etc	3,297,754,180
Railroad equipment	11,244,752,000
Street railway, shipping, waterworks	4,840,546,909
Agricultural products	1,899,379,652
Manufactured products	7,409,291,668
Imported merchandise	495,543,685
Mining products	326,851,517
Clothing and personal ornaments	2,000,000,000
Furniture, carriages	5,750,000,000
Total for United States	107,104,211,917

Where do the city laborers under protection come in as joint heirs of modern prosperity?

What part of this wealth created by labor is theirs?

They have no real estate, no live stock, farm machinery, manufacturing machinery, railroads, or under any visible classification. The only thing that they can have under this tabulation is clothing and a little personal property.

And yet the products of the labor in our specified manufacturing industries of 1905 reached a total of $14,802,147,087, for 5,470,321 wage-earners, whose product was therefore worth $2,708 per capita.

These people received $2,611,540,532 in wages (Stat. Abst. U. S., 1907, p. 144), or $479 per capita.

This $479 each must feed and shelter and clothe and educate and provide leisure and the joyous participation in the common providences of God for an average of three people, or about $160 each per annum, or about an average of $13.33 per month.

There can hardly be much margin of saving under the circumstances for sickness, ill health, accident, or loss of employment.

In New York City, with over four millions of people, less than 1 in 40 has any real estate.

ENORMOUS WEALTH INHERITED BY A MAN'S CHILDREN IS WORTHLESS IN THE HIGHEST AND BEST SENSE.

Mr. President, it takes a human being of the first magnitude to administer an estate of $10,000,000 with wisdom and efficiency. No human being can properly consume the income of such an estate, which, at 5 per cent, will make an income of $500,000 per annum, $1,366 per diem—about a hundred dollars an hour for every waking hour.

Since such vast sums of money can not be properly used by the individual in the gratification of any just personal needs, and since its possession frequently leads to the wildest extravagances, to the establishment of false standards of life, and often leads to harmful dissipation and vice, and sometimes even to the corruption of our legislatures, of our administrative offices, and of the judiciary itself in the crafty ways by which we all know human beings can be misled, a wise public policy should establish a system of government which will restore to the people so much of the swollen fortunes developed by our modern methods as justice demands.

No thoughtful student will deny that these gigantic fortunes represent values created by the labors and the activities of our people. No man can deny the moral righteousness of restoring to the people by legacy duty that which they have created and which has been taken from them under legal processes and by fair legal means, in the best view of the case, and by crafty, unfair, and illegal means in the worst view of the case.

THE TAX MORALLY AND ETHICALLY JUST.

It will do no harm to the legatees of these swollen fortunes to contribute to the State a reasonable percentage of such fortunes. They receive these fortunes as a gift, without effort, without service, and are purely beneficiaries of a public legal gratuity, which permits them to receive, without consideration, vast sums by authority of a public statute.

It is true, Mr. President, that the usual inheritance statute itself, based upon the obligation of the parent to provide for his child, is thereby justified; that the child, the wife, the dependents have moral claim for support out of the proceeds of the labor, self-sacrifice, ambition, or providence of the parent; but these considerations are abundantly recognized and provided for in the amendment which I have the honor to submit. They are more than provided for; they are left rich beyond every possible desire or need of a well-ordered mind or a well-disposed heart.

We all agree that it would be unwise to remove or weaken the incentive of an abundant reward as a compensation for the great personal virtues of industry, providence, enterprise, self-sacrifice, and labor, and the proposed legacy duty will not remove a reasonable incentive, while it will put, perhaps, a check on unrestrained ambition not content with tens of millions, but greedily disposed to acquire hundreds of millions at the expense of a just distribution of wealth. Common sense and sound public policy demand that a fair incentive be not taken away from the humbler citizens, who now, in vast numbers, have not a sufficient supply of this world's goods to protect themselves against an illness of thirty days, and from whom every incentive of hope is removed except the pittance of a meager daily bread.

While we should be considerate of the incentive to labor, industry, providence, and self-sacrifice on the part of strong and powerful men, we should see to it that this incentive is not taken away from millions of weaker men, or permit one man, with the advantage of the accumulated millions drawn from his ancestors, UNDER THE AUTHORITY AND PERMISSION OF OUR LAWS, to appropriate all of the opportunities of life, and thus deprive millions of feebler men of the incentive which we all agree is of the highest importance in developing human beings.

THE PRACTICE SUSTAINED BY FOREIGN COUNTRIES.

Mr. President, the plan proposed is lawful and has been passed upon by the Supreme Court of the United States in Magoun *v.* Illinois Trust and Saving Bank (107 U. S., 283), in which the court held that the inheritance-tax law of Illinois makes a classification for taxation which the legislature had power to make, and that the inheritance-tax law does not conflict in any way with the provisions of the Constitution of the United States.

The court in this case shows that these laws have been in force in many of the States of the United States—Pennsylvania, 1826; Maryland, 1844; Delaware, 1869; West Virginia, 1887; Connecticut, New Jersey, Ohio, Maine, Massachusetts, 1891; Minnesota, by constitutional provision.

The constitutionality of said taxes has been declared and the principles explained in many cases referred to in the case above mentioned. For example, in the United States *v.* Perkins (163 U. S., 625), Klapp *v.* Mason (94 U. S., 589), United States *v.* Fox (94 U. S., 315), Mager *v.* Grima (8 Howard, 490), and so forth.

With the consent of the Senate, I submit a record of the inheritance tax of the British Empire, the German Empire, and of the German Independent States; and, without objection, I will print in the RECORD these tables without reading them.

THE PRACTICE SUSTAINED BY FOREIGN COUNTRIES.

D. Max West, in his work on Inheritance Tax, fully sets forth the practice of every nation in this regard. I freely quote from his work and call attention of the country to it.

England has adopted the progressive inheritance tax, reaching as far as 15 per cent on great estates.

Inheritance tax of the British Empire:

In the finance act of 1894 (57 and 58 Vict., chap. 30) Sir Vernon Harcourt simplified the system of death duties, removed the more glaring anomalies, and greatly extended the application of the progressive principle. For the old probate, account, and estate duties he substituted a new estate duty graduated according to the size of the estate, real and personal, from 1 to 8 per cent, as follows:

When the principal value of the estate—
Exceeds £100 and does not exceed £300, 30 shillings.
Exceeds £300 and does not exceed £500, 50 shillings.
Exceeds £500 and does not exceed £1,000, 2 per cent.
Exceeds £1,000 and does not exceed £10,000, 3 per cent.
Exceeds £10,000 and does not exceed £25,000, 4 per cent.
Exceeds £25,000 and does not exceed £50,000, 4½ per cent.
Exceeds £50,000 and does not exceed £75,000, 5 per cent.
Exceeds £75,000 and does not exceed £100,000, 5½ per cent.
Exceeds £100,000 and does not exceed £150,000, 6 per cent.
Exceeds £150,000 and does not exceed £250,000, 6½ per cent.
Exceeds £250,000 and does not exceed £500,000, 7 per cent.
Exceeds £500,000 and does not exceed £1,000,000, 7½ per cent.
Exceeds £1,000,000, 8 per cent.

By the finance act of 1907 the estate duty on estates exceeding £150,000 was increased to the following scale:

When the principal value of the estate—
Exceeds £150,000 and does not exceed £250,000, 7 per cent.
Exceeds £250,000 and does not exceed £500,000, 8 per cent.
Exceeds £500,000 and does not exceed £750,000, 9 per cent.
Exceeds £750,000 and does not exceed £1,000,000, 10 per cent.
Exceeds £1,000,000 and does not exceed £1,500,000, 10 per cent on the first £1,000,000, 11 per cent on the remainder.
Exceeds £1,500,000 and does not exceed £2,000,000, 10 per cent on the first £1,000,000, 12 per cent on the remainder.
Exceeds £2,000,000 and does not exceed £2,500,000, 10 per cent on the first £1,000,000, 13 per cent on the remainder.
Exceeds £2,500,000 and does not exceed £3,000,000, 10 per cent on the first £1,000,000, 14 per cent on the remainder.
Exceeds £3,000,000, 15 per cent on the remainder.

In addition to this estate duty, calculated on the value of the estate as a whole, collateral heirs still have to pay legacy duty on their legacies or distributive shares of personal property, and succession duty on the corresponding shares of real estate and on leaseholds, settled personalty, and legacies charged on land, which are not subject to legacy duty, according to the following consanguinity scale:

	Per cent.
Brothers and sisters and their descendants	3
Uncles and aunts and their descendants	5
Great uncles and great aunts and their descendants	6
Other persons	10

The German Empire has a similar system, imposing the following imperial inheritance tax.

	Per cent.
Parents, brothers, and sisters, and their children	4
Grandparents and more distant ancestors, parents-in-law and stepparents, children-in-law and stepchildren, grandnephews and grandnieces, illegitimate children acknowledged by the fathers and their offspring, adopted children and their offspring	6
Brothers and sisters of parents and relatives by marriage in the second degree in collateral lines	8
In other cases	10

The tax is progressive, the rates given above being increased in the case of inheritance over 20,000 marks by one-tenth; for each further sum, at first of 20,000 or 25,000 marks and afterwards of 50,000 or 100,000 marks. For amounts over 1,000,000 marks the tax is levied at two and one-half times the basic rates, making the maximum rate 25 per cent. In the case of the immediate relatives, subject to the 4 per cent rate, the progression applies only when the value of the inheritance is more than 50,000 marks. On large amounts the German tax is considerably heavier than the French, because the progressive rates apply to the entire amount of the inheritance, not merely to their respective fractions; but when an inheritance is valued at a sum slightly in excess of that to which a lower rate applies, the higher rate will be collected only in so far as it can be paid out of half the amount by which the inheritance exceeds the preceding class limit.

Besides this, the German independent States also have a progressive inheritance tax, according to degree of consanguinity, as well as a progressive rate.

Rates of German inheritance taxes in force January 1, 1906.

	Alsace-Lorraine.	Anhalt.	Baden.	Bavaria.	Bremen.	Brunswick.	Hamburg.	Hesse.	Lippe.	Lubeck.	Mecklenburg-Schwerin.	Oldenburg.
	Per cent.	Per cent.	Per cent.	Per cent.	Per cent.	Per cent.	Per cent.	Per cent.	Per cent.	Per cent.	Per cent.	Per cent.
Husband or wife	[a]3				[b]2- 3					[b]2- 4		
Children	1				2- 3		2- 4			2- 4		
Other descendants	1				2- 3		4- 8			4- 8		
Adopted children	1	4- 6	(c)		[d]5- 7½	2½	6-12	5	3	6-12	1	4
Stepchildren	9	6- 9	6	4	5- 7½	2½	4- 8	8	3	6-12	2	4
Parents	1		1	[e]4	5- 7½		6-12	[f]5		6-12		
Grandparents, etc	1		1- 2	[e]6	5- 7½		6-12	5		6-12		
Stepparents	9	6- 9	6	4		2½		8	6	6-12	4	7
Children-in-law	9	6- 9	6	4	5- 7½	2½	4- 8	8	3	6-12	3	4
Brothers and sisters	6.5	4- 6	3- 4	4	5- 7½	2½	6-12	[d]5	3	6-12	1	4
Nephews and nieces	6.5	4- 6	3- 4	6	5- 7½	2½	8-16	5	3	8-16	2	4
Uncles and aunts	6.5	6- 9	6	6	10-15	5	8-16	8	6	8-16	3	7
Grandnephews, grandnieces	7	4- 6	2- 4	6	10-15	2½	10-20	8	6	10-20	3	7
Great uncles, great aunts	7	8-12	6	6	10-15	5	10-20	10	6	10-20	6	7
Cousins-german	7	8-12	6	6	10-15	5	10-20	10	6	10-20	3	7
Great-grandnephews and nieces	8	10-15	3- 4	8	10-15	2½	10-20	10	6	10-20	6	7
Great-great uncles and aunts	8	10-15	10	8	10-15	5	10-20	10	6	10-20	6	7
Relatives of the sixth degree	8	10-15	10	8	10-15	5	10-20	10	10	10-20	6	10
More distant relatives and strangers	9	10-15	10	8	10-15	5	10-20	10	10	10-20	8	10

	Prussia.	Reuss (elder line).	Reuss (younger line).	Saxe-Altenburg.	Saxe-Coburg.	Saxe-Gotha.	Saxe-Meiningen.	Saxe-Weimar.	Saxony.	Schaumburg-Lippe.	Schwarzburg-Rudolstadt.	Schwarzburg-Sondershausen.	Wurttemberg.
	Per cent.	Per cent.	Per cent.	Per cent.	Per cent.	Per cent.	Per cent.	Per cent.	Per cent.	Per cent.	Per cent.	Per cent.	Per cent.
Husband or wife		[b]3											
Children													
Other descendants													
Adopted children	2	3	4- 6	6	5	5		4		2	2	5	3
Stepchildren	4	6	8-12	6	6	8	6	6	3	4	8	5	3
Parents			2- 3	(f)		[g]2							2
Grandparents, etc			3-4½	4		[g]2							3
Stepparents	4	6	8-12	6	6	8	6	6	4	4	8	5	4
Children-in-law	4	6	8-12	6	6	8	6	6	3	4	8	5	3
Brothers and sisters	2	3	4- 6	4	5	5	4	4	2	4	2	4	2
Nephews and nieces	2	3	6- 9	4	6	6	4	4	3	4	4	5	3
Uncles and aunts	4	6	8-12	5	6	8	6	6	4	4	8	5	4
Grandnephews, grandnieces	2	6	8-12	4	6	8	4	4	4	4	8	5	4
Great uncles, great aunts	4	6	8-12	5	6	8	6	6	8	4	8	8	6
Cousins-german	4	6	8-12	5	6	8	6	6	6	4	8	8	6
Great-grandnephews and nieces	2	6	8-12	4	8	10	4	4	8	4	8	5	3
Great-great uncles and aunts	4	6	8-12	5	8	10	9	6	8	4	8	8	8
Relatives of the sixth degree	4	6	8-12	5	8	10	9	6	8	4	8	8	8
More distant relatives and strangers	8	8	10-15	[h]8	8	10	9	8	8	8	8	8	8

[a] Only 1 per cent of offspring also inherit.
[b] Exempt if with issue.
[c] Not exempt if children are excluded.
[d] Unless children are excluded.
[e] Exempt on 1,000 M. and on 20 per cent of the excess.
[f] Exempt on the interstate portion.
[g] Exempt on the compulsory share (one-half the interstate portion).
[h] Relatives, 5 per cent on the interstate portion.

Progressive rates are a recent development in Germany. Schaumberg-Lippe had a slightly progressive collateral-inheritance tax as early as 1811, but the maximum rate was only 3 per cent, and the progressive feature was omitted from the law of 1880. The recent progressive movement began in a small way in Baden in 1899, grandparents being taxed 2 per cent instead of 1 when the amount exceeded 5,000 marks, and certain collateral relatives 4 per cent instead of 3 on amounts over 3,000 marks. More complete applications of the progressive principle were made by Hamburg and Lubeck in 1903, by Bremen in 1904, and by Anhalt and Reuss (younger line) in 1905, the rate on all inheritances of more than 50,000 marks being subjected to additions of 5 or 10 per cent for each 50,000 or 100,000 marks, up to a maximum of one and one-half or two times the basic rate.

In most of the States gifts inter vivos were taxed like inheritances, but in some cases they were taxable only when made in contemplation of death or when formally authenticated.

Bavaria has the beginning of a tax on corporations as a substitute for the inheritance tax; the real estate of juristic persons, except charitable and religious institutions, is subject to a tax of 1 per cent once in twenty years.

France in like manner has a progressive inheritance tax, changing in accordance with the degree of consanguinity, as shown by the following table:

	1 to 2,000 francs.	2,001 to 10,000 francs.	10,001 to 50,000 francs.	50,001 to 100,000 francs.	100,001 to 250,000 francs.	250,001 to 500,000 francs.	500,001 to 1,000,000 francs.	Over 1,000,000 francs.
	Per cent.	Per cent.	Per cent.	Per cent.	Per cent.	Per cent.	Per cent.	Per cent.
Direct line	1.00	1.25	1.50	1.75	2.00	2.50	2.50	2.50
Husband or wife	3.75	4.00	4.50	5.00	5.50	6.00	6.50	7.00
Brothers and sisters	8.50	9.00	9.50	10.00	10.50	11.00	11.50	12.00
Uncles and aunts, nephews and nieces	10.00	10.50	11.00	11.50	12.00	12.50	13.00	13.50
Great uncles and great aunts, grandnephews and grandnieces, cousins-german	12.00	12.50	13.00	13.50	14.00	14.50	15.00	15.50
Relatives of the fifth and sixth degrees	14.00	14.50	15.00	15.50	16.00	16.50	17.00	17.50
Relatives beyond the sixth degree and strangers in blood	15.00	15.50	16.00	16.50	17.00	17.50	18.00	18.50

	1,000,001 to 2,000,000 francs.	2,000,001 to 5,000,000 francs.	5,000,001 to 10,000,000 francs.	10,000,001 to 50,000,000 francs.	Over 50,000,000 francs.
	Per cent.	Per cent.	Per cent.	Per cent.	Per cent.
Direct line	3.00	3.50	4.00	4.50	5.00
Husband or wife	7.00	7.50	8.00	8.50	9.00
Brothers and sisters	12.00	12.50	13.00	13.50	14.00
Uncles and aunts, nephews and nieces	13.50	14.00	14.50	15.00	15.50
Great uncles and great aunts, grandnephews and grandnieces, cousins-german	15.50	16.00	16.50	17.00	17.50
Relatives of the fifth and sixth degrees	17.50	18.00	18.50	19.00	19.50
Relatives beyond the sixth degree and strangers in blood	18.50	19.00	19.50	20.00	20.50

Switzerland in like manner has the progressive inheritance tax, a full account of which will be found on page 41, West, Inheritance Tax.

In the Netherlands; Austria-Hungary; Italy; Russia; the Scandinavian countries, Norway, Sweden, and Denmark; Belgium; Spain; Portugal; Greece; Roumania; Bulgaria; and in Spanish America, Uruguay, Chile, Brazil, Argentina, Guatemala, and Mexico, and Japan this system prevails.

In Australasia they have heavy, progressive taxes imposed, not for the financial consideration alone, but *also for the purpose of breaking up large estates*, rising to 10 per cent in Victoria, New South Wales, South Australia, and Western Australia; 13 per cent in New Zealand; and to 20 per cent in Queensland.

Mr. President, some time ago I called the attention of the Senate to the fact that the mortality tables of Australia, and particularly of New Zealand, show that they do not have much more than half the death rate we have in this country; and it is directly due to the more equal distribution of wealth and the better opportunity of life afforded to the man who toils.

Sir Charles Dilke, in Problems of Greater Britain, part 6, chapter 1, declares that the institution of private property has not been weakened nor capital driven from the colonies by these progressive taxes. The Cape of Good Hope, Cape Colony, has like duties. Seven of the principal colonies of Canada have succession duties with elaborate progressive scales: Ontario, Quebec, Nova Scotia, New Brunswick, Manitoba, Prince Edward Island, and British Columbia.

INHERITANCE TAX IN THE UNITED STATES.

The inheritance tax has been recognized in the United States by the act of July 6, 1797; by the war-revenue act of July 1, 1862; by the act of June 30, 1864; by the act of April, 1898.

This law was repealed April 12, 1902 (32 U. S. Stats., 92).

The receipts from the inheritance tax of 1898 are shown in the following table:

Fiscal year.	Receipts.	Percentage of internal revenue.
1898-99	$1,235,435.25	0.452
1899-1900	2,384,401.55	.077
1900-1901	5,211,898.68	1.698
1901-2	4,842,966.52	1.781
1902-3	5,356,774.90	2.322
1903-4	2,072,132.12	
1904-5	774,354.59	
1905-6	142,148.23	

American inheritance-tax laws, by States.

State.	Collateral.		Direct.	
	Rates.	Exemption.	Rates.	Exemption.
	Per cent.		*Per cent.*	
Arkansas	5			
California	1½-15	$500-$2,000	1-3	[a] $4,000
Colorado	3-6	500	2	10,000
Connecticut	3	10,000	1-2	10,000
Delaware [b]	5	500		
Idaho	1½-15	500-2,000	1-3	4,000
Illinois	2-6	500-2,000	1	20,000
Iowa	5	1,000		
Kentucky	5	500		
Louisiana [c]	5		2	10,000
Maine	4	500		
Maryland	2½	500		
Massachusetts	3-5	1,000	1-2	10,000
Michigan	5	100	[d] 1	2,000
Minnesota	1½-5	10,000	1½-5	10,000
Missouri	5			
Montana	5	500	[d] 1	7,500
Nebraska	2-6	500-2,000	1	10,000
New Hampshire	5			
New Jersey	5	500		
New York	5	500	1	10,000
North Carolina	1½-15	2,000	3-4	2,000
North Dakota	2	25,000		
Ohio	5	200		
Oregon	2-6	500-2,000	1	[e] 5,000
Pennsylvania	5	250		
South Dakota	2-10	100-500	1	5,000
Tennessee	5	250		
Texas	2-12	500-2,000		
Utah	5	10,000	5	10,000
Vermont	5			
Virginia	5			
Washington	3-12		1	10,000
West Virginia	3-7½		1	20,000
Wisconsin	1½-15	100-500	1-3	[a] 2,000
Wyoming	5	500	2	[f] 10,000

[a] Widows and (except in Wisconsin) minor children taxable only on the excess above $10,000 received by each.
[b] Tax payable only by strangers in blood.
[c] Tax not payable when the property bore its just proportion of taxes prior to the owner's death.
[d] Applies to personal property only.
[e] Decedents' estates of less than $10,000 are also exempt.
[f] For the surviving husband or wife and children, if residents of Wyoming, $25,000.

NEED OF FEDERAL LAW TO PREVENT EVASION.

I call the attention of the Senate to this important fact in considering this matter, that whenever a fortune grows very large the owner of that fortune can easily transfer his residence from a State which has an inheritance-tax law to a State which has no inheritance-tax law, and in that manner evade it. For that reason it is of the highest importance that the Federal Government should lay its hand upon the inheritance tax and upon the gigantic fortunes which are built up under our system of laws permitting monopoly to grow and flourish in this country, so that, at the death of the ambitious individual who has profited by our system, the people of the United States may have restored to them that which has been created by their labor.

Mr. President, I have no idea whatever that the amendment which I have the honor to propose will receive respectful consideration now; I do not offer it with any such view. I offer it because I desire the people of the United States to consider it, not because I expect the Finance Committee to consider it. This provision, if adopted by the people of the United States, will provide an enormous amount—not tens of millions, but hundreds of millions—that ought to go back to the people of the United States; and with that fund we could then have available a supply sufficient to improve the roads of the United States from the Atlantic to the Pacific, to improve the waterways of the United States and make transportation cheap, so that the tremendous outflow of the wealth of the people of the United States and their products might find an easy pathway to the sea and to the commerce of the world.

When this policy shall have been adopted by the people of the United States, it will check the very dangerous accumulations of gigantic fortunes which now comprise a serious menace to the people of the United States. Where a single fortune reaches a thousand millions and an annual income of fifty millions, increasing, as it must, in compounding geometric ratio and being typical, it is obvious that such an unequal distribution of the proceeds of human labor is not only unjust, unwise, but is dangerous to the peace and stability of the world.

Fifty millions of annual accumulations in one hand means the deprivation of many millions of people of a part of their slender earnings, and the accumulated force of all the demands of all of the great fortunes of the country, with their total exactions, means the impoverishment of the weaker elements of society by artificial exactions, depriving them of their reasonable opportunity to the enjoyment of life, of liberty, of the pursuit of happiness, and of the enjoyment of the fruits of their own industry.

Monopoly and plutocracy have more power in this Republic than they have in the kingdoms of Europe, where duties on inheritances universally prevail.

If the managers of this bill strike out the inheritance tax on any pretense whatever, I shall certainly regard it as a temporary triumph of selfishness over the influence of patriotism and righteousness. It will be impossible to prevent for a great while the imposition of inheritance taxes, first, because it is right; second, because the judgment and the conscience of the American people, with their increasing intelligence, will not sustain the party now in power in such a gross lack of its obvious duty—a duty earnestly recommended by the President of the United States in his message of December 3, 1906, and approved by such men as the noble-hearted Andrew Carnegie, who, in 1889, wisely said:

> By taxing estates heavily at death the state marks its condemnation of the selfish millionaire's unworthy life. It is desirable that nations should go much further in this direction. Indeed, it is difficult to set bounds to the share of a rich man's estate which should go at his death to the public through the agency of the state.

He also said:

> There are exceptions to all rules, but not more exceptions, we think, to this rule than to rules generally, that the "almighty dollar" bequeathed to children is an "almighty curse." No man has a right to handicap his son with such a burden as great wealth.

He also said:

> This policy would work powerfully to induce the rich man to attend to the administration of wealth during his life, which is the end that society should always have in view, as being by far the most fruitful for the people. Nor need it be feared that this policy would sap the root of enterprise and render men less anxious to accumulate, for, to the class whose ambition it is to leave great fortunes and be talked about after their death, it will attract even more attention, and, indeed, be a somewhat nobler ambition, to have enormous sums paid over to the state from their fortunes.

Mr. President, I sincerely hope that the managers of this bill will do themselves the credit, and the Republican party the honor, to put into this bill a substantial progressive inheritance tax, even if they do not approve the form of the amendment I have the honor to propose.

Mr. President, I submit a table of the proceeds of the inheritance taxes in the United States, and also in the several States.

PROCEEDS OF INHERITANCE TAXES IN THE UNITED STATES.

The inheritance taxes paid in the various States now amount to about $10,000,000 a year. Below are shown the receipts from this source for four years past:

Proceeds of state inheritance taxes, 1902–1906, in comparison with the estimated true value of taxable wealth in each State, 1904.

[In most cases the receipts reported are net receipts exclusive of commissions, etc.]

State.	Taxable wealth, 1904 (millions).	Inheritance-tax receipts.			
		1902–3.	1903–4.	1904–5.	1905–6.
Arkansas	$781	$1,605	$95	$755	$850
California	3,881	[a] 285,868	[a] 286,561	[a] 552,713	[a] 292,705
Colorado	1,101	[b] 5,960	[b] 5,961	[b] 48,646	[b] 48,647
Connecticut	1,317	249,730	265,781	284,117	274,259
Delaware	221	1,618	3,272	3,102	
Illinois	8,534	[b] 460,857	[b] 460,858	[b] 688,312	[b] 688,312
Iowa	3,943	[b] 117,333	[b] 141,721	[b] 141,722	190,748
Louisiana	960		10,694	57,001	86,655
Maine	749	31,227	73,899	69,076	70,534
Maryland	1,417	67,115	91,559	76,665	107,320
Massachusetts	4,533	506,147	562,193	694,181	712,720
Michigan	3,149	[a] 163,572	[a] 181,539	187,036	289,025
Minnesota	3,229	3,422			159,455
Missouri	3,598	142,564	122,090	305,551	213,131
Montana [c]	636	[b] 8,506	[b] 8,506	[b] 6,028	[b] 6,038
Nebraska	1,949	[b] 2,804	[b] 2,805	[b] 2,120	[b] 2,120
New Hampshire	403				3,277
New Jersey	3,022	138,932	438,635	202,668	200,780
New York	13,440	4,065,736	5,428,052	4,027,051	4,713,311
North Carolina	812		16,000	5,324	4,673
Ohio [c]	5,693	39,276	78,209	406,744	124,457
Oregon	766		6,826	23,192	15,290
Pennsylvania	10,814	1,300,835	1,080,578	1,677,185	1,507,962
South Dakota	629				1,450
Tennessee	1,058	[b] 56,007	[b] 56,007	[b] 34,310	[b] 34,310
Utah	407	44,144	39,393	9,971	39,880
Vermont	342	29,440	37,227	41,058	40,581
Virginia	1,235	19,612	12,797	20,215	28,742
Washington	986	8,292	25,774	[b] 33,267	[b] 33,268
West Virginia	814	1,367	6,443	10,495	26,052
Wisconsin	2,734		4,820	125,965	103,917
Wyoming	256			[b] 4,373	[b] 4,373

[a] Refunds deducted.
[b] One-half the receipts for two years.
[c] The figures here given represent the States share only; that is, in the case of Montana, three-fifths of the total receipts; and in the case of Ohio, three-fourths of the net receipts.

The following table shows the receipts from the national tax on legacies and distributive shares of personal property during the two fiscal years when it was most fully in operation, in comparison with the estimated value of all personal property in each State or collection district:

Proceeds of the national tax on legacies and distributive shares of personal property, 1900–1902, in comparison with the estimated true value of personal property, 1900.

State.	Value of personal property, 1900 [a] (millions).	Legacy-tax receipts.	
		1900-1901.	1901-2.
Alabama	$401	$1,353.10	$5,935.90
Arkansas	296		2,062.21
California and Nevada	1,235	39,518.41	61,497.39
Colorado and Wyoming	596	2,086.26	7,748.33
Connecticut and Rhode Island	704	338,964.73	641,096.10
Florida	168	283.27	
Georgia	453	3,144.68	24,812.96
Hawaii		5,303.76	1,051.56
Illinois	2,711	345,696.55	335,964.84
Indiana	1,108	9,355.47	19,194.24
Iowa	1,316	19,533.50	44,274.50
Kansas, Oklahoma, and Indian Territory	1,278	6,964.17	197.20
Kentucky	569	12,964.06	13,350.17
Louisiana and Mississippi	$703	$20,180.62	$20,076.69
Maryland, Delaware, and District of Columbia	759	[b] 217,581.10	[b] 99,417.05
Massachusetts	1,442	452,944.61	559,296.97
Michigan	1,035	66,498.47	67,780.66
Minnesota	1,050	17,961.27	23,147.10
Missouri	1,243	76,078.32	91,011.72
Montana, Idaho, and Utah	665	2,843.40	102,744.19
Nebraska	751	1,732.90	10,547.10
New Hampshire, Maine, and Vermont	652	67,813.64	114,115.15
New Jersey	1,107	295,995.17	79,881.37
New Mexico and Arizona	254	455.71	660.55
New York	4,533	2,314,425.51	1,608,843.83
North Carolina	343	2,577.13	3,215.10
North and South Dakota	500	[c]	88.93
Ohio	2,100	175,067.99	69,321.70
Oregon and Washington	602	[d] 141.21	[d] 6,641.72
Pennsylvania	3,917	571,019.10	600,753.94
South Carolina	247	2,780.25	6,793.95
Tennessee	445	6,395.58	7,385.18
Texas	1,013	18,264.77	18,643.32
Virginia	508	8,373.08	15,791.19
West Virginia	326	2,865.09	10,564.64
Wisconsin	943	32,890.78	62,176.07
Total	35,980	5,211,898.68	4,842,966.52

[a] Including stocks and bonds of railroads, etc.
[b] Including Accomac and Northampton counties, Va.
[c] Included with Nebraska.
[d] Including Alaska.

Mr. President, these tables show what a small inheritance tax will do, and I call attention to the fact that the state taxes on inheritances are very small and the tax runs to small estates, which I do not think at all desirable as far as a federal inheritance tax is concerned. The federal tax—inheritance tax—in my judgment, should be confined to large estates and should be made progressive, so as to abolish the present skillful evasion of the constitutional law laid down by our ancestors against the rule of primogeniture and entail.

ENTAIL AND PRIMOGENITURE.

Mr. President, it is contrary to the welfare of the human race to permit estates in perpetuity, and it is against the spirit of the common law and it is against the constitutional rule everywhere in force in our Republic forbidding primogeniture and entail.

The rule of primogeniture is so well understood that no man would be so imprudent as to attempt to leave his estate subject to such a will. And the law of entail is equally well understood, but it is in recent years avoided in various ingenious ways.

For example, by placing the property in trust; by incorporating estates and placing the stock in the hands of trustees, the corporation itself having a perpetual life. By the perpetual life of corporations has grown up a method of evading the wise spirit of the rule forbidding primogeniture and forbidding the accumulation of vast properties in a single hand. In my judgment there should be no apologetical treatment of this matter.

The accumulation of gigantic fortunes in a single hand, with the huge power of increase where the income can not be consumed, is dangerous to the commercial liberties of the people; and because dangerous to commercial liberties of the people it is dangerous to the political and civil liberty of the people.

Mr. ALDRICH. Do I understand that the Senator from Oklahoma has offered an amendment?

The VICE-PRESIDENT. No; the Senator from Oklahoma has not offered an amendment.

Mr. CUMMINS rose.

Mr. BORAH. Mr. President, I suggest the absence of a quorum.

The VICE-PRESIDENT. The Secretary will call the roll.

The Secretary called the roll, and the following Senators answered to their names:

Aldrich	Chamberlain	Flint	Owen
Bacon	Clapp	Gallinger	Page
Beveridge	Clark, Wyo.	Gamble	Penrose
Borah	Crane	Guggenheim	Piles
Bourne	Crawford	Johnson, N. Dak.	Root
Brandegee	Cullom	Jones	Scott
Briggs	Cummins	Kean	Simmons
Bristow	Curtis	La Follette	Smith, Mich.
Brown	Daniel	McCumber	Smoot
Bulkeley	Davis	McLaurin	Warren
Burkett	Dick	Nelson	Wetmore
Burrows	Dillingham	Newlands	
Burton	du Pont	Oliver	
Carter	Fletcher	Overman	

Mr. CURTIS. The junior Senator from Missouri [Mr. WARNER] requested me to announce that he is unavoidably detained from the Senate this afternoon.

The VICE-PRESIDENT. Fifty-three Senators have answered to the roll call. A quorum of the Senate is present.

Mr. CUMMINS. Mr. President, I am sure that no Senator can be more conscious than I am of the unfortunate conditions which surround us, and particularly which surround me, as I enter upon the consideration of the subject before the Senate. It is late in the afternoon; Senators have been in continuous attendance now for seven and a half hours. We are at the end of a long and weary debate upon subjects that have not always been interesting. We are jaded not only in body, but in mind as well. We are suffering with excessive heat; and I discover a sort of half-sullen indifference that does not bode well for one who attempts to engage the attention of the Senators upon questions so serious and difficult. I would gladly defer until to-morrow morning, if it were possible, what I have to say upon this subject; but inasmuch as the hour appointed for adjournment has not yet arrived, and as I would rather suffer the discomfort of entering upon my address and of inflicting upon you the tortures of it than to allow the amendment to be voted upon without further remark, I intend between now and 7 o'clock to submit as slowly, as calmly, and as deliberately as I can some observations with regard to the proposed income-tax law.

I know that you will forgive me if I endeavor to postpone what I have most at heart to say upon this matter until to-morrow. There are some things, however, that I can say as well this afternoon as at any other time.

Until within a few days ago the issue was, Shall the present Congress adopt any income-tax amendment? And upon that issue

my distinguished colleagues the Senator from Texas [Mr. BAILEY], the Senator from Idaho [Mr. BORAH], and the Senator from Utah [Mr. SUTHERLAND] have said substantially all that can be said, and they have said it so well that I despair of imitating their excellence. But in the twinkling of an eye the issue before the Congress was changed. It is not now "shall an income tax be added to the revenue bill under consideration;" it is rather what kind of an income-tax law shall be added to the bill.

The Senator from Texas and myself offered early in the session, within a very few hours, indeed, after the Finance Committee had reported the bill which we have so long debated, proposed amendments. There was no substantial difference between them, although they had their varying characteristics. These amendments proposed to levy a tax, I care not whether you call it an excise tax, a duty, or what not, I prefer the generic term "tax." We proposed to levy a tax upon all incomes, whether corporate or whether individual, above $5,000. Upon the question growing out of such a proposition we have debated from time to time the propriety, the wisdom, and the constitutionality of such a law.

But that is not now so much the question before the Senate as is the proposition, Shall we substitute for an income tax, bearing equally upon all persons and all corporations enjoying an income of more than $5,000, another sort of income tax—and I give it my own name, and I shall endeavor to sustain its title to that name before I have finished. The proposition now is, Shall we levy an income tax upon the stockholders of all corporations for pecuniary profit, without respect or regard to the extent of the income earned or enjoyed by those stockholders; and shall we levy an income tax upon the members of other corporations doing an insurance business, an income tax or a tax upon the premiums and other sources of income, and that without regard to the extent of the income possessed, earned, or enjoyed by the members of those corporations?

The issue, Senators, is plain and simple. I do not intend to hide behind any technicalities. I do not intend to be disturbed by mere names. I intend, if I can, to penetrate to the very heart of the thing; and I want to begin what I have to say by making it clear that the income-tax amendment proposed by the Senator from Texas [Mr. BAILEY] and myself rests as a burden only upon those natural and artificial persons with incomes of more than $5,000; but the income tax presented by the Finance Committee, and explained so clearly by the Senator from California [Mr. FLINT], rests upon the incomes of all the stockholders of our corporations, whether such stockholders be rich or poor, with little or great incomes, and upon many members of insurance companies, without regard to their ability to bear these additional burdens.

I do not shrink from the issue, although I confront it with more regret than I ever before experienced in taking up for discussion a public question. I do not blind my eyes to the fact that I am opposing the recommendation of the President of the United States. I do not shrink from acknowledging that I am refusing, in what I have to say and in what I shall do, to carry out the suggestions that he has so recently made. Do not misunderstand me. I am not admitting, nor shall I for a moment admit, that the amendment reported by the committee is in consonance with the message laid before Congress by the President. It is not a faithful and complete reproduction of his recommendation, but that does not change the general situation. He has recommended the passage of a law which shall impose a tax upon corporations alone, and I am opposed to that proposition—unalterably opposed to it, and therein lies my regret. I find no pleasure in differing from the President of the United States. I have the deepest respect for the high office he holds, and I have unlimited and profound admiration for and confidence in the character of the man. I have attempted to receive his recommendation with all the weight to which a message from such a source is entitled.

Mark you, I am not criticising the President of the United States for communicating his views upon this subject to Congress. He was quite within his privilege; he exercised but his constitutional right in expressing to Congress his opinion upon this matter of public concern, and I have received it, and I hope every Senator has received it, with the profoundest respect, and has given it all the consideration which the importance of the subject it touches and the high station and great abilities of the man who wrote it can command; but there I am compelled to stop. Recognizing the right of the President to communicate with Congress upon such a subject, I do not recognize his right, nor do I believe that any Senator will recognize his right, to command convictions. It is for him to recommend. It is for us to decide.

This subject is one which, as suggested by the Senator from Montana, will be discussed at every fireside. It is one which will fill the minds of the people from now until the moment they have an opportunity to express their judgment upon it. It is one which vitally touches one of the most important prerogatives of the Government; and it is for every Senator to act upon it in exact accordance with his own conscience and his own judgment.

The message of the President is entitled to just that weight that its reason compels for it. I would allow—I would gladly allow—the scales to tip in favor of the judgment expressed by the President, if I could; but I have an abiding conviction that somewhere and somehow that great patriotic mind of his has failed to comprehend this question in its entirety, and I, with entire respect for him, continuing the affection I hold for him as a man, intend to speak and to vote as I believe to be right. I will not follow him or any other man to a conclusion that I believe to be wrong, and therefore I intend to examine the question just as carefully as I can. I begin with the proposition that the tax proposed by the amendment now offered by the committee is fundamentally wrong. It is vitally wrong. It repudiates not only our unerring instinct with regard to taxation, but it violates and contravenes the most sacred traditions of the American people with respect to taxation. There is one thing that we have always held high, one principle we have always elevated above every other in taxation, and that is that it must be fair and equal, and as uniform as practicable under existing circumstances.

This tax proposed by the committee is not fair; it is not equal; it does not distribute the burdens of government as they ought to be distributed; it does not put upon the shoulders of those who can best bear the weight of this great structure; but, without any regard to ability to pay or bear, it puts the burden on a certain class of men, namely, those who have invested their capital in the stock of corporations.

I know it has been said that a general income tax such as is proposed in the amendment offered by the Senator from Texas [Mr. BAILEY], and to which I have contributed some part, is unconstitutional. I will enter that inquiry presently. All that I care to say about it now is that the proposition submitted by the Finance Committee is subject to all the constitutional objections which have been urged against the amendment proposed by the Senator from Texas and myself; and under a possible interpretation it has one constitutional objection peculiar to itself, an objection which may be fatal to it, even though—and I have no doubt that that event will occur—even though the next decision of the Supreme Court entirely annihilates the opinion in the Pollock case. There is an invalidity, there is a weakness, there is a defect in the amendment proposed by the committee which will render it futile as an instrument for the collection of revenue; and I will endeavor, as time goes on, to lay that defect clearly before the Senate.

But, prior to all these things, I recur to a statement that I made when I originally introduced the amendment which I proposed, namely, that it would be folly for the Congress of the United States to arrange for any additional revenue, either through the instrumentality of an income tax, an inheritance tax, a stamp tax, or any other tax, unless we need the money; and the instrument or medium that we should employ ought to have some relation to the amount of money that we need. I would be the last Senator to vote for a law that would raise $80,000,000 if we only needed $25,000,000; I would be the last Senator to vote for a law that would raise $25,000,000 if we needed none to supplement the revenue from our tariff schedules.

I think, therefore, in developing the subject logically, I ought to give some attention to the study of our finances, and I am very glad that I am honored with the presence of the Senator from Rhode Island [Mr. ALDRICH] because, if I go astray in this maze—I do not mean it is a maze to him, but it is a maze to a novice like myself—I know he will correct me. I understand perfectly that the revenues and expenditures of the Government in the future can not be stated with absolute precision. Necessarily we must exercise our most mature judgment in reaching conclusions respecting these things; but I shall endeavor to be so conservative as to be always on the safe side. I shall take the two years immediately before us—that is, the fiscal year ending June 30, 1910, and the fiscal year ending June 30, 1911. With respect to the first, the expenditures have already been determined.

We appropriated during the last session $1,044,401,857.12 to carry on the affairs of the Government for the year ending June 30, 1910. This sum, however, vast as it is, does not represent

quite all the obligations that we assumed in the last session. To this sum must be added $26,080,875 not specifically appropriated, but for which contracts were authorized, which are the equivalent of an appropriation, making a total of $1,070,482,732.12.

Mr. ALDRICH. What were the contracts for?

Mr. CUMMINS. I do not know.

Mr. ALDRICH. I assume that they were for work upon rivers and harbors and other public works of a similar kind. Those contracts, running, as they do, from year to year, have always balanced one year after another and, I think, have never been taken into consideration in considering the expenditures of the Government.

Mr. CUMMINS. Mr. President, my information comes from a report of the Secretary of the Treasury. I should never have known that we incurred these additional obligations had I not read the fact in a report of the Secretary of the Treasury. In this report it is stated, substantially, that to the $1,044,000,000 that were specifically appropriated by the last session there should be added, in order to ascertain the whole expenditure for the coming year, the twenty-six millions to which I have just referred.

Mr. ALDRICH. Mr. President, as I have already stated, those amounts go along from year to year. They are not expended, and can not be, until they are actually appropriated by Congress. So I will say to the Senator what he has probably found out from his own examination—that the expenditures of the Government in any one year have never equaled, or even approximately equaled, the total amount appropriated. For instance, this sum of one billion and forty-four millions can be reduced, by items which are unquestioned, to seven hundred millions.

Mr. NELSON. Will the Senator allow me right there?

Mr. ALDRICH. Certainly.

Mr. NELSON. Were the post-office appropriations included in that?

Mr. ALDRICH. Oh, yes; and several other items, which reduce the appropriations to the amount I have named.

Mr. CUMMINS. Mr. President, I do not question that. I have not forgotten the item of two hundred and thirty-five millions for maintaining the Post-Office Department. But the Senator from Rhode Island, while he is literally correct, is really substantially incorrect, for this reason. I will explain what I mean in a moment; and I have looked a little into it.

Taking the $1,044,000,000 that we appropriated last session, it is quite true that when the 30th of June comes it may not be paid out. But there will be obligations covering it all, no matter whether it is paid out before or after the 30th of June. It will be expended, and it will be expended in addition to any subsequent appropriations in any subsequent year. I am told that that is the uniform history of the Treasury Department; and it is quite natural that it should be so.

As to the $26,000,000 of contracts, it may be true that the money to discharge them will not be required before the 30th of next June. But the money to discharge them will at some time be required; and this part of the expense authorized ought to be reckoned in determining our revenue for the next year, if we intend that our revenue shall equal or exceed our expenditures or our obligations.

Now I proceed:

Inasmuch as Congress may, and, as I think, should, determine to provide for the entire cost of the Panama Canal with the proceeds of bonds, I deduct the $37,000,000 appropriated for that improvement.

I have no right to do that. It is more than conservative. We have appropriated $37,000,000 for expenditure upon the Panama Canal. So far as any legislation now existing is concerned, that must be paid out of the general fund of the Treasury. It is said that we will in the future adopt some legislation that will result in bonding all the expenses connected with the construction of the canal. I do not know that. The Senate can not know it. And, therefore, if one wanted to swell the expenditures for the coming year, he would not deduct the $37,000,000. But inasmuch as I believe before this money is expended Congress will in some way impose it as a burden upon the future, instead of wholly upon the present, I have deducted the $37,000,000. The result is $1,033,482,732.12. And to pay this sum we must levy and collect taxes or receive income from one source or another.

Now I come to meet the suggestion of the Senator from Minnesota [Mr. NELSON].

To simplify the account, I will disregard both the receipts and the disbursements of the Post-Office Department, except the somewhat steady deficiency for which we make appropriation from year to year. I therefore reduce the amount already stated by the appropriation for the Post-Office Department, namely, $234,692,370. There remains a balance of $798,790,362.12 to be paid from custom-house receipts, internal-revenue taxes, and other miscellaneous income.

Mr. ALDRICH. Mr. President——

The VICE-PRESIDENT. Will the Senator from Iowa yield to the Senator from Rhode Island?

Mr. CUMMINS. May I just finish this paragraph?

Mr. ALDRICH. Certainly.

Mr. CUMMINS. If the Senator will pardon me, I should like to finish this paragraph before he interrupts.

That is, I think, some $4,000,000 more than it was last year. We can not expect more than $64,000,000 from sales of public lands and other miscellaneous sources. The aggregate of these is $319,000,000, which, being deducted from the sum of our authorized expenditures, leaves $479,790,362.12 to be provided from the customs receipts or through some other method of taxation.

I now yield to the Senator from Rhode Island.

Mr. ALDRICH. Mr. President, I had expected to have some papers here to follow the Senator in the statement he has just been making. But he is evidently in error somewhere to a considerable amount.

The appropriations for the year which closes day after to-morrow were approximately one thousand million dollars, within a few millions of the amount of the appropriations that were made for the next fiscal year. I have before me a statement of the expenditures for this year. It shows an expenditure of $665,600,000 exclusive of the Panama Canal, and $695,000,000 including the Panama Canal. This shows a difference of $300,000,000 for a lot of miscellaneous items, to some of which the Senator from Minnesota has alluded, and a number of other items which are embraced in the statement I made to the Senate three months ago when this discussion commenced. So I can put in the RECORD—and I think I will perhaps to-morrow—a statement of the appropriations and expenditures for a series of years, showing that this difference is a constant difference, and that the expenditures for the year which is just closing are not unusual expenditures, with reference to the appropriations. I myself estimated the expenditures for the next fiscal year at $700,000,000 exclusive of the canal. That estimate is certainly in excess of what has actually happened.

Now, let us look at the revenues. The Senator has placed the receipts from internal revenue and from miscellaneous sources quite high enough; I think too high. But the revenues from customs next year——

Mr. CUMMINS. I have not yet come to that.

Mr. ALDRICH. I think the Senator has stated the internal revenue.

Mr. CUMMINS. I say, I have not reached the discussion of the amount we will receive from custom-houses, although I have no objection whatever to the Senator from Rhode Island anticipating me and saying what he believes those receipts will be.

Mr. ALDRICH. In my judgment, the receipts from customs next year will be $350,000,000. I have no doubt myself that they will reach that sum. This statement is made after a very careful examination of the course of receipts for the last five months. My own judgment at this time is that the deficiency for the next fiscal year will be less than I stated in my opening remarks upon this subject, when I placed it at $45,000,000.

Mr. CUMMINS. Sixty-five millions, was it not?

Mr. ALDRICH. Forty-five, I think.

Mr. GALLINGER. This is for next year.

Mr. ALDRICH. I think it was forty-five.

Mr. CUMMINS. Oh, for next year—yes.

Mr. ALDRICH. I placed the deficiency for this year at $69,000,000.

Mr. CUMMINS. And the President placed it at one hundred millions.

Mr. ALDRICH. Well, the President was mistaken, and I was mistaken to this extent: The actual excess of disbursements over receipts, exclusive of the canal, is $60,600,000. In other words, I placed the deficiency for the current fiscal year $9,000,000 too high. I came within two millions, however—and I am congratulating myself upon the character of that estimate—of the total receipts for the fiscal year. They were within two millions of my estimate.

But the expenditures were ten or eleven millions less than the estimate I made. So that the deficit for the present year, instead of being one hundred millions or sixty-nine millions, is only sixty millions. And I can say, without losing any reputation as a prophet, that the estimate I made of forty-five mil-

lions deficiency for next year is much too high; and with the additional revenue of $15,000,000 which will be raised by the amendments made in the Senate, I shall be very much surprised if there is any deficiency whatever at the close of the fiscal year 1911.

Mr. BEVERIDGE. Mr. President——

The VICE-PRESIDENT. Does the Senator from Iowa yield to the Senator from Indiana?

Mr. CUMMINS. I do.

Mr. BEVERIDGE. Will it be agreeable to the Senator from Iowa if I suggest to the Senator from Rhode Island the advisability of an adjournment at this time?

Mr. ALDRICH. I think the Senator from Iowa will not mind going on and completing this part of his speech.

Mr. BEVERIDGE. I was about to say that the Senator is starting out on what is very clearly to be an exhaustive speech. We have now been in the Senate Chamber, in continuous session, for about eight hours; and it strikes me that it may perhaps serve the convenience of other Senators, as well as that of the Senator from Iowa, if the Senator from Rhode Island will consent to an adjournment at this time.

Mr. ALDRICH. I have not seen any signs of exhaustion on the part of the Senator from Iowa.

Mr. CUMMINS. No.

Mr. ALDRICH. And I am sure there are no signs of inattention or exhaustion on the part of any of the other Senators.

Mr. CUMMINS. It is entirely a matter for Senators to decide. Like the man who sits shivering around an icy stream, I was a little reluctant to plunge in; but now that I am in, it seems to me I am as warm as toast. [Laughter.]

Mr. BEVERIDGE. It will all be, of course, within the discretion of the Senator from Rhode Island.

Mr. ALDRICH. I shall be glad if the Senator will continue until he finishes this part of his speech.

Mr. BEVERIDGE. But it seems to me the Senator from Iowa, who is just beginning what is very clearly to be an exhaustive examination of this subject, should not be compelled to go on with a very important part of it after we have been in session for eight continuous hours in this stifling Chamber. But I simply make the suggestion. That is all I can do. I should like to know what the Senator from Rhode Island thinks about it.

Mr. BURROWS. I understand that the Senator from Iowa desires to proceed.

Mr. BEVERIDGE. Very well, if that is the case.

Mr. CUMMINS. I am very thankful to the Senator from Indiana for the suggestion; but if Senators can endure it, I shall be very glad to finish this phase or division of my argument.

Mr. BEVERIDGE. Very well.

Mr. CUMMINS. In reply to the statement of the Senator from Rhode Island, I will say that seeing is, of course, believing. I do not understand that there has been, over a series of years, any substantial difference between appropriations and expenditures.

I do understand, as to a given year, that there is at the close of the year a very substantial difference between the appropriations for the year and the expenditures that have been made for the year. But if we will wait one year or two years, and then compare the expenditures that were made under the appropriations for the year ending June 30, 1909, I am told that in almost all cases the expenditures will be found to measure up with the appropriations.

Mr. ALDRICH. In that the Senator is very much mistaken; and his informant, whoever he is, did not understand the subject. I think I can convince the Senator very promptly that that can not be so. The gross appropriations, as shown by these statements, include an appropriation of approximately $60,000,000 for the sinking fund, which, in recent years, has not been paid at all. They also include——

Mr. CUMMINS. I hope the Senator will not base any hope of defense upon the failure to keep the sinking fund in condition, because that is one of the criticisms I intend presently to suggest.

Mr. ALDRICH. The sinking fund is a long way ahead of the requirements of law.

Mr. CUMMINS. Mr. President, I beg the pardon of the Senator from Rhode Island; it is a long way behind.

Mr. ALDRICH. In any event, that is a matter of no consequence to the Senator's argument.

Mr. CUMMINS. I have here a letter from the Secretary of the Treasury, which I shall read presently and put into the RECORD. There is a sense in which the Senator from Rhode Island is right.

Mr. ALDRICH. He is right in an absolute sense.

Mr. CUMMINS. But in the better sense, in the sense of obeying the law, the Senator from Rhode Island is wholly wrong. We have, from time to time, been diverting the sinking fund and disregarding the provisions of law with regard to its accumulation.

Mr. ALDRICH. Still, with an indebtedness of a thousand million dollars, I think there are no creditors of the United States who are finding fault because we are not paying out $60,000,000 on account of the sinking fund.

Mr. CUMMINS. Oh, no, Mr. President; but it is a great deal better for the American people to see that their servants obey the law.

Mr. ALDRICH. And I do not believe there is a man in the Senate or in the House of Representatives who would presume to make a motion directing the Secretary of the Treasury to pay out $60,000,000 a year on account of the sinking fund.

Mr. President, I was simply reciting the things that are not properly included in the appropriations. First comes the $60,000,000 of sinking fund; second, the post-office appropriation——

Mr. CUMMINS. I have taken that out.

Mr. ALDRICH. That is $230,000,000, less the deficiency of $20,000,000, which makes $210,000,000. That is a total of $270,000,000. Then there are the appropriations for the bank-note retirement fund, which amount to about thirty or forty millions, and are constant from year to year. The fund is renewed from time to time, and the balance varies only a very little in any of the years.

Mr. CUMMINS. Well, Mr. President——

Mr. ALDRICH. So, if the Senator will excuse me for a second, there is $210,000,000, say; and $60,000,000 more makes $270,000,000, and $30,000,000 more makes $300,000,000. There is $300,000,000 which must be deducted at once from the total gross appropriations; and that deduction must be made every year.

If the Senator will take a statement showing the gross appropriations and expenditures from year to year, he will find that there is at least $300,000,000 difference between the gross appropriations and the actual expenditures for the year. That is what is shown by the statement I have just submitted. It shows that the total expenditures for the present fiscal year are $695,000,000, including the canal, as against total appropriations of a thousand millions—practically seven hundred, as against a thousand.

Mr. CUMMINS. Mr. President, I shall come in a little while to the thirty millions that are connected with the retirement of the national-bank notes. That is money that has been deposited by the national banks in the Treasury and that has not been paid out by the Treasury.

Mr. ALDRICH. Yes.

Mr. CUMMINS. We have appropriated $30,000,000 to enable the Treasury to pay out the very money which these banks have deposited in the Treasury, and that the Treasury has used for some other purpose.

Mr. ALDRICH. In any one year the amount of our deposits is quite as much as the amount of the withdrawals. In fact, in recent years it has been somewhat larger. So the balance is never paid out, and it is not likely to be paid out entirely in any one fiscal year or any number of years.

Mr. NEWLANDS. Mr. President——

The VICE-PRESIDENT. Does the Senator from Iowa yield to the Senator from Nevada?

Mr. CUMMINS. I do.

Mr. NEWLANDS. I should like to inquire of the Senator from Rhode Island what amount he has included in the expenditures of the next year for river improvements and for public buildings, and to ask him whether in the near future it is not contemplated that the constructive work of the country will be greatly enlarged, and it will be necessary, for that reason, to increase the revenue?

Mr. ALDRICH. In my estimate of expenditures, of course, I took the amounts appropriated. That is the only thing we can take. My recollection is that the appropriation was about $30,000,000 for river and harbor improvements, and somewhere about $20,000,000 for public buildings.

Mr. NEWLANDS. I ask the Senator whether he does not think that amount will be largely increased in the future?

Mr. ALDRICH. Not in this fiscal year, of course, because the appropriations have already been made. That question would apply to some other fiscal year.

Mr. NEWLANDS. That revenue will have to be provided in future for this large constructive work.

Mr. CUMMINS. I will speedily come to that subject, if the Senator from Nevada will allow me. May I return to the figures for a moment, because I named the sum while the Senator from Rhode Island was out of the Chamber getting the report that he has in his hand? I deducted from the appro-

priations $234,692,370, being the post-office appropriations, and there remained $798,790,362.12. The Senator from Rhode Island admits that I have been fair at least to the other side of the argument in estimating the revenue from internal tax at $255,000,000 and other sources at $64,000,000, making a total of $319,000,000; and deducting this from the sum formerly named, we are confronted with $479,790,362.12 to be provided from the customs receipts or through some other method of taxation, or explained away by the suggestion that although we make the appropriation we will not need the money. I will reach that phase of it later.

We are now led to an inquiry with respect to the amount which the present bill will probably raise at the custom-houses. Under the Dingley Act for the last four years there were received as import duties as follows:

For the year 1905, $261,798,857; for the year 1906, $300,251,878; for the year 1907, $332,233,363; for the year 1908, $286,113,130.

I mentioned these receipts simply that we may bear them in mind when we come to estimate the receipts for the coming two years.

The chairman of the Finance Committee has said that upon the imports of 1907 the bill before us, if it had been applied to the imports, would have raised $8,000,000 more than was raised by the existing law, and I accept his judgment as to the comparative efficiency of the two schedules.

Mr. ALDRICH. I should like to modify that.

Mr. CUMMINS. The Senator wants to modify that statement by somewhat increasing the amount?

Mr. ALDRICH. I should say if the bill passes both Houses in the form it now stands in the Senate, we would receive $15,000,000 more of revenue than would be received under the old law in any current year. Taking the estimate of 1907 as a basis, that would give us $347,000,000 of receipts during the next fiscal year. If the bill as it now stands should become a law, I state without the slightest hesitancy that the receipts from customs would exceed $350,000,000 in the next fiscal year.

Mr. CUMMINS. I knew we had raised the duties very often and very high, but I did not suppose that we had produced any such effect as this upon our imports.

Mr. BRISTOW. Mr. President——

The VICE-PRESIDENT. Does the Senator from Iowa yield to the Senator from Kansas?

Mr. CUMMINS. I do.

Mr. BRISTOW. I suggest the absence of a quorum.

Mr. CUMMINS. I hope very much the Senator will not do that.

Mr. ALDRICH. I am quite willing, if the Senator wishes, to make a motion to adjourn.

Mr. CUMMINS. My remarks are going to be longer than I intended. I expected to complete my remarks this evening.

Mr. ALDRICH. It is quite convenient to me to make the motion.

Mr. CUMMINS. Very well.

Mr. ALDRICH. I move that the Senate adjourn.

The motion was agreed to; and (at 6 o'clock and 16 minutes p. m.) the Senate adjourned until to-morrow, Wednesday, June 30, 1909, at 10 o'clock a. m.

SENATE.

WEDNESDAY, *June 30, 1909.*

The Senate met at 10 o'clock a. m.

Prayer by the Chaplain, Rev. Ulysses G. B. Pierce.

The Journal of yesterday's proceedings was read and approved.

PETITIONS AND MEMORIALS.

Mr. KEAN. I present a telegram in the nature of a petition from the Building and Loan Association League of New Jersey, which I ask may be read.

There being no objection, the telegram was read and ordered to lie on the table, as follows:

ATLANTIC CITY, N. J.,
June 29, 1909.

Hon. JOHN KEAN,
United States Senator, Washington, D. C.:

The Building and Loan Association League of New Jersey, in session this day, resolved that if the corporation act does not exempt building and loan associations from its provisions great injury will be done these thrifty members who are seeking homes out of their wage earnings through the building-society system. We respectfully petition our Senator and Members of Congress to do all in their power to exempt building and loan associations from the provisions of corporation taxes. These societies lend all their funds to home seekers, who not only pay taxes on the homes they buy or build, but they form a community of peace-loving citizens always striving for the public good.

JOSEPH A. MCNAMEE, *President.*

Attest:
HOWARD R. CLOUD, *Secretary.*

Mr. FLINT. Mr. President, I suggest the lack of a quorum.

The VICE-PRESIDENT. The Secretary will call the roll.

The Secretary called the roll, and, after some delay, the following Senators answered to their names:

Bacon	Clay	Gore	Perkins
Beveridge	Crawford	Guggenheim	Piles
Borah	Culberson	Hughes	Root
Briggs	Cullom	Johnson, N. Dak.	Scott
Bristow	Cummins	Kean	Simmons
Brown	Curtis	Lodge	Smith, Mich.
Burkett	Davis	McCumber	Smoot
Burrows	Dick	McLaurin	Stone
Carter	Dillingham	Money	Sutherland
Chamberlain	Flint	Nelson	Taliaferro
Clapp	Frye	Oliver	Tillman
Clark, Wyo.	Gallinger	Page	Warner

Mr. BRISTOW. I wish to state that the junior Senator from Washington [Mr. JONES] is detained from the Senate this morning on departmental business.

The VICE-PRESIDENT. Forty-eight Senators have answered to the roll call. A quorum of the Senate is present. Are there further petitions and memorials?

Mr. GUGGENHEIM presented a paper to accompany the bill (S. 2785) granting an increase of pension to Thomas H. Waltemeyer, which was referred to the Committee on Pensions.

He also presented sundry affidavits to accompany the bill (S. 2640) granting an increase of pension to Joseph P. Theobald, which were referred to the Committee on Pensions.

BILLS INTRODUCED.

Bills were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. GALLINGER (by request):

A bill (S. 2799) for the prevention and punishment of cruelty to animals in the District of Columbia (with accompanying papers); to the Committee on the District of Columbia.

By Mr. GUGGENHEIM:

A bill (S. 2800) granting an increase of pension to Lorin N. Hawkins (with accompanying papers); to the Committee on Pensions.

AMENDMENT TO THE TARIFF BILL.

Mr. DICK submitted an amendment intended to be proposed by him to the bill (H. R. 1438) to provide revenue, equalize duties, and encourage the industries of the United States, and for other purposes, which was ordered to lie on the table and be printed.

SEPARATION OF THE TARIFF BILL.

Mr. GORE submitted the following resolution (S. Res. 62), which was read:

Senate resolution 62.

Resolved, That the Committee on Finance is hereby instructed to arrange and report each separate schedule of the pending bill as a separate, distinct, and complete bill within itself, to the end that every Senator may have the opportunity to vote for or against each of said measures in accordance with his judgment, without being obliged to vote for or against the whole, and to the further end that the President of the United States may be enabled to approve or disapprove each several measure upon its merits, and shall not be forced to the alternative of approving the entire measure as a whole, including what his judgment condemns, or else vetoing the measure as a whole, including what his judgment approves.

Mr. GALLINGER. Let the resolution go over.

The VICE-PRESIDENT. The resolution goes over, under the objection of the Senator from New Hampshire.

Mr. GORE. Mr. President, I should like to say that I had intended to make the request myself that the resolution go to the table subject to call.

I wish to make a further announcement. I shall at an early day either ask for its adoption or ask that it be referred to the Judiciary Committee, and I make that announcement for this reason: I wish to investigate further, and I wish to confer with my associates as to the technical right and power of the Senate to subdivide a revenue bill which under the Constitution must originate in the House of Representatives.

With the permission of the Senate, I should like to say further that I shall probably seek a report of the Judiciary Committee upon that phase of this question. In the meantime this resolution stands as an avowal of my own views as to what the Senate ought to do if it has the constitutional power.

I have withheld this resolution until each and every schedule was finally agreed to. I have withheld it until the cotton, woolen, sugar, and paper schedules were finally adopted. I have withheld it until I was convinced that the pending tariff bill is worse and will remain worse than the present tariff law. I withheld it until I was convinced that the President of the United States, in order to keep the word of promise to the hope as well as to the ear of the American people, ought to veto this measure when it is finally passed by the two branches of Congress.

Mr. President, Mr. Cleveland characterized the Wilson-Gorman bill as an act of party perfidy and party dishonor. There is no doubt that in the passage of that bill the Democracy defaulted its bond. There is no doubt that the American people rebuked and repudiated the Democracy for that breach of faith. In my judgment it would have been infinitely better both for the fame of Mr. Cleveland and for the fortunes of his party if he had vetoed that measure outright instead of suffering it to become a law without his approval.

It seems to me that the Republican party is now following in the footsteps of the Democratic party, and that it may follow that party into either temporary or permanent retirement. The Republican party is now breaking its plighted faith. It is now breaking its sealed and sacred covenant with the American people. I do not doubt that the people will rebuke and repudiate the party for its violated faith and for their disappointed hopes. It will be better for the fame of Mr. Taft and better for the fortunes of his party if he should veto this Payne-Aldrich bill, this badge—if I may appropriate the phrase—of party perfidy and dishonor.

I confess myself less concerned about that fame and that fortune than I am for the welfare, the prosperity, and the emancipation of the American consumer. The people of this country will not again be cheated by the specious and illusive plea that the tariff should be revised by its friends and that the trusts be curbed by their friends. That is a mild-mannered remedy which is satisfactory in the highest degree to the beneficiaries of the tariff and the trusts, but this nostrum will not again deceive and ensnare the victims of the tariff and the trusts, the long-suffering American people. The President's veto is the people's hope and their only hope.

I may have something further to say upon this subject before the debate closes.

The VICE-PRESIDENT. The resolution goes over.

THE TARIFF.

The VICE-PRESIDENT. The morning business is closed, and the first bill on the calendar will be proceeded with.

The Senate, as in Committee of the Whole, resumed the consideration of the bill (H. R. 1438) to provide revenue, equalize duties, and encourage the industries of the United States, and for other purposes.

The VICE-PRESIDENT. The Senator from Iowa [Mr. CUMMINS] will proceed.

Mr. CUMMINS. Mr. President, I do not at all wonder that there is difficulty this morning in securing a quorum——

Mr. CLAPP. Mr. President——

The VICE-PRESIDENT. Does the Senator from Iowa yield to the Senator from Minnesota?

Mr. CUMMINS. I do.

Mr. CLAPP. That awakens a suggestion in my mind. I suggest the want of a quorum.

Mr. CUMMINS. I hope the Senator from Minnesota will withdraw that suggestion.

The VICE-PRESIDENT. Had the Senator yielded to the Senator from Minnesota?

Mr. CUMMINS. I yielded to the Senator from Minnesota.

The VICE-PRESIDENT. The Secretary will call the roll.

The Secretary called the roll, and the following Senators answered to their names:

Bacon	Clark, Wyo.	Gore	Page
Bailey	Clay	Guggenheim	Perkins
Beveridge	Crawford	Heyburn	Piles
Borah	Culberson	Hughes	Root
Brandegee	Cullom	Johnson, N. Dak.	Scott
Briggs	Cummins	Kean	Simmons
Bristow	Curtis	La Follette	Smith, Mich.
Brown	Davis	Lodge	Smoot
Burkett	Dillingham	McCumber	Stone
Burrows	Flint	McLaurin	Sutherland
Carter	Foster	Money	Taliaferro
Chamberlain	Frye	Nelson	Warner
Clapp	Gallinger	Oliver	Wetmore

The VICE-PRESIDENT. Fifty-two Senators have answered to the roll call. A quorum of the Senate is present. The Senator from Iowa will proceed.

Mr. CUMMINS. Mr. President, I repeat that I do not wonder it is somewhat difficult to secure a quorum this morning, because it is uncomfortable in every sense. The weather is disagreeable. The amendment we are considering ought to make people uncomfortable. We are told by the morning's paper that the distinguished chairman of the Finance Committee has gone upon a sea voyage. I hope that it is true, for he has not only earned a rest during the last few weeks, but after the acknowledgment which he made yesterday to the Senate with respect to his motive in bringing forward the amendment we are now considering he needs the inspiration and the recuperation of a sea voyage. I would want to take a trip lasting about a thousand years if I should be compelled to make a confession of that sort with respect to a bill brought forward by myself. I will give some attention to that particular phase of the matter a little bit later.

Mr. CLAPP. Will the Senator pardon me? He is alluding to people who are comfortable or uncomfortable.

The VICE-PRESIDENT. Does the Senator from Iowa yield to the Senator from Minnesota?

Mr. CUMMINS. I do.

Mr. CLAPP. I also notice by the newspapers that the large corporations are not uncomfortable. They are reported as being satisfied with this proposition.

Mr. CUMMINS. I should think they would be exceedingly well satisfied with it. I can hardly conceive an instrument better calculated to further their desires than the amendment now before the Senate. It is true it levies some tribute upon them, but not so much tribute or under such rigorous conditions as the amendment offered by the Senator from Texas, and myself. I shall have occasion also to examine that part of the matter before I shall have finished.

But I resume an examination of our financial condition, because, as I said yesterday, I would not favor an income tax or an inheritance tax or any other sort of a supplemental revenue-producing measure if I did not believe we needed some supplement to our revenue. I had stated yesterday that, deducting the appropriations for the postal service, our appropriations for the last session for the year ending June 30, 1910, aggregated $798,790,362.12. I had shown that our revenue from all sources other than custom-houses would aggregate not more than $319,000,000, and the Senator from Rhode Island [Mr. ALDRICH] admitted that my estimate of revenue from other sources than the custom-houses was rather more than less than it ought be. I had shown that we must raise, then, from the custom-houses or some other kind of taxation $479,790,362.12. It was at this point that the Senator from Rhode Island yesterday questioned the accuracy of my computation. It was at this point that he declared there should be deducted from this fund some $90,000,000, composed of an item of $60,000,000 to replace or to reimburse our sinking fund and $30,000,000 in order to make good deposits which had been made by our national banks for the purpose of redeeming or retiring their circulating notes.

I intend in a very few moments to give some consideration to the item of $60,000,000 for our sinking fund and $30,000,000 for the retirement of our national-bank notes.

But it will be remembered that the Senator from Rhode Island also said that the expenses of the Government from year to year were notably and sensibly less than our appropriations year after year. In this the Senator from Rhode Island is mistaken, if my information can be relied upon.

While I do not intend to go into the items just now, I am having prepared a table showing the appropriations for the years 1900 to 1906, inclusive. I will not come further down, because we do not secure a fair comparison if we enter those years in which the appropriations have not yet been fully expended.

I ask leave to print as a part of my remarks a table showing the appropriations in these six years and the expenditures of the Government for these six years.

The VICE-PRESIDENT. Without objection, permission is granted.

The table is as follows:

Total regular annual appropriations for fiscal years as follows:

1900–1901	$577,438,642.88
1901–1902	605,980,355.99
1902–1903	626,573,276.55
1903–1904	620,468,686.02
1904–1905	639,700,555.18
1905–1906	673,348,314.96
1906–1907	739,512,865.16

Total expenditures as shown by report of the Secretary of the Treasury.

1900–1901	$590,068,371.00
1901–1902	621,598,546.54
1902–1903	593,038,904.90
1903–1904	640,323,450.28
1904–1905	725,984,945.65
1905–1906	720,105,498.55
1906–1907	736,717,582.01

Mr. CUMMINS. This does not include permanent annual appropriations or expenditures for such funds as sinking fund, currency-redemption fund, and the like.

The very fact that every year we are called upon to supply deficiencies in our appropriations ought to be a sufficient answer to the suggestion of the Senator from Rhode Island. I therefore take it as a matter established beyond any reasonable doubt that for the year ending June 30, 1910, we must have from the custom-houses or from an income tax or from an inheritance tax or from a so-called "corporation tax" the sum of at least $479,000,000.

I recapitulated yesterday our receipts from the custom-houses for the last four years. I will not repeat that statement, save

to say that for the year ending June 30, 1908, we received $286,113,130. I suppose I might know, if I had been able to get to the Secretary of the Treasury this morning, just how much we had received for the year ending June 30, 1909, but I have not been able to do so, and I therefore take the year 1908.

The estimate of the chairman of the Finance Committee, made early in this matter, was that in the year ending June 30, 1910, the bill which is about to become a law, I regret to say, would raise, if it applied to the imports of 1907, which was a year of extreme commercial and industrial activity, $8,000,000 more than was raised by the existing law. I accept his judgment with respect to the operation of the bill that is about to be passed upon the imports of the year 1907.

But I dissent from his judgment in other particulars: First, I do not believe that commercial activity will be as conspicuous in the coming year as it was in 1907, and for that reason his conclusions are well to be questioned. We have a better guide than that. I have taken, as the test of the present law upon the imports of the country, the experience of 1907 and the experience of 1909. I am now speaking of the amount that will be raised if we make no change in the law. I take the first five months of 1907 and the first five months of 1909. There has been a gratifying increase in the receipts at the custom-houses for the year 1909—so much of it as has been spent—as compared with the year 1908. It is due, as I believe, to two causes—first, a renewed activity and partial recovery from the depression of 1907; but it is due still more to the fact that importers know that we are about to increase the duties upon many things, and especially upon noncompetitive things, and they are importing all they can in order to secure the benefit of the lower rates of the Dingley law. I have not examined the details of the importations, but I believe that to be the chief reason for the larger imports of the last few months. But I nevertheless accept them, and accepting them, I find that for the first five months of 1907 we received at the custom-houses $140,111,014.26, and for the first five months of the present year we received from the same source $133,826,712.98.

In this connection, Mr. President, I beg to present, and ask to have printed together with my remarks, a statement of the customs receipts by weeks and months from January 1 to May 31, 1908 and 1909.

The VICE-PRESIDENT. Without objection, the table will be printed in the RECORD.

The table referred to is as follows:

Statement of customs receipts by weeks and months, January 1 to May 31, 1908 and 1909.

	1908.	1909.
January:		
First week	$5,386,660.24	$5,458,190.59
Second week	5,891,829.71	5,725,210.90
Third week	5,655,563.82	5,442,326.37
Fourth week	6,337,552.28	7,193,142.40
Total for January	23,271,606.05	23,818,870.26
February:		
First week	5,188,249.74	6,236,006.39
Second week	4,940,080.59	7,219,032.08
Third week	5,809,092.77	6,296,470.05
Fourth week	6,538,508.11	5,720,809.54
Total for February	22,475,931.21	25,472,410.06
March:		
First week	5,215,638.36	7,565,376.21
Second week	4,757,111.21	6,813,366.90
Third week	5,508,556.67	6,978,472.98
Fourth week	5,583,741.68	7,274,520.38
Total for March	21,155,047.92	28,631,736.47
April:		
First week	4,610,460.75	7,336,200.82
Second week	4,779,296.28	6,594,920.54
Third week	5,683,023.95	6,992,873.05
Fourth week	5,489,279.91	7,107,597.34
Total for April	20,562,060.89	28,031,600.75
May:		
First week	4,235,872.60	6,482,172.65
Second week	4,908,969.59	7,074,365.75
Third week	4,764,849.51	6,380,837.37
Fourth week	5,415,253.15	7,934,719.67
Total for May	19,414,844.85	27,872,095.44
Total for period, January 1 to May 31	106,879,490.92	133,826,712.98
Increase for 1909		26,947,222.06

The receipts for the five months ending with the month of May, 1907, were $140,111,014.26.

Mr. CUMMINS. Mr. President, upon comparison of this table and of the statement that I have made, it will be seen that for the first five months of the present year our receipts are substantially 95 per cent of the receipts for a similar period for 1907. Therefore it is more than fair, as I think, in estimating our revenue, assuming now that the Dingley law were to be perpetuated, for the year 1910 that we shall receive 95 per cent of the receipts of 1907. Applying that proportion, it will be found that we can fairly expect from the custom-houses, upon the hypothesis of the Dingley rates for the year I am considering, $315,621,696.

I now take the original estimate of the Senator from Rhode Island as to the effective difference between the Dingley rates in producing revenue and the rates of the bill under consideration, and add that estimate to the receipts that I have just mentioned, reached by the proportion indicated by the experience of the first five months of the year. I add $8,000,000 to these receipts, and find that we may fairly expect during the coming year a revenue of $323,621,695 from customs. In order to make both ends meet, if we are to come out at the end of the year with no difference between our receipts and our expenditures, we must have four hundred and seventy-nine million and the odd thousands of dollars already mentioned. We therefore must supplement these sources of revenue by additional taxation, which will accumulate how much? One hundred and fifty-six million one hundred and sixty-eight thousand six hundred and sixty-seven dollars and twelve cents. If we do not create some revenue other than the law now authorizes, we shall be, at the end of the year upon which we are about to enter, $156,000,000 behind our expenditures authorized for the same year.

This is not a matter which can be looked upon with unconcern. The deficit, as we have already seen, has decimated our surplus to such an extent that we dare not invade it further. Therefore it is our duty here in some manner or other to raise $156,000,000 by an additional form of taxation.

Mr. President, I have recapitulated this calculation in a table which I ask be inserted as part of my remarks.

The VICE-PRESIDENT. In the absence of objection, permission to do so is granted.

The table referred to is as follows:

Appropriations		$1,044,401,857.12
Contracts authorized		26,080,875.00
Total expenditures to be provided for		1,070,482,732.12
Deduct appropriations for Panama Canal	$37,000,000	
Deduct appropriation for Post-Office Department	234,692,370	
		271,692,370.00
		798,790,362.12
Estimated internal-revenue taxes	255,000,000	
Estimated public-land sales and miscellaneous sources	64,000,000	
Estimated customs receipts	323,621,695	
		642,621,695.00
Estimated deficiency on June 30, 1910		156,168,667.12

Mr. CUMMINS. Mr. President, the only way in which it is attempted to reduce this deficit is by deducting $90,000,000 appropriated at the last session of Congress—$60,000,000 for the reimbursement and use of the sinking fund and $30,000,000 in order to make good the money that has been deposited in the Treasury by the national banks and which has been covered by the Treasurer, I do not say unlawfully—I think probably he has the authority of law for it—but covered by the Treasurer into the general fund; that is to say, the Government of the United States at this moment owes the national banks of the United States more than $30,000,000, growing out of the fact that those banks, in retiring their circulation, have deposited with the Treasurer this sum of money, which has not yet been paid out by the Treasurer of the United States.

I want now to consider the sinking fund. There is a great deal of misinformation with regard to our sinking fund. It is perfectly apparent that the Finance Committee regards our national debt as a permanent institution, never to be paid off. That is the only basis for deducting the $60,000,000 appropriated at the last session. I am not going to enter this morning upon a discussion of the general policy of the Nation, whether it should or should not pay the national debt, but I do know that up to this time Congress has refused to consider the national debt as a permanent obligation, and has insisted from time to time upon such measures as would ultimately extinguish it. If Congress desires to change that policy, well and good; but until it does change the policy neither the Finance Committee nor the Treasurer of the United States can interfere with it in the slightest degree.

Long ago Congress provided that all gold coin received at the custom-houses should be held as a sacred fund for the extinguishment of the national debt and the payment of interest upon it. Long ago Congress declared that there should be

annually set aside a sinking fund of at least 1 per cent in order to pay off our bonds as they might mature or as they might be paid in the ordinary course of financial transactions. I was a little bit in doubt with respect to the matter, for I confess I have no great familiarity with the workings of the Treasury Department. I therefore addressed a letter to the Secretary of the Treasury upon the subject, which I now hold in my hand.

I say, once for all, that nothing that I utter here must be construed into any criticism of the Treasury Department. If the law has not been faithfully and accurately executed, it is by reason of a long-established custom, concerning which I see no great evil, but it is sufficient to say that, in addition to the sinking fund which has been provided for by law, the Secretary of the Treasury has authority to use any surplus funds that he may have in hand, not necessary for the ordinary expenditures of the Government, to retire or pay the bonds of the United States. The law, however, does not give the Secretary of the Treasury the authority, after he has used surplus funds in that manner, to give to the sinking fund credit for the money paid out; nor did the law intend so to do. It intended that as an additional facility for the payment of the national debt; and I agree that the Secretary of the Treasury evidently thinks that he is complying, and the former Secretaries of the Treasury have thought that they were complying fully with the law when they, in a moral way, if not in a legal way, charged up the payments made from the surplus to the sinking fund. I mean they regarded the sinking-fund law as complied with.

I do not intend to read this letter in full. But construed strictly—construed generously, I rather meant to say, because I shall come to the other phase of it in a moment—but construed in the way that Secretaries of the Treasury have construed the law and giving full credit, there is still a deficit in the sinking fund at this time of $119,681,993.99. We are that much behind in the sinking fund as it has been designed by the law—I mean giving credit for the payment of the national debt out of the surplus, and not alone out of the sinking fund. Construed as the law is, the deficit in the sinking fund is $593,000,000. If we had observed, as I think, with entire strictness the law, we would have to appropriate and put aside for the security of our national debt $593,000,000.

Mr. President, these things being true—and they are indisputable—it is not for any member of the Finance Committee to say that he can deduct with one sweep of the pen $60,000,000 intended in part to reimburse the sinking fund.

Mr. DIXON. Mr. President——

The VICE-PRESIDENT. Does the Senator from Iowa yield to the Senator from Montana?

Mr. CUMMINS. I do.

Mr. DIXON. What are the provisions of law regarding the sinking fund?

Mr. CUMMINS. As I understand, Mr. President, there are two provisions. One provision requires the Secretary of the Treasury to segregate all the gold coin paid at the custom-houses for import duties to be held as a fund for the payment of the interest upon the public debt and for the final payment of the debt itself. When it is remembered that import duties are payable only in coin, the effect of that can be very readily appreciated. Further, there is a statute which provides that a sinking fund shall be created of at least 1 per cent per year for the payment of the national debt.

Mr. DIXON. One per cent of the customs duties?

Mr. CUMMINS. One per cent of the debt; that is, as I construe the law, in addition to the segregation or separation of the gold accumulated at the custom-houses for the same purpose.

It will be remembered that that law was passed at a time when the credit of the United States was not so secure as it is now; it will be remembered that it was passed at a time when it was very doubtful—at least some people doubted—whether we would ever be able to maintain the gold standard; and, therefore, we wanted to assure our creditors that the gold that was paid to us at the custom-houses upon imports would be used for the purpose of extinguishing obligations that in themselves were payable in gold coin.

Mr. SMITH of Michigan. Mr. President——

The VICE-PRESIDENT. Does the Senator from Iowa yield to the Senator from Michigan?

Mr. CUMMINS. I do.

Mr. SMITH of Michigan. I think the Senator will also admit that it had just the effect which was intended; that it did strengthen the credit of the Government and did enable us to refund our bonds at a lower rate of interest than would have been possible if this law had not been enacted.

The VICE-PRESIDENT. May the Chair suggest at this time that it is very difficult for the reporters to hear questions when Senators turn their backs upon the Chair. Waiving the question of consideration for the Chair, when Senators face in the other direction, it is very difficult for the reporters to hear Senators. If Senators will bear that in mind when engaging other Senators in debate and will so stand that the reporters may hear their voices, it will make more certain correct reporting of inquiries.

Mr. CUMMINS. Mr. President, I assent to the suggestion made by the Senator from Michigan [Mr. SMITH]. It is very timely and very sound. It did have just the effect that was intended for it, and has always been a fortification to sustain and defend the strength of the national credit; and I see no reason why we should depart from it in any sense at this time. In the time when prosperity crowns all human efforts and when the Nation is advancing with a rapidity never before seen, I doubt the expediency of postponing the payment of the national debt; but I will not discuss that question. I will not say what I would do if it were proposed to postpone indefinitely the payment of our debt, as other nations have done the payment of their debts. All I say is that we must for the present stand firmly by the established order of things.

We must make appropriations to restore our sinking fund to its due proportions, and, therefore, I object to that process of bookkeeping that subtracts $90,000,000 from the appropriations of last year, and which is bottomed upon the idea that it is not necessary to make any provision of that kind.

The national currency fund I have already mentioned. I repeat that, prior to the time that the Treasury Department made its estimates for the last Congress, the debt of the Government to the national banks for money actually deposited by them in the Treasury was more than $30,000,000. Therefore the Treasury Department asked Congress to appropriate $30,000,000 in order to enable it to make that payment; that is to say, in order to enable it to use that fund to retire the circulation as it came in in the natural course of business. I ask at this point to insert the letter of the Secretary of the Treasury as a part of my remarks.

The VICE-PRESIDENT. Without objection, permission is granted.

The letter referred to is as follows:

TREASURY DEPARTMENT,
OFFICE OF THE SECRETARY,
Washington, June 24, 1909.

Hon. ALBERT B. CUMMINS,
United States Senate.

SIR: I have the honor to acknowledge the receipt of your communication of the 23d instant, relative to the sinking fund and the national bank note redemption account, and in reply to advise you as follows:

THE SINKING FUND.

The act of February 25, 1862 (12 Stat., p. 365), contained in section 5 a provision that all duties on imported goods should be paid in coin, and that the coin so paid should be applied, first, to the payment in coin of the interest on the bonds and notes of the United States, and, second, to the purchase or payment of 1 per cent of the entire debt of the United States, to be made within each fiscal year, which was to be set apart as a sinking fund, and the interest of which should in like manner be applied to the purchase or payment of the public debt as the Secretary of the Treasury should from time to time direct; and the sixth section of the act of July 14, 1870 (16 Stat., p. 272), also required that, in addition to other amounts to be applied to the redemption or payment of the public debt, an amount equal to the interest on all bonds belonging to the fund should be so applied. These provisions of law have been heretofore uniformly regarded as imposing upon the Secretary of the Treasury the duty of meeting the requirements of the sinking fund out of the surplus revenues of the Government.

The estimated requirement of $60,000,000 for 1910 for the fund, submitted to Congress at its last session, is a charge against the fund for that year to be met as conditions warrant, as shown further on in this letter.

Section 2 of the act of March 3, 1881 (21 Stat., p. 457), provides that the Secretary of the Treasury may, at any time, apply the surplus money in the Treasury not otherwise appropriated, or so much thereof as he may consider proper, for the purchase or redemption of United States bonds, and that the bonds so purchased or redeemed shall constitute no part of the sinking fund, but shall be canceled.

A deficit appears in the sinking fund at the close of the fiscal year 1908 of $549,383,647.68, yet up to that period the total debt had been reduced $32,812,000 in excess of the sinking-fund requirement. The deficit at the close of 1908 will be increased, however, in the current year of 1909 by approximately forty-four millions, which deficit is more apparent than real, for the following reasons:

Debt, less cash, on August 31, 1865	$2,756,431,571.43
Debt, less cash, on June 1, 1909	1,030,129,609.08
Reduction of the debt since August 31, 1865	1,726,301,962.35
Sinking-fund requirements to June 30, 1909	1,845,983,956.34
Sinking-fund deficit as of June 30, 1909	119,681,993.99

So that, instead of an apparent deficit in the fund at the close of the year 1909 of approximately $593,000,000, if the act of March 3, 1881, had in terms permitted purchases and redemption of bonds for the fund, instead of directing that such purchases should not be applied thereto, the present deficit in the fund would be the sum of $119,681,000.

It is apparent that all conditions must be favorable to enable the Secretary of the Treasury to retire bonds for the sinking fund or to make purchases under the act of March 3, 1881. The state of the revenues, of the debt available for redemption or purchase, the market value of securities, are all factors in determining the action of the Secretary in executing the laws wholly or in part.

NATIONAL BANK NOTE REDEMPTION ACCOUNT.

The national bank note redemption account is controlled by section 6 of the act of July 14, 1890 (26 Stat., p. 289), which provides that a national bank desiring to retire circulation and to withdraw bonds in like amount shall deposit with the Treasurer of the United States an amount sufficient to redeem such circulating notes, which sum is covered into the Treasury as a miscellaneous cash receipt, and the Treasurer of the United States redeems such notes from the general cash in the Treasury from time to time as they come into his possession, reimbursement therefor being made to him from the appropriation created by said act, and the balance of such deposits remaining in the Treasury at the close of each month is reported on the monthly debt statement as "debt of the United States bearing no interest," as required by law.

The balance of such deposits on June 1, 1909, amounted to $30,131,227.

The estimate for redemption of the notes of the banks on this account for the year 1910, submitted last year to the Congress, was $30,000,000.

Respectfully,

FRANKLIN MACVEAGH,
Secretary.

Mr. BRISTOW. Mr. President——

The VICE-PRESIDENT. Does the Senator from Iowa yield to the Senator from Kansas?

Mr. CUMMINS. I do.

Mr. BRISTOW. As I understand from the Senator's remarks, there is 1 per cent per annum of our national debt required to be set aside as a sinking fund?

Mr. CUMMINS. That is what the law says.

Mr. BRISTOW. Then, do I understand that $90,000,000, or $119,000,000 of that fund so accumulated, has been expended for other purposes than the reduction of the national debt?

Mr. CUMMINS. Mr. President, that is the effect of it. There is another provision, however, which the Senator from Kansas ought not to overlook, and that is that the 1 per cent provision operates together with the command that the receipts of the custom-houses shall be regarded as a sinking fund. The whole subject can be very readily seen by the letter of the Secretary of the Treasury, which shows a deficit of $119,000,000, construed according to the payments that have been made upon the national debt as from the sinking fund, and $593,000,000 if we exclude those payments which have been made from the surplus, rather than the sinking fund.

Mr. BRISTOW. Now, may I inquire for what purpose was this $119,000,000 expended?

Mr. CUMMINS. It was expended, I assume, by warrants on the general fund. I am not able to say how the payments were made. As a matter of fact, it is all bookkeeping. I assume that the money is all in the same place. They keep a sinking-fund account, and it is that account which shows the deficit that I have endeavored to describe.

Mr. BRISTOW. Has the Secretary of the Treasury the right under the law to appropriate that fund for other purposes—for paying the current expenses of the Government?

Mr. CUMMINS. There may be a difference of opinion about that. I am not willing to assert that the Secretary of the Treasury has violated the law in depleting the sinking fund.

Mr. SMOOT. Mr. President——

The VICE-PRESIDENT. Does the Senator from Iowa yield to the Senator from Utah?

Mr. CUMMINS. I do.

Mr. SMOOT. The Senator certainly knows that the Secretary of the Treasury has paid off or redeemed the indebtedness of the United States to a great deal larger extent than the sinking fund ever amounted to.

Mr. CUMMINS. I do not agree to that.

Mr. SMOOT. The Senator does not agree to that?

Mr. CUMMINS. No.

Mr. SMOOT. I think, if he will investigate the matter, the Senator will find that the debt has been paid off to a greater amount than the sinking fund amounted to.

Mr. CUMMINS. The whole subject is fully explained in the letter which I sent to the desk to be inserted in my remarks.

There is a mystery of bookkeeping about it which is not easy to understand; but, as I have unraveled it, it is this: If the national debt paid out of the surplus is considered, then the Secretary of the Treasury claims that there have been $32,000,000 of the national debt paid in excess of the sinking-fund requirement; but when the table which you will see in his letter is examined, it will be ascertained that, giving to the sinking-fund account all the credits which the Secretary does give to it, there is a deficit of $119,000,000; and then he proceeds to say that, if the bonds which have been retired by the surplus be not counted, there is a deficiency of $593,000,000, or substantially that.

Mr. BRISTOW. So there is an acknowledged deficit of $119,000,000?

Mr. CUMMINS. There is, Mr. President, an acknowledged deficit that it will require more than $60,000,000 to make good for the present year. I am not going into the question as to whether the Secretary of the Treasury has complied with the law or not. I only know that, if we intend to keep the sinking fund intact, we need an appropriation of $60,000,000 that is not to be used for the ordinary expenses of the Government and not to be paid out for the other appropriations that are made, and that, therefore, the Senator from Rhode Island has no warrant for the deduction of $60,000,000 in order to ascertain what amount of money we should raise during the coming year.

Mr. BRISTOW and Mr. SMOOT addressed the Chair.

The VICE-PRESIDENT. To whom does the Senator from Iowa yield?

Mr. CUMMINS. I yield to the Senator from Kansas.

Mr. BRISTOW. Then, the estimate offered by the chairman of the Committee on Finance does not take into account the necessity of raising this $60,000,000 for the sinking fund?

Mr. CUMMINS. It does not.

Mr. BRISTOW. The law requires that $60,000,000 to be raised, though, as I understand.

Mr. CUMMINS. It does; and more.

Mr. BRISTOW. Then I should like some member of the Finance Committee to explain why it is that they arbitrarily deduct $60,000,000 from the money required according to law in making this estimate.

Mr. CUMMINS. There is no reason——

Mr. SMOOT. Mr. President——

The VICE-PRESIDENT. Does the Senator from Iowa yield to the Senator from Utah?

Mr. CUMMINS. If the Senator from Utah desires to explain now, rather than at some other time, I gladly yield to him.

Mr. SMOOT. I have no desire——

Mr. BEVERIDGE. I think it would be a good thing to have that explained right now, if the Senator from Iowa will permit, if it can be explained.

Mr. CUMMINS. I am quite willing that the Senator from Utah shall explain it. First, I should like him to explain why the Treasury Department asked for an appropriation, and to what use the Treasury Department intends to put the appropriation?

Mr. SMOOT. I suppose that every Senator knows that these appropriations are made every year; but they are never paid out; they are never calculated in the amount of money that we are to raise from any source, because they are not to be paid. I do not believe that the Senator from Iowa, upon the floor of the Senate, would insist that that amount of money should be taken out of circulation in this country, put into the Treasury as a fund, and held there for the purpose of redeeming the indebtedness of the United States. Do I understand that that is his position, and that he would do so?

Mr. CUMMINS. The Senator from Utah confounds two perfectly distinct things. The money would not be taken out of circulation any more than it would be taken out of circulation if it were used for the payment of the ordinary expenses of the Government. What I say is that the Government has no right to use this fund for the payment of its ordinary expenditures, but it must keep it on deposit in the banks, or in other secure places, in order that it may be used if it becomes necessary in the payment of the national debt.

Mr. BEVERIDGE. So that if it was kept on deposit in the banks, it would, of course, be in circulation—in the most perfect method of circulation.

Mr. CUMMINS. Precisely.

Mr. BAILEY. Will the Senator from Iowa permit me for a moment?

Mr. CUMMINS. Certainly.

Mr. BAILEY. The provision for which the Senator from Utah [Mr. SMOOT] contends would result in exactly the opposite of what he seems to desire. The Senator from Iowa is right. Under the law, the coin collected from customs duties is set aside, to be applied, first, to the payment of the interest on the public debt; next, to the payment of a part of the national debt; and the balance is then covered into the general fund of the Treasury. If that law is obeyed, this money could not be in circulation, but would have to be held; whereas if it is not obeyed, it goes into circulation exactly like the payments as interest.

Mr. SMOOT. In answer to the Senator from Texas, I will say that I think the Treasury Department hold now that they have paid over $30,000,000 more in redeeming the indebtedness of the United States than the redemption fund amounts to.

Mr. CUMMINS. Mr. President, it is quite true that the Treasury Department makes that claim. That is solely because it has used, at times, money for the payment of the debt that has not been accumulated for that purpose. That, however, does not in the least degree relieve the Treasury Department from the maintenance of the fund. Even giving the Treasury Department the benefit of its own construction, the fund is now depleted by $119,000,000; and charging it with the construction that I know the law must bear, it is depleted to the extent of $593,000,000. There is no question about that. The money is held there just as all other moneys are held in the various depositories of the country.

Mr. OVERMAN. Mr. President——

The VICE-PRESIDENT. Does the Senator from Iowa yield to the Senator from North Carolina?

Mr. CUMMINS. Certainly.

Mr. OVERMAN. I desire to inquire how long this violation of the law, in diverting the fund which should go to the sinking fund in order to pay the ordinary expenses of the Government, has been going on?

Mr. CUMMINS. I have not examined the books of the Treasury, but the practice that I have mentioned has been going on for a great many years.

Mr. PAGE. Mr. President——

The VICE-PRESIDENT. Does the Senator from Iowa yield to the Senator from Vermont?

Mr. CUMMINS. I do.

Mr. PAGE. I should like to ask the Senator from Iowa to explain to us a little more in regard to the $30,000,000 held to the credit of banks.

Mr. CUMMINS. Mr. President, I shall be very glad to do that so far as I can. I assume that all Senators know that when national banks desire to issue their notes as money or as circulation, they are compelled to deposit in the Treasury of the United States bonds of the United States to secure the ultimate redemption of the notes they issue. When a bank desires to lessen its circulation, or retire any part of its circulation, it is compelled to deposit in the Treasury of the United States the money for the retirement of the notes and the release of the bonds. The Treasury holds that money; and as these notes, which circulate from Maine to Texas, come into the subtreasuries or the depositories of the United States, they are arrested and sent to the General Treasury of the United States, and when they reach the Treasury of the United States they are destroyed.

The money which the banks throughout the country had deposited with the Treasury of the United States at the time the Treasurer made his last estimate and asked for this appropriation, and which had not been used for the purpose of retiring these notes, amounted to more than $30,000,000. That is a debt that is due from the United States to the several national banks. In order to keep that account good, the Treasury Department asked that an appropriation of $30,000,000 be made, in order to enable it to make the payment without further depleting its already sadly depleted general balance.

Mr. PAGE. Mr. President——

The VICE-PRESIDENT. Does the Senator from Iowa further yield to the Senator from Vermont?

Mr. CUMMINS. I do.

Mr. PAGE. The Senator is undoubtedly right in the statement of his general proposition. But, as a matter of fact, when a bank liquidates, it must pay back into the Treasury, in order to release its bonds, the full amount of its outstanding circulation. For many, many years it has been understood that the circulation of the banks has, year by year, been destroyed. It has been burned up; thousands and perhaps millions of dollars have gone to the bottom of the sea. While it is really a debt the Government owes to the national banks, nevertheless, under the national-banking act, the national bank does not get the benefit of the destruction of its own notes; but the Government is entitled to that profit.

Mr. CUMMINS. I am not talking about the loss of notes. I am talking about the redemption of circulation.

Mr. PAGE. But the Government does not have to redeem a bank note that is at the bottom of the sea or that has been burned up.

Mr. CUMMINS. Mr. President, this appropriation is not made to make good any losses that may occur by accident. It is made solely to enable the Government to redeem notes that the banks desire to retire. Suppose a bank with a circulation of $100,000 comes to the conclusion that it only wants $50,000 of circulation; and therefore it deposits with the General Government $50,000, and says: "Retire our notes to that extent." These losses that may occur by accident merely are negligible. The Government is under no obligation with respect to them; and no appropriation has ever been made to reimburse the Government for any such thing.

Mr. PAGE. But perhaps the loss is not negligible, if there have been $30,000,000 of losses. While this is a debt in fact, as a matter of fact it may be further said that it is a debt the Government never expects to pay, and never will pay, because it will not have to redeem notes that do not exist. I may be wrong about it; but that is my idea of the condition.

Mr. CUMMINS. The Senator from Vermont is wholly wrong with regard to the purposes of the appropriation. He is entirely right with regard to his analysis of the relations between the Government and the banks with respect to notes that may be lost by casualty.

Mr. NELSON. Mr. President——

The VICE-PRESIDENT. Does the Senator from Iowa yield to the Senator from Minnesota?

Mr. CUMMINS. I do.

Mr. NELSON. Mr. President, I should like to see if I understand the Senator from Iowa. Do I understand him that, giving to the tariff bill credit for all that the Senator from Rhode Island claims for it in the way of revenue, we shall need $150,000,000 more, aside from what the bill will produce, taking his figures for it?

Mr. CUMMINS. We shall need $156,168,667.12.

Mr. NELSON. And the theory is that we must provide for that outside of the tariff bill? Is that the contention of the Senator from Iowa?

Mr. CUMMINS. That is my proposition.

Mr. NELSON. That we must provide in some way for $150,000,000 extra, beyond what we can get from the tariff bill and from our internal-revenue income?

Mr. CUMMINS. That is what we shall need.

Mr. PAGE. Mr. President——

The VICE-PRESIDENT. Does the Senator from Iowa further yield to the Senator from Vermont?

Mr. CUMMINS. I do.

Mr. PAGE. The suggestion I wish to make to the Senator from Iowa is that while this debt may be due upon the books of the Treasury Department, it is a debt which will never have to be paid. Consequently, it seems to me that it is unnecessary that we shall provide for it in our annual appropriations, except for the purposes of bookkeeping.

Mr. CUMMINS. The Senator from Vermont is, I think, in error in his conclusions. It is a debt that must be paid. I will put to him this illustration, and I think he will then see very clearly that I am right.

Suppose that on the 1st day of last January the Government had not one cent in its Treasury and the banks had deposited with it $30,000,000 to retire their circulating notes as they came in. It was, of course, the duty of the Government to pay those notes out of the money the banks had deposited. Suppose the United States had not a cent, but had used up all its resources, its money, its general fund. The Senator from New Jersey suggests to me that if the Government did not have any money the banks would not have any. That, however, is a very false conclusion. There have been a great many occasions upon which the banks had money when the Government had none at all, save a debt upon which it did business. But I recur to the suggestion of my friend from Vermont: How would the Government get the money to retire those notes as they came in?

Mr. PAGE. But they would not have to be retired if they have been destroyed.

Mr. CUMMINS. They have not been destroyed. They are a part of the circulating medium of the country, and the banks want to reduce that circulating medium.

Mr. PAGE. But the facts are these, if I may be allowed: It is known that from year to year a certain percentage of these bank notes are destroyed, and that they never will come in for redemption. Consequently, it is not necessary that they be provided for by a special act.

Mr. CUMMINS. The Senator from Vermont is pursuing a wholly different subject from the one I have under consideration. I am not considering the loss of notes by destruction by fire, by shipwreck, or by any casualty of that sort. I am considering the case—and that is the only purpose of this appropriation—in which the national banks of the country have said: "We want to reduce our circulation $30,000,000." They have the right to do it; but upon what terms? By depositing $30,000,000 with the Treasury of the United States. As those notes come into the possession of the Government, in the ordinary course of affairs, the Government is under obligation to pay the holders of the notes the money they call for; and this appropriation is to enable the Government of the United States to do that thing. It is true that instead of taking the specific money we raise by this appropriation the Government may take

any other money that it has. But if it has none, if its general balance is already depleted as far as safety will permit, then we must raise the money to put the Treasury in possession of sufficient funds to make the redemption.

Mr. PAGE. Will the Senator yield to me for just a second?

Mr. CUMMINS. Yes.

Mr. PAGE. I simply wish to reiterate what I have said. I am not sure that I am not mistaken about the proposition, but my understanding of the matter is that while the Government technically owes this $30,000,000, it can depend to a certainty upon the fact that the $30,000,000 will never be asked for, because it has been destroyed.

Mr. CUMMINS. In order that I may be fortified and that we may, at least, have an end of this sort of discussion, I will ask the Senator from Utah whether the purpose of this appropriation is to make good losses of notes by fire and other casualties?

Mr. SMOOT. That is not the purpose of the appropriation. I will say, however, that no doubt the actual results may be as the Senator from Vermont states as to a limited amount, but not as to the $30,000,000. There are, no doubt, many millions of dollars that are destroyed that the Government will never have to pay for; but in making the appropriation that is never taken into consideration.

Mr. CUMMINS. Mr. President, the Senator from Minnesota [Mr. NELSON] seemed to be somewhat astonished when I said that our shortage at the end of the next year will be $156,000,000. It is, however, not very different from the shortage that was acknowledged by the Senator from Rhode Island [Mr. ALDRICH]. It is practically the same amount, except that the Senator from Rhode Island deducted the $60,000,000 for the sinking fund and the $30,000,000 for the national currency, which, as you will observe, reduces the deficit to about $66,000,000. And you will remember that the Senator from Rhode Island admitted that we shall have a deficit at the end of the coming year of more than $45,000,000—nearly $50,000,000, as I remember. I can not recall the exact figures, but my memory is that he said $49,000,000 at that time.

Having considered with, I think, altogether too much length the year 1910, I now pass to the year 1911. How will it be at the end of the year 1911? We have here, of course, no certain basis, as we had for 1910, with respect to the appropriations, for the appropriations for that year are yet to be made.

There is a suggestion that there will be great reductions in the appropriations for the year 1911. I will ask Senators—and I put them upon their honor—with respect to their convictions upon this proposition. How much less do you believe the appropriations for the year 1911 will be than we have already appropriated for 1910? I hope, and I hope earnestly, that the spirit of economy that seems now to so completely animate the Finance Committee and others who are in favor of no supplemental revenue will be carried to its proper end. I want to see the Government economically administered. I will join in every effort made to reduce the expenditures of the Government that will not cripple its energies or prevent it from performing those functions that are necessary to the welfare of the people. I should like to see some of the large salaries reduced. I should be willing to join other Senators in reducing every salary of the Government that is more than $1,500. But we will not reduce those salaries. There is just now—and I am glad to see it—a spirit in Washington that indicates that a man must do a day's work for a day's pay. You have all seen that spirit rise and spread and disappear like the mist before the morning sun. And I do not expect that in the future the Government will receive much more service for the same pay than it has been receiving in the past.

I know that some millions of dollars can be saved. But they are very few millions, when compared with the enormous expenditures that are absolutely necessary. I have seen some suggestion that the appropriations for the army and the navy may be reduced. I hope they may be reduced. But the suggestions I have seen relate rather to a postponement to some other day than to a permanent reduction of the establishments themselves. I have sometimes thought that the propositions for reductions in the army, in the navy, and in the civil establishment can be traced to the same source that was yesterday uncovered by the Senator from Rhode Island, when he declared that the purpose of this amendment is simply to defeat the income-tax amendment.

I can understand with what industry and energy some men are now preaching economy and reform in order to be enabled to say the Government needs no revenue from an income tax. I do not believe the appropriations of the next year will be less than the appropriations of the last year. I believe they will be more than the appropriations of the last year. And if every Senator who believes with me upon that proposition will vote for the general income tax, it will be carried by an overwhelming majority.

Mr. President, with reference to the history of the appropriations, I desire at this point to introduce a table showing the appropriations made by the Government of the United States from the year ending June 30, 1899, to the year ending June 30, 1910. We shall be no better off next year than we have been this year. The character of human nature has not materially changed. The wants of the Government have not been lessened sensibly. And it is idle talk to resist the measure now before Congress, and for which I am speaking, by the suggestion that we shall greatly reduce the expenditures of the Government.

We began for the year ending 1899 with an expenditure of $893,000,000; but that was partly war expense. The next year it was $674,000,000, which was a normal expense for that time. And last session we closed the period of a little more than a decade with an appropriation of $1,044,000,000—a steady, regular increase.

I know we have been extravagant in some things. But the man who hopes that the Government of the United States can be administered for very much less money than we have expended in the past is but pursuing an idle and foolish dream. It can not be done.

Mr. PERKINS. With the permission of the Senator, I will say that in making these appropriations the Committee on Appropriations have only granted about 70 per cent of the estimates made by the different departments of the Government.

Mr. CUMMINS. I am very glad the Senator from California has called our attention to that fact. While I know that the money has not always been expended with wisdom, with care, and with frugality, I believe the several Committees on Appropriations have not appropriated a penny that they did not believe to be necessary for the careful maintenance of the Government.

It will be observed that we have increased our appropriations in these ten years nearly $400,000,000. And why? Because the Government itself is expanding to meet the necessities of a mighty age; because we have found it necessary to do many things that we never did before. Governments are organized to care for the welfare of the people; and just so long as the puissant forces of wrong and injustice continue their ravages upon a defenseless people, just so long must the Government extend its protection.

And it extends its protection and defense only with the expenditure of increasing sums of money. Therefore let us not deceive ourselves with the suggestion that we shall not need additional revenue because we shall be economical. I hope we shall be. Let us make every man who serves the Government give it the full value of the compensation he receives. But we shall never go below the millions that are now required for our establishment, and we shall go beyond that sum from year to year.

Mr. DIXON. Mr. President——

The PRESIDING OFFICER (Mr. JONES in the chair). Does the Senator from Iowa yield to the Senator from Montana?

Mr. CUMMINS. Certainly.

Mr. DIXON. The Senator is also aware that the carrying out of the new programme for inland waterway development has not yet been begun.

Mr. CUMMINS. I am coming to that in a minute. I ask to have inserted as part of my remarks a table showing, year by year, the appropriations for the last twelve years.

The PRESIDING OFFICER. Without objection, leave will be granted.

The table referred to is as follows:

Table showing the annual appropriations from the year ended June 30, 1899, to the year ended June 30, 1910, inclusive.

1898–1899	$893, 231, 615. 55
1899–1900	674, 981, 022. 29
1900–1901	710, 150, 862. 88
1901–1902	730, 338, 575. 99
1902–1903	800, 624, 496. 55
1903–1904	753, 058, 500. 02
1904–1905	781, 172, 375. 18
1905–1906	820, 184, 634. 96
1906–1907	879, 589, 185. 16
1907–1908	920, 798, 143. 80
1908–1909	1, 008, 397, 543. 56
1909–1910	1, 044, 401, 857. 12

Mr. CUMMINS. At the same time, and in connection with this table, I offer a table showing the receipts at the customhouses for the same period, in order that the receipts there may be compared with the growing expenses of the Government.

The PRESIDING OFFICER. Without objection, leave will be granted.

The table referred to is as follows:

Table showing the receipts at the custom-houses year by year from the year ended June 30, 1898, to the year ended June 30, 1908.

1898	$149,575,062
1899	206,128,482
1900	233,164,878
1901	238,585,456
1902	254,444,708
1903	284,479,582
1904	261,274,565
1905	261,798,857
1906	300,251,878
1907	332,233,363
1908	286,113,130

Mr. CUMMINS. I now come to the point suggested by the Senator from Montana [Mr. DIXON].

In the $1,044,000,000 that we appropriated last year, not a penny was appropriated for the improvement of our waterways, except as it was necessary to carry on projects or contracts already in existence. Not a penny was appropriated for broadening and widening the facilities we must present to a growing commerce and a burdened people—burdened by reason of excessive charges upon the part of our land transportation companies.

The improvement of our waterways is one of the greatest questions that will be presented to the American Congress in the years to come. Already the people are thoroughly aroused upon it. Already they are demanding, in every form in which people can speak, that their waterways shall be improved so that they may bear their share of the burdens of commerce. And Congress can no more refuse to listen to this demand, which grows louder and more intelligent with each increasing year, than it can refuse to listen to the demands that are made for appropriations for the ordinary governmental facilities. And what will we do?

Mr. OVERMAN. Mr. President——

The PRESIDING OFFICER. Does the Senator from Iowa yield to the Senator from North Carolina?

Mr. CUMMINS. Certainly.

Mr. OVERMAN. I also desire to suggest that there are millions of dollars of just claims against the Government that the Government ought to pay.

Mr. CUMMINS. Well, Mr. President, last session I spent a few minutes in the Committee on Claims; and if the amount of the just claims bears any proportion to the magnitude of the claims presented, the increased revenue I desire will not be sufficient to meet the demand.

However, I have not gone into the subject of claims. I am speaking of the things that are sure to come. It is just as certain that next session, and the session after, and the session after that, we shall be compelled to appropriate large sums for the improvement of our waterways, as it is that time shall go on; and if we do not, we shall be false to our highest duties as the representatives of a great and growing people. More than that, at the last session not a penny was appropriated for any public buildings, except to carry on contracts already made or to complete buildings already in course of construction.

This country can not do without public buildings. It is idle for any man to suggest that we will pass along in the next few years without appropriating anything for public buildings. Year by year, in accordance with the dignity of the Nation and the needs of this people, our buildings will not only multiply in number, but they will increase in the expensiveness of construction.

Mr. DIXON. Mr. President——

The PRESIDING OFFICER. Does the Senator from Iowa yield further to the Senator from Montana?

Mr. CUMMINS. I do.

Mr. DIXON. I merely call the attention of the Senator from Iowa to the fact that this great programme for economy we have heard here has already resulted in cutting off the appropriations for various commissions that President Roosevelt inaugurated for the conservation of the great natural resources of the country.

Mr. BEVERIDGE. And for the execution of the law.

Mr. DIXON. And for the execution of the law.

Mr. CUMMINS. I was about to reach that point. I know there is a spirit abroad that the Government shall no longer look into the wants of this people. I know there is in some quarters a spirit that we have already done quite enough for these people, and that we ought to return to the old established form in which the Government gave no attention to the new conditions which constantly arise. The Senator from Wisconsin [Mr. LA FOLLETTE] not long ago painted with a glowing brush a picture upon which every Senator ought from time to time to look. It is a picture of revolution in industry. It is a picture of the new force entering American life and American business. It is a picture which is simply a prelude to industrial commercial slavery unless the Government intervenes with its strong arm, and it can not intervene unless it has the information necessary to enable it to act intelligently and wisely.

Therefore there must be from day to day, and from year to year, a continuous investigation of these new conditions in order that we may preserve all that is good in the old and supplement its weakness by all that is strong in the new. These offices or functions on the part of the Government will require from year to year increased sums of money, but these sums of money will return to the people a higher and a surer dividend than any that may be appropriated by Congress or expended by the Government in its ordinary affairs.

Mr. BEVERIDGE. Mr. President——

The PRESIDING OFFICER. Does the Senator from Iowa yield to the Senator from Indiana?

Mr. CUMMINS. I do.

Mr. BEVERIDGE. While the Senator is upon the subject of a new issue of economy will he take into consideration the fact that one of the first subjects of that would be to cut out the appropriations that Congress has found it necessary to make to aid in the enforcement of the laws against lawbreakers who formerly escaped and also to investigate their lawbreaking? That would be a retrenchment which would be a pretty expensive economy to the American people in the end.

Mr. HEYBURN. If the Senator from Iowa will permit me to ask the Senator from Indiana a question, Where are these crimes being committed to which the Senator would apply this liberal fund? I ask for information.

Mr. BEVERIDGE. There have been several appropriations for the Department of Justice and various other departments to use in ferreting out and procuring evidence to establish what everybody knew to be the commission of crime against the laws.

Mr. HEYBURN. Where do they exist?

Mr. BEVERIDGE. The Senator asks me a question and I am trying to answer. A very celebrated case has just been concluded in St. Louis. A sum of money went for that. Does the Senator from Idaho grudge the money that went for it?

Mr. HEYBURN. I desired to know for information if the Senator has discovered some nest of crime he wanted to expend money on.

Mr. BEVERIDGE. I have not, but they are more frequent, I will say, than I myself would like to see. The Senator knows where they have existed. The Senator knows about the prosecutions that have been conducted. The Senator knows about the great case just concluded in St. Louis. The Senator knows the prosecutions against law violators that have existed for some years.

Mr. HEYBURN. For half a century.

Mr. BEVERIDGE. I do not care to divert the Senator from Iowa to call the Senator's attention to that; but one of the first things in this issue of economy might possibly result in the reduction of those appropriations for the Department of Justice, the Department of Commerce and Labor, and the Interior Department, perhaps. I do not know whether the Senator thinks that would be a reduction that would be in the interest of the American people and of sound public policy.

Mr. HEYBURN. I owe the Senator from Iowa an apology; I did not intend to divert him so far; but it seemed to me there was an implied slander upon the decency and law-abiding character of the American people in the statement that we must provide a vast fund for punishing crime. It did not just strike me as being appropriate.

Mr. CUMMINS. Mr. President, I do not desire to slander the American people or American institutions.

Mr. HEYBURN. I was referring rather to the Senator from Indiana.

Mr. CUMMINS. I had not spoken, either, of any vast fund. But I recur to my former proposition, that every year will find its new duties to be assumed and performed by the American Government; and I care not how economical we may be, greed, avarice, lust for gold and wealth will present day by day their new demands upon the Government for the protection of their victims. If we do not intend to make our Government as strong and good in the future and to meet the conditions of the future as well as the Government has met the conditions of the past, we might just as well abdicate, because there is no chaos so unfortunate and so merciless as the chaos of organized wrong without a government strong enough to repress it.

I am only mentioning these things because they are familiar to all Senators. There is not a Senator here but who knows that the Government must go forward with the development of the times. It can not, without confessing its inadequacy, say that we will expend no money to do more than we have already attempted to do. I do not care at this moment to enlarge upon it. I have only pointed out these things to make it absolutely sure to Senators that you will not appropriate less next year

than you appropriated for the year upon which we are just entering.

There is no Senator here who believes we will. On the contrary, I think I can appeal confidently to their good judgment and intelligent comprehension of the subject when I say—and I want now the attention of the Finance Committee for a moment—that, deducting the postal appropriations, there is no Senator who can conscientiously say that we will appropriate next year less than $840,000,000. That discards the $30,000,000 for the redemption of currency, because I do not believe we will need that sum appropriated again next year, for when this account is once made good, if the books are kept right and the law is observed, it will remain good. We will appropriate not less than $840,000,000, and that includes a very meager allowance for the improvement of our waterways, a very meager allowance for the great commerce of the country, and a very meager allowance for our public buildings. Keep in your mind the figure—$840,000,000. And what will we have to pay it with? We will have an internal revenue under the present plan of not more than $260,000,000.

Mr. MONEY. Mr. President——

The PRESIDING OFFICER. Does the Senator from Iowa yield to the Senator from Mississippi?

Mr. CUMMINS. I do.

Mr. MONEY. I would be glad to ask the Senator from Iowa, when he says we will expend $840,000,000, upon what he bases that estimate? The amount is $1,042,000,000 for the next fiscal year.

Mr. CUMMINS. Perhaps the Senator from Mississippi did not understand that I deducted from that the postal appropriation of about $240,000,000, and I have also discarded the receipts from postal sources, and included only the regular, steady deficiency that we make up every year. Eight hundred and forty million dollars, in other words, does not include any appropriation for the Post-Office Department.

Mr. MONEY. Then it does not include, of course, any revenue derived from that department?

Mr. CUMMINS. It does not. The other side of the calculation does not include any revenue derived from that source. I am willing to swell our customs receipts to $340,000,000. The most optimistic of the friends of this measure, it seems to me, can not claim that we will raise more than $340,000,000 from this source. We never raised more than $300,000,000, save in one year. In the year 1907 we received $332,000,000 from customs revenues. The next year we went down to $286,000,000. This year we rise to about $300,000,000, and I have said that in the ensuing year we will receive $320,000,000. I am willing to say that for the year after that we will receive $340,000,000.

What is the result? At the end of the year 1911 we will have received $175,000,000 less than we will have expended or appropriated. I will deduct from that now the $30,000,000, and it will leave the deficit $145,000,000. There is no strength of hope, there is no enthusiast who can, as it seems to me, reduce that deficit one penny below the amount I have suggested. It includes, of course, the $60,000,000, or enough to make still another addition to our sinking fund.

Mr. NEWLANDS. Mr. President——

The PRESIDING OFFICER. Does the Senator from Iowa yield to the Senator from Nevada?

Mr. CUMMINS. I do.

Mr. NEWLANDS. I understood the Senator to say that our expenditures for the year after next would be about $840,000,000, and that in that estimate he made very meager allowance for the improvement of our waterways and for public buildings. I ask him what allowance he made for each of those items in that estimate?

Mr. CUMMINS. In that estimate I have allowed about $50,000,000 for both.

Mr. NEWLANDS. Not enough by about $40,000,000.

Mr. CUMMINS. I agree with the Senator from Nevada that we will probably appropriate more, that we ought to appropriate more, but I am endeavoring to present a statement here so conservative that it will command the attention of Senators and will give them some reason to think, and not to plunge on, as we have been doing, into sure and certain disaster.

Mr. HEYBURN. Mr. President——

The PRESIDING OFFICER. Does the Senator from Iowa yield to the Senator from Idaho?

Mr. CUMMINS. I do.

Mr. HEYBURN. It occurs to me that in the suggestion which has been repeatedly made by the Senator from Nevada, that we should include in the consideration of this measure the raising of a fund sufficient to carry out the plan suggested by the Senator from Nevada in regard to the inland waterways, and so forth, he certainly must have lost sight of the fact that we could not with any propriety provide for the raising of money to meet conditions that do not exist or are not provided for by existing law. Suppose we were to raise $50,000,000 or $100,000,000 under or pursuant to the legislation now being enacted, and it might lie in the Treasury of the United States five years, and be collected during that time before the legislative department of the Government will provide for its expenditure and provide the means and the methods of carrying out this plan. Does it appeal to the Senator from Nevada or to the Senator from Iowa as a proper method of carrying on the Government to raise a large sum of money in anticipation of a law that may never be enacted or the terms of which are as yet merely in the imagination?

Mr. NEWLANDS rose.

Mr. CUMMINS. I will yield in a moment to the Senator from Nevada to make any response to that suggestion he may desire, but I answer it in this wise: We have not appropriated anything for the army for 1911, we have not appropriated anything for the navy in 1911, or for any establishment, and we are under exactly the same moral obligation to carry forward the improvement of our waterways already begun, already outlined, that we are to sustain the army or the navy. I say it in the eyes of the whole world, if I had to take my choice between the army, as it is now established, and the improvement of the waterways, I would take the waterways all the time.

Mr. LODGE. Mr. President——

The PRESIDING OFFICER. Does the Senator from Iowa yield to the Senator from Massachusetts?

Mr. CUMMINS. I do.

Mr. LODGE. Surely the Senator draws a distinction between existing law which requires an expenditure, which has to be made unless the laws are repealed, and expenditures under a law which has never been enacted.

Mr. CUMMINS. Mr. President, I do draw distinction between laws which are yet to be passed and laws which are already passed. What I say is that we are now providing for the future, and I repeat, while there is a law establishing an army we can disband it if we desire.

Mr. LODGE. We can repeal any law.

Mr. CUMMINS. Certainly.

Mr. LODGE. But the laws are on the statute books.

Mr. CUMMINS. And we have had appropriations for the improvement of our waterways. They are simply appropriations from year to year.

Mr. LODGE. You mean the river and harbor bill?

Mr. CUMMINS. I am speaking of the river and harbor bill. I call them comprehensively the improvement of our waterways. We are under just as much obligation to provide the money that is necessary to carry on that improvement as we are to provide money to maintain the navy or the army.

Mr. LODGE. The Senator takes that view about the river and harbor bill, but I have seen them put over again and again with spaces of two or three years between them. Congress is not bound to make the appropriations, the Senator will find out.

Mr. CUMMINS. I have no doubt that is true, and there may have been river and harbor bills that ought to have been postponed or ought to have been defeated. I am simply speaking of a great enterprise into which the United States Government has entered.

Mr. LODGE. If the Senator will allow me, I understand that entirely. My only distinction is that there are laws upon the statute books requiring certain expenditures which have to be made and for which the Government is responsible until the law is repealed, but about waterways and rivers and harbors laws requiring an expenditure do not have to be made.

Mr. CUMMINS. I appreciate the difference between the two things as suggested by the Senator from Massachusetts; but I wonder if he means because we have no laws which command the improvement of our waterways or create an obligation for the prosecution of the work, therefore we ought not to raise any revenue that may be devoted to that end.

Mr. LODGE. Not at all, Mr. President. I do not mean to say that they are not proper expenditures. What I mean to say is that in making a calculation you calculate what it is necessary to be spent under existing law, and then the other things are provided for as Congress appropriates for them.

Mr. CUMMINS. Precisely; but Congress must appropriate for them.

Mr. LODGE. We appropriated money for the Panama Canal and borrowed money for that purpose.

Mr. CUMMINS. Congress can not appropriate money unless it had the revenue out of which to pay any appropriation which might be made.

Mr. LODGE. Of course Congress decides how the money shall be raised to meet the appropriations.

Mr. BURKETT rose.

Mr. CUMMINS. Allow me to yield first to the Senator from Nevada.

Mr. NEWLANDS. If the Senator will permit me to say just a few words in response to the query of the Senator from Idaho, I wish to say that I understood the Senator from Iowa to be making an estimate of what our expenditures will be in 1911, taking into view the normal increase in the expenses of the Government. I asked him in that connection what estimates he had made for the improvements of our rivers and for our public buildings. His reply was the moderate sum of $50,000,000, which is not an appropriation in excess of the average amount that has been expended during the past five or ten years for rivers and harbors and for public buildings. To that I replied that it was not enough by $40,000,000.

Let me say that there is a demand throughout the entire country for the improvement of our rivers upon some comprehensive plan that will enable their development for every purpose to which civilization can put them, and that that agitation has taken the specific form of a demand for $50,000,000 annually for the improvement of the waterways alone. That demand of the people was recognized in the conventions of both parties last year, and both parties declared in favor of the improvement of our waterways, and had in view, doubtless, the demands made by the public generally.

There is also a demand that our public buildings should be constructed under a system that will take these public buildings out of the spoils system and insure their construction upon some scientific basis through a bureau having in charge that work. It is folly to say that at least $40,000,000 annually will not be required for that purpose. So $90,000,000 in all, it seems to me, can be reasonably foreseen as coming within the range of governmental expenditures within a couple of years for these two purposes.

Mr. SMOOT. Mr. President——

The PRESIDING OFFICER. Does the Senator from Iowa yield to the Senator from Utah?

Mr. CUMMINS. I do.

Mr. SMOOT. I should like to ask the Senator from Nevada if I have misunderstood him in the past, because my impression has always been that he was in favor of issuing bonds for the improvement of the waterways of the country?

Mr. NEWLANDS. Not at all.

Mr. CUMMINS. I was about to suggest to Senators not to enter into an argument on that subject. I do not care to have it injected into my remarks.

The PRESIDING OFFICER. The Senator from Iowa declines to yield further.

Mr. CUMMINS. My general conclusion is that the deficit will be $175,000,000 at the close of the year 1911, from which I deduct the $30,000,000 for the currency fund, leaving a net deficit of $145,000,000, which must be cared for in some method. I ask that the table which I have prepared be inserted in my remarks.

The PRESIDING OFFICER. Without objection, it is so ordered.

The table is as follows:

Estimated expenditures		$840,000,000
Internal revenue	$260,000,000	
Miscellaneous sources	65,000,000	
Customs receipts upon the basis already suggested will not exceed	340,000,000	
		665,000,000
Leaving a deficit of		175,000,000

Mr. BURKETT. Will the Senator allow me to ask him a question?

Mr. CUMMINS. Certainly.

Mr. BURKETT. How much has the Senator, since he has not read the table, calculated for permanent improvements like internal waterways and public buildings and those things?

Mr. CUMMINS. I answered that a few moments ago. I only included $50,000,000 for both waterways and public buildings.

Mr. BURKETT. Of course I have not seen the table. Is it the Senator's idea that in estimating the expenses of the Government you ought to include an amount for permanent improvements rather than the interest on them? In short, is it the Senator's idea that we ought to make a tax system high enough to meet the wants and wishes of the people at this time for these internal improvements?

Mr. CUMMINS. Answering the Senator from Nebraska, I will say that until Congress determines to issue bonds for that purpose or those purposes I believe in providing a current revenue sufficient to meet those demands.

Mr. BURKETT. I did not ask the question when the Senator said a few moments ago it is as much the obligation of Congress to make provision for or to include in the estimates of future expenses permanent improvements, the extension of river and harbor improvements and internal waterways, public buildings, and those things, as it is to take care of the War Department. That was responded to by the Senator from Massachusetts with a statement that these departments are provided for by law; that they must go on; and the others are not in that class. The policy of the Government in the past has been that we would take care of these necessary expenses of running on the War Department or the Navy Department, the State Department, the Post-Office Department, and so forth, and when we had a surplus over to do as much river and harbor improvement as we could or as much building as we could, but that has not met the wants of the people. We will continue to do that if we have a surplus. It seems to me it is unfair for the Senator to include in his estimate of expenses any particular item for permanent improvements, because certainly we would not want to enact a tax system here that is going to impose any enormous amount for permanent improvements. We might get the tax system so high as to wreck the whole machinery of the Government.

Mr. CUMMINS. I understand the apprehension of the Senator from Nebraska very well, but the fears which seem to fill his mind do not fill mine. I know that $75,000,000 per year ought to be expended for public improvements in order to serve the people, and the fact that no law has yet been enacted authorizing that expenditure is to me no reason for leaving the Treasury in such a condition that such improvements can not be made. The Senator argues in a circle. He first finds an empty Treasury and therefore there can be no such improvements. He refuses to fill the Treasury by a tax and therefore there can be no such improvements.

Mr. HEYBURN. Mr. President——

Mr. CUMMINS. Our forefathers did not proceed in that way.

The PRESIDING OFFICER. Does the Senator from Iowa yield to the Senator from Idaho?

Mr. CUMMINS. I do.

Mr. HEYBURN. I should like to inquire if we are to understand that the Senator would put money into the Treasury in anticipation of legislation for paying it out?

Mr. CUMMINS. You have put money in the Treasury always in anticipation of a law paying it out. How did you make your appropriations for four battle ships or two battle ships? Is there any law that requires us to build a battle ship until you appropriate for it? It is precisely like the waterways. You expected to maintain a navy and therefore you intended to collect a revenue that would enable you to do it.

Mr. HEYBURN. We did not provide the money before we provided for the building of the battle ships. It was done in the one and the same act, out of the general financial plan of the Government under existing laws for raising revenues.

Mr. CUMMINS. Mr. President, does the Senator from Idaho mean to say there is an existing law with regard to building battle ships?

Mr. HEYBURN. There was when we authorized the building of it, because it was one and the same law.

Mr. CUMMINS. Precisely; but when the law was made it collected the revenue out of which the battle ship was constructed. There was no law authorizing the building of that battle ship or any other.

Mr. HEYBURN. The law for collecting the revenue succeeded the law proposing the building of the battle ship.

Mr. BURKETT. Mr. President——

The PRESIDING OFFICER. Does the Senator from Iowa yield to the Senator from Nebraska?

Mr. CUMMINS. I do.

Mr. BURKETT. Mr. President, I do not want the Senator from Iowa to locate me in quite the position he apparently did, as arguing in a circle, as he says, that because there is an empty Treasury, therefore we will not do any of these things. I did not intend to make any such limitation upon the Senator and certainly not upon the Senate. I am one of those who believe that we ought to develop an internal waterway system; I am one of those who believe that we ought to have a comprehensive building plan, and some other things in this country; but I do doubt the wisdom of attempting to levy by taxes on this generation money enough to erect and construct these enormous enterprises.

For example, here is an internal waterway system, estimated variously at as high as $500,000,000. I doubt if it is wise, I doubt if it is right that we should tax this generation for that enormous amount that is for the benefit of all the generations to come. In short, I have a notion that we ought rather to take up these matters of permanent improvement as an individual would do. We should ascertain how much they are going to cost; we should have a comprehensive plan; and then we should properly finance them by providing for the issue of

bonds, or otherwise, as the works are constructed, and let the generations as they come along pay each its due proportion, if it is interested in the improvements, and perhaps provide for enough of a sinking fund ultimately to extinguish the indebtedness. I had no idea of conveying the impression to the Senator that I did not want to continue this system of improvement. I only desired to convey the impression that I would not go with the Senator as far as he might want to go—I do not know how far he wants to go—to the extent of imposing taxes at this time and assessing the burden on this generation for these purposes.

Mr. CUMMINS. Mr. President, of course the Senator from Nebraska asked a question which implied a certain position on my part, and I answered it as I thought it ought to be answered. No question is ever asked here for information. I never knew a question to be asked except to reply to an argument. I was attempting to show the money which we would probably need in the year 1911. I had said that I had included $50,000,000 in that for public buildings and for the improvement of waterways. That did not seem to me to be a very large estimate for the appropriations that we would certainly make. I have not suggested raising $500,000,000 or a billion dollars for the carrying on of these improvements by taxation.

I have suggested a much less sum than has hitherto, at times, been appropriated for that purpose. But the Senate, if it pleases, can deduct the $50,000,000 that I have put into my estimate, and make up its mind that it will never spend a cent for public buildings or for waterways, discard the idea entirely, and you will still be $95,000,000 short when you reach the end of the year 1911; and $95,000,000 is more than is contemplated by the general income tax which has been proposed. You will have a deficit even if you succeed in raising every penny that a 2 per cent general income tax would raise.

I now pass from that; and I have expended altogether too much time upon it; and yet it seemed to me that it was the foundation of it all to show that we needed the money. How should it be raised, or how should any part of it be raised? We have proposed a general income tax. There are some Senators, I know, on this side of the Chamber who fear a general income tax, because they have made themselves believe that in some way or other it would become an enemy to protection, and that we could not maintain an efficient protective law together with an efficient income-tax law. I beg that they will put away any such delusion, for the truth is that if such a law as we have now does not raise the revenue that we need, then an income-tax law, or some other supplemental revenue law, is absolutely necessary in order that we may maintain protection.

Mark my words that it will not be many years until it will be seen that if we are to maintain protection in the United States we must supplement our revenues in some such way. Why? A protective law upon competitive commodities that is properly adjusted will not yield much revenue. If it is adjusted as it ought to be—although that may be beyond the power of man—it will admit little importation upon competitive commodities, because the duty will be placed just at that point that will make it unprofitable for the foreigner to export to this country if our domestic producers are willing to sell at a fair price. Therefore our duties upon competitive commodities must necessarily grow less; I mean the amount collected at the custom-houses must necessarily grow less from time to time. If the law that we have now in course of preparation does what its distinguished author expects it will do, it will lessen the importation of competitive commodities; and as our domestic producers, under the inspiration of the protection given them in the law, shall more nearly absorb and occupy our domestic markets, the importation of those things must grow less and less from year to year, and the duties received at the custom-houses must therefore decrease from time to time just as the protective system becomes more efficient from year to year. Then the friends of protection will be compelled either to lower duties upon competitive products so that they may enter our ports, or to increase the duties upon noncompetitive commodities in order to raise the revenue that is desired. The American people will not long endure the increase of duties upon noncompetitive things. When you ask them to choose between placing the burden of government upon wealth, upon those who enjoy incomes of more than $5,000, and placing the burden of government upon the necessities of life, or even upon the luxuries of life, which they must buy abroad, they will not be slow in answering the question thus put to them. So I say that every protectionist, every man who desires an ally for protection, ought to stand firm for the adoption of some permanent supplement to our revenue.

Nor is the income-tax law inconsistent with the doctrine maintained by Senators upon the other side of the Chamber. Standing, as they do, for a tariff for revenue, it is still true that an income tax, levied upon those who ought to bear the burdens of government, those who are able to bear the burdens of government, will meet even that principle more perfectly than to levy duties upon the things that the people must use, and impose the weight of government only by the rule of consumption. It is consistent with the doctrine of protection, and it is consistent with the doctrine of a tariff for revenue. It bears just the same relation to both that our internal-revenue taxes bear to taxation at the custom-house.

I intend to consider presently the constitutional situation; but I want now, if I have been successful in showing that you are to be met with a deficit, to ask how are you going to meet it? You can not meet it by direct taxation. You know as well as I that the people of the United States would not submit for a single year to a tax levied according to the rule of apportionment. I care not whether direct taxes include something more than land, I care not what they include; but the Senate knows—every Senator knows—that the time has passed forever at which the Government of the United States will lay any tax by the rule of apportionment. Wealth and population have so far separated themselves in the United States that no man is or will be venturesome enough to suggest that a permanent income of the United States be raised by a tax levied according to the population of the several States.

If, therefore, you are not to adopt some form of direct taxation, you are remitted to some form of indirect taxation; and what shall it be? If it is your duty to provide for sixty millions or seventy-five millions or one hundred millions of dollars to meet the necessities of the Government in the next few years, how will you do it? You must adopt one of three general forms of taxation.

You must adopt one of two or more methods. First, there is the inheritance-tax law, suggested by the Senator from Montana [Mr. DIXON]. I say, in passing, that it meets with my entire approval. I believe in the justice of an inheritance tax; I believe that the devolution of property in the course of passing from the dead to the living should bear a reasonable tax, and should in that way restore to the Government some compensation for the protection that has been given it in the course of its accumulation. The income tax that we propose includes the inheritance tax.

I pass from that. Your next recourse is a stamp tax. It has often been resorted to; it has always irritated the people; it is attached or affixed to transactions of all kinds, without any discrimination with respect to the ability of the person who pays the tax to bear it; it is vexatious, and I do not believe that this Congress or the next Congress will desire to reenact the ordinary stamp-tax law. You are then compelled, as it seems to me, to resort to some form of property tax.

I shall presently examine the difference between a direct and an indirect tax, if there is any; but I want you to come with me now to the conclusion that, if there is to be the deficit that I have attempted to point out, Congress must adopt some form of tax upon property, and I am not now attempting to shroud the subject of property with any technicality whatsoever. I am speaking of property in its broad and generic sense, because every Senator here knows that every tax, except a capitation tax, is a tax laid upon property. There is no tax, I care not whether it is direct or indirect, that is not laid upon property, except a poll tax. I am now, of course, disregarding many of the niceties and many of the distinctions between the various kinds of property and rights.

I go one step further. Every tax, no matter whether it be direct or indirect or whether it be a capitation tax, is paid out of property. No tax can be paid unless the man who pays it has accumulated enough property with which to discharge the obligation; and many times, as it seems to me, we wander into a good deal of confusion by failing to discern and to discriminate between these technicalities, and we fall short of reaching the conclusion, which we all must reach, that when the man pays the tax he pays it out of some accumulation that he has successfully made.

Mr. HEYBURN. Mr. President——

The PRESIDING OFFICER. Does the Senator from Iowa yield to the Senator from Idaho?

Mr. CUMMINS. I do.

Mr. HEYBURN. I would like to suggest that this tax itself is property—the thing itself—the tax is property, of course.

Mr. CUMMINS. The Senator means the money with which the obligation is discharged is property.

Mr. HEYBURN. It is of the same character as that out of which it is created.

Mr. CUMMINS. Precisely. There is no doubt about that.

Mr. HEYBURN. I should like to make this suggestion: Of course the Senator will not answer if he does not care to at this time; but would it occur to the Senator, as a reasonable solution, that we first determine the necessity, or whether such necessity exists at all, as that which is sought to be anticipated by these extraordinary methods of taxation? Would it not be well, or, rather, would it meet with the Senator's approval—and I speak only for myself—that we adopt the schedules and let them be in force until a sufficient time has elapsed to test the question as to their revenue-producing character; and then, if we find that the necessity that the Senator is seeking to anticipate exists, take up the three proposed methods and select between them? No evil can happen in the meantime.

Mr. CUMMINS. Mr. President, in answer to the suggestion of the Senator from Idaho, I would agree with him, if the expenditures of the Government that must be met could be brought within the income. I am not asking for the imposition of an income tax to meet even what seems to me the positive obligations of the Government to do the things that have not yet been authorized by law.

Mr. HEYBURN. Will the Senator permit me?

Mr. CUMMINS. In just a moment. I have shown that our income for the next year will be $156,000,000 less than our expenditures already authorized; I have shown that our income for the following year will be $95,000,000 less than our expenditures, even excluding everything that is problematical or uncertain; and I have shown that, even upon the establishment that we have now authorized, we need every penny that can be raised by the income-tax law proposed by the Senator from Texas and myself.

Mr. HEYBURN. Will the Senator from Iowa permit me now?

The PRESIDING OFFICER. Does the Senator from Iowa yield further to the Senator from Idaho?

Mr. CUMMINS. I do.

Mr. HEYBURN. Of course that statement is based upon the accuracy of the calculation made by the Senator; but very surprising conditions arise. For instance, last month there was a jump of nearly $5,000,000 in our revenues from customs. There is not any danger, the Senator I am sure will agree with me, in there not being available cash enough in the Treasury under existing conditions, with the present deficit, to meet all calls upon the Government, and the danger that the Senator anticipates is only subject to the calculation made by the Senator from Iowa being correct.

Mr. CUMMINS. Mr. President, I can not agree with the Senator from Idaho with respect to that. The estimates I have made concerning our income are in every instance most favorable to the extent of the income. I have given to the growth of the income the benefit of every doubt, and there is no man who will look into this subject but who will agree with me that there will be, at the end of the year coming, at the end of the following year, and at the end of every year following that, a large deficit unless we supplement the present methods of taxation by other modes or other kinds of taxation.

Now, Mr. President, I pass to what to me is the most interesting phase of this discussion. I have been held here for three hours discussing the financial situation of the Government. I did not intend to occupy twenty minutes with it when I began this address, but Senators will bear me witness that I have not willingly extended my observations upon that subject. They have been necessarily prolonged on account of the inquiries that have been made of me from time to time.

I want now, just for a few minutes, to address myself to the inherent justice of a tax on incomes. It is a subject to which I have given a great deal of thought. It is an important part of the political economy of the world. No Senator can discharge his duty, and no Senator will endeavor to discharge his duty, without looking carefully over the field of history, in order to ascertain how burdens can be best borne and upon whose shoulders they ought to be placed. It is an interesting, it is a fascinating study to endeavor to trace the relation of individuals to the Government and see to what extent they are actually contributing to the execution of the laws which protect them.

I say—and I say it with utmost deference to my friend from Montana [Mr. DIXON], who seems to think that an income-tax law would be defective or inoperative—that, in my judgment, some form of income tax is the first tax that ought to be imposed.

The inheritance tax, of course, is a part of any properly adjusted income-tax law, because the inheritance or the gift or the bequest or whatever it may be is a part of the income for the year in which it is received, and therefore we can not separate the equity and the justice of an inheritance-tax law from the justice of an income-tax law, although in some countries they are divided for the economy and for the efficiency of administration. But an income-tax law ought to be in force in every State. The States, as well as the General Government, ought to raise a large part of their revenues for the maintenance of their governments by a tax upon ability to pay, instead of upon inability to pay; a tax upon fortune, rather than a tax upon misfortune; a tax that rests as lightly upon those who are called upon to bear it as the most trifling weight that can be put into a strong hand.

Senators, I can not conceive how there can be objections to the justice of an income-tax law. It places the burdens where they belong; it discards unproductive property and unprofitable labor, and exacts but a small percentage of gains and profits and earnings actually received. It is impossible to conceive of any injustice in taking a little part of a surplus in hand over and above a most liberal allowance for the maintenance of a family. It exacts not a penny that is in fact needed for either the necessities, the comforts, or the luxuries of life.

I was deeply impressed with a question put the other day to the Senator from Idaho [Mr. BORAH] while he was discussing the income-tax proposition by the Senator from Massachusetts [Mr. LODGE], immediately followed by a question from the junior Senator from New York [Mr. ROOT]. Out of both questions there could be drawn but one inference, and that was a belief on the part of these Senators that property was already sufficiently burdened with the taxes imposed by the Government; that property already bore more than its just weight of the taxes imposed for the maintenance of the laws. Ah, Senators, a little examination will disclose to you the fallacy of that inference, if it was intended to be so drawn. Property pays all the taxes, and, as the Senator from Idaho [Mr. HEYBURN] well suggested, taxes are paid with property.

Mr. HEYBURN. And are property.

Mr. CUMMINS. And out of property. There is no tax that is not in its substance, in its essence, laid in the first instance upon property itself, although it takes on various and divers forms; but if it was intended by the suggestion to have Senators believe that property which has been accumulated in the hands of a few bears more than its just share of the burden, then I dissent from the proposition. If it is intended to infer that the accumulations of the property bear an unjust or disproportionate share of the taxes, I dissent from the inference.

Mr. HEYBURN. Mr. President——

The VICE-PRESIDENT. Does the Senator from Iowa yield to the Senator from Idaho?

Mr. CUMMINS. I do.

Mr. HEYBURN. The tax provided for in the amendment under consideration by the Senator is an excise tax. It is a tax, a proportion, cut out of something.

Mr. CUMMINS. I will come to that presently. That is a mere figure of speech.

Mr. HEYBURN. What I said to the Senator was that the tax itself is property. The Senator, I think, did not understand me accurately. As the right of taxation is property, so the tax is property cut out of the other.

Mr. CUMMINS. If that is what the Senator meant, I entirely disagree with him. The right to tax is not property, because the right to tax is a sovereign right and is not a property right. If he means the right of the Government to say that I shall contribute $10 to the support of the Government is property, I can not agree with him.

Mr. HEYBURN. That is sovereignty. But what was the character of the right of tithes, which was the first and original tax, so far as we know? Was that sovereignty or was that property?

Mr. CUMMINS. It depends entirely upon how the obligation to pay tithes arose. If it was imposed as a sovereign act, it was sovereignty. If it grew out of a contract, either express or implied, it may be considered as property.

Mr. HEYBURN. Does the Senator know whether it was a gross or a net tax?

Mr. CUMMINS. I do not intend, Mr. President, to enter upon the discussion of these questions.

Mr. HEYBURN. I thought the Senator referred to it.

Mr. CUMMINS. They are entirely apart from the subject I am now considering. I shall be glad, at some other time, to take up that interesting discussion.

Mr. HEYBURN. I should not have interrupted the Senator except that he referred to the statement I had made.

Mr. CUMMINS. Very well. I make no complaint whatever of the interruption. In fact, I shall be glad at any time to have any supporter of the proposition made by the Senate committee interrupt me. That is the trouble, the Senator from Idaho does

not believe in that proposition any more than I do. I should like to have somebody who does believe in it question some of the propositions I announce.

I was about to pursue the train of thought that came into existence with the question of the Senator from New York the other day. He asked the Senator from Idaho if he did not think property was already heavily taxed. I do not remember the answer of the Senator from Idaho; but I answer that question in the affirmative, and I make my statement so broad that no one can question my sincerity. I think, in that sense, property pays all the tax.

But what it was intended that we should believe was that the men who do not succeed in accumulating any property that finds its way to the assessment roll pay no part of the tax, and only those who have been successful in retaining the property they have earned or received in some fashion pay any part of the tax.

This inference is a grave error. The Senator from Massachusetts intensified it when he said that in Boston there were 110,000 voters, as I remember the statement, and but 17,000 taxpayers. And he was arguing, or intended to argue, that all the burdens of Government, the taxes, rested upon the 17,000 men who had been so fortunate or unfortunate as to find their names upon the tax rolls, and that the other 90,000 men or more contributed nothing to the support of the Government except that part which they contributed in the increased price of the things they consumed, the price of which had been raised by virtue of some tax laid upon those commodities by the Government.

I repudiate that inference. I affirm that these men, nameless so far as the tax roll is concerned, bear more than the share represented in their consumption of things taxed by the General Government at the custom-houses. And I shall prove that, so that no person here will gainsay it.

I can imagine some workman, after his hours of toil, mounting a street car to reach his lowly home. Before he can ride he is compelled to contribute to the street railway company 5 cents, probably, as his fare. The street railway company is on the assessment roll—probably underassessed, but it is, nevertheless, on the assessment roll. The workman is not upon the assessment roll. But will any Senator dare to declare here or elsewhere that when the workman pays his 5 cents for that passage he does not at the same time pay a part of the taxes that are assessed against the street railway company?

I can imagine another instance: I can see the same unassessed, unknown atom of humanity, who can not get on the assessment roll, whose fortunes have relegated him to obscurity, and whose earnings are all consumed in the maintenance of his family, in the act of paying a few dollars to his landlord for the rent of the month that is past or the month that is to come. The name of the landlord is on the assessment roll, and a part of his taxes are the taxes upon the tenement the workman occupies. But will any Senator insist that when he pays his rent he is not paying a part of the taxes of one of these 17,000 men?

Mr. CRAWFORD. Mr. President——

The VICE-PRESIDENT. Does the Senator from Iowa yield to the Senator from South Dakota?

Mr. CUMMINS. I do.

Mr. CRAWFORD. If the Senator will permit me, I will say that if the street car which carries the poor man charges more than a fair consideration for the ride, I think it may be legitimately argued that the excess contributes to a tax or something else. But if we assume that he gets the worth of his money in exchange for his nickel, if he gets a ride worth 5 cents, then is it not true that he receives the value of his 5 cents and contributes nothing to the payment of taxes? And the same in the case of rent: If the poor tenant occupying a flat is paying an excessive rate, one which is above what is reasonable or just, then I concede the Senator's contention—and I have considerable sympathy in this matter with the standpoint of the Senator. But unless it is an unreasonable or excessive charge for rent, does not the tenant receive full consideration for what he pays? And therefore is it not true that there is in the transaction no element of the payment of a tax?

Mr. CUMMINS. I gladly answer the Senator from South Dakota. He has confounded two perfectly distinct things. My argument is based entirely upon the proposition that the man pays no more for the railway service than it is worth, and that in paying the rent he pays no more than it is fairly worth. And I will show the Senator from South Dakota why.

The street railway company—I am sorry to get out on these bypaths, but I can not help it——

Mr. CRAWFORD. I do not want to lead the Senator away from his argument.

Mr. CUMMINS. I want the Senator from South Dakota to see the real truth about this, and to measure my argument according to its proper worth. The street railway company is entitled to charge a sum that will pay, first, all the expenses of operation; second, all the expenses of maintenance; and, third, a fair return upon the capital invested. That is the amount, whatever it may be, that the street railway company is entitled to charge. One of the items of expense, one of the items that must be deducted before you reach the sum that is distributable among the investors in the street railway company, is the item of taxes. Therefore, assuming that the rates are fairly and equitably adjusted, every man who rides upon the street railway contributes something, first, to the expense of operation of the property; second, to the maintenance of the property; third, to the taxes that have been levied upon the property; and, fourth, to the reward which is to be returned to capital.

Mr. CRAWFORD. Mr. President——

The VICE-PRESIDENT. Does the Senator from Iowa further yield to the Senator from South Dakota?

Mr. CUMMINS. Certainly.

Mr. CRAWFORD. I shall not ask the Senator to discuss in further detail that proposition. I simply wish to remark that in that view of the matter, in every transaction between two individuals one assists the other in the payment of his taxes.

Mr. CUMMINS. Precisely; the Senator is quite right. Every tax is, in a measure, shifted. The whole framework of commerce is made up in that way. I am simply attempting to show that the man who is not on the tax roll pays part of the taxes of the community, just exactly as he pays them if he walks into a store and buys some goods. The merchant is on the assessment roll; but the price that the man who is not on it pays for his goods helps the merchant to pay his taxes as well as all other expenses incident to the business.

So it is not fair to assume, because property is taxed, and it only is taxed—for I do not think anything but property is taxed—that, therefore, the men who have accumulated no property, and are not assessed for taxation, bear no part of the burdens of government, and pay no part of the taxes which support the Government. I think the man who receives $1.50 a day or $2 a day or $2.50 a day—I care not what the sum may be—and who finds it necessary to expend his entire wage in order to maintain himself and his family, bears a vastly greater proportion of the burdens of government than the men who are fortunate enough to accumulate the property of the world, and whose names are, therefore, prominent upon the tax roll.

I now pass to another subject. I do not intend to consider it at very great length, because it has already been discussed by the Senator from Texas in an address which, for profound analysis and comprehensiveness, has rarely been equaled; also in an address by the Senator from Idaho, who explored every nook and cranny and corner of the subject, and who built upon the truth of history as enduring a structure as I ever heard reared by pure reason. He was followed by the Senator from Utah, who, in a bad cause, exhibited as much power in forensic discussion as we have seen during the whole session. I do not now intend to go through carefully the constitutional features of an income tax. I can not, however, refrain from passing hurriedly over the history of the last hundred years, and presenting it from my view point.

The Senator from Utah in his address said that when Rufus King, in the Constitutional Convention of 1787, asked, "What is the precise meaning of direct taxation?" no one answered him; and he thought that fact had much significance. I agree with the Senator from Utah with regard to the significance of that silence. Rufus King asked the question, and no one answered him simply because no one could answer him. It is a question that never has been answered; it is a question that never will be answered.

Without pursuing the history of our Constitution, I will state that it provides that direct taxes must be apportioned according to the population of the several States. What is direct taxation? At the time of the Constitutional Convention in 1787 there had been, so far as I know, but two writers who had ever referred to any discrimination or distinction between direct taxation and indirect taxation. One of them was an English writer and the other was a French writer. I do not know whether or not our forefathers had read their works, which had not long been published. It may be that they had read them. But if they had, they gave them no concrete and precise idea of the difference between direct taxation and indirect taxation. Not a member of the Constitutional Convention could answer the question. Each one, no doubt, had his own view of the application of direct taxes so far as his own colony

was concerned, but he could not rise and give a definition of direct taxation. Not one writer out of the hundreds who have busied themselves in the field of political economy since that time has given a definition of direct taxation. There is not a Senator in this Chamber—there would not be if every seat in the Chamber were filled—who can give a definition of direct taxation, because there is no essential difference between indirect and direct taxation.

Mr. SUTHERLAND. Mr. President——

The VICE-PRESIDENT. Does the Senator from Iowa yield to the Senator from Utah?

Mr. CUMMINS. I do.

Mr. SUTHERLAND. As I understand it, the Senator is discussing the meaning of direct taxation in the abstract.

Mr. CUMMINS. No; I have not yet gotten to that. Do not force me to go faster than I can go.

Mr. SUTHERLAND. I was going to ask the Senator whether or not he conceives that there is a difference between the meaning of direct taxation, generally speaking or speaking in the abstract, and the meaning of the term "direct taxation" as used in the Constitution?

Mr. CUMMINS. Answering the Senator from Utah, I will say that I do not recognize that direct taxation and indirect taxation have any definition in the abstract. I do recognize that the words "direct taxes" were used in a certain sense in the Constitution, and I recognize that the courts of the country, and especially the Supreme Court, had but one thing to do, and that was to ascertain what meaning should be attached to that phrase as it was used in the Constitution.

Mr. SUTHERLAND. Does the Senator agree with his colleagues upon this question—that the term as used in the Constitution simply means a land tax and a capitation tax?

Mr. CUMMINS. I do.

Mr. SUTHERLAND. If so, then he must conclude that that was the meaning attached to it by the framers of the Constitution.

Mr. CUMMINS. I have so concluded.

Mr. SUTHERLAND. Then let me ask the Senator this question: If the description of the tax was so simple as that; if it simply meant a land tax and a capitation tax, why was it that some member of the constitutional convention did not so answer the question propounded by Rufus King?

Mr. CUMMINS. I assume that the reason no such answer was made was that to say that the words "direct taxes" embraced only a land tax, and a capitation tax would have been no definition of the term. It would have been no answer to the question.

Mr. HEYBURN. Will the Senator permit me to ask him a question?

The VICE-PRESIDENT. Does the Senator from Iowa yield to the Senator from Idaho?

Mr. CUMMINS. Certainly.

Mr. HEYBURN. I should like to submit this definition, among the others, for consideration:

> It is also said that the tax is direct because it can not be added to the price of the thing sold, and therefore ultimately paid by the consumer.

I think that is the best definition I have ever heard. That is by Mr. Justice Peckham.

Mr. BORAH. Will the Senator yield to me?

Mr. HEYBURN. I can not yield, because I am merely speaking by courtesy of the Senator from Iowa.

Mr. CUMMINS. I yield to the Senator from Idaho.

Mr. HEYBURN. I simply wish to give the reference. That is the language of Mr. Justice Peckham, in Nicol *v.* Ames (173 U. S.), and it strikes me as being the clearest-cut definition that has ever been given.

Mr. BORAH. I was going to ask my colleague what would become of the decision of the case in an attempt to reconcile it with the income-tax decision, if that definition is to be accepted?

Mr. HEYBURN. With the permission of the Senator from Iowa, I will simply say that I had no intention of going further in the analysis of this question at this time, because of the fact that I am only speaking by the courtesy of the Senator from Iowa. But the question propounded by my colleague is an interesting one, and at some time, subject to the weather and to the patience of my colleagues, I hope to submit some views upon the question.

Mr. BORAH. I do not disagree with the definition given by my colleague. I simply say what I said in my argument before the Senate some time ago: That it is impossible to take the definition which has been given by the Supreme Court since the income-tax decision was rendered and reconcile it with the principle laid down in the income-tax case. And if there is anything that is clear to a legal mind it is that the principles upon which the courts have given their decisions since that time are absolutely irreconcilable with the decision in the income-tax case.

Mr. CUMMINS. The definition that has been cited by the senior Senator from Idaho [Mr. HEYBURN] is simply a paraphrase of a great many attempts on the part of economic writers in that direction. In other words, it is said that a direct tax is one that can not be shifted, and an indirect tax is one that can be shifted. The idea, however, is so illusory that it requires but a moment to expose it.

Let us take, if you please, a direct tax upon land. It is said that that is a direct tax because it can not be shifted. But the man who rents the land pays that tax, or a part of it; the man who buys the products grown upon the land pays the tax, or a part of it; because in the end the price of all these things depends upon the cost of producing them.

Mr. HEYBURN. Will the Senator permit me to ask him a question?

Mr. CUMMINS. Just a moment. I pass on to another case, the one I instanced a few moments ago. The tax upon a house and lot is paid by the renter of that house and lot, if it be rented. The tax upon the circulation of banks was held to be an indirect tax. That can not be shifted. The tax upon the income of insurance companies was held to be an indirect tax. That can not be shifted. The tax on inheritances was held to be an indirect tax. That is a tax that can not be shifted. So, you see, the very moment you endeavor to give a definition to the terms "direct taxation" and "indirect taxation" you will be compelled the moment after to admit that the definition includes a great many things that you do not want it to include and excludes a great many things that you think ought not to be excluded.

Mr. HEYBURN. Mr. President——

The VICE-PRESIDENT. Does the Senator from Iowa yield to the Senator from Idaho?

Mr. CUMMINS. I do.

Mr. HEYBURN. It occurs to me that the Senator from Iowa is making a very excellent argument in the support of the conclusions of the Chief Justice and the other members of the Supreme Court in the Income Tax cases.

Mr. CUMMINS. I shall presently come to that.

Mr. HEYBURN. I think the Senator may have overlooked the point of the decision I read. The merit of it is that it explains what is meant by "direct," and gives an illustration. That is the reason I attach so much importance to it.

Mr. BORAH. Mr. President——

The VICE-PRESIDENT. Does the Senator from Iowa yield to the junior Senator from Idaho?

Mr. CUMMINS. I do.

Mr. BORAH. It is apparent that if there is any tax that can not be shifted it is a tax upon inheritance. But, nevertheless and notwithstanding, the Supreme Court sustained that tax, holding that it was not a direct tax. That being true, how can it be reconciled with the Pollock case?

Mr. SUTHERLAND. Mr. President, I do not want to take up the time of the Senator unless he is quite willing.

The VICE-PRESIDENT. Does the Senator from Iowa yield to the Senator from Utah?

Mr. CUMMINS. I do; I am quite willing.

Mr. SUTHERLAND. In the income-tax case, the Supreme Court held that the tax was not a tax upon property at all, but that it was a tax upon the privilege of receiving the property passing from the dead to the living, or, in other words, a tax upon the devolution of the property. And so, if the Senator will further permit me, in all of these cases which the junior Senator from Idaho [Mr. BORAH] seems unable to reconcile with the Pollock case the Supreme Court itself has made the distinction that they are not taxes imposed upon the property, but are always taxes imposed upon some right, some privilege, some right to receive property, or something of that sort, and not upon the property itself. I recognize what the Senator from Iowa says—that in one sense all taxes are property taxes—and yet there is this difference: Some taxes are imposed upon property, while other taxes are imposed upon a right or privilege, which may be paid out of property.

Mr. BORAH. Mr. President——

The VICE-PRESIDENT. Does the Senator from Iowa yield further to the Senator from Idaho?

Mr. CUMMINS. Yes.

Mr. BORAH. The Constitution of the United States does not say that no direct tax shall be laid upon property. It says that no capitation or other direct tax—a tax upon anything that is a direct tax—shall be laid unless in proportion to the census or enumeration, and so forth.

Mr. SUTHERLAND. The point I make about it is that if it is not a tax upon property, using the word "tax" in a very broad sense, it is not a tax within the meaning of the Constitution. Within the meaning of the Constitution it is then a duty or an excise and not a tax within the meaning in which the word "tax" is used in the Constitution.

Mr. BORAH. Of course that is purely arbitrary. What the Constitution says is that no direct tax shall be laid, not that it shall not be laid upon property, but that no direct tax shall be laid except by apportionment. Therefore, when the court held this was not a shiftable tax, at the same time it was a leviable tax without apportionment. I say it is not to be harmonized with the Pollock case.

Mr. FLINT. Mr. President——

The VICE-PRESIDENT. Does the Senator from Iowa yield to the Senator from California?

Mr. CUMMINS. I do.

Mr. FLINT. It is exceedingly warm, and the Senator from Iowa has spoken for some time. I move that the Senate take a recess for half an hour.

The motion was agreed to; and at the expiration of the recess (at 1 o'clock and 45 minutes p. m.) the Senate reassembled.

Mr. BRISTOW. Mr. President, I suggest the absence of a quorum.

The VICE-PRESIDENT. The Secretary will call the roll.

The Secretary called the roll, and the following Senators answered to their names:

Bacon	Clay	Gamble	Penrose
Bailey	Crawford	Guggenheim	Perkins
Beveridge	Cullom	Hughes	Root
Borah	Cummins	Johnson, N. Dak.	Scott
Brandegee	Curtis	Johnston, Ala.	Smith, Mich.
Briggs	Dick	Jones	Smoot
Bristow	Dillingham	Kean	Stone
Bulkeley	du Pont	La Follette	Sutherland
Burkett	Elkins	Lodge	Tillman
Burnham	Fletcher	McEnery	Warner
Burrows	Flint	Nelson	Warren
Burton	Foster	Oliver	Wetmore
Carter	Frye	Overman	
Clapp	Gallinger	Page	

Mr. BACON. I desire to announce that the senior Senator from Tennessee [Mr. FRAZIER] is detained from the Chamber by personal sickness.

The VICE-PRESIDENT. Fifty-four Senators have answered to the roll call. A quorum is present. The Senator from Iowa will proceed.

Mr. CUMMINS. Mr. President, I was a little diverted from the course of my argument by the interruption which took place immediately before the recess. I will endeavor to recall Senators to the point under discussion. I was attempting to show that the term "direct taxes" as used in the Constitution of the United States, when viewed abstractly, has no definition. I had referred to the fact that at the time of the Constitutional Convention, so far as I can now recall, this term had been mentioned by but two economic writers—one, Adam Smith, in his Wealth of Nations, and the other a French writer by the name of Turgot. Their general idea was that a direct tax was a tax upon property or revenue and an indirect tax was a tax upon consumption or expense. But later economic writers have amplified that general idea by supplying the fundamental thought, namely, that an indirect tax was one which could be shifted from the person who was called upon to pay it to another who was to buy the thing upon which the tax was imposed.

I have no doubt that the framers of our Constitution held varied opinions with regard to the meaning of the term "direct taxes." I have no doubt that they thought of this term largely as it had been applied to taxation in their own colonies. But I believe it to be true that a great majority of the framers of the Constitution thought of direct taxes as those imposed upon land with its improvements and the capitation tax. I believe that by far the greater number limited it in their own minds, though little was said about it, to these two objects of taxation.

Because of this vagueness of definition, because of this want of clear, precise application of the term, it was all the more essential; it was all the more imperative that whenever that phrase came before the Supreme Court for interpretation and a construction had been given it as the sense in which the greater number of the framers of the Constitution intended it, and once being applied, a concrete definition once being agreed upon, it should never thereafter have been departed from, because the moment that departure was made from that definition or that application there was no sure, certain resting place.

The very moment that any court drifts away to an application of this term, according to the views of economic writers, that very moment the subject becomes one of pure confusion, for there is no definition, I repeat, of the term from an abstract standpoint that can be applied to the varying cases as they arise in government. It is wholly impossible to be consistent or to be logical with regard to the application of the term if you depend wholly upon the abstractions which may surround it.

I will give an illustration. Adam Smith thought direct taxes were taxes imposed upon the expense or the consumption of the people, and he thought they were equitable and fair, because he assumed that the expense of a particular man or the consumption of a particular man was substantially his revenue, and that a tax upon the consumption of the people would be the equivalent of a tax upon the revenue or the property of those people, a fact which, if true when Adam Smith wrote, has long ago ceased to be true, and therefore is of no value in the present interpretation of the phrase.

However, I repeat that if an indirect tax is a tax upon consumption or expense, what will you say about a tax upon inheritance? Is that a consumption or an expense? What will you say with regard to the tax laid upon the circulation of state banks during the war in order to suppress or to prevent the state banks from issuing circulating notes as money? Was that a tax upon consumption?

Now, mark you, you can not confuse this by saying some of these may be excise taxes or imposts or duties, because they must all fall within the term "indirect taxes." What will you say with respect to the tax upon the incomes of insurance companies imposed as a part of the revenue act of the civil war? The fatal error of the Pollock case, to which I shall come presently, the inherent mistake, was in attempting to apply to the income-tax law of 1894 the exploded notion that in order that a tax shall be an indirect tax it must be a tax that can be easily shifted or it must be a tax upon expense or consumption. That is the reason the Supreme Court in the Pollock case departed from the rule that had been laid down in the many decisions which preceded that case. I may say in passing that the Supreme Court is busily engaged at every convenient opportunity in narrowing the decision in the Pollock case—in discarding it just as fast as it can—because in the case of Knowlton *v.* Moore, that followed the decision in the Pollock case, being a tax upon inheritances, it expressly repudiated the proposition that a tax in order to be an indirect one must be a tax upon expense or consumption.

With this general review of the matter in your mind, I want to call your attention very rapidly to the history of the development of this subject prior to the Pollock case. The first case that came before the Supreme Court was the Hylton case, as you all remember. So much has been said of it historically, so much has been said of it analytically, that I do not pause to consider the composition of the Supreme Court or the composition of the Congress which passed the law. I only say it was a tax imposed upon specific personal property. There is no refinement of reasoning that can escape that conclusion. It was imposed upon carriages kept for use, and therefore it fell upon a tangible species of personal property.

Now, it has been said—and the Supreme Court in one of its decisions, in the Hylton case, said it might be—that carriages could be brought within the Smith definition of an indirect tax, because carriages were consumable by use, and that therefore this might be considered as a tax upon consumption, but evidently the decision did not rest upon any such distinction as that, because if so, the tax upon a house and lot would be an indirect tax, because it was a tax upon a thing that would be consumed by use. A house will wear out as well as a carriage, and I do not think the Senators upon the other side of this question would agree that a tax upon a house and lot was an indirect tax because the house would wear out in the course of time. I do not suppose that they would agree that a tax upon the property of a railway company is an indirect tax because its property will wear out just as rapidly as a carriage of the Hylton case would wear out. We must, therefore, find some other distinction in the Hylton case, and we find it in what was repeated by each justice as he delivered his opinion, namely, that the phrase "direct taxes" must be so construed as to make the Constitution an efficient, workable instrument, and that no taxes can be construed as direct taxes unless they can in fairness and in equity be apportioned among the States according to the population of the States.

If there is one thought dominant in the Hylton case, it is this, and it ought to have been the prevailing and controlling thought of every court as it came to construe the Constitution in this respect: The Constitution was not intended as a vague and a futile thing, and when it said that direct taxes should be apportioned according to population, it meant only those taxes which could in fairness be apportioned. In those days the tax upon real estate was the only tax that could be fairly apportioned. There is some stability in real property—that is to

say, there was some relation in those days between the value of real property and population, and it was thought then that that relation might continue.

Of course now even that has passed away. As I said long ago, there never will be a Congress, unless the very life of the Nation is at stake, that will levy a direct tax. A tax upon land levied now would be intolerable, distributed among the States according to their population. You will never read in the whole future history of the United States a suggestion with respect to levying a direct tax, and whatever taxes Congress does employ must be indirect taxes. Therefore the term "direct taxes" should be limited to the fewest possible objects. So the court in the Hylton case decided that direct taxes embrace nothing but poll taxes and taxes upon land with its improvements.

Mr. SUTHERLAND. Mr. President——

The VICE-PRESIDENT. Does the Senator from Iowa yield to the Senator from Utah?

Mr. CUMMINS. I do.

Mr. SUTHERLAND. I think the Senator from Iowa is in error in saying that the Supreme Court in the Hylton case decided that the only direct taxes were those imposed upon land and upon polls. No judge of the three who spoke upon that question authoritatively made any such decision. One of the judges said——

Mr. CUMMINS. Mr. President, the citation the Senator from Utah is about to read has already been read in the RECORD more than once. I know perfectly well his interpretation of that case. I have my own, and I would a great deal rather that any answer the Senator from Utah desires to make to my interpretation of that decision should be made at a later time.

Mr. SUTHERLAND. May I ask the Senator, then, what language he finds in the Hylton case that will justify him in saying that they decided this question?

Mr. CUMMINS. I will answer that question. The Senator from Utah [Mr. SUTHERLAND] very cleverly confines his question to the language used by the Supreme Court in the Hylton case. I have not said that any judge said in exact terms in the Hylton case that direct taxes were limited to land taxes and poll taxes. I have said that that was the decision, and I repeat it. The Supreme Court in language said that probably no other taxes were within that term than land taxes and capitation taxes, but they decided that a specific tax upon specific personal property was not a direct tax, and that decision excludes every other species of property from the operation of the term.

It is utterly impossible to conceive any property that can fall within the term "direct taxes" after you pass real estate, unless it be tangible personal property. Therefore, if I show, as the Hylton case does show, that the Supreme Court there decided that a tax upon tangible personal property was not a direct tax, I have proved, it seems to me, to the satisfaction of every reasonable mind that all kinds of property except land are excluded from the operation and interpretation of that phrase.

It to me is a demonstration. It is not possible to name any sort of property upon which the term "direct taxes" can fall except land, if personal property be excluded from the term. Every other sort of property is, as will be universally admitted, farther removed from the notion that we have in our minds when we speak of direct taxes than is tangible, specific personal property.

Therefore from the moment that decision was rendered it was decided that the Constitution intended only to require taxes on land and slaves in those days to be apportioned according to the population of the States. I do not speak of poll taxes, because they apportion themselves without any description or interpretation.

We therefore began in 1796 not only with the expression of the opinion of the several judges that direct taxes were so limited, but we began with a decision which in its terms excluded everything else, if the rule adopted by these judges should continue to be the rule of the United States.

Now, I pass along. I will not refer to the fact that four times Congress found it necessary to levy a direct tax, four times after this decision in the Hylton case. I know the Senator from Utah feels that because in a certain resolution that Congress passed, asking the Secretary of the Treasury for a report where other things than lands were included, therefore, Congress had in its mind that direct taxes might be levied upon something else than land. I will not pause to consider that, because it has already been discussed at sufficient length. I only stop long enough to emphasize the fact that in the four times that Congress since the decision in the Hylton case had occasion to levy a direct tax, each time it limited the direct tax to land, the improvements of land, or, in the early instances, to lands and slaves. There could not be a more emphatic construction of the Constitution and of these decisions, rendered in the early days of the Republic, than the repeated acts of Congress with respect to it.

The question relating to indirect taxation did not arise again until the revenue acts of the civil-war period came under judicial review, for it was not until the war of the rebellion increased the expenses of the Government beyond the ordinary sum that Congress found it necessary to employ this power beyond the point at which it is usually employed, in the imposition of internal-revenue taxes and import duties. Then came the struggle. Congress levied taxes upon a great many things. As I remember it, among other things, upon insurance companies, what would now be called, I suppose, "excise taxes;" and, I think, as they were levied then, they were excise taxes. Out of the exercise of that power there arose, first, the case of the Pacific Insurance Company *v.* Soulé. I believe then for the first time the Supreme Court had occasion to directly examine this question after it had left it in the Hylton case.

What was the act of Congress under consideration? It was an act imposing a duty upon the incomes of insurance companies—all the income of insurance companies. It was assailed on the ground that it was a direct tax. It was not a tax upon consumption; it was not a tax upon expense; but it was a tax imposed upon the property of insurance companies under the guise of taxing—and I am not speaking of it disparagingly—under the guise of taxing insurance companies for the privilege of doing business.

Then the Supreme Court had occasion to examine the validity, the strength, and the soundness of the Hylton case. I will not enter the case further than to say the court put away once, and it should have been for all time, the fallacy that an indirect tax must be one that is levied upon consumption or upon expense; and it affirmed, as it ought to have been for all time, the proposition that a tax levied upon property—for I care not whether it was upon the privilege of doing business or whether it was upon the property itself—was valid. It was so held upon the authority of the Hylton case; and it was so held because the Supreme Court understood that in the Hylton case all kinds of property, except land, had been put away from the operation of the clause providing for direct taxation according to population. I may not recite these cases in order; I only recite them as they come into my mind.

The next case, as I remember it, was Veazie Bank *v.* Fenno. What was it? During the course of the war, and toward the close of the war, it became apparent that it was not wise to allow the state banks to continue their circulating medium. Therefore it was determined that there should be a tax of 10 per cent put upon the amount of the circulating notes of banking institutions. Personally I do not believe the tax was levied for revenue. It was in the form of a tax for revenue, but in fact it was a tax to prohibit the circulation of state banks. Out of that law there came a case to the Supreme Court. Again it became a question of whether such a tax was a direct tax or an indirect tax. Again the Supreme Court was called upon to determine whether it would adopt the rule of the Hylton case or whether it would disregard it, for the tax upon these notes was not a tax upon expense; it was not a tax upon consumption; it was not a tax that could be shifted; it was not a tax that answered any of the abstract definitions of economic writers respecting indirect taxes; and yet again the Supreme Court, upon the authority of the Hylton case, upon the assumption that nothing but land came within the constitutional provision with regard to direct taxes, declared that it was an indirect tax. I believe it put the decision upon the ground that it was an excise tax or duty for the privilege of issuing and using circulating notes as a part of the banking business.

So it went on to other cases. I think the next case was that of Scholey *v.* Rew. There was here involved the validity of the law taxing the devolution of the title to property. Again the Supreme Court sustained the Hylton case; again it announced the principle to which I have referred.

Then came the Springer case, which confessedly decided the exact question which we have now before us, or that the Supreme Court had before it in the Pollock case.

Thus for a hundred years there had been a continuity of decisions sustaining this vital power upon the part of the Congress of the United States to levy a tax upon property, upon income without apportionment. For a hundred years it had been the accepted doctrine that no tax except a land tax need be apportioned among the States according to population. If we are to appeal to the rule stare decisis, I have a better title to appeal to it than those who seem to think that what we propose is in disparagement of the Supreme Court; that we are attacking in some way the confidence that ought to be reposed in that exalted tribunal. I have a better right to appeal to the his-

tory of a hundred years and to the often repeated decisions of the Supreme Court of the United States for the purpose of establishing the stability of constitutional interpretation and instruction than has any man to appeal to the single case decided by a divided court; decided not only by a divided court, but by the opinion of one member of that court; and not only so, but through the opinion of one member of the court—and I say it without the slightest criticism upon his conduct—who changed his views with regard to the subject between the original hearing and the rehearing.

Ah, Mr. President, I have little regard for that sentiment which suggests that it is an indelicate and an improper thing for Congress again to ask the Supreme Court to review the Constitution in this respect. Indeed, I believe that the sentiment grows out of a confusion of two perfectly distinct principles. Every lawyer knows that there is a principle which is expressed in the rule res adjudicata. It is essential to a good, orderly government; it expresses the very voice of government. I agree that when a court of final resort determines a disputed case, that is the end of the dispute so far as the parties to it are concerned; that patriotism and good citizenship require instant and complete obedience to the decree of the court; and that he who challenges it any further than through the established tribunals for approaching the courts is guilty of little less than treason to the laws of his country.

Therefore the parties who were involved in the case of Pollock *v.* The Farmers' Loan and Trust Company are bound by the decision of the court in that case. They ought not to question it; and they do not question it. But there is another familiar rule. It is stare decisis. This is simply a rule of stability; it is a rule of policy; it is a rule that is intended to make decisions uniform, and it is intended to inform and advise citizens of the laws and the construction of the laws which govern them. It is not indelicate, it is not improper, and it is not an offense against propriety for any man to challenge a decision of the Supreme Court in another suit. Our Supreme Court records are full of instances in which the Supreme Court has reversed itself. There is not a supreme court in the land that has not reversed its decisions. It is true that they hold fast to the rule stare decisis; that is, prima facie; that is, unless good reason be shown, they will follow their prior opinions and their prior decisions upon the subject involved; but the rule stare decisis has never yet forbidden a litigant to appeal to any court for a reversal of a rule established in some decision to which he was not a party.

In the twenty-five or thirty years of my practice of my profession, it has happened to me a score of times to advise a client to again invoke the decision of a supreme court, and to ask that tribunal to reverse and overrule a former opinion that I believed to be wrong. It is a constant practice in the profession, approved everywhere, and necessary everywhere, because courts, like individuals, make mistakes; and when their mistakes become obvious and palpable to them, they correct them, and they ought to correct them.

It is just so here. If the Supreme Court of the United States made a palpable error—a clear, manifest error—in the Pollock case, if its subsequent decisions have taken away the very foundation of the structure which was there reared, it is not only proper for Congress again to invoke its powers; not only proper for it again to ask for a construction of this part of the Constitution, but it is its duty to do so if it believes that Congress has the power that was denied to it in the Pollock case. It seems to me a morbid, ill-founded sentiment that is sought to be created that we are in any way impairing the confidence that the people have in their courts or in any way unduly criticising the action of the courts in again affirming that Congress has the power to levy an income tax under the Constitution, not as it is to be amended by the proposition now before the Congress, but through the wisdom and sagacity of the fathers of the Republic and in accordance with a long line of established decisions, unbroken for a hundred years.

Mr. HEYBURN. Mr. President——

The PRESIDING OFFICER (Mr. KEAN in the chair). Does the Senator from Iowa yield to the Senator from Idaho?

Mr. CUMMINS. Yes.

Mr. HEYBURN. Does not the rule go much further, and is not this the rule: That even though the court as at present constituted, had it been dealing with the question originally, might have decided differently, yet if the court as then constituted held a conclusion that was sustained by the law from their standpoint, that this court, even though it would have decided differently, would not disturb it? Is not that the true rule?

Mr. CUMMINS. Mr. President, it is not the true rule. So far as the law is concerned, it does not recognize the changing personnel of courts. It was the Supreme Court when it delivered its opinion in the Pollock case in 1895, I believe, and it is the Supreme Court still. We do not know, and ought not to know, that there has been any change in the membership of the Supreme Court. When I have a proposition or principle of law that I desire to submit to a court, I do not ask what the individual opinions of the judges may be; I appeal to the court as the abstract repository of the wisdom of the judicial branch of the Government, expecting justice, but not expecting to be governed by anything that I may know in regard to the individual character or opinions of the judges.

Mr. HEYBURN. Mr. President, the Senator evidently misunderstood me. I was speaking of the view of the court in regard to the opinions of its predecessors, and not in the view of an outside individual. The court never recognizes any change in its membership, and if any constituted court that preceded has held, upon reasons satisfactory to it, that a law was constitutional or otherwise, then the court subsequently reviewing that decision will not disturb it, even though the personnel has changed. The point of view is very different from that of the members of the court and that of persons outside of it.

Mr. CUMMINS. I think I understand now the suggestion of the Senator from Idaho better than I did a moment ago, but still I am at variance with him. The history of the courts in the United States is full of reversals of opinions rendered at a prior time by a court whose personnel has changed. Human nature does not permit great continuity in the membership of courts; and therefore when a court at a given time comes to consider the propriety of reversing a former opinion interpreting the Constitution or interpreting any other law of the land, I take it that it does it without any regard to the membership of the court.

Mr. HEYBURN. Mr. President, I would suggest this as the rule, as I understand it, that every presumption is against it, and the reason for reversal must be overpowering and all compelling. A court never does reverse itself except where the conditions have changed to such an extent that they are compelled to give a different application to the rule of law.

Mr. CUMMINS. Mr. President, with a part of the suggestion just made I am in entire sympathy. I do not believe that the Supreme Court of the United States ought to reverse a former opinion for light or trivial reasons. I think it is true that it would be necessary to convince it with much certainty; but where the error, as I view the subject, is so palpable as it is in the present case, I have no doubt that when the question again reaches the Supreme Court it will be ruled in harmony with the principles of these hundred years of judicial decisions.

I might just as well at this point speak with regard to the proposed constitutional amendment. I think I shall vote for it; and while I think it is proposed by the committee with exactly the same motive that prompted the committee in proposing the amendment that I am considering, as was acknowledged yesterday by the chairman of the committee, it would seem to place one in opposition to an income tax to vote against it. I believe that the better course would have been to have passed an income-tax law and taken the opinion of the Supreme Court when a case should arise under it, and, if that decision adhered to the conclusions in the Pollock case, to have then proposed a constitutional amendment. That, however, has not recommended itself to the committee, and unless something happens that I do not now foresee, I shall vote for the constitutional amendment. I shall vote for it, however, knowing that it is brought forward here, not by its original author, the Senator from Nebraska [Mr. BROWN], but by its more recent sponsors, simply as one of the instruments to defeat the income-tax provision proposed by the Senator from Texas and myself, and I shall vote for it without the slightest hope that it will ever become a part of the Constitution of the United States.

I know the views of men too well to believe that there are not 12 States in the Union in which an alert and vigilant minority can prevent the adoption of this resolution by the legislatures of those States. If I am living in the years to come, say five or six years hence, and if I am then a Member of this body, while I will not do it with any pleasure, nevertheless I will not deny myself the satisfaction of pointing out the fate of the proposed amendment to the Constitution. In my judgment, you will never hear from it, or much of it, after it has passed this Congress. I say that in order that it may be understood that I vote for it without any expectation that it will ever be effective in sustaining an income-tax law.

I come now to the measure that has been proposed by the committee. I have said all that I desire to say with regard to the income-tax provision which was before the Senate prior to the introduction of the amendment by the committee. I want

now to consider that. I do not like the way it came into Congress. I do not asperse anybody's motives; but I know, and you know, that if it had not been likely that the income-tax amendment that we proposed would have passed the Senate, this amendment would not have appeared. I have a right to say that, because of the avowal of the chairman of the Finance Committee yesterday. I knew something of that kind; but I never would have disclosed on the floor what I had heard in confidence or semiconfidence, had not the admission been made upon the floor. It is here simply because it was necessary to have an instrument of this sort in order to defeat the general income-tax provision.

What is the general income tax? It is a tax laid upon every income, whether of individuals or of corporations, that exceeds $5,000. It is fair; it is just; it makes all men under like conditions contribute equally to the support of the Government. What is the amendment which is proposed by the committee? I shall not now attempt to describe it in technical language. I describe it in commonplace language. With our amendment, every man who had an income of more than $5,000, or every corporation that had an income of more than $5,000, would have been compelled to have paid 2 per cent upon the income in excess of $5,000 for the support of the Government.

And what does the committee amendment mean? Needing a revenue, as we do need a revenue, it proposes that every man who has a share of stock in a corporation, whether he has an income of a hundred dollars or a million dollars, shall pay a part of the expenses of the Government because he is a shareholder in a corporation. It does not observe the essential, the fundamental principle of the taxation which is proposed in the original amendment. It is a mere figure of speech to say that it is a tax upon corporations. So far as taxes are concerned, corporations are mere trustees for their shareholders; and their shareholders must pay the tax. When you levy a tax on a corporation, you are levying it upon either the shareholder or the person who deals with the corporation, who employs it for services, or who buys from it a commodity. One or the other of these classes will bear the tax which it is now proposed to put upon corporations.

But what is it? I believe it is a property tax. I believe it is an income tax. It levies a duty upon the incomes in excess of $5,000 of all corporations with capital stock and of all insurance companies. Disregarding the husks and artificialities with which we surround our legal thought, it simply levies this duty upon the men who have invested their money in the shares of corporations, whether they be rich or poor, whether their incomes are great or small, and upon the contributions of the policy holders of insurance companies, no matter how great or how little those contributions may be or no matter how profitable or unprofitable the ventures may be.

Mr. HEYBURN. Will the Senator permit me a question?

The PRESIDING OFFICER. Does the Senator from Iowa yield to the Senator from Idaho?

Mr. CUMMINS. I do.

Mr. HEYBURN. I should like to inquire whether there is any difference in regard to the question whether it is a personal or a property tax between the Senator's proposed amendment and the amendment under consideration? Is not the income tax a property tax as proposed by the Senator from Iowa?

Mr. CUMMINS. It is.

Mr. HEYBURN. Then, so far as being a property tax is concerned, there is no difference?

Mr. CUMMINS. If the tax proposed in this new amendment is what I believe it to be——

Mr. HEYBURN. A property tax.

Mr. CUMMINS. A property, an income, tax—it is, from the constitutional standpoint, precisely like the income tax we have proposed. It is subject to the same objection. It is either overridden by the Pollock case or sustained by the previous cases, just as our amendment is overridden or sustained. And if we adopt it and that construction is the one to put upon it, you will meet in the Supreme Court precisely the same objection that is proposed against our amendment.

Mr. HEYBURN. Then, if the Senator will permit me, the only difference between the proposed tax on the income of corporations and that proposed by the Senator from Iowa is in the classification of the subjects of taxation? There is no difference in the principle of taxation?

Mr. CUMMINS. Legally speaking, if I have put the right interpretation upon it, there is no difference. I know very well that those who stand for this proposition of the committee will not agree that it is a property tax; they will not agree that it is an income tax. They pretend, through a method that I shall presently mention, to escape the objection that it is a tax upon property or a tax upon income, and thus avoid the decision in the Pollock case.

I, however, believe that the effort to do so is merely erecting a barricade of words behind which they endeavor to shelter themselves. I shall come presently to the consequences, if it is not an income tax or a property tax. But my first proposition is that it is a property tax, and therefore I say it challenges the decision of the Supreme Court in just the same way, to the same extent, and will meet the same fate when it reaches the Supreme Court as our amendment would experience. I believe that so viewed it is constitutional in so far as the levy of a tax upon incomes is concerned. It has other infirmities which I shall presently point out.

Mr. BRANDEGEE. Mr. President——

The PRESIDING OFFICER. Does the Senator from Iowa yield to the Senator from Connecticut?

Mr. CUMMINS. I do.

Mr. BRANDEGEE. I understood the Senator from Iowa to state that the proposed committee amendment is not really a tax upon corporations, but is a tax upon the stockholders or upon the dividends of the corporation. If that is so, is not the same thing true of the proposed income tax upon corporations contained in the Senator's proposed amendment?

Mr. CUMMINS. It is, with this difference: In the amendment I propose if the total income of the shareholder does not reach $5,000, he is then not taxed. It preserves the central, fundamental idea of an income tax. In the case proposed by the committee, if a poor devil has 1 share of stock in a corporation, and it is all the income he has, he is nevertheless taxed. My desire is to relieve the incomes of men to the extent necessary to maintain their families, to support and educate their children, because I believe that they owe a higher duty to their families than they owe to the Government.

Mr. GALLINGER. Mr. President——

The PRESIDING OFFICER. Does the Senator from Iowa yield to the Senator from New Hampshire?

Mr. CUMMINS. I do.

Mr. GALLINGER. The Senator meant to say, I assume, that if the income in the first place added to other items of income does not aggregate $5,000, the man is not taxed?

Mr. CUMMINS. Precisely—in our case?

Mr. GALLINGER. Yes.

Mr. CUMMINS. That is true. Possibly I ought to correct that. I had it in my mind. The effect of our amendment is that no tax is laid upon a person unless his income from all sources exceeds $5,000; while in the proposal of the committee the tax is laid upon the income of every shareholder of a corporation that has a net income of more than $5,000, without regard to the extent of the individual income, whether that is the only income the shareholder receives or whether he receives other income from different sources.

That is the injustice of this proposal. It is not in accord with the humane civilization of this age. It is not in accord with the modern thought. It totally disregards every advance we have made in these years toward relieving those who are unable to bear the burdens of government from a greater share than is necessary, and giving them, as I said before, the opportunity to devote the first of their energies, the first of their income, the first of their earnings, to a dearer and more sacred object than the maintenance of the Government, viz, the maintenance of their citizenship and the support of their families.

But I now come to another point. Suppose this is not an income tax?

Mr. SUTHERLAND. May I ask the Senator a question?

The PRESIDING OFFICER. Does the Senator from Iowa yield to the Senator from Utah?

Mr. CUMMINS. Yes.

Mr. SUTHERLAND. The Senator says that so far as the constitutional question is concerned, he thinks there is no difference between the tax imposed by his amendment and the tax proposed to be imposed by the committee amendment.

Mr. CUMMINS. I did not quite say that.

Mr. SUTHERLAND. The Senator certainly said that both are taxes upon property, and that if one is subject to the constitutional objection that it is a direct tax, the other is.

Mr. CUMMINS. That I said.

Mr. SUTHERLAND. Does not the Senator recognize the fact that in the Soulé case the Supreme Court expressly held that the tax was imposed upon the business and not upon the property of insurance companies?

Mr. CUMMINS. Does the Senator want a categorical answer to that question?

Mr. SUTHERLAND. Yes; if the Senator can give it.

Mr. CUMMINS. I do recognize that the tax in the case of Pacific Insurance Company *v.* Soulé was a tax which was laid by law upon the business of insurance.

Mr. SUTHERLAND. On dividends derived from the income of insurance companies.

Mr. CUMMINS. That is, it was laid only upon those corporations that were engaged in the insurance business.

Mr. SUTHERLAND. Now let me ask the Senator if he is familiar—as I have no doubt he is—with the case of the Spreckels Sugar Refining Company, to which the President called attention in his message?

Mr. CUMMINS. I have it right here, open; and I expect to read to you to your heart's content in a very few minutes.

Mr. SUTHERLAND. Will the Senator permit me to call his attention to a single phrase in that case?

Mr. CUMMINS. Do not, if you please, call my attention to any part of the case until I reach it. I shall come to it presently, and then I shall invite any questions the Senator may have to ask. I shall be glad to have them asked.

Mr. McCUMBER. Mr. President——

The PRESIDING OFFICER. Does the Senator from Iowa yield to the Senator from North Dakota?

Mr. CUMMINS. I do.

Mr. McCUMBER. I appreciate that there is a good deal of complexity about this slight differentiation between a tax upon property and a tax upon the right to do business; and there is a good deal of rather delicate refinement, it seems to me, between the two.

Mr. CUMMINS. Unnecessary refinement.

Mr. McCUMBER. Yes; unnecessary refinement. I should like to ask this question, which either the Senator from Iowa or the Senator from Utah can answer. The Senator from Iowa states that so far as these two amendments are concerned, the amendment he proposes and the amendment the committee proposes, they are both really a tax upon property. We will take the case of the Senator's amendment, and instead of saying that we shall levy a direct tax upon the income, we will suppose that he should so modify it as to say that we shall levy a tax upon the business and make the basis of it the income; that is, that it shall be proportioned upon the income. What difference would there be, in principle, between that case and the amendment the committee has introduced?

That is a matter that has puzzled me somewhat—to say what the court would decide provided you put the Senator's amendment in that language.

Mr. CUMMINS. Mr. President, the Senator from North Dakota has touched the very heart of things, as he usually does. We could just as well say in our proposed amendment that the tax was levied upon the right to receive and spend income. We could say that it was a tax levied upon the business of receiving income. There is no limit to the ingenuity of man when he attempts to hide the real truth. I have no patience with these nice and unnecessary and extraordinary distinctions.

Mr. BORAH. Mr. President——

The PRESIDING OFFICER. Does the Senator from Iowa yield to the Senator from Idaho?

Mr. CUMMINS. I do.

Mr. BORAH. In view of the suggestion of the Senator from North Dakota, I will state that the Senator from California said yesterday evening that this was not intended as a tax upon the privilege of doing business as a corporation, but a tax upon the privilege of doing business. If that be true, and the amendment is to bear that interpretation, why can you not lay a tax upon the man who engages in the business of buying bonds and collecting interest upon them for the privilege of doing so just as well as you can lay it upon the privilege of conducting a business of any kind?

Mr. CUMMINS. I had thought of another illustration.

Mr. FLINT. I will ask the Senator if that is not just what was decided in the Spreckels case—that that could be done?

Mr. CUMMINS. I will come to that directly. You might just as well levy a tax upon the privilege of being blue-eyed or brown-eyed or white-haired. You might just as well levy a duty upon the privilege of doing business on the north side of a street or the south side of a street. The occupations and the avocations of men and their conditions are capable of infinite variety. There must be, however, as it seems to me, some substantial reason in the classifications in which the legislature indulges.

But I come now, if I can, to again take up the thread of my argument. Assuming for the moment that this is not a tax upon property, that it is not a tax upon the incomes of corporations, and therefore the incomes of stockholders in corporations, but assuming that it is a tax upon something else, what is it upon? According to the answer given yesterday by the Senator from California, it is a tax upon the privilege of doing business. You might just as well say that men should be taxed upon the privilege of breathing.

Mr. HEYBURN. Will the Senator permit me to call his attention to the language——

Mr. CUMMINS. I am coming to that presently. Do not anticipate me. I do like to occasionally spring a surprise upon the Senate.

The PRESIDING OFFICER. The Senator prefers not to yield.

Mr. CUMMINS. But Senators are all so keen and alert that they prevent me from having the opportunity that I very much covet.

Mr. HEYBURN. I regret it. I would not for anything outrun the Senator's mind in this matter.

Mr. CUMMINS. The Senator is, I presume, about to call my attention to the fact that this tax is laid upon their business as corporations.

Mr. HEYBURN. No; I was going to call attention to the fact that the bill names this item; it gives it a specific name. It says, "a special excise tax."

Mr. CUMMINS. Oh, yes; of course. But it does not make any difference what it is named.

Mr. HEYBURN. It may make a difference.

Mr. CUMMINS. It does not; it can not. The character of a tax, the validity of a tax, must be determined by its essential characteristics. It must be determined by the circumstances under which it is laid and the thing or things upon which it is laid. Congress can not make an income tax a special excise tax by so denominating it. It can not make an excise tax a direct tax by so denominating it. We must look further into the subject than the language used by the committee.

I now come back to the question I was considering a little while ago. The Senator from California says this is a tax levied upon the business of corporations. I deny the right of Congress to levy a tax upon the business of corporations as such—that is, merely because they are corporations. I deny the right of Congress to make any classification of that sort. It is an arbitrary one; it is an unfair one. It has no predecessor, and I hope it will have no successor. If you depart from the construction I have put upon it and say that it is not a tax upon the income or the property of corporations, then it is a tax upon the right to do business as a corporation as distinguished from the right to do business as an individual or as a copartnership. You are necessarily driven to that conclusion.

I know that those who will attempt to defend the validity of this tax will say that it is not an income tax, and will say that it is not a property tax. But when they say that, they declare that it is a tax upon the franchises of the corporations created by the several States of the Union—a tax upon their right to do business as corporations. It is not a tax upon the privilege of carrying on the dry goods business; not a tax upon the privilege of carrying on the beef-packing business; not a tax upon the privilege of doing a manufacturing business; but a tax upon the right to do business of any kind as a corporation. And I should like to ask the Senator from California whether I have expressed the real construction and interpretation of the amendment as he views it?

Mr. FLINT. I may state to the Senator what I said last night when I was asked for my construction of this amendment, and that was that it is an excise tax upon the privilege of doing business. It is true that this amendment limits the taxes to certain corporations, and that we have the power to do this is sustained by several cases which the Senator himself has quoted. In one case they selected insurance companies and taxed them; in the Spreckels case they selected two different classes—sugar refineries and oil refineries. In this amendment we have made a classification which includes certain corporations and all insurance companies.

Mr. CUMMINS. Precisely. I think, Mr. President, that I gather the meaning of the Senator from California. But he also is leaning on a very weak and insecure reed. He also is endeavoring to conceal thought with language, instead of using language to express his thought. Congress can not justly levy a tax on business unless it includes all those who are engaged in that business. I deny the right, in fairness, of Congress to levy a tax upon John Smith because he is engaged in the dry goods business, if John Jones is next to him and is doing the same dry goods business without being taxed. That is not an excise tax. I realize that Congress can levy an excise tax upon any specified kind of business, but it must include all persons who are in that business and within those conditions in order that the law may be just and in order that it may answer the fundamental requirements of taxation.

In the present case the Senator from California says we have a tax on the privilege of doing business. Let us see. Here is a corporation, the John Smith Company, carrying on a dry goods business on one side of the street and here is John Jones & Co., a copartnership, carrying on a dry goods business upon the other side of the street. They are doing the same extent of business and making the same profits. I deny the power

of any legislative tribunal to levy a tax on the one as an excise tax without levying it at the same time upon the other. Classifications may be made, but they must be reasonable. They must have some substantial basis to support them.

The real truth is that this is not a tax on business, because corporations carry on the same kinds of business that individuals do and that copartnerships do. It is not a tax on business. I think it is a tax on property. I think it is a tax on incomes. But if it is not a tax on property or on incomes, it is a tax upon the right to do business in a corporate capacity. There is no wit of man that can relieve the proposed law of that construction if it is not a tax on incomes. And if that interpretation be put upon it, there is not a lawyer in the Senate who will insist that it can be done.

Is there anyone here who asserts that the Congress of the United States can levy an excise tax upon the right to exist, the right to do business, of a corporation created by the States? The United States did not create these corporations. It has conferred no authority or power upon them. It may have the power, under certain other provisions of the Constitution, to regulate and supervise them; but it did not create them. It did not invest them with power. The authority to tax involves the authority or the power to destroy, and I should like to know whether there is on the part of any Member of the Senate a belief that the Congress of the United States can, through the medium of taxation, destroy the corporations that have been created by the several States?

Can a State tax the franchise, the right to do business, of a corporation created by the United States? Will any Senator here affirm that the State of Iowa can seize the franchise of a corporation created under an act of Congress and tax it out of existence? If you can levy a tax of 2 per cent upon a corporate franchise, you can levy one of 50 per cent upon it. There is no limit to the power when once it is conceded to exist.

I do not intend to examine the cases upon this point. I know that before my friend the Senator from Idaho shall have finished he will have abundantly satisfied the Senate with regard to that proposition. I have the cases here, or some of them, but I have already occupied so much of the time of the Senate that I do not intend to enter upon them.

I shall content myself with again asserting that this is either an income tax, and therefore subject to all the objections that are urged against the income tax proposed by the Senator from Texas and myself, or it is a tax upon the right of doing business as a corporation, which is simply a synonym for the right to exist as a corporation; and if so, it is condemned by every decision of which I know or with which I am familiar.

I await with a great deal of pleasure the interpretation that shall be put upon this law by its distinguished framer, because I feel sure that if that bold and original navigator escapes Scylla, he will very speedily fall into all the dangers of Charybdis.

Senators, so far from escaping the difficulties you thought surrounded the income tax proposed by the Senator from Texas and myself, the law you have proposed has simply multiplied those difficulties, and, as I think, multiplied them almost infinitely. Some one has suggested that there is another possible construction that might be put upon the committee amendment.

Mr. OVERMAN. Mr. President——

The VICE-PRESIDENT. Does the Senator from Iowa yield to the Senator from North Carolina?

Mr. CUMMINS. I do.

Mr. OVERMAN. If a legislature grants a franchise to three or four men to form a corporation, the State then parts for the time being with a portion of its sovereignty. If this is a privilege tax, is it not indirectly a tax upon the sovereignty of the State?

Mr. CUMMINS. That, of course, lies at the very bottom of the argument I have just been making. It is a general proposition that the State can not tax the instrumentalities of the General Government, nor can the General Government tax the instrumentalities which the State may employ in the exercise of its sovereignty. The United States can tax the property of every corporation in the land; the States can tax the property of every corporation created under an act of Congress.

But Congress can not touch by a tax, the equivalent of a power to destroy, the right to do business as a corporation of an association organized under the law of a State, nor can the State touch with a tax the right of an association of persons organized as a corporation under the law of Congress. These rights are mutual. We have observed them already in the discussion of this question. Everybody concedes that the United States can not tax the bonds of a state government or of a municipal government organized by state law. No more can the State tax the bonds of the United States or any other instrumentality of the Nation. It is by a parity of reasoning that the Federal Government can not destroy a corporation created by the State, nor can the State destroy in that manner a corporation created by the General Government.

But it will be said, and it was suggested here a few moments ago, that this is not an income tax, it is not a tax upon the corporate franchises or the right to do business as a corporation, but it is simply a tax upon the business of corporations. Senators, it is not possible that you will pass a law that will tax the business of corporations and leave untaxed the business of copartnerships and individuals of the same kind, of the same extent, of the same profit. I deny that right of classification.

I want to make my meaning perfectly clear. I agree that the Government can impose an excise tax upon the business of dealing in real estate. I agree that it can impose a tax upon the business of selling dry goods or manufacturing iron or steel. I agree that it can impose a tax upon the business of refining sugar and oil. I agree that it can impose a tax upon the business of transportation. But when it imposes that tax it ought to impose it upon all who are engaged in the business, whatever it may be. You can select for your law, and you will select of course, only those kinds of business which according to your own observation are best able to bear the tax, but that, however, is at your own discretion. But having selected the business that is to be taxed, then all who are engaged in the business must fall within the provisions of your law. If you do not so frame your law, you have encountered not constitutional difficulties, but you have encountered the vital principle of our social compact. There are some things that are higher than constitutions, higher than laws. There is an underlying conception of justice and fair dealing upon which constitutions and laws are founded. If you were to tax the business of one man and not tax the similar business carried on under the same conditions of another man, you would destroy the very principle that brought us together in governmental relations.

Mr. CLAPP. Will the Senator pardon me for an interruption?

Mr. CUMMINS. Certainly.

Mr. CLAPP. I know the Senator is weary; he has made a long speech, and in my humble capacity of judging it is one of the greatest I ever listened to in this Chamber. It is a speech that must have effect. At the risk of trespassing upon the good nature of the Senator and his endurance, I am going to suggest that it seems to me he ought to refer to the cases he spoke of, that they may go out as a part of his speech. I simply make that suggestion to the Senator.

Mr. CUMMINS. Those cases will be inserted in the RECORD. They are to be used and will be used in a very short while by my colleague, the Senator from Idaho [Mr. BORAH]. We in a measure divided this field, although I feel like apologizing to him, because if you estimate the breadth of the field I have traversed by the time I have taken in getting over it, it might be assumed that I had taken the whole subject in my care. But it is not so.

I come now, however, to one of those cases, in answer to the Senator from Utah and the Senator from California. It is said that this amendment finds its justification or its legal defense in the case of the Spreckels Sugar Refining Company against McClain (192 U. S., p. 397). If this case does not sustain the proposed law, then I assume from what I have heard that the Finance Committee will withdraw it from the consideration of the Senate, because we are pointed to this case as the one which discriminates or differentiates the amendment proposed by us from the amendment proposed by the committee, and in the message of the President the only reason——

Mr. FLINT. Mr. President——

Mr. CUMMINS. Excuse me just a moment. The only reason the President gives for preferring the tax upon the net income of corporations as against the general income of corporations and individuals is that he has been led to believe that this case sustains the proposed amendment and will enable the tax laid by it to be collected without litigation, which it might be feared would prevent the receipt of the revenue so much desired from our measure.

I now yield to the Senator from California.

Mr. FLINT. I do not want the Senator to state my views or those of the Finance Committee to be that we rely solely upon the Spreckels case. There are many other cases we rely upon and to which the Senator has referred that we believe sustain the provisions of this amendment. It is true the President of the United States referred to the Spreckels case in his message, and that in the brief remarks I made I referred to it, but I do not want to be understood as saying this is the only case we relied upon. There are other questions raised in the amend-

ment which the Senator has commented on that have been decided by the Supreme Court, not contained in the Spreckels case, that in my opinion sustain every provision of the amendment.

Mr. CUMMINS. I do not believe that there is any decision of the Supreme Court that sustains the amendment. If so, it has never been brought to my attention, and my investigation has not been casual or superficial. I know that the President of the United States has been led to believe that this decision is the one which will enable the law to escape the condemnation of the Pollock case. I know it not only through his message delivered to Congress, but I know it in another way which I do not choose to pursue.

Therefore, if this case is not what it is generally assumed to be, we, at least, must seek further before we vote for a law that we do not believe to be right in preference to one which, although it may have some objection, is fairer and more equitable.

Let us see what this case is. It arose out of the revenue law of 1898. It arose out of "An act to provide ways and means to meet war expenditures, and for other purposes"—if the Senator from California will give me his attention—by which act a tax was imposed upon the gross annual receipts in excess of a named sum of every person, firm, corporation, or company carrying on or doing the business of sugar refining, and so forth.

Do you find any parallel between that law and this? I would not be here insisting upon the unfairness of this amendment if it imposed a tax upon the incomes of all persons and corporations. I would not be here opposing it at least on this basis if it imposed a tax upon all persons, firms, corporations, and companies doing business in the United States, for then there would be some pretense of equality and fairness, some defense for laying the hand of the law upon business and extracting a part of its profits or income.

Mr. SUTHERLAND. Does the Senator from Iowa think that the converse of his proposition is true, namely, that if the tax were laid only upon individuals, leaving out corporations, it would be invalid?

Mr. CUMMINS. I think it would.

Mr. SUTHERLAND. Did not the Senator introduce a bill with that precise effect, laying an income tax only upon individuals, and excluding corporations?

Mr. CUMMINS. I did.

Mr. SUTHERLAND. Did the Senator think that that bill was unconstitutional?

Mr. CUMMINS. I did not. What other question would you like to ask?

Mr. SUTHERLAND. I should like to have the Senator point out the distinction.

Mr. CUMMINS. It is very easy to point out the distinction to one who listens with open mind. To one who hears with a determination to arrive at a certain conclusion, it is utterly useless for me to point out either the distinction or to reconcile the differences. However, there is no inconsistency in the attitude I assume in regard to the income of individuals. I believe all income-tax laws ought to be imposed only upon the incomes of individuals, because corporations are simply the instrumentalities for creating and passing property from the artificial body to the possession of its members, and all the wealth of the country would be so taxed.

I believe it would be unconstitutional to impose an excise tax on the business only of individuals, because that would create the very same discrimination that is created here. When you levy an excise tax upon business or occupation, it must be levied upon those persons, whether they are natural or artificial, who carry on that business. I should like to know whether anybody believes it in the power of Congress to say that John Jones, who may operate a peanut stand down on Pennsylvania avenue, shall pay a tax of 2 per cent on his net income, and leave all the rest of the peanut venders in the United States untaxed? If that can be done, then this proposed law is all right so far as that point is concerned.

Mr. SMITH of Michigan. It might be done as a matter of police regulation.

Mr. CUMMINS. The Senator from Michigan suggests that it might be done as a matter of police regulation. Of course that leads me to another point. If this tax is intended not to create a revenue, but if it is intended for the purpose of supervising and regulating corporations, that is quite a different proposition. I should like to know before we get through with this whether it is proposed through this tax to impose supervisory regulations upon all the corporations of the United States, to determine when and how they shall issue capital stock, when and how they shall issue evidences of indebtedness, what their business shall be, and all other things that concern or pertain to the business of the country. You know there is just a little intimation in the message of the President that that is the end which is finally to be reached. We have in Iowa about 10,000 corporations, and they are of an extent from a thousand dollars to many millions. I think that before the Government of the United States enters upon the work of supervising and regulating all those corporations, as well as all the corporations of all the States, we had better stop and think a while.

Mr. BRISTOW. Mr. President——

The VICE-PRESIDENT. Does the Senator from Iowa yield to the Senator from Kansas?

Mr. CUMMINS. I do.

Mr. BRISTOW. I did not hear yesterday all the statement made by the Senator from California [Mr. FLINT] in presenting the amendment, but did he state that it was one of the purposes of the amendment to provide means for the regulation of these corporations? Did he give that as one of the purposes of the committee?

Mr. CUMMINS. The Senator from California was not very definite or specific about that. I do not charge him with any such statement; but there is in the message and in some suggestions since just a faint premonition, I can feel it in my bones, that one of the things which will be relied upon to sustain this tax is that it will enable the General Government to reach out and seize for regulation and supervision every corporation that has been organized in the 46 States of the Union.

However, I recall myself and you also to the McClain case. It arose out of a law which was imposed equally upon all persons, corporations, companies, and copartnerships doing certain kinds of business. There is no doubt about the validity of such a tax. It has rarely been questioned—never but once, and that was in the Pollock case. The reasoning of the Pollock decision would deny the authority to levy an excise tax of this character, as I construe it; but gradually the Supreme Court is resuming the old ground. Therefore it affirmed, as it had often done before, the right of Congress to levy an excise tax upon a business, upon an occupation. It is defensible, it is constitutional, for the same reasons that authorize Congress to lay a tax upon liquor, upon cigars, upon dealers in these articles, or upon any other business.

If the Finance Committee will help the insurgents, we will make this law, if you will add our provisions to it, something that will be of avail to the people of the United States, if you are going to use it for the purpose of regulating the business of companies or corporations that need regulation. I understand its office. I am perfectly willing to add to this proposed law the general provision in regard to the incomes of individuals, and then say that every person, firm, company, or corporation that engages in the business of packing beef and tanning hides shall pay 50 per cent of their net earnings.

We have been discussing here lately the duty on hides, and my very dear friend and distinguished Senator from Vermont [Mr. PAGE] felt that we ought to have some way to reach the beef trust; that we ought to have some way to prevent that great combination from entering the tanning business and driving out the independents or those who have been heretofore engaged in the tanning business alone. If you want to use the excise tax fairly for the regulation of corporations, put it on the business of both packing beef and tanning the hides, and you will very soon dissociate those two kinds of business. If you want to regulate the sugar company, it will not be very hard to put a tax upon the net earnings of all persons, firms, and corporations engaged in the refining of sugar. That will curtail the despotic power now exercised by one great corporation. It is the easiest thing in the world, if we have the power to do it. If we can regulate our corporations simply through the medium of taxation, we can destroy every trust in a fortnight. It would be a great deal better for the Finance Committee to turn its attention to the imposition of such a tax upon corporations and the persons who actually need regulation, who are exercising powers that are injurious to the American people, destroying competition and invading our prosperity, than to attempt to levy a revenue tax upon all the little shareholders of all the little corporations throughout the length and breadth of the United States.

This case, Senators, has no more bearing upon the amendment which is now proposed than has the Pollock case. It is simply a tax levied upon certain persons, firms, and companies carrying on a named business. To make this case pertinent, you must hold that the business which is taxed under this law is the business of being a corporation. That is the only uniform thing in the classification, the business of being a corporation; and when you attempt to tax the business of being a corporation you are taxing the franchise, or the right to exist, and your law is not worth the paper upon which it is written.

I pass from the legal phases.

Mr. SUTHERLAND. Mr. President——

The VICE-PRESIDENT. Does the Senator from Iowa yield to the Senator from Utah?

Mr. CUMMINS. I do.

Mr. SUTHERLAND. The Senator was calling attention, among other things, to the Spreckels case, in answer to a question which was put to him. The part to which the Senator called attention is not the part I had in my mind. The portion of the decision to which I desire to ask the Senator's attention is contained on page 411. It is the language of Mr. Justice Harlan. In distinguishing that case from the Income Tax case, Justice Harlan says:

> Clearly the tax is not imposed upon gross annual receipts as property, but only in respect of the carrying on or doing the business of refining sugar. It can not be otherwise regarded, because of the fact that the amount of the tax is measured by the amount of the gross annual receipts.

I was directing the attention of the Senator to that case for the purpose of challenging his attention to another part of the argument.

Mr. CUMMINS. Yes; I am fairly familiar with that statement by the justice who wrote the opinion. It sustains a tax upon a certain business. I have no doubt about the right of Congress to levy a tax upon business, whether it is a blacksmith, or whether it is a shoemaker, or whether it is a sugar refiner. It is in the wisdom and discretion of Congress to select those kinds of business which can best bear, in its opinion, the burdens of an excise tax. But this proposed law does not tax a business unless it be the business to be a corporation, and when it is driven to that extremity it falls under all the decisions of the Supreme Court of the United States as well as the decisions of the several state courts.

But I pass from the legal aspects of the proposed law, because my argument will be enlarged and supplemented by others. I pass to its justice and equity, and here, Senators, it seems to me I ought to have a sympathetic audience. I do not believe that anybody will accuse me of undue partiality for corporations. Certainly I have not acquired that reputation during my official life. I hope, however, I have not been unfair to corporations. I hope I have not failed to recognize the fundamental rights which they possess, or which the persons associated in them possess.

I rid myself now of the artificial being known as the "corporation." This measure is unjust to the men who invest their money in the stock of corporations. It is not the first time that such a law has been proposed, but never in any country on earth save ours, I am sorry to say. I do not believe that any such flagrant injustice was ever proposed in any other country in the world save ours. I say that with the calmest deliberation. There was a time when it was proposed in Congress. Just such a law was proposed in 1898. It came out of the Committee on Finance as a part of the report of the revenue bill of that year. Substantially the only difference between that proposal and this proposal is that there the proposition was to levy a small duty upon the gross receipts of all corporations instead of the net incomes of all corporations. That law was much more defensible than this, because it was an attempt to levy a duty upon the franchises of corporations; and when you levy a duty upon the exercise of a power you ought to levy it with regard to the extent to which the power was used, and not with regard to the net results of the use of the power. Therefore if you attempt to put an excise duty upon the franchises of corporations, it always ought to be measured by gross receipts instead of net incomes. We put an excise duty upon all retail dealers in liquor. What would you think of a proposition to levy a 2 per cent tax upon the net incomes of retail liquor dealers? That is the same thing precisely. The same principle is employed in that or in any other of our indirect taxes.

But to come back to that old time of 1898, I wish I had the time and the strength to reproduce the scenes of which I know nothing by observation and concerning which I have only read. That amendment came in, and inasmuch as I am the successor in the Senate of a very distinguished man, a man wise in council, not given to exaggeration, not given to imperfect and hasty judgment, I wish I could read you what he said with regard to this very same sort of law that you are asking the Senate now to adopt; but inasmuch as I can not take the time to read it, I ask that the remarks of Senator Allison, upon pages 4930 and 4931 of the CONGRESSIONAL RECORD, volume 31, part 5, be made a part of my address.

The VICE-PRESIDENT. In the absence of objection, permission to do so will be granted.

The matter referred to is as follows:

> Now we come to the large item in the amendments, and that is the provision which taxes every corporation, no matter what its product may be or what the capital may be, upon its receipts, to be stated monthly under oath. I put it upon record as my belief that that single section of the bill will yield from $40,000,000 to $45,000,000. In the first place, it covers every product in the United States that is sold by a corporation, whether that corporation be large or small. It covers everything that is manufactured in the United States if it be manufactured by a corporation, no matter whether that manufacture be annually $1,000 or $1,000,000. They are taxed upon a royalty of one-quarter of 1 per cent upon their gross receipts, which is the amount they receive from their products.
>
> Mr. CULLOM. It covers mercantile establishments?
>
> Mr. ALLISON. It covers all mercantile establishments, all trading establishments that are incorporated. It includes every corporation of every name and nature.
>
> Mr. President, I do not intend to argue the question at this moment further than to state the objections I have to the provision. The first is that it creates a great duplication of taxes upon everything produced and upon everything sold. In 1890 the manufactured products of the people of the United States were more than $9,000,000,000, in round numbers. Those products were sold. If you estimate that three-fifths of them—and I have no doubt that is not an extravagant estimate—are made by corporations, you have an annual sale of manufactures in 1890 of $5,400,000,000.
>
> It is fair to assume—and I only say this as giving a basis of my estimate—that all these products will be sold twice afterwards, and will be sold by people who are in some way connected with corporations. I know in the little city in which I live the great body of the business is done under the form of trading corporations and mechanical and manufacturing corporations. It is found that by that method manufacturers and traders are enabled to draw into their factories their mechanics and skilled laborers, and by means of certificates of stock, to give them a share in the product of their factory.
>
> These small corporations have sprung up in every part of our country, and there are no exemptions in this provision. I have no doubt that in my own State there are 500 such corporations which are engaged in the manufacture of butter and cheese. They are the farmers who have aggregated their little capital and subscriptions into $25 and $50 shares. They are thus engaged in this manufacture, and, indeed, I believe that this immense manufacture in the United States is largely carried on in that way by small corporations. There is produced in my State more than $36,000,000 in value of these farm products.
>
> Mr. HALE. May I ask the Senator right there if it is not a fact that within the last ten years it has become a general practice in business for what have been partnerships heretofore and what have been individual enterprises to create themselves into corporations, so that a much larger proportion of business that was formerly private is done under the style of corporations and under an existence as corporations?
>
> Mr. ALLISON. There is no doubt of it.
>
> Mr. WHITE. It is a great misfortune, too.
>
> Mr. ALLISON. There is a constantly increasing use of the general incorporation laws of States in order to engage in competitive occupations, and corporations are largely resorted to. They are resorted to on the idea that there is some special pecuniary advantage in having corporate authority. That can not be the case here. If these taxes were confined to those corporations which are in their nature securing pecuniary advantages by means of an incorporation, there might be a reason for it. I can see a reason why there might be a tax upon the gross receipts of an electric company where there are but one or two in a city, or that might apply to a telephone company where there is but one, or to a gaslight company, and so on.
>
> But here are men in the same city trading. One is J. T. Somebody & Son, and they are engaged in buying and selling groceries. Another across the street is the A. B. Company, engaged in the same business, and the corporations are in the closest competition, but under this proposed taxation people who are incorporated are put at a disadvantage with the person or the partnership that is not incorporated. I will not enlarge at this time on that point, as I have no doubt it will be argued at greater or less length.
>
> The Senator from Wisconsin [Mr. SPOONER] gives me a very good illustration of a reason why partnerships have been transferred to corporations under our state laws. I happen to know of a case in my own city where two successful men more than fifty years ago established the hardware trade. They have both passed away. They had children and grandchildren. When their children began to grow up, away along in the sixties, the two men who had been in partnership for many years placed their hardware business into a corporation in order that they might divide among the sons who were engaged with them in the business a portion of the fund, so that when they or either of them passed away the whole estate and the trade and business would not be obliged to be wound up in order to settle the estate.

Mr. CUMMINS. Mr. President, it is sufficient to say that my predecessor opposed it upon the very ground that I now oppose it, although with infinitely more force and persuasion. He pointed out the injustice of it, the inequalities of it, the intolerance of it, better than I possibly can. Every Republican member of the Finance Committee followed him in denunciation of the proposed law. I wish the powerful Senator from Rhode Island would launch the same thunderbolts against this proposed law that he did against that one. I wish the senior Senator from Massachusetts, instead of offering a dummy amendment for the purpose of preventing any further amendment to the proposition of the committee, would exercise his great intellect in analyzing the iniquitous proposition as he did then. I wish the Senators from Maine would speak now as they spoke then. There is not a single Republican Member of the Senate here now, as I remember, but who was opposed to the proposition in 1898 to lay a tax upon the gross receipts of all the corporations of the country; and yet the only difference between that proposition and this is that we substitute now net income for gross receipts. I beg that Senators will take the time to refer to the RECORD of 1898. I can not believe that the intervening years have accomplished such a revolution as is suggested in the amendment now before the Senate. It can not be that what was wrong then has become right now, for the essential principle is the same, and the principle of equality of

taxation and uniformity of burden is for all time and for all men. Give me a reason, if you can, why the little shareholder or the big shareholder, either, of a corporation should bear a burden of taxation that does not apply with equal force to every other man in his condition and surrounded by his circumstances.

Mr. SMITH of Michigan. Mr. President——

The VICE-PRESIDENT. Does the Senator from Iowa yield to the Senator from Michigan?

Mr. CUMMINS. I do.

Mr. SMITH of Michigan. Mr. President, I desire to remind the Senator from Iowa that that law had one great advantage over the one now under consideration. That provision was intended to levy a tribute upon the gross income of corporations; and, as such, it would have gotten a great deal of money into the Treasury, because the gross income of corporations is a matter of very easy ascertainment, while this provision, which is to deal with the net profits of corporations, leaves it within the power of a corporation to dissipate its earnings by betterments and improvements of its property, practically defeating the purpose that seems to be in view.

Mr. CUMMINS. Mr. President, all that the Senator from Michigan states is true. The proposition of 1898 was in many respects superior to the proposition of 1909. If we are to have a franchise tax, if we are to have a tax on business, let it be the tax proposed in the law of 1898, under which the Spreckels case arose; which was also a tax on gross receipts.

Ah, Senators, the amendment that I have just suggested, and which was argued with such superb eloquence and with such strength and irresistible power in 1898, did not become a part of the revenue law. Some time before we have finished it will become necessary, I think, for those who so vigorously opposed that proposition to show some good reason for the change in the faith that is in them. The Senator from Rhode Island does not need to make any explanation, because he frankly says he is opposed to the whole scheme; that he is opposed to an income-tax law; that he is opposed to a corporation tax, and has only employed the corporation tax as a convenient instrument to destroy the other, which seemed to have some chance of passage.

But I pass hastily on. Another fault in this proposed law is that with regard to a large part of the capitalization of our corporations, namely, that part represented by bonds, there is no tax whatever. I should like you to explain why it is that you propose to exempt the men who hold the bonds of the corporations of the country, while laying so severe a burden upon those who own the stock. If there be any difference in the merit of these investments, it ought to be in favor, and is in favor, of the stock rather than the bond, for the stockholders represent the energetic, the vigilant, the enterprising men of the United States. You are taxing their capital, and leaving untouched the inert, the well-guarded, the safe capital invested and represented in the bonds.

Let me give you a little information upon that point. In Moody's Manual for 1908, he brings together about 18,000 of the larger corporations of the United States, not including banks. I have divided these corporations into certain classes, which you will readily understand. First, the steam railways. Our steam railway companies have issued bonds that are now outstanding to the amount of $8,628,552,806. Their aggregate capital stock is $5,279,904,040. That makes an aggregate capitalization of the railways of the land of $13,908,456,846.

Under this amendment all the burden that is placed upon the railways by way of taxation is borne by the $5,000,000,000 of the shareholders and not one penny of it by the $8,000,000,000 of the bondholders. It is true that the amendment provides that the net earnings shall be ascertained by deducting only interest to the extent of an amount equal to the stock; but that makes no difference whatever. No part of the burden is laid upon the bondholder. The limitation just mentioned simply increases the net earnings, the tax upon which is borne by the shareholders. So you say to your countrymen, "We intend to tax the five billions of capital represented by the stock of the railways, and do not intend to tax the $8,000,000,000 represented by the bonds." Everybody knows, with regard to these corporations, that the capital is originally divided into two classes. Their indebtedness is not a matter of accident. All these companies intend that their capital shall be represented by bonds, and not by stock. How you will defend a proposition of that sort passes my comprehension. If either of these classes of capital should be favored, it ought to be the shareholder, for the bondholder is secure beyond peradventure. Not only so, but in the case of railways the bondholder receives a greater rate of interest upon the average than does the stockholder. If you will examine the last report of the Interstate Commerce Commission, you will find that the bondholders of the country get a larger percentage of interest than do the shareholders as dividends. I have no words that can emphasize the impression that this simple showing must create.

But I pass on to public-utility companies—the gas companies, the street railway companies, the electric light companies, and so on. In the United States their capitalization is $7,797,828,000. Of that amount $3,519,210,000 is represented by bonds and $4,278,618,000 is represented by stock. All the suggestions which I have made with regard to the steam railways apply with equal force to public-utility companies and to mining companies.

I have here reproduced—but shall not read, because I want to hasten on—the industrial and miscellaneous companies, with their $9,800,000,000 of capitalization and their proportionate amount of bonds. The summary of all these companies is as follows:

Bonds, $14,461,735,806—nearly one-ninth of all the wealth of the United States, no matter in what form represented. One-ninth of all the wealth of the United States is represented in the bonds of the companies I have recapitulated—$14,461,735,806. Yet in a proposal to levy a tax upon the wealth of the country, upon those who are best able to bear the burdens of government, consciously and intentionally you exempt these $14,000,000,000 and pass on to the $19,000,000,000 of capital stock. If this amendment affected only these great corporations, the prejudice against corporations might justify Congress in doing so manifest an iniquity—I ought to correct that; I do not mean "justify Congress," but it might defend Congress.

But remember that these corporations are not more than one-tenth of all the corporations of the country. Ah, probably not a twentieth of them all. In every State there are a great many corporations, small, indeed, in size, composed of men of limited means who have chosen to carry on their business in this way; and the discrimination that you make between the wealth represented by the bonds and the wealth represented by the stock will condemn this law in the eyes of every honest and law-abiding and government-respecting man.

It is quite well to say that the law will be repealed within two years; I think it will be repealed before two years. I think it will be repealed just as soon as the Members of Congress have an opportunity to visit their homes, and are then called again into official duty.

But that is not all. I have been speaking of the inequality as between capital invested in corporations. There is the same substantial and fundamental inequality between capital invested in corporations and capital invested either in individual enterprises or under copartnership arrangement. One-half and more of the active capital in the United States engaged in business is in the hands of individuals and in copartnerships, and not in the hands of corporations. What do you think the law-loving and justice-loving people of this country will say of a proposition that taxes one man because he happens to have bought a share of stock of a corporation and leaves another untaxed who is engaged in exactly the same business?

Far above everything else, Senators, we ought to keep our eyes steadily upon just one star, and that is, equality of burden, equality of taxation, uniformity, if you please, in every burden that you must impose upon a citizen in order to sustain the Government. But I must pass along. All these inequalities are so obvious that I am sure they need no further elaboration upon my part. Now, I want to say a word with regard to another subject.

This amendment first embraces all corporations for profit that have capital stock represented by shares, and then it enumerates every insurance company now or hereafter organized under the laws of the United States or of any State or Territory. I do not see my esteemed friend the Senator from Connecticut [Mr. BULKELEY] here.

Mr. KEAN. He is here.

Mr. CUMMINS. Ah, I see him; and I reaffirm what he said yesterday, that there is no capital in the United States so heavily taxed at the present time as the money of insurance companies. I want that to sink deeply into the minds of Senators here. It was for that reason that in our income-tax amendment we exempted mutual insurance companies and exempted all the earnings of insurance companies except those which were applicable to dividends. I repeat, that of all forms of capital, that which finds its way into insurance companies is most heavily taxed. In our State a company that is organized under the laws of some other State pays, as I remember, 2½ per cent upon the gross premiums received in that State, and then it pays something also upon those premiums when they reach the home of the corporation. So it is with all insurance companies. I venture the statement—and I believe that the Senator from Connecticut will show it beyond peradventure—that the money that is paid by the policy holders of

this country into the hands of insurance companies is taxed more heavily and oftener than any other species of property that is known to our law; and yet they are not only brought within the provisions of this amendment, but they are brought within them indiscriminately and unintelligently, if the committee will accept my apology for using those words.

I am a good deal of an insurance man, and I know something about insurance. It is one of the few subjects that I do know something about, and, if I go wrong, I am sure my friend the Senator from Connecticut will correct me.

There are three general kinds of insurance companies: First, the old line companies, which do business under what is known as the "legal-reserve plan;" that is, they collect enough from their policy holders to lay aside a legal reserve, which, if the policy be continued according to its terms, will pay out when the event happens against which the insurance is written. These old line companies are of two sorts; one sort has capital stock, and one sort has not. Then, we have another kind of insurance companies, known as "assessment insurance companies," that collect from time to time for the losses or for the payment of policies as they may mature. Then, of course, there is another kind that insures against a particular event, such as accidents or the like.

We will take a stock company of the old line, as they are called. The policy holders pay in their money and the company must lay aside a certain amount of that in order to remain solvent. That is called the "legal reserve." In some States it is one amount and in some States it is another, depending upon the rate of interest which the statute prescribes for the solvency of the corporation.

That amount is laid aside. What remains? There remains the amount which is redistributed among the policy holders by way of dividends upon their premiums and the amount which the company must pay out of the mortuary fund for deaths that have occurred during the period; and in ascertaining the net earnings of insurance companies of that character, this amendment does not permit the deduction of any amount paid to the policy holders by way of dividends; it does not permit the deduction of any amount paid to the heirs or the legal representatives of those who die, because the losses which are permitted by the amendment are the losses which occur by casualty and by accident and are not the losses which result from the performance of a contract of insurance.

Now, mark you, what the policy holders must pay. They pay 2½ per cent to the State, and possibly more; they pay, of course, all the expenses of maintenance and operation; and then they have got to pay—no matter whether they are rich or poor, no matter what their incomes may be, no matter how hard they may be struggling in order to keep up their premiums—they must pay, then, this income tax or excise tax, or whatever you may call it.

They must bear their share of the payment of that tax upon all the money that is disbursed during the year for mortuary purposes, all the money that is to be disbursed during the year for dividends on premiums, and all the money, of course, that has to be disbursed as dividends upon stock, if it be a stock company.

Senators, if you want to raise revenue, why do you select that particular kind of capital? If I struggle and am able to get a hundred dollars to pay the premium on my insurance, and the company has to pay the state taxes—and they are heavier, as will be shown, than the taxes on any other sort of capital—why should I again be taxed on the excess which I have paid into the company over and above the amount that is absolutely necessary to carry my policy to fruition? When you once look at it, Senators, you will see there is not a gleam of merit in it. But I will pass on to another kind of company.

Let us take an assessment company, if you like. We have one assessment company in our State known as the "Bankers' Life Association." It is the largest life insurance company in the country which does business in that way. It is one of the most successful ventures in the insurance field known in a quarter of a century.

It takes in a great deal of money in the course of a year. It has no legal reserve, because it does not do business on that plan; and therefore, in taxing it, it will be permitted to deduct only the expenses of its maintenance and operation—that is to say, the salaries of its officers and its clerks—and every dollar aside from that, under this amendment, will be taxed as a part of the income of that company. That is true of every mutual accident company. It is true of every farmers' mutual company, it is true of every farmers' elevator company, it is true of every farmers' creamery company, whose profits exceed $5,000; and, as computed under this amendment, it will not require much of a corporation to have a net income of $5,000 or more. You are bringing under the taxing power of the United States the very capital, the very money, the very property that, above all kinds of property and capital, ought to be excluded from federal taxation.

Something was said yesterday about building and loan associations. We have in our State——

Mr. BRISTOW. Mr. President——

The VICE-PRESIDENT. Does the Senator from Iowa yield to the Senator from Kansas?

Mr. CUMMINS. I hope the Senator will not keep me here much longer; I want to close.

Mr. BRISTOW. I merely want to ask a question, if it will not disturb the Senator.

Mr. CUMMINS. Very well.

Mr. BRISTOW. Take the mutual insurance companies, such as the Ancient Order of United Workmen, and organizations of that character. Would they also be subject to this taxation?

Mr. CUMMINS. Mr. President, that may be a matter of doubt, and would depend entirely upon the law of the State in which the company or organization was created. This is my view of the matter: A secret order that has a ritual, that is intended for social advancement and social purposes, and moral purposes as well, and has a life insurance department as a mere incident of its general organization, would not, in my opinion, be an insurance company under this law. But the very moment the insurance, whether it be life or otherwise, becomes the principal object of the organization, it becomes an insurance company. I have no doubt that the A. O. U. W.—if those be the letters—is an insurance company. I have no doubt the Modern Woodmen of America would be held to be an insurance company.

Mr. BRISTOW. Then this 2 per cent would be computed on the entire receipts that are collected and disbursed?

Mr. CUMMINS. Deducting only the expenses of maintaining the office.

Mr. BRISTOW. The death claims would not be deducted?

Mr. CUMMINS. No; under this bill they would not.

Mr. BRISTOW. It is astounding to make such a proposition as that.

Mr. CUMMINS. It is. If the committee had not put out of its own power the right of amending this amendment, I have no doubt that as these enormities are pointed out it would be glad to amend it.

Mr. McCUMBER. Let me ask the Senator whether the death expense is not an ordinary expense of an insurance company of that character?

Mr. CUMMINS. No; Mr. President, it is not. It is not an expense at all in any proper sense. I have no doubt it was intended that those death losses should be deducted. But there is no reason upon the principle of the amendment why they should be deducted. I know of no reason for deducting them. Why should not the persons to whom the amounts of the policies are paid pay a tax just as well as the man who is paying a premium from month to month or from year to year? I possibly have no right to say for the committee that it was intended even that these death payments should be deducted. But if it is the purpose that in the case of any sort of insurance company there shall be deducted the payments on account of death or other event against which the insurance is issued, there should necessarily be an amendment to the bill.

Mr. President, I am sure I have exhausted every whit of patience that even a generous Senate can feel in my behalf, and I do not intend to further prolong this discussion. There are many things that can be said with regard to the operation of this bill that have yet to be said, for when you apply this bill to the actual conditions of our country and fairly understand who will be called upon to pay these taxes, the moral sense of the whole Nation will be shocked. It has already been shocked to some extent, as will be apparent from certain papers I hold in my hand.

I intended to read these papers. They consist of petitions, letters, and telegrams with respect to this tax. I have received many hundreds of them since the bill was first made public. I have selected a few which represent different points of view and come from men of wide observation, who look at life and business from varying standpoints. I shall ask leave to insert in my remarks, without reading them, the letters and telegrams I hold in my hand upon this subject.

The VICE-PRESIDENT. Without objection, permission is granted.

The papers referred to are as follows:

DES MOINES, IOWA, *June 26, 1909.*

To the honorable Finance Committee of the United States Senate and to the members of the Iowa delegation in Congress, Washington, D. C.

GENTLEMEN: The undersigned life insurance companies and associations of Iowa beg your careful consideration of the provision in the proposed measure for taxing the increased assets or surplus of corporations which may be used for dividend purposes.

First. With few, if any, exceptions, each State in which we transact business collects a tax on the premiums on the business in that State. In some States deductions are permitted for death losses paid, but in many the levy is made on the gross premiums. In many States the rate is 2½ per cent. In a few it is higher. The average must, we think, be at least 2 per cent of the gross premiums. This is certainly ample as a contribution on our part toward the maintenance of government. To double it by a like amount in favor of the Federal Government would, as we believe, be unjust, oppressive, and a burden which the system of life insurance could hardly be made to bear.

While we are willing to bear a fair and equitable burden of taxation, equal to the burden of taxation that shall be borne by other corporations of this country, we insist that a general law made applicable to all corporations based upon the net increase of assets that may be used for dividend purposes, will place a much larger burden of taxation upon life insurance companies proportionately than will be placed upon other corporations. For example, all premiums collected by an Iowa insurance company outside of its own State are subject to an income tax of at least 2½ per cent. This same money when it arrives in the State of Iowa is subject to a tax of 1 per cent (less death losses and reserve liability for the current year). This same money when it appears at the end of the year in the increased surplus of the corporation has an additional tax of 2 per cent levied upon it by local authorities. If the Federal Government now levies a tax upon the increased surplus which this same money goes into from year to year, a fourth tax will be added, which will be that much more of a tax than is paid by every other form of corporation.

Therefore we insist and maintain that justice and right require that an exception be made in the general law proposed by your committee to the extent that the taxes required by States other than the home States of insurance corporations shall be deducted from the operation of the proposed federal law. We insist that at the present time and for several years in the past insurance corporations, by reason of the action of the various States in this country, are paying 2½ per cent tax upon the premium income, which tax is 2½ per cent greater than is being paid by other corporations doing business in this country. In other words, certain States have anticipated the proposed action of the Federal Government and are already collecting a general income tax from life insurance companies, and we insist that we are already paying this item of taxation more than other organized corporations are paying; and we ask your honorable Finance Committee, in the preparation of the proposed income law, to provide a remedy for this injustice of burdening insurance institutions with a tax that is not carried by other corporations; or, in other words, we ask your honorable committee to place us on the same basis of taxation as all other corporations.

It is understood that a proposal to impose a federal tax upon inheritances was abandoned for the reason that the States had already imposed such levies for the raising of state revenues.

It must certainly be desirable, so far as possible, that the revenues of the National Government should be so raised as not to interfere with the operations of the taxing departments of the States or to duplicate the state levies.

Upon this principle the proposed federal law might well provide that such corporations as are required to pay taxes upon their receipts to the States may deduct the amounts so paid from the levy made upon them under the proposed United States statute.

We appeal to your judgment and fairness in this matter, and ask that the proposed law may be so amended as not to impose twice the burden of taxation upon life insurance corporations that will be imposed upon other forms of corporations in this country.

Yours, very respectfully,

ROYAL UNION MUTUAL LIFE,
By FRANK D. JACKSON, *President.*
AMERICAN LIFE INSURANCE CO.,
By J. C. GRIFFITH, *Secretary.*
EQUITABLE LIFE INSURANCE CO. OF IOWA,
By CYRUS KIRK, *President.*
DES MOINES LIFE INSURANCE CO., OF IOWA.,
By L. C. RAWSON, *Vice-President.*
CENTRAL LIFE ASSURANCE SOCIETY OF THE UNITED STATES,
By GEO. B. PEAK, *President.*
THE BANKERS' LIFE ASSOCIATION,
By E. E. CLARK, *President.*

OFFICE OF GREEN BAY LUMBER COMPANY,
Harlan, Iowa, June 26, 1909.

Hon. J. P. DOLLIVER,
Washington, D. C.

DEAR SENATOR: With some hesitancy I am undertaking this letter to you in the matter of the proposed income tax upon corporations as such; not in any advisory sense, but simply as an informal expression of interests that seem to me likely to be overlooked, or at least overshadowed, by more striking features in the situation. I refer to the interests of those people of moderate and even slender means, whose savings are largely if not wholly invested in corporation stocks. These corporations are generally concerns with which the investor has been connected for years as a faithful employee, though there has been a growing tendency toward such investments among our farmers, and more especially their widows who dread the care of the farm. The prominent business figures of the country or community really own a decided minority of the concerns that they dominate or even manage.

The writer has always understood the economic principle of an income tax to be that when an individual's income became sufficient to support himself and family in a high degree of comfort any further increase of that income—which could only serve the purpose of luxury or more extensive investment—should be subject to a special tax for the common good; in short, the surplus income of one would be taxed to relieve a similar burden upon the scant income of another.

Inasmuch as a corporation has no personal needs, it has no income in the sense above defined. The net earnings of a corporation are really a trust fund, held for distribution among the stockholders to whom the dividends become income in the meaning here to be considered. The corporation is already taxed upon its holdings in the assessment of its property, real and personal; further taxation would be double taxation and, it seems to me, indefensible from the standpoint of logic or equity. It would be just as reasonable to call the net returns of an estate the income of the administrator.

The last few years have developed a very general desire on the part of employees to participate in the investment as well as the labor in those lines which they have made their life work. In most cases, the employers have shown a commendable disposition to meet this demand. Aside from the material benefit likely to result from this arrangement, the spirit of mutual interest and good will thus shown must be highly gratifying to every good citizen. In my humble judgment, the growth and success of such arrangements means much to the Nation, and I would deeply deplore any legislation to the contrary.

Yet the levying of a so-called "income tax" upon the net earnings of corporations, as such, can not fail to discourage this desired partnership between labor and capital, in that it places a special tax upon the smallest stockholder and tempts capital to avoid all forms of incorporation; and there is no other form of business association so well adapted to the common needs of both large and small interests. Within my personal knowledge, more than 60 per cent of the corporation stock held by employees is acquired upon credit, the purchaser relying upon the dividends to pay him out if he can save the interest from his earnings. Thrifty and efficient men win out on this plan nearly every time, but it is plain to be seen that even a small addition to this burden would tend to discourage the attempt, even if it were not actually a serious handicap.

In conclusion, I will ask you to pardon so lengthy a communication to one as busy as yourself, but this participation by employee in the stock of the employing corporation is a hobby of mine, and it is hard for me to quit. At the risk of discrediting all that I have said, I will confess that I am a Democrat and a believer in income tax; but I can not refrain from protesting against a measure that will, I believe, seriously interfere with the successful operation and further development of the most important organ in the body economic—human labor. Hoping again that my earnest interest in the matter may excuse my presumption, I am,

Very truly, yours,

———— ————.

SECURITY TRUST AND SAVINGS BANK,
Charles City, Iowa, June 24, 1909.

Hon. A. B. CUMMINS,
Washington, D. C.

MY DEAR SENATOR: I feel that it is the duty of every citizen to express himself upon the proposed corporation income tax. It seems to me that of all the unfair propositions that was ever proposed, this one takes the cake. While personally I would not be in favor of an income tax, still, an income tax upon all incomes, it seems to me, would be "a king" compared to the corporation income tax which is proposed.

In every progressive community at the present time a large part of the business which is a benefit to the community and to the laboring man is conducted by corporations. These corporations are in almost every instance backed and supported by the men who believe in keeping their money at work for the good of the laborer and for the good of his city. In order to do this he must invest his money in corporations doing business in his city.

There is another class of men in every community who have amassed fortunes, which they see fit to hold and only use for their own personal benefit to see how much "per cent" they can receive upon it, who never take any interest in the community and never do anything which will benefit anybody except themselves.

The progressive up-to-date citizen, who is constantly on the move and trying to make things go, must pay this corporation tax. The "10 per cent fellow" sits back and pays nothing. It seems to me that it is utterly and absolutely absurd to ask him to do this.

In our own city we have a little bunch of people who have every dollar they can gather together invested in the stocks of corporations and who are doing more for the city and the State than hundreds of the other people who will not invest their money in anything except securities which bring them dollars for their investment.

The result, as I have said before, seems to me is absolute unfairness and injustice. I can not speak of other communities, but I can say that for this community the proposed corporation income tax would certainly be very unpopular.

I wish again to congratulate you upon the fight that you have been making upon the tariff bill, and while you have not accomplished much in apparent results, I am satisfied that the future will justify you and that you will gain largely by the course you have taken and that the people of the whole United States will eventually justify your course.

With kind personal regards, I remain,

Yours, very truly,

A. E. ELLIS.

BETTENDORF METAL WHEEL COMPANY,
Davenport, Iowa, June 21, 1909.

Hon. A. B. CUMMINS,
United States Senate, Washington, D. C.

DEAR SENATOR: I take the privilege of writing you in regard to the proposed tax on the income of corporations. The object of the proposed law is twofold—revenue and publicity. As regards revenue, the tax is discriminating and unjust. It does not affect the incomes of individuals not derived from stocks, in many cases enormous, while taxing people of small means, who derive their income from stocks.

As regards the publicity feature, I appreciate the desirability of giving accurate information to the public in regard to stocks and bonds of the great corporations whose securities are listed on the exchanges and sold to the public. There are, however, in Iowa and other States a vast number of what might be called "private corporations," with but few stockholders, whose securities are not on the market for sale to the public. These corporations are in constant competition with individuals and partnerships, and it is an act of discrimination to compel them to make public their earnings and comply with federal regulations without requiring the same of the individuals and partnerships doing a like business. A general income tax applicable to all, individuals, partnerships, and corporations, with proper provision to prevent double taxation, will obviate the injustice and discrimination.

The effect of the proposed law for taxing the earnings of corporations only will be to drive many industrial enterprises from the corporate to the partnership form of organization, causing a useless and unwarranted expense. To encourage the conduct of business through less advantageous forms of organization means an economic loss, indirectly affecting the entire country.

While your views may not agree with those expressed above, I have taken the liberty of laying them before you for your consideration.

While writing you, I wish to express my appreciation of your able efforts to secure a substantial reduction of the tariff.

Yours, truly,

NATH. FRENCH.

PITTSBURG, PA., *June 18, 1909.*

Senator CUMMINS,
Senate Chamber, Washington, D. C.:

I respectfully urge you to demand tax amendment providing that corporation tax be small graduated tax upon gross earnings of corporations instead of straight 2 per cent tax on net earnings, said tax to be made to bear more heavily upon those corporations which control, or nearly control, prices in their respective lines. This would be

proper discrimination in favor of small competitors of gigantic trusts, and it would tend to prevent trusts from shifting such taxes to shoulders of consumer. In my humble estimation it is just such protection that is most needed in America at this time.

CLARENCE VANDYKE TIERS.

DUBUQUE, IOWA, *June 28, 1909.*

Hon. A. B. CUMMINS, *Senate:*

We urge you to exempt building and loan associations from proposed corporation-tax amendment to the tariff act.

IOWA STATE LEAGUE BUILDING AND LOAN ASSOCIATIONS,
C. H. REYNOLDS, *Secretary.*

CEDAR RAPIDS, IOWA, *June 28, 1909.*

Hon. A. B. CUMMINS,
Senate Chamber, Washington, D. C.:

If possible, have domestic local building and loan associations exempt from proposed corporation-tax amendment to tariff act.

IOWA DOMESTIC LOCAL BUILDING AND LOAN ASSOCIATION LEAGUE,
F. D. DENLINGER, *President.*

CHICAGO, ILL., *June 25, 1909.*

Hon. ALBERT B. CUMMINS,
Senate, Washington, D. C.:

The Chicago Association of Commerce, composed of 3,000 firms, corporations, and individuals, to-day passed the following resolution, and instructed me to forward copy to you:

"Whereas there is a proposition before Congress to tax the net income of corporations; and

"Whereas such a proposed tax, especially as applied to mercantile, manufacturing, and industrial corporations, would be an act of great injustice, as copartnerships engaged in exactly the same business are not so taxed: Therefore be it

"*Resolved*, That the Chicago Association of Commerce vigorously protests against such legislation, which places a serious burden upon mercantile, manufacturing, and industrial corporations and omits the individual and copartnership engaged in similar or competitive lines of business."

EDWARD W. SKINNER, *President.*

Mr. CUMMINS. And now, Senators, I can not close without expressing the obligation I feel for the hearing you have given me; nor can I close without expressing the hope that you will apply the universal principles of justice and fairness to this subject, and that you will not permit the legislative history of a country like ours to be clouded by so manifest an act of wrong and oppression.

I omitted yesterday to ask the Senate to insert as a part of my remarks a portion of a consular report respecting income taxes in other countries. I ask now the consent of the Senate.

The VICE-PRESIDENT. Is there objection to the request of the Senator from Iowa? The Chair hears none, and it is so ordered.

The matter referred to is as follows:

FINANCES—INCOME TAXES ABROAD.

United Kingdom.

OPERATION AND EXTENT OF YIELD—RECEIPTS FROM VARIOUS GROUPS.

Special Agent Charles M. Pepper has prepared the following very comprehensive report on the British income tax, showing the rates of taxation, and also its relation to the other sources of revenue:

The British income tax in one form or another has been in force with some short and some long intervals of freedom from it for 110 years. Since 1842 its operation has been almost continuous. In 1799, when the tax was first applied and Ireland was not included, the population on which it was laid numbered 10,500,000 and the revenue obtained was approximately $30,000,000. For the fiscal year which ended March 31, 1909, with a population in Great Britain and Ireland of 44,500,000, the revenue was £33,930,000 ($165,103,000). This was the greatest single source of revenue, since it exceeded the excise revenue by £300,000. It was also £930,000 in excess of the estimate for the year. The tax was levied on gross income of approximately $5,000,000,000 and net income of $3,200,000,000. While the income-tax receipts occasionally fall below the estimates by small amounts, the more common experience is that the receipts exceed them by large amounts.

RELATION OF INCOME TAX TO OTHER REVENUES.

The exact relation of the property and income tax, as it is known, to the other revenues of the United Kingdom appears in the following summary of sources of revenue for the fiscal year 1908–9:

Customs	£29,200,000
Excise	33,650,000
Estate, etc., duties	18,370,000
Stamps	7,770,000
Land tax	730,000
House duty	1,900,000
Property and income tax	33,930,000
Post-office	17,770,000
Telegraph and telephone	4,530,000
Crown lands	530,000
Suez Canal, etc	1,171,466
Miscellaneous	2,026,829
Total	151,578,295

From this total of £151,578,295 ($735,590,000), in order to get at the tax and nontax means of revenue it is necessary to separate the nontax revenues, which are those from the post-office, telegraph and telephone, crown lands, Suez Canal shares, and miscellaneous sources. These amounted to £26,028,295 ($126,654,000), leaving £125,550,000 ($610,936,000) raised by taxation. From this it appears that in 1908, out of total revenues of $737,590,000 and of tax revenues of $610,936,000, the income-tax contribution was the largest.

HISTORY OF THE TAX—SCHEDULES.

The history of the income impost may be briefly described as a series of temporary expedients converted from time to time into fixed taxes, until it has become one of the chief means of taxation. The tax has varied from time to time both in form and substance, while the rates have ranged over a wide scale, until now in the fiscal legislation of the United Kingdom the changes made are usually with a view to securing further revenue, though in some periods the modifications have been for the purpose of giving relief. The system in force is based on the fundamental acts of 1842 and 1853, and the tax is imposed for every 20 shillings, or pound sterling ($4.866), of the annual value of certain profits, which are set forth under various schedules comprising the sources of income. These are as follows:

Schedule A.—Property in all lands, tenements, hereditaments, and heritages in the United Kingdom.

Schedule B.—Occupation of all such lands, tenements, hereditaments, and heritages.

Schedule C.—All profits arising from interest, annuities, dividends, and shares of annuities payable to any person, body politic or corporate, company or society, whether corporate or not corporate, out of any public revenue.

Schedule D.—The annual profits or gains arising or accruing to any person residing in the United Kingdom from any kind of property whatever, whether situate in the United Kingdom or elsewhere, and the annual profits or gains arising or accruing to any person residing in the United Kingdom from any profession, trade, employment, or vocation, whether the same shall be respectively carried out in the United Kingdom or elsewhere.

And the annual profits or gains arising or accruing to any person whatever, and whether a subject of His Majesty or not, although not resident within the United Kingdom, from any profit whatever in the United Kingdom, or any profession, trade, employment, or vocation exercised within the United Kingdom.

And all interest of money, annuities, and other annual profits and gains not changed by virtue of any of the other schedules.

Schedule E.—Every public office or employment of profit, and upon every annuity, pension, or stipend payable by His Majesty or out of the public revenues of the United Kingdom, except annuities charged to the duties under Schedule C.

EXPLANATIONS OF THE SCHEDULES.

Full definitions are given of the meaning of the various terms in these schedules as they are to be applied by the commissioners of the inland revenue. Collections "at the source" include the tax on land paid through the tenants, on dividends paid from the offices of public companies, and on consols paid through the Bank of England. It is stated that in order to secure the abatements and deductions which are allowed, about four-fifths of the income-tax payers make written declarations of their aggregate incomes. Two-thirds of the tax is paid indirectly.

ABATEMENTS AND MODIFICATIONS.

All incomes under £160 are exempt from the income tax. Graduated abatements also are allowed on incomes between £160 and £700. The scale of these abatements since 1898 has been as follows: £160 on incomes exceeding £160, but not exceeding $400; £150 on incomes exceeding £400, but not exceeding £500; £120 on incomes exceeding £500, but not exceeding £600; £70 on incomes exceeding £600, but not exceeding £700.

The modifications of the income tax in practice are set forth in the detailed exhibits of the number and amounts of the abatements, in the exemptions in respect of small incomes, and in the deductions from gross income for life insurance premiums, charities, and hospitals, repairs of lands and houses, wear and tear of machinery or plant, and other allowances. Deductions of one-eighth are allowed in respect of lands and of one-sixth in respect of houses for repairs, etc.

In analyzing the yield from the tax attention must be paid to the rate of charge, and a basis of estimate may be had from the knowledge that at 1 shilling in the pound sterling it would be 5 per cent. The lowest rate of charge since the foundation of the present system was laid, in 1853, has been 2 pence in the pound sterling, which would be 4 cents in $4.86, or a fraction over 1 cent on the dollar. This rate obtained in 1875–76. In 1874 the charge was 3 pence to the pound. Since 1896 the lowest rate has been 8 pence and the highest 1 shilling 3 pence, or approximately 30 cents to the $5. The various exemptions, deductions, and abatements in practice have the effect of modifying the rate for the individual taxpayer, but in calculating the revenue derived from the tax the feasible mode is to determine the amount which each penny in the pound produces. Thus, in 1898, when the rate of charge was 8 pence, the total produce for each penny of the tax was £2,188,000 ($10,692,000), and in 1907, when the rate was 1 shilling, £2,667,000 ($12,977,000). In terms of American currency this would be approximately $5,350,000 and $6,500,000 for each 1 cent of the tax in the respective year.

NET RECEIPTS FROM TAX.

The net receipts of the income tax in the fiscal years from 1898–99 to 1907–8, inclusive, showed that in the latter year almost twice as much revenue was drawn from this source as in 1898, the figures being £18,042,311 and £31,860,000, respectively. The bulk of the increase was due to increased rates, though not exclusively so, as the gross amounts and the net incomes both increased in the period mentioned. Since every year reveals incomes previously covered up, the mere addition to either the gross income or the net income can not be taken as entirely a fresh addition to the national wealth. The full returns of net receipts and rate of charge in the period from 1898 to 1907, inclusive, are as follows:

Year.	Amount.	Rate in the pound sterling.
		s. d.
1898–99	£18,042,311	0 8
1899–1900	18,867,336	0 8
1900–1901	27,561,160	1 0
1901–2	35,378,700	1 2
1902–3	38,659,846	1 3
1903–4	30,500,459	0 11
1904–5	31,263,654	1 0
1905–6	31,294,752	1 0
1906–7	31,891,949	1 0
1907–8	*31,860,380	1 0

* Nine pence on "earned" incomes up to £2,000.

YIELD FROM VARIOUS SOURCES.

Notwithstanding the complicated working system of the tax, it is possible to place the yield from the different sources as classified under the various schedules. Complete statistics for the fiscal years 1907 and 1908 are not available, but for the ten-year period from 1897 to 1906, inclusive, the classes of income on which tax was received can be given, the abatements and deductions from gross income having been made. The exhibit is as follows:

Year.	Class 1, profits from ownership of lands, houses, etc. (Schedule A).	Class 2, profits from occupation of lands, etc. (Schedule B).	Class 3, profits from British, Indian, colonial and foreign government securities (Schedule C).	Class 4, profits from businesses, concerns, professions, employments, etc. (Schedule D).	Class 5, salaries of government, corporation, and public company officials (Schedule E).	Total.
1906-7	£142,120,150	£5,026,024	£35,906,082	£308,598,980	£37,490,958	£525,211,200
1897-98	148,123,018	4,987,105	36,703,116	318,555,003	29,861,208	548,229,450
1898-99	149,043,232	4,832,636	36,165,600	332,149,361	42,078,520	564,868,749
1899-1900	151,403,371	4,706,301	38,170,285	354,033,230	45,787,906	594,100,253
1900-1901	152,178,033	4,411,740	40,768,889	363,027,479	47,164,772	607,550,919
1901-2	152,282,290	4,338,514	42,310,728	361,408,999	48,271,368	608,606,906
1902-3	156,197,274	4,431,668	40,286,157	364,483,933	49,713,341	615,012,373
1903-4	157,696,060	4,205,124	41,357,050	305,234,308	50,835,535	619,328,097
1904-5	157,525,804	4,090,835	42,316,844	375,348,954	52,742,309	632,024,746
1905-6	158,462,590	4,111,585	41,710,904	381,036,647	54,736,452	640,048,236

The gross amount of income arising from the ownership of lands, houses, etc., for 1907, showed a net increase of £47,284,000, or 21.8 per cent, as compared with 1898. There was a decrease as regards lands of 3.4 per cent, which was more than compensated for by the increase as regards houses, which was 29.9 per cent.

Profits from government securities—British, Indian, colonial, and foreign—showed an increase of £8,113,000, or 21 per cent, over the same decennial period.

Interest from Indian, colonial, and foreign securities other than government securities increased £6,807,000, and railways out of the United Kingdom £5,957,000.

Businesses, concerns, professions, etc., showed an increase of £117,357,000, or 29.2 per cent, during the ten years.

Railways in the United Kingdom showed an increase of £2,355,000; mines, £7,294,000; gas works, £1,735,000; iron works, £474,000; waterworks, £1,389,000.

Salaries of government, corporation, and public company officials increased in the ten years from £59,791,000 to £97,132,000, or 62.4 per cent, but part of this was merely bookkeeping, since the conversion of private concerns into public companies increased the amount assessed under profits from businesses, concerns, etc.

RELATIVE YIELD OF THE SEVERAL GROUPS.

From the tabular summary it will be seen that the single group of businesses, concerns, professions, and employments furnishes more than half the income from which the tax is collected, the amount in 1906–7 having been £381,037,000 out of the total of £640,048,000. Relatively, the same proportion holds with reference to gross income, the figures for the same year having been £518,670,000 out of a total of £943,702,000. The gross income under this head covers the assessable profits after the deduction of all outgoings which the law regards as a set-off in arriving at the assessable income. The profits included in this group consist of those from businesses, manufactures, or concerns in the nature of trade, from employments except those of a public nature, and from foreign and colonial securities, except government securities. The main classification in this group is the general one of businesses and professions, including salaries of employees. In the year under consideration it afforded £373,057,000 out of the gross income of £518,670,000. Particular properties designated are railways, canals, mines, gas works, iron works, market tolls, quarries, etc. Railways were credited with a gross income of £42,070,000, and mines, £16,372,000.

After businesses and professions, profits from the ownership of lands and houses are the leading source of income on which the tax is laid. In the year cited they furnished £263,742,000 of gross and £158,453,000 of net income. This group includes every description of property in the nature of realty that can be brought into valuation. Farmers' profits come under the separate grouping of occupation of lands. The profits are assumed by law to be one-third of the annual value.

The gross income from all classes of profits brought under review of the inland-revenue department ranged from £734,461,000 in 1897 to £943,702,000 in 1906. The character and the relative proportions of the elements which differentiate the gross income from the income on which the tax is received can be shown from the analysis of deductions for a single year, and for this purpose 1906–7 is taken. In that year the deductions from gross income were as follows:

Exemptions in respect of small incomes	£54, 520, 281
Abatements	114, 556, 689
Life-insurance premiums	9, 155, 557
Charities, hospitals, friendly societies, etc	11, 105, 028
Repairs—lands and houses	38, 996, 538
Wear and tear of machinery or plant	17, 107, 518
Other allowances and incomes on which tax was irrecoverable	58, 212, 165
Total	303, 653, 776

INCOME FROM ABROAD.

A very interesting feature of the British income tax is the amounts received from investments abroad. These include income disclosed by agents for payment of interest in the United Kingdom on foreign and colonial government securities, tax on dividends or interest paid through agents by a foreign or colonial company or corporation, tax on the value of coupons for interest and dividends from abroad, income received in respect of investments abroad, and British companies owning and working railways abroad. In 1907 the income disclosed under these heads amounted to £79,560,000.

Beyond this earmarked figure there exists a large amount of income from abroad which can not be identified as such in the assessments, and which is therefore included in the quota of businesses, professions, etc. This unidentified income includes concerns other than railways situated abroad, but having their seat of direction and management in the United Kingdom, such as mines, gas works, tramways, nitrate grounds, oil fields, tea and coffee plantations, land and financial companies, etc.; concerns jointly worked abroad and in the United Kingdom, such as electric telegraph cables and shipping; foreign and colonial branches of banks, insurance companies, and mercantile houses in the United Kingdom; mortgages of property and other loans and deposits abroad belonging to banks, etc., in the United Kingdom; profits of all kinds arising from business done abroad by manufacturers, merchants, and commission agents resident in the United Kingdom.

Profits from abroad so far as identified for the period from 1898 to 1907, inclusive, have been as follows:

Year.	India government stocks, loans, and guaranteed railways.	Colonial or foreign government securities.	Colonial or foreign securities (other than government) and possessions "coupons" and railways out of the United Kingdom other than those included in column 2.	Total.
1897-98	£8,168,258	£17,205,934	£31,265,474	£56,639,666
1898-99	8,258,320	18,233,429	33,217,654	59,709,903
1899-1900	8,281,704	18,394,390	33,590,792	60,266,886
1900-1901	8,567,639	18,685,410	33,078,476	60,331,525
1901-2	8,880,908	19,245,888	34,432,683	62,559,479
1902-3	9,043,777	19,965,643	34,814,295	63,823,715
1903-4	8,695,929	20,263,072	36,906,305	65,865,306
1904-5	8,700,185	20,880,837	36,421,067	66,002,109
1905-6	8,802,807	22,069,260	42,967,198	73,839,265
1906-7	8,768,237	22,270,846	48,521,033	79,560,116

A valuable addition to the details given regarding profits from abroad is afforded in the summary of income from profits from British, Indian, colonial, and foreign government securities. The gross profits under this head in 1907 amounted to £46,722,000 as against £38,609,000 in 1898. From an analysis of the countries from which this income was received it appears that British funded debt, unfunded debt, and various guaranteed stocks amounted to £15,683,000; Indian stocks and loans and guaranteed railways, £8,768,000; colonial securities, £13,932,000; foreign, £8,338,000. Of the foreign securities, £3,843,000 is credited to America, about all the countries of Latin America being included. The bulk of these securities, however, are for the South American countries, the Argentine Republic being credited with £1,358,000; Brazil, £992,000; and Chile, £615,000.

INDIVIDUAL TAXPAYERS.

Since two-thirds of the tax is collected indirectly, it is not possible to give the exact number of individual income-tax payers as distinct from the number of assessments. In the income from businesses, professions, etc., for 1907 the number of assessments were as follows:

Persons, 476,404; firms, 58,049; public companies, 33,508; local authorities, 10,639; total, 578,600. There may be more than one assessment on the same person, firm, or company, as a person, for instance, may be carrying on two or more distinct businesses in different parts of the country, and the assessments are made in the districts where those businesses are situated.

ASSESSMENTS ON GROSS INCOMES.

To the figures above given are added employees under Schedules D and E; that is, of business firms and of the government and public companies, the former being 101,344 and the latter 417,845. This makes a grand total of assessments of 996,445, or close to the million mark for the two classes which are capable of classification, and the amount of gross income on which they paid the income tax was £615,801,000.

Keeping in mind that the number of assessments does not represent either total incomes from all sources or the number of taxpayers, an exhibit nevertheless may be had of the practical working of the income tax as applied to profits from businesses and to salaries from a detailed examination of the tabular exhibit of the 996,000 assessments which represented a gross income of £615,801,000. This shows

assessments of persons, firms, public companies, and local authorities on gross incomes as follows:

Grade of income.	Number of assessments.	Gross amount of income.
Not exceeding £160, but not exempt	318,570	£22,841,134
Exceeding £160 and not exceeding £200	237,775	43,946,713
Exceeding £200 and not exceeding £300	205,914	52,105,397
Exceeding £300 and not exceeding £400	80,019	28,676,015
Exceeding £400 and not exceeding £500	44,176	22,509,084
Exceeding £500 and not exceeding £600	23,175	13,094,198
Exceeding £600 and not exceeding £700	13,811	9,127,473
Exceeding £700 and not exceeding £800	11,154	8,509,841
Exceeding £800 and not exceeding £900	6,350	5,457,305
Exceeding £900 and not exceeding £1,000	6,756	6,553,798
Exceeding £1,000 and not exceeding £2,000	23,032	33,758,188
Exceeding £2,000 and not exceeding £3,000	7,407	18,592,178
Exceeding £3,000 and not exceeding £4,000	3,803	13,376,481
Exceeding £4,000 and not exceeding £5,000	2,533	11,560,511
Exceeding £5,000 and not exceeding £10,000	4,831	34,909,502
Exceeding £10,000 and not exceeding £50,000	4,188	87,275,455
Exceeding £50,000	949	174,174,323

There was also £29,336,128 gross amount of income from agents, bankers, and coupon dealers deducting tax on behalf of the revenue, but this can not be given in terms of grades of income and numbers of assessments.

It may be noted that the assessments on incomes of £50,000 and upward, or on $250,000, include 20 individuals and 92 firms.

The national income of the United Kingdom is variously estimated by economists and statisticians at from £1,600,000,000 to £2,000,000,000 annually. Since gross income of more than £900,000,000 and net income in excess of £600,000,000 is brought under contribution, it would appear that one-half the national income is subject to the tax and one-third pays it.

Recent history of the income tax is embodied in the finance act of 1907. Numerous changes were made by this legislation, some of them being on the recommendation of a select committee, which was appointed in 1906, to inquire into and report upon the practicability of graduating the income tax and of differentiating for the purpose of the tax between permanent and precarious incomes. The relief given to "earned" incomes up to £2,000 by a smaller rate of charge was the result of this recommendation. Among other recommendations of the committee was one that it should be made obligatory on every individual to fill up a form of return of income, even where the return would merely be a statement that the individual had no income directly chargeable to the tax. This was made effective. A recommendation for improvements in the methods of claiming allowance for depreciation and wear was also enacted. It was under the finance act of 1907 that the taxpayer was entitled to be charged on the actual profits made during the year, instead of on an average of those profits for the preceding three years, if he preferred that method.

In the budget submitted to Parliament for the current fiscal year by the chancellor of the exchequer the tax on unearned incomes is increased by 2d., making it 1s. 2d., and the tax on earned incomes over £2,000 is raised to 1s. Persons earning under £500 a year are given a new abatement of £10 for every child under 16 years. On incomes exceeding £5,000 a year there is to be a supertax of 6d. in the pound. The chancellor estimated that the extra yield from the income tax proper would be £3,000,000, and from the supertax £2,300,000.

Mr. BORAH obtained the floor.

Mr. CLAPP. Mr. President, I suggest the absence of a quorum.

The VICE-PRESIDENT. The Secretary will call the roll.

The Secretary called the roll, and the following Senators answered to their names:

Bacon	Cummins	Hughes	Page
Bailey	Curtis	Johnson, N. Dak.	Perkins
Beveridge	Davis	Johnston, Ala.	Piles
Borah	Dick	Jones	Root
Bourne	Dillingham	Kean	Scott
Brandegee	Dixon	La Follette	Simmons
Bristow	Elkins	Lodge	Smith, Mich.
Bulkeley	Fletcher	McCumber	Smith, S. C.
Burkett	Flint	McEnery	Smoot
Burrows	Foster	Money	Stone
Carter	Frye	Nelson	Sutherland
Chamberlain	Gallinger	Newlands	Tillman
Clapp	Gamble	Oliver	Warner
Clark, Wyo.	Guggenheim	Overman	Warren
Culberson	Heyburn	Owen	Wetmore

The VICE-PRESIDENT. Sixty Senators have answered to the roll call. A quorum of the Senate is present.

Mr. BORAH. Mr. President, a noted member of this body once said that it was a rule of his life to quarrel with principles and not with men. I think it is especially important, in dealing with a subject of this kind, that we bear that in mind, and that whatever difference of opinion there may be with reference to the merits or demerits of the corporation tax, we should discuss it from the standpoint of principle rather than that of personalities.

I make this suggestion early, for the reason that I shall be compelled to quote the language of different Members of this body with reference to their views upon this matter; and I do so, not with a view or purpose of criticising anyone from a personal standpoint, or assuming any change of view, but with an idea of putting before the Senate, if I may, what I conceive to be the best thought and the best judgment, not only of my party, but of the leading men of the country, upon such a measure.

For the first seventeen years of my life I was privileged to listen almost entirely in the way of public addresses to those men, beneficent in purpose and in service to the public, who always insist on taking a text before they begin their address. Bearing in mind that early lesson of childhood, I wish to take as my text for this address the language of the distinguished Senator from Rhode Island, as contained in the CONGRESSIONAL RECORD at page 3929.

> I shall vote for a corporation tax as a means to defeat the income tax. * * * I am willing to accept a proposition of this kind for the purpose of avoiding what, to my mind, is a great evil and the imposition of a tax in time of peace when there is no emergency, a tax which is sure in the end to destroy the protective system.

I desire also to quote in that connection the language of ex-President Harrison, wherein he said:

> The great bulk of our people are lovers of justice. They do not believe that poverty is a virtue or property a crime. They believe in equality of opportunity, and not of dollars. Equality is the golden thread that runs all through the fabric of our civil institutions—the dominating note in the swelling symphony of liberty.

I quote this last expression from ex-President Harrison for the reason that I shall refer sometimes to the principle of equality, not in a strict constitutional sense, not confining my views to the technical equality denominated by the Constitution with reference to certain rights and powers, but referring to that golden thread of equality which runs all through our civil institutions as a fundamental principle, regardless of any written constitution—a fundamental principle which we can not afford to ignore any more than we can afford to ignore a specific proposition enunciated in the Constitution.

It is not my purpose at this time to discuss in a comparative way the merits or demerits of the income tax and the corporation tax. I realize—and I had just as well be frank—that the chance for the enactment of an income tax has practically been removed, so far as this session is concerned. I am, however, sufficiently of the faith to state that I believe it is only removed for a time. But I want this evening to inquire particularly with reference to the measure which has been submitted to us and which, I presume, we are to assume at this time is to be enacted into law. I want to view it as if it were submitted here as an original proposition, without reference to the effect it may have upon the income tax, from the standpoint of whether or not it would be proper to enact it into law, even if it were not designed to kill what some conceive to be an erroneous measure.

So far as I am individually concerned, regardless of the question of an income tax, I could not bring myself to the support of this measure by reason of any personal or political relation I may have to individuals or to my party. That is not altogether a pleasant attitude to assume. In many ways it is extremely unpleasant.

But I want to inquire first, Mr. President, who is to pay the tax we are about to levy? It has been given out to the country, and has been somewhat extensively assumed, that this is another means of placing a tax upon the wealth of the country; that by this process of singling out corporations we will reach the wealth of the land rather than place a tax upon consumers, or that great body of American citizenship which now bears its undue proportion of the taxes of the country. I am very frank to say that if I were convinced of that one proposition as stated by those who support this tax—that it will reach the wealth of the country—I should support it as a temporary measure, for the purpose of wiping out the deficit that now confronts us. I would not support it as a permanent measure, for the reason that I know that it can not and will not reach that already earned, now inactive, wealth which pays practically no tax, and never will if certain influences in this country can have their way. But as I am convinced beyond all question that by this means we are about to proceed, under a thin guise of doing otherwise, to place another heavy burden and tax upon those who already bear an unjust and undue proportion of the burdens of the Government, I prefer, rather than to support the tax, to go back to the statesmanlike view announced by the Senator from Rhode Island in the opening of this tariff debate. That is to say, if we can not by the tariff bill raise sufficient revenue to run the Government, I should resort to extreme measures of retrenchment in expenditures rather than place this extra burden upon the great mass of American citizenship.

The Senator from Rhode Island has not, to my knowledge, at any time made in this Chamber a declaration that ought to command the support and respect of this body to a greater extent than that statement, which he made in the opening of this debate. I will say here that I have never been enthusiastic in the support of an income tax as a mere proposition to meet the temporary expenditures of the Government. My enthusiasm has arisen out of the proposition that it will enable us to distribute

the already great burden of government between consumers and wealth. But if we are now to lay a tax—as I believe we are about to do—which will finally rest not upon wealth, but upon consumption, then I go back to the principle announced by the Senator from Rhode Island, and say that it is our duty as Senators to accept his statement that if there is not sufficient revenue to run the Government we must retrench. For, to my mind, it is almost a moral crime to place an additional expense upon the very people who are to-day bearing the great burdens of government.

The Senator from Rhode Island, in opening the tariff debate, said:

I am asked what would happen if it should be found that I am over-sanguine or wholly inaccurate in my statements of probable results. What shall we do if the revenues actually received are less than those I have anticipated and large deficiencies are threatened? I answer, with all the emphasis at my command, that it would then be the imperative duty of Congress to reduce expenditures and make them conform to the actual revenue conditions, and not impose new and onerous taxes.

In the next place, after having inquired as to who is to pay this tax, I want to make some inquiry as to the attitude of the Republican party upon a measure of this kind; for those of us who have been inclined to support the amendment submitted by the Senator from Texas have been criticised—not publicly, but to some extent privately—as inclined to support a Democratic measure. I am a pretty strong partisan, but I believe the rule can not always be invoked in the discharge of legislative duty.

I therefore propose to show this afternoon, if I can, and I believe I shall be able to do so, not so much upon any original idea of my own as upon the ideas of those who are better informed, first, that this tax will not be paid by wealth, but by consumption. Having shown that, I propose to show, in the second place, that it is wrong at this time, under the circumstances which confront us, to place any greater burden upon that class of people. Third, I propose to show that the party of which I am an humble member has always opposed this tax upon principle; that it is unjust, unfair, discriminating, and of doubtful constitutionality.

Of course it is proper to say at the beginning, because that is now conceded, that this amendment was born of fear. No one seems to love it, or to care particularly what becomes of it after it has served its temporary purpose. But notwithstanding the fact of its manner of coming before us and the reasons for bringing it here, if we should find that it is actually a good measure, perhaps that should not be used against it. It is admitted, of course, by those who support it, that it was not brought in for its merits, but because of the ulterior purpose it would serve.

With these preliminary statements, I want to go back for a time into the political history we have just passed over and within the memory of all men who sit in this Chamber, many of them participating in it, and trace out, if I can, from the declarations of those men, whose wisdom and whose position in the party can not be questioned, something as to the merits and demerits of this tax; where the burden will fall; who will pay it; and why, upon principle and authority, it should not become a statute.

We recall the fact that in 1898, among other amendments which were suggested to the war-revenue act of June 13, 1898, there was a proposition to levy a tax upon the right to do business in the sugar-refining industry and the industry of refining petroleum. The amendment to which I am now addressing myself referred solely to those two industries. But the principle was discussed, and was discussed at length, by the Senate.

Senator Platt, of Connecticut, said at the time:

I desire to say a word why I propose to vote against this amendment. * * * It is picking out from all the interests of the country two classes of business where it is absolutely certain that the corporations will not pay the tax, but that it will be paid by the consumer. There is no other business in the country where the corporations or the persons engaged in it can so surely and certainly evade the payment of the tax as in the case of the business of oil refining and sugar refining, and what is more, the persons engaged in the business will be very careful in raising the price of oil and sugar to raise it a little more than the tax, so that the consumer will pay not only the tax, but the additional profit to these two companies.

Senator Platt was a profound statesman. He was not a man who spoke at random. He proved himself upon this occasion to be somewhat of a prophet, because it transpired that exactly what he said would take place did take place, with the exception of the fact that when the tax was removed the trust forgot to take off the extra charge which it placed on to meet it, and the price covers the tax when it existed and when it does not exist.

The Senator from Indiana [Mr. BEVERIDGE] disclosed a few days ago beyond all doubt, it seems to me, that the extra tax which was placed upon tobacco in 1898 was transferred at once, without even the respect of delay which they ought to have had for legislators, and that the consumers began to pay it immediately, have paid it ever since, and are paying it now.

Yet while the interested American people are looking on, thinking that we are trying to get a tax upon wealth, we are solemnly engaged in putting this burden where it will not be confined to corporations, but will all be charged to those who deal with them, by adding the tax to the price or reducing wages.

Mr. PAYNE, who was then and still is a prominent factor in legislative affairs, a man of vast experience in such matters, when the time came to repeal the portions of the revenue tax of 1898, said:

It is true that there were two classes of special taxation in the war-revenue bill. These were put in by an amendment offered in the Senate, and when they came to the committee of conference they were acquiesced in. I remember making a remark at that time to my associates on the conference committee that they knew and I knew that if this tax should be imposed the people who were expected to pay it would simply put up the price of sugar and petroleum enough to reimburse themselves for the tax which they paid and allow them besides a handsome profit. No doubt such has been the case. I have no doubt that those interests that have been required to pay this tax have collected from their customers more than the amount which they have paid over to the United States in the form of taxation.

President McKinley, in speaking of the repeal of the war-revenue act of 1898, insisted upon its repeal, for the reason that it was apparent the great burden of these taxes instead of falling upon wealth had fallen upon the great mass of the American people.

This tax which we laid for the purpose of meeting the expenses of war, and of a war which the Republican party was pledged to carry on to a speedy and successful termination, and which, as soon as the war was over, we repealed for the purpose of relieving the burdens of the mass of the people, now, at a time of profound peace, we come back and put in the same place and in the same way, but more extensive and more burdensome. I am not old in the service of politics, and perhaps it will seem to some more trained in that business impertinent upon my part to say so, but when it is found what the real effect of this corporation tax is and who will have to pay the greater portion of it, and it is found that the Republican party in time of peace must lay this extra burden upon the mass of the people in order to sustain the running expenses of the Government, if we do not answer for it at the polls it will be because the opposition party has absolutely disintegrated.

We collected in those three years $211,000,000. It was a war measure. Wealth did not pay it. They were just as thoroughly exempted and protected by their process of transferring the tax as this bill would exempt the bondholders in this country. Without saying that it was drawn for the purpose of exempting them, admitting, for the sake of argument, with the President that it was legally necessary to do it, yet we are confronted with the proposition that this measure absolutely exempts those who can not transfer the tax and taxes those who can transfer it to the consumer.

In his opening speech upon the repeal of the war taxes, in December, 1900, Mr. PAYNE said:

Of course, Mr. Chairman, some may say why not put this tax directly upon the express companies and telegraph companies? Well, we did consider that, but the express companies had a right to say to their customers how much they would charge for carrying packages from place to place and could easily add the amount of the government tax to their charges. I know sometimes gentlemen will close their eyes and proceed blindly, as was the case in dealing with the tax on the Standard Oil Company and putting a tax on a sugar refinery, as was done. They forget to consider that these taxes might possibly not affect the companies at all, but the consumers; and a review of the history of the last two years shows what some gentlemen then anticipated when the tax went on in the Senate, that the companies not only got the amount of the tax back, but that the companies got a little additional sum from their customers to enable them to swell their dividends. That was the legislation in that regard. In other words, the tax in all instances seeks the consumer, and usually, if not arrested in its progress, it finds him and forces him to pay the amount due the Government and a little additional also to help swell the dividends of the companies upon whom it was supposed the tax was levied.

Again he says:

This latter tax—

Speaking of the tax upon insurances—

is paid almost entirely by the man who receives the insurance. The man who provides for the future of his family in the event of his death by securing a life insurance or in providing an indemnity for the family—for his wife and children in case the home should burn down—was forced to pay this tax.

In another place Mr. Payne said:

If we impose this tax upon the express companies they will simply add it to their rate of freight. * * * They would simply put it back in additional charges on the people who send packages by express.

Mr. Moody, who now occupies an honored position upon the Supreme Bench, in discussing the tax states one of the vices of the tax in a very definite and specific way. He says:

The ad valorem weight of such a tax as is proposed here would be absolutely crushing to these small companies.

Referring to the express companies:

Every one of the men engaged in this business with whom I have conversed has shown me that they could not continue their business. They could not endure a tax such as that proposed here and hope to operate the business which they have already built up. The whole tax has been annoying, vicious, and burdensome to the people when they deal with large companies, because the tax has been shoved upon them by the action of the companies, sustained by the opinion of the Supreme Court. In whatever form you leave it, the companies will still shove the burden to the people. To the small companies who have carried the burden themselves it has been a calamity, which, if continued, means destruction.

Mr. President, that, to my mind, is one of the inherent vices of this measure. The great corporations, which do business upon a large scale practically without competition, where they can raise the price or lower the price in spite of the objection of anyone, may include this tax in their charges to the public; while the small company, composed of the small stockholders throughout the country, running into thousands and millions, which compose the common citizenship of the country, will have to pay the tax. So in the end it is the common citizenship throughout the country that must meet this burden from the beginning to the close.

Mr. SUTHERLAND. Mr. President——

The PRESIDING OFFICER (Mr. DIXON in the chair). Does the Senator from Idaho yield to the Senator from Utah?

Mr. BORAH. I do.

Mr. SUTHERLAND. The income-tax amendment which the Senator is in favor of proposes a tax of 2 per cent on the incomes of the same corporations, as I understand it. If the Senator's argument is sound with reference to the tax proposed upon the business of these corporations as measured by their income, and if the Senator is correct in saying that it will be shifted to the consumer, why will not the same argument apply to that portion of the income-tax amendment for which the Senator stands?

Mr. BORAH. I propose to discuss that later; but in passing I will say that any tax to some extent can be transferred to the consumer. But the income tax as drawn by us reaches the vast amount of wealth in this country represented by bonds and interest upon bonds, fixed and settled incomes, where it can not be transferred. This bill is drawn so as to absolutely exclude those people.

I do not contend that you can place all the burden of any tax upon the wealth of the country, and that is the reason why we should not be so anxious to protect it by law, because it can protect itself to some extent under any bill that you will draw.

But I want to call the attention of the Senator from Utah to the fact that under our amendment the untold millions of bonds in this country would be called to pay their proportionate tax, while we have a bill here specifically exempting them from the tax.

Mr. SUTHERLAND. Mr. President——

The PRESIDING OFFICER. Does the Senator from Idaho yield further to the Senator from Utah?

Mr. BORAH. I do.

Mr. SUTHERLAND. If the Senator, however, is right in saying that the tax imposed by the proposed amendment now under consideration would be shifted to the consumer, it seems to me it can be equally true that that portion of the tax imposed by the income-tax amendment upon corporations will be likewise shifted. Why should not the Senator eliminate that portion of the income-tax amendment?

Mr. BORAH. The Senator from Utah is acquainted with the fact that the first income-tax measure, to which I gave my support in this Chamber, did eliminate it, but when we were forced to confront the organized and combined efforts of those who in this country are determined that wealth shall not bear its proportion of the burden, we compromised for the purpose of getting strength in this Chamber.

Mr. CRAWFORD. Mr. President——

The PRESIDING OFFICER. Does the Senator from Idaho yield to the Senator from South Dakota?

Mr. BORAH. I do.

Mr. CRAWFORD. Would not the objection that a tax levied upon a great corporation can be passed on to the patrons of that corporation if it is a defect in this bill be a defect universally? In the State of South Dakota we had, as in a number of Western States, a very active contest with reference to the amount of taxes paid by public-service corporations.

We often heard the claim made that it made no difference if we did increase the amount of the taxes of the public-service corporations 50 per cent or 100 per cent, we would simply be putting that additional burden upon the people, because the corporation could increase their charges and recoup the amount, whatever it might be. If that be carried to its legitimate conclusion, would it not follow that we had better remove all taxes from public-service corporations and great trusts, because, after all, when we put a tax upon them we are simply putting it in their hands to pass it on to their patrons, and it is ineffective so far as being a burden on them?

Mr. BORAH. While the Senator does not seem to appreciate the fact, he has submitted here a reason why every Senator ought to support an income tax and should oppose this corporation tax, because it does not lie within the ingenuity of man to place the burden of taxation, as it should be placed, with equal force upon wealth and consumption, in spite of anything and all we may do. Our system of taxation is based upon the principle that the incident to the tax finally reaches the low man, the bottom man, in this cruel and merciless system of ours. The only thing we can do is to mollify it as much as it is possible to do, and we can only mollify it by taxing those things where they can not shift it. But instead of undertaking to tax things where they can not shift it, we always exempt them from taxation and put it where they can shift it.

Unquestionably the great trusts of this country have transferred their taxes to the consumer. Unquestionably the great corporations of this country have transferred their taxes to the consumer to a very large and alarming extent. The men who do not transfer their taxes and can not transfer them are the uncounted holders of uncounted millions of bonds whom we are exempting from this proposed law at the present time.

Mr. JONES. Mr. President——

The PRESIDING OFFICER. Does the Senator from Idaho yield to the Senator from Washington?

Mr. BORAH. I do.

Mr. JONES. I should like to ask the Senator whether he believes it is possible to transfer an inheritance tax to any extent to the consumer. Is not that a tax which can not be transferred to the consumer?

Mr. BORAH. I do not think you can transfer an inheritance tax. Therefore I am thoroughly in favor of an inheritance tax. The only reason why I do not favor it as a national measure is because some 35 or 36 States of the Union have adopted it, and I would hesitate to take away from or embarrass the States in their power to collect this tax. I would not hesitate a moment to say that I would support the inheritance tax in preference to this tax, although it is, in a measure, double taxation.

Mr. JONES. Would the passage of a national inheritance tax take away from the States their right to tax inheritances?

Mr. BORAH. Only in the sense that it levies an extra burden and it is in the nature of a double taxation. It would not legally take it away. Of course we can tax inheritances as a matter of law the same as the States can, if we have a mind to do so.

Mr. JONES. Is it not also true that the inheritance tax levied by the States is comparatively small? I understand that the percentage is very low.

Mr. BORAH. It is of course a matter of policy as to whether we shall go into that field. I have no doubt that it is a fruitful field, and one which we should utilize. Whether we should leave it to the States, because of the great burdens which are piling upon them exclusively, or go there ourselves is a matter of policy. It reaches, however, that class of property which can not shift the burden.

Mr. JONES. It would meet very largely the objection the Senator is making to this proposed tax.

Mr. BORAH. It would.

Mr. JONES. As well as the possible transference of the income tax to a greater or less degree.

Mr. BORAH. It would.

Mr. BEVERIDGE. Will the Senator permit me a question? Is not the inheritance tax so just that even if it were double, by having both State and Nation tax it, still no injustice would be done? The person from whom the tax is taken has never earned a dollar of it. It is given him by the grace of the Government. Is not an inheritance tax so profoundly just that if it were doubled or even tripled no injustice would result?

Mr. BORAH. That is true, Mr. President. I am not taking a position against the inheritance tax at all. I was just coming to the point of saying that the inheritance tax was one form which can not be transferred. I want to call the attention of the Senate to the fact, however, that there are a great many people in this country to-day enjoying incomes that they did not make a single dollar of; that they do not even furnish sufficient brains to take care of for any reasonable length of time, and have to have guardians appointed. They ought to pay some of the expense of the Government also.

There are vast incomes that the people who are enjoying them did not make any more than the unborn children made the property of their parents. We saw an exhibition of this kind of incomes in the city of New York only a few days ago that reads like one of the chapters from Ferrero's Rome, in

the time of Augustus. Yet we are made to enact laws here for the purpose of protecting that class of wealth when we know that already by its ingenuity it protects itself beyond all human endurance.

Mr. President, when this tax was levied, in 1898, the express companies came out boldly and said, "You have levied a tax upon us; we notify you that we are not going to pay it; we will pass this tax without any hesitancy completely over to the people who do business with us." There was objection to it, and the question was asked, Is there no means or method known to the law by which when a tax is levied upon a corporation it can be made to pay it?

The consumer said, "Does our Republic furnish us no means by which we can compel you to pay that tax? We will try it." And so out of the State of Michigan came a contest in which the specific question was raised as to whether that tax could be transferred to the consumer. I was interested in this question for the reason that it was my purpose, if we could do so, to propose an amendment. I was examining the subject with the idea of introducing an amendment to enable this efficient and powerful publicity bureau to inquire into the question whether or not the tax was being transferred, and if the Government found that it was being transferred under the oleomargarine case to levy an extra excise upon those who did transfer it. I said to myself, "If the laws of the country permit it, why not put in here an amendment which will enable the men who are going out to examine the matter of running corporations to find out whether they are paying it or whether they charge it up to the consumer, and if they do, to make that the base of action under the publicity bureau. When I examined this case I found the Supreme Court of the United States held that not only could they transfer it under that law, but it was not within the power of Congress to enact a law which would prevent them from transferring it; that we are powerless under our form of government to prevent them from transferring this tax openly and boldly from themselves to the consumer.

Mr. President, I call attention to the language of the Supreme Court:

But, as we have said, though the correctness of the claim be arguendo taken for granted, such concession does not suffice to dispose of the essential issues. They are that by the statute the express company is forbidden from shifting the burden by an increase of rates, although such increased rates be in themselves reasonable. As no express provisions sustaining the propositions are found in the law, they must rest solely upon the general assumption that because it is concluded that the law has cast upon the express company the duty of paying the 1-cent stamp tax, there is hence to be implied a prohibition restraining the express company from shifting the burden by means of an increase of rates within the limits of what is reasonable. In other words, the contention comes to this, that the act in question is not alone a law levying taxes and providing the means for collecting them, but is moreover a statute determining that the burden must irrevocably continue to be upon the one on whom it is primarily placed. The result follows that all contracts or acts shifting the burden, and which would be otherwise valid, become void. To add by implication such a provision to a tax law would be contrary to its intent, and be in conflict with the general object which a law levying taxes is naturally presumed to effectuate. Indeed, it seems almost impossible to suppose that a purpose of such a character could have been contemplated, as the widest conjecture would not be adequate to foreshadow the far-reaching consequences which would ensue from it. To declare upon what person or property all taxes must primarily fall is a usual purpose of a law levying taxes. To say when and how the ultimate burden of a tax shall be distributed among all the members of society would necessitate taking into view every possible contract which can be made, and would compel the weighing of the final influence of every conceivable dealing between man and man. A tax rests upon real estate. Can it be said that by the law imposing such a tax it was intended to prevent the owner of real property from taking into consideration the amount of a tax thereon, in determining the rent which is to be exacted by him? A tax is imposed upon stock in trade. Must it be held that the purpose of such a law is to regulate the price at which the goods shall be sold, and restrain the merchant therefore from distributing the sum of the tax in the price charged for his merchandise? As the means by which the burdens of taxes may be shifted are as multiform and as various as is the power to contract itself, it follows that the argument relied on if adopted would control almost every conceivable form of contract and render them void if they had the result stated. Thus the price of all property, the result of all production, the sum of all wages, would be controlled irrevocably by a law levying taxes, if such a law forbade a shifting of the burden of the tax, and avoided all acts which brought about that result. It can not be doubted that to adopt, by implication, the view pressed upon us, would be to virtually destroy all freedom of contract, and in its final analyses would deny the existence of all rights of property. And this becomes more especially demonstrable when the nature of a stamp tax is taken into consideration. A stamp duty is embraced within the purview of those taxes which are denominated indirect, and one of the natural characteristics of which is, although it may not be essential, that they are susceptible of being shifted from the person upon whom in the first instance the duty of payment is laid. We are thus invoked by construction to add to the statutes a provision forbidding all attempts to shift the burden of the stamp tax when the nature of the indirect taxation which the statute creates suggests a contrary inference. And, in this connection, although we have already called attention to the consequences which must generally result from the application of the doctrine contended for, it will not be inappropriate to refer to certain of the provisions of the act now under consideration, which more aptly served to make particularly manifest the consequences indicated, thus perfumery, patent medicines, and many other articles are required by the statute to be stamped by the owner before sale. The logical result of the doctrine referred to would be that the price of the articles so made amenable to a stamp tax could not be increased, so as to shift the cost of the stamp upon the consumer. Yet it is apparent that such a construction of the statute would be both unnatural and strained.

The argument is not strengthened by the contention that as the law has imposed the stamp tax on the carrier, public policy forbids that the carrier should be allowed to escape his share of the public burdens by shifting the tax to others who are presumed to have discharged their due share of taxes. This argument of public policy, if applied to a carrier, would be equally applicable to all the other stamp taxes which the law imposes. Nor is the fact that the express company is a common carrier and engaged in a business in which the public has an interest and which is subject to regulation of importance in determining the correctness of the proposition relied upon. The mere fact that the stamp duty is imposed upon a common carrier does not divest such tax of one of its usual characteristics or justly imply that the carrier is in consequence of the law deprived of its lawful right to fix reasonable rates. Unquestionably a carrier is subject to the requirement of reasonable rates; but, as we have seen, no question of the intrinsic unreasonableness of the rates charged arises on this record or is at issue in this cause. As previously pointed out, to decide as a matter of law that rates are essentially unreasonable from the mere fact that their enforcement will operate to shift the burden of a stamp tax would be in effect but to hold that the act of Congress, by the mere fact of imposing a stamp tax, forbids all attempts to shift it, and consequently that the carrier is deprived by the law of the right to fix rates, even although the limit of reasonable rates be not transcended. This reduces the contention back to the unsound proposition which we have already examined and disposed of. (American Express Co. *v.* Michigan, 177 U. S. Repts., p. 412.)

Mr. SUTHERLAND. Mr. President, will the Senator permit me to ask him a question right there?

The PRESIDING OFFICER. Does the Senator from Idaho yield to the Senator from Utah?

Mr. BORAH. I do.

Mr. SUTHERLAND. Mr. President, does not the argument of the Senator from Idaho, carried to its logical conclusion, prove altogether too much? If it is a valid objection to this proposed amendment that the burden of the tax may be shifted to the patron or to the consumer, is that not also a reason why we should repeal all existing taxes—state taxes upon common carriers and upon other persons who may likewise shift the burden? For example, it is perfectly clear that when a tax is imposed upon a railroad company, the amount of that tax is shifted to the patrons of the road. If the argument of the Senator be sound, why should he not go far enough to say that that tax should be repealed and that we should not tax railroad companies or similar corporations at all?

Mr. BORAH. Mr. President, bearing in mind that we have a Government which has to be supported and that civilization depends upon the fact that we maintain a government rather than to follow the somewhat startling suggestion of the Senator from Utah [Mr. SUTHERLAND] and repeal all taxes, I should prefer, if I can, to put a part of the taxes where they can not be shifted. I do not want the Senator from Utah to forget that this contest in this Senate Chamber is not over the raising of a small temporary revenue, but it is over the proposition of whether we shall change the great principle of taxation in this country and place a part of the tax where it can not be shifted to the common citizenship of the country. We are not going to go back, Mr. President, to the owls and bats. Rather than to say we shall not put a part of this tax where it can not be shifted, we shall continue this contest until the uncontrollable wrath of the American people shall waken us to the fact that the great disparity between wealth and poverty in this country arises more out of our system of taxation than it does from the so-called "trusts." When you can put all the burden of government in one place, it is not long before you have that condition of affairs, whether it is in a republic or a monarchy, where the great masses are bearing the burden and the few are living upon the efforts of the masses.

Mr. President, to illustrate further, our system of taxation had its origin in the period of feudalism, when the tax was laid upon those, and those only, who could not resist the payment of it. That was the first tax under our present taxing system. The plan then was, as stated by a noted writer—and it was earnestly argued in those days—that it was a proper distribution of the burdens of government that the clergy should pray for the government, the nobles fight for it, and the common people should pay the taxes. The first fruits of that system, and the first modification of that system, were had during that economic and moral convulsion which shook the moral universe from center to circumference—the French revolution. Historians dispute to-day as to the cause of the French revolution. If you would know the cause, you will not find it in the days transpiring with the fall of the Bastile; you will not find it in the days when Robespierre, drunk with human blood, leaned against the pillars of the assembly, as he listened to his own doom. It is back of that. It is in those immediate years preceding, when the burden of government had become intolerable, when the stipends paid to the miserable satellites of royalty had become criminal; when bureaucracy reached out into every part of the

nation and bore down upon the energies and the industries of the common man; and when, Mr. President, 85 per cent of that fearful burden was collected from the peasantry of France, which forced them from their little homes and farms into the sinks and dives of Paris, where the French revolution was born.

The history of taxation is well worthy of the attention of those who believe that, in order to maintain a republic, we must always have at the base of our civilization an intelligent, free, and, to some extent, an unburdened citizenship. No, Mr. President, we will not repeal all taxes; but we will distribute the burdens; though we may not do it this session, and I do not suppose we will, we will do it before this fight is over.

Mr. President, I have called attention to that period when the revenue act of 1898 was before Congress. Certain newspapers of the country and, to a certain extent, all the great corporations without any exception, bitterly opposed that tax. They did not know how easy it would be apparently, not theretofore having had a special tax laid upon them, to transfer it. The main proposition of taxing corporations was defeated, but the amendment covering two classes of business went through. Of course certain stamp taxes were enacted which the corporations were supposed to pay. Then they began this contest. They demonstrated the fact, as a practical proposition, that they could transfer it; they demonstrated, as a matter of law, that they had a right to transfer it; and they demonstrated, as a matter of law, that there was no power in Congress to prevent the transfer. So to-day we are advised through newspapers that the great corporations in the land are saying, "put on this tax in preference to the income tax."

I do not want it to be understood that I am charging that the Finance Committee has gone about this for the purpose of doing such a thing. They may stand upon the legal proposition that, rather than submit another question to the Supreme Court, they would do this; but the result of the legislation is the same. Whether from one motive or another, the result of it is that the great corporations, controlling the great industries in this country, are standing side by side with the Committee on Finance in support of this proposition in preference to the income tax. Why? Because they can transfer this tax; while that class of men, that vast amount of wealth to which the Senator from Iowa [Mr. CUMMINS] called attention, can not transfer.

Speaking of the decisions, Mr. President, and the idea of going to the Supreme Court again, I will digress to say just a word now, rather than later. It seems to me, with all due respect to those who suggest this proposition, that it is based upon an incorrect idea both as to the function of the court and the relation of the people to the court. It is a great tribunal; it is a tribunal having power to wreck or to sustain the Government, although without command of sword or purse.

But, Mr. President, think of this argument: Away back, just after the Constitution was adopted, Congress put a tax upon what they then called "luxuries" or "wealth;" those who had carriages, and could use them for their own personal use. Wealth went to the Supreme Court of the United States and tested that proposition, and said that it was a direct tax under the Constitution; but the Supreme Court sustained the tax.

We come down to the great civil war, and the fathers who organized the Republican party—Abraham Lincoln, Salmon P. Chase, Charles Sumner, and that class of men—again laid the taxing power upon the wealth of this country in the form of tax on incomes. Wealth went again to the Supreme Court, and did what? Asked them to reconsider the opinion of fifty-odd years before, when they had settled and said what a direct tax was. The court passed upon it again. In a short time the same class of people went again to the Supreme Court; and, notwithstanding the fact that there had been a unanimous opinion as to what a direct tax was, they again asked them to reconsider it.

The next time those who were seeking to escape taxation, having three decisions of the Supreme Court before them, they went again to the Supreme Court and asked them to reconsider; and the Supreme Court, with that patience and broad mindedness which has always characterized that great tribunal, again went carefully into the question, reviewed its former decisions, went into the history of the Constitution and its making, and again told the wealth of this country what constituted direct taxes. Four times they had interpreted the Constitution by a unanimous judgment of the court; but still again they came and asked the Supreme Court to once more review its decisions. For nearly one hundred years, beginning with those who wrote the Constitution of the United States, down until years after the close of the great war those who were seeking to escape taxation went again and again to the Supreme Court, and in the face of those decisions, unanimous as they were, asked for a review and a reconsideration of the question. The Supreme Court, with patience and care, examined the subject again in all its ramifications. Time passed on, and in 1894 another law was enacted taxing the incomes of the country, and notwithstanding the five decisions of the Supreme Court defining a direct tax, the untaxed wealth and the untaxed incomes of this country traveled their way to the Supreme Court again and asked the Supreme Court to review five unanimous decisions as to what is a direct tax. They succeeded in what? By a bare majority of one, against the decisions preceding, they succeeded in establishing a different rule of interpretation. As to that decision Mr. Justice White said:

> My inability to agree with the court in the conclusions which it has just expressed causes me much regret. Great as is my respect for any view by it announced, I can not resist the conviction that its opinion and decree in this case virtually annuls its previous decisions in regard to the powers of Congress on the subject of taxation, and is therefore fraught with danger to the court, to each and every citizen, and to the Republic.

As to that decision these are searching words of Mr. Justice Harlan:

> In my judgment, to say nothing of the disregard of former adjudications of this court and of the settled practice of the Government, this decision may well excite the gravest apprehensions. It strikes at the very foundation of national authority, in that it denies to the General Government a power which is, or may become, vital to the very existence and preservation of the Union in a national emergency such as that of a war with a great commercial nation, during which the collection of duties upon imports will cease or be materially diminished. * * * The decision now made may provoke a contest in this country, from which the American people would have been spared if the court had not overturned its former adjudications and had adhered to the principles of taxation upon which our Government, following the repeated adjudications of this court, has always been administered. Thoughtful, conservative men have uniformly held that government could not be safely administered, except upon principles of right, justice, and equality—without discrimination against any part of the people because of their owning or not owning visible property, or because of their having or not having incomes from bonds and stocks. But by its present construction of the Constitution the court, for the first time in all its history, declares that our Government has been so framed that in matters of taxation for its support and maintenance those who have incomes derived from the renting of real estate or from the leasing or using of tangible property, bonds, stock, and investments of whatever kind, have privileges that can not be accorded to those having incomes derived from the labor of their hands or the exercise of their skill or the use of their brains.

Since that bare majority of one has been obtained, Senators urge that the great masses of the American people, who are asking to have this tax burden distributed, shall not go again to the court to have that question considered, out of a mere delicacy of consideration for that tribunal.

Mr. President, that great tribunal, whose judgments and decrees deal with the destiny of 46 sovereign Commonwealths and with all the plans and purposes of a great Nation, within whose jurisdiction are found the rights and liberties of the humblest citizen, and the complex and ever-haunting problems of state and national sovereignty, can not be too jealously guarded or profoundly honored to suit me. If we differ upon that question we differ only as to the method of making known our respect for its power and our concern for its continued usefulness and honor. As a citizen, I bow uncomplainingly to its judgment; as a lawyer, I seek its decisions as the wisest and most profound expositions of the law to be found among our own people or elsewhere, controlling and authoritative, not simply because the Constitution makes them so, but because of their learning and research and wealth of reasoning; but, sir, as a legislator, sworn to uphold and maintain the Constitution, pledged to preserve it in all its integrity of purpose, I most respectfully submit that I am not precluded from carrying to that tribunal for its reconsideration a question upon which they were all but evenly divided. Where great and powerful intellects trained in constitutional law, each determined to arrive at a sound and righteous conclusion, differ by a bare margin of one, and by such difference overturn the precedents and practice of a century, and by such difference overturn the precedents upon which we had collected millions from the American people and fought the great battles of the Union, who will tell me that under such circumstances it is an assault to the dignity of the court or an undermining of its confidence to ask it again to reconsider that question?

Mr. President, the mere change of opinion upon a specific question of law submitted is a small item to mar the confidence of the people in that august body. Our confidence is best assured and most definitely determined when it is ascertained that although specific errors may creep in, errors which are human, the inherent bent of its innate strength and virtue, the compelling power of its intellectual integrity are to correct those errors, so that, in the wide sweep of the years, its judgments may stand the test of reason and the strain of time. Sir, I honor that tribunal by appealing to its great patience, its tolerance, its willingness so magnificently exhibited upon scores of occasions to reexamine its own opinions. Let us do our

duty as we understand it, with a due regard to the rights of the people and our sworn obligations here, and trust the great jurists, who now occupy places upon that bench and who rank well in heart and brain with their great predecessors, to protect and preserve the integrity and honor of that bench, and transfer it unimpaired and untarnished to succeeding generations.

Mr. CLAPP. Mr. President——

The PRESIDING OFFICER (Mr. DIXON in the chair). Does the Senator from Idaho yield to the Senator from Minnesota?

Mr. BORAH. I do.

Mr. CLAPP. I move that the Senate adjourn.

Mr. BURROWS. Mr. President, do I understand that it is the desire of the Senator from Idaho to discontinue at this time?

Mr. BORAH. I would prefer not to go on.

Mr. BURROWS. If the Senator would prefer to go on, there is ample time——

Mr. BORAH. I would prefer to discontinue for the present.

Mr. CLAPP. Of course I would not have made the motion if it were not agreeable to the Senator from Idaho.

The PRESIDING OFFICER. The Chair did not fully understand the Senator from Minnesota.

Mr. CLAPP. I move that the Senate adjourn.

Mr. SMOOT. Mr. President——

Mr. LA FOLLETTE. The question is not debatable, Mr. President.

Mr. BURROWS. I suggest to the Senator from Idaho, if it would not be disagreeable to him, that it is only half past 5, and we could proceed for a little time longer.

Mr. BORAH. If it is desired, I can proceed until 6 o'clock.

Mr. BAILEY. Mr. President, I think a motion to adjourn is not debatable; and I ask the Chair to submit to the Senate the motion of the Senator from Minnesota [Mr. CLAPP].

Mr. BURROWS. Of course, it is not debatable——

The PRESIDING OFFICER. The Chair understands the motion is not debatable, and that the debate is proceeding by unanimous consent.

Mr. BURROWS. But the Senator from Idaho says he is willing to proceed until 6 o'clock.

Mr. SMOOT. If the Senator from Idaho does not desire to continue, it is possible that some other Senator can go on and let the Senator from Idaho rest. A good many Senators, in addition to the Senator from Idaho, desire to speak on this subject.

Mr. BEVERIDGE. If a motion to adjourn is made, unless the Senator making it withdraws it, it can not be debated.

Mr. SMOOT. Is there not a unanimous-consent agreement that we shall continue in session until 7 o'clock?

The PRESIDING OFFICER. The question is on the motion of the Senator from Minnesota.

Mr. BEVERIDGE. Unless the Senator withdraws it——

Mr. CLAPP. I do not withdraw it.

The PRESIDING OFFICER. The question is on the motion of the Senator from Minnesota [Mr. CLAPP]. [Putting the question.] By the sound the "noes" appear to have it.

Mr. CLAPP and Mr. LA FOLLETTE called for the yeas and nays.

The PRESIDING OFFICER. The yeas and nays are demanded.

Mr. SMOOT. I suggest the absence of a quorum.

Mr. LA FOLLETTE. You will not find a quorum here, if you call the roll.

Mr. BURROWS. There ought not to be any difficulty about this matter. I understand the Senator from Idaho is willing to proceed until 6 o'clock.

Mr. BULKELEY. Some of us who have been sitting here all day listening, however, are just as eager to go as the Senator who has been speaking.

Mr. KEAN. We should like to get through with this bill, if we can.

Mr. BULKELEY. I do not see how you can finish it to-night.

Mr. BAILEY. You will not make any progress by trying to force a man to speak when he is exhausted.

Mr. SMOOT. I have no desire to do so, Mr. President.

The PRESIDING OFFICER. Is there a second to the demand for the yeas and nays?

The yeas and nays were ordered, and the Secretary proceeded to call the roll.

Mr. DILLINGHAM (when his name was called). I am paired with the senior Senator from South Carolina [Mr. TILLMAN]. As he is not present, I withhold my vote.

Mr. FLETCHER (when Mr. TALIAFERRO's name was called). The senior Senator from Florida [Mr. TALIAFERRO] is paired with the senior Senator from West Virginia [Mr. ELKINS].

The roll call was concluded.

Mr. BRIGGS (after having voted in the negative). I inquire if the senior Senator from Alabama [Mr. BANKHEAD] has voted?

The PRESIDING OFFICER. The Chair is informed that he has not.

Mr. BRIGGS. I have a pair with that Senator, and therefore withdraw my vote.

Mr. McLAURIN. I inquire if the Senator from Michigan [Mr. SMITH] has voted?

The PRESIDING OFFICER. The Chair is informed that he has not.

Mr. McLAURIN. Then I withhold my vote, as I am paired with that Senator.

Mr. BACON. I desire to announce that the Senator from Tennessee [Mr. FRAZIER] is absent from the Chamber on account of illness.

The result was announced—yeas 34, nays 17, as follows:

YEAS—34.

Bacon	Clay	Hughes	Page
Bailey	Crawford	Johnson, N. Dak.	Perkins
Borah	Culberson	Jones	Piles
Bourne	Cummins	La Follette	Simmons
Bristow	Daniel	Money	Smith, S. C.
Brown	Dick	Nelson	Stone
Bulkeley	Fletcher	Newlands	Warner
Clapp	Foster	Overman	
Clark, Wyo.	Gamble	Owen	

NAYS—17.

Brandegee	Curtis	Lodge	Sutherland
Burkett	Flint	Oliver	Warren
Burrows	Gallinger	Root	
Carter	Guggenheim	Scott	
Cullom	Kean	Smoot	

NOT VOTING—41.

Aldrich	Depew	Johnston, Ala.	Shively
Bankhead	Dillingham	Lorimer	Smith, Md.
Beveridge	Dixon	McCumber	Smith, Mich.
Bradley	Dolliver	McEnery	Stephenson
Briggs	du Pont	McLaurin	Taliaferro
Burnham	Elkins	Martin	Taylor
Burton	Frazier	Nixon	Tillman
Chamberlain	Frye	Paynter	Wetmore
Clarke, Ark.	Gore	Penrose	
Crane	Hale	Rayner	
Davis	Heyburn	Richardson	

So the motion was agreed to; and (at 5 o'clock and 45 minutes p. m.) the Senate adjourned until to-morrow, Thursday, July 1, 1909, at 10 o'clock a. m.

SENATE.

THURSDAY, *July 1, 1909.*

The Senate met at 10 o'clock a. m.

Prayer by the Chaplain, Rev. Ulysses G. B. Pierce, D. D.

The Journal of yesterday's proceedings was read and approved.

ENROLLED BILL SIGNED.

A message from the House of Representatives, by Mr. W. J. Browning, its Chief Clerk, announced that the Speaker of the House had signed the enrolled bill (H. R. 1033) to provide for the Thirteenth and subsequent decennial censuses, and it was thereupon signed by the Vice-President.

PETITIONS AND MEMORIALS.

The VICE-PRESIDENT presented a petition of the Commercial Travelers' Protective Association of America, praying that Congress grant Dr. T. R. Timby, of Brooklyn, N. Y., a rehearing before the Court of Claims, which was referred to the Committee on Claims.

He also presented an address by the Colony of Persia in Egypt through its committee of award relating to the evacuation of Bushir, etc., which was referred to the Committee on Foreign Relations.

Mr. JONES presented a memorial of the Clearing House Association of Spokane, Wash., remonstrating against the adoption of the so-called "Bailey-Cummins income-tax amendment" to the pending tariff bill, which was ordered to lie on the table.

Mr. SHIVELY presented a petition of sundry citizens of the United States, praying that an appropriation be made to reimburse them for losses sustained during the military operations at Samoa in March, April, and May, 1899, which was referred to the Committee on Foreign Relations.

BILLS INTRODUCED.

The following bills were introduced, read the first time, and, by unanimous consent the second time, and referred as follows:

By Mr. SHIVELY:

A bill (S. 2801) granting an increase of pension to Michael Collins;

A bill (S. 2802) granting an increase of pension to Adam Greenawalt;

A bill (S. 2803) granting an increase of pension to Frederick Bill; and

A bill (S. 2804) granting a pension to Mattie Shepard (with accompanying paper); to the Committee on Pensions.

AMENDMENT TO THE TARIFF BILL.

Mr. BURKETT submitted an amendment intended to be proposed by him to section 4 of the bill (H. R. 1438) to provide revenue, equalize duties, and encourage the industries of the United States, and for other purposes, which was ordered to lie on the table and be printed.

PROTECTION'S FAVORS TO FOREIGNERS.

Mr. OWEN. On May 22 I asked to have printed as a document an article by Mr. James G. Parsons on "Protection's Favors to Foreigners," and known as "Senate Document No. 54." Upon examination, I find that some corrections are necessary, and I ask for a reprint of the document as corrected, with the illustrations.

The VICE-PRESIDENT. Without objection, a reprint of the document will be ordered.

HENRY D. SAYRE.

The VICE-PRESIDENT laid before the Senate the following message from the President of the United States, which was read and, with the accompanying papers, referred to the Committee on Pacific Islands and Porto Rico and ordered to be printed (S. Doc. No. 119):

To the Senate and House of Representatives:

In accordance with section 32 of the act of Congress approved April 12, 1900 (31 Stat., 84), entitled "An act temporarily to provide revenues and a civil government for Porto Rico, and for other purposes," I have the honor to transmit herewith for the consideration of the Congress certified copy of a franchise granted by the executive council of Porto Rico, June 10, 1909, entitled "An ordinance amending an ordinance entitled 'An ordinance repealing an ordinance entitled "An ordinance granting to Henry D. Sayre, his heirs, successors or assigns, the right to use the waters of the Mavilla Creek for the generation of electric energy," approved April 3, 1905,' and granting to Henry D. Sayre and his assign, the Mabilla Mining Company, the right to utilize the waters of the Mabilla Creek for mining purposes," approved by the acting governor of Porto Rico, June 15, 1909.

WM. H. TAFT.

THE WHITE HOUSE, *June 25, 1909.*

THE TARIFF.

The VICE-PRESIDENT. The Secretary will announce the first bill on the calendar.

The Senate, as in Committee of the Whole, resumed the consideration of the bill (H. R. 1438) to provide revenue, equalize duties, and encourage the industries of the United States, and for other purposes.

Mr. CUMMINS. Mr. President, I suggest the absence of a quorum.

The VICE-PRESIDENT. The Secretary will call the roll.

The Secretary called the roll, and the following Senators answered to their names:

Bacon	Clapp	Foster	Page
Beveridge	Clark, Wyo.	Frye	Perkins
Borah	Clay	Gallinger	Root
Brandegee	Crawford	Guggenheim	Scott
Briggs	Cullom	Heyburn	Shively
Bristow	Cummins	Hughes	Simmons
Brown	Curtis	Johnson, N. Dak.	Smoot
Bulkeley	Davis	Jones	Stone
Burkett	Dick	Kean	Sutherland
Burnham	Dillingham	Lodge	Taliaferro
Burrows	du Pont	McCumber	Tillman
Burton	Fletcher	McLaurin	Warner
Carter	Flint	Nelson	Warren

Mr. JONES. My colleague [Mr. PILES] is temporarily detained from the Chamber this morning.

The VICE-PRESIDENT. Fifty-two Senators have answered to the roll call. A quorum of the Senate is present.

Mr. BORAH. Mr. President, I regret that I have perhaps been the cause of discommoding the committee in its desire of hastening this bill—of discommoding my colleagues, who are also desirous of hastening the bill. With a view of compensating something for the delay last evening, I shall shorten my remarks to-day to some extent.

I observe that the morning press referred to me as having been bitter in my attitude last evening. It reminds me to say again that I am attempting to discuss this subject without questioning the motives of any one who may differ from me in opinion, and I am seeking to discuss it from the standpoint of principle. I have not been long in this Chamber, but long enough to learn to be tolerant as to men's motives, though somewhat intolerant, possibly, as to opinions.

I called attention last evening to the fact that during the period of 1898 there was a proposed amendment to the war-revenue act which provided for an excise tax with relation to the business of refining sugar and petroleum, and I called attention to the attitude of some of the leaders of the party as to that tax. I had practically passed from the discussion of that subject, but I want to quote just one more eminent authority as to the effect of the tax, and then I will close my remarks upon that feature of the discussion.

Senator Gray was not a radical nor a man who spoke without consideration. He has long been regarded as one of the safe and wise and eminent counselors in our public affairs, and has served his country upon one or two occasions when his exceptional ability and his judgment were proven by his service to a remarkable degree.

In discussing this matter he said:

> All taxes of this character, however they may be directed at what is called "the wealth of the country," in some fashion and in some way sift down to consumption.

He was speaking with reference to the corporation tax.

Now, Mr. President, prior to the introduction of the amendment which I have been discussing there was introduced by someone, I have forgotten now the Senator, a broader and more comprehensive amendment, covering a tax upon the gross income of all corporations. This was a separate and distinct measure from the amendment which I have been discussing. It brought to the discussion the wisdom and the judgment and the views of all the leaders of my party. I quote from those leaders this morning, not with any view to criticising either expressly or impliedly their position then with reference to their position now, or in any other way, but for the sole purpose of bringing before the Senate the fact that this measure has once undergone the test of reason and judgment of the leaders of this body upon the majority side, and was rejected, not from expediency, not because the revenue was not necessary, but rejected upon principle.

It seems to me that if we ascertain that the tax has once been subjected to the test, both in argument and in part in experience, and has failed to meet the test, not as a matter of a mere revenue-producing proposition, but has proven to be wrong in principle, it is well worth our while to stop and consider, because we are certainly entering a new field of legislation and gathering to ourselves a jurisdiction with reference to the taxing power of this Government which, to say the least, is extraordinary.

When the late distinguished and vigilant Senator from Iowa, Senator Allison, brought in the report of the majority, he referred to this proposed amendment. I shall not take the time to read his view, but there are men in the Senate Chamber who served long years with that veteran statesman, who relied upon his judgment, believed in his wisdom, were guided by his counsel, who regarded him in matters of this kind as one of the safest men who ever served in public life. I invite the friends of this measure, who have brought it in here, as they say, for the purpose of defeating another measure——

Mr. McCUMBER. Mr. President——

The VICE-PRESIDENT. Does the Senator from Idaho yield to the Senator from North Dakota?

Mr. BORAH. Certainly.

Mr. McCUMBER. Will the Senator right here allow me to protest against that statement? Not only the Senator from Idaho, but the Senator from Iowa, have in the debate several times asserted that the committee amendment was reported by the committee for the purpose of destroying some other amendment. I for one wish to state that that is not correct, so far as I am concerned; and I do not understand that in the colloquy between the Senator from Rhode Island [Mr. ALDRICH] and some other Senator on this floor, in which that Senator gave his own personal reasons for supporting this tax amendment, he intended to give the reasons which actuated the committee in any respect. He gave them as his own personal reasons, and did not attempt to place those reasons to the credit or discredit of any member of the committee. I do not know that a single other member of that committee agrees with him upon that proposition. I shall probably vote for this amendment, but it will certainly not be for that reason, because I believe if we could have a valid income-tax law it certainly would be preferable and more equitable than this one.

Mr. BORAH. I am very glad to have the suggestion of the Senator from North Dakota. I accept his personal view with reference to his personal reasons and motives. I wish the confessions would become more numerous.

Mr. CLAPP. Will the Senator pardon me an interruption?

Mr. BORAH. Certainly.

Mr. CLAPP. I wish to ask the Senator if he would not practically insist that the committee be polled before he would accept the statement of the Senator from North Dakota as voicing the sentiment of the entire committee?

Mr. McCUMBER. The Senator from North Dakota has not attempted to voice the sentiment of the entire committee. The Senator from North Dakota has voiced his own sentiment. All that he has stated is that the Senator from Rhode Island in his colloquy did not pretend to voice the sentiment of each separate member of the committee, but only his own.

Now, I do not know absolutely the view of a single other member of the committee upon the question as to whether an income tax would be preferable to this tax if it could be made constitutional. I have my own views on the subject, and I do not wish in those views to be understood as representing the view of a single one of the members. All I wish to say is that it is unjust to say that the particular personal view of the chairman necessarily represents the views of each separate member of the committee.

Mr. CLAPP. I did not say anything from which it could be implied that I meant to intimate that the Senator from North Dakota intended to voice any sentiment but his own. I simply suggested that I for one would want a poll of the committee before I take his attitude as the attitude of a majority of the committee.

Mr. BORAH. Mr. President, I am perfectly willing, so far as I am individually concerned, to accept the statement of the Senator from North Dakota, made, as I have no doubt, in perfect good faith. I have no doubt his statement represents his individual view; and having the regard I have for him in all his public service, I do not for a moment challenge it. I am going later, however, to show—not alone from the statement of the chairman of the committee, but from the circumstances which surround this transaction—that it is proven beyond peradventure of doubt that this measure had its origin in the desire to defeat the income tax. As to what might have been the individual view of any man who, fortunately or unfortunately, was connected with the committee, I am not going to take issue with anyone; but the great, controlling, overwhelming proposition, supported by the unquestionable facts surrounding us, is the fact that it is here as a measure to defeat the income tax, and when it shall have served its purpose it will die, as the great leader of this Chamber said, an ignominious death.

I was referring to the statement made by Senator Allison when he brought in the committee report in 1898. It is worth our while, when we have time and the curiosity, to go back and read his argument. It covers the entire range and the entire field, and it would perhaps be much better, if I had the time, to read his argument than to undertake to make an original argument myself, because of his commanding position for long years in this Chamber. But every reason advanced against this measure by Senator Allison, of Iowa, is just as effective to-day as it was then, because he argued it upon principle. We were then meeting the proposition of raising revenue for the expenses of the war. We needed the revenue. It was not for that reason that he rejected it, but for the reason, as he said, that it was unjust, unfair, discriminative, and that it visited the burden where it ought not to be visited in laying these extra taxes.

If that be true, I appeal to those who insist upon passing this measure in the late days of this debate to go back and reconsider for a moment. Possibly, in the great anxiety to kill a good measure, some serious mistake has been made. Possibly the clear and commanding judgments of some of our leaders here have been clouded through fear and through intense dislike for a just measure, but a measure which would reach interests which there is always a great desire in certain quarters to protect.

I will not read his address. I am simply calling attention to it, as the Senator from Iowa [Mr. CUMMINS] said he would put it in his speech. During that debate a colloquy took place between Senator Platt, of Connecticut, and Senator DANIEL, of Virginia, which I desire to quote briefly:

Mr. PLATT of Connecticut. Yes; it is denominated an excise tax and something else, a special excise tax, something that was never heard of in the history of taxation in the United States.

Mr. SPOONER. Will one of those distinguished lawyers, members of the Committee on Finance, be kind enough to explain the constitutional distinction between an excise tax and a special excise tax?

Mr. PLATT of Connecticut. I can not for the life of me understand, Mr. President, how the taxation of gross receipts does not come within the doctrine of the court laid down in the income-tax cases.

Mr. DANIEL. On personal property?

Mr. PLATT of Connecticut. If it be a tax on gross receipts, if it be a tax on corporations as such, because they are corporations, I think it was never attempted before in this country, and I do not believe the United States can put a tax upon the corporations chartered by a State. I do not understand that any of those authorities go to the length of holding that the Congress of the United States can impose a tax upon a corporation chartered by a State because it is a corporation.

During that discussion the distinguished Senator from Massachusetts——

Mr. OVERMAN. Will the Senator pardon me? Who was he reading from? This is a matter of interest.

Mr. BORAH. Senator Platt, of Connecticut.

Mr. OVERMAN. I am very much interested in the argument, and I wanted to know from whom he is reading.

Mr. BORAH. The late Senator Platt.

Mr. BULKELEY. A very wise man.

Mr. HEYBURN. Was it Senator Platt who raised the question as to whether Congress had the power to impose a tax upon corporations created by a State, or was that Senator DANIEL?

Mr. BORAH. It was Senator Platt, of Connecticut, and he was joined in that view by Senator Spooner.

During the debate upon this amendment the Senator from Massachusetts [Mr. LODGE] discussed the matter plainly. With his usual power of statement and argument he covered the subject, and I want to call attention somewhat at length to his statement. You will be patient with me when I do so, because I am not trespassing upon the patience of the Senate with my views, but with the argument and the views of a man who has been a leader in public political thought as a partisan for years. The Senator said:

The object, as I take it, of the proposed tax on banks and corporations is to place a tax upon those wicked persons—

Observe the fine satire and the polished irony of that remark, a combination of Juvenal and Junius. I will read it again:

The object, as I take it, of the proposed tax on banks and corporations is to place a tax upon those wicked persons who have made or saved money and who are popularly supposed to be gathered together in corporations. * * * The States and municipalities must get their money somewhere. If the National Government takes from them one field of taxation after another, they are forced back more and more to the comparatively narrow ground of real estate, and it seems to me that this is a very serious, to my mind, objection to the whole scheme of taxing banks and corporations. There is another point about this amendment, and that is the extreme injustice, as it appears to me, with which taxes are imposed. We tax corporations, but we do not tax a partnership. * * * We propose to tax men for privileges which we do not confer and relieve other men doing, perhaps, the same business and with a larger profit because they do business in the name of a partnership and not a corporation. The corporation, as a rule, is made up of many persons with small interests, whereas the great partnerships are made up, as a rule, of one or two or three persons, and yet by this amendment the partnerships are exempted and the corporations are taxed. * * *

A Daniel come to judgment!

The States can not tax privileges or franchises that were given; and we are entering in with the taxing power which, as the Senator from Wisconsin has pointed out, involves the power to destroy, to tax the privilege granted by the State.

Mr. ALLEN of Nebraska——

Mr. LA FOLLETTE. Mr. President——

The VICE-PRESIDENT. Will the Senator from Idaho yield to the Senator from Wisconsin?

Mr. BORAH. Certainly.

Mr. LA FOLLETTE. I did not understand exactly. Is it possible that the Senator was quoting from the Senator from Massachusetts [Mr. LODGE]?

Mr. BORAH. I was quoting from the address of the Senator from Massachusetts [Mr. LODGE].

Mr. LA FOLLETTE. Will the Senator from Idaho state exactly what the question pending at that time was?

Mr. BORAH. The question pending was a tax upon the gross incomes or receipts of corporations, proposed by the minority members of the committee, opposed by the distinguished Senator from Massachusetts, together with all the other Republican Senators who were then in the Senate Chamber.

I invite the attention of the Senate to the fact that the opposition was based upon broad and far-reaching and fundamental principles. No man said we do not need this revenue; this is not the time for this action. They said it was unequal, unjust, discriminating, violative of the fundamental principles of taxation. Those were the points.

Mr. CARTER. Mr. President——

The VICE-PRESIDENT. Does the Senator from Idaho yield to the Senator from Montana?

Mr. BORAH. Certainly.

Mr. CARTER. The Senator from Idaho accounts for the change of view of the Senator from Massachusetts and those Republicans who acted with him at that time by the suggestion that this tax is offered now as a substitute in order to defeat the income tax. The change of position is therefore merely yielding to expediency. How does the Senator account for the change of position on the part of the minority, seeming now to stand on the exact opposite side of this question?

Mr. BORAH. Mr. President, I am not authorized to speak for the minority, and I do not know that they have changed. I do not know that they propose to support this corporation tax. I shall be greatly surprised if many of them do.

Mr. CARTER. My understanding from the Senator's observations is that the minority now oppose the taxing of corporations, whereas formerly they favored this kind of a tax.

Mr. BAILEY. Will the Senator permit me?

The VICE-PRESIDENT. Does the Senator from Idaho yield to the Senator from Texas?

Mr. BORAH. Certainly.

Mr. BAILEY. The attitude of the minority, so far as I understand it, is now precisely what it was in 1898. We prefer now as then an income tax as against a corporation tax or an inheritance tax. We would, of course, include as a part of each man's income what he has inherited, and in that sense we favor now, as we did then, the inheritance tax as a part of a general income tax.

But the Senator from Montana [Mr. CARTER] has overlooked the fact that at least in the House, when the war-revenue bill was pending there, the Democrats—and I believe I had the honor myself to propose the amendment that was supported by all the Democrats of the House—offered an income-tax amendment to the war-revenue bill just as we are now offering an income-tax amendment to this revenue bill. Unable to get that, the Democrats of the Senate devised a corporation tax. The provisions for a corporation tax now before us have some objectionable features, and while I will vote for it very reluctantly because of those objectionable features, yet I will support this tax on corporations and afford some small relief to all consumers; and that, I take it, is precisely how the Democrats felt in 1898.

Mr. CLAPP and Mr. CARTER addressed the Chair.

The VICE-PRESIDENT. To whom does the Senator from Idaho yield?

Mr. BORAH. I yield first to the Senator from Montana, and then I will yield to the Senator from Minnesota.

Mr. CARTER. I understand from the observations of the Senator from Texas that, failing to procure a majority for the income tax, the minority in the Chamber would support the corporation tax here proposed, as in 1898.

Mr. BAILEY. The Senator from Texas is not authorized to speak for the minority, and he does not attempt to do so. Speaking for himself, and himself alone, he would feel to-day just as the Democrats did in 1898. While this is by no means the best, if it is the only thing we can obtain I will take it.

Mr. CRAWFORD. Mr. President——

Mr. BORAH. I yield to the Senator from South Dakota.

Mr. CRAWFORD. Just for a question. Holding the view that the other side holds on this economic question, on the tariff, and on protection, does not the Senator think it would meet generally with the approval of his party, provided their views generally of an income tax could not prevail, to support a corporation tax which would require the great interests that have been profiting from their standpoint under the protective system to pay back into the Treasury of the United States in the form of a corporation tax some of the money which they have received as beneficiaries under the protective system?

Mr. BAILEY. The Senator has stated precisely one of the strongest considerations that would appeal to me on that question. This tariff bill carries a license to levy more than $2,000,000,000 tribute against the consumers of the United States; and if I had the power, I would like to take from the beneficiaries of this system a good deal more than $50,000,000 toward the support of the Government.

If it will not interfere with the Senator from Idaho, I do not hesitate to say that if I had the power, and if I could not get the general income tax and compel everybody with a stipulated income to pay share and share alike, I would draft this so as to confine it largely to the corporations which take tribute under the authority of this bill from the American consumer.

Mr. ROOT. Mr. President——

Mr. BORAH. I yield to the Senator from New York.

Mr. ROOT. May I ask the Senator from Texas if I am right in inferring from the statement which he has just made that he does not seriously question the constitutional power of the Congress to impose this tax on corporations?

Mr. BAILEY. Mr. President, I answer the Senator frankly that I do not. But, with the permission of the Senator from Idaho, I want to say that if one of the doctrines contended for in the Pollock case by four of the eight judges had prevailed in that case, then this act and all acts like it would be condemned by that decision. The Senator from New York will remember that four of the eight who participated in the first opinion of the Pollock case held that law void for a lack of uniformity; because, first, it taxed the corporations from the ground up, while it taxed the individual only from $4,000 up, and also because it taxed some corporations and exempted others, thus violating the uniformity requirement of the Constitution.

That was one of the questions left undecided because of an equal division of the court. And yet, within four years, that same court, meeting that same question of uniformity again in the case of Knowlton *v.* Moore, unanimously held that the uniformity requirement of the Constitution is one of geography and not of class. There was not a word uttered by any of those judges, who in the Pollock case insisted that the income-tax law was void for lack of uniformity, in protest against Judge White's decision that the uniformity requirement of the Constitution is purely geographical.

I have no hesitation in saying that the original purpose of that constitutional provision was one of geography and not of class. The purpose of it was to prevent the Congress from imposing one rate of taxes in one State and another rate of taxes in another State; and I think the court wisely decided the case of Knowlton *v.* Moore. I think the rule was and is that Congress can levy any tax it pleases except an export tax. Of course, a direct tax must be apportioned and an indirect tax must be uniform. But the uniformity rule simply requires that wherever the subject of taxation is found, the tax shall operate equally upon it.

I believe that Congress can tax all red-headed men engaged in a given line of business, if it pleases. I think it would be a very foolish thing to do; but I have no doubt if the tax fell upon every red-headed man in Massachusetts the same as in Mississippi or Texas and all other States, the law imposing such a tax would be perfectly valid.

Mr. OVERMAN. Mr. President——

The VICE-PRESIDENT. Does the Senator from Texas yield to the Senator from North Carolina?

Mr. BAILEY. I do.

Mr. OVERMAN. Mr. President, I want to ask the Senator from Texas a question. Can the General Government tax the cotton of the South and leave the wheat of the western farmer untaxed?

Mr. BAILEY. Mr. President, Congress did once levy a cotton tax, and it was attacked in the courts, and I think properly so. The trial judge held the law constitutional, and the case was appealed to the Supreme Court of the United States, which then consisted, I believe, of only eight members, there being a vacancy, as I recall, in the Chief Justiceship. The question was argued and reargued and probably argued for a third time in that tribunal. The judgment below was affirmed, without any opinion, by a divided court, four of the judges holding the law unconstitutional and four holding it constitutional. The four who held it unconstitutional did so, as I have always understood, upon the ground that the court must know judicially that cotton could not be grown in all the States, and therefore that the tax on it could not be uniform. I have always regretted that the opinions in that case have never been published.

The Senator's inquiry suggests a very pertinent consideration. I do not myself believe that Congress has the power to levy a tax which the court can judicially know is incapable of uniform operation.

I do not hesitate to say that, if that cotton tax had been levied at any time except in a period of great exasperation and sectional prejudice, the court would have unanimously held it void. I must not forget to pay Congress the compliment to say that, after the argument of that case, Congress had the good sense to repeal the cotton-tax law. That is the reason it was never finally and judicially tried out to a conclusion.

Mr. BORAH. Mr. President, digressing for a moment from the line of argument—which digression is suggested by the question asked by the Senator from New York [Mr. ROOT]—the Senator from New York will observe that I am not questioning the constitutionality of this tax. I am arguing it for the sake of the argument on the theory that it is constitutional; but I suggest this proposition as well worthy of the attention of the great legal acumen of the Senator from New York; that the power which enables us to lay this tax is such a power as does not require us to make the discrimination which is made in this amendment. If we have the power to make the classification which is made in this amendment, we have the power to extend that classification.

The authorities upon which they rely, as I shall show in a few moments, for the validity of this tax disclose that there is no necessity for the unjust and unfair discrimination under the legal authority of the Government which is found in this amendment. In other words, so far as the Constitution is con-

cerned, there is practically no limitation upon the power to levy a tax, except that of uniformity of apportionment and of exemption of exports; that the classification, the purpose, the object, the burden, the oppressiveness of the tax will scarcely be examined into by the court. That gives us a power which it is wholly unnecessary to limit as it is limited in this amendment, if you are going to levy that kind of a tax at all. While I make that statement, I submit there are some limitations, however, upon a free government outside of anything that is written in the Constitution. There are limitations beyond which we can not go as fundamental principles inherent in a republican form of government. I do not believe that we can exercise these powers arbitrarily to the full limit and bent of our mind. I am perfectly willing to say that we can exercise them to the limit which Congress will in all probability ever go. But remember that the Supreme Court has said that "when we consider the nature and theory of our institutions and Government, the principles upon which they are supposed to rest, and review the history of their development, we are constrained to conclude that they do not mean to leave room for the play and action of purely personal and arbitrary power anywhere within the Government."

Mr. CRAWFORD. Mr. President——

The VICE-PRESIDENT. Does the Senator from Idaho yield to the Senator from South Dakota?

Mr. BORAH. I do.

Mr. CRAWFORD. Mr. President, as I understand the drift of the Senator's argument, then, it is based mainly upon what he regards as the inherent injustice of the discrimination in this amendment in that it is confined to corporations?

Mr. BORAH. That is one of the objections; but that is the slightest objection, in my judgment. The great objection is that it reaches a class of people, burdens a class of people who are already overburdened with taxation, and does not reach the class of people who ought to pay the tax and who ostensibly we seek to reach.

Mr. CRAWFORD. We will take it, for instance, in the manufacturing industries of the United States. There has been quite a strong element—not so large numerically, perhaps, but quite a positive element—in this Senate which from the beginning has voted against an increase in the tariff rates and insisted upon a reduction of rates, because the rates, perhaps it was thought, were unduly favorable to the great manufacturing interests of this country, most of which—practically all of which—are conducting business in corporate form. I suppose the manufacturers of iron, of steel, and of cotton textiles, and in different lines of industry, as a rule, are doing business in corporate form and are reaping the benefit of the protective principle that is being applied to them. Now, is it an unjust discrimination, is it unfair, and is it inherently unfair and unjust that they should have this law applied to them, whereas an ordinary individual following a personal occupation as an individual should escape from it?

Mr. BORAH. Well, Mr. President, in the first place, of course all the people who receive the benefit of the protective tariff in that way—if it is a benefit—are not corporations, and we should reach all who receive it, when there is no legal objection to reaching them, if we are going to reach any.

Mr. CRAWFORD. As a rule, they are corporations.

Mr. BORAH. As a rule, they are. I presume that is true; but that is not true as a whole.

The second proposition, to which I call the attention of the Senate, is that we do not get that surplus when we levy this tax. They just turn around and, after they get the benefit of the protective tariff, they add to the price the tax which we levy upon them, and the people pay that also.

Mr. CRAWFORD. Will the Senator permit me to ask him another question?

The VICE-PRESIDENT. Does the Senator from Idaho yield to the Senator from South Dakota?

Mr. BORAH. I do.

Mr. CRAWFORD. How, then, is it of any avail whatever for a State or the Federal Government, or any municipal body, to impose a tax on a corporation in any form, for, if the Senator's statement is true in part, it is true entirely, that they can always pass it on? Why not, as was suggested by the Senator from Utah [Mr. SUTHERLAND], remit all taxes entirely from corporations because they can pass them on?

Mr. BORAH. Let me ask the Senator from South Dakota a question. Why not, instead of remitting it, tax those who get it and can not shift it?

Mr. CRAWFORD. My answer to that, Mr. President, is that I will stand with the Senator from Idaho and do it if there is any prospect that we can do it effectually, because I agree emphatically with the Senator from Idaho that the ideal taxation, when it is all analyzed, is the general income-tax proposition, but because I can not have that, I do not quite agree with the Senator from Idaho that we shall not go as far as we can effectually here, within the limits admitted to be constitutional, and reach the corporations that we can require to pay—that is the only difference between the Senator and me—and keep on fighting for the general income tax just the same.

Mr. BORAH. In other words, the Senator rather than to breach the rule of courtesy which would pass this great question up to the Supreme Court, rather than to tread upon that delicate ground, so called, would continue to levy this tax upon those who are now bearing the burden, would continue to leave the burden already there, and then levy more. Why would it not be better to consider a little the interests of the people and not quite so much the dignity of the court?

Mr. CRAWFORD. Mr. President, that is not quite so, because——

Mr. BORAH. It is getting practically close.

Mr. CRAWFORD. If I understand the Senator from Idaho and the Senator from Texas, the ability of each being acknowledged without reservation upon legal propositions, it is that the law proposed here in the form of this amendment is constitutional.

Mr. BORAH. But do not overlook the fact——

Mr. CRAWFORD. Now, if the Senator will simply permit me to finish——

Mr. BORAH. Just let me interpose this suggestion: Do not overlook the fact that the Senator from Texas and the Senator from Idaho also insist that the income tax is constitutional.

Mr. CRAWFORD. That is true; but while they also insist upon that, they must admit the fact that there stands, I think, an unfortunate decision, but there stands, nevertheless, a decision of the Supreme Court of the United States, which to-day is stare decisis, to the effect that such a law as, I admit, I should like to see the established law of the land, is unconstitutional; while here is a proposition which lawyers of eminent ability say, without much difference of opinion, is constitutional, which they believe has excellent merit in it; and the question is, Must we throw this away and try to get what is of questionable attainability? That is the proposition which, it seems to me, is here.

Mr. BORAH. Well, there is much in the attitude of the Senator, if he believes that the decision of the Supreme Court of the United States is conclusive.

Mr. CRAWFORD. Until it is changed.

Mr. BORAH. But there is nothing in the position of the Senator, if he concedes that it is not conclusive; and certainly the Senator, as a lawyer, will agree with me that no decision, rendered, as that was, by a bare majority of one in the face of a hundred years of precedents, can be considered as conclusive.

Mr. CRAWFORD. Mr. President, I think if I had been a member of that court, as I am sure the Senator from Idaho would have done if he had been a member of it, I would have sustained the law as constitutional.

Mr. BORAH. If ever I am President, the Senator will have a chance to go there.

Mr. CRAWFORD. Thank you; but it has been decided in a judicial way by the court, empowered finally to speak, to be unconstitutional; and we have got to act here, in passing upon these two amendments, with the principle of stare decisis against us, which before was in our favor.

Mr. BORAH. I call the Senator's attention to the fact that when the court decided the Pollock case the rule of stare decisis was eliminated from the jurisprudence of this country.

Mr. CRAWFORD. I hope not.

Mr. BORAH. It was; and they said they would not be bound by those precedents simply as precedents. Mr. Justice White, in that powerful dissenting opinion of his, which has never been answered and never will be answered, called their attention to the fact that, even aside from the original proposition, the question of stare decisis ought to settle the matter, but the court said, in substance, we will examine the subject again regardless of that proposition.

Mr. CARTER. Mr. President——

The VICE-PRESIDENT. Does the Senator from Idaho yield to the Senator from Montana?

Mr. BORAH. I do.

Mr. CARTER. The position taken by the court, to which the Senator refers, constitutes, to my mind, the most powerfully persuasive argument in favor of the reference of the constitutional amendment here pending to the several States. I regard the settlement of the power——

Mr. BORAH. I hope the Senator will not make a speech, though I am always interested in what the Senator says.

Mr. CARTER. I shall not interpose if the Senator does not desire; but I wish to state my position if he will permit me.

I regard the establishment of the power of the Federal Government to levy an income tax as of infinitely greater importance than the revision of the tariff or the present determination of any basis of taxation. If, as the Senator avers, the doctrine of stare decisis has been practically abandoned by the Supreme Court, then I ask the Senator how anyone can expect that a reversal of the Pollock case will permanently settle the power of Congress to levy an income tax? If a crisis, which I hope will never come, but which we may with prudence anticipate, should arise where an income tax would be necessary to the preservation of the life of the Government, might not a Supreme Court ten, twenty, or thirty years hence return to the doctrine of the Pollock case? I think, in the midst of that bewildering condition, it is infinitely better for us to refer the constitutional amendment to the several States, so that the question involving the power of Congress to levy an income tax may be forever and effectually put at rest.

Mr. BORAH. Mr. President, I am going to discuss in a few moments that identical proposition, but I am going to digress now to make a suggestion in answer to the Senator, as it is in the line of my remarks.

I will say, in passing, that is the only virtue in supporting a constitutional amendment in connection with the proposition of submitting the question to the court. But I do not want the Senator to overlook the fact that when we go before 46 States in this Union to make this fight and turn our backs upon the Supreme Court of the United States, we have sacrificed one of the most important points of prestige in this contest. I will come to that in a few moments. I am perfectly willing, I will say, however, to join in any effort to gather up all the threads in order to make final the success of the income tax; and for that reason, under certain conditions, I would support the resolution to submit to the several States an amendment to the Constitution.

Mr. President, coming back to where I left off awhile ago, I can not leave the speech of the Senator from Massachusetts without quoting a little further. Mr. Allen interjected a question during the discussion of the bill:

Mr. ALLEN. I should like to ask the Senator if the patrons of these corporations will not have to pay the tax? The tax imposed on them will be simply added to the price of the article and the consumer of the article will have it to pay.

Mr. LODGE. Does not the Senator see that the partnerships, which in the shoe and leather industry are quite as numerous, and I think more numerous, than corporations, would not have to pay anything and therefore they would not add it and they would cut the business right out from under those other people?

Senator Spooner then interposed to say that that would not probably be the result, but that when the corporations raised prices to meet the tax, the partnerships, instead of cutting under that, would raise their prices to the prices raised by the corporations, and add that much to their dividends, which would probably be the true result. Mr. Gray said:

Mr. GRAY. May I ask the Senator from Nebraska a question?

Mr. ALLEN. Certainly.

Mr. GRAY. Why does the Senator want particularly to lay a tax on the patrons of this shoe factory, who, I presume, are largely the men, women, and children who wear shoes.

Again, Mr. Allen said in another place:

It is a universal truth that this tax, levied in the first instance on the particular individual or particular corporation or partnership manufacturing these articles, must fall upon the millions of consumers of the articles.

The Senator from Massachusetts [Mr. LODGE], in concluding his speech—and it is a gem and meets the whole controversy in a paragraph, and at least it needs a little explanation before we are called upon to vote upon this measure; it is a part of the history of the discussions here; it stands unanswered to-day; and I want, before I cast my vote, to know whether or not those who debated this question in 1898 were in error, not as to its expediency but as to its principle—the Senator from Massachusetts said:

It is really a blind effort to strike at those people who are supposed to be very rich and are supposed, quite erroneously, to be gathered together in corporations. Most of the people who are gathered together in corporations are in reality persons of small means who will feel this tax severely. You will not catch the great millionaire as you desire in this way; but you will take from the States their normal sources of revenue and you will throw back on the homes of the people—on the farmer, on the man who owns a small house and who has his small savings—you will throw back on his shoulders the burden of state and municipal taxation and your great millionaires will escape readily through the clumsy net which you are trying to draw about him.

Mr. President, if that was true in 1898, it is true in 1909. It was the statement of a fundamental principle, with reference to this kind of taxation. If it is true, then is the Republican party, in the midst of profound peace and at a time when we are enjoying national development and growth, ready to-day to put this $50,000,000 or $100,000,000 as an extra burden upon the small farmer, the man who has saved a little and put it in stocks, the people who buy shoes, and the people who buy things to eat and buy things to wear? It is not a question alone of raising some revenue; it is a question of finding where this burden already rests and relieving it, if we can, if not by some system of taxation, then by imperative reduction of the expenditures of this Government.

The Senator from Maine [Mr. FRYE], during that debate—the veteran Senator, whose life has been consecrated to an unselfish devotion to the public interests, one, in my mind, of the proud characters of American history of these latter days, a man always unselfish in his service, high-minded in his purposes, never a demagogue and never a radical, which some people have come to think is about the same thing—said:

Mr. President, I think the bill has gone a good deal further than is reasonable and proper. My judgment is that this action imposing a tax upon corporations ought to be entitled, "a bill for the encouragement of enlistments in the United States Army," for I fully believe that if it becomes a law there will be a million men in the United States out of work or with wages so reduced they would prefer service in the United States Army to service in manufacturing corporations. If the tax is imposed, it will fall upon the workingmen because the mills must either stop or else they must reduce wages.

The Senator goes on at length and shows that a vast number of these corporations in his section of the country were so situated that they would not be able to or would not pay the tax without reducing expenses, and to reduce expenses meant, of course, to cut wages. While I am not going to read his speech in full, I again invite the Senate and those who are fearful of the fact that they may not be standing with the party when they refuse to support this amendment that they are well within the lines long established by the leaders of the Republican party in this Senate Chamber.

Senator Platt, of Connecticut, said:

Mr. President, this corporation tax is unjust as well as unnecessary. It is unjust for many reasons. It is unjust because it discriminates between persons carrying on the same class of business. * * * Corporations have become to a great extent in this country cooperative societies and nothing more. When you put a tax upon all corporations, large and small—railroad, banking, express, and the like—at the same time trading corporations, small manufacturing corporations, corporations engaged in agricultural proceeds, you put a tax upon the cooperative energy of the people of this country. * * * When you come to lay a tax upon all corporations it should not be forgotten that of the corporations in this country more than one-half in number are small, made up of persons who are putting their skill and energy together just as much as they are their capital, as capital is, indeed, to a large extent their skill and energy, and that when you are seeking to lay your hand heavily upon corporations because it is believed that some corporations have grown wealthy and conduct business in a way which is not sanctioned by the common judgment of mankind, you are at the same time laying a heavy hand upon these most beneficent corporations.

That is the vice of this amendment. The small corporations, as I said last evening, in a competitive field, where they can not change their prices, made up of the small citizenship of the country in the humble walks of life, will have to meet this tax; but the great corporations will deal with prices as they will, they will raise prices when they desire, they will incorporate every dollar of this tax, and the consumers of the country will have to pay it.

Senator Spooner said:

I admit it may tax the property, but may it tax the franchise? Is it not, in other words, the instrumentality employed by the State for a public purpose, and is it not true that the power upon the part of the United States to tax, if at all, involves the power to tax it out of existence, and—I do not say that the power does not exist, but if it does exist, to be exercised without limit, and it may be exercised without limit if it exists at all—may not the Federal Government dismantle the States so far as corporate instrumentalities are concerned? * * * If Congress may tax that, may it not destroy it? [Referring to corporations.] What I want to get at is where he would draw the line in this congressional taxation of state franchises, of property except as the franchise is property. Within the unlimited right to tax such franchises, can it not destroy? I say here it is entirely competent for Congress to tax property. Nobody questions that. The question is whether Congress can any more tax the property, the right to be of the corporation, than the State can tax a federal corporation.

Mr. President, I call attention now to the language of Judge Cooley:

A tax on a corporate franchise may or may not be just or politic. If the business is one in which corporations have a monopoly, a tax on their franchise, however heavy, would not be burdensome because the result would only be to add to the cost of whatever the corporation supplied to the public, so that the tax would really be paid by the community at large. If, on the other hand, the business is one open to free competition between corporations and individuals, and in respect to which corporations would enjoy no special privileges or advantages, a tax upon the privilege of conducting a business under a corporate organization would be wholly unreasonable and unjust, because it would give individuals and partnerships an advantage in the competition, and their competition, keeping down prices, would prevent corporations from indirectly collecting any portion of the tax from the public and leave them to bear the whole burden of a demand which, under such circumstances, must prove ruinous.

I said a few moments ago, and I want to repeat in connection with that statement, that I was not questioning the constitutionality of this tax. For the purpose of my argument to-day I do not propose to question it. I believe it is constitutional, if at all, upon the same line of argument and for the same reason that I believe an income tax would be constitutional. That is to say, there are other reasons which might be adduced in favor of the constitutionality of this tax, but the controlling principle is the one which underlies the argument with reference to the constitutionality of an income tax. It will be remembered that in the Spreckels case, which is relied upon here, the court bases its entire argument as to the constitutionality of the Spreckels excise tax upon the authorities which the dissenting judges in the income-tax case used to sustain their position as to the validity of an income tax. The decision which has been placed before us supporting the validity of this tax uses the authorities which we used in our debate to show the constitutionality of the income tax, except one case, and that is the case of Nicol *v.* Ames, which was rendered after the income-tax decision.

I now send to the Secretary's desk and ask to have read an excerpt from the speech of the President of the United States, made at a meeting over which I had the honor to preside. I hesitate to send this to the desk for the reason that undoubtedly it will be said that it is an attempt upon my part to criticise the President of the United States. No thought could be further from my mind. I need not say to the Members of the Senate that in my humble way I did all within my power to place him where he is. I believe in his honest heart and great mind.

But, Mr. President, I am in deadly earnest about this proposition. I believe the income tax to be absolutely essential to preserve the harmony between wealth and consumption which is necessary in order to preserve the golden thread of equality which lies at the base of republican forms of government. Moreover, I believe—using the expression in as respectful a manner as I can—that, whether so designed or not, this tax is in effect a subterfuge for the defeat of that great measure. Therefore Senators will not blame me if, in my humble way, I gather up what proof I can as to both the justice of the income tax and the injustice of this tax, in order to do what I can to see that my party does not assume this responsibility.

The speech which I send to the desk was delivered at Boise City, Idaho.

Mr. BACON. Mr. President, if the Senator will pardon me a moment, I should like to ask him why he has qualified his statement by saying "whether so designed or not," when the chairman of the Finance Committee stated positively and emphatically that that was his purpose?

Mr. BORAH. I was speaking with reference to the President of the United States.

Mr. BACON. Then I misunderstood the Senator.

Mr. BORAH. I could not attribute such purpose to the President of the United States.

Mr. BACON. I certainly should not have asked the question if I had known that that was in the Senator's mind. I thought he was speaking of those who had introduced the amendment into the Senate.

Mr. BORAH. Of course the Senator from Rhode Island has been very frank about it. I am going to come to that later.

The PRESIDING OFFICER. Without objection, the Secretary will read as requested.

The Secretary read as follows:

One of the texts which have furnished the most opportunity to the Democratic orators is the subject of trusts. Trusts have developed into an evil, but I think it would help us, and might help the Democratic orators to whom I refer if they would define exactly what they mean by trusts, and explain what the evils are of which they are guilty, with a view to possibly reaching a conclusion as to how they ought to be remedied. But before we come to the question of trusts, or, rather, defining them, we may say that they are enormous aggregations of wealth used as capital, but so used as to deprive the public of the benefit of the use of that capital to which they are entitled. We must all recognize that wealth used as capital is the basis of modern civilization; that the right of property is the most valuable right in building up our society, next to the right of personal liberty. The right of property develops in men, and developed in men in the dark ages, those virtues of self-restraint and providence, upon which we build all the other virtues. The use of wealth, therefore, as capital—that is, to reproduce itself—is a virtue. That is what we have it for. The corporation—the artificial entity known to the law as the "corporation"—is the most important instrument in modern times in perfecting and helping on the use of wealth as capital to reproduce wealth, because it offers the opportunity to amass the savings of many into one fund—one great fund—with which railroads and other great commercial enterprises can be carried on; and the incident of the transfer of shares of stock is what enables so many millions of people to have an interest in these immense corporations which they have helped to build up by contributing their modest savings. Any man who would discourage corporate enterprises, who would discourage the saving of wealth in that way to be used in increasing the prosperity of this country, would be doing a greater harm to the poor man, to the wage-earner, and to the small dealer than he would to the manager and the president of the great corporations. We must keep that in mind. Any man who would interfere with the prosperity of our country, considering what it is, would be an archconspirator against the people.

Mr. BORAH. Mr. President, I have practically concluded what I desired to say with reference to the discussion in 1898 and with reference to the position of the leaders of the party upon this kind of a tax. But before leaving the subject I want to call the roll on the amendment which was offered in 1898. Those voting to lay the amendment on the table were Messrs. ALDRICH, Allison, CARTER, CULLOM, Cushman K. Davis, ELKINS, Fairbanks, Foraker, FRYE, GALLINGER, Gear, HALE, Hanna, Hansbrough, Mason, Mitchell, Morrill, NELSON, PENROSE, PERKINS, Platt of Connecticut, Proctor, Quay, Shoup, Spooner, WARREN, WETMORE, and Wolcott.

I doubt if anyone got away. I think, after looking over the list, that those were all who voted upon the question at all.

Mr. GALLINGER. Can the Senator name the negative votes?

Mr. BORAH. I have not them here; but there were a great many Democrats who voted with the majority upon this subject. I was only interested in gathering up, if I could, the attitude of my party upon this subject and the views of those men in whose judgment I have confidence. I have had such confidence and hope it will continue.

There is the record of the Republican party upon the corporation tax.

Mr. NEWLANDS. Mr. President——

The PRESIDING OFFICER. Does the Senator from Idaho yield to the Senator from Nevada?

Mr. BORAH. I do.

Mr. NEWLANDS. I observe, Mr. President, that the Senator from Idaho refers to this as a tax on corporations. He will recall that in the debate between the Senator from Rhode Island [Mr. ALDRICH] and the Senator from California, Mr. White, who offered the amendment, the latter expressly disclaimed that it was a tax upon corporations as such. He called attention to the fact that the amendment in question applied to all persons, firms, and corporations engaged in refining sugar or oil, and applied to them all.

In that connection, while I may say I agree with the Senator as to the importance of the income tax in preference to all other taxes, I should like to ask him this question: If we should assume that we can not immediately put upon the statute books an income tax, would not the Senator regard a tax following in its exact terms and phraseology the tax presented by Mr. White in the twenty-seventh section of the war-revenue act, applying to all persons, firms, and corporations, and extending that to all persons, firms, and corporations engaged in manufacture whose gross receipts should exceed a certain amount—say $250,000 or $500,000 per annum, as was the case with the oil refiners and the sugar refiners—as preferable to this tax imposed upon corporations alone, and upon all corporations, big and little?

Mr. BORAH. Mr. President, as between two gross evils, I think that would be the less. However, I call the Senator's attention to the fact that the viciousness of that tax, with reference to the kind of tax he has just spoken of, laid as he has suggested, was revealed by the workings of that very amendment. I was discussing, not the amendment to which the Senator from Nevada is referring, the one which finally passed, but the other amendment, which was more extensive, and which was defeated.

Mr. NEWLANDS. And which was a tax upon corporations alone?

Mr. BORAH. Yes.

Mr. NEWLANDS. I did not understand that. But if the Senator will permit me just a moment further, let me call his attention to the fact that if we should impose a tax upon all persons, firms, and corporations engaged in manufacture—a tax upon the occupation, and not upon the corporate being—and exclude all whose gross receipts did not exceed $250,000 or $500,000 per annum, we would then tax the beneficiaries of the tariff law, who, under the law we are about to pass, have a right to add to the foreign price of their products the amount of the duty. And in that case, if they attempted to impose this additional tax upon the consumer, instead of taking it out of their profits they would necessarily raise the price of their products above the international price less the duty, and would in that way invite a flood of foreign products.

So I suggest to the Senator that, as applied to the manufacturers, it will be impossible for the manufacturers to impose this tax upon the consumer. And let me call his attention to another fact. Under this tariff act the manufacturers receive a charter to impose upon the people of the country an additional tax of 45 per cent upon the products they produce, that being the average duty; and it is only just, when they receive

a charter to tax the people to the extent of 45 per cent, that they should pay the United States Government at least 1 per cent or 2 per cent upon their gross receipts.

Mr. BORAH. Mr. President, I so radically disagree with the Senator from Nevada [Mr. NEWLANDS] as to the effect of a protective tariff that I do not see any common ground upon which we can discuss that proposition. Even if the Senator's premises with reference to the working of the protective tariff were correct—and I deem them to be entirely incorrect—I think we still would not get the profit in the manner of which the Senator speaks. But we are so far apart with reference to the premises upon which the Senator argues that I think I need not go into a tariff discussion at this time for fear we may have several roll calls before we get through.

As I said, I have called attention at considerable length to the position of my party upon the corporation tax. I am not going entirely into the history of the party upon the income tax; but I want to briefly call attention to it, and then pass on to this bill.

In the first place, I do not claim that an income tax is a panacea for all the evils that afflict the race. I do not claim that it will adjust all the iniquities of taxation. I only claim that it will reach that class of wealth which to-day does not in my judgment pay its proportion of taxation, and will reach that class of wealth which can not shift the tax to the consumer.

It has been said many times that the income tax should be regarded purely as a war measure; that it was regarded by the Republican party as a war measure; and that it was repealed after the war closed because it was regarded as a war measure. In my judgment, in the light of history, that is an incorrect interpretation of the facts. It was repealed in 1870. It was repealed after a vigorous protest upon the part of the very greatest leaders of the Republican party. It was repealed by a bare margin of one vote. It was repealed at a time when Sherman, Morton, Garfield, McCreary, Howe, and all that class of men were standing forth in its defense, not as a temporary war measure, but as a permanent part of the revenue system of the United States. The men who had seen it in operation, who knew how it was administered, who knew the effect of its administration, and whose power to judge can not be questioned, insisted that the repeal of the income tax was unjust, as Morton said, to the great mass of the American people. You will look in vain through the arguments of those men to find an argument sustaining it upon the theory that it should be used only in times of stress.

It was repealed, Mr. President, by means of that power, of that influence, regardless of party lines, which has stood like a solid phalanx against its reenactment. It was repealed because of the fact that there were those who believed that it was better to levy the entire burden upon consumption than to levy any part of it upon wealth. What the reason for believing it was I will leave for those to judge who care to look into the debate.

Mr. McCreary, at the time of its repeal, said:

Mr. Speaker, there is another consideration which, to my mind, is entirely conclusive against the abolition of the income tax. It is the only mode by which a large part of the wealth of this country can be taxed at all. * * * Abolish the income tax and the man who has his fortune in those bonds, and so forth, will continue to receive his interest and contribute nothing to the support of the Government, either state or national.

General Garfield said:

Whenever a man terminates his active career in life and becomes a mere capitalist, living upon the profits of his wealth invested in some permanent form, that man's income should pay a tax.

Senator Morton, of Indiana, said:

If the wealth is in the hands of the few, there is where the tax should come from, because they have got it.

Senator Sherman said:

But there is another thing in a popular government like ours which Senators should not forget. They have heard the clamor raised about our ears by the newspapers and by men whose incomes are large, but when you get down to the solid basis of even-handed justice you will find that all writers on political economy, as well as our own sentiments of what is just and right, teach us that a man ought to pay taxes according to his income. The income tax is the only one that tends to equalize the burdens between the rich and the poor.

Mr. President, I would not, if I could, lay all the tax upon the rich. I would not, if I could, place all the burden there. And I want it understood, once and for all, that my plea is not to oppress wealth, but for equality of burdens, as Senator Sherman said, between the rich and the poor. Who will deny that as a fundamental principle upon which to build Republican institutions?

It should not be overlooked that the repeal of the income tax was opposed by some of the greatest leaders the Republican party has ever had. Among them were Allison, Hale, Davis, Hoar, Howe, Morton, Sherman, and the others whom I have named. If I remember correctly, recurring now to memory, the veteran Senator from Illinois [Mr. CULLOM], now occupying an honored seat in this Chamber, was in Congress and also voted against the repeal of the income tax—a man who has given all the years of his life to the service of his Commonwealth and his Government, and who has nothing to show at the close in the way of personal gain or convenience except the high honor of an untarnished name and a faithful discharge in every crisis of public duty.

It will not do to send out through the newspapers of this country, as I saw published in one this morning, that the advocates of an income tax are enemies of great wealth. They are men advocating a principle as old as the party itself and older than the party by nearly fifty years. It was advocated by men who helped to preserve the Union and maintain the flag, and who fought for the continuation of this great constitutional Government which protects the rights of all citizens regardless of whether they are rich or poor.

You can not long blind the eyes of the American people. You can not always make them think that it is a war upon wealth. We repudiate it and say that it is equally between consumption and wealth, the rich and the poor, nothing more.

Senator Morton, of Indiana, at the close of the debate said:

Mr. President, I was not surprised at the vote we had here this morning. I have expected it for some time, but I regret it deeply. I regard it as a mistake on every point of view, whether we consider it in regard to public sentiment, whether we consider it in regard to public justice, whether we consider it in regard to what is due to the great mass of the people, and especially to the great mass of the poor people of this country. I regard it as a mistake and as a great mistake.

Mr. DRAKE. A blunder.

Mr. MORTON. Aye; it is a blunder, and that in politics is called a "crime," but I will not so designate it this morning. That would not be respectful, but I do designate it as a "blunder," and such a one as legislators rarely commit.

There is about the last word spoken in behalf of that great principle, at the time it was taken from the statute books of the United States, and all the burden of government, the remnant expenses of a great war turned over to be paid, with the great incomes of this country absolutely exempt from that hour to this.

Mr. President, just a word with reference to the publicity feature of this amendment. In the first place, the income tax supporters would be perfectly willing to insert in their bill any provision which the ingenuity of the great constitutional lawyers could draw which would be just as efficient, just as serviceable for the public as the one which we have in this bill.

Second, this question arose after so much discussion about the publicity feature of the bill. I invite the attention of the Senator from New York, whom we all recognize to be the leader of the American bar, and no greater intellectual crown was ever placed upon a man than that of being the leader of the proudest of the professions, I ask him what are you going to do with this data which you gather under this publicity clause, with reference to all the corporations doing intrastate business? What use are you going to make of it? Is the National Government going to undertake by the taxing power to control the corporations engaged in intrastate business?

Mr. President, in the Sugar case, decided in One hundred and fifty-sixth United States, they had all the publicity data they needed. They ascertained beyond question that they had control of 98 per cent of the sugar refining in the United States. They ascertained that they had incorporated and purchased other corporations for the purpose of making that monopoly. They had all the facts. The case was presented to the Supreme Court of the United States, and notwithstanding commerce was an essential element of the business, the Supreme Court of the United States said, "This is something with which we can not deal," and the greatest and most flagrant and infamous criminal in the industrial life of this Nation went unscotched.

What are you going to do with your data? Let it mildew in the pigeonholes of the departments? Who would pay any attention to the publicity facts brought out by this bill? Suppose you were going to buy stock in a corporation, would you take the statement of the men interested in those corporations and filed here in the department as to how much their stock was worth, their income, their expenses? You would not even proceed upon that as a business proposition.

But, Mr. President, that is not all. We recall the fact that the President of the United States in his message said:

Another merit of this tax is the federal supervision which must be exercised in order to make the law effective over the annual accounts and business transactions of all corporations.

The federal supervision over all corporations:

While the faculty of assuming a corporate form has been of the utmost utility in the business world, it is also true that substantially all of the abuses and all of the evils which have aroused the public to

the necessity of reform were made possible by the use of this very faculty. If now, by a perfectly legitimate and effective system of taxation, we are incidentally able to possess the Government and the stockholders and the public of the knowledge of the real business transactions and the gains and profits of every corporation in the country, we have made a long step toward that supervisory control of corporations which may prevent a further abuse of power.

Mr. President, in view of that statement from the President, let me read a declaration from the chairman of the Finance Committee, who has the power to terminate the existence of this bill when he gets ready. A long step! The President should have said a short step:

It can be reduced to a nominal amount, and the features of the corporation tax that commend it to many Senators and a great many other people is that the corporation tax, if it is adopted, will certainly be very largely reduced, if not repealed, at the end of two years.

How long are you going to utilize this data under your corporation tax? At the end of a year do you think you will have reformed the abuses of corporate power? Do you think you will have reformed them by the time that the distinguished Senator from Rhode Island gets ready to terminate its career as a statute? This statute, which is to serve for the purpose of terminating the abuses of corporate power, is a temporary affair and is to have its end certainly in a year or two.

I invite the attention of those who want publicity, and effective publicty, who want something besides the concealed equities of this proposition, to help us insert in the income tax a publicity provision which we propose to leave there so long as the power of the Government exists, if we have the power to keep it there.

Mr. President, just a word with reference to the displacement of the income tax by the corporation tax and then I will conclude. As I have already stated, the law of the sixties was repealed over the protests of our leaders. There have always been a few men in the party who have contended for an income tax. When this special session opened there was a wide gulf between those who supported an income tax and those who opposed it. Those who were in favor of an income tax submitted a plan. What was that plan? The plan was to reenact the law practically as it was in 1894 and resubmit it to the Supreme Court of the United States. That was a speedy plan. We believed it was a certain plan. We now know that they believed it was a certain plan, or else they would not have put their minds to work to prevent us from doing it. We came to the conclusion that the court would reverse its decision. The men who are opposed to an income tax are not willing to take that stand. They submit a plan on the other hand, and what is their plan? Their plan is, they frankly say, to destroy the income tax; not now, not temporarily, but permanently to destroy the income tax. Why? In the first place they reject the proposition of going to the Supreme Court for the reason that they say it would be an indelicate matter to resubmit it.

They ask us, therefore, to start with, to indorse, to ratify, the judgment of that court. This, the greatest constitutional body in America outside of the Supreme Court, when viewed from the standpoint of the supposed knowledge of constitutional law, is asked to put our seal of approval upon a decision in which we do not believe. They, therefore, would cut off any possibility of going back to the Supreme Court with any degree of urgency upon our part that we were correct, and once having ratified it and confirmed it, it would be safe to say that we would not hereafter resubmit an amendment in the face of that decision.

After they have rejected the proposition of our going to the Supreme Court, they then say we will submit an amendment to the Constitution of the United States. They send us around in a contest through 46 legislatures of the Union, when under the Constitution of the United States, by every rule of courtesy, we are entitled to go directly to the Supreme Court itself.

But here is the crux of this contention. The men who submit this plan for an amendment to the Constitution of the United States, every one of them, possibly with one exception, will be found in those legislatures fighting for the defeat of the amendment which we have submitted. When the plan has been taken from the friends of the income tax and another plan submitted, I do not presume, after we leave this Senate Chamber, we will have the support of a single one of them except one. In other words, the legislatures——

Mr. FLINT. Does the Senator refer to the Finance Committee?

Mr. BORAH. Well, I will include the Finance Committee.

Mr. FLINT. I will say that as far as I am concerned I am an earnest advocate of the adoption of this constitutional amendment by the legislature of my State, and I shall use every means in my power to have it adopted.

Mr. BORAH. Of course I am not permitted to discuss the situation in California, but I would a whole lot rather have the indorsement of another man in California, who I know will not indorse the income tax.

Take the State of the Senator from Rhode Island. He has been perfectly frank. He has been open and candid. No friend of the income-tax law dare go home and say to his constituents: "The Senator from Rhode Island fooled me." He has been open and above board. He has told you that he brought this measure here to kill the income tax, and he has told you furthermore that it is an enemy of protection. He has said unhesitatingly that if it is in his power he will throttle it for all time to come. Do you underestimate his influence?

Mr. FLINT. Mr. President——

The VICE-PRESIDENT. Does the Senator from Idaho yield to the Senator from California?

Mr. BORAH. I do.

Mr. FLINT. In my opinion, if this bill is enacted by the Congress of the United States it will remain permanently on the statute books.

Mr. BORAH. The corporation tax?

Mr. FLINT. The corporation tax. If the amendment is adopted by Congress it will remain permanently on our statute books until such time as the people of this country through their legislatures ratify the constitutional amendment and then there will be added to it an income tax. In my opinion, finally, we will have in addition to this corporation tax an income tax.

Mr. BORAH. The faith of the Senator from California is sublime. What in the name of justice have the people to do with the enactment of this corporation tax, and what will they have to do with the repealing of it when the time comes?

Mr. FLINT. Through their representatives in the Congress of the United States.

Mr. BORAH. That necessitates a line of discussion which it would be indelicate to enter upon.

Mr. SUTHERLAND. Mr. President——

The VICE-PRESIDENT. Does the Senator from Idaho yield to the Senator from Utah?

Mr. BORAH. Certainly.

Mr. SUTHERLAND. If the Senator from Idaho thinks that the Senator from Rhode Island is powerful enough to bring about the repeal of the corporation-tax law within two years, does he not think he would be powerful enough to bring about a repeal of the income-tax law?

Mr. BORAH. He will never do that because he is powerful enough to prevent its enactment. He relieves himself of that burden. He has demonstrated beyond question that he has the power to prevent its enactment after there was a majority in the Senate Chamber for its enactment. Why stand here and ask such questions when we see that power demonstrated here day by day? I do not quarrel with the Senator from Rhode Island. I admire his open candor if sometimes he has an almost brutal way of using his power.

Mr. FLINT. Mr. President——

The VICE-PRESIDENT. Does the Senator from Idaho yield to the Senator from California?

Mr. BORAH. I always yield to the Senator from California.

Mr. FLINT. The Senator from Idaho must remember that the Senator from Rhode Island stated frankly his position in reference to this particular amendment. He believes the bill itself will produce sufficient revenue to conduct the affairs of this Government, but he does not himself believe in this corporation tax, even though he may have at this time recommended it as a temporary measure. But there are others who believe differently from the chairman of the committee. The Senator must remember that this amendment was not the product of the chairman of the Finance Committee, but of the President of the United States, in a message sent here to the Congress of the United States, and it was adopted by the Finance Committee even though the chairman of the committee did not himself believe in the measure.

Mr. BORAH. While, of course, I am willing to concede that the bill originated, if necessary, with the President of the United States and with the Attorney-General, I am willing to concede, also, that the chairman of the Finance Committee has not any confidence in it; that he has not any love for it; that he has almost contempt for it. Nevertheless, it could not get inside the door of the Senate Chamber without his approval.

Mr. FLINT. But it did get into the Senate Chamber without his approval.

Mr. BORAH. If it did, the Attorney-General carried it in and carried it out. It never came here as a bill until it received the approval of the Senator from Rhode Island.

Mr. BAILEY. And then he expressed his contempt for it by going off and leaving it.

Mr. FLINT. When it came in here it had the approval of the Finance Committee.

Mr. BORAH. Undoubtedly. I do not cast any reflection upon other members of the Finance Committee, but it did come in here, and it would not have come in without his approval; it made no difference what the rest of the Finance Committee said.

Now, Mr. President, a word more with reference to the Senator from Rhode Island, because I do not wish to be misunderstood in his absence. I am not finding a particle of fault with the way he is doing business here on this corporation tax. He is opposed to an income tax. He says so openly and candidly. He is opposed to it from principle. He proposes to take any method and means he can to kill it. Knowing that he is opposed to it, that he proposes to kill it here, he has submitted a plan, and the friends of the income tax are walking into his net. We can not complain of the Senator from Rhode Island; we have no quarrel with him; but we know his plan and his purpose and his object.

Mr. President, if there had been anything concealed about this matter or anything uncandid upon the part of the Senator from Rhode Island, we might quarrel with him; but there has not been. He seldom shoots at a man's camp fire from the bushes, but he certainly is going to kill this income tax. We have been told that was his purpose. He has submitted a plan himself. I quarrel with the man who, knowing that fact, accepts the proposition.

Suppose some of us who have been advocating the income tax should go home and should be called upon by one of our constituents to explain why we did not vote for the income tax; what would we say? Well, we would say we were in favor of the income tax. It is just, it is necessary, it is a great fundamental principle of government, one which we ought to have, and I was in favor of it, but I could not bring myself to believe that I had a right to submit the question to the Supreme Court of the United States again.

That is the only answer it will be possible for us to make to the people of this country as to why we did not pass it, because the plan which is submitted to prevent its passage has been announced, openly and above board, to be a plan to kill it.

Let me submit this final question, then, to the friends of the income tax: Suppose we reject this income-tax amendment upon the theory that the decision of the Supreme Court is correct. That decision receives our indorsement, and if it can be made final, our action would have that effect. Then suppose we go into the campaign with the States and 12 States decide against the amendment. Then the fight is over, and the accumulated wealth of this country has won the greatest victory in the history of republican government.

Mr. President, in conclusion I want to urge, with all the power at my command, that those who consider an income tax from the standpoint of a revenue-producing proposition, after we have reached the point beyond which consumption can bear no greater burden, tear away the great equitable and moral basis upon which our whole contention rests. If we were compelled to rest it upon the argument of expediency we would still be upon solid ground, for even now, while we are in the full tide of national growth and development and in a time of peace, we have a deficit of a hundred million dollars, which, it seems to me, the incomes of this country could well afford to wipe out. The time will not soon come, if we care to test the system to its utmost, when we can not raise enough revenue under our present system to maintain the Government, for men must eat, and civilized men must clothe their persons; but it is unjust and unfair, tyrannical, and, to my mind, brutal to hold on to a system of taxation which continues to put all the burden, the ever-increasing burden of government, the maintenance of our army, of our navy, upon what we must eat and upon what we must wear, and nothing upon the great incomes which fools so often flaunt in the face of the poor and which lead to all kinds of extravagance and public demoralization. There is no possible justification for such a system, except the bias and stubbornness of custom and precedent on the one hand and the viciousness of greed on the other.

But I reject the doctrine of expediency, efficient as it is for present purposes, and insist that the income tax, fair and reasonable in amount, should become and remain permanently part of our revenue system. It is the only method by which we can mollify the rule prevailing under our present system, that the incidence of all our taxes goes in the direction of the man of small or limited or no means. My attention has been called by the honored Senator from New York and the honored Senator from Massachusetts to the fact that it is unfair and even mischievous, say these Senators, to charge that property and wealth do not pay taxes. I did not so state and I do not so state, but I do say and I am prepared at all times to prove that they do not pay their proportion of the taxes. It is to equalize and proportion, to keep equalized and proportioned, this ever-increasing burden that we ask for an income tax. I say the incidence of the tax under the present system seeks the man of limited means. For instance, the great real-estate holders charge up in the item of rent sufficient to cover the taxes and all raises of taxes, and the renter pays it. The public-service corporations include taxes in their charges to the public before they get ready to consider their income—every tax is shoved along and transferred until it reaches so far as possible the last man, the bottom man, the low man, in this strange and indefensible system of ours.

But it is said to be socialistic. The great and honored lawyer, Joseph Choate, the pride of two hemispheres, hard pressed for legal arguments against the tax in the Pollock case, turned and denounced the tax as socialistic—socialistic to lay a fair tax upon wealth, to sustain and keep in operation a great constitutional government. When the State or the Government sees fit to lay a tax which may take 30 per cent of the income, the fruits of the labor, of the man of ordinary means, that is the exercise of constitutional power. But when you lay a tax of 2 per cent upon incomes, so slight a burden that it would scarcely be felt, that is socialism. Man's intelligence should not be so universally discredited. But he says if you can levy a tax of 2 per cent you may lay a tax of 50 or 100 per cent. Who will lay the tax of 50 or 100 per cent? Whose equity, sense of fairness, of justice, of patriotism does he question? Why, the representatives of the American people; not only that, but the intelligence, the fairness, the justice of the people themselves, to whom their representatives are always answerable. There is not a constitutional power but in its last analysis rests for its fair and equitable enforcement upon the sense of fairness and of justice of the people. Especially is that true of the taxing power, a power that has been used more than once confessedly for the purpose of taxing a business institution out of existence as in the case of the state banks. All the powers of this Government in the last and final analysis in the matter of their abuse or nonabuse rest upon the intelligence and the fairness of the people as a whole, and you can safely rest the power to impose this tax with them also, provided you do not dam up the even flow of the stream of equity until it shall burst forth in an uncontrollable torrent of wrath.

Mr. President, I neither envy nor feel ill toward the man of wealth. Moreover, I believe strongly that a government which does not protect property and the gathered fortunes of men when honestly gathered will not long protect either the liberty or the life of the humble citizen. I have never hesitated when property rights were attacked and wealth as such challenged in the name of riot and crime, to help hunt down those who thus sow the seeds of lawlessness in a government of law. I know that when our constitutional safeguards are torn away, when the law becomes the plaything of individual men, that in that fearful struggle the first man to go to the bottom will be the common man, the toiler, and the producer. If there is any man in the world who is interested in maintaining this Government just as it was made, protecting as it does so carefully the rights of individuals, rich or poor, maintaining laws, and protecting rights under the law, it is the common citizen in the common walks of life. The ordinary man, the great toiling millions, have prospered and been made happy just in proportion as government has become a government of law, and in the main just in proportion as laws have been enacted and enforced, just in proportion as established law and order have taken the place of the caprice and ambition of individuals or the passion and hatred of mobs. We all understand this and the people understand it. There is no place in this country to-day where there is such a deep-seated reverence for the Government, such a profound regard for the law and all men's just rights under the law as down among those who constitute the great body of our citizenship, the small banker, the small merchant, the small farmer, and the toiler. The crimes of the century, the contempt for law, and the disregard for the Constitution, the disrespect for our Government so prevalent, are found among the great and powerful—they are the ones who are sowing seeds of lawlessness. Let them return and take their place inside the plain provisions of the Constitution and under the laws of the land before they talk of socialism and of the decay of the Republic.

When I see such things happening as have happened in the last few weeks, a great and shocking fraud like that of the sugar trusts, a transaction which has uncovered the work of

some of our most prominent citizens, when I see the facts which show that the crime in its ramifications reaches many of the Government's trusted employees, either condemning them as criminals or incompetent and worthless public servants, when I learned that the clew to this enormous crime was long ago placed in the possession of the Department of Justice, and that when asked why he did not prosecute, the only answer was that quizzical, cynical, inscrutable, insufferable smile which so often plays with dubious prophecy over the imperialistic features of the ex-Attorney-General, when I see all this happening so often among the first people of the land, the only thing that amazes me is not the discontent, the socialistic, restless spirit, but the patience, the continued faith and devotion of the great mass of the people to the Government. No, Mr. President, I do not stand here to plead for socialistic principles or for laws which discriminate against wealth. I only want equality of burden. I would make wealth respected by the man less fortunate in the struggle of life by making it just and fair and obedient to the law and responsive to the expenditures yearly incurred to protect wealth. I would not give it the exemptions which it does not need, and which to have is to work greater inequality among our citizens, and which must, in the end, breed hatred and open war.

We do not ask this Congress to exercise a power unknown to the Constitution, but one ancient and honored among its framers and its defenders. We do not ask you to experiment, but to accept a principle of taxation now recognized by all the great nations of the earth save ourselves. We do not want class legislation nor invidious laws discriminating against wealth, but a system of taxation based upon the inviolate principle of equality that each shall pay in proportion to his ability. We recognize the Constitution as our chart and guide. We urge the measure not as an assault upon wealth, but as an assault upon the vicious principle of exemption of wealth. We want, in conclusion, all men to pay in proportion, to some extent at least, to the vast interests which the Government protects.

Mr. BOURNE. Mr. President, history shows that in organized society there are three great forces struggling for supremacy—namely, the religious, the police, and the commercial forces. I use the term "police" to designate the power of government as in this country created by the legislative, adjudicated by the judicial, and administered by the executive departments.

Ideal government necessitates cooperation of these forces under direction and supremacy of the police force. In the United States the struggle has been confined to the police and commercial forces.

From the close of the civil war until Mr. Roosevelt's succession to the Presidency, the commercial force of the United States grew stronger and stronger until it dominated the police force of our country. This transposition of the commercial force above the police force of our Government resulted in an increasingly weakened Government and natural growth of anarchy. Mr. Roosevelt, upon his succession to the Presidency, realized these conditions and directed his great ability, dynamic energy, and persistent courage toward remedying the existing conditions, and reinstated the police power of the Government above the commercial force, which so thoroughly dominated the country at the time of the commencement of his presidential career. The struggle was a Titanic one, his task Herculean, the treatment necessarily heroic, but Mr. Roosevelt was equal to the emergency. He first awakened the public conscience, pointed out in an echinated manner the existing evils, applied some of the remedies, gained the confidence of the great masses of the people as to the honesty and integrity of his purpose, the necessity of his proposed remedies, and the justice of his methods. He surely plowed an enormous amount of territory, he planted well, and during his administration the country reaped some fruitful crops, and will continue for decades to come to reap the fruition and benefit accruing under his initiative.

Mr. President, in corroboration of the correctness of the views I have attempted to express, I do not consider it inappropriate to here state that the former Senator from the great State of Pennsylvania, Hon. Matthew S. Quay, but a short time before his death stated that but for Mr. Roosevelt or a man of his type succeeding to the Presidency of the United States, within thirty years our Government would be overthrown and the United States subjected to the terrors of a revolution. While I have great regard and respect for the ability and extended opportunities for familiarity with and study of public questions which Senator Quay had from his long service, I do not agree with his deduction that revolution could come to this country, for the reason that, to my mind, the enormous extent of our territory and the impossibility of continuity of action would prevent a general revolution ever occurring; but I do believe that anarchy would have been fostered, mobs and riots would have become more frequent, great destruction of life and property would have occurred intermittently, and a national and community lowering of the social and political planes would have been brought about; all of which conditions should be greatly deprecated and their occurrence prevented at all costs.

Mr. President, in my opinion Mr. Roosevelt succeeded in restoring the supremacy of the police power of the Government above the commercial force heretofore referred to, and I feel sure that President Taft will so adjust the true relations between these forces during his administration that his efforts and demonstrations will assist, in conjunction with the intelligence, justice, and common sense of the American people, in establishing for all time in this country true cooperation of these three great forces of society.

Mr. President, I consider one of the greatest accomplishments of Mr. Roosevelt's presidential career, next to his success in creating a public awakening and general national uplift, was what is known as the "pure-food law." President Taft has recommended to Congress the enactment of a law which, in my opinion, will exceed in its benefits and fruitions to this country and demonstrations to the world the resultant benefits of the pure-food law. I refer, Mr. President, to the corporation net earnings tax amendment to the tariff bill, prepared by the Attorney-General of the United States, under the direction of the President, and accepted by the Senate Committee on Finance, and by them favorably reported to this body. It is not the revenue feature of this proposed legislation that I deem so important, but the publicity feature incident to its demonstration.

TENDENCY TOWARD CENTRALIZATION.

Mr. President, the tendency in all civilized countries is toward centralization, both in government and in business. It will be but a short time before the great bulk of the business of this country will be conducted by large corporations or trusts. Within one or two decades we will probably see the transportation business of this country conducted by half a dozen corporations with capitals of three or more billions of dollars.

Personally, I believe in trusts, properly regulated and honestly conducted, because the best brain and greatest efficiency in any portion of such organization must elevate the whole organization to the same plane. With increased efficiency comes a corresponding minimization of waste. Waste benefits no one, therefore, to my mind, the larger and more efficient the trust or corporation the greater the benefit to the community and Nation, provided simple but effective laws be enacted which will force these trusts to recognize and protect the rights of men and property and insure the absolute responsibility of all managements to the Government in obeying the laws and to the stockholders in assuring them full information and proportionate distribution of profits.

Centralization is an inevitable evolution incident to civilization. We can not prevent this any more than we can set aside the law of gravitation. We can, however, provide legalized channels, through which large aggregations of capital must and can operate. In providing a channel through which they must operate, we are protecting the people, and in providing a channel through which they can operate we are enabling aggregated capital to obtain the best legal returns on the conjunctive operation of business acumen, application, and industry. If correct in my assumption as to the growing tendency toward centralization, the resultant necessity of publicity of corporate action must equally impress our minds.

PUBLICITY ENCOURAGES INVESTMENT.

Under the provisions of the administration measure before us, the President and the members of his Cabinet have provided in the simplest form for the establishment of this great fundamental of publicity; for the Government, at least, will have cognizance of all corporation earnings, and a method is provided by which the stockholders may secure such information, since the returns to the Government become public records. Thus will be eliminated in the future the possibility of concealed equities; corporation "melon cuttings" will be done away with; the responsibility of corporation management to all the stockholders will be established; the holder of one share of stock will have opportunity of acquiring as much information concerning corporation affairs as the owner of 100,000 shares.

Corporations will be popularized and "peopleorized;" the tendency will be for people to invest their earnings in corporation securities on the assumption that the publicity feature and greater opportunity for governmental supervision will protect their investments and insure them proportionate benefits in the successful management of the corporation. Cooperation will thus be established between the people, the Government, and the large corporations, on the assumption that the corporations will, in effect, be wards of the Government. All legitimate business

should welcome this legislation, and only the business pirate need fear and oppose it.

In my opinion, the market value of all legitimate securities will be increased by this legislation for the reason that the money available for investment in legitimate securities will be much greater in volume, for much of it has heretofore been diverted by those business pirates who have syndicated and incorporated hope and misrepresentation and issued their stock certificates covering same, in exchange for the hard earnings of the people, appealing to human cupidity for large returns on small investments rather than smaller, sure returns, with safety of principal.

Mr. President, the burglar's greatest fear is the light, so the business pirate's greatest fear is publicity. I believe within a decade after the enactment of this legislation that thousands of millions of foreign capital will come to this country for investment in our securities on the realization of the European investing public that the small stockholder is protected and that the United States Government will have the opportunity of seeing that he participates, in proportion to his holdings, in the benefits accruing to the corporation incident to its growth and development and that of our country.

BEGINNING OF AN EPOCH IN HISTORY.

Mr. President, referring to the revenue feature, an inheritance tax has always appealed strongly to me as the most just and desirable means of taxation. Next to that I favored the income tax, but the publicity feature incident to the proposed tax on the net earnings of corporations, brought to my attention last fall by President Taft, has since then steadily grown upon my mind as overshadowing all revenue features and as being of a great deal more importance to the country and to the world than the inheritance or the income tax. If none of the States now had the inheritance tax, and if the Supreme Court of the United States had not held the income tax unconstitutional, and either the inheritance, income, or corporation net-earnings tax could be passed through Congress with equal ease, I personally concur with the President that the corporation net-earnings tax, in view of the publicity feature incident to it, is of infinitely greater importance and will be far more beneficial to this country than either the inheritance or income tax. I believe that this legislation will not only prove a milestone in President Taft's administration, but the beginning of an epoch in the Nation's history.

Mr. Roosevelt blazed the trail; President Taft has built this road, as he will build many more roads along the trails that Roosevelt blazed, and, in addition, blaze many trails and build many roads of his own.

Mr. President, in my limited service in this body I have been impressed with the different types of men that it has been my opportunity and good fortune to meet and study. Many strong, able, virile men, with different views on the same subject, each honest in his convictions and advocacy, must evolve ultimate legislation composite in detail; but whenever a great fundamental is at stake it should receive the earnest support of all. I am sure that all here have one common goal, namely, better government. I am sure, from personal conversation with many Members of this body, belonging to both sides of the House and classified in the public mind some as insurgents and some as reactionaries, that on mature consideration we will all agree that the publicity feature incident to this measure overshadows all questions and details and other considerations, and I believe it will receive the unanimous support of this body.

NOT A TEMPORARY MEASURE.

It has been claimed by a portion of the press that the very able Senator from Rhode Island, chairman of the Committee on Finance, has accepted this administration measure as a matter of expediency; that he has wrested victory out of defeat; that he was opposed to the income tax, and that, fearing its passage, he cajoled the President into lending the administration's power in substituting the corporation net-earnings tax for the income tax. This assumption is an insult to the intelligence, independence, honesty, and ability of the Chief Executive of our Nation, and I personally know it to be false. Instead of the Senator from Rhode Island convincing the President as to the desirability of this legislation, I believe I have seen the evolution coming on in the mind of the senior Senator from Rhode Island, due to the President's presentation to him of this opportunity for better government and uplift of business methods, and I have recognized with admiration the breadth of mind of the senior Senator from Rhode Island in his willingness to lend his valuable and able assistance in securing legislation which, on first presentation, was not in accord with his preconceived notions. I can not concur in the logic of the deduction, made by some persons, accompanying the presentation of this bill, that the intention is to make this an experimental or temporary measure, and that it will be repealed in the near future. I unhesitatingly predict that with this law on the statute book it will remain for all time.

The question of revenue is one of secondary consideration; if it be found that the revenue be too large, the law will not be repealed, but may be modified so that the amount of the tax be reduced. But the great fundamental of publicity incident to this measure, when once written on the statute book, will forever remain, and will but prove the beginning of legislation toward the culmination of what the people have so long demanded, namely, the regulation and control of corporations.

MONOPOLIES NOT FOSTERED BY TARIFF.

Mr. President, in concluding my remarks, with full realization that it is probably of no interest whatever to the country at large as to the convictions upon which I base my votes in consideration of the pending tariff bill, still I desire to avail myself of this opportunity of briefly presenting to the people of the State which I have the honor in part to represent here my position on the tariff.

Personally, I attach but little importance to the schedules that may be enacted by Congress in this tariff bill. To my mind there is but one fundamental question presented by the tariff bill, namely, whether we stand for protection or free trade. As I understand, the chief criticism of the high-protection opponents is based upon the claim that protection fosters monopoly. What is monopoly? It is exclusive possession or direct control of supply and the resultant power to fix prices. But how about the demand? The demand is regulated by the necessity for and desirability of the use of the articles.

In my opinion it is impossible by legislation to create a monopoly on any manufactured product except where protected by patent, secret process, or absolute control of the raw material. A temporary monopoly immediately incident to legislation, if productive of large profits, would be dissipated in a comparatively short time by domestic competition. The pending tariff bill, to my mind, in no case can or does create by legislation absolute control of raw material, and therefore no matter what rate of duty might be put on a manufactured product there is no possibility of a monopoly being created and fostered thereby. This statement will be very generally disputed, but any man who will study the conditions and circumstances which enable any concern to maintain a monopoly will discover that the ownership of patents, possession of secret processes, or control of raw material, and not the protective tariff, gives the trust its power. The only exception to this rule has been found in the case of corporations which violate law by securing secret rebates or enjoyment of special privileges. Hence, the only two questions to be considered in tariff legislation are those of revenue and adequate protection to home industries.

PROTECTION OF HOME LABOR AND INDUSTRY.

Because of these views and because I am a protectionist in my attitude toward home labor and industries, believing that protection means higher wages, that higher wages mean better citizenship, and because, Mr. President, I have felt that the Committee on Finance had better opportunities for collating data, far greater experience as to how the tariff can best be applied to produce the greatest good for the greatest number, and I myself having neither the experience, information, nor means of obtaining data, I have voted almost without exception in support of the committee's recommendations. The protective principle is undoubtedly growing in this country, and the national Republican nominees received many thousands of Democratic votes from those who believe that protection to home industries is desirable and beneficial to the country. In my opinion, however, the great dominant forces controlling the last presidential election, and resulting in the remarkable Republican victory, were the promised perpetuation of the so-called "Roosevelt policies," especially the regulation and control of corporations and the conservation of our natural resources, long desired by the people, advocated and fought for by Mr. Roosevelt, and promised and now in process of delivery by President Taft and the Republican party, together with President Taft's remarkably able speech of acceptance and the steady growth of the people's confidence in his integrity, courage, and ability as they became better acquainted with him in listening to his speeches and meeting him personally during the campaign. I wish here to make the prediction that not only will the people be satisfied with President Taft's administration, but rejoice in his firm, able, conservative, and, at the same time, progressive leadership of our Nation.

I have no patience with those hysteriacs of our country who condemn principles and fundamentals because they are offered, propounded, or advocated by the senior Senator from Rhode

Island on the one hand, or the senior Senator from Wisconsin on the other, who judge measures by the sources through which they are offered rather than by carefully analyzing and weighing their merits. I have heard critics of this proposed amendment question its merits simply because it was advocated by the senior Senator from Rhode Island. These critics, upon consideration, must realize that doubt thus founded is but an insult to the doubter's own intelligence and self-reliance.

I care not who is the originator or promulgator of an idea, a fundamental, or a law; if, upon presentation and consideration, it appeals to my mind, I shall cooperate to the best of my ability in securing the adoption of such legislation, and shall hold for the originator, regardless of what my preconceived ideas may have been, due respect for his superior acumen, either in developing the idea or in cooperating in securing its enforce-

Mr. ROOT obtained the floor.

Mr. KEAN. Mr. President, I suggest the absence of a quorum.

The VICE-PRESIDENT. The Secretary will call the roll.

The Secretary called the roll, and the following Senators answered to their names:

Bailey	Clapp	Gallinger	Perkins
Bankhead	Clark, Wyo.	Gamble	Piles
Beveridge	Clay	Guggenheim	Rayner
Borah	Crawford	Heyburn	Root
Bourne	Cullom	Hughes	Scott
Brandegee	Cummins	Johnson, N. Dak.	Shively
Briggs	Curtis	Johnston, Ala.	Stone
Bristow	Davis	Jones	Sutherland
Brown	Dick	Kean	Taliaferro
Bulkeley	Dillingham	La Follette	Tillman
Burkett	Dixon	McCumber	Warner
Burnham	du Pont	McEnery	Warren
Burrows	Elkins	Newlands	Wetmore
Burton	Fletcher	Overman	
Carter	Flint	Owen	
Chamberlain	Foster	Page	

The VICE-PRESIDENT. Sixty-one Senators have answered to the roll call. A quorum of the Senate is present.

Mr. ROOT. Mr. President, when men of great personal force and ability like the Senator from Iowa [Mr. CUMMINS] and the Senator from Idaho [Mr. BORAH] dwell at length upon certain features of a measure, it is impossible for their hearers to resist an influence which throws those specific features out of drawing and disturbs the proportions in which the whole subject should justly be viewed. We are considering a substitute which has been offered for an income-tax measure. The substitute limits the field of taxation to but one part of the field covered by the income-tax measure; that is, to the corporations of the United States which are organized for profit. Let me ask Senators to turn their minds for a moment to the genesis of the substitute.

In the speech of acceptance of the present President of the United States, delivered at Cincinnati on the 28th of July, 1908, he said:

> In my judgment, an amendment to the Constitution for an income tax is not necessary. I believe that an income tax, when the protective system of customs and the internal-revenue tax shall not furnish income enough for the governmental needs, can and should be devised which under the decisions of the Supreme Court will conform to the Constitution.

In pursuance of the opinion thus formally expressed, immediately upon the inauguration of the present administration the President directed the Attorney-General of the United States to make a study of the income-tax decisions and draft a law which, in his opinion, would serve for the equivalent of an income tax conforming to the Constitution under the decisions of the Supreme Court. The Attorney-General complied with this direction; and the result was a draft of a series of provisions which were laid before the Committee on Ways and Means of the House. These provisions were before that committee in the month of March, before the tariff bill was passed by the House. They were presented to the Committee on Ways and Means by Mr. LONGWORTH, of Ohio. I had here a few days ago the paper which he presented. It bore the file mark of the Committee on Ways and Means in one of the early days of April. It bore upon its face corrections in the handwriting of the Attorney-General and blanks filled in the handwriting of the President. It was presented to the committee as a suggestion of a measure which, if the Congress preferred, might be substituted for the inheritance tax already recommended by the President; or which, if it were found necessary to raise more revenue, might be added to the inheritance tax.

That paper, with some slight development and adaptation to the conditions and the statutes, is now before us in the measure called the "corporation tax substitute."

The Committee on Ways and Means preferred the inheritance tax. They did not deem it necessary to add to that a tax upon the income or upon the business of corporations. Accordingly the suggestions slept on the files of the committee. The bill came to the Senate. It was reported by the Senate Committee on Finance, and their report struck out from the bill the inheritance-tax provision which the House had included. Thereupon two of the most able and distinguished Members of this body, one from each party, presented a general income-tax amendment. No voice was raised in favor of the inheritance tax. So far as I recall, no voice has been raised except in the very luminous and interesting address of the Senator from Montana [Mr. DIXON] day before yesterday.

It was apparent that the measures introduced thus almost contemporaneously from the Democratic side and from the Republican side of this Chamber would, in the ordinary course of affairs, receive a majority of the votes of the Senate. Under those circumstances, with the Senate apparently by common consent disapproving the inheritance tax, with the Senate apparently ready by a majority to approve the general income tax, the President sent to the Senate a message in which he recommended for our adoption the same provision for a tax upon the business of corporations which he had already suggested to the Committee on Ways and Means of the House. He did that, sir, of course, because in his judgment it was better for the country that the tax upon the business of corporations should be incorporated in our law than that the general income tax should be incorporated in our law.

I agree with his judgment, Mr. President. I do not care to play with words. Gentlemen may say that I am for the corporation tax to beat the income tax. I care not. I am for the corporation tax because I think it is better policy, better patriotism, higher wisdom than the general income tax at this time and under these circumstances. I wish to beat the income-tax provision because I think it is unwise, and I wish to pass the corporation-tax provision because I think it is wise.

Let me state, sir, the differences between the two.

The general income-tax provision includes, first, substantially the same tax upon the business of corporations which is included in the measure recommended by the President; second, a tax upon individual incomes in excess of $5,000; third, an inheritance tax, which is included by means of treating all inheritances as income and subjecting them to the same percentage of tax which is imposed upon other and ordinary sources of income. It provides, fourth, for a very drastic and unlimited power on the part of all collectors of internal revenue, with their deputy collectors, to investigate the affairs, the books, and the papers of all corporations and individuals in their collection districts, and vests in these local officers the power to compel the attendance of witnesses, to administer oaths, to examine officers of corporations and private individuals regarding their affairs, and to compel the production of books and papers.

The corporation tax includes the same tax upon corporations, without the individual tax and without the inheritance tax, and it changes the inquisitorial power which the general measure vests in the local collectors and deputy collectors to the Commissioner of Internal Revenue at Washington, who is vested with power, in case he has reason to believe that a return by any corporation as to its income is not correct, to investigate the affairs of that corporation, either himself or by any agent specially designated by him for that purpose.

I now wish, Mr. President, without unduly expanding, to state as briefly as I may the reasons why I think the corporation-tax measure is preferable to the general income-tax measure, and the reasons why I think the President of the United States is right and wise in this judgment which he has so long entertained, and so often, under the responsibilities of his office, expressed.

In the first place, the corporation tax does, in my opinion, answer to the requirements of the President's speech of acceptance, and of his directions to the Attorney-General; that is to say, it is so devised that under the decisions of the Supreme Court it conforms to the Constitution.

There are a number of serious objections to the general income-tax measure. One of the most serious, one that meets us *in limine*, is the objection that it is plainly, avowedly in violation of the Constitution of the United States as that Constitution has been declared by the Supreme Court of the United States.

We have had much acute, very able, and persuasive argument here to the effect that the decision of the Supreme Court was wrong. I am bound, Mr. President, to avow myself as in sympathy with the gentlemen who have taken that position. In my opinion, the dissenting opinions in the case of Pollock *v.* The Farmers' Loan and Trust Company had with them the weight of argument. I wish at the same time, sir, to avow myself as in sympathy with the idea of an income tax. There are serious objections to it. It is inquisitorial in its character;

it is accompanied necessarily with serious inconveniences—with indignity, with a violation of that privacy which the people of America have always held most dear. Nevertheless, when it is necessary that the Government shall have more money than it can obtain by ordinary means of taxation, I believe that the income tax, with all its inconveniences and objections, is fair and just as a means of distributing the burdens of taxation.

But, Mr. President, the income tax is not for that reason a thing desirable to have of itself. No tax is a thing which is desirable of itself. Every tax is a burden. Every tax is an inconvenience, and the income tax is especially an inconvenience. We should not impose it unless there are good and sufficient grounds for inflicting the inconvenience and the violation of privacy upon the people of the United States.

But, Mr. President, when I have said that the opinions of the minority of the Supreme Court in the Pollock case commended themselves to my judgment I have not gone very far toward solving the problem that is presented to us here, for those opinions rested chiefly upon the doctrine of *stare decisis*, and the arguments made here and pressed with such force and eloquence upon this body have been mainly rested upon the doctrine of stare decisis. No series of cases ever had their authority raised on high and were held before a law-loving people with greater force and cogency than the series of cases beginning with the Hylton case and coming down to the Pollock case, as held before us by the Senator from Texas [Mr. BAILEY] and by the Senator from Idaho [Mr. BORAH].

But, Mr. President, the Supreme Court of the United States solemnly adjudged that the merits of the question as to whether the income tax was a direct tax or not were so clear that they were bound to disregard the doctrine of *stare decisis* or to

> Distinguish and divide
> A hair 'twixt south and southwest side,

and find their way around all the line of decisions. They did hold that an income tax is a direct tax, not to be imposed except according to the rule of apportionment, and now the rule of *stare decisis* stands that way. If we go before the Supreme Court again, we have to meet not only the reasoning that convinced the court before, but we have also to meet the controlling effect of the decision made before.

Mr. President, I doubt, I more than doubt, whether even the ability that has been displayed here in the argument of the question could prevail in accomplishing that double task. No cause was ever argued in the courts of this country by abler men, argued with greater force and ability, than the Pollock case was argued in the Supreme Court of the United States; and if Mr. Carter and his associates could not bring the court to believe that they were justified in following their previous decisions so as to hold that the income tax was not a direct tax, how can anyone bring the court to believe that they are justified in overruling their solemn decision in order to hold that it is not a direct tax?

Mr. President, the very arguments that have been made within the past two days on this floor, if reduced to writing and laid before the Supreme Court of the United States, would justify that court in adhering to its former decision, independent of the doctrine of *stare decisis*. The Senators from Iowa and Idaho say that they are for the general income tax as against the corporation tax because the general income tax can not be shifted—that is to say, they are for it because it is a direct tax.

Difficult and doubtful, full of fine discriminations, inconsistent and wavering expressions culled from the distinguished men of our history, is and must be the question as to an income tax upon the merits under the provisions of the Constitution as to apportionment. But to my mind, sir, the course of this debate tends very strongly to sustain the decision of the Supreme Court upon the merits, while the question laid before them anew would be deprived of that great ground for argument found in the doctrine of *stare decisis* and so ably though unsuccessfully pressed upon the court before.

But, Mr. President, what is it that we propose to do with the Supreme Court? Is it the ordinary case of a suitor asking for a rehearing? No; do not let us delude ourselves about that. It is that the Congress of the United States shall deliberately pass, and the President of the United States shall sign, and that the legislative and executive departments thus conjointly shall place upon the statute books as a law a measure which the Supreme Court has declared to be unconstitutional and void. And then, Mr. President, what are we to encounter? A campaign of oratory upon the stump, of editorials in the press, of denunciation and imputation designed to compel that great tribunal to yield to the force of the opinion of the executive and the legislative branches. If they yield, what then? Where then would be the confidence of our people in the justice of their judgment? If they refuse to yield, what then? A breach between the two parts of our Government, with popular acclaim behind the popular branch, all setting against the independence, the dignity, the respect, the sacredness of that great tribunal whose function in our system of government has made us unlike any republic that ever existed in the world, whose part in our Government is the greatest contribution that America has made to political science.

I can not see, Mr. President, in this proposal any result short of a most serious injury to that power in our system which is the weakest, which controls no purse and orders no soldiers, but upon respect for which rests the perpetuity of our institutions and the distinction between the American Republic and those war-torn republics of the past that have so long been the object of compassion and commiseration.

Mr. President, the objection to the adoption now of the general income-tax amendment was in the mind of the President when he made his speech of acceptance. It was in his mind when he gave his instructions to the Attorney-General and sent the substance of this corporation-tax measure to the Committee on Ways and Means of the House and when he sent his message to us. Upon that I for one am with the President, because I believe his view is wise and just.

There is another objection to the general income-tax provision, and that is it fails to conform itself to a principle in the imposition of taxes upon incomes well understood and generally accepted at the present time. This amendment is practically a copy of the provisions of the act of 1894, with some very slight changes. That is true both of the amendment introduced by the Senator from Texas [Mr. BAILEY] and the amendment introduced by the Senator from Iowa [Mr. CUMMINS], and it is true of the combined measure upon which they have united. I think the fact that these gentlemen, with their great learning, their sincere purpose, and their natural disposition to study thoroughly any subject to which they address themselves, have copied the old act without advancing one step beyond the position in which our people were fifteen years ago, very well illustrates the difficulty of injecting a subject of this kind into the haste and engrossment and fatigue of an extra session designed to do an entirely different thing; that is, to revise the tariff.

The act of 1894 and the amendment proposed are alike in failing to make any discrimination between what the English call "permanent and precarious incomes" or "unearned and earned incomes;" and they are alike in failing to grade the tax imposed upon the lower incomes, but make a very high exemption of $5,000. Let me, without dwelling too long upon this, state the reasons why I think those are defects.

In 1853 Mr. Gladstone, at the time of the discussion regarding the making of the income tax a permanent part of the British system, observed that the injustice which arose from imposing the same tax upon earned incomes and the incomes from investments was enough to prevent Great Britain from permanently relying upon that source of revenue.

In 1906 there was a special committee of the House of Commons raised for the purpose of reexamining the whole subject, and they reported in 1907, and upon their report the British system has been largely modified, and they reported a different scale of imposition upon the incomes that were earned and which were therefore part capital from that which they imposed upon incomes coming from invested capital.

It is not just, and it is universally recognized by the people who have thought carefully and deeply upon this subject that it is unjust, to take a man who is in the enjoyment of a few years of earning capacity—it may be ten or twenty or thirty—when he is turning into money his brains and his nerves and his life; when, if he is wise, if he has a grain of common sense, if he possesses those qualities that we all of us wish to foster and encourage among our people, he will be laying up a portion of that income against the days of his age and his illness and the wants of his family, and impose upon that income, the part that he lives on and the part that he is accumulating as capital, the same imposition that is put upon the income that his neighbor gets from invested securities that last forever. Now, I say the latest and the most considerate treatment of the subject of income tax makes a careful distinction between those two.

Mr. President, it has so happened that in the development of the business of the United States the natural laws of trade have been making the distinction for us, and they have put the greater part of the accumulated wealth of the country into the hands of corporations, so that when we tax them we are imposing the tax upon the accumulated income and relieving the earnings of the men who are gaining a subsistence for their old age and for their families after them.

There is another difference that I wish to refer to, and that is the $5,000 exemption. There is a $5,000 limit in the cor-

poration clause of the income-tax provision and also in the corporation-tax provision. I should prefer that it were not there; but it is there.

But the income-tax provision has a $5,000 exemption for individuals. I agree that the income that is necessary to a decent and comfortable living, the income that is necessary to enable an American citizen to clothe and feed and house and educate his children, should be exempted from the imposition of an income tax, just as farming implements necessary for the continuance of his support ought to be, and are, exempted from execution. But when you pass beyond that limit, sir, you are entering upon dangerous ground.

Mr. Choate, in the argument of the Pollock case, said that under the $2,000 limit of the old income-tax law four-fifths of the tax was paid by the States of New York, New Jersey, Pennsylvania, and Massachusetts. Since that time there has been a wide diffusion of wealth, of course, but the limit is moved up to $5,000; and I apprehend that the substantial effect of the adoption by this Congress of the income-tax provision as it is drawn, with that limitation, would be that a large majority of Congress would be imposing a tax from which their constituents would be, in a great measure, free and under which the constituents of others would, in the main, be taxed.

Mr. President, I am quite indifferent about whether my constituents pay the tax. I think in this favored land the burden of taxation bears very lightly. I think that the people of New York can afford to pay this tax or can afford to pay the tax proposed to be imposed in the general income-tax amendment, but I do not like to see Senators of the United States vote for a tax which is free from objection at home because it does not strike their constituents. If once we do that, we are in a fair way to realize the anticipation of Luther Martin in his address to the legislature of Maryland. What limit is there to the extravagance of expenditure, except the fact that the burden will come upon the men who vote the expenditure? What a temptation it would be to our successors, aye, to us, when it is proposed to expend $50,000,000 or $100,000,000 for improvements in the West, if we have a system of taxation which will make the people of the East pay for the improvements; or to vote for the expenditure of $50,000,000 or $100,000,000 for improvements in the East when the money will be paid under our taxing system by the people of the West.

Ah, Mr. President, be tender of the people, whose means are small, in arranging our taxation. I would not make a man whose income is $2,000 or $3,000 or $4,000 pay as large a percentage as a man whose income was three, four, or five hundred thousand dollars or thirty or forty or fifty thousand dollars; but I would have him bear some burden. I would never assent to a law, or I would with the greatest reluctance assent to a law, which seemed to be so framed that it took away from a large part of the people of a geographical section of our Union the burden which leads them to scrutinize expenditures and to measure the load that bears upon the people. In no other way lies safety, sir, for our country. The people of every section, of every class, of every condition and degree and calling ought to bear some part of the public burden.

Mr. BORAH. Mr. President——

The VICE-PRESIDENT. Does the Senator from New York yield to the Senator from Idaho?

Mr. ROOT. Certainly.

Mr. BORAH. Mr. President, if it be true that the tax which is to be levied under the corporation amendment is to be paid by the corporations, would not that inequality between the East and the West be as pronounced as it could possibly be under the income tax?

Mr. ROOT. No; I think not, sir; nor is the exemption so effective. There is quite a different kind of exemption.

Mr. President, I stated some objections to the general income-tax provision. Let me state another objection. What is the purpose of this legislation? Is it to create a substitute for the protective tariff? My friend from Texas [Mr. BAILEY], whose mind always works as true as a Corliss engine, touched the very pith of that question when he was speaking about the time when this income-tax amendment should be voted upon with reference to the schedules. The Senator from Texas observed on a number of occasions that, in his opinion, the first thing that we ought to do was to vote on the income tax, while the Senator from Rhode Island insisted that the first thing we ought to do was to pass on the schedules. In that difference lies the whole theory and practice. If the design of this amendment is to create a substitute for the protective tariff, as Great Britain adopted an income tax in 1842 as a substitute for the protective tariff—following her adoption by putting over 700 articles on the free list—then the Senator from Texas is right; then we should have voted upon the income-tax amendment at the beginning; and when we had determined upon that, we should then have made an estimate of the amount of revenue which it would raise, and we should have made up the difference by a customs tariff.

If, on the other hand, we are going to maintain our protective tariff and are going to adopt some supplemental provision to make up the balance that is needed, the deficiency of revenue coming from the application of the protective tariff and our internal-revenue laws, then the course which we have followed in deferring the vote upon the income tax until the schedules are voted upon is the right course. Our duty now is to make an estimate, as well as we can, of what revenue will be produced by the schedules as we have agreed upon them, and then see what deficiency there is to be made up and determine how we shall make it up.

Mr. President, I have observed in the consideration of these schedules, no matter how strong and sincere have been the efforts of the Members of the Senate to consider first the revenue question, nevertheless, sooner or later, we have all come to a point where, about something or other, we have considered first protection. This bill has been made up, sir, with a primary view to the protection of the articles in the schedules. You can not make it up on any other principle unless you abandon, and entirely abandon, the doctrine of protection; you can not determine the amount of duty to be imposed upon steel rails, upon lemons, upon iron ore, upon lumber, upon barley, upon any of these products of our country under two rules of action.

You have got to choose one and abandon the other. If you fix the duty upon steel rails, upon barley, upon lemons, upon iron ore, with reference to protection, then you can not fix it with reference to yielding a supplemental duty after you have made up so much income from an income tax. The two principles are mutually exclusive, and the wit of man will not avail to employ them both without one taking precedence and pushing the other aside.

What is our principle? Are we ready to give up the protective principle? I think not. There is much controversy here as to the application of the principle; there has been a degree of feeling, in which I am happy to say I do not share, as to the application of the principle to detailed facts. There has been a degree of difficulty in ascertaining the facts, which I deplore, and which has caused me much dissatisfaction, but I have not seen any considerable difference upon the proposition that this country designs to continue its protective policy. There are little variances here and there; but the protective policy is to be continued. If it is to be continued, you must put it foremost in your consideration of revenue. Now, taking this view, the object of the measure which we have before us is to make up for a supposed deficiency which will result from the application of the protective schedules which we have passed upon.

Mr. CLAPP. Mr. President——

The VICE-PRESIDENT. Does the Senator from New York yield to the Senator from Minnesota?

Mr. ROOT. Certainly.

Mr. CLAPP. Mr. President, I should like to ask the Senator, as he criticised the income tax as operating against the protective system—passing beyond the point where Senators may have expressed a desire for that tax for that purpose, preferring it at that time to have a place in advance of the schedules, and now having reached the point where the schedules are disposed of, so far as the Committee of the Whole goes—what difference is there in principle, as applied to its effect upon protection, in the adoption of the one or the other system for supplementing revenue?

Mr. ROOT. I feel complimented by the question, because the Senator from Minnesota, with his customary acumen, has approached the point which I was about to mention. When we make up a provision for the purpose of supplementing revenue, in the first place, we want it to yield revenue. We know perfectly well that the income-tax provision is not going to raise any revenue for this deficiency; it is not going to yield revenue until after a long litigation, and then only in case the Supreme Court of the United States should do the thing which seems to me altogether improbable—reverse its former decision.

Mr. CLAPP. Will the Senator pardon me another question?

The VICE-PRESIDENT. Does the Senator from New York yield further to the Senator from Minnesota?

Mr. ROOT. Certainly.

Mr. CLAPP. Does any Senator in this body assume for one moment that, in case the committee amendment prevails, it will go into operation without resistance?

Mr. ROOT. I suppose every tax will meet resistance, but I do not think the resistance to the committee amendment would be of any particular consequence. The ordinary processes of collection would go on.

The second requisite regarding the measure for the purpose of making up a deficiency of revenue, is that it should be proportioned to the anticipated deficiency. I am not going to follow the Senators who have spent a great deal of time in a very praiseworthy and sincere effort to determine that the pending protective-tariff bill will result in a larger deficiency than the chairman of the Finance Committee supposed; but I am prepared to say that I would rather trust the judgment of the men who have been for a lifetime collecting the revenues and applying the revenue laws of the United States, the men whose daily business it is to collect, receive, and apply the revenues and to forecast the revenues of the future, than I would the amateur efforts of any Senator, however able he may be.

When upon the faith of the deliberate judgment of the Treasury officials of the United States, the chairman of the Finance Committee, who is confessedly the ablest man in that line of government service whom we have, declares it to be his clear judgment that this bill will result in no deficiency after the expiration of two years, I think we can rest with pretty serene confidence upon the fact that the deficiency is not going to be very great.

The income-tax provision will produce—I think it would be a fair conjecture to put it at from one hundred and fifty to two hundred million dollars. Understand, it is not merely a tax upon corporations; it is a tax upon all individual incomes, and it is a tax upon all inheritances. One single State, the State of New York, raises $5,000,000 upon inheritances alone; and, in my opinion, this income-tax provision, if it could be relied on to produce anything to meet this present deficiency, would produce far too much; and the only reason why it will not inflict upon the people of the United States unnecessary taxation is that it will not inflict upon them any taxation.

Mr. President, the provision to which I have referred as the "corporation tax" saves all of the income tax that is constitutional and can be enforced. It avoids the evils of the income-tax provision; it avoids drawing the Supreme Court of the United States through the mire and brambles of political controversy; it avoids the possibility or the probability of creating in the eyes of the world a conflict between two branches of our Government; it avoids the injustice of imposing the same duty upon the toiler, who is earning and laying up the capital for his future years, and upon the possessor of accumulated wealth. I assert, sir, that the income-tax provision as it stands is unwise, unjust, unconstitutional. I assert that the corporation-tax provision is constitutional, is just, and is wise; that it is adapted to the purposes for which it is designed; that it is free from the objections that gather around the broader measure.

It has been said that the corporation-tax amendment is unconstitutional. That is the view of the Senator from Iowa [Mr. CUMMINS]. The Senator from Idaho [Mr. BORAH] takes a different view.

Mr. CUMMINS. Mr. President——

The VICE-PRESIDENT. Does the Senator from New York yield to the Senator from Iowa?

Mr. ROOT. Certainly.

Mr. CUMMINS. I think the Senator from New York ought to add there this statement: I said it was unconstitutional for the same reasons that the Senator from New York alleges a general income tax to be unconstitutional. I believe the amendment the Senate presents is constitutional, as I repeated many times yesterday, but it is constitutional for exactly the same reasons that the amendment that we present is constitutional.

Mr. ROOT. I accept the statement made by the Senator from Iowa, although the Senator did say that it was unconstitutional for another reason.

Mr. CUMMINS. May I add a word there?

Mr. ROOT. Certainly.

Mr. CUMMINS. I said if you put the interpretation upon this amendment that might possibly be put upon it, although not one which I put upon it, namely, that it is a tax upon the franchises of corporations—that is, the right to exist as a corporation—then it is unconstitutional, although I did not put that interpretation upon it; but I felt sure that at some time or other its advocates would be driven to do so.

Mr. ROOT. Well, there does not seem to me very much substance in the attack upon the corporation-tax provision as being unconstitutional. I am sure that I can rest in the opinion of the Senate upon the very fair and candid statement of the Senator from Texas [Mr. BAILEY], who regards the provision as constitutional, although he is in such relation to it that if his intellectual processes were not so clear and distinct as they are, he would naturally be inclined to think it unconstitutional.

I shall therefore not detain the Senate by any discussion upon the constitutionality of this provision further than to say that the Spreckels case, in One hundred and ninety-second United States, holds a law imposing a tax upon the business or process of manufacturing sugar and refining petroleum to be constitutional and not to be open to the objection that it is a direct tax, and therefore void under the income-tax decision.

The Supreme Court of the United States in the case of the Pacific Insurance Company *v.* Soulé, Seventh Wallace, declared that a tax upon the receipts or income of an insurance company was a valid tax and not a direct tax. The Senate will observe that the necessary effect of that case was to establish the right of the Federal Government to take a class of corporations organized under the laws of the States and impose a tax upon the business or the processes of business of those corporations.

Mr. BORAH. Mr. President——

The VICE-PRESIDENT. Does the Senator from New York yield to the Senator from Idaho?

Mr. ROOT. Certainly.

Mr. BORAH. I am not taking issue with the views of the Senator from New York on the constitutionality of the corporation tax, but in the case which has just been referred to by the Senator the court treated the tax all the way through as a tax upon property. While it was the business of the corporation that was involved, the court discussed it as a tax upon property, and then decided that it was not such a class or species of property as had to be apportioned under the Constitution, because it was not a land tax; but it regarded the business of the corporation as property, and taxed it as property.

Mr. ROOT. I never could see any advantage or benefit in finding fault with a case which has decided one point because it does not also decide some other point. So I say this case establishes the fact that it is competent for the United States to make a classification, for purposes of taxation, of certain kinds of corporations created under the laws of the States and to impose a tax upon their business.

In the case of Nicol *v.* Ames the Supreme Court held that it was competent for the United States to impose a tax on the facility or privilege of selling or buying produce or other merchandise at boards of trade or exchanges. The particular case was one which arose in regard to a tax imposed upon the sale of certain grain in the Chicago Board of Trade or Exchange, which was a corporation organized under the laws of the State of Illinois. The objection was made that the tax was one upon the property of some people and not upon the property of others. The court said: "No; it is not a tax upon the property. It is a tax upon the facility or privilege of doing business in this way." The objection was made that the tax was one upon a sale of merchandise made in one place, to wit, in the board room, when no tax was imposed upon the sale of the same merchandise in another place, to wit, out of the board room. The court said: "That makes no difference. There is a certain facility, a certain privilege, a certain opportunity of doing this business in the way afforded by this company; and the United States can impose a tax upon that." And they supported it.

In the case of Knowlton *v.* Moore (178 U. S.) the Supreme Court said, and I quote the language of the court:

> It is not denied that, subject to a compliance with the limitations in the Constitution, the taxing power of Congress extends to all usual objects of taxation. Indeed, as said in the license tax cases (5 Wall., 462, 471), after referring to the limitations expressed in the Constitution, "thus limited, and thus only, it" (the taxing power of Congress) "reaches every subject, and may be exercised at discretion."

The claim has been made that the classification of corporations organized for profit is unfair, unjust, and constitutes no lawful classification. But it is perfectly well settled that the Government of the United States has at least as broad a discretion as the States in the classification of subjects for taxation. And let me call the attention of Senators who think there is something new and strange in the erection of a class of corporations to these words in the report of the taxation commission of Maine in 1890. They say:

> The legislature of 1874 inaugurated a new system of taxation, seeking to equalize it by removing a part of the burden from the productive industries of the State and transferring it to capital invested in railroad, telegraph, express, and insurance companies, savings banks, and like corporations and business. By repeated changes of law a system of taxation has been legalized and sustained by the constitutional authorities of the State which has brought a new revenue into our treasury, and thereby lightened the burden on visible property.
>
> At the present time the State of Maine receives its revenue from two systems of taxation. The larger part of our revenue is derived from the taxation of certain classes of property in a manner in sharp contrast to that which is in vogue in the taxation of general property held by the citizens of the State.
>
> The State taxes railroads, savings banks, insurance companies, express companies, building and loan associations, telegraph and telephone companies, parlor and sleeping car companies, and general corporation franchises by principles entirely at variance with the principles in force for the taxation of the property of private individuals.

That principle is followed by a large part of the States of the Union. My own State has for many years grouped all corpora-

tions within its borders, with certain specific exceptions, in a class upon the revenues of which it imposes a tax imposed upon no other members of the community. And it is a late day for us to be told that there is no right in the United States to adopt this old, familiar, general basis of classification for the purpose of imposing an excise tax. It is founded upon reason, sir, and not alone upon authority.

The memories of some of us go back to the time when the most careful precautions were adopted by our States in permitting incorporation. I remember that in the autobiography of Thurlow Weed he tells of going down to Albany and spending the entire winter to get a bank charter. You will remember that in the early charters that were granted the amount of capital was strictly limited, and the amount of property the corporation could hold was strictly limited. For a long period those checks and safeguards were held up against the undue increase and development of corporate enterprise. But at last a freer system prevailed; and, in general, the laws of our States now permit anyone to form a corporation by associating with himself three or four men, filing articles of association, and complying with certain quite easy conditions in the way of payments.

Under this general system the men who avail themselves of it are exempt from personal liability. Who can doubt that that constitutes a distinction between the methods of doing business of all corporations and the methods of doing business of all copartnerships and private persons? Under this system the members of corporations are exempt from those consequences of death and bankruptcy which call a halt upon the progress of ordinary business; and the interest they have in the corporate property is susceptible of easy transfer and devolution. The business, the corporate entity, proceeds without hindrance or interference notwithstanding the death or retirement of its individual members. Who can doubt that that constitutes an exceedingly valuable and peculiar difference between the conduct of business by corporations and the conduct of business by private firms and copartnerships?

It so happens that in recent years our people have availed themselves of these facilities to an extent never before known. So that while the select committee of the House of Commons in England was sedulously searching for some way to discriminate—as it is universally recognized to be desirable to do—between individual earnings, which ought to be treated lightly in order to encourage thrift and frugality and the laying up of means for the future, and that accumulated capital, which never wastes, but the income from which may be safely and wisely taxed, the course of development of our business is accomplishing the same object for us.

Our people are separating into three classes: The men who work, who are laying up out of their earnings provision for the future, and on whom the hand of the taxgatherer should be laid most lightly; the owners of land, the farmers and other landowners, whom it is universally acknowledged that it was the intention of the fathers of the Constitution to protect by the provisions regarding the apportionment of direct taxes; and the possessors of the stored-up wealth of the country, which is being invested in the corporations that are doing the business of the country. And by the simple course of dropping out from this income-tax measure the parts that are unconstitutional under the decision of the Supreme Court, that are unjust according to the acknowledged judgment of all students of the income tax, that are incapable of enforcement within such a time as to relieve the deficiency that may be before us and by saving the tax upon the stored-up wealth of the country invested in corporations, called an "excise," we shall have accomplished the great object of the income tax.

I wish to say one more thing regarding the proposition that a tax upon corporations would be a tax upon the instruments of the States. I have no very great occasion to dwell upon that. In the first place, it is hardly necessary to refute the proposition that when the State of Maryland permits three men to file articles of association, and thereupon to conduct a mercantile business without being liable for debts, they are performing the functions of the State in buying and selling their merchandise; and, in the next place, the Supreme Court of the United States long ago dealt with the subject and decided it in the case of the Veazie Bank *v.* Fenno, in Eighth Wallace, where the court held that it was lawful for the United States to impose a tax upon the circulation of banks chartered by the States, and held it against the objection that it was interfering with the functions of the States. And, of course, a bank which is uttering currency comes the nearest of any conceivable corporation to discharging the functions of a State.

There are one or two other subjects upon which I wish to say a word. One is about the income-tax amendment of the Constitution. Every man must think for himself. I believe the most dignified, the most wise, the most patriotic way to deal with the subject of an income tax is by passing this resolution and submitting the proposed amendment to the States. I think the United States ought to have the power to lay and collect an income tax. I want the United States to have that power. I do not want it used for the purpose of taking money out of one part of the country in order to benefit another. I do not want it used for the purpose of driving out of existence the protective tariff, which, I think, embodies a wise and patriotic policy. But I do want my country to have all the powers that any country in the world has to summon every dollar of the public wealth to its support if ever the time of sore need comes upon it. I shall vote for the income-tax amendment, and I shall advocate it in my State; and I hope it will pass both Houses of Congress by a two-thirds vote and be adopted by three-fourths of the legislatures of the States.

One other subject: That is the subject of publicity.

The phase of that which is most prominent in my mind is to be found in the returns which, under this measure, are to be filed in the office of the Commissioner of Internal Revenue, and are to be public records. The provision is carefully guarded for the purpose of preventing abuse, for the purpose of preventing impertinent inquisition and blackmail. But if this measure becomes a law it will result in having on the files of the Commissioner of Internal Revenue, here at Washington, a statement of the great and essential features, which show the course and progress of the business of every corporation of the United States organized for profit. I believe, sir, that it is most desirable that the Government of the United States should have such a record, renewed from year to year. And while I am not much of a believer in imposing taxes for the purpose of accomplishing an ulterior object, I need not dwell upon that feature to a body which leaves standing on our statute books the 10 per cent tax on the circulation of state banks, imposed solely for its incidental effect, and a large part of whose Members voted for the oleomargarine tax, whose purpose was solely its incidental effect. While I should hesitate, sir, to vote for a law which had no other purpose than the incidental one, yet when by a just, available, and simple measure of taxation we can, by the mere operation of the ordinary machinery for the laying and collection of the tax, bring along an incidental benefit as great as I believe this will be, it is an argument not against, but for, the measure.

I do not wish to place in the hands of the United States the material for absorbing the functions of the States. I cherish as fondly the sovereign powers of the States as I do the sovereign powers of the United States. I believe this country is too great, its people too numerous, its interests too diversified to be ruled in all its local affairs from one central government at Washington. And while I stand for the full extent, the full vigor, the ever-undiminished power of the National Government, I should not abate one hair's breadth from those powers of the States that were established when our fathers drew the line between the two sides of our dual government. But I do want the Government of the United States, in the performance of its functions, to do its work intelligently, thoroughly, efficaciously, and wisely.

In my judgment, in obtaining possession of this systematized information—not too bulky, not in too great mass for anybody to ever get anything out of it, but so arranged as to contain essentials, leaving out the mass of nonessentials, and renewed from year to year—the Government of the United States will take a great and a necessary step forward to the more efficient and creditable performance of the duties it has undertaken and that are imposed upon it under our constitutional system.

We have undertaken to regulate interstate commerce; and a large part of all the great corporations of the country are engaged in interstate commerce. What do we know about those corporations? What source of information has the Congress at its hand when it is determining what laws it is wise to pass and what will be the effect of the laws that it is thinking of passing upon this great multitude of corporations? We have been here for over three months considering and discussing and voting upon the measure of protection that it is necessary to give in order to keep alive and prosperous the business of tens and hundreds of thousands of corporations engaged in manufacture and trade affected by the protective tariff. What do we know about those corporations? Upon one hand we have garbled and partial statements; upon the other equally garbled and partial statements; and no means of distinguishing the truth. We are under the necessity of proceeding by guesswork, by conjecture, always with dissatisfaction, because we recognize the chance that we may have guessed wrong about whose statements come nearest to the truth.

I should like to see in the office of the Commissioner of Internal Revenue the next time a tariff bill comes before Congress statements, under oath, and tested year by year, about the business of all this vast multitude of corporations that come appealing to us here for help, so that we shall not again be compelled to come to the conclusion that all the business of the United States is on the brink of failure.

Sir, this measure, which adopts the possession of the corporate facility and privilege as the basis of classification, will include some other corporations, but the great mass of them are engaged either in matters that are affected by the protective tariff or in interstate commerce or in business which is affected by our treatment of the currency. A full and satisfactory knowledge of the field into which a legislative body is to enter is not accomplished by including only the things that come within its necessary action. The whole field should be before us, and we should be able to form some judgment as to the relative amounts, the relative capacities for answering to taxation, the trade relations between these corporations with which we are most closely concerned, and the other corporations of the country. There will be certain incidental publicity to others than the Government. But whatever there is, let me say to the gentlemen who are opposed to the pending amendment that in entering upon a corporate form for the transaction of their business these corporations have estopped themselves from saying that they ought not to have their business inquired into, for the very basis of corporate life is freedom from personal liability for debt and the confinement of the creditor, the person who does business with the corporation, to the corporate assets.

Mr. BACON. Mr. President, will the Senator permit me to interrupt him for a moment to ask a question?

Mr. ROOT. Certainly.

Mr. BACON. I do not know whether the Senator has completed the particular thought he was upon or not.

Mr. ROOT. Substantially.

Mr. BACON. The honorable Senator has been credited in the public press with having been engaged with those who have perfected this amendment, and I have no doubt he brought to it the labor, industry, and great learning with which he is justly credited by all. I therefore would ask the Senator whether, in the preparation of the amendment, there was an effort made to devise some way by which other large representatives of aggregated wealth could be included within this liability to taxation; for instance, such as the bonds of corporations as well as the dividends of corporations, or the unapplied earnings of corporations.

Mr. ROOT. There was, I will say to the Senator.

Mr. BACON. The Senator says there was. I will be very glad if the Senator will go further and state to what extent that investigation was carried, and what was the conclusion reached in regard to that matter.

Mr. ROOT. It was the subject of repeated discussion in which the President, the Attorney-General, and other members of the Cabinet and members of the Committee on Finance of the Senate took part. The final conclusion was that the imposition of this tax on the entire income, including the income assignable to the payment of interest on bonds, would result not in the taxation of bondholders, but in imposing a double tax on the stockholders, and it was not thought advisable to do it. We all thought that this provision would yield an ample amount to make up any deficiency which the tariff measure will need. Indeed, a number of gentlemen in the discussion thought that we could now well afford to cut in two the percentage to be imposed, because they thought it would yield more than enough.

Mr. BACON. That was not the exact point to which I tried to direct the attention of the learned Senator. The point I desired to know was whether any investigation or effort was made to reach these representatives of wealth, these bonds in the hands of the bondholders; not the question whether the corporations could be made to pay to the Government a part of what they owe the bondholders. That is not the question; but whether there was an effort made to see if there could be devised a constitutional tax which would be levied upon the bonds in the hands of the bondholders. I will not limit it to that. I speak of the large accumulated wealth of any kind of a personal character.

Mr. ROOT. Mr. President, that subject was much discussed, and we were all of the opinion that we could not reach the interest upon the bonds in the hands of the bondholders consistently with the decisions of the Supreme Court.

Mr. BRISTOW. Mr. President——

The VICE-PRESIDENT. Does the Senator from New York yield to the Senator from Kansas?

Mr. ROOT. I think that completes what I have to say. I will yield, of course.

Mr. BACON. I wish to ask the Senator a further question.

Mr. ROOT. Very well.

Mr. BAILEY. Before the Senator from New York resumes his seat, and in order that what I am now about to say shall find a place in what he has said, I want to make a brief statement in reply to his criticism against the general income-tax amendment on account of its failure to recognize the difference between incomes derived from personal service and incomes derived from investments. I did not interrupt the Senator at that point of his very interesting address, because I did not want to disturb the continuity of his thoughts. I desire, however, that this explanation shall appear with his criticism.

I think his criticism is founded in justice; and I would not hesitate, if drawing an original bill, to obviate it.

I believe that in earning an income by personal service every man consumes a part of his principal, and that fact ought always to be taken into consideration. The man who has his fortune invested in securities may find in a hundred years, if he spent his income, that fortune still intact, but the lawyer or the physician or the man engaged in other personal employment is spending his principal in earning his income. That fact ought under every just system of income taxation to be recognized and provided against.

The inquiry naturally rises in the mind of every Senator, then, why I did not do it, and this is the plain answer: We were trying to send this bill back to the Supreme Court with as little change as possible from the old law. I will say to the Senator from New York that if that bill had been adopted and had been sustained by the court, every real and intelligent friend of the income tax would have in time accounted for that difference.

Mr. BACON. Mr. President, I did not finish the inquiry which I desired to address to the learned Senator from New York. The question I propounded was preliminary to another question which I desired to propound to the Senator. If those who were engaged in this investigation or in the framing of the measure came to the conclusion, which I readily recognize, that the bond itself could not be taxed, I want to ask the Senator whether they considered this difficulty?

Of course it is recognized not only as something which can be done, but as something which is frequently done, where the owners of a corporation owning stock convert that stock into bonds, and therefore under that conversion, instead of paying dividends upon stock they pay interest on bonds, and the exact amount which would have been paid upon dividends is diverted to the payment of the bonds, which stand in the place of the stock which has thus been converted. I have seen in the papers, for instance, that one of our great transcontinental railroads is now engaged in that very process of converting stock into bonds.

It seems to me to be perfectly manifest under the provisions of the amendment and under the statement made by the Senator from New York, in response to my first question, that it will be within the power of the corporations which it is thus sought to reach to convert in a large measure their stock into bonds, and, under the reply given by the Senator to my first inquiry, in so doing they will escape the payment of this tax. That is the way it occurs to me. I desire to know from the learned Senator whether that question was considered by them and whether they recognize that as an insuperable difficulty, or whether there is any possibility by which an effort on the part of a corporation thus to convert its stock into bonds and thus defeat the payment of this tax would be prevented by any provision of the amendment.

Mr. ROOT. That was much considered, Mr. President. As we found that the bonded indebtedness of the corporations of the country does not vary very much from the capital stock as it is now, we thought that the simplest and most efficacious way to prevent any abuse on any considerable scale would be to introduce into the measure the limitation which the Senator will find there; that is, not permitting the corporation to deduct from its gross income any amount assignable to the payment of interest upon its indebtedness in excess of the amount of its capital stock. So if you take the corporations of the country by and large, as indeed they are limited by the laws of very many States to bonded indebtedness not in excess of their capital stock, there can be no greater reduction by way of interest from the gross income in reaching the net income than would be made upon the bonds that now exist.

Mr. BRISTOW. Mr. President——

The VICE-PRESIDENT. Does the Senator from New York yield to the Senator from Kansas?

Mr. BACON. Mr. President——

Mr. ROOT. I will keep yielding to the Senator from Georgia until he is through, Mr. President, and then I will yield to the Senator from Kansas.

Mr. BACON. I will trespass only a moment. It will be recognized by the Senator, I presume, that as to a very large proportion, if not the majority, of state corporations, especially those which are organized under general law, in almost all of the States the power to increase stock is almost unlimited. So if that is the only restraint, if that is the only thing which shall hold them within proper bounds, all that a corporation would have to do when it desires to evade the payment of this corporation tax would be, under one pretext or another, to enlarge the amount of the stock, which they can do by simple resolution.

Mr. ROOT. May I call the attention of the Senator to the fact that they would have to pay on the stock or on the proceeds the income from the money received on the stock?

Mr. BACON. Mr. President, nobody knows better than the Senator that we have very large classes of stocks which are deferred in point of preference to other classes of stock.

Mr. ROOT. Mr. President, this measure limits the stock which is the basis of comparison to paid-up capital stock, and I take it that when gentlemen who feel moved to constitute capital stock by putting in cats and dogs have to meet the Commissioner of Internal Revenue of the United States, and the way in which our internal-revenue laws are applied, they will find that they will have to have stock that is really paid up.

Mr. BACON. I do not wish, in the inquiry I addressed to the Senator, to be understood as antagonizing what he said.

Mr. ROOT. I understand.

Mr. BACON. But those are grave questions, in my mind, and I desired to know whether they had been considered and what was the conclusion that had been reached.

Mr. ROOT. I will say to the Senator that both of those questions not only were very fully considered and discussed, but they gave us a great deal of solicitude. We found it difficult to solve them, and we solved them in what seemed to us the best way after the very fullest discussion.

The VICE-PRESIDENT. Does the Senator from New York yield to the Senator from Kansas?

Mr. ROOT. Certainly.

Mr. BRISTOW. I do not know whether I correctly understood the Senator from New York, but as I heard him I understood him to say that the information which he expected to collect in regard to the corporations would be valuable in revising the tariff in the future, because it would give Congress knowledge as to their operations, and so forth. Did I understand the Senator correctly?

Mr. ROOT. Yes, Mr. President; I think that such a record will be the most valuable and effective basis of the action of whatever commission we provide for here. I hope that before we leave this Chamber we shall provide, in one form or another, for a commission which will lay before the Congress the next time it comes to revise a tariff the facts on which they are to proceed. I think that such a record as will follow necessarily from the administration of this proposed law will be the most useful possible basis for such a commission's action.

Mr. BRISTOW. Of course it was not intended, was it, to finally ascertain the comparative cost of the production of an article here and abroad, and so forth? The information that is to be collected does not contemplate any such scope as that?

Mr. ROOT. No; but it will indicate whether a lot of gentlemen are on their way to a poorhouse or a palace.

Mr. CLAPP. Mr. President, realizing that the afternoon is somewhat advanced, I shall try to be very brief in presenting a protest against this proposed legislation.

Mr. President, we are confronted by the question of supplemental revenue. There are four ways in which the revenue provided for in the pending tariff bill, which almost everyone agrees will fall short of the necessities of the Government, might be supplemented. One, to my mind the most natural and logical of all, would be to take tobacco and impose upon tobacco a fair tax, which to-day is not imposed upon it, as was shown so clearly by the Senator from Indiana [Mr. BEVERIDGE]. The other would be by the imposition of an additional tax upon intoxicating liquors. From those sources we could easily obtain sufficient revenue to supplement the revenue provided for in this bill.

But it seems that these plans can not meet with approval here, and so we are relegated to one of three other plans, namely, an inheritance tax, an income tax, or a so-called "corporation tax."

The first tax suggested by the President was an income tax. It was suggested in his speeches before the election. The next tax suggested was an inheritance tax, suggested by his inaugural address, made on the 4th of March. The third tax suggested by him has been the so-called "corporation tax."

Mr. President, for one I am ready to vote for an inheritance tax, although, strictly speaking, an inheritance tax is not a tax, but rather a toll collected only once in each generation, and it would not reach the vast fortunes which in this country escape federal taxation, and which justly ought to contribute their share to the burden of such taxation. But I would readily vote for an inheritance tax, although my own State is opposed to it. I believe that inheritances are so justly the subject of taxation to a point where both the State and the Federal Government can take toll from the passing of an estate, and the taking of the toll by the Federal Government would not militate against the toll taken by the state government.

But there seems to be no possibility of that becoming a law at this session unless it is that we may be able to so portray the iniquities of this proposed corporation tax as to strengthen the hands and the purposes of those who will yet have to deal with the bill after it shall have passed the portals of the Senate.

It is not my purpose, either, to enter into a long discussion of the income tax. I listened with great interest to the Senator from New York and to the objections which he raised against an income tax. One of his objections was the objection which in late years has been developed in English study of economy, between taxing the early energies of the individual and the accumulated fortune which the individual may in later years have laid by. I challenge the Senator from New York, or any other Senator, to point out where and how that defect is cured in this proposed so-called "corporation tax," for, so far as it reaches corporations, so far as it lays its hand upon any individual either by diminishing the income of a stockholder or by the transfer of the tax to the consumer purchasing of the corporation, it lays it with equal weight upon the man who is struggling to secure a competency and the man who has obtained a competency, because it makes no discrimination between the rich stockholder or the stockholder of moderate means, nor between the rich or poor consumer.

Not only does it fail to make such discrimination, but absolutely exempts the man who has gone still further in the process of accumulation and has laid his accumulated savings in the form of bonds.

Then, it is said that the income tax is hostile to the spirit of protection. I asked the Senator to point out why and how the amendments coming in at this late date, after the schedules have been fixed in the committee, the one can be any more hostile to the spirit of protection than the other, and his only answer was that we had underestimated the amount of revenue that would be obtained and some one else had overestimated the amount of revenue to be obtained by the other. There are no figures before the Senate, there is no data to-day in this country, of accumulations upon which any man can base a conservative opinion as to how much would be received from either source. So far as one or the other amendment militates against the spirit and purpose and policy of protection, one does so as absolutely as the other. The Senator from New York left that question unanswered, and it can not be answered. Whether a dollar raised after this tariff has been fixed comes from one source or another, it is only a menace to the spirit of protection when it exceeds the shortage that is left after a fair measure of protection has been secured.

I have heard it claimed about the Chamber for several days that this proposed corporation tax is pursuant to the message which the President sent to this body a short time ago. Mr. President, I for one challenge that assertion, so far as it relates to some of the important and vital provisions of the proposed amendment. Ever since I have been in the Senate, again and again some measure is brought in here, and we are told that the measure has the approval of the President.

The President of the United States has a simple method by which he can communicate his views to this Senate; and he communicated his views to this body in a message a short time ago—a plain message, easy to understand, but which fails to find expression in the details of the proposed amendment. After this message came in, an amendment was drawn and finally presented to the Senate; and the Senate beheld the pitiable spectacle of the presentation of the proposed amendment, with the admission that it was not certain what it covered, and yet it was claimed that in its details it bore the "O. K." of the President of the United States. It was then asserted that if building and loan associations are profit-making institutions, they ought to be taxed; that the amendment claimed to be pursuant to the directions of the President of the United States did tax them. I am not discussing now whether they should be taxed or not; but the President of the United States expressly excepted in his message building and loan associations from those stock and association companies which, under his suggestion, were to be the subjects of taxation. The President, in his message, called attention to three classes of corporations that should be exempted—national banks, because they were already taxed; savings banks; and building and loan associations.

He directly and positively proceeded to except savings banks and building and loan associations; and yet this measure, which we are told is the measure of the President of the United States, comes in here and makes both of those kinds of associations or corporations the subject of taxation.

But, Mr. President, that would be a minor matter. For several weeks now we have been debating a tariff bill here; we have been fighting over the question of schedules; and yet the schedules in this tariff bill have been but the mere skirmish line of the battle that lies behind and the struggle that is yet to come. I want to call attention to the fact that this amendment, as introduced by the Committee on Finance, can not possibly bear the approval of the President of the United States if we are to recognize that for which he has stood upon the stump in public speech and in his messages to Congress. I do not see how it can be claimed he approves its details when we come to analyze them. We now come to the important detail.

The Senator from New York—and I was glad to hear him do it—went on to explain why it was that a corporation might be taxed, because the men who took stock in corporations secured certain immunity; and, consequently, one rule of taxation might be applied to a corporation, while different rules would apply to individuals and copartnerships; and he emphasized that fact as being the very purpose and language of this amendment; but while it purports to be an excise tax upon corporations, it fails at the very point where it ought to apply and applies at the very point where it ought not to apply. The little corporations, scattered all over the country, under the provisions of this amendment will have to pay the tax. Here the distinguished Senator from New York fell into another dilemma. He condemned an income tax, because an income tax is a direct tax and a corporation tax is not a direct tax, except where it can be shifted; and if it can not be shifted, it is a direct tax, and consequently void.

Then, so far as that amendment relates to corporations dealing on the street of a western town or an eastern city in competition with a partnership on the other side of the street, having no monopoly and obliged to take this tax out of their gross income, it becomes a tax which can not be shifted upon the consumer, and would be subject to the very criticism imposed by the Senator from New York upon the income-tax proposition upon that ground.

But we go a step further in this thing. I was greatly entertained the other day when the Senator from California [Mr. FLINT] presented this amendment, and a little colloquy took place between the Senator from New Hampshire [Mr. GALLINGER] and the Senator from California. The Senator from New Hampshire suggested that the information had come to him that this amendment would be the means of searching into the inwardness of corporations, and amounted to a sort of inquisitory visitation upon corporations. I felt very much like getting up then and suggesting that all controversy becomes plainer the more we free it from those matters which are not controverted, and that no one would seriously claim that this amendment would embarrass anyone on the ground complained of; but it was not necessary to do that, because the concluding language of the Senator from California was that such investigations can only be made of the affairs of corporations as are necessary to make the returns. Returns for what? For secret contracts, for rebates, for watered stock? No; but to make a return of the amount of their earnings upon which a tax may be based; and this is really all there is as the amendment now stands.

Mr. President, there are three things for which the public may have warrant for going into the affairs of a corporation. I very much question, I do not yet believe that it is the province of government to give a sort of quasi assurance to the value of stocks that men want to invest in by placing the approval of the Government upon the question of whether those stocks have been issued within the limit of a fair investment. I am inclined to believe, if a man wants to invest in stocks, he should do it at his own risk, just as he takes his chances of buying a horse, whether the horse might be spavined or not, but when it comes to the banking—a great function of modern civilization—we have a right to know whether they are safe and solvent. When it comes to corporations dealing with the public in the shape of public utilities, or combinations dealing in the necessaries of life, we have a right to know, first, whether there are, in fact, combinations, whether there are secret agreements, whether there are rebates, and whether there is charged into their stock a matter that never came there as the result of fair investment upon which to measure the question of what is a reasonable return for their investment.

Now, Senators, those are the things that Theodore Roosevelt dealt with for seven long years in his struggle for publicity. Those are the objects which we have sought and which the friends of this measure before it came into the Senate believed—that in some way it would reach those facts, make them public, and lay them where the citizen and the public generally could ascertain and investigate them. I undertake to say that under this amendment as it now stands the return required by it does not and would not develop those facts, and I believe a corporation could successfully contest an examination that involved those three questions. The only return which is required and the only investigation which is necessary under this proposed amendment is the investigation which relates to the question of whether the corporations have made an honest return for taxation. Beyond that, the secret contract, the mystic power which one great corporation may hold over others, not only as a threat unuttered, but as a menace of conditions, the relation which one great corporation may hold to others by reason of the inward relations of the members of those corporations—there is not, I undertake to say, one line in that amendment which requires publicity along those lines. If there was ever a myth born from the fertile brain of legislators, it is that that amendment will give the publicity for which Theodore Roosevelt and the people of this country for seven long years battled and struggled. And I say that in this respect, as to this vital detail, it does not, it can not, reflect the intention of the President.

There is another point in this measure, and I am going to be very plain about these matters. For seven years the American people have aligned themselves under the leadership of that man who was extolled to-day by the Senator from Oregon [Mr. BOURNE], in a speech commenting on this amendment, which, in fact, is the first marked reactionary step against the policies of Theodore Roosevelt that has ever been brought into this body. That man Roosevelt for seven long years was battling against that spirit in this country which for brevity and popular acceptation we may term "a trust," and, Senators, before you vote for this amendment read this amendment and ask yourselves if you are prepared to go home and tell your people that you voted for the first piece of legislation ever offered in the American Congress which recognized, not the legality, to be sure, but which recognized the existence of the trust-holding and trust proposition, and that is what I believe this amendment does.

A great deal has been said in this debate about bonds. This amendment is probably badly defective in that respect. A great deal has been said about inquisition, as if inquisition were something we ought to shun. I hold in my hand a list of names submitted by the Senator from Montana [Mr. DIXON] the other day, in which it appears that Mr. Carnegie's personal property was returned for $5,000,000, and that Russell Sage's property was returned for $2,000,000.

So long as those conditions remain, I do not think we need go into hysteria over the possible inquisitorial means of collecting taxes in this country. What this inquisition means, if it goes absolutely to the last analysis, as it must go, is that we are trying to get a just tax from a man by one process or another, but as between the two amendments, the income tax and the proposed so-called "corporation tax," there is nothing to be gained by comparison for the corporation tax in that respect. This amendment proceeds upon the theory—and the Senator from New York emphasized the fact—that this right to tax rests upon the fact that these men are associated together as a corporation; that they are distinct; and the right rests upon a different principle than the taxation of property and of individuals ordinarily. Let us examine the terms of the amendment.

The proposed corporation tax is called an "excise tax." What is it based upon? It is based upon the fact that a number of men seeking the immunity of a corporation, as against the liability of individual action and the copartnership relation, form themselves into a corporation; and it is proposed to tax that corporation for that privilege. I can not, and will not, attempt to review the masterly analysis showing the fallacy of that made by the Senator from Iowa [Mr. CUMMINS] and the Senator from Idaho [Mr. BORAH], but I want to emphasize one point beyond what either of them has brought forth here, so far as I heard while I happened to be in the Chamber during their speeches, and that is that this amendment expressly exempts a holding company from any federal tax if its capital is invested, and to the extent to which it is invested, in the stock of other corporations which are as corporations subject to an excise tax. In other words, after a half dozen corporations have been organized, another lot of men—not the same men, necessarily, but another lot of men—may form a corporation to go into the business of running the corporations already formed and the holding company go untaxed.

Their total may be made up of the holdings of the first formed corporations; there is not a dollar of their capital invested in anything else. They may hold some stock in one corporation and some stock in another corporation. They have organized upon the same principle and are subject to the same

rule of taxation that the men who organized the first corporation are subject to, and yet under the amendment they pay not one cent for that privilege.

It is said that it would be double taxation. Mr. President, this is not an income-tax provision; this is a provision to tax for the privilege of doing business—an excise tax; and if that business brings a profit to the men who conduct it, they ought to pay a tax for the privilege, whether they hold stock in other corporations or not. Take the case of $100,000 worth of whisky upon which one tax has already been paid. A corporation handles that whisky and makes $100,000 more upon it. Would any man say for one moment that they should be exempt from a tax upon what they have made because the men who handled the whisky in the first instance, before it came to them, had paid a tax upon the whisky? Yet that would be double tax, just as much as it could be said to be double taxation to tax the earnings of a corporation whose capital is invested in dividend-paying stocks of other corporations already taxed for the privilege of owning that stock and of dealing in that stock.

The proposed tax is not a tax upon incomes; it is a tax upon the privilege of doing business. And if such a tax is imposed, surely it should be imposed upon a corporation organized for doing the business of controlling other corporations.

Mr. President, I listened with a great deal of interest the other day to the Senator from Montana [Mr. DIXON] while he discussed the inheritance tax, wherein he discussed the passing of the old feudal system. I want to say there is something in this amendment, whether it was planned or not, the effect of which is to restore to personal-property holdings the feudal conditions that once obtained in Europe as to landed estates, and the overthrow of which has cost so much of blood and treasure. Here it is calmly proposed that a number of men may organize a corporation with a capital, we will say, of a billion dollars, doing no business except dealing in and holding and receiving the profits of stock in other corporations without paying one dollar of tax. You talk about the gathering together and holding intact of the great fortunes of this country as a menace. Here is the dead man's hand of mortmain reaching out through this legislation upon generations yet unborn. Here is a policy and a plan that, for the first time in the history of the Senate, so far as I know since I have been here, is a recognition and an encouragement of that very policy.

You talk about the power of great aggregations of capital; you talk about the crushing out of the life and of the rights and of the opportunities of the individual—the policy against which we have struggled for seven long years—and here is the first step of a reactionary character; here is a step which, as I have said, does not legalize, yet holds out an invitation to men to do that very thing; and it is the first legislative recognition of the fact of that condition in this country.

What will be next step? Senators, I will tell you. I do not fear the next step. Logically the next step would be legislation recognizing still further this condition against which the American people have struggled for the last seven years. The next step will be the arousing of a storm of indignation that will reach from one ocean to the other. Whoever was behind all this might have perhaps dreamed that, making it seem like an attack upon corporations, it would be an inviting and a picturesque proposition to the American people; but when the American people come to learn that this is simply a shifting of a tax in most cases upon the consumer, when they come to learn that millions of dollars can be invested in a corporation which will not pay one dollar of tax, when they come to learn that this is a plain invitation to go on and enlarge a system which we have battled against these seven years, there is no danger of this or any other Congress taking the second step. The American people will attend to that in their own behalf. Do not tell me that the President approves any such detail as the one found in this amendment.

Mr. President, it is not my purpose to speak at length. I believe that this thing is so iniquitous that all that is necessary for its overthrow is for the American people to see just what it is and what it means. Based upon the theory that it is an excise tax, it exempts from that excise the very corporations that in all human probability are the best able to pay that tax. It exempts the great bondholders, the great accumulated fortunes of this country.

For one I would very much prefer to try the income tax. I can see none of the dangers pointed out by the Senator from New York to come from such a tax. It is the right of the Government as well as the humblest citizen to appeal to a court to reverse its decision. And I want to say here, in the presence of the Senate, that all the progress that has been made in Anglo-Saxon jurisprudence has been made either in reversing previous decisions or in going a step beyond any precedent. If it is a fact that a decision is forever to prevent any attempt to advance against that decision, then we may well prepare to have no progress and no advance in our jurisprudence. Every lawyer, with one exception, I think, in this Chamber has practically admitted that, in his opinion, the decision of the Supreme Court, made by a divided court, in the Pollock case was unsound; and, with but few exceptions, they have stated their belief that that decision would be reversed.

We can better afford to take our chances of not getting that decision reversed than we can afford to go to the American people with a proposition that imposes a tax which, in the main, is shifted upon the consumer and exempts the man with the great fortune who has invested his millions in bonds, and which encourages the organization of holding companies by absolutely exempting them from one dollar of assessment or taxation upon the stock of other corporations they invest in.

Mr. President, that is the issue that to-day is before the Senate. It is not so much a question of what should be done with this particular item or that particular item, but it is a question of whether or not the American Senate is going to enter upon this, the first step—reversing the policy of seven years. I want to say to you—I charge no one with the purpose—but I want to say to you that the plain invitation, the plain effect of this provision is to encourage the organization of the very kind of corporations, great, powerful, overshadowing, absorbing industries, absorbing industrial life and industrial affairs, by holding out to them immunity from taxation. When the American people come to know that and to understand that, I have no fear of this legislation getting beyond this body.

Mr. FLINT. Mr. President, if no other Senator desires to speak, I ask for the regular order.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Rhode Island [Mr. ALDRICH] to the substitute proposed by the Senator from Massachusetts [Mr. LODGE].

Mr. BORAH. Mr. President, I do not desire to have action taken on the question, if I can help it, until the Senator from Texas [Mr. BAILEY] returns. I am not sure whether he intends to speak, but he has just been called from the Chamber, and I should like a moment until we can ascertain his wishes.

Mr. OWEN. Mr. President, if the observations I had the honor to submit to the Senate on May 7, 1909, were well founded, the submission of the income tax to the Supreme Court at this time is justified, in addition to the reasons given by other Senators, because that argument was not before the Supreme Court when it passed upon this question.

The Supreme Court passed adversely upon the income tax in the Pollock case by the narrow majority of one vote, and determined the income tax to be a direct tax, which could not be levied on the citizen *because of the inhibition of section 9, Article I.*

Those who defended the income tax did so on the theory that it was an indirect tax, and therefore constitutional, and very nearly succeeded even on this theory. No advocate argued that it was justified as a direct tax and this consideration was not submitted to the court, although, in my judgment, the reasons for this view are very persuasive, if not controlling.

If there is reason to believe that the consideration which I shall now present might persuade one or more members of that court to a change of view, it would justify the resubmission of this question to the court without in anywise suggesting any imputation which could in the least affect the dignity of that great tribunal nor the honor and respect in which they are held by the American people.

Mr. President, the clauses of the Constitution relating to this matter are as follows:

Article I, section 8, clause 1: The Congress shall have power *to lay and collect taxes*, duties, imposts, and excises, to pay the debts and provide for the common defense and the general welfare of the United States; but all duties, imposts, and excises shall be uniform throughout the United States.

Article I, section 9, clause 5: No tax or duty shall be laid on articles exported from any State.

Article I, section 9, paragraph 4: No capitation or other direct tax shall be laid, unless in proportion to the census or enumeration hereinbefore directed to be taken.

The enumeration referred to is found in Article I, section 2, clause 3, to wit:

Representatives and direct taxes shall be apportioned among the several States which may be included within this Union according to their respective numbers, which shall be determined by the adding to the whole number of free persons, including those bound to service for a term of years and excluding Indians not taxed, three-fifths of all other persons. The actual enumeration shall be made within three years after the first meeting of the Congress of the United States, and within every subsequent term of ten years, in such manner as they shall by law direct.

Section 8, clause 1, gives Congress the widest possible power "*to lay and collect taxes*" as well as "duties, imposts, and excises." This broad power is limited only as appears in the

clauses quoted; that is, that exports shall not be taxed (sec. 9, clause 5); that "direct taxes" shall be apportioned among the several States in accordance with the census (sec. 2, clause 3); and that "no capitation or other direct tax" shall be laid unless it be apportioned "to the census or enumeration hereinbefore directed to be taken" (sec. 9, clause 4).

The entire controversy turns upon the interpretation of the meaning of the words "direct tax" (sec. 9, clause 4), or "direct taxes" (sec. 2, clause 3).

Both the opponents and the defendants of the income tax have proceeded upon the theory that the term "direct tax" broadly means a direct tax on the citizen instead of the narrow and true interpretation of a "direct tax" on the States.

I respectfully submit that this has been a dangerous error, utterly unjustified by the language of the Constitution, by its history, or by the debates in the Constitutional Convention.

In the first case, Mr. President, no capitation or other direct tax required to be laid "in proportion to the census or enumeration hereinbefore directed to be taken" can possibly mean a direct tax upon the citizen, and must mean that which the history of this paragraph shows it did mean, a direct tax upon the several States as independent municipalities.

The capitation tax laid in proportion to the census and constitutional enumeration can only mean a direct tax to be laid directly upon the State as a State in accordance with its population, counting five slaves as three persons.

This capitation tax is a direct tax on the State; it is an indirect tax on the citizen, and must be paid by a separate levy on the citizen.

Any other "direct tax" laid in proportion to the census, within the meaning of section 9, paragraph 4, must necessarily mean a direct tax on the State, for the simple and controlling reason that only a direct tax on the State is capable of being laid in proportion to the census enumeration, as required by section 2, Article I, and this "direct tax," as a logical consequence, being exclusively a "direct tax" *upon the State*, is an indirect tax on the citizen.

The general taxing power, established by section 8, is only restrained and limited by the proviso of section 9, paragraph 4, which directs "no capitation or other direct tax" to be laid unless in proportion to the census. The limitation, therefore, of the broad power to "lay and collect taxes" *is a limitation relating exclusively to a direct tax on the State* as such, and not a limitation of the right to lay a direct tax on the citizen. Congress is therefore first given the broad right to lay and collect taxes both on the citizen and on the States as municipalities (section 8) and is only thereafter *restrained from levying direct taxes on the States* by the provision that such direct taxes shall, if levied, be laid in proportion to the census enumeration as provided in section 2, clause 3.

The term "direct taxes" as used in Article I, section 2, clause 3, is obviously, as its face implies, "direct taxes" on the States, to be apportioned among the several States just as the Representatives in Congress are to be apportioned, and no one will contend or should contend that the direct taxes referred to in section 2, clause 3, are anything but direct taxes on the States as such.

I understand, sir, that the term "direct tax," as used in our vernacular, has more than one meaning. It may mean a direct tax by the United States Government upon one of its constituent members or States, as I have above explained; it may mean a direct tax imposed by the United States upon one of its citizens as an income tax, if the Supreme Court is right in the Pollock case; it may mean a direct tax upon the citizen by the Federal Government imposed as a duty on his personal apparel brought through the custom-house, and so forth.

It may mean a direct tax on the citizen by his State, by his city, or by his county; and the citizen may be taxed directly and coincidentally by the United States, by the State, the county, the town. The term "direct tax" therefore has various meanings, meaning one thing in one place and another thing in another place, and the meaning of the term "direct tax" must be determined by the time, place, and manner in which it is used.

I perfectly well understand that throughout the debates this term was used with greater or less confusion; but, sir, in interpreting the language of the Constitution itself, the terms "direct tax" and "direct taxes," as used in section 9 and in section 2, as a limitation upon the mode of its imposition, refers exclusively to "direct taxes" *imposed upon the States* as such.

It was a mere accident that the term "or other direct tax" was inserted in the Constitution at all.

Mr. President, when section 9, paragraph 4, was first drawn it read that "no capital shall be laid unless," and so forth, and it was only because Mr. Read feared that the States might be saddled with a readjustment of past requisitions of Congress that it was amended to include the words "or other direct taxes." This clearly appears from the debates, as follows:

Article 1, section 9: "No capitation tax shall be laid, unless," and so forth.

Mr. Read moved to insert, after the word "capitation," the words "or other direct tax." He was afraid that some liberty *might otherwise be taken to saddle the States with a readjustment*, by this rule, *of past requisitions of Congress;* and that his amendment, by giving another cast to the meaning, would take away the pretext.

Mr. Williamson seconded the motion, which was agreed to. On motion of Colonel Mason, the words "or enumeration" were inserted after, as explanatory of, "census"—Connecticut and South Carolina only, no. (Vol. 5, Ell. Deb. on the Fed. Const., p. 545, Sept. 14, 1787.)

Undoubtedly the Constitutional Convention believed that the Congress should have the power of assessing and levying *direct taxes on the States* and to apportion such taxes according to the rule of population.

Mr. King said:

> It is a principle of this Constitution that representation and taxation should go hand in hand. * * * By this rule are *representation and taxation to be apportioned.* (2 Ell. Deb., 36.)

Representation of what? Of the States. Taxation of what? Of the States. Why was there a diminished tax placed upon the population of the slaveholding States, and what was its purpose? It was to apportion it among the several States, and the direct tax and the capitation tax were to be diminished to three-fifths of the number of slaves by the operation of this constitutional rule.

Mr. Dawes said:

> The rule laid down in the paragraph is the best that can be obtained *for the apportionment of the little direct taxes* which Congress will want. (Ibid., 42.)

Mr. Pendleton said:

> The *apportionment of representation and taxation* by the same scale is just. (3 Ell. Deb., 41.)

Representation of what? Of the States. Taxation of what? Of the States.

Mr. Nicholas said:

> The amount of the sums to be raised of the people is the same *whether the state legislatures lay the taxes for themselves or for the General Government.* (3 Ell. Deb., 99.)

Did not this mean that the direct tax on the State should be collected by the State?

Mr. Nicholas said:

> The proportion of taxes are fixed by the number of inhabitants. Each State will know from its population *its proportion of any general tax.* (3 Ell. Deb., 243.)

Does not this mean that the *tax levied on the State* by a general tax on the States would be known to the State under the rule?

Mr. Randolph said:

> When *any sum is necessary* for the General Government, every State will immediately *know its exact proportion of it* from the number of the people and Representatives. (3 Ell. Deb., 122.)

The phrase:

> No capitation tax shall be laid *unless in proportion to the census* hereinbefore directed to be taken—

And this necessarily meant laid *on the States* by Congress and *not on the citizen*, because to levy a capitation tax on the citizen under the apportionment rule is unreasonable, while to apportion a capitation tax on the States under the apportionment rule is reasonable—

> was amended, on the motion of Mr. Read, to insert after "capitation" the words "or other direct taxes." (5 Ell. Deb., 545.)

Mr. King asked, August 20, 1787 (5 Ell. Deb., 451), what was meant by direct taxation. And he was not answered, but he might well have been answered, as far as clause 4, section 9, was concerned. It is a direct taxation on the United States, to be laid upon them severally in proportion to the rule of population by which the right of representation is fixed.

Mr. Gerry (5 Ell. Deb., 451) moved that—

> From the first meeting of the Legislature of the United States, until a census shall be taken, all moneys for supplying the Public Treasury *by direct taxation shall be raised from the several States* according to the number of Representatives, respectively, in the first branch.

Does not this mean direct taxation on the States as such?

In the Secret Proceedings and Debates of the Convention, Charles Pinckney submitted a draft (S. Doc. 728, 60th Cong., 2d sess., p. 146), and provided that in fixing the power of the Congress, that:

> The proportion of *direct taxation* shall be regulated by the whole number of the inhabitants of every description, etc.

And Mr. Patterson, June 15, 1787 (ibid., 150), proposed a resolution, as follows:

3. *Resolved*, That whenever requisitions shall be necessary, instead of the present rule, *the United States in Congress be authorized to make such requisitions* in proportion to the whole number of white and other free citizens, etc.

That *if such requisitions be not complied with in the time to be specified therein, to direct collection thereof in the noncomplying States;* and for that purpose to devise and pass acts directing and authorizing the same, etc.

Does not this mean a "direct tax" on the States, and not on the citizen, to be proportioned to population?

Mr. Luther Martin, in his report to the legislature of Maryland, said (ibid., 39) that he did not think the General Government ought to have been given the right to lay "*direct taxes*" in any case, and by this expression he meant "*direct taxes on the citizen*," and that he introduced the following proposition:

And whenever the Legislature of the United States shall find it necessary that revenue should be raised by direct taxation, having apportioned the same by the above rule—

Here by "direct taxation" he means taxation of the States—

requisitions shall be made of the respective States to pay into the Continental Treasury their respective quotas, within a time in the said requisition to be specified, and in case of any of the States failing to comply with such requisition then, and then only, to have power to devise and pass acts directing the mode and authorizing the collection of the same [by direct levy on the citizen, is the alternate].

He said:

Had this proposition been acceded to, the dangerous and oppressive power in the General Government of imposing direct *taxes on inhabitants which it now enjoys in all cases*, would have been only vested in it, in case of noncompliance of a State, as a punishment for its delinquency, and would have ceased the moment that the State complied with the requisition.

Previous to adoption of the Constitution of the United States the Confederated States had made levies in the form of direct requisitions upon the several States, which was in the nature of a direct tax on the State itself, apportioning the same according to a fixed ratio, as is shown by the resolution of April 18, 1783 (1 Ell. Deb., p. 94), which was an apportionment based upon the population as nearly as they could arrive at it.

Chief Justice Fuller well said:

Under the Articles of Confederation the Government of the United States was limited in the exercise of this power *to requisitions upon the States*, while *the whole power of direct or indirect* taxation of persons and property, whether by taxes on polls or duties on imports, or duties on internal production, manufacture, or use, was acknowledged to belong exclusively to the States, without any other limitation than that of noninterference with certain treaties made by Congress. (157 U. S., 561.)

The practice of Congress prior to the Constitution was to make requisition on the States and thus impose *a direct levy or requisition* on the *United States* of the Confederation.

On the 12th of July, 1777, a draft of the Articles of the Confederation was submitted to Congress: Article 2 provides as follows:

All charges of war and all other expenses which shall be incurred for the common defense or general welfare, and allowed by the United States assembled, shall be defrayed out of a common treasury, *which shall be supplied by the several colonies in proportion to the number of inhabitants* of every age, sex, and quality, except Indians not paying taxes, in each colony. (1 Ell. Deb., 70–73.)

Article 8 of the Articles of Confederation sets this up very plainly and was first based upon the proportionment to the value of all land within the States, including buildings and improvements, but this was struck out and the census enumeration substituted. Article 8 is as follows:

ART. 8. All charges of war, and all other expenses that shall be incurred for the common defense or general welfare, and allowed by the United States in Congress assembled, shall be defrayed out of a common treasury, which shall be supplied by the several States, in proportion to the value of all land, within each State, granted to or surveyed for any person, as such land, and the buildings and improvements thereon, shall be estimated, according to such mode as the United States in Congress assembled shall, from time to time, direct and appoint.

The taxes for paying that proportion shall be laid and levied by the authority and direction of the legislatures of the several States, within the time agreed upon by the United States in Congress assembled. (Articles of Confederation.)

The words "to the value of all land, within each State," and so forth, including "buildings and improvements thereon," were struck out (1 Ell. Deb., 95) April 18, 1783, and the rule of enumeration of inhabitants, counting three-fifths of the slaves, substituted therefor.

Congress itself immediately afterwards recognized the fact that the direct tax requiring apportionment was a direct tax upon the United States as States in the act of July 14, 1798 (1 Stat., 597), using the following language:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That *a direct tax* of $2,000,000 shall be, and *is hereby, laid* upon the United States and apportioned to the States, respectively, in the manner following:

State of New Hampshire	$77,705,362
State of Massachusetts	260,435,312

And so forth.

The same language was followed in the acts of 1813 and of 1861, showing clearly that Congress itself interpreted the direct tax referred to in section 9, clause 4, requiring apportionment, to be a "direct tax on the States," and *not a direct tax on the citizen;* and since the tax requiring constitutional apportionment *is a direct tax on the States* and *not a direct tax on the citizen*, the limitation by section 9, clause 4, of the broad right of Congress to lay taxes granted in section 8 does not reach *direct taxes on the citizen at all* and *therefore does not reach the income tax.* It follows the income tax is constitutional. The Supreme Court not having considered this argument should do so now, and Congress is justified in resubmitting to the court the income tax in order that this view of the case may be now considered by that court.

The VICE-PRESIDENT. The question is on agreeing to the amendment offered by the Senator from Rhode Island [Mr. ALDRICH] to the substitute of the Senator from Massachusetts [Mr. LODGE].

Mr. BAILEY obtained the floor.

Mr. FLINT rose.

Mr. BAILEY. Does the Senator from California desire to submit any remarks or any request to the Senate?

Mr. FLINT. I think the Senator from Montana desires to address the Senate. He is not here just at this moment.

Mr. HEYBURN. Mr. President——

The VICE-PRESIDENT. Does the Senator from Texas yield to the Senator from Idaho?

Mr. BAILEY. I will yield the floor to the Senator from Idaho.

Mr. HEYBURN. Mr. President, it was my intention to submit at an appropriate time some remarks in regard to this measure. I should not like to be forced into the position of either doing that to-day or having the matter come to a vote. I do not believe it is the desire of anyone that the debate upon this question shall now close. It is rather a large question, and I think that, in the interest of the future, it ought not as yet to be closed. If Senators are not prepared to speak at this time, I think we might very appropriately take cognizance of that fact, and defer the consideration of the question for the present. I could occupy the time of the Senate for a short time upon it, but I had not anticipated doing so to-day, and unless the question is going to be foreclosed I shall not do so; but if the question is going to come to a vote now, of course I should feel compelled to make such remarks as I have at this time.

I do not understand that the Senator from Texas desires to speak at this time. Perhaps he is in the position I have suggested, and would only do so for the purpose of preventing the foreclosure of the question at this time.

Mr. GALLINGER. Mr. President——

The VICE-PRESIDENT. Does the Senator from Idaho yield to the Senator from New Hampshire?

Mr. HEYBURN. I will yield to the Senator. I do not know what his purpose is.

Mr. GALLINGER. I do not wish to interrupt the Senator. I thought the Senator had concluded.

Mr. HEYBURN. I will yield; but should the question of a vote become imminent, I shall submit what remarks I have to make.

Mr. GALLINGER. Mr. President, I have not interfered much with the consideration of this bill. I have taken very little time, and propose to take no additional time. As I understand the matter—and the Senator from California will correct me if I am mistaken—no other Senator seems to be ready to proceed this afternoon.

Mr. FLINT. I am unable to find any Senator who desires to do so; but several Senators have advised me that they desire to address the Senate on the subject.

Mr. GALLINGER. In that event, of course no hasty action should be taken, although we are all anxious to get through with the bill. I rose more particularly to venture to suggest to the Senator from California, in charge of the bill, that possibly he can get to-day, if he asks it, an agreement for a vote on the bill at a proper time—not immediately, but in the near future—so that we may get this controverted question out of the way. I have no suggestion to make myself, because I have no relation to the bill that would warrant me in making any.

Mr. CUMMINS. Mr. President——

The VICE-PRESIDENT. Does the Senator from New Hampshire yield to the Senator from Iowa?

Mr. CUMMINS. I simply wish to ask a question of the Senator from New Hampshire. He used the word "bill." Did he use it advisedly, or did he mean the word "amendment?"

Mr. GALLINGER. I meant to say "amendment." It was a mistake. I meant to say "a vote on the amendment."

Mr. FLINT. Mr. President, I have made a canvass this afternoon, and have discussed the matter with a number of Senators, and I feel confident that an agreement can be reached to vote upon the substitute at a very early date. A number of Senators have advised me that they desire to discuss the question; but, as I understand them, their remarks will be brief.

I will ask unanimous consent that we take a vote on this amendment not later than Monday.

Mr. CLAPP. Mr. President, I understand that the Finance Committee have not yet reported a drawback amendment.

Mr. FLINT. The Senator is correct.

Mr. CLAPP. Nor has the maximum and minimum proposition been disposed of by the Committee of the Whole.

Mr. LODGE. Yes; it has been reported. It has not been adopted by the Senate.

Mr. CLAPP. That is what I say.

Mr. LODGE. It has not been adopted by the Senate; no.

Mr. CLAPP. And the committee is also investigating the tobacco question.

Mr. FLINT. The Senator is correct.

Mr. CLAPP. I submit that instead of agreeing to-day on a time for a vote, those matters should be brought in. If no one is ready to debate this particular amendment there is no reason why the debate can not go on upon the other questions. At all events, I will not consent.

Mr. HEYBURN. Mr. President, without taking up the discussion of the measure, I might at this time appropriately suggest to the Senator from New York [Mr. ROOT] an inquiry that arose in my mind during his very able presentation of the question. I was at first inclined to ask for some further light upon the language in lines 10 and 11, on page 1, as it is understood by the committee. So far as my investigation shows, it is unusual language. I do not know of any other legislative measure in which similar language has occurred. I refer to the words "shall be subject to pay annually a special excise tax with respect to the carrying on or doing business."

The words "with respect to," are susceptible of a rather wide and varied interpretation. And as they are unusual, if the Senator from New York can define a little more clearly the limitation of the words I think it will perhaps enable some of us to dispose of what might otherwise be an objection.

I should like to inquire just what is included by the words "with respect to."

Mr. ROOT. Mr. President, as I understand, those words were taken from the decision of the Supreme Court in the Spreckels case; and they are designed to attach this tax to the business rather than to permit it to be attached to the property.

Mr. HEYBURN. That is just the thought that caused me to ask the question as to whether those words would constitute it a tax upon the business, as distinguished from a license.

Mr. ROOT. As distinguished from a tax on property. I can not at this moment lay my hands on a copy of the amendment.

Mr. HEYBURN. Would that constitute a property tax, as distinguished from a tax upon the occupation?

Mr. ROOT. No; just the contrary. The Senator will remember that away back in the Hylton case the question was discussed as to whether the tax on carriages was a tax on carriages in respect of or with respect to their use.

Mr. HEYBURN. That is the question.

Mr. ROOT. That language has been carried along through a series of decisions of the court, where it has held various provisions of taxation not to impose direct taxes, and therefore not to be subject to the constitutional provision for apportionment. It has spoken of them in slightly varying forms of language, as being with respect to the use or the privilege or the business or the facility of carrying on business; thus attaching the tax not to the thing, not to the property, but to the incorporeal, intangible privilege or power or process. These words are designed to accomplish that; and I think they are taken from the very words of the court in the Spreckels case.

Mr. HEYBURN. That is a question that must arise in the mind of anyone in determining the character of this legislation; and if the Senator thinks those are the exact words——

Mr. ROOT. I will not be certain about it. I know the Attorney-General took them from some case.

Mr. HEYBURN. But were they not the words used by the court, and not by the legislative body?

Mr. ROOT. I think so.

Mr. HEYBURN. Were they not merely words of description?

Mr. ROOT. They were words used by the court, as I understand it.

Mr. HEYBURN. Yes; but they were not taken from the language of the legislation?

Mr. ROOT. No.

Mr. HEYBURN. The court might very well use them as words of reference, and yet they might not appropriately express just what is attempted in this case. The first time I had occasion to read the amendment those words struck me as being a little bit uncertain in their meaning; and in view of the fact that our legislation must be certain in the expression of the purpose, it seemed to me the court might hold that the purpose of the legislation was not expressed with sufficient definiteness.

I merely call attention to the matter at this time in order that Senators and others who have been responsible for the framing of the language may direct their attention to it.

Mr. NELSON. Mr. President, will the Senator yield to me?

The VICE-PRESIDENT. Does the Senator from Idaho yield to the Senator from Minnesota?

Mr. HEYBURN. Certainly.

Mr. NELSON. I desire to call the Senator's attention to the fact that this is practically the language found in the act of 1898 in respect to the tax laid upon sugar-refining companies and on oil-refining companies. It substantially follows that language.

Mr. HEYBURN. I beg the Senator's pardon; my attention was diverted.

Mr. NELSON. I want to say to the Senator that with the exception of substituting the word "with" for the word "in," this is substantially the language of the act of 1898, levying a tax upon sugar-refining companies and oil-refining companies and pipe lines, which is the case upon which the court has passed.

Mr. HEYBURN. Has the Senator the language before him?

Mr. NELSON. I can find it in a minute.

Mr. NEWLANDS. Mr. President——

The VICE-PRESIDENT. Does the Senator from Idaho yield to the Senator from Nevada?

Mr. HEYBURN. Yes.

Mr. NEWLANDS. I have the section before me—section 27. It contains no such language. The section declares:

> That every person, firm, corporation, or company carrying on or doing the business of refining petroleum, or refining sugar. * * * shall be subject to pay annually a special excise tax equivalent to one-quarter of 1 per cent on the gross amount of all receipts.

The words "with respect to" are not contained in that section; but the Senator will find them, or words similar to them, in the decision of the court in the Spreckels case, where it says:

> Clearly the tax is not imposed upon gross annual receipts as property, but only in respect of the carrying on or doing the business of refining sugar.

The words are not exactly the same, but they are similar.

Mr. HEYBURN. They are not used in legislation, however.

Mr. NEWLANDS. No.

Mr. HEYBURN. But they are used by the court merely as descriptive of the statute.

Mr. NEWLANDS. Yes.

Mr. HEYBURN. I do not think that would justify the use of those words in legislating.

Mr. FLINT. Mr. President——

The VICE-PRESIDENT. Does the Senator from Idaho yield to the Senator from California?

Mr. HEYBURN. I do.

Mr. FLINT. I will ask the Senator to yield to me in order that I may ask unanimous consent for a vote upon the pending amendment on Tuesday, at 12 o'clock.

Mr. BAILEY. Mr. President, I had my attention diverted for a moment. I should like to hear that request restated.

The VICE-PRESIDENT. The Senator from California [Mr. FLINT] asks unanimous consent that a vote be taken, the Chair assumes the Senator to mean, upon the amendment of the Senator from Texas and the pending amendments.

Mr. BAILEY. Mr. President, I should not want to preclude the possibility of other amendments, and the way the request was stated it would be confined to the amendment I offered, the substitute offered by the Senator from Massachusetts, and the amendment offered by the Senator from Rhode Island.

Mr. LODGE. I think it is the intention of the Senator from California to ask that a vote be taken on the amendment of the Senator from Texas and all amendments thereto.

Mr. BAILEY. And all amendments permissible under the rule.

Mr. STONE. And at 12 o'clock on Tuesday it is proposed to take the vote?

Mr. FLINT. That the voting shall commence.

Mr. STONE. That what we call "general debate" shall end at 12 o'clock and that the vote shall be taken that day. I would not want the debate to continue up to 12 in long speeches, and then to take a vote on a pending amendment without furnishing an opportunity to offer additional amendments to certain phases of the measure pending. I have no wish to debate the matter a moment; but there are two or three short amendments to certain phases of the pending amendment that I desire to offer in the event that it is agreed to. I understand if it is agreed to, the text becomes the amendment offered by the Senator from Massachusetts, and it is then open to amendment.

Mr. LODGE. Certainly it is. I think the request of the Senator from California, as modified by the words I suggested, give all the Senator from Missouri desires; that is, that a vote shall be taken on the Bailey amendment and all amendments thereto now pending or subsequently to be offered.

Mr. STONE. At what time?

Mr. GALLINGER. Commencing at 12 o'clock on Tuesday.

Mr. LODGE. We are to begin at 12 o'clock on Tuesday.

Mr. STONE. And ending when?

Mr. LODGE. When we get through voting.

The VICE-PRESIDENT. The request is that the Senate shall vote without debate upon subsequent amendments?

Mr. LODGE. Certainly; without debate.

Mr. BAILEY. And we are to dispose of the substitute and the amendments to it before the Senate adjourns that day.

Mr. LODGE. Yes.

Mr. BAILEY. In that respect, if the request were assented to, it would supersede the order for an adjournment at 7 o'clock, keeping us here beyond that if it were necessary or permitting us to adjourn before.

Mr. NEWLANDS. Mr. President——

The VICE-PRESIDENT. Will the Senator from California yield to the Senator from Nevada?

Mr. FLINT. I do.

Mr. NEWLANDS. I should like to inquire the parliamentary status of the Bailey amendment and the amendments to it?

Mr. BULKELEY. I was just about to do the same thing.

Mr. NEWLANDS. I wish to ask whether, in case the Aldrich amendment to the amendment or a substitute offered by the Senator from Massachusetts prevails, then the amendment offered by the Senator from Rhode Island [Mr. ALDRICH] will be subject to amendment?

Mr. LODGE. If the amendment offered by me is amended by the addition of the amendment proposed by the Senator from Rhode Island, my amendment as amended is then open to further amendment, to any further amendments, one at a time, that any Senator chooses to offer.

Mr. NEWLANDS. I understand.

Mr. BULKELEY. Mr. President, if I understand it aright, if the amendment of the Senator from Massachusetts is substituted for the Bailey amendment, we would have no vote on the Bailey amendment, which it was agreed to take under the agreement.

Mr. KEAN. Not at all.

Mr. BULKELEY. That is the way it is stated. I do not understand that under the agreement as stated, provided that this substitution is made, that there will be any vote on the Bailey amendment whatever.

Mr. BAILEY. I hope the Senator from Connecticut will submit that to the Chair as a parliamentary inquiry.

Mr. BULKELEY. That is what I am about to do.

The VICE-PRESIDENT. May the Chair request that about 11 or 16 Senators who are standing take their seats, so that there may be some understanding as to whom the Senator from Idaho, who has the floor, yields?

Mr. HEYBURN. I have the floor, and I have yielded to different Senators.

The VICE-PRESIDENT. The Senator from Idaho has not yet reclaimed the floor from the Senator from California?

Mr. HEYBURN. I have the floor.

The VICE-PRESIDENT. Does the Senator now reclaim the floor?

Mr. HEYBURN. I do not reclaim it if Senators desire to occupy it further.

Mr. BAILEY. The Senator from Connecticut desires to submit a parliamentary inquiry.

Mr. BULKELEY. I supposed I was recognized by the Chair.

The VICE-PRESIDENT. The Chair recognized no one except as the Senator from Idaho permitted that recognition.

Mr. HEYBURN. I do not object to the interruption of the Senator from California. I think there need be no difficulty in yielding to the Senator from California.

The VICE-PRESIDENT. And the Senator from California yields to the Senator from Connecticut?

Mr. FLINT. I do.

Mr. HEYBURN. In the absence of objection, any Senator whom the Chair may recognize may have the floor for the moment.

The VICE-PRESIDENT. The Senator from Connecticut will proceed.

Mr. BULKELEY. I understand the proposition is that the Senate, on Tuesday next, at 12 o'clock, is to vote on the Bailey amendment and any amendments or substitutes that were presented. If the substitute is adopted, we would not by any possibility come to a vote on the Bailey amendment, as I understand it, and I should like to know if I understand it correctly.

Mr. LODGE. Will the Senator allow me?

Mr. BULKELEY. I supposed the Chair could state. I was trying to get a statement from the Chair.

The VICE-PRESIDENT. Nothing has been addressed to the Chair yet, as the Chair understands.

Mr. LODGE. I would gladly leave it to the Chair.

Mr. BAILEY. Then, I will submit a parliamentary inquiry. That parliamentary inquiry is this: If the substitute of the Senator from Massachusetts, either amended or unamended, should be adopted, would then the rule require a vote on the adoption of the substitute offered by the Senator from Massachusetts?

The VICE-PRESIDENT. Certainly.

Mr. BAILEY. My understanding is, then, that if a substitute is offered every Senator must have an opportunity to vote, first, as between the two propositions.

The VICE-PRESIDENT. Certainly.

Mr. BAILEY. Then we must have a still further opportunity to vote for or against either one?

The VICE-PRESIDENT. Certainly.

Mr. LODGE. Of course both the amendment proposing to strike out and the amendment proposing to insert are open to perfecting amendments.

The VICE-PRESIDENT. Certainly.

Mr. LODGE. Before the final vote on the substitute.

The VICE-PRESIDENT. Before the vote on the substitute. That is correct.

Mr. BAILEY. I understand that, and I simply wanted everybody to understand it.

I want to say to the Senator from Connecticut, that if the substitute offered by the Senator from Massachusetts, amended or without amendment, should prevail over the amendment offered by me, amended by cooperation of the Senator from Iowa, then we would not at that time obtain a direct vote on my amendment, but we would then obtain a direct vote on the amendment of the Senator from Massachusetts. But if the amendment of the Senator from Massachusetts should be adopted in the committee, then my parliamentary inquiry is, If I would be entitled in the Senate to offer my rejected amendment as a substitute for the amendment of the Senator from Massachusetts?

The VICE-PRESIDENT. The Chair will pass on that question when it comes up, if it does come up.

Mr. BAILEY. I thought it was up.

The VICE-PRESIDENT. The Chair will pass on that question when it arises, if it does arise.

Mr. BAILEY. Then I object to the unanimous consent for which the Senator from California asked, because unless I can have that understood, we will vote when we get to it.

Mr. LODGE and Mr. NELSON addressed the Chair.

Mr. HEYBURN. Mr. President——

The VICE-PRESIDENT. To whom does the Senator from Idaho yield?

Mr. HEYBURN. I yield to the Senator from Minnesota.

Mr. NELSON. I wish to say to the Chair that if the substitute offered by the Senator from Rhode Island is adopted in Committee of the Whole, when the bill passes from the committee anyone can ask to have that amendment reserved, and after we get in the Senate it is open to amendment again.

The VICE-PRESIDENT. The whole thing.

Mr. LODGE. There is no doubt of that.

The VICE-PRESIDENT. There is no question about it.

Mr. BAILEY. Then, with that statement of the Chair, I will withdraw my objection.

Mr. HEYBURN. Unanimous consent having been objected to——

Mr. LODGE. The objection has been withdrawn.

Mr. BAILEY. Under that statement—and I have not any doubt it is parliamentary law, but it is a wise man who has his rights recognized in advance—I withdraw the objection which I made.

The VICE-PRESIDENT. Is there objection to the request made by the Senator from California, that upon Tuesday next,

at 12 o'clock, a vote be taken without further debate upon the pending amendment and all amendments offered thereto?

Mr. LODGE. And that the question be disposed of before adjournment.

The VICE-PRESIDENT. And that the question be disposed of before adjournment on that day; and that, if necessary to carry out this agreement, the rule providing for adjournment at 7 o'clock shall be abrogated for that day.

Mr. BULKELEY. I wish to object to that, Mr. President.

The VICE-PRESIDENT. The Senator has a right to object.

Mr. HEYBURN. The Senator from Connecticut objects?

The VICE-PRESIDENT. The Senator from Connecticut objects.

Mr. BURROWS. Regular order!

The VICE-PRESIDENT. The Senator from Idaho [Mr. HEYBURN] has the floor.

Mr. HEYBURN. I shall not occupy the Senate any considerable length of time, but I will pause to say, of course, in Committee of the Whole, we can not bind the Senate. Any agreements we make in Committee of the Whole in regard to receiving amendments become merely matters of agreement here, but parliamentary rights could not be disposed of.

I should like, further, to have the attention of the Senator from New York. Probably by a question or two, and occupying a few minutes, I may dispense with a much longer time.

The question I have raised seems important in view of the provisions of this amendment on page 2, from line 7 to line 11, because it is provided there that this tax may be levied "upon the amount of net incomes over and above $5,000 received by it from business transacted and capital invested within the United States and its Territories," and so forth.

Now, the income from capital invested is rents, issues, and profits. That expression is the very thing that the Supreme Court of the United States in the income-tax case said would make this a direct tax. Unless that is saved by the expression to which I have called attention, on line 11, page 1, we will surely be confronted with the same difficulty that the Supreme Court of the United States was confronted with in the income-tax case, because we provide that these taxes shall be, among other things, upon the rents, issues, and profits of real estate; and if it is, it is a direct tax. We can save that——

Mr. BORAH. Mr. President——

Mr. HEYBURN. In just a moment. We can save that by appropriate language in line 11. As the language stands now, it being "a special excise tax with respect to the carrying on," it would include a tax upon rents, issues, and profits upon the real estate of the corporation. I yield to my colleague.

Mr. ELKINS. I wish to ask the Senator a question.

Mr. HEYBURN. I will yield to my colleague first.

Mr. BORAH. I was going to suggest to my colleague that while it seems to me it is not in harmony with the principle of the income-tax decision, nevertheless that precise question was raised in the Spreckels case, because there was a large amount of rent collected from real estate.

Mr. HEYBURN. That question arose upon the facts and not upon the law of the case.

Mr. BORAH. Yes; it rose upon the law of the case.

Mr. HEYBURN. It was raised upon the application of the legal principle.

Mr. BORAH. But the court said that the tax is upon doing the business, and the fact that the rent was collected from real estate did not destroy the force of it.

Mr. HEYBURN. But the trouble here is that the words "with respect to the carrying on" might not include the income at all. That is, the company might not do business of a character that would produce the income contemplated by this act. Its entire business might be the collecting of rents on real estate.

Mr. BORAH. That is as clear as the noonday sun; that is, that it is at war with the principles of the income-tax decision. There is not any doubt in my mind at all but that the Supreme Court in the Spreckels case reconciled the two propositions.

Mr. HEYBURN. But the trouble was in the Spreckels case the language was not the language used in this measure. The Senator from Minnesota [Mr. NELSON] examined that question, and, as he read the language, it is clearly distinguishable from the language in line 11, page 1, and the distinction carries the vice that I suggest.

Mr. NELSON. Will the Senator yield to me?

Mr. HEYBURN. Certainly; I will yield to the Senator.

Mr. NELSON. I have the section here before me—section 27 of the act of 1898:

That every person, firm, corporation, or company carrying on or doing the business of refining petroleum, or refining sugar, or owning or controlling any pipe line for transporting oil or other products, whose gross annual receipts exceed $250,000, shall be subject to pay annually a special excise tax equivalent to one-quarter of 1 per cent on the gross amount of all receipts of such persons, firms, corporations, and companies in their respective business in excess of said sum of $250,000.

Mr. HEYBURN. Mr. President, that does not meet the difficulty at all, because the words that I object to are omitted there. The words in that act are definite. It says exactly what they are to do, and it says exactly upon what the tax is to be based. This amendment merely says "a special excise tax with respect to the carrying on." There it says if they shall carry on the business.

Mr. ELKINS. Mr. President——

Mr. HEYBURN. I yield to the Senator from West Virginia.

Mr. ELKINS. The Senator has raised a very important point here. It seems to me that according to the decision in the Spreckels case the same objections encountered here were encountered there—being a tax upon all sources of income. If it is from rents or real estate then it is a direct tax. Now, the question I want to ask the Senator is if Congress legislates the fact there that it is an excise tax relieves it in any way?

Mr. HEYBURN. You might call it an excise tax and then go on and provide for a tax that was not an excise tax.

Mr. ELKINS. Let me say to the Senator this amendment is fortified by making use of the words that the court used. Judge Harlan, speaking for the court, says, "with respect to the carrying on or doing business."

Mr. HEYBURN. But he was not legislating. He was merely talking about the legislation.

Mr. ELKINS. But we have put that language in this very amendment, as I understand it.

Mr. HEYBURN. I understand those are the words.

Mr. ROOT. Mr. President——

Mr. HEYBURN. I yield to the Senator from New York.

Mr. ROOT. I recognize the acuteness of the observation of the Senator from Idaho. I think, however, that the clause on page 2, in which occur the words "received by it from business transacted and capital invested within the United States," and so forth, is to be deemed a subordinate proposition. It is designed mainly to modify the measure of the tax by making it proportionate in the case of a foreign corporation to the business done and the capital invested in the United States.

All corporations, whether "organized under the laws of the United States or of any State or Territory of the United States * * * or organized under the laws of any foreign country and engaged in business in any State or Territory of the United States," and so forth, are to pay "a special excise tax with respect to the carrying on or doing business by such corporation." That is the rule applied to all corporations that come within the purview of the act. The act proceeds then to say that this tax, which is paid "with respect to the carrying on or doing business by such corporation," is to be "equivalent to 2 per cent upon the entire net income," provided, that if it is a foreign corporation it is to be estimated not upon the entire net income—that is, measured not by the entire measure—but measured in the amount of net income received from business transacted and capital invested within the United States.

Mr. HEYBURN. Received from business.

Mr. ROOT. The tax is imposed on foreign corporations engaged in business in the United States, and is expressly declared to be a special excise tax with respect to the carrying on or doing business by those corporations, whether foreign or domestic. When you come to the measure of the tax, the tax upon domestic corporations is measured by finding out what is 2 per cent of their whole income. When you come to a foreign corporation, the tax is measured by finding out how much is the income from business transacted and capital invested within this country.

Mr. HEYBURN. Mr. President, the word "business" is not limited by the terms of the act, and the renting of real estate, within the decision in the income-tax case, would make this clearly unconstitutional, because it was that very point upon which the case turned in the rehearing. I am only anxious that if we do enact this measure it shall stand the test of the courts, and I as yet am not convinced that the language of lines 8 and 9 on page 2, taken in connection with the language in line 11, page 1, leaves this in a safe condition, because——

Mr. NELSON. Mr. President——

Mr. HEYBURN. Just a moment, until I finish the thought I have. Because it is stated that this tax shall be levied—and now I quote:

Upon the amount of net income over and above $5,000 received by it from business transacted and capital invested within the United States.

There are no words of limitation there that would confine it to any particular class of income. I repeat, if it is to be de-

rived from an income based upon the rents, issues, profits of real estate, it is squarely within the rule of prohibition stated by the Supreme Court in the income-tax cases.

Mr. NELSON. Will the Senator yield to me for a moment?

Mr. HEYBURN. Certainly.

Mr. NELSON. I desire to call the attention of the Senator from Idaho to the fact that the material difference between this proposed law and the law of 1898 was that in that law it based it upon the gross receipts, with limited exemption, and this proposed law bases it upon the net earnings.

Now, in respect to this, this is the language of the court. It is a brief statement, and I will read it. This is what the court says:

> The contention of the Government is that the tax is not a direct tax, but only an excise imposed by Congress under its power to lay and collect excises, which shall be uniform throughout the United States. (Art. I, sec. 8.) Clearly the tax is not imposed upon gross annual receipts as property, but only in respect of the carrying on or doing the business of refining sugar. It can not be otherwise regarded because of the fact that the amount of the tax is measured by the amount of the gross annual receipts. The tax is defined in the act as "a special excise tax," and therefore it must be assumed, for what it is worth, that Congress had no purpose to exceed its powers under the Constitution, but only to exercise the authority granted to it of laying and collecting excises.

So that here practically we have used the language of the court that they use in this case, with the exception that we have substituted the word "with" instead of the word "in."

Mr. HEYBURN. Mr. President, we can not confuse the language of the court in speaking of a statute in a descriptive way with the language necessary to confer a power upon a branch of the Government to do a thing. The legislative expression is of the very first importance. I commend this to those who are responsible for the adoption of this language as being of more than passing importance, and I sincerely trust that they will give it very careful consideration before we adopt it.

Mr. ROOT. Mr. President, I was unable to catch some of the things that the Senator said. Did the Senator suggest some words to be inserted?

Mr. HEYBURN. I will suggest some words. I do not think in a matter of this importance one should attempt to do it while on his feet, but I will give it attention and make a suggestion at another time. I sincerely hope, and I am satisfied that I am correct, that the Senators who are responsible for it will give it their serious attention.

Mr. SHIVELY. Mr. President, the Senator from New York [Mr. ROOT] will permit me to state a case to illustrate and sharpen the question I have in mind. We have in Indiana a statute authorizing the creation of a corporation to purchase, own, hold, improve, rent, sell, and otherwise deal in real estate. Does the Senator understand that the corporation tax now proposed would apply to the profits of that corporation?

Mr. ROOT. Mr. President, the Senator appears to address his question to me, and I will assume to answer it. I understand that the proposed tax would apply to such a corporation.

Mr. SHIVELY. That is to say, here is a corporation which owns 30 pieces of improved real estate and collects rents from them. Those rents, of course, make net profits or income accruing to the corporation. The Senator says those profits would be subject to the proposed tax. The court expressly held in the Pollock income case that a tax on rents or income from real estate is a direct tax and unconstitutional. The profits of this corporation so derived would certainly not be subject to a tax under the rule in the Pollock case, would they?

Mr. ROOT. The Senator, Mr. President, uses words colloquially when he says "the profits would be subject to a tax." Speaking accurately, it is not the profits that would be subject to the tax, but the privilege or facility of transacting the business through corporate form. It matters not from what source may come the income which is seized upon by the law as a measure for the value of the facility or privilege which is taxed. That, I understand, to be the very question which was decided by the Supreme Court in the Spreckels case, referred to by the Senator from Idaho a few moments ago. In that case the company claimed that certain rentals received by it from the use of a wharf were not to be regarded as liable to be included in the measurement of the tax which was imposed, because, they said, "This is income from real estate, and under the income-tax decision it can not be subjected to such tax." The court said, "No; you got this money in the course of your business; the facility or privilege of doing business is what is taxed, and no matter where you got the money the income is adopted as the measure of the tax."

Mr. SHIVELY. Then, to speak accurately, the tax is exactly the same in substance and result in both cases, and only the peculiar language of the statute describing it differentiates this amendment and the Spreckels case from the Pollock case?

Mr. ROOT. Precisely.

The VICE-PRESIDENT. The question is on the amendment offered by the Senator from Rhode Island [Mr. ALDRICH] to the substitute offered by the Senator from Massachusetts [Mr. LODGE].

Mr. HEYBURN. I understand the unanimous-consent agreement takes that out of the order now.

The VICE-PRESIDENT. There has been no unanimous-consent agreement. There was objection made.

Mr. HEYBURN. Well, do not let it come to a vote. We had better adjourn.

Mr. KEAN. I think we ought to go on and finish this bill, Mr. President. It is only half past 4 o'clock now.

Mr. FLINT. No Senator seems to desire to speak this evening. I understood the Senator from Nevada [Mr. NEWLANDS] desired to address the Senate, and I will ask if he cares to go on to-night?

Mr. NEWLANDS. Not now.

EXECUTIVE SESSION.

Mr. FLINT. Then, I move that the Senate proceed to the consideration of executive business.

The motion was agreed to, and the Senate proceeded to the consideration of executive business. After five minutes spent in executive session the doors were reopened, and (at 4 o'clock and 30 minutes p. m.) the Senate adjourned until to-morrow, Friday, July 2, 1909, at 10 o'clock a. m.

NOMINATIONS.

Executive nominations received by the Senate July 1, 1909.

COLLECTOR OF INTERNAL REVENUE.

Millard T. Hartson, of Washington, to be collector of internal revenue for the district of Washington, in the State of Washington, in place of Benjamin D. Crocker, resigned.

MEMBERS OF THE BOARD OF CHARITIES.

John Joy Edson, of the District of Columbia, to be a member of the Board of Charities of the District of Columbia for the term of three years from July 1, 1909. This is a reappointment.

George M. Kober, of the District of Columbia, to be a member of the Board of Charities of the District of Columbia for the term of three years from July 1, 1909. This is a reappointment.

PROMOTIONS IN THE ARMY.

INFANTRY ARM.

Lieut. Col. James A. Irons, Fourteenth Infantry, to be colonel from June 26, 1909, vice Col. Marion P. Maus, Twentieth Infantry, appointed brigadier-general.

Maj. Lyman W. V. Kennon, Seventh Infantry, to be lieutenant-colonel from June 26, 1909, vice Lieut. Col. James A. Irons, Fourteenth Infantry, promoted.

Capt. Charles C. Ballou, unassigned, to be major from June 26, 1909, vice Maj. Lyman W. V. Kennon, Seventh Infantry, promoted.

PROMOTIONS IN THE NAVY.

Commander William F. Fullam to be a captain in the navy from the 24th day of June, 1909, vice Capt. Abraham E. Culver, deceased.

Lieut. Robert W. McNeely to be a lieutenant-commander in the navy from the 28th day of January, 1908, vice Lieut. Commander Albert L. Key, promoted.

Robert M. Gilson, a citizen of Vermont, to be a captain in the United States Marine Corps from the 4th day of March, 1909, in accordance with the provisions of an act of Congress approved on that date.

Second Lieut. Edward S. Willing to be a first lieutenant in the United States Marine Corps from the 23d day of April, 1909, vice First Lieut. Albert N. Brunzell, deceased.

The following-named machinists to be chief machinists in the navy from the 3d day of March, 1909, after the completion of six years' service, in accordance with the provisions of an act of Congress approved March 3, 1909:

Harold I. Lutken,
Daniel Mullan,
George T. Brownridge,
Ralph F. Nourse,
William J. Trevorrow, and
William C. Gray.

POSTMASTERS.

ILLINOIS.

Frank B. Keen to be postmaster at Christopher, Ill. Office became presidential April 1, 1909.

KENTUCKY.

Henry C. Metcalfe to be postmaster at Brooksville, Ky. Office became presidential July 1, 1909.

NEW YORK.

C. A. Wood to be postmaster at Brown Station, N. Y. Office became presidential July 1, 1909.

PENNSYLVANIA.

George R. Laird to be postmaster at Youngwood, Pa., in place of Thomas E. Pyatt, removed.

SOUTH DAKOTA.

Frank B. Williams to be postmaster at Hurley, S. Dak., in place of John J. Mansfield. Incumbent's commission expired November 17, 1907.

CONFIRMATIONS.

Executive nominations confirmed by the Senate July 1, 1909.

COLLECTORS OF CUSTOMS.

Lawrence Bailliere to be collector of customs for the district of Annapolis, Md.

Henry G. Nelson to be collector of customs for the district of St. Marks, Fla.

POSTMASTERS.

CALIFORNIA.

F. H. Howell, at Newcastle, Cal.

J. L. Talbott, at Lompoc, Cal.

MINNESOTA.

Edwin G. Braden, at Wayzata, Minn.

HOUSE OF REPRESENTATIVES.

THURSDAY, *July 1, 1909.*

The House met at 12 o'clock noon.

Prayer by the Chaplain, Rev. Henry N. Couden, D. D.

The Journal of the proceedings of Monday, June 28, was read and approved.

MESSAGE FROM THE SENATE.

A message from the Senate, by Mr. Parkinson, one of its clerks, announced that the Senate had agreed to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 1033) to provide for the Thirteenth and subsequent decennial censuses.

ENROLLED BILL SIGNED.

Mr. WILSON of Illinois, from the Committee on Enrolled Bills, reported that they had examined and found truly enrolled bill of the following title; when the Speaker signed the same:

H. R. 1033. An act to provide for the Thirteenth and subsequent decennial censuses.

MESSAGE FROM THE PRESIDENT OF THE UNITED STATES.

A message, in writing, from the President of the United States was communicated to the House of Representatives by Mr. Latta, one of his secretaries, who also informed the House of Representatives that the President had approved and signed bill and joint resolution of the following titles:

On June 29, 1909:

H. R. 10933. An act making appropriations for expenses of the Thirteenth Decennial Census, and for other purposes.

On July 1, 1909:

H. J. Res. 59. Joint resolution amending an act concerning the recent fire in Chelsea, Mass.

JOINT RESOLUTION AND ENROLLED BILLS PRESENTED TO THE PRESIDENT FOR HIS APPROVAL.

Mr. WILSON of Illinois, from the Committee on Enrolled Bills, reported that this day they presented to the President of the United States, for his approval, the following joint resolution and bills:

H. J. Res. 59. Joint resolution amending an act concerning the recent fire in Chelsea, Mass.;

H. R. 10887. An act to make Scranton, in the State of Mississippi, a subport of entry, and for other purposes; and

H. R. 10933. An act making appropriations for expenses of the Thirteenth Decennial Census, and for other purposes.

Mr. PAYNE. Mr. Speaker, I move that the House do now adjourn.

Mr. HOBSON. Mr. Speaker——

Mr. PAYNE. I will withhold the motion for a moment. I understand the gentleman does not wish to make a speech.

BRIDGE ACROSS NOXUBEE RIVER, ALABAMA.

Mr. HOBSON. Mr. Speaker, I ask unanimous consent for the present consideration of the bill (H. R. 11063) to authorize the Alabama, Tennessee and Northern Railroad Company to construct a bridge across Noxubee River.

The bill was read.

The SPEAKER. Is there objection?

Mr. MANN. Reserving the right to object, I should like to say to the gentleman from Alabama that there are a number of these bridge bills, which probably ought to be considered during this session, either singly or as an omnibus bill, but until they can receive consideration together I shall be forced to object. I think we can dispose of them all during the session.

Mr. HOBSON. Mr. Speaker, I ask the gentleman to reserve his objection until I can make an explanation.

Mr. PAYNE. I want to say to the gentleman from Alabama now, that if the gentleman from Illinois does not object, I will; and until better informed, I do not propose to let the House get into the way of legislating here without any committees or committee reports. Gentlemen will be just as well off next December as they would have been if no emergency had arisen and no extraordinary session been called. I shall object to the passage of any of these bills. The gentleman from Illinois [Mr. MANN] has already objected to this one. I want to give this notice now, so that we will not get into any system of general legislation at this session, while I am here.

Mr. HOBSON. Mr. Speaker, in order to make this clear, as the objection is reserved, I will say that the reason why I ventured to ask this was because the railroad company evidently did not foresee the trouble that they would meet. They thought this river was not navigable. It is a branch of a branch of a branch of a river. They want to begin the building of this bridge right away, while weather permits. They have been hoping that the Senate would pass the bill, so that it would come here as a Senate bill. For these reasons I ask the gentleman to withdraw his objection.

Mr. MANN. If the gentleman from Alabama will permit me, I want to say that there are a number of bills of this character already introduced, and more which Members intend to introduce if such bills can be considered. There are a number of bills relating to dams on the same footing. It is absolutely out of the question for the House to consider and pass these bills separately; because if one of them is to be passed, they all ought to be passed, for they are all on the same footing. Whether any of them ought to be passed at this session is another question.

Mr. HOBSON. Can not the House act on this bill and then group those that are left, inasmuch as this has come up under the emergency which I have stated?

Mr. MANN. I have said to many different Members who have similar bills that I should object if they were called up; and therefore I am forced, for self-protection, to object to the gentleman's bill.

Mr. CLAYTON. Why not consider all of the bills together?

Mr. MANN. It may be possible that we can do that.

Mr. PAYNE. The regular order, Mr. Speaker.

The SPEAKER. The gentleman from New York calls for the regular order.

UTILIZING WATERS OF MABILLA CREEK, PORTO RICO.

The SPEAKER laid before the House the following message from the President of the United States (S. Doc. No. 119), which was read, referred to the Committee on Insular Affairs, and ordered to be printed:

To the Senate and House of Representatives:

In accordance with section 32 of the act of Congress approved April 12, 1900 (31 Stat., 84), entitled "An act temporarily to provide revenues and a civil government for Porto Rico, and for other purposes," I have the honor to transmit herewith, for the consideration of the Congress, certified copy of the franchise granted by the executive council of Porto Rico June 10, 1909, entitled "An ordinance amending an ordinance entitled 'An ordinance repealing an ordinance entitled "An ordinance granting to Henry D. Sayre, his heirs, successors, or assigns, the right to use the waters of the Mabilla Creek for the generation of electric energy," approved April 3, 1905, and granting to Henry D. Sayre and his assign, the Mabilla Mining Company, the right to utilize the waters of Mabilla Creek for mining purposes,'" approved by the acting governor of Porto Rico June 15, 1909.

WILLIAM H. TAFT.

THE WHITE HOUSE, *June 25, 1909.*

ADJOURNMENT.

Mr. PAYNE. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; and accordingly (at 12 o'clock and 12 minutes p. m.) the House, under its previous order, adjourned until Monday next.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of Rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

A letter from the Acting Secretary of War, transmitting a letter from the Chief of Engineers, United States Army, together with a report from Capt. George R. Spalding, Corps of Engineers, relative to preliminary examination of Port Island Sound, Florida, made in compliance with the provisions of the river and harbor act of March 3, 1909 (H. Doc. No. 77)—to the Committee on Rivers and Harbors and ordered to be printed.

A letter from the Acting Secretary of War, transmitting a letter from the Chief of Engineers, United States Army, together with a report from Maj. Joseph Kuhn, Corps of Engineers, of a preliminary examination of Point Harbor Channel, to and into Point Harbor, North Carolina, made in compliance with the provisions of the river and harbor act of March 3, 1909 (H. Doc. No. 78)—to the Committee on Rivers and Harbors and ordered to be printed.

A letter from the Acting Secretary of War, transmitting, with a letter from the Chief of Engineers, a report from Lieut. Col. J. C. Sanford, Corps of Engineers, of a preliminary examination of Point Judith Pond, Rhode Island, made in compliance with the provisions of the river and harbor act of March 3, 1909 (H. Doc. No. 79)—to the Committee on Rivers and Harbors and ordered to be printed.

A letter from the Acting Secretary of War, transmitting, with a letter from the Chief of Engineers, a report from Col. D. W. Lockwood, Corps of Engineers, of a preliminary examination of Newark Bay, New Jersey, made in compliance with the provisions of the river and harbor act of March 3, 1909 (H. Doc. No. 80)—to the Committee on Rivers and Harbors and ordered to be printed.

PUBLIC BILLS, RESOLUTIONS, AND MEMORIALS.

Under clause 3 of Rule XXII, bills, resolutions, and memorials of the following titles were introduced and severally referred as follows:

By Mr. SMITH of California: A bill (H. R. 11131) providing for the acquisition of private holdings in Sequoia and General Grant national parks—to the Committee on the Public Lands.

By Mr. ELLIS: A bill (H. R. 11132) to amend sections 2586 and 2587 of the Revised Statutes of the United States as amended by the acts of April 25, 1882, and August 28, 1890, relating to collection districts in Oregon—to the Committee on Ways and Means.

By Mr. LEVER: A bill (H. R. 11133) for the purchase of a site and erection of a post-office building at Columbia, S. C.—to the Committee on Public Buildings and Grounds.

By Mr. ELLIS: A bill (H. R. 11134) providing for the temporary withdrawal of lands sought to be filed upon under the Carey Act—to the Committee on Irrigation of Arid Lands.

By Mr. FINLEY: A bill (H. R. 11135) authorizing the building commission of Horry County, S. C., to construct a bridge across the Waccamaw River, South Carolina—to the Committee on Interstate and Foreign Commerce.

Also, a bill (H. R. 11136) to authorize the building commission of Horry County to construct a bridge across Waccamaw River—to the Committee on Interstate and Foreign Commerce.

By Mr. OLDFIELD: A bill (H. R. 11137) for the improvement of the navigation of the White and Black rivers, in the State of Arkansas—to the Committee on Rivers and Harbors.

By Mr. SHEFFIELD: A bill (H. R. 11138) to make October 12 in each year a public holiday, to be called "Columbus Day"—to the Committee on the Judiciary.

By Mr. AUSTIN: A bill (H. R. 11139) for the maintenance and improvement of the French Broad River—to the Committee on Rivers and Harbors.

Also, a bill (H. R. 11140) for the maintenance and improvement of the Holston River—to the Committee on Rivers and Harbors.

Also, a bill (H. R. 11141) for the improvement and maintenance of Powell River—to the Committee on Rivers and Harbors.

Also, a bill (H. R. 11142) for the improvement and maintenance of the Little Tennessee River—to the Committee on Rivers and Harbors.

By Mr. LEVER: Joint resolution (H. J. Res. 60) authorizing the Secretary of War to furnish condemned cannon for the decoration of a monument at Orangeburg, S. C.—to the Committee on Military Affairs.

PRIVATE BILLS AND RESOLUTIONS.

Under clause 1 of Rule XXII, private bills and resolutions of the following titles were introduced and severally referred as follows:

By Mr. ADAIR: A bill (H. R. 11143) granting an increase of pension to John W. Shewalter—to the Committee on Invalid Pensions.

By Mr. ANDREWS: A bill (H. R. 11144) granting a pension to Francisco Montoya—to the Committee on Invalid Pensions.

Also, a bill (H. R. 11145) for the relief of Francisco Giron, heir of Nicolas Giron, deceased—to the Committee on War Claims.

By Mr. BOEHNE: A bill (H. R. 11146) granting an increase of pension to William M. Holton—to the Committee on Invalid Pensions.

By Mr. BROWNLOW: A bill (H. R. 11147) granting an increase of pension to Alexander R. Blazer—to the Committee on Invalid Pensions.

By Mr. CALDERHEAD: A bill (H. R. 11148) granting an increase of pension to Joseph Lyons—to the Committee on Invalid Pensions.

Also, a bill (H. R. 11149) granting an increase of pension to Patrick Durkin—to the Committee on Invalid Pensions.

By Mr. CROW: A bill (H. R. 11150) granting an increase of pension to Hosea Bilyeu—to the Committee on Invalid Pensions.

Also, a bill (H. R. 11151) granting an increase of pension to Alexander Welker—to the Committee on Invalid Pensions.

Also, a bill (H. R. 11152) granting an increase of pension to Archibald W. Mayden—to the Committee on Invalid Pensions.

Also, a bill (H. R. 11153) granting an increase of pension to William Roberts—to the Committee on Invalid Pensions.

Also, a bill (H. R. 11154) granting an increase of pension to James H. Salee—to the Committee on Invalid Pensions.

Also, a bill (H. R. 11155) granting an increase of pension to Albert H. Hannaford—to the Committee on Invalid Pensions.

Also, a bill (H. R. 11156) granting a pension to M. P. King—to the Committee on Invalid Pensions.

Also, a bill (H. R. 11157) granting a pension to George W. Little—to the Committee on Invalid Pensions.

Also, a bill (H. R. 11158) granting a pension to Morgan M. Lane—to the Committee on Invalid Pensions.

Also, a bill (H. R. 11159) granting a pension to Thomas F. Marcus—to the Committee on Invalid Pensions.

Also, a bill (H. R. 11160) granting a pension to William N. Evans—to the Committee on Invalid Pensions.

Also, a bill (H. R. 11161) granting a pension to Hiram Downing—to the Committee on Invalid Pensions.

Also, a bill (H. R. 11162) granting a pension to William Bleckwendt—to the Committee on Invalid Pensions.

Also, a bill (H, R. 11163) granting an honorable discharge to George H. Smythe—to the Committee on Military Affairs.

By Mr. DIXON of Indiana: A bill (H. R. 11164) granting an increase of pension to Charles Day—to the Committee on Invalid Pensions.

Also, a bill (H. R. 11165) granting an increase of pension to Godfrey Winkler—to the Committee on Invalid Pensions.

Also, a bill (H. R. 11166) granting an increase of pension to William Watson—to the Committee on Invalid Pensions.

Also, a bill (H. R. 11167) granting an increase of pension to William B. Whitcomb—to the Committee on Invalid Pensions.

Also, a bill (H. R. 11168) granting an increase of pension to Newton Dickerson—to the Committee on Invalid Pensions.

Also, a bill (H. R. 11169) granting an increase of pension to John Little—to the Committee on Invalid Pensions.

By Mr. FOCHT: A bill (H. R. 11170) granting an increase of pension to Henry H. Spigelmyer—to the Committee on Invalid Pensions.

By Mr. GARNER of Texas: A bill (H. R. 11171) for the relief of Sarah E. Dixon, administratrix of estate of Judge James N. Dixon, deceased—to the Committee on War Claims.

By Mr. HOUSTON: A bill (H. R. 11172) to carry into effect the findings of the Court of Claims in the matter of the claim of the trustees of the Presbyterian Church of Smyrna, Tenn.—to the Committee on War Claims.

By Mr. KENDALL: A bill (H. R. 11173) granting an increase of pension to John J. Chance—to the Committee on Invalid Pensions.

Also, a bill (H. R. 11174) granting an increase of pension to John W. Henry—to the Committee on Invalid Pensions.

Also, a bill (H. R. 11175) granting an increase of pension to Dedrick Beckman—to the Committee on Invalid Pensions.

By Mr. KRONMILLER: A bill (H. R. 11176) granting an increase of pension to Albert M. Butts, alias Albert Stewart—to the Committee on Invalid Pensions.

Also, a bill (H. R. 11177) granting a pension to Augusta R. Laengraef—to the Committee on Invalid Pensions.

Also, a bill (H. R. 11178) granting an increase of pension to James Disney—to the Committee on Pensions.

Also, a bill (H. R. 11179) granting an increase of pension to Sarah E. Marsh—to the Committee on Invalid Pensions.

Also, a bill (H. R. 11180) for the relief of Julia Nolan, administratrix—to the Committee on War Claims.

Also, a bill (H. R. 11181) for the relief of Julia Nolan—to the Committee on War Claims.

By Mr. LEVER: A bill (H. R. 11182) granting a pension to James V. Smith—to the Committee on Invalid Pensions.

Also, a bill (H. R. 11183) granting a pension to Stanmore Y. Morris—to the Committee on Invalid Pensions.

Also, a bill (H. R. 11184) granting a pension to William Preston Raines—to the Committee on Invalid Pensions.

By Mr. LOVERING: A bill (H. R. 11185) granting a pension to Albina A. Cram—to the Committee on Invalid Pensions.

By Mr. NEEDHAM: A bill (H. R. 11186) granting an increase of pension to John Wesley Tilley—to the Committee on Pensions.

By Mr. OLDFIELD: A bill (H. R. 11187) granting an increase of pension to Harmon Varner—to the Committee on Invalid Pensions.

Also, a bill (H. R. 11188) granting an increase of pension to Benjamin J. Matteson—to the Committee on Invalid Pensions.

By Mr. A. MITCHELL PALMER: A bill (H. R. 11189) to remove the charge of desertion from the record of Isaac Miller—to the Committee on Military Affairs.

By Mr. STERLING: A bill (H. R. 11190) granting a pension to Charles F. Brown—to the Committee on Pensions.

Also, a bill (H. R. 11191) granting a pension to George W. Gregory—to the Committee on Pensions.

PETITIONS, ETC.

Under clause 1 of Rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

By Mr. CARTER: Petition of Oklahoma Traffic Association, of Guthrie, favoring decision of Interstate Commerce Commission as to rates and charges by coastwise vessels in the carrying trade—to the Committee on Interstate and Foreign Commerce.

Also, petition of United Mine Workers of Oklahoma, for a duty on crude oil of not less than present countervailing duty—to the Committee on Ways and Means.

By Mr. FOCHT: Petition of Washington Camp, No. 487, Patriotic Order Sons of America, of Elliottsburg, Pa., favoring abrogation of extradition treaty with Russia—to the Committee on Foreign Affairs.

By Mr. HANNA: Petition of citizens of Hillsboro, against a parcels-post law—to the Committee on the Post-Office and Post-Roads.

By Mr. KELIHER: Petition of Boston Chamber of Commerce, against law to tax earnings of corporations—to the Committee on Ways and Means.

By Mr. LOVERING: Petition of Boston Chamber of Commerce, against a federal tax on earnings of corporations—to the Committee on Ways and Means.

By Mr. McCALL: Petition against the increased tariff rates contemplated by the Payne and Aldrich bills, with 2,938 indorsements, from the following towns in Massachusetts: Acton, Amesbury, Amherst, Andover, Arlington, Ashland, Barnstable, Belmont, Billerica, Boston, Braintree, Bridgewater, Brockton, Brookline, Cambridge, Canton, Chelsea, Clinton, Dedham, Deerfield, Dover, Easthampton, Easton, Everett, Fitchburg, Foxboro, Greenfield, Groton, Hadley, Haverhill, Hingham, Holyoke, Hopedale, Hopkinton, Hyde Park, Ipswich, Lancaster, Lawrence, Leicester, Lexington, Littleton, Lowell, Lynn, Malden, Mansfield, Marlboro, Medford, Melrose, Mendon, Merrimac, Milford, Milton, Nahant, Needham, Newburyport, Newton, North Adams, Pepperell, Plymouth, Provincetown, Quincy, Reading, Revere, Sharon, Shelburne, Somerville, South Hadley, Spencer, Springfield, Stockbridge, Stoneham, Stoughton, Stow, Sunderland, Swampscott, Townsend, Upton, Wakefield, Waltham, Wareham, Watertown, Wayland, Westfield, Westford, Weston, Weymouth, Whitman, Winchendon, Winchester, Winthrop, Woburn, Worcester, Worthington, and Wrentham—to the Committee on Ways and Means.

By Mr. NEEDHAM: Petition of Merchants' Association of San Francisco, Cal., approving the act entitled "An act concerning baggage and excess baggage carried by common carriers in the District of Columbia and Territories," etc.—to the Committee on Interstate and Foreign Commerce.

Also, petition of park commissioners of San Francisco, Cal., favoring appropriation of $500,000 for a new marine hospital in San Francisco, Cal.—to the Committee on Public Buildings and Grounds.

By Mr. OLDFIELD: Paper to accompany bill for relief of Samuel Crowley—to the Committee on Invalid Pensions.

By Mr. PATTERSON: Paper to accompany bill for relief of Ernest E. Pearsall—to the Committee on Pensions.

By Mr. WEISSE: Petition of sundry women of Wisconsin, against increase of duty on women's gloves—to the Committee on Ways and Means.

SENATE.

FRIDAY, *July 2, 1909.*

The Senate met at 10 o'clock a. m.

Prayer by the Chaplain, Rev. Ulysses G. B. Pierce, D. D.

The Journal of yesterday's proceedings was read and approved.

PETITIONS AND MEMORIALS.

The VICE-PRESIDENT presented a petition of the Hamilton County League of Building Associations, of Ohio, praying that that association be exempted from the provisions of the proposed corporation-tax amendment to the pending tariff bill, which was ordered to lie on the table.

Mr. JONES. I present a telegram from the Spokane Merchants' Association, of Washington, which I ask may be read.

There being no objection, the telegram was read, and ordered to lie on the table, as follows:

SPOKANE, WASH., *July 1, 1909.*

WESLEY L. JONES,
United States Senator, Washington, D. C.:

The Spokane Merchants' Association, comprising 106 of the wholesale and manufacturing firms of Spokane, request you to support the measure proposed by President Taft providing for a tax on the earnings of corporations. We consider it superior to the Bailey income-tax amendment because it safeguards the private information of business institutions, and we believe the Bailey law will be inimical to the best interests of the State of Washington.

SPOKANE MERCHANTS' ASSOCIATION,
Per BOARD OF TRUSTEES.

Mr. CHAMBERLAIN. In connection with the telegram just read, I present two telegrams, one from W. B. Ayer, of Portland, Oreg., and the other from the Inman Poulsen Lumber Company, of East Portland, Oreg., which I ask may be read.

There being no objection, the telegrams were read, and ordered to lie on the table, as follows:

PORTLAND, OREG., *June 29, 1909.*

Hon. GEORGE E. CHAMBERLAIN,
Washington, D. C.:

I heartily favor a national income tax, considering it the fairest and most equitable form of taxation, but consider the proposed corporation tax extremely unfair, as it places the burden only on the great industrial life of the country.

W. B. AYER.

EAST PORTLAND, OREG., *June 29, 1909.*

Hon. GEORGE E. CHAMBERLAIN,
United States Senate, Washington, D. C.:

We trust you will do your best to kill that proposed pernicious corporation tax.

INMAN POULSEN LUMBER COMPANY.

Mr. PILES. I present a telegram from the Chamber of Commerce and Board of Trade, of Tacoma, Wash., which I ask may be read.

There being no objection, the telegram was read, and ordered to lie on the table, as follows:

TACOMA, WASH., *July 1, 1909.*

Hon. S. H. PILES,
Senator, Washington, D. C.:

We favor administration corporation tax as a temporary revenue measure, and as a means of quickly disposing of the tariff debate.

TACOMA CHAMBER OF COMMERCE AND BOARD OF TRADE.

Mr. PERKINS presented telegrams in the nature of memorials of sundry citizens of San Francisco, Cal., remonstrating against the adoption of the so-called "Bailey-Cummins income-tax amendment" to the pending tariff bill, which were ordered to lie on the table.

Mr. NELSON presented a memorial of the Commercial Club of Minneapolis, Minn., remonstrating against the adoption of the so-called "corporation-tax amendment" to the pending tariff bill, which was ordered to lie on the table.

He also presented sundry affidavits to accompany the bill (S. 1887) granting an increase of pension to Charles Heathfield, which were referred to the Committee on Pensions.

Mr. DEPEW presented a petition of General Lawton Council, No. 119, Junior Order of United American Mechanics, of Brooklyn, N. Y., praying for the adoption of the so-called "Overman amendment" to the pending tariff bill relative to an increase of the head tax on immigrants, which was ordered to lie on the table.

PHILIPPINE TARIFF BILL.

Mr. HEYBURN. I am directed by the Committee on the Philippines, to whom was referred the bill (H. R. 9135) to raise revenue for the Philippine Islands, and for other purposes, to report it with amendments, and I submit a report (No. 9) thereon. I would say that the report is very lengthy.

The VICE-PRESIDENT. The bill will be placed on the calendar.

BILLS INTRODUCED.

Bills were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. BRADLEY:

A bill (S. 2805) granting an increase of pension to William H. O'Dean; to the Committee on Pensions.

By Mr. BURNHAM:

A bill (S. 2806) granting a pension to Susan R. Potter; and

A bill (S. 2807) granting a pension to Ariadne A. Eastman; to the Committee on Pensions.

By Mr. BORAH:

A bill (S. 2808) granting an increase of pension to David Sutherland;

A bill (S. 2809) granting an increase of pension to Amos W. Melugin;

A bill (S. 2810) granting an increase of pension to Recorder M. Mudgett;

A bill (S. 2811) granting an increase of pension to Volney H. Maxwell;

A bill (S. 2812) granting an increase of pension to William Thomas (with accompanying paper);

A bill (S. 2813) granting a pension to William E. White (with accompanying paper);

A bill (S. 2814) granting an increase of pension to Andrew J. Leonard (with accompanying paper);

A bill (S. 2815) granting an increase of pension to Amos Lee (with the accompanying paper);

A bill (S. 2816) granting an increase of pension to Wilson Hoag (with the accompanying papers);

A bill (S. 2817) granting an increase of pension to Albert Kalt (with the accompanying paper);

A bill (S. 2818) granting an increase of pension to Constantine C. Glenn (with the accompanying paper);

A bill (S. 2819) granting an increase of pension to A. Lee Ewing (with the accompanying paper);

A bill (S. 2820) granting an increase of pension to Shepard D. Edwards (with the accompanying paper);

A bill (S. 2821) granting an increase of pension to Gillis J. McBane (with the accompanying paper);

A bill (S. 2822) granting an increase of pension to William Reynolds (with the accompanying paper);

A bill (S. 2823) granting an increase of pension to Aaron Richardson (with the accompanying paper);

A bill (S. 2824) granting a pension to Corrilla J. Robbins (with the accompanying paper);

A bill (S. 2825) granting a pension to James M. Woods (with the accompanying paper); and

A bill (S. 2826) granting an increase of pension to Benjamin F. Boots (with the accompanying paper); to the Committee on Pensions.

AMENDMENTS TO THE TARIFF BILL.

Mr. DICK submitted two amendments intended to be proposed by him to the bill (H. R. 1438) to provide revenue, equalize duties, and encourage the industries of the United States, and for other purposes, which were ordered to lie on the table and be printed.

CLAIMS OF KENTUCKY SOLDIERS.

Mr. BRADLEY. I submit a resolution and ask immediate action upon it. It is for the benefit of the Court of Claims, to enable the court to arrive at some definite conclusion.

The resolution (S. Res. 63) was read, as follows:

Senate resolution 63.

Resolved, That the Secretary of War be, and he is hereby, requested to report to the Senate a full history of the drafts in the State of Kentucky during the civil war, with a statement of facts and orders relating thereto and showing the number of men actually credited to the State and to each county of the State, at the time of the drafts, and the number of men with which each county should have been credited if a proper distribution of credits had been made before the drafts were ordered or put into execution, and the number of men drafted who furnished substitutes or paid commutation money from each county of the State, and such other information concerning quotas and credits as to clearly show the number of citizens of Kentucky drafted in 1864 who would not have been drafted had the redistribution of credits, as ordered in April, 1864, been made prior to said drafts.

Mr. KEAN. I do not object to the resolution. I suppose that the information is contained in the department, and can be very easily gotten together and sent here.

Mr. BRADLEY. If that had been true I would not have introduced the resolution. The Court of Claims has called on the War Department for this information, and the War Department submitted a lot of conclusions of fact instead of reporting the facts themselves. The court does not feel warranted in acting upon conclusions of fact, but wants to have the facts distinctly stated. The resolution is introduced at the instance of the Court of Claims.

Mr. KEAN. Is it for the purpose of establishing claims before the Court of Claims?

Mr. BRADLEY. It is for the purpose of enabling the court to know the facts in regard to these claims.

Mr. KEAN. I have no objection to the resolution.

The Senate, by unanimous consent, proceeded to consider the resolution.

Mr. GALLINGER. I suggest to the Senator that the word "directed" should be substituted for the word "requested," which is the usual form in addressing heads of departments.

Mr. BRADLEY. I accept that.

Mr. GALLINGER. The clerks at the desk can make that amendment.

The VICE-PRESIDENT. The resolution will be so modified. The question is on agreeing to the resolution as modified.

The resolution as modified was agreed to.

THE TARIFF.

The VICE-PRESIDENT. The morning business is closed, and the first bill on the calendar will be proceeded with.

The Senate, as in Committee of the Whole, resumed the consideration of the bill (H. R. 1438) to provide revenue, equalize duties, and encourage the industries of the United States, and for other purposes.

Mr. HEYBURN. Mr. President, I suggest the absence of a quorum.

The VICE-PRESIDENT. The Secretary will call the roll.

The Secretary called the roll, and the following Senators answered to their names:

Aldrich	Clapp	Gallinger	Penrose
Bacon	Clark, Wyo.	Heyburn	Perkins
Bailey	Crawford	Johnson, N. Dak.	Piles
Borah	Culberson	Jones	Root
Bradley	Cullom	Kean	Scott
Brandegee	Cummins	La Follette	Smoot
Briggs	Davis	Lodge	Stone
Bristow	Depew	McCumber	Sutherland
Brown	Dick	McLaurin	Taliaferro
Burkett	Dillingham	Nelson	Warner
Burnham	Dixon	Nixon	Wetmore
Burrows	Fletcher	Overman	
Chamberlain	Flint	Page	

The VICE-PRESIDENT. Fifty Senators have answered to the roll call. A quorum of the Senate is present.

Mr. HEYBURN. Mr. President, it is not my intention this morning to do more than complete the consideration of the question that was pending at the time of the adjournment yesterday. I do not see the Senator from New York [Mr. ROOT] in the Chamber. I saw him here a few moments ago.

The VICE-PRESIDENT. He was just called out of the Chamber.

Mr. KEAN. If the Senator from Idaho desires to wait for the Senator from New York, will he allow me to have read a letter from the president of the Mutual Benefit Life Insurance Company, of Newark, N. J.?

Mr. HEYBURN. I yield to the Senator from New Jersey for that purpose.

Mr. KEAN. I ask to have the letter read which I send to the desk.

The VICE-PRESIDENT. Without objection, the Secretary will read as requested.

The Secretary read as follows:

THE MUTUAL BENEFIT LIFE INSURANCE COMPANY,
OFFICE OF THE PRESIDENT,
Newark, N. J., June 28, 1909.

Hon. JOHN KEAN,
United States Senate, Washington, D. C.

DEAR SENATOR KEAN: I beg to call your attention to the evidently unfair distinction in the corporation-tax law as proposed between ordinary corporations not organized for profit and mutual life insurance companies likewise not organized for profit.

When one realizes that the entire benefit of such a mutual life insurance company—one incorporated but having no capital stock and paying no dividends or profits to the incorporators—goes to the policy holders, and such policy holders are, to a very large extent, holders of $1,000 of insurance, and to such an extent that the average policy in this company is about $2,300, it will be seen that this law does not

strike at aggregated capital, but at the life savings of the most thrifty people, and of the most modest means.

When such mutual life insurance companies are said to pay dividends you, of course, are aware that the so-called "dividends" are merely a return to the policy holder of such premium charged or collected as has been found to be superfluous—to have been saved by the economy of the management of the company. To impose this tax means that the provision these modest people are making for their families when the insured is no longer able to provide for them is to be assessed annually 2 per cent, for such return premium or dividends are arrived at in very much the same way as the balance of income is reached by this proposed law on which the tax is so laid.

There appears no reason for taxing the poor man's provision for his family against the future, any more or as much as taxing savings-bank deposits, properly not included in the proposed law. A thoroughly mutual company has no profit, the entire income going out thus:

Expense of maintaining and conducting the business, including taxes.
Paying the losses sustained over and above the reserve.
Making annual provision for the reserve.
Return premium to each policy holder, annually.

The aggregation of a large insurance company appears to be an accumulation of wealth, but all its wealth is subject to almost equal liabilities, and all its profit has to be returned to the policy holders.

Life insurance companies now are required to pay taxes of 2 per cent or so on their premium receipts in the States in which they do business, and while the New York Evening Post says this law allows such tax to be deducted from the government 2 per cent tax, it is in error. The law allows such tax levied by any state law to be deducted from the gross income, and not from this 2 per cent tax of the proposed law, so that this will be an additional tax on the companies.

We can not see why an insurance company not organized for profit should be taxed, while other similar companies are exempt, and we wish to earnestly protest against such legislation.

Yours, very truly,

FREDK. FRELINGHUYSEN, *President.*

Mr. KEAN. I merely desired to have put in the RECORD that protest against the proposed legislation.

The VICE-PRESIDENT. It will go into the RECORD, having been read.

Mr. HEYBURN. Now, Mr. President, I desire the attention of the chairman of the committee, and I would be glad to have the attention of the Senator from New York, because what I have to say about this matter this morning goes to the question of its validity, and we must be responsible here for our own judgment. We can not substitute that of the officers of any department for our own.

I stated last evening that in my judgment this amendment is as defective and is subject to the same objection as the former income-tax provision in regard to which the Pollock case was rendered. I am going to occupy but a few brief moments, and during that time I shall try to have the attention of those who will be responsible for the form of this legislation. The proposed amendment contains exactly the same defects that were contained in the income-tax provision that was held to be unconstitutional, and it will have the same fate. Whether that is to be desired or not, of course, is an individual question. I, of course, am bound to give the committee credit for the desire to pass a measure that will stand. I have given this matter enough attention to entitle my views to be heard and considered.

I shall state the point very succinctly. The chairman of the committee was not present yesterday at the close of the session when I pointed out the fact that the language in lines 10 and 11, page 1, taken in connection with the language in line 9, page 2, contains the exact identical principle that was held to be in violation of the Constitution, and upon thorough consideration I am satisfied that no lawyer will have any doubt upon this question.

I was asked last night by the Senator from New York what change I would suggest in this language. At that time I was on my feet and I did not care to take the responsibility of suggesting a change without more deliberation. I am prepared to make the suggestion this morning.

On page 1, lines 10 and 11, the words "with respect to" should be stricken out. They are not words of legislation. They have never been used in any bill upon any subject and they are not appropriate words for the conferring of power to do anything.

Mr. McCUMBER. In what line?

Mr. HEYBURN. In lines 10 and 11, the words "with respect to" are not apt legislative language, and have no meaning that is sufficiently definite for the court to give it any meaning.

Mr. KEAN. What would you put in place of it?

Mr. HEYBURN. I am going to suggest a word. First, I am going to say again that it is language that is not only improper, but destructive of the purpose of this measure; and I am quite sure the committee does not desire to pass a measure here merely to have it knocked out. That language must be taken in connection with the language in line 9, page 2, "and capital invested." There is the whole principle of the income tax. That is the virus in those words that was held to render it inoperative. The language of the income tax was:

That from and after the 1st day of January, 1895, and until the 1st day of January, 1900, there shall be assessed, levied, collected, and paid annually upon the gains, profits, and income received in the preceding calendar year by every citizen of the United States,

Those were appropriate words. In the language of the legislation in the Hylton case equivalent words were used. It says:

Be it enacted, etc., That there shall be levied, collected, and paid upon all carriages for the conveyance of persons which shall be kept by or for any person, for his or her own use, or to be let out to hire, or for the conveying of passengers, the several duties and rates following, to wit.

That is definite. Compare that with this language. It means nothing, and the court would hold it to mean nothing. After the preliminary language, enumerating the corporations, it reads "shall be subject to pay annually a special excise tax with respect to." That is not legislative language. It is the language, by reference, that was used by the court in speaking of a measure. It has nothing to do with the proper legislative phrase at all. It is absolutely defective and exceptional, and has never been held otherwise. It is too serious a matter——

Mr. McCUMBER. Would the Senator substitute the word "for?"

Mr. HEYBURN. I was about to suggest language. In the amendment I shall propose to strike out those words down to and including the word "the" in line 11 and substitute the word "for," and you will then have overcome that difficulty. If you do not do it——

Mr. ALDRICH. How will it then read?

Mr. HEYBURN. It will read "shall pay annually a special excise tax for carrying on." That is what we are taxed for. That takes the virus out of it. You say here "and capital invested." That brings it right squarely within the rents and profits decision. There is the statement of the case. They have held that it is a direct tax if it is for rents, issues, or profits on real estate. It is too important a matter to pass over.

Mr. GALLINGER. The Senator from New York is now here.

Mr. HEYBURN. I see that the Senator from New York is now here.

Mr. SUTHERLAND. I was out of the Chamber when the Senator from Idaho began his remarks. I understand that he objects to the phrase "with respect to" in this proposed amendment.

Mr. HEYBURN. "With respect to the carrying on or doing business."

Mr. SUTHERLAND. What harm does the Senator see in the use of the words?

Mr. HEYBURN. In the first place, they are not a legislative phrase, and they are too indefinite. "With respect to" might mean license; it might mean an income tax; it might mean a revenue tax. It is in respect to, without any application or limitation. It is too general. In respect to a thing might mean any one of a thousand things.

Mr. SUTHERLAND. Those are the precise words used by the Supreme Court in characterizing the sugar tax.

Mr. HEYBURN. The court might say with respect to the question involved in this case, with respect to the statement in the act of Congress, with respect to anything. Those are words of description and have no place in legislation.

Mr. SUTHERLAND. Does the Senator think that the Supreme Court in using that language did not accurately describe the law which had been passed by Congress?

Mr. HEYBURN. They were not attempting to describe it except to identify it. They were words of identification.

Mr. SUTHERLAND. They used it as characterizing the law. The suggestion I desire to make is that if the Supreme Court was correct in the use of this language in characterizing the law, certainly Congress can not be incorrect in using the same words in the law itself.

Mr. HEYBURN. The Senate should be first sure by reference, and very accurate reference, as to the sense in which the Supreme Court did use that language. They had to identify the subject of their consideration, and that is all they did.

Mr. BRANDEGEE. Mr. President, I agree entirely with the suggestion of the Senator from Idaho that the words "with respect to" are without any signification whatever.

Mr. HEYBURN. Or limitation.

Mr. BRANDEGEE. They are vague and nebulous, and nobody can tell what the meaning is.

Mr. BORAH. Was that the object of using it?

Mr. HEYBURN. Now, that is another question.

Mr. BRANDEGEE. I will say that——

Mr. HEYBURN. I would not like to indorse by my silence that suggestion, with all due deference to my colleague. I do not believe the committee purposely indulged in the use of language that would defeat the object of the legislation.

Mr. BORAH. I did not mean that.

Mr. HEYBURN. I do not think the Senator did.

Mr. BORAH. But I do mean to say that it is impossible to get down to definite, specific language without running against the decisions which they are seeking to avoid.

Mr. BRANDEGEE. I have not finished the suggestion I wish to make. I want to call the attention of the Senator from Idaho to the fact that the language "in respect to" or "in reference to" has been the language of the court concerning legislative acts, but the act of 1898 itself contains no such language, but it did impose the tax. I quote the act from the decision in the Spreckels case: It "shall be subject to pay annually a special excise tax equivalent to one-fourth of 1 per cent on the gross amount of all receipts." It did not have anything to say about "in respect to" or "in reference to." It was a tax on gross receipts.

Mr. HEYBURN. Does the Senator from Utah desire to say more? He was interrupted.

Mr. SUTHERLAND. No; I completed what I had to say.

Mr. HEYBURN. I was proceeding to point out this objection. It will be readily seen. If the Senator from Rhode Island will pardon me, it is a matter of such importance that I think the committee should give it their attention, because otherwise they may find that they have made a mistake.

This covers the exact item that was taken by the Supreme Court, "and capital invested;" that is to say, this amendment provides that it shall pay 2 per cent per annum upon the amount of net income over and above $5,000 received by it from business transacted. That is an income tax—"and capital invested." I know, and the Senator knows, of a dozen companies whose pure and sole business is the owning of real estate and the collecting of rents and profits. The Supreme Court of the United States, in the Pollock case, says those rents, issues, and profits that are taxed are a direct tax. You can not get away from it. You might just as well run up against the status of this question in the Supreme Court of the United States on the income tax, as proposed by certain Senators, as to run up against it on that provision, because you fall down just as sure as you go there. That is the very item upon which that case turned—as to whether or not rents collected upon real estate were the subject of a direct or indirect tax—and they held in unequivocal language that it was a direct tax, because a tax upon the land was a direct tax, and consequently a tax upon the rents was a direct tax. There is not a lawyer or a layman in this body who will controvert that proposition. You have written it right into the face of this measure in unqualified terms, within the description contained upon the first page. Take those two together and they both will go down just like a snowball in the sunshine in the Supreme Court; and I do not believe that the committee desires that.

Mr. NELSON. Mr. President——

The PRESIDING OFFICER (Mr. DEPEW in the chair). Does the Senator from Idaho yield to the Senator from Minnesota?

Mr. HEYBURN. Certainly.

Mr. NELSON. The Supreme Court in the Pollock case excepted the tax that was sought to be imposed in this case. Let me call your attention to the following language of Chief Justice Fuller in the final rehearing of the case. Here is what he states, and it fits this case exactly.

Mr. KEAN. On what page?

Mr. NELSON. On page 635.

We have considered the act—

That is, the income tax—

We have considered the act only in respect of the tax on income derived from real estate and from invested personal property and have not commented on so much of it as bears on gains or profits from business, privileges, or employments, in view of the instances in which taxation on business, privileges, or employments has assumed the guise of an excise tax and been sustained as such.

That shows that even in that case the Supreme Court distinguishes between what are known as incomes from real and personal property and the profits of carrying on a particular business. Now, the amendment proposes not to levy upon the income, but to levy on the business or privilege of carrying on business as a corporation; and it comes within the exception of the Supreme Court in the Pollock case.

Mr. HEYBURN. I should like to ask the Senator how he knows what it refers to or what knowledge he can have gathered from the words "with respect to." The Senator overlooks the basis of the objection. Why does it say so here, then? I am only proposing there to add the word "for" and point the application.

Mr. NELSON. The language is, "With respect to the carrying on or doing business by such corporation."

Mr. HEYBURN. In what respect? As to its size, width, height, or continuance? "With respect to" is not a legislative term. It is a term to be used in describing a thing or referring to it. The Supreme Court in the Pollock case, instead of holding as the Senator has suggested, held what I shall read. I am not going to read at any length from these decisions; they are very familiar. The court says:

Being of opinion that so much of the sections of this law as lays a tax on income from real and personal property is invalid, we are brought to the question of the effect of that conclusion upon these sections as a whole.

Then they proceed to dispose of the entire legislation, because that was the question involved.

Now, what is the use of running against a statement like that in legislation, when you can avoid it by a change of the language limiting it to the subject of legislation? I think I have done my full duty in pointing this matter out, and it is for the committee and for the Senate to do their duty.

Mr. ALDRICH. This language has been passed upon by a large number of distinguished lawyers, and the committee supposed that it was bombproof.

Mr. HEYBURN. If the honorable Senator will permit me, the language of the income-tax law that the court passed upon in the Pollock case had been passed upon by, at that time, the most distinguished lawyers in the country. I sat there and heard the arguments in that case.

Having just finished arguing a case before that court on that day, they took it up and I said: "I want to hear how great lawyers present great issues in that court." So I followed them through; I heard Mr. Carter and I heard Mr. Choate and I heard all of them make their arguments, some on one side and some on the other. Mr. Carter, on behalf of the Government of the United States, took the position the court said was not sound. As the Senator, with his long business experience knows, it is not safe to count the judgment of any man infallible. You can prove his judgment before you accept it. Our duty is relaxed not a particle by the fact that some on the outside of this Chamber have passed upon it. We have seen instances of that every day here. So I am not at all content with the statement that it has been passed upon outside. The fact is that this is the only tribunal on earth that to-day has any authority or jurisdiction to pass upon it. While I have all the respect for these men to which they are entitled, and give them all respect for their qualifications, there are men in this Chamber as capable of discussing and deciding legal questions, and I care not to what they pertain, as there are outside of it.

Mr. BRANDEGEE. Mr. President——

The PRESIDING OFFICER. Will the Senator from Idaho yield to the Senator from Connecticut?

Mr. HEYBURN. Yes; I am through with my suggestion.

Mr. BRANDEGEE. Of course the Senator from Idaho is entirely correct when he suggests that because eminent lawyers do approve a certain bill it is not necessarily legal or constitutional. I remember the Northern Securities Company organization was approved by most distinguished lawyers, and a great many of them were finally set aside by the Supreme Court.

I should like to have the attention of the Senator from New York [Mr. ROOT] for a minute. I should like to ask the Senator from New York if he understands the words "with respect to" the transaction of their business to be equivalent to a tax imposed upon their right or privilege to transact business?

Mr. ROOT. I say I think the words "with respect to the carrying on or doing business by such corporations" do include the meaning of the words used by the Senator from Connecticut.

Mr. BRANDEGEE. I should like to ask the Senator also if they include anything else?

Mr. ROOT. I am not prepared to say on the moment whether something more may not be found in them. I am quite sure they do not and can not include anything more than the very relation between the tax and the carrying on or doing of the business which the Supreme Court has declared to be lawful as a method of taxation under the Constitution, because these words are the words which the Supreme Court itself uses in declaring a tax to be lawful. I am afraid that the suggestion of the Senator from Idaho to substitute the word "for" would lead us into difficulty.

Mr. HEYBURN. That was only a preliminary suggestion.

Mr. ROOT. I so understand.

Mr. HEYBURN. It was not all the change. It did not include all, but it was the first change to be made.

Mr. ROOT. I am satisfied that this language as it stands accomplishes the object desired and that it is open to no constitutional objection. I do not think that there is any reason why, in attempting to do a constitutional thing, the legislature should not use the very words by which the court describes a constitutional thing. I do not think it is necessary that we should use a different form of words; but I think in dealing with a subject of this kind we ought to be open minded and to realize that we may be mistaken, and that most valuable

suggestions may be made by other Senators. That is the attitude I occupy toward the suggestions that have been made this morning.

I do feel, however, that it is a very dangerous thing to change carefully drawn provisions on the spur of the moment on the floor of the Chamber. While I feel, so far as I am concerned, desirous of profiting by the suggestions of others, I think that those suggestions should be carefully scrutinized in order that, escaping from one, perhaps entirely fanciful, danger, we do not fall into other much more real dangers. Whatever suggestions come from so competent an authority as the Senator from Idaho ought to be carefully considered, and I hope they will be carefully considered by the committee.

Mr. BRANDEGEE. Mr. President, so far as I am concerned, I am in the same frame of mind that the Senator from New York [Mr. ROOT] is in. My mind is still open upon this question; and I think it is a question of such importance, where we are laying a tax upon every corporation in this country or upon something in connection with every corporation, that we at least should have some idea in our own minds of what we are laying a tax for and upon what we are laying it. I confess, up to the present time, that I have a very vague idea of whether we are attempting to impose a tax upon the right of corporations to do business or not. If we are imposing it upon their right to transact business, have we a right to prevent them from transacting business?

If these corporations upon which we are imposing a tax are organized by States and draw their privileges and their existence from the States, how can we say that we are imposing a tax upon their right to transact business, which they get wholly and entirely from the State, and not from us? I do not say that we have not the right to do that; the decisions seem to say that we have a right to impose a special excise tax upon corporations; but here is language used in this amendment with respect to the transaction of their business, and, being of an open mind and desiring to secure as definite an idea as I may upon what we really are doing, I ask the distinguished Senator from New York exactly what he thinks that language means and what it includes, and he admits that he thinks it includes the right to transact business, and it may include something else; he is not prepared to say that it does not; and I am free to say that I do not feel enlightened as to the meaning of that phrase. I think the use of a phrase in an important act of legislation ought to be made definite, so that at least the debates will show, when the court comes to construe the act, that we ourselves did not admit that we did not know what it meant and that we did not know what we intended by it. I noticed the peculiar guardedness of that language as soon as the amendment was reported, and I do think that we ought to thoroughly understand what it means.

The Senator from New York need not be afraid that there will be anything hastily adopted on the floor here, of course, because the parliamentary situation is such, by the interference of amendments to amendments, that no amendment can be offered upon the floor in Committee of the Whole; that the most that we are able to do——

Mr. LODGE. Mr. President——

The PRESIDING OFFICER. Does the Senator from Connecticut yield to the Senator from Massachusetts?

Mr. BRANDEGEE. Certainly.

Mr. LODGE. If the amendment proposed by the Senator from Rhode Island [Mr. ALDRICH] shall be adopted, then the amendment as amended will be open, and any amendment which it is desired to offer will be in order, only, of course, such amendments must be offered one at a time.

Mr. BRANDEGEE. Certainly. After the amendment to the amendment has been adopted and the atmosphere is cleared and there is but one proposition before the Committee of the Whole, of course it will be open to amendment, but at present nobody can offer any amendment. He can give notice that in the future he intends to offer an amendment, but nothing can be done now beyond the making of a suggestion.

The proponent of the amendment can modify his amendment, as I understand, up to the time that an amendment to it is offered, and then he loses the right to further modify it. So that, as it stands at present, this amendment has got to be voted upon as it is; and I for one think that the proper——

Mr. BACON. Mr. President——

The PRESIDING OFFICER. Does the Senator from Connecticut yield to the Senator from Georgia?

Mr. BRANDEGEE. I do.

Mr. BACON. Mr. President, I am not prepared to agree with the Senator from Connecticut on the proposition which he has just stated. I think that one of two things must be manifestly true: Either that the amendment offered by the Senator from Rhode Island [Mr. ALDRICH] to the substitute proposed by the Senator from Massachusetts [Mr. LODGE] is now open to amendment——

Mr. LODGE. That is not in the nature of a substitute; but it is an addition.

Mr. BACON. What is not in the nature of a substitute?

Mr. LODGE. The amendment proposed by the Senator from Rhode Island is not in the nature of a substitute.

Mr. BACON. The Senator from Massachusetts misunderstood me, if he understood me to say that.

Mr. LODGE. I thought the Senator from Georgia said that.

Mr. BACON. No; I did not. I said the amendment of the Senator from Rhode Island to the substitute offered by the Senator from Massachusetts.

What I was proceeding to say was, either that the amendment is now open to amendment, or the amendment of the Senator from Rhode Island is not itself in order—one of the two things. I will state the reason for that.

If the substitute of the Senator from Massachusetts is a proposition recognized as pending in the relation of an original proposition, then, of course, the amendment of the Senator from Rhode Island is in order; and an amendment to that is in order. On the contrary, if the substitute of the Senator from Massachusetts is taken simply as an ordinary amendment to the amendment offered by the Senator from Texas [Mr. BAILEY], then it has already reached the second degree.

Mr. LODGE. Mr. President, if the Senator from Georgia will allow me there a moment. Of course I need not say to the Senator that, if it were not for Rule XVIII, the Senator from Rhode Island could not offer his amendment, for it would then be an amendment in the third degree.

Mr. BACON. Will the Senator kindly refer me to that rule?

Mr. LODGE. Under our rules and practice, where an amendment is offered in the nature of a substitute, it can be treated as a separate question.

Mr. BACON. Exactly.

Mr. LODGE. That is, one amendment is in order to the amendment of the Senator from Texas; one amendment is in order at a time to the substitute, and not more than one amendment, because otherwise you would create your third degree.

Mr. BACON. I turn to the rule which the Senator cites—Rule XVIII.

Mr. LODGE. Rule XVIII.

Mr. McLAURIN. Will the Senator allow me just a moment?

Mr. BRANDEGEE. Mr. President——

Mr. BACON. I shall not interrupt the argument of the Senator from Connecticut further. The only reason I did interrupt him was—if the Senator from Mississippi [Mr. McLAURIN] will pardon me—that the Senator from Connecticut was proceeding upon the theory that it was desirable to proceed with an amendment, but that he did not understand that he was at liberty to do so.

Mr. BRANDEGEE. That is exactly so.

Mr. BACON. And I thought it was important to have that question settled, if the Senator deemed it important that an amendment should be offered.

Mr. BRANDEGEE. I think it is important, and I yielded to the Senator, and still yield to him; but I do not want to yield to a great many other Senators.

Mr. BACON. I will suggest that the Senator proceed, and I shall, before he gets through, examine the rule to which the Senator from Massachusetts [Mr. LODGE] calls attention.

Mr. BRANDEGEE. So I say, Mr. President, it is of the utmost importance, before we proceed further with this subject, that we shall accurately define what we mean by the language of the amendment, "with respect to;" and I would suggest to the Senator from New York [Mr. ROOT] that the mere fact that the court in these various cases, where it has itself been very much embarrassed to distinguish between what is a direct tax and what is an excise tax—the mere fact that the court itself, in discussing those nice differences, has used language in defining what would be constitutional does not at all make this language in this amendment constitutional or definite. The court has not construed its own language; it has used some language construing a legislative act; and the fact that we take the language that the court has used in construing a legislative act does not make nor does it bring to bear upon this measure a decision of the Supreme Court as to its constitutionality or its validity. I think that distinction is perfectly apparent to anybody. The court say that Congress imposed a tax upon sugar-refining companies in reference to their business or with respect to their business. How else could the court have described the tax? But the court never said to Congress, "The next time you want to draw an excise tax and make it constitutional, if you will only use the same lan-

guage that we have used obiter in trying to designate what we are talking about, we will hold that mere phrase of ours to make a legislative act constitutional."

I do not say that this proposed act is not constitutional; on the contrary, I think it is; but I do say that it ill becomes the dignity of Congress to loosely use vague phrases of that kind, which are calculated to embarrass the court and in the use of them to have it appear upon the record that we admitted that we had no definite conception in our own minds what they meant.

Mr. ROOT. Mr. President, something which the Senator from Connecticut [Mr. BRANDEGEE] said about my answer to his question leads me to think that I may not have correctly apprehended the question, and I wish to reserve the right to examine the RECORD on the question, with reference to a possible modification of my answer, in case I did misapprehend it. Does the Senator from Connnecticut suggest any change of phraseology—any specific and definite change in words to be substituted?

Mr. BRANDEGEE. Mr. President, my suggestion was this: Without attempting to repeat verbatim my question—for it was asked offhand—I prefaced my suggestion with the question to the Senator, with the idea of getting from him, one of the authors of the amendment, what his idea was as to the meaning of those words "with respect to," so as to try to bring out definitely to the Senate, more especially for the purpose of clarifying my own idea upon the subject, exactly what it was that we were attempting to tax. I thought that if we were attempting to tax every corporation in the United States of America for the privilege of transacting business, we might as well use the words "for the privilege of transacting business." If we were imposing a tax in the nature of a license, or if we were imposing a tax with the idea that we granted them the right to do business, in consideration of the paying of a tax, I thought it was well to understand that. So I asked the Senator from New York if his understanding of that language was that we were imposing a tax upon corporations, upon their privilege to do business. The privilege to do business, I suppose, means their right to do business. If we are taxing these corporations upon their right to do business, as it seems to me, I admit these decisions seem to go upon the ground that a special excise tax may be imposed upon their right to do business, although that right is given by the States.

Mr. NELSON. Mr. President, will the Senator permit me to make a suggestion?

The PRESIDING OFFICER. Does the Senator from Connecticut yield to the Senator from Minnesota?

Mr. BRANDEGEE. Certainly.

Mr. NELSON. We are not taxing them and do not mean to tax them by this amendment for the privilege of doing business, but we are taxing them upon the business as a business; not for the privilege, not as a license to do that business, but we are taxing them upon that business—the business they do as corporations. That is the distinguishing feature.

Mr. BRANDEGEE. Mr. President——

Mr. NELSON. Now, if the Senator injects the very words he suggests, they would clearly make the proposed act of doubtful constitutional validity. If the purpose of the Senator is to make the law open to a construction by the Supreme Court that would invalidate it, then it would be very well to put in the words "for a license to do business;" but the object of the amendment is not to tax corporations for the license or privilege of doing business, but to tax them upon the business they do.

Mr. BRANDEGEE. I am very glad to have the Senator's construction of this language. I understand what he thinks about it. That shows that not only judges may differ about this thing, but that Senators on this floor differ about it.

I have not looked this case up particularly, but I have glanced hurriedly over the cases that have been referred to by Senators who have made remarks upon this whole question. At first it seemed abhorrent to me that the United States Government could arbitrarily impose a tax and collect it upon a corporation chartered by a State, with all its reserved rights, for the privilege of doing business.

The State had granted a franchise fifty years ago, perhaps, and its child had been conducting the business that it was authorized to do for half a century, when, suddenly, in comes the United States of America and says, "We demand of you 2 per cent upon your net income before you can have the privilege of doing business," or, as the Senator from Minnesota [Mr. NELSON] says, "We demand it upon your business." I fail to see the fine distinction the Senator from Minnesota seeks to draw between demanding it upon their business or demanding it upon their right to conduct their business. I say if it is the intention of this amendment to tax corporations either upon their privilege of doing business or their right to do business, we want to know it.

It was in following that inquiry, which lay in my mind somewhat indefinitely and vaguely, I admit, that I asked the Senator from New York if the corporation refused to conform to the contention of the United States that it could tax them upon the right or privilege of doing business, what would the Government do either in the way of conferring a further right or of cutting off any right they claim to have already?

Mr. CARTER. Mr. President——

The PRESIDING OFFICER. Does the Senator from Connecticut yield to the Senator from Montana?

Mr. BRANDEGEE. I yield to the Senator from Montana.

Mr. CARTER. Mr. President, the Senator's discussion is very interesting and very instructive. According to my view, the Federal Government does not assume by the passage of this amendment to extend any privilege to any corporation in a State or to deny any right or privilege now enjoyed by a corporation organized by a State. The amendment merely proposes a classification of subjects for taxation. The corporation is not to be assessed for the privilege of doing business, because that privilege can not be denied if the corporation is organized under the laws of a State, if its purposes are legitimate and not in contravention of public policy. The tax is assessed because certain business is being done in a certain form or method of organization, by incorporation or as joint-stock companies. It is not a license and not a tax on property, but a tax on that method of doing business, and because the business is being done under that legal form.

Mr. BRANDEGEE. Does the Senator from Montana claim that where a State charters a corporation the United States Government can definitely impose a tax upon that corporation because it has presumed to exist under the laws of its own State?

Mr. CARTER. Well, Mr. President, unquestionably in the levying of the tax on bank circulation Congress did interpose its hand and levy a tax which operated to extinguish the banks of issue in the States.

Mr. BORAH. Mr. President——

The VICE-PRESIDENT. Does the Senator from Connecticut yield to the Senator from Idaho?

Mr. BRANDEGEE. I do.

Mr. BORAH. The Senator will bear in mind that the court expressly stated in that case that the tax was laid upon property, that the bank's circulation was notes, and it referred to the fact that they were the same as contracts with railroads, and so forth, and that it was a tax upon property. If we take that view of it here, then I ask, What becomes of the income-tax decision?

Mr. BRANDEGEE. Mr. President, if the Senator from Minnesota [Mr. NELSON] is correct in his construction, and if this amendment intends simply to impose arbitrarily an excise tax upon corporations, I submit it would be a great deal better and a great deal less embarrassing if the words—

> With respect to the carrying on or doing business by such corporation, joint-stock company or association, or insurance company—

Should be stricken out, so that then the provision would read:

> Shall be subject to pay annually a special excise tax equivalent to 2 per cent upon the entire net income.

That would clearly make it simply a special excise tax, and special excise taxes have been sustained by the Supreme Court. I ask the Senator from New York whether, in his opinion, that would not accomplish the very object that he has in view?

Mr. ROOT. Mr. President, I think it would weaken it, if I understand correctly what the Senator from Connecticut wishes; that is, to stop with the words "excise tax."

Mr. BRANDEGEE. No; the Senator did not understand me correctly. If the Senator has the proposed amendment on his desk, I ask him to look at line 11, on page 1.

Mr. ROOT. I have it.

Mr. BRANDEGEE. And I would ask him whether or not it would not be at least just as well to strike out at the end of line 10 the following words?—

> With respect to the carrying on or doing business by such corporation, joint stock company or association, or insurance company.

Mr. ROOT. I do not think it would. I think it would weaken the measure.

Mr. BORAH and Mr. RAYNER addressed the Chair.

The VICE-PRESIDENT. To whom does the Senator from Connecticut now yield?

Mr. BRANDEGEE. I was yielding to the Senator from New York [Mr. ROOT]. If he has finished, I yield to the Senator from Idaho [Mr. BORAH].

Mr. ROOT. May I say to the Senator from Connecticut that I personally should be very glad if the Senator from Maryland [Mr. RAYNER] might make a part of my answer to the question of the Senator from Connecticut whenever it suits the convenience of the Senator from Connecticut.

Mr. BRANDEGEE. I yield to the Senator from Maryland for that purpose.

Mr. RAYNER. After the Senator from Connecticut has concluded, I will ask the privilege of addressing the Senate for a very short time; but I want to say now, in answer to the question, that, in my judgment, such a change would absolutely destroy this amendment and make it an unconstitutional measure. When the Senator from Connecticut has concluded, I will ask the attention of the Senate for about twenty minutes upon the legal phases of this subject; but I think the elimination of those words would absolutely destroy this amendment, and I am prepared with the authorities to sustain that proposition.

Mr. BRANDEGEE. Now I yield to the Senator from Idaho.

Mr. BORAH. I want to call attention, Mr. President, for a moment to the case of Veazie Bank *v.* Fenno, as it has been referred to here a number of times as authority for taxing a franchise or the privilege of a corporation to do business. That was precisely what that case decided was not involved. Justice Nelson dissented from the majority opinion, holding that it was an attempt to tax the franchise of a State, and for that reason the law was void. The majority of the court said:

> But in the case before us the object of taxation is not the franchise of the bank, but property created, or contracts made and issued under the franchise, or power to issue bank bills. A railroad company, in the exercise of its corporate franchises, issues freight receipts, bills of lading, and passenger tickets; and it can not be doubted that the organization of railroads is quite as important to the State as the organization of banks. But it will hardly be questioned that these contracts of the company are objects of taxation within the powers of Congress and not exempted by any relation to the State which granted the charter of the railroad.

In other words, they are building a case here upon a case which held that it was a tax upon property; and the reason, no doubt, why this amendment is drawn in the nebulous condition it is, is because of the fact that it is not possible to avoid these cases without going to the proposition that you are taxing the right of a corporation to exist.

Mr. McCUMBER. Mr. President——

Mr. BRANDEGEE. Now I yield to the Senator from North Dakota.

Mr. McCUMBER. I merely want to suggest to the Senator from Connecticut that this matter was considered in the drafting of the amendment. On the copy which I had I took occasion to mark out the words objected to by the Senator from Idaho and insert the word "for." I presented it to the Senator from New York and those who were engaged in the drafting of the amendment. I substituted the word "for" in place of the other words simply because I thought that it was nearer to proper grammatical construction and for the purpose of coming more quickly to the point. The Senator from New York explained then, as he has explained now, that it was better to follow the exact words of the court which had passed upon the case referred to.

In addition to that was the further proposition that the word "for" might indicate that it was intended as a condition precedent to the carrying on of that business, and no one would attempt to sustain the proposition that we could tax the mere right of a corporation to do business, which is a specially granted right by the State. We could tax the carrying on of the business, but we would have no power to say, if a state corporation did not pay that tax, that it could not proceed to carry on business. That was my own view of the matter and the reason why I immediately thought it was better to use these words, which the Senator thinks are somewhat hazy, rather than the other word, which might possibly seem to indicate that it was a prohibition upon the doing of that business unless the tax was paid.

Mr. BORAH. Mr. President, the Senator from North Dakota will agree with me that the words are somewhat nebulous?

Mr. McCUMBER. A trifle.

Mr. BORAH. And undoubtedly for the reason that you are confronted with a legal proposition difficult to meet; and when you come to be more definite, it is going to be very difficult to get by the decision of the Supreme Court.

Mr. McCUMBER. I admit, Mr. President, it is very difficult to get a case that will avoid all the objections and all the innuendoes of the courts in the decisions in all of these cases; but, upon the broad proposition that we have the authority to tax the business of a state corporation, I think we all agree.

Mr. BORAH. Then, as I understand, it is a tax for the privilege of carrying on a business, and might just as well have been laid——

Mr. McCUMBER. No; I would not allow the Senator to use the words "privilege of carrying on business;" it is a tax upon the carrying on of the business.

Mr. BORAH. Then, I will say that it is a tax upon the carrying on of business. Well, that might just as well have been applied to a tax on the carrying on of the business of a partnership or an individual.

Mr. McCUMBER. Certainly. I am not saying that it could not be extended further; but it was thought best to confine it to corporations.

Mr. CUMMINS and Mr. SUTHERLAND addressed the Chair.

The VICE-PRESIDENT. To whom does the Senator from Connecticut yield?

Mr. BRANDEGEE. I yield to the Senator from Iowa first.

Mr. CUMMINS. I rose to ask the very question that was last suggested by the Senator from Idaho [Mr. BORAH]. I think there is no difference of opinion among the lawyers of the Senate or among the laymen of the Senate over the proposition that it is within the power of Congress to tax the business or the carrying on of business by a corporation. I will address my question now to the Senator from Connecticut, and ask him whether he sees any constitutional difference between taxing the business of a corporation and taxing the business of an individual? I can understand that Congress might desire to select for taxation the business of a corporation or of certain corporations rather than the business of an individual or certain individuals. But I will ask him whether he perceives any constitutional difference between the exercise of the power against a corporation and the exercise of the power against an individual?

Mr. HEYBURN. Mr. President, I will ask the Senator to permit me to ask the Senator from Iowa a question at this point. Does he not mean to tax the proceeds of the business, rather than, as he expressed it, to tax the business?

Mr. CUMMINS. Mr. President, it matters not to me.

Mr. HEYBURN. One would be the right to do business——

Mr. CUMMINS. I am not entering into that nicety, or the form of expression. What I say is this: We will assume that we have a corporation doing a dry-goods business. Congress has the right to say that it shall pay 2 per cent upon its net income.

Mr. HEYBURN. That is taxing the proceeds of its business.

Mr. CUMMINS. It is taxing the business; but it arrives at the amount of the tax by reference to its net income. Upon the other side of the street we have a business of the same kind carried on by an individual. I have not any doubt about the right of Congress to tax the individual, or the business of the individual, or the income of that business, in just the same way that it taxes the income of the corporation as a means of reaching a tax upon its business. I want to put that question to the Senator from Connecticut, because I intend later to give a little attention to it.

Mr. HEYBURN. I should like to ask a question of the Senator from Iowa, with the permission of the Senator from Connecticut.

Mr. CUMMINS. Now I shall be glad to hear it.

Mr. HEYBURN. My question is in regard to a distinction between taxing the right to do business and taxing the proceeds of business. The Senator, it seems to me, has spoken of them as being the same. There may be no proceeds resulting from doing business, and yet there may be a tax upon a man for opening up for the purpose of doing business, just as we very often charge a license fee for doing business when there is no business whatever done.

So I merely wanted to distinguish those things. I did not want to be understood as confusing a tax upon the right to do business with a tax upon the result of doing business.

Mr. CUMMINS. I do not now desire to enter into that question. My only question was whether a business carried on by an individual could not be as constitutionally taxed as a business carried on by a corporation.

Mr. BRANDEGEE. I called the attention of the Senator from Idaho at the beginning of my remarks upon this question to the fact that in the revenue act of 1898 the tax was imposed upon the gross earnings of the business. It did not say "with respect to the business." It was imposed upon the earnings of the business in the Spreckels case.

Mr. CUMMINS. And may I add there that it was imposed upon the business of an individual as well as upon the business of a corporation carrying on such a concern?

Mr. BRANDEGEE. The Senator has anticipated what I was about to say. The language of the act there included persons, associations, companies, and corporations, if I remember correctly.

Mr. HEYBURN. Will the Senator permit me to read the language?

Mr. BRANDEGEE. I yield to the Senator from Idaho.

Mr. HEYBURN. In order that the statement may be accurate, I read section 27 of the act under which the Spreckels case arose:

That every person, firm, corporation, or company carrying on or doing the business of refining petroleum or refining sugar or owning or controlling any pipe line for transporting oil or other products whose gross annual receipts exceed $250,000 shall be subject to pay annually a special excise tax equivalent to one-quarter of 1 per cent on the gross amount of all receipts of such persons, firms, corporations, and companies in their respective business in excess of said sum of $250,000.

I think that will clear the atmosphere somewhat in regard to what was taxed.

Mr. SUTHERLAND. Mr. President——

Mr. BRANDEGEE. I yield to the Senator from Utah.

Mr. SUTHERLAND. I should like to make a suggestion to the Senator from Iowa with reference to the question he has propounded. I think he is quite right in his suggestion that there is no distinction between the business of an individual or a copartnership and that of a corporation so far as that precise question is concerned. But does the Senator from Iowa think that the act of receiving interest, for example, upon a bond, or the act of receiving rent from a landed estate can be in any way properly described as a business?

Mr. CUMMINS. I am not prepared to say that it can be. My question, however, simply related to those individuals and those copartnerships that are engaged in business, whatever term or definition may be given to that word. And my inquiry, of course, would lead to the suggestion that if we are imposing a tax on business, we may just as well impose it, and can just as constitutionally impose it, upon individuals and copartnerships doing business as we can upon corporations doing business.

Mr. SUTHERLAND. I think there is a great deal of justice in that suggestion, if such a law can be framed. But I am personally unable to see just how we can make the classification.

Mr. CUMMINS. May I interrupt for just a moment further? It can be framed by adding to the amendment the phrase "persons or copartnerships doing business." There would be no difficulty about adding that phrase, if it were not desired, as it appears to be, to levy a discriminatory tax.

Mr. SUTHERLAND. Now, Mr. President, if the Senator from Connecticut will permit me——

Mr. BRANDEGEE. I yield to the Senator from Utah.

Mr. SUTHERLAND. I simply desire to make a suggestion to the Senator. The Senator thinks, if I understand him correctly, that the phrase "with respect to the carrying on or doing business" should be stricken out and the word "for" inserted, so that the act would read: "A special excise tax for doing business by such corporation."

Mr. BRANDEGEE. That, as I understood, was the suggestion of the Senator from Idaho.

Mr. HEYBURN. It was merely a tentative suggestion.

Mr. SUTHERLAND. So I understood. If the Senator will permit me, I should like to call his attention to what seems to be a difficulty in respect to that change. If we insert the word "for" in place of the phrase suggested to be stricken out, the law will in terms impose a tax "for" the doing of business—in other words, for the privilege of doing business. If this act intends to impose a tax on account of the privilege of doing business, it is not for that privilege, but it is simply upon it. In other words, Congress is not imposing a tax in order to enable a corporation to do business, or in order that it may do business; but, recognizing the fact that it is already engaged in the doing of business, if the act is to be construed in that way at all, it is imposing a tax upon the privilege already existing of doing the business; and if we insert the word "for," it seems to me it will be subject to that objection.

Mr. BRANDEGEE. Mr. President, I was about to ask the Senator from North Dakota, who had made the suggestion of the use of the word "upon"——

Mr. McCUMBER. I suggested the use of the word "for."

Mr. BRANDEGEE. I understood that the Senator from North Dakota had either suggested himself, or said that somebody else had suggested, that the excise tax should be upon the transaction of business, instead of in respect to the transaction of business.

Mr. McCUMBER. I used the word "for;" I suggested that word, and certain objections were urged against it.

Mr. BRANDEGEE. I should like to ask the Senator from North Dakota whether, in his opinion, it will not tend to clarify the meaning of the act if the word "upon" is substituted for the words "in respect to?"

Mr. McCUMBER. Mr. President, at a glance I am free to say that I think it would.

Mr. SUTHERLAND. Mr. President——

The VICE-PRESIDENT. Does the Senator from Connecticut yield to the Senator from Utah?

Mr. BRANDEGEE. I yield.

Mr. SUTHERLAND. I think that while it would be using, perhaps, not an ungrammatical phrase, yet certainly a very awkward phrase, that is what the law means. In other words, if we insert the word "upon," it will then read:

A special excise tax upon the doing business by such corporations.

It strikes me that that is a rather awkward phrase. I think the language used here, "Special excise tax with respect to the carrying on or doing business," is preferable, because, among other reasons, it is the precise language used by the Supreme Court. I may say that, in passing upon the act imposing the sugar tax, the Supreme Court translated the act into its own language. Instead of using the precise words of the act, it put its own construction upon the act and translated it into the words used by the court. And those words were:

Clearly the tax is not imposed upon gross annual receipts as property, but only in respect of the carrying on or doing the business of refining sugar.

I can see no possible harm that will result if we adopt the precise language the Supreme Court used in characterizing this act. Those were not the words used in the act itself; but the court said that that was what the act meant. Why, then, should we not use the language the court used in translating the language of the law instead of the language of the law itself?

Mr. BRANDEGEE. Mr. President, the Supreme Court itself there said, as the Senator has just read, that the tax was upon gross receipts.

Mr. SUTHERLAND. Oh, no. The court said it was not upon gross receipts. The court said:

Clearly the tax is not imposed upon gross annual receipts as property, but only in respect to the carrying on or doing the business of refining sugar.

Mr. McCUMBER. They both mean the same thing.

Mr. BORAH. Mr. President——

The VICE-PRESIDENT. Does the Senator from Connecticut yield to the Senator from Idaho?

Mr. BRANDEGEE. I yield.

Mr. BORAH. I should like to ask the Senator from Utah a question. Suppose we should adopt the exact language that was used by the Supreme Court in the Spreckels case, and suppose it should transpire that some business which a corporation was carrying on was made up entirely of owning, using, and deriving profits from real estate, what would become of the tax in that case, in view of the language of Justice Harlan, where he said that the only reason they permitted the rent derived from real estate to be taxed in the Spreckels case was because it was incidental to refining sugar, thus clearly leading to the belief that if it was a business of itself it could not be taxed?

Mr. SUTHERLAND. My attention was diverted from the first part of the Senator's question. But if I understand it, I can see no difficulty. A corporation that is a holding corporation is engaged in business. It is a corporation; and the act itself measures the tax not only by the amount of business transacted, but also by the capital invested.

Mr. BORAH. Mr. President, it will be remembered that in the Spreckels case the corporation owned certain wharves and collected rent from those wharves. It was contended that that was real estate and the collection of rent from real estate, and that therefore it came within the income-tax decision. Justice Harlan, in writing the opinion, in effect said:

This matter is not free from difficulty; but we take the view of it that the holding of the real estate, the wharves, and the collecting of the rent is incident to the other business of refining sugar; and therefore we will decline to declare it to be a business of itself.

Mr. SUTHERLAND. If I remember the Spreckels case correctly—it is some time since I read it through—the point of the decision was not that the receipts from the wharves might be considered as the receipts from real estate, but that such receipts were not within the contemplation of the law. The law was imposed, in effect, upon the business of refining sugar.

Mr. BORAH. Exactly.

Mr. SUTHERLAND. And the receipts from the wharves, or the receipts from the deposits the company had made, and upon which it received interest, were no part of its refining business, in the sense of the law.

Mr. BORAH. Mr. President, if the Senator will review that case again, he will find that he is mistaken. He will find that Mr. Justice Harlan said that the only reason the court would pass it by was because they considered it a part and parcel of the doing of the business of refining sugar, and incident to the carrying on of that particular business; and therefore the de-

duction was clear that it would not fall within the income-tax decision.

Mr. ELKINS. Mr. President——

The VICE-PRESIDENT. Does the Senator from Connecticut yield to the Senator from West Virginia?

Mr. BRANDEGEE. Yes.

Mr. ELKINS. I notice that in the pending amendment the framers of the same have used the exact language of Justice Harlan in rendering the opinion of the Supreme Court in the Spreckels case. I mean the words "with respect to the carrying on or doing the business." I want to ask the Senator, inasmuch as he has given a great deal of consideration to this matter, and is an able lawyer, how the words I have quoted should be interpreted, whether as an excise tax or a tax on property?

Mr. BRANDEGEE. My opinion is clearly that it is an excise tax, and it so specifies on its face.

Mr. ELKINS. But it says "with respect to carrying on the business." Then, if it is an excise tax, is it constitutional?

Mr. BRANDEGEE. Mr. President, the amendment itself, on the first page, states that this tax is levied as a special excise tax, and it then proceeds to state that it is a special excise tax with respect to the carrying on or doing business by such corporations.

Mr. ELKINS. Let me ask the Senator a further question. The State creates a corporation to carry on business, and it is carrying it on legally and in conformity with all the laws of the State creating it. Has the Federal Government, under its delegated powers, the right to levy an excise tax on that corporation for the privilege of doing business to the extent of destroying it? If it can tax it at all, it can tax it enough to destroy it. Does such power reside in the General Government, or, I should say, in Congress?

Mr. BRANDEGEE. It has been decided over and over again that the Congress has the right to levy special excise taxes and excise taxes.

Mr. ELKINS. Yes; in certain directions and on certain things. But has it the right to levy such a tax on a corporation legally incorporated and doing business under the laws of a State, to the extent of destroying the corporation?

Mr. BRANDEGEE. The Spreckels case distinctly decided that.

Mr. ELKINS. This is the language of the Spreckels case, but it is open to two constructions. What will the court do when it gets this amendment? It must decide one way or the other. I know that the distinguished Senator from New York and those aiding him in framing this amendment have taken shelter under the words of the Supreme Court which I have read. He says, "How can you attack the amendment when it follows the language of the Supreme Court?" But the Supreme Court has never had a case before it of precisely the kind that will be raised by this amendment and which we have been discussing. If it is an excise tax, I think it is clearly unconstitutional. If it is a tax on property or upon the carrying on of business, then it may be something else.

Suppose you should strike out "excise tax" here, what effect would it have? I will ask the Senator what effect it would have on the language? You can not legislate a fact. You can not name a thing as an excise tax and make it such simply by declaring it is an excise tax when it is not.

Mr. BRANDEGEE. Mr. President, I made the point early in my remarks that I doubted whether the distinguished Senator from New York had secured refuge under the language of the Supreme Court. The Senator from Utah takes the view of the Senator from New York that he has. I very much doubt it, inasmuch as I consider that language of the Supreme Court, and the use of the words "in respect to," as simply the ordinary language of the Supreme Court in expressing what it was construing. It did not purport nor intend to construe its own words.

Mr. SUTHERLAND rose.

Mr. BRANDEGEE. I now yield to the Senator from Utah.

Mr. SUTHERLAND. In view of the question the junior Senator from Idaho put to me respecting the Spreckels case. I have looked at the case and find that I am entirely correct in my statement, except that both the Senator and myself were in error in assuming that the Supreme Court had held that the receipts from the wharves would not be subject to the tax.

Mr. BORAH. That is what I was talking about.

Mr. SUTHERLAND. The Supreme Court held that the receipts from the wharves did come within the contemplation of the act. But the court said, with reference to the receipts from the deposits:

> We are of opinion that upon the point last stated there was error. The gross annual receipts upon which, in excess of a certain amount, the tax was imposed, were, under the statute, only receipts in the business of refining sugar, not receipts from independent sources. But clearly neither interest paid to the plaintiff on its deposits in bank nor dividends received by it from investments in the stocks of other companies were receipts in the business of refining sugar.

So I was entirely accurate when I said that the court did not deal with the question as to whether or not the tax was derived from real estate.

Mr. BORAH. Mr. President, the Senator was entirely in error; I did not address my question to him concerning any interest upon deposits. I addressed myself to him concerning the rent for the wharves. I have here the language of the court. And I will submit to any Senator whether or not this amendment, if it is to apply to all corporations, whether doing business as real estate corporations or otherwise, is free from that doubt which enables us to say, as it has been said we should say, that we are not going to enact a lawsuit?

This question was raised with reference to wharves, and the court said:

> The question is not wholly free from difficulty—

And remember, it said this after it had decided that this was an excise tax upon the privilege of doing business, or upon the doing of business—

> But we think the better reason is with the ruling in the circuit court and in the circuit court of appeals to the effect that wharves, in every substantial sense, constituted a part of the plaintiff's "plant," and, if not absolutely necessary, were of great value in the prosecution of its business; and that receipts derived by plaintiff from the use of the wharves by vessels—particularly because, with rare exceptions, the vessels using them brought to the plaintiff the raw sugar which it refined—were receipts in its business of refining sugar. The primary use of the wharves was in connection with and in the prosecution of that business. The importation of raw sugar from abroad was not, in any proper sense, a separate business, but an essential part of the plaintiff's general business of refining sugar.

Suppose it had not been. Suppose it had been the owning of wharves and renting of them to other parties. What would become of that under the reasoning and the logic of Justice Harlan?

Mr. SUTHERLAND. It would have been outside of the tax, because not within the language of the law imposing the tax.

Mr. BORAH. Exactly.

Mr. SUTHERLAND. But the character of the property as real estate was not in any manner involved. That is all I have said.

Mr. BORAH. But at this time Mr. Justice Harlan was discussing alone the question of whether, under this law, the rents from real estate could be taxed, in view of the income-tax decision. The matter gets clearer all the time.

Mr. BRANDEGEE. Mr. President, the act of 1898 did impose a tax upon gross receipts. The court said:

> Clearly the tax is not imposed upon gross annual receipts as property, but only in respect of the carrying on or doing the business of refining sugar.

The language of the act distinctly imposed the tax upon gross receipts above $250,000; and the court, in construing it, said that although it was imposed upon gross receipts, it was not imposed upon gross receipts as property, because Congress was not taxing the property, but was taxing the corporation with respect to the transaction of its business.

But nowhere did the court define in what respect or in what way as to the transaction of its business Congress was taxing it. And it seems to me that after this discussion nobody on this floor is any more able to define what is meant by the words "with respect to the carrying on or doing business" than any delegate to the Constitutional Convention was able to explain what was meant by a direct tax. And we know what confusion has arisen in the decisions of the Supreme Court over the question of what is and what is not a direct tax. Merely because the court, in passing, stated that the tax under the act of 1898 was levied upon the gross receipts in respect to the transaction of business by the corporation, it can not be said that the use of those terms will make this act constitutional, unless it is constitutional on other grounds.

I have now said all I care to say in calling attention——

Mr. McCUMBER. May I ask the Senator a question right here?

Mr. BRANDEGEE. Certainly.

Mr. McCUMBER. Does not the Senator believe that the words "a special excise tax with respect to the carrying on or doing business" mean the same thing as "a special excise tax upon the carrying on of a business?"

Mr. BRANDEGEE. I think that is what is somewhere lurking vaguely in the mind of everybody here. And if it be true that it means the same thing, why not use the term that is beyond any question or cavil instead of resorting to a mystifying phrase?

Mr. HEYBURN rose.

Mr. BRANDEGEE. I yield to the Senator from Idaho.

Mr. HEYBURN. The distinction would seem to me to be that the words are not sufficient as a grant of power to the executive branch of the Government to do the thing—that is, to collect the tax. They are not a sufficient grant of power; and if the grant of power lies anywhere, it must lie in those words.

Mr. BRANDEGEE. Without disputing the constitutionality of the act—for I think we all admit, or, at least I do, that the Government has a right to select corporations for taxation, and exclude partnerships—it is certainly an injustice to a small corporation to allow a partnership, engaged in the same business and in close competition with it, to go untaxed, while the small competing corporation is compelled to pay a tax of 2 per cent. And I should like to ask the chairman of the committee if he is able to state why it was that the committee did not impose this tax upon partnerships as well as upon corporations?

Mr. ALDRICH. Mr. President, there were a vast number of industries and subjects which the committee might have included, I suppose; but they had to stop somewhere. The committee, with the advice they had, believed the present tax to be constitutional; the President's message advised us as to the character of the legislation which he desired; and the limitation seemed to the committee to be proper and natural. We did not intend to tax everybody and everything in the United States.

Mr. BRANDEGEE. But on principle, Mr. President, there would seem to be no difference between a partnership and a corporation. They are both combinations of men to do business. I wondered whether or not the question had been presented to the committee, and whether or not there was any discussion in the committee as to it.

Mr. ALDRICH. Does the Senator think we could constitutionally tax the incomes of individuals received from real estate, for instance?

Mr. BRANDEGEE. The question whether a copartnership is an individual or not is one that I should want a little time to consider.

Mr. CURTIS. Mr. President, the Senator recognizes, however, that there is a great deal of difference in the extent of the liability of members of partnerships and members of corporations.

Mr. BRANDEGEE. Entirely so; and I will ask the chairman of the committee whether or not that matter was considered by the committee?

Mr. ALDRICH. Mr. President, I suppose the Senator from Connecticut is as well aware as I am that any Senator, even with much less ingenuity than the Senator from Connecticut, could suggest in a five-minute speech questions which could not be answered in the course of a session. There were a great many difficulties surrounding this problem, and the committee decided to hew closely to the line and follow the suggestions and recommendations of the President in this legislation.

Mr. BRANDEGEE. Does the Senator desire to answer my inquiry as to whether the matter of imposing a tax upon partnerships was considered at all by the committee?

Mr. ALDRICH. I will say that it was considered, and the committee thought it raised a cloud of questions which they did not care to discuss or to dispose of.

Mr. RAYNER obtained the floor.

Mr. TALIAFERRO. Mr. President, I suggest the absence of a quorum.

The VICE-PRESIDENT. Does the Senator from Maryland yield to the Senator from Florida?

Mr. RAYNER. I yield to the Senator.

The VICE-PRESIDENT. The Secretary will call the roll.

The Secretary called the roll, and the following Senators answered to their names:

Aldrich	Chamberlain	Frye	Newlands
Bacon	Clapp	Gallinger	Overman
Bailey	Clark, Wyo.	Gamble	Page
Borah	Crawford	Guggenheim	Penrose
Bourne	Culberson	Heyburn	Perkins
Bradley	Cullom	Hughes	Piles
Brandegee	Cummins	Johnston, Ala.	Rayner
Briggs	Curtis	Jones	Root
Bristow	Davis	Kean	Scott
Brown	Depew	La Follette	Stone
Bulkeley	Dick	McCumber	Sutherland
Burkett	Dillingham	McEnery	Taliaferro
Burnham	Dolliver	McLaurin	Taylor
Burrows	Elkins	Martin	Warner
Burton	Fletcher	Money	Wetmore
Carter	Foster	Nelson	

Mr. BACON. I desire to state that my colleague [Mr. CLAY] is necessarily absent from the city, and will be absent for several days.

Mr. OVERMAN. I wish to announce that my colleague [Mr. SIMMONS] is unavoidably detained to-day and will not be in the Chamber.

The VICE-PRESIDENT. Sixty-three Senators have answered to the roll call. A quorum of the Senate is present.

Mr. RAYNER. Mr. President, I will kindly ask the attention of the Senate to discuss the legal phases of this amendment.

I want to say that I am in favor of the income tax and I shall vote for the income tax if I have the opportunity of doing so. I may not have the opportunity of doing so, however. I may be forced ultimately to decide whether I shall vote for this corporation tax or not. If I am forced to that ultimate decision, I shall vote for it.

I want to be distinctly understood upon this proposition. Between an income tax and a corporation tax I am decidedly in favor of an income tax, for reasons that have already been given by Senators, and I do not desire to add anything to the literature on that subject. But if ultimately I am either compelled to vote for the amendment of the committee or to vote for no additional tax at all, I shall vote for the corporation tax; and I rise now for the purpose of explaining my vote and justifying it.

I believe that this is a constitutional measure, and I hope that I shall be able to demonstrate that proposition. I do not care for words, Mr. President. I think if you will eliminate the sentence that the Senator from Connecticut desires to have eliminated you will make the law invalid, not that I believe for a moment that a law can be made constitutional by legislation, but a law can certainly be made invalid by leaving something out of the law.

I will state my propositions, and I will indulge in no irrelevant or collateral matter. I will come right to the point of the discussion. I lay down these three propositions: First, that this tax is an excise tax. That is the first proposition. The second proposition is that it is a uniform tax. The third proposition is that it does not infringe upon the reserved rights of the States.

The first proposition is that this is an excise tax. There can not be any doubt upon that proposition. No matter how this bill is worded the word "or" or the word "and" can not change the construction of what this proposed law is. It is an excise tax. It is an excise tax and not laid upon the profits of a corporation. This is not a tax laid upon the net profits of a corporation. If it was a tax laid upon the net profits of a corporation, it might possibly come within the income-tax decision. It is a tax laid upon the business and privileges of a corporation, and the measure of the tax is the net profits of the corporation. That is about as concisely stated as I can state it, and it has been so stated, not once, but a hundred times, in the different decisions upon kindred propositions. When we get away from that proposition we indulge in what seems irrelevant and collateral matter that does not even illuminate the proposition we are discussing.

Let us look at this and see whether I am right or not. I do not like the corporation amendment; I think it is inequitable; but when the time comes and we can not obtain an income tax, then I am in favor of this tax. I am in favor of an income tax upon the proposition advanced by the Senator from Texas and the Senator from Idaho and the Senator from Iowa, and other Senators. When the point is reached, I will vote for this corporation tax rather than vote for no tax, and that is the only ground on which I will vote for it. In voting for it I want to justify my vote on the ground that I believe it is a legal tax, and there will not be a dissenting opinion in the Supreme Court of the United States when the Supreme Court confronts it for the simple reason that the Supreme Court, in a number of cases, has already covered the proposition.

The senior Senator from Minnesota [Mr. NELSON], whose mind always goes to the root of a legal question, settled it just now in answer to the Senator from Connecticut. He said this is not a tax for the right to do business; it is a tax upon the business. It is a tax upon the business privileges of a corporation, and you measure that tax simply as a standard of measurement by the net profits that the corporation obtains. You can take any other standard. You can take any standard you want if it is not an arbitrary standard.

Mr. OVERMAN. Let me call the attention of the Senator to the fact that franchise taxes——

Mr. RAYNER. This is a tax upon the privilege and the business of a corporation and the facilities of a corporation.

Mr. OVERMAN. Franchises are of two classes—primary and secondary. The primary franchise is the right of a corporation to exist, and the secondary franchise is the right, the privilege, to do business. The Senator says this is a tax on the privilege to do business, and therefore it is a tax on the secondary franchise.

Mr. NELSON. Mr. President——

Mr. RAYNER. Let me answer that a moment.

Mr. NELSON. Will the Senator allow me?

Mr. RAYNER. Allow me to answer that, and then I will listen. The Senator from North Carolina had it right except that he has reversed the order. A tax on business is a primary tax, and a tax on the franchise is a secondary tax. Being a primary tax upon the business of a corporation, under the decisions it is perfectly lawful, even if it resulted in destroying the franchise. I will give the Senator the authorities in a moment. The distinction the Senator makes is one recognized in all the decisions. Now I yield to the Senator from Minnesota.

Mr. NELSON. Mr. President, all I intended to suggest to the Senator from Maryland, in order that he may make his statement accurate, is that this is a tax not upon the privilege as a privilege, but simply upon the business of the corporation, nothing more, nothing less. As the Senator from Maryland well says, the measure of the tax is the net income of the corporation over and above the exemption.

Mr. RAYNER. That is pretty close to it, but I can not exactly agree to it. I will give the definition a little more accurately. I have here quite a number of decisions. It is a tax on the privilege and facility of a corporation. It is just as the Senator from New York said yesterday. It could not have been stated better.

Said the Senator from New York:

It is not the profits that would be subject to the tax, but the privilege or facility of transacting the business through corporate form. It matters not from what source may come the income which is seized upon by the law as a measure for the value of the facility or privilege which is taxed.

That is the language of the Supreme Court. Now let us look at it. Here is "a special excise tax with respect to the carrying on or doing business by such corporation," and so forth. You are not laying a tax upon the net income; you are laying the tax upon the carrying on or doing business by such corporation, and that tax is to be equivalent to 2 per cent upon the entire net income over and above $5,000. The net income over and above $5,000 is the standard of the measurement. You are not taxing the net profits. If we get away from that, the whole law falls to the ground. We are not taxing the net profits. We are taxing just what this measure says we are taxing, and that is we are taxing the business of such corporation.

Then, in order to ascertain what the tax will be, we provide that it shall be "equivalent to 2 per cent upon the entire net income." What does the Supreme Court say?

Mr. SCOTT. Will the Senator allow me to ask him a question?

Mr. RAYNER. Certainly.

Mr. SCOTT. Where a State levies a tax on corporations for the privilege of doing business, if the Government should lay an additional tax, would not that be double taxation?

Mr. RAYNER. No, sir; it would not.

Mr. SCOTT. For allowing them the privilege to do business.

Mr. RAYNER. It would not. This is an excise tax. The mere fact that a State may levy a franchise tax, in my judgment, in no sense of the word prohibits the Government from levying an excise tax. It would be unjust; it would be unfair; it would be oppressive; but, in my humble judgment, it would not be unlawful; and the Supreme Court has on two or three occasions decided the matter.

Mr. CUMMINS. Mr. President——

The VICE-PRESIDENT. Will the Senator from Maryland yield to the Senator from Iowa?

Mr. RAYNER. Certainly.

Mr. CUMMINS. I desire to ask the Senator from Maryland a question. I hope he will not think that I disagree in any measure with the principles that he has just announced, but assuming that this is a tax upon the facility or facilities of a corporation for doing business, or, broadly speaking, upon the business of the corporation done in that manner, I should like to ask the Senator whether he believes that we can not also constitutionally levy a tax upon the facility of doing business as an individual?

Mr. RAYNER. I think we can.

Mr. CUMMINS. For instance, more than half the banks in our States are private banks. They think they have superior facilities for doing business. They think they have a great advantage over corporations. These banks would not in any wise be taxed by the present measure; but I should like to know whether the Senator sees any constitutional objection in the way of extending this tax to such institutions?

Mr. RAYNER. I do not; not the slightest. I think you can tax the privileges of an individual the same, and they are doing it. The Government is taxing special occupations. Take the tobacco and distillery cases. I agree with the Senator from Iowa. I want the Senator to understand that I am with him upon the income-tax proposition entirely. All I am doing now, if we can not frame a bill like that, is to justify my vote.

Let me read now a few lines from the Spreckels case:

The contention of the Government is—

This is the Spreckels case—

that the tax is not a direct tax, but only an excise imposed by Congress under its power to lay and collect excises, which shall be uniform throughout the United States.

Now:

Clearly the tax is not imposed upon gross annual receipts as property, but only in respect of the carrying on or doing the business of refining sugar. It can not be otherwise regarded because of the fact that the amount of the tax is measured by the amount of the gross annual receipts.

Now, just listen to this for a moment, because this is important in view of the discussion that has taken place:

The tax is defined in the act as "a special excise tax"—

Hear what the court says about that. It is defined the same way here—

and therefore it must be assumed, for what it is worth,—

I do not think it is worth much, but this is what the court says. I do not think it is worth much to say you can not make an act constitutional by legislation simply; but notwithstanding the court says this—

and therefore it must be assumed, for what it is worth, that Congress had no purpose to exceed its powers under the Constitution, but only to exercise the authority granted to it of laying and collecting excises. This general question has been considered in so many cases heretofore decided that we do not deem it necessary to consider it anew upon principle.

And then they give the cases that I shall not even refer to. Here is the way they conclude their judgment:

In view of these and other decided cases we can not hold that the tax imposed on the plaintiff, expressly with reference to its "carrying on or doing the business of * * * refining sugar," and which was to be measured by its gross annual receipts in excess of a named sum, is other than is described in the act of Congress, "a special excise tax," and not a direct one to be apportioned among the States according to their respective numbers. This conclusion is inevitable from the judgments in prior cases, in which the court has dealt with the distinctions.

We may make some allowances for the difficulty here in the Senate of getting a proper expression of our views, because here is what the court says about the matter:

This conclusion is inevitable from the judgments in prior cases, in which the court has dealt with the distinctions, often very difficult to be expressed in words, between taxes that are direct and those which are to be regarded simply as excises. The grounds upon which those judgments were rested need not be restated or reexamined. It would subserve no useful purpose to do so. It must suffice now to say that they clearly negative the idea that the tax here involved is a direct one, to be apportioned among the States according to numbers.

This answers the point that, I think, has been made by some of the Senators on the other side, especially by the senior Senator from Idaho:

It is said that if regard be had to the decision in the Income Tax cases, a different conclusion from that just stated must be reached. On the contrary, the precise question here was not intended to be decided in those cases. For, in the opinion on the rehearing of the Income Tax cases the Chief Justice said: "We have considered the act only in respect of the tax on income derived from real estate and from invested personal property, and have not commented on so much of it as bears on gains or profits."

Now, this answers the question of the Senator from Iowa—

As bears on gains or profits from business, privileges, or employments—

If the Senator from Iowa will notice, they do not say their corporate business, privileges, or employments; they say business, privileges, or employments—

Has assumed the guise of an excise tax, and been sustained as such.

Mr. President, this settles the case that it is an excise tax. Now, the point is made that if we are imposing excise taxes we ought to define the corporations; we ought not to say all corporations. There is nothing in that point. Suppose we defined every corporation doing business in the United States, suppose we taxed all corporations doing business in the United States, and defined them by this bill, just as in the Sugar case here it defined two or three of them, would that be a valid bill? The answer is that it would be a valid bill, because we defined them. Instead of defining them, we say "all corporations." What is the difference? What is the difference between saying all corporations and defining all corporations? Therefore, Mr. President, I think the proposition has passed into judicial history that this is an excise tax.

It has been said that you can tax the income of the real estate of corporations, that you can tax the income of corporations that are dealing in real estate. You do not tax the income of those corporations. You tax the business of those corporations, and you measure the tax by the net profits of the corporations.

Of course real-estate corporations come under this bill. I do not suppose any Senator will deny that a corporation dealing in real estate, the class of corporations mentioned by one Senator yesterday, comes within this bill; but it does not come within this bill as a corporation taxed upon its profits. It comes within the bill just as any other corporation, a corporation in which a tax is levied upon the business and the privileges of that corporation, measured by the net profits of the corporation, and it comprises all sorts of corporations.

I come now to the second proposition.

Mr. CUMMINS. Mr. President——

The VICE-PRESIDENT. Does the Senator from Maryland further yield to the Senator from Iowa?

Mr. RAYNER. Certainly.

Mr. CUMMINS. May I ask one further question? Would the Senator attempt a definition of the word "business?" What does it include? I think it would be a very interesting and instructive phase of this discussion as we go along to have some clear idea of what the word "business" covers.

Mr. RAYNER. Mr. President, in one of the cases that I have not before me the Supreme Court has said it is extremely difficult to define what is meant by "business." It would be almost impossible for me to define what it means. Every business that a man enters upon is business. Now, could every kind and class of business be taxed? I think it could. But it has never been passed upon by the Supreme Court. The Senator recollects the two cases that went up in reference to the tax on distilleries, and he recollects the language of the court, which left the question in doubt. I think that is a question hardly anyone can answer, because the point the Senator wants is this: Can we tax every kind of business? That is really the proposition.

Mr. CUMMINS. It is rather——

Mr. NELSON. Will the Senator from Maryland yield to me a minute?

Mr. RAYNER. If the Senator from Iowa will yield, certainly.

Mr. CUMMINS. I am glad to yield to the Senator from Minnesota.

Mr. NELSON. The business of a corporation is determined by the articles under which the corporation is incorporated.

Mr. RAYNER. Yes, Mr. President; but the Senator from Iowa was asking about the business of an individual. He is not asking about the business of a corporation.

Mr. CUMMINS. I asked what the word "business" includes.

Mr. NELSON. The business of a corporation.

Mr. CUMMINS. The business of a corporation or individual. What does the word "business," as used here and as used generally in connection with individuals, mean?

Mr. NELSON. I will not undertake to define it beyond the purpose of this substitute or amendment. In other words, what is the business of a corporation? Technically the business of a corporation is the work it is intended to do and accomplish under the articles of incorporation. If it is incorporated to carry on the business of a bank, that is its business. If it is incorporated to operate a railroad, that is its business. If it is incorporated to operate a mine, that is the business of the corporation. If it is incorporated to buy and sell land, that is the business of the corporation. In each case the business of the corporation is determined by the articles of incorporation.

Now, the Supreme Court in this Spreckels case passed upon that question. They held, for instance, that in the matter of the wharves, where the company landed the sugar from their own ships, that those wharves were employed in the business of the corporation, but they held that in respect to the money the company had deposited in bank and the dividends or interest derived from that, it was not a part of the business of refining sugar.

Mr. CUMMINS. The Senator from Minnesota has answered a question that I did not ask. I inquired of the Senator from Maryland with respect to the scope and meaning of the word "business." For instance, this measure provides that a trust or holding corporation, a combination that is organized for the purpose merely of holding the stock of other corporations, shall be permitted to deduct from its receipts or gross income the dividends that have been paid upon the stock so held. I was about to ask whether, in the judgment of the Senator from Maryland, the holding of the capital stock of corporations, in order to vote that stock as a unit and thus control the destinies of a great number of consolidated or concentrated corporations, is a business, and would such corporation fall within that term as used in this measure?

Mr. RAYNER. I have not the slightest doubt in my own mind—I do not know what the Supreme Court would decide, but I should like to argue that question before the Supreme Court—that you could tax a business or an occupation.

Mr. CUMMINS. The amendment provides that any corporation may deduct, as a part of its expenses in order to arrive at its net income, the dividends that it has received from the stock of other corporations; and I was rather curious to have the Senator's idea as to whether that kind of a corporation was doing business at all or not.

Mr. RAYNER. Mr. President, then evidently a holding corporation is not taxed under this amendment at all. It is practically not taxed, is it?

Mr. CUMMINS. It is practically untaxed. That is one of the great objections that I have to the amendment.

Mr. RAYNER. It ought to be taxed, ought it not?

Mr. CUMMINS. I think it ought to be.

Mr. RAYNER. And I am decidedly in favor of taxing it, and I believe such a tax would be constitutional upon the privilege of its being a holding corporation. I think it would not operate as a double tax. I think it ought to be taxed. I agree with the Senator from Iowa fully upon that point, legally and otherwise.

Now, Mr. President, I come to the——

Mr. McCUMBER. Mr. President——

The VICE-PRESIDENT. Does the Senator from Maryland yield to the Senator from North Dakota?

Mr. RAYNER. Certainly.

Mr. McCUMBER. Mr. President, the Senator from Maryland is dealing here with first principles, and I should like to get down to them in considering a case of this kind.

The Constitution, in its definition of a direct tax, certainly includes within its meaning a tax on real estate; and a tax levied upon real estate without the proper apportionment according to population is invalid. The Supreme Court has also decided that a tax upon the income of real estate is likewise invalid. Now, I want to get right down to this proposition. The Senator from Maryland states, and he states correctly, that the Government has the power not only to tax the business of a corporation, but to tax the business or vocation of the individual as well; and I agree with him upon that. Suppose that instead of taxing the income, say, from a farm—because I want to get right down to real estate—you tax the business of farming, and make the measure of the tax the net income from that farm. Would such a law be constitutional?

Mr. RAYNER. Mr. President, that is a very pertinent question, but it is precisely the same question which the Senator from Iowa [Mr. CUMMINS] asked. It involves a little different phraseology, but it is a question of some importance.

Mr. McCUMBER. What I intended to get at, if the Senator will permit me——

Mr. RAYNER. I understand.

Mr. McCUMBER (continuing). Was whether or not, by mere change of words, of phraseology, you can change the construction that the court will place upon the act.

Mr. RAYNER. It appears you can do that to some extent. Can we lay a tax upon farming? That is the question; and that is a question that no Senator in this body can answer, and no member of the Supreme Court can answer until the question is fully argued before it. Can you lay a tax upon professional privileges? Can you lay a tax upon the privilege of practicing medicine? Can you lay a tax upon the privilege of practicing law? I think you can. Then why can you not lay a tax upon the privilege of farming? I think you can, and I absolutely believe that you can do so, but I do not want to venture any opinion here unless I am sustained by the authority of the Supreme Court. If the Senator from North Dakota wants my judgment, if that judgment is worth anything, and were I sitting in a case, I would say, "Yes; you can tax that privilege, and you can measure the amount of money which the farmer makes out of his farm in just the way that you can measure the lawyer's privilege of practicing his profession by the amount of fees that he makes, or the physician's right to follow his occupation by the amount of fees that he charges." I see no difference between them.

Mr. McCUMBER. Then, if the Senator will pardon me, you can make a general income law constitutional by a mere change of phraseology, by saying that it is a tax upon the business, but measured by the net income.

Mr. RAYNER. I am not in any wise responsible for the unfortunate decision of the Supreme Court of the United States in the income-tax case. I do not believe in that decision; I have always thought that that case ought again to be submitted to the Supreme Court of the United States. I am not entirely wedded to that income tax; I do not mean the paying of the income tax; but the people of my State do not like the inquisi-

torial system that accompanies the collection of that tax; but I think that case ought again to go to the Supreme Court of the United States. They overruled the decisions of a hundred years, and they ought to be called upon to say now whether or not that decision shall stand. It is an unsatisfactory decision. It is that decision, and not my argument, that gives rise to this unfortunate distinction; and I think the Senator from Iowa [Mr. CUMMINS] and the Senator from North Dakota [Mr. MCCUMBER] will agree with me on that proposition.

Mr. SUTHERLAND. Mr. President——

The VICE-PRESIDENT. Does the Senator from Maryland yield to the Senator from Utah?

Mr. RAYNER. I do.

Mr. SUTHERLAND. Referring to the question which the Senator from North Dakota [Mr. MCCUMBER] propounded, does the Senator from Maryland think that the cultivation of a farm by the owner of that farm is a privilege? Is it not a natural right?

Mr. RAYNER. Is it a business?

Mr. SUTHERLAND. The practice of a profession may be considered——

Mr. RAYNER. I ask the Senator is it a business?

Mr. SUTHERLAND. I rather doubt whether it is a business.

Mr. RAYNER. If it is not a business, what is it? Is it an employment? Is it an occupation?

Mr. SUTHERLAND. Let me answer the question in my own way.

Mr. RAYNER. Certainly.

Mr. SUTHERLAND. Mr. President, I am very much in the condition of the Senator from Maryland [Mr. RAYNER]. I am somewhat in the fog as to just what the word "business" really does mean; but it does not seem to me that the cultivation of a farm by the owner of a farm can be considered a privilege, and it occurs to me that it could hardly be considered a business, although I suggest that latter proposition with some hesitation.

Mr. CUMMINS. It is certainly a facility——

Mr. RAYNER. Now, Mr. President, let us see about that. Let me call the attention of the Senator from Utah [Mr. SUTHERLAND], who, of course, is a very capable lawyer, to this language of the Supreme Court in the income-tax case:

> We have not commented on so much of it as bears on gains or profits from business, privileges or employments, in view of the instances in which taxation on business privileges or employments has assumed the guise of an excise tax and been sustained as such.

What does that mean? I do not believe that the Senator from Texas [Mr. BAILEY] knows what that means, and, if he does not, I am sure nobody else does. Nobody knows what that means. I am not responsible for that. I think it would be a most ridiculous thing to levy such a tax. Just as the Senator from North Dakota says, you can not tax a man's profits, and you can not tax his farm; but you can tax the privilege, and measure the privilege and value of profits to him. That seems absurd; but there is the case. What does it mean? I am not responsible for the obiter dicta of the Supreme Court in that case and for the illogical conclusion that it arrived at, with great respect and deference to it.

Now, I am coming to the second proposition. I am going to hurry, because I am coming to the last proposition, which is to me the most important one of all. I want to get to the second proposition, and there is not any doubt, I think, about this. The Senator from Nevada raised the point, but I think that upon further reflection there can not be any doubt in the mind of any Senator that this is a uniform tax, because in the Knowlton case the Supreme Court has held that a uniform tax means a tax which is geographically uniform.

I want to call attention to what I think has been a mistake, if I may be permitted to say so, which has been made upon the other side of the Chamber. They have argued this whole case as if it were under the fourteenth amendment. There is the trouble. The fourteenth amendment does not operate on the Government of the United States; the fourteenth amendment operates on the States. While the States can not make an arbitrary discrimination as against the fourteenth amendment, there is nothing on earth to prevent this Government from making an arbitrary discrimination provided it maintains geographical uniformity; in other words, the Government can do what the States can not do. I maintain that proposition here in this body. The Government has interdicted the States from doing what the Government itself can do.

The Government has said to the States, under this amendment you can not make arbitrary distinctions, you can not make unfair classifications; but we can make arbitrary distinctions, the Federal Government can make unfair discriminations, provided that we maintain a geographical uniformity; that is to say, provided that the unjust classifications are maintained in every State of the Union. That is the proposition here, and I do not think any lawyer in this body will disagree with me. There is a geographical uniformity, however arbitrary this distinction may be. It is an arbitrary thing to tax the profits of a corporation and not to tax the profits of an individual; but the Supreme Court has said that you can do that arbitrary thing, provided that you do it with geographical uniformity through the States. I shall not read that decision, because I want to get through.

Mr. HEYBURN. Mr. President——

The VICE-PRESIDENT. Does the Senator from Maryland yield to the Senator from Idaho?

Mr. RAYNER. I do.

Mr. HEYBURN. Is it not true that, after the Federal Government has levied upon the States for their proportionate share of taxation, the state law governs the method of collecting it, and that we have no power whatever to say how it shall be collected?

Mr. RAYNER. That question is not within a thousand miles of what I am talking about now.

Mr. HEYBURN. It is within at least a hundred miles——

Mr. RAYNER. It might be a good question, but it has no relevancy at all to the question I am discussing.

Mr. HEYBURN. Mr. President——

The VICE-PRESIDENT. Does the Senator from Maryland yield further to the Senator from Idaho?

Mr. RAYNER. Yes; but I am discussing three points; and if the Senator will just ask me something in reference to the geographical uniformity point, and not get into the matter of the collection of this tax, I will be very much obliged to him, for I do not intend to discuss the collection feature.

Mr. HEYBURN. I shall not bother the Senator with further interruptions. The interruption was a courteous one, and it was directed to the expression that had last fallen from the Senator's lips; but inasmuch as he preferred to make a rather sharp retort than to answer the question, I will leave it as he has disposed of it.

Mr. RAYNER. I beg the Senator's pardon. If the question has any relevancy at all to this proposition, I wish he would repeat it, and I will be glad to answer it.

Mr. HEYBURN. I am willing to let it stand as it is.

Mr. RAYNER. If the Senator declines to ask me the question again, I must respectfully submit to him that it can have very little relevancy to the proposition that I am discussing. I have yielded again, because I want to throw light on this subject; and if the Senator has a question that relates to the question of geographical uniformity, I will do my best to answer it, and I will be obliged to the Senator if he will ask me the question again.

Mr. HEYBURN. Mr. President, I think the Senator attempted to dispose of my question so quickly that he did not engage in any effort to comprehend it. The Senator had just referred to the relation that the States and the General Government bore to each other in enforcing this taxation, and I then submitted the thought that occurred to me—which is pertinent—that we have nothing to do with the manner in which the State performs the function of collecting the tax; that the State may do it regardless of any restrictions of the Constitution. The restrictions of the Constitution are out of the way when the edict has gone forth from Congress to the States to send up so much money.

Mr. RAYNER. Mr. President, I again submit, with great respect, that that has nothing whatever in the world to do with the proposition which I am discussing. I say that very respectfully. The State does not collect this tax. The Government collects this tax.

Mr. HEYBURN. If the Senator will permit me, if this tax is apportioned, the Government does not collect it at all; the States collect it.

Mr. RAYNER. If it is apportioned?

Mr. HEYBURN. If it is a direct tax.

Mr. RAYNER. Oh, for mercy's sake, do not get into that.

Mr. HEYBURN. Then I will leave the Senator with his eloquence to proceed without interruption.

Mr. RAYNER. Well, Mr. President, if this is a direct tax, that is the end of the tax under the decision of the Supreme Court. My whole proposition is based upon the foundation that it is not a direct tax. If it is an apportionable tax, then it comes within this unfortunate decision; and if it is an apportionable tax or if it is a direct tax, what is the sense of passing the amendment, I should like to ask the Senator from Idaho? If the Senator from Idaho says that this is a direct tax, that has to be apportioned, I should like to ask

him what is the use of passing the amendment, because such a tax has to be apportioned, and as it is not apportioned in the amendment, the amendment is unconstitutional.

Mr. HEYBURN. Well, the Senator had already undertaken to define a direct and an indirect tax and to draw deductions from the conditions that are presented here and to determine whether or not this is a direct or an indirect tax.

Mr. RAYNER. The Senator from Idaho has evidently not heard my argument at all. My argument is that this is an excise tax and not a direct tax.

I pass to the third point, Mr. President. The third point is this—and it has given me some trouble, but I will finish it in a very few moments: Is this amendment an attack or an infringement upon the reserved rights of the States? That is the point that is troubling the Senator from North Carolina and some other Senators on this side. At first it gave me some trouble, but after an examination of the cases the field is perfectly clear. Is this tax destructive of the powers of the States? If it is, it is unconstitutional; if it is not, so far as that proposition is concerned it is good. When we put a tax upon a business conducted under a state charter, does that so far invade the functions of the State as to make this an infringement upon the reserved rights of the State? I only want one decision on that. I must confess I do not like the decision. None of us on this side of the Chamber like it; but there it is; and we can no longer battle with it. The junior Senator from Iowa [Mr. CUMMINS] adverted to it as a distinction between excise and property rights, but I refer to it for one sole purpose, and that is to see how far this Government can lay a tax upon franchises granted by a State. It is the case of the Veazie Bank *v.* Fenno, in Eighth Wallace, page 547. It is only a few lines. This was the case, as we all recollect, that laid a tax of 10 per cent upon the circulation of State banks.

I am only quoting this case now for one purpose, and that is in support of the third proposition that I have advanced—that the proposed amendment is not an infringement upon the rights of the States. Chief Justice Chase delivered the opinion of the court. Mr. Justice Nelson and Mr. Justice Davis dissented. It was argued as ably as any case ever was argued before the Supreme Court of the United States, and, with great respect to that illustrious tribunal, it was decided about as meagerly as any case was ever decided by the Supreme Court of the United States. There it is; and it has been recognized since 1869 in one case after another as the law of the land.

Is it—

Speaking of this tax—

Is it, then, a tax on a franchise granted by a State—

That is, on the circulation of banks chartered by the State—

which Congress, upon any principle exempting the reserved powers of the States from impairment by taxation, must be held to have no authority to lay and collect?

That is where the law stands. I do not know what the opinion of the Senator from Texas [Mr. BAILEY] is upon that point. Perhaps he differs with me upon it. He may think, perhaps, that the Government has a right to lay a tax upon a franchise granted by a State. I do not think so. I find nothing further to aid me in arriving at a conclusion upon that matter except this ambiguous language of the Supreme Court:

We do not say that there may not be such a tax.

Mr. BAILEY. Mr. President——

The VICE-PRESIDENT. Does the Senator from Maryland yield to the Senator from Texas?

Mr. RAYNER. Certainly.

Mr. BAILEY. I think the distinction is a clear one. I think it is obviously beyond the power of Congress to lay a tax on any franchise granted by a State to execute any function of the State. I think it is equally clear that Congress has power to tax any franchise granted by a State which bears no relation to a public function.

Mr. RAYNER. That is correct.

Mr. BAILEY. And I think that distinction is made in the very case to which the Senator has referred.

Mr. RAYNER. Then the Senator from Texas and myself absolutely and entirely agree. The proposition could not have been stated better and plainer than the Senator from Texas has stated it; and that is the language of the authorities.

Mr. CUMMINS. Mr. President——

The VICE-PRESIDENT. Does the Senator from Maryland yield to the Senator from Iowa?

Mr. RAYNER. Certainly.

Mr. CUMMINS. Mr. President, without differing from the statement of the Senator from Texas [Mr. BAILEY], I suppose that it will be admitted that the rights of the States and of the United States are mutual in this respect.

Mr. RAYNER. That is correct.

Mr. CUMMINS. That is to say, the States have the same right to tax a franchise granted by the Federal Government that the Federal Government has to tax a franchise granted by the States.

Mr. RAYNER. That is right.

Mr. CUMMINS. And the very latest exposition of that subject, in so far as I know, is found in the case of California *v.* Pacific Railroad Company, in One hundred and twenty-seventh United States.

Mr. RAYNER. I am going to advert to that case in a moment, if the Senator will allow me.

Mr. CUMMINS. But with that understanding and with the definition as modified by the decision of the Supreme Court, I am in entire concurrence with the Senator from Texas.

Mr. RAYNER. I mean to say that when the Supreme Court throws a doubt upon it, they throw doubt upon a proposition that I never had any doubt about; and that is, you can not tax a direct function or agency of a state government necessary to carry out state powers, but that in levying a tax upon the business of a corporation of this sort you do not tax directly the functions or the powers of the state government. Let me read——

Mr. SUTHERLAND. Mr. President——

The VICE-PRESIDENT. Does the Senator from Maryland yield to the Senator from Utah?

Mr. RAYNER. I yield.

Mr. SUTHERLAND. Does not the Senator also find support for his position in the case of Knowlton *v.* Moore? I will not call his attention to the case if he has any intention of referring to it.

Mr. RAYNER. The case of Knowlton *v.* Moore was the Spanish war inheritance-tax case.

Mr. SUTHERLAND. Precisely.

Mr. RAYNER. And the court decided that there must be geographical uniformity, and that the case did not come under the income-tax provision. I am entirely familiar with that case.

Mr. SUTHERLAND. In addition to that, the Supreme Court in that case considered the question as to whether the tax was valid, because the entire control of the devolution of inheritances was under state authority. The court, in discussing that case, if the Senator will permit me, uses this language; which, it seems to me, is very apt to the point the Senator is now discussing:

But the fallacy which underlies the proposition contended for is the assumption that the tax on the transmission or receipt of property occasioned by death is imposed on the exclusive power of the State to regulate the devolution of property upon death. The thing forming the universal subject of taxation upon which inheritance and legacy taxes rest is the transmission or receipt, and not the right existing to regulate.

Mr. RAYNER. I recollect that language.

Mr. CUMMINS. May I interrupt the Senator just once more?

Mr. RAYNER. As often as the Senator pleases.

Mr. CUMMINS. Lest I might by some possibility be misunderstood, let me say that the decision in the California case rested, as the Senator will presently show, upon the tax levied by the State of California upon the Central Pacific Railroad Company. I want it thoroughly understood that my assent to the doctrine announced by the Senator from Maryland, and supported by the Senator from Texas, is limited to the suggestion that the franchise granted to the Central Pacific Railroad Company by the United States was such a franchise as could not be interfered with by the State; and that the Central Pacific Railroad Company, in the performance of its business or duties, was exercising such a function of the Federal Government as removed its franchise from interference upon the part of the State by taxation or otherwise.

Mr. RAYNER. The Senator is perfectly right about that.

Mr. CUMMINS. And therefore the question must be determined in each instance as it applies to a particular corporation.

Mr. RAYNER. Let me finish this case, and let me examine that line of cases. If I do not give them correctly, the Senator from Iowa will correct me. Just let me finish these few lines from the case of the Veazie Bank *v.* Fenno. I think the Senator is perfectly right in his construction of the cases, and it is a most interesting point. The court say:

We do not say that there may not be such a tax. It may be admitted that the reserved rights of the States, such as the right to pass laws, to give effect to laws through executive action, to administer justice through the courts, and to employ all necessary agencies for legitimate purposes of state government, are not proper subjects of the taxing power of Congress. But it can not be admitted that franchises granted by a State are necessarily exempt from taxation; for franchises are property—

I do not cite this case for that portion of it—

often very valuable and productive property; and when not conferred for the purpose of giving effect to some reserved power of a State, seem to be as properly objects of taxation as any other property.

I am not prepared to say, without any further elucidation by the court, that I would go as far as this. I will tell you what has given me trouble in this case; and I should like to understand from the Senator from New York whether he agrees with me upon that point. I do not believe, if this was a tax levied upon a charter, that it would be a good tax. I do not think, if we were to pass a law here levying a federal tax upon a state charter, upon the power of a State to grant a charter, that that would be a valid tax. I do not know what the opinion of the Senator from New York is upon that point. I draw a clear distinction between a tax levied upon the power of a State to grant a corporate charter and a tax levied upon the business of the corporation to which it grants the charter.

Mr. CUMMINS. I agree to that distinction.

Mr. RAYNER. The Senator from Iowa has all these points under consideration, and we come now—and I will dispose of them in a moment—to just that line of cases. Let us look at them a moment. The State can not invade the functions of the Federal Government, and the Federal Government can not invade the functions of the State. The Government has its powers under the Constitution; the State has its reserved rights, and it would have its reserved rights if the tenth amendment had never been adopted. The tenth amendment never conferred upon the States their reserved rights, because the States possessed those reserved rights. All the tenth amendment did was simply to confirm them; for the States had the reserved rights without the confirmation.

A State can not tax the functions of the Federal Government. I have here Judson on Taxation, a book written by an eminent lawyer of Missouri, who was, I think, the colleague of Mr. Harmon. Strange to say, he is not related to him, but his last name is Mr. Harmon's first name. They were the gentlemen that went out of the government cases, I think—Harmon and Judson. But, at any rate, Mr. Judson is a distinguished lawyer, and he wrote this book on taxation. I have looked at it, but he does not give a full report of the cases.

One of these States taxed the franchise of the Pacific Railroad. The Supreme Court held that they had no right to tax the franchise of the Pacific Railroad, because it was a government franchise. One of the other States taxed the roadbed and other property of the corporation. What did the Supreme Court say? As I recollect, the Supreme Court said that the first tax was unconstitutional and the second tax was constitutional. Why? Because the tax upon the roadbed of a railroad, while it might ultimately destroy the governmental franchise of the railroad, was nevertheless primarily a tax upon the property of the road—though it might operate from a secondary point of view upon the franchise of the road, it was valid.

I am satisfied in my own mind that this is not a tax upon the franchises of a State. If it were, I should never stand here and vote for it. I should lift my voice in a humble protest against such a proposition as that, because, I want to say in conclusion, I have always been what is known as a "States-rights Democrat." I am not ashamed of the title; I am proud of it. I represent one of the original States that signed the covenant, and it is that covenant that ties the Constitution in the bonds of eternal unity. That covenant must be kept sacred and inviolate. On that rock we stand. When that rock disintegrates we perish. Every crumbling fragment of it imperils the Republic. And if during the time I have been in this body I have accomplished no other purpose than that of slightly impressing upon the rising generation that this covenant must be kept intact in all its essential parts and that the reserved rights of sovereign States must be kept inviolate and unprofaned, then I am satisfied with that accomplishment, if I shall never receive another honor at the hands of my countrymen.

Mr. BRANDEGEE. Mr. President, I was called from the Chamber and returned only in time to hear the Senator state that the Government can not tax a franchise granted by a State, but can tax the right to do business under that franchise. I should like to ask the Senator if he can distinguish those two things, with this in view: I had supposed that the franchise is simply the right to transact the business, and I should like to have him draw the distinction between those two things.

Mr. RAYNER. Of course, I had no case in mind except the Fenno case; but I will state my view. I am not sitting in this matter as a judge. I may be mistaken. What are our opinions worth? No one knows what the Supreme Court of the United States is going to decide upon questions of this sort. If you levy a tax on the charter, if you say here that you will tax every charter granted by every State to every corporation, I do not think that would be a good tax. That is my opinion; I do not know. I will state my own judgment. I may be wrong; and I should like to hear the opinions of the Senator from Connecticut and other Senators.

If the Senate committee's amendment had been that the Government lay a tax of 2 per cent upon every charter granted by every State, and measured it by the amount of its capital stock, but laid it upon the charter, upon the right of the State to grant that charter—in other words, if the corporation could not go into existence, not simply into operation, but could not go into existence; if the government tax was a condition precedent that had to be complied with before the charter of the State was valid, I should hold that to be clearly an unconstitutional tax. And to a discriminating mind the proposition is plain that there is a difference between a tax of this sort and a tax levied upon the business of a corporation, to be collected under penalty, and not by forfeiture of its charter, after the corporation goes into existence.

Mr. BRANDEGEE. Of course I did not mean, Mr. President, that the Senator should prophesy what the court would decide. I meant to ask how he would distinguish the two cases in his own mind.

Mr. RAYNER. That is the distinction that lies in my mind.

Mr. BRANDEGEE. Let me ask this question: When the Senator stated that the Government could not tax a charter granted by a State, did he mean that it could not tax it in the hands of the State, or in the hands of the recipient of the charter?

Mr. RAYNER. In the hands of the recipient.

Mr. BRANDEGEE. If the Senator means that, I entirely fail to see how he distinguishes between the right of the Government to tax the charter, which is nothing but the right to do business, and the right of the Government to tax the right to do business.

Mr. RAYNER. One is a forfeiture of the charter and the other is not.

One forfeits the charter upon a condition precedent; the other collects a penalty upon failure to comply with a condition subsequent. That is the best way I can put it professionally to the Senator from Connecticut. The Senator from Connecticut understands, and the Senator from New York will fully appreciate, the difference between conditions precedent and conditions subsequent. One says to the State: "You can not give this charter unless the recipient of your bounty pays a tax." The other says to the corporation: "After you go into business you must pay a tax upon your operations to the Government; otherwise we will make you do it under a penalty of the law."

Mr. BRANDEGEE. But, Mr. President, suppose the Government attempts to impose the tax upon the charter after it has been accepted, and there is no condition precedent about it?

Mr. RAYNER. I am not prepared to say what would be the result if, after the charter had been granted, the act read that the tax should be imposed upon. I am not prepared to pass upon that hypothetical question. These are all hypothetical questions. What do our opinions amount to? If the tax were placed upon the charter after the charter had been granted, measured by the net gains of the corporation, I am not prepared to say whether or not that would not still come within the exception of the Income Tax case.

Mr. CUMMINS. Mr. President——

The PRESIDING OFFICER (Mr. KEAN in the chair). Does the Senator yield?

Mr. BRANDEGEE. Mr. President, I was simply going to observe that it seems to me that is just what is attempted to be done in this case.

Mr. RAYNER. Not at all. This is a tax upon the business privilege of a corporation; and the tax is to be measured by the net gains of the corporation. It is upon the business privilege of the corporation; and, as the Senator from Iowa said over and over again, you can place such a tax upon the business of an individual. There is not a particle of difference between the two.

Mr. CUMMINS. Precisely.

Mr. RAYNER. You can not make any distinction; you have a perfect right to do with an individual what you can do with a corporation.

Mr. CUMMINS. Mr. President——

The PRESIDING OFFICER. Does the Senator from Maryland yield to the Senator from Iowa?

Mr. RAYNER. I have finished, Mr. President. I yield the floor.

Mr. CUMMINS. I hope the Senator from Maryland will not yield the floor for just a moment, because I think it will help him to apply the principle he has announced if I read the law upon which the California case arose.

Mr. RAYNER. There is one thing, Mr. President, that I want distinctly understood. I do not want any mistake about it, publicly or privately. That is, I am only trying to justify my vote. I do not like this amendment at all. I am going to vote for the income tax, and I am going to give it all the earnest, sincere, and zealous support that I can. I think it is an honest and a fair tax. I am simply justifying my vote when I am driven to the wall and compelled either to vote for this or to vote for nothing. And that is the reason I have made this argument here to-day.

Mr. CUMMINS. I think I understand fully the position of the Senator from Maryland. But we have reached an interesting question of law here. I do not rise to deliver an address, because I intend presently to make some observations upon the address of the Senator from New York. But before the Senator from Maryland abandons the floor I want him to know specifically just what the law was in the California case; for I know he will then be able to apply the principle so that we can easily see the distinction which is sought to be made.

In California, as in many States, the taxes are assessed generally through local officers; but railways and the like are assessed by a state tribunal; and that is probably distributed through the various counties. This is the law:

> The franchise, roadway, roadbed, rails, and rolling stock of all railroads operated in more than one county in this State shall be assessed by the state board of equalization as hereinafter provided for. Other franchises, if granted by the authorities of a county, city, or city and county, must be assessed in the county, city, or city and county within which they were granted.

Under that statute the state board of equalization assessed the Southern Pacific Railway Company, or the property of the Southern Pacific Railway Company. The Supreme Court of the United States held that to be unconstitutional because the State had no power to assess the franchise of the Southern Pacific Railway Company, which is, of course, its right to do business as a railway company.

Mr. ROOT. Mr. President, I think proper respect for the gentlemen who have engaged in the discussion of the precise language of the first paragraph of this measure this morning should lead me to say a word regarding the origin of that language and the scheme of the draftsmen in phrasing the bill as they did. I think it will be seen that it is not a question whether the particular words used are the best words, whether "for" or "upon" are better words than "with respect to." I think it will be seen that there can not be any such question here.

Senators will recall the words which have often been read here as used by the Supreme Court in the Income Tax cases. The Supreme Court said:

> We have considered the act only in respect of the tax on income derived from real estate and from invested personal property, and have not commented on so much of it as bears on gains or profits from business, privileges, or employments, in view of the instances in which taxation on business, privileges, or employments has assumed the guise of an excise tax and been sustained as such.

Out of that language plainly grew the provisions of the act of 1898, the war-revenue act. The income-tax decision was rendered late in 1894 or early in 1895. I think the argument of the first case was in December, 1894, and the decision of the second was in the spring of 1895. Three years after that, when Congress came to draft the war-revenue act, it took advantage of the opening thus exhibited by the Supreme Court in the paragraph I have read and drew the clause imposing a tax upon companies doing the business of refining petroleum, of refining sugar, and so forth.

The measure which is before us reproduces, ipsissimis verbis, the words of the war-revenue act imposing duties upon companies engaged in refining sugar—that is, so far as the description of the imposition of the tax went as an excise tax. Those words were:

> That every person, firm, corporation, or company carrying on or doing the business of refining petroleum, or refining sugar, or owning or controlling any pipe line for transporting oil or other products, whose gross annual receipts exceed $250,000, shall be subject to pay annually a special excise tax equivalent to one-quarter of 1 per cent on the gross amount of all receipts of such persons.

And so forth.

It will be perceived that there Congress does not say anything about what the tax is imposed on. It does not say it is a tax for anything or a tax upon anything. It says that the persons and corporations engaged in doing a particular business shall be subject to pay——

Mr. BRANDEGEE. Mr. President——

Mr. ROOT. Will the Senator permit me to finish first? Then I will yield.

Mr. BRANDEGEE. Certainly.

Mr. ROOT. The act says that the persons and corporations engaged in doing a particular business shall be subject to pay a special excise tax equivalent to one-quarter of 1 per cent upon receipts. That language is reproduced in this measure. It is:

> That every corporation * * * organized for profit and having a capital stock represented by shares, and every insurance company * * * engaged in business in any State or Territory of the United States * * * shall be subject to pay annually a special excise tax * * * equivalent to 2 per cent upon the entire net income.

There is added to that language another expression, quite superfluous it may be, but an expression taken from the language of the court used in describing the character of the tax which was imposed by the war-revenue act. And that language of the court is:

> Clearly the tax is not imposed upon gross annual receipts as property, but only in respect of the carrying on or doing the business of refining sugar.

That language is put into this measure, being added to the language of the war-revenue act which was passed upon by the Supreme Court in the Spreckels case. So that we have here the language of the act which the Supreme Court passed on in the Spreckels case; and we have, added to the language of that act, our legislative declaration that the tax is of the character which the Supreme Court declared the tax in the Spreckels case to be.

I think that this language which we have added, "with respect to the carrying on or doing business by such corporation, joint-stock company, or association," is, perhaps, superfluous. I think it is probably unnecessary to the perfection of the act, but I think it does strengthen the act. I think it does obviate the possibility that any court should ever have any doubt that Congress meant this to be exactly what the court in the Spreckels case said the tax was:

> Clearly the tax is not imposed upon gross annual receipts as property, but only in respect of the carrying on or doing the business.

For this reason, because of the origin of these two expressions, the one embodying the language of the statute passed upon in the Spreckels case and the other embodying the language of the Supreme Court in describing the character of the tax in the Spreckels case, the question before us is not one of changing words. If that were done, the whole purpose, the whole object with which the clauses are introduced, would be lost. We should take those clauses as they are, or not take them. We can leave out what the court said in the Spreckels case; but if we put it in, we should put it in in the language of the court, for to change it takes away all of the purpose of employing any phrase at all.

And as I think, Mr. President, that this clause adds an element of strength, decreases the possibility of misunderstanding of our purpose, and is a legitimate declaration of legislative intent, following the judicial declaration of the intent of a similar statute, it seems to me the wisest course for us to pursue is to leave the measure as it was framed.

Mr. BRANDEGEE. Mr. President——

The PRESIDING OFFICER. Does the Senator from New York yield to the Senator from Connecticut?

Mr. ROOT. Certainly.

Mr. BRANDEGEE. I have been trying to get an idea as to whether this tax is imposed upon the corporation because it is doing business, is imposed upon its business, or is imposed upon the corporation. The Senator from New York has pointed out very clearly what is evident to all—that the act does not say "that a tax is hereby imposed upon a corporation," or that it "is hereby imposed upon a business" or "the transaction of its business" or "its net income." But it does say that "every corporation * * * shall be subject to pay * * * a special excise tax with respect to the carrying on * * * business."

I can not conceive that that language means anything else than "because it is carrying on business." I think the Senator from New York will agree with me that the tax is imposed upon the corporation because it is doing business. He states that the language "with respect to the carrying on" of its business may possibly be superfluous, as it seemed to me this morning. I have no objection to the language if it is simply descriptive, but my suggestion this morning was that I thought it could be made perfectly evident that the tax is imposed on the corporation because it is transacting the business it has been chartered to perform.

Mr. CUMMINS. Mr. President, may I ask a question of the Senator from Connecticut [Mr. BRANDEGEE] or the Senator

from New York [Mr. ROOT]? I have no great concern about the precise words that are used here. I agree entirely with the Senator from New York that it does not make any difference. The essential question is, "What are you trying to do?" It is answered, "He is trying to apply the principle of the Spreckels case."

Congress, in looking around for an object of taxation, believed that those who were engaged in the business of refining oil or that of refining sugar could well bear a tax, because, I assume, of some peculiarities relating to those kinds of business. It therefore imposed a tax upon the business, or upon those engaged in the business, of refining oil and refining sugar.

But let us see with respect to the present measure. Congress does not in this case select any kind of business which it believes ought to bear a tax. It does not impose any tax upon all the persons who are engaged in any kind of business. It selects corporations or joint-stock companies. If I were sitting as a judge, if I did not believe this to be a tax upon property, I should hold it to be a tax on property or on income; and I should sustain it as constitutional, because I believe it to be constitutional. But if I were driven to the position of holding it to be a tax on business, then I should be compelled to hold it to be a tax upon the business of being a corporation—a tax upon the business because it is carried on by a corporation; not because the business has any peculiarities or characteristics or is able to afford a revenue, but because it is conducted by a corporation. And when we are driven to that point in the argument the tax becomes one upon the franchise of the corporation; and under the decision which I think is the last expression of the Supreme Court upon the subject it becomes unconstitutional, as is admitted on almost all hands.

I want to say that much in reply to the suggestions that have been made here with regard to mere words. I do not believe it makes any difference what words we use, because the court will, as it always has and as it always ought to, reach in beneath the husk and discover the real purpose of Congress.

Mr. ELKINS. Mr. President, I should like to ask the Senator from New York just what the words "with respect to the carrying on or doing business" mean? I should like to put that question to him. If he were a judge on the bench or speaking as a distinguished Senator and able jurist, what would he say those words meant? Ordinarily he would say: "Why, they are very clear." But they are causing a great deal of trouble in this discussion, and I should like to have the Senator state what he thinks or knows they mean.

Mr. ROOT. Mr. President, I do not want to contribute to the trouble. I think there is altogether an unnecessary amount of trouble on the subject, and I do not think I can make the words any clearer by any gloss or explanation of mine. I think we all know what the carrying on of business means. I should despair of trying to make it any clearer.

Mr. BACON. As the Senator is being interrogated as to the meaning of these words, I should like to have his understanding of certain words the construction of which are somewhat doubtful to my mind. The Senator has quoted from the income-tax decision this phrase from the Chief Justice which is quoted in the Spreckels case. The Senator has read it. The first two lines are these:

> We have considered the act only in respect of the tax on income derived from real estate and from invested personal property.

I should like to know what the Senator understands to be the meaning of the words "from invested personal property" in that connection? I want to say to the Senator, I am not asking the question simply from idle curiosity, but in view of some other questions connected with this case which those words might throw some light upon. I will say that I have never been able to clearly understand what the court meant in that particular connection. Of course we all understand what invested personal property is, but what classification did the Supreme Court have in mind when it used in the connection "of an income derived from real estate and from invested personal property?"

Mr. ROOT. Mr. President, I think there is a clear line between the two kinds of treatment of personal property, and I assume that the court had that line in mind. There may be, first, an investment in personal property which is not used by the investor, as to which he is passive.

The purchaser of bonds remains quiescent and receives the interest from time to time as it accrues and is paid. The lender of money upon bonds and mortgages does the same, and the lender upon notes does the same. That kind of income which is not associated with any activity or any use on the part of the owner, I understand to be the income from invested personal property which the court had in mind in the first part of the clause, while on the other hand personal property is widely used and must be widely used in the activities of life. The workman uses his tools, the merchant his stock of goods, buying and selling and transporting, taking it from the place where it is worth but little to the place where it is ready for the uses of mankind. The great body of the business of life is done by dealing with personal property on the basis of real property; and that kind of investment, the ownership of the tools, the implements, the materials used in the activities of business life, I understand to be the subject of the second part of the clause.

There was the difference between the two that I think led the court to say that they have considered only the tax on incomes from invested personal property and had not commented on so much of it as bears upon the gains or profits from business privileges or employment.

Mr. BACON. Now, if the Senator will pardon me a moment, we recognize that the general language "invested personal property" would cover not only investments in bonds and things of that kind, to which the Senator has alluded, but would cover investments in all other kinds of personal property. If I understand the Senator correctly, his idea is that the intention of the court was that that absolutely idle property, upon which men live without effort by simply clipping coupons, was intended by the law to be beyond the reach of Congress to tax, whereas all the property which goes into the great activities of life may be subjected to onerous taxation. Is that the view of the Senator?

Mr. ROOT. I think, under the decision in the Pollock case, the property which the Senator speaks of as idle, which is only idle for the investor——

Mr. BACON. That is what I am speaking about.

Mr. ROOT. Of course, it is the representative of somebody else's activity, and I think it is protected against taxation now according to the rule of apportionment, while the other, being incidentally employed in connection with the business of life, is subject to an excise tax or duty, whatever it may be called, which is free from the rule of apportionment.

Mr. BACON. The result is that this property which is thus represented by bonds is practically to be exempted for all time from taxation, because if that interpretation is correct, bonds could only be taxed through apportionment, and we know that on account of conditions which have been explained here in this argument taxation through apportionment is practically impossible.

It will never be resorted to because of its gross inequality; one section would be so much more taxed per capita than another, and one particular locality so much more under direct apportionment than it would be under an ad valorem. Then the natural and necessary result is that the property which I have denominated as idle property, and which I do not think I have incorrectly denominated, is to be for all time exempted from taxation, whereas the class of property which enters into the great activities of life, and out of which our prosperity is to be developed is the property which will be exclusively hereafter burdened with taxation.

I speak of the investment of bonds, and so forth, as the idle property. In a sense, of course, it has been created by great industry and great labor, but taxation at last falls upon the man who owns the property, and the man who owns the bonds and who is himself not engaged in the industry which produces the interest out of which he lives is absolutely to escape, so far as that particular investment is concerned, though he lives upon the use of the labor of others. For myself I am not willing to subscribe to any proposition which will lead us to so very undesirable a result as that.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Rhode Island [Mr. ALDRICH].

Mr. ELKINS. I will ask the Senator from New York, if he is in charge of the measure, if 1 per cent would not be enough instead of 2? I should like to have somebody answer as to the amount of revenue that would be derived from 2 per cent and the amount to be derived from 1 per cent. I do not see any member of the committee here, and I should like to have the Senator from New York state if any attention has been drawn to the matter as to how much revenue would be produced with 2 per cent and if we could do with 1 per cent.

Mr. ROOT. I took occasion yesterday to make some remarks upon the woeful lack of information that we have here at the seat of government regarding the corporate interests and activities of our country. I think the question put by the Senator from West Virginia served to enforce what I said. We ought to have here definite, well-ascertained, and tested information which will enable us to answer such questions. But we have not. The best means by which we could get a result was by

taking unofficial figures that had been published in various magazines and made up by gentlemen who are interested in the subject, and the estimate which the President gave of $25,000,000 seemed to be a reasonable estimate. But there are so many unknown quantities that it is not much more than a guess, and no one can speak definitely.

Mr. ELKINS. I see the chairman of the committee is in the Chamber now, and I will ask him the question that I put during his absence to the Senator from New York. What amount of revenue will 2 per cent bring, and could we not get on with 1 per cent? I think, outside of this amendment and without resorting to special taxes at this time, there are other custom and internal taxes that would raise all needed revenue.

Mr. ALDRICH. As the Senator from New York has just said, it is very difficult to make any accurate estimate of the revenue which would be derived from this tax. My own estimate would be at least twice that of the President. I think it will produce at least $50,000,000 per annum, and I am inclined to think more than that. It is quite impossible, however, to say just what revenue would be produced.

Of course, in response to the other question about 1 per cent, the Senator from West Virginia realizes that my own estimate of the amount of revenue to be produced by the measure itself, with the changes that have been made in the Senate, is that we shall have sufficient revenue without any additional taxes. So it is impossible for me to say whether $25,000,000 or $50,000,000 additional should be required. Of course, for this fiscal year there was a deficit outside of the canal of $60,000,000. I estimate that there will be a deficit the next fiscal year of approximately $40,000,000. It is my impression that beyond that the bill itself will take care of any expenses that are now in sight. Of course, involved in that question is as to what the course of Congress is to be with reference to expenditures. If we are to enter upon a new era of extravagance or of enlarged extravagance, no revenues that are now in sight will be sufficient to meet the expenditures of the Government. If, as I hope and believe, we are to enter upon an era of intelligent economy, then I believe that the revenues to be derived from the bill as it now stands will be sufficient to meet all the expenditures of the Government.

Mr. ELKINS. Just one more question, if the Senator will allow me. With the other ways of raising revenue, placing duties on many other products, would not 1 per cent be safe under the Senator's estimate, and he knows more, I think, about this question than anybody connected with the making of this bill?

Mr. ALDRICH. I should not be willing at this moment to make an estimate of that kind or to state. I will say that I am engaged in making some inquiries along several lines with a view of making a more intelligent estimate, or approximate estimate, of the income to be derived from this tax than I am now able to make. I hope before the bill passes from the consideration of the Senate to be able to state in a more definite form an estimate of the revenue to be expected.

Mr. CUMMINS. Mr. President——

Mr. BRISTOW. Will the Senator from Iowa yield to me for a minute or two?

Mr. CUMMINS. I yield to the Senator from Kansas.

Mr. BRISTOW. Mr. President, I desire to read two letters that I have and make some observations bearing upon the question now before the Senate. A hardware merchant in the State of Kansas writes me as follows:

> We are a corporation, doing business beside a firm that does about the same amount of business that we do. We will be taxed at the rate of probably $1,000 per year, and our competitors will pay nothing. I am not sufficiently posted to discuss the constitutionality of such a measure, but certainly there is no equity nor justice in a measure of this kind.

I have also a letter from a gentleman engaged in the dry goods business, and in that letter he says:

> Is it fair and consistent with the American idea of fairness and a "square deal" to tax our net earnings—taxes which will come out of the dividends to our stockholders, very many of whom are men in very moderate circumstances and working every day for a living and the support of their families—simply because we are doing business under a charter, while a neighbor doing business as an individual or under a copartnership is entirely free from said tax? And further, does the proposition reach the very wealthiest citizens, such as Rockefeller and Carnegie, whose holdings are not in stocks of corporations, but in bonds? * * *
>
> We have neighbors on either side of us, one doing business as a copartnership, the other as a private individual. Both are engaged in mercantile business, each employing about the same capital as ourselves, yet under the proposed law we would be compelled to pay 2 per cent of our net earnings, but they would pay nothing. Would they not as a result of this very law have an undue advantage over us simply because we are conducting our business under a charter and they are not?
>
> You may ask the question, Why are we, then, doing business as a corporation? Simply because it furnished a way for us to allow some of our employees of small means to become interested in the business by allowing them to become shareholders.

Now, Mr. President, I am told by the lawyers that the advantage of doing business as a corporation is sufficient recompense for this additional tax that is being imposed. I am sorry I can not agree with the lawyers. I will not undertake to discuss the constitutional questions involved, for I but poorly comprehend the fine technical distinctions that are made here between the different plans that are alleged to be constitutional and unconstitutional; but I believe I do know that when two men are engaged in identically the same business in the same community, selling goods to the same people for practically the same prices, under similar conditions, and one man prefers to do business under a charter and let his employees share with him the profits of that business, it is not right or just for the Government of the United States to impose upon him a tax and relieve his competitor, who may be doing business as an individual or copartnership, from that tax.

The Senator from New York [Mr. ROOT] yesterday said that an income tax would be unfairly distributed, because the States of New York, Massachusetts, and some other of the eastern States that are densely populated would have to pay a larger share than western States. If the western Senators representing States in this body will think for a moment, they will conclude that an income tax on the incomes of individuals exceeding $5,000 would raise more revenue for the Government from the State of Kansas than this tax law, because there will be more men who will pay it. It would then include the bondholders and those who have large fortunes that are not reached by this tax. It would more equitably distribute the burden as to population than this corporation tax.

Senators, it is not my purpose to discuss this question. I have read from these letters and made these observations to give the reasons why I do not intend to vote for the amendment offered by the Senator from Rhode Island. I vote against it because I believe it is unjust; that it is wrong; that it is an unequal tax; that it places burdens that are not equitable; and I can not vote for it believing, as I do, that it would be an injustice to many of my constituents.

Mr. DAVIS. Mr. President——

The PRESIDING OFFICER. Does the Senator from Iowa yield to the Senator from Arkansas?

Mr. CUMMINS. I yield to the Senator from Arkansas.

Mr. DAVIS. Mr. President, the correspondent of the Senator from Kansas [Mr. BRISTOW] seems to overlook the advantage of a corporation over the private individual. While his two neighbors, one upon the right and one upon the left, engage in a partnership and each as a private individual escapes the burden of this taxation, he must remember that he escapes liability for the debts of the copartnership except to the extent of his stock.

I am opposed to the amendment of the Senator from Rhode Island as a substitute for the income tax, but I shall vote for it should the income tax fail—in other words, I choose the lesser of the two evils. We find that the corporations of the country are invading every avenue of business and trade. In my State we have trust companies formed for the purpose of transacting every kind and character of business. They administer upon your estate; they are guardians for your children; they absolutely carry their business to such an extent that it closes up the avenue of every individual effort. The individual is entirely destroyed and the law-made creature takes his place. Whenever an individual seeks an opportunity for employment or for business, he finds the door closed to him by the law-made creature, the corporation.

My stand, Mr. President, is that if we can not tax all the corporations, we should tax just as many of them as we can. If you can not tax the big ones and the little ones, too, then tax the little ones. Get them all, if you can; if you can not get them all, get the biggest number that you can. That is my principle. If we can have the income tax, let us have that.

I shall vote, first, against the amendment of the Senator from Rhode Island as a substitute for the income tax; then, if it is substituted, I shall vote for it as a substitute.

Mr. BACON. Mr. President——

The PRESIDING OFFICER. Does the Senator from Iowa yield?

Mr. CUMMINS. I yield.

The PRESIDING OFFICER. Does the Senator yield the floor?

Mr. CUMMINS. I yield to the Senator from Georgia.

The PRESIDING OFFICER. Does the Senator yield the floor?

Mr. BACON. As the question is raised, I will not ask the Senator to yield.

Mr. CUMMINS. I am quite willing to yield to the Senator from Georgia for any purpose whatever.

Mr. BACON. I am quite sure of that.

The PRESIDING OFFICER. The Senator from Iowa will proceed.

Mr. CUMMINS. I suggest the absence of a quorum.

The PRESIDING OFFICER. The Secretary will call the roll.

The Secretary called the roll, and the following Senators answered to their names:

Aldrich	Clark, Wyo.	Gallinger	Page
Bacon	Crawford	Gamble	Perkins
Borah	Cullom	Gore	Piles
Bourne	Cummins	Guggenheim	Rayner
Brandegee	Curtis	Heyburn	Root
Briggs	Daniel	Hughes	Scott
Bristow	Davis	Johnson, N. Dak.	Shively
Brown	Depew	Johnston, Ala.	Smoot
Bulkeley	Dick	Jones	Sutherland
Burkett	Dillingham	Kean	Taliaferro
Burnham	Dixon	Lorimer	Taylor
Burrows	Dolliver	McLaurin	Warner
Burton	Elkins	Money	Wetmore
Carter	Fletcher	Nelson	
Chamberlain	Flint	Overman	
Clapp	Frye	Owen	

The VICE-PRESIDENT. Sixty-one Senators have answered to their names. A quorum of the Senate is present.

Mr. BACON. Will the Senator from Iowa yield to me for just a moment?

The VICE-PRESIDENT. Does the Senator from Iowa yield to the Senator from Georgia?

Mr. CUMMINS. I yield to the Senator from Georgia.

Mr. BACON. Mr. President, I desire to offer an amendment to the amendment of the Senator from Rhode Island [Mr. ALDRICH]. I do not now ask that the question be decided whether it can be properly offered at this time; but I desire to have the amendment read, and whenever it is in order I shall offer it.

The VICE-PRESIDENT. The Senator from Georgia now presents an amendment for information, to be read and printed in the RECORD.

Mr. BACON. I do.

The VICE-PRESIDENT. The proposed amendment will be stated.

The SECRETARY. It is proposed to insert at the conclusion of the first paragraph of section 4 of the amendment proposed by Mr. ALDRICH the following:

Provided, That the provisions of this section shall not apply to any corporation or association organized and operated for religious, charitable, or educational purposes, no part of the profit of which inures to the benefit of any private stockholder or individual, but all of the profit of which is in good faith devoted to the said religious, charitable, or educational purpose.

Provided further, That the provisions of this section shall not apply to incorporations or associations of fraternal orders or organizations designed and operated exclusively for mutual benefit or for the mutual assistance of its members.

Provided further, That the provisions of this section shall not apply to any insurance or other corporation or association organized and operated exclusively for the mutual benefit of its members, in which there are no joint-stock shares entitled to dividends or individual profit to the holders thereof.

Provided further, That the provisions of this section shall not apply to any corporation or association designed and operated solely for mercantile business the gross sales of which do not exceed $250,000 per annum.

Mr. BACON. I want to make, with the permission of the Senate, the explanation that I have broken the amendment up into several different provisos, so that they may be, if so desired, separately voted upon; otherwise, if any of them should be adopted, the amendment would have to be recast so as to make it simply one proviso. The purpose of making several provisos was, what I have indicated, that the Senate might pass upon them separately.

Mr. CUMMINS. Mr. President, I have already sufficiently taxed the patience of the Senate, I am sure; whether it be directly or indirectly, it is not for me to say, but I can not allow this debate to come to a conclusion without saying a word with respect to certain views advanced by the Senator from New York [Mr. ROOT]. It is to be very much regretted, I think, that those views were not brought before the Senate when this amendment was originally launched, for if they had been I believe that the debate that has ensued would have been very materially limited.

I care nothing about that charming chapter or recitation respecting the genesis of this measure. I am a great deal more concerned in its exodus than I am in its genesis. I have not accused anyone nor shall I accuse anyone of inconsistency with respect to its origin or to its progress. I have little concern anyway about consistency. As I remember, Mr. Emerson once said that consistency is the hobgoblin of small men and mean minds; and I never pause to inquire whether the advocate of a particular measure has been consistent or inconsistent, for I am always ready to assume that the position taken at the time is taken at the suggestion of conscience and of judgment. However, I do desire to review very briefly some of the arguments which have been submitted. I say now if I am unmolested I shall not occupy the time of the Senate more than thirty minutes. Mark you, I do not forbid interruptions, for I shall receive them as they come; but if I am unmolested I shall endeavor to conclude within the limit I have suggested.

The Senator from New York, in that delightful way of his—and it is always a charm to listen to his words and to witness the operation of his mind—expressed several objections to the general income-tax amendment for which I stand. I do not intend to take them all up, but I do intend to refer briefly to three of them.

The first—and it seems to me the one which is nearest his heart—related to the impropriety of passing a law that challenged the decision of the Supreme Court; and he painted a picture, from which we instinctively shrank as we looked upon it, which in glowing colors seemed to portend a great campaign if the general income-tax law should find favor in Congress; that it would be followed by a fierce, hot campaign among the politicians or statesmen of the country in every State, and that their thunders and their clamors would knock at the door of the Supreme Court for the purpose of overcoming the integrity and stability of the members of that exalted tribunal; that the newspapers would pour out their criticisms upon the law or their plaudits upon the law; that those criticisms and those plaudits would find their way into the chambers of the Supreme Court and there assault the citadel of judicial virtue, and that we would have the spectacle of this tribunal deciding a great question of constitutional law under the influences thus aroused.

I compliment the Senator from New York upon the effective way in which he painted this picture, but I am sure it is but the product of his fancy. If we were to pass this law, the United States would go quietly on; there would be no campaign; there would be no issue in political parties respecting it; there would be no storm, but there would be calm everywhere; and in the end, when the case reached the Supreme Court, it would be presented in the dignified manner common to the practice before that tribunal; and the judges, whose tenure of office is secure, who are beyond the influence of the political world, would decide the case according to the justice and the reason of the law. There would not be, as I view it, a single wave of unrest passing over the sea of our life or of our business. Our confidence in this great tribunal would remain unimpaired, because that confidence exists, notwithstanding our knowledge that it may at times mistake the law, that it may at times employ false reasoning, and that it may at times reach unsound conclusions. I beg that you will put away the suggestion that there is any impropriety in asking this tribunal again to examine, again to determine, one of the most vital powers conferred upon Congress by the Constitution of our fathers.

The Senator's next objection to the general income-tax amendment was that it had a tendency to array the East against the West, especially that part of the income-tax provision which exempted incomes not in excess of $5,000. Again, I believe he did scant justice to the intelligence and the patriotism of the American people. I believe that we are strong enough to rise above these accidents in the distribution of wealth. It happens that a great proportion of the accumulated wealth of the United States lies within a narrow compass of our country geographically; it happens that these vast and swollen fortunes, in which many thinking men and many profound statesmen find a menace to our institutions, lie in the eastern portion of our territory. It is naturally so, because in the East is found the cradle of our business, and the progress and the development of the West are but the children of the activity and enterprise of the East. There is no prejudice in the portion of the country from which I come either against wealth, or against wealth because it finds its home chiefly along the eastern border of our land. If, however, we are to tax wealth—if that be our purpose—we must tax it where we find it. It can not be removed from the East to the West; and if we are always to allow wealth to escape, if we are to allow it to shift, if you please, the burden that it ought to bear in the affairs of government, because to tax it is to impose burdens greater in the East than in the West, then we will never tax wealth in proportion to its distribution.

The amendment for which the Senator from New York stands at this moment will do measurably what he claims the general income-tax amendment would do. It will rest more heavily upon the East than the West; and so far and to the extent that we tax wealth it must always so rest until we transfer—as I hope we will some day—the scepter of financial power to the Mississippi River Valley, and then I pledge you that its inhabitants will not ask that wealth be exempted from taxation

or from its burdens because it has found its home upon the prairies of the western country.

The Senator's next objection was that the general income-tax amendment made no discrimination between earned and unearned incomes. I grant you that is a just criticism. The Senator from New York may recall my own view upon that subject expressed to him personally. I believe that there should be a discrimination between earned and unearned incomes. I believe also that there should be graduated taxes on incomes; but I found when I came to ascertain the sentiment of Senators that these propositions seemed somewhat socialistic to them, and therefore, desiring to create no further or greater objection than was necessary and to secure an announcement of the general principle, these modern, these intelligent conceptions of taxation were omitted from the measure as I introduced it; but I will join the Senator from New York at any time in putting into the law these clearly just provisions, these discriminations between the income which is the result of the work of the mind or the result of the immediate work of the hand from the income that arises from long-invested capital.

But I dissent from the Senator from New York wholly in his proposition that the plan of the committee accomplishes this difference or this distinction between earned and unearned incomes. You will remember that it was his proposition that a tax upon the net incomes of corporations imposed a tax upon unearned incomes rather than upon earned incomes, and exempted that active, restless capital which constitutes the real progress of our industrial and commercial world. I dissent from that proposition. On the contrary, I believe that the tax levied upon the net incomes of corporations taxes the very capital and the very incomes that the Senator from New York was so desirous should escape the heavy hand of the Government. I do not say that there is not some unearned income taxed when you lay this burden upon the corporate income, for there is some of this sort of invested capital taxed; but not so greatly as the live, moving capital of the country, which constitutes the real power and the real arm of commerce. Let us see.

Any corporation that divides its investment into capital derived from bonds and from capital stock is a good illustration of the point I am endeavoring to make. The men who invest their money in bonds are the conservative men, the men who do not want to share the vicissitudes and the dangers of business, the men who are not willing to incur the risk and hazards of an enterprise carried on for profit; and they, therefore, take the bonds of corporations. The income arising from those bonds is the very sort of income which the Senator from New York declared, and declared very wisely and very truly, should bear a tax and a heavy tax, or at least a heavier tax than the incomes that arise from the sagacity and the business shrewdness of the men who are engaged in the particular enterprise.

Let me now transfer my thought for a moment to the money that is invested in the capital stock. In our country, filled as it is with little corporations, the men who invest their money in the capital stock are the young, aggressive, energetic men. They are the men who are doing the business of the country, and they are investing in the capital stock of corporations not an accumulation of fortune, but their earnings, their salaries from month to month and from year to year. Therefore it is not true, as the Senator said, that this tax with respect to such corporations divided itself along the equitable and the modern and the intelligent lines which he so distinctly and clearly pointed out.

But, not only so, there is another kind of capital that is taxed here, which I am sure the Senator from New York will see in a moment ought not to be taxed under any such provision. I mean the capital of insurance companies. An insurance company—I refer now to the mutual insurance companies, and nearly all insurance companies are mutual insurance companies—has no money except that which is paid into it by its policy holders—not one penny. The tax that is sought to be placed upon that capital by this amendment is a tax upon the premiums paid by policy holders, in order to do what? Either to gather a fund which may support them in their old age or to protect their families against want after the provider is gone. Every dollar that this amendment extracts, or will extract, from men who pay premiums for life insurance, for accident insurance, for fire insurance, is just so much more laid upon these people, who, of all others, ought to be tenderly dealt with in devising systems of taxation. Therefore I am not ready to admit that the amendment offered by the Senator from Texas and myself is subject to the criticism suggested by the Senator from New York; and certainly I am not willing to admit that the amendment for which he stands sponsor remedies the defect so pointed out.

I pass to my objections to the amendment, and I want to record them just as emphatically as I can. I know that we are making an issue in this measure. I know it is an issue which will be fought out among the people of the United States. It will never be settled until it is settled right, because we are about to ignore the vital principles of organized society.

I am opposed to the measure reported by the committee because it discriminates unfairly and unjustly between the people of the United States and because it lays its burdens, not upon those who are able to bear them, but upon all who happen to be shareholders in corporations, without regard to their ability to pay or the extent of the property which they may have accumulated. I am opposed to it because it serves the purposes of the mighty corporations of the land. I have not heard that any of them have lifted up their voices in opposition to this measure, and they ought not to. Why? Because it is to take the place of one which would not only tax the net incomes of the corporations themselves, but would follow into the hands of the rich and the great the fortunes which they have accumulated either through individual or corporate enterprise.

I do not wonder that a man like Morgan is in favor of this measure, for although his corporations will bear some part of this taxation, his own vast fortune will be untouched. I do not wonder that a man like Harriman should favor this measure rather than the general income tax; because the part of his great fortune, which has been segregated from the corporations in which he is interested, lies beyond the operation of this law. I do not wonder that all these conspicuous examples of riches and of financial power should favor this measure; because while it taxes some part of their investment in a corporate way, it leaves untouched the very part that the American people are most interested in reaching and subjecting to the power of taxation. And the reason these great corporations are not protesting against this measure is that they are all dominated and controlled by the men who, by virtue of this substitution, will escape the taxation that we seek to impose upon them by virtue of the general income-tax law. It is a perfectly natural support; it is a perfectly natural approval. I am not criticising the motives of anyone; I am simply analyzing a situation which must be as obvious to the casual observer as it is to the deepest thinker.

I am opposed to this measure because it does not provide the publicity which is recited here by some Senators as its greatest merit. The Senator from New York [Mr. ROOT] frankly claimed that the general income-tax law which we have proposed is faulty because it allows the officers of the law to investigate the affairs of corporations, and does not require them to secure the explicit direction of the heads of the departments in Washington before they attempt to ascertain what the incomes of these corporations are. I am in favor of publicity.

The measure we have proposed does not go far enough in exposing to the public gaze the affairs of corporations, but the committee amendment stops far short of ours. It will do no good to secure information and hide it under the seal of some officer in the Department of the Treasury, or the Department of Commerce and Labor, or the Department of the Interior. The Government, if it desires to institute a suit for the violation of one of its laws, has no trouble in discovering the evidence. It never has had trouble. It never will find difficulty. It is not in putting the Government in possession of this knowledge that we find the greatest value of the instrument of publicity. Publicity means general knowledge. Publicity means the condemnation of public opinion visited upon a wrongdoer. That is the value of making public the operations of the affairs of corporations—so that the men who control those corporations will be restrained, because they do not want to fall under the condemnation of their fellow-men.

There is no force in organized society so strong as the desire to stand well with our fellow-men. There are a great many people who are willing to violate the law if they can violate it without the knowledge of those whose confidence and whose respect they hold dear. Therefore the publicity that any such law ought to create, if it be a feature of the law at all, is a publicity that will reach the minds and the knowledge of all the people of the country. But this measure does not provide that publicity.

I am opposed to the substitute because it creates a rank, gross, indefensible discrimination between corporations themselves. It exempts from its operation the mutual savings banks of New England, but embraces the mutual insurance companies of the West, of which there are a very great number. I do not say it was by design; I only know it is true. In New England

a dozen men, or fewer, will associate themselves together for the organization of a mutual savings bank, and invite the people in all the country around to deposit their money in the bank. I suppose the officers receive pay, but otherwise they receive no profit from their connection with the institution.

Mr. BULKELEY. Mr. President——

The VICE-PRESIDENT. Does the Senator from Iowa yield to the Senator from Connecticut?

Mr. CUMMINS. I do.

Mr. BULKELEY. I merely wish to state to the Senator that in New England it is not possible to organize a savings bank in the way he suggests, except by a special charter. There is no general law providing for the organization of savings banks.

Mr. CUMMINS. I do not regard that as a material point. I only know that they can come together and in some fashion or other organize a savings bank. It matters not to me whether it is under a general law or whether it is under a special act of the general assembly. The officers get no profit out of the enterprise, though I suppose some of them are paid reasonable salaries. These banks are organized to give the people an opportunity to deposit their money in a secure place, so that it can be put out at interest, and so that the profits which arise upon their deposits can be distributed among them. That is the purpose of the savings bank of New England.

What is the purpose of a mutual insurance company? Exactly the same. It is organized so that a number of people, who can not afford to carry the risks of life or the hazards of the business in which they may be engaged, can deposit their money in a secure place, so that it may be invested safely and profitably, and then, when the event transpires, it can be distributed to those who are entitled to it.

I should like to know why it is thought proper in this measure to tax the payments on the part of members, or policy holders, of mutual insurance companies and not tax the deposits of the mutual savings banks? Mark you, I am not contending for the taxation of the mutual savings banks. I can hardly imagine a government so hard hearted and so insensible to the natural relation of men and business as to impose an income tax or a business tax upon the mutual savings bank. But my wonder is that the same sentiment which exempted them did not carry itself into the exemption of all other kinds of companies or properties which bear practically the same relation to the world as do the mutual savings banks.

Mr. GALLINGER. Mr. President——

The VICE-PRESIDENT. Does the Senator from Iowa yield to the Senator from New Hampshire?

Mr. CUMMINS. I do.

Mr. GALLINGER. I will ask the Senator precisely what class of companies he has reference to. I think we have mutual insurance companies in the East as well as in the West. They are not peculiar to the West.

Mr. CUMMINS. Oh, no. I mentioned them only because we have so many more of them in the West than are found in the East.

Mr. GALLINGER. I suppose the Senator means companies organized by the Grange, we will say, as an illustration?

Mr. CUMMINS. No. In the city in which I live there are probably 20 mutual insurance companies.

Mr. GALLINGER. Are they life or fire insurance companies?

Mr. CUMMINS. Some of them are life insurance companies, some of them are fire insurance companies, and some of them are accident insurance companies. There is no profit whatsoever derived from any of them. The officers receive fair salaries, and every penny of the money that is collected from the members of these mutual insurance companies is paid back in some form or other to their members.

Mr. GALLINGER. Manifestly, then, that is an institution that prevails to a much greater extent in the West than in the East; and I shall certainly be very glad to join with the Senator from Iowa in having those companies exempted from the operations of the proposed law.

Mr. CUMMINS. I am simply pointing out something of what I conceive to be the inequalities and injustices of the law. I do not regard that inequality and that injustice any greater or any more worthy of criticism than the general discrimination between capital invested in shares and capital invested otherwise. May I continue that thought for just a moment? In our State there is hardly a county in which the farmers do not organize what are known as "county mutuals," largely for protection against fire. Under our law they are all organized for profit. They are all mutual companies, and they organize in order to emancipate themselves from what they believe to be the domination or the extortion of the old-line fire insurance companies.

Mr. GALLINGER. They make assessments, I presume.

Mr. CUMMINS. Every dollar that is paid into one of these companies will be taxed under this amendment. In the same way, our farmers found that the great creamery companies of the land were extorting from them unfair profits and paying them unfair prices for their products. So they organized mutual creamery companies; and all over our State such companies are to be found. Again, we discovered that the elevator companies, in combination with the railways, had monopolized the business of buying grain, and that our farmers were at the mercy of the companies which actually transported their product to the market. Therefore they organized mutual elevator companies; and all over our State are found such companies. Yet the money distributed from time to time, and all the money that is paid into such companies, barring the small expense of conducting the companies themselves, will be taxed under this law.

I can not think that these things were in the contemplation of the lawyers and the statesmen who drew this measure; but they are inherent in it. When you begin to discriminate, there is no good place to stop; so the rule was made general. And I repeat what I said yesterday or day before, that the general clause bringing insurance companies into the "income-tax law," as I call it, is unwise; for I know that there is no part of the capital employed in the business of the United States that is so heavily taxed as the money paid by the policy holders of insurance companies. And therefore these insurance companies were excluded by the terms of the amendment proposed by the Senator from Texas and myself.

It is all wrong. Without regard to the constitutionality of the law, it is not founded in justice, and it can not receive the approval of the American people.

I have no sympathy with the suggestions made by the Senator from Arkansas. I hope they were not the sentiments that animated the men who drew this amendment. I hope that they were not engaged in simply a blind effort to punish corporations. There are some corporations that ought to be punished; but the great mass of the corporations of the United States are as innocent, and are as just, and are as upright as the individuals who carry on business in the United States. They exist only through severe and continued struggle in the great battle where competition is the dominant weapon. It is not right to put upon all these corporations, with their great variety of shareholders—poor shareholders and rich shareholders, shareholders who can pay and shareholders who can not pay—this burden which is proposed, especially when it is now acknowledged upon the floor of the Senate that when you are taxing business you can tax individual business just as constitutionally as you can tax corporate business.

I hope that a better spirit will prevail in the Senate. I appeal from Philip drunk to Philip sober. I hope there will be a careful review of the principles upon which this measure is founded before it is approved by the Senate.

I understand that by those who originally proposed the measure—and I accept the genesis and development recited by the Senator from New York—nothing but the public good was desired. Far be it from me to suggest that there was an ulterior purpose or motive in the original conception of this measure. I know that it was in the mind of the President to find some way in which a tax could be laid that would be in harmony with the decisions of the Supreme Court. But there is a chapter of that development which must be forever closed, and which would add something to the genesis of this measure—a chapter that would at least explain some of the earnestness and some of the persistency with which I and some of my colleagues have pursued the measure.

I want Senators to understand what they are about to do, because the people of the country will understand that it is the shareholders, little and big, who will pay this sum. They will not know anything about excise taxes. They will never stop to inquire whether this is a direct or an indirect tax. They have no time and possibly no learning that will enable them to inquire into the nice discriminations that have been so prominently placed before the Senate this morning. They will know just one thing, and that is that whereas their rich neighbors who are not engaged in corporate enterprises pay no tax, they, because they have endeavored to forward the progress and speed the development of their country, and have taken shares of stock in corporations of an almost infinite number of kinds, have been selected, as it would seem, by the folly of their Government, to bear a burden which they ought not to bear, except in company with others who are similarly situated.

But, Mr. President, I have reserved my most emphatic objection for the last. I object to and protest against this measure because it not only recognizes if it does not legalize—and I will not say that it does—the right of holding companies to

gather together the stock of scores of other companies, and thus create the thing we call a trust or a combination or a consolidation, but it entirely or substantially exempts such a company from taxation. It is monstrous, as it seems to me, when viewed in the dispassionate moments of reflection.

I do not say there is here any authority for the organization of a corporation to hold the stock of other corporations. I do not think there is. But there is here a recognition that some of the States may permit corporations to be organized for the purpose of holding, or that do hold, the stock of other corporations. There are not many States in the Union in which corporations can be organized for the purpose of holding the stock of other corporations. I do not know that there are many States in the Union in which that can be done; but I am not prepared to assert that there is no State in which such authority can not be given.

Mr. CULBERSON. Mr. President——

The VICE-PRESIDENT. Does the Senator from Iowa yield to the Senator from Texas?

Mr. CUMMINS. I do.

Mr. CULBERSON. I will ask the Senator if the charter of the Southern Pacific Company does not expressly authorize it to hold the stock of other railroads?

Mr. CUMMINS. I have not examined the charter in order to advise myself; but of course that corporation was organized by act of Congress.

Mr. CULBERSON. It was organized by the State of Kentucky.

Mr. CUMMINS. The State of Kentucky? Oh, the Senator is speaking of the Southern Pacific Company. It may be that that is so. As I say, I am not sure. I suppose there are some States under the laws of which companies of that kind can be organized.

Mr. CULBERSON. I will state to the Senator from Iowa, from recollection—I investigated the matter when I had the honor to be the attorney-general of our State—that I found that the Southern Pacific Company was organized by the State of Kentucky, and authorized to own the stock of other companies, particularly railroad companies, and it was prohibited by the original charter from holding the stock of companies in Kentucky. But subsequently the last matter was abrogated by an amendment to the charter. I think, however, that the company is still expressly authorized by its charter to hold stock in and operate other railroads.

Mr. CUMMINS. Mr. President, I accept the statement of the Senator from Texas. I have no doubt it is true. It may be that there are some States in which companies have been so organized, or in which they may, under their statutes, be so organized. I hope, however, there are but few of them. Without regard to that, it is ill advised, it is impolitic, it is wrong for the Congress of the United States at least to recognize any such corporation or any such law. And I protest against a measure which gives to such corporations even the bare recognition of their existence.

Mr. NEWLANDS rose.

Mr. CUMMINS. I yield to the Senator from Nevada.

Mr. NEWLANDS. I call the Senator's attention to the fact that the Northern Securities Company was organized for the purpose, as I understand it, of holding the stocks of other corporations; and I will also state that it has been quite customary in the far West to relax the incorporation laws. It was found that some of the Eastern States, such as New Jersey, were practically absorbing the incorporation of these concerns, and the far Western States gradually relaxed their laws, so that many of them now authorize the organization of holding companies. Whether or not they are purely holding companies, I do not know, but I am sure the practice has become quite general. I quite agree with the Senator, however, in his condemnation of the practice.

Mr. CUMMINS. I recognize, Mr. President, that the General Government can not direct the policy of the States in this respect, unless, possibly, the corporation is engaged in interstate commerce or in some other wise brings itself within the regulatory power of the Constitution. My protest and objection are based upon giving to any such corporation any standing in the policy or in the law of the United States, no matter where it is or how it was organized or who created it. I repeat that there is not here given any right to exist; but the existence is recognized, and more than that, the existence is subsidized as well.

What is done? I want to read now from this provision. I read from the second paragraph, which relates to the method of ascertaining the net income of companies, that part of it which specifies those items which must be deducted from the gross receipts in order to ascertain the net income:

> Fifth. All amounts received by it within the year as dividends upon stock of other corporations, joint stock companies or associations, or insurance companies subject to the tax hereby imposed.

I had hoped that Congress would never extend its recognition to this policy upon the part of any of our States, but inasmuch as we can not destroy the policy by legislation let us not attach a premium to it. Why is a company organized to hold the stock of other companies? I will not pursue the motives of those who organize such companies, but sum them all up by saying it is because they find it exceedingly profitable to do so, because they can aggregate power in that way, preserve unity in that way, direct and move great industrial forces in that way. And yet this law takes a dollar that comes into the hands of such a holding company, profitable as such companies are, and because it has been taxed somewhere else it is exempted from the operation and the tax of this statute.

Why do you not look at the money that comes into the hands of an insurance company and find whether it has been once taxed, and if you find it has exempt it? Why do you not look at all the dollars that come into all the companies organized under the statutes of our States and find whether they have been taxed, and if they have exempt them from further burden?

I submit to you, Senators, that if you pass this measure in which you exempt the money that comes into the hands of the trusts and the combinations that are created by holding companies from taxation, you will already have condemned it, and the people will simply hasten to register their verdict upon it. There is no reason why it should not be taxed again because the business, if that be a business, of a holding corporation is just as valuable as the business of any other corporation. If you are going to tax the business of the country, then tax it equally, tax it fairly, and the people will applaud and support the law. But if you do not they will reject and repudiate the law.

I intended to say a word with regard to the legal aspects of the measure. I dealt with it from this standpoint at very great length in a former speech. I can only recapitulate my views with regard to the constitutionality of this measure. If you will not think me filled with vanity, I can express my opinions better by assuming that I am the judge before whom it comes for interpretation and construction.

If this amendment came before me as a judge I would hold that it was a tax upon the property of all the corporations of the United States, a tax measured by the net incomes of all these corporations, and I would hold that it is constitutional, because I believe that Congress has the power to levy a tax upon the income of these corporations; and therefore I, for reasons which may be different from those which move others, would hold this law, unjust as it is, to be constitutional.

But if I were compelled to go further and assume that this did not lay a tax upon the property or the income of corporations and seek for some other construction or interpretation of the statute, then I would hold that it is a tax upon the franchise of the corporations, that it is a tax upon the business of the corporations, simply because they are corporations, and I am unable to distinguish a tax upon the business of a corporation simply because it is a corporation from a tax upon the right of the corporation to do business. It may be that there are minds here so keen and penetrating as to discern some difference between those two things, but I can not. I grant that Congress has the power to levy a tax on any business, upon any occupation. I grant it has the power to levy a tax upon any profession. But it has been the habit heretofore, when Congress wanted to levy a tax on business, to specify the business upon which the tax was to be laid. It has been supposed that the business thus selected and segregated from other kinds of business was a business that was peculiarly fit to be taxed as Congress might direct. But when you group all the business of the United States into one law, and simply say that there shall be a tax laid upon all the business, then if you add to that the statement that it is to be laid only on business done by corporations of the country, you have in effect not levied a tax upon business or upon the carrying on of business, but you have levied a tax upon a corporation, upon the right, the privilege of a corporation to do business at all. That would be my interpretation of this statute.

But I pass one step beyond. If it is true that this is a tax upon the business of corporations, and if it is true, as it is everywhere admitted, that we can constitutionally tax the business of the individual and the copartnership just as effectually as we can tax the business of a corporation, answer me, Why make the discrimination? Tell me why you segregate the busi-

ness of corporations from the business of individuals and copartnerships. When you have answered me that question you will have drifted again back, arguing in a circle, as these arguments have been, mostly, to the proposition that you are taxing the business of a corporation because it is a corporation and because it is not an individual or a copartnership.

Senators, I do not believe that such a law will stand. I do not mean that it will not stand the investigation of the courts. I mean that it will not stand the criticism of the people, who are above all courts and all legislatures and all other authorities of the land.

In order to clearly make the point that I suggested when I interrupted the Senator from Maryland, I wish to recur for a moment to the case of California *v.* the Pacific Railroad Company. I have already stated the law under which this case arose. I merely want to read one paragraph of it from the opinion of the court with regard to the power of a State over a franchise granted by the United States. On page 41 I find the following:

> In view of this description of the nature of a franchise, how can it be possible that a franchise granted by Congress can be subject to taxation by a State without the consent of Congress? Taxation is a burden, and may be laid so heavily as to destroy the thing taxed or render it valueless. As Chief Justice Marshall said in McCulloch *v.* Maryland, "the power to tax involves the power to destroy." Recollecting the fundamental principle that the Constitution, laws, and treaties of the United States are the supreme law of the land, it seems to us almost absurd to contend that a power given to a person or corporation by the United States may be subjected to taxation by a State. The power conferred emanates from, and is a portion of, the power of the government that confers it. To tax it is not only derogatory to the dignity, but subversive of the powers of the government and repugnant to its paramount sovereignty.

That statement of constitutional principle is supported by a long list of authorities with which Senators, I have no doubt, are familiar. It is admitted that the Federal Government has no greater power over a franchise granted by a state government than a state government has over a franchise granted by the Federal Government, and therefore the principle laid down in this decision is as pertinent and controlling in the matter under discussion as it was in the case thus decided.

It may be that there is some virtue in the distinction pointed out by the Senator from Texas [Mr. BAILEY] and the Senator from Maryland [Mr. RAYNER]. I need not pursue that, because the law that you now propose to enact rests with equal weight upon the railway companies, upon gas companies, upon electric light companies, upon street railway companies, and upon all the other public or semipublic instrumentalities of the land. Therefore if that decision be sound and if this measure does levy tribute upon the franchise of such a corporation created by the State, it will go down before the constitutional criticism that will be leveled against it.

I hope, Mr. President, for the honor of our party, the good name of a Congress which should desire always to do equity between all the people, that this substitute will not be adopted.

Mr. HEYBURN. Mr. President, I desire but a moment the attention of the Senate. When the parliamentary situation affords the opportunity, it is my purpose to move to strike out all after the word "tax" on line 10 of the first page down to and including the word "to" on the first line of the second page and to insert the word "of" preceding the numeral "2" on line 1 of the second page. I make this statement now because the parliamentary situation that will confront us after the adoption of the substitute for the amendment of the Senator from Texas sometimes moves rather rapidly. I intend to vote for this substitute to the amendment of the Senator from Texas because of the parliamentary situation that confronts us. I then expect to vote against the adoption of this amendment and for the adoption of the joint resolution to amend the Constitution so as to confer power upon Congress to levy an income tax.

Mr. HUGHES. Mr. President, I apprehend that few measures have been presented to this body which have had presented in their support such conflicting reasons for that support. We have been told by one whose permission therefor was essential to its introduction that he favored this amendment because it would secure the defeat of an income-tax amendment. We have been told by a distinguished Member of this body on this side this morning that he believed this amendment to be dishonest and unjust, and yet that he should vote for it; of course, not because it was dishonest and unjust, but notwithstanding it possessed those objectionable qualities. The distinguished junior Senator from New York [Mr. ROOT] has given us a most interesting historical sketch of the genesis of this most important measure, demonstrating that he is for it, and intimating that the President is for it, because it is an income tax.

For my part, I must now oppose it, because it has the attributes ascribed to it by the Senator from Maryland [Mr. RAYNER], and for other reasons I believe that it is unjust. I hesitate to apply to it the harsher language of being dishonest, which was so emphatically attached to it by the Senator from Maryland. I believe it is unjust, because it does not contain the essential element of every fair and just tax—equality in the burdens it imposes. It is not only unequal, but it is avowedly, intentionally, and grossly unequal in matters of wide extent and vast concern. I look upon it as being further objectionable because it contains in its provisions an irritant intended to excite the indignation of the people against it to the end that it may be speedily repealed after it shall have served its avowed purpose of preventing other and beneficent legislation.

I can not, therefore, under these circumstances bring myself to advocate or favor a measure brought into this body for the purpose of defeating beneficent legislation. I am averse to accepting that which is in its nature maleficent because I can not secure something which is beneficent. It is remarkable, Mr. President, that in the genesis of this amendment which has just been given us, a history half revealing and half concealing the things which we would like to know, it is disclosed that it grew out of the desire and announcement of the President of the United States that an income tax should be laid by act of this Congress.

We have had quoted here as supporting or sustaining that suggestion words of the President, which I called to the attention of this body some days ago, in which the President, in his speech accepting the high honor of the nomination of his party for the Presidency, declared that in order that a valid income-tax law might be enacted a constitutional amendment was unnecessary, and in which he further declared that an income-tax law could and should be devised that would not be obnoxious to the constitutional requirement as to direct taxes.

But the result here presented has been the most marvelous transformation imaginable, because it would seem that the President directed his learned Attorney-General to draw an income tax, and he has written for us not an income tax as distinct from an excise tax, if such a distinction could be maintained, but an excise tax, or at least a measure providing for a tax thus labeled. It further seems that it is hoped and claimed that by thus labeling the amendment, by the mere act of imposing upon it as its name "special excise tax," there is escaped what would otherwise have been a fatal collision with the Constitution as it is now construed by the Supreme Court.

Mr. RAYNER. Mr. President——

The VICE-PRESIDENT. Does the Senator from Colorado yield to the Senator from Maryland?

Mr. HUGHES. Certainly.

Mr. RAYNER. I understand the Senator referred to the remark I made about the measure being dishonest. I was speaking of political dishonesty on account of the statement made by the Senator from Rhode Island, that it was brought forward just for the purpose of defeating the income tax. I had no idea in my mind of any personal dishonesty, I will say to the Senator.

Mr. HUGHES. I thoroughly understood that such was the meaning of the Senator from Maryland, that he had reference to the inherent character of the amendment and the avowed purpose with which it found its way into this body.

But, Mr. President, this amendment, it is claimed, provides for an excise tax, while it is asserted it is not an income tax—if those who contend that an income tax is not an excise tax could be accurate in such a distinction—which to me is inconceivable. It is whatever it is, and, if there is a difference, the one or the other, not because it is labeled the one or the other, but because in its nature, in its substance, it is the one or the other. I have no sympathy with that acuteness and astuteness which plays fast and loose with the language of legislation with the hope that by using one phrase you may accomplish a purpose constitutionally, while by omitting a line or a phrase, the substance and real effect being identical, you come into inevitable and unescapable collision with the Constitution itself.

I repeat, if this law be that which the President directed to be drafted, an income tax, and it is laid upon—includes—all incomes of every character, and from every source it is directly and unmistakably in conflict with the decision in the Pollock case, and there is no refinement of language, there is no subtlety of thought, there is no ingenuity of expression that can dull the edge of that clear, well-marked identification.

We are told that it is an excise tax laid upon something not clearly defined or stated, and yet when we make inquiry here in an honest desire to know the nature of this legislation and clarifying amendments removing vagueness are suggested we are warned that we must not lay the finger of irreverent change upon the draft made in camera by a law officer of this Government. Thus this legislative body is stripped of the

power even to amend or make plain or definite or understandable the legislation which it is demanded it shall enact.

Mr. President, what has become of another great feature of this Constitution which seems to have been lost sight of in that suggestion? Do we still exist in three coequal departments? Do we still have the legislative, judicial, and executive, coequal divisions of the Government, or is the legislative swallowed up now by the executive? Have we reached the point where the President directs the Attorney-General to draw a law which Congress, without inquiry or change, must adopt even if discussion should disclose faults and objectionable features? Is it something of political sacrilege and insurgency for the Senators of this body to inquire into the meaning of phrases and to endeavor to correct the errors which they think they detect in the phraseology of this peculiar legislation?

Are we to believe that the Senators who announced that proposition measured fully the force of what they were saying? Here is where legislation should be enacted, fashioned out by the hammer of argument upon the anvil of discussion. Here is where men are to consider the language to be employed for the purpose of ascertaining whether it embodies the meaning or carries out the purpose of those enacting it or another purpose. At the last, and only when freely, carefully, and intelligently the legislative branch has completed its work does the Executive, who may suggest, but can not legislate, by his veto, if he does not approve, condemn and make ineffectual that which has been sought to be done by us.

But we are told that it would be dangerous to remove a word out of this carefully considered measure. In response to inquiries made by the senior Senator from Georgia [Mr. BACON] we were told that somebody, somewhere, but not in this body, considered this and considered that important question, but no one has revealed what was said in that consideration or by whom or what the reasons were which resulted in the adoption of this particular language, the inclusion of these provisions, the exclusion of others, and we are asked to accept this recently introduced amendment with no other disclosure than the fact that some gentlemen have given some thought and study and consideration to this measure, at their leisure or in haste, as the case may have been; that we must accept the language which they have adopted and inquire no further. I do not believe it is in accord with the spirit of this body—I know it is not in conformity with the Constitution nor with the spirit of our institutions—to accept ready-made legislation of this sort, under dictation, without inquiry, without discussion, without liberty of amendment, even though to proceed in the accustomed way means that we must linger a while longer in this torture chamber where legislation, it seems, is to be the result of physical exhaustion rather than of mental consent to the laws which are proposed.

I think it is legitimate, Mr. President, to inquire into the language of the amendment, to learn whether there is a difference, or but a seeming difference, between this amendment and the one it would displace, and whether there may not be lodged the fatal seed of its own dissolution in the text of this proposed law; so that when it shall have accomplished its purposes here, it, too, shall meet the headsman in the Supreme Court and that speedy death, which we are told will meet an income-tax law, if it again enters those sacred precincts. Not knowing who drafted it; not knowing when it was drafted; not knowing how nearly it approaches that draft, which, it is said, was borne to the Ways and Means Committee of the House and which that body rejected as not proper, in its judgment, for it to present or which it deemed less efficient for the purpose they sought than the law they made, yet we are asked to accept it blindly and unhesitatingly.

The inquiry is made as to what it is. I want to submit that, if preambles have no effect in changing the substance and meaning of the body of a law—and many times the Supreme Court and every court in the land and every writer upon the subject has so announced—is it not proper to inquire, then, may a parenthetical expression introduced ostentatiously into the body of the proposed law change its nature when all of the other features of it which go to its substance and real meaning remain unchanged?

I desire to call attention for a moment to the language which is supposed to accomplish this purpose. It is said that these various corporations named shall be subject to pay annually—what?

A special excise tax with respect to the carrying on or doing business by such corporation.

"With respect to the carrying on or doing business," not with respect to the business done or carried on by them. Yet those who defend its constitutionality say that this is not a tax on the privilege of doing business, the franchise from the State authorizing it to do business; that it does not relate to the nature of the business done; that it does not go to the character of the occupation permitted or indulged in by those corporations is clear; but that it is with respect to the carrying on business or doing business; in other words, with respect to being a corporation capable of transacting business or engaging in it—the very thing which we have been told by those who justify the constitutionality of the law is not within the taxing power of the Government as here attempted to be exercised.

I shall not undertake to state how, in my opinion, the law may be upon that matter, but those who defend the proposition tell us that it is not the very thing which the language suggests it to be; that there is no right to tax the power conferred by the State in the creation of the corporation to be, to exist, to do business, which is its franchise, and that which gives it corporate life.

The Senator from New York [Mr. ROOT], in justifying this tax as constitutional, and for that purpose attempting to distinguish it from the Bailey-Cummins amendment, in the report said that corporations possessed two powers that were of great value. One was that of persistence in existence, and the other was the exemption of stockholders from individual liability, both of which qualities are the very creatures of the franchise conferred by the State, are a part of the existence of the corporation itself, and are no part of the business which they conduct.

If this amendment had said "upon the business of farming by all corporations engaged in farming, upon all manufactures of all corporations engaged in manufacturing, upon the business of transportation companies conducted by corporations engaged in transportation," we would understand that it was intended to be what is sometimes called an "occupation tax" laid upon the occupation of conducting the business of transportation, the business of farming, or the business of manufacturing; but there is no such thing as the business of being a corporation. Being a corporation is not a business, is not an occupation. We might as well say that a man was engaged in the business of living, of existing, of being a man. The occupation is the employment, the business in which he engages, the thing that he does, as conducting a commercial or manufacturing enterprise. That is the business. But when you talk about the business of being a corporation, or the privilege of doing business as a corporation, you come back, unless you juggle with words and play triflingly with their meaning, to the proposition that the thing taxed is the existence as or franchise of being a corporation, conferred only by the State, carrying with it in the case of many of the most important of the corporations in our State a function of the State—the power of eminent domain, a part of the sovereignty of the State itself, transferred to or vested in the corporations there engaged in building ditches, railroads, and doing numerous other businesses, with which we are quite familiar in the West. It has been so held everywhere and at all times that this is a power or a franchise conferred by the State out of its own sovereignty, and it can not be taxed, so we are told here by those who advocate the adoption of this amendment.

Mr. RAYNER. May I ask the Senator a question?

Mr. HUGHES. Certainly.

Mr. RAYNER. In the State of Colorado is the right of eminent domain vested in any particular corporation, as the Senator claims, or is there a general law vesting that right in all corporations?

Mr. HUGHES. By statutes providing for the creation of these corporations named, and some others specially, the right of eminent domain is given.

Mr. RAYNER. In those particular cases, but not generally?

Mr. HUGHES. The laws themselves are general, but the corporations are of special nature. The requisite number, by complying with the law, may create a corporation for that special purpose or for that business. The law has, then, the force of conferring the right of eminent domain.

Mr. RAYNER. Has every corporation in Colorado that power?

Mr. HUGHES. No; only those of the character which I have indicated.

Mr. RAYNER. But an overwhelming number of corporations in Colorado have such power?

Mr. HUGHES. Not an overwhelming number of corporations, but in capitalization a large amount is represented by corporations created under these laws, which corporations have that power. Our railroads have it, and there are many millions of dollars invested in them, represented by their stocks and bonds. Our ditch companies may have this power, and there are millions of dollars invested in them. I might go on and call a list of such corporations and point out that their power and their value is very materially the result of the possession of the right of eminent domain.

Mr. RAYNER. Take insurance companies in your States, and I will ask, Have they that right?

Mr. HUGHES. They have not.

Mr. RAYNER. Mr. President, do commercial organizations have the right of eminent domain——

Mr. HUGHES. What does the Senator mean by "commercial?" Mercantile?

Mr. RAYNER. Yes.

Mr. HUGHES. No, sir.

Mr. RAYNER. The same law, I should presume, would apply.

Mr. HUGHES. Not the law granting the power of eminent domain. But, I repeat, the railroads, which have their millions of outstanding stock and their millions of outstanding bonds, upon which the interest is paid, though dividends may not be paid upon the stock, have this power, and will pay nothing into the coffers of the Nation as a result of this tax if it is levied, because of the earnings which are paid out in interest upon bonds; and unless dividends are paid on stock, then not at all. I think it is unnecessary here or anywhere to discuss the legal proposition that you may not write into a law a definition or a characterization of the tax for which it provides, and thereby convert it into that kind of a tax, when, if those words of characterization were omitted from the law, the tax would be another kind of tax.

Mr. RAYNER. Mr. President, did I understand the Senator to say that the railroads would not be taxed?

Mr. HUGHES. I did not so say. They pay state taxes, but I do not know of a railroad in Colorado now the bonds of which would be taxed under the proposed amendment, and I do not know of a railroad in Colorado that is not paying interest upon its bonds, and I know that not all of the railroads in Colorado are paying dividends, and I do not now recall a railroad, save one, that has not a bonded debt as large as its stock capitalization. Usually the stock and the bonds are issued for the property of the company, and sometimes the par value of the bonds secured upon the property is not received by the company issuing the bonds.

Mr. RAYNER. Mr. President, in that connection, does not the Senator think that we could levy a tax on the interest on the bonds?

Mr. HUGHES. I think so; but this amendment does not do it. I am against the amendment to some extent because it does not. Again, there is the fact that, in my humble judgment as a lawyer, the authors of the amendment have not removed any constitutional objections which could be urged against a conceded and frankly presented income tax, and what are therefore applicable to the tax provided for by this amendment by writing "special excise tax" across the face of it. I do not believe there is any necromantic power in legislation which enables a legislature, by the brand which it puts upon a law, to change its essential nature. It seems to me that is attempted by these words, to which such potency has been attributed; for it is said, if they go out of the amendment, although every feature of levying the tax and defining those who shall pay it, of assessing and collecting it, and penalizing disobedience of the provisions of the law remain there absolutely as before, yet, if these words go out of the proposed law, the result would be most dangerous and this omission would bring the law into collision with the Constitution—would annul it. My claim is that the effect of this insertion is only to brand or label the law and to which resort might be had in case of doubt and uncertainty as to its character and meaning, but which will not be permitted to change the unmistakable substance of the law itself.

Mr. RAYNER. Let me ask the Senator this question: Suppose, as I said before, we were to name specifically in this provision every corporation in the United States—of course that would be an impossible task—but suppose we could sit down and write a bill giving the names of all the corporations in the United States, would that, under the Sugar Refining case, be an excise tax?

Mr. HUGHES. If you levied it upon the business which they do?

Mr. RAYNER. No; just levied a tax on every corporation in the United States, under the Sugar Refining case, would that be an excise tax?

Mr. HUGHES. If upon the business, defining it, of these companies, then I should say under that case it would be an excise tax, but other important questions would arise under that case and under the Constitution if that should be done.

Mr. RAYNER. Then, will the Senator explain why in this case, without naming all the corporations specifically, but using words which include them all, the tax would not be an excise tax under that decision?

Mr. HUGHES. It is apparent that the business or occupation of the corporation is not the object sought to be reached by this law as was attempted to be done by the peculiar and guarded language of that act which the court construed in sustaining the validity of that particular act. I do not believe that anyone who studies this amendment believes that it is the business conducted which is sought to be taxed; but the incomes of these corporations are in fact sought to be subjected to the tax, while the language of the act is——

Mr. RAYNER. Mr. President——

Mr. HUGHES. That is what was said in the President's message; that is what he said in his speech of acceptance; that is what he told his Attorney-General to do—to draw an income-tax law that would be consistent with the construction of the Constitution; and that is what this is in its essence, in my judgment—an income tax, a tax upon all incomes from all sources of the corporations enumerated.

Mr. RAYNER. Does the Senator think we can levy an income tax upon the occupation of individuals?

Mr. HUGHES. An income tax?

Mr. RAYNER. Well, a tax upon the occupation, measured by the income of the individual.

Mr. HUGHES. I presume you might measure it by what you chose, if it was in reason, though I have never conceded that omnipotent power of legislation to this body which I have heard attributed to it here to-day, nor do I believe that it may make black white and white black, which I believe Mr. Blackstone once said was about the only impossible thing in the way of legislative enactment by the British Parliament.

I do not believe that. I believe an act must be reasonable, must have some justice in it, notwithstanding the requirement as to uniformity in the Constitution may not be specifically applicable. I do not believe the Constitution has delegated to the Federal Congress the right sweepingly and without limitation to be unjust, iniquitous, and avowedly dishonest in the enactment of laws, I do not believe that; and there are courts and writers who have challenged that suggestion, and, I think, successfully. But when you ask me if Congress might levy a tax upon an occupation, I say, "yes," and they have done so over and over again. If you ask me how they may measure it, I say that is largely the subject of legislative discretion. If you put to me an extreme case, and ask me if they may by some unjust standard make it outrageously high, then I must respond that you are using terms of characterization, and I will have to inquire just what is meant and what, in fact, is done. I do not otherwise know. I do not think it is necessary now to go into the field of speculation upon that subject. But I turn to deal with this proposed tax.

It is not by specific provision upon the business done by a corporation. It is called a "corporation tax." It is said to be a tax upon corporations. We may then ask whether it is a tax upon their existence or franchise to be corporations, or upon the income which is derived from their various businesses and from all their various sources of income. If I were left unaided by anyone connected with the authorship of this document to go to its language, as we ought always to be able to go, and from it learn its meaning and find what was intended, I should conclude that when it said that all these corporations "shall be subject to pay annually a special excise tax with respect to the carrying on or doing business by such corporation * * * equivalent"—it does not say "measured by," but "equivalent to 2 per cent," upon what? "Upon the entire net income over and above $5,000 received by it from all sources during such year, exclusive of" certain eliminated amounts cut out for the purpose of getting at the net result, I should say that it levied a tax upon the income and measured it by a certain per cent annually upon the income, less certain deductions, which are permitted, and I believe I would then give a fair characterization of its language and its purpose to the act. But if I should know that those who drew it were aware that there was a contention by one set of contestants that a law upon this subject would be pronounced unconstitutional by the Supreme Court, and by another that the Supreme Court would reverse a very doubtful decision rendered by it lacking all those elements of positiveness which are convincing, and I should find this language in the act, I should say that it was a device intended to enable the court gracefully to sidestep an unpleasant task and render a different decision without coming into that direct conflict with a former decision which would result if it confronted the proposition directly and in perfect frankness.

Mr. RAYNER. Mr. President, does the Senator think this amendment is unconstitutional?

Mr. HUGHES. I think it is constitutional if the Pollock decision is not the final utterance of the Supreme Court upon

an income-tax law; but if that decision is to stand in its full force, I believe this amendment is just as obnoxious to the opinion the court pronounced against the income tax of 1894 as that law was. I do not believe that in the point of attack there is any difference in them. We are playing with words when we say we are going to tax you, but we are going to make it an excise tax; we are going to take every kind of income you have, whether derived from your business or not, whether it be a donation or from any other source, which comes into your coffers, and which is not expended for certain purposes—we are going to tax all your income—and then say this is a special excise and not a direct, not an income, tax.

Mr. RAYNER. Did not the Supreme Court play with words in the Spreckels case? As I recollect, one of the principal sources of income there was from a wharf. The income was not from ships of the sugar-refining company, but from the rental value of the dock where they received vessels. I think that case is subject to criticism decidedly, but the question was whether the rental value of the wharf was taxable, and in that decision the Supreme Court held that it was taxable. Is not that right?

Mr. HUGHES. I do not exactly so understand. The Supreme Court said in effect, in reaching its result, that the rentals were so mixed up with the business that they were all part of the profits of the refining business, and in some way could be taxed without the levy being a direct tax and without being directly involved in the Pollock case. That, in a general way, without reviewing the reasoning and distinction indulged in, was the net result.

Mr. RAYNER. The Senator is mistaken about that. If he will look at the case, he will find that the court distinctly stated that the rents received and the income derived from the use of the wharves were to be deemed receipts from the business of refining sugar, and, as part of the assets of the company, became taxable. I think the decision is open to criticism. I have sent for the decision.

Mr. HUGHES. I do not wish to get into the habit of criticising the Supreme Court. I suggest that that is hardly good form.

Mr. RAYNER. I think they are decidedly subject to criticism.

Mr. HUGHES. I believe, upon that point, Mr. President, that fair, honest, and well-intentioned criticism of the decisions of that great body, just as the same form of criticism of the work of this body and of any other body of public men, is proper and helpful and ought not to be frowned down or sought to be suppressed. I wish also, in considering these decisions, to get at the real matter decided, and from that ascertain what was really passed upon by the court, and will not judge it by some chance expression or from some word uttered by the way which was not so fully considered as the ultimate result and the intended conclusion with which the court was dealing, and which alone is its decision and binding upon it. Chief Justice Marshall said in a noted case that the court would not be bound, and was not bound, by every expression it used in argument or by every statement of law it made, but only by its direct decision upon some question immediately before it for determination. He advised in that opinion that the bar, the country, and the courts before whom its decisions might be read should not be bound, for the court itself was not, and others ought not to be bound, by language thus used.

But, Mr. President, this draws me off from the matter which I was endeavoring to bring to the attention of the Senate, and that is that in substance, in essence, there is no difference between a law which says that all corporations—I leave out persons, now—shall be subject to an income tax of 2 per cent upon all their incomes derived from all sources, less certain deductions, after having reached $5,000, and another law that says all corporations shall be subject to a special excise tax in respect to the business of being a corporation, to be assessed upon all their income from all sources, less the very same identical deductions up to the same sum. It is the substance of this thing that we go to. In the Pollock case, and again in the Knowlton case, the Supreme Court said, when an argument was made that in certain features the law of 1894 levied an excise tax in character, that they were not to be controlled by names, but would ascertain the substance of the law, and that this substance should determine whether it is in accordance with one contention or the other.

Therefore, when the Senator inquires whether, in my opinion, this law is constitutional, I am confronted with something of a dilemma. Still cherishing the belief, still entertaining the opinion that the income tax of 1894 was constitutional, that we are not forever foreclosed from inquiry into that question before the Supreme Court of the United States, I am compelled to answer that the proposed corporation tax is constitutional; but if, on the other hand, you inquire whether I believe it is free from the objections which led the Supreme Court to hold the income-tax law of 1894 unconstitutional, then I must reply I can not so agree. It is therefore my opinion that unless the Supreme Court shall take the position of holding an income-tax law constitutional—abandons the direct-tax feature of its decision—it can not sustain this amendment; and should we adopt it, we have only abandoned a plain, direct way, to which the adjectives used by the Senator from Maryland are not applicable, for a devious course, which, if it finally reaches the same goal, can be, by its indirection, of no service in securing the result desired.

Mr. RAYNER. Mr. President, will the Senator permit me further? He is very kind in allowing me to interrupt him.

Mr. HUGHES. I have no objection.

Mr. RAYNER. Has the Senator noticed particularly this language in the Spreckels case? I suppose he has. The Spreckels case was decided by Mr. Justice Harlan, who delivered one of the dissenting opinions in the income-tax case, and this reaffirms that portion of the income-tax case. This is what Mr. Justice Harlan, delivering the opinion in the Spreckels case, says of the income-tax case, in which, as I have said, he was one of the dissenting judges:

> For, in the opinion on the rehearing of the income-tax cases, the Chief Justice said:
> "We have considered the act only in respect of the tax on income derived from real estate and from invested personal property, and have not commented on so much of it as bears on gains or profits from business, privileges, or employments, in view of the instances in which taxation on business, privileges, or employments has assumed the guise of an excise tax and been sustained as such."

Mr. HUGHES. I noted that language. It struck me like one of the ancient riddles which led men to go traveling to the temples in the desert, in order to have some goddess or guardian of the fires there reveal the meaning of it.

Mr. RAYNER. But it is a riddle that has been proposed by the justice who delivered one of the dissenting opinions in the Income Tax case, and who was the strongest man on the bench in favor of the constitutionality of that tax.

Mr. HUGHES. Then I submit he should have gone one sentence further, and should have answered the riddle he propounded and which no one else can authoritatively answer.

But I find nothing disturbing in the citation of that expression. It has been one of the admired attributes of the great men who sit upon that bench to gracefully bow to the decisions of the court, even when they are not in accord with their own judgments. They have again and again enforced, even to an extent to which perhaps others might have hesitated to go, the decisions against which they have fought, because they yield their individual opinions, without changing them, to the law as expressed by the court, and then administer that law, but not necessarily accepting it as correct or changing the views which they hold with reference to it. But this statute is not the statute considered in the Spreckels case, and does not contain the element which was construed into a saving difference between it and the act of 1894.

I do not understand that there is anything in the expression quoted by the Senator from Maryland that would make that excise which was before direct or make that direct which was before excise in its nature or that prevents the income tax here presented by the Bailey-Cummins amendment from being an excise tax. In fact, that decision has been most powerfully and persuasively employed in the discussion here to demonstrate that already, and in it the Supreme Court has in effect reversed its position in the Pollock case.

We know something of the history of income taxes generally, and there is nothing in them which would put the proposed tax here revealed outside the pale of income taxes or make it valid when others were invalid or indirect if they are direct. I come back to my proposition, and I ask anyone who considers it, anyone who investigates it, anyone who is seeking only to go to the marrow of this legislation and to know what in fact it is, to point out a single element that is not income, and only income, in its nature, any feature that will eliminate the character of a direct tax, of being a tax upon real estate and invested personal property.

I can take the Bailey-Cummins bill and write into it the words that "this is a special excise tax levied with respect to the business of the corporations, firms, and individuals who are hereby made subject to its terms and provisions," and leave every other word in it exactly what it is to-day, with as much propriety as the similar words are written into this amendment; but would I thereby convert an avowed income tax, if it were not already so, into an indirect or an excise tax?

Is there such potency in mere words that you may change the spots of the legislative leopard by simply calling it a zebra, or some other kind of an animal? I submit that the legislative body of the greatest people on earth, dealing honestly and fairly and frankly with a great subject, can not find in the paltering words of this parenthetical expression anything that changes the nature of this law, anything which would validate it if it is invalid without them.

For these reasons I am of the opinion that this amendment may be constitutional in fact, but submit that just now that constitutionality rests under a slight cloud, owing to a decision of the Supreme Court, which is perhaps but a trifle, perhaps insurmountable, but that is all, in my opinion, that stands in the way.

I believe, Mr. President, that I should be dealing with that great tribunal with more respect for it if I should go to it and frankly say: "The decision rendered by this court, by the casting vote of one hesitating judge, ought to be reviewed by you, and I ask you to do it," than to suggest that I could, by writing a phrase like this into legislation, give them a "short cut across the lot," afford them an opportunity to do by indirection the thing which they would not openly and directly do. That, however, is perhaps a matter of taste and a matter of opinion.

Whether or not I am correct in this analysis of this law, and in claiming that it is an income law, and a direct tax if the Pollock case retains its full vigor, there is no doubt that it taxes incomes derived from real estate and from invested personal property. I can say to the Senate that it is a matter of which a court would take judicial cognizance, a matter of which the Senate is advised, that everywhere throughout the country there are corporations organized for the sole purpose of owning, operating, and collecting the rents from real estate. We have our investment companies everywhere, all of whose holdings are real estate. We have corporations engaged in farming; we have them engaged in owning blocks and renting them; we have them engaged in buying and selling real estate, renting it, having all their income derived absolutely and exclusively from real estate.

One of these corporations is called upon to make its return. It has rented its farm, or it has rented its building, and the return it makes is $10,000 in rents derived from the Colorado Building, let us say, in the city of Washington. It deducts so much for taking care of it and so much for taxes it has paid, and has $8,000 left. On $3,000 of that it pays 2 per cent.

I should like to know where there is any difference between the tax upon that company and the tax which was condemned by the Supreme Court in the Pollock case. There it held the whole law bad because it required the entire income to be considered, and that income might partake—and would if it had it—of the proceeds of real estate in the form of rents, and the proceeds of personal property.

Taking the corporation which owns real estate, I should like to know what difference there is to it under this proposed law, under the Bailey-Cummins law as proposed, and under the law of 1894? The Supreme Court, in the very decision which the learned Senator from Maryland has quoted, says it is the result of the law that determines its character, and not the name which is given to it.

The result is to tax incomes from all sources, including real estate and personal property. That is what this amendment does, and that is what is desired to be done. The fatality of its inherent nature clings to the pen of the draftsman as he writes the words "income," "income," and "income from all sources," which occur and recur throughout the text of the amendment. We are told that it is to be "upon the entire net income"—"upon the entire net income;" and so it runs throughout.

Mr. President, I recognize how different minds approaching the same subject from different standpoints may see it in different lights, and may from similar investigations derive contrary results. But to my mind it is as clear as the sunlight that this is an income tax as much as the law considered in the Pollock case, and imposes direct taxes if that law did. It is equally clear that the words about which inquiries have been made here to-day were put there with the hope that they might take away the curse of being an income tax, of being a direct tax. But that quality is in the bone; it can not be gotten out of it so long as the real purpose and object is to tax incomes.

The ingenuity of the courts, as in the hundreds of years of English and American legislation and decision in conflict with the legislature it has been able to do, will be able to run a winning race with any purpose of the legislature to avoid the prohibitions of the Constitution or the purposes of the court. You can not get around its power and sagacity in that way. You must, and should, meet it open-facedly.

Mr. NEWLANDS. Mr. President——

The PRESIDING OFFICER (Mr. CURTIS in the chair). Does the Senator from Colorado yield to the Senator from Nevada?

Mr. HUGHES. I do.

Mr. NEWLANDS. I wish to ask the Senator from Colorado whether, if he were intent upon framing an internal-revenue tax similar in character to the one covered by this bill, he would not regard it as safer to follow the exact verbiage of the tax which was under consideration in the Spreckels case—which imposed a tax not simply upon corporations, but upon all persons, firms, and corporations engaged in the business of refining oil and sugar, making that tax equal to a certain percentage of the gross receipts above a certain amount—and extend that tax beyond sugar refiners and oil refiners, so as to take in manufacturers, persons, firms, and corporations engaged in transportation, electric lighting, and perhaps in commercial business? I ask him whether he would not regard that as a safer method of procedure than the course proposed by the Finance Committee, and one covering as fully the ground this tax covers?

Mr. HUGHES. Mr. President, I surely should, for it is but a thin plank that you walk when you reach the result of that decision from the statute upon which it was based, and I do not believe it can with safety be trimmed down to the slightest extent. I think that when you begin expanding the supposed exception, the arguments which were made against it will grow in force and strength until there will be some considerable doubt whether the doctrine of stare decisis will support or oppose that decision.

Mr. BRANDEGEE. Mr. President——

The PRESIDING OFFICER. Does the Senator from Colorado yield to the Senator from Connecticut?

Mr. HUGHES. I do.

Mr. BRANDEGEE. Does the Senator from Colorado agree with the Supreme Court in the Spreckels case that the act therein construed was an excise tax?

Mr. HUGHES. I agree that the court so held.

Mr. BRANDEGEE. And how does the Senator distinguish the pending amendment from the act that was construed in that case?

Mr. HUGHES. By the very distinction which that court drew for the purpose of maintaining that tax against the argument made against it, to wit: That it was an occupation tax levied upon the occupation or business of refining oil and of refining sugar. It was the character of the business. It recognized that the occupation was the subject of taxation by the Government; that it might select one occupation and tax it, and leave another occupation untaxed, when it was the occupation itself which it taxed.

That raised a serious question and one that can not be lightly dismissed by anyone who will give it thought, because, when you carry it out to its logical conclusion, you meet the objection urged, that in the end you are taxing the income derived from the business—from the property—and the attention of the court was called to the fact that in the Pollock case it had held that they were taxing real estate, because it was taxing the rents derived from real estate. That question was presented to the court. We may entertain our individual opinions as to with what justice, clearness, and accuracy of judgment the court turned the one way instead of the other, but it based that decision upon a frail and slender distinction, which is left out of this amendment. So that if there be reason to criticise, as the Senator from Maryland has criticised that decision, and if there be but slight ground upon which it may stand, even that slight foundation is taken away in this bill. There the tax was limited to one or two kinds of business. Here the entire business of the country, so far as it is done, we are told, by corporations, is sought to be made the subject of the levy and tax.

By way of illustration, suppose a corporation should be organized for the purpose of receiving gifts—and, singularly enough, such a corporation might be organized—and suppose some one should donate $500,000 to it. It toils not; neither does it spin. It is engaged in no occupation save that of sitting with the cap of mendicancy extended to receive the gifts of the charitable. That is its business. Would that be taxed? Would that be a tax upon a business? Would that be an occupation tax?

If it had been said to all the farmers from Maine to Oregon, "We are going to levy a tax upon all of you who have put your property into corporations"—and there are thousands of them—the protest that would at once arise would not only call for the speedy repeal of the law, but would make its adoption an impossibility. So that was not done. But it is known that

there is a deep-seated and in many respects well-founded prejudice against corporations, until that word has come to be one with which to conjure up ill will and a desire to do such creatures of the law an injury, regardless of those who control them, regardless of their manner of conducting their business, and regardless of the business in which they are engaged. It would seem that it may have been subtly conceived that if this should be called a "corporation tax," that fact, that name, added to the fact that it was called a "special excise tax," would make it constitutional, acceptable, and palatable, and perhaps secure for it favorable consideration. But I believe that, with one exception, no one here has avowed his purpose of voting for it because it is a corporation tax. We have had no expressed purpose of ignoring the injustice which it would perpetrate, thus avowing a purpose of doing an injustice open eyed and apparently for that purpose.

We can not legislate in that way. I know the feeling to which I have referred. I know its extent, and I think I am dealing only fairly with the people when I say it has its limitation. I know full well that those who have used this form of organization until they have gathered together in vast and almost countless millions profits coming through privilege and favored legislation have withdrawn them in such manner from such corporations that they will utterly and entirely escape this tax.

Mr. President, the "Laird of Skibo" will continue forever in his Marathon race with his millions, haunted by the fear that he may die a rich man, without relief by taxation, if this is the only kind of taxation indulged in by the Federal Government. You are not reaching, nor intending to reach, nor has there been a suggestion made here that by this legislation you will reach those whom, we were told, it was the especial desire of our former President to reach; those whom, we were told by President Taft in at least two speeches, it was his desire to have taxed, and those who the Members of this body, of all parties, have so often united in proclaiming should be subjected to their fair share of the burdens of taxation. They have escaped hitherto, and they escape now. And yet the Senator from Maryland avowed, in answer to the Senator from Iowa, that it was in the power of this Government to lay an occupation tax upon all persons and firms and corporations in this country, and thereby to include in the tax which would be collected under such law and under the Bailey-Cummins amendment the income which is the proceeds of the untaxed accumulated wealth, not the precarious incomes which we were yesterday told ought to be exempt, but the piled-up and secured and safe and untaxed accumulations in this country which are not invested in corporation stocks, unless in exempted holding companies. These fortunes, these incomes, still escape; they go yet untaxed.

Mr. President, in connection with the justification of this proposed law and the fact that it was intended by its propounder to be one thing and turned out to be another, we were told that a direct tax would be levied by the amendment contained in the proposal which the pending amendment was intended to supplant, and therefore it would necessarily be obnoxious to the Constitution as construed in the Pollock case. In order to sustain that proposition, there was quoted a definition given by some writers on political economy as to what is a direct tax. It is sufficient to reply that the Supreme Court of the United States has said, in several opinions, that this definition is not applicable; that it was not the one in the minds of the framers of the Constitution, and does not control. We need not therefore be apprehensive because of this objection.

These are the legal features of this question. There are included in the taxes to be levied by this proposed law provisions which are in themselves unjust, while the entire amendment also is inherently unjust. They discriminate between those engaged in the same occupation without any reason whatever for that discrimination. It was said—and I referred to this a moment ago—that certain privileges were held by those who engaged in doing business through corporations; and that is, to some extent—now much limited—true. In the State of Colorado three or more persons may incorporate to do any lawful business.

There is no other limitation whatever upon the right to incorporate. By the laws of the State of Colorado also several men may enter into a limited partnership, and those who contribute the chief capital of the limited partnership may restrict their liability so that they will be under no individual obligation whatever. They would escape this taxation, while they are freed from the very same individual liabilities that the shareholders in corporations escape. In addition, in the banks of Colorado, which will be taxable under this law, the shareholders do not have that exemption from personal liability to the extent stated. In addition, corporations there are not perpetual. Their life is generally twenty years, and only twenty years, while as to some few companies fifty years. When they are incorporated they pay for the privilege of incorporation, of being a corporation, for the privilege of doing business as a corporation, a high tax or fee based upon the amount of their capitalization. They pay a flat tax, they pay an annual tax, known sometimes as a "corporation tax." These taxes bring into the state treasury thousands of dollars each year. The corporations pay the State for this state-granted privilege. They pay the State, and they pay a full price for it. But those who do business in the other way do not pay these revenues to the State, nor will they pay under this amendment. Some of them escape, while the stockholders of numbers of corporations taxed under this law incur individual liability. They do the same kind of business, and they are favored in a country where taxes are supposed to be equally and equitably apportioned. That is a feature of undisputed injustice.

There is nothing, therefore, in the suggestion of the propriety of the United States taxing the privilege of being a state corporation. The very thing which avowedly can justify an income tax might be a reason why the corporations should be taxed, but it does not change the constitutional nature of the law which lays its burden upon income under the guise and, as I have said, under the pretense of its being an excise and, in some way, an indirect tax. So that feature of the amendment does not relieve the situation.

I shall not, Mr. President, undertake to discuss now all the many objections inherent in the very nature of this amendment. One of them has been called to my attention by a telegram that I have received, while sitting here to-day, from the city of Grand Junction, in the State of Colorado, where they have what they call a "Home Builders' Association." They are building up homes there, where but a few brief years ago there was an absolute and unmistakable desert which they have reclaimed and made fruitful. They say this tax will put them to a disadvantage as it is framed; that it will lay an unjust burden upon those who are building these homes. No one disputes the force of this claim. Attention was called yesterday to the fact that, while the President recommended that this class of companies or organizations, or the business or occupation, or the income from it, should be exempted from this tax, they were included. That fact was given as a reason why we might doubt to some extent the paternity ascribed to the measure.

Again, it is the custom in the East, and in the West, as I know, sometimes, when the burdens of insurance become intolerable because of the high rates exacted, to form mutual insurance companies. The farmers do it, the fruit raisers do it, the cattle owners do it, the manufacturers do it. They carry thus their own insurance. They incorporate a company for that purpose, and they pay into that company in the beginning of the year what would be equal to the premiums they would be required to pay to a regular insurance company, and at the end of the year they pay the losses and then pay back in the form of dividends to the stockholders of the company the remainder of their original contribution.

Under this amendment you will absolutely lay a tax and collect it upon the money which has been put into this business for the purpose of paying insurance, and has not been used up in that way, and which has already paid its tax.

My attention has been called to the fact that in New England—and, I may say to the Senator from Rhode Island, in his own State—there are corporations by means of which the manufacturing companies pay into a company for insurance $5,000, $10,000, or whatever it may be, which is equivalent to the premiums they would pay for insurance, and at the end of the year the remainder is paid back in dividends. A tax will be levied upon it under this proposed law. My attention was called to the fact that in one year the loss had been in one company $5,000, and that this tax would amount to $2,000.

The measure is full, when studied, of injustices of that character. If it was to be considered here, as all laws should be here considered, it should have been laid before this body at a time when it would have been open to scrutiny, to investigation and amendment, and ought not to have been brought in during the heat of the expiration of the session and then hurried through under whip and spur, and under the command of august power, lest there might be discussion, and that discussion might disclose its weakness, and result in its defeat. These objections are all in addition to the avowed purpose for which this amendment was brought here. I surmised a little while ago such purpose was its object, and with a frankness most commendable, and it would be a happy thing if it was universal, we have been told what the object is, and that object ought to and must condemn it. If no other objection were made to this proposed law than the fact that those who framed it and are urging it were

doing so for the purpose of defeating better legislation, then, so far as I am concerned, in that motive alone I should find an overmastering reason for opposing it and of letting the responsibility for its defeat, for the failure to secure just and popularly demanded tax legislation, rest with those who undertake by contrivances and devices of this character to defeat legislation which might otherwise be and should be successful. Let them take the blame, if blame there may be for the result.

One objection to the Bailey-Cummins amendment offered here was referred to by the Senator from Iowa [Mr. CUMMINS], and that is that the income tax would lay a large burden upon certain enumerated States. My response to that also is that they have the wherewithal to pay that tax. The remainder of the country has paid its tribute for a century into these coffers, coerced, and induced to this contribution by the exactions of an unjust system of revenue, and now when this wealth has been piled up mountain high as a result of this discriminating and unjust revenue legislation, the very fact that it is large is used here as an argument why it should not pay its proportionate part of the taxation of the country. In that argument was revealed much of the real ground of objection to the other law which this is being used to defeat. For that reason again I would decline to give my aid, countenance, or support to a law created for a purpose of that kind. I do not believe that it was the executive purpose that it should be fashioned that way. I do not believe that it was the executive purpose that it should be used for the purpose of exempting certain property and wealth which we now know is by it exempted. It does so beyond controversy, and in that fact I find an answer to all that may be said as to the wishes and the desire of those who would legislate patriotically and equally.

But, Mr. President, another reason has been given for it. We are told it will tend toward centralization; that it will tend toward federal supervision of state corporations; that it will accomplish by indirection that which the Government of the United States has again and again refused to permit to be done by its express sanction, that which in the calm, patriotic judgment of many thoughtful statesmen and profound students of our Constitution it has not the lawful power to do, should not have the lawful power to do, and which if it possessed it would be unwise to use. In the very elements which are urged in its support I find grounds for opposition to it. If this Government has the power, and ought to exercise it, to supervise the affairs and control the business of the small corporations created by the States and thus wipe out and not merely blur state lines and powers, let it be done in that bold, unquestioned, and undoubted manner that becomes a great nation exercising a power which it believes it honestly possesses. Let it not begin by the indirection of an incident under profession of accomplishing another purpose.

But, Mr. President, that is not the only objection to that feature. It is said that it will secure a desired publicity. I say that it will secure the opportunity for a very undesirable publicity, for we are told that the limited inquiries which are made and the limited information which is disclosed shall be kept secret; that it shall be criminal to disclose it, save at the discretion of the President of the United States. It does not give the publicity of law, so far as it permits any whatever. It is the publicity of personal discretion, of personal like or dislike, for which it provides. We will not always have the one President, and I do not believe that man of woman born was ever yet wise enough or good enough to be intrusted with this discretionary power, fraught with the evil that might come out of its exercise. Think of the political power in a desperate campaign this might confer! Think of some disclosures the country has had of contributions where the power of coercion was less! It is only a few months ago that the leak of secrets of the Agricultural Department of the Government enabled the stock jobbers of New York to wreck fortunes and to build up fortunes, and we are not yet through with that inquiry. There should not be gathered in this way information which can not be lawfully made public to all who may legitimately inquire. When you suggest things that can not be disclosed without injury to those who give the information, you are making taxation an instrument of destruction, and are going beyond the legitimate function of enacting a tax law. When it is done for such purpose avowedly, it furnishes a strong reason why the law should not be adopted.

But, Mr. President, there is a further danger in lodging such power as is here proposed and here and in the manner fixed by this amendment. If it is to reveal the financial conditions of state banks and financial institutions and many other institutions that will come into the hands of those who may make merchandise of it to rivals in business, if it may be bruited about to create and bring on disaster, then it is storing up the dangerous means of injury. If it is to enlighten the discretion of the President, is it to be supposed that he is to make himself familiar with all these hundreds of thousands of returns? No; that is impossible. Thousands of eyes, thousands of hands must deal with this information, and somebody must bring out sometime to the President's attention the reasons which they urge as giving ground for making public this or that information or this or that return. I say, again, that such power ought to be lodged in no one man's hand. The knowledge gathered ought to be of a character that it may be revealed without being done at the mere caprice or in the discretionary exercise of power by one man. This element alone instead of securing the desired publicity may prevent it in the future as it has done in the past.

While the Attorney-General may see, in the misconduct of a great corporation, reasons for calling its conduct to the attention of a grand jury, we know that but a few months since another declined to do that very thing. So that action will depend upon the changing mental attitude of those who advise and inform the Chief Executive as to whether matters gathered up at this expense, enormous as it must be, shall be made public or kept secret for all time. Hence this doctrine of publicity, so much commented upon, is not an effective or valuable publicity, and is not put into such form of legislation as accomplishes the only desirable objects which are urged as proper and desirable to be embraced within it.

Again, it is said that trusts are good things. I have heard before somewhere that there are some good trusts. Now, having been told that trusts are good things, we are further told that the law will foster them. It would seem from this that "trust-busting" is shortly to become one of the lost arts, for this legislation, we are told by one who it is suggested whispered charmingly and convincingly into the Executive ear in its behalf has told us that it will favor not merely centralization and that publicity to which I have referred, but that it will also tend to aid the increasing growth of those great trusts, which are again said to be the natural evolution of our civilization and progress.

There is a gentleman who at Chicago made a speech like that, and was then called into high office in this Government and found a reason why he should and a way to explain and retract it. I had supposed that at least until the antitrust clouds had rolled by we would not again hear as a justification for legislation or decision the doctrine of the benevolent and inevitable growth of the trusts as a necessary factor of modern civilization.

Then if this act is to accomplish this result, I am against it for that reason also. I find not one in all the reasons here urged why I should vote for it. I know that he who has stood here most prominently as advocate of this amendment, who helped to rock its cradle, and who told so entertainingly the story of its paternity and its birth, has said that now he would not lessen the strength of the States to exercise all their functions, and that while he would administer in all their vigor the powers of the National Government, that he would not enlarge or increase them. I have further observed that he also said that in his judgment the Supreme Court had erred in the Pollock case and therein went against the weight of the argument.

In that announcement I found ground for rejoicing. He said he preferred the income tax to this amendment, which is what I do, but he also said the President would prefer this unsatisfactory measure to the Bailey-Cummins amendment. This I regretted for many obvious reasons to hear said. But I am glad now that in undertaking to prove constitutional this amendment, it is to be done by reading it, as we were told yesterday, should be done in the light of the lamps of the fathers who framed it and not in the light of that modern incandescent electrical constitutional construction which is to give to the Federal Government all the powers of the States if they are not exercised pretty promptly by the States. That doctrine lately prominent in political discussion seems now to have lost even the support of its authors, and to have passed away with the "big stick."

So we are not to have the constitutionality of this unconstitutional law removed by any new canons of constitutional construction, but we must go back to the old humdrum fashion of studying the letter, and of evoking the spirit of that Constitution and of gathering out of it the meaning of those who made it, uninfluenced by the suggestion that the dead hand of the Constitution should no longer paralyze the legislative progress of the Nation.

Mr. President, for the reasons I have stated and for a hundred others which utter their own voice against this measure, I am opposed to this measure as a substitute, or as a subterfuge, as has been suggested. By "subterfuge" I believe it is meant—

and I am sorry the Senator from Maryland did not give us his etymological learning on this subject—something under which we could flee, under which we could hide, flee under, for escape. Therefore I am opposed to it. I do not know that this may have here now any effect, but I wish it understood that you may call it a "corporation tax" or call it an "excise tax" or call it anything you please, you can not thus, to my mind, take away its real nature or make that good which is otherwise bad, nor can you so interpret the Federal Constitution that an income tax is unconstitutional as direct when you frankly call it an "income tax," but becomes immediately constitutional and indirect when you write upon a yellow label across its face "special excise tax."

Mr. NEWLANDS. Mr. President, following the line of argument which the Senator from Colorado [Mr. HUGHES] has so ably pursued, I wish to speak briefly regarding the practical form that this measure should take, in case it is enacted into law.

I will say by way of preliminary that I hope it will not be adopted as a substitute for the Bailey-Cummins income-tax amendment, but if it is, I hope that it will be put in such shape as to entitle it to the support of the Senators on this side of the Chamber as a legitimate, just, and constitutional tax upon the wealth of the country.

The Senator from Colorado has well said that the plank between the tax under consideration in the Spreckels case and the Constitution was a very thin one, and that it should not be made thinner. What was that tax? It was not a tax upon corporations per se. Its author, Senator White, of California, expressly disclaimed that in the Senate, and he disclaimed it in such a way as to indicate his view, that he doubted the constitutionality of an occupation tax which was applied only to corporations and not to natural persons. That tax was not a franchise tax; it was a tax simply upon occupation—upon the occupation of all persons, firms, and corporations engaged in the business of refining oil or sugar.

So here we have the basis of a law which can be enlarged to sufficient proportions to give us all the revenue that we require without incurring any risk as to its unconstitutionality, a measure resting firmly upon the decision of the court already announced in the Spreckels case. Under that tax, imposed only upon sugar refiners and oil refiners, and equivalent to one-fourth of 1 per cent upon their gross receipts over $250,000 per annum, an annual revenue of $1,000,000 was raised during the Spanish war. Had that tax been three-quarters of 1 per cent per annum upon gross receipts, the revenue raised from those two classes of refiners alone would have been $3,000,000 per annum. Such a tax, extended to all manufacturing and industrial occupations, whether conducted by persons, firms, or corporations, whose annual gross receipts exceed $250,000 per annum, would raise an enormous revenue and would hardly be felt by the vast wealth employed in them.

So Senator White, backed by the Democratic Members of this body, aided by only a few Republicans, placed upon the statute books this constitutional tax upon wealth, which has been sustained by the Supreme Court, and which has been made the basis of the President's recommendation. Why not follow closely its exact verbiage, whilst extending its application to other occupations?

Now, what form of aggregations of capital have come under the just criticism of the country? The great combinations of capital. Has there been any complaint of the small corporations, of the commercial corporations, of the business corporations, of the small manufacturing corporations? There is no complaint regarding them. The complaint is against the great combinations of capital in this country, and the abuses which exist to-day are the abuses which these great combinations of capital have originated and practiced.

Inasmuch as this measure has in view not only revenue, but publicity with a view to ending such abuses, why put the light of publicity upon these numberless small corporations of the country, overburdening the records, and so confusing the inquiry that we may not be able to discern the abuses of the great combinations themselves?

Our legislation, both with reference to revenue and publicity, should be concentrated upon those forms of wealth that have become most oppressive and upon those forms of wealth with reference to which the greatest abuses have existed; those forms of lawless wealth that have brought the law-abiding wealth of the country itself into discredit. There will be no difficulty in raising ample revenue from such sources. Read Moody's Manual and observe the number of corporations of tens of millions and hundreds of millions of dollars that have been organized within the past twenty years; observe their capitalization; observe their income; realize the extent of their operations; and then you can form some judgment as to the amount that can be raised by a reasonable tax upon the gross receipts of persons, firms, and corporations engaged in such varying businesses as Congress may choose to enumerate in this proposed act.

When this matter came up in the House of Representatives, and when it was proposed that the war-revenue taxes should be reduced, the Democratic party then took strong ground against the repeal of this tax on oil and sugar refiners. I myself introduced an amendment there diminishing the tax, but extending it to all manufactures. It obtained the unanimous vote of the Democrats of that body and only failed of passage by 25 or 30 votes. Our contention was that whilst the war-revenue act should be repealed in most of its features, we should retain in the act those forms of taxation upon wealth which would be serviceable hereafter in emergency as a basis of additional revenue for the country. Later on, in 1902, when the bill repealing the war taxes came up, the report of the Ways and Means Committee was against the repeal of this tax. We insisted that it could in time of emergency be so enlarged as to embrace almost all the oppressive forms of wealth and be a source of great revenue to the country. But we were prevented by a special rule from getting a vote on this question.

Mr. President, all these gigantic corporations, being engaged in interstate commerce, legitimately come within the regulating and controlling power of Congress so far as their interstate operations are concerned, and whilst the Senator from Colorado [Mr. HUGHES] may justly contend that it is not within the power of the National Government, and that the National Government should not exercise the power, to bring all these small corporations, organized by and operating within the States, under national supervision; and whilst he doubts the constitutional exercise of such a power, yet certainly he would not apply that view to these great trusts and combinations engaged in interstate commerce, with reference to which we have repeatedly asserted our power to act, and from which it is our duty to secure such data as will facilitate us in our legislation, not only regarding revenue, but regarding trust regulation—the regulation of interstate commerce and the making of tariff schedules. We can easily, by enumerating certain occupations, certain vocations, certain businesses, enlarge the limit of our investigation beyond that of oil and sugar refineries, and embrace all the occupations pursued by these great trusts and combinations in such a way as to bring to Washington all the data which will enable us to act in legislation regarding their regulation and control.

In addition to this, Mr. President, the Congress of the United States has assumed to become the protector of the manufacturing institutions of the country organized under state laws, and has imposed duties upon competing products from other countries which yield a revenue of over $300,000,000 annually to the Government, and which, at the same time, give these manufacturing interests of the country the power of advancing their prices to the purchasing consumers of the country an average of nearly 50 per cent, a total of about $3,000,000,000 annually.

The question comes up repeatedly in Congress, in imposing these duties upon foreign competing products, as to what is the differential between the cost of production here and the cost of production abroad. In connection with tariff legislation, data may be obtained which will enable us to ascertain the profits of these great manufacturing organizations; which will give us facts instead of conjectures, reality instead of imagination. We know that during this entire discussion of nearly four months we have been able to obtain the differential upon hardly a single product.

The machinery of revenue could be used in such a way as to give us the information that will be of value in tariff legislation.

It seems to me that, above all things, this legislation should be concentrated; that it should not embrace all the small, innocent, and innocuous corporations in the country; that it should be applied, as the petroleum and sugar refinery tax was applied, only to organizations having large gross receipts; in that case $250,000 per annum. In this way we shall limit the tax to a comparatively small area; we shall limit the inquiry and the examination to a comparatively small area, and at the same time we shall be enabled to ascertain the facts in connection with these great manufacturing interests and make them public in such a way that the publicity itself will be a corrective and the facts which we obtain will be of service to us in the legislation upon which we propose to act.

Mr. President, I shall not enter into the constitutional questions which the Senator from Colorado has pursued. Some days ago, at the very opening of this debate, I presented an historical statement regarding the tax upon oil and sugar

refiners, simply making a statement in connection with it that would tie that history together.

Without much inquiry into the law, I then stated that grave danger existed as to the constitutionality of the tax imposed by this amendment; that if it should be regarded as a tax upon occupations, then the question would be raised that it was not a uniform tax; that to tax an occupation in the hands of an artificial person and not to tax it in the hands of a natural person might be regarded as a denial of that uniformity called for by the Constitution; that if it should be regarded as a tax upon the privilege of being a corporation, the power to be and the power to do, the question might be raised as to our constitutional power to tax such a franchise, the creation of a sovereign State acting within its jurisdiction.

It is true that the Supreme Court has declared that that uniformity need be only a geographical uniformity; but the question of classification is always a question upon which hair-splitting decisions can be made.

So with reference to the tax viewed as a corporation tax, it has seemed to me that it is a tax upon the right to be and the right to do of a corporation; and whilst it is contended that such a tax has been upheld, notably in the Adams Express Company case, yet I am unable to see that that decision covers entirely this contention. It seems to me to involve a contradiction to declare that when the Nation, acting within the granted powers, grants a franchise to a corporation, no State can impose a tax upon such franchise, for the power to tax involves the power to destroy; and yet, at the same time, to declare that when the State grants a franchise to a corporation the Nation can, if it so chooses, tax it out of existence. These rights and powers, it seems to me, must be reciprocal. The Nation is supreme within the powers granted by the Constitution over every inch of American territory; the State is supreme within its reserved powers over every inch of territory within its boundaries. The one is just as sovereign as the other within its own acknowledged jurisdiction; and to say that the power and the privilege granted by some one sovereign, the Nation, can not be taxed by the State, and that the power and privilege granted by another sovereign, the State, can be taxed by the Nation, seems to me to involve a contradiction.

So I contend that we should not throw this important matter of revenue into the maelstrom of litigation; that this plank, upon which it is proposed that this particular measure shall rest, is too thin for further splitting. The President has declared that his recommendation is based upon the decision in the Spreckels Sugar Company case; and it is the part of wisdom to purpose closely the lines of the tax that was imposed in that case. If we do that, we shall avoid the inconvenience of taxing all the small corporations of the country, and we shall confine our taxation to these great combinations of capital whose profits have been enormous, whose ability to bear is greater than that of any other class of the community, and whose abuses have awakened the attention of the country and demand legislative cure. The substitution of the corporation tax for the income tax seems to be a foregone conclusion, so far as present action is concerned; but I shall hope that when the bill as amended is before the Senate such amendments will be made as will free the small corporations from its operation, will place the combined wealth of the big manufacturers and corporations under national burdens, will furnish the statistical information necessary to rectify trust and tariff abuses, and, above all, such amendments will make the tax imposed identical with that which has already so successfully stood the test of the courts.

The VICE-PRESIDENT. The question is on agreeing to the amendment of the Senator from Rhode Island [Mr. ALDRICH] to the amendment of the Senator from Massachusetts [Mr. LODGE].

Mr. ALDRICH. Mr. President, I am not sure whether or not there are other speeches that are to be made upon this proposition. I think there are some Senators, perhaps, who are not here who would like to make some short remarks upon either one amendment or the other; and, for the convenience of all Senators, I would suggest that we take a final vote upon the amendments, without further debate, at 1 o'clock to-morrow.

Mr. ELKINS. Why can we not vote now?

Mr. ALDRICH. I am not sure that all Senators who desire to speak have done so. I thought perhaps we might agree to vote to-morrow.

Mr. ELKINS. We came near having a vote yesterday.

Mr. ALDRICH. I am willing, of course, to vote now if there is to be no further discussion.

Mr. ELKINS. I have been waiting here all day to vote.

Mr. BAILEY. I am afraid the Senator from West Virginia would leave if we would let him vote. [Laughter.]

The VICE-PRESIDENT. Is there objection to the request of the Senator from Rhode Island?

Mr. STONE. What is the request of the Senator?

Mr. ALDRICH. That a vote be taken on the proposition of the Senator from Texas [Mr. BAILEY], the pending amendment, the substitute, and any amendments which may be offered to them, without further discussion, to-morrow at 1 o'clock.

The VICE-PRESIDENT. Is there objection to the request?

Mr. BACON. I should like to ask the Senator a question before the matter is determined.

Mr. ALDRICH. Several Senators ask me, "Why not vote now?" I am not sure whether the discussion has been exhausted.

Mr. BAILEY. I know two Senators are in conference now as to whether or not both will speak. One of them will certainly make a brief speech, and consequently we can not vote right now. I prefer that an hour be definitely fixed, so that every Senator can be advised of that hour and be certain to be here, without any inconvenience or any mishap.

The VICE-PRESIDENT. Is there objection to the request of the Senator from Rhode Island?

Mr. BACON. I desire to ask the Senator from Rhode Island a question before the matter is concluded. There has been some difference of opinion in his absence as to the parliamentary situation in case his amendment should be adopted. There are, as the Senator knows, several amendments, either of which it will be difficult to perfect unless there is a liberal construction of the rule as heretofore executed by permitting amendments without regard to strict parliamentary law. For instance, the Senator's amendment is pending, and if it is in the second degree as an amendment—about which there is some little difference of opinion—and it should be adopted, would the Senator then recognize the right of Senators to offer further amendments to his proposition?

Mr. ALDRICH. Of course I am inclined to be liberal about the matter, but I prefer to have an understanding that any minor amendments to perfect the text should be considered before the time fixed for the final vote. There are some amendments, one offered by the Senator from Nebraska [Mr. BURKETT], and other amendments of that kind. I will say to Senators that my impression is that it would be better for the Senate to adopt the amendment as it stands. The committee will then consider its effect; and before the bill finally passes they will perhaps have some amendments to suggest with reference to fraternal and benevolent organizations. My own opinion is that benevolent organizations are all now exempted by the terms of the amendment as it stands. Of course none of us want to tax that class of corporations, and if the amendment should be adopted as it stands, the committee will give very careful consideration to all these propositions for exemption. I do not think it is possible for the Senate in the short time we have to consider them carefully at this moment; and I should be inclined myself, if we are going to have a vote now, to move to lay amendments of that character upon the table, with a view to trying at a later time to perfect some amendments which would carry out the plain intention of the proposed law.

Mr. CUMMINS. Mr. President, I should like to ask a question of the Senator from Rhode Island.

The VICE-PRESIDENT. Does the Senator from Rhode Island yield to the Senator from Iowa?

Mr. ALDRICH. Certainly.

Mr. CUMMINS. I understand the Senator's request would, if granted, preclude debate upon any amendment that may be offered?

Mr. ALDRICH. Yes; but we would have plenty of time between now and the time I have suggested for discussing any amendment, if Senators saw fit to do so.

Mr. CUMMINS. I am unwilling to consent to that request. I am perfectly willing to vote on the amendment as it is offered and as it appears now, or I am perfectly willing to fix a time when it may be voted upon; but I am unwilling to consent to an arrangement by which other amendments may be offered and voted upon without debate. I myself want to reserve the opportunity to be heard upon any amendment that may be offered to the proposition of the Senator from Rhode Island.

Mr. ALDRICH. The Senator from Iowa would have all of his rights in the Senate; that is, any rights which he wanted to reserve in that direction. It seems to me that the debate upon this proposition must terminate at some time; and of course if Senators are not willing to make an agreement, there is nothing left but to go on and dispose of the matter as rapidly as we may.

Mr. CUMMINS. I am perfectly willing that we shall terminate it now; I am perfectly willing to fix a time to-morrow to vote on the pending amendment; but it is not, according to my view, fair to present amendments that have not been considered and have not been discussed, and to require a vote upon them without consideration.

Mr. ALDRICH. Mr. President, I am bound to say, for the committee, that they will adhere as closely as possible to the text of the amendment as it now stands for various reasons, which must be apparent to every Member of the Senate. With the exception of an exemption which might include benevolent organizations—which I think are clearly covered by the text as it now stands—I do not think, so far as the committee are concerned, that they will be willing at any time—of course subject to the will of the Senate—to submit to any amendment. Therefore, I think that the suggestions of the Senator from Iowa are not especially valuable, looking at them from that standpoint.

Mr. CUMMINS. It is quite likely they are not valuable.

Mr. ALDRICH. I meant in so far as accomplishing anything was concerned in connection with this matter at the present time.

Mr. CUMMINS. I have not been able to make any suggestions that have been very valuable; but, nevertheless, I do not want to vote upon amendments that are offered without a chance to know what those amendments are, and how they affect the pending measure. We are dealing with rather an intricate and difficult subject. I do not wonder at the hesitation of the Senator from Rhode Island in changing the text of the proposition. I am sure that he must recognize that we ought not to vote blindly on amendments that hereafter may be offered.

Mr. ALDRICH. The proposition as it now stands has not been presented to the Senate without the most careful consideration.

Mr. CUMMINS. I understand that.

Mr. ALDRICH. And I will say to the Senator, very frankly, that unless the opponents of this proposition obtain control of it and vote down the friends of the measure, there will be no substantial change in the proposition as it now stands.

Mr. STONE. We could not hear what the Senator from Rhode Island said.

Mr. ALDRICH. I said that, unless the committee loses control of the amendment and are voted down, there will be no substantial amendment to the proposition as it now stands. The committee will certainly consider carefully the matter of exemptions.

Mr. CUMMINS. Why, then, should not the Senator from Rhode Island avail himself of the opportunity in the Senate, if he desires or shall desire, to make any amendment in the measure?

Mr. ALDRICH. That is my proposition, that we vote this amendment into the bill, and then, if there is any change that the committee think it desirable to make in the Senate, they will have a chance to offer amendments, and the Senator from Iowa will have a chance to offer his.

Mr. CUMMINS. Why not vote on the measure as it is, reserving to Members of the Senate generally their right to offer amendments when it passes from the committee?

Mr. ALDRICH. But that reservation will not be necessary.

Mr. CUMMINS. I know it will not be necessary.

Mr. ALDRICH. I am quite willing myself to vote at this moment, without any further discussion on this amendment. I think there can be no objection to that.

Mr. BACON. On what amendment?

Mr. ALDRICH. On the committee amendment.

Mr. BACON. I desire to ask the Senator a question.

Mr. BULKELEY. Mr. President——

The VICE-PRESIDENT. Does the Senator from Rhode Island yield to the Senator from Connecticut?

Mr. ALDRICH. The Senator from Georgia [Mr. BACON] desires to ask me a question.

Mr. BACON. I think I have the floor, and I yielded it to the Senator.

The VICE-PRESIDENT Possibly the Senator from Georgia is correct. He now has the floor, at any rate.

Mr. BACON. I wish to ask the Senator a question. I do not think anything should be done which shall deprive Senators of the right to offer such amendments to this important proposition as they may wish to offer. I will say to the Senator from Rhode Island that during his absence I had a conference with the Senator from Massachusetts [Mr. LODGE] as to what would be the recognized procedure in the offering of amendments. The Senator from Massachusetts was of the opinion that under the liberal practice we have heretofore pursued in other cases of bills of importance, after the adoption of an amendment or a substitute, amendments may be offered. Of course that is not strict parliamentary law, but it has been the usual procedure of the Senate.

Mr. LODGE. In other words, if the Senator will allow me, after the adoption of the amendment of the Senator from Rhode Island, my amendment as amended will then, of course, be open to amendment as a substitute.

Mr. BACON. That is what I refer to. Of course when the substitute offered by the Senator from Massachusetts is amended, if it shall be, it will become his substitute. The opinion of the Senator from Massachusetts was that amendments would then be in order to that amended proposition. If that is done, of course it will be in accordance with the liberal practice which we have pursued; and it will avoid a great many technicalities in the strictly scientific parliamentary procedure. If that is done, I am content; but if that is not done, then I want an opportunity to offer amendments before the amendment of the Senator from Rhode Island is adopted.

Mr. ALDRICH. Mr. President, I will say that, as the Senator is well aware, under strict parliamentary usage, and under the usage of the Senate, if my amendment to the amendment of the Senator from Massachusetts should be adopted, that amendment could not be again acted upon or amended in Committee of the Whole.

Mr. BACON. I understand that.

Mr. ALDRICH. That is the parliamentary law.

Mr. BACON. But if the Senator stands on strict parliamentary usage, I will say to him that, in my opinion, his amendment is now amendable, because his is the first amendment to the substitute, and there is——

Mr. ALDRICH. I will say to the Senator from Georgia that I shall not be able to agree with him as to that.

Mr. BACON. If the Senator will pardon me a moment, either that is the case or the amendment is already in the third degree, for this reason. I hope the Senator will give me his attention, so that I may see whether I make the point correctly or not. It is either an amendment in the first degree to a substitute, in which case another amendment would be in order as being in the second degree; or else, if the substitute offered by the Senator from Massachusetts is itself an amendment to the amendment offered by the Senator from Texas, it is already in the second degree, and the amendment of the Senator from Rhode Island would now be in the third degree and not in order. The Senator may take either horn of the dilemma he chooses.

Mr. ALDRICH. Mr. President, the parliamentary situation is this: The Senator from Texas offered a proposition——

Mr. BACON. Yes; as an amendment.

Mr. ALDRICH. As an amendment to the bill.

Mr. BACON. Yes.

Mr. ALDRICH. The Senator from Massachusetts then offered an amendment in the nature of a substitute.

Mr. BACON. Yes.

Mr. ALDRICH. I then offered an amendment to the substitute.

Mr. BACON. Yes.

Mr. ALDRICH. The ordinary parliamentary rule, and the rule of the Senate require that substitutes for the original proposition may be amended with a view of perfecting them before the vote is finally taken upon the substitution.

Mr. BACON. That is true; but, if so——

Mr. ALDRICH. And the amendment of the Senator from Massachusetts is clearly a substitute. I have offered an amendment to the substitute. Pending that amendment, no other amendment is in order.

Mr. BACON. I beg the Senator's pardon.

Mr. LODGE. Then, if the Senator will allow me——

Mr. ALDRICH. I do not see how it would be possible to offer any other amendment. It would, of course, be an amendment in the third degree.

Mr. LODGE. I do not think it is worth while to argue that point. My own judgment is that it is not amendable now. But after the amendment of the Senator from Rhode Island is either rejected or accepted, further perfecting amendments can be offered to the substitute which will then be pending for the amendment of the Senator from Texas.

Mr. ALDRICH. I will say to the Senator from Georgia, that I myself am quite willing to have an understanding that any amendment may be offered which does not change the nature of the proposition.

Mr. BACON. But no one would offer an amendment unless it were intended to effect some change.

Mr. ALDRICH. I refer to one which effects a fundamental change.

Mr. BACON. Of course the nature of the amendment can not be stipulated. We want the right to offer our amendments.

Mr. ALDRICH. Then, Mr. President, I think we may as well go on. It is very evident that we are not going to arrive at a conclusion, and we may as well go on and get a vote whenever we can. I have made a certain proposition. If it is objected to——

The VICE-PRESIDENT. No objection has yet been offered.

Mr. BACON. I shall certainly object unless the Senator assures me that we shall have a clear road to amend, as we think we are entitled to do.

Mr. ALDRICH. No; the Senator will have no clear road that is contrary to the rules and the observances of the Senate.

Mr. BACON. I can not hear what the Senator says.

Mr. ALDRICH. I say I can not see how it is possible to have a clear road that is in violation of the rules of the Senate or the usual custom.

Mr. BACON. I still can not hear what the Senator says. I can hear enough of what he says to indicate that it is important that I should hear it. What does the Senator say?

Mr. ALDRICH. I say it is impossible to have an agreement which violates the rules of the Senate or the practices of the Senate.

Mr. BACON. I think that is exactly what the Senator from Rhode Island is seeking to get.

Mr. ALDRICH. I think not.

Mr. BACON. That is the nature of his proposition.

Mr. BURKETT. Will the Senator yield to me?

Mr. BACON. I am certainly not endeavoring to do anything of the kind. I am trying to prevent its being done.

Mr. McLAURIN. Mr. President——

The VICE-PRESIDENT. The Senator from Georgia [Mr. BACON] still has the floor. Does the Senator yield the floor? And if so, to whom?

Mr. BACON. I yield to the Senator from Mississippi.

Mr. McLAURIN. As I understand, the Senator from Rhode Island means, by "voting without further debate," to vote without further debate after 1 o'clock to-morrow; not to vote without further debate between now and 1 o'clock to-morrow?

Mr. ALDRICH. Oh, no.

Mr. McLAURIN. I wish to say this about the amendment of the Senator from Rhode Island: His amendment is either in the first or in the third degree.

Mr. BACON. It is one or the other.

Mr. McLAURIN. If it is in the first degree, it is amendable. If it is in the third degree, it is out of order.

Mr. BACON. That is true.

Mr. McLAURIN. As the Senator from Massachusetts says, if his substitute is amended by the amendment offered by the Senator from Rhode Island, then the substitute is amendable.

Mr. LODGE. Certainly; but not——

Mr. McLAURIN. But I do not believe that part of it which is the amendment of the Senator from Rhode Island is amendable.

Mr. LODGE. Certainly not. That is an adopted amendment.

Mr. McLAURIN. That is what I say.

Mr. LODGE. That portion of it is not amendable.

Mr. McLAURIN. It is not amendable. But I do think it is amendable now, if the Senate so desires, because the proposition of the Senator from Massachusetts to substitute his amendment for that of the Senator from Texas is either first or second. If it is first, the amendment of the Senator from Rhode Island can be amended. If it is second, the amendment of the Senator from Rhode Island is not in order, because it is in the third degree.

Mr. ALDRICH. Mr. President, if the Senator from Mississippi will pardon me, the situation is perfectly clear. The amendment offered by the Senator from Massachusetts is an amendment in the nature of a substitute, to which substitute I have offered an amendment; and pending the amendment no further amendment to the substitute is in order. If the amendment should be adopted, the substitute would then undoubtedly be still open for amendment for the purpose of perfecting it before the vote is taken on the final substitution.

That is the parliamentary situation. It is as clear to me as that twice two is four.

Mr. McLAURIN. It is very clear to me, too; but it is very clear to me that exactly the reverse of what the Senator from Rhode Island has expressed is the case.

Mr. President, I hope no objection will be made to taking a vote to-morrow at 1 o'clock. I do not see how we can be disadvantaged. It does not make any difference whether the view entertained by the Senator from Georgia prevails, or that entertained by the Senator from Rhode Island, as to the amendability of the amendment of the Senator from Rhode Island. I can not see how anybody can be disadvantaged by it.

Mr. ALDRICH. I do not think so, either.

Mr. McLAURIN. I say that for the reason that at 1 o'clock to-morrow, if anyone desires to offer an amendment to the amendment offered by the Senator from Rhode Island, it can be done; and then the question whether or not it is in order can be tested. The Chair can rule on it, or can submit it to the Senate to know what the judgment of the Senate is as to whether or not it is in order.

Mr. ALDRICH. The situation then will not be changed from what it is now.

Mr. McLAURIN. I do not think it will, and I do not think any advantage will be gained by objecting; because the fixing of an hour for the vote will obviate the necessity of having some Senators remain here who are really not in a condition of health to remain here all the time. I therefore hope that hour will be agreed upon.

Mr. LODGE. Mr. President, I hope it will be possible to agree to the hour of 1 o'clock to-morrow; but I merely wish to say this, which I think everybody knows, but which it is perhaps worth while to emphasize: After this matter gets into the Senate, the entire proposition will, of course, be open to amendment in the Senate, like the whole bill; and no one can be deprived of any ultimate right of amendment that he will have however this particular parliamentary question may be decided. It will have to be decided now, or at any time that it may be raised; but no right will be lost by doing this.

Mr. BULKELEY. Mr. President, the Senator from Rhode Island made the statement that the view of the committee was that beneficial associations were to be relieved in some practical way, by an amendment, from the provisions of this measure. I should like to ask him what those beneficial associations include. Is it intended to include mutual life insurance companies?

Mr. ALDRICH. I think not, Mr. President. That was not my intention. I think beneficial organizations are included in the terms of the amendment as it now stands. The committee will consider all possible exemptions in such time as they have, with a view to trying to arrive at a conclusion that will be satisfactory to Senators in general.

Mr. BULKELEY. At some time, Mr. President, I should like to offer an amendment which shall embrace and cover the interests of more than 5,000,000 of the voting population of this country.

Mr. ALDRICH. The Senator will have an opportunity to do so.

Mr. BULKELEY. I refer to the persons insured in mutual life insurance companies.

Mr. ALDRICH. The Senator will surely have an opportunity in the Senate to do that.

Mr. BULKELEY. But I do not want to be met in the Senate with a motion to lay on the table an amendment of that character.

Mr. ALDRICH. I shall not be able to make any promises as to that at this moment.

Mr. BULKELEY. I want to try to protect myself in advance, if I can, so that that question, which seems to me to be of very great importance, can be properly presented.

Mr. ALDRICH. There is no way in which I could, if I wished to do so, preclude the Senator from Connecticut from offering that amendment; and I certainly have no such disposition.

Mr. BULKELEY. I understand that; but it is very easy for the chairman of this committee, as he has sometimes had occasion to do when I entirely agreed with him, to lay such a motion on the table. He has seemed to have such power behind him that I have joined in with him to do it. But what I desire is this: I am ready to vote, because I am opposed to substituting this tax for the income tax, and I am opposed to the income tax, and I am opposed to any form of taxation other than that provided in the tariff bill at the present time. I believe it would be a much wiser course for this body to drop the whole matter, for a time at least, and let it go over until we meet again, in a few months. Let us see what becomes of the work we have done, whether or not it is of sufficient value in raising revenue for the Government, and then, if necessary, determine upon some additional form of taxation with which the people of the country are satisfied.

Mr. MONEY. Mr. President, I rise to a point of order.

The VICE-PRESIDENT. The Senator will state it.

Mr. MONEY. I desire to know what the regular order is.

The VICE-PRESIDENT. The regular order is a vote on the pending question. But pending that, the Senator from Rhode

Island [Mr. ALDRICH] has submitted a request for unanimous consent, which the Chair has once put, and which the Chair will again put, and see if there is any objection thereto.

The Chair assumes that the request of the Senator from Rhode Island is understood. Is there objection to the request?

Mr. CUMMINS. Mr. President, I desire to more fully understand the situation before I acquiesce in the request. I remember that immediately after the amendment offered by the Senator from Texas [Mr. BAILEY] was brought before the Senate the Senator from Massachusetts [Mr. LODGE] offered a substitute, and very promptly thereafter the Senator from Rhode Island [Mr. ALDRICH] offered an amendment to that substitute. I was told that that was a bit of parliamentary strategy, adopted for the purpose of preventing any amendment being offered to the amendment presented by the Senator from Rhode Island. I had not at the time much sympathy with that way of doing business, but there was no other course available save to submit to it.

We have argued the amendment upon that hypothesis. If I am correct about it, if that is the parliamentary situation, and if at the appointed hour to-morrow we shall be called upon to vote upon the amendment offered by the Senator from Rhode Island, I have no objection to fixing that as the hour for the vote. But if, a moment before the hour arrives, it is within the power of the Senator from Rhode Island or any other Senator to offer an amendment to the amendment now pending, I am not willing to be called upon to vote upon that amendment without the opportunity of discussing it.

I therefore rise to ask this parliamentary question: If we consent in the manner suggested by the Senator from Rhode Island, will any amendment to the amendment be received and held to be in order?

The VICE-PRESIDENT. The Chair thinks the amendment of the Senator from Rhode Island to the amendment of the Senator from Massachusetts must first be voted on. Thereafter amendments in order could be offered, but not until then.

Mr. CUMMINS. With that understanding, Mr. President, I have no hesitation whatever in acquiescing.

The VICE-PRESIDENT. Is there objection?

Mr. BACON. Mr. President, I understand the request for unanimous consent of the Senator from Rhode Island is that we shall then vote on all amendments pending or to be offered?

Mr. ALDRICH. That is correct.

Mr. BACON. In other words, we are permitted to offer them as long as it is in order for us to do so?

Mr. ALDRICH. Without debate.

Mr. SHIVELY. But is it meant that if a Senator offers an amendment containing new matter, he would have no right to explain the amendment?

The VICE-PRESIDENT. Not after 1 o'clock.

Mr. ALDRICH. Not after 1 o'clock.

Mr. SHIVELY. I can conceive of an amendment that might be offered after 1 o'clock that would suggest another amendment on entirely new matter, and yet there would be no opportunity for an explanation before the vote.

Mr. ALDRICH. Mr. President, of course, so far as the committee are concerned, they have no intention of offering any amendments to the proposition before them. They propose to stand, at the present moment at least, upon the proposition as it is. I will say, in fairness to all Senators, that we have no purpose of offering any amendment changing the nature of the position at all.

Mr. MONEY. Mr. President, will the Senator permit me to make a suggestion to him?

Mr. ALDRICH. Certainly.

Mr. MONEY. There seems to be a difficulty in the minds of some Senators over the possibility that a proposition may be offered that will be new to them, at least in some degree, that has not been covered by the debate, and about which they may desire to express some opinions. I should like to suggest to the Senator from Rhode Island that he fix the hour for the vote to-morrow evening at 4 o'clock.

Mr. ALDRICH. Oh, no!

Mr. MONEY. Let us have to-morrow for debate.

Several SENATORS. No! No!

Mr. MONEY. Of course, Mr. President, amid such a shower of "noes," I shall not go any further; but I did want to adjust this difficulty if I could.

Mr. ALDRICH. If the Senator will permit me——

Mr. MONEY. I am heartily with the Senator in his request; but it seems that other Senators do not share my views. But as they do desire further time for debate, why not, simply as a compromise, accept that suggestion?

Mr. ALDRICH. There are a number of hours between now and 1 o'clock. We have three hours to-morrow and two hours left of to-day's session, if Senators wish to occupy them.

Mr. MONEY. I do not want a single moment of the time myself, Mr. President.

Mr. ALDRICH. That is five hours, in which, I think, any Senator can without difficulty explain any amendment he desires to offer. If a Senator having such an amendment can not make the Senate understand it in five hours, he probably could not make it understand it at all.

Mr. MONEY. Mr. President, I had not quite concluded. I will state that I rose simply to try to facilitate matters. But as no one on either side seems disposed to take any suggestions, I am willing to let matters take their own course.

Mr. SCOTT. Mr. President, I should like to ask the chairman of the Finance Committee why we can not have a vote now? There are about 80 Senators here who have been here since the 15th of March, and have said very little. The other 12 have done the most of the talking. I think we have thrashed this thing out so that if we are at all capable of comprehending it, we understand it now as well as we ever shall. And I hope that, in view of the hot weather, with all of us sweltering here, the Senate will vote now, without postponing the matter until to-morrow.

The VICE-PRESIDENT. Is there objection to the request of the Senator from Rhode Island?

Mr. NEWLANDS. Mr. President, I suggest that we take a vote on this amendment to-morrow at 1 o'clock. Then, after the amendment is voted on, I suggest that we proceed to perfect it, leaving the matter open for amendment and for debate upon the amendment. I think that was the understanding we arrived at yesterday.

Mr. CULLOM. Let us close the debate at 1 o'clock to-morrow.

Mr. CUMMINS. That is precisely what I have indicated or attempted to indicate. If, after this amendment is adopted, some one shall offer an amendment to it that entirely changes its scope and either makes it better or worse, I for one am not willing to vote without the opportunity of debate.

The VICE-PRESIDENT. Is there objection to the request of the Senator from Rhode Island?

Mr. BURKETT. I have an amendment that I am very anxious to offer to the proposed amendment of the Senator from Rhode Island. I think before we vote on the amendment of the Senator from Rhode Island we ought to perfect it. But from what the Senator from Rhode Island has said I understand the parliamentary situation to be that after his amendment is voted on I can offer my amendment. But his reply to the Senator from Nevada [Mr. NEWLANDS]——

Mr. ALDRICH. Do I understand that my proposition is objected to, Mr. President?

The VICE-PRESIDENT. No objection has yet been made.

Mr. CUMMINS. There is an objection to the proposition——

Several SENATORS. Let us have the regular order.

The VICE-PRESIDENT. Is there objection to the request?

Mr. NEWLANDS. I object.

Mr. CUMMINS. I object to it, if I understand that all amendments——

The VICE-PRESIDENT. The Senator from Iowa objects.

Mr. LODGE. Let us have the regular order.

The VICE-PRESIDENT. The regular order is the disposal of the amendment of the Senator from Rhode Island [Mr. ALDRICH] to the substitute of the Senator from Massachusetts [Mr. LODGE] for the amendment of the Senator from Texas [Mr. BAILEY].

Mr. ALDRICH. And upon that I ask for the yeas and nays.

The yeas and nays were ordered.

Mr. BULKELEY. Mr. President, I have no desire to delay the vote. I simply desire to have some matter inserted in the RECORD.

Mr. BACON. Mr. President, before the vote is taken, I have an amendment which I desire to offer at the present time. It may not be reached to-night, but I desire to have it printed, and I ask that it may be read. I shall offer it at the proper time.

The VICE-PRESIDENT. The Secretary will state the amendment proposed by the Senator from Georgia.

The SECRETARY. At the end of the amendment it is proposed to insert as the ninth paragraph the following:

That every corporation, joint-stock company, and association, and every person in the United States holding the bonds, debentures, or other evidences of indebtedness of any corporation or association organised under the laws of either the United States or of any State or Territory of the United States, shall, upon the right to hold and possess said bonds and to collect the principal and interest of said bonds, be subject to pay annually a special excise tax equivalent to 2 per cent upon the annual interest payable upon said bonds.

That every corporation, joint-stock company, and association having outstanding bonds upon which interest is payable annually, semiannually, or quarterly, or at less intervals of time, shall, on the 1st day of October of each year, make out and transmit to the collector of internal revenue for the district in which said corporation, company, or association shall be situated a report of the said outstanding bonds, the denominations of said bonds, the aggregate amount of the same,

the rate of interest payable on the same, and the dates when said interest is due and payable; which report shall be transmitted forthwith by the collector to the Commissioner of Internal Revenue. It shall further be the duty of every such corporation, company, and association, when such interest becomes due and payable, to deduct and retain from the proportion of said amount payable to each of the holders of said bonds the amount of excise tax payable by said bondholder under the provisions of this section, and to thereafter pay the same to the said collector of internal revenue under the rules and regulations which shall be prescribed by the Commissioner of Internal Revenue; and the receipt of the said collector of internal revenue for the said amounts thus paid to him by said corporation, company, or association shall be received by said bondholder to the extent named therein in payment of the amount due upon the bond or bonds so held by him.

Mr. BACON. Mr. President, before the vote is taken on the amendment offered by the Senator from Rhode Island, there is an amendment which I desire to offer and upon which I certainly ought to have the opportunity to have a vote at some time. The amendment which I desire to offer is striking out the enumeration in the second paragraph of the items which shall be deducted in ascertaining the amount upon which the tax is to be assessed. The words are these:

Fifth, all amounts received by it within the year as dividends upon stock of other corporations, joint-stock companies or associations, and insurance companies, subject to the tax hereby imposed.

That is, in the enumeration of certain deductions which shall be made from the income of a corporation before the assessment of 2 per cent shall be made. I desire simply to say to the Chair——

Mr. CLAPP. Mr. President, will the Senator pardon me for just a moment there?

The VICE-PRESIDENT. Does the Senator from Georgia yield to the Senator from Minnesota?

Mr. BACON. Certainly.

Mr. CLAPP. To make that complete, ought not the Senator to strike out also the words on page 2, beginning with line 3, as follows:

Exclusive of amounts received by it as dividends upon stock of other corporations, joint-stock companies or associations, or insurance companies, subject to the tax hereby imposed.

Mr. BACON. I suppose, Mr. President, if the amendment which I have offered were adopted, the language to which the Senator refers would necessarily be modified.

Mr. CLAPP. Also, on page 2, line 11, referring to corporations organized outside of the United States, should not there be stricken out the words:

Exclusive of amounts so received by it as dividends upon stock of other corporations, joint-stock companies or associations, or insurance companies, subject to the tax hereby imposed.

Mr. BACON. The suggestion of the Senator from Minnesota is a very proper one. The provisions to which he refers all relate to the same matter. The only point I am after is this: I do not care when we have an opportunity to make it, but we certainly have the right to amend this proposition, or attempt to amend it, in such way as to perfect it according to our views, if we have the votes to do so; in other words, we can not be cut off from action on this amendment by a parliamentary procedure.

As my opinion is that we have a right to now have the amendment acted upon, I will state in a few words to the Chair upon what ground I base that opinion. The Senator from Rhode Island is correct in the suggestion that when a substantive substitute, one which embraces an entire proposition, is presented, it being a complete proposition in itself, there should be opportunity to perfect it independently of the rule of amendment, which relates to the prior proposition.

In other words, the original proposition should be perfected as an independent proposition by the offering of amendments and the action upon them; and in the same way the substitute should be perfected; and then, when each has been perfected, the parliamentary body has the opportunity to choose between the two. It is manifestly impracticable under the ordinary rule of amendment to take up an original proposition, then treat a substitute as if it were a first amendment, and then proceed in that way.

We had this matter before the Senate several times during the incumbency of your predecessor, Mr. President, and the matter was very fully argued. I think I do not transgress the proprieties by stating that the former Vice-President agreed with the proposition that was thus presented, and only awaited an opportunity to make the ruling. He had gone so far as to write it out, and stated to me the fact that he would be glad for an opportunity to arise in order that he might make the ruling. It was to the effect that each proposition must be dealt with separately, and each dealt with as if it were an independent proposition; and when it is dealt with, I repeat, each being perfected, the body is in a position to choose between the two.

The point I desire to make to the Chair is this: Assuming that as the correct procedure, which it undoubtedly is, every incident relating——

Mr. ALDRICH. Mr. President——

Mr. BACON. If the Senator will pardon me until I finish the sentence——

Mr. ALDRICH. I suggest that there is no use in discussing a question now that may come up hereafter.

Mr. BACON. It is coming up now.

Mr. ALDRICH. The Senate has been waiting for the arrival of a Senator who was sick, in order to vote, and I ask the Senator to defer his hypothetical suggestion until after the vote is taken.

Mr. BACON. I think now is the proper time, but if the Senator will consent to my offering it afterwards, I am content.

Mr. ALDRICH. I do not know what the proposition of the Senator is. I have not been able to hear him. Of course the rules of the Senate, I take it, will be enforced as to any amendment that may be offered.

Mr. BACON. Very well, then. That being the case, I will have to ask the ruling of the Chair.

Mr. ALDRICH. I suggest to the Chair that we are not discussing moot questions.

Mr. BACON. I have offered an amendment.

Mr. ALDRICH. No amendment is in order now.

The VICE-PRESIDENT. The Senator from Georgia presented an amendment which, as the Chair understood, he did not formally offer. Does the Chair understand the Senator to offer the amendment now?

Mr. BACON. Yes; I do.

The VICE-PRESIDENT. The Chair must rule that the amendment is not now in order, it being an amendment in the third degree.

Mr. BACON. I am perfectly content with that, in the assurance that that amendment must be in order at some time, and therefore, if not in order now, it will be recognized hereafter.

Mr. SHIVELY. I do not intend, Mr. President, to detain the Senate at all by any discussion, but I should like to have permission to have the Secretary read a short communication.

The VICE-PRESIDENT. In the absence of objection, the Secretary will read as requested.

The Secretary read as follows:

OFFICE OF CITIZENS' BUILDING AND LOAN ASSOCIATION, "B,"
La Fayette, Ind., June 29, 1909.

Hon. BENJAMIN F. SHIVELY,
Washington, D. C.

DEAR SIR: The undersigned directors of the Citizens' Building and Loan Association, of La Fayette, Ind., respectfully but earnestly wish to protest, through you, against the proposed tax upon the net earnings of corporations, so far as the same relates to building and loan associations, believing that such a tax would be disastrous to them. They are not organized for profit, but for the public good. This association has been in existence for more than twenty-three years and solely through its agency hundreds and hundreds of dwellings have been built for laboring people and those of limited means who otherwise would be without a home and paying rent.

No salaries are paid except to the secretary. Some of us have been directors from its inception, and all for many years, serving without salary. The success of the institution is a matter of great pride to us, and the good it is doing in securing homes for worthy but poor people, making them better and more patriotic citizens, making them taxpayers instead of dependent, because they become seized of a fee-simple title to a part of this great country, is reward enough for us. The State of Indiana makes ample provision for inspection and supervision by the auditor of state, and our books and reports are regularly inspected.

We appeal to you to use your influence against the passage of this bill so far as the same affects building and loan associations, believing as we do that its passage would seriously damage such associations and place an additional burden upon the man who is struggling to pay for the little home that shelters his family.

Respectfully, yours,

JOHN B. WAGNER,
CHARLES F. WILLIAMS,
ROBT. PRASS,
H. ROSENTHAL,
J. L. CALDWELL,
JOHN M. HERTLEIN,
BARNEY C. WIEBERS.

Mr. SHIVELY. I have only offered that as an expression of the sense of a large body of citizens of Indiana.

The VICE-PRESIDENT. The question is on agreeing to the amendment of the Senator from Rhode Island [Mr. ALDRICH] to the substitute of the Senator from Massachusetts [Mr. LODGE].

Mr. DICK. Mr. President, in line with the communication which has been filed by the junior Senator from Indiana [Mr. SHIVELY], I have a large number of communications from building and loan associations in Ohio asking for the exemption of building and loan associations from the operations of the corporation-tax provision. I will not ask that they be read, but will ask that they be printed in the RECORD; and at the proper time I shall offer an amendment to exempt building and loan associations from the operation of the proposed act.

The VICE-PRESIDENT. In the absence of objection, permission is granted to print the matter referred to in the RECORD.

The matter referred to is as follows:

THE OHIO MUTUAL SAVINGS AND LOAN COMPANY,
Cleveland, Ohio, June 28, 1909.

Hon. CHARLES DICK,
United States Senate, Washington, D. C.

DEAR SIR: I desire to interest you on behalf of the building and loan companies, asking that they be exempted from paying the corporation tax as proposed in the tariff bill now under consideration.

Practically all of the loans of such are in comparatively small amounts and to people making monthly payments thereon. The borrower is usually a member holding stock of the company and depends upon the dividends to help pay the debt; thus, if dividends are decreased for any reason, that much longer time is required to pay the loan. For this reason most building and loan companies have a very large stock account and very small deposits, exactly reversing the usual bank conditions, and for this reason such a tax would cost such institutions an enormously larger proportion of tax than in most other forms of corporation.

For instance, this company, with $425,868 of capital, has only $113,032 of deposits, and total assets of $641,464, while most any bank with that amount of capital would have from five to twenty millions of deposits, and not pay any more tax than we.

Respectfully submitted for your consideration.

C. F. DIXON, *Secretary.*

WOOSTER, OHIO, *June 28, 1909.*

Hon. CHARLES DICK,
United States Senate, Washington, D. C.

DEAR SIR: In your consideration of the proposed corporation tax we wish to urge you favorably to consider the exemptions made in the President's recent message. This tax, if placed upon the local building and loan companies, would certainly work hardship to the many thousands of wage-earners who are its patrons.

Very truly, yours,

THE WOOSTER BUILDING AND LOAN ASSOCIATION CO.,
J. W. HOOKE, *Secretary.*

MARIETTA, OHIO, *June 29, 1909.*

Hon. CHARLES DICK,
Washington, D. C.

DEAR SIR: Representing 1,500 stockholders—for the most part small wage-earners that can ill afford such a penalty upon their thrift—we earnestly request your assistance in securing the exemption of building and loan associations from the operation of the proposed corporation tax.

Respectfully,

THE PIONEER CITY BUILDING AND LOAN COMPANY,
WM. H. H. JETT, *President.*
J. S. H. TORNER, *Vice-President.*
S. J. HATHAWAY, *Second Vice-President.*
FRED W. TORNER, *Secretary.*
J. C. BRENAN, *Attorney.*
J. M. WILLIAMS.
D. G. BORGL.
C. L. BAILEY.

EAST LIVERPOOL, OHIO, *June 16, 1909.*

Hon. CHARLES DICK,
Washington, D. C.

MY DEAR SENATOR: Does the proposed law taxing the net income of corporations include in its provisions the taxing of mutual savings banks or building and loan associations? If so, do you not think they should be exempted from its provisions, and will you not take steps toward that end?

The building and loans of the State have over 400,000 members, with assets of over $140,000,000, and should not be taxed for being thrifty and economical.

Awaiting an early reply, I am,

Yours, most respectfully,

JNO. J. PURINTON,
President of Ohio Building Association League.

AKRON, OHIO, *June 28, 1909.*

Hon. CHARLES DICK,
Washington, D. C.

DEAR SIR: We wired you this morning as follows: "Kindly use efforts to have building and loan associations exempted from corporation tax."

Will you please use your best efforts to have building and loan associations exempted, from the fact that these institutions are mutual ones and are operated exclusively for the benefit of the members, and the profits are distributed, and we sincerely hope that the recommendations will be followed and that the associations may be exempted.

Thanking you for any efforts put forth in our behalf, we are,

Yours, respectfully,

THE HOME SAVINGS COMPANY,
W. C. HALL, *President.*

THE BRUNER-GOODHUE-COOKE COMPANY,
Akron, Ohio, June 28, 1909.

Hon. CHARLES DICK,
United States Senate, Washington, D. C.

MY DEAR SENATOR: There is a bill now before the Senate which, among other things, proposes to levy a 2 per cent tax on the net income of building and loan associations throughout the country.

This, as you well know, will be an imposition of a burden which no building and loan association can stand. They are to a certain degree philanthropical institutions, and by imposing a tax on their business it would be the grossest hardship to millions of their patrons. You are well enough versed in the matter and the cheapness with which these concerns are run to know that this tax could not be paid by the associations, and would eventually put them all out of business.

Trusting you will give it your attention, and with kindest regards, I am,

Very sincerely, yours, N. P. GOODHUE.

WAVERLY, OHIO, *June 29, 1909.*

Hon. CHARLES DICK,
Washington, D. C.

DEAR SENATOR: I noticed in last Sunday's paper that the bill introduced in the Senate proposes to tax all corporations 2 per cent on their net earnings, which will include building and loan companies. The State of Ohio has probably the largest number of building and loan companies of any State in the Union, and has more money invested in such companies. Three-fourths of this money was placed in such companies by the frugal laboring man and woman. A 2 per cent tax on the net earnings of such companies will put them out of business or bring about an increased rate of interest to borrowing members. The law now in this State requires at least 5 per cent of the net earnings of such companies to be set apart as a "contingent fund" for contingent losses. I am the attorney for a local company at this place, and our company has only been able to pay a semiannual dividend of 2½ per cent. Not many other companies pay any better. They can not unless they exact an unreasonable rate of interest. You can see what a tax of 2 per cent on the net earnings would do to such companies. I could see no serious objection to the bill recommended by the President, for he proposed that building and loan be exempt. Companies earning less than $5,000 ought to be exempt. The measure anyway, like an income tax, is odious to the average man and will prove to be very unpopular with the people, and such measures ought not to be resorted to in times of peace. I hope you can see your way clear to help defeat this bill so far as it will apply to building and loan companies.

Very respectfully, F. E. DOUGHERTY.

TROY, OHIO, *June 29, 1909.*

Hon. CHARLES DICK,
Washington, D. C.

DEAR SIR: At the regular meeting of the People's Building and Savings Association Company last evening I was directed by the unanimous vote of the directors to write you to use your influence and vote to secure for building associations the exemptions in the proposed corporation tax suggested by President Taft.

Our own deposits represent almost entirely the savings of the wage-earners of this city, and speaking for the directors, who, with one exception, are Republicans, and for myself, a member of the same party and an officeholder by virtue of my membership in it, I do not believe that the Republican party can afford to place a tax upon the thrift of this class of people, while ignoring the opportunities presented by the income tax to lay the burden upon those best able to bear it, and who for the most part escape their just proportion of the Nation's taxes.

Whether it is just or not, there is a feeling that our party has not kept faith in revising the tariff upward, and to impose a direct tax, like that proposed by the corporation tax, would appear to the people only as another evidence of our party's and our representatives' indifference to that great majority—the common people.

I am writing this because I believe that not only natural justice, but party expediency, demands that for the balance of the session of Congress the Republican party should father only such legislation as will remove the feeling that I speak of and make the wage-earner feel that his voice has penetrated Washington and that the party will protect his modest savings from the excise man.

Very truly, yours,

J. C. FULLERTON, Jr.

HAMILTON COUNTY LEAGUE OF BUILDING ASSOCIATIONS,
Cincinnati, April 1, 1909.

Hon. CHARLES DICK,
United States Senate, Washington, D. C.

DEAR SIR: The board of trustees of the Hamilton County League of Building and Loan Association have instructed me to inform you of their fears that the new tariff and taxation bill when completed will contain a clause levying a tax on dividends declared by corporations. Unless otherwise provided, a clause of that kind would tax the earnings of building and loan associations.

The statutes of Ohio, as do the statutes of nearly every other State, require that a building and loan association organize as a stock company, and as such the associations are required to distribute their earnings in the shape of dividends to the credit of the members. Section 25 of the Ohio law governing building and loan associations reads, in part, "and a further portion of such earnings, to be determined by the board of directors, shall be transferred as a dividend annually or semiannually in such proportion to the credit of all members."

We assume that it is not the intention of the Members of Congress to include in its legislation anything that would have a tendency to destroy the influences for thrift and economy exerted by building and loan associations.

We therefore respectfully request that in the framing of the tariff or taxation law you prevent the application of provisions inimical to building and loan associations.

According to the state report, just issued, the assets of the associations in Ohio aggregate the sum of $130,340,424.57, and the membership is 327,662.

Very respectfully, FRED. BADER, *President.*

COLUMBUS, OHIO, *June 28, 1909.*

Hon. CHARLES DICK,
United States Senate, Washington, D. C.

DEAR SIR: Representing the bankers of Ohio, we respectfully urge you to use your influence in exempting from corporation tax all banking institutions.

THE OHIO BANKERS' ASSOCIATION,
By W. F. HOFFMAN, *President.*
S. B. RANKIN, *Secretary.*

FREMONT, OHIO, *June 30, 1909.*

Hon. CHARLES DICK,
Washington, D. C.

MY DEAR SENATOR: I am writing you a few lines, as a friend of yours and a good Republican, to inform you what the people who are stockholders in various corporations in this city think of the 2 per cent tax proposition that Congress is trying to impose upon corporations. If the people all over the country feel as they do around here in regard to it, it will certainly defeat the Republican party in 1912.

You know the corporations have to pay their state corporation taxes, and our taxes at home now are over 4 per cent, which is all that the average person can afford to pay in taxes; and now if we have to pay an additional government tax of 2 per cent, all small corporations might as well go out of business.

If the Government would stop sending out such vast quantities of printed matter, that is scarcely ever read by the average person and only thrown into wastebaskets, it would go quite a ways toward meeting the required deficiency that the Government claim they need; also a great many other extravagant expenses could be curtailed.

I am a high-tariff man, and I firmly believe that the tariff should be kept high enough to meet all legitimate expenses of the Government.

I sincerely trust you and Senator BURTON will do all in your power to defeat the 2 per cent corporation tax.

Yours, very respectfully,

A. H. JACKSON MANUFACTURING COMPANY,
By A. H. JACKSON, *President.*

P. S.—If you are really convinced that a tax should be levied on corporations, it should be on all amounts in excess of all earnings of at least 10 per cent, which would cover dividends and wear and tear of machinery and buildings. After that amount is exempt it would not matter if the tax was even 3 or 4 per cent, as a corporation making more than that amount could well afford to pay it. I trust you will do all you can to get things fixed up properly.

CINCINNATI, OHIO, *July 1, 1909.*

Senator CHARLES DICK,
Washington, D. C.:

We protest against the passage of the proposed bill taxing the net income of corporations. As common stock can receive no dividends until bonds and preferred stocks are cared for, it in effect places the burden entirely upon the holders of common stock, who are usually those actively engaged in the building up of their industry and of such moderate means that it is necessary that they take the risks of the business for the chance of securing greater rate of income. It leaves untouched those securities which are most generally held by people of large fortunes. It is peculiarly unfortunate at this time that this burden should be thrown upon the common-stock holders owing to the growing disposition upon the part of corporations to interest their workmen more closely with them through ownership of common stock in the corporation, as common stock reflects the increased efficiency and not the preferred. That workingmen will avail themselves of such opportunity, I might mention this company has had such plan in effect for twelve years, and its employees other than its officers own in excess of $2,000,000 worth of its stock, every share of which is common. We ask that your efforts be exerted against its passage.

THE PROCTER & GAMBLE COMPANY,
WILLIAM COOPER PROCTER, *President.*

KENTON, OHIO, *July 1, 1909.*

Hon. CHARLES DICK,
United States Senate, Washington, D. C.:

We most earnestly protest against corporation-tax amendment as gross injustice to small stockholders. Hope you will vote and use your influence against it.

THE CHAMPION IRON COMPANY.
THE KENTON NATIONAL BANK.
THE KENTON GAS ENGINE COMPANY.
THE CEMENT BLOCK AND ROOFING COMPANY.
THE SCIOTO SIGN COMPANY.
THE ROSER RUNKLE COMPANY.
THE COMMERCIAL BANK.

BLANCHESTER, OHIO, *June 29, 1909.*

Hon. CHARLES DICK,
Washington, D. C.

DEAR SIR: We beg to express the hope that you will oppose vigorously the proposed corporation-tax amendment. It seems to us that this law would be a very unfair discrimination against the corporations that compete with individuals and firms or copartnerships doing a similar business.

Nearly all of our competitors are individuals or copartnerships, and we do not feel that we will be receiving a "square deal" if this act should become a law.

We have no objections to taxing the incomes of corporations, provided a similar tax is charged against the incomes of individuals and firms. We believe that corporations are entitled to and should receive a square deal.

We will be very much pleased to receive a favorable reply from you.

Yours, truly,

THE DEWEY BROS. CO.

COLUMBUS, OHIO, *June 28, 1909.*

Hon. CHARLES DICK,
United States Senate, Washington, D. C.

DEAR SIR: We hope you will oppose and use your influence against the proposed law taxing the net income of corporations. As you are aware, we pay the State 2 per cent on capital employed. In addition to this, our city taxes are 3.30, while the margin of profit in all wholesale lines is constantly growing narrower. This condition and the steady increase in salaries due to the higher cost of living would make this additional tax a greater burden than our business would justify.

Thanking you in advance for any effort you may make, we are,

Respectfully, yours,

THE SHELDON DRY GOODS CO.,
RODT. E. SHELDON, *President.*

THE COLIN GARDNER PAPER COMPANY,
Middletown, Ohio, April 27, 1909.

Hon. CHARLES DICK,
United States Senate, Washington, D. C.

DEAR SIR: Noting what is being done regarding the tariff and the talk of adding to it tax on dividends of corporations and inheritances, I wish to say that, having talked with a great many of our business men regarding this proposed tax, I have yet to find one who thinks the emergencies demand a tax of this kind. This would be proper in a time of war, but under present conditions I feel sure it would be a deathblow to Republican success in the coming elections, and I feel sure it would result in the Democrats carrying our State. I therefore urge upon you the importance of eliminating such taxes as those above named from the Payne tariff bill.

Hoping your vote may be recorded against them, I beg to remain,

Yours, very truly,

C. GARDNER.

PIEDMONT, OHIO, *April 23, 1909.*

Hon. CHARLES DICK,
Washington, D. C.

MY DEAR SIR: I write to urge that you support the income-tax amendment to the tariff bill. I feel sure that in so doing you will register the will of a large majority of your constituency. This method of raising revenue will inflict no hardship, while a tariff on necessities imposes burdens upon those least able to bear them. You represent a large Commonwealth, in which the middle classes deserve the greatest consideration.

You need not be advised as regards the iniquities of the present tariff system. You well know the fallacy of the protective tariff scheme, though you are perhaps committed to the same. Why not break away from servility to the favored few and finish your senatorial career in defense of the many? You can yet make us all proud of you. No public man who dares stand up in defense of the common people has ever yet gone unrewarded.

Very sincerely, yours,

A. C. WALLACE,
An obscure farmer.

SPRINGFIELD, OHIO, *June 24, 1909.*

Hon. CHARLES DICK,
United States Senate, Washington, D. C.:

On behalf of the stockholders of the Springfield Railway Company, who would suffer by the levying of a tax on the net receipts and the discrimination thereby made, and as it is an attempt by indirection to impose an income tax, I desire to protest against the passage of the pending amendment and trust that it will not prevail.

OSCAR T. MARTIN.

DAYTON, OHIO, *June 24, 1909.*

Hon. CHARLES DICK,
United States Senate, Washington, D. C.:

The stockholders of the People's Railway Company, Dayton, Ohio, protest against the tax upon corporations as unjust and discriminating.

THE PEOPLE'S RAILWAY COMPANY,
By J. A. MCMAHON, *President.*

CLEVELAND, OHIO, *June 24, 1909.*

Hon. CHARLES DICK,
Senate:

We apprehend that a complete and impartial consideration of the numerous ways that life insurance companies are now taxed will disclose that any additional taxation in that direction would be entirely unjust, and we earnestly hope that you will favor the exemption of life insurance companies from the proposed corporation-tax bill.

WM. H. HUNT,
Acting President the Cleveland Life Company.
W. S. SHELTON,
Secretary.

CINCINNATI, OHIO, *June 23, 1909.*

Hon. CHARLES DICK,
Senate, Washington, D. C.:

We earnestly hope you may see your way clear to assist in securing exemption of life insurance companies from proposed tax on net incomes of corporations. Life companies now bear a heavy burden of taxation in all States and Territories, out of proportion to that paid by other corporations. All these taxes fall on the policy holder or on the beneficiary of insurance, a class of citizens, as a rule, least able to bear such exactions. Letter follows.

JESSE R. CLARK,
President, the Union Central Life Insurance Company.

CINCINNATI, OHIO, *June 24, 1909.*

Hon. CHARLES DICK,
Senate:

Respectfully urge exemption of life insurance companies from 2 per cent corporation tax. Large portion of such tax would unavoidably fall upon policy holders.

THE COLUMBIA LIFE INSURANCE COMPANY,
W. C. CUBLKINS, *Vice-President.*

THE CLEVELAND LIFE INSURANCE COMPANY,
Cleveland, Ohio, June 25, 1909.

Hon. CHARLES DICK,
United States Senate, Washington, D. C.

MY DEAR SENATOR: This is merely to confirm telegram sent you today from this office.

We apprehend that a complete and impartial consideration of the numerous ways that life insurance companies are now taxed will disclose that any additional taxation in that direction would be entirely unjust, and we earnestly hope that you will favor the exemption of life insurance companies from the proposed corporation-tax bill.

Expressing kind personal regards, I beg to remain,

Very truly, yours,

WM. H. HUNT,
Acting President.

DAYTON, OHIO, *June 25, 1909.*

Hon. CHARLES DICK,
Washington, D. C.:

We respectfully but earnestly protest against the proposed tax on corporations.

C. W. RAYMOND COMPANY.

CANTON, OHIO, *June 24, 1909.*

Hon. CHARLES DICK,
Washington, D. C.

DEAR SIR: Regarding the contemplated bill to tax corporations on their earnings, beg to advise you of a few reasons why we consider it impracticable and unbusinesslike.

If we are rightly advised, should this bill become a law, it will tax, at the rate of 2 per cent, the earnings of all corporations, but not necessarily partnerships. This will necessarily mean that each corporation must furnish to the proper authorities and make public the result of each year's business. In event a corporation shows, by its balance sheet at the end of the year, that it has lost money, or made little or nothing, and this information is given to the world at large we, as a firm selling to that house, would probably refuse to do business longer with them, except on a C. O. D. basis. Our action would be similar to the action of probably all other firms, and the banks with whom this firm might be doing business would, in all probability, restrict or decrease the line of credit. The resultant effect would be their failure, precipitated solely by the information given as to their financial condition. On the other hand, if this information was not given in a case of this kind, and it was generally known that the firm was not losing money, they would probably pass through the crisis. Now, take the other case: Suppose a firm is capitalized at $1,000,000 and is doing a very lucrative business—let us say they are making $500,000 on their million—this information must be given to the world. What is the result? It immediately invites competition in that particular line. If a man is looking for an investment in business and is undecided where or how to invest his money, and learns that some particular firm is making 50 per cent per annum on a certain investment, the natural conclusion would be that the investor will endeavor to engage in that line of business rather than one that is less lucrative.

Again: The dishonesty of purpose and dishonesty of fact in the average corporation is so much a part of their business that correct returns need not be looked for any more than one puts in an absolutely correct valuation of real estate, personal property, etc., to the tax office. You know, we know, and everybody knows, that proper returns are not made for taxation; and this invites that same thing. Let us suppose, for instance, that this $1,000,000 firm, that makes one-half million a year, does not care to pay $10,000 to the Government annually, or 2 per cent on the half-million earnings. What do they do? Pay out to the president $100,000; to the vice-president, $50,000; to the secretary, $25,000, and so on down the line. These presidents, vice-presidents, secretaries, etc., can become imbued with a philanthropic spirit the next day or two after the returns are made to the proper authorities, and being in a charitable mood they can return, make a present or donation to the firm of $100,000, $50,000, or $25,000. Who can prohibit a man from giving a donation to a charitable institution? And what law will ever be enforced to prohibit a man making a donation to a firm he is interested in? No one on God's earth.

Therefore, for these reasons alone, we believe the bill will be a failure in its operation, if made into a law.

As one of your constituents we would like to have your views on the subject, and if the deductions we have made here are erroneous or incorrect in one or more particulars, we would like to be enlightened and set right.

Yours, truly,

TIMKEN ROLLER BEARING CO.,
W. R. TIMKEN, *Secretary and Treasurer.*

EXECUTIVE DEPARTMENT,
THE UNION CENTRAL LIFE INSURANCE COMPANY,
Cincinnati, June 24, 1909.

Hon. CHARLES DICK,
United States Senate Chamber, Washington, D. C.

DEAR SIR: As president of The Union Central Life Insurance Company, of Cincinnati, I took the liberty of sending you yesterday a telegram as follows:

"We earnestly hope you may see your way clear to assist in securing exemption of life insurance companies from proposed tax on net income of corporations. Life companies now bear a heavy burden of taxation in all States and Territories out of proportion to that paid by other corporations. All these taxes fall on the policy holder or on the beneficiary of insurance, a class of citizens, as a rule, least able to bear such exactions. Letter follows."

Because of the great importance of the subject I have thought it proper to supplement this message with a letter stating briefly some reasons for urging that life insurance companies be exempted from the proposed tax. Without attempting any extended details of arguments supporting the claim that life insurance funds should receive such exemption, I shall refer only to the two propositions suggested in my dispatch, viz:

First. Life insurance companies are already subjected to heavy taxation in all the States and Territories in excess of the proportion paid by other corporations.

Second. Taxes imposed on life insurance companies are a burden, not on the corporations or the stockholders, if any, but on the policy holders—the widows and orphans—the "wards of the law," who have the greatest need for its protection.

Life insurance companies are now paying in taxes on their premium receipts and other assets more than $10,000,000 a year in the various States and Territories, in addition to taxes on real estate and other tangible property, and in addition to fees and miscellaneous charges aggregating over $2,000,000. The Union Central Life Insurance Company has paid during the past year in local taxes and taxes in the various States and Territories in which it is engaged in business the sum of $966,537.26.

These vast sums, in excess of all needs for expenses of state supervision, are taken by the States as revenue for general purposes. If this money were not thus demanded of life insurance companies, it would be used, under the law and policy contracts, to reduce the cost of insurance to policy holders.

In August, 1908, the National Convention of Insurance Commissioners, in session at Detroit, Mich., in an effort to combat this growing evil, adopted a report and recommendation on the "Injustice and inequality of life insurance taxation." In this report the commissioners clearly pointed out that life insurance taxes are a burden on the policy holders and not on the company, and made this statement among others:

"Life insurance taxes either increase the cost of insurance or diminish the amount of it. In the one case they fall on the policy holders, in the other on the beneficiaries of the insurance. The State should not permit the misappropriation of these funds by insurance management; it should not itself divert them from their intended use."

It seems to me this statement of the commissioners applies equally well to the General Government. I sincerely hope you will be able to take that view, and contribute your valuable assistance to the interest and protection of the citizens who invest their money in life insurance policies.

Yours, respectfully,

J. R. CLARK, *President.*

COLUMBUS, OHIO, *June 24, 1909.*

Hon. CHARLES DICK,
United States Senate, Washington, D. C.:

The executive committee of the Ohio State Life Insurance Company respectfully requests that such companies be not included in the proposed law to tax corporations.

LEWIS C. LAYLIN, *President.*
JOHN M. SARVER, *Secretary.*

DAYTON, OHIO, *June 24, 1909.*

Hon. CHARLES DICK,
Washington, D. C.:

As large manufacturers, we enter vigorous protest against corporation tax.

BUCKEYE IRON AND BRASS COMPANY.

DAYTON, OHIO, *June 24–25, 1909.*

Hon. CHARLES DICK,
Washington, D. C.:

Representing nearly 400 stockholders of the City Railway Company, of Dayton, we protest against the passage of the corporation-tax amendment as an injurious and discriminating measure. We trust that you will vote against passage of same.

THE CITY RAILWAY COMPANY,
E. D. GRIMES, *President.*

DAYTON, OHIO, *June 24–25, 1909.*

Hon. CHARLES DICK,
Washington, D. C.:

We protest against the passage of corporation-tax amendment as an injustice to stockholders in corporations.

THE TOWER VARNISH AND DRYER CO.

DAYTON, OHIO, *June 26, 1909.*

Hon. CHARLES DICK,
Washington, D. C.:

The proposed corporation tax is unjust discrimination. We very respectfully protest.

CRAWFORD MCGREGOER & CO.

DAYTON, OHIO, *June 26, 1909.*

Hon. CHARLES DICK,
United States Senate, Washington, D. C.:

We respectfully but vigorously protest against proposed tax on corporations.

HOME TELEPHONE COMPANY,
J. E. FEIGHT, *Vice-President.*

DAYTON, OHIO, *June 26, 1909.*

Hon. CHARLES DICK:

Please file our earnest protest against proposed tax on corporations.

SEYBOLD MACHINE CO.

DAYTON, OHIO, *June 26, 1909.*

Hon. CHARLES DICK,
Senate:

Proposed tax on corporations is a double tax and unjust. We earnestly protest against it.

JOYCE, CRIDLE & CO.

DAYTON, OHIO, *June 26, 1909.*

Hon. CHARLES DICK,
United States Senate, Washington:

We respectfully protest against corporation tax, as we consider it unfair.

BROWNELL CO.

DAYTON, OHIO, *June 25, 1909.*

Hon. CHARLES DICK,
United States Senate, Washington, D. C.:

We earnestly protest against taxing the incomes of corporations having unlisted securities.

THE LOWE BROTHERS' COMPANY.

DAYTON, OHIO, *June 25, 1909.*

Hon. CHARLES DICK,
United States Senate, Washington, D. C.:

We respectfully but earnestly protest against proposed tax on corporations. It is decidedly unjust.

STOMPS BURKHARDT COMPANY.

DAYTON, OHIO, *June 25, 1909.*

Hon. CHARLES DICK,
United States Senate, Washington, D. C.:

We feel corporation tax is an unjust discrimination against corporate interests of the country. We prefer a stamp tax as being more equitable and believe it easier to collect.

BEAVER SOAP COMPANY.

THE DILLER MANUFACTURING COMPANY,
Bluffton, Ohio, June 23, 1909.

Senator DICK,
Washington, D. C.

DEAR SENATOR: The writer incloses a copy of his letter to President Taft, and requests that you use your influence to secure the defeat, or at least the modification, of the proposed measure.

Respectfully, yours,

PETER DILLER.

JUNE 23, 1909.

To His Excellency WILLIAM H. TAFT,
President of the United States, Washington, D. C.

ESTEEMED SIR: The writer wishes to voice an earnest protest against your recommendation to tax the net profits of corporations, and begs to point out a few phases of the proposed legislation which, in his opinion, merit your further consideration.

Permit me to state at the outset that such legislation would prove fatal to many small industrial corporations. It would affect a property right, by compelling these corporations to reveal their private business to unincorporated competitors.

Another aspect of the proposed measure, and one which has apparently escaped the attention of the press, is the fact that it would wipe out the close corporation. This is quite right with certain classes of corporations, but not with all. The close industrial corporation is a time-honored institution, and should not be thus ruthlessly dealt with. The stockholders whom I represent in this company would surrender their charter rather than conform to such an invasion of their private rights.

You advance as an argument in favor of the proposed measure the limited liability of stockholders. How about the limited company which is not incorporated?

You also state that it would tax success. Beg to state that the appropriateness of this comment hinges on your definition of the word. Many eminently successful men have nearly all their assets in bonds or real estate. I am therefore obliged to assume that you mean by success the effort and enterprise which rightly lead to the accumulation of property. I am unwilling to believe that you have fully considered this phase of the subject and that you would wittingly substitute enterprise for property as the basis of taxation.

I beg to suggest that a wisely enacted national incorporation act would avoid the objections to the proposed legislation and at the same time yield vast revenue to the Federal Government. Moreover, the honest company would prefer to have a national charter and be freed from unnecessary state restrictions. What has become of our much-vaunted free trade among the States when an Ohio corporation must pay a special tax in several States in order to transact business there?

I think it can be affirmed, without fear of successful contradiction, that small corporations are already paying much more than their proportionate share of taxation. If the present policy of saddling taxation on the corporations is to be continued, the day is not far distant when the small corporation will be taxed out of existence.

There is still another phase of the proposed measure, but the writer holds you in too high esteem to assume that this measure is to be made a subterfuge for tariff reform. This would indeed be "welding a pewter handle to the wooden spoon."

Respectfully, yours,

———— ————.

DAYTON, OHIO, *June 26, 1909.*

Hon. CHARLES DICK,
Washington, D. C.:

We respectfully but earnestly protest against proposed tax on corporations.

JOHN ROUSER COMPANY.

DAYTON, OHIO, *June 25, 1909.*

Hon. CHARLES DICK,
United States Senate, Washington, D. C.:

We respectfully but earnestly protest against the proposed tax on corporations.

THE C. W. RAYMOND CO.

DAYTON, OHIO, *June 26, 1909.*

Hon. CHARLES DICK,
United States Senate, Washington, D. C.:

We respectfully but earnestly protest against proposed tax on corporations.

SPEEDWELL MOTOR CAR CO.

AKRON, OHIO, *June 28, 1909.*

Hon. CHARLES DICK,
Senate Chamber, Washington, D. C.

MY DEAR SENATOR: Judging from the debates in your honorable body in the very recent past, one is almost forced to the conclusion that newspapers and newspaper publishers constitute a class of "undesirable citizens" who, instead of having the right of protest, ought to keep quiet and be glad they are alive. But notwithstanding the unfavorable opinion which your body entertains of that class to which I belong, I am nevertheless going herewith to make my second protest concerning legislation now before your body. And that protest is against the passage of the corporation-tax bill.

In the first place, the day you pass that measure that day you will confess that the principle of protection, that our revenues should be raised by a tariff, is a snare and a delusion; that it is a failure, and that the Republican party admits that it is such. If this attitude is correct, then I would ask how do you expect the Republican papers of this country to meet the issue? So much for the party doctrine.

Now to the merits of the measure. Perhaps I do not understand anything about taxation. Just assume that I do not. Then pardon these questions: Why should the deficit in government expenditures be placed upon one particular class of our people? Why should a corporation doing a business at a profit of $10,000 a year be compelled to pay a federal tax of $200, while a partnership doing the same business, at the same or a greater profit, contributes nothing. The Federal Government extends no protection to the corporation that I am aware of that it does not also extend to the individual. If there are any peculiar benefits arising from the corporate existence, they are derived from the State and not from the General Government. And the State of Ohio has already imposed upon us one corporation tax. I do not want to argue this matter. I just want you to know how I, as the chief owner of one corporation, feel about it. Nor is it on behalf of this company alone that I protest. As an individual I own stock in a dozen other corporations, all of which under this most unjust measure will be affected.

I have not taken a census to find how others regard the measure, but I have yet to encounter the first man who has made a success of his own business who is in favor of it. It will please the socialists. I have heard of no one else who has so far manifested any ecstatic delight over it. We are going to have the devil's own time of it to keep Ohio Republican next year. Pass this bill and, unless I miss my guess, it will be impossible to prevent a Democratic legislature.

Yours, very truly,

THE BEACON JOURNAL COMPANY,
C. L. KNIGHT, *Manager.*

DAYTON, OHIO, *June 29, 1909.*

Hon. CHARLES DICK,
United States Senate, Washington, D. C.:

We believe that the tax on corporations, as proposed, would interfere with return of prosperity and be a serious handicap to future development. We respectfully enter protest.

DAYTON BREWERIES COMPANY.

COLUMBUS, OHIO, *June 28, 1909.*

Hon. CHARLES DICK,
United States Senate, Washington, D. C.

DEAR SIR: We write you with reference to the proposition now under consideration looking toward the taxation of net profits of corporations. We do not know whether the idea has taken the form of a bill, but, basing our judgment upon what we gather from newspapers, have no hesitancy in characterizing the move as thoroughly unfair and unjust.

Ours is an incorporated company under Ohio laws. We pay here our city and county taxes. We pay a franchise tax of one-tenth of 1 per cent upon our capital. In return we get from the city and county protection and advantages. The State grants us in return privileges as a corporation not conferred on individuals. It limits the liability of our stockholders, etc. From all three we get certain direct, well-defined benefits in return for the payment of our money. The General Government does not propose to give us nor do anything for us in return for the money we are supposed to pay it.

Another thing is this: There are wholesale houses in the same business we are, both in and out of this State, conducting their business as individuals or partnerships, which come into our territory and city, selling goods to the same people we do. These jobbers will not pay this special tax. To be sure, they pay none of the state franchise tax now; but adding the new tax to that already imposed by the State will enable individuals or partnerships to either undersell us or cut severely into our fair and legitimate profit, or else lose our customers. While we instance our own case, the same thing will apply to all others. This is an unfair advantage in favor of the nonpaying party. The Government virtually reduces the profit coming to us to the advantage of an individual or partnership competitor, and gives nothing in return. This is not only confiscation, but the Government is in addition aiding the party who pays nothing, to the detriment of the corporation whose property it has taken.

Another thing is, that the inquisitorial report a corporation is obliged to make leaves but little to be guessed at concerning its business. The very vitals are exposed. You know any careful business man jealously guards the secrets of his books and business. Yet here is a case where the whole of a company's business becomes a part of the public record. Secrecy upon the official who handles the report may be enjoined, but the idea of divulging that which is required of a corporation is so very repugnant to the average man that it alone should condemn the act. Not only this, but the information given would undoubtedly be, in a good many cases, to the injury of those reporting.

No doubt there are other serious objections to the measure. These suggested are bad enough, from a practical business point of view, to kill such an act.

We respectfully ask you to use your influence against this scheme and vote against this or any like measure.

Very respectfully, yours,

THE GREEN-JOYCE CO.,
By JOHN JOYCE, Jr., *President.*

DAYTON, OHIO, *June 28, 1909.*

Hon. CHARLES DICK,
United States Senate, Washington, D. C.

DEAR SIR: We have just telegraphed you as follows:

"We respectfully protest against the unjust discrimination and inequitable corporation tax proposed."

The collection of a tax on the net earnings of corporations, as proposed in the bill before the Senate, is to us most unjust, discriminating, and inequitable, and we earnestly and respectfully protest against its passage. Were all corporations of the same amount of capitalization, or had they all the same percentage of earnings, there would be less of the inequitable situation than there now exists in its present form. Take, for instance, the company the writer represents: We are one of five subsidiary companies, the stock held by holding company in New York, with a large issue of collateral bonds. As we understand the proposed action, each subsidiary company would pay a 2 per cent tax upon its net earnings, and, after deducting all operating expenses, would pay over to the holding company all of its net earnings, a large portion of which would be paid as interest by the holding company. You will thus see that in reality we would be paying tax upon that portion of our earnings representing interest on bonds.

Then, too, on general principles it seems to us eminently unfair that an individual engaged in business alongside of us, with the same capitalization and equally as large earnings, and as fully protected in his commercial rights as we are protected, would avoid any tax whatever; and on top of this we have registration and annual taxes on account of our incorporation to pay in every State of the Union where we maintain an office in addition to our regular state property tax that we, like all others, must pay, thus piling up against our corporations a vast amount of tax, the burden of which we should not be asked to bear. We hope the measure may not pass the Senate.

Very truly, yours,

THE COMPUTING SCALE COMPANY.

CINCINNATI, OHIO, *June 28, 1909.*

Senator DICK,
Washington, D. C.

DEAR SIR: Referring to the proposed law to tax the income of corporations, we beg to state that while we would not be directly affected by such a measure, we are opposed to the proposed law.

It is, in our judgment, un-American, as it directs toward a particular class. It possesses an element of socialism. In our judgment a stamp tax, or some tax of a general nature that would not be any great burden to any particular class, would be more satisfactory to all and less disturbing to the commercial interests of our country.

The suggestion that the proposed tax would give the federal authorities a full opportunity to supervise the acts of corporations does not seem to us to be valid. A commission appointed for that purpose, similar to the railroad commission, vested with definite authority, would be, to our judgment, more effective.

We trust that you will take a similar view to ours, and we ask you to vigorously oppose the proposed law to tax the income of corporations.

Yours, very respectfully,

LEWIS WALD & CO.

CINCINNATI, OHIO, *June 28, 1909.*

Hon. CHARLES DICK,
United States Senate, Washington, D. C.

MOST WORTHY REPRESENTATIVE: The proposed law taxing the income of corporations, as at present drawn, will apply to mercantile corporations, which under the existing laws are certainly paying all if not more than their just share of the taxes.

It would be unfair to tax us as a corporation unless individuals and copartnerships with whom we come in competition are likewise taxed proportionately the same, whereas it is only proposed to tax corporations.

Please look at it from a reasonable standpoint.

We are, very respectfully, yours,

THE ALMS & DOEPKE COMPANY,
WM. H. ALMS, *President.*

CINCINNATI, OHIO, *June 28, 1909.*

Hon. CHARLES DICK,
Washington, D. C.

DEAR SIR: Referring to the proposed Aldrich bill in regard to 2 per cent tax on incomes of over $5,000 to be paid by corporations alone, we think it is unfair, and we can not see why professional men, farmers, capitalists, firms, and others that have incomes over $5,000 should be exempt. At any rate, we believe the merchants throughout the country are taxed sufficiently without any additional burdens. We trust you can see it in this light and that you will vote against this proposed measure.

Respectfully,

THE MEYER, WISE & KAICHEN COMPANY,
By SIG. WISE, *Vice-President.*

DELAWARE, OHIO, *June 28, 1909.*

Hon. CHARLES DICK,
Washington, D. C.

DEAR SIR: Will you do me the favor of forwarding to me a copy of the bill now before the Senate providing for the taxation of the net earnings of corporations?

For some clients of mine here I am particularly interested to know whether, by this proposed law, the reports of corporations as to their earnings will be public property. Any information which you can give as to this point will be appreciated very much.

Thanking you in advance for the favor, I am,

Very respectfully,

F. A. MCALLISTER.

DELAWARE, OHIO, *June 29, 1909.*

Hon. CHARLES DICK,
United States Senate, Washington, D. C.:

On behalf of members of building and loan associations of Delaware County, Ohio, we respectfully urge that you use your best efforts to exempt these savings institutions of the wage-earners from proposed corporation tax, as was the case in the old income-tax law and the Spanish-American war stamp act.

THE FIDELITY BUILDING ASSOCIATION AND LOAN COMPANY,
D. H. BATTENFIELD, *President.*
PEOPLE'S BUILDING AND LOAN COMPANY,
C. RIDDLE, *President.*

YOUNGSTOWN, OHIO, *June 29, 1909.*

Hon. CHARLES DICK,
United States Senate, Washington, D. C.:

Proposed tax on corporations will be disastrous to building associations. Ten thousand working people in this city would suffer. Exempt the associations.

THE HOME SAVINGS AND LOAN COMPANY.

TOLEDO, OHIO, *June 29, 1909.*

Hon. CHARLES DICK,
United States Senate, Washington, D. C.:

This association, the pioneer in northwestern Ohio, has been the means of the building of several thousand American homes. Our fifteen hundred members protest against the contemplated 2 per cent corporation tax, unless as proposed by President Taft, that associations of this character be exempt therefrom.

THE TOLEDO SAVINGS ASSOCIATION,
A. L. SPRING, *Secretary.*

TOLEDO, OHIO, *June 29, 1909.*

Hon. CHARLES DICK,
United States Senate, Washington, D. C.:

The 18,000 building association members with average holdings of less than $300 each, represented by the Toledo Building Association League, urgently protest against the strikingly unfair discrimination the 2 per cent corporation tax will inflict upon us. If we are not exempted as proposed by President Taft, it will ruin our present investment and will drive beyond the reach of the makers of American homes the 600,000,000 of special home-building funds now held and used by building associations in the United States for that purpose.

A. L. SPRING, *Secretary.*

YOUNGSTOWN, OHIO, *June 30, 1909.*

Hon. CHARLES DICK,
United States Senate, Washington, D. C.:

Proposed corporation tax will work a hardship to building associations. In former acts of this nature they have been exempted, and they should be exempt now. Working people everywhere will benefit by their exemption.

J. R. WOOLLY,
Vice-President Home Savings and Loan Company.

BRIDGEPORT, OHIO, *June 28, 1909.*

Senator DICK,
Washington, D. C.:

Please oppose tax on building and loan associations.

W. W. SCOTT.

NORWALK, OHIO, *June 28, 1909.*

Hon. CHARLES DICK,
Washington, D. C.:

Can not stand 2 per cent tax. Get building and loan companies exempt.

The Home Savings and Loan Company, C. H. Gallup, president; The Ohio Mutual Savings and Loan Company, Henry C. Ellison, president; The Union Savings and Loan Company, H. Q. Sargent, president; The Mutual Building and Investment Company, J. B. Wilberding, secretary; The Ohio Savings and Loan Company, Henry Grombacher, secretary; The Provident Building and Loan Company, W. R. Dunbar, secretary.

CLEVELAND, OHIO, *June 29, 1909.*

Hon. CHARLES DICK,
United States Senate, Washington, D. C.:

We solicit your earnest endeavor to exempt building and loan associations from the corporation tax, as in this case the burden would fall upon thrifty working men and women trying to pay off mortgages on their houses.

Cleveland Savings and Loan Company, William R. Creer, secretary; The Cuyahoga Savings and Loan Company, Davis Hawley, president; The Equity Savings and Loan Company, H. W. S. Wood, president; The Economy Building and Loan Company, O. J. Hodge, president; The Cleveland West Side Building and Loan Company, Jacob Haller, secretary.

YOUNGSTOWN, OHIO, *June 28, 1909.*

Hon. CHARLES DICK,
United States Senate, Washington, D. C.:

Building and loan associations should be exempt from proposed corporation tax. Similar acts in the past have always exempted them. Such exemption would benefit 400,000 wage-earners in Ohio alone.

JAMES M. MCKAY,
Vice-President Ohio Building Association League.

HAMILTON, OHIO, *June 27, 1909.*

Senator CHARLES DICK,
Washington, D. C.:

Means ruination to building associations, unless exempted from corporation tax.

THE HOME LOAN AND BUILDING ASSOCIATION,
O. V. PARRISH, *Vice-President.*

DAYTON, OHIO, *June 27, 1909.*

Hon. CHARLES DICK,
Washington, D. C.:

We urge to use your efforts to exempt mutual building and loan associations from income tax. Seven thousand wage-earners and small savers in this association alone would thus be taxed.

AMERICAN LOAN AND SAVINGS ASSOCIATION.

BELLAIRE, OHIO, *June 28, 1909.*

Hon. CHARLES DICK,
Senate Chamber, Washington, D. C.

Over 5,000 working people ask you to oppose bill to tax incomes of building associations.

THE BUCKEYE SAVINGS AND LOAN CO.,
By W. G. MCCLAIN, *Secretary.*

COLUMBUS, OHIO, *June 27, 1909.*

Hon. CHARLES DICK,
United States Senate, Washington, D. C.:

Building and loan associations should be exempt in proposed corporation tax.

L. L. RANKIN.

DAYTON, OHIO, *June 27, 1909.*

Hon. CHARLES DICK,
Washington, D. C.:

On behalf of 50,000 wage-earners who have their savings in the Dayton building associations you are urged to consider the justice of having building associations exempted from the operation of the proposed tax on corporations.

MONTGOMERY COUNTY BUILDING ASSOCIATION LEAGUE,
S. RUFUS JONES, *President.*

MARIETTA, OHIO, *June 27, 1909.*

Senator CHARLES DICK,
Washington, D. C.:

Exemption building associations from corporation tax earnestly requested.

FRED W. TORNER,
Secretary Pioneer City Building and Loan Company.

NEWARK, OHIO, *June 27, 1909.*

Hon. CHARLES DICK,
Washington, D. C.:

Building associations should be exempt from corporation tax. Your influence should be in this direction and will be appreciated.

E. M. BAUGHER.

ZANESVILLE, OHIO, *June 27, 1909.*

Senator CHARLES DICK,
Washington, D. C.:

Please use your influence to secure exemption of building and loan associations from corporation tax.

THE EQUITABLE SAVINGS COMPANY,
By H. E. BUKER, *Secretary.*

AKRON, OHIO, *June 28, 1909.*

Hon. CHARLES DICK,
Washington, D. C.:

Kindly use efforts to have building and loan associations exempted from corporation tax.

THE HOME SAVINGS COMPANY.

DAYTON, OHIO, *June 28, 1909.*

Hon. CHARLES DICK,
United States Senate, Washington, D. C.:

We respectfully protest against the unjust discrimination and inequitable corporation tax proposed.

THE COMPUTING SCALE COMPANY.

AKRON, OHIO, *June 27, 1909.*

Hon. CHARLES DICK,
Washington, D. C.:

Exempt loan associations from incorporation tax; important to all classes.

F. M. COOKE,
Secretary Akron Savings and Loan Company.

MANSFIELD, OHIO, *June 28, 1909.*

Senator CHARLES DICK,
Washington, D. C.:

A tax on building and loan associations, the savings of the masses, in time of peace would menace its existence.

THE CITIZENS SAVING AND LOAN COMPANY,
FRED T. BRISTOR, *Secretary.*

BARNESVILLE, OHIO, *June 28, 1909.*

Hon. CHARLES DICK,
United States Senate, Washington, D. C.:

Officers, directors, and more than 1,000 members protest, and ask your influence for exemption of building associations from 2 per cent tax.

PEOPLE'S BUILDING AND LOAN COMPANY.
HOME BUILDING AND LOAN COMPANY.

ASHTABULA, OHIO, *June 28, 1909.*

Hon. CHARLES DICK,
Washington, D. C.:

In the bill now pending in the Senate to tax corporations, we urge you, in the name of fourteen hundred stockholders of this company, to use your influence to have building associations exempted from the tax.

THE PEOPLE'S BUILDING LOAN COMPANY,
GEO. B. PAINE, *President.*
A. H. TYLER, *Secretary.*

MASSILLON, OHIO, *June 28, 1909.*

Hon. CHARLES DICK,
United States Senate, Washington, D. C.:

Our association, representing about two million assets and 4,000 members, pray for exemption of such institutions from operations of corporation-tax bill.

THE FIRST SAVINGS AND LOAN CO.

CINCINNATI, OHIO, *June 26, 1909.*

Hon. CHARLES DICK,
United States Senate, Washington, D. C.:

Three hundred and twenty-five thousand building and loan association members in Ohio respectfully urge you to secure proper exemption from proposed tax on corporations. Congress has always granted building and loan associations exemptions from the operation of previous taxes on income. The proposed tax, if it includes building and loan associations, will be unjust and a tax on the thrift of the wage-earner.

AMERICAN BUILDING ASSOCIATION NEWS,
H. S. ROSENTHAL, *Editor.*

CINCINNATI, OHIO, *June 26, 1909.*

Senator CHARLES DICK,
United States Senate, Washington, D. C.:

The Hamilton County League of Building and Loan Associations directs me to again call your attention to the necessity of exempting the incomes of building and loan associations from the operations of the proposed corporation tax.

FRED BADER, *President.*

CANTON, OHIO, *June 28, 1909.*

Hon. CHARLES DICK,
United States Senate, Washington, D. C.:

Stark County building associations, with 7,500 members, urge necessity of exempting their incomes from operation of proposed corporation tax.

J. KHITING, Jr.

MIDDLETOWN, OHIO, *June 28, 1909.*

United States Senator DICK,
Washington, D. C.:

Use your influence to exempt building associations from corporation tax.

THE MIDDLETOWN BUILDING AND LOAN ASSOCIATION.

COLUMBUS, OHIO, *June 28, 1909.*

Hon. CHARLES DICK,
United States Senate, Washington, D. C.:

Representing the building and loan associations of Ohio, with half million members and depositors, we respectfully urge that you exempt from the corporation-tax bill the building and loan associations.

CHAS. H. BROWN,
Secretary Ohio Building Association League.

COLUMBUS, OHIO, *June 28, 1909.*

Hon. CHARLES DICK,
United States Senate, Washington, D. C.:

The Columbus League of Building and Loan Associations respectfully urges that building and loans associations be exempted from the proposed corporation-tax bill.

JOHN F. FERGUS, *President.*
EDWIN F. WOOD, *Secretary.*

The VICE-PRESIDENT. The question is on the amendment of the Senator from Rhode Island [Mr. ALDRICH] to the substitute proposed by the Senator from Massachusetts [Mr. LODGE]. The Secretary will call the roll.

The Secretary proceeded to call the roll.

Mr. CHAMBERLAIN (when his name was called). I am paired with the junior Senator from Pennsylvania [Mr. OLIVER]; but I transfer that pair to the junior Senator from Maryland [Mr. SMITH], and vote. I vote "nay."

Mr. BACON (when Mr. CLAY's name was called). My colleague [Mr. CLAY] is necessarily absent from the city. He is paired, as I understand, with the Senator from Massachusetts [Mr. LODGE]. If my colleague were present, he would vote "nay."

Mr. DILLINGHAM (when his name was called). I have a general pair with the senior Senator from South Carolina [Mr. TILLMAN], who is absent. I transfer that pair to the senior Senator from Maine [Mr. HALE], and vote. I vote "yea."

Mr. GUGGENHEIM (when his name was called). I have a general pair with the senior Senator from Kentucky [Mr. PAYNTER], who is detained from the Senate by illness. I transfer that pair to the senior Senator from Indiana [Mr. BEVERIDGE] and vote. I vote "yea."

Mr. HUGHES (when his name was called). I am paired with the senior Senator from Oregon [Mr. BOURNE]. If he were present, I should vote "nay."

Mr. JONES (when his name was called). I have a pair with the junior Senator from South Carolina [Mr. SMITH]. I transfer that pair to the junior Senator from Wisconsin [Mr. STEPHENSON] and vote. I vote "yea."

Mr. LODGE (when his name was called). I have a general pair with the Senator from Georgia [Mr. CLAY]. I transfer that pair to my colleague [Mr. CRANE], who would vote "yea" if present, and the Senator from Georgia would vote "nay." I vote "yea."

Mr. McLAURIN (when his name was called). I have a pair with the junior Senator from Michigan [Mr. SMITH]. I transfer that pair to the senior Senator from North Carolina [Mr. SIMMONS], and vote. I vote "nay."

Mr. OVERMAN (when Mr. SIMMONS's name was called). I desire to announce that my colleague [Mr. SIMMONS] is unavoidably absent. He is paired with the junior Senator from Michigan [Mr. SMITH]. If my colleague were present, he would vote "nay."

Mr. RAYNER (when the name of Mr. SMITH of Maryland was called). My colleague [Mr. SMITH] is absent on account of serious sickness in his family. He is paired with the junior Senator from Pennsylvania [Mr. OLIVER].

The roll call was concluded.

Mr. DAVIS. My colleague [Mr. CLARKE] has been detained from the Chamber for several days on account of the very critical illness of his son. He is paired with the junior Senator from Delaware [Mr. RICHARDSON]. If my colleague were present, he would vote "nay."

Mr. BAILEY. I desire to announce that the Senator from South Carolina [Mr. TILLMAN] is unavoidably absent, but that if he were present he would vote "nay."

The result was announced—yeas 45, nays 31, as follows:

YEAS—45.

Aldrich	Cullom	Guggenheim	Perkins
Bradley	Curtis	Heyburn	Piles
Brandegee	Depew	Johnson, N. Dak.	Root
Briggs	Dick	Jones	Scott
Brown	Dillingham	Kean	Smoot
Burkett	Dixon	Lodge	Sutherland
Burnham	du Pont	Lorimer	Warner
Burrows	Elkins	McCumber	Warren
Burton	Flint	Nelson	Wetmore
Carter	Frye	Nixon	
Clark, Wyo.	Gallinger	Page	
Crawford	Gamble	Penrose	

NAYS—31.

Bacon	Culberson	Gore	Overman
Bailey	Cummins	Johnston, Ala.	Owen
Bankhead	Daniel	La Follette	Rayner
Borah	Davis	McEnery	Shively
Bristow	Dolliver	McLaurin	Stone
Bulkeley	Fletcher	Martin	Taliaferro
Chamberlain	Foster	Money	Taylor
Clapp	Frazier	Newlands	

NOT VOTING—16.

Beveridge	Crane	Paynter	Smith, Mich.
Bourne	Hale	Richardson	Smith, S. C.
Clarke, Ark.	Hughes	Simmons	Stephenson
Clay	Oliver	Smith, Md.	Tillman

So the amendment of Mr. ALDRICH to the substitute of Mr. LODGE was agreed to.

Mr. BACON. Is the amendment which I propose to offer now in order?

Mr. ALDRICH. I ask that the amendment be stated.

The VICE-PRESIDENT. The Secretary will state the amendment.

Mr. BACON. The amendment I wish to offer is not in writing.

The VICE-PRESIDENT. Then, will the Senator please state it, so that the Chair can understand it?

Mr. BACON. If the Chair will take the amendment of the Senator from Rhode Island, I will indicate it.

The VICE-PRESIDENT. The Chair has that.

Mr. BACON. The amendments are four in number, but all of them relate to the same subject-matter.

Mr. ALDRICH. Mr. President, does the Senator propose to amend the text of the amendment that has just been agreed to?

Mr. BACON. Yes.

Mr. ALDRICH. I suggest that that is not in order.

The VICE-PRESIDENT. The Chair will have to hold that that is not in order.

Mr. BACON. But, Mr. President, we certainly have the right at some time to do this. That is the reason why I made the tender of the amendment before the vote was taken. It is absolutely inconsistent with any rule of parliamentary law that the Senator——

Mr. ALDRICH. The Senator will have a right to offer this amendment in the Senate when the bill reaches there.

Mr. BACON. If it is in order in the Senate, it is in order now, just the same.

Mr. ALDRICH. Oh, no!

The VICE-PRESIDENT. The Chair thinks not.

Mr. BACON. I am content if the Senator will recognize that it will be in order then. I will not split hairs with him as to when it is most in order. If I have an opportunity to offer it, that will be sufficient for me.

I now have another amendment to offer. As I understand, the question now before the Senate is on the substitute offered by the Senator from Massachusetts as it has been amended?

The VICE-PRESIDENT. That is correct.

Mr. BACON. And I desire to insert certain words as an amendment. In line 6, after the word "Government," on the first page, I move to insert the words "other than crude or refined petroleum." I desire to state that the effect of the substitute as amended, so far as crude and refined petroleum is concerned, is to put it right back where it was under the Dingley bill and make it in fact a subject of duty, rather than on the free list, as the Senate has indicated its purpose that it should be.

The VICE-PRESIDENT. The Senate will please be in order.

Mr. BACON. It is extremely difficult, Mr. President, to talk under these circumstances.

The VICE-PRESIDENT. The Chair realizes that, and the Chair hopes that the Senate will be in order.

Mr. BACON. It imposes upon the speaker an unnecessary amount of physical exertion.

The VICE-PRESIDENT. If the Senator from Georgia will suspend, the Chair will obtain order before he need proceed. Will all Senators cease conversation, and will Senators please be seated?

Mr. BAILEY. I presume, Mr. President——

The VICE-PRESIDENT. The Senator from Georgia has the floor. Does he yield to the Senator from Texas?

Mr. BACON. I do.

Mr. BAILEY. I assume that the purpose of that amendment was not to defeat what the Senate had already done with respect to petroleum, but merely to preserve a parliamentary status. And in order that we may settle this free from the other questions, I suggest that the Senator from Massachusetts withdraw his substitute and let us take a vote on the direct question between the proposition of the Senator from Rhode Island and the proposition of the Senator from Iowa and myself.

Mr. ALDRICH. Mr. President, if the Senate will agree to take the vote at once, without further discussion, I shall be very glad to do that.

Mr. BAILEY. I hope that agreement will be made; because, if it is not, this will be made the means of putting oil back on the dutiable list. I hope no objection will be made to my suggestion.

Mr. ALDRICH. Mr. President, I ask unanimous consent that that be done.

The VICE-PRESIDENT. The Chair would like to know what is the request of the Senator from Texas. The Chair understands that the Senator puts that in the form of a request for unanimous consent?

Mr. BAILEY. I request unanimous consent that the Senator from Massachusetts shall be permitted to withdraw his substitute, and that the Senate shall then proceed to a direct vote between the motion of the Senator from Rhode Island and the amendment offered by the Senator from Iowa and myself.

The VICE-PRESIDENT. Is there objection to the request? The Chair hears none.

Mr. LODGE. Mr. President, under that unanimous request, I withdraw the substitute which I offered.

Mr. ALDRICH. And I offer the amendment which has just been voted on as a substitute for the amendment of the Senator from Texas.

The VICE-PRESIDENT. That is the pending question. The question now is on agreeing to the substitute.

Several SENATORS. Let us have the yeas and nays.

The yeas and nays were ordered.

Mr. BACON. Mr. President, I have certain amendments which I desire to offer to the amendment of the Senator from Rhode Island; but I am perfectly willing to postpone them until afterwards, if I may offer them then, in order that we may have this vote.

Mr. ALDRICH and others. Question!

Mr. LODGE. Mr. President——

Mr. HEYBURN. Mr. President——

The VICE-PRESIDENT. The Senator from Georgia has the floor. To whom does he yield?

Mr. ALDRICH. The unanimous consent was that we proceed to vote at once upon this proposition.

Mr. BACON. Go ahead and vote.

Mr. BULKELEY. Mr. President, I should like to know what the question is.

The VICE-PRESIDENT. The question is on the substitute of the Senator from Rhode Island for the amendment of the Senator from Texas; and upon that the yeas and nays have been ordered.

The Secretary proceeded to call the roll.

Mr. CHAMBERLAIN (when his name was called). I desire to make the same announcement I have heretofore made with reference to my pair. I transfer my pair, and I vote "nay."

Mr. DILLINGHAM (when his name was called). I have a general pair with the senior Senator from South Carolina [Mr. TILLMAN], who is absent. I transfer that pair to the senior Senator from Maine [Mr. HALE], and I vote "yea."

Mr. GUGGENHEIM (when his name was called). Mr. President, I again announce my pair with the senior Senator from Kentucky [Mr. PAYNTER]. I transfer that pair to the senior Senator from Indiana [Mr. BEVERIDGE], and I vote "yea."

Mr. HUGHES (when his name was called). I am paired with the senior Senator from Oregon [Mr. BOURNE]. If he were present, I should vote "nay."

Mr. LODGE (when his name was called). I have a general pair with the Senator from Georgia [Mr. CLAY]. I transfer that pair to my colleague [Mr. CRANE]. My colleague, if present, would vote "yea," and the Senator from Georgia would vote "nay." I vote "yea."

Mr. McLAURIN (when his name was called). I transfer my pair with the junior Senator from Michigan [Mr. SMITH] to the senior Senator from North Carolina [Mr. SIMMONS] and vote "nay."

Mr. OVERMAN (when Mr. SIMMONS's name was called). I desire to announce again the unavoidable absence of my colleague [Mr. SIMMONS]. He is paired with the junior Senator from Michigan [Mr. SMITH]. If my colleague were present, he would vote "nay."

The roll call was concluded.

Mr. JONES. I am paired with the Senator from South Carolina [Mr. SMITH]. I transfer that pair to the Senator from Wisconsin [Mr. STEPHENSON] and vote "yea."

Mr. DAVIS. I again announce the unavoidable detention of my colleague [Mr. CLARKE of Arkansas], and his pair with the Senator from Delaware [Mr. RICHARDSON].

The result was announced—yeas 45, nays 31, as follows:

YEAS—45.

Aldrich	Cullom	Guggenheim	Perkins
Bradley	Curtis	Heyburn	Piles
Brandegee	Depew	Johnson, N. Dak.	Root
Briggs	Dick	Jones	Scott
Brown	Dillingham	Kean	Smoot
Burkett	Dixon	Lodge	Sutherland
Burnham	du Pont	Lorimer	Warner
Burrows	Elkins	McCumber	Warren
Burton	Flint	Nelson	Wetmore
Carter	Frye	Nixon	
Clark, Wyo.	Gallinger	Page	
Crawford	Gamble	Penrose	

NAYS—31.

Bacon	Culberson	Gore	Overman
Bailey	Cummins	Johnston, Ala.	Owen
Bankhead	Daniel	La Follette	Rayner
Borah	Davis	McEnery	Shively
Bristow	Dolliver	McLaurin	Stone
Bulkeley	Fletcher	Martin	Taliaferro
Chamberlain	Foster	Money	Taylor
Clapp	Frazier	Newlands	

NOT VOTING—16.

Beveridge	Crane	Paynter	Smith, Mich.
Bourne	Hale	Richardson	Smith, S. C.
Clarke, Ark.	Hughes	Simmons	Stephenson
Clay	Oliver	Smith, Md.	Tillman

So Mr. ALDRICH's substitute for Mr. BAILEY's amendment was agreed to.

Mr. ALDRICH. I ask that the amendment as amended be now agreed to, and upon that I demand the yeas and nays.

The VICE-PRESIDENT. The Senator from Rhode Island demands the yeas and nays upon agreeing to the amendment as amended.

Mr. BACON. I offer an amendment to the amendment.

Mr. ALDRICH. I ask that the question be taken first.

Mr. BACON. I have the floor with an amendment.

The VICE-PRESIDENT. The Senator from Georgia is demanding the floor.

Mr. ALDRICH. I had not yielded the floor.

The VICE-PRESIDENT. The Senator from Rhode Island had not yielded the floor.

Mr. ALDRICH. I demand the yeas and nays on agreeing to the amendment as amended.

The VICE-PRESIDENT. Is the demand seconded?

Mr. BACON. Mr. President——

The yeas and nays were ordered.

Mr. BACON. I do most certainly object to be taken off the floor.

The VICE-PRESIDENT. The Senator from Georgia was on the floor and demanded recognition. The demand for the yeas and nays by the Senator from Rhode Island could not be prevented.

Mr. BACON. When debate is desired to be continued?

The VICE-PRESIDENT. The Senator from Georgia is now recognized.

Mr. BACON. I offer this amendment to the substitute as it has been adopted.

The VICE-PRESIDENT. The Secretary will read the proposed amendment to the amendment.

The SECRETARY. It is proposed to insert at the conclusion of the first paragraph of section 4:

Provided, That the provisions of this section shall not apply to any corporation or association organized and operated for religious, charitable, or educational purposes, no part of the profit of which inures to the benefit of any private stockholder or individual, but all of the profit of which is in good faith devoted to the said religious, charitable, or educational purpose;

Provided further, That the provisions of this section shall not apply to incorporations or associations of fraternal orders or organizations designed and operated exclusively for mutual benefit or for the mutual assistance of its members;

Provided further, That the provisions of this section shall not apply to any insurance or other corporations or associations organized and operated exclusively for the mutual benefit of its members in which there are no joint-stock shares entitled to dividends or individual profit to the holders thereof.

Provided further, That the provisions of this section shall not apply to any corporation or association designed and operated solely for mercantile business the gross sales of which do not exceed $250,000 per annum.

Mr. ALDRICH. As I have already stated to the Senator from Nebraska [Mr. BURKETT], who had an amendment which is somewhat similar to one of these provisos, the committee will consider carefully the exemptions which ought to be made, if any, in addition to those which are included in the bill. It is impossible to make those exemptions intelligently with these matters before the Senate. I therefore feel constrained, having in view the action of the committee which I have expressed, to move to lay the amendment to the amendment on the table, and I shall follow that by moving to lay all amendments to the pending section on the table.

Mr. BACON. Mr. President, I take it that no Senator——

Mr. ALDRICH. I move to lay the amendment on the table.

Mr. BACON. If the Senator from Rhode Island proposes when an amendment is offered by a Senator to make a speech against it and then moves to table it before the mover of the amendment is heard——

Mr. ALDRICH. I did not intend to make any speech.

Mr. BACON. The Senator did make it.

Mr. ALDRICH. I simply stated that the committee would take into consideration additional exemptions which ought to be made, if any; and I stated further that it was impossible to consider the amendment intelligently in this way. The Senator from Nebraska has an amendment which is in the same line, and I had already stated that before the bill passes from the consideration of the Senate I propose to have it carefully considered by the committee.

Mr. BACON. I think we have had about enough legislation by the committee, and I think the Senate ought to legislate.

The VICE-PRESIDENT. The Senator from Georgia has moved an amendment, and the Senator from Rhode Island has moved to lay it on the table.

Mr. BACON. The Senator made a statement against the amendment——

Mr. ALDRICH. If the Senator desires it, and if he thinks I have treated him unfairly, I am willing to allow him to make a statement, but I shall then insist on the motion.

Mr. BACON. I am not here to have anything allowed to me by the Senator from Rhode Island. He has been dictating to the Senate long enough for him to adopt language of that kind.

Mr. LODGE. All debate is out of order.

Mr. BACON. I want the Senator to understand that he has no greater right here than any other Member.

The VICE-PRESIDENT. Debate is not in order. The question is on agreeing to the motion of the Senator from Rhode Island to lay the amendment of the Senator from Georgia on the table.

Mr. BACON. On that I call for the yeas and nays.

The yeas and nays were ordered, and the Secretary proceeded to call the roll.

Mr. CHAMBERLAIN (when his name was called). I desire to make the same announcement I did with reference to the previous vote and the transfer of my pair. I vote "nay."

Mr. DILLINGHAM (when his name was called). I again announce my general pair with the senior Senator from South Carolina [Mr. TILLMAN]. I transfer my pair to the senior Senator from Maine [Mr. HALE]. I vote "yea."

Mr. GUGGENHEIM (when his name was called). I make the same announcement I did on the previous vote. I vote "yea."

Mr. HUGHES (when his name was called). I again announce my pair with the senior Senator from Oregon [Mr. BOURNE]. If he were present, I should vote "nay."

Mr. JONES (when his name was called). I again announce my pair with the junior Senator from South Carolina [Mr. SMITH]. I transfer that pair to the Senator from Wisconsin [Mr. STEPHENSON]. I vote "yea."

Mr. LODGE (when his name was called). I am paired with the Senator from Georgia [Mr. CLAY]. I transfer that pair to my colleague [Mr. CRANE], and vote "yea."

Mr. McLAURIN (when his name was called). I transfer my pair with the junior Senator from Michigan [Mr. SMITH] to the senior Senator from North Carolina [Mr. SIMMONS], and vote "nay."

Mr. OVERMAN (when Mr. SIMMONS's name was called). I again announce that my colleague [Mr. SIMMONS] is unavoidably absent, and is paired with the junior Senator from Michigan [Mr. SMITH]. If present, my colleague would vote "nay." I make this announcement for the day. I will not make it any more.

The roll call having been concluded, the result was announced—yeas 42, nays 32, as follows:

YEAS—42.

Aldrich	Curtis	Guggenheim	Perkins
Bradley	Depew	Heyburn	Piles
Brown	Dick	Johnson, N. Dak.	Root
Burkett	Dillingham	Jones	Scott
Burnham	Dixon	Kean	Smoot
Burrows	du Pont	Lodge	Sutherland
Burton	Elkins	Lorimer	Warner
Carter	Flint	McCumber	Warren
Clark, Wyo.	Frye	Nelson	Wetmore
Crawford	Gallinger	Page	
Cullom	Gamble	Penrose	

NAYS—32.

Bacon	Clapp	Frazier	Newlands
Bailey	Culberson	Gore	Overman
Bankhead	Cummins	Johnston, Ala.	Owen
Borah	Daniel	La Follette	Rayner
Brandegee	Davis	McEnery	Shively
Bristow	Dolliver	McLaurin	Stone
Bulkeley	Fletcher	Martin	Taliaferro
Chamberlain	Foster	Money	Taylor

NOT VOTING—18.

Beveridge	Crane	Paynter	Smith, S. C.
Bourne	Hale	Richardson	Stephenson
Briggs	Hughes	Simmons	Tillman
Clarke, Ark.	Nixon	Smith, Md.	
Clay	Oliver	Smith, Mich.	

So Mr. BACON's amendment to the amendment was laid on the table.

Mr. BACON. I have an amendment, which I send to the desk and which I now offer.

The VICE-PRESIDENT. The Secretary will read the amendment.

The SECRETARY. At the conclusion of the amendment insert the following, to be known as paragraph 9:

Paragraph 9. That every corporation, joint-stock company and association, and every person in the United States holding the bonds, debentures, or other evidences of indebtedness of any corporation or association organized under the laws of either the United States or of any State or Territory of the United States shall, upon the right to hold and possess said bonds and to collect the principal and interest of said bonds, be subject to pay annually a special excise tax equivalent to 2 per cent upon the annual interest payable upon said bonds.

That every corporation, joint-stock company and association having outstanding bonds upon which interest is payable annually, semiannually, or quarterly, or at less intervals of time, shall on the 1st day of October of each year make out and transmit to the collector of internal revenue for the district in which said corporation, company, or association shall be situated a report of the said outstanding bonds, the denominations of said bonds, the aggregate amount of the same, the rate of interest payable on the same, and the dates when said interest is due and payable, which report shall be transmitted forthwith by the collector to the Commissioner of Internal Revenue. It shall further be the duty of every such corporation, company, and association when such interest becomes due and payable to deduct and retain the proportion of said amount payable to each of the holders of said bonds, the amount of excise tax payable by said bondholder under the provisions of this section, and to thereafter pay the same to the said collector of internal revenue under the rules and regulations which shall be prescribed by the Commissioner of Internal Revenue; and the receipt of the said collector of internal revenue for the said amounts thus paid to him by said corporation, company, or association shall be received by said bondholder, to the extent named therein, in payment of the amount due upon the bond or bonds so held by him.

Mr. BACON. Mr. President, I do not desire to discuss this matter at any length. It is too late in the evening to do so. I will just say one word.

One great objection to the amendment offered by the Senator from Rhode Island, representing his committee, is the fact that it does not go far enough. The tax which is proposed reaches only a very small part of the particular class of wealth which it is designed to tax for the purpose of raising this needed revenue. I say needed revenue. It seems there is a division of opinion upon that subject.

The Senator from Rhode Island still insists that no additional revenue is needed. Other Senators have at considerable length and in some detail, the Senator from Iowa [Mr. CUMMINS] especially, endeavored to show that a very large increase of revenue is needed. The desire to reach the bonded interests of the country would be very much more generally shared by the people at large than the desire to reach simply the stocks of corporations. The excise tax in the various cases where it has been imposed has been a tax upon a privilege or a right, or upon the exercise of certain business.

It may be, Mr. President, that when we get in the Senate we may have something more to say upon this subject, but it is sufficient now to say that the ground upon which I base this amendment is that if a privilege can be taxed as an excise tax, a legal right can also be the basis for an excise tax, and the right to hold bonds is as legitimate a subject-matter of taxation as a right to exercise the business through the exercise of which these bonds are to be ultimately paid in the hands of the bondholders.

I endeavored to point out in the colloquy which I had with the Senator from New York [Mr. ROOT] last night one of the radical defects in this proposed measure. It is that even as to the stocks of corporations, the dividends upon which would be the measure of the excise tax, if there is no tax to be paid on the right to hold bonds, it is within the power of these corporations to convert their stocks very largely into bonds and then to use the same money theretofore paid in dividends and which would be practically taxable as earnings in the payment of interest on bonds, which under the present bill would not be available as a subject of taxation. Thus to the extent that a corporation converted its stock into bonds it would escape this excise tax.

The Senator from New York said in response to that suggestion from me that the measure limits the amount of bonds to be considered in calculating the exemption to the amount of paid-up capital, and that, therefore, there could not be the successful conversion of capital stock into bonds if the bonds already equaled the paid-up capital. Without going into any elaboration of that, I will simply point out that, as an illustration, if I am correctly informed and accurate in my recollection, the steel trust has stock of somewhere in the neighborhood of a thousand million dollars and a bonded indebtedness of half that amount. It is a simple matter when this bill becomes a law to convert $250,000,000 of that stock into an equivalent amount of bonds, and thus escape the taxation of $250,000,000. If, however, the right to hold bonds is a taxable right, one which can be taxed under the exercise of the excise power, then the effort to convert the stock of corporations into bonds, and thus escape the tax contemplated by this section of the bill, will be defeated.

That is all I care to say upon this subject at the present time.

Mr. ALDRICH. I move to lay the amendment of the Senator from Georgia to the amendment on the table.

Mr. BACON. Upon that I ask for the yeas and nays.

The yeas and nays were ordered.

The VICE-PRESIDENT. The question is on laying upon the table the amendment of the Senator from Georgia to the amendment. The Secretary will call the roll.

The Secretary proceeded to call the roll.

Mr. CHAMBERLAIN (when his name was called). I am paired with the junior Senator from Pennsylvania [Mr. OLIVER]; but I transfer that pair to the junior Senator from Maryland [Mr. SMITH], and vote. I vote "nay."

Mr. DILLINGHAM (when his name was called). I have a general pair with the senior Senator from South Carolina [Mr. TILLMAN], who is absent. I transfer that pair to the senior Senator from Maine [Mr. HALE], and vote. I vote "yea."

Mr. GUGGENHEIM (when his name was called). I have a general pair with the senior Senator from Kentucky [Mr. PAYNTER], who is detained from the Senate by illness. I transfer that pair to the senior Senator from Indiana [Mr. BEVERIDGE], and vote. I vote "yea."

Mr. JONES (when his name was called). I again announce my pair with the junior Senator from South Carolina [Mr. SMITH]. I transfer that pair to the junior Senator from Wisconsin [Mr. STEPHENSON], and vote. I vote "nay."

Mr. LODGE (when his name was called). I have a general pair with the Senator from Georgia [Mr. CLAY]. I transfer that pair to my colleague [Mr. CRANE], who would vote "yea," if present, and the Senator from Georgia would vote "nay." I vote "yea."

Mr. McLAURIN (when his name was called). I have a general pair with the junior Senator from Michigan [Mr. SMITH]. I transfer that pair to the Senator from North Carolina [Mr. SIMMONS], and vote. I vote "nay."

The roll call was concluded.

Mr. BACON. I desire to state, in connection with the announcement made of the pair of my colleague [Mr. CLAY], that if he were present he would vote "nay" on this vote. I should have made the same announcement as to the previous votes.

Mr. LODGE. I have made that announcement on every vote, I think.

Mr. BACON. I beg the Senator's pardon. I did not understand that.

Mr. LODGE. I stated that the Senator from Georgia [Mr. CLAY] would vote "nay," and that my colleague [Mr. CRANE] would vote "yea," if present.

Mr. BACON. That is sufficient.

The result was announced—yeas 41, nays 34, as follows:

YEAS—41

Aldrich	Clark, Wyo.	Gallinger	Perkins
Bradley	Cullom	Guggenheim	Root
Brandegee	Curtis	Heyburn	Scott
Briggs	Depew	Johnson, N. Dak.	Smoot
Brown	Dick	Kean	Sutherland
Bulkeley	Dillingham	Lodge	Warner
Burkett	Dixon	Lorimer	Warren
Burnham	du Pont	McCumber	Wetmore
Burrows	Elkins	Nelson	
Burton	Flint	Page	
Carter	Frye	Penrose	

NAYS—34.

Bacon	Cummins	Johnston, Ala.	Owen
Bailey	Daniel	Jones	Piles
Bankhead	Davis	La Follette	Rayner
Borah	Dolliver	McEnery	Shively
Bristow	Fletcher	McLaurin	Stone
Chamberlain	Foster	Martin	Taliaferro
Clapp	Frazier	Money	Taylor
Crawford	Gamble	Newlands	
Culberson	Gore	Overman	

NOT VOTING—17.

Beveridge	Hale	Richardson	Stephenson
Bourne	Hughes	Simmons	Tillman
Clarke, Ark.	Nixon	Smith, Md.	
Clay	Oliver	Smith, Mich.	
Crane	Paynter	Smith, S. C.	

So Mr. BACON's amendment to the amendment was laid on the table.

Mr. BURKETT. Mr. President, some days ago I offered an amendment intended to be proposed by me. I do not care to ask to have it considered this evening; but I shall ask that it be printed in the RECORD, and that it be referred to the Committee on Finance in charge of this bill. I will say that when I offered the amendment I simply asked to have it lie on the table until the proper time arrived for its consideration. I shall not ask for a vote upon it to-night.

The VICE-PRESIDENT. In the absence of objection, the amendment will be printed in the RECORD.

The amendment referred to is as follows:

At the end of line 14, page 2, strike out the period and insert a colon and the words:

"*Provided, however,* That nothing in this section contained shall apply to fraternal beneficiary societies, orders, or associations operating under the lodge system, including labor organizations, and providing for the payment of life, sick, accident, and other benefits to the members of such societies, orders, or associations, and dependents of such members."

Mr. CLAPP. Mr. President, I have a substitute which I desire to offer. I shall be very brief. It is a reproduction of the amendment introduced by the Senator from Rhode Island [Mr. ALDRICH], with the exception that it strikes out all the provisions of the amendment which exempt a corporation from paying the tax where the income is derived from dividends upon the stock of other companies subject to taxation.

Mr. ALDRICH. I would suggest to the Senator from Minnesota that the amendment is not now in order.

Mr. CLAPP. It strikes me the Senator from Massachusetts [Mr. LODGE] having withdrawn his amendment, that leaves the amendment of the Senator from Rhode Island, as he announced, a committee amendment, and it can be perfected by this amendment.

The VICE-PRESIDENT. It can be perfected by adding thereto, but not by striking out. The Senate has just voted the amendment in. An amendment to add to it is in order, but not an amendment to strike out any part of it.

Mr. CLAPP. I am not particular about it. As suggested, it will be in order in the Senate. It is getting late anyway, and I will not press it now.

The VICE-PRESIDENT. The Senator from Minnesota, then, withdraws his amendment.

Mr. DICK. Mr. President, I send to the Secretary's desk an amendment, which I ask to have printed in the RECORD for future consideration. It is for the purpose of exempting building and loan associations from the operation of this act.

Mr. ALDRICH. I suggest to the Senator from Ohio that he have the amendment referred to the Committee on Finance.

Mr. DICK. Then, I ask, as suggested by the Senator from Rhode Island, that the amendment be referred to the Committee on Finance.

The VICE-PRESIDENT. Without objection, the request will be complied with.

The amendment referred to is as follows:

In the new section, on page 2, line 14, after the word "imposed," insert the words: "*Provided, however,* That for the purposes of this act building and loan associations shall not be deemed corporations for profit."

Mr. BULKELEY. I desire to offer an amendment to the pending amendment at the end of line 9, and I ask that it be printed in the RECORD.

The VICE-PRESIDENT. In line 9, at what point?

Mr. FLINT. On what page?

Mr. BULKELEY. On the first page.

The VICE-PRESIDENT. The amendment may be printed, in the absence of objection, but the amendment can not be received at this time. Does the Senator simply offer it to be printed for information?

Mr. BULKELEY. No, sir; I ask to have it printed in the RECORD; and I shall call it up at the first opportunity.

The VICE-PRESIDENT. There is no objection, the Chair presumes, on the part of the Senate to have the amendment printed in the RECORD, but it can not be received as an amendment offered, as it is not now in order.

Mr. BULKELEY. I ask that the amendment may be printed in the RECORD.

The VICE-PRESIDENT. Without objection, the amendment will be printed in the RECORD.

The amendment referred to is as follows:

After line 9, on page 1, insert:

"Except mutual insurance companies or corporations, and companies or corporations transacting business upon the mutual plan for the benefit of its mutual policy holders."

The VICE-PRESIDENT. The question is on agreeing to the amendment as amended.

Mr. BACON. Mr. President, I want to say a few words in regard to that matter. Some twelve years ago, when the Dingley bill was before the Senate, I voted for an amendment very similar to this, but more carefully guarded. As I favor the principle involved, I shall not vote against this amendment, but I want it put in more proper shape before I vote for it. I am in favor of taxing corporations, but I am also in favor of taxing other accumulated wealth as well as corporations, such as bonds, and so forth. I should now vote for this amendment, if it were properly guarded according to my view of it. If the amendments offered by me, which cared for religious, benevolent, charitable, and educational institutions were adopted; if the amendment were properly guarded as to fraternal orders, which have organizations in which there is profit made, but in which there is no individual profit, where the profit is made solely and entirely for the mutual benefit and assistance of the members of those orders; if mutual insurance companies, which have no stock and which are intended simply for the mutual benefit of those who are insured and who are interested in the corporation, were properly cared for; if there were proper exemptions of the thousands of mercantile houses which have been organized as corporations; if the provision which would sanction the holding of stock by one corporation of other corporations were not in it; and if we had had the opportunity, which I think we were entitled to, to vote, first, upon the question of the income tax, and that had been defeated, I should now vote for this amendment. As it is, while I shall in the end vote for it, if it is put in proper shape, it is now not in proper shape, and therefore while not voting against it, I shall at this time refrain from voting upon it.

Now, Mr. President, it is said that we are to have opportunity to vote on the income tax when in the Senate. It is manifestly improper to call upon us to vote for this amendment and give our sanction to it before we have the opportunity to vote for the income-tax amendment in the Senate. Therefore, Mr. President, when the bill comes finally before the Senate and I have the opportunity to see how far the Senator from Rhode Island carries out the promise which he has made as to guarding the provisions affecting benevolent, charitable, religious, and fraternal orders, and mutual associations, and incorporated mercantile establishments, if it is put in shape in these regards, I will vote for it.

I particularly protest, however, that it is not proper parliamentary procedure to endeavor to force us to first vote on this amendment under a device which was given out to the public as intended for the purpose of preventing a vote on the income tax, which was given out as a great parliamentary achievement on the part of the Senator from Massachusetts and the Senator from Rhode Island, that they had so shaped matters that we would be compelled to vote upon the corporation-tax amendment before we were allowed to vote on the question of the income tax. This amendment is avowed by the Senator from Rhode Island to be intended to defeat the income tax. If so, we should have opportunity to vote first on the income-tax amendment. Therefore, Mr. President, I shall ask to be excused from voting at this time, and I shall wait until I have the opportunity to vote on the income-tax proposition before I vote on the corporation-tax proposition, which I trust will by that time be cured of its present objectionable features relative to religious, educational, charitable, and fraternal associations and the other features embraced in my amendment.

Mr. HEYBURN. Mr. President, before I cast my vote, I desire to say that I do it in vindication of what I believe to be the principles of the Republican party which we represent. I have confidence that the schedules which we have passed upon will provide the revenue necessary for the purposes of the Government; and I do not propose to vote for any "fancy legislation," if I may so term it—and I do not do it in disrespect of any other Senator's wishes—until I am satisfied that the protective tariff policy, represented by the schedules which we have passed upon, is insufficient to provide adequate revenue. I shall therefore be compelled to vote against any measure looking to the providing of revenue in addition to that until I am shown that it is necessary.

Mr. DAVIS. Mr. President——

The VICE-PRESIDENT. Does the Senator from Idaho yield to the Senator from Arkansas?

Mr. HEYBURN. I yield the floor.

Mr. DAVIS. The Senator from Idaho suggests that he casts his vote in obedience to the principles of the Republican party, believing that the schedules adopted will raise sufficient revenue. I desire to say to him that if they fail, then we can adopt the other Republican policy of issuing bonds.

Mr. BULKELEY. Mr. President, I desire at this time to ask unanimous consent to have inserted in the RECORD the document which I hold in my hand, which covers the rates of taxation imposed by the several States and Territories of the United States upon life insurance companies under the laws in effect on June 1, 1909. I will not detain the Senate by reading it, but I ask that it be inserted in the RECORD.

The VICE-PRESIDENT. Is there objection to the request of the Senator from Connecticut? The Chair hears none.

The matter referred to is as follows:

Rates of taxation imposed by the several States and Territories of the United States upon foreign life insurance companies under laws in effect on June 1, 1909, compared with the rates imposed in 1871.

	1871.*	1909.
Alaska		No tax.
Alabama	2 per cent and local	2 per cent on gross premiums and local premium tax in two cities.
Arizona	Nothing	2 per cent on gross premiums.
Arkansas	Local	2½ per cent on premiums, less policy claims, including death losses, endowments, and commissions.
California	1 per cent	1 per cent on gross premiums.
Colorado	1 per cent and local	2 per cent on gross premiums.
Connecticut	2 per cent	Reciprocal tax only.
Delaware	2½ per cent	2 per cent on gross premiums.
District of Columbia	1 per cent	1½ per cent on premiums, less dividends.
Florida	Nothing	2 per cent on gross premiums.
Georgia	1 per cent and local	1 per cent on gross premiums and local tax in four cities.
Hawaii	Nothing	2 per cent on premiums, less return premiums, reinsurance, death losses, all other payments to policy holders, and actual operating and business expenses.
Idaho	Nothing	2 per cent on premiums less policy claims.
Illinois	Reciprocal	Reciprocal tax only.
Indiana	Nothing	3 per cent on premiums less death losses only.
Iowa	Reciprocal	2½ per cent on gross premiums.
Kansas	2 per cent	2 per cent on gross premiums.
Kentucky	2½ per cent	2 per cent on gross premiums and local tax in two cities.
Louisiana	1 per cent	$\frac{1}{10}$ per cent (about) graded license tax based on gross premiums, this tax being duplicated in city of New Orleans.
Maine	Nothing	1½ per cent on gross premiums.
Maryland	do	Do.
Massachusetts	Reciprocal	¾ per cent on reserves.
Michigan	3 per cent and local	2 per cent on gross premiums.
Minnesota	2 per cent	Do.
Mississippi	Nothing	2 per cent on first year gross premiums and $\frac{1}{10}$ per cent on renewals since 1902.
Missouri	Reciprocal	2 per cent on gross premiums.
Montana	Nothing	2½ per cent gross on first $5,000 of premiums; 2 per cent on balance; and local county taxes.
Nebraska	Local	2 per cent on gross premiums.
Nevada	1 per cent	No tax on premiums or reserves.
New Hampshire	do	2 per cent, less death losses, but not less than 1½ per cent.
New Jersey	Reciprocal	Reciprocal tax only.
New Mexico	Nothing	2 per cent on gross premiums.
New York	do	1 per cent on gross premiums.
North Carolina	1 per cent and local	2½ per cent on gross premiums.
North Dakota	Nothing	Do.
Ohio	2 per cent	Do.
Oklahoma	Nothing	2 per cent on gross premiums, less cancellations.
Oregon	do	2 per cent on premiums, less policy claims and dividends to policy holders.
Pennsylvania	3 per cent	2 per cent on gross premiums.
Rhode Island	2 per cent	Do.
South Carolina	Nothing	2 per cent, less dividends and municipal taxes.
South Dakota	Nothing	2½ per cent on gross premiums.
Tennessee	1½ per cent and local	2½ per cent on premiums, less dividends to pay premiums.
Texas	Nothing	1 per cent on gross premiums to companies complying with Robertson law; 3 per cent on gross premiums to companies not complying with the Robertson law.
Utah	do	1½ per cent on premiums, less state taxes on property and dividends.
Vermont	Reciprocal	2 per cent on premiums, less dividends, reinsurance, and return premiums.
Virginia	2 per cent	1 per cent on gross premiums, plus $\frac{1}{10}$ per cent toward expenses of insurance department and local tax in one city.
Washington	Nothing	2 per cent on premiums, less amount paid policy holders as returned premiums (not including annuities, annual dividends, endowments, or losses paid).
West Virginia	3 per cent	2 per cent on gross premiums.
Wisconsin	Nothing	Reciprocal tax only.
Wyoming	Local	2½ per cent on gross premiums.

*The data with regard to the year 1871 is taken from the proceedings of the first annual meeting of the National Convention of Insurance Commissioners.

Rates of taxation imposed by the several States and Territories of the United States upon foreign life insurance companies, etc.—Cont'd.

	1871.*	1909.

*The data with regard to the year 1871 is taken from the proceedings of the first annual meeting of the National Convention of Insurance Commissioners.

ROBERT LYNN COX,
General Counsel and Manager
Association of Life Insurance Presidents.

Mr. BULKELEY. Further, I want to have inserted in the RECORD a statement, which I have had prepared in my own office for my own benefit and for the information of Senators, as to the effect of the corporation-tax amendment on mutual life insurance companies and how the provisions of the amendment are to be construed, if it is enacted into law, as to the deductions that may be made by life insurance companies from their gross income before the tax is levied. Under the provisions of this amendment, the only items especially specified are the necessary expenses of conducting the business, losses actually sustained during the year where they are not covered by insurance, and the additions which have accrued to the reserve fund during the year. These are but a small part of the items of income of a life insurance company, and a large share of that income during any given year is provided for mortuary purposes and for the payment of maturing endowments and various items of that character.

The income, according to this statement, covers about $18,000,000—a large amount of money for a little Connecticut institution. More than half of this sum was disbursed in the way I have indicated, for death claims, for surrender value of policies, and for matured endowments. The items which, as expressed in the amendment, can be deducted from the income of the year, cover comparatively a small amount. While the statement covers a company of which I have the honor to be the president, it reflects conditions which will be found to prevail in every life insurance company in the United States. I ask to have the matter to which I have referred printed in the RECORD.

The VICE-PRESIDENT. Is there objection to the request of the Senator from Connecticut? The Chair hears none.

The matter referred to is as follows:

Ætna Life Insurance Company, Hartford, Conn.

Income, year ending December 31, 1908:			
Life			$13,596,219.44
Accident, health, and life			4,986,123.05
			18,582,342.49
Less deductions as under:			
1. Expenses of management—			
Life	$1,654,424.25		
Accident, health, and life	2,119,824.36		
		$3,774,248.61	
2. Death losses and annuities, life	3,417,548.90		
Matured endowments, life	2,349,739.00		
Surrender values paid in cash, life	1,420,254.81		
	7,187,542.77		
Accident, health, and life	2,277,405.67		
		9,464,948.44	
Increase in reserve—			
Life	2,691,938.00		
Accident, health, and life	225,111.09		
		2,917,049.09	
3. Interest paid on account dividends surrendered		3,176.50	
4. Taxes and fees:			
Life	366,296.53		
Accident, health, and life	80,272.38		
		446,568.91	
5. Dividends on stocks:			
Life	336,389.96		
Accident, health, and life	23,076.00		
		259,465.96	
6. Amount exempt		5,000.00	
Amount of deductions			16,870,457.57
Amount taxable			1,711,884.92
Amount of tax at 2 per cent			34,237.70

EXPLANATORY SHEET.

Life premiums		$10,632,782.31	
Less surrender values	$42,877.87		
Do	1,823.05		
Do	354,688.32		
Consideration for supplementary contracts	34,375.00		
		433,714.24	
			$10,199,018.07
Dividends left with company to accumulate			64,315.68
Interest:			
Mortgage loans	$1,942,760.98		
Collateral loans	63,118.17		
Bonds and stocks	967,315.48		
Premium notes	442,978.19		
Deposits	68,020.41		
Claims paid in advance	3,916.18		
		$3,478,109.41	
Less unearned interest		191,729.97	
			3,286,379.44
Rents			46,506.25
Life income			13,596,219.44
Accident, health, and life premiums		$4,820,195.52	
Less surrender value ten-year return policies		2,926.80	
			4,817,268.72
Interest, accident, health, and life:			
Mortgage loans		97,154.39	
Bonds and stocks		63,276.00	
Deposits		8,264.53	
Other sources		159.41	
			168,854.33
Accident, health, and life income			4,983,123.05
Reserve, life, December 31, 1908		$77,472,139.00	
Special reserve under R. T. contracts		976,818.00	
Present value supplementary contracts not yet due		238,979.00	
			78,687,936.00
Reserve, life, Decmeber 31, 1907		74,879,393.00	
Special reserve under R. T. contracts		834,633.00	
Present value supplementary contracts not yet due		232,002.00	
			75,996,028.00
Increase in life reserve			2,691,908.00
Unearned premiums, accident, health, and life:			
One-year policies or less, December 31, 1908		$1,815,542.11	
More than one year		89,585.82	
Special reserve for unpaid liability losses, December 31, 1908		1,419,600.00	
			3,324,728.93
Unearned premiums, December 31, 1907		1,699,285.90	
Special reserve for unpaid liability losses, December 31, 1907		1,400,331.85	
			3,099,617.84
Increase in accident, health, and life reserve			225,111.09

Mr. BULKELEY. While I am on my feet I desire to say that the companies which I have the honor to speak for in this matter, as I said, I think, once before this afternoon, represent 5,324,322 policy holders, of voting age, or supposed to be, and cover insurance to the amount of $10,404,507,725.

Mr. ALDRICH. Mr. President, I hope the Senator will kindly put this matter into the RECORD and allow us to vote on the proposition to-night. I shall be very glad if he will.

Mr. BULKELEY. I have no objection to putting it into the RECORD, provided I can have an opportunity at some time, either while this bill is in Committee of the Whole or when it comes into the Senate, to express what I started to say now. I do not wish to delay a vote, but I want an opportunity at some time to represent this great industry of the country.

Mr. ALDRICH. The Senator certainly shall have that opportunity.

Mr. BULKELEY. I am satisfied, then, and will conclude by saying that this $10,000,000,000 of insurance does not represent the wealth of the country. On the contrary, the average amount of the policies issued to these 5,000,000 voters of the country is only $1,954.

With that I will conclude for to-night, with the assurance that at some future time I shall have the opportunity to speak at greater length on the subject.

Mr. BACON. Mr. President, I do not understand that the Senator is asking that the matter to which he refers be now put in the RECORD.

The VICE-PRESIDENT. The Chair does not so understand.

Mr. STONE. Mr. President, I do not know that I can ever bring myself to the point of voting for this amendment; certainly not in its present form. The statement made by the Senator from Georgia very well expressed the view I hold, and for the reasons he gave, without detaining the Senate with elaborating them, I shall ask leave to withhold my vote.

Mr. OVERMAN. Mr. President, inasmuch as we are now in Committee of the Whole and not in the Senate, and this amendment was admittedly introduced for the purpose of defeating the Bailey amendment, which I favor, I shall withhold my vote. I am in favor of taxing corporations, and also of taxing wealth. I want all to bear equal burdens.

Hoping that in the Senate the Bailey amendment will be introduced as a substitute for this amendment, I withhold my vote.

Mr. BRISTOW. Mr. President, as I understand, this is a proposition to adopt the corporation tax, which imposes a tax upon mutual life insurance companies and does not give them credit for the payments made on death losses. That is, if there is a mutual life insurance company in Kansas that receives a large amount of money each year as premiums, and the greater part of it is paid out in death losses, the tax is imposed upon the amount received, and the company is not credited with the amount that is paid out for such death losses.

While I have not been able to give very careful attention to that provision, it seems to me it will drive out of business a large number of very worthy institutions in the State that I in part represent. A 2 per cent tax on the entire receipts, not giving those companies credit for the death losses, will certainly put them out of business, and result in the favor of the great life and fire insurance companies that are able to stand the tax.

I also understand that building and loan associations that are organized by citizens for mutual advantage in the various communities are taxed on their gross receipts, the same as if they were running a corporation for profit, though the officers of the associations simply receive salaries for transacting the associations' business, and the expenses are only for rent and the incidental expenses in maintaining the offices. Such an association is not a corporation run for profit, except to the stockholders; and it is mutual only. Yet these building and loan associations, which sustain the same relation to the people of the West that the mutual savings banks do to the people of the East, are to be taxed, while the savings banks are not to be. In voting upon this question, if we vote for it we are approving that kind of treatment of mutual life and fire insurance companies, as well as these home building associations.

Again, as I stated in the few remarks I made this afternoon, this measure imposes a tax upon the small corporations doing a retail or a jobbing business, which can not shift the tax, but in these cases must be borne by the stockholders themselves; while the great corporations, such as the Standard Oil, Steel Corporation, railroads, sugar trust, and so forth, that have a monopoly of the things that they produce or transport, are able to shift the tax and put the burden upon the consumer, or the people, whom these corporations serve; so that the small corporation will bear the burden of the tax, while the large corporation can shift it upon the general public.

These statements have been made and not denied. The provisions to which I have referred will have the effect stated, as has been alleged time and again during this debate. Therefore I can not vote for the measure, because I believe it is unjust, inequitable, discriminatory, and morally wrong; and, when the roll is called, I must cast my vote against it.

The VICE-PRESIDENT. The question is on agreeing to the amendment as amended. The Secretary will call the roll.

The Secretary proceeded to call the roll.

Mr. CHAMBERLAIN (when his name was called). I desire to make the same announcement I have heretofore made with reference to pairs, and vote "nay."

Mr. CLAPP (when his name was called). Mr. President, I have a general pair with the Senator from North Carolina [Mr. SIMMONS]. I have been released by him as to the previous vote. But this vote presents a somewhat different question; and not knowing how he would vote, I feel constrained in his absence to withhold my vote. If he were here, I should vote "nay;" or if a transfer could be arranged, I shall vote "nay."

Mr. DAVIS (when the name of Mr. CLARKE of Arkansas was called). I again desire to announce the absence of my colleague.

Mr. DILLINGHAM (when his name was called). I have a general pair with the senior Senator from South Carolina [Mr. TILLMAN]. I am advised that were he present he would vote upon this question "yea." Therefore I will vote. I vote "yea."

Mr. GUGGENHEIM (when his name was called). I make the same announcement as on the previous vote, and vote "yea."

Mr. HUGHES (when his name was called). I wish to announce my pair with the senior Senator from Oregon [Mr. BOURNE]. I transfer that pair to the senior Senator from Tennessee [Mr. FRAZIER], and vote "nay."

Mr. JONES (when his name was called). I announce my pair with the junior Senator from South Carolina [Mr. SMITH]. I transfer that pair to the junior Senator from Wisconsin [Mr. STEPHENSON], and I vote "yea."

Mr. LODGE (when his name was called). I have a general pair with the Senator from Georgia [Mr. CLAY], which I transfer to my colleague [Mr. CRANE], and I vote "yea." I think it proper to state that the Senator from Georgia informed me before he went away that on this vote he would vote "yea."

Mr. BACON. I was about to make the same announcement.

Mr. LODGE. And my colleague [Mr. CRANE] would also vote "yea," if he were present.

Mr. McLAURIN (when his name was called). I transfer my pair with the junior Senator from Michigan [Mr. SMITH] to the senior Senator from North Carolina [Mr. SIMMONS], and vote "yea."

The roll call was concluded.

Mr. CLAPP. A transfer having been arranged with my pair, I desire to vote. I vote "nay."

Mr. RAYNER. I desire to announce that my colleague [Mr. SMITH of Maryland] is detained at home by sickness in his family. He is paired with the junior Senator from Pennsylvania [Mr. OLIVER].

The result was announced—yeas 59, nays 11, as follows:

YEAS—59.

Aldrich	Cullom	Gamble	Page
Balley	Curtis	Guggenheim	Penrose
Bankhead	Daniel	Johnson, N. Dak.	Perkins
Bradley	Davis	Johnston, Ala.	Piles
Brandegee	Depew	Jones	Rayner
Briggs	Dick	Kean	Root
Brown	Dillingham	Lodge	Scott
Burkett	Dixon	Lorimer	Smoot
Burnham	du Pont	McCumber	Sutherland
Burrows	Elkins	McEnery	Taliaferro
Burton	Fletcher	McLaurin	Taylor
Carter	Flint	Martin	Warner
Clark, Wyo.	Foster	Money	Warren
Crawford	Frye	Nelson	Wetmore
Culberson	Gallinger	Newlands	

NAYS—11.

Borah	Chamberlain	Dolliver	La Follette
Bristow	Clapp	Heyburn	Shively
Bulkeley	Cummins	Hughes	

NOT VOTING—22.

Bacon	Frazier	Owen	Smith, S. C.
Beveridge	Gore	Paynter	Stephenson
Bourne	Hale	Richardson	Stone
Clarke, Ark.	Nixon	Simmons	Tillman
Clay	Oliver	Smith, Md.	
Crane	Overman	Smith, Mich.	

So the amendment as amended was agreed to.

The VICE-PRESIDENT. The hour of 7 o'clock having arrived, the Senate stands adjourned until to-morrow, Saturday, July 3, 1909, at 10 o'clock a. m.

SENATE.

SATURDAY, *July 3, 1909.*

The Senate met at 10 o'clock a. m.

Prayer by the Chaplain, Rev. Ulysses G. B. Pierce, D. D.

The Journal of yesterday's proceedings was read and approved.

PETITIONS AND MEMORIALS.

Mr. McLAURIN presented the petition of Eliza Warnock, of Warren County, Miss., praying that she be granted a pension, which was referred to the Committee on Pensions.

Mr. CULLOM presented a joint resolution of the legislature of Illinois, which was referred to the Committee on Commerce, and ordered to be printed in the RECORD, as follows:

STATE OF ILLINOIS,
DEPARTMENT OF STATE.

To all to whom these presents shall come, greeting:

I, James A. Rose, secretary of state of the State of Illinois, do hereby certify that the following and hereto attached is a true copy of house joint resolution No. 25 of the forty-sixth general assembly of the State of Illinois, filed June 22, 1909, the original of which is now on file and a matter of record in this office.

In testimony whereof, I hereto set my hand and cause to be affixed the great seal of State. Done at the city of Springfield this 1st day of July, A. D. 1909.

[SEAL.] JAMES A. ROSE,
Secretary of State.

House joint resolution 25.

Whereas the rivers and harbors bills passed by the Fifty-ninth Congress provided for the appointment by the Secretary of War of a special board "to examine the Mississippi River below St. Louis and report to the Congress at the earliest date by which a thorough examination can be made upon the practicability and desirability of constructing and maintaining a navigable channel 14 feet deep and of suitable width from St. Louis to the mouth of the river;" and

Whereas this special board has completed this report and forwarded it to the Chief of Engineers in Washington; and

Whereas it is desirable that the information contained in this report shall be made public: Therefore be it

Resolved by the house of representatives (the senate concurring therein), That the general assembly of Illinois petition the House of Representatives of the Congress of the United States of America to take such action as will cause the early publication of the report of the special board of engineers, recently transmitted to the Chief of Engineers, United States Army, upon the improvement of the Mississippi River below St. Louis and particularly between St. Louis and Cairo: Be it further

Resolved, That the secretary of state forward this resolution and petition to the Hon. JOSEPH G. CANNON, Speaker of the National House of Representatives, and send a copy thereof to each Member of Congress from this State.

Adopted by the house May 12, 1909.

EDWARD D. SHURTLEFF,
Speaker of the House.

B. H. MCCANN,
Clerk of the House.

Concurred in by the senate May 18, 1909.

JOHN G. OGLESBY,
President of the Senate.

J. H. PADDOCK,
Secretary of the Senate.

Mr. CULLOM presented a memorial of sundry citizens of Springfield, Ill., indorsing the action of the Senate in imposing a duty on lemons, which was ordered to lie on the table.

THE BEET-SUGAR INDUSTRY.

Mr. DICK. I present a letter, together with certain data, from Truman G. Palmer, concerning the beet-sugar industry of Europe and the United States. I move that the paper be printed as a document (S. Doc. No. 121).

The motion was agreed to.

GOVERNMENT OF PORTO RICO.

Mr. DEPEW, from the Committee on Pacific Islands and Porto Rico, to whom was referred the bill (H. R. 9541) to amend an act entitled "An act temporarily to provide revenues and a civil government for Porto Rico, and for other purposes," approved April 12, 1900, reported it without amendment, and submitted a report (S. Rept. No. 10) thereon.

INTRODUCTION OF BILLS.

Mr. DAVIS. I introduce a couple of little local bills that I want unanimous consent for the immediate consideration of. One is a bill to extend the time of limitation. Congress gave permission to build a bridge across the Ouachita River, a navigable stream in my State. The bridge has not yet been completed, and the time is about to expire. The other is a bill to grant permission to construct a bridge across Salem River in Arkansas, near a little town called Warren.

Mr. GALLINGER. Have the bills been reported from the Committee on Commerce?

Mr. DAVIS. No, sir; they are local bills, and it is not necessary to have them referred.

Mr. GALLINGER. They will have to go to the committee, I will say to the Senator.

The VICE-PRESIDENT. The first bill sent to the desk by the Senator from Arkansas will be read by its title.

The bill (S. 2827) to extend the time for construction of a bridge across the Ouachita River at or near Camden, Ark., was read twice by its title.

Mr. DAVIS. I trust the Senator from New Hampshire will at least not ask to have the bill go to the Committee on Commerce, because the time will expire before we can get a report from the committee. It provides for nothing but the extension of time.

Mr. GALLINGER. I suggest to the Senator the rules provide that all bills shall be referred to committees. I feel certain if the Senator will see the chairman of the Committee on Commerce he will report it promptly. It would be a very bad precedent to consider bills without a reference to committees.

Mr. STONE. I would add to what the Senator has said that under the rules of the Committee on Commerce there is a subcommittee authorized to consider local bills, the chairman of which can report at any time.

Mr. GALLINGER. Without the action of the full committee.

Mr. STONE. Without a meeting of the committee.

Mr. GALLINGER. I think the Senator from Arkansas will have no difficulty in getting the bill out of the committee promptly.

The VICE-PRESIDENT. The bill will be referred to the Committee on Commerce.

Mr. DAVIS introduced a bill (S. 2828) to authorize Bradley County, Ark., to construct a bridge across Saline River in said county and State, which was read twice by its title and referred to the Committee on Commerce.

Mr. WETMORE introduced a bill (S. 2829) granting an increase of pension to Munson H. Najac, which was read twice by its title and, with the accompanying papers, referred to the Committee on Pensions.

AMENDMENTS TO THE TARIFF BILL.

Mr. DIXON submitted an amendment intended to be proposed by him to the bill (H. R. 1438) to provide revenue, equalize duties, and encourage the industries of the United States, and for other purposes, which was ordered to lie on the table and be printed.

Mr. LA FOLLETTE submitted an amendment intended to be proposed by him to the bill (H. R. 1438) to provide revenue, equalize duties, and encourage the industries of the United States, and for other purposes, which was ordered to lie on the table and be printed.

TAX ON INCOMES.

Mr. BROWN. Mr. President, I ask unanimous consent that the joint resolution (S. J. R. 40) proposing an amendment to the Constitution of the United States be laid before the Senate, and that a vote be had thereon immediately.

The VICE-PRESIDENT. Is there objection to the request of the Senator from Nebraska?

Mr. BURROWS. Mr. President, I suggest the absence of a quorum.

The VICE-PRESIDENT. The Secretary will call the roll.

The Secretary called the roll, and the following Senators answered to their names:

Aldrich	Clark, Wyo.	Frazier	McLaurin
Bacon	Culberson	Frye	Martin
Borah	Cummins	Gallinger	Nixon
Brandegee	Curtis	Gamble	Page
Briggs	Davis	Gore	Penrose
Bristow	Depew	Guggenheim	Perkins
Brown	Dick	Hughes	Scott
Burkett	Dillingham	Johnson, N. Dak.	Smoot
Burrows	Dixon	Johnston, Ala.	Stone
Burton	Dolliver	Jones	Sutherland
Carter	Elkins	Kean	Taylor
Chamberlain	Fletcher	La Follette	Warner
Clapp	Flint	McCumber	Wetmore

Mr. JONES. My colleague [Mr. PILES] has been called out of the city on important business.

The VICE-PRESIDENT. Fifty-two Senators have answered to the roll call. A quorum of the Senate is present. Is there objection to the request of the Senator from Nebraska?

Mr. ALDRICH. What is the request?

The VICE-PRESIDENT. That the Senate now vote upon the joint resolution (S. J. R. 40) proposing an amendment to the Constitution of the United States.

Mr. ALDRICH. I have no objection, with the understanding that there is to be no discussion, or the discussion must be limited. Of course that must be understood.

Mr. McLAURIN. I could not understand the Senator.

Mr. ALDRICH. If there is to be any debate, there must be a time fixed for taking the vote.

Mr. McLAURIN. I do not know about that.

Mr. ALDRICH. It is impossible, the Senator will see, to lay aside the tariff bill indefinitely for the purpose of discussing the joint resolution.

Mr. McLAURIN. That is true. I do not think it ought to be done. I do not think the tariff bill ought to be laid aside for the discussion or the consideration of this proposed amendment. I think it had better come in after the conclusion of the consideration of the tariff bill.

Mr. BROWN. I hope Senators will not object. It seems to me that the joint resolution ought to be passed now, in order that the House may have it before the tariff bill reaches that body.

In view of the objections that appear to be apparent, I change the request and ask that the joint resolution be laid before the Senate, and that it be voted upon by a roll call at 1 o'clock to-day.

The VICE-PRESIDENT. Is there objection to the request of the Senator from Nebraska?

Mr. BORAH. I could not understand the request.

The VICE-PRESIDENT. It is that Senate joint resolution No. 40 be now considered by the Senate, and that it be voted upon by a roll call at 1 o'clock to-day. Is there objection to the request?

Mr. McLAURIN. Mr. President, I do not believe that there is any necessity for any constitutional amendment to authorize the Congress of the United States to enact an income tax. Whatever may be the intention in bringing forward the proposed amendment, I think the effect will be to defer the enactment of any law providing for an income tax. I think the effect of it will be that there will be probably more than a fourth of the States of the Union which will refuse to ratify the action of Congress when this proposed amendment to the Constitution is presented to the States for ratification, and then I think that will be presented to the Supreme Court of the United States as an argument why an income tax should be held to be unconstitutional. I think it would be urged as a very plausible argument before the Supreme Court of the United States that the people are not in favor of an income tax and do not believe that an income tax would be constitutional.

I can not conceive that there can be any necessity for any constitutional amendment. If I understood the vote yesterday, the proponent of this proposed constitutional amendment voted against the income tax.

Mr. BROWN. I voted for an income tax.

Mr. McLAURIN. I did not catch the vote of the Senator aright if he voted for an income tax. The Senator from Nebraska, as I heard it, voted to substitute the corporation tax for the income tax.

Mr. BROWN. I did. A corporation tax is a tax on incomes, which the court has sustained. I voted for that which the court sustained and rejected that which the court rejected.

Mr. McLAURIN. I do not see that the Congress of the United States should be called upon to zigzag around the inconsistent rulings of the Supreme Court of the United States. Without intending any reflection upon that tribunal, it is composed of men just exactly as the Congress of the United States is composed of men. I believe there are just as good lawyers in the House of Representatives and in the Senate of the United States as there are on the Supreme Bench.

Mr. BROWN. That is true; but they are not on the bench.

Mr. McLAURIN. I can not see that an income tax that would tax a portion of the incomes of the United States is constitutional when an income tax that would be uniform and tax all incomes of the United States over a certain amount would be unconstitutional.

I know that the Members of the Senate and the Members of the House are not on the Supreme Bench, but that does not necessitate nor argue for the abnegation of the right of the Senators and Representatives in Congress to pass their judgment upon a constitutional question. It is for us to pass that which we consider to be a constitutional law, and it is for the Supreme Court to undo it or not, as it sees proper.

Mr. CARTER. Mr. President——

Mr. McLAURIN. I desire to look into this. I do not say that I shall vote against this proposed amendment, but I shall offer to amend the constitutional amendment by striking out the words "or other direct" in one place, and by striking out the words "and direct taxes" in another. The Constitution will then confer all the power which is provided for in the joint resolution and also free Congress from a great many other embarrassments.

I yield to the Senator from Montana.

Mr. CARTER. Do I understand the Senator as objecting to fixing the hour of 1 o'clock to-day for voting upon the joint resolution?

Mr. McLAURIN. I should like to have a little further time than that to consider it.

Mr. CARTER. I suggest to the Senator from Nebraska that it is quite possible a number of Senators are absent this Saturday afternoon who would be glad to be apprised of the time that the vote is to be taken on the joint resolution. I therefore suggest to the Senator from Nebraska that he modify his request for unanimous consent by fixing 1 o'clock on Monday.

Mr. McLAURIN. I do not object to that.

Mr. BROWN. I accept the modification and ask that a vote be taken without further debate at 1 o'clock on Monday.

Mr. McLAURIN. I wish to offer an amendment to the joint resolution and have it acted upon.

Mr. CARTER. The amendment may be offered and then pending.

Mr. ALDRICH. The vote to be taken at that time without further debate.

Mr. BORAH. I could not hear the request.

The VICE-PRESIDENT. The request now is that the vote be taken at 1 o'clock on Monday upon the joint resolution and all amendments thereto, without further discussion.

Mr. BORAH. Without any further discussion between now and then?

Mr. ALDRICH. Oh, no.

Mr. CARTER. It will be open for discussion at any time.

Mr. McLAURIN. It will be open for discussion between now and Monday at 1 o'clock.

Mr. ALDRICH. Certainly.

The VICE-PRESIDENT. The Chair understands that it will be laid before the Senate and discussed until 1 o'clock.

Mr. CARTER. It can be called up by any Senator between now and Monday at 1 o'clock.

Mr. ALDRICH. I do not understand that necessarily the joint resolution is before the Senate now.

The VICE-PRESIDENT. The Chair thought that that was a part of the request of the Senator from Nebraska.

Mr. BROWN. I understand that debate may be had on this or any other subject until 1 o'clock Monday, but at 1 o'clock on Monday the joint resolution is to be laid before the Senate and voted on. That is my request.

The VICE-PRESIDENT. Is there objection to the request?

Mr. BRISTOW. The other day we got mixed up, or at least I did, I do not know whether anyone else did, in regard to a unanimous consent, and we could not do anything until the income-tax amendments were disposed of. Does this mean nothing else but that the joint resolution is to be considered at 1 o'clock on Monday?

The VICE-PRESIDENT. It does not. It is expressly stated that that is not the intention, but that the vote shall be taken at 1 o'clock on Monday. Is there objection? The Chair hears no objection, and that is the order of the Senate.

THE TARIFF.

The VICE-PRESIDENT. The morning business is closed, and the first bill on the calendar will be proceeded with.

The Senate, as in Committee of the Whole, resumed the consideration of the bill (H. R. 1438) to provide revenue, equalize duties, and encourage the industries of the United States, and for other purposes.

Mr. ALDRICH. I move, on page 224, after line 16, at the end of section 1, to insert the amendment which I send to the desk.

The VICE-PRESIDENT. The amendment will be read.

The SECRETARY. On page 224, after line 16, insert the following as section 2:

The provisions of the dutiable list and the free list of this section shall constitute the minimum tariff of the United States.

After section 1 insert a new section, as follows:

"SEC. 2. That from and after the 31st day of March, 1910, except as otherwise specially provided for in this section, there shall be levied, collected, and paid on all articles when imported from any foreign country into the United States, or into any of its possessions (except the Philippine Islands and the islands of Guam and Tutuila), the rates of duty prescribed by the schedules and paragraphs of the dutiable list of section 1 of this act, and in addition thereto 25 per cent ad valorem; and there shall also be levied, collected, and paid the following rates of duty on articles upon the free list in said section 1, namely: On coffee, 5 cents per pound; on tea, 10 cents per pound; which rates shall constitute the general tariff of the United States: *Provided*, That whenever and so long as the President shall be satisfied, in view of the character of the concessions granted by the minimum tariff of the United States, that the government of any foreign country imposes no terms or restrictions, either in the way of tariff rates or provisions, trade or other regulations, charges, exactions, or in any other manner, directly or indirectly, upon the importation into or the sale in such foreign country of any agricultural, manufactured, or other product of the United States, which unduly discriminate against the United States or the prodcts thereof, and that such foreign country imposes no export bounty or prohibition upon the exportation of any article to the United States which unduly discriminates against the United States or the products thereof, and that such foreign country accords to the agricultural, manufactured, or other products of the United States treatment which is reciprocal and equivalent, then, upon proclamation to this effect by the President of the United States, all articles when imported into the United States, or any of its possessions (except the Philippine Islands and the islands of Guam and Tutuila), from such foreign country shall, except as otherwise herein provided, be admitted under the terms of the minimum tariff of the United States as prescribed by section 1 of this act. The proclamation issued by the President under the authority hereby conferred and the application of the minimum tariff thereupon may, in accordance with the facts as found by the President, extend to the whole of any foreign country, or may be confined to or exclude from its effect any dependency, colony, or other political subdivision having authority to adopt and enforce tariff legislation, or to impose restrictions or regulations, or to grant concessions upon the exportation or importation of articles which are, or may be, imported into the United States. Whenever the President shall be satisfied that the conditions which led to the issuance of the proclamation hereinbefore authorized no longer exist, he shall issue a proclamation to this effect, and thereupon and thereafter the provisions of the general tariff shall be applied to the importation of articles from such country. Whenever the provisions of the general tariff of the United States shall be applicable to articles imported from any foreign country they shall be applicable to the products of such country, whether imported directly from the country of production or otherwise. To secure information to assist the President in the discharge of the duties imposed upon him by this section, and information which will be useful to Congress in tariff legislation and to the officers of the Government in the administration of the customs laws, the President is hereby authorized to employ such persons as may be required to make thorough investigations and examinations into the production, commerce, and trade of the United States and foreign countries, and all conditions affecting the same."

Mr. CULBERSON. Unless the Senator from Rhode Island desires to explain this section, in which case we would be glad to hear him——

Mr. ALDRICH. I thought the Senator, perhaps——

Mr. CULBERSON. I was simply going to ask a question. It occurred to me that probably the Senator was going to make first a statement in explanation of the amendment.

Mr. ALDRICH. It hardly seems to me necessary to make a statement upon this question. The amendment is self-explanatory, it seems to me. As to the necessity of imposing maximum duties or a maximum tariff, I suppose there can be no difference of opinion on the part of Senators. I consider this the most important part of this measure, the most important in view of the necessity of action of this character to protect American interests and American industries abroad.

I assume that all the Members of the Senate are advised as to the condition of affairs in other countries which makes legislative action of this kind necessary. As indicating the action of other countries or the means which have been taken by other countries to protect their own interests along similar lines, I will ask that a memorandum may be read by the Secretary, which was prepared at the Treasury Department, showing the regulations which have been adopted in other countries along similar lines.

The VICE-PRESIDENT. Without objection, the Secretary will read as requested.

The Secretary read as follows (S. Doc. No. 122):

Maximum tariffs of the principal countries.

ARGENTINE REPUBLIC.

Executive authorized to levy a maximum tariff equivalent to a surtax of 50 per cent on the minimum tariff in the case of dutiable goods and to impose a rate of 15 per cent on free goods.

AUSTRIA-HUNGARY.

Surtax up to 200 per cent on dutiable goods and up to 100 per cent ad valorem on free goods.

BELGIUM.

Duties in customs tariff with an increase of 50 per cent. Free goods 15 per cent ad valorem, or an equivalent specific duty calculated on the basis of their average value.

CANADA.

Governor in council may by order in council, in consideration of benefits satisfactory to the governor in council, extend the benefit of the interimmediate tariff (various rates) to any British or foreign country.

DENMARK.

By royal decree may be charged a surtax on the tariff rates of duty up to 40 per cent thereof for a period not exceeding forty weeks; only once in three years for the same country and same goods; on free goods with duty not exceeding 10 per cent ad valorem orē per kilogram.

FRANCE.

Certain countries are entitled to the rates on all articles mentioned in the minimum tariff (various rates); certain other countries, including the United States, are given the rates on only some of the articles in the minimum tariff. In all other cases the general tariff (various rates) is applicable.

GERMANY.

The conventional tariff (various rates) apply to countries entitled to the most-favored-nation treatment or having commercial treaties with Germany which secure them lower rates. Most of the imports from the United States are subject to this conventional tariff. The general tariff (various rates) applies in all other cases.

By imperial ordinance, with the assent of the Bundesrath, dutiable goods proceeding from states that treat German ships or products less favorably than those of other nations may, without prejudice to the tariff duties, be burdened with a surtax ranging up to 100 per cent of the tariff duty imposed on such goods or even with a surtax equivalent to the total value of the goods themselves. Goods free of duty in virtue of the tariff may, under the same conditions, be taxed with a duty not exceeding 50 per cent ad valorem.

In like manner and save conventional stipulations to the contrary foreign goods may be subjected to the same duties and customs formalities as are applied to Germany in the country of origin.

GREECE.

By royal decree may be imposed supplementary duties higher by 30 per cent than the ordinary duties; on free goods 15 per cent upon the market price. The conventional tariff (various rates) results from treaties with certain countries. The United States is accorded the most-favored-nation treatment. The general tariff applies in all other cases.

ITALY.

Goods proceeding from countries with which Italy has concluded commercial treaties, etc., guaranteeing to the contracting states the most-favored-nation treatment get the benefit of the conventional tariff (various rates) subject to paying the surtax of manufactures stipulated in the general tariff or in special laws, and applicable to goods similar to national goods apply to the interior manufacture tax. The United States has a commercial agreement with Italy, under the provisions of the tariff of 1897. Article 24 of the treaty of February 26, 1871, provides that the most-favored-nation treatment shall be

freely granted by each of the two contracting parties to the other in case this régime is freely granted to another state, or in consideration of an equal advantage if the concession has been a conditional one.

There is a general tariff with the various rates applicable in other cases.

JAPAN.

By imperial ordinance there may be imposed on dutiable articles a surtax not exceeding in amount the rate of duty prescribed in the present law, and upon free goods an import duty not exceeding 50 per cent ad valorem. Special rates on certain goods are given to countries with which there are agreements. The United States is given the most-favored-nation treatment. In other cases the general tariff with various rates applies.

MEXICO.

Seems to have only one tariff, applicable to all countries.

NETHERLANDS.

This country seems to have only one tariff, applicable to all countries. Under extraordinary circumstances or when the interest of commerce or industry requires it, the import duties established in the tariff may be reduced or abolished by royal decree, subjected to subsequent action by the general states.

NORWAY.

This country has a maximum and minimum tariff. The maximum tariff is applicable to any foreign country not having concluded a treaty of commerce and navigation with Norway, and wherein Norwegian goods and vessels are less favorably treated than the goods and vessels of any other country.

RUSSIA.

There are two tariffs, the general and the conventional. All products of countries enjoying in Russia the most-favored-nation treatment are entitled to the conventional tariff in full and to the general tariff in so far as the latter is unchanged by the conventional tariff. The United States is entitled to the most-favored-nation treatment.

SPAIN.

This country has a maximum and a minimum tariff. The United States is entitled to the latter under the reciprocal commercial agreement; that is, to the most-favored-nation treatment, with the exception of the special privileges granted Portugal. The Government is empowered to levy such surtaxes as it deems fit on the maximum rate as to goods from countries treating Spanish vessels or merchandise in a specially unfavorable manner.

SWEDEN.

Seems to have but one tariff, applicable to all countries.

SWITZERLAND.

There is a general tariff and a conventional tariff, the latter being applicable to goods from the United States under the commercial agreement. The Federal Council may increase at any time, subject to action by the Federal Assembly, to such an extent as they may deem fit, the rates of the general tariff applicable to the products of states levying excessive rates of duty on Swiss goods, or treating them less favorable than the goods of other countries.

TURKEY.

This country has one general import rate, namely, 11 per cent ad valorem.

UNITED KINGDOM.

There is only one import tariff, confined principally to beer, a few drugs, sugars, spirits, tea, tobacco, and wine.

Countries with which the United States has commercial agreements under section 3 of the tariff act of 1897.

Bulgaria, France, France (Algeria-Porto Rico), Germany, Great Britain, Italy, Netherlands, Portugal (Porto Rico), Spain, Switzerland.

There is also a convention with *Cuba* which was approved by act of Congress.

Mr. ALDRICH. I ask that the memorandum be printed as a Senate document in addition to being printed in the RECORD.

The VICE-PRESIDENT. Without objection, the order is made.

Mr. ALDRICH. I will state that since that statement was made changes are now in operation or now in consideration in France which make the average difference between the maximum and minimum rates in France 50 per cent ad valorem.

Mr. CULLOM. Ranging from 25 to 100 per cent.

Mr. ALDRICH. Ranging from 25 to 100 per cent. In many cases the maximum rates are double the minimum rates at this time.

Mr. DANIEL. On page 2, line 4, I move to strike out the words, "namely: On coffee, 5 cents per pound; on tea, 10 cents per pound."

Mr. BURKETT. I suggest that the Senator ought to begin to strike out back on line 2 with the words "and there shall be levied and collected."

Mr. DANIEL. I believe that would be a better version of the amendment. I thank the Senator.

The VICE-PRESIDENT. The Secretary will state the amendment to the amendment.

The SECRETARY. On page 2, line 2, it is proposed to strike out the words:

And there shall also be levied, collected, and paid the following rates of duty on articles upon the free list in said section 1, namely: On coffee, 5 cents per pound; on tea, 10 cents per pound.

Mr. DANIEL. Mr. President, I shall be as brief as I possibly may be in stating some objections to the amendment presented by the Senator from Rhode Island.

There is involved in the amendment three kinds of tariff. The first is the tariff of the dutiable list now being framed in the pending bill. That is known as the "minimum" tariff. The second is a general tariff provided for in section 2 of the amendment, which adds to the rates of the dutiable list 25 per cent ad valorem. That provision, by a stroke of the pen, increases by 25 per cent ad valorem every tariff in the United States levied by the enormous dutiable list which is now before this body. There is a third tariff. It may be designated as a presidential tariff. It is ambulatory. It goes and it comes.

The first tariff, called the minimum tariff, will, of course, become the law of the United States in the natural order of events. The second, the general tariff, is a tariff provided for with a view to its ambulatory character. That tariff will come and go, according to the satisfaction of the President of the United States, with certain conditions. The provisions on the subject are contained in section 2, and we must read them carefully in order to apprehend their significance.

After lifting the tariff up 25 per cent ad valorem, it is provided:

That whenever and so long as the President shall be satisfied, in view of the character of the concessions granted by the minimum tariff of the United States—

Satisfied of what?—

that the government of any foreign country imposes no terms or restrictions, either in the way of tariff rates or provisions, trade or other regulations, charges, exactions, or in any other manner, directly or indirectly, upon the importation into or the sale in such foreign country of any agricultural, manufactured, or other product of the United States, which unduly discriminate against the United States or the products thereof—

That is one thing as to which presidential satisfaction is the predicate—

and that such foreign country imposes no export bounty or prohibition upon the exportation of any article to the United States which unduly discriminates against the United States or the products thereof—

That is a second annex of presidential satisfaction. The third is—

and that such foreign country accords to the agricultural, manufactured, or other products of the United States treatment which is reciprocal and equivalent—

Upon these three conditions of presidential satisfaction, it is provided that—

then, upon proclamation to this effect by the President of the United States, all articles when imported into the United States, or any of its possessions (except the Philippine Islands), from such foreign country shall, except as otherwise herein provided, be admitted under the terms of the minimum tariff of the United States as prescribed by section 1 of this act.

Then the text further provides:

The proclamation issued by the President under the authority hereby conferred and the application of the minimum tariff thereupon may, in accordance with the facts as found by the President, extend to the whole of any foreign country (and, in the alternative) or may be confined to or exclude from its effect any dependency, colony, or other political subdivision having authority to adopt and enforce tariff legislation, or to impose restrictions or regulations, or to grant concessions upon the exportation or importation of articles which are, or may be, imported into the United States.

Then it is further provided:

Whenever the President shall be satisfied that the conditions which led to the issuance of the proclamation hereinbefore authorized no longer exist, he shall issue a proclamation to this effect, and thereupon and thereafter the provisions of the general tariff shall be applied to the importation of articles from such country.

It is further provided:

Whenever the provisions of the general tariff of the United States shall be applicable to articles imported from any foreign country, they shall be applicable to the products of such country, whether imported directly from the country of production or otherwise.

Then there is an independent proviso with respect to information to assist the President:

To secure information to assist the President in the discharge of the duties imposed upon him by this section, and information which will be useful to Congress in tariff legislation and to the officers of the Government in the administration of the customs laws, the President is hereby authorized to employ such persons as may be required to make thorough investigations and examinations into the production, commerce, and trade of the United States and foreign countries, and all conditions affecting the same.

Mr. CULBERSON. Mr. President——

The VICE-PRESIDENT. Does the Senator from Virginia yield to the Senator from Texas?

Mr. DANIEL. I do.

Mr. CULBERSON. Mr. President, with reference to the last paragraph of this amendment, which the Senator from Virginia has just read, after I call his attention to the patent fact that it authorizes the President to appoint an indefinite number of persons and to himself substantially fix their salaries, I will ask him if he does not believe, if this amendment is adopted at all, it ought to be limited to a certain number of persons and that the commission—for that is what it is—ought to be made nonpartisan and that the Congress itself ought to fix the salaries or compensation?

Mr. DANIEL. Mr. President, I am going to advert to that briefly. In the meantime perhaps the Senator from Texas might aid the cause by preparing an amendment covering that clause.

Mr. President, my first objection to this amendment is that it leaves the question of American tariff on foreign articles in an entirely indefinite and vague shape. Taxation in this country rests solely in the power of Congress. It is the only body that can levy a tax. It is also the only body that can repeal a tax. The repeal of a tax is a law; it must be embodied in an act of Congress. The repeal of a law puts into effect another and a different law, and both the original enactment of a statute and the repeal thereof are reposed solely in the power of the Congress of the United States.

The purse and the sword are the emblems of the power of Congress. In the framework of all our American institutions it is only by act of Congress that war can be declared and the sword invoked to its office. It is also only by act of Congress that a tax can be levied upon the people, or can be repealed after it is levied, and a different condition substituted in its place.

I am not unaware that Congress may fix an event upon the happening of which a tax shall go into effect or go out of effect; but it ought to be as precise as a condition in a deed, described with exactness, ascertainable with nicety, and predicated with certainty. You may provide that during the existence of a war a certain thing may happen, and that upon a declaration of peace another thing may happen. That happening will be one of entirety, of certainty, of assurance, as the axle upon which the event turns. When we look at this amendment and pass the minimum tariff of duties which are to be enacted in due form of law, we come to a condition in which, after the 31st day of March, 1910, the rates of duty prescribed by the schedules and paragraphs of the dutiable list shall be an addition of 25 per cent ad valorem. I do not say it is not within the power of Congress so to provide, for the whole power of legislation is immediately annexed to that provision on and after a certain time, and to what is known as the "general tariff of the United States" the tariff with a 25 per cent ad valorem is added.

Now, we reach what may be called, for matter of identification, "the presidential tariff." What has the President to be satisfied about? It does not depend upon the fact whether these things are true or not; it does not specify certain things as happening or not happening as the turning point for the tariff; but a condition of the presidential mind is made, whether it be an erroneous condition or not, the predicate of putting a tariff on the people of the United States or taking it off. It is known, and has been referred to, that an equity which is according to the length of the chancellor's foot is a very vague and indefinite equity. Feet differ in length and size and shape and description, and the minds of men present more differences than any other thing under the sun. Even after things have been decided forty times, if an item comes up in the Senate, a variation of difference will be disclosed in some Senator's mind, and he may or may not make some suggestion that diversifies the scene.

What is presidential satisfaction? That depends entirely upon who the President is, and also upon the mood of mind in which that President is.

If you make this tariff depend upon a fact, that is one thing; if you make it depend upon the satisfaction of a man's mind as to the fact without putting the absolute existence of the fact in issue, you utterly change the substratum of this tariff and make it depend upon—if a President could have such different feelings—pique, prejudice, partiality, or whatever else may enter into the mind of man, the predicate of a tariff law of the United States. That is not according to our system of government. There is no appeal to or from the people as to that. It cuts the electrical connection between the people, in whom alone lies the power of taxation and the tax levy. We may have, under these somewhat vague and uncertain provisions, various kinds of tariffs. The number of tariffs may vary as the crafts upon the waters, and it will be difficult for anybody to tell what kind of a tariff we have got.

Then the amendment provides that:

Whenever and so long as the President shall be satisfied, in view of the character of the concessions granted by the minimum tariff of the United States, that the government of any foreign country imposes no terms or restrictions, either in the way of tariff rates or provisions, trade or other regulations, charges, exactions, or in any other manner, directly or indirectly, upon the importation into or the sale in such foreign country of any agricultural, manufactured, or other product of the United States, which unduly discriminate against the United States or the products thereof—

There is a nicety of decision as to what is and what is not an undue discrimination. There is a great variety of subjects to consider as to what are restrictions, regulations, charges, and exactions. It would take a chancellor, with a master, to go through all the variety of matters that are submitted for determination here, and the presidential satisfaction is the sole thing which makes the axle on which the tariff turns. When you have got through with that, there seems to be another variation of presidential satisfaction. He must be satisfied—

that such foreign country imposes no export bounty or prohibition upon the exportation of any article to the United States which unduly discriminates against the United States or the products thereof.

And then, third—

that such foreign country accords to the agricultural, manufactured, or other products of the United States treatment which is reciprocal and equivalent—

And then, upon his proclamation—

all articles when imported into the United States or any of its possessions (except the Philippine Islands) from such foreign country shall, except as otherwise herein provided, be admitted under the terms of the minimum tariff of the United States as prescribed by section 1 of this act.

Mr. President, not only is this the making of a law without the mind of Congress coming in contact and grasping at the same time the subject of the law, the conditions of the law, and the enactment of the law, but it is, furthermore, making a treaty with unnamed, with divers foreign countries, without having that treaty submitted for the confirmation or rejection of the Senate. Heretofore in all of our transactions with foreign nations in which we have modified, changed, created, or reversed any particular trade arrangement with that country, it has been by treaty submitted, in the ancient and well-known form of preparation by the President or his confidential officers, to the Senate, and it requires by that system of constitutional regulation that two-thirds of the Senate shall advise and consent to and confirm that treaty before it becomes the supreme law of the land.

In these provisions, Mr. President, a miscellaneous lot of treaties are made to depend solely upon the satisfaction of the President as to a great number of facts. No two-thirds of the Senate are required to advise and consent to this act. It is put in the common current of ordinary legislation; but when that act passes, the power of the Senate to regulate our foreign affairs by advice and consent of two-thirds vanishes in smoke; it has gone out of the Constitution as to our trade relations with all foreign governments; the Senate is eliminated; it is no longer one of the coordinate powers of the Government in connection with the President to make treaties with foreign nations.

The practice is becoming more and more common to eliminate the Senate from its own concerns. We have had here the elimination of five members of a committee from participation in its concerns. The men who eliminated those five Members from participation in the affairs of a committee had not one whit more power to do so than they have a right to eliminate any chosen number of this body from the Committee of the Whole. The Committee of the Whole is the Senate, in a certain form of action, and a committee of the Senate is the Senate, in a certain subsidiary form of action; and the Constitution tinkers who say unto one portion of a committee "Go," and they goeth out of participation in the affairs of government, or to another portion "Come," and they cometh, are totally in contempt of this body and of the Constitution of the United States.

I venture to say, Mr. President, that there is not a lawyer in this body who will get up in the Senate and say either that he thinks that is right or that he thinks that is legal, or that he thinks this is constitutional or just.

It is a case of confessed guilt—confessed before the judges—the judges turning their faces away from the confession. I

once heard of a man who was accused of crime. He was brought before the court and he confessed his guilt; but his lawyer defended him upon the ground that he was so unreliable that he could not be believed or should not be attended to, whether he said one thing or another. Has the Senate of the United States degenerated into that condition? Can you not believe the confessions of your own Members? Can you not act upon them and vindicate the integrity of the Senate when you know that the integrity of your colleagues' right is assailed and trampled upon?

A man who will stand by, when possessing authority, and not assert that authority for the protection even of the weakest upon whom wrong may be unlawfully inflicted is a man who would never defend his own rights if there were any motive to abandon them; he has not in his heart the principle upon which men defend right deeds and blame unworthy ones.

Mr. President, I would not like, as a Senator of the United States, to vote for an act that sends a lot of ambulatory treaties over the world, to be adopted or not adopted according to "the presidential satisfaction." I believe it was Lord Camden who said "Discretion is the father of tyranny." It is the beauty and the glory of our great Constitution that it has put the rights of man beyond the discretion of any other man. We do not live, move, and have our being in this free country at the discretion of any other human being whatsoever. We do not exercise our rights in the Senate of the United States at the discretion of any other Senator whatsoever. We stand here upon our title as free Senators of the United States, with no man having the right to put a rope around our necks, and with none possessing the right to put a gag upon our tongues.

It is a very notable and high distinction of this body, now that over one hundred years of history has passed, that it is still open to absolute free speech, tied down by no technical parliamentary rule that may close the mouth of anyone, if, in the pursuance of his duty, he sees fit to say this or to say that. Free speech would be but a trivial and shadowy thing if free action could not supplement free speech with its substantial addition.

The fact is to-day that five members of one of the highest committees of this body, that committee which is dealing with vast concerns affecting every man, woman, and child in the United States and with taxation upon them, are dismissed from a committee which the Senate appointed. Who is there, sir, so great he can challenge an officer of the Senate in pursuance of his duty? If a Member of the House of Representatives or of the Senate is arrested by an officer of the law while pursuing his duty, he must be released, because such is the great dignity of the public concerns that the law will not permit him to be interfered with while in attendance upon them. Shall it be that we, who are under a Constitution which so respects and so sanctions the public employment in which we are engaged, shall ourselves smile at, giggle at, the most important of our rights as Senators? That is not the view that any Senator will express in his private character; that is not the view that any Senator who has studied law would express in his legal character; that is not the view which any Senator can sustain in his constitutional character.

While I am upon my feet I will read the oath which a Senator takes before he gets the privilege or can exercise the right of his office in this body. Mr. President, I desire to read from page 38 of the Standing Rules of the Senate. This is the oath of office required by the Constitution and by law to be taken under Rule II:

> I, A B, do solemnly swear (or affirm) that I will support and defend the Constitution of the United States against all enemies, foreign and domestic; that I will bear true faith and allegiance to the same; that I take this obligation freely, without any mental reservation or purpose of evasion; and that I will well and faithfully discharge the duties of the office on which I am about to enter: So help me God. (July 11, 1868, 15 Stat., 85.)

I might also read here, Mr. President, but I would only be reminding Senators of what they well know, that it is against the absolute mandates of parliamentary law for any member of a committee to be excluded from the exercise of his privileges as such member of the committee. No one has any more right to interfere with him, or to impede or conspire against his execution of that committee function, than he has, Mr. President, to arrest you when you are going to the Senate to preside over it. Your title depends in a little different way, but not less solidly, not less sacredly, upon these muniments of the law, than his.

I presume this is the last time I shall refer to this subject. It is late in the session. Whatever advantage could be acquired by a small coterie of the committee in assuming themselves to be the committee, and in acting in its name, they have obtained. There are very few that remain that can be enjoyed by their colaborers and associates in that body. I have before called the attention of Senators to this matter. Not a single one of them, certainly not one of the majority party, has lifted his little finger to defend the Constitution of his country. Not one of them has breathed a whisper against a wrong done in his presence. Has each of them reflected on that oath of office well and truly to perform his duties? Is this well and truly performing them? Ought not every one of them to rise at once and say: "Is thy servant a dog that he should do this thing?"

It is done, and almost past remedy. And as yet the Senate is silent.

Mr. President, I do not believe in carrying autocratic, executive, senatorial, or any other power beyond the place which is assigned to it under the Constitution of the United States. In the exercise of the military office commanders of armies are permitted to set aside the ordinary paraphernalia of law, because of the necessity of acting quickly and arbitrarily in the public defense. But just in proportion as autocracy creeps into the Senate, just as surely as the will of a few men is substituted as the legal action of this body instead of the roll call and the right to vote which belongs to us all, just as surely as you extend that into treaties and permit the will of one man to take the place of the President and the Senate, just to that extent does the Constitution decay, and just to that extent do the muniments of free government crumble and decline and pass away.

For these reasons, Mr. President, I can not vote for this amendment.

Mr. NELSON obtained the floor.

Mr. MONEY. I will ask the Senator from Minnesota to yield to me, simply to enable me to introduce an amendment that I should like to have read. I do not desire to speak upon it at present.

The VICE-PRESIDENT. Does the Senator from Minnesota yield to the Senator from Mississippi?

Mr. NELSON. Certainly.

Mr. MONEY. I will ask the Secretary to read the amendment.

The VICE-PRESIDENT. The Secretary will state the amendment proposed to be offered hereafter.

The SECRETARY. Amendment to the amendment of the Committee on Finance, to be known as section 2, relating to the minimum tariff.

On page 2, line 2, after the words "25 per cent," strike out the words "ad valorem" and insert in lieu thereof the words "of said duty," so as to read:

> And in addition thereto 25 per cent of said duty.

Mr. MONEY. Later on, if I feel able to do so, I wish to submit a very few brief remarks upon this subject.

Mr. GALLINGER. Will the Senator from Minnesota yield to me?

Mr. NELSON. Certainly.

Mr. GALLINGER. Mr. President, I wish to give notice that if this provision relating to coffee and tea remains in the bill, I shall move to amend by inserting on line 5, page 2, after the word "pound" where it occurs the second time, the words "on cocoa, 3 cents per pound." And I shall give my reasons for that if it becomes necessary.

Mr. NELSON. Mr. President, I do not rise for the purpose of entering into any extended discussion. I simply desire to say that I am utterly opposed to any tax on tea and coffee. This provision, if it becomes a part of the law, will become effective on the 31st of March next; and unless the President makes a proclamation exempting the coffee and tea producing countries from which we import those articles, we shall have an absolute tax on tea and coffee.

I sincerely trust, therefore, that the chairman of the committee will agree to strike out that part of the amendment relating to tea and coffee. If it is stricken out, I shall cheerfully support the amendment. If it remains in the amendment, I do not feel that I can support it.

In this connection, I have here a paper which I have compiled, showing the countries and provinces that impose an export duty or bounty upon coffee and tea, and also tables showing the importations from those countries, which I ask to have printed in the RECORD and printed as a document. I trust the Senator from Rhode Island, the chairman of the Committee on Finance, will agree to strike out this provision.

The matter referred to is as follows (S. Doc. No. 120):

List of countries levying an export duty on coffee.

	Unit.	Rate of duty.	
		Foreign currency.	United States equivalent, 100 pounds.
Belgian Kongo	100 kilos	3 francs	$0.263.
Western basin of the Kongo		5 per cent ad valorem.	
Brazil, by its States:			
Alagoas		10 per cent ad valorem.	
Amazonas		10 per cent ad valorem.	
Ceara		2 per cent ad valorem.	
Ceara coffee exported by land.	Cargo	45000 milreis	$1.22.
Minas Geraes		8½ per cent ad valorem.	
Minas Geraes, in addition to the above a surtax.	Per bag of 60 kilos.	5 francs	73 cents.
Parahyba do Norte		3 per cent ad valorem.	
Pernambuco		3 per cent ad valorem.	
Rio Grande do Norte		8 per cent ad valorem.	
Rio Grande do Norte, in addition to the above duty.	Kilo	0$001 milreis	1.4 cents.
And a surtax on the above duties of 10 per cent of the duties.			
Rio de Janeiro	Kilo	0$029.75 milreis	41.1 cents.
Rio de Janeiro (the above is exclusive of surtax of 5 francs per bag).			
Rio de Janeiro, roasted or ground.	Kilo	0$059.5 milreis	
Sao Paulo	Kilo	0$041.4 milreis	57 cents.
Sao Paulo, in addition to the above duty a surtax of.	Per bag of 60 kilos.	5 francs	73 cents.
NOTE.—To the above rate should be added a surtax of 5 francs (96.5 cents) per bag of 60 kilos.			
According to the decree of September 12, 1908, an additional tax of 20 per cent ad valorem is to be levied on all coffee exported from the State of Sao Paulo in excess of 9,000,000 bags during the crop year commencing July 1, 1908; in excess of 9,500,000 bags during the crop year beginning July 1, 1909; and in excess of 10,000,000 bags during the succeeding crop years.			
British Empire—British West Indies:			
Dominica	100 pounds	1s. 6d	36.33 cents.
Montserrat	100 pounds	2s. 1d	50.66 cents.
Trinidad and Tobago	100 pounds	8d	16 cents.
Ceylon	100 pounds	10 rupees	0.029 cents.

List of countries levying an export duty on coffee—Continued.

	Unit.	Rate of duty.	
		Foreign currency.	United States equivalent, 100 pounds.
British Somali Coast Protectorate.		1 per cent ad valorem	
China		5 per cent ad valorem	
Ecuador	Kilo	0.005 sucre	11 cents.
France:			
Guadeloupe	100 kilos	3 francs	26 cents.
French Kongo		5 per cent ad valorem	
Gabon		5 per cent ad valorem	
Territories of the Chad		5 per cent ad valorem	
Reunion		2 per cent ad valorem	
Somali Coast Protectorate	100 kilos	1 franc	9 cents.
Germany (no export duty self):			
Kamerun		5 per cent ad valorem	
Guatemala (coffee in the bean):			
Parchment coffee, proportional duty.	Quintal (101 pounds).	1 peso	$1.
Haiti	100 pounds	3 gourds	$2.97.
Liberia, coffee seed:			
Hulled	Bushel	$1.50	$1.50 (per bushel).
Unhulled	Bushel	$0.50	$0.50.
Nicaragua	Quintal (100 pounds).	$0.40	$0.40.
Paraguay		1 per cent ad valorem	
Portugal:			
Ambriz		15 per cent ad valorem	
Cape Verde Islands	Kilo	4 reis	$0.20.
Loanda, Benguela, and Mossamedes.		3 per cent ad valorem	
Mozambique		2 per cent ad valorem	
Portuguese Kongo	100 kilos	1$80 milreis	$0.825.
San Thome and Principe—			
In Portuguese vessels	Kilo	0$030 milreis	$1.47.
In foreign vessels	Kilo	0$045 milreis	$2.21.
Timor (coffee in bean)	Picul	2$520 milreis	$1.99.
Salvador:			
From the ports of Libertad and Acatjutla.	46 kilos	$0.40	$0.40.
Surtax	46 kilos	0.265 pesos	$0.10.
From the port of La Union.	46 kilos	$0.40	$0.40.
Surtax	46 kilos	0.51 pesos	$0.194.
Santo Domingo	Quintal	15 cents	15 cents.
Turkey		1 per cent ad valorem	

Federated Malay States in: Negri Sembilan, Selangor, Perak, and Pahang—
When the price is below $22 per picul.....Free.
When $22 per picul up to $24, inclusive.....per cent ad valorem 1
When above $24 per picul up to $26, inclusive.....per cent ad valorem 1½
When above $26 per picul up to $28, inclusive.....per cent ad valorem 2
When above $28 per picul.....per cent ad valorem 2½

The duty of parchment coffee is calculated on two-thirds of the gross weight, and on dry cherry on one-third of the gross weight

Coffee. (Free.)

[Data taken from Table No. 3 of the Annual Report on Commerce and Navigation for 1908.]

Imported from—	1904.	1905.	1906.	1907.	1908.
	Pounds.	*Pounds.*	*Pounds.*	*Pounds.*	*Pounds.*
Europe:					
Austria-Hungary	381,092				
Belgium	1,038,222	105,938	1,659		66,594
France	7,527,376	12,377,123	31,835	671,732	6,500
Germany	4,228,678	1,032,208	426,939	169,580	215,196
Italy	191	8,039	36,767	16	684
Netherlands	1,367,592	445,686	743,674	1,361,996	1,930,800
Portugal	394,336	773,064	35		
Spain					7,850
Turkey in Europe		80		532	26,412
United Kingdom	3,458,469	4,709,783	2,489,301	972,001	669,288
North America:					
Bermuda			3,200		
British Honduras	5,638	330		25	200
Canada	489,398	96,869	271,020	114,822	119,942
Central American States—					
Costa Rica	14,396,928	21,341,564	21,991,437	24,000,169	11,814,266
Guatemala	19,906,043	24,406,985	27,793,478	27,732,521	17,211,819
Honduras	761,512	318,674	130,067	87,663	494,922
Nicaragua	1,090,784	1,560,298	1,235,016	1,124,106	1,220,619
Panama	85,578	65,475	50,480	188,105	247,915
Salvador	10,391,959	11,870,122	12,333,970	11,213,571	9,212,505
Mexico	23,215,889	21,957,672	24,580,929	14,726,450	29,012,345
West Indies—					
British	2,534,824	1,418,321	1,928,654	1,616,538	3,410,795
Cuba	869	182,730	48,118	7,987	1,342
Dutch	513,400	54,547	35,136	283,521	117,250
French				198	132
Haiti	3,964,662	3,522,048	3,295,712	3,530,853	3,203,011
Santo Domingo	587,431	904,463	287,516	219,447	702,359
South America:					
Brazil	741,758,798	820,259,995	625,160,025	778,600,591	697,845,096
Chile					90
Colombia	73,594,285	47,756,265	49,576,167	43,398,453	47,963,700
Ecuador	275,532	2,462,971	36,058	1,488,283	106,400
Guiana—					
British					800
Dutch	443,340	334,647	191,866	344,169	333,374
Peru	27,350	10,901	100	269	2,597
Venezuela	62,634,279	54,507,410	62,796,278	59,094,303	51,610,511

Coffee. (*Free*)—Continued.

Imported from—	1904.	1905.	1906.	1907.	1908.
	Pounds.	*Pounds.*	*Pounds.*	*Pounds.*	*Pounds.*
Asia:					
Aden	2,147,379	1,780,788	1,660,169	2,701,007	2,737,908
Chinese Empire	275,631	110,413	237,827	206,760	26,000
East Indies—					
British India	267,969	32,000	24	3,360	2,464
Straits Settlements	4,067,908	1,580,817	945,081	1,174,474	407,228
Other British		896		3,750	
Dutch	11,730,352	10,712,449	12,248,208	7,322,563	8,769,852
Turkey in Asia	1,320,096	881,186	1,080,500	1,982,539	1,098,490
All other Asia	45,584				
Oceania:					
Philippine Islands	6,650			84	
Africa:					
Abyssinia					30,450
British Africa—East		814	20		
Liberia	16,539		21,120	35	11,400
Turkey in Africa—Egypt	721	413	547		951
Total	995,043,284	1,047,792,984	851,668,033	985,321,473	890,640,057
RECAPITULATION.					
Europe	18,395,956	19,651,921	3,730,210	3,175,857	2,923,324
North America	78,034,915	87,700,008	93,984,733	84,915,976	76,769,422
South America	878,733,584	925,332,189	737,760,494	883,835,068	797,862,568
Asia	19,854,919	15,107,549	16,171,809	13,394,453	13,041,942
Oceania	6,650			84	
Africa	17,260	1,227	21,687	35	42,801

Coffee. (*Free.*)

Imported from—	1904.	1905.	1906.	1907.	1908.
Europe:					
Austria-Hungary	$22,753				
Belgium	81,033	$8,002	$344		$4,666
France	466,909	1,021,070	3,798	$52,674	358
Germany	366,214	77,866	46,530	18,760	26,459
Italy	25	1,107	5,010	2	93
Netherlands	140,890	54,731	91,446	191,991	295,855
Portugal	26,545	51,852	6		
Spain					1,784
Turkey in Europe		8		79	4,154
United Kingdom	326,523	497,989	268,136	105,116	86,760
North America:					
Bermuda			197		
British Honduras	531	30		4	22
Canada	50,533	16,518	36,094	17,543	15,729
Central American States—					
Costa Rica	1,608,028	2,175,116	2,338,158	2,520,451	1,342,723
Guatemala	2,268,443	2,762,095	3,143,959	3,533,437	2,005,997
Honduras	59,465	27,500	11,971	8,401	60,128
Nicaragua	87,597	116,854	90,903	111,507	123,401
Panama	5,858	5,974	3,827	22,510	19,962
Salvador	844,240	970,215	1,069,748	1,108,703	909,684
Mexico	2,222,171	2,162,785	2,649,864	1,697,094	3,338,510
West Indies—					
British	197,257	119,871	163,816	156,351	276,638
Cuba	153	16,039	4,846	956	322
Dutch	40,709	5,075	4,348	23,210	11,734
French				45	24
Haiti	337,272	234,559	296,779	288,482	181,266
Santo Domingo	53,279	79,031	27,658	17,237	62,504
South America:					
Brazil	48,080,222	64,136,008	51,124,498	57,216,626	48,317,337
Chile					10
Colombia	5,082,831	3,517,664	4,102,429	3,912,987	3,953,445
Ecuador	22,301	186,545	3,568	123,538	17,468
Guiana—					
British					60
Dutch	33,772	28,637	17,306	34,704	36,071
Peru	2,685	1,065	8	30	301
Venezuela	4,946,269	4,526,036	5,542,529	5,212,549	4,837,862
Asia:					
Aden	259,545	251,592	256,864	426,052	417,854
Chinese Empire	33,321	14,447	32,290	26,704	4,000
East Indies—					
British India	34,593	4,114	5	411	352
Straits Settlements	274,328	127,065	84,531	108,794	35,181
Other British		93		491	
Dutch	1,388,325	1,318,970	1,649,959	957,755	1,124,008
Turkey in Asia	179,162	137,355	183,447	336,685	170,039
All other Asia	5,382				
Oceania:					
Philippine Islands	931			8	
Africa:					
Abyssinia					4,016
British Africa—East		71	2		
Liberia	1,583		2,112	6	1,026
Turkey in Africa—Egypt	121	113	149		213
Total	69,551,799	84,654,062	73,256,134	78,231,902	67,688,106
RECAPITULATION.					
Europe	1,430,892	1,712,625	415,270	368,622	420,129
North America	7,775,536	8,691,662	9,841,168	9,505,931	8,348,644
South America	58,168,080	72,395,955	60,790,337	66,500,443	57,162,554
Asia	2,174,656	1,853,636	2,207,096	1,856,892	1,751,324
Oceania	931			8	
Africa	1,704	184	2,263	6	5,255

List of countries levying an export duty on tea.

	Unit.	Rate of duty.	
		Foreign currency.	United States equivalent, 100 pounds.
British India	Pound	0¼ pie	4 cents.
Ceylon	100 pounds	0.10 rupees	.029.
China	Picul	2.500 Haikwan taels	$1.17.

Tea. (*Free.*)

[Data taken from Table No. 3 of the Annual Report on Commerce and Navigation for 1908.]

Imported from—	1904.	1905.	1906.	1907.	1908.
Europe:	*Pounds.*	*Pounds.*	*Pounds.*	*Pounds.*	*Pounds.*
Austria-Hungary		196	6	63	2
Belgium				16,995	
Denmark				50	
France	80	1,003	297	20	248
Germany	1,959	1,726	362	4,601	14,581
Greece		51			
Italy	4,869			3	793
Netherlands		354	44,278	12,839	25,612
Russia in Europe	100,499	245,402	148,768	367,351	173,028
Turkey in Europe	350	45	150	76	100
United Kingdom	6,646,800	7,132,290	8,186,500	8,663,702	9,515,369
North America:					
British Honduras		1	7		
Canada	2,157,566	2,064,024	2,170,388	2,324,319	2,435,389
Newfoundland and Labrador		3,800			
Mexico	1	1,008	1,004	575	
West Indies—					
British	3,900				
Danish	50		50		
South America:					
Colombia	160	2,000			
Asia:					
Chinese Empire	53,157,332	43,122,798	37,466,719	31,231,259	27,203,278
China—					
British	3,600		210	18,602	2,340
Japanese				9,643	
East Indies—					
British India	2,719,457	2,638,334	2,159,463	1,751,006	1,635,549
Straits Settlements	70,901	8,420	4,172	114	3,405
Other British	4,888,655	5,159,182	5,170,733	4,515,125	5,651,286
Dutch	2,175	7,628	1,000	5,905	223
French			4,738		
Hongkong	447,070	348,265	459,221	630,644	453,858
Japan	42,700,127	41,970,050	37,812,684	37,411,653	46,944,430
Russia—Asiatic				3,885	
Oceania:					
British—					
Australia and Tasmania		22			20
New Zealand					
Philippine Islands					3
Total	112,905,541	102,706,599	93,621,750	86,368,490	94,149,564
RECAPITULATION.					
Europe	6,754,547	7,381,067	8,380,361	8,465,760	9,729,733
North America	2,161,517	2,068,833	2,171,449	2,324,894	2,435,389
South America	160	2,000			
Asia	103,989,317	93,254,677	83,069,940	75,577,836	81,984,419
Oceania		22			23

Tea. (*Free.*)

Imported from—	1904.	1905.	1906.	1907.	1908.
Europe:					
Austria-Hungary		$72	$10	$21	$1
Belgium				6,960	
Denmark				17	
France	$32	255	87	7	56
Germany	277	409	112	1,080	2,193
Greece		5			
Italy	608			3	195
Netherlands		71	11,674	2,191	4,527
Russia in Europe	27,353	82,694	36,679	82,248	77,434
Turkey in Europe	63	13	22	22	12
United Kingdom	1,391,560	1,487,652	1,780,513	1,874,740	2,242,645
North America:					
British Honduras		1	5		
Canada	432,973	431,577	526,248	558,745	613,824
Newfoundland and Labrador		688			
Mexico	2	354	413	410	
West Indies—					
British	526				
Danish	28		23		
South America:					
Colombia	20	419			
Asia:					
Chinese Empire	7,226,611	5,903,077	4,025,289	4,181,583	4,016,030
China—					
British	443		21	1,583	409
Japanese				2,114	

Tea. (*Free*)—Continued.

Imported from—	1904.	1905.	1906.	1907.	1908.
Asia—Continued.					
East Indies—					
British India	$419,108	$359,532	$275,175	$224,793	$252,223
Straits Settlements	14,026	807	642	14	546
Other British	732,188	717,238	782,149	753,222	$41,992
Dutch	406	1,078	136	715	61
French			508		
Hongkong	55,516	45,027	74,920	108,042	72,362
Japan	7,865,573	7,179,880	6,106,246	6,115,386	8,084,435
Russia—Asiatic				1,648	
Oceania:					
British—					
Australia and Tasmania		9			10
New Zealand					
Philippine Islands					1
Total	18,229,310	16,230,858	14,580,878	13,915,544	16,309,870
RECAPITULATION.					
Europe	1,419,893	1,541,171	1,829,103	1,967,289	2,327,068
North America	493,526	482,620	526,689	559,155	613,824
South America	20	419			
Asia	16,325,871	14,206,639	12,225,086	11,389,100	13,368,967
Oceania		9			11

Mr. CURTIS. Mr. President——

The VICE-PRESIDENT. Does the Senator from Minnesota yield to the Senator from Kansas?

Mr. NELSON. I do.

Mr. CURTIS. I simply want to join in the request of the senior Senator from Minnesota. I hope the chairman of the Finance Committee will consent to strike out that part of the amendment which may cause a duty to be placed upon tea and coffee. I am opposed to any provision which might result in a duty upon these two articles; and I hope the chairman will agree to withdraw the clause.

Mr. ROOT. Mr. President, I hope the suggestion of the Senator from Minnesota [Mr. NELSON] will be accepted. I do not think there is any such probability, any such practical possibility, of discrimination against the United States on the part of the countries producing tea and coffee for our market, as to make it necessary or desirable to include them in the special provisions of this maximum and minimum tariff clause.

We get the greater part of our coffee from Brazil. We buy some $60,000,000 worth a year. We are her great customer. Brazil is a firm and loyal friend to the United States, as the United States is to Brazil. I hope and believe that that relation will long continue. There never has been any indication of a willingness on the part of Brazil to interfere with that long-continued relation of friendship by any discrimination injurious to the United States. On the contrary, Brazil has already recognized, by discriminations in her tariff laws in favor of the United States, the fact that we are her great customer, the chief consumer of her great products of coffee. And I hope, sir, that we shall not include in this bill a provision which may seem as if we doubted the intention of that friendly Government to continue the same course which she has so long followed.

The other countries producing coffee, which furnish the minor part of our consumption, are also in most friendly relations with us, and there is no reason to suppose that it is necessary for us to include any such provision with reference to them. And the same is true with regard to the countries producing tea.

For these reasons I think we may well leave out of this provision any reference whatever to coffee and tea.

Mr. McCUMBER. Mr. President, the Senator from Minnesota [Mr. NELSON] stated that he is opposed to any tax upon tea or coffee. I wish to say that the committee is also opposed to any tax upon tea or coffee. It was never expected that there would be a tax upon tea or coffee under this bill any more than it is expected that there will be a maximum tariff against any of these countries. The reason of the maximum tariff on all of these articles is to give to this country certain advantages in its dealings with other countries, so as to enable us to secure justice to our own exports. It was thought at the time that as some of these countries have only tea to export and some of them have only coffee to export it was probably better to take those two articles off of the free list and place them upon the maximum list for the very purpose of being better enabled to reach the hearts and consciences of those countries which produce tea and are dealing with us.

I agree, however, to have this provision go out. I believe the statement made by the Senator from New York is correct, and that it is scarcely necessary as a club against any other country.

Mr. ALDRICH. Mr. President, the Senator from North Dakota [Mr. McCUMBER] has stated the reasons which impelled the committee to insert this provision. I fully appreciate the statements made by the Senator from Minnesota [Mr. NELSON] and the Senator from New York [Mr. ROOT] with reference to this subject, and I therefore ask that the amendment be modified by striking out the words commencing in line 2——

Mr. NELSON. After the words "ad valorem," in line 2, strike out the words down to "*Provided*," in line 7.

Mr. ALDRICH. No; that is not it.

Mr. BACON. I understand there is an amendment already pending to that effect.

Mr. ALDRICH. It is down to the word "pound," in line 5.

Mr. BACON. I understand, Mr. President, that there is already such an amendment pending.

The VICE-PRESIDENT. There is such an amendment pending. The question is on that amendment.

Mr. ALDRICH. Then I have no objection to the amendment being adopted.

The VICE-PRESIDENT. The amendment is the one offered by the Senator from Virginia [Mr. DANIEL].

Mr. HEYBURN. Mr. President——

The VICE-PRESIDENT. Does the Senator from Rhode Island yield to the Senator from Idaho?

Mr. ALDRICH. I do.

Mr. HEYBURN. It is my purpose to offer at this or a proper time an amendment in the nature of a substitute. I was engaged in completing the drafting of it when the question was pressed for action. It will be to the effect that on and after January 1, 1910, and until July 1, 1915, there shall be paid, from any moneys in the Treasury not otherwise appropriated, to the producers of tea grown within the United States a bounty of 10 cents per pound, under such rules and regulations as the Commissioner of Internal Revenue, with the approval of the Secretary of the Treasury, shall prescribe. That is as far as I had proceeded. I shall have the details conform to those of the sugar bounty.

Mr. ALDRICH. Mr. President, the suggestion of the Senator from Idaho is not pertinent to this paragraph.

Mr. HEYBURN. Let the amendment be made first, then, and then I will offer this later.

Mr. ALDRICH. So far as I can, I accept the suggested amendment of the Senator from Virginia [Mr. DANIEL].

The VICE-PRESIDENT. The question is on agreeing to the amendment offered by the Senator from Virginia [Mr. DANIEL].

The amendment was agreed to.

Mr. ROOT. Mr. President, may I ask what the amendment was?

The VICE-PRESIDENT. The amendment has been agreed to; but for the information of the Senator the Secretary will state the amendment.

The SECRETARY. On page 2, line 2, after the words "ad valorem," strike out the following words:

> And there shall also be levied, collected, and paid the following rates of duty on articles upon the free list in said section 1, namely, on coffee, 5 cents per pound; on tea, 10 cents per pound.

The VICE-PRESIDENT. The amendment has been agreed to.

Mr. ALDRICH. I ask that the section as amended be agreed to.

The VICE-PRESIDENT. Other amendments have been suggested. Does the Senator from Mississippi [Mr. MONEY] desire to have his amendment presented now?

Mr. MONEY. Mr. President, I can not offer it now, because I am unable to say a word about it. I presented the amendment with no expectation that it would prevail; but I did intend by it to show, in a few remarks, the absurdity of putting a flat rate of increase upon a bill that is full of inequalities, a great many articles of which now have a protective duty so high that many of them amount to 100 or 150 per cent; some 200 of them amount to over 75 per cent; and a great many more than that amount to over 50 per cent. I wanted to discuss that subject briefly, but I am unable to do so at this time.

Mr. ALDRICH. The Senator will have an opportunity when it reaches the Senate.

Mr. MONEY. I shall be unable to say anything on the subject if I must go on now, and shall be compelled to withdraw the amendment.

The VICE-PRESIDENT. The amendment is not presented, then.

Mr. CULBERSON. Mr. President, while the Senator from Virginia [Mr. DANIEL] had the floor I called his attention to the last paragraph of this section, which in effect creates a tariff commission of an indefinite number of persons, to be appointed by the President, without fixing the salary, thereby leaving it, as I take it, to the President of the United States.

I am opposed to the entire section, and therefore am opposed to the last paragraph, to which I have called attention. I am opposed to this paragraph because I do not believe there is any necessity for the creation of a tariff commission or that one should be created. I am opposed to it because the number of members of the commission is not fixed by law nor is the salary of the members of the commission fixed. In addition to that, under the present wording of the provision the President may appoint a partisan commission if he sees fit to do so. And to cure the defects to which I have called attention I offer the amendment which I send to the desk.

The VICE-PRESIDENT. The Secretary will report the amendment offered by the Senator from Texas.

The SECRETARY. Amend the amendment by inserting, on page 4, line 4, after the word "required," the following:

Not exceeding 7, no more than 4 of whom shall belong to any one political party, who shall each receive a salary of $10,000 per annum.

The VICE-PRESIDENT. The question is on agreeing to the amendment.

Mr. CULBERSON. Mr. President, I ask for the yeas and nays.

The VICE-PRESIDENT. The Senator from Texas demands the yeas and nays.

Mr. CULBERSON. I will modify the amendment by striking out "ten thousand" and inserting "seven thousand five hundred."

The VICE-PRESIDENT. The Secretary will report the modified amendment.

The SECRETARY. As modified it will read:

Not exceeding 7, no more than 4 of whom shall belong to any one political party, who shall each receive a salary of $7,500 per annum.

The yeas and nays were ordered.

Mr. ALDRICH. Mr. President, this is not intended to be a partisan or a nonpartisan commission. It is intended to assist the President in carrying out the work that is assigned to him by the provisions of this section. It is also intended that they shall examine all questions pertaining to tariff matters and the products of foreign countries, so that they may have expert knowledge in regard to discriminations. For that purpose they will need to be acquainted with industrial conditions in this country and in other countries.

It is not intended that this shall be a partisan or a nonpartisan commission, as I stated before. The President will take the very best men he can get, without reference to where they live or as to what their party associations are.

I think we can safely leave the matter to the President of the United States, who has the responsibility upon him of discharging his duty in this regard. I believe it is much wiser to do that than it would be to undertake to regulate the number of these persons, or their political affiliations, or the salaries that shall be paid them. I think money will be saved to the Government by adopting the course suggested by the committee.

Mr. BAILEY. Mr. President, if we are to believe what appears in the morning papers, that the administration has resolved to make the census a partisan matter, we certainly can have little hope that it will do otherwise with the tariff. I do not know that it is true; but the morning papers report that the present Director of the Census has indicated his purpose to make his appointments according to political affiliations so far as they are not withdrawn from him under the civil-service regulations.

If politics are to be injected for the first time into the taking of the census, which all men agree ought to be free from every consideration of the kind, I can have no hope that the administration will apply a different rule to the tariff.

I think the amendment offered by my colleague is a timely and a proper one, and I am rather surprised that there is any objection to it. If these facts are to be gathered for the information of Congress, the body which is to gather them ought to represent every shade of opinion on the subject. To ask us to leave it to the President, upon the ground that he will take that fact into consideration, is to ask us to authorize him not to do it if, in his judgment, it does not seem proper.

Mr. ALDRICH. Mr. President, I have not seen the statement to which the Senator from Texas has alluded; but I am perfectly certain that under this administration neither the Census Office nor any other public office will be made a political machine. I think I know the President of the United States too well to think that he would for a moment permit anything of the sort. I think no man has ever occupied that high office that has had higher and better ideas about the duties and responsibilities of the place than the present incumbent; and I feel perfectly justified in saying that it is not possible that the President should undertake to use any office as a political machine—much less one which, as in this case of the appointment of these men to make these examinations, involves no political question whatever, but involves only the interests of the great industries of the United States, and involves our relations with all the foreign powers. In this respect these men will be the special representatives of the President, and I can conceive of no more delicate and no more important duty that could be conferred upon any men than would be conferred by the appointments suggested by the amendment now pending.

Mr. BACON. If the Senator will pardon me a moment, I should like to draw his attention to the fact that the amendment proposes that these appointees—whatever name may be properly given to them—shall not only gather information for the benefit of the President in determining what shall be done under the powers given him under the amendment, but shall gather information which will be useful to Congress in tariff legislation.

Mr. ALDRICH. Unquestionably.

Mr. BACON. That goes very much further, Mr. President, and does in some manner invade the field of political divisions and contentions. For that reason it seems to me the language of the amendment should be very carefully guarded in this respect. If, as stated by the Senator, the investigations of these men were to relate solely to matters which concern the President, and they were to be his personal representatives, the matter would be very different from what it is under the provisions of the amendment. But the amendment goes very much further than that.

I do not know that the Senator heard what I said.

Mr. ALDRICH. I did.

Mr. BACON. I said that if the work of these men related solely to the gathering of information in order that the President might determine whether he should impose the maximum or the minimum tariff, then they would be his personal representatives.

Mr. ALDRICH. Mr. President, I think the Senator will agree with me, even from that standpoint, that this information ought not to be gathered by men with a partisan bias. It ought not to be expected that Congress would limit this commission to a point where there would be certain to be two reports, upon political lines, upon every question. I can imagine nothing which would be more detrimental to the purpose we have in view than a partisan commission sent out to gather information with reference to one political view or one economic view or another. I think it would destroy the usefulness and the purpose of this commission, or whatever you please to call it.

Mr. BACON. The Senator and myself do not disagree as to what influences should control these men, and it is for the very purpose of preventing the evil which the Senator points out that I think there ought to be more than one class of representation upon this commission. All men, unavoidably and necessarily, even the Senator from Rhode Island and myself, have some partisan bias, and those who may be appointed may be the fairest of men and still have some partisan bias.

The only way to prevent a report which will be biased is to have a diversity of political views upon the matter. Secure if you please men who are of different political parties and men who have differing political views, and we will secure, not a

division of report, as suggested by the Senator, but such a report as, upon an interchange of differing views among different men, fair men, conservative and nonpartisan men, will be a nonpartisan report. For the purpose of getting a nonpartisan report I think there ought to be this balance of conservative and differing views, a balance which would not make the report one-sided, but would make it conservative.

Mr. ROOT. Mr. President, I hope the Senator from Texas and the Senator from Georgia will consider one aspect of the proposed amendment which has a very powerful effect upon my mind, and that is that such a provision would accomplish the very object which they desire to avoid by injecting politics into the commission. I have lived for many years under a bipartisan government in the city of New York, a government established and maintained under an elaborate system of checks and balances designed to prevent either political party from having control. The result of those laws in all the multitude of cases in which they were enacted was invariably to make the most bitter, hidebound partisan government, because every appointee under such a provision considered that he was appointed as a Republican or as a Democrat and that he was bound to do all he could in administering the office for the benefit of his party.

Mr. BAILEY. Does the Senator think that is true in the case of the Interstate Commerce Commission?

Mr. CULBERSON. Or the Board of General Appraisers in New York?

Mr. ROOT. No; I think there are probably exceptions.

Mr. BACON. Or the Board of Commissioners of the District of Columbia?

Mr. ROOT. There are probably exceptions.

Mr. MONEY. I will ask the Senator from New York if he thinks that was the case with the former tariff commission, which was appointed from both political parties?

Mr. ROOT. I am not familiar with the personnel and history of that commission.

Mr. MONEY. I am quite familiar with it. If the Senator will permit me a moment, that commission was formed and prepared a bill that was referred by the House to the Committee on Ways and Means. The committee took it up and reported a House bill. The House took that up and set the bill aside and passed its bill. It came over here and was referred to the Finance Committee, and they reported a fifth bill. Then when it went into the Senate the Senate passed still another bill, and when it went into the conference the conference did not agree on any of these propositions. That is the fate of the work of these commissions.

Mr. ROOT. The present President of the United States was for many years the president of the Philippine Commission and governor of the Philippine Islands. I will undertake to say that although there was no limitation of law upon the appointment of officers under that government, there never was an officer appointed regarding whom the question was asked whether he was a Republican or a Democrat.

Mr. BACON. If the Senator will pardon me, I can say he will not go further than I will in testifying to those qualities in the present Chief Magistrate, but we are not passing a bill with reference to one Chief Magistrate. We are passing a bill that, so far as we know, is to remain as a part of the law of the land. While I will join the Senator most cordially in the encomium he pronounces upon the President of the United States, we are not legislating with reference to that. We are legislating with reference to the possibility—and not only the possibility, but the very great probability—that some man may be President who will not possess in such an eminent degree those most estimable and admirable qualities which distinguish him.

Mr. ROOT. If the Senator will allow me, I will proceed. I made that as one of a series of propositions I have in mind. The President was also for years the Secretary of War of the United States. I think the Senators who are here, from their own experience, will support my statement that for many years now the appointments under the War Department, both in the military service and on the civil side of the War Department, have been made without question as to what were the politics of the appointee. In the Cabinet of which the present President was a member, the foreign service of the United States was subjected to a series of regulations imposed by the President upon himself and upon the procedure under him, subject always to the assent and confirmation of the Senate, a part of which is the provision which is made binding upon the Secretary of State and upon all persons taking part in the recommendations for appointment that the examinations and the appointments to the foreign service, except of course the very highest, ambassadors and ministers, were to be without regard to political affiliations.

I think all Senators will support me also in saying that during the past three years, since the consular classification act was passed making those regulations possible, there have been no inquiries made as to what were the political relations or affiliations of the persons appointed to office in the foreign service below the principal positions. There has been a complete revolution in the method by the introduction of a method under which the Democratic Senators from Democratic States were consulted regarding the candidates for office from their States exactly as were the Republican Senators from Republican States. The whole trend of government is in that direction.

It appears to me that the force of accumulated public opinion, the force of continued action, the general acceptance of the principles of nonpartisanship as they have already obtained and abound and continue in our Government, constitute a so much stronger motive toward making a nonpartisan commission that it would be a pity to put in a provision which would compel its being a bipartisan commission.

Mr. MONEY obtained the floor.

Mr. CLAPP. Will the Senator pardon me if I ask a question of the Senator from Rhode Island?

Mr. MONEY. Certainly.

Mr. CLAPP. Is this designed, I inquire of the chairman of the committee, to be the so-called "tariff commission?"

Mr. ALDRICH. It covers tariff questions as well.

Mr. CLAPP. Is it the purpose of the committee to report an additional tariff-commission plan?

Mr. ALDRICH. No; no other but this.

Mr. MONEY. Mr. President, I think we are not lacking in our regard for the distinguished gentleman who is now President of the United States, but in the mysterious dispensation of Providence that good man may die, and then we might have a bad man, like the Presiding Officer of the Senate, to deal with in that high place, and he might appoint a lot of ALDRICHES or ROOTS or other distinguished gentlemen who are for protection exclusively, who would be able to advise him as to what he should do, and who would propose legislation to this body entirely satisfactory to themselves. Everybody knows the high character of those two distinguished Senators. No man here would disparage them for one single moment.

I have had a very long acquaintance with the distinguished chairman of the committee, and yet I have never heard that he was anybody's particularly good little Sunday-school boy. I do not know that he was ever shot at for an angel. [Laughter.] I think he is here to take care of the protected interests of this country first, last, and all the time, according to his own explicit declaration when he announced what was the controlling principle in making up this tariff.

I am opposed to a commission for a tariff or for anything else that is to be a sort of legislative annex. If the Senate and the House through proper committees can not ascertain what is best for this country, we had better resign and let other people come here who can do it.

But if it is necessary to have people to advise the Senate and the House upon this very important question, which is of vital interest to the whole country, it should be strictly nonpartisan. I can not admit the proposition of the Senator from New York that you are to make it a nonpartisan commission by making them all partisans. We have heretofore believed in this Chamber that the way to get a nonpartisan commission was to see both sides represented. It transpires now that under the new evolution of thought the way to get a nonpartisan commission is to appoint all of them on one side. Then, I suppose they will be thrown upon their honor, their good behavior, or something besides good judgment to make suggestions relative to taxation and other important matters.

The junior Senator from Texas alluded to a newspaper report this morning. I want to say that I pay as little attention to what appears in the newspapers and to newspaper reports as any other man. I do not know whether there is any truth in the statement that appears in the newspaper or not, but it is a significant fact that the last national Republican committee is to appoint a great many census supervisors, and that the state Republican committee at the same time is to have the appointment of supervisors, and that the little postmasters throughout the South are to have the appointment of enumerators. In my own county the postmaster of a little town of 300 appointed the enumerator of the census. He was supposed to take the census in the district where I live. He never came to my house or any other house in the neighborhood, that I heard of; but the census was taken—how, I do not know—but it adds to the sum total of the absolute irresponsibility of that great bureau and its absolute unreliability. I would not give 5 cents for the work of the last census. I know there was laid upon my desk one morning a monograph bulletin, No. something, about the Mississippi

Delta. There was not a word of truth in it from one end to the other—not one single word.

I went down to interview Governor Merriam and asked him to burn it up. He demurred to that as a loss of labor. I called upon the man who wrote it. He did not belong to the census and is now a member of a scientific bureau in this city, in the government employ. I asked him if he had ever been in Mississippi. He said he never was. I said, "Did you ever see this country that you have described?" "I never did." "Where did you get your information?" He said, "I got it from the notes of the Geological Survey." There never was a geological survey of Mississippi by the General Government. The latest survey was, I think, in 1854. He had given information about a country which is now more thickly settled, more filled by railroads, street railways, electric-light and gas plants, oil mills, cotton mills, than any other part of the whole State; and yet his description was that of a vast morass with a few squalid inhabitants, fever stricken, who had to build houses on stilts to avoid floods. That issue of the bulletin was burned. I was asked if I would furnish a bulletin, and I sat at his desk and dictated a bulletin, and when it was printed I did not know it. The superintendent had made a compromise between the paper that was all lie and the paper that was plain truth.

He said that my paper looked too much like an advertisement of a county for sale. It arose from the absolute overabundant ignorance that prevails in that department.

If we are to have a commission at all it should be nonpartisan. I will not question the sincerity of the Senator from New York or the Senator from Rhode Island when they say they think the best results will come from the commission if it has no acknowledgment of political division in it. The commission are going to report exactly what they think is best. If they are protectionists they will think that is best. If they are free traders they will think that is best. If they would go according to the Constitution and legislate simply for revenue, and they have no authority to do anything else under that instrument, they will think that is best. You can not expect to get a free trader out of the Republican party. You can not expect to get a revenue producer out of the Republican party. You can not expect to get a protectionist out of the Democratic party, although according to the votes we have had here, if one-half of the tariff was left to the extreme protectionists and the other half to the free-trade list, there would not be a dollar in the Treasury in six months; between them they would kill the public revenue.

What we want is first to discharge our duty and produce revenue. I have no objection to the President receiving all the information he can get. Of course it is not expected that a man so eminent, with his gifts and his qualifications, no matter how extended his learning and his experience in tariff matters, can do it all by himself, and he should have advisers of the proper sort, who would be useful to him in making such suggestions as he may need.

I want to say if this maximum-rate business goes into law, he will have ample use for a great many. In the first place, if the maximum provision becomes a law the 31st of next March, and provides in its terms that it shall be the tariff law of the United States after that date, then all the countries with which we have business will be immediately put upon that maximum list. The President then, according to the advice he may receive—I suppose he can not evolve it out of his inner consciousness—has got to be told something by somebody. He can not believe unless he hears, and he can not hear unless the words are preached. So at last he has got to be advised by somebody. I take it for granted that he will get it from the gentlemen who have presided over the destinies of this bill, and he will not hear anything from the minority of the committee or the minority of this House or the other House upon the question as to whom he shall appoint. I take that to be true.

Now, Mr. President, reverting again to the matter brought here by the Senator from Texas, which, I think, was quite pertinent in this connection, the rumor has been flying around here for a week that all the supervisors of the census will be appointed by the honorable Postmaster-General. I do not know whether that is true or not. He seems though, by common consent, to be the possessor of all political power in the administration of this country.

If that gentleman is to preside over the appointment of these officers, then I for one will never consent to their confirmation by this Senate; and I do not propose that the long struggle that has been going on shall prevent the Senate from having anything to do with the confirmation of these supervisors of the census. I know one thing. Whatever that distinguished gentleman may be doing, I have never been able to find him in the Post-Office Department. I have called on him several times, and that is about as many times as I have called at all the other departments of the government put together, and probably more, and I have never been able to see him. I find my experience is the common experience of the whole Senate on this side of the Chamber. I presume that his political cares are so engrossing that he has no time to attend to the administration of that department which he is called to preside over.

But getting back to this matter. Before it goes to a vote I was very anxious to say something about this question of the maximum rate. I will not be able to do it, for I see the things hastening to a conclusion and I am not anxious to retard and prolong the session. I want to say a few words more, however, because I am going to leave this Chamber. It may be that we will come to a vote this evening. As I said, I will not retard the progress of things simply to submit a few unavailing remarks and to submit an amendment which I myself do not care to see passed, but is only intended to expose what I consider the inequalities and gross inequalities of this matter.

I will make one remark for the benefit of the Republicans who believe in free lumber. According to the law, as you will have it in not quite a year, the minimum rate upon your lumber will be a dollar and a half for rough lumber. When it takes the maximum rate it is $5.75. Now, you can consider that one proposition when you come to vote on the maximum rate. Of course, when the President discovers that he has advisers at work he will immediately, I presume, unless he is withheld by some influence, declare that Great Britain and Holland, both free countries, shall have their goods admitted at a minimum rate. But what about the three greatest business correspondents we have after Great Britain? First, Germany; second, Canada; third, France. They all discriminate against us in some respect. They have more or less export bounties. They have otherwise some exportations, and everything that comes from them will be put upon the maximum list.

Mr. President, when the Dingley law was passed it was a common understanding, never expressed, I believe, in words on the floor of either Chamber, that 20 per cent had been added to be given away in securing a reciprocity treaty. You recollect the double-barreled provision in the act. The President himself, by a certain convention, could effect some reduction, and he did some seven or eight, I believe. Then there were a great number of treaties—I have forgotten how many. We had 133 in the Foreign Relations Committee at one time. They were negotiated by a very able gentleman—Mr. Kasson—a Republican, and, as I understood it, a protectionist.

Not one of them was ratified by the Senate, and the 12 per cent that was added to be given away remained. The people of the United States were taxed ever since 1897 this 20 per cent additional, simply put on as a lagniappe to be given away to secure recessions from the tariff duties of other countries. We never got the recessions. I recollect we had a treaty of Paris, which my distinguished friend from Rhode Island spoke two days against in the Committee on Foreign Relations. That was a treaty that was worth all the others negotiated by this country, but it was not ratified.

Whether it is intended that this 20 per cent ad valorem shall remain forever, or until repealed by general act, on the statute book as a tariff law of this country, as the 20 per cent in the Dingley law, as the events have transpired, prove to have been the intent and purpose, I do not know. But judging the future by the past, I am not charging anybody with double dealing, but it seems to me that it is the intention that this country shall labor under an additional 25 per cent of taxation upon imported goods for the vast bulk of things we get from abroad, cutting out the two branches mentioned. It is a very serious business. When you come to extend this to the people of the United States on the 31st of next March there will be something said and something will happen, and we had just as well take notice now.

Mr. President, I did not intend to speak this long, and I do not intend to speak any more.

Mr. McCUMBER. Mr. President, the Senator from Texas [Mr. CULBERSON] or the Senator from Mississippi [Mr. MONEY] wholly misunderstand the purpose of this commission, or I misconceive its object. I for one can not vote for any commission that would have power to propose legislation to Congress. I do not understand that this commission is for that purpose. I am not in favor of any commission that is to usurp the ordinary powers of Congress.

I understand that these persons who are to be selected, whether you call them a commission or otherwise, are simply to secure facts. They are not to secure Democratic or Republican or Socialistic facts, but simply to secure facts upon which Congress may intelligently act. I do not care, therefore, whether

they are Republicans or Democrats or whoever they may be. I have assumed that the President of the United States will, so far as possible, select present employees of the Government to secure the information that is necessary.

The Department of Commerce and Labor, the Department of Agriculture, and other departments and bureaus have their experts traveling in Europe to-day to secure essential facts that are necessary for the legislation of this country. I believe that the President would first call upon them as far as possible. He may need other experts. He may need others to collect and collate these facts and to tabulate them for his use, but I do not believe it is intended or proposed by the President that he shall secure a body that is to advise Congress as to what character of legislation it is to enact. I would not be in favor of any such commission.

Therefore, Mr. President, I am not in favor of either limiting the number or fixing the number that the President shall employ. I am opposed to either fixing their salary or doing anything else in reference to them, in confidence that the President will only allow to be paid out such salaries as are the usual salaries for the like character of service, and that he will employ no more than is necessary. In addition to the experts we have traveling over the old countries to-day, we have those engaged in the customs service in New York and other ports of entry, and of course the President will naturally secure from them a great deal of information.

If I understand the object of the commission, it is to be a commission that will give us the necessary facts as to the cost of production at home and abroad, so that whenever we need to change our present tariff we will have what we have not had to-day as clear as we ought to have it, at least—the exact cost of the foreign production of any country, the exact cost of the production of that article in this country, and the undervaluing of articles sent into this country. We need definite information upon this subject. It makes no difference whether all the persons who are to collect this information belong to one party or all belong to another party. I am opposed either to a partisan commission, a nonpartisan commission, or a bipartisan commission.

I want the President to be entirely at liberty to secure the best expert knowledge he can get on the subject for the purpose of presenting to Congress information in the future and for the purpose of bringing to the executive department information upon which the President can determine whether the rates of any country are discriminatory against the goods of the United States. When we have put that power into his hands, I think that we can safely trust the President of the United States to secure the proper material to bring those facts to his notice.

Mr. DOLLIVER. Mr. President, I desire to make a parliamentary inquiry. What is the pending proposition?

The VICE-PRESIDENT. The pending amendment is that offered by the Senator from Texas [Mr. CULBERSON] to the amendment offered by the Senator from Rhode Island [Mr. ALDRICH].

Mr. DOLLIVER. I desire to offer an amendment, but I shall wait until the pending amendment is disposed of.

Mr. NEWLANDS. Mr. President, I favor the amendment proposed by the Senator from Texas [Mr. CULBERSON], because I hope that the board of experts provided for by that amendment will, by a process of evolution, gradually grow into a commission, to be known as the "tariff commission" or the "foreign commerce commission," which will act upon these matters in some such way as the Interstate Commerce Commission acts upon matters relating to interstate transportation, either persuasively, in the way of recommendation to the President and to Congress, or decisively, under a rule fixed by Congress. I can not but think that every Member of this body must be convinced, after four months of session, that the method of ascertaining facts hitherto pursued here is totally inadequate.

The only question which this body was called upon to determine under the rule laid down by the Republican party in its platform was the difference between the cost of production in this country and abroad, with a profit to the American manufacturer added of the various commodities covered by this protective tariff—a mere question of fact, which could be ascertained by a competent tribunal upon proper evidence in a comparatively short period of time; and yet the Senate of the United States, composed of 92 Senators, has been in session for three months and has not yet been able to determine this important question of fact regarding the commodities covered by this tariff, except in perhaps a few instances.

So far as the determination of duties is concerned, of course that is a question which belongs to Congress, just as the question of the determination of rates in interstate transportation is one to be determined by Congress. Had Congress sought directly to act upon all matters relating to interstate rates, we can readily understand how the entire time of Congress would be taken up in this work with the hearing of complaints, with inquiry into facts, and with the determination of rates, and how utterly impossible it would be for a body of this size, whatever its capacity, to adequately meet that duty. We have very wisely turned it over to a commission.

First we gave that commission, in the main, the mere power of recommendation, but we have gradually enlarged their powers, and though our action has met with universal opposition on the part of the transportation companies, we find to-day that there is a general satisfaction with the result, and that we are gradually securing stability in the interstate rates of transportation of the country, and stability is of the highest importance, not only in transportation, but also in production.

Stability of duties is just as important to production as is stability of rates to transportation and to commerce. I hope that the time will come when this question of duties will not be determined as a mere partisan question, but that it will be determined scientifically by some tribunal organized by Congress for that purpose, and acting, as I have stated, either persuasively by recommendation or decisively under a rule fixed by Congress.

So far as the Interstate Commerce Commission is concerned, that commission is a nonpartisan commission, or, if you prefer the term, a bipartisan commission. It has worked well. There is hardly any criticism indulged in regarding the organization of that commission or its membership, and it seems to me that it is an example that we could well follow in the preliminary steps leading ultimately, I hope, to the creation of a tariff commission or a foreign commerce commission.

For that reason, whilst the amendment of the Senator from Texas does not cover all of the ground that I should cover by an amendment which I would like to offer if I thought there were any chance of its passage, yet because it is a step in that direction I shall favor the amendment.

Mr. STONE. Mr. President, we have several examples of nonpartisan commissions. That kind of commission has had the general indorsement of Congress in the past. I can not conceive of a case where the demand for a nonpartisan commission, if we are to have one, is stronger than in this case, where the commission is to be appointed, among other things, to accumulate information for use in legislation and to make suggestions to Congress as some sort of basis for the construction of tariff laws.

The Senator from North Dakota [Mr. MCCUMBER] has said that the President might employ officials who are now going about over foreign countries gathering information such as he needs. It is not necessary to enact this clause in the proposed amendment to give the President authority to do that. He can command that information under existing law; he can now require such officials to collect and submit that sort of information to him without this provision; but if we are to have a new commission, especially created for the purpose of gathering and collating information for the use not only of the President, but of Congress, and to influence the congressional judgment in the framing of tariff laws, it ought to be nonpartisan in its character if it is to have the confidence of all.

It is a strange proposition to say that the best way to secure a nonpartisan commission is to make up a commission wholly of members of one party. I do not think, Mr. President, that the findings of a commission of a purely partisan character, that is made up wholly of men of one party and of men believing in one theory of tariff taxation, will command the general confidence and respect of the legislative mind or of the people at large; and, if we are to have such a body, it ought to be a body so constituted that its work will command universal respect.

The Senator from Mississippi [Mr. MONEY] called attention this morning to the effect of this maximum clause on lumber when applied to countries that discriminate in any of their tariff rates against the United States. I want to call attention to another instance where it would operate to the detriment of the public interest: A few days ago I think I demonstrated before the Senate that the International Harvester Company of New Jersey was an unlawful and criminal combination, and that it monopolizes the American market. That trust is a large exporter to foreign markets; but it is true, nevertheless, that some countries, France particularly, discriminate against the United States with reference to agricultural implements. Our chief competitors in France are England, Germany, and Sweden; and the manufactures of those countries—I mean agricultural implements—are admitted into France at the minimum rate imposed by the French tariff law. While American productions must bear the maximum rate, the Englishman and the German can enter that market at the minimum rate, or for two-fifths less than the American can enter it. Hence, if this amendment is adopted, because of this discrimination an addi-

tional tariff duty of 25 per cent will be levied against importations from France of agricultural implements to the United States, and to that extent you will strengthen still more the already powerful hold this great harvester trust already has upon the markets of this country. I wish to supplement what the Senator from Mississippi said by fixing your attention upon this additional example.

Mr. President, in looking into matters of this kind, in gathering information, reliable and authentic information, with regard to this whole subject, to be brought here and laid before Congress for our use in the future, I insist that it ought to come here as work done by a commission as free as possible from all partisan bias or color.

Mr. CARTER. Mr. President, the commission proposed by the pending amendment is not to be a commission appointed for the express purpose of advising Congress as to the kind of tariff legislation it should enact, nor will it be a commission to do anything as the agent or servant of Congress.

Early in the session it was proposed to create a tariff commission to be continuous and to act as an advisory body to Congress. A variety of views obtained as to the extent of the powers to be conferred upon that commission. Some Senators thought that the Congress should, in substance, delegate to the commission the right and power, in the first instance, to prepare a tariff bill. A modified view contemplated the mere collation of data for the use of the committees of Congress. I took occasion at that time to say that the framers of our Constitution having vested in the Congress the power and imposed on this body the duty of framing revenue legislation, the Congress was not at liberty to delegate that important power and grave duty in whole or in part to any subordinate body.

The power is in the Congress; and therefore the duty rests upon the Congress, and it is one of the powers and duties which, in my opinion, can not be delegated or avoided.

The closing sentence of the amendment under consideration does not create such a commission as that contemplated by the Senators who addressed this body in extenso on this subject early in the session. First, the amendment itself imposes upon the President a very grave and important duty, a duty fraught with as serious consequences to the well-being of the commerce of this country as any ever imposed upon the President by any act of Congress. It places in his discretion the fixing of rates of duty within a range of 25 per cent ad valorem, and leaves to his sole discretion the ascertainment and determination of the facts upon which the higher or the lower duties shall obtain. Very naturally, in connection with that grave responsibility, the most critical scrutiny and examination will be necessary to enable him to reach an enlightened judgment on any given state of facts.

The Senator from Nevada [Mr. NEWLANDS] suggests that the President can now call upon the officials of the Government for the identical information which would be secured through the processes contemplated by the closing sentence of the amendment. It is well known, Mr. President, that, with the exception of a few chief officers of the Government, the vast majority of our clerical force is appointed through the agency of our Civil Service Commission.

That commission inquires into certain technical accomplishments of the applicant. It has always been my opinion, and I entertain that opinion now, that the Civil Service Commission, in the only examination it can conduct, will never adequately respond to public requirements in the selection of individuals to discharge duties calling for the exercise of judgment and discretion. The task to be imposed upon those to be appointed by the President under this amendment will require judgment, discrimination, and discretion of the very highest order. That the President will be careless in the selection of the investigators, upon whose conclusions his own good fame will rest, is beyond anyone's serious belief.

To import "nonpartisan" into this amendment would be, in my humble judgment, ill advised. To designate a specific number of persons to be appointed at stated salaries would be equally ill advised. It may be that at a given time the President will require the services of several times seven men, all of equal capacity, and at other times he might not require the services of anyone at all.

The very use of the term "nonpartisan" in a legislative measure compels the appointing power at once to enter upon the domain of party politics, and to inquire as to the party affiliations of every applicant or person being considered in connection with the place. If a mistake is made or if change occurs, because one of the appointees changes his political affiliations, then, according to the letter of the law, the appointing power would be at fault, as a resignation might be in order with every change in the political views of the persons appointed.

But, Mr. President, the first and important duty of the persons appointed to investigate in conformity with this amendment will be to enable the President to wisely and prudently administer the grave trust reposed in him by this amendment; and you may run the gamut of all legislation from the early days of the Republic down to this hour and you will seek in vain for any act vesting greater power in the President than that which is vested by this amendment. That power may affect for good or ill the commerce of the country or any of the articles entering into the commerce of the country. It may result in serious difficulties with foreign powers; it may tend, by its injudicious use, to disturb the equilibrium of our foreign relations.

The second duty imposed upon the commission is not a duty with reference directly to Congress, but it is to enable the President to intelligently execute the duty imposed upon him by section 3 of Article II of the Constitution, which provides:

> He shall from time to time give to the Congress information of the state of the Union, and recommend to their consideration such measures as he shall judge necessary and expedient.

In connection with any message he may send on any subject relating to the tariff or proposed modifications of it, it would necessarily follow, and happily follow, too, that the facts and figures collated by the agents appointed by him would enable him to give a broader, a better, and at the same time a more accurate estimate of the conditions to be dealt with.

But the amendment does not only contemplate advising the President as to the limits and conditions of his action under it, nor does it stop with the collation of facts to enable the President to recommend to Congress intelligently matters of legislation, but also contemplates that the information so gleaned may be useful in the administration of the customs laws. So that there are three purposes; first, to enable the President to intelligently administer this particular section of the law to be made up by this amendment; second, to enable him to intelligently recommend legislation to Congress affecting the economic questions contemplated by the amendment itself; and, third, to give needed information to the officers of the Government charged with the administration of the customs laws.

Mr. President, as I have heretofore stated, sometimes seven persons will be required to discharge this duty effectively and at other times three; and sometimes 50 persons may be required; and their salaries will not, of course, be equal one with the other. Some will be performing expert clerical work, and others will be prosecuting original investigations, requiring a higher order of talent and a greater amount of ability. So that to confine the number to seven, to fix the salaries, and to impose the necessity upon the President of at once entering into the consideration of partisan relations, would, to my mind, be wholly at variance with the broad and liberal purposes of this amendment.

Mr. SHIVELY. Mr. President, the doctrine announced to-day that what the effect of our legislation shall be, what, in fact, the law shall be, depends not on what we do here, but on what shall be the character of the citizen who is Chief Executive from time to time, is a novel doctrine. That in the preparation of general legislation, which we must presume may be in force for a series of years, we are to do a particular thing or refrain from doing that thing; that we are to enact legislation or refuse to enact legislation because of the personal character of the President is, I repeat, a new and startling doctrine in this Chamber, and a doctrine to which I now record my emphatic dissent. It is the business of Congress to enact that which should be the law. It is the duty of the President to enforce that which is the law, or shall be the law, when under the law he is required to act. It is not the business of Congress to consult the personal character of public officials and make an estimate of such character the test of what the law should be.

Mr. President, the real difficulty here is in the character of the amendment reported from the Finance Committee and advocated by the Senator from Rhode Island [Mr. ALDRICH], and to be known as section 2 of the pending bill. After months of inquiry, study, dispute, and controversial speech making, the Senate has concluded what are known as the "dutiable" paragraphs of this bill. It has been apparent at every stage of this discussion that it has been a matter of grave doubt—and in most instances of doubt still unsettled—as to what particular rate would constitute a due discrimination in favor of the domestic product. However well or ill founded these doubts, the dutiable schedules have been finished and the amount of the duty in each dutiable paragraph has been fixed. Have not Senators and the country believed that the duties thus determined and fixed in these schedules and paragraphs are the duties to be assessable and collectible at the custom-houses of the United States?

But the Senator from Rhode Island [Mr. ALDRICH], on the authority of the Finance Committee, brings into the Senate this

amendment which, not by proclamation by the President of the United States on investigation, not by action of any official of the Government on the ascertainment of a fact or state of facts, but by the operation of the act itself, 25 per cent ad valorem is to be added on every dutiable article to the duties already fixed by the action of the Senate in section 1 of the bill. Such additional duty is by the express words of the amendment to go into effect on March 31, 1910. The duties thus compounded by the very terms of the amendment are to "constitute the general tariff of the United States." The duties thus augmented are defined by the proposed statute not as the conditional tariff, the contingent tariff, or the maximum tariff, but as "the general tariff of the United States." These are the only words between the first and last lines of the proposed bill that give a definition of what shall constitute our general tariff. They are the only words to which any court could recur as defining the general tariff of the United States.

As I had occasion to point out some weeks ago in this Chamber, it is not the case presented by the act of 1890, where a few articles may, on the ascertainment of certain facts, be subjected by proclamation of the President to duties when imported from so-called "offending countries." It is not the case presented by the act of 1897, whereby duties may be reduced in certain cases by treaties with foreign governments with relation to them and in consideration of trade advantages derivable from such treaties. This is a case where all the thousands of articles in the dutiable paragraphs are to become by operation of express provision of law subject to the additional duty of 25 per cent ad valorem on such articles on the date prescribed in the proposed amendment, which is to constitute section 2 of the proposed act.

These rates are to go into effect and remain in effect as to all countries and until the President shall be satisfied as to a long series of things, each one important, touching the duties, bounties, and trade regulations, charges, and other things relating to foreign trade in force under the law of any foreign government, and then shall become satisfied that by none of these things does such government discriminate against the "United States or any product thereof;" and then shall become satisfied that such government does not unduly discriminate in any of the respects named against our products "in view of the character of the concessions granted in the minimum tariff of the United States." Then these compound rates will still be the general tariff of the United States until the President issues his proclamation putting in operation the minimum tariff as to the products from that country. So the President must proceed to investigate as to all things connected with the foreign trade relations of each foreign government, and until he shall have so investigated and satisfied himself as to all the conditions and requirements set forth in this amendment the rates we have adopted here in the past few weeks can not be and will not be the general, uniform, and prevailing rates at the ports of the United States.

The President may issue from time to time his proclamation as he becomes satisfied as to the things named in the statute. What I regard as a physically impossible task, in the process of becoming satisfied, is assigned to him. We have spent months on this bill. To this hour, with the exception of one or two articles, no Senator can state definitely the difference in the cost of these dutiable articles at home and abroad. There is exhibited a vast difference of opinion by Senators equally candid and well disposed to legislate in the light of the actual facts. As I have had occasion to observe before, their views are still so far apart as to hardly conflict. Yet on the President is imposed the task of understanding the intricacies and details not only of our own tariff, but of mastering the tariffs, export bounties, trade regulations, charges, and other details connected with the foreign-trade regulations of every other government on earth, whose people have, or seek, trade relations with the people of the United States.

Make no mistake about it. The words "in view of the character of the concessions granted by the minimum tariff of the United States" mean something. They are words of legal significance, or should not have been employed. They will be read with emphasis in the contests this amendment will bring on. They will be quoted as of persuasive, if not conclusive, force, when the beneficiaries of the additional 25 per cent go before the Department of State claiming the benefit of the "general tariff of the United States."

Every duty imposed on the President is imposed in view of the character of these concessions. The rates we have been adopting are by this amendment construed as concessions. Concessions to what? To the trade of foreign countries. If words are to be given their natural meaning, then these concessions must be regarded as raising obligations which must be met and canceled by foreign governments by concessions which shall be "reciprocal and equivalent."

Of course however plain or obscure may be the language of this amendment, it is easy to see how it may strike different Senators differently. Those who cherish the doctrine of riches by statute and prosperity by taxation may regard this 25 per cent additional duty as a fortunate thing. To those who failed to secure all they wanted in section 1, this increase in section 2 may come as a welcome boon. Certain it is that the effort to remit these duties as to any country will not be an ex parte proceeding, so far as its interested beneficiaries are concerned. In the act of 1897 the additional 20 per cent ad valorem on a limited number of articles was regarded as trading stock wherewith to negotiate treaties by which to annex trade. It was so regarded when it was placed there.

Mr. ALDRICH. Mr. President——

The VICE-PRESIDENT. Does the Senator from Indiana yield to the Senator from Rhode Island?

Mr. SHIVELY. I do.

Mr. ALDRICH. I suppose the Senator from Indiana refers to the act of 1897?

Mr. SHIVELY. I do.

Mr. ALDRICH. Not to the act of 1890?

Mr. SHIVELY. The act of 1897.

Mr. ALDRICH. The Senator is entirely mistaken if he supposes that any such idea as that has been conceded by anyone. Statements of that kind have, of course, been made, but they have always been denied.

Mr. SHIVELY. What was it placed there for?

Mr. ALDRICH. What was what placed there for?

Mr. SHIVELY. The additional duty of 20 per cent on certain articles.

Mr. ALDRICH. There was no additional duty of 20 per cent placed anywhere. The Senator is mistaken as to his facts.

Mr. SHIVELY. Is it assumed by the Senator that those trade treaties that were negotiated with foreign governments and defeated by the Senate committee, had no relation to the act of 1897?

Mr. ALDRICH. That is not what the Senator was discussing, as I understood him.

Mr. SHIVELY. What I am discussing is this, if the Senator from Rhode Island pleases: I am showing what the difficulties are that will confront the President of the United States when he comes to the question of remitting these duties and putting in effect the minimum rates. I was about to point to the fact that after the act of 1897 went upon the statute books, President McKinley, at first, and afterwards President Roosevelt, did negotiate a long series of treaties. Those treaties were sent to the Senate. They were referred to the proper committee. I am informed that the Senator from Rhode Island, and I do not know what other Senators, appeared before that committee and opposed favorable report upon those treaties. This 20 per cent ad valorem was talked about and considered to be trading capital on which to negotiate treaties with foreign countries; yet, as a matter of fact, every treaty negotiated in pursuance of the act of 1897, except that with Cuba, was relegated to the limbo of forgotten dreams by the Committee on Foreign Relations, and this on the advice and counsel of the Senator from Rhode Island.

Mr. ALDRICH. Mr. President, the only thing I was finding fault about was the Senator's statement that an additional duty of 20 per cent was imposed upon articles in the act of 1897 for the purpose of trading. That is not true. There was a provision in that act which allowed the President to negotiate treaties within certain limits, and certain treaties were negotiated, but were never acted upon by the Senate. I think the action or nonaction of the Senate in that particular was extremely wise, and I think if the Senator from Indiana had then been a Member of this body, he would never have voted for the confirmation or ratification of any one of them. They were practically rejected by unanimous consent.

Mr. CULBERSON. Mr. President——

The VICE-PRESIDENT. Will the Senator from Indiana yield to the Senator from Texas?

Mr. SHIVELY. Certainly.

Mr. CULBERSON. I desire to call the attention of the Senator from Indiana to the fact that the Senator from Mississippi [Mr. MONEY] this morning stated in this Chamber that the rates in the Dingley Act had been fixed 20 per cent higher than would otherwise have been the case, for the purpose of effecting trade relations with certain foreign countries. And if the Senator will permit me to make another statement, I will add that that statement was not contradicted when made by the Senator from Mississippi this morning.

Mr. ALDRICH. Mr. President, will the Senator allow me to interrupt him there?

The VICE-PRESIDENT. Does the Senator yield?

Mr. CULBERSON. I do.

Mr. ALDRICH. Does the Senator think every uncontradicted statement that is made in the Senate must be taken as true? I think not. I certainly, as one member of the committee, can not spend all of my time in undertaking to contradict the statements that are made upon the other side.

Mr. CULBERSON. The Senator from Mississippi had, as I understood, special information on the subject; and his statement went without contradiction.

Mr. ALDRICH. I should certainly have contradicted it.

Mr. CULBERSON. I should like to call attention to a further fact, if the Senator will permit me. It is this: I have seen it stated in the public prints, and I have heard it said by Senators on this floor, that the Senator from Iowa [Mr. DOLLIVER], who was a member of the Committee on Ways and Means of the House of Representatives when the Dingley Act was passed, stated, and read a letter from Governor Dingley to that effect, that the rates had been placed higher than would otherwise have been done, for the purpose of negotiating trade agreements with other countries. Of course I do not know whether the Senator from Iowa made that statement or not.

Mr. DOLLIVER. Mr. President——

The VICE-PRESIDENT. Does the Senator yield?

Mr. CULBERSON. I yield.

Mr. DOLLIVER. Whatever statements I made about that are of record. I stated that in a particular case, the case of the sugar duties, an effort was made to leave, between the duty fixed and what was regarded as a fair protection, room for the exercise of the powers of the Government in the negotiation of reciprocity treaties. I did not say, although I got universal credit for saying, that all the duties were fixed with a view to these reciprocal reductions.

Mr. ALDRICH. Mr. President, it is undoubtedly true that the duties upon certain articles were made higher than they would have been made, perhaps, if it had not been for the provision with reference to reciprocity treaties.

Mr. SHIVELY. Why, certainly; that is what I was contending.

Mr. ALDRICH. But, as the Senator from Iowa knows, and as I know, that was not a general provision. There was no such general increase as that. Certain articles were made subject to a reduction in duty, subject to certain agreements. It is possible that Governor Dingley and his associates may have made some of the duties higher than they would have made them if these agreements had not been put in operation. But the Senator from Iowa knows as well as I do that there was no general provision for increasing the rates of duties and making them higher than they should have been for the purpose of taking them down again.

Mr. DOLLIVER. Mr. President——

Mr. McLAURIN. Mr. President——

The VICE-PRESIDENT. To whom does the Senator yield?

Mr. SHIVELY. As the Senator from Iowa was speaking a moment ago, I again yield to him.

Mr. DOLLIVER. I simply desire to say a word. I have had a good deal of trouble in the last twelve years in explaining a controversy which arose in the Senate shortly after I came into this body in respect to that matter. It would not be true to say that the entire Dingley schedules were arranged, either by Governor Dingley's committee or by the committee here, with a view to making them unnecessarily high. It is true that certain duties were left high with a view to a certain elasticity for these reciprocity treaties. But there is one thing about the situation that has always interested me:

I was a member of the subcommittee of the Ways and Means Committee of the House dealing with the subject of reciprocity; and in view of the fact that the most important commercial country of the Old World already dealt with the United States, not only on fair terms but on absolutely free terms, we found it practically impossible in the House of Representatives to devise an effective working scheme of reciprocity. So it was left to the larger experience and wisdom of the Senate. I believe the Senate failed to devise any scheme of reciprocity, and it was left to the still larger and more efficient wisdom of the conference committee.

If I am not mistaken, out of the conference committee came section 4 of the Dingley law, a section which means nothing unless the fact is recognized that there was room below the level of the Dingley duties for reciprocal arrangements intended to stimulate our commercial interests; for that section provided that the President might negotiate treaties of reciprocity involving a maximum reduction of 20 per cent in the rates of duty provided throughout all the schedules of the Dingley law. And it is within my personal knowledge that the late President of the United States, in the closing years of his life, had an ambition, as broad and as generous as the Nation itself, to use the power thus conferred upon him to enlarge the outposts of American commerce without in any serious way disturbing the protective efficiency of the act of 1897.

Mr. McLAURIN. Mr. President——

The VICE-PRESIDENT. Does the Senator from Indiana yield to the Senator from Mississippi?

Mr. SHIVELY. Certainly.

Mr. McLAURIN. Lest the apparent silence of my colleague [Mr. MONEY] may not be understood while this colloquy is proceeding, I will state that he has left the Chamber because of the condition of his health. I wish to state further that no Senator in this body is more familiar than my colleague with the tariff legislation of the last generation, and no Senator is more accurate in stating the tariff proceedings.

Mr. SHIVELY. Precisely the situation under the act of 1897, for which I have contended, has been substantially shown by the Senator from Iowa, and in substance now admitted by the chairman of the Committee on Finance. Suffice it to say that under the act of 1897 there was room made and material provided for the negotiation of trade treaties with other countries, resulting in a relaxation or remission of a part of the duties collected at the custom-houses of the United States on products coming from those countries. The point I reenforce is that the matter of remitting "the general tariff of the United States" in the future is not to be an easy one.

The amendment can not mean that the President will go at this maximum tariff with an ax and cut it down to the minimum rate without relation to the facts. It prescribes a long series of things about which he must first be satisfied and about which he can not be satisfied without the most careful and elaborate investigation into a large variety of subjects connected with our foreign trade relations and with the customs duties and export bounties of each foreign country. And when the time arrives for the President to begin that investigation, do you think he will not be beset right and left by all sorts of importunity not to disturb the rates which have been so carefully called "the general tariff of the United States"—not to disturb a tariff made up of what the act so carefully defines as "the general tariff of the United States?" On the other hand, you may expect, and reasonably expect, that the domestic beneficiaries of this additional 25 per cent will exhaust every expedient to make their case before the Department of State. Not only will they there present and press reasons why their own interests need this additional protection, but they will be alert to dig up anything that they can claim as constituting an undue discrimination in some trade regulation, in some import tax, or in some export bounty on the part of the government of the foreign country.

The situation will present a much wider opportunity for the presentation of objections in that tribunal than in this, as by the statute our action would then be determined by the attitude and action of foreign governments. Whether these combined rates shall continue to be the general tariff will depend on the interests, whims, and caprices of foreign governments—not on the fiscal necessities of our own. If foreign governments see fit to institute or maintain what we may regard as undue discriminations, then we will reciprocate by continuing to authorize and facilitate the plunder of the American people by artificial domestic prices written up under prohibitive duties. The minimum rates in the bill should be the general rates. These rates are too hgh without adding to them and then making ultimate rates depend on the acts of foreign governments and a hopeless task by the President if performed in the spirit and according to the letter of this amendment.

I am not now questioning our constitutional right to delegate this power to the President. If this amendment is adopted, the minimum rates will be perfunctorily put in force without regard to what the amendment requires, or the constitutional question is bound to be raised in another tribunal. What I point out to-day are the practical difficulties in the way of making the minimum tariff the prevailing tariff, and that the very forces behind this bill will insist on what the bill pronounces "the general tariff of the United States" shall remain the "general tariff of the United States." I insist that if this amendment is adopted it must be adopted with the plain understanding that the rates prescribed in it will, after March 31, 1910, be the prevailing tariff of the United States; that as such it will go into effect and remain in effect until a practically impossible function can be performed by the President, according to its terms; that it is to be the real and substantial tariff; that it does not involve treaty making with foreign governments, but the chosen tariff rates of the United States; and that it does not involve an increased duty on this article or that, or against this country or

that, but sweeps the whole dutiable schedules and adds 25 per cent to every rate prescribed in every paragraph of section 1 of this bill.

As to the provision authorizing the appointment of persons to assist in executing the purpose of this amendment, I am not deeply concerned. I regard the whole of the proposed section 2 as foolish legislation, as mischievous legislation, as vicious legislation, as legislation conceived in wrong principles and unworthy to go on our statute books. But the President will act, if he acts at all, on the information that may be assembled as to the duties, bounties, trade regulations, and commerce provisions and charges of all foreign countries. These presidential acts involve an execution of the commerce power and taxing power of this Government, and may involve legislative power on these subjects. The men who assemble and lay before the President the information on which the President is to act in these important subjects should be men of both character and ability. In our scheme of government it was deemed proper by its makers to require the chief advisers of the President to be appointed with due formality and confirmed by the Senate.

But my real objection goes to the whole section. We should make the tariff law here and now so that when it is approved by the President every business man, every citizen of whatever occupation, may know just what rates will prevail this year, next year, and all the years in which this act shall be on the statute book. Here is a proposed act under which, until the President issues proclamation after proclamation, no man can know what the tariff will be one year hence, and not even after the proclamation is issued, as the amendment makes it the President's duty in case any discrimination is made by a foreign government after the minimum duty has been put into effect to issue a new proclamation restoring the maximum rate. So we transfer the contest for preferences under the taxing power to the Department of State and precipitate uncertainty over the industrial interests of the United States as to what the tariff is to be as to all articles in our dutiable schedules.

The PRESIDING OFFICER (Mr. CARTER in the chair). The question is on agreeing to the amendment proposed by the Senator from Texas [Mr. CULBERSON] to the amendment.

Mr. BACON. Mr. President, I was temporarily out of the Chamber, and I do not know what was the exact statement made by the Senator from Rhode Island with reference to the cause of the failure to ratify the reciprocity treaties which were negotiated through Mr. Kasson. I understand the Senator did make a statement in regard to it this morning. Am I correct?

Mr. ALDRICH. I said that they were not ratified, and that I thought it was pretty nearly by unanimous consent that they were not ratified. I certainly would not include the Senator from Georgia in that statement.

Mr. BACON. I understand——

Mr. ALDRICH. They were not reported from the committee, I think.

Mr. CULLOM. The treaties referred to were reported from the Committee on Foreign Relations.

Mr. BACON. They were reported.

Mr. CULLOM. And they died in the Senate, as a matter of fact.

Mr. BACON. That is the statement which I heard at second hand and which I wished to correct.

Mr. ALDRICH. The Senator, I suppose, will agree to the statement that they were not ratified.

Mr. BACON. I will agree to that, and I want to say something about their not being ratified.

Mr. ALDRICH. I do not know that I can prevent the Senator from making a statement about it.

Mr. BACON. The Senator has made a statement, and I wish to make a counter statement.

Mr. ALDRICH. I hope the Senator does not intend to go into a discussion of those treaties.

Mr. BACON. No further than the Senator has gone. I understand that from the Senator's own statement the impression was sought to be produced by the Senator that the rejection of those treaties was due to a general opposition to them. I think the injunction of secrecy has been removed from the whole thing. I was a member of the Foreign Relations Committee, then, as I am now. I can state that those treaties were reported to the Senate by the unanimous vote of that committee, after the most careful, laborious, long-continued, and painstaking examination, with Mr. Kasson coming before the committee and explaining the treaties item by item, and detail by detail, and every member of that committee within the sound of my voice, who was then a member of it, will substantiate what I say in regard to it. Those treaties were reported unanimously to the Senate by the committee.

I will say further that from my familiarity with the subject, although it is true it has been ten years ago, from the deep interest which I myself felt in it, and from the conferences which I had with Senators who were then in this Chamber, I believe that a very large majority of the Senators favored the ratification of those treaties. I think I am safely within the bounds of accuracy when I say that the defeat of those treaties was due solely to the determined opposition of the Senator from Rhode Island and other Senators from his section, who thought that certain industries in their section might, in case the treaties were ratified, receive a greater competition from French and other importations than they received in the absence of those treaties.

Mr. ALDRICH. Mr. President——

The PRESIDING OFFICER. Does the Senator from Georgia yield to the Senator from Rhode Island?

Mr. BACON. I do.

Mr. ALDRICH. I do not object to the Senator making a statement about his own opinion and his own position, but I object decidedly to the Senator making a statement about what my position was and why it was taken.

Mr. BACON. The Senator will not dispute the fact that he was in very determined opposition to those treaties, and the French treaty in particular.

Mr. ALDRICH. I was in opposition to the ratification of those treaties, and the Senate was in opposition to the ratification of those treaties.

Mr. BACON. I quite differ with the Senator as to the latter statement.

Mr. ALDRICH. The record happens to be in my favor.

Mr. BACON. The record is not. I beg the Senator's pardon for speaking in what may appear to be a peremptory manner, but there was no record. They were never permitted to come to a vote, and everybody knows by what means that vote could be prevented under the methods and rules of the Senate. Not a single one of those treaties was ever permitted to come to a vote, and the influences which prevented their ever coming to a vote are the influences which I have indicated.

Mr. ALDRICH. Mr. President, as long as we are discussing this matter, which is, I think, more or less out of order, the chairman of the Committee on Foreign Relations and all the members of the committee, possibly except the Senator from Georgia, were satisfied that those treaties could not be ratified, and they did not try to bring them before the Senate for ratification.

Mr. BACON. That is an absolutely incorrect statement.

Mr. CULLOM rose.

Mr. ALDRICH. The Senator from Illinois knows.

Mr. BACON. If the Senator from Illinois will permit me a moment, I wish to reply to the Senator from Rhode Island. I will then yield with pleasure to the honorable chairman of the committee, who was then a member of the committee, but Mr. Davis, of Minnesota, was chairman of it at that time. The treaties were brought before the Senate repeatedly and urged with the utmost earnestness and vigor by the committee, and I am sure that every member of that committee will bear me out in that statement.

Mr. CULLOM. Mr. President——

Mr. BACON. I yield to the Senator with pleasure.

Mr. CULLOM. I think the Senator from Georgia is mistaken as to the party who reported the treaty. I think the investigation was largely made after I became chairman of the committee.

Mr. BACON. That is possibly true. Senator Davis was chairman during certainly a portion of the time.

Mr. CULLOM. I made the report of substantially all the treaties to the Senate favorably.

Mr. BACON. Then I to that extent——

Mr. CULLOM. But they never were taken up. I know what controlled my action. I investigated very carefully the question whether we could get a two-thirds vote in favor of the ratification of the treaties, and I came to the conclusion that it would be impossible to do so, and I never brought them to a vote at all.

Mr. BACON. They were not brought to a vote, but they were repeatedly before the Senate for discussion. I know the Senator from Mississippi [Mr. MONEY] and myself were particularly interested in the French treaty on account of the influence that it had over the question of cotton-seed oil, where there was great danger that the French Government would discriminate against us by putting it on their maximum tariff rate; and we pressed it in season and out of season before the Senate time and time again, debating it earnestly and repeatedly in the executive sessions, and each time, I repeat, the Senator from Rhode Island was the principal influence which prevented its coming to a vote.

Mr. CULLOM. There was discussion——

Mr. ALDRICH. Mr. President, I rise to a question of order. Of course I do not object to any personal allusion to myself, but it is clearly out of order to discuss what took place in executive session a few years ago upon a matter which was clearly of an executive character.

Mr. BACON. The Senator himself brought it up. He himself introduced it, and, from my standpoint, he did not correctly represent the action of the Senate. Are we to sit still when he himself introduces a subject and says what was the attitude of the Senate? Are we to be then debarred from replying?

Mr. ALDRICH. I am sure the Senator, when he thinks this matter over, will be satisfied that it is not proper to discuss what took place in executive session in reference to the treaty. I simply said myself that the treaties were not ratified, and I expressed the opinion that they were not ratified because the Senate, I thought, by a large majority was opposed to them.

Mr. BACON. Mr. President——

Mr. ALDRICH. I did not undertake to——

Mr. BACON. Are we to be left in the position of accepting such a statement as that, when we are satisfied it is not a correct statement?

Mr. ALDRICH. It is not necessary for——

Mr. BACON. Pardon me——

Mr. ALDRICH. It is not necessary to go into what took place in executive session for the purpose of denying the statement. I made no statement about what took place in executive session, and I do not raise the point now for the purpose of getting up a controversy about it; but I think the Senator from Georgia himself, when he stops to think about it, will not think it a proper subject of discussion.

Mr. BACON. I might have thought so if the Senator had not introduced it, but when the Senator introduces it and makes a statement which is not in accordance with my understanding of the facts, and my very clear and distinct recollection of the facts, certainly I am in a position not to be criticised if I reply to it.

I want to say, further, about the matter of the executive session——

Mr. WARREN. Mr. President——

Mr. BACON. I will yield to the Senator.

Mr. WARREN. Observing what the Senator has said as to those who opposed those treaties, I have never discussed any one of them with the Senator from Rhode Island; I never exchanged a word with him about them, but I have always been opposed to them. Whatever little influence I had with my fellow-members has been exerted against them. I know there were a great many others who felt the same way I did, who live far away from where the Senator from Rhode Island lives, who, for reasons of their own, which may or may not be the same, opposed those treaties.

Mr. BACON. I do not dispute that at all; but that does not account for a majority of the Senate.

The PRESIDING OFFICER. On the point of order presented by the Senator from Rhode Island, the Chair will state that it is obviously improper to discuss in open session matters that relate to a subject of discussion in executive session; but the Chair is powerless in the matter.

Mr. BACON. I did not understand that any point of order had been raised. The Senator certainly presented no point of order within my hearing or submitted it to the Chair, although he made a suggestion to that effect.

The PRESIDING OFFICER. The Chair understood the Senator from Rhode Island to raise a question of order.

Mr. BACON. I beg pardon; I did not hear it.

Mr. ALDRICH. I will not press it. I think the Senator's own sense of propriety——

Mr. BACON. I want to say, further, as to a matter which is not an executive-session matter, that the propriety of reopening those negotiations was subsequently a matter under careful consideration before the Foreign Relations Committee. That was not executive work. We had most elaborate hearings from experts of the Treasury to show the great advantage there would be in the renewal of these negotiations, and their testimony is in print. The Senator from Rhode Island himself came before the committee at that time to take issue with the experts, and to prevent, so far as his great influence and power could be exerted, the reopening of those negotiations, especially with France, and to prevent any reciprocity treaty with that country.

Mr. ALDRICH. Mr. President, there is no reason for any secrecy, so far as my attitude toward those treaties is concerned. I was opposed to them, not because the people of my section of the country, as the Senator suggested, had any interest in it whatever. There was no article involved in the French treaty that affected the people of Rhode Island or the people in the section of the country in which I live.

I opposed all those treaties because I believed that they should not be ratified, and there is no one act of my public service that has given me such satisfaction as that one act. I believe that the ratification of those treaties would have been detrimental to the interests of the people of the United States. I did not hesitate to say so then, and I do not hesitate to say so now. It is not necessary for me to go into the reasons for that, because it is not before the Senate nor pertinent to this inquiry.

The French treaty was only one of a series of treaties which were negotiated. Those treaties, in my judgment, sacrificed every interest of the people of the United States, and they should not and would not, in my judgment, have been ratified by any patriotic Senator.

Mr. BACON. Mr. President, I suppose if the Senator has violated his own suggested point of order, I may be permitted to pursue it without any additional criticism. I have no doubt in the world the Senator is entirely correct in stating that the defeat of those treaties was a matter of very great personal gratification to him. But, Mr. President, I must be pardoned for saying that that gratification on the part of the learned and distinguished Senator is not due to the fact that it would sacrifice the interests of the people of the United States, speaking generally, but because it would, to a certain extent, rob the industries of his particular locality of the opportunity to continue their large profits in certain lines of manufacture.

Mr. ALDRICH. Mr. President, I object to that.

Mr. BACON. Well——

Mr. ALDRICH. I object to that. I do not want to raise points of order upon the Senator, but I say that the statement which he is now making is as far removed from the truth as it is possible to be. There were no interests of the section that I represent involved in any one of those treaties. I said that once in the hearing of the Senator, unless I did not speak loud enough to reach across the aisle. I repeat it——

Mr. BACON. I understood——

Mr. ALDRICH. I repeat: There was not one interest of the section I represent that was involved in these treaties, and my action was entirely upon the general proposition of the public interests of the United States.

Mr. BACON. The treaties are certainly not secret, and certainly there is no impropriety in my stating what was in the treaty.

Mr. ALDRICH. I object to the Senator ascribing to me a motive for opposing them because there were some particular interests in the section in which I live affected by them.

Mr. BACON. Very well; possibly the Senator's criticism is correct——

Mr. ALDRICH. I think it is correct.

Mr. BACON. In the precise manner in which I stated it. Consequently, so far as ascribing a motive to the Senator, I will modify it. I will state that whether the Senator was alive to those particular interests or not, I do recall the fact that there were in those treaties certain provisions with reference to cheap jewelry, and certain high-class cotton manufactures of lace and other high-class goods of French production which were involved in those treaties, and which competed strongly with New England manufactures of the same kind; and although the Senator himself may not have had any influence exerted over his mind by that fact in the opposition which resulted from him, the fact existed. Now, I will not say the Senator was influenced by the fact, but the fact was—as anybody who will get the treaties, which have been made public, and examine them will find—that those two classes of goods were very largely involved in the treaty.

Mr. ALDRICH. Of the two items mentioned by the Senator from Georgia there was nothing that affected any of my constituents or any interests in the neighborhood of where I live.

Mr. CULLOM and others. Regular order!

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Texas [Mr. CULBERSON] to the amendment proposed by the Senator from Rhode Island [Mr. ALDRICH].

Mr. CULBERSON. I understand that the yeas and nays have been ordered.

The PRESIDING OFFICER. The yeas and nays have been ordered. The Secretary will call the roll.

The Secretary proceeded to call the roll.

Mr. BANKHEAD (when his name was called). I am paired with the junior Senator from Illinois [Mr. LORIMER]. If he were present I should vote "yea." I make the announcement for the balance of the day.

Mr. CHAMBERLAIN (when his name was called). I am paired with the junior Senator from Pennsylvania [Mr. OLIVER]. If he were present I should vote "yea."

Mr. DILLINGHAM (when his name was called). I have a general pair with the senior Senator from South Carolina [Mr. TILLMAN], who is absent. I transfer that pair to the junior Senator from Wisconsin [Mr. STEPHENSON] and vote. I vote "nay."

Mr. JOHNSTON of Alabama (when his name was called). I am paired for the day with the junior Senator from Massachusetts [Mr. CRANE]. If he were present, I should vote "yea."

Mr. McCUMBER (when his name was called). I have a general pair with the junior Senator from Louisiana [Mr. FOSTER]. I transfer that pair to the senior Senator from Washington [Mr. PILES] and vote "nay."

Mr. McLAURIN (when his name was called). I am paired with the junior Senator from Michigan [Mr. SMITH]. If he were present, I should vote "yea."

Mr. PERKINS (when his name was called). I have a general pair with the junior Senator from North Carolina [Mr. OVERMAN]. He is unavoidably absent, and I withhold my vote.

Mr. WARREN (when his name was called). I am paired with the senior Senator from Mississippi [Mr. MONEY]. I will transfer that pair so that the senior Senator from Mississippi will stand paired with the Senator from Indiana [Mr. BEVERIDGE], and I will vote. I vote "nay."

The roll call was concluded.

Mr. JONES. I am paired with the junior Senator from South Carolina [Mr. SMITH]. I transfer that pair to the Senator from Connecticut [Mr. BULKELEY] and vote "nay."

Mr. KEAN. The senior Senator from Massachusetts [Mr. LODGE] is necessarily absent. He is paired with the Senator from Georgia [Mr. CLAY]. The senior Senator from Massachusetts would vote "nay," if present.

Mr. SCOTT. My colleague [Mr. ELKINS] was unavoidably called out of the city. He is paired with the Senator from Texas [Mr. BAILEY]. If my colleague were here, he would vote "nay."

Mr. CURTIS. The Senator from Colorado [Mr. GUGGENHEIM] is paired with the Senator from Kentucky [Mr. PAYNTER]; the Senator from Maine [Mr. HALE] is paired with the Senator from Maryland [Mr. RAYNER]; the Senator from Delaware [Mr. RICHARDSON] is paired with the Senator from Arkansas [Mr. CLARKE]; and the Senator from Missouri [Mr. WARNER] is paired with the Senator from Maryland [Mr. SMITH].

The result was announced—yeas 17, nays 43, as follows:

YEAS—17.

Bacon	Frazier	Newlands	Taliaferro
Culberson	Gore	Owen	Taylor
Daniel	Hughes	Shively	
Davis	La Follette	Simmons	
Fletcher	Martin	Stone	

NAYS—43.

Aldrich	Burton	Dolliver	Nelson
Borah	Carter	du Pont	Nixon
Bourne.	Clapp	Flint	Page
Bradley	Clark, Wyo.	Frye	Penrose
Brandegee	Crawford	Gallinger	Root
Briggs	Cullom	Gamble	Scott
Bristow	Cummins	Heyburn	Smoot
Brown	Curtis	Johnson, N. Dak.	Sutherland
Burkett	Depew	Jones	Warren
Burnham	Dick	Kean	Wetmore
Burrows	Dillingham	McCumber	

NOT VOTING—32.

Bailey	Dixon	McEnery	Rayner
Bankhead	Elkins	McLaurin	Richardson
Beveridge	Foster	Money	Smith, Md.
Bulkeley	Guggenheim	Oliver	Smith, Mich.
Chamberlain	Hale	Overman	Smith, S. C.
Clarke, Ark.	Johnston, Ala.	Paynter	Stephenson
Clay	Lodge	Perkins	Tillman
Crane	Lorimer	Piles	Warner

So Mr. CULBERSON'S amendment to the amendment was rejected.

Mr. GORE. Mr. President, I desire to offer section 4 of the Dingley Act as a substitute for section 2 of the pending proposition.

The PRESIDING OFFICER. The amendment proposed by the Senator from Oklahoma will be stated.

The SECRETARY. It is proposed to insert as a substitute for section 2 the following:

SEC. 4. That whenever the President of the United States, by and with the advice and consent of the Senate, with a view to secure reciprocal trade with foreign countries, shall, within the period of two years from and after the passage of this act, enter into commercial treaty or treaties with any other country or countries concerning the admission into any such country or countries of the goods, wares, and merchandise of the United States and their use and disposition therein, deemed to be for the interests of the United States, and in such treaty or treaties, in consideration of the advantages accruing to the United States therefrom, shall provide for the reduction during a specified period, not exceeding five years, of the duties imposed by this act, to the extent of not more than 20 per cent thereof, upon such goods, wares, or merchandise as may be designated therein of the country or countries with which such treaty or treaties shall be made as in this section provided for; or shall provide for the transfer during such period from the dutiable list of this act to the free list thereof of such goods, wares, and merchandise, being the natural products of such foreign country or countries and not of the United States; or shall provide for the retention upon the free list of this act during a specified period, not exceeding five years, of such goods, wares, and merchandise now included in said free list as may be designated therein; and when any such treaty shall have been duly ratified by the Senate and approved by Congress, and public proclamation made accordingly, then and thereafter the duties which shall be collected by the United States upon any of the designated goods, wares, and merchandise from the foreign country with which such treaty has been made shall, during the period provided for, be the duties specified and provided for in such treaty, and none other.

Mr. GORE. Mr. President, I wish to say that the amendment which I have offered may not exactly embody my own views either on tariff revision or tariff reform; it may not embody the Democratic view, either, of tariff reform or tariff revision; but I submit it as being an alternative, infinitely better than the maximum provisions of the pending bill. I offer this amendment because it looks toward peace instead of war; I offer it because it looks toward revision downward instead of toward revision upward. I regard the pending maximum clause as a veritable Pandora's box of evil. It has absolutely no virtue excepting this: It is a legislative steel trap, and whenever it springs it will catch the men who set it.

Mr. President, the amendment which I have offered is taken from the Dingley Act. It bears the seal and sanction of the Republican party; it passed a Republican Senate; it passed a Republican House of Representatives; it received the approval of a Republican President. Mr. McKinley attached his signature to that measure and gave it the authority of his great influence and of his approval.

No one can charge Mr. McKinley with disloyalty toward the protective system, and I was not a little surprised to hear the Senator from Rhode Island [Mr. ALDRICH] impeach the late and lamented McKinley here upon the floor of the Senate. Not only did Mr. McKinley approve this measure as President, but he undertook to execute its reciprocity provisions in a spirit of justice and liberality. The Senator from Rhode Island stated a moment ago that those treaties could not have been ratified by a patriotic Senate, and we are driven to infer that he also believed they could not have been submitted by a patriotic President.

I must interpose my protest against an impeachment of that sort against a President who has gone to his last account and should not now be arraigned at the bar of this Senate. A number of treaties were negotiated in pursuance of this provision of the Dingley Act. They were submitted by President McKinley to the Senate of the United States; and here they slept the sleep that knows no waking; here in this death chamber of everything that breathes the spirit of liberality, reciprocity, or reform.

Mr. President, the last words of President McKinley's last speech declared that the age of trade wars was over, and that the age of peace and reciprocity had come. The light of another world was then breaking in his face; but, sir, he either misjudged the age or he misjudged his party. The Democracy prefers to follow the leadership of the martyred McKinley rather than to follow the leadership of the living chairman of the Finance Committee.

The Democracy believes that the age of trade wars ought to have passed, and that the age of peace and reciprocity ought to have come. In furtherance of that spirit and in observance of the principle and policy enunciated by Mr. McKinley, I have submitted this amendment, which bears the sovereign seal of the Republican party.

I ask leave to have inserted in the RECORD as part of my remarks an extract from the last address of President McKinley, to which I have referred.

The PRESIDING OFFICER. In the absence of objection, permission is granted.

The extract referred to is as follows:

By sensible trade arrangements, which will not interrupt our home production, we shall extend the outlets for our increasing surplus. A system which provides a mutual exchange of commodities is manifestly essential to the continued and healthful growth of our export trade. We must not repose in fancied security that we can forever sell everything and buy little or nothing. If such a thing were possible, it would not be best for us or for those with whom we deal. We should take from our customers such of their products as we can use without harm to our industries and labor. Reciprocity is the natural outgrowth of our wonderful industrial development under the domestic policy now firmly established.

What we produce beyond our domestic consumption must have a vent abroad. The excess must be relieved through a foreign outlet, and we should sell everywhere we can and buy wherever the buying will enlarge our sales and productions, and thereby make a greater demand for home labor.

The period of exclusiveness is past. The expansion of our trade and commerce is the pressing problem. Commercial wars are unprofitable. A policy of good will and friendly trade relations will

prevent reprisals. Reciprocity treaties are in harmony with the spirit of the times; measures of retaliation are not.

If perchance some of our tariffs are no longer needed for revenue or to encourage and protect our industries at home, why should they not be employed to extend and promote our markets abroad?

Mr. GORE. I ask for the yeas and nays on the amendment I have offered.

The PRESIDING OFFICER. The question is on the amendment proposed by the Senator from Oklahoma [Mr. GORE], on which question he demands the yeas and nays.

The yeas and nays were ordered, and the Secretary proceeded to call the roll.

Mr. CHAMBERLAIN (when his name was called). I am paired with the junior Senator from Pennsylvania [Mr. OLIVER]. If he were present, I should vote "yea."

Mr. JOHNSTON of Alabama (when his name was called). I again announce my pair with the junior Senator from Massachusetts [Mr. CRANE]. If he were present, I should vote "yea."

Mr. JONES (when his name was called). I transfer my pair with the junior Senator from South Carolina [Mr. SMITH] to the senior Senator from Connecticut [Mr. BULKELEY] and vote. I vote "nay."

Mr. McCUMBER (when his name was called). I again announce my pair with the junior Senator from Louisiana [Mr. FOSTER]. I transfer that pair to the senior Senator from Washington [Mr. PILES] and vote. I vote "nay."

Mr. McLAURIN (when his name was called). I am paired with the junior Senator from Michigan [Mr. SMITH]. If he were present, I should vote "yea."

Mr. PERKINS (when his name was called). I again announce my pair with the junior Senator from North Carolina [Mr. OVERMAN].

Mr. TAYLOR (when his name was called). I am paired with the junior Senator from Connecticut [Mr. BRANDEGEE]. If he were present, I should vote "yea."

Mr. WARREN (when his name was called). I transfer my pair with the Senator from Mississippi [Mr. MONEY] to the Senator from Indiana [Mr. BEVERIDGE] and shall vote. I vote "nay."

The roll call was concluded.

Mr. DILLINGHAM (after voting in the negative). When I voted I was forgetful for the moment that I was paired with the senior Senator from South Carolina [Mr. TILLMAN], who is absent. I transfer that pair to the junior Senator from Wisconsin [Mr. STEPHENSON], and allow my vote to stand.

Mr. BACON. I desire to announce that my colleague [Mr. CLAY] is absent necessarily at this time, and that he is paired with the senior Senator from Massachusetts [Mr. LODGE]. If my colleague were present, he would vote "yea," and I have no doubt the Senator from Massachusetts would vote "nay."

Mr. CURTIS. I wish to announce that on this vote the Senator from West Virginia [Mr. ELKINS] is paired with the Senator from Texas [Mr. BAILEY]; the Senator from Colorado [Mr. GUGGENHEIM] is paired with the Senator from Kentucky [Mr. PAYNTER]; the Senator from Maine [Mr. HALE] is paired with the Senator from Maryland [Mr. RAYNER]; the Senator from Illinois [Mr. LORIMER] is paired with the Senator from Alabama [Mr. BANKHEAD]; the Senator from Delaware [Mr. RICHARDSON] is paired with the Senator from Arkansas [Mr. CLARKE]; and the Senator from Missouri [Mr. WARNER] is paired with the Senator from Maryland [Mr. SMITH].

Mr. FRYE (after having voted in the negative). I observe that the senior Senator from Virginia [Mr. DANIEL], with whom I am paired, has not voted. Therefore I withdraw my vote.

The result was announced—yeas 16, nays 39, as follows:

YEAS—16.

Bacon	Davis	Hughes	Shively
Bristow	Fletcher	La Follette	Simmons
Clapp	Frazier	Martin	Stone
Culberson	Gore	Owen	Taliaferro

NAYS—39.

Aldrich	Carter	Dolliver	Nixon
Bourne	Clark, Wyo.	du Pont	Page
Bradley	Crawford	Flint	Penrose
Brandegee	Culiom	Gallinger	Root
Briggs	Cummins	Gamble	Scott
Brown	Curtis	Johnson, N. Dak.	Smoot
Burkett	Depew	Jones	Sutherland
Burnham	Dick	Kean	Warren
Burrows	Dillingham	McCumber	Wetmore
Burton	Dixon	Nelson	

NOT VOTING—37.

Bailey	Clarke, Ark.	Frye	Lorimer
Bankhead	Clay	Guggenheim	McEnery
Beveridge	Crane	Hale	McLaurin
Borah	Daniel	Heyburn	Money
Bulkeley	Elkins	Johnston, Ala.	Newlands
Chamberlain	Foster	Lodge	Oliver
Overman	Rayner	Smith, S. C.	Warner
Paynter	Richardson	Stephenson	
Perkins	Smith, Md.	Taylor	
Piles	Smith, Mich.	Tillman	

So Mr. GORE's amendment was rejected.

Mr. GORE. I offer section 4 of the Dingley Act, without asking to have it reread to the Senate, as an additional section to the pending proposition, to be numbered section 2½. I shall not ask for the yeas and nays, as the sense of the Senate has already been evidenced on the vote just taken.

The PRESIDING OFFICER. The amendment which has just been read is now offered by the Senator from Oklahoma as an additional section to the bill. By unanimous consent, the reading will be omitted. The question is on the amendment.

The amendment was rejected.

Mr. DOLLIVER. I offer an amendment to the pending amendment, to come in at the end of line 2, on page 4.

The PRESIDING OFFICER. The amendment will be stated.

The SECRETARY. At the end of line 2, on page 4 of the pending amendment, it is proposed to strike out the remainder of the amendment and insert the following:

A commission is hereby created and established in the Treasury Department, to be known as the "customs commission," to be composed of five commissioners to be appointed by the President, by and with the advice and consent of the Senate. The commissioners first appointed under this act shall continue in office two, three, four, five, and six years, respectively, from the date of their respective appointments, the term of each to be designated by the President, but their successors shall be appointed for terms of six years, except that any person chosen to fill a vacancy shall be appointed only for the unexpired term of the commissioner whom he shall succeed. Any commissioner may be removed by the President for inefficiency, neglect of duty, malfeasance in office, or other sufficient cause. No more than three of the commissioners shall be appointed from the same political party. No person engaged in importing merchandise into the United States and no person engaged in manufactures, or who is in any manner pecuniarily interested therein, shall hold such office. No vacancy in the commission shall impair the right of the remaining commissioners to exercise all the powers of the commission. The salary of such commissioners shall be at the rate of $7,500 per annum. They shall be entitled, in addition, to compensation for actual traveling and other necessary expenses in the discharge of their duties. They shall choose one of their own number to be president of the commission. They shall have power to employ a clerk, a stenographer, and a messenger, and, with the approval of the Secretary of the Treasury, such other clerical assistants as shall be necessary to the performance of their duties, and at such rates of compensation as they may establish, with the approval of the Secretary of the Treasury. Their salaries, expenses, and the compensation of the clerk, stenographer, messenger, and such additional clerical force as may be thus employed shall be paid out of any money in the Treasury not otherwise appropriated, upon the auditing of the same, according to the usual course in the Treasury Department.

That the commission shall establish its permanent office at the city of Washington, where it shall be at all times, in the usual course of business, ready to hear or receive oral or written testimony upon all the specific subjects mentioned in the preceding sections of this act, and generally upon everything relating directly or indirectly to customs duties and revenue.

That it shall be the duty of the said commission to examine into and ascertain the average price of commodities imported into the United States, both at wholesale and retail in the United States, and both in the United States and in the foreign places of production, sale, or shipment for the period of six months preceding and six months following any change in the rate of customs duties imposed upon such commodities, and this inquiry shall be carried back for a period of twenty-five years, and more, if deemed advisable by such commission, and shall extend to all facts relating to demand and supply, domestic and foreign, which tend to influence prices of such commodities, foreign and domestic, and to aid in determining the true effect of the import duty or of the change therein in the several cases, upon domestic and foreign prices, and upon productions of the same or of other commodities, upon revenue, upon immigration, upon profits of capital, rates of wages, and the general welfare. Second, to ascertain the amounts in quantity and value of the importation of the principal commodities during each of said periods of six months preceding and succeeding any such change in customs duties. Third, to ascertain, as far as practicable, the quantity and value of the same or similar commodities produced in the United States during the same respective periods. Fourth, to ascertain whether in any and in what instances the particular rates of customs duties have operated to increase or diminish production in the United States. Fifth, to ascertain in what particulars rates of customs duties, existing from time to time, operate injuriously or favorably to the development and increase of American manufactures and productions, or operate injuriously or favorably to the consumers of such manufactured articles and productions in respect of causing or contributing to the payment of unreasonable prices by consumers, or the removal or reduction of the same. Sixth, to ascertain the effect of the customs duties upon the price of agricultural productions of the country and their sale in the United States markets and their consumption in the United States. Seventh, to ascertain the effect of such customs duties, both actual and relative, in respect of the employment and the payment of remunerative wages, both actual and relative, to labor in the United States, and a comparison of the same with the labor and wages in other countries. Eighth, to consider the effect of customs duties, or the absence of them, upon the agricultural, commercial, manufacturing, mining, and other industrial interests of the people of the United States. Ninth, to ascertain and compare the actual cost and the selling price, both at wholesale and retail, of similar manufactured commodities reduced to American weights, measures, and money in the United States and elsewhere. Tenth, to ascertain the growth and the development of the principal manufacturing industries affected by the tariff schedules in England, France, Germany, Belgium, Japan, and the United States for the last twenty-five years; and to ascertain the relative cost of transportation in those countries and the United States.

That for the purpose of such inquiries and investigations the commission may visit any part of the United States, and, by public notice

or otherwise, invite testimony and information from all persons interested. They may from time to time also delegate one of their number to visit foreign countries to make investigation respecting the labor and industries of those countries whenever such investigation may be necessary to promote the objects of the commission, and they may require information concerning labor and industries of foreign countries from consular or other agents of the United States in those countries, and such agents shall furnish the information so required promptly and without charge.

That the commission shall report its proceedings in respect of the matters hereinbefore in this act mentioned, with the statistics and evidence upon which its report is based, together with recommendations for changes in customs dues which they may deem advisable and necessary, and the ground upon which its conclusions concerning such changes have been reached, to Congress in the month of December in each year. It shall cause the testimony and statistics taken and obtained in respect of the matters in this act mentioned to be printed from time to time and distributed to Members of Congress by the Public Printer, and also shall cause to be printed for the use of Congress 2,000 copies of its annual report, together with statistics and testimony hereinbefore mentioned. It is hereby made the duty of the Public Printer to execute the printing provided for in this act.

Mr. DOLLIVER. Mr. President, I am not so far indifferent either to my own comfort or to the comfort of others as to make the matter which has just been reported at the Secretary's desk a subject for protracted discussion, but I deem it my duty to state briefly what has influenced my own mind in respect to the matter referred to in the amendment which I have offered.

I desire to confess, first of all, that the conclusion which I have reached, I have reached only by overcoming preconceived opinions and very well-settled prejudices. I have seen Congress in at least four general revisions of the tariff laws, but it is no troublesome humiliation for me to admit that I have, until recent years, witnessed those operations mainly as an observer.

I confess it is only in these later years that the extent of the task laid upon Congress in a general revision of the tariff has dawned upon me. I confess, also, that a good many of the illusions of other years have faded away. I used to be able to get along with my own sense of ignorance by indulging the belief that there was somebody who actually understood, exactly as people sometimes treat their theological views, not on any well-defined comprehension of their own, but on their general confidence in the bishops and other clergy.

But I confess that these comfortable illusions of faith in Congress have in these later years been rudely shattered; and I believe I share with everyone who does me the honor to listen to me to-day a dim conviction, at least, that in undertaking in the course of ninety days to deal with the entire business of this market place, the Congress of the United States has taken upon itself an impossible task. The result of all this is that our work is not well done. A moral fruitage of it is that nobody has any confidence in our work. We began this session with an exhortation from the official organ of the American Protective Tariff League to the manufacturing industries of America to lock up their shops and let the office boy run the business while they repaired here to Washington to superintend the business of revising the tariff laws of the United States. And we end this work of tariff revision by a second exhortation from the official organ of the American Protective Tariff League warning the great business interests of the United States not to leave Washington, saying to them: "If you have been there once, go back again." There is no stage in our proceedings in which these, who are in a special sense the beneficiaries of our labors, have any confidence in either our wisdom or our motives.

And so we have an exhortation sent out now to the entire business, summoning parties in interest, to gather here and stay here until the last line of this tariff revision is written and the last act of the Congress of the United States is performed.

I confess, Mr. President, that I never wish to see American business put through another such sweat as it has enjoyed during the present summer. I do not intimate that Congress has not tried to do the very best that could be done. But in the very nature of the case, dealing with multiplied thousands of business enterprises, with few of us personally familiar by experience and actual contact with these affairs, I confess that with all the zeal and with all the skill Congress has been able to exhibit, we have fallen very far short of giving the manufacturing and other interests of the United States a fair and just consideration of the things that concern them.

This is not the only time that such feelings have arisen in the minds of Senators. In 1888, after the Mills bill had been sent to the Senate, the Finance Committee entered upon a very elaborate effort to write a substitute for the Mills bill. They sat all summer, by a committee of which my honored friend from Rhode Island was a member, taking testimony wherever they could secure testimony, and giving to the work a better-directed attention, I think, than it has received at the hands of any committee in either House of Congress from that day to this.

At the end of their labors they produced a bill which was so persuasive in reaching the good will of the American people that, I think, I do not misstate the truth of history in saying that its popularity was universal, at least within the ranks of the Republican party throughout the country. It was the measure upon which General Harrison made his campaign for President. And I was particularly impressed by the fact that the great and good men who were associated in the work of the Senate at that period, now more than twenty years past, seemed to have reached the opinion that the time had come to deliver the Congress of the United States from the impossible burden of the details necessarily incident to a general revisions of the tariff.

At that session of the Senate a very famous and honored statesman, now gone to his reward, Preston B. Plumb, of Kansas, prepared, I am advised, under the general counsel of the experts connected with the Finance Committee, although he was not a member of that committee, a measure intended to relieve Congress of the intolerable load cast upon the legislative department of the Government, in an effort to revise the tariff laws. He introduced into the Senate the proposition which I have just had read from the Secretary's desk. It was referred to the Committee on Finance; and when the tariff bill came up for final consideration it was offered by Senator Plumb as an amendment. It was accepted by my former colleague, Senator Allison, agreed to without a dissenting voice on the Republican side of this Chamber—or, so far as the record indicates, on the Democratic side—and entered into that act of legislation in 1888, giving to it in a large measure the popularity which it everywhere enjoyed throughout the United States.

I have felt that perhaps it might be possible at this late day, in view of the fact that American public opinion has been somewhat educated in the difficulties that surround us in the general revision of the tariff, that a provision thus acceptable twenty years ago to those charged with this responsibility, acceptable to the Senate and acceptable to the public at large, might be attached to this measure, as a step toward that final stage of our industrial life in which politics and sectional interests will very largely lose their influence in the making and writing of our tariff laws.

We have already seen, in this session of Congress, the practical elimination of old-fashioned party politics in the discussion of these questions. It is now the universal opinion of our people, as interpreted here, at least, that the industries of the United States ought to enjoy at the hands of the lawmaking power a fair advantage in this market place in their competition with the other market places of the earth. It may be said that for practical purposes there is no dissent upon that question. Therefore our problem becomes a problem of practical detail; and we, sitting here in midsummer, without definite information, have blundered cheerfully along week after week, month after month, fixing these rates, not through any accuracy of our knowledge, but through the mere zeal of our guesswork and our anxiety to finish the task and put it behind us.

I believe the time is at hand when the American Government will exercise at least as much wisdom in these matters as is now exercised by the other great governments of the world.

I never expect another general tariff revision in the United States based upon anything short of an accurate and scientific knowledge of this market place and of those market places which are our competitors in the great productive enterprises. I expect to see the United States repeat, on a larger scale, the wisdom which has given to the Republic of France a rational tariff system and which has made the tariff laws of the German Empire the servants and ministers of her commerce and industry, rather than mere disturbers of her business and associates of her partisan contentions.

Mr. DIXON. Mr. President——

The VICE-PRESIDENT. Does the Senator from Iowa yield to the Senator from Montana?

Mr. DOLLIVER. Certainly.

Mr. DIXON. Has the Senator from Iowa had printed the proposed amendment which has just been read?

Mr. DOLLIVER. It has not been printed. I have just offered it.

Mr. DIXON. Does the Senator expect a vote on this amendment this afternoon?

Mr. DOLLIVER. I should not be surprised if, in the pressure of our affairs, we should be hurried to that situation within a few minutes.

Mr. DIXON. Personally, I have a great deal of sympathy for some of the things——

Mr. DOLLIVER. This proposition does not stand in need of sympathy. This proposition needs votes. [Laughter.] The American people will furnish the necessary sympathy.

Mr. DIXON. I think the Senator from Iowa is misinterpreting what I want to say to him. If he does not want sympathy, all right. I started to say that I have been very much impressed with what the Senator from Iowa has said, if that will suit his psychological condition better than the word "sympathy."

Mr. DOLLIVER. That is a form of sympathy that is never disagreeable.

Mr. DIXON. And I should like to know more in detail the general scope of the proposed amendment. We did not get it as it was read at the desk. I shall be glad if the Senator will enlighten us on the general scheme. I have not had much sympathy with the wholesale denunciation of the committee because the schedules have not fitted every man's belief. I think the committee has worked day and night for three months doing the best they knew how, and doing intelligent, painstaking work. But I confess that in following the committee as to many of the schedules a majority of the Senate have been voting in the dark.

If the Senator from Iowa has anything that will cast any daylight upon the future consideration of tariff bills—in other words, that will give us any kind of machinery that will make findings of fact, so that we can cast intelligent votes—I again say to him that I am in sympathy with his general proposition; and I wish he would discuss the amendment from a broader standpoint than a mere recitation of its history.

Mr. DOLLIVER. Mr. President, this proposition clothes the commission with power to make practical inquiry into all the subjects that are related to tariff making. We have now, as a party, a platform of principles a little cloudy in its meaning and a little difficult to live up to. Our public proposal is to make these tariff rates equal to the difference that exists between the cost of production in the United States and in other countries.

The chief function of a tariff commission, under the provisions of such an amendment as I have offered, would be to inquire into the conditions of production; not simply into the rate of wages, which is only a single element in production, but into the efficiency of labor, and to arrive at that economic conclusion as to the cost of production with which we are almost unfamiliar in the lawmaking department of our Government. It also undertakes to inquire into the prices at which articles are sold at wholesale and retail in our own country and in competing countries. The commission is also charged to inquire into the effect of these tariff rates on production here and on prices here and on the enlargement of our commerce in other countries.

One of the most gloomy and unsatisfactory things about the present bill is that it does not seem to enlarge the opportunities of our trade in other countries. Twenty years ago our chief anxiety was to find an outlet for our breadstuffs and our meats. I remember very well the criticism with which Mr. Blaine assailed the McKinley law in the later stages of its preparation in the Ways and Means Committee room, when he came in and denounced the bill in the form in which it stood as furnishing no new markets for American agriculture. The committee afterwards undertook to repair some of those defects, but never, I think, very efficiently.

To-day our problem in the United States is not altogether one of selling breadstuffs and meats in other countries. Our trouble in the United States in the next few years will be to find the place to sell the products from these great factories which we have builded in our market place. Only 35 per cent of our people are now engaged in the production of breadstuffs and meats, while 65 per cent of our people have moved to town and are engaged in those occupations that go with the operations of the factories of the United States. The problem rising visibly on our horizon is to find places to sell the results of our industry and our skill and these vast investments of our capital. It will be a part of this commission's business to search the world for market places for the things we are producing, and once a year to lay before Congress, not their conclusions, but the facts which will enable us to adjust our affairs to the emergencies of the commerce and the business of the world.

Some say that that will result in a continual disturbance of American business. I do not believe it. The activities of the German tariff commission, working night and day for the good of the industrial and commercial empire, disturb no man's business. It is a habit of ours in the United States to make our tariff revision a mere agitation. We have no machinery here by which to make changes in our tariff laws. They wear themselves out. They gather enemies as years pass by; and usually they are revised, not by their friends but by their enemies. The result is that the habitual course of our industrial life has been a period of exaggerated protective rates fixed by guesswork, followed by political reverses, which hopelessly commingle our politics and our business, and make practically every election on a national scale a handicap to our trade and a setback to the prosperity of the industries and commerce of the community.

These things ought not to be. The whole business community ought to have confidence in the Government of the United States. It ought to be possible to make the needed changes in the tariff rates from year to year without disturbing anybody's peace of mind. We ought, if possible, to get rid of the idea that Congress can not do anything without doing everything, and that therefore changes in our laws should be put off until abuses have multiplied and the whole scheme is brought into more or less popular disfavor.

I look forward to a good time coming, when the activities of the Government of the United States in the matters that concern its industries and its commerce will be guided quietly and in an orderly way by officially ascertained facts, and when both our politics and our business will be delivered from the reproaches that in the last generation have more than once fallen upon them.

Mr. McCUMBER. Mr. President, I do not want to vote upon this measure until there has been placed upon record the statement that the essentials of everything asked for by the amendment of the Senator from Iowa [Mr. DOLLIVER] are fully and comprehensively covered by the broader and more generous terms of the provision that has been proposed by the committee. I want to call attention to the wording of the last portion of the amendment. It is:

> To secure information to assist the President in the discharge of the duties imposed upon him by this section, and information which will be useful to Congress in tariff legislation and to the officers of the Government in the administration of the customs laws, the President is hereby authorized to employ such persons as may be required to make thorough investigations and examinations into the production, commerce, and trade of the United States and foreign countries, and all conditions affecting the same.

Within those broad provisions are encompassed every essential feature that is asked for in the amendment of the Senator from Iowa, except as to the machinery itself, and except possibly as to some of the details of publication.

Mr. DOLLIVER. Mr. President, if it does not trouble the Senator to interrupt him, has he in mind who the people are who are to be appointed by the President? Is it to be an official detail of persons connected with the Treasury Department?

Mr. McCUMBER. Not altogether. Undoubtedly some of those already connected with the Treasury Department and other departments of the Government will be asked to secure information; but, in addition to that, there is a provision for the appointment of other persons.

Mr. DOLLIVER. There seems to be no provision in this amendment for paying anybody for his services.

Mr. McCUMBER. I think, however, there is a provision in the general appropriation bills that will cover everything in this paragraph.

Mr. DOLLIVER. I should be afraid that this so-called "commission" would turn out to be simply a detail of custom experts, and we have had at this very session of Congress some very elaborate experience with customs experts. We have had customs experts exalted here above all the wisdom there is in the Senate. We have had the duty of Congress outlined by written statements signed by Treasury experts. We have not only had Treasury customs experts inform us what to do, but we have had certificates signed by them to authenticate to us what had been done—what the effect of our action actually was. I wish if possible to deliver this research into the facts relative to our commerce and our industry from this morbid dependence upon the Treasury Department. I should like to create a body corresponding somewhat in dignity to the Interstate Commerce Commission. Since they are executing the power of Congress to regulate commerce between the States, I should like to have a commission of such dignity as will be of real service to the Government in regulating its commerce with foreign nations.

Mr. McCUMBER. Mr. President, I have no doubt the commission that will be appointed will measure up to the dignity required by the Senator from Iowa. But I want to call the attention of the Senator again to these words, which state that the commission shall collect any and all information "which will be useful to Congress in tariff legislation." The most useful information we can have in tariff legislation is as to the facts concerning the cost of production at home and abroad, and all other facts concerning the production, commerce, and trade of the United States with foreign countries, and all other conditions that affect the same. Those things are covered by the provisions of the amendment of the committee, and they certainly

are more comprehensive and broader than the amendment of the Senator from Iowa, although not carried out in so much detail.

Mr. ALDRICH. Mr. President, the Senator from Iowa has alluded to the genesis of this amendment. I, of course, remember very well the long months spent by the late Senator from Iowa and myself in the preparation of the act of 1888. It was prepared as a substitute for the Mills bill. The Mills bill had already passed the House of Representatives at one session, and the bill of 1888 was offered here as an amendment. Near the conclusion of the consideration of the bill in the Senate the late Senator from Kansas, Mr. Plumb, who was opposed to the bill in all of its features and in all of its forms, and who was at all times appearing upon the floor in various forms of opposition, notified the Senator from Iowa, Mr. Allison, who then had charge of the bill, that unless his amendment was adopted he proposed to continue its discussion indefinitely. Every Member of the Senate who served with the late Senator from Iowa knew his agreeable nature; and that proposition went into the bill, as other propositions have gone into other bills, not with the approbation of any member of the committee, but to avoid discussion.

There was not a member of the committee for it, and I do not believe a member of the committee would now be for it. It would of course open up indefinite and perpetual tariff agitation. It proposes that this commission to be created shall report to Congress at every session, and go into an infinite variety of examinations which are not pertinent to any real question which has ever been before the Senate of the United States.

Mr. DIXON. I suggest that I presume in the bill we are now about passing there are some things in about similar circumstances.

Mr. ALDRICH. I am not making any such statement. I am only stating what the facts were with reference to this matter. The late Senator from Kansas was an avowed and earnest opponent to the protective system. He was one of the three Senators who voted against the act of 1890, and he spoke against it. His speeches made in the Senate formed a text-book in the next Democratic campaign. I venture to say that the speeches made by the Senator from Kansas on this floor in opposition to the act of 1890 had wider circulation in Democratic circles than any speech that was ever made in the Senate, and it was along the line of this spirit that the Senator from Kansas injected the amendment which is now before the Senate into the discussion in 1890.

Mr. BRISTOW. Mr. President, it seems to me, from the observation I have been able to make, that the committee amendment provides that the President may appoint special agents, who would have about the same authority as post-office inspectors, who go out and get information upon the command of the Postmaster-General in regard to detailed affairs in the postal service. It is not a commission. It does not pretend to be a commission. It is given no bodily form. There is no salary fixed. There are no duties outlined, except in the most vague and indefinite way. There is no term of service prescribed. The present occupant of the Presidency could appoint a number of men who would carry out the policy he had in mind and acquire the information which he felt was necessary to sustain that policy before the country, and when there was a change of administration, if a Democratic President should come in, that President would appoint his commission to carry out his policy and get the information that he wanted.

On the other hand, the amendment of the Senator from Iowa fixes a permanent commission to serve for a term of years, one being appointed each year, so that there could not be any sudden change. There would be experienced men there all the time. It would not be a partisan body to serve the purpose of any one administration but a bureau of the Government to collect information which every Member of this body knows we are sadly in need of now. Why objection is made to it, I can not understand.

I understand that a customs court is to be provided by this bill. Those officers are given a definite term of service and their salary is fixed. Their specific duties are provided. Why is this left in such a vague and indefinite way while that is so specific?

Mr. President, if we are going to have a commission, let us have a commission. If you want the President simply to have some special agents to go out and get the information that he wants, has he not got them now? Has he not the power to detail some officer of the Treasury Department to go and secure information that he thinks he needs? This commission, or this body of men, he seems to be authorized to appoint in order that he may properly administer the retaliatory provisions that are contained in the amendment and not for the purpose of making it the basis of tariff legislation in the future.

So, if the Senate can look at it for a few moments at least from an independent and unbiased point of view and decide it upon what appears to be the best interest of the country for the administration of the Government, it seems to me whatever party may be charged with that responsibility, for the information of Congress, the amendment of the Senator from Iowa is the most comprehensive, and its administration will be most effective.

The VICE-PRESIDENT. The question is on agreeing to the amendment of the Senator from Iowa [Mr. DOLLIVER] to the amendment of the Senator from Rhode Island [Mr. ALDRICH].

Mr. DOLLIVER. On that I request the yeas and nays.

The yeas and nays were ordered, and the Secretary proceeded to call the roll.

Mr. CHAMBERLAIN (when his name was called). I am paired with the junior Senator from Pennsylvania [Mr. OLIVER]. If he were here, I should vote "yea."

Mr. BACON (when Mr. CLAY's name was called). I again announce the necessary absence of my colleague [Mr. CLAY] and his pair with the senior Senator from Massachusetts [Mr. LODGE]. If my colleague were present, I presume he would vote "yea."

Mr. DILLINGHAM (when his name was called). I have a general pair with the senior Senator from South Carolina [Mr. TILLMAN], who is absent. I transfer that pair to the junior Senator from Wisconsin [Mr. STEPHENSON], and vote "nay."

Mr. FLINT (when his name was called). The senior Senator from Texas [Mr. CULBERSON] being absent, I withhold my vote.

Mr. FRYE (when his name was called). I am paired with the senior Senator from Virginia [Mr. DANIEL].

Mr. JOHNSTON of Alabama (when his name was called). I am paired with the junior Senator from Massachusetts [Mr. CRANE]. I transfer my pair to the Senator from Nevada [Mr. NEWLANDS], and vote "yea."

Mr. JONES (when his name was called). I am paired with the junior Senator from South Carolina [Mr. SMITH]. I transfer my pair to the Senator from Connecticut [Mr. BULKELEY]. I vote "yea."

Mr. McCUMBER (when his name was called). I again announce my pair with the junior Senator from Louisiana [Mr. FOSTER]. I transfer that pair to the senior Senator from Washington [Mr. PILES]. I vote "nay."

Mr. McLAURIN (when his name was called). I am paired with the junior Senator from Michigan [Mr. SMITH].

Mr. PERKINS (when his name was called). I again announce my pair with the junior Senator from North Carolina [Mr. OVERMAN]. Not knowing how he would vote, I withhold my vote.

Mr. TAYLOR (when his name was called). I am paired with the Senator from Connecticut [Mr. BRANDEGEE]. I transfer that pair to the senior Senator from Oklahoma [Mr. OWEN], and vote "yea."

The roll call was concluded.

Mr. ALDRICH. I call the attention of the Senator from Tennessee [Mr. TAYLOR] to the fact that the Senator from Oregon [Mr. BOURNE] is paired with the Senator from Oklahoma [Mr. OWEN].

Mr. TAYLOR (after having voted in the affirmative). I withdraw my vote.

Mr. CLAPP (after having voted in the affirmative). I think it is due to the senior Senator from Indiana [Mr. BEVERIDGE] to state that he is unavoidably absent, and that if he were here he would vote for the pending amendment.

Mr. ALDRICH. I think the Senator from Minnesota is mistaken. The Senator from Indiana told me that he would vote for the committee amendment and against any proposition for a tariff commission.

Mr. CLAPP. In view of that positive statement, I withdraw my vote. I based my statement upon the general attitude of the Senator from Indiana.

Mr. LA FOLLETTE. I took the liberty of seeing the pair clerk here and asking him not to pair the Senator from Indiana against the amendment of the Senator from Iowa. I want to correct it, and let him be paired upon the statement of the Senator from Rhode Island. I had assumed, of course, that the Senator from Indiana, who, as we know, favors a permanent tariff commission, would not want to be paired against the amendment of the Senator from Iowa.

Mr. ALDRICH. I will say, in justice to the Senator from Indiana, that he assisted in the preparation of the paragraph now in the bill, and it had his full consideration, and he told me he should vote against any further amendment.

Mr. LA FOLLETTE. I knew he had some share in it. I also knew or, at least, he told me, it was not nearly so strong as he wanted it. He would have liked to have had it provide for a straight-out permanent commission.

Mr. BOURNE. When my name was called, I thought I was paired with the senior Senator from Oklahoma [Mr. OWEN]. I understand that that pair has been transferred, and I therefore have a right to vote. I vote "yea."

Mr. CLAPP. If the transfer stands against the Senator from Oklahoma [Mr. OWEN], either one or the other has a right to vote.

Mr. GALLINGER. Regular order!

Mr. TAYLOR. As the Senator from Oregon [Mr. BOURNE] has voted, I transfer my pair to the Senator from Oklahoma [Mr. OWEN] and vote "yea."

Mr. JOHNSTON of Alabama. I wish to announce that my colleague [Mr. BANKHEAD] is paired with the junior Senator from Illinois [Mr. LORIMER].

The result was announced—yeas 23, nays 28, as follows:

YEAS—23.

Bacon	Cummins	Gore	Shively
Bourne	Curtis	Hughes	Simmons
Bristow	Dolliver	Johnston, Ala.	Stone
Burkett	Fletcher	Jones	Taliaferro
Clapp	Frazier	La Follette	Taylor
Crawford	Gamble	Nelson	

NAYS—28.

Aldrich	Clark, Wyo.	Heyburn	Penrose
Bradley	Cullom	Johnson, N. Dak.	Root
Briggs	Depew	Kean	Scott
Burnham	Dick	McCumber	Smoot
Burrows	Dillingham	McEnery	Sutherland
Burton	Dixon	Nixon	Warren
Carter	Gallinger	Page	Wetmore

NOT VOTING—41.

Bailey	Culberson	Lorimer	Rayner
Bankhead	Daniel	McLaurin	Richardson
Beveridge	Davis	Martin	Smith, Md.
Borah	du Pont	Money	Smith, Mich.
Brandegee	Elkins	Newlands	Smith, S. C.
Brown	Flint	Oliver	Stephenson
Bulkeley	Foster	Overman	Tillman
Chamberlain	Frye	Owen	Warner
Clarke, Ark.	Guggenheim	Paynter	
Clay	Hale	Perkins	
Crane	Lodge	Piles	

So Mr. DOLLIVER's amendment to the amendment was rejected.

The VICE-PRESIDENT. The question is on agreeing to the amendment proposed by the Senator from Rhode Island.

Mr. CLAPP. Mr. President, I am not going to detain the Senate a moment. I can not vote for this amendment because the effect of it is, on the 1st of March, 1910, to advance the rates, especially upon lumber, 25 per cent, and I for one, in view of my former vote, can not support the amendment.

Mr. HEYBURN. Mr. President, before the vote is taken on this amendment I feel it incumbent upon myself and a duty that I owe to the committee to make a brief statement. I understand a vote is to be taken now upon the entire amendment. I want to submit this proposition, and we have experienced the conditions once before within my recollection:

A, in February, 1910, buys an invoice of goods costing $1,000,000. The duty on it is 20 per cent. His total cost of goods would be $1,200,000. B, in March, a month later, or a portion of a month perhaps, buys a similar invoice costing $1,000,000 abroad. The duty then, the President having issued his proclamation, would be 20 per cent plus 25 per cent. The total cost of that invoice of goods would be $1,500,000, as against $1,200,000, the cost of the goods purchased one month before. They would, in all business probability, be in stock at the same time.

I would call the attention of the Senate to the effect in competition as between those two merchants, one holding a stock of goods costing $1,200,000 and the other holding an equivalent stock of goods costing $1,500,000. The latter would be at the mercy of the former to the extent of the difference, $300,000, in the cost of goods in the warehouse or on the shelves.

C comes along one month later, in May. In the meantime the conditions that induced the President to make the executive order have changed, the order is revoked, and the duty is restored to these schedules. That invoice would cost the same as the one purchased in March, but it would cost $300,000 less than the invoice purchased the previous month, perhaps the previous day.

At the time of the war tax I had a case brought to my notice, and it has been before me subject to my observation ever since. A man overnight in Philadelphia made a million and a half of money by having some knowledge—it is not necessary to go into detail—that that legislation was going to be enacted. No one will know what is in the mind of the President until it is announced, nor will anyone know what conditions exist in countries abroad, until it is made manifest. In a partial or general war in Europe nations will protect themselves for the purpose of raising revenue; they will do it overnight, and we will have no warning. In my judgment a very dangerous condition would be brought about in the business world.

I believe that the value of a law is largely in its stability. A man should know what he might depend upon except that the change came through his own representatives. I have never been able to reconcile my mind to any legislation that would make it possible for business conditions to change, as is demonstrated by that problem. I believe in enacting such duties that the world will know they can base their business transactions upon a given condition of affairs that is not subject to change except they change it. With the existing schedule of duties here affording a measure of protection that is definite and certain, men can engage in business; they can make contracts for the purchase of a commodity, knowing to a certainty the measure of the competition in which they have to meet their competitor. I merely make this statement in order that I may make it plain why I shall vote as I shall vote.

Mr. ALDRICH. Mr. President, I did not explain at any length the provisions of this section, because I believe that every Senator must understand the purpose which the committee had in view in recommending its adoption. From a political standpoint, while I do not believe that it is necessary to be subservient to political platforms, the provisions of the Chicago platform upon this subject, so far as I know, met with no opposition from any quarter. But this question is much beyond the question of party platforms. It is vastly greater than the question of parties. It is vastly greater, in my judgment, than any other provision in this bill. I would rather, so far as I am concerned, looking at it from the standpoint of the interests of the people of the United States, see every other feature of the bill wiped out rather than this one.

Now, what are the conditions which have led up to this legislation, and what is attempted to be reached by it? Germany and France, and other countries, acting entirely within the legitimate sphere of their own jurisdictions, have enacted maximum and minimum tariffs. They have put provisions into the form of laws and regulations, sanitary or otherwise, which, in the opinion of a large part of the people of the United States engaged in productive enterprises, discriminate unfairly against the United States.

Take the question of France, which is entirely an open question and known, I assume, to every Member of the Senate. France has a maximum and minimum tariff. The difference in the new tariff which it is proposed to adopt is an average of 50 per cent between the maximum and minimum. France imposes her maximum tariff upon the people of the United States, and she does not impose the provisions of her maximum tariff upon any other commercial nation in the world, and we are powerless, unless this legislation is adopted, to prevent those discriminations.

The people who are producing meats and flour and all the agricultural products of the great Middle West have been continuously finding fault about the impositions which are made in Germany in the way of sanitary regulations or otherwise with reference to the products of the United States. What did Germany do? A year ago or more she passed a general tariff which was to go into effect, as this does, in advance, with a provision in it that unless countries agreed to reciprocity provisions with her they should pay the rates imposed by her general tariff.

Mr. CULLOM. The highest rates?

Mr. ALDRICH. Yes; the maximum rates.

I had read from the desk this morning the provisions of legislation of 12 or 15 other countries which are imposing maximum and minimum provisions in their tariffs, and all with the possibility of discriminating against the United States. Are we going to sit here and not give our administration some power to resist these aggressions? We might as well wipe out the tariff entirely upon all these articles if we are going to permit other countries, by "regulations," so called, or by discriminating legislation, to exclude our products from their territory.

That is precisely what some of these governments have done. We merely propose to put it in the power of our administration to say to a foreign government, "You must either permit the products of the United States to enter your country upon reasonable terms, without unjust discriminations and without preferential duties, or you will pay, when you send your products to the United States, the higher rate of duty." Most of the countries to which I have alluded give to their executive officers a right to put the tariff up or down as they see fit and to guard and protect the interests of their own people. Are we willing

to leave our administration absolutely helpless in a matter of this kind?

The Senator from Indiana [Mr. SHIVELY] talks about the increase of duties which are imposed by this bill. There is not a man who listens to me who does not know that these additional duties will never be imposed unless the President is satisfied that there is undue discrimination against us. What will happen?

Mr. SHIVELY rose.

Mr. ALDRICH. Excuse me for a moment.

As to nine-tenths of the foreign countries, this maximum duty will never go into effect. Take Great Britain, for instance. The President does not need to go into an extended examination to ascertain that Great Britain makes no unjust discriminations against us. In the case of a large majority of the countries of the world, there are no unjust discriminations imposed against us. It is a well-known fact that, as to most of these countries, the President will issue such proclamations granting minimum rates as a mere matter of course. But as to the nature and the extent of the discriminations which do exist, as in the case of France, for instance, they are apparent and patent to everybody. She compels us to pay the maximum duty on every article she sees fit, with certain exceptions which she has given, as in the case of cotton-seed oil and a few other products. The administration of France can put a prohibitory duty upon cotton-seed oil, and she can put that maximum prohibitory duty into effect to-morrow if she sees fit, and we are at present absolutely helpless to prevent it.

But suppose our administration could say to France, "That is an undue discrimination against the interests of the United States, and you ought to give us the benefit of your minimum tariff?" The President can say on the 31st of next March, if we pass this legislation, "Unless you remove such discriminations, unless you give to the United States the benefit of your minimum tariff, and treat us as fairly as you treat the people of other countries, I am powerless to prevent the general tariff of the United States going into effect." The result would be, as the Senator from Illinois [Mr. CULLOM] well suggests, that the President never will have to permit the general tariff to go into effect. Negotiations would be commenced at once with Germany and France, for they, after all, are the two countries most involved in this question of discriminations. They are the countries about which the most fault is found.

The Senator from Kansas [Mr. CURTIS], whom I now see in his seat, presented to the Committee on Finance a long list of the discriminations against the meat products and various other products of the United States, and I hope that Senator will have put into the RECORD the statement which he sent to the committee, showing distinctly that, in the form of various regulations, there were existing in some of these countries glaring discriminations against the United States.

So this provision is not made for the purpose of increasing protective duties at all, but it is made for the purpose of putting into the hands of the administration means to protect and defend the agricultural and other interests of the United States.

Mr. BACON. Mr. President, will the Senator pardon me a moment?

The VICE-PRESIDENT. Does the Senator from Rhode Island yield to the Senator from Georgia?

Mr. ALDRICH. Certainly.

Mr. BACON. I am not indifferent to the importance of protecting our industries against discriminations by other countries. I have special reasons for not being so, as the Senator from Rhode Island knows, because a very important product in my section, that of cotton-seed oil, is one which is endangered by these threatened discriminating duties. Therefore what I have to say in opposition to this amendment can not be due to any such indifference. I recognize the fact, as stated by the Senator from Rhode Island [Mr. ALDRICH], that his party announced its desire for a maximum and minimum tariff, if I correctly understood the Senator, and, if I recollect correctly, the utterances of the national convention of the Republican party.

I want, however, to suggest to the Senator this, which may furnish some explanation for those who are interested in the end which is sought to be accomplished, but who may still not be able to follow him in this particular remedy. The cases of discrimination against us the Senator, I think with proper foresight, anticipates will be exceptional; in other words, the cases where this Government will be called upon to act will be exceptional. The criticism which I make upon this amendment is that a general tariff law is enacted and declared to be the general tariff law which is to meet exceptional cases. It seems to me that the proper course is to have a general tariff law which will meet general cases, and then have a provision of an exceptional nature to meet the exceptional cases as they arise. Instead of having a general law that the maximum rate shall apply to all, and which shall require definite affirmative action on the part of the Executive in order to escape from it, it seems to me the better course would be to have the general tariff law one which will meet general conditions, and simply put it in the power of the President, if that should be deemed the better remedy—although I think there is still another better than that—put it in the power of the President, when the exceptional case occurs, to make the exceptional tariff, to make that maximum rate the exceptional rate, and not to make it the general rate.

Mr. ALDRICH. Mr. President, it is largely a question of terms. It does not make much difference whether we call one "a general tariff" and the other "a minimum tariff." The question is whether the rates which we have been considering and discussing shall be the rates or whether higher rates shall be imposed. That is the whole question.

Mr. BACON. I know; but that is a very important question, if the Senator will pardon me.

Mr. ALDRICH. Of course I know it is an important question. I can understand perfectly well that the Senator from Georgia might say that the rates which we are now fixing should be reduced for the purpose of inducing other countries to give us the benefit of the lowest rates.

Mr. BACON. No.

Mr. ALDRICH. That would be a consistent position for him to take.

Mr. BACON. I am not urging that now; I am not taking that position now; I am not discussing it solely as a low-tariff advocate. For the purpose of this argument I will leave that out and discuss it from the basis of a high-tariff rate.

Mr. ALDRICH. I think the Senator from Indiana [Mr. SHIVELY] was inclined to take that position, or to urge the idea that if we were going to make any reduction at all, it should be a reduction from the rates which we have been discussing and which we have fixed; but I am not sure as to that.

Mr. SHIVELY. No; I was not attempting to say anything of the kind; but I do say, if there are to be exceptional rates—that is, if the taxing power is to be employed to cause foreign countries to relax their duties or their trade restrictions in favor of the admission of our products—then it is better to put a provision in the bill authorizing the President to add 25 per cent in the case of the country that imposes such restrictions rather than to make the maximum rate apply to all countries, and then have the President issue proclamations making exceptions as to the countries that do not discriminate against us.

Mr. ALDRICH. I think the Senator from Indiana is mistaken in that idea. The committee considered very carefully both plans. One involves, of course, a proclamation by the President imposing additional duties, and the other involves a proclamation by the President reducing the duties or releasing countries from the payment of the additional duties. In the opinion of all the administrative officers—and the Senator from New York [Mr. ROOT] I have no doubt will be able to explain to the Senate his own experience—in the opinion of all the administrative officers and of the President and the Secretary of State, the plan adopted by the committee was very much preferable to the other.

It is much easier, in other words, for the President to say, "If you do not discriminate against us, I will not proclaim the higher rate, and you will be released from these additional duties," than it is to say to any friendly country, for instance, "I find that your discriminations are undue, and therefore I will impose upon you this additional duty." I think the plan suggested by the committee is vastly preferable to the plan suggested by the Senator from Indiana, which is, in effect, the plan contained in the House bill.

Mr. SHIVELY. Of course I would not be understood as suggesting either plan, for I do not approve of this method of regulating commerce.

Mr. ALDRICH. No; I understand that the Senator from Indiana is opposed to all methods of having a maximum and minimum duty, however it might be employed.

Mr. BACON. Mr. President, if the Senator from Rhode Island will pardon me, I desire to say that I prefer other methods than the maximum and minimum. Nevertheless, if I could not get the plan which I should prefer, which would be by agreement between the countries, if the other plan, the one which I suggested, were the one adopted by the committee, I think I would give it my vote, because I recognize the importance of some means by which our industries may be protected against discriminations by other countries.

Mr. ALDRICH. Mr. President, it is absolutely essential, if we are to take care of the interests of the people of the United States, that in some form we should have that right.

Mr. BACON. I think so; but I agree with the Senator——

Mr. ALDRICH. I felt sure that the Senator from Georgia must agree with me on that subject——

Mr. BACON. I do agree.

Mr. ALDRICH. Because he realizes the importance to a great industry of the South, which is absolutely helpless, unless we can adopt some means of preventing unjust discriminations.

Mr. BACON. I agree with the Senator in that matter.

Mr. ALDRICH. It is only a question of method.

Mr. BACON. I would prefer another plan. I will go this far, and say that, if the plan suggested were one that I could possibly agree to, I would waive my preference and I would vote for it. In other words, the maximum and minimum can be enforced in two different ways. One is by having the general tariff apply generally to countries upon whom there is no necessity for imposing terms and leaving the increased rate to be applied only to countries which thus discriminate against us, or, in other words, violate what we conceive to be the just treatment of ourselves. That is one way in which it can be done. The other is the way adopted by the committee.

I can not possibly bring myself to vote for a bill which raises at the rate of 25 per cent ad valorem the entire tariff schedules. That is an impossibility for me. I would waive my preference for the plan of agreement with other countries and vote for the maximum and minimum tariff in view of its importance, which I recognize, if it were put on the other ground; but, Mr. President, it is a serious matter.

We were talking to-day about the present President of the United States. If he were a man permanently in office, I would have the utmost confidence that he would never abuse that power; but, Mr. President, it is possible for a bad man to get into the very highest office in this country; it is possible for a man to be there who will abuse this power. So far as I know, there has never been a power, from the foundation of the Government, intrusted to any officer which would compare with the power which this proposed system would put in the hands of the President of the United States, under which he could by a stroke of the pen add 25 per cent ad valorem to the entire tariff duties of the United States.

Mr. ALDRICH. I suppose the Senator from Georgia will agree with me that under our Constitution and division of powers it would be impossible to have a maximum and minimum tariff that did not depend upon an ascertainment of facts by the President of the United States.

Mr. BACON. Yes; but——

Mr. ALDRICH. It is simply a question as to whether the President shall ascertain that discriminations exist and declare that fact for the purpose of imposing additional duties, or whether he shall ascertain the same facts with a view of removing or reducing the duties which are imposed by law.

Mr. BACON. Exactly.

Mr. ALDRICH. I think the latter course is the better.

Mr. BACON. I am taking it in the fairest way that I can consider it. Assuming that there is a bad man in the presidential office, which is possible—I hope there never will be, and I do not think there ever has been; I think there have been some good and some better among those who have occupied the presidential office, but I do not think there has ever been a single bad man in the office, a man who was not, according to his lights, a patriot and properly alive to the interests of the country, but it is possible that there may be. Assuming that there is such a man in the office—and we legislate not for to-day or to-morrow or even for ten years; so far as we know this bill, if enacted, may stay on the statute books for all time—if there were a bad man in the office, which would give him the greater opportunity, the maximum and minimum feature, such as that which is now proposed, or the other, which would require affirmative action on his part to raise the duties?

In the one case it is easy for a man to say "I will not change the general tariff law that the Congress has enacted." In the enactment of a general tariff law the Congress says that that is a proper rate, and it simply says, "We will make concessions from what we deem to be the proper rate as a reward for those who will accord to us certain treatment." It would be easy for this bad man to sit silent and do nothing; but to let this enormous, exorbitant, unparalleled rate of duty remain upon the statute books. That is one thing. It would be more difficult for him, finding upon the statute books a rate of duty lower than that which is recognized in this bill as the general rate of duty, to say, "I will go beyond what Congress has determined to be a proper general rate. I will raise the rate along the whole line 25 per cent ad valorem."

Mr. ALDRICH. Mr. President, I can not follow the Senator's reasoning. I can not see how a bad man would be any less likely to impose a tariff under the suggestions of the Senate bill than he would under the suggestions of the House bill, because you have there the complement of this plan. The House bill proposes that the President, upon the ascertainment of discriminations, shall practically by proclamation impose the duty. Under the Senate bill the law imposes the duties and they are relieved or released by proclamation of the President.

Of course there is no concealment here, and there is no concealment necessary as to the purpose of this legislation. It is not to raise duties; it is not a statement that we consider under ordinary circumstances the rate imposed by the maximum tariff, or the general tariff, or whatever you may call it, a proper rate to be imposed in the importation of merchandise. It is simply a method, and I suggest to the Senator from Georgia and to other Senators it is the only method by which we can protect ourselves against the aggressive and unjust discriminations of other countries against our products.

I want to say further in that connection that this aggressive discriminatory legislation on the part of the people of other countries has been progressive. Within the last two years legislation has been adopted and regulations have been put in force which discriminate purposely and avowedly against our country and against every country that does not enter into negotiations for the purpose of giving to the country imposing these regulations advantages through treaties or through legislation. The contest for the markets of the world was never so severe and was never carried on with such a determined purpose as is manifested by such laws and by such regulations to-day. The United States might as well retire from any attempt to sell her products abroad—her meat products, her agricultural products, and products of every kind—she might as well retire from any competition with the other countries of the world unless we are willing to put into the hands of the Executive similar powers to those which are granted freely to the government of every other country in the world to protect and safeguard their own interests. It is for that purpose and along that line, and for no other purpose and along no other line that this legislation is suggested.

Mr. BACON. Mr. President, what the Senator says is simply an argument in favor of the general maximum and minimum system, but it is not an argument in favor of the one system as against the other, because either will effect the purpose or meet the demands suggested by the argument of the Senator.

Mr. ALDRICH. Every other commercial country in the world to-day has what is in effect a dual tariff, a tariff the benefits of which, in the shape of lower duties, are given to that country's friends, to the people who give to it reciprocal advantages; and the higher rates are maintained for the purpose of driving people, if you please—to use what might be called a harsh term—into proper relations with them. That is the sole purpose of this legislation. If Senators think, of course, that it is better to have the provision contained in the House bill than the proposition of the Senate committee, that is a matter of difference of judgment.

Mr. BACON. Of course.

Mr. ALDRICH. But how any Senator can stand on this floor and refuse to give to the interests of the people of the United States the protection which every other Government is giving to its people is beyond my comprehension.

Mr. BACON. Mr. President, the Senator and I do not differ on the general proposition that there ought to be a means by which there could be this protection against discrimination of our industries by foreign nations, but we do differ very radically as to what is the appropriate method. The simple difference, which I endeavored to suggest, might not of itself be controlling if it were not for the already very high rate of this tariff; but what I wish to suggest to the Senator is that when 25 per cent ad valorem is added to the rates carried in the schedules of this bill, it will be far away and beyond in height as a general tariff law any tariff that we have ever had since the foundation of the Government.

Mr. ALDRICH. I hope the Senator will not get away from the fact that this is purely a proposition to force the people of the world to give fair treatment to our products.

Mr. BACON. I understand that.

Mr. ALDRICH. Let us see what other countries do. I do not know whether the Senator heard the statement that I had read this morning. There is not one foreign country of importance that has not a greater difference in rates than is suggested by the proposition of the committee. Many of them, as the Senator from Utah suggests, are from 50 to 100 per cent, or even higher than that, and some of them give their executive absolute power of prohibition. Of course we can not do that,

and we are not trying to do that. The 25 per cent is simply a rate fixed. I do not care whether it is 25 per cent or 50 per cent. We made it 25 because we thought that would be effective; and the question after all is, What rate will be effective?

I assume—and I think I am safe in assuming—that no one of the great commercial nations of the world can afford to pay us 25 per cent more duty than its neighbor. For instance, Germany——

Mr. BACON. The Senator misunderstands my proposition, and he is arguing against something which I do not contend for. Possibly I did not express myself clearly.

Mr. ALDRICH. I was trying to answer both the Senator from Georgia and the Senator from Indiana——

Mr. BACON. Yes.

Mr. ALDRICH. That this is not a rate fixed with any idea that it is properly protective or necessarily protective.

Mr. BACON. Now, Mr. President, I want to continue the thought which I was endeavoring to express when the Senator anticipated me, and did not correctly anticipate what I intended to say. I am not complaining that the difference is too great. I do not care if you make it 100 per cent, if you start at the right basis. If you will make the general tariff law right, I do not care what amount you impose as the penalty for discrimination against us. We do not differ on that. You may make it 100 per cent, if you wish; but the point that I am objecting to is making what is intended as a level for a penalty the level of the general tariff law.

Mr. ALDRICH. Mr. President——

Mr. BACON. The Senator will pardon me until I finish my proposition. The Senator's mind acts rapidly, and he doubtless thinks that he anticipates what I am going to say, but, with his permission, I should prefer to express it.

There is not a line of this tariff bill, read by itself outside of what is said here in the debate, but what would indicate that the Congress of the United States in the enactment of this bill regarded what we denominate as "the general tariff law" as the proper level of tariff rates. That is the proposition. We go forward and we set out in detail the different rates, and then we say a level 25 per cent ad valorem higher than that shall be the general tariff law. What possible right would anybody have to say that that was not intended as a general tariff law? Certainly nothing in the tariff bill——

Mr. ALDRICH. Mr. President——

The VICE-PRESIDENT. Does the Senator from Georgia yield to the Senator from Rhode Island?

Mr. BACON. I do.

Mr. ALDRICH. I will suggest to the Senator that this is simply a question of terms. It is not at all important whether we call this a "general tariff," or a "special tariff," or any other kind of a tariff.

Mr. BACON. If the Senator regards it simply as a matter of terms, I will repeat that if he will make the tariff bill which has been practically enacted here—we have gone through it in Committee of the Whole, and I presume there will not be many changes in the Senate, unless the Senator from Rhode Island changes his mind, for his mind is going to control—if he will make this bill the general law, and then have as a maximum tariff the rate which is to be proclaimed by the President against any nation which discriminates against us, I will vote for it. I do not say I will vote for the bill, but I will vote for this provision.

Mr. NELSON. Will the Senator yield to me a moment?

Mr. BACON. Yes.

Mr. NELSON. Under our system of government, legislative power can not be conferred on any executive department. There are only two ways in which we can have a maximum and minimum tariff: Either by adopting the plan proposed in this amendment, or by expressly providing a maximum and minimum tariff in terms. But when it comes to the application of the latter plan, Congress can not meet every time and determine what country it applies to. That must be left to the executive department.

Mr. BACON. I entirely agree with the learned Senator from Minnesota.

Mr. NELSON. We can not do in this country as they do in countries like England or Canada, where such powers are conferred on their executive departments. They can do it in council. But here, in any event, we must confer administrative power on the executive branch of the Government to determine when a tariff applies.

The difference between this plan and the other one is simply this: In this case the President proclaims, in the case of every country, what will be the maximum and minimum tariff. If you adopted the other plan, he would simply declare in what cases the maximum tariff would apply. The only difference is that in one case you entail upon the President the burden of proclaiming as to all countries, while in the other case it is only as to a limited number of countries.

Mr. BACON. There is this great difference——

Mr. ROOT. Mr. President——

The VICE-PRESIDENT. Does the Senator from Georgia yield to the Senator from New York?

Mr. BACON. With pleasure, if the Senator will pardon me until I can finish, in one sentence. There is this great difference: In the one case Congress enacts what it understands to be the proper rate of duty to constitute the general law, and the President has no power over the general law. He would simply have the power accorded to him by Congress to fix a maximum duty against an offending nation upon the ascertainment of a certain fact. There is a vast difference between the two. In the first case Congress fixes a rate of duty which it recognizes as the general rate that is to be applied, so far as expressions here are concerned. In the other case it fixes a rate of duty clear above that—higher than any rate of duty that ever was enacted by any other Congress—and declares that to be the general, proper rate of duty, simply giving the opportunity and power to the President to give to others, upon the ascertainment of certain facts, a still lower rate of duty.

Mr. ROOT. Mr. President, I wish to suggest to the Senator from Georgia a consideration which has made me very warmly in favor of the committee's form of the maximum and minimum provision as compared with the House form. I agree with the view that some form of maximum and minimum tariff is very important. It is important for the protection of the cotton industry of the South, for the protection of the beef-raising industry of the West——

Mr. BACON. The cotton-seed industry, not the cotton industry itself.

Mr. ROOT. It comes from cotton seed, does it not? The difference between the two is this: The House provision says that there shall be such and such a tariff, and that if any country discriminates against the United States, the President may put on the maximum. The Senate committee's provision says that there shall be such a minimum and such a maximum tariff, and that if any country does not discriminate against the United States, the President may take off the maximum.

Mr. SHIVELY. That is not what this does.

Mr. ROOT. That is the effect of it. The difference between those two provisions is the difference between proceeding by threat of injury in case of injustice, and proceeding by the offer of reward in case of justice. The Senator from Georgia knows, by reason of his long experience with our foreign affairs, that nations are much more sensitive than individual men. The national pride of every country forbids that its Government should ever yield to a threat. I apprehend that if we put our maximum and minimum provisions in the House form, so that the President is bound to say to this, that, and the other country, "You are discriminating against us, and unless you stop I will punish you," they will all be bound to say, "We can not stop upon any such intimidation as that."

On the other hand, if we here and now, dealing generally with all countries, put on by operation of law the penalty, making it the duty of the President to take it off except in the case of countries which continue to do injustice to us, he will then say: "The law, which I am bound to obey, imposes this high and perhaps prohibitory tariff upon you, and I am powerless, except that if you cease to discriminate against this country it will be my greatest pleasure to remove it." As a practical arrangement, the Finance Committee's provision makes it possible and practical as a matter of international business to secure a cessation of discriminatory provisions against the United States, while the House provision would make it practically impossible to secure any benefits to the United States.

Mr. NELSON. Mr. President——

The VICE-PRESIDENT. Does the Senator from Georgia yield to the Senator from Minnesota?

Mr. NELSON. Will the Senator from Georgia allow me to suggest a matter to the Senator from New York? If I understand——

The VICE-PRESIDENT. One moment; will the Senator state whether he will yield or not?

Mr. BACON. I am perfectly willing to have the Senator from Minnesota ask the Senator from New York a question, but——

The VICE-PRESIDENT. Very well; the Senator yields for that purpose.

Mr. BACON. But I certainly——

Mr. NELSON. That is all. I simply wanted to suggest to the Senator from New York——

Mr. BACON. A suggestion is not a question.

Mr. NELSON. It is a suggestion in the form of a question. [Laughter.] Does not the provision of the House bill leave the determination as to whether or not the maximum tariff applies to the adjudication of the courts, and not to the executive department?

Mr. ROOT. I should think not. I think it leaves it to the President.

Mr. BACON. I have not myself examined that feature of the amendment, and can not say. I will pause, if the Senator from New York desires, in order that he may have an opportunity to look at the measure in that respect.

Mr. ALDRICH. Mr. President, I think it leaves it to the President in the first instance; but in case of trouble or disagreement, it leaves the matter to the courts, which, I think, is perfectly futile and unreasonable.

Mr. BACON. The argument of the Senator from New York, boiled down, is, as forcibly put by him, to the effect that in the one case it is a threat and in the other case it is not. The Senator from New York, more than any other Senator in the Chamber, knows from his long experience at the head of the Department of State that in diplomatic negotiations nations do not speak to each other in that way. They do not speak to each other in the language the Senator suggested, which would properly be put in quotation marks, inasmuch as he puts it in the mouth of the President of the United States to say: "If you do not do so and so, or if you do something else which is an injustice to us, I will punish you."

Of course, no one is going to yield to a threat of that kind. But, as the Senator well knows, that is not the way diplomatic negotiations are had. And I think there will be no difficulty whatever as far as the unpleasant and harsh features that are suggested are concerned. I think the negotiations can be had without any such antagonism as to produce that spirit of hostility and resentment.

To put the matter in as concrete shape as possible, without detaining the Senate—because I have already done so much longer than I anticipated—the situation, to my mind, is this: Conceding as a basis for the matter the importance of some method by which the Government will be armed with the powers necessary to protect the industries of the country against unjust discriminations on the part of other nations, there are, as has been suggested, various ways in which that can be done. It can be done by negotiating treaties, as has been attempted in the past. It can be done by having a general tariff, with the power vested in the President to impose a higher tariff, which shall be specified, upon the ascertainment of a certain condition of facts. That is a power which has been construed by the Supreme Court of the United States as one which can properly be conferred by Congress upon the President.

If we were engaged in the enactment of a tariff law which was moderate in its provisions, the question of raising the rates of duty 25 per cent ad valorem for the purpose of making that the general tariff law of the United States would be an exceedingly serious one.

But that is not the condition with which we are here dealing. We are dealing with a condition where that which is designed as the minimum is an exceedingly high tariff, one avowedly intended not only to protect the industries of the United States, but one which, judging by the frequent utterances of Senators on this floor, is intended to prevent competition by keeping out importations altogether.

The effect of adding this 25 per cent ad valorem duty to that high tariff would be to make one which, if enforced, would be an absolutely prohibitory tariff. There is scarcely an article outside of those that are on the free list and some few unimportant ones which have been put down low, where there are now any importations of any consequence, where those importations will not be absolutely stopped under such a rate of duty as is proposed by the addition of the 25 per cent ad valorem.

I repeat that, holding the views I do, although I may not vote for the bill upon its final passage, it is an utter impossibility for me by my vote even upon an amendment to give sanction to a rate of duty which shall be 25 per cent ad valorem above that which is possibly as high a duty as we have ever had and which when the ad valorem of 25 per cent is added will be a higher rate of duty than we have ever had, and will, in fact, be an absolutely prohibitory duty.

I recognize, as I say, the importance of this matter. I think the better plan is to arrange by agreement for the proper recognition of the industries of this country and to prevent discrimination against it. But impressed as I am with the fact that there ought to be some means by which our industries can be protected against these discriminations, if the present tariff rates which we have enacted or gone over in the bill as it stands were adopted as the general rates and the power simply given to add to it maximum rates, I should vote for the amendment; and the question of how much the maximum increased the rates over the general ones would not concern me at all. I say that because I should then regard the imposition of the maximum rate as a penalty; and when you are inflicting a penalty, the best way to do is to inflict one which will be so severe as to deter the commission of the offense which you seek to guard against.

Mr. HEYBURN. Mr. President, inasmuch as the point of my objection was the danger that I conceive would arise from sudden changes, I move to amend the amendment on page 3, line 17, by striking out the words "thereupon and" and inserting the words "ninety days thereafter." That will give the commercial world time to adjust itself to the change.

The VICE-PRESIDENT. The Secretary will state the amendment.

The SECRETARY. On page 3, line 17, strike out the words "thereupon and" and insert "ninety days thereafter."

Mr. HEYBURN. I see that the word "thereafter" is already there.

Mr. BACON. I should like to make an inquiry of the Senator from Idaho. If I understand him correctly, if his amendment is adopted it will postpone for ninety days the reduction of the rate of tariff from the high level to what has been denominated as the "general rate," so that for ninety days the high rate would have to be maintained, even though the President found that no discrimination existed?

Mr. ALDRICH. I will say to the Senator from Georgia that this part of the amendment only applies to the condition where the minimum rate has already once been in operation, and some discrimination takes place that, in the opinion of the President, makes it subject to pay the maximum rate. If the amendment of the Senator from Idaho is adopted, that rate will not go into effect immediately.

Mr. BACON. It applies only to that part, does it?

Mr. ALDRICH. Only to that part.

Mr. BACON. It does not apply to the general reduction?

Mr. ALDRICH. Not at all.

Mr. BACON. That is a different matter.

Mr. ROOT. Mr. President, will the Senator permit me, before he proceeds, to answer the question which the Senator from Minnesota [Mr. NELSON] asked just a moment ago?

Mr. HEYBURN. Certainly; I yield to the Senator from New York.

Mr. ROOT. I have no doubt, after reexamining the House provision, that the increase of duty has to be by the affirmative action of the Executive. The provision is: "Whenever * * * any country * * * discriminates against any article imported from the United States * * * or * * * fails to admit any article * * * on terms as favorable * * * there shall be levied, collected, and paid" this increased duty, the maximum provision. Of course that puts upon the President the duty of determining the fact upon which the increased duty is to be levied, whatever may be the right of recourse to the courts.

Mr. HEYBURN. Mr. President, according to the terms of the amendment, it is provided that the duties shall advance automatically on March 31, 1910. That is our action. In order to restore the duties to the schedule rates a proclamation by the President is required. My objection is that without notice the commercial world would suffer by reason of such an order, inasmuch as they would not know and could not know when it would be made.

They do know when the rate advances, because the act provides and fixes the time. But the orders that may be issued by the Executive should not go into effect until the commercial world has had sufficient notice to adjust itself to the changed conditions. With that amendment, the objection that I make falls, and I will support that measure.

I have already suggested to the chairman of the committee that on line 7, page 2, after the word "whenever," there should be inserted "after the 31st day of March, 1910;" and, after the word "long," the word "thereafter." That merely adapts it to the changes that have already been made. But the amendment that I have last proposed—that is, providing for the giving of ninety days' notice—is the one upon which I desire action.

Mr. BACON. Will the Senator kindly point out the line where that amendment occurs?

Mr. HEYBURN. The first amendment?

Mr. BACON. Does the Senator offer two amendments?

Mr. HEYBURN. I did not offer the other amendment. I understood the chairman of the committee to accept it.

The VICE-PRESIDENT. Only one amendment has been reported.

Mr. HEYBURN. The amendment I propose is as follows: In line 17, page 3, strike out the words "thereupon and" and insert in lieu thereof "ninety days," so that it will read:

He shall issue a proclamation to this effect, and ninety days thereafter the provisions of the general tariff shall be applied—

And so forth.

Mr. BACON. That will leave the minimum tariff in force for ninety days?

Mr. HEYBURN. Yes. The statute itself gives notice of the first change.

Mr. McLAURIN. Mr. President, with all due deference to the Senator from Idaho, I think he is mistaken about the statute giving notice of the first change.

Mr. HEYBURN. I will call the Senator's attention to it. He will find it in line 7, page 2. It provides affirmatively that on this date the minimum rate shall go into effect.

Mr. McLAURIN. No, sir; it provides that on this date the minimum and maximum rates shall both go into effect.

Mr. HEYBURN. The minimum rates will always remain in effect. They are not intended to be affected at all.

Mr. McLAURIN. I supposed that would be understood; but the Senator stated that on that date the minimum rate would go into effect. The amendment provides that on the 31st day of March next the rate fixed in the bill——

Mr. HEYBURN. Plus——

Mr. McLAURIN (continuing). With the addition of the 25 per cent ad valorem duty, shall become the law.

Mr. HEYBURN. Yes.

Mr. McLAURIN. But where does the bill say when the proclamation of the President of the United States shall reduce that to the minimum rate?

Mr. HEYBURN. The time is not fixed by the bill; but whenever he does that, he must give ninety days' notice.

Mr. McLAURIN. That is exactly what I say. The time is not fixed by the bill; and the Senator can no more enable that to be known as a result of the amendment made to line 17, page 3, than if the amendment were not made at all.

Mr. ALDRICH. Mr. President, I did not intend to interrupt the Senator upon this line; but I should like to suggest to him that I am extremely anxious to get a vote upon this proposition, and it is my purpose to move an adjournment as soon as we get a vote upon it.

Mr. McLAURIN. The Senator is not any more anxious to get a vote upon this matter than I am, but I have some observations that I desire to make in reference to it.

Mr. President, in the case of wood pulp and printing paper I believe it is admitted that the rate, although a specific one, amounts to a duty of 10 per cent. My learned friend from Nebraska [Mr. BROWN] made a very able and a very eloquent argument, as well as a very long one, to show that those articles should be on the free list. They were not only not put on the free list, but a tariff of about 10 per cent was put on wood pulp and print paper. This amendment will put the duty at 35 per cent. If we should adopt this amendment, I can not understand how the Senator from Nebraska will vote for it.

Mr. BROWN. Mr. President——

The VICE-PRESIDENT. Will the Senator from Mississippi yield to the Senator from Nebraska?

Mr. McLAURIN. For a question.

Mr. BROWN. I wish to give the Senator from Mississippi a little light.

Mr. McLAURIN. The Senator spoke for two or three days here, I believe, to give us light. I have been taking that light and acting upon that light, and I am against a tariff on wood pulp and print paper.

Mr. BROWN. Mr. President——

Mr. McLAURIN. I shall vote against this amendment of the committee. Inasmuch as the Senator from Nebraska and I and the others who voted the same way failed to get free wood pulp and free print paper, and inasmuch as the Senate saw fit to put a tariff of 10 per cent on it, I will at least vote against adding to that 25 per cent and making it 35. If there is any other light the Senator can give, I shall be glad to get it. I hope, though, he will be more brief than he was in giving us light the other day.

Mr. BROWN. The Senator is still in darkness, although I tried for a long time to give him light.

Mr. McLAURIN. Indeed, Mr. President, I am in darkness, as well as to the position of the Senator from Nebraska.

Mr. BROWN. Let me say that the paragraph relating to wood pulp puts it on the free list now, and this provision does not affect the duty on wood pulp one way or another, because the countervailing duty or the additional duty on account of discrimination on the part of any country is left with the President. It is a specific provision relating to that country and is not governed by this general provision at all.

Mr. McLAURIN. One of the objections I have to it is leaving it to the President, and I will come to that presently.

The other day the Senator from North Dakota [Mr. MCCUMBER] and along about the same time the Senator from Minnesota [Mr. NELSON] made very able speeches in favor of free lumber. But there was a tariff put on lumber of $1.50 a thousand; that is, on lumber in its first stage. If this amendment shall be adopted, it will put $4 in addition to that on lumber that is valued at $16, which will make rough lumber, instead of $1.50 a thousand, $5.50 a thousand. If that lumber is worth $24 a thousand it will put an additional tax of $5 on it, making $6.50 a thousand, and so on.

The Senator from Vermont [Mr. PAGE] made a long speech here, lasting nearly a day, nearly as long as the speech of the Senator from Nebraska, in which he urged the adoption of free hides. I believe a tariff of 15 per cent was put on hides. If this amendment shall be adopted by the Senate it will place on hides instead of 15 per cent a tariff of 40 per cent. I can not understand how that Senator will vote for it.

But, Mr. President, there is another very serious objection to the amendment, and I want to call the attention of the chairman of the committee and other distinguished lawyers to it. It provides that the President shall investigate and determine, not a fact; it is not a naked fact that he is to determine, because I understand that a law may be enacted which will in its very enactment provide that upon the happening of a certain event that law shall cease to operate, or a law may be enacted which will operate upon the happening of a certain event; but that is not it. The President is exercising discretion. Whether it be ministerial discretion, executive discretion, or judicial discretion, it is a discretion of some kind to determine whether there is an undue discrimination against the products of the United States.

What is undue? Who is to determine what is undue? That is not a question of fact; it is a question of judgment, left to the executive department of the Government, which can not be delegated, because it is a prerogative which pertains to the legislative department of the Government to determine the enactment of law.

This becomes a law or it ceases to become a law upon the discretion and judgment and determination of the President of the United States, not of a fact, but a matter of discretion on his part, a matter of judgment on his part. He must determine, for instance, if there is a discrimination by the Government of France or any other government against the products of the United States. He must determine whether that be an undue discrimination or not, because in doing that it may be necessary for him to determine whether under the circumstances, in his judgment, the French Government has refused to admit our products to their markets upon the same terms that they admit the products of some other country which gives them a better advantage than we give them.

Suppose, for instance, that England does not tax the products of France at all. Suppose they have been admitted to that country free, while our high tariff amounts to a prohibition upon the importation of French goods into this country. Suppose France, recognizing that, should say, "We will give an advantage to England over the United States." "It is not an undue advantage," they say; "it is not an undue discrimination." But the President of the United States must determine whether it is an undue discrimination or not. That is delegating to him authority which does not come within the executive functions of the Government.

In view, Mr. President, of the great solicitude of the chairman of the committee for a vote on the amendment, I shall submit the question with these suggestions.

Mr. CURTIS. I ask permission to have printed in the RECORD a statement which I had prepared some time ago and submitted to the Committee on Finance, a copy of which I also mailed to each Senator. I ask that it may be printed in the RECORD.

The VICE-PRESIDENT. Is there objection? The Chair hears none.

The paper referred to is as follows:

ADMINISTRATIVE FEATURES OF THE NEW TARIFF BILL.

The most flagrant injustice ever perpetrated by foreign governments against an important article of American export was the interdiction some years ago by France and Germany of the trade in cattle from the United States intended for slaughter. This was done under the flimsy pretext that such prohibition was necessary as a sanitary and veterinary precaution. The time has now come when western farmers and stock raisers expect Congress to take some steps to clothe the Executive with the necessary power to negotiate or retaliate to the end that this wrong may be righted. If the governments in question were frank enough to destroy this trade through the medium of prohibitive tariffs the case would be entirely different. As it is, these orders rest upon a false basis and constitute an embargo on business which might easily extend to $10,000,000 or $15,000,000 per annum.

We must insist that those countries, after first placing such reasonable tariff as they may decide upon such shipments, shall admit our

cattle, which are known to be the healthiest in the world, upon the same terms as they are now admitted to Great Britain and Belgium, to wit, for compulsory slaughter within ten days after landing at named ports of debarkation under reasonable governmental regulations. Upon these terms the two countries just mentioned purchase western cattle in the Chicago market alone to the value of about $35,000,000 per year. The traffic is conducted with practically no loss in transit, and no case of disease has ever been communicated to either man or beast during all the years the trade has been carried on. It follows, therefore, that the French and Germans have not a leg to stand on from the sanitary point of view in their present attitude. The prohibition of this business is so unblushingly hostile and so grossly unfair that it can not be properly ignored in the pending readjustment of our trade relations with those countries. That they can be maneuvered out of this unfriendly position has been shown in the case of France by the commercial agreement with Canada just ratified by the French Senate. In the case of Germany, where the people are known to be suffering everywhere from a lack of an adequate meat supply, assurances were virtually given at the time the recent temporary agreement was entered into that in certain eventualities the matter of the modification of the restrictions against American cattle and meats would be made the subject of a special understanding.

It may be said that we are in no position to demand this of these nations, for the reason that we do not ourselves admit continental cattle, but there is this marked difference: We have no breeding animals to send them, and they have no butcher's cattle to send us. They have highly contagious diseases among their cattle stocks that we can not afford to import and disseminate through the introduction of breeding animals to be taken inland and associated with our domestic stocks. Our beef cattle being killed at the dock, the protection of the continental countries from any possible disease is absolute. We can therefore safely say that if they will admit our cattle under compulsory slaughter regulations, we will do the same for theirs. It can be said without fear of successful contradiction that American beef cattle are freer from disease than any other in the world, and yet in the face of this fact Germany permits, from time to time, the introduction of cattle from neighboring nations where dangerous diseases are epidemic—always present—and at the same time bars us out.

PACKING-HOUSE PRODUCTS.

Continental Europe would afford an almost unlimited field for the sale of American meats if the trade were not hampered by a network of tariffs and cunningly devised so-called "sanitary" restrictions, aggravated by a series of inspections, fees, etc., which practically put us out of business in many markets. Whatever may have been the justification for some of these regulations originally, it certainly behooves the United States Government, in view of the efficient operation of the new federal meat-inspection law, to use every effort to enlarge the outlet abroad for these products of our western farms and ranches. A few examples will illustrate:

Dressed beef from America is shut out of Germany entirely and is prohibited from entering France except in carcasses with certain viscera attached. Germany has also this latter requirement in force generally against all countries. While on its face, therefore, this restriction is not discriminatory, yet in actual practice it permits of the introduction of Austrian, Swiss, Holland, or Danish beef and at the same time eliminates our own, for the simple reason that in the former cases the carcasses can be offered in compliance with the regulations, whereas if we undertook the shipment with internal organs in place decomposition would ruin the beef long before it reached the other side.

In this connection attention is called to the economic fact that every shipload of meat or live cattle that goes abroad leaves the land upon which it was produced richer than before such products were started for market. This fact, which is of high importance, is not true of our exports of grain, cotton, or the products of mines or forests. It should also be noted that as the value of lands and grain advance stock feeding at a profit in the West is yearly becoming a more hazardous business, and as it lies at the very root of our western agricultural prosperity, supplying the best and most logical method of conserving the fertility of the soil, its encouragement in every legitimate way should be the constant care of the Government. Conservative estimates are to the effect that such export buying as now exists in the case of these products adds from $15 to $20 per head to the value of all bullocks bred and fed in this country. That the growers would profit, therefore, by additional buying for such ports as Hamburg, Bremen, Cherbourg, and Havre goes without saying.

Germany demands that cured pork meats from the United States shall have been microscopically inspected by the United States Government before permitted to enter; nevertheless such United States inspection is afterwards ignored and every piece subjected to a further microscopic inspection in Germany, at considerable expense to the importer, and also to a special chemical and sanitary inspection—three distinct examinations. Since 1900 the importation of canned meats and sausages has been prohibited by Germany from all countries, and yet the German army and navy has continued to use United States canned meats from time to time, and in view of our present rigid inspection law these goods should be admitted for general consumption into Germany at a reasonable rate of duty. Sausages from the United States certainly should be admitted on our government certificate. It is anomalous that such goods from Germany should be permitted to enter the United States despite its unknown origin, while sausages of unquestionable purity and wholesomeness from this country are wholly debarred.

With the exception of hams and shoulders, pieces of meat weighing less than 9 pounds American are not permitted to enter Germany. The German meat-inspection law forbids the import of raw fats. Formerly there were imported into Germany from this country large quantities of suet and carloads of raw leaf lard. Under the pretext that raw fats may bring contagious diseases the regulations forbid their import. The unfairness of this is shown by the mere statement that such fats are only consumed in melted state, which means sterilization. Again, it is the testimony of our exporters that nothing is left undone by the German officials to harass and restrict American business in all packing-house products. An article may pass the high duties and inspection fees, which may amount to about 4½ cents a pound, and when it comes to one of the subsidiary inspections may be rejected in whole or in part because the inspector says that he finds something or other about it that does not satisfy him, notwithstanding its having previously been passed.

Under the French dual tariff by special arrangement some of our meat products are admitted at the minimum duty, but even this in most cases is too high to admit of much business being done. Fresh and salted beef and pork, including hams and bacon, all take the maximum duty, the latter paying 50 francs per 100 kilos, compared with 30 francs paid by nations having special agreements. This differential practically puts us out of what would otherwise be a big market for this class of product. In this connection it should be noted that in the new tariff bill just being framed by France rates on frozen meat have been raised to 50 francs in the maximum, while the minimum has been left blank, to enable the Government to negotiate for reductions with countries which might be interested. This, of course, means the United States and Argentina. In a similar manner the duty on gluten and flour enriched with gluten has been raised from 16 to 24 francs, with no minimum provided. There is thus no apparent discrimination against the United States, but without negotiations nothing could be done to reduce rates. The same is true of cotton seed, linseed, and peanuts, which at present are admitted free of duty in France, but in the proposed bill are to be taxed at 1.50, 2.50, and 2.50 francs, respectively, with no minimum provided for. In Spain and the various Central and South American countries duties on packing-house products are unreasonably high, and consular charges are in most cases very onerous.

ADDITIONAL CASES OF VIRTUAL DISCRIMINATION.

The following instances will demonstrate clearly the necessity for negotiations looking toward fairer treatment for articles largely or wholly of American origin. In the German tariff, for example, we find that the duties on steam engines, compressed-air and hot-air motors, dynamos, pumps, freezing and conveying machines are graded according to weight. The smaller the machines the higher the duties per 100 kilos. It so happens that the United States excels in the smaller engines and machines, so that in granting conventional rates to Belgium only such machines as weighed 500 kilos or over were taken care of. On the machines weighing less than that, on which the duties range from 25 to 100 marks, there are no conventional rates as yet. It is only by negotiation that we can obtain reductions on those classes of machinery.

Again, Germany classes sewing and knitting machines in the same schedule, on which the general rate is 35 marks. Switzerland succeeded in getting a reduction to 12 marks on knitting machines, leaving sewing machines still subject to the general rate of 35 marks, and the United States is the only country interested in exporting sewing machines.

In making her last tariff Austria imposed a duty of 40 crowns per 100 kilos, or $3.70 per 100 pounds, on cotton-seed oil, which has resulted in destroying our trade in that commodity with that country, which at one time amounted to $1,750,000 per annum.

Returning to the case of agricultural exports, it is well known that under certain circumstances Germany would probably reduce her rate on breakfast bacon from about 36 marks to 27. These illustrations could be multiplied, but the above will suffice to show that we should not be content with simply securing existing foreign minimums.

Our milling interests also have a grievance against several countries, noticeably in Europe, where a discriminative tariff is imposed upon our flour as against wheat. This practice is specially marked in the cases of Belgium and Germany, the latter having a tariff of $1.62 per 4½ bushels, the amount of wheat required to produce a barrel of flour, as against $2.18, the most favorable rate for flour. Belgium admits our wheat free, but imposes a duty of 35 cents per barrel on our flour. Germany also pays an export bounty of from $1.16 to $1.86 per barrel on flour exported irrespective of any import requirement. This bounty promises the annihilation of our flour export trade on the Continent. It is scarcely necessary to point out that all our wheat ought to be ground in this country, not only because it would help to keep our mills busy, but the by-products of the milling are badly needed by American farmers and stock raisers. A more explicit statement covering these points, prepared by the secretary of the Millers' National Federation, is hereto attached.

We have one striking case where a special concession supposedly made to us as a particular favor is a dead letter, because, notwithstanding the fact that we have a preferential rate, the conditions are such that we can do no business under it. The case is that of the special concession of 20 per cent made by Brazil on American flour from the high general duty against that commodity. The fact is that Argentine, on account of her proximity, supplies the entire market, even though she pays the higher rate. The distance and expense of transporting American flour south of the Amazon River precludes our selling to Brazil, notwithstanding she is supposed to have accorded us a special privilege.

PROPOSED REMEDIES.

Assuming that it is the policy of Congress to make the revised (or minimum) rates of our new general tariff with a punitive (or maximum) provision added for retaliatory purposes, it is apparent from the facts detailed above that the provisions of the bill as it passed the House would by no means reach the troubles herein complained about. The clause must be strong enough to cover cases of exclusion and restriction brought about through the operation of regulations resting wholly outside of tariffs proper. Furthermore, it is of the highest importance that the Executive be given authority to conduct negotiations in some manner looking toward an abatement of many foreign minimums which touch especially American products.

THE TARIFF NECESSITIES OF THE MILLING INDUSTRY.

The farms of the United States produce an export surplus during an average year of 200,000,000 bushels of wheat.

The exports of flour as compared to the total exports of wheat and wheat products during an average year will not exceed 50 per cent, and have been gradually declining since 1902.

The milling capacity of the United States is sufficient to grind a total annual crop of the country in one hundred and forty-four days. Thus, the milling capacity of the country and the wheat raised being in excess of domestic requirements, an export outlet for our surplus is imperative.

Four hundred millions of dollars are invested in milling plants in this country.

Hundreds of thousands of operatives are employed in these plants.

The annual output of our mills is 100,000,000 barrels of flour, valued at $500,000,000.

Fifteen to twenty millions of dollars or more are annually paid the farmer of this country for that part of the wheat entering into domestic manufacture over what he would receive for it if exported.

Six millions of dollars are lost to him annually on that part exported in the shape of wheat, which would come to him if this exported product was turned into flour in this country.

Twenty-five millions of dollars are annually lost to him by increased cost of feeding stuffs and from soil fertilization removed.

The consuming countries of the world need our wheat, but the milling industry of the various countries by more or less devious methods attempt to disbar our flour.

These methods of debarment most often take the form of tariff discrimination in favor of our wheat and against our flour.

Belgium imposed a duty of 35 cents per barrel on flour; wheat free. (This tariff has directly caused the loss of a trade of 500,000 barrels per annum, and indirectly an additional 1,000,000 barrels.)

Germany imposed a discriminative tariff of approximately 64 cents a barrel on our flour over that imposed on an amount of wheat necessary to produce it.

Germany pays what amounts to an export bounty of approximately 40 cents per barrel on every barrel of flour exported.

Due to this bounty, a tariff against flour is imminent in Holland (one of the two free countries left us in Europe, and now consuming in excess of 1,000,000 barrels per annum of our product).

Each of these countries exports flour. Each uses some of our wheat in producing this export flour, which enters into competition in the free countries of Europe against our own manufactured product.

These illustrations cover the general type of discrimination imposed and show the vital necessity of some legislative action by our Congress if our export trade in this product is to live.

Mr. CUMMINS. I offer a substitute for the amendment.

The VICE-PRESIDENT. There is an amendment to the amendment pending, which must be first disposed of.

Mr. ALDRICH. I ask that the amendment of the Senator from Idaho to the amendment be disposed of.

The VICE-PRESIDENT. The question is on agreeing to the amendment of the Senator from Idaho to the amendment of the Senator from Rhode Island.

The amendment to the amendment was agreed to.

Mr. HEYBURN. I will defer the other part of it.

The VICE-PRESIDENT. Does the Senator from Idaho have another amendment?

Mr. HEYBURN. I have another amendment.

The VICE-PRESIDENT. That should be first acted on before the substitute is offered by the Senator from Iowa.

Mr. HEYBURN. Then I will offer it. On page 2, line 7, after the word "whenever," I move to insert "after the 31st day of March, 1910;" and in the same line, after the word "long," I move to insert "thereafter."

Mr. ALDRICH. I will accept that amendment.

The VICE-PRESIDENT. The question is on agreeing to the amendment of the Senator from Idaho to the amendment of the Senator from Rhode Island.

The amendment to the amendment was agreed to.

The VICE-PRESIDENT. The Senator from Iowa offers a substitute for the amendment, which will be read.

The SECRETARY. It is proposed to insert, in lieu of the amendment, the following:

SEC. 2. That from and after the 31st day of March, 1910, except as otherwise specially provided for in this section, there shall be levied, collected, and paid on all articles in the dutiable list when imported from any foreign country into the United States, or into any of its possessions (except the Philippine Islands), the rates of duty prescribed by the schedules and the paragraphs of the dutiable list of section 1 of this act, and 25 per cent of such duties in addition thereto, which rates shall constitute the general tariff of the United States: *Provided*, That with a view to secure reciprocal trade with countries producing said articles or any of them, and for this purpose, on or after the 1st day of January, 1910, whenever and so often as the President shall be satisfied that the government of any country producing and exporting said articles or any of such articles imposes duties or other exactions upon the agricultural or other products of the United States, reciprocally equal and reasonable, he shall have the power and it shall be his duty to suspend, by proclamation to that effect, the provisions of this act relating to the addition of 25 per cent of the duties herein prescribed upon any or all the said articles upon the dutiable list, the production of such country, for such time as he shall deem just; and in such case and during such suspension duties shall be levied, collected, and paid upon such articles so named, product of or exported from such designated country, as follows, namely, the duties provided for in section 1 of this act. The proclamation issued by the President under the authority hereby conferred and the application of the minimum tariff thereupon may, in accordance with the facts as found by the President, extend to the whole of any foreign country or may be confined to or exclude from its effect any dependency, colony, or other political subdivision having authority to adopt and enforce tariff legislation, or to impost restrictions or regulations, or to grant concessions upon the exportation or importation of articles which are or may be imported into the United States. Whenever the provisions of the general tariff of the United States shall be applicable to articles imported from any foreign country they shall be applicable to the products of such country, whether imported directly from the country of production or otherwise. To secure information to assist the President in the discharge of the duties imposed upon him by this section, and information which will be useful to Congress in tariff legislation and to the officers of the Government in the administration of the customs laws, the President is hereby authorized to employ such persons as may be required to make thorough investigations and examinations into the production, commerce, and trade of the United States and foreign countries, and all conditions affecting the same.

Mr. CUMMINS. Mr. President, I shall consume the time of the Senate less than ten minutes. I am a thoroughgoing believer in the principle of the amendment offered by the committee. I am in favor of a maximum and a minimum tariff. Indeed, I go one step further. If I could have my way, we would have not a dual tariff, but a triple tariff. I believe in a tariff for protection, a tariff for retaliation, and a tariff for concession. But inasmuch as I have no hope of securing a system of duties lower than those which are prescribed in the bill, I accept the maximum and minimum tariff.

The people of the western country are more deeply interested in this phase of the subject than in any other of the tariffs. Our products are excluded at the present time from France entirely, and they are rapidly being excluded from Germany; and I suppose the misfortunes we have suffered there will speedily overtake us in other countries. Therefore I want a retaliatory duty to be imposed, and I am willing that it shall be imposed by the force of the law upon these countries unless they will grant to us terms that are fair and reasonably reciprocal.

There are just three differences between the substitute that I have offered and the amendment as originally proposed by the committee. I would, of course, accept the amendment made by the Senator from Idaho. It is very wise, I think. The first of these differences is that in the substitute the difference between the minimum tariff and the general tariff is 25 per cent of the duty instead of 25 per cent ad valorem. I believe that the penalty imposed by the committee is too severe and will in the end not accomplish its purpose as well as the more reasonable addition of 25 per cent of the duties themselves.

Second, there is stricken from my substitute the duty upon tea and coffee. That has already, however, disappeared from the committee amendment, and therefore there is no difference there.

The third and the only remaining difference is that when the 31st day of March, 1910, or the prior period at which the President may act, shall come, the President may suspend the maximum duty not alone as a whole, but he may suspend the duties as to any paragraph of the law. The President will have full and complete authority to deal with any nation in an intelligent and fair and comprehensive way, so that if it is impossible to secure from any nation her best terms upon all the products covered by her tariff we may not be compelled to impose upon her, and thereby upon ourselves, the maximum duties upon articles concerning which we care nothing whatsoever and that do not influence our commerce or create any hardship upon our people.

My substitute is drawn in the exact language of section 3 of the McKinley Act of 1890, and it is the exact language which has been sustained by the Supreme Court in Field *v.* Clark. There was at least grave doubts concerning the validity of such legislation, inasmuch as it was said that Congress was attempting to delegate legislative power to the President.

I have followed in this substitute the exact language, in so far as it was possible, of section 3 of the McKinley Act; and if that act is constitutional, as it has been shown that it is, then this is constitutional. It gives the President more discretion and more power and a better kind of power than, as I think, does the committee amendment. The committee amendment gives the President greater power in one respect, but not power so intelligent and so discriminating.

I know very well that I am just passing this substitute to the graveyard in which have been interred so many hopes of mine at this session. I am simply presenting it here in order that it may be known what my views are upon this subject. I have not the slightest hope of influencing the committee or any member of the committee or any Member of the Senate, but I shall have the pleasure at some future time to look back upon it, I think, as a record of which I at least may be justly proud.

Mr. ALDRICH. Mr. President, the committee considered the propositions of the Senator from Iowa very carefully, and the committee were, I will say, clearly, I think, of the opinion that the suggestions made by him would not be constitutional. I think I can very clearly point out the difference between the old McKinley provisions that were covered by the case of Field *v.* Clark and the suggestions now made by the Senator from Iowa.

The McKinley Act I know pretty well about, because I wrote the provision myself, picked out certain articles and named them and stated those articles should pay rates of duty which were strictly defined. In this particular case the Senator from Iowa does not name articles, but allows the President to pick out certain articles and practically legislate upon that subject. I think the distinction is clear and unmistakable. I believe that the lawyers in the Senate will agree with me that it is very doubtful whether the provisions now suggested by the Senator from Iowa are constitutional. I think all the committee agreed that we could not do it.

Mr. CUMMINS. I am sorry, Mr. President, to be put out of the profession.

Mr. ALDRICH. I have heard the Senator argue legal questions with too much ability to have meant to imply that he is not a lawyer of great distinction.

Mr. CUMMINS. I have given this matter very great thought. My substitute is exactly like the law the Senator drew in 1890.

I am not going to enter into any controversy about it. I know that I have followed the decision of Field against Clark. I know, however, that my proposition has been rejected and will be rejected. I simply want to be able to reflect in the future that I have done my best to serve my people, for I very much fear that the measure which you have proposed will not bring the relief to the people of the West which they so imperatively need. I predict that your measure will not protect those reciprocal relations that we demand in our part of the land.

Mr. President, I do not even ask for the yeas and nays upon this proposition. I have no disposition to detain the Senate for a single moment.

The VICE-PRESIDENT. The question is on agreeing to the substitute of the Senator from Iowa [Mr. CUMMINS].

Mr. BRISTOW. Mr. President, I should like to have an opportunity to vote for the substitute of the Senator from Iowa and have a record vote on it. I can not get the consent of my mind to add 25 per cent to the duties which have been fixed in the bill. I am in favor of this maximum and minimum provision going into the bill in some form. I would prefer the substitute submitted by the Senator from Iowa to anything yet submitted. If we can not have that, then I prefer the House provision to the Senate committee provision. But I should like to have a vote, and I call for the yeas and nays on agreeing to the amendment proposed as a substitute.

The VICE-PRESIDENT. The Senator from Kansas demands the yeas and nays.

The yeas and nays were not ordered.

The amendment to the amendment was rejected.

The VICE-PRESIDENT. The question is on agreeing to the amendment as amended.

Mr. BACON. Mr. President, just a moment. I understand the amendment offered by the committee is one which strikes out the House provision on the same subject.

Mr. ALDRICH. That has already been done by a vote of the Senate. This simply puts in the proposition as a separate amendment.

Mr. BACON. It has already been stricken out?

Mr. ALDRICH. Yes.

The VICE-PRESIDENT. It is purely an amendment to insert.

Mr. SHIVELY. I understand the vote is to be taken on the amendment as amended.

The VICE-PRESIDENT. On the amendment as amended.

Mr. SHIVELY. As to what is to constitute section 2 of the bill?

The VICE-PRESIDENT. That is correct.

Mr. SHIVELY. Mr. President, we understand pretty clearly by this time what the chairman of the Finance Committee would have the Senate understand this amendment means. Though it is clear, and explicitly defines the rates prescribed in it as the "general tariff of the United States," and fixes the date when these shall go into effect, the language of the proposed amendment is not to be taken seriously; that the amendment is something of a joke; that it is a polite and artistic method of serving notice on other nations that if they do not take down their bars we will raise ours higher; and that it is to be a weapon to win trade, though even the proposed minimum tariff goes further in several schedules than the Dingley Act to outlaw it. We are also required to rely not on the law for what the law is to be, but on the assurances of the Senator from Rhode Island [Mr. ALDRICH] as to what it shall be when the executive department has studied, construed, and applied it.

The Senator refers to France as a case of discrimination against the products of our country. The reference was unfortunate. It recalls the fact that under the act of 1897 at least two favorable trade treaties were negotiated with France by our Government; that those treaties came to the Senate for confirmation, and that on the 5th day of March, 1903, those treaties and about 20 others with other countries or dependencies of other countries were, on the advice and with the assistance of the Senator, sent to their final sleep. Yet the Senator points to France as a candidate for punishment by a tariff rate that means utter embargo of trade. The difficulty of this doctrine of punishment is that you can not punish him who would sell without punishing him who would buy. It means simply reciprocal destruction of trade with loss to all parties to the folly. According to the Senator's logic, this bill is purely a commercial-war measure.

Mr. ALDRICH. The Senator from Indiana says that if we should put up the duties upon articles imported from France in this bill, we would punish the purchasers in the United States. It must be apparent to the Senator from Indiana that if we should cease to buy the manufactured articles of France, we could buy the manufactured articles of Great Britain, of Germany, of Switzerland, and of other competing nations.

Mr. SHIVELY. It must also seem apparent——

Mr. ALDRICH. And if we should have, which I hope never will occur, a tariff war between France and the United States, France would have to buy agricultural products of the United States or of some other country that now competes with us; but we can produce in the United States or we can buy from Germany or Great Britain or Switzerland all of the manufactured articles which we are now buying of France.

Mr. SHIVELY. Mr. President, in reply to the very wise observation of the Senator from Rhode Island, permit me to say that it is equally apparent that when the additional 25 per cent duty is put up against France, the French may sell their goods, wares, and merchandise to the German, the Austrian, the Italian, and may buy their meats, breadstuffs, machinery, and other necessaries from countries other than the United States. So the point made by the Senator pricks both ways. The whole scheme of your tariff is based on the theory that you intend in part to raise revenue. There can be no revenue without importations, and there can be no importations without purchasers of them. Of course the citizen may buy elsewhere or of some one else, but you lessen the number of sellers and narrow the choice of the American citizen in his purchase to his prejudice just to that extent.

Mr. ALDRICH. I make the prediction that, if this provision becomes a law, as I hope and expect it will, we shall have no additional duties imposed upon France or upon Germany or upon any competing country for this reason: We are simply saying to those countries, "If you will treat American products fairly, we will treat French and German products fairly." I think that feeling of fairness and of reciprocal advantages growing out of trade will certainly prevent the imposition of any additional duties at any time.

Mr. SHIVELY. What may be done will depend less on the law than on the Department of State. I can not be sure of haste in putting in force minimum rates in the presence of so much persistence in prescribing maximum rates. Does the Senator pretend that these maximum rates will be arrested by proclamation before they go into effect March 31, 1910?

Mr. ALDRICH. I have no question about it whatever. Negotiations will, of course, be at once entered into between the executive department and various other governments where discriminations are alleged to exist. With those countries where no discriminations exist and there is no allegation of discrimination, the minimum rates will prevail, and where there are alleged to be discriminations, negotiations will be at once entered into, and I predict that before long, probably long before the 1st day of April next, proclamations will have been issued as to all those countries, and the whole thing will be settled.

Mr. SHIVELY. The negotiations are to be conducted, of course, by the State Department. The investigations would be carried forward by that department under the supervision of the President. So the Senator understands?

Mr. ALDRICH. Certainly.

Mr. SHIVELY. Does the Senator undertake to say that there is only a country here and there that is discriminating against the United States?

Mr. ALDRICH. There are only a very few countries where there is any allegation whatever that there are discriminations.

Mr. SHIVELY. That is easily said, and probably true. But if so, why all this sweeping of maximum rates through the whole dutiable schedules? What becomes of concessions that shall be "reciprocal and equivalent" to the concessions granted in the minimum tariff of the United States? There has been no investigation and report as to this, and none is thus far authorized. It is palpable that we must await the conclusion of the Department of State as to foreign tariffs before we shall know what is to be our own.

Mr. ALDRICH. But, Mr. President, the Senator's own constituents who are engaged in raising and shipping products to foreign countries can advise him as to what countries discriminate against the United States.

Mr. SHIVELY. As to such products, yes; and can advise the Senator that this legislation would close rather than open markets to such products.

Mr. HUGHES. I should like to ask the Senator from Rhode Island if it is not true now that France has some twenty-odd treaties giving to other countries than the United States mini-

mum rates, whereas by a special treaty with this country she gives a minimum rate on only some articles, so that the moment this law is passed the discrimination is already in force and the maximum rate must be as ascertained by the President, and maintained?

Mr. ALDRICH. There is no special treaty. There is an arrangement which is terminable at the pleasure of the Government of the United States in the case of France, but it is not a special treaty. It is true, however, that France imposes her maximum duties, with few exceptions, upon the products of the United States. That is one of the things of which we are complaining. I have no doubt that the administration of the French Government, which has this power in its control, will remove all those difficulties long before the first of April next.

Mr. HUGHES. Mr. President, the Senator will admit, I think—I have the facts here—that France has some 20 treaties to-day extending over years, some of them yet unexpired, giving to other countries more favorable terms than we now have with France, giving them the minimum rates of the French tariff. The enactment of this measure will compel France to abandon or change the treaties she has made with other countries, or at once be involved in commercial war with the United States, declared by this act.

Mr. ALDRICH. The Senator is mistaken.

Mr. HUGHES. Why not? Is it not a discrimination for the Argentine Republic to have the advantage of minimum rates upon articles when the United States does not have minimum rates on the same articles?

Mr. ALDRICH. France entered into a commercial treaty with England, as I remember, almost immediately upon the adoption of her maximum and minimum rates. It did not follow that she was bound to give all the other commercial countries of the world the same treatment that she gave Great Britain. These are special treaties, and those governments can do whatever they please with reference to them.

Mr. HUGHES. The amendment pending here provides that if there is any failure to give reciprocal and equivalent arrangements on any article——

Mr. ALDRICH. That unduly discriminates against the United States.

Mr. HUGHES. Yes; and the fact that they give to some other country better rates than they give to the United States is a discrimination. It is selecting other countries with which they deal on better terms.

Mr. ALDRICH. Not necessarily. That is a matter to be determined by the President.

Mr. HUGHES. He ascertains that fact; but are we to understand that if England can have her goods admitted into France at the minimum duty and the United States can only have them admitted at the maximum that there is not, perforce, from the very situation, so that no President could disregard it, undue discrimination?

Mr. ALDRICH. That is entirely left to the President to determine. We are not undertaking to settle that question here.

Mr. HUGHES. Are we not here saying what is the fact which he must ascertain in order to change this law, or are we leaving it to him to legislate upon the subject?

Mr. ALDRICH. Not at all. We are leaving to him the ascertainment of certain facts.

Mr. HUGHES. If it is not a discrimination to let articles from other countries be admitted lower than articles from our country, what would be a discrimination?

Mr. ALDRICH. Mr. President, if it is a discrimination, and the President of the United States finds that it is an undue discrimination, then, of course, the maximum rates go into effect.

Mr. HUGHES. And that condition exists to-day in Germany, in France, and in a number of other countries; so that we are declaring a commercial war and running up the black flag the minute we pass this law. We are forcing every other government to change their treaties with other countries or else they are put under an embargo so far as we are concerned.

Mr. McLAURIN. I should like to ask the Senator from Rhode Island what is an "undue discrimination?" It is not for the President to determine whether the discrimination exists or not, but whether it is undue. What is "undue discrimination?" Is not that delegating to the President legislative power?

Mr. ALDRICH. That is a fact that is left to the President to ascertain.

The VICE-PRESIDENT. The question is on agreeing to the amendment offered by the Senator from Rhode Island [Mr. ALDRICH].

Mr. McLAURIN and Mr. CULBERSON demanded the yeas and nays.

The yeas and nays were ordered, and the Secretary proceeded to call the roll.

Mr. CHAMBERLAIN (when his name was called). I am paired with the junior Senator from Pennsylvania [Mr. OLIVER]. If he were present, I should vote "nay."

Mr. CURTIS (when his name was called). I am paired with the junior Senator from Minnesota [Mr. CLAPP]. I transfer that pair to the senior Senator from Indiana [Mr. BEVERIDGE] and vote. I vote "yea." The junior Senator from Minnesota authorized me to say that, if he were present, he would vote "nay."

Mr. DILLINGHAM (when his name was called). I have a general pair with the senior Senator from South Carolina [Mr. TILLMAN], which I transfer to the junior Senator from Wisconsin [Mr. STEPHENSON], and vote. I vote "yea."

Mr. JOHNSTON of Alabama (when his name was called). I am paired with the junior Senator from Massachusetts [Mr. CRANE]. I transfer that pair to the junior Senator from Virginia [Mr. MARTIN], and vote. I vote "nay."

Mr. JONES (when his name was called). I transfer my pair with the Senator from South Carolina [Mr. SMITH] to the Senator from Connecticut [Mr. BULKELEY], and vote. I vote "yea."

Mr. McCUMBER (when his name was called). I again announce my pair with the junior Senator from Louisiana [Mr. FOSTER]. I transfer that pair to the senior Senator from Washington [Mr. PILES], and vote. I vote "yea."

Mr. McLAURIN (when his name was called). I am paired with the junior Senator from Michigan [Mr. SMITH]. I transfer that pair to the senior Senator from Oklahoma [Mr. OWEN], and vote. I vote "nay."

Mr. CULBERSON (when Mr. MARTIN's name was called). The Senator from Virginia [Mr. MARTIN] is unavoidably absent. He is paired with the junior Senator from Massachusetts [Mr. CRANE]. If the Senator from Virginia were present and permitted to vote, he would vote "nay."

Mr. McLAURIN (when Mr. MONEY's name was called). My colleague is unavoidably absent. He is paired with the Senator from Wyoming [Mr. WARREN]. If my colleague were present, he would vote "nay."

Mr. PERKINS (when his name was called). I have a general pair with the junior Senator from North Carolina [Mr. OVERMAN]. I am permitted to transfer that pair to the junior Senator from Idaho [Mr. BORAH], who, if present, would vote "yea." This will leave me at liberty to vote. I vote "yea."

Mr. JONES (when the name of Mr. PILES was called). I desire to announce that my colleague [Mr. PILES] is unavoidably absent. If he were present, he would vote "yea" on this amendment.

Mr. TALIAFERRO (when his name was called). I have a general pair with the junior Senator from West Virginia [Mr. SCOTT]. If he were present, I should vote "nay."

Mr. WARREN (when his name was called). I have a pair with the Senator from Mississippi [Mr. MONEY]. I do not see him in the Chamber. If he were present, I should vote "yea."

The roll call was concluded.

Mr. CURTIS. I wish to announce that on this vote the Senator from West Virginia [Mr. ELKINS] is paired with the Senator from Texas [Mr. BAILEY]; the Senator from Colorado [Mr. GUGGENHEIM] is paired with the Senator from Kentucky [Mr. PAYNTER]; the Senator from Maine [Mr. HALE] is paired with the Senator from Maryland [Mr. RAYNER]; the Senator from Illinois [Mr. LORIMER] is paired with the Senator from Alabama [Mr. BANKHEAD]; the Senator from Delaware [Mr. RICHARDSON] is paired with the Senator from Arkansas [Mr. CLARKE]; and the Senator from Missouri [Mr. WARNER] is paired with the Senator from Maryland [Mr. SMITH].

Mr. SIMMONS. I desire to announce that my colleague [Mr. OVERMAN] is unavoidably absent from the Chamber to-day. He is paired with the Senator from California [Mr. PERKINS], as has been stated, which pair has been transferred to the Senator from Idaho [Mr. BORAH]. If my colleague were present, he would vote "nay."

Mr. KEAN. The junior Senator from West Virginia [Mr. SCOTT] is necessarily absent. If he were present, he would vote "yea." He is paired with the Senator from Florida [Mr. TALIAFERRO], as has already been announced.

Mr. BACON. I again announce the necessary absence of my colleague [Mr. CLAY]. He is paired with the senior Senator from Massachusetts [Mr. LODGE]. If he were present, my colleague would vote "nay."

The result was announced—yeas 36, nays 18, as follows:

YEAS—36.

Aldrich	Clark, Wyo.	Flint	Nelson
Bourne	Cullom	Frye	Nixon
Bradley	Cummins	Gallinger	Page
Briggs	Curtis	Gamble	Penrose
Brown	Depew	Heyburn	Perkins
Burkett	Dick	Johnson, N. Dak.	Root
Burnham	Dillingham	Jones	Smoot
Burrows	Dixon	Kean	Sutherland
Carter	Dolliver	McCumber	Wetmore

NAYS—18.

Bacon	Davis	Johnston, Ala.	Shively
Bristow	Fletcher	La Follette	Simmons
Burton	Frazier	McEnery	Stone
Crawford	Gore	McLaurin	
Culberson	Hughes	Newlands	

NOT VOTING—38.

Bailey	Crane	Money	Smith, Mich.
Bankhead	Daniel	Oliver	Smith, S. C.
Beveridge	du Pont	Overman	Stephenson
Borah	Elkins	Owen	Taliaferro
Brandegee	Foster	Paynter	Taylor
Bulkeley	Guggenheim	Piles	Tillman
Chamberlain	Hale	Rayner	Warner
Clapp	Lodge	Richardson	Warren
Clarke, Ark.	Lorimer	Scott	
Clay	Martin	Smith, Md.	

So the amendment of Mr. ALDRICH was agreed to.

EXECUTIVE SESSION.

Mr. ALDRICH. I move that the Senate proceed to the consideration of executive business.

The motion was agreed to, and the Senate proceeded to the consideration of executive business. After five minutes spent in executive session the doors were reopened, and (at 4 o'clock and 45 minutes p. m.) the Senate adjourned until Monday, July 5, 1909, at 10 o'clock a. m.

NOMINATIONS.

Executive nominations received by the Senate July 3, 1909.

COLLECTOR OF CUSTOMS.

William R. Leaken, of Georgia, to be collector of customs for the district of Savannah, in the State of Georgia, in place of John H. Deveaux, deceased.

ASSISTANT COMMISSIONER OF INDIAN AFFAIRS.

Fred H. Abbott, of Aurora, Nebr., to be Assistant Commissioner of Indian Affairs, vice Robert G. Valentine, promoted.

PROMOTIONS IN THE ARMY.

COAST ARTILLERY CORPS.

First Lieut. William P. Platt, Coast Artillery Corps (captain, by detail, in the Ordnance Department), to be captain from July 1, 1909, vice Capt. Leroy T. Hillman, detailed in the Ordnance Department on that date.

First Lieut. Edward M. Shinkle, Coast Artillery Corps (captain, by detail, in the Ordnance Department), to be captain from July 1, 1909, vice Capt. William P. Platt, whose detail in the Ordnance Department is continued from that date.

First Lieut. William R. Bettison, Coast Artillery Corps, to be captain from July 1, 1909, vice Capt. Edward M. Shinkle, whose detail in the Ordnance Department is continued from that date.

Second Lieut. Robert R. Welshimer, Coast Artillery Corps, to be first lieutenant from July 1, 1909, vice First Lieut. William R. Bettison, promoted.

Second Lieut. William W. Hicks, Coast Artillery Corps, to be first lieutenant from July 1, 1909, vice First Lieut. Morgan L. Brett, detailed in the Ordnance Department on that date.

Second Lieut. Eugene B. Walker, Coast Artillery Corps, to be first lieutenant from July 1, 1909, vice First Lieut. Richard H. Somers, detailed in the Ordnance Department on that date.

Second Lieut. Karl F. Baldwin, Coast Artillery Corps, to be first lieutenant from July 1, 1909, vice First Lieut. Thomas L. Coles, detailed in the Ordnance Department on that date.

Second Lieut. Charles K. Wing, Coast Artillery Corps, to be first lieutenant from July 1, 1909, vice First Lieut. John B. Rose, detailed in the Ordnance Department on that date.

PROMOTIONS IN THE NAVY.

The following-named machinists to be chief machinists in the navy from the 3d of March, 1909, upon the completion of six years' service, in accordance with the provisions of an act of Congress approved March 3, 1909:

William R. Scofield,
Henry Smith,
William W. Booth,
John H. Busch,
William E. Stiles, and
Adolph A. Gathemann.

CONFIRMATIONS.

Executive nominations confirmed by the Senate July 3, 1909.

ASSISTANT COMMISSIONER OF INDIAN AFFAIRS.

Fred H. Abbott to be Assistant Commissioner of Indian Affairs.

MEMBERS OF THE BOARD OF CHARITIES.

John Joy Edson to be a member of the Board of Charities of the District of Columbia.

George M. Kober to be a member of the Board of Charities of the District of Columbia.

APPOINTMENT, BY TRANSFER, IN THE ARMY.

FIELD ARTILLERY.

Second Lieut. Herbert Hayden, Third Infantry, to the field artillery.

POSTMASTERS.

KENTUCKY.

C. F. Taylor, at Greenup, Ky.

SOUTH DAKOTA.

Horace M. Green, at Alcester, S. Dak.
William Lester, at Lake Andes, S. Dak.
Frank B. Williams, at Hurley, S. Dak.

TENNESSEE.

William F. Littleton, at Kingston, Tenn.
Elisha Thomas McKinney, at Harriman, Tenn.

SENATE.

MONDAY, *July 5, 1909.*

The Senate met at 10 o'clock a. m.

The Chaplain, Rev. Ulysses G. B. Pierce, D. D., offered the following prayer:

Almighty God, who didst lead our fathers into a large place and didst set their feet in the path of liberty, be with us, we pray Thee, even as in the elder days. Defend our country from all violence without and from all strife within, delivering us alike from pride and from shame. Make Thou our rulers righteousness and our officers peace, and write Thy laws into the hearts of this people. So guide and protect us, our Father, that by the continuance of Thy gracious favor we may indeed be that happy Nation whose God is the Lord. Amen.

The Journal of the proceedings of Saturday last was read and approved.

PETITIONS AND MEMORIALS.

Mr. KEAN. I present a communication, in the nature of a memorial, from the Fourteenth Ward Building and Loan Association, of Newark, N. J., which I ask may be read.

There being no objection, the communication was read and ordered to lie on the table, as follows:

THE FOURTEENTH WARD
BUILDING AND LOAN ASSOCIATION OF THE CITY OF NEWARK,
No. 10 Elizabeth avenue, Newark, N. J., July 1, 1909.

Hon. JOHN KEAN,
United States Senate, Washington, D. C.

DEAR SIR: The undersigned executive officers of the Fourteenth Ward Building and Loan Association of the city of Newark, N. J., representing a membership of 2,500 individuals, wage-earners all, desire to enter a protest in the name of these members against the tax proposed in the pending tariff bill on net earnings of corporations and to respectfully request that special exemption be made of all such associations, for the reason that the investment represents the savings of a class of wage-earners whose income is limited and who would not be considered in any scheme looking to the replenishment of the National Treasury, but who should be, on the contrary, peculiarly exempt from such tax.

It will be recalled that this exemption was made in the last income-tax measure, and every argument advanced then applies now.

Respectfully submitted.

[SEAL.] A. M. LINNETT, *President.*
WM. C. MORTON, *Treasurer.*

Attest:
F. N. UTTER, *Assistant Secretary.*

Mr. KEAN presented a memorial of the board of directors of the Second National Bank of Phillipsburg, N. J., remonstrating against the adoption of the so-called "income-tax amendment" to the pending tariff bill, which was ordered to lie on the table.

He also presented a petition of the Building and Loan Association of Belmar, N. J., praying for the adoption of a certain amendment to the so-called "corporation-tax amendment" to the pending tariff bill exempting building and loan associations from the provisions contained therein, which was ordered to lie on the table.

Mr. SCOTT presented a memorial of sundry citizens of Wheeling, W. Va., remonstrating against the adoption of the so-called "corporation-tax amendment" to the pending tariff bill, which was ordered to lie on the table.

Mr. BURTON presented a memorial of sundry citizens of Toledo, Ohio, indorsing the action of the United States Senate in protecting the lemon industry of the United States, which was ordered to lie on the table.

Mr. DEPEW presented a petition of the Chamber of Commerce of Syracuse, N. Y., praying for the appointment of a permanent tariff commission, which was ordered to lie on the table.

He also presented a memorial of the Collar and Shirt Manufacturers' Association, of Troy, N. Y., remonstrating against the adoption of the so-called "corporation-tax amendment" to the pending tariff bill, which was ordered to lie on the table.

He also presented petitions of the East Brooklyn Cooperative Building Association, of Brooklyn; the North New York Cooperative Building and Loan Association, the Homestead Aid Association, of Utica; the Franklin Society for Building and Savings; the New York State League of Cooperative Savings and Loan Associations, of Watertown; the Schenectady Building Loan and Savings Institution, of Schenectady; the East New York Cooperative Savings and Building Loan Association, of New York; the Brooklyn Mutual Building and Loan Association, of Brooklyn; the West End Savings and Loan Association, of Albany; the Safety Building Loan and Savings Association, of Albany; the Corning Cooperative Savings and Loan Association, of Corning; the Kingston Cooperative Savings and Loan Association; the Gowanda Savings and Loan Association, of Gowanda; and the Richmond County Building and Mutual Loan Association, of Staten Island, all in the State of New York, praying for the adoption of a certain amendment to the so-called "corporation-tax amendment" to the pending tariff bill exempting building and loan associations from the provisions contained therein, which were ordered to lie on the table.

NATIONAL ENCAMPMENT AT SALT LAKE CITY, UTAH.

Mr. WARREN. The joint resolution (H. J. Res. 54) authorizing the Secretary of War to loan cots, tents, and appliances for the use of the forty-third national encampment of the Grand Army of the Republic at Salt Lake City, Utah, passed the House, and was referred to the Committee on Military Affairs. As the time for the encampment is near at hand, and as long-distance transportation of the articles desired must necessarily be slow and uncertain, I report back the joint resolution from the committee favorably without amendment, and ask unanimous consent that it be put on its passage at this time.

The Secretary read the joint resolution, and there being no objection, the Senate, as in Committee of the Whole, proceeded to its consideration.

The joint resolution was reported to the Senate without amendment, ordered to a third reading, read the third time, and passed.

BILLS INTRODUCED.

Bills were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. DEPEW:

A bill (S. 2830) granting an increase of pension to Charles M. Catlin (with accompanying paper); and

A bill (S. 2831) granting an increase of pension to George P. Price (with accompanying paper); to the Committee on Pensions.

By Mr. NIXON:

A bill (S. 2832) granting an increase of pension to Charles E. Bowling; to the Committee on Pensions.

By Mr. LA FOLLETTE:

A bill (S. 2833) for the relief of certain purchasers of lots in the Fort Crawford military tract at Prairie du Chien, State of Wisconsin; to the Committee on Private Land Claims.

C. P. SCHENCK.

Mr. CUMMINS submitted the following resolution (S. Res. 64), which was referred to the Committee to Audit and Control the Contingent Expenses of the Senate:

Senate resolution 64.

Resolved, That the Secretary of the Senate be, and is hereby, authorized to pay to C. P. Schenck, out of the contingent fund of the Senate, the sum of $76 for services as messenger from March 4 to March 22, 1909, inclusive.

THE TARIFF.

The VICE-PRESIDENT. The morning business is closed, and the first bill on the calendar will be proceeded with.

The Senate, as in Committee of the Whole, resumed the consideration of the bill (H. R. 1438) to provide revenue, equalize duties, and encourage the industries of the United States, and for other purposes.

Mr. ALDRICH. On behalf of the Committee on Finance, I move the following amendment——

Mr. BRISTOW. Mr. President, I suggest the absence of a quorum.

The VICE-PRESIDENT. The Secretary will call the roll.

The Secretary called the roll, and the following Senators answered to their names:

Aldrich	Crane	Gamble	Scott
Bacon	Culberson	Guggenheim	Simmons
Beveridge	Cullom	Heyburn	Smoot
Briggs	Cummins	Johnson, N. Dak.	Stephenson
Bristow	Curtis	Johnston, Ala.	Stone
Brown	Daniel	Jones	Sutherland
Burkett	Davis	Kean	Taliaferro
Burnham	Dick	McCumber	Taylor
Burrows	Dillingham	Nelson	Warner
Burton	Dixon	Nixon	Warren
Carter	Fletcher	Overman	Wetmore
Chamberlain	Flint	Page	
Clapp	Foster	Perkins	
Clark, Wyo.	Gallinger	Root	

Mr. JONES. I desire to state that my colleague [Mr. PILES] is out of the city on important business.

The VICE-PRESIDENT. Fifty-three Senators have answered to the roll call. A quorum of the Senate is present.

Mr. BRISTOW. I desire to offer an amendment to Senate joint resolution No. 40, proposing an amendment to the Constitution of the United States.

The VICE-PRESIDENT. The Secretary will first read the amendment sent to the desk by the Senator from Rhode Island, and then the Chair will recognize the Senator from Kansas for that purpose. The amendment submitted by the Senator from Rhode Island has been heretofore read, and if there is no objection, it will not be read again.

Mr. ALDRICH. It is not necessary to read it, but perhaps it should be considered by sections.

The amendment reported by Mr. ALDRICH, from the Committee on Finance, April 30, 1909, was to add to the bill, as a new section, the following:

SEC. 3. That the act entitled "An act to simplify the laws in relation to the collection of the revenues," approved June 10, 1890, as amended, be further amended to read as follows:

"SEC. 1. That all merchandise imported into the United States shall, for the purpose of this act, be deemed and held to be the property of the person to whom the same is consigned; and the holder of a bill of lading duly indorsed by the consignee therein named, or, if consigned to order, by the consignor, shall be deemed the consignee thereof; and in case of the abandonment of any merchandise to the underwriters the latter may be recognized as the consignee.

"SEC. 2. That all invoices of imported merchandise shall be made out in the currency of the place or country from whence the importations shall be made, or, if purchased, in the currency actually paid therefor, shall contain a correct description of such merchandise, and shall be made in triplicate or quadruplicate in case of merchandise intended for immediate transportation without appraisement, and signed by the person owning or shipping the same, if the merchandise has been actually purchased, or by the manufacturer or owner thereof, if the same has been procured otherwise than by purchase, or by the duly authorized agent of such purchaser, seller, manufacturer or owner.

"SEC. 3. That all such invoices shall, at or before the shipment of the merchandise, be produced to the consul, vice-consul, or commercial agent of the United States of the consular district in which the merchandise was manufactured or purchased, as the case may be, for export to the United States, and shall have indorsed thereon, when so produced, a declaration signed by the purchaser, seller, manufacturer, owner, or agent, setting forth that the invoice is in all respects correct and true, and was made at the place from which the merchandise is to be exported to the United States; that it contains, if the merchandise was obtained by purchase, a true and full statement of the time when, the place where, the person from whom the same was purchased, and the actual cost thereof, and of all charges thereon, as provided by this act; and that no discounts, bounties, or drawbacks are contained in the invoice but such as have been actually allowed thereon; and when obtained in any other manner than by purchase, the actual market value or wholesale price thereof, at the time of exportation to the United States, in the principal markets of the country from whence exported; that such actual market value is the price at which the merchandise described in the invoice is freely offered for sale to all purchasers in said markets, and that it is the price which the manufacturer or owner making the declaration would have received, and was willing to receive, for such merchandise sold in the ordinary course of trade in the usual wholesale quantities, and that it includes all charges thereon as provided by this act, and the actual quantity thereof; and that no different invoice of the merchandise mentioned in the invoice so produced has been or will be furnished to anyone. If the merchandise was actually purchased, the declaration shall also contain a statement that the currency in which such invoice is made out is that which was actually paid for the merchandise by the purchaser.

"SEC. 4. That, except in case of personal effects accompanying the passenger, no importation of any merchandise exceeding $100 in value shall be admitted to entry without the production of a duly certified invoice thereof as required by law, or of an affidavit made by the owner, importer, or consignee, before the collector or his deputy, showing why it is impracticable to produce such invoice; and no entry shall be made in the absence of a certified invoice, upon affidavit as aforesaid, unless such affidavit be accompanied by a statement in the form of an invoice, or otherwise, showing the actual cost of such merchandise, if purchased, or if obtained otherwise than by purchase, the actual market value or wholesale price thereof at the time of exportation to the United States in the principal markets of the country from which the same has been imported; which statement shall be verified by the oath of the owner, importer, consignee, or agent desiring to make entry of the merchandise, to be administered by the collector or his deputy, and it shall be lawful for the collector or his deputy to examine the deponent under oath, touching the sources of his knowledge, information, or belief, in the

premises, and to require him to produce any letter, paper, or statement of account in his possession, or under his control, which may assist the officers of customs in ascertaining the actual value of the importation or any part thereof, and in default of such production, when so requested, such owner, importer, consignee, or agent shall be thereafter debarred from producing any such letter, paper, or statement for the purpose of avoiding any additional duty, penalty, or forfeiture incurred under this act, unless he shall show to the satisfaction of the court or the officers of the customs, as the case may be, that it was not in his power to produce the same when so demanded; and no merchandise shall be admitted to entry under the provisions of this section unless the collector shall be satisfied that the failure to produce a duly certified invoice is due to causes beyond the control of the owner, consignee, or agent thereof: *Provided*, That the Secretary of the Treasury may make regulations by which books, magazines, and other periodicals published and imported in successive parts, numbers, or volumes, and entitled to be imported free of duty, shall require but one declaration for the entire series. And when entry of merchandise exceeding $100 in value is made by a statement in the form of an invoice, the collector shall require a bond for the production of a duly certified invoice.

"SEC. 5. That whenever merchandise imported into the United States is entered by invoice, one of the following declarations, according to the nature of the case, shall be filed with the collector of the port at the time of entry by the owner, importer, consignee, or agent, which declaration so filed shall be duly signed by the owner, importer, consignee, or agent before the collector, or before a notary public or other officer duly authorized by law to administer oaths and take acknowledgments, who may be designated by the Secretary of the Treasury to receive such declarations and to certify to the identity of the persons making them, under regulations to be prescribed by the Secretary of the Treasury; and every officer so designated shall file with the collector of the port a copy of his official signature and seal: *Provided*, That if any of the invoices or bills of lading of any merchandise imported in any one vessel which should otherwise be embraced in said entry, have not been received at the date of the entry, the declaration may state the fact, and thereupon such merchandise, of which the invoices or bills of lading are not produced, shall not be included in such entry, but may be entered subsequently.

"DECLARATION OF CONSIGNEE, IMPORTER, OR AGENT, WHERE MERCHANDISE HAS BEEN ACTUALLY PURCHASED.

"I, ——— ———, do solemnly and truly declare that I am the consignee, importer, or agent of the merchandise described in the annexed entry and invoice; that the invoice and bill of lading now presented by me to the collector of ——— are the true and only invoice and bill of lading by me received of all the goods, wares, and merchandise imported in the ———, whereof ——— is master, from ———, for account of any person whomsoever for whom I am authorized to enter the same; that the said invoice and bill of lading are in the state in which they were actually received by me, and that I do not know or believe in the existence of any other invoice or bill of lading of the said goods, wares, and merchandise; that the entry now delivered to the collector contains a just and true account of the said goods, wares, and merchandise, according to the said invoice and bill of lading; that nothing has been on my part, nor to my knowledge on the part of any other person, concealed or suppressed, whereby the United States may be defrauded of any part of the duty lawfully due on the said goods, wares, and merchandise; that the said invoice and the declaration therein are in all respects true, and were made by the person by whom the same purport to have been made; and that if at any time hereafter I discover any error in the said invoice, or in the account now rendered of the said goods, wares, and merchandise, or receive any other invoice of the same, I will immediately make the same known to the collector of this district. And I do further solemnly and truly declare that to the best of my knowledge and belief (insert the name and residence of the owner or owners) is (or are) the owner (or owners) of the goods, wares, and merchandise mentioned in the annexed entry; that the invoice now produced by me exhibits the actual cost at the time of exportation to the United States in the principal markets of the country from whence imported of the said goods, wares, and merchandise, and includes and specifies the value of all cartons, cases, crates, boxes, sacks, casks, barrels, hogsheads, bottles, jars, demijohns, carboys, and other containers or coverings, whether holding liquids or solids, which are not otherwise specially subject to duty under any paragraph of the tariff act, and all other costs, charges, and expenses incident to placing said goods, wares, and merchandise in condition, packed ready for shipment to the United States, and no other or different discount, bounty, or drawback but such as has been actually allowed on the same.

"DECLARATION OF CONSIGNEE, IMPORTER, OR AGENT WHERE MERCHANDISE HAS NOT BEEN ACTUALLY PURCHASED.

"I, ——— ———, do solemnly and truly declare that I am the consignee, importer, or agent of the merchandise described in the annexed entry and invoice; that the invoice and bill of lading now presented by me to the collector of ——— are the true and only invoice and bill of lading by me received of all the goods, wares, and merchandise imported in the ———, whereof ——— is master, from ———, for account of any person whomsoever for whom I am authorized to enter the same; that the said invoice and bill of lading are in the state in which they were actually received by me, and that I do not know or believe in the existence of any other invoice or bill of lading of the said goods, wares, and merchandise; that the entry now delivered to the collector contains a just and true account of the said goods, wares, and merchandise, according to the said invoice and bill of lading; that nothing has been on my part, nor to my knowledge on the part of any other person, concealed or suppressed, whereby the United States may be defrauded of any part of the duty lawfully due on the said goods, wares, and merchandise; that the said invoice and the declaration therein are in all respects true, and were made by the person by whom the same purport to have been made; and that if at any time hereafter I discover any error in the said invoice, or in the account now rendered of the said goods, wares, and merchandise, or receive any other invoice of the same, I will immediately make the same known to the collector of this district. And I do further solemnly and truly declare that to the best of my knowledge and belief (insert the name and residence of the owner or owners) is (or are) the owner (or owners) of the goods, wares, and merchandise mentioned in the annexed entry; that the invoice now produced by me exhibits the actual market value or wholesale price at the time of exportation to the United States in the principal markets of the country from whence imported of the said goods, wares, and merchandise, and includes and specifies the value of all cartons, cases, crates, boxes, sacks, casks, barrels, hogsheads, bottles, jars, demijohns, carboys, and other containers or coverings, whether holding liquids or solids, which are not otherwise specially subject to duty under any paragraph of the tariff act, and all other costs, charges, and expenses incident to placing said goods, wares, and merchandise in condition, packed ready for shipment to the United States, and no other or different discount, bounty, or drawback but such as has been actually allowed on the same.

"DECLARATION OF OWNER IN CASES WHERE MERCHANDISE HAS BEEN ACTUALLY PURCHASED.

"I, ——— ———, do solemnly and truly declare that I am the owner by purchase of the merchandise described in the annexed entry and invoice; that the entry now delivered by me to the collector of ——— contains a just and true account of all the goods, wares, and merchandise imported by or consigned to me in the ———, whereof ——— is master, from ———; that the invoice and entry, which I now produce, contain a just and faithful account of the actual cost of the said goods, wares, and merchandise, and include and specify the value of all cartons, cases, crates, boxes, sacks, casks, barrels, hogsheads, bottles, jars, demijohns, carboys, and other containers or coverings, whether holding liquids or solids, which are not otherwise specially subject to duty under any paragraph of the tariff act, and all other costs, charges, and expenses incident to placing said goods, wares, and merchandise in condition, packed ready for shipment to the United States, and no other discount, drawback, or bounty but such as has been actually allowed on the same; that I do not know nor believe in the existence of any invoice or bill of lading other than those now produced by me, and that they are in the state in which I actually received them. And I further solemnly and truly declare that I have not in the said entry or invoice concealed or suppressed anything whereby the United States may be defrauded of any part of the duty lawfully due on the said goods, wares, and merchandise; that to the best of my knowledge and belief the said invoice and the declaration thereon are in all respects true, and were made by the person by whom the same purport to have been made, and that if at any time hereafter I discover any error in the said invoice or in the account now produced of the said goods, wares, and merchandise, or receive any other invoice of the same, I will immediately make the same known to the collector of this district.

"DECLARATION OF MANUFACTURER OR OWNER IN CASES WHERE MERCHANDISE HAS NOT BEEN ACTUALLY PURCHASED.

"I, ——— ———, do solemnly and truly declare that I am the owner (or manufacturer) of the merchandise described in the annexed entry and invoice; that the entry now delivered by me to the collector of ——— contains a just and true account of all the goods, wares, and merchandise imported by or consigned to me in the ———, whereof ——— ——— is master, from ———; that the said goods, wares, and merchandise were not actually bought by me, or by my agent, in the ordinary mode of bargain and sale, but that nevertheless the invoice which I now produce contains a just and faithful valuation of the same, at their actual market value or wholesale price, at the time of exportation to the United States, in the principal markets of the country from whence imported for my account (or for account of myself or partners); that such actual market value is the price at which the merchandise described in the invoice is freely offered for sale to all purchasers in said markets and is the price which I would have received and was willing to receive for such merchandise sold in the ordinary course of trade in the usual wholesale quantities; that the said invoice contains also a just and faithful account of all the cost of finishing said goods, wares, and merchandise to their present condition, and includes and specifies the value of all cartons, cases, crates, boxes, sacks, casks, barrels, hogsheads, bottles, jars, demijohns, carboys, and other containers or coverings, whether holding liquids or solids, which are not otherwise specially subject to duty under any paragraph of the tariff act, and all other costs and charges incident to placing said goods, wares, and merchandise in condition, packed ready for shipment to the United States, and no other discount, drawback, or bounty but such as has been actually allowed on the said goods, wares, and merchandise; that the said invoice and the declaration thereon are in all respects true, and were made by the person by whom the same purports to have been made; that I do not know nor believe in the existence of any invoice or bill of lading other than those now produced by me, and that they are in the state in which I actually received them. And I do further solemnly and truly declare that I have not in said entry or invoice concealed or suppressed anything whereby the United States may be defrauded of any part of the duty lawfully due on the said goods, wares, and merchandise; and that if at any time hereafter I discover any error in the said invoice, or in the accounts now produced of the said goods, wares, and merchandise, or receive any other invoice of the same, I will immediately make the same known to the collector of this district.

"SEC. 6. That any person who shall knowingly make any false statement in the declarations provided for in the preceding section, or shall aid or procure the making of any such false statement as to any matter material thereto, shall, on conviction thereof, be punished by a fine not exceeding $5,000, or by imprisonment at hard labor not more than two years, or both, in the discretion of the court: *Provided*, That nothing in this section shall be construed to relieve imported merchandise from forfeiture by reason of such false statement or for any cause elsewhere provided by law.

"SEC. 7. That the owner, consignee, or agent of any imported merchandise may, at the time when he shall make and verify his written entry of such merchandise, but not afterwards, make such addition in the entry to or such deduction from the cost or value given in the invoice or pro forma invoice or statement in form of an invoice, which he shall produce with his entry, as in his opinion may raise or lower the same to the actual market value or wholesale price of such merchandise at the time of exportation to the United States, in the principal markets of the country from which the same has been imported; and the collector within whose district any merchandise may be imported or entered, whether the same has been actually purchased or procured otherwise than by purchase, shall cause the actual market value or wholesale price of such merchandise to be appraised; and if the appraised value of any article of imported merchandise subject to an ad valorem duty or to a duty based upon or regulated in any manner by the value thereof shall exceed the value declared in the entry, there shall be levied, collected, and paid, in addition to the duties imposed by law on such merchandise, an additional duty of 1 per cent of the total appraised value thereof for each 1 per cent that such appraised value exceeds the value declared in the entry; but the additional duties shall only apply to the particular article or articles in each invoice that are so undervalued and shall not be imposed upon any article upon which the amount of duty imposed by law on account of the appraised value does not exceed the amount of duty that would be imposed if the

appraised value did not exceed the entered value, and shall be limited to 50 per cent of the appraised value of such article or articles. Such additional duties shall not be construed to be penal, and shall not be remitted nor payment thereof in any way avoided except in cases arising from a manifest clerical error, and whenever additional duties have been imposed upon merchandise the same shall not be refunded in case of exportation of the merchandise, nor shall they be subject to the benefit of drawback: *Provided*, That if the appraised value of any merchandise shall exceed the value declared in the entry by more than 50 per cent, except when arising from a manifest clerical error, such entry shall be held to be presumptively fraudulent, and the collector of customs shall seize such merchandise and proceed as in case of forfeiture for violation of the customs laws, and in any legal proceeding that may result from such seizure, the undervaluation as shown by the appraisal shall be presumptive evidence of fraud, and the burden of proof shall be on the claimant to rebut the same, and forfeiture shall be adjudged unless he shall rebut such presumption of fraudulent intent by sufficient evidence. The forfeiture provided for in this section shall apply to the whole of the merchandise or the value thereof in the case or package containing the particular article or articles in each invoice which are undervalued: *Provided further*, That all additional duties, penalties, or forfeitures applicable to merchandise entered by a duly certified invoice shall be alike applicable to merchandise entered by a pro forma invoice or statement in the form of an invoice, and no forfeiture or disability of any kind incurred under the provisions of this section shall be remitted or mitigated by the Secretary of the Treasury. The duty shall not, however, be assessed in any case upon an amount less than the entered value.

"SEC. 8. That when merchandise entered for customs duty has been consigned for sale by or on account of the manufacturer thereof, to a person, agent, partner, or consignee in the United States, such person, agent, partner, or consignee shall, at the time of the entry of such merchandise, present to the collector of customs at the port where such entry is made, as a part of such entry and in addition to the certified invoice or statement in the form of an invoice required by law, a statement signed by such manufacturer, declaring the cost of production of such merchandise, such cost to include all the elements of cost as stated in section 11 of this act. When merchandise entered for customs duty has been consigned for sale by or on account of a person other than the manufacturer of such merchandise to a person, agent, partner, or consignee in the United States, such person, agent, partner, or consignee shall at the time of the entry of such merchandise present to the collector of customs at the port where such entry is made, as a part of such entry, a statement signed by the consignor thereof, declaring that the merchandise was actually purchased by him or for his account, and showing the time when, the place where, and from whom he purchased the merchandise, and in detail the price he paid for the same: *Provided*, That the statements required by this section shall be made in triplicate, and shall bear the attestation of the consular officer of the United States resident within the consular district wherein the merchandise was manufactured, if consigned by the manufacturer or for his account, or from whence it was imported when consigned by a person other than the manufacturer, one copy thereof to be delivered to the person making the statement, one copy to be transmitted with the triplicate invoice of the merchandise to the collector of the port in the United States to which the merchandise is consigned, and the remaining copy to be filed in the consulate.

"SEC. 9. That if any consignor, seller, owner, importer, consignee, agent, or other person or persons shall enter or introduce, or attempt to enter or introduce, into the commerce of the United States any imported merchandise by means of any fraudulent or false invoice, affidavit, letter, paper, or by means of any false statement, written or verbal, or by means of any false or fraudulent practice or appliance whatsoever, or shall be guilty of any willful act or omission by means whereof the United States shall or may be deprived of the lawful duties, or any portion thereof, accruing upon the merchandise, or any portion thereof, embraced or referred to in such invoice, affidavit, letter, paper, or statement, or effected by such act or omission, such merchandise, or the value thereof, to be recovered from such person or persons, shall be forfeited, which forfeiture shall only apply to the whole of the merchandise or the value thereof in the case or package containing the particular article or articles of merchandise to which such fraud or false paper or statement relates; and such person or persons shall, upon conviction, be fined for each offense a sum not exceeding $5,000, or be imprisoned for a time not exceeding two years, or both, in the discretion of the court.

"SEC. 10. That it shall be the duty of the appraisers of the United States, and every of them, and every person who shall act as such appraiser, or of the collector, as the case may be, by all reasonable ways and means in his or their power to ascertain, estimate, and appraise (any invoice or affidavit thereto or statement of cost, or of cost of production to the contrary notwithstanding) the actual market value and wholesale price of the merchandise at the time of exportation to the United States, in the principal markets of the country whence the same has been imported, and the number of yards, parcels, or quantities, and actual market value or wholesale price of every of them, as the case may require.

"SEC. 11. That when the actual market value, as defined by law, of any article of imported merchandise, wholly or partly manufactured and subject to an ad valorem duty, or to a duty based in whole or in part on value, can not be ascertained to the satisfaction of the appraising officer, such officer shall use all available means in his power to ascertain the cost of production of such merchandise at the time of exportation to the United States, and at the place of manufacture, such cost of production to include the cost of materials and of fabrication, and all general expenses, to be estimated at not less than 10 per cent, covering each and every outlay of whatsoever nature incident to such production, together with the expense of preparing and putting up such merchandise ready for shipment, and an addition of not less than 8 nor more than 50 per cent upon the total cost as thus ascertained; and in no case shall such merchandise be appraised upon original appraisal or reappraisement at less than the total cost of production as thus ascertained. The actual market value or wholesale price, as defined by law, of any imported merchandise which is consigned for sale in the United States, or which is sold for exportation to the United States, and which is not actually sold or freely offered for sale in usual wholesale quantities in the open market of the country of exportation to all purchasers, shall not in any case be appraised at less than the wholesale price at which such or similar imported merchandise is actually sold or freely offered for sale in usual wholesale quantities in the United States in the open market, due allowance by deduction being made for estimated duties thereon, cost of transportation, insurance and other necessary expenses from the place of shipment to the place of delivery, and a commission not exceeding 6 per cent, if any has been paid or contracted to be paid.

"SEC. 12. That there shall be appointed by the President, by and with the advice and consent of the Senate, nine general appraisers of merchandise. Not more than five of such general appraisers shall be appointed from the same political party. They shall not be engaged in any other business, avocation, or employment.

"All of the general appraisers of merchandise heretofore or hereafter appointed under the authority of said act shall hold their office during good behavior, but may, after due hearing, be removed by the President for the following causes, and no other: Neglect of duty, malfeasance in office, or inefficiency.

"That hereafter the salary of each of the general appraisers of merchandise shall be at the rate of $9,000 per annum.

"That the said boards of general appraisers and the members thereof shall have and possess all the powers of a circuit court of the United States in preserving order, compelling the attendance of witnesses, and the production of evidence, and in punishing for contempt.

"All notices in writing to collectors of dissatisfaction of any decision thereof, as to the rate or amount of duties chargeable upon imported merchandise, including all dutiable costs and charges, and as to all fees and exactions of whatever character (except duties on tonnage), with the invoice and all papers and exhibits, shall be forwarded to the board of nine general appraisers of merchandise at New York to be by rule thereof assigned for hearing or determination, or both. The President of the United States shall designate one of the board of nine general appraisers of merchandise as president of said board and others in order to act in his absence. Said general appraisers of merchandise shall be divided into three boards of three members each, to be denominated, respectively, Board 1, Board 2, and Board 3. The president of the board shall assign three general appraisers to each of said boards and shall designate one member of each of said boards as chairman thereof, and such assignment or designation may be by him changed from time to time, and he may assign or designate all boards of three general appraisers where it is now or heretofore was provided by law that such might be assigned or designated by the Secretary of the Treasury. The president of the board shall be competent to sit as a member of any board, or assign one or two other members thereto, in the absence or inability of any one or two members of such board. Each of the boards of three general appraisers, or a majority thereof, shall have full power to hear and determine all cases and questions arising therein or assigned thereto; and the general board of nine general appraisers, and each of the general appraisers of merchandise, shall have all the jurisdiction and powers and proceed as now, heretofore, and herein provided. The said board of 9 general appraisers shall have power to establish from time to time such rules of evidence, practice, and procedure, not inconsistent with the statutes, as may be deemed necessary for the conduct and uniformity of its proceedings and decisions and the proceedings and decisions of the boards of three thereof; and for the production, care, and custody of samples and records of said board. The president of the board shall have control of the fiscal affairs and the clerical force of the board, make all recommendations for appointment, promotion, and otherwise affecting said clerical force; he may at any time before trial under the rules of said board assign or reassign any case for hearing, determination, or both, and shall designate a general appraiser or a board of general appraisers to proceed to any port within the jurisdiction of the United States for the purpose of hearing, or determining if authorized by law, causes assigned for hearing at such port, and shall cause to be prepared and duly promulgated dockets therefor. No member of any of said boards shall sit to hear or decide any case on appeal in the decision of which he may have previously participated. The board of three general appraisers, or a majority of them, who decided the case, may, upon motion of either party made within thirty days next after their decision, grant a rehearing or retrial of said case when in their opinion the ends of justice may require it.

"SEC. 13. That the appraiser shall revise and correct the reports of the assistant appraisers, as he may judge proper; and the appraiser, or, at ports where there is no appraiser, the person acting as such, shall report to the collector his decision as to the value of the merchandise appraised. At ports where there is no appraiser the certificate of the customs officer to whom is committed the estimating and collection of duties, of the dutiable value of any merchandise required to be appraised, shall be deemed and taken to be the appraisement of such merchandise. If the collector shall deem the appraisement of any imported merchandise too low, he may, within sixty days thereafter, appeal to reappraisement, which shall be made by one of the general appraisers, or if the importer, owner, agent, or consignee of such merchandise shall be dissatisfied with the appraisement thereof, and shall have complied with the requirements of law with respect to the entry and appraisement of merchandise, he may, within ten days thereafter, give notice to the collector, in writing, of such dissatisfaction. The decision of the general appraiser in cases of reappraisement shall be final and conclusive as to the dutiable value of such merchandise against all parties interested therein, unless the importer, owner, consignee, or agent of the merchandise shall be dissatisfied with such decision, and shall, within ten days thereafter, give notice to the collector, in writing, of such dissatisfaction, or unless the collector shall deem the reappraisement of the merchandise too low, and shall, within ten days thereafter, appeal to re-reappraisement; in either case the collector shall transmit the invoice and all the papers appertaining thereto to the board of nine general appraisers, to be by rule thereof duly assigned for determination. In such cases the general appraiser and boards of general appraisers shall proceed by all reasonable ways and means in their power to ascertain, estimate, and determine the dutiable value of the imported merchandise, and in so doing may exercise both judicial and inquisitorial functions. In such cases hearings may in the discretion of the general appraiser or Board of General Appraisers, before whom the case is pending be open, and in the presence of the importer or his attorney and any duly authorized representative of the Government, who may in like discretion examine and cross-examine all witnesses produced. The decision of the appraiser, or single general appraiser in case of no appeal, and of the board of three general appraisers in all reappraisement cases, shall be final and conclusive against all parties and shall not be subject to review in any manner for any cause in any tribunal or court, and the collector or the person acting as such shall ascertain, fix, and liquidate the rate and amount of the duties to be paid on such merchandise, and the dutiable costs and charges thereon, according to law.

"SEC. 14. That the decision of the collector as to the rate and amount of duties chargeable upon imported merchadnise, including all dutiable costs and charges, and as to all fees and exactions of whatever char-

acter (except duties on tonnage), shall be final and conclusive against all persons interested therein, unless the owner, importer, consignee, or agent of such merchandise, or the person paying such fees, charges, and exactions other than duties, shall, within fifteen days after but not before such ascertainment and liquidations of duties, as well in cases of merchandise entered in bond as for consumption, or within fifteen days after the payment of such fees, charges, and exactions, if dissatisfied with such decision, give notice in writing to the collector, setting forth therein distinctly and specifically, and in respect to each entry or payment, the reasons for his objections thereto, and if the merchandise is entered for consumption shall pay the full amount of the duties and charges ascertained to be due thereon. Upon such notice and payment the collector shall transmit the invoice and all the papers and exhibits connected therewith to the board of nine general appraisers, for due assignment and determination as hereinbefore provided, such determination shall be final and conclusive upon all persons interested therein, and the record shall be transmitted to the proper collector or person acting as such, who shall liquidate the entry accordingly, except in cases where an application shall be filed in the United States court of customs appeals within the time and in the manner provided for in this act.

"SEC. 15. That the general appraisers, or any of them, are hereby authorized to administer oaths, and said general appraisers, the boards of general appraisers, the local appraisers or the collectors, as the case may be, may cite to appear before them, and examine upon oath any owner, importer, agent, consignee, or other person touching any matter or thing which they, or either of them, may deem material respecting any imported merchandise, in ascertaining the dutiable value or classification thereof; and they, or either of them, may require the production of any letters, accounts, or invoices relating to said merchandise, and may require such testimony to be reduced to writing, and when so taken it shall be filed in the office of the collector and preserved for use or reference until the final decision of the collector or said board of appraisers shall be made respecting the valuation or classification of said merchandise, as the case may be.

"SEC. 16. That if any person so cited to appear shall neglect or refuse to attend, or shall decline to answer, or shall refuse to answer in writing any interrogatories, and subscribe his name to his deposition, or to produce such papers when so required by a general appraiser, or a board of general appraisers, or a local appraiser or a collector, he shall be liable to a penalty of $100; and if such person be the owner, importer, or consignee, the appraisement which the general appraiser, or board of general appraisers, or local appraiser or collector, where there is no appraiser, may make of the merchandise shall be final and conclusive; and any person who shall willfully and corruptly swear falsely on an examination before any general appraiser, or board of general appraisers, or local appraiser or collector, shall be deemed guilty of perjury; and if he is the owner, importer, or consignee, the merchandise shall be forfeited.

"SEC. 17. That all decisions of the general appraisers and of the boards of general appraisers respecting values and rates of duty shall be preserved and filed, and shall be open to inspection under proper regulations to be prescribed by the Secretary of the Treasury. All decisions of the general appraisers shall be reported forthwith to the Secretary of the Treasury and to the Board of General Appraisers on duty at the port of New York, and the report to the board shall be accompanied, whenever practicable, by samples of the merchandise in question, and it shall be the duty of the said board, under the direction of the Secretary of the Treasury, to cause an abstract to be made and published of such decisions of the appraisers as they may deem important, and of the decisions of each of the general appraisers and boards of general appraisers, which abstract shall contain a general description of the merchandise in question, and of the value and rate of duty fixed in each case, with reference, whenever practicable, by number or other designation, to samples deposited in the place of samples at New York, and such abstract shall be issued from time to time, at least once in each week, for the information of customs officers and the public.

"SEC. 18. That whenever imported merchandise is subject to an ad valorem rate of duty, or to a duty based upon or regulated in any manner by the value thereof, the duty shall be assessed upon the actual market value or wholesale price thereof, at the time of exportation to the United States, in the principal markets of the country from whence exported; that such actual market value is the price at which such merchandise is freely offered for sale to all purchasers in said markets, and is the price which the manufacturer or owner would have received, and was willing to receive, for such merchandise when sold in the ordinary course of trade in the usual wholesale quantities, including the value of all cartons, cases, crates, boxes, sacks, casks, barrels, hogsheads, bottles, jars, demijohns, carboys, and other containers or coverings, whether holding liquids or solids, which are not otherwise specially subject to duty under any paragraph of the tariff act, and all other costs, charges, and expenses incident to placing the merchandise in condition, packed ready for shipment to the United States, and if there be used for covering or holding imported merchandise, whether dutiable or free, any unusual article or form designed for use otherwise than in the bona fide transportation of such merchandise to the United States, additional duty shall be levied and collected upon such material or article at the rate to which the same would be subject if separately imported. That the words 'value,' or 'actual market value,' or 'wholesale price,' whenever used in this act, or in any law relating to the appraisement of imported merchandise, shall be construed to be the actual market value or wholesale price of such, or similar merchandise comparable in value therewith, as defined in this act.

"SEC. 19. Any merchandise deposited in any public or private bonded warehouse may be withdrawn for consumption within three years from the date of original importation, on payment of the duties and charges to which it may be subject by law at the time of such withdrawal: *Provided*, That nothing herein shall affect or impair existing provisions of law in regard to the disposal of perishable or explosive articles.

"SEC. 20. That in all suits or informations brought, where any seizure has been made pursuant to any act providing for or regulating the collection of duties on imports or tonnage, if the property is claimed by any person, the burden of proof shall lie upon such claimant: *Provided*, That probable cause is shown for such prosecution, to be judged of by the court.

"SEC. 21. That all fees exacted and oaths administered by officers of the customs, except as provided in this act, under or by virtue of existing laws of the United States, upon the entry of imported goods and the passing thereof through the customs, and also upon all entries of domestic goods, wares, and merchandise for exportation, be, and the same are hereby, abolished; and in case of entry of merchandise for exportation, a declaration, in lieu of an oath, shall be filed, in such form and under such regulations as may be prescribed by the Secretary of the Treasury; and the penalties provided in the sixth section of this act for false statements in such declaration shall be applicable to declarations made under this section: *Provided*, That where such fees, under existing laws, constitute, in whole or in part, the compensation of any officer, such officer shall receive, from and after the passage of this act, a fixed sum for each year equal to the amount which he would have been entitled to receive as fees for such services during said year.

"SEC. 22. That no allowance for damage to goods, wares, and merchandise imported into the United States, including decay, injury, or destruction by rot of fruits or any other merchandise, shall hereafter be made in the estimation and liquidation of duties thereon, except in cases where such goods may have been seized and destroyed under orders issued by any lawfully constituted board of health, but the importer thereof may within ten days after entry abandon to the United States all or any portion of goods, wares, and merchandise included in any invoice and be relieved from the payment of the duties on the portion so abandoned: *Provided*, That the portion so abandoned shall amount to 10 per cent or over of the total value or quantity of the invoice, and the property so abandoned, if of any value, shall be sold by public auction or otherwise disposed of for the account and credit of the United States under such regulations as the Secretary of the Treasury may prescribe. The right of abandonment herein provided for may be exercised whether the thing abandoned has any market value or not.

"SEC. 23. That whenever it shall be shown to the satisfaction of the Secretary of the Treasury that, in any case of unascertained or estimated duties, or payments made upon appeal, more money has been paid to or deposited with a collector of customs than, as has been ascertained by final liquidation thereof, the law required to be paid or deposited, the Secretary of the Treasury shall direct the Treasurer to refund and pay the same out of any money in the Treasury not otherwise appropriated. The necessary moneys therefor are hereby appropriated, and this appropriation shall be deemed a permanent indefinite appropriation; and the Secretary of the Treasury is hereby authorized to correct manifest clerical errors in any entry or liquidation, for or against the United States, at any time within one year of the date of such entry, but not afterwards: *Provided*, That the Secretary of the Treasury shall, in his annual report to Congress, give a detailed statement of the various sums of money refunded under the provisions of this act or of any other act of Congress relating to the revenue, together with copies of the rulings under which repayments were made.

"SEC. 24. That from and after the taking effect of this act no collector or other officer of the customs shall be in any way liable to any owner, importer, consignee, or agent of any merchandise, or any other person, for or on account of any rulings or decisions as to the classification of said merchandise or the duties charged thereon, or the collection of any dues, charges, or duties on or on account of said merchandise, or any other matter or thing as to which said owner, importer, consignee, or agent of such merchandise might, under this act, be entitled to appeal from the decision of said collector or other officer, or from any board of appraisers provided for in this act.

"SEC. 25. That any person who shall give, or offer to give, or promise to give, any money or thing of value, directly or indirectly, to any officer or employee of the United States in consideration of or for any act or omission contrary to law in connection with or pertaining to the importation, appraisement, entry, examination, or inspection of goods, wares, or merchandise, including herein any baggage or of the liquidation of the entry thereof, or shall by threats or demands or promises of any character attempt to improperly influence or control any such officer or employee of the United States as to the performance of his official duties shall, on conviction thereof, be fined not exceeding $2,000, or be imprisoned at hard labor not more than one year, or both, in the discretion of the court; and evidence of such giving, or offering, or promising to give, satisfactory to the court in which such trial is had, shall be regarded as prima facie evidence that such giving or offering or promising was contrary to law, and shall put upon the accused the burden of proving that such act was innocent and not done with an unlawful intention.

"SEC. 26. That any officer or employee of the United States who shall, excepting for lawful duties or fees, solicit, demand, exact, or receive from any person, directly or indirectly, any money or thing of value in connection with or pertaining to the importation, appraisement, entry, examination, or inspection of goods, wares, or merchandise, including herein any baggage or liquidation of the entry thereof, on conviction thereof shall be fined not exceeding $5,000 or be imprisoned at hard labor not more than two years, or both, in the discretion of the court; and evidence of such soliciting, demanding, exacting, or receiving, satisfactory to the court in which such trial is had, shall be regarded as prima facie evidence that such soliciting, demanding, exacting, or receiving was contrary to law, and shall put upon the accused the burden of proving that such act was innocent and not with an unlawful intention.

"SEC. 27. That any baggage or personal effects arriving in the United States in transit to any foreign country may be delivered by the parties having it in charge to the collector of the proper district, to be by him retained, without the payment or exaction of any import duty, or to be forwarded by such collector to the collector of the port of departure and to be delivered to such parties on their departure for their foreign destination, under such rules and regulations as the Secretary of the Treasury may prescribe.

"SEC. 28. That sections 2608, 2838, 2839, 2841, 2843, 2845, 2853, 2854, 2856, 2858, 2860, 2900, 2902, 2905, 2907, 2908, 2909, 2922, 2923, 2924, 2927, 2929, 2930, 2931, 2932, 2943, 2945, 2952, 3011, 3012, 3012½, 3013, of the Revised Statutes of the United States, be, and the same are hereby, repealed, and sections 9, 10, 11, 12, 14, and 16 of an act entitled 'An act to amend the customs-revenue laws and repeal moieties,' approved June 22, 1874, and sections 7, 8, and 9 of the act entitled 'An act to reduce internal-revenue taxation, and for other purposes,' approved March 3, 1883, and all other acts and parts of acts inconsistent with the provisions of this act, are hereby repealed, but the repeal of existing laws or modifications thereof embraced in this act shall not affect any act done, or any right accruing or accrued, or any suit or proceeding had or commenced in any civil cause before the said repeal or modifications; but all rights and liabilities under said laws shall continue and may be enforced in the same manner as if said repeal or modifications had not been made. Any offenses committed, and all penalties or forfeitures or liabilities incurred prior to the passage of this act under any statute embraced in or changed, modified, or repealed by this act may be prosecuted and punished in the same manner and with the same effect as if this act had not been passed. All acts

of limitation, whether applicable to civil causes and proceedings or to the prosecution of offenses or for the recovery of penalties or forfeitures embraced in or modified, changed, or repealed by this act, shall not be affected thereby; and all suits, proceedings, or prosecutions, whether civil or criminal, for causes arising or acts done or committed prior to the passage of this act, may be commenced and prosecuted within the same time and with the same effect as if this act had not been passed: *And provided further*, That nothing in this act shall be construed to repeal the provisions of section 3058 of the Revised Statutes as amended by the act approved February 23, 1887, in respect to the abandonment of merchandise to underwriters or the salvors of property, and the ascertainment of duties thereon.

"SEC. 29. That a United States court of customs appeals is hereby created, and said court shall consist of a presiding judge and four associate judges appointed by the President, by and with the advice and consent of the Senate, each of whom shall receive a salary of $10,000 per annum. It shall be a court of record, with jurisdiction as hereinafter established and limited.

"Said court shall prescribe the form and style of its seal and the form of its writs and other process and procedure and exercise such powers conferred by law as may be conformable and necessary to the exercise of its jurisdiction. It shall have the services of a marshal, with the same duties and powers, under the regulations of the court, as are now provided for the marshal of the Supreme Court of the United States, so far as the same may be applicable, said services to be performed by the United States marshals in and for the districts where sessions of said court may be held, and to this end said marshals shall be the marshals of said court of customs appeals. The court shall appoint a clerk, whose office shall be in the city of New York, and who shall perform and exercise the same duties and powers in regard to all matters within the jurisdiction of said court as are now exercised and performed by the clerk of the Supreme Court of the United States, so far as the same may be applicable. The salary of the clerk shall be $4,000 per annum, which sum shall be in full payment for all service rendered by such clerk, and all fees of any kind whatever, and all costs shall be by him turned into the United States Treasury. Said clerk shall not be appointed by the court or any judge thereof as a commissioner, master, receiver, or referee. The costs and fees in the said court shall be fixed and established by said court in a table of fees to be adopted and approved by the Supreme Court of the United States within three months after the organization of said court: *Provided*, That the costs and fees so fixed shall not, with respect to any item, exceed the costs and fee charged in the Supreme Court of the United States; and the same shall be expended, accounted for, and paid over to the Treasury of the United States. The court shall have power to establish all rules and regulations for the conduct of the business of the court and as may be needful for the uniformity of decisions within its jurisdiction as conferred by law.

"The said United States court of customs appeals shall always be open for the transaction of business, and sessions thereof may be held annually, or oftener, by the said court, in the several judicial circuits, at the following places: In the first circuit, in the city of Boston; in the second circuit, in the city of New York; in the third and fourth circuits, in the cities of Philadelphia and Baltimore; in the fifth circuit, in the cities of New Orleans and Galveston; in the sixth, seventh, and eighth circuits, in the city of Chicago; in the ninth circuit, in the cities of Seattle, Portland, and San Francisco; and in such other places in each of the above circuits as said court may from time to time designate.

"The presiding judge of said court shall be so designated in order of appointment and in the commission issued him by the President, and the associate judges shall have precedence according to the date of their commissions. Any three of the members of said court shall constitute a quorum.

"The said court shall organize and open for the transaction of business in the city of New York within ninety days after the judges, or a majority of them, shall have qualified.

"After the organization of said court no appeal shall hereafter be taken or allowed from any Board of United States General Appraisers to any other court, and no appellate jurisdiction shall hereafter be exercised or allowed by any other courts in cases decided by said Board of United States General Appraisers; but all appeals allowed by law from such Board of General Appraisers shall be subject to review only in the United States court of customs appeals hereby established, according to the provisions of this act.

"The court of customs appeals established by this act shall exercise exclusive appellate jurisdiction to review by appeal, as provided by this act, final decisions by a Board of General Appraisers in all cases as to the construction of the law and the facts respecting the classification of merchandise and the rate of duty imposed thereon under such classification, and the fees and charges connected therewith, and all appealable questions as to the jurisdiction of said board, and all appealable questions as to the laws and regulations governing the collection of the customs revenues; and the judgment or decrees of said court of customs appeals shall be final in all such cases.

"Any judge who, in pursuance of the provisions of this act, shall attend a session of the court of customs appeals held at any place other than the city of New York shall be paid, upon his written and itemized certificate, by the marshal of the district in which the court shall be held, his actual and necessary expenses incurred for travel and attendance, and the actual and necessary expenses of one stenographic clerk who may accompany him, and such payments shall be allowed the marshal in the statement of his accounts with the United States.

"The marshals of the several districts in which said court of customs appeals may be held shall, under the direction of the Attorney-General of the United States and with his approval, provide such rooms in the public buildings of the United States as may be necessary for said court: *Provided, however*, That in case proper rooms can not be provided in such buildings, then the said marshals, with the approval of the Attorney-General of the United States, may, from time to time, lease such rooms as may be necessary for said court. The bailiffs and messengers of said court shall be allowed the same compensation for their respective services as are allowed for similar services in the existing circuit courts; and in no case shall said marshals secure other rooms than those regularly occupied by existing circuit courts of appeals, circuit courts, or district courts, or other public officers, except where such can not, by reason of actual occupancy or use, be occupied or used by said court of customs appeals.

"If the importer, owner, consignee, or agent of any imported merchandise, or the collector or Secretary of the Treasury, shall be dissatisfied with the decision of the Board of General Appraisers as to the construction of the law and the facts respecting the classification of such merchandise and the rate of duty imposed thereon under such classification, or with any other appealable decision of said board, they, or either of them, may, within sixty days next after the entry of such decree or judgment, and not afterwards, apply to the United States court of customs appeals for a review of the questions of law and fact involved in such decision: *Provided*, That in Alaska and in the insular and other outside possessions of the United States ninety days shall be allowed for making such application to the United States court of customs appeals. Such application shall be made by filing in the office of the clerk of said court a concise statement of errors of law and fact complained of, and a copy of said statement shall be served on the collector, or on the importer, owner, consignee, or agent, as the case may be. Thereupon the court shall immediately order the Board of General Appraisers to transmit to said court the record and evidence taken by them, together with the certified statement of the facts involved in the case and their decision thereon; and all the evidence taken by and before said board shall be competent evidence before said court of customs appeals. The decision of said court of customs appeals shall be final, and such cause shall be remanded to said Board of General Appraisers for further proceedings to be taken in pursuance of such determination.

"Immediately upon the organization of the United States court of customs appeals all cases within the jurisdiction of that court now pending and not submitted for decision in any of the United States circuit courts of appeals, United States circuit, territorial or district courts, shall, with the record and samples therein, be certified by said courts to said United States court of customs appeals for further proceedings in accordance herewith: *Provided*, That where orders for the taking of further testimony before a referee have been made in any of such cases, the taking of such testimony shall be completed before such certification.

"That in case of a vacancy or the temporary inability or disqualification for any reason of one or two judges of said court of customs appeals, the President of the United States may, upon the request of the presiding judge of said court, designate any qualified United States circuit or district judge or judges to act in his or their place, and such United States judge or judges shall be duly qualified to so act.

"Said United States court of customs appeals shall have power to review any decision or matter within its jurisdiction and may affirm, modify, or reverse the same and remand the case with such orders as may seem to it proper in the premises, which shall be executed accordingly.

"Immediately upon receipt of any record transmitted to said court for determination the clerk thereof shall place the same upon the calendar for hearing and submission; and such calendar shall be called and all cases thereupon submitted, except for good cause shown, at least once every sixty days.

"In addition to the clerk of said court the court may appoint an assistant clerk at a salary of $2,000 per annum, three stenographic clerks at a salary of $2,400 per annum each, and one stenographic reporter at a salary of $2,500 per annum, and a messenger at a salary of $900 per annum, all payable in equal monthly installments, and all of whom, including the clerk, shall hold office during the pleasure of and perform such duties as are assigned them by the court. Said reporter shall prepare and transmit to the Secretary of the Treasury once a week in time for publication in the Treasury Decisions copies of all decisions rendered to that date by said court, and prepare and transmit, under the direction of said court, at least once a year, reports of said decisions rendered to that date, constituting a volume, which shall be printed by the Treasury Department in such numbers and distributed or sold in such manner as the Secretary of the Treasury shall direct. The United States marshal for the southern district of New York is hereby authorized to purchase, under the direction of the presiding judge, such books, periodicals, and stationery as may be necessary for the use of said court, and such expenditures shall be allowed the marshal in the statement of his accounts with the United States.

"SEC. 30. That there shall be appointed by the President, by and with the advice and consent of the Senate, an Assistant Attorney-General, who shall exercise the functions of his office under the supervision and control of the Attorney-General of the United States, and who shall be paid a salary of $10,000 per annum; and there shall also be appointed by the Attorney-General of the United States a Deputy Assistant Attorney-General, who shall be paid a salary of $7,500 per annum, and four attorneys, who shall be paid salaries, one of $6,000, and the other three of $5,000 per annum each. Said attorneys shall act under the immediate direction of said Assistant Attorney-General, or, in case of his absence or a vacancy in his office, under the direction of said Deputy Assistant Attorney-General, and said Assistant Attorney-General, Deputy Assistant Attorney-General, and attorneys shall have charge of the interests of the Government in all matters of reappraisement and classification of imported goods and of all litigation incident thereto, and shall represent the Government in all the courts wherein the interests of the Government require such representation."

TAXES ON INCOMES.

The VICE-PRESIDENT. The Senator from Kansas desires to offer an amendment to the so-called "Brown joint resolution." If there be no objection, the joint resolution will be taken up and the amendment will be now received.

The Senate, as in Committee of the Whole, proceeded to consider the joint resolution (S. J. R. 40) proposing an amendment to the Constitution of the United States.

Mr. BRISTOW. I desire to add to the joint resolution what I send to the desk.

The VICE-PRESIDENT. The Secretary will read the proposed amendment.

The SECRETARY. It is proposed to add to Senate joint resolution 40:

That section 3 of Article I be so amended that the same shall be as follows:

"ARTICLE I.

"SEC. 3. That the Senate of the United States shall be composed of two Senators from each State, who shall be chosen by a direct vote of the people of the several States, for six years; and the electors in each State shall have the qualifications requisite for electors of the most numerous branch of the state legislatures; and each Senator shall have one vote."

Mr. ALDRICH. Mr. President, I shall at the proper time raise the question that that amendment is not in order. The unanimous-consent agreement relates to an amendment to the Constitution with reference to the income tax and no consent has been given for the consideration of such a proposition. If we can undertake to change the Constitution with reference to the election of Senators, we can change it in every possible respect as to the right of the people to have a regulation of the franchise in all the States and Territories. I object very strenuously to any such amendment, and at the proper time I shall raise the question of order against it.

Mr. BRISTOW. I should like to know what the question of order would be.

Mr. ALDRICH. It will be that we have by unanimous consent agreed to vote at 1 o'clock upon a constitutional amendment providing for an income tax, and that nothing else is in order.

Mr. BRISTOW. But this is an amendment to the joint resolution proposing that amendment.

Mr. ALDRICH. It must be an amendment which is germane to the proposition and not an amendment to change the whole Constitution of the United States.

Mr. BRISTOW. This is not an amendment to change the whole Constitution of the United States. It is simply an addition to the present amendment which seeks to change the Constitution, and it adds another paragraph only.

I desire to say that the election of Senators by the people has been largely discussed, and, in my judgment, there is a very wide sentiment throughout the country in favor of it. Originally, it is known to everyone, it was the purpose of the framers of the Constitution that the President should be elected by an electoral college selected by the people. The membership of such college, it was supposed, would be superior in wisdom and judgment to the average citizen, so that we would have a wiser selection of the President than if it depended upon popular elections. But the evolution of our political affairs has completely changed this system of the election of President. The President is to-day nominated and elected by a direct vote in fact, although in theory the electoral college elects, but only in theory.

The Senate was to be chosen by the legislatures of the various States in joint session, because it was believed that the members of the legislature would be better equipped to select men to fill the office of Senator than would the average citizenship. But in many of the States this part of the Constitution is being done away with by the direct primary, and in some of them by requiring under state laws the Senators to be nominated and voted for at the general election.

There is no reason why in this age of the world, in this period of our progress, the people should not have an opportunity to select the men who will represent them in this body. If there ever was any occasion for the legislature to elect Senators, that occasion has long since passed, because of the wide dissemination of popular knowledge. The American people in the various States are as well qualified to select their Senators as the members of their legislatures representing them in their legislative bodies.

Then the legislatures are elected now to transact state business, and the election of Senators is sometimes an incidental matter. There is not any reason why the people of every State should not have the right and the opportunity to vote directly for the men who are to represent them in this body. I can not understand why any Senator should object to giving the people of his State the right to select the men who will represent them here. My judgment is that any man who is not willing for the people whom he represents to express a direct choice as to whether he shall, or shall not, continue to represent them here, is either afraid that he is not the choice of the people whom he represents, or it is a confession that he does not represent them as they want him to represent them.

So I shall insist, first, that this amendment is in order and, second, that it ought to be passed.

Mr. ALDRICH. Mr. President, I shall raise another question on the amendment, and I give notice of it now, in order that there may be no misapprehension about it. It is in violation of the unanimous-consent agreement that no business shall be done other than tariff business.

Mr. STONE. Mr. President, I desire to consume about ten minutes or so of the valuable time of the Senate to say a few words respecting the resolution proposing an amendment to the Constitution, authorizing the imposition of an income tax. I wish to read a declaration contained in the Democratic national platform which was promulgated at Denver in 1908. It is as follows:

> We favor an income tax as part of our revenue system, and we urge the submission of a constitutional amendment specifically authorizing Congress to levy and collect a tax upon individual and corporate incomes, to the end that wealth may bear its proportionate share of the burdens of the Federal Government.

That declaration, clear and explicit, is alone sufficient to determine my attitude with regard to the resolution to be voted upon to-day. I am gratified to note this one more example, in addition to those I have heretofore pointed out, of Republicans following in the wake of Democratic leadership and along lines blazed by our Democratic pioneers. The President has taken his stand on the Denver platform, and a Republican Senator has culled one of its declarations and formulated it into the legislative proposition now before the Senate. I am happy to note these repeated evidences of enlightened progressiveness on the part of our Republican brethren. I hope, however, that when the Senator from Nebraska [Mr. BROWN], whose resolution has been selected by the Finance Committee as the basis of this proposition, thereby giving to that Senator the distinction of authorship, goes before the people and the legislature of his State to urge the ratification of the proposed amendment, he will not fail to inform them that he got his idea from a Democratic platform and from the utterances of Mr. Bryan, the leading Democrat and the most distinguished citizen of his State. I am entirely willing to have our friends on the other side appropriate the good things of Democracy, but I think they ought to have candor and fairness enough to accord proper credit to the sources of their inspiration, otherwise it would be an act of political piracy.

Mr. BROWN. Mr. President——

The VICE-PRESIDENT. Does the Senator from Missouri yield to the Senator from Nebraska?

Mr. STONE. For a question or an explanation.

Mr. BROWN. Does the Senator from Missouri mean to be understood as being of the opinion that the source, as he calls it—the Democratic source—of this joint resolution is anything against it?

Mr. STONE. Oh, no; I was congratulating the Senator and his party colleagues that they had at last become so favorably impressed by these Democratic influences.

Mr. BROWN. Is the Senator complaining because of what he calls "an appropriation of this idea?"

Mr. STONE. I am not complaining; I am complimenting and congratulating.

Mr. BROWN. Does not the Senator understand that if there is ever anything good found in the Democratic platform and the people are to get the benefit of it, somebody has to appropriate it?

Mr. STONE. I am perfectly willing that you should appropriate it, only I have been urging, as a matter of fairness, that when you go before the people of Nebraska you should not neglect to inform them that you had caught this idea from the Democratic platform. No doubt that would help you to carry it through.

Mr. President, fear has been expressed that more than one-fourth of the States will withhold their consent to the amendment and reject it, and then it is apprehended that an argument will be based on that circumstance to induce the Supreme Court to adhere to the doctrine announced in the Pollock case if ever the constitutionality of an income tax is again before that tribunal. That an effort will be made—a powerful and well-organized effort—to defeat the amendment can be accepted from the start as certain. What the result of that struggle will be I am not wise enough to forecast. I believe there is an overwhelming popular sentiment in favor of the Government, operating through its appointed agencies, being clothed with the power to impose a general income tax. There are many thousands who do not believe that that power should be exercised, or that such a tax should be authorized, except in times of stress and grave emergency; but thousands who thus believe, being patriotic citizens, will support the proposition to clothe the Government with the power. Mr. President, I believe in the policy of an income tax, but I wish here and now to say that I have never regarded with great favor the proposition to exempt incomes below a given sum from the operation of the law. That notion of exempting the smaller incomes from the tax does not appeal to me. Although I have been ready at all times to support what is known as the "Bailey-Cummins amendment," I would prefer a graduated income tax, levying the smallest per cent upon the smallest class of incomes, and then increasing the rate along some well-considered scale of progression. I would prefer, when incomes are being taxed, that every man who has an income, and certainly a net income, should contribute something to the support of the Government; however, it is hardly worth while to enter upon a discussion of that question now, and I will not.

Mr. President, I can not persuade myself that more than one-fourth of our American States will reject this proposed

amendment to the Constitution. But if that should happen it still could not be said that the people, speaking in the larger sense, were opposed to the proposition. If 12 States should by bare majorities in each reject the proposition, and 33 States should agree to it, as they would by large majorities, it would still be manifest that the great body of the people favored the amendment. And then, again, if it be true that the Constitution in its present form is broad enough to authorize the imposition of a general income tax, the failure to secure an adoption of the proposed amendment would not change the constitutional status as it exists to-day. If the Supreme Court should be called upon to review the Pollock case, and should be inclined to return to its earlier and, I think, sounder rulings, namely, that an income tax was within the Constitution, I can see no good reason why the court would hesitate to adopt that course even if this amendment should fail of ratification. If the court should go outside the record to consider extraneous matter, or should listen to an argument predicated on the alleged fact that the people had rejected the amendment, every justice would know that on the contrary the great mass of the people favored the proposition, and every man would know what influences operated, and how they operated, to defeat the proposition. It seems to me this is an opportune time to launch this amendment. If the President is sincere, and I have no doubt that he is, and if such men as the junior Senator from New York [Mr. ROOT] are sincere, and I have no doubt that they are—with all these powerful Republican influences favoring the amendment, and with the Democratic party solidly behind it, it seems to me that our united efforts to write this amendment into the fundamental law ought to succeed. At all events, speaking for myself, I am more than willing to put the issue to the test.

Mr. President, before closing I wish to say a few words upon another subject not wholly dissociated from the question immediately before us. In 1896, the Democratic national convention declared that the deficit in our revenues at that time was due to the decision of the Supreme Court setting aside the income-tax law of 1894; and the convention further declared that that decision overruled previous decisions of the court, and thus announced a new judicial doctrine on the subject of income taxation; and then the convention declared that it was the duty of Congress to use all the constitutional power which remained after that decision, or which might come from its reversal by the court as it might be in future constituted, to the end that the burdens of taxation might be equally and impartially laid, and so forth. During the campaign of that year the Democratic party and the Democratic candidates were furiously and wantonly assailed for attacking the Supreme Court, and for threatening to "pack" the court with subservient judges so as to secure a reversal of the decision referred to. I have recently read some of the wild ravings of Republican orators and editors during that memorable campaign. The Republican candidate, Mr. McKinley, and ex-President Harrison, and Senators and Representatives, and great metropolitan journals joined in this hue and cry. There was never a falser or more vicious charge made against a party declaration or a party purpose. The convention did protest, and on a basis of absolute truth had a right to protest, that the decision of the court was in contravention of repeated previous utterances of that tribunal; and the convention did insist, as with the most perfect propriety it had a right to insist, that Congress should continue to exercise all the power it had remaining after that decision so long as it stood as the judgment of the court, and until it should be reversed, if ever it should be reversed, when the personal composition of the court had changed. There was no threat or desire or thought upon the part of any Democrat to "pack" the court, but we had sense enough to know that the decision would not in all human probability be changed as long as the personnel of the court remained as it then was; and we had sense enough to know that in the natural course of things the elderly men who sat upon the bench would pass away and that new men would succeed them——

Mr. BEVERIDGE. Will the Senator permit a question?

Mr. STONE. I would rather the Senator would wait.

Mr. BEVERIDGE. All right.

Mr. STONE. And we had sense enough to know that the decision complained of not only did not have the popular approval, but did not have the approval of the great majority of the lawyers constituting the American bar. In view of these things, the convention had a right to declare, without being accused of discourtesy to the court or of making an assault upon it, that the questions involved and passed upon should be again submitted for judicial determination. Mr. President, we have passed far beyond that period, I know, and perhaps it does no good to speak of it now. Still, I can not let this opportune occasion go by without impressing as far as I can upon public attention the malevolent and mendacious character of the politics practiced at that time by our overvirtuous Republican friends. Since then Mr. Roosevelt, a Republican President, has spoken with blunt and almost vulgar harshness of decisions rendered by some of our high federal courts, and yet he remained for years the very idol of the great mass of Republicans. Since then we have been told by the present Chief Magistrate, in substance at least, that with the changed personnel of the court the income-tax decision against which the people have been protesting ever since it was made might not be adhered to if the question should be again submitted. Why, Mr. President, that was the very thing, said in 1896, that roused Republican cohorts from far and near into assaulting the Democratic party as a dangerous, if not treasonable, organization. And, sir, during this very debate I have heard great Republican Senators, standing here on this floor, urging the necessity of resubmitting this question to the court, and urging it for the very reasons assigned in the Democratic platform of 1896. I have heard them say that all talk about the proposition to resubmit the question through legislative action as being indelicate was a "morbid, ill-founded sentiment." Ah, Mr. President, our Republican friends, at least, all of them, are not now what they were. A wonderful change has come over the spirit of their dreams, or the dreams of some of them, since the sound and fury of that mighty struggle of near thirteen years ago have died away. What they denounced as almost treasonable then they now applaud as virtuous and patriotic. And this is another instance demonstrating the ultimate wisdom and justice of Democratic policy; and to impress that fact, now so well illustrated, is about the only excuse I have for adverting to a subject which can not be wholly pleasant to everybody.

Mr. President, that is all I care to say regarding the joint resolution proposed by the Senator from Nebraska.

Just a word now relating to the amendment, so called, offered this morning by the Senator from Kansas [Mr. BRISTOW]. I would cheerfully vote for both propositions, for both are well-known Democratic propositions, but it seems to me that it would not be wise policy to couple the two, even if permissible under the rules of the Senate. Both are substantive, distinct, and wholly different propositions relating to wholly different subjects. If they were combined into one single proposition and we should be called to vote upon them in that form, and without division, I fear, while trying to accomplish two things, we would endanger both. I have no doubt there are Senators and Members of the House who might and would vote against the double proposition, being favorable to one proposition and against the other; and for the same reason it might subject the whole scheme to failure if it should be submitted in that form to the legislatures of the States. I think it is in every way far better to deal with the two things separately. If the Senator from Kansas desires to submit a separate amendment for the popular election of Senators, I will join him in supporting it. I would be glad to have the amendment suggested by the Senator from Kansas added to the pending bill, if it can be done under the rules of the Senate, although I doubt if it can be done. The proposition now before the Senate is not offered as an amendment to the tariff bill, but as a distinct and separate proposition. I would be glad to have the amendment proposed by the Senator from Kansas brought to a vote in the Senate and the House, but I do not think it would be wise to combine the two and thus add to the danger and difficulty of passing either. Trying to do too many things, even good things, at one time too often results in doing nothing.

THE TARIFF.

The Senate, as in Committee of the Whole, resumed the consideration of the bill (H. R. 1438) to provide revenue, equalize duties, and encourage the industries of the United States, and for other purposes.

The VICE-PRESIDENT. The Senator from Rhode Island, as the Chair understands, asks that the amendment which he presented be considered section by section.

Mr. ALDRICH. I am not particular about it. I am quite willing to have the amendment agreed to as a whole; but there are some amendments, I think, which Senators would like to offer to the court provisions.

Mr. HEYBURN. Let me offer this amendment——

The VICE-PRESIDENT. Does the Senator from Rhode Island desire to have the sections read?

Mr. ALDRICH. No; the sections have already been read. Of course, the amendment is to the amendment.

The VICE-PRESIDENT. Does the Senator from Rhode Island desire the question put on each section?

Mr. ALDRICH. I am not suggesting that. Unless other Senators desire that, I am quite willing to have it understood that the amendments shall be treated as one amendment, and that amendments to the amendment may be offered from time to time.

Mr. JONES. Mr. President——

Mr. BEVERIDGE. May I ask the Senator from Rhode Island——

The VICE-PRESIDENT. The Senator from Washington first addressed the Chair, and is recognized.

Mr. JONES. Mr. President, I am receiving a great many letters from constituents of mine in regard to the income-tax proposition and also with reference to the corporation-tax measure. These letters come from ordinary, plain citizens, and not from lawyers or constitutional interpreters. I desire to have one letter read, which is a sample of the many letters that I am getting from these people, and shows their view with reference to the proposed legislation.

The VICE-PRESIDENT. Is there objection to the reading of the letter asked for by the Senator from Washington? The Chair hears none. The Secretary will read the letter, as requested.

The Secretary read as follows:

SPOKANE, WASH., *June 29, 1909.*

Hon. WESLEY L. JONES,
United States Senate, Washington, D. C.

DEAR SIR: We have had considerable discussion in our city during the past few days regarding the question of income tax as presented by the Bailey bill, and the question of a tax upon corporations, designated as the "Taft" or "administration" bill. All that I have heard express themselves are in favor of the administration bill, feeling that there is a possibility of, first, illegality of the Bailey bill, and we think that it is better to have temporary relief at this time and formulate an income tax that will serve the purposes and best interests of all the people, which we are in doubt of regarding the present bill.

The Spokane Chamber of Commerce to-day indorsed the administration bill in words as follows:

"*Resolved*, That the Chamber of Commerce of Spokane indorse the income-tax policy as outlined by President Taft, and urge our Senators and Representatives to support the same."

The bankers' association indorsed a similar resolution. The merchants' association and lumbermen have likewise indorsed it. I believe the citizens of this part of the State would much prefer the Taft bill at this time.

I give this information as a citizen and taxpayer of the State of Washington, trusting that in your wisdom you will reach a conclusion that will give us the fullest and best law.

Very truly,

D. T. HAM.

Mr. HEYBURN. Mr. President, after a conference with the chairman of the Committee on Finance [Mr. ALDRICH], I desire, in the interest of uniformity of the amendment which we adopted on Saturday, on page 2, line 23, after the word "then," to strike out "upon" and to insert "ninety days after the." I have submitted it to the chairman of the Committee on Finance, though I do not see him here at this moment. It is in uniformity with the other amendments, and there is no objection to it. It will be necessary to reconsider the vote by which we adopted the amendment in order to enable me to submit this amendment. I ask unanimous consent for its reconsideration for the purpose of submitting the amendment which I have just proposed.

The VICE-PRESIDENT. The Senator from Idaho asks unanimous consent to reconsider the vote by which the paragraph on page 2, line 23, of the amendment was agreed to on Saturday, for the purpose of offering an amendment at that point. Is there objection? The Chair hears none. The Senator now offers an amendment, which the Secretary will state.

The SECRETARY. On page 2, line 23, after the word "then," it is proposed to strike out "upon" and insert "ninety days after the."

Mr. BAILEY. What is the object of that amendment, Mr. President?

Mr. HEYBURN. It is a corresponding amendment to the one agreed to on Saturday. It occurs twice in the amendment.

Mr. STONE. I should like to hear the amendment. I did not catch it. The amendment made on Saturday to which the Senator from Idaho [Mr. HEYBURN] now proposes an amendment provided for a notice of ninety days.

Mr. ALDRICH. In case of the reimposition of the maximum duties.

Mr. HEYBURN. Notice of any change except the statutory change.

Mr. ALDRICH. Of any change except the statutory change. If that amendment is disposed of, Mr. President——

The VICE-PRESIDENT. The question is on the amendment proposed by the Senator from Idaho [Mr. HEYBURN] to the amendment.

The amendment to the amendment was agreed to.

The amendment as amended was agreed to.

Mr. ALDRICH. Mr. President, the committee intend to occupy——

Mr. BAILEY. I thought the constitutional amendment joint resolution was before the Senate.

Mr. ALDRICH. No; that is to be voted on at 1 o'clock.

Mr. BAILEY. I want to submit an amendment to that.

The VICE-PRESIDENT. At present the pending amendment is the amendment offered by the Senator from Rhode Island [Mr. ALDRICH].

Mr. BAILEY. I will not interfere with that. I will wait until the Senator gets through.

Mr. KEAN. Let us finish this.

Mr. ALDRICH. If the Senator from Texas wants to give notice now of an amendment, I will yield for that purpose.

TAXES ON INCOMES.

The Senate, as in Committee of the Whole, resumed the consideration of the joint resolution (S. J. R. 40) proposing an amendment to the Constitution of the United States.

Mr. BAILEY. I want to offer an amendment, and I will occupy only two or three minutes.

I move to strike out the word "legislatures," in line 5, and to substitute the word "conventions;" and in line 9, after the word "incomes," I move to add the words "and may grade the same."

Mr. President, of course the Senate will at once understand that the purpose of the first amendment is to submit the ratification of this proposed amendment to conventions called in each State for that purpose, rather than to the legislatures. I perfectly understand that this would involve some additional cost; but I do not think the question of cost should weigh seriously in a matter of this kind. Legislatures are elected with reference to many questions. Legislatures may be chosen upon local issues. The members may change their opinions, as Members of the Senate have done upon this very question, between the time they are chosen to the legislature and the time when they are required to vote.

A very grave situation now presents itself to the Senate and to the country. If this amendment is submitted and defeated, all hope and all possibility of an income tax disappears forever from the consumers of this Republic. With the Pollock case standing unreversed, with the President of the United States sending a message to Congress, in which he asserts that the court can not be reasonably expected to recede from that decision; with both Houses of Congress responding to the President's suggestion, and submitting a constitutional amendment to the various States, if that amendment is rejected, we shall never live long enough to see a Supreme Court reverse the Pollock case. They will say, and they will have reason to say, that with the Pollock case the unchallenged law—and so far as the court is concerned it stands unchallenged—with the executive department recognizing it as the law, and recommending that the effect of it shall be obviated by a constitutional amendment; with the two Houses of Congress acting upon that theory, if the amendment to the Constitution, submitted under those circumstances, fails to receive the approval of 12 States in this Union, that is the end of an income tax.

Believing that to be true, I vote for this amendment, under any circumstances, with reluctance, because I do not think it necessary, and I know the submission of it is fraught with extreme danger; but I think the danger of its rejection will be greatly diminished if its ratification is submitted to conventions chosen for the sole and only purpose of passing on it. For that reason I offer this amendment, committing its consideration to conventions, instead of to the legislatures.

The second amendment, Mr. President, gives distinct and specific authority to graduate an income tax, and I think that necessary only as a matter of abundant caution. I would not, perhaps, have thought it necessary at all, except for the statement of Judge Brewer, in the case of Knowlton *v.* Moore, where he dissents from the opinion of the court sustaining the validity of the inheritance-tax law upon the ground that Congress had no power to grade it. Plainly, if Congress is without power under the Constitution as it now stands to grade an inheritance tax, it would be without power under this amendment to grade an income tax; and if we are to put the people of the United States to the trouble and expense of adopting a constitutional amendment authorizing Congress to do what, in my judgment, it now possesses ample power to do, let us make a complete work of it, and let us not find it necessary hereafter either to exercise the power circumscribed within limits which the people would not adopt or find our law held invalid.

I shall ask for a roll call on both of these amendments, unless some better reason can be advanced against their adoption than has occurred to me up to this time.

Mr. McLAURIN. Mr. President, I concur in the wisdom of what was said by the Senator from Texas [Mr. BAILEY] with reference to the necessity for the amendment of this joint resolution; but I think there is a better amendment than the one he proposes to offer, or, at least, a better amendment than the one which amends line 9.

The mischief in reference to an income tax in every discussion of it before the court has grown out of six words, three of them in clause 3 of section 2 of Article I of the Constitution, and three of them in clause 2 of section 9 of Article I of the Constitution. In the first place it says:

Representatives and direct taxes shall be apportioned among the several States—

The words "and direct taxes" in that instance, and in the next—

No capitation or other direct tax shall be laid.

The words "or other direct" are the words that make the mischief in this clause 4 of section 9. With these six words stricken out of the Constitution in the places where they occur, as I have indicated, there could be no trouble about the levying and collecting of an income tax.

I have heretofore indicated my views in reference to the meaning of the three words "or other direct," and I am not going to elaborate them now. I think the word "direct" there must be construed with reference to the word "capitation." A capitation tax is a tax that is levied directly upon the individual without reference to property. It is what is called in the States generally a "poll tax." When you speak of a "capitation tax" as a direct tax and then speak of "other direct taxes," the word "direct" in this connection must be construed ejusdem generis with reference to the word "capitation"—a capitation tax; that is, a direct tax which operates upon the individual himself, without reference to any property at all—and the words "or other direct tax," of course, always, by all rules of construction, must be construed to mean a tax of the same kind. other direct taxes, that operate upon the individual without reference to any property at all. Out of that confusion has grown all the trouble that has arisen in reference to the question of an income tax.

I think there has been too much learning, probably, on this matter. There has possibly been too much research into what has been said by this man or that man in the Constitutional Convention. You must construe the provision with reference to the language used, for no provision in the Constitution and no provision of a legislative enactment or congressional enactment is to be determined by what one man or another man may say in reference to it.

That is illustrated especially here by the action of Senators on the amendment which is going to be voted upon at 1 o'clock to-day. There are many Senators who believe that it is not necessary to have any amendment to the Constitution. The Senator from Texas made a very able, a very learned, and a very eloquent argument to show that an income tax is within the limits of the Constitution as it is now in existence. Other Senators have done the same thing. I only refer to the argument of the Senator from Texas because it was, if my memory is not at fault, the first one that was made and not to make any invidious distinctions, for I think all the arguments that have been made on this view of the Constitution have been very able and very clear. Nevertheless, the Senators who have made these elaborate arguments and who believe that it is not necessary to amend the Constitution in order to justify Congress in enacting an income-tax law are going to vote for the resolution of the Senator from Nebraska, or a substitute therefor, for an amendment to the Constitution.

I have digressed from what I was going to say. I want to say that if the amendment which I offer should be adopted—and I do not much expect that a majority of the Senate are going to adopt it, but I think every Democrat ought to vote for it—if it shall be adopted, will eliminate from the Constitution every cause of contention over the question of the authority of Congress to levy an income tax, except as to the power of Congress to grade an income tax.

This is the amendment:

Amend the joint resolution by striking out all after line 7 and inserting the following, to wit: "The words 'and direct taxes,' in clause 3, section 2, Article I, and the words 'or other direct,' in clause 4, section 9, Article I, of the Constitution of the United States are hereby stricken out."

That will prevent any mischief hereafter. But let me call your attention to some mischief that may arise over this proposal by the Senator from Nebraska; and I should like to have the attention of the Senator from Nebraska to this. The joint resolution provides that the proposed amendment to the Constitution shall read as follows:

The Congress shall have power to lay and collect direct taxes on incomes without apportionment among the several States according to population.

That is what the Senator from Nebraska proposes to insert in the Constitution as the sixteenth amendment. There is going to be some contention that will go before the Supreme Court as to the provision, because the men who are wealthy, the men who have large incomes do not intend to pay any proportionate part of the expenses of this Government if they can get out of it. They expect that the Government of the United States will protect all their property and protect all of their income, but they expect the expenses of the administration of the Government for the protection of their incomes and of their property shall be paid by the poorer classes of the country, shall be paid by the men in humble circumstances and with modest means. That has been the rule heretofore, and they expect it to continue.

Here is the question they are going to raise at once: They are going to say that when you read the proposed constitutional amendment according to its correct interpretation it means "without apportionment among the several States according to population;" but they are going to say that it does not say "without apportionment among the several States according to anything else." You have specified population, but it may be required; they might contend that the tax should be apportioned upon some other basis than that of population.

Mr. BROWN. Mr. President——

The PRESIDING OFFICER (Mr. KEAN in the chair). Does the Senator from Mississippi yield to the Senator from Nebraska?

Mr. McLAURIN. With great pleasure.

Mr. BROWN. There is no other apportionment known to the Constitution except that according to the census or enumeration; and of course the proposed amendment would be construed together with the other provisions of the Constitution. The language used in the joint resolution is taken from the language of other sections of the Constitution, so that there can be no confusion or misunderstanding at all about the joint resolution.

Mr. McLAURIN. I know there is no other apportionment except in the instance to which I have referred; but it may be contended by those who desire to be exempted from the payment of their proportionate share of the taxes necessary to defray the expenses of the Government that there is an apportionment here provided for. It will be contended by those people that there is an apportionment here, and that the naming of one kind is the exclusion of all other kinds. There is a rule of construction that is not only familiar to all lawyers, but it is a rule that commends itself to the judgment of any man, whether he be a lawyer or not, as soon as it is presented to his mind, and that is that the naming of one is the exclusion of all others. When you name one kind of apportionment and provide that it shall not be required to be made, you exclude, then, all other apportionments; and it may be contended of any other apportionment except that which is named here. That is my idea about the mischief that is going to arise.

Then there is another thing that they may contend for, and that is that Congress has recognized the income tax as a direct tax. That is the conclusion that they will draw from the amendment that is proposed by the Senator from Nebraska. I do not think it is a direct tax. I shall vote for the amendment; and it is my intention to vote for the amendment, even though my amendment shall not be adopted; but it does not, in my judgment, meet the requirements of the case so as to put beyond all controversy the question before the Supreme Court of the United States on the constitutionality of the income tax and as to the meaning of the amendment. I think that it ought to be made perfectly clear. I am going to vote for it because I am in favor of anything that looks to the collection of an income tax. I think it is fair and just that there should be an income tax to compel those of wealth, who have great incomes, to pay some part of the expenses of the Government. I favor it not only because it is just, but because the immensely wealthy then will be interested in an economical administration of the Government instead of extravagance, in which they are not interested now, because they are not compelled to pay for any of the extravagance that is indulged in by the Government.

There are a great many other things, Mr. President, that I should like to say on this matter, but I am not going to take up the time of the Senate now to say them. I will ask that the amendment to which I have referred may be read at the Secretary's desk, to give notice of the amendment that I intend to

offer before there shall be a conclusion of the voting on the resolution offered by the Senator from Nebraska.

The VICE-PRESIDENT. The Secretary will state the amendment.

The SECRETARY. Amend the joint resolution by striking out all after line 7 and inserting the following:

The words "and direct taxes," in clause 3, section 2, Article I, and the words "or other direct," in clause 4, section 9, Article I of the Constitution of the United States are hereby stricken out.

Mr. BACON. I should like to know, if the Senator has it before him, exactly how the Constitution will read with those words stricken out?

Mr. McLAURIN. Clause 3, section 2, Article I of the Constitution would read in this way:

Representatives shall be apportioned among the several States which may be included—

And so forth; thus leaving out the words "and direct taxes."

Clause 4, section 9, Article I would read as follows:

No capitation tax shall be laid, unless in proportion to the census or enumeration hereinbefore directed to be taken—

Thus leaving out the words "or other direct." There can be no doubt about what a capitation tax is.

Mr. BORAH. Mr. President, I desire to indorse the amendment suggested by the Senator from Texas [Mr. BAILEY] providing for the submission of this amendment to the Constitution to state conventions rather than to state legislatures. I believe it a wise policy for the reason that then it will be an issue before the people, freed entirely of what might be controlling local questions and what might be conditions which would prevent a fair and unprejudiced presentation of the matter upon its merits.

I do not think the mere fact that it may lead to some extra expense ought to be considered in a matter of this importance, for, as I said the other day, if it should transpire that the amendment should not be adopted, the matter would be settled practically for all time. I do not very well see how we could go back to the Supreme Court, after having taken the step that we are about to take here, and ask for a reconsideration of the matter before that body. If 12 States of the Union, by reason of conditions which might prevail in the legislatures which would not give an opportunity to present the matter upon its merits alone, should decide against the ratification of the amendment, the matter would be practically put at rest. It would not be likely to be submitted again within the next twenty-five years, and there would be no greater chance for its adoption when submitted.

I wish to say, therefore, that I shall vote for the amendment suggested by the Senator from Texas [Mr. BAILEY], and I should like very much to see it accepted by those who are in favor of the amendment. It is subject to no possible objection, it seems to me, except possibly that of expense, and it certainly very greatly enhances the chance of success.

Mr. CLAPP. Will the Senator pardon me?

The VICE-PRESIDENT. Does the Senator from Idaho yield to the Senator from Minnesota?

Mr. BORAH. I do.

Mr. CLAPP. I will say to the Senator from Idaho that it has occurred to me that if there should be any disinclination to act on the matter by the state legislatures, the fact that we had provided a means which did entail additional expense might be something behind which men might shield themselves. For that reason, while I am heartily in favor of the amendment, I am not so clear it would be well to put it where a matter of expense could be urged as a reason for not acting.

Mr. BORAH. Mr. President, there is something in the suggestion of the Senator from Minnesota. But, on the other hand, it occurs to me that a sufficient number of people will always be found in any State among the great mass of the people to compel the calling of a convention.

Mr. CLAPP. That gives rise to another question. While I think the Senator from Texas will hold a different view, it seems very clear to me that the convention which would be provided for in each State would have to be called by the State itself, and, naturally, by the legislature, although I think the suggestion may be argued that, if a State refused to act at all, Congress could provide for the convention.

Mr. BAILEY. Mr. President——

The VICE-PRESIDENT. Does the Senator from Idaho further yield?

Mr. BORAH. I do.

Mr. BAILEY. I think that while that is true, a State refusing to act would simply be recorded in the negative. The Constitution only requires that three-fourths of the States shall ratify the amendment; and if the remaining States did not hold conventions, the amendment would become a valid part of the Constitution whether they ever acted at all or not. I think that in any State where the legislature acted on the matter at all, it would obey the resolution and call a convention.

I wish to say to the Senator from Idaho that if there would be any question of the expense deterring any State from calling a convention, I myself should favor a federal appropriation to pay the expense of the conventions in every State. That would undoubtedly obviate that difficulty.

Mr. BORAH. Mr. President, the question of expense does not disturb my mind. I was simply suggesting that as a possible argument against it. I have no fear that the amendment will fail of adoption if we can keep it where it will receive the benefit of public opinion in such a way and in such manner as to have an open expression of the people upon the subject. Therefore it seems to me, in view of the great importance of the matter, that, regardless of the question of expense and regardless of any inconvenience, we can well afford to place it where it will be the single issue which will be up for consideration.

Mr. NELSON. Will the Senator from Idaho allow me to make a suggestion?

Mr. BORAH. Certainly.

The VICE-PRESIDENT. The Senator yields.

Mr. NELSON. I should like to suggest to the Senator from Idaho this fact: I think I am right in stating that every constitutional amendment that has been adopted up to this time has been ratified by the state legislatures and not by conventions. This, however, is the point I am coming to: In case we should adopt the amendment of the Senator from Texas providing for submitting the question to conventions in the several States, ought we not to follow it up with legislation by Congress directing how the conventions shall be called and held?

I submit that question to both the Senator from Texas and the Senator from Idaho.

Mr. BORAH. That might be a very advisable thing to do; but I do not think all of our constitutional amendments have been ratified by state legislatures. My recollection is that the last amendment was adopted by conventions which were improvised for the very purpose of seeing that it was ratified through a large number of the States where it was understood that if the course were pursued which had ordinarily been pursued, it would not be ratified.

Mr. OVERMAN. May I ask the Senator a question?

Mr. BORAH. Yes.

Mr. OVERMAN. Suppose 12 States should refuse to call conventions, what would be the result?

Mr. HEYBURN. Mr. President, I should like to call attention, with the permission of the Senator——

The VICE-PRESIDENT. Does the Senator from Idaho yield to his colleague?

Mr. BORAH. I do.

Mr. HEYBURN. I should like to call attention to the fact that the States do not have to call conventions. Congress provides for the conventions, if we have conventions instead of legislatures to do the ratifying. That is provided in Article V of the Constitution.

Mr. OVERMAN. Will the Senator kindly read that article, so that I may have the benefit of it?

Mr. HEYBURN. I will read the article, so that it may be in the RECORD:

The Congress, whenever two-thirds of both Houses shall deem it necessary, shall propose amendments to this Constitution, or, on the application of the legislatures of two-thirds of the several States, shall call a convention for proposing amendments.

Mr. OVERMAN. But suppose the States do not call it?

Mr. HEYBURN. This is not a state convention; it is a national convention. Just listen:

Which, in either case, shall be valid to all intents and purposes, as part of this Constitution, when ratified by the legislatures of three-fourths of the several States, or by conventions—

Now, this is a second class of conventions—

Or by conventions in three-fourths thereof, as the one or the other mode of ratification may be proposed by the Congress.

There are two classes of conventions provided for.

Mr. OVERMAN. Does this resolution propose the calling of a convention?

Mr. HEYBURN. There is a provision here under which a national constitutional convention may be called.

Mr. OVERMAN. Is there any provision of that sort in this resolution?

Mr. HEYBURN. That is not the one that we are now dealing with. No one, I think, has proposed that.

Mr. BAILEY. The first is a convention to propose amendments, and the second a convention to ratify amendments.

Mr. HEYBURN. If my colleague will permit me, I will say that no one is proposing to call a national convention to propose amendments. The conventions that are under consideration are those that Congress, not the legislatures of the States, shall provide; and if Congress shall provide them, of course it shall provide the details.

Mr. BAILEY. I hardly think the Senator is correct about that. It is a very close question. The Constitution says that amendments to the Constitution shall be ratified by legislatures or conventions. I do not think Congress has power to call a convention any more than to convene the legislature of a State to pass on an amendment.

Mr. HEYBURN. No; I do not think it has, either.

Mr. BAILEY. And yet its powers seem to be the same with respect to the convention as with respect to the legislature. I will say to the Senator from Minnesota, who raised the question, that the failure of a State to act would simply be equivalent to a negative action.

Mr. HEYBURN. Will the Senator allow me to make a suggestion? I think the second provision in regard to conventions was intended to apply in case the legislature refused to act.

Mr. OVERMAN. Suppose Congress passed an act providing for the calling of a convention, and the State did not call it, and the people did not meet together, how would Congress act? Would the President go and arrest the people and bring them into a convention?

Mr. BAILEY. Oh, no; but I think if Congress had the power to call a convention they could appoint officers and open the polls, and if only one man voted in the State that one man would be the majority. But that is an extreme case and one not apt to arise.

Mr. HEYBURN. Right in that connection let me call attention to the language. First, it provides that Congress may submit the matter to the legislatures. It could not, of course, compel the legislatures to act. Then it provides an alternative "or by conventions in three-fourths thereof"—three-fourths of the States—"as the one or the other mode of ratification may be proposed by the Congress."

I am quite convinced, though I may be wrong, that that was intended as an alternative provision. I think it was intended that where the States should refuse or neglect to act, Congress might call these conventions in the States and provide the machinery for them rather than have defeated its purpose of submitting an article for the amendment of the Constitution. I think it was intended to provide against the possibility of the States refusing to act.

Mr. BAILEY. Mr. President, with the permission of the Senator from Idaho, I will say that I think it was intended to provide against the very contingency that now confronts us. I think it was intended to allow the direct question to be made, stripped of every other question, rather than to commit it to a legislature elected to deal with many questions.

Mr. HEYBURN. I think that would be the effect rather than the intention. That undoubtedly would be the effect.

Mr. SUTHERLAND and Mr. BACON addressed the Chair.

The VICE-PRESIDENT. To whom does the junior Senator from Idaho now yield? Several Senators are asking for recognition.

Mr. BORAH. I will yield, so long as I can gain any information in reference to constitutional law.

The VICE-PRESIDENT. But to whom does the Senator yield?

Mr. BORAH. I yield to the Senator from Georgia.

Mr. BACON. Mr. President, I merely wish to suggest that there is nothing in the Constitution that contemplates that there shall be action by all of the States. Whenever there is action by a sufficient number of States the action is conclusive, even if the other States never act.

An illustration of that is found in the fact that in each ratification heretofore the ratification has been made by the legislatures, and the Government has never waited until all the legislatures have acted. Whenever a sufficient number of the legislatures of States have acted, communication has been made to Congress of the fact that the amendment has been adopted.

The first action by legislatures was as to the first 10 amendments; and it so happened that there were three States not included in those enumerated when the communication was made to Congress. The first 10 amendments were ratified by New Jersey, Maryland, North Carolina, South Carolina, New Hampshire, Delaware, Pennsylvania, New York, Rhode Island, Vermont, and Virginia, which constituted a sufficient number, and communication was then made to Congress to that effect. The three States of Massachusetts, Connecticut, and Georgia were not included at all.

Mr. BAILEY. If the Senator will permit me, I will reenforce him in his suggestion. The original Constitution provided that whenever nine States ratified it, it should become effective among those ratifying; and the Government was organized before all of the States had ratified the Constitution.

Mr. BACON. The two States of Rhode Island and North Carolina were not in the original organization at all. For two years, I think, the Federal Government had the great disadvantage of proceeding without the aid and cooperation of the State of Rhode Island.

Mr. BAILEY. Some people wish they never had ratified it. [Laughter.]

Mr. SUTHERLAND. Mr. President——

The VICE-PRESIDENT. Does the Senator from Idaho yield to the Senator from Utah?

Mr. BORAH. I yield.

Mr. SUTHERLAND. Mr. President, I think the Senator from Texas is clearly right in reference to one proposition he states; that is, that the amendment can be ratified whenever three-fourths of the States act, although one-fourth of them may fail to act at all on the question. But with reference to another suggestion the Senator made, viz, that if a legislature should prove recalcitrant, and decline to call a constitutional convention, Congress might do so, it seems to me the language of the Constitution itself indicates that Congress has no such power.

Mr. BAILEY. Mr. President, when the Senator comes to examine his remarks, I hope he will not represent me as saying that, because I distinctly stated that I did not say it.

Mr. SUTHERLAND. Then I will alter what I said by saying that the Senator from Texas suggested that such a method might be adopted. The language of the constitutional provision is not that Congress may call a convention, any more than it may call a legislature; but only that Congress may propose the method to be adopted. In other words, Congress may propose that either the legislature shall act upon the matter, or that a convention shall act upon it. But the power of Congress is simply to propose it, and not to call it.

Mr. BACON. With the permission of the Senator from Idaho, I desire to add a word to what I have said.

Mr. BORAH. Very well; I yield to the Senator from Georgia.

Mr. BACON. In order that there may not be any question as to my attitude on this subject, I will state that there is no question whatever in my mind that it is clearly beyond the power of Congress, in any instance, to call one of these conventions.

Mr. DIXON and Mr. CLAPP addressed the Chair.

The VICE-PRESIDENT. To whom does the Senator yield?

Mr. BORAH. I yield first to the Senator from Montana. I will yield later to the Senator from Minnesota.

Mr. DIXON. Mr. President, while I shall vote for the second amendment of the Senator from Texas, I desire to call his attention and that of the Senator from Idaho to the fact that his first amendment may possibly complicate the constitutional amendment more than it will help it. When you convene the people of a State in a constitutional convention for the purpose of considering one matter, are not all matters affecting the constitution of that State open to discussion?

Mr. BAILEY. Not at all, Mr. President, because the call would be to pass upon this federal question. They would have absolutely no power over the organic law of the State, unless, indeed, the legislature submitted those questions to them. If such questions were submitted in the orderly and lawful way, it would be no objection that they were permitted to pass upon them. But being called for this purpose, there could not possibly be communicated to them any power to deal with their local constitutions by such a call.

Mr. BORAH. Mr. President, if the state convention were going to deal with the state constitution, it would have to be called in the manner the constitution of the State provided for calling a convention for that purpose. If we should provide here for the calling of a convention and it should be called pursuant to that provision, it would have no jurisdiction and no power to deal with the subject of the state constitution, unless it were called pursuant to the manner in which the state constitution provides it shall be called for the purpose of dealing with amendments to the state constitution.

Mr. DIXON. But, with all due deference to what the Senator from Idaho is now saying, when the people of a State, through their representatives, assemble in a constitutional convention, do they not have primary powers to do almost anything, subject to ratification by the State?

Mr. BORAH. They have.

Mr. DIXON. Then, in view of the well-known opposition to constitutional conventions on the part of a large proportion

of the people of a State, I can not help believing that the calling of constitutional conventions will complicate more than it will help the general purpose we have in view.

Mr. BORAH. If a convention should be called in pursuance of this suggestion from Congress, it would not have any power to deal with amendments to the state constitution unless it were called in pursuance of the manner provided by the state constitution for dealing with the subject. If a convention called under this suggestion should undertake to pass on amendments to the state constitution, it would be acting wholly beyond its jurisdiction. The various state constitutions provide by what means and method conventions shall be called for that purpose, and they must be called in pursuance of the provisions of the state constitutions.

Mr. HEYBURN. I suggest, Mr. President, that Congress has no power to call a convention for the purpose of amending or dealing with state constitutions.

Mr. BORAH. The convention would have no power to deal with it when it assembled.

Mr. BURTON. Mr. President——

The VICE-PRESIDENT. Does the Senator from Idaho yield to the Senator from Ohio?

Mr. BORAH. I yield.

Mr. BURTON. I desire to point out another obstacle besides that named by the Senator from Montana; that is, in case the ratification is to be by convention: At least one of the States has a provision that constitutional conventions can only be called once in twenty years.

Mr. BAILEY. If the Senator will permit me, that evidently has reference to a constitutional convention called to deal with the state constitution. This is not a constitutional convention within that meaning.

Mr. BURTON. I have thought of the very point the Senator from Texas makes; but I do not think it sufficiently answers the contention I have stated. The constitution of each State specifies clearly the manner in which legislative authority may be exercised. Popular government has its expression in the ways set forth in the state constitution. Those are two: First, by the legislature; second, by constitutional conventions. There is no recognition in any state constitution, so far as I am aware, of any other method of calling a convention to express the popular will. If a convention not authorized by the constitution of a State should be called to act upon a proposed amendment to the Constitution of the United States, it would be doing something not recognized by the legislative authority. There is no means provided for determining in that way what is the will of the people of the State. We can not devise a new means of expressing what the people of the State of Texas or any other State desire, simply to fit an emergency. The expression of their wishes is confined to the methods set forth in the state constitution.

In case such a limitation of time exists, it might entirely prevent some of the States from expressing the wish of the people of that State on this constitutional amendment. It would seem, from some things that have been said here, that the opinion is entertained that this "three-fourths" means three-fourths of the States in which there is an expression on the subject.

Mr. BAILEY. Oh, no. No one contends that.

Mr. BURTON. That clearly can not be the case. I so understood, however, from some of the statements regarding it. Certainly it would require three-fourths of 46 States. I think that may be conceded.

Mr. OVERMAN. Thirty-five States.

Mr. BURTON. Thirty-five States, in any event.

Mr. RAYNER. Mr. President——

The VICE-PRESIDENT. Does the Senator from Idaho yield to the Senator from Maryland?

Mr. BORAH. If I may be permitted to do so, I will yield the floor.

Mr. RAYNER. Mr. President, I should like to suggest to the Senator from Ohio that there does not seem to be any question about any of the propositions stated by the Senator from Texas and the Senator from Georgia. If three-fourths of the States, by convention, ratify the amendment, that is the end of it. But there is one point which I should like to submit to the Senator, and that is this: If the States fail to call the legislatures together, and if the legislatures fail to act, there is no provision in the Constitution of the United States and no power in Congress to make them act. I do not think there is the slightest possibility of that occurring, but I deny absolutely the power of Congress to compel the States to act.

Mr. BURTON. I intended to say a word upon that subject, Mr. President. While I may have stronger views on the subject of federal authority than some Senators have, I do not believe it is possible to compel a State to act upon a proposed amendment to the Constitution. The initiative must rest with the State itself. It must be the voluntary act of each State. It is no more possible to compel a State to convene its legislature or call a convention than it is possible under existing law to compel an elector to vote at an election. That is a right incident to the freedom that belongs to an elector; and it is also the privilege of the State to act or not to act, as it may choose.

Mr. CLAPP. Mr. President, I desire to call the attention of those who are particularly back of this amendment to the fact that the amendments to the Constitution which have been adopted were in every instance, I think, referred to the legislatures. The only amendment which was referred to a convention was the amendment which was referred by Congress at the very close of President Buchanan's administration. It was, I think, the last bill he ever signed; and the only conventions which were called were in the States of Ohio and Illinois, if I remember correctly.

As far as the method of accomplishing this result is concerned, I for one am disposed to follow the wishes of those who are moving in the matter. But it does seem to me that it is a departure and may present complications, while the other is a well-understood, well-traveled road. And as a matter of my own personal advice and view, I should prefer to leave it to the States, as has been done heretofore.

Mr. DIXON. Mr. President, I desire to do whatever will aid in bringing this matter to a constitutional amendment. I want again to call the attention of the Senators who at first thought may be favorable to the scheme of calling state conventions to the fact that in many of the States the expense of holding elections for delegates to a constitutional convention will be so large that the question of expense will be used as an argument against it. I think in my State it will cost the State $100,000 to hold its constitutional convention and the election for the choosing of delegates.

I am convinced this will complicate matters. On the other hand, if the joint resolution passes both the Senate and House, as it will undoubtedly, the governor of each State in the Union will certify to the next general assembly of the States the fact that the joint resolution has passed both Houses of Congress, and it will be brought directly and forcibly to the attention of the people in every State.

I for one believe that this amendment will carry in nearly every State of the Union. Suppose, as it has been intimated, that influences should be used in a State with the members of the legislature against it and that legislature returns and goes home without adopting the amendment, it makes it the burning live issue in that State. The joint resolution of Congress does not become functus officio because one legislature of a State at that time has not adopted it. It will rest on the legislatures that will assemble in the future, and whenever three-fourths have finally ratified it, whether it be one, two, three, five, or ten years, it then becomes a part of the fundamental law of the United States. I am thoroughly convinced that the convention method will complicate more than it will help. That is my individual view of the matter.

Mr. HEYBURN. I should like to ask the Senator a question before he takes his seat. There is no limit placed by the Constitution upon the time within which a State may act in ratification.

Mr. DIXON. That is what I am saying.

Mr. HEYBURN. Does the Senator contend that it might be submitted to an indefinite number of subsequent legislatures, or would the action, either positive or negative, of the legislature to which it was first submitted exhaust the right?

Mr. DIXON. I presume if the legislative action were positive or negative it would be exhausted in that State.

Mr. HEYBURN. Then, if the legislature to which it was submitted fails to act that would be the equivalent of a rejection of the amendment.

Mr. DIXON. No; if the legislature failed to act, I do not think for a moment it would be.

Mr. HEYBURN. Upon the question of submission, if no action should be taken——

Mr. DIXON. Until the legislature finally acted either positively or negatively, I think unquestionably.

Mr. HEYBURN. Is not refusal to act action in itself?

Mr. DIXON. No; I do not think so for a moment.

Mr. HEYBURN. Does a man who stays away from the ballot box participate in an election? Is not his act as binding if the result is obtained by reason of his absence as though he voted?

Mr. DIXON. Yes; but the fact that a legislature fails to act——

Mr. BACON. If the Senator will permit me a moment, without presuming to pass upon the legality of the subsequent act,

the fact is that the States of New Jersey, Oregon, and Ohio had ratified the fourteenth amendment, and they subsequently formally withdrew that ratification.

Mr. HEYBURN. They only thought they withdrew it.

Mr. BACON. I have simply called attention to the fact, without saying whether it was a valid withdrawal or not.

Mr. HEYBURN. The Senator would not contend that a State might go on voting pro and con on a constitutional amendment indefinitely.

Mr. BACON. I have not made any suggestion to that effect, but I was just calling attention to the fact that three States did think they had that right.

Mr. HEYBURN. The Senator, I think, would not contend——

Mr. BACON. I myself would be greatly disposed to question the right.

Mr. RAYNER. If that is so, then the fourteenth amendment is invalid, because they did exactly what the Senator from Idaho says they had no right to do.

Mr. HEYBURN. Mr. President, I do not care to have it left that way. I think the facts——

Mr. RAYNER. No; they voted first against it and then for it. The contention we have always made is that the fourteenth amendment is unconstitutional.

Mr. BROWN. Mr. President, I trust that the Senate will reflect a moment before it concludes to adopt any of these amendments. The proposition to refer it to the state conventions for ratification, in my judgment, does not appeal and ought not to appeal to our favorable consideration, provided we desire to be on the safe side and are in favor of early action on the joint resolution by the States.

The fact that first confronts us with respect to referring it to conventions is this: We do not know who will call the convention, whether the governor or the legislature. There might be a difference of opinion about that. If it shall be called by the legislature, then we have to wait for the legislature to convene before there is even a call for a convention. That means delay; it means postponement; and I can not understand why we should longer postpone the opportunity of the people to pass upon this question.

I have not yet heard in this debate one single reason why the convention method is better than the legislative method of ratification. The fact remains that of the 15 constitutional amendments which have been adopted, every one has taken the course that this joint resolution proposes this amendment shall take.

Mr. BORAH. Does the Senator contend that the fifteenth amendment was ratified entirely by state legislatures?

Mr. BROWN. I have the record of it here.

Mr. BORAH. Has the Senator Secretary Seward's certificate certifying its adoption?

Mr. BROWN. It says:

> The fifteenth article was submitted to the legislatures of the several States, there being then 37 States, by a resolution of Congress passed on the 27th of February, 1869, at the first session of the Forty-first Congress, and was ratified, according to a proclamation of the Secretary of State, dated March 30, 1870, by the legislatures of the following States—

Then they follow.

Mr. BORAH. The Senator has not Secretary Seward's certificate of ratification?

Mr. BROWN. This states that Secretary Seward certified that it had been ratified by the legislatures of 29 out of 37 States. So the joint resolution proposing the fifteenth amendment was ratified by 29 state legislatures and not by 29 state conventions.

Mr. BACON. Will the Senator from Nebraska permit me to recur for a moment to the question propounded by the Senator from Idaho?

Mr. BROWN. Certainly.

Mr. BACON. I did not at that time have it before me. It seems that the fifteenth amendment was ratified by the requisite number of States and was proclaimed, and that among those ratifying it were the States of North Carolina, South Carolina, Georgia, and Virginia. They were necessary to the number required to secure the ratification. Prior to that time the legislatures of the States had rejected the amendment; and it was after they had rejected it that subsequent legislatures ratified it. It was only by means of counting those four States that the fifteenth amendment was declared as having been ratified; and they had previously rejected the amendment, each one of them.

Mr. RAYNER. North and South Carolina were two of the States.

Mr. BACON. North Carolina, South Carolina, Georgia, and Virginia.

Mr. BROWN. Unless some good controlling reason is presented why we should change our method of amending the Constitution, I do not think we can justify our vote against following the usual method. The legislature is an existing institution in every State. A convention would have to be arranged for. The legislatures, by virtue of the several state constitutions, meet every two years in most of the States. We do not have to wait for somebody to call a convention. The legislature is already called. We do not have to worry about the expense of the legislature, because the expense is already incurred.

In addition to all these objections, Mr. President, there is one other which ought to cause Senators in this body to vote against the proposed amendment for ratification by conventions. I know the fight that has been made in a large majority of the States of this country for a primary law. There has been a fight of the people in a majority of the States of the Union to get away from legislators who are nominated in conventions, and in many States they are now nominated at a primary. Members of Congress who used to be nominated in conventions are now nominated at a primary. The members of the several legislatures of the States that have primary laws do not have conventions. They prefer the other method. They are nominated on primary-election days.

Mr. BAILEY. Mr. President——

The VICE-PRESIDENT. Does the Senator from Nebraska yield to the Senator from Texas?

Mr. BROWN. Certainly.

Mr. BAILEY. The Senator is making an argument now without knowing where it is going to lead. I think he will not consider it a very valid one when he analyzes it. The same men who would be elected to this constitutional convention would be nominated in exactly the same way as the men who are elected to the legislature, and so the talk about the different methods is absolutely without foundation.

Mr. BROWN. The trouble with the argument of my friend is that it may apply to his State, where delegates to a convention are selected at a primary, but it does not apply in some of the States of the Union that I know of, because they have no law for electing delegates to any convention at a primary.

Mr. BAILEY. Then the members of the legislature are not selected in that way.

Mr. BROWN. Yes; the members of the legislature in my State are selected at the primary, but our delegates to a convention, should the party have one for any purpose, are not selected at a primary. There is no provision for the selection at a primary of delegates to this convention.

Mr. BAILEY. That is true. My own State makes precisely the same difference. Yet the Senator does not mean to say that he thinks it is safer to take the expression of a legislature elected with reference to all other questions, including this, than it would be to take the expression of a convention elected with reference to this alone. No matter how a man is nominated, the only question——

Mr. BROWN. That is just what does matter—how he is nominated.

Mr. BAILEY. Let me finish and then I will show you that you are mistaken. The only issue here will be, Are you in favor of this constitutional amendment—not of some constitutional amendment, but of this one? And the candidate who is in favor of it will say so, the candidate who is not in favor of it will say so, and if a candidate elected declaring himself in favor of it would go to that convention and vote against it, he would never go back home.

Mr. CURTIS. Mr. President——

The VICE-PRESIDENT. Will the Senator from Nebraska yield to the Senator from Kansas?

Mr. BROWN. Certainly.

Mr. CURTIS. I should like to ask the Senator from Texas if he does not believe that the question of amending the Constitution would be the paramount issue, even though it was submitted to the legislatures?

Mr. BAILEY. That is probably true, and therefore I would dislike very much to see every legislature in the United States selected with reference to this federal question and without reference to the local questions. That is exactly what I want to avoid.

Mr. BROWN. Mr. President, there can be no doubt, I think, in the mind of any candid man that, should the joint resolution pass Congress, in every State in the Union every political party would be in a race to see which could get behind the joint resolution first. There could be found no one opposing the joint resolution, which only proposes that Congress shall have the power to levy incomes. You can not find a man on

this floor, I believe, whether he favors an income-tax law or not, who is against giving to Congress the power to levy the tax if it wants to do so.

Mr. BORAH. Mr. President——

The VICE-PRESIDENT. Does the Senator from Nebraska yield to the Senator from Idaho?

Mr. BROWN. Certainly.

Mr. BORAH. If it is carried to the legislature, a multitude of local affairs or other affairs are engrossing the attention of the people. We have had year after year in our State constitutional amendments submitted which were important, and yet during the campaign they were lost sight of; no one mentioned them; and when the returns came in they were sometimes adopted by a very small vote by practically no vote being cast on the subject at all.

My idea in this matter was that if this was the only issue, the minds of the people would be settled upon the issue, and that above all things when it got into the legislature you could not logroll important issues against it in order to defeat it, because it would be the only issue there when you got into the legislature. If you go by the way of the legislature, there are a multitude of issues there which detract from the consideration of this measure. But if we have a convention it will be the only issue there.

So far as the expense is concerned, it may be expensive, but I want to call the attention of the Senator from Nebraska to the fact that if it should transpire that 12 States in the Union should refuse to adopt it, it would be the most unfortunate thing, in my judgment, which has happened in the political history of the United States since the civil war, if not in its entire history, because the contest would be over. We would not go back to the courts and we would not go again to the people, and this fight would be permanently closed.

Mr. BROWN. Mr. President, I do not agree at all with the views of my good friend from Idaho that the fight would be closed if 12 States should fail to ratify this amendment.

Mr. STONE. If my friend will permit me, on the subject of expense, while it would be an exceedingly unusual thing to do, it seems to me it could be obviated, and perhaps in the circumstances of this particular case it ought to be obviated, by inserting as a part of the amendment, if the convention plan is adopted, a provision that the Congress shall, by appropriation, provide for the reimbursement of the States for any expense they may be put to in holding the conventions.

Mr. BROWN. Mr. President, that illustrates the danger we are in right here. Every proposition and every suggestion involves some other legislation; some other step must be taken. Tell me why it is that we are so loath to follow the trodden path in amending the Constitution? What has happened that it is necessary to discover and adopt an untried plan?

Mr. BAILEY. Will the Senator permit me?

Mr. BROWN. Certainly.

Mr. BAILEY. I answer him without a moment's hesitation. Because the last two occasions on which we tried it we found ourselves amidst an infinite difficulty. Both the fourteenth and fifteenth amendments to-day are of doubtful validity, in consequence of the action, and varying action, of the several States. Remembering the trouble at the close of the great war that was found in adopting those amendments, I am not surprised that Senators would prefer a different course.

Mr. BROWN. Do I understand that the Senator from Texas favors the convention method of ratification because he doubts the validity of the course that was pursued relating to the fourteenth and fifteenth amendments?

Mr. BAILEY. Oh, no; the Senator is too bright to suppose that I meant that. He did not understand that I stated that, except in reply to his demand to know why we should leave these beaten paths. I answered that those paths had not been paths of safety with reference to the last two amendments to the Constitution.

Mr. BROWN. So far as the record shows, they have been paths of safety. Those amendments are a part of the Constitution now.

Mr. BACON. Will the Senator permit me? It appears that in the case of the fourteenth amendment—I a few moments ago misstated it to be the fifteenth—four States which had rejected the amendment subsequently ratified the amendment.

The question was raised by the senior Senator from Idaho [Mr. HEYBURN] as to whether, when a State had once acted, it had not exhausted its power. I said to him very frankly I was inclined to think that was true. I hope the Senator from Nebraska will give me his attention, because I am calling his attention to it.

Mr. BROWN. I beg the Senator's pardon.

Mr. BACON. Four States which had rejected the fourteenth amendment afterwards ratified it. The ratification of those four States was necessary to make up the number required for that ratification.

The particular point to which I wish to call the attention of the Senator from Nebraska is this: Of course the only ground upon which the validity of the fourteenth amendment could be rested would be the ground that the State did have the right to change; but unfortunately if that is true, there were other States that changed the other way. They were States which had ratified it, which, prior to the time when they were counted as having thus ratified it, withdrew their ratification. They were the States of New Jersey, Oregon, and Ohio. So, if the right to change is recognized, they were still three short; if the right to change was not recognized, they were four short. As suggested to me by the Senator from North Carolina [Mr. OVERMAN], it was not adopted.

Take the case of the fifteenth amendment. The fifteenth amendment required 30 States to ratify it, and there were among those 30, which were counted as having ratified it, the States of Ohio and New Jersey, and each of those States prior to the time when they were counted as having ratified it had withdrawn their ratification.

Again the fact is presented that if they had a right to count them upon the ground that they had a right to change their minds and change their action, then it unfortunately happens that the State which was necessary to make up 30 had withdrawn its ratification, to wit, the State of New York. So in one case, if the State had the right to withdraw or to change its action, New York having withdrawn, there were only 29, and that was 1 less than necessary for ratification. On the other hand, if they did not have the right to change, 2 of the States which had previously refused to ratify were counted among those having ratified it, and that would leave only 28. In the one case there would be 29 and in the other case 28. You can take either horn of the dilemma you wish.

Mr. BROWN. I am familiar with that argument and with the point that we might not have a valid ratification of the proposed amendment. We need not waste any time, I think, in discussing that branch of this subject. If my judgment is correct, there will be no ratifications that will be withdrawn by any State on this joint resolution. I do think that it is the easy, the natural, the customary, the logical, and the safe thing for us to pass a joint resolution which refers it to the legislatures elected by the people of this country and not to conventions.

Now, then, Mr. President, as to the other amendment offered by the Senator from Texas, where he asks that the words "and the right to grade" be put in, I think already the language of the joint resolution gives Congress the power to grade the income. It gives the power to lay and collect, and when the Supreme Court decided, as they did, that persons, associations, or corporations doing a certain line of business must pay a tax measured on their income, so much earned, they declared the power to be in Congress to grade the taxes, provided they had the right to lay them. The power to lay a tax includes the power to grade. Of that no doubt can reasonably exist, in my judgment.

The amendment proposed by the Senator from Kansas expresses a principle in which I have always believed, and I believe the principle is fair and right and ought to be in the Constitution; but the Senator from Kansas will understand that if he had the power under the parliamentary situation to offer the amendment, it means the death of both propositions when it comes to a final vote in this body. I do not base that upon any guess, because there was a roll call in the Senate last year on the proposition to amend the Constitution so that the people would have a right to elect their Senators, and on that roll call out of 30 Democrats I think 9 voted in favor of such an amendment, and there were only 12 out of 60 Republicans who voted for it, the rest all voting, if they voted at all, to refer it to the committee.

Mr. LA FOLLETTE. Mr. President, the Senator has just made a statement that I was going to draw from him if possible, that the roll call was not upon the passage of the joint resolution, but to refer it to a committee. The direct issue was evaded in that case, as it is always sought to be evaded when that question comes up.

Mr. BROWN. The Senator from Wisconsin did not hear me finish the remark. The vote was to refer it. That meant to assassinate it, and every Senator knew that is what it meant. If I had voted to refer, I would have voted to kill it.

Mr. DIXON. Mr. President——

The VICE-PRESIDENT. Does the Senator from Nebraska yield to the Senator from Montana?

Mr. BROWN. I do.

Mr. DIXON. To keep the record straight, when reference is made to the Republican vote, I think the Senator should also add the fact that there was a larger percentage of Republican than Democratic Senators in this body who voted against sending the joint resolution to committee.

Mr. BROWN. I did not care anything about the political significance of it. I simply wanted to show that there is no possibility, with the Senate constituted as it is to-day and on record as it is, of having such an amendment get two-thirds of the majority of this body. Then tell me why load it on this joint resolution? I would be glad to support the Senator's resolution, if it can come up so that it does not kill itself and at the same time kill this one.

Mr. MONEY and Mr. NEWLANDS addressed the Chair.

Mr. BROWN. There are several Senators who want to talk, and I think I will yield the floor. I hope that all these amendments may be voted down. I believe that the joint resolution is drawn simply; it is drawn in language that is not susceptible of two or three constructions; it vests the power in Congress to lay and collect income taxes; and that is the proposition we want to adopt.

Mr. MONEY. Mr. President, I am one of those who believe that there never will be another amendment to the Constitution of the United States. Already, I understand, about 13 States have called for a convention of all the States. If that convention should be called, as it will ultimately be, I have no doubt the first resolution that will be offered will be to abolish the Constitution of the United States for the very reason that we have been for some time acting under a suspension of it, and those who are in authority are heartily tired of it.

The difficulty that presents itself to my mind is to secure the 12 States which everybody admits are quite likely to defeat any amendment of this sort to the Constitution. The method presented by the Senator from Texas is probably the best, but the same influences that will control the votes of the legislature will prevent the legislature from calling a convention. The item of expense will be considered by some of the frugal-minded legislatures in some of the States, also.

The great difficulty that we had in passing the last two amendments to the Constitution, which seemed to be so very necessary in our system of political economy as to fix the status of several million freedmen, would seem to argue the necessity of a ratification of the income-tax amendment, yet we know the difficulty. I am one of those who do not believe that either the fourteenth or fifteenth amendment was ever validly made a part of the Constitution.

It has been said that when a State has voted to ratify or reject, it has exhausted its power. I do not believe there is any authority in good common sense and sound reasoning for any such suggestion. There is no doubt that it has been acted upon; that is true, but the action was forced by the exigency of the political situation. As a matter of fact, 4 Southern States that had rejected the fourteenth amendment afterwards assented to it. But in the meanwhile 2 States that had assented to it had withdrawn their assent and rejected it.

One was the State of Ohio and the other the State of New Jersey. The paper that was then issued by the legislature of New Jersey is one of such high statesmanship that it deserves to rank next only to the Declaration of Independence. It is a paper that can be studied with great profit by any student of our Constitution and of our theory and system of government. My friend from Georgia [Mr. BACON] stated that there was a third; but he is mistaken about that. The State of Oregon, it is true, rejected the amendment, but that was in October, and the promulgation of the ratification was made by the Secretary of State, under the law of 1818, on the 28th of July, 1868. So the action of Oregon simply meant to express a change of sentiment in that State, and in no effect validated or invalidated the ratification. It had nothing to do with it. But it was held that four States had first rejected the amendment and afterwards ratified it; and they were counted, because they came in before the promulgation.

I am not one of those who believe that a promulgation by the Secretary of State of the ratification of three-fourths of the States of an amendment to the Constitution is at all necessary to its validity. It is just exactly as he is required to print the laws of Congress. Nobody will assume that he has got anything to do with passing the laws of Congress or giving them effect. He simply gives notice to the public that they have been passed, and superintends the printing. So, in the same way, the act of ratification consists of the action of the two Houses, then of three-fourths of the States; and the Secretary of State has nothing to do with it, except to announce that to the public; and the event is closed.

However, the State of New Jersey and the State of Ohio had changed; but they were not permitted to make that change. John Sherman, then a Member of the Senate from the State of Ohio, introduced a resolution declaring that three-fourths of the States of the Union had ratified the fourteenth amendment. As a matter of fact, that was ultra vires. The Senate had no business to concern itself any further. That clause of the Constitution which provides for its own amendment particularly points out the way in which it shall be done.

It says that such joint resolutions shall receive the consent of two-thirds of the Members of both Houses. There has been some contention about whether that meant two-thirds of those present or two-thirds of the Members constituting each House. According to my view of it, proper reason and common sense would say it required two-thirds of the membership of both Houses; but it has been uniformly held by both Houses that it only required two-thirds of those present and voting; that all the intermediate steps leading up to a final vote upon the amendment required only a majority of those present and voting, a quorum being always presumed to be present, as a matter of course. I do not accede to that; but there is no way to change it, of which I am aware. That has been the uniform practice of both Houses, and they have declared it over and over again. The last ruling on that subject was by Mr. Reed, of the State of Maine, as able a man as has ever been Speaker of the House of Representatives. I recollect that he said in his ruling that it seemed unnecessary for him to rule, primarily, because the decisions of preceding Speakers had been so uniform upon that point.

But we have had also other decisions, even coming down to the decision of the Supreme Court, that the President of the United States had to sign such amendments. The first 12 amendments proposed by Madison were signed. Ten were adopted afterwards. The eleventh amendment was signed by John Adams, which was adopted. Then the twelfth amendment of Mr. Madison was signed, and that was adopted. The thirteenth amendment was signed by Abraham Lincoln, not because it was believed that it was at all necessary, because the President is not included in the amending of the Constitution as one of those who have anything on earth to do with it, but it was said that it was extremely fitting that the man who had emancipated the slaves by proclamation should have the privilege of signing a legislative amendment to the Constitution, ratified by the States, which did the same high office. Consequently he was permitted to do so. Then it was that Trumbull, of Illinois, offered a resolution that the approval of the President was totally unnecessary, and it passed the Senate without a single dissenting vote. So that, though we have precedents which seem to have no foundation in good reason and that are cut short whenever the opportune moment comes, it seems the President has nothing whatever to do with the amendment of the Constitution.

Mr. President, I do not believe that this amendment to the Constitution will ever be a part of it. I am willing to vote for it, and I should like to see it adopted, if possible; but I am quite sure that those influences which have prevented a vote on the income-tax amendment in this Senate will also prevent a vote in at least twelve of the legislatures of this Union. We can feel quite sure that an act of such far-reaching importance, that touches the pockets of very many rich people, is not very likely to become a part of the organic law of our Republic or of our confederation.

I should be very glad, Mr. President, to proceed upon the lines laid down by the Senator from Texas [Mr. BAILEY], the Senator from Iowa [Mr. CUMMINS], and the Senator from Idaho [Mr. BORAH], which, I believe, is the shortest and the simplest way. I am not one of those who regard the judgment of the Supreme Court as an African regards his particular deity. I respect such a decision just exactly to the extent that it is founded in common sense and argued out on reasonable logic, but when it violates the law of common sense, then I cease to so regard it, except that as a citizen I am bound by it. As a legislator, I have no more regard for it than I should have for a decision of a magistrate in one of the counties of the State of Mississippi, especially when I know it runs counter to the decision of a hundred years and was decided by a vote of five to four and that one judge who voted in the affirmative changed his mind somehow in the shadows between two different hearings.

I do not say that by way of disparagement of anybody, because it is only the fool who never changes his own mind; but there were no new facts brought out; there were no new arguments adduced; and the member of the court, whoever he was,

changed his mind. He seems likely to go down to the grave or to posterity in obscurity so far as that act is concerned. We have, then, a doubly doubtful decision of the Supreme Court. I do not think there is a good lawyer in this country who believes to-day that the decision of that court is a correct decision. It is so open to question that the best lawyers in this Senate have not hesitated to bring forward here, as an amendment to this tariff bill, a provision for an income tax to be a part of the proposed law; and we are met with the proposition to change the Constitution.

I am sorry that our great and good President has changed his mind upon this question. He once thought, and very lately, during the height of the canvass, a proposition made by the convention of Democrats at Denver, and containing a proposition such as is being discussed this morning, absolutely useless, because the court, with a little change of personnel, and probably without it, would not reaffirm its decision, but would reverse it. We find, however, that things change.

Now, Mr. President, I want to say that I for one hope that something can be done to fix in the Constitution or the law—either one being satisfactory to me—this amendment. There is not a civilized country in the world which does not have an income tax; there is not a civilized country in the world that would surrender it at any cost. We have the example, at least of one country, from which we have taken our laws and our general administrative system, where the tax is imposed by the people who pay the tax. It is to the eternal honor of both the British Houses of Parliament that the tax which they in great part have to pay is assessed by themselves. It is not only a tremendous source of revenue, but it is the governing source of revenue. There is no continual tinkering with the tariff, for it is unnecessary. If there is a great deficiency, then immediately there is a slight raise in the income tax, and the want is provided for. If there is a surplus, there is a small reduction in the income tax, and that is remedied also. So it acts, as I have said, not only as a producer, but as a governor of revenue.

While I have the view that this is an unnecessary amendment, and that the proposition made by the Senator from Iowa [Mr. CUMMINS], the Senator from Texas [Mr. BAILEY], and the Senator from Idaho [Mr. BORAH] to levy this tax would be quite sufficient, and I believe the court would now support it, yet I am not willing to lose any opportunity to give my assent to a proposition so eminently just. If the people of this country can not pay, out of their surplus, out of the superabundance of their revenue, then why should any tax whatever be levied on anybody else? Is there any justice in levying a tax upon articles of general consumption, that must be paid by the great body of citizens everywhere, who toil for a living, and at the same time the superabundance or unspendable income of the billionaire should be spared when we know that our legislation is mostly in relation to property, concerning things, and not concerning persons?

Why, Mr. President, the laws that govern persons are so evidently obvious, they lie so completely on the surface, that, in order to preserve the organization of human society, we have left them practically unchanged. It has been the same under every code of religion and every code of laws in every part of the world, among all races of man from the beginning of time until to-day. They are unchangeable, you might say, because otherwise it would make society impossible and civilization impossible.

Mr. BAILEY. Mr. President, the Senate is entitled to know precisely the reasons which influenced me to propose these amendments; and, although I have once stated them, they will bear repetition.

Those who imagine it is easy to amend the Constitution of the United States, even to meet an almost universal public opinion, have studied the history of this country to little advantage. Outside of the first ten amendments, which may be regarded as in the nature of a bill of rights, and were a part almost of the adoption of the Constitution itself, there have been but five amendments; and not one of them adopted to meet an economic or a financial condition.

The eleventh amendment was adopted when the State of Georgia was on the point of resisting the decree of the Supreme Court of the United States; and to prevent the collision, if not then, at some future time, between state and federal authorities, the eleventh amendment, which forbids the federal courts to entertain jurisdiction over a State, was adopted.

The twelfth amendment grew out of the famous presidential election when Aaron Burr and Thomas Jefferson received the same number of votes in the electoral college, thus throwing the election into Congress and prolonging it through a period of dangerous anxiety. The Constitution, as it stood at that time, provided that the candidate receiving the highest number of electoral votes should be the President and the candidate receiving the next highest number should be the Vice-President. In the election of 1800 the Federalists took the precaution of giving a different vote to their candidates for President and Vice-President, because in the public mind the candidates were distinct, though not in the law—there were no candidates for President and Vice-President then as now—but the Democratic electors, then called Republicans, omitted that precaution, and when the electoral votes were counted Jefferson and Burr had precisely the same number. Thus two candidates having received a majority, but having exactly the same number of votes, the election was thrown into the House of Representatives, where it was pending for several weeks. Immediately the country perceived the necessity of an amendment to the Constitution, and the twelfth amendment was adopted, providing against such contingencies as had arisen in that case. Nobody in the United States ever thought of Aaron Burr being elected President over Thomas Jefferson in 1800. Every elector who cast his vote for both of them intended that Jefferson should be the President and Burr should be the Vice-President, but the result of the election disclosed such a vulnerable point in the Constitution that they promptly amended it.

From 1804—that was the date when the twelfth amendment was proclaimed as adopted by three-fourths of the States—until the civil war there was no other amendment adopted, and then three amendments grew out of that unhappy conflict. The thirteenth amendment abolished slavery; the fourteenth amendment undertook to secure to the lately enfranchised race the protection of the Federal Government, and yet that amendment and its adoption has become a scandal in the constitutional history of the United States, some States adopting it and then rejecting it, and others rejecting it and afterwards adopting it. The same thing happened in the case of the fifteenth amendment.

Now, Mr. President, if, under the stress and passions of that warlike time, constitutional amendments designed to secure what the majority considered the fruits of a great victory were subjected to such perilous passage, it can not be doubted that this proposed amendment may encounter a similar experience.

Mr. CRAWFORD. Mr. President——

The VICE-PRESIDENT. Does the Senator from Texas yield to the Senator from South Dakota?

Mr. BAILEY. I do.

Mr. CRAWFORD. Does the Senator recall an instance where a resolution proposing an amendment passed both houses of the Congress of the United States and was submitted to the States for approval that failed to receive a ratification from the necessary number?

Mr. BAILEY. Oh, yes; there were 2 out of the first 12 submitted that were rejected. But, Mr. President, whether they were rejected or not, I have been reciting to the Senate the almost insuperable difficulty of adopting the last two constitutional amendments growing out of the war.

Whether those amendments are valid or not—and I myself do not believe that either of them ever constitutionally became a part of the Constitution of the United States, but after the acceptance of them for all these years, after general acquiescence in them, that is a closed question, and I do not want to see it opened—I would put this to the judgment and to the experience of Senators: Suppose that an amendment authorizing the levy of a tax on incomes had been adopted in the same way as the amendments securing and making permanent the results of the war; does anybody doubt what would have happened? I do not. I do not doubt that we would long ago have had a judgment upon the legality of their adoption; nor do I doubt that it would have been adverse to the legality of their adoption.

Mr. President, if, instead of submitting this amendment to the legislatures, that may act and react, and go forward and recede, we submit it to a convention in every State, then every member of that convention will be selected solely with reference to this single question; he will be compelled to stand in the presence of the people whose suffrage he seeks and declare, upon his honor as a man and as a citizen, whether or not he favors this amendment. No man will be permitted to offer himself as a candidate for the convention in any State without he is compelled to declare his position; and, having declared it, no man will dare to go to that convention and cast a vote as a delegate to it differing from what he professed his intention to do when he was a candidate for it. It will be as nearly as possible a submission of the question to a direct vote of the people.

Not only, Mr. President, do we thus insure an approach to a direct vote of the people on the amendment, but we likewise relieve the States themselves from the mistake of choosing legis-

lators in the coming election with reference to federal rather than with reference to local questions. I can not myself conceive a much more unfortunate circumstance than to find it necessary to elect every legislator in this Republic with reference to what he will or will not do in this single case, ignoring the multitude of things which he must do in his capacity as a representative of the people.

Mr. JONES. Mr. President——

The VICE-PRESIDENT. Does the Senator from Texas yield to the Senator from Washington?

Mr. BAILEY. I do.

Mr. JONES. I should like to ask the Senator to indicate what authority would call the convention—the legislature of the State or the governor?

Mr. BAILEY. The legislature of the State would be compelled to call the convention. They would be compelled to provide for the election of delegates, and each legislature may provide for the election of delegates in precisely the same way and under precisely the same form as they now choose members of the legislature. A State that has a primary system of nominating men for the legislature could, and doubtless would, adopt a primary system of nominating delegates to the conventions, and thus the legislative authority of the State would determine in the State's own way—and they have a right to so determine it—the manner of choosing their delegates. If the State of Nebraska sees fit to nominate its delegates under a direct primary, they have the right to do that; but if the State of Rhode Island does not choose to pursue that policy, she has the right to pursue her own way without reference to Nebraska's policy.

Mr. JONES. I did not ask the question in a controversial way.

Mr. BAILEY. I understand that.

Mr. JONES. I wanted information of the Senator.

Mr. BAILEY. I feel sure that the conventions can only be called by the legislatures of the States.

Mr. JONES. Mr. President——

The VICE-PRESIDENT. Does the Senator from Texas further yield to the Senator from Washington?

Mr. BAILEY. Certainly.

Mr. JONES. Would not the opposition to an income tax, to which the Senator has referred, also act in the legislatures and cause them to endeavor to prevent the calling of conventions by the legislatures?

Mr. BAILEY. Undoubtedly, Mr. President, you can not escape the influence of the opposition to an income tax; and I do not seek to escape it. I only seek to challenge it to a fair combat in an open field. If a man is opposed to an income tax, I would not deprive him of the right to vote against it, and I would despise him if in his heart he was opposed to it and for any consideration, personal or political, voted for it. This is a country where every freeman's ballot ought to express a freeman's will. I am not trying to escape the influences that are hostile to this kind of legislation. I only want those influences to have the manliness and courage to stand out in the open and fight it out. I want to see that it is impossible for men seeking an election to a legislative body under one pretense or under many pretenses to reach a legislative chamber and then say they have changed their minds. I do not want some governor to send some special message to change the minds of members of the legislature as the President has changed the minds of some Senators. I do not say that in any offensive way. I can understand how a Republican wants to cooperate with a Republican administration. That is not strange to me. I have no criticism to offer on it; but on this question, which affects the fundamental law of the land, I want the adoption or rejection of it free from every influence except the consideration of its own merit, and the only way to absolutely insure that result, in my judgment, is to have it passed upon by a body selected only with reference to it.

Mr. NEWLANDS. Mr. President——

The VICE-PRESIDENT. Does the Senator from Texas yield to the Senator from Nevada?

Mr. BAILEY. I do.

Mr. NEWLANDS. I wish to ask the Senator whether there is not an additional objection to ratification by the legislatures in the fact that in many States of the Union the higher body, usually called the "senate," I believe, serves for two sessions and the lower body serves only for one? The Senator will recall that the Senator from Nebraska stated that the question of the income tax would be an issue before the people at the coming election, and that the legislators would receive their instructions; but such instructions would not apply, or might not, at all events, be accepted by the hold-over members of the higher body of the legislature.

Mr. BAILEY. Mr. President, that is a very pertinent and very important suggestion, and I would attempt to elaborate it, but the clock admonishes me that the hour has almost arrived for the vote to be taken, and of course I recognize the right of the Senator from Nebraska [Mr. BROWN] to conclude what is to be said on the subject.

Mr. BROWN. Mr. President, I do not care to occupy any of the time of the Senate in further discussion, except to call attention to this one situation. The convention method of ratification is supported now by Senators because it would be easier, they think, I take it, to get the ratification through a state convention than through the legislature. I suppose that is the reason, because they are all, as I understand, in favor of amending the Constitution along this proposed line.

Mr. BAILEY. While I think it would be easier, that does not exactly or precisely state my view. If the people of the United States are opposed to this amendment, it ought not to be adopted; but I think the convention method will insure a more absolutely accurate expression of public will, because of the fact that it will be selected with reference to that question, and that question alone.

Now, Mr. President, with the permission of the Senator, I want to add that a number of Senators have suggested to me that the question of expense might be an important one, and therefore I desire to say that if the amendment I propose should be adopted and we should refer this joint resolution to conventions, instead of to the legislatures, I shall follow it with a resolution providing, out of the General Treasury, for the expense of holding the conventions in every State.

Mr. McCUMBER. Mr. President, with the permission of the Senator in charge of the matter, I should like to ask the Senator from Texas a question.

Mr. BAILEY. Certainly.

Mr. BROWN. I yield.

Mr. McCUMBER. If I correctly understand the Senator from Texas, he admits that the legislature of the State would have to call the convention.

Mr. BAILEY. I think that is true, Mr. President.

Mr. McCUMBER. And there is no power to compel the legislature to call the convention if the legislature refuses to do so.

Mr. BAILEY. Nor would there be any power to compel the legislature to vote on the question if it did not choose to do so.

Mr. McCUMBER. Right there is where we can probably meet. One member of a legislature can compel the legislature to vote for or against an amendment.

Mr. BAILEY. Oh, no; it would have to be done by a quorum.

Mr. McCUMBER. Well, he can get it before the legislature; but one member of a legislature, or less than a majority of each house, could not compel the calling of a convention.

Mr. BAILEY. He would have precisely the same power in one as in the other. He could do just as much toward forcing the call of a convention as he could toward forcing a vote in the legislature.

Mr. McCUMBER. Admitting that, again, if the legislature were composed of men who would naturally be against the amendment, would it not be more convenient and more easy for them to avoid the calling of a convention than it would to meet the matter directly?

Mr. BAILEY. It would not be any more easy to do so than it would be to reject the resolution if a majority were opposed to it. I know there are a lot of cowards in politics, but I am not assuming that they are a majority anywhere. I am proceeding upon the theory that if a majority of the members of any legislature in the Union are opposed to this amendment, they will vote against it.

Mr. McCUMBER. The point I want to make to the Senator is that, in either event, we will have to depend upon the legislature.

Mr. BAILEY. Undoubtedly.

Mr. McCUMBER. We will have to depend upon the same legislature to call the convention that we will have to depend upon to vote directly upon the amendment.

Mr. BAILEY. But the difference is——

Mr. McCUMBER. Just a moment. If there is power enough on the part of the friends of the amendment to call the convention, undoubtedly there would be power enough to get it to pass the amendment.

Mr. BAILEY. Let me put the matter in this way: Suppose the Senator were a member of a state legislature, and this constitutional amendment is duly submitted to be passed upon by a constitutional convention, would the Senator refuse to vote for a law calling that constitutional convention? I think not.

Mr. McCUMBER. Neither would I refuse to vote for a law ratifying the amendment.

Mr. BAILEY. But suppose the Senator were opposed to it? I will not state the Senator's case, but will state my own. If I were a member of the Texas legislature, and this amendment were submitted for ratification by the legislature, and I were opposed to it, I should vote against it; and they might bring Gatling guns and train them on the capitol, but I would still vote against it if I were honestly opposed to it. But, sir, if the amendment were submitted to the ratification or disposition of a convention, I should feel in honor bound, both as a member of the legislature and as a citizen, to afford to the people of Texas an opportunity to pass in a lawful and an orderly way upon the question. I should therefore vote without the slightest hesitation in favor of calling a convention to pass upon the question, notwithstanding the fact that I intended to offer myself as a candidate for that convention for the purpose of voting against the ratification of the amendment.

So I do not hesitate to say that there is a vast difference between a legislator who might vote against the ratification of the amendment if submitted to the legislature and one who would vote against submitting it to a convention in pursuance of the resolution of Congress.

Mr. HEYBURN. May I make a suggestion to the Senator from Texas?

The VICE-PRESIDENT. Does the Senator from Nebraska yield?

Mr. BROWN. I do.

Mr. HEYBURN. As I read Article V of the Constitution, which is the article providing for amendments, a state legislature has nothing to do with the question whether or not an amendment shall be submitted to a convention. Congress is to say whether it shall be passed upon by the legislature or by a convention, and the legislature can not refer it to a convention. Congress is clothed with the authority to adopt that course if it sees fit.

Mr. BAILEY. I do not understand the Senator from North Dakota to suggest that the legislature might refer it to a convention. I understood his question to be whether the legislature might not refuse to call a convention.

Mr. McCUMBER. That is correct.

Mr. HEYBURN. Mr. President, I think that hardly covers it.

Mr. BEVERIDGE. How could the convention be called if the legislature did not call it?

Mr. HEYBURN. Congress provides the manner of calling it.

Mr. McCUMBER. Congress does not call the convention.

Mr. BAILEY. Unless the Senator from Nebraska is entirely willing, I feel that I must——

Mr. HEYBURN. I am not going to occupy a quarter of a minute; but this is an important point. Article V does not vest power in the legislature of a State to call a convention. It says that Congress may determine whether a convention shall decide this question or whether the legislature shall decide it. But it is just as probable that the governor would call the convention if the act of Congress authorized him to do it.

Mr. BAILEY. The trouble with that is that it would be necessary to provide for the manner in which members should be elected, and the governor could hardly do that.

Mr. BROWN. That would require a session of the legislature.

Mr. HEYBURN. I did not desire to consume this time, as other Senators may desire to make suggestions. I merely gave out the suggestion because it seemed naturally to grow out of the language of Article V.

Mr. BROWN. Now, Mr. President, just a word.

Mr. BAILEY. Will the Senator permit me?

Mr. BROWN. Just a word, and I will yield the floor. This discussion has resulted in an agreement by all parties that the legislature must act, whether we follow the plan suggested by the resolution or whether we provide for ratification by a convention. With the proposed plan, which is the usual and customary plan, the legislature is the only obstacle in the way.

Under the proposal of the Senator from Texas to refer the matter to a convention, we not only have the legislature still in the way, but we have the convention in the way. In other words, you have to have a legislature that is friendly enough to the proposition to pass a law that will be fair enough to allow the people to select delegates to a convention; and then you have to wait until the adjournment of the legislature, and until a convention is called, before you get any action either for or against the amendment. Will some Senator tell me the need of that postponement? In the West we can trust to the legislatures of the States. This is the usual and customary way. Let us follow it if we are in favor of the amendment. If we are not, let us present all the difficulties and offer all the complications that an untried experiment may suggest.

Mr. BORAH. Mr. President——

Mr. CLAPP. Mr. President——

The VICE-PRESIDENT. Does the Senator yield to the Senator from Idaho or to the Senator from Minnesota?

Mr. CLAPP. Just one question.

The VICE-PRESIDENT. Does the Senator yield; and if so, to whom?

Mr. BROWN. I yield to the Senator from Minnesota.

Mr. CLAPP. I hardly think it is just the proper thing for a Senator to say that those who favor this amendment will vote according to his view and those who are opposed to it will vote another way.

Mr. BROWN. O Mr. President, I did not say that, or intend to say that, at all.

Mr. CLAPP. I thought the Senator did not intend to say it.

Mr. BEVERIDGE. Mr. President——

The VICE-PRESIDENT. Does the Senator from Nebraska now yield to the Senator from Idaho?

Mr. BROWN. I yield.

Mr. BORAH. Mr. President, I do not know upon what principle the Senator from Nebraska suggests that in case the legislature refuses to call a convention the people can not of themselves come together and ratify the amendment.

Mr. BROWN. I have not said that; but how are they going to select each other as delegates except as the state legislature may provide? How are they going to name their delegates? Who is going to pass on their credentials? Why go out in a field of that kind, that no mortal man has ever suggested before, when we have the plain method proposed in the Constitution and followed in the joint resolution now pending?

Mr. BACON. I will suggest that the State of California came into the Union under a constitution framed by a convention called exactly that way.

Mr. BROWN. That is a very different proposition.

Mr. BORAH. That is the basic principle of a republican form of government, and there is no authority in law or elsewhere for saying that the people can not come together unless the legislature says they may do so.

Mr. BROWN. Is there anything unrepublican about following the method the Constitution says we can follow and referring to the legislatures of the country the question whether or not the Federal Constitution shall be amended? This is the first time I have heard it suggested that it is unrepublican to submit an amendment to a state legislature for ratification, when the fact remains that every amendment we have was adopted in that very way.

Mr. BEVERIDGE and Mr. GORE addressed the Chair.

The VICE-PRESIDENT. To whom does the Senator from Nebraska yield?

Mr. BROWN. I yield to the Senator from Indiana.

Mr. BEVERIDGE. Referring to the remark of the Senator from Minnesota, I understood, and wish to now ask the Senator from Nebraska if that is a correct understanding, that under the amendment of the Senator from Texas, proposing to submit this matter to conventions, two processes are involved instead of one, as is the case with the proposition of the Senator from Nebraska, and that of those two processes one is precisely the same that is now objected to?

It is said that certain influences may prevent the legislature from acting favorably. But, as the Senator from Mississippi pointed out a moment ago, those same influences would certainly be equally potent in preventing the legislature from calling a convention, in addition to which they would have the other arguments about economy, and so forth, that are used with such effect. Therefore, if I understand the position of the Senator from Nebraska, which seems to me to be essentially sound, and particularly and uncommonly clear, it is this: In submitting this amendment, which we all hope to have adopted—and I think I can, without any improper assumption, predict that at least in one State that I know of the legislature will adopt it—under the proposition of the Senator from Nebraska [Mr. BROWN] we only have one process to go through with, one danger to face, one difficulty to overcome, whereas, under the convention proposition of the Senator from Texas [Mr. BAILEY] we have two dangers to overcome and two difficulties to surmount——

Mr. BORAH. Mr. President——

Mr. BEVERIDGE. Wait a minute—and that both propositions involve precisely the same matter—that is, the legislature—of which complaint is made. In other words, to boil it down to a sentence, the amendment of the Senator from Texas [Mr. BAILEY] makes it doubly difficult to get this amendment ratified, because two processes instead of one process must be gone through; and of these two processes one process is untried.

The VICE-PRESIDENT. Will the Senator from Nebraska yield in order to permit the Senator from Idaho to make an inquiry of the Senator from Indiana?

Mr. BROWN. Yes.

Mr. BORAH. The two processes the Senator refers to are the legislature and the convention?

Mr. BEVERIDGE. Yes.

Mr. BORAH. Upon what theory does the Senator from Indiana insist that we must necessarily have the legislature?

Mr. BEVERIDGE. Until the Senator arose a moment ago, I had not heard any person suggest that the machinery for the calling of a convention would simply create itself out of air—that the people would simply get together somehow or other, without order, authority, or law. And this, too, in so solemn a proceeding as the amending of the Constitution of the Nation. If the people got together, certainly all the people would not get together. Under what authority of law would they get together? You can not assume——

Mr. BORAH. But——

Mr. BEVERIDGE. Pardon me; the Senator asked me a question. You can not assume that all of the people of the State are going to be for this action. If not all, then by what method will you get them together? If all, still by what method? Are they to have a general meeting? If so, who will call it? Who will be delegates? Who would determine the credentials? Where would it meet? Would we have a town meeting in every town, resolving that on such and such a day the people would select certain delegates? How would they be selected?

Mr. BORAH. Mr. President——

Mr. BEVERIDGE. And that, too, in so grave a thing as an amendment to the Constitution of the United States! I have never in my life been more heartily for a thing than I am for this amendment to the Constitution, giving to the Congress of the United States the power that it ought to have of levying this tax in case of an emergency. This whole business involves a much deeper question than any of those taxes—it involves the question of orderly liberty; and, to my mind, orderly liberty is the largest question in this whole extraordinary tax matter.

Why should we adopt the convention method that has been suggested here, with the result of crossing two streams when, under the method of the Senator from Nebraska, which is the usual one, the historic one, and the one laid down in the Constitution itself as a preference, only one stream must be crossed? If you take the former course, you multiply by 100 per cent the difficulties in the way of getting this amendment to the Constitution of the United States giving the Government the power it ought to have.

Mr. GORE. Mr. President——

The VICE-PRESIDENT. Does the Senator from Nebraska yield to the Senator from Oklahoma?

Mr. BROWN. I yield to the Senator from Oklahoma.

Mr. GORE. Mr. President, I wish to propound a question to the Senator from Idaho and the Senator from Texas. My vote may possibly depend upon their answer.

In a general way I prefer the convention plan, because in the selection of delegates to a convention this would be the only issue, dissociated from a hundred legislative questions—the selection of United States Senators, and other extraneous matters. But, as I understand, this amendment will pend indefinitely, and can be made the issue in the selection of a dozen legislatures until one is finally chosen that will ratify the amendment. If one convention should be called and should act adversely upon the amendment, is it the opinion of the Senators I have named that the legislature could properly summon another convention to pass on the same issue?

The VICE-PRESIDENT. The hour of 1 o'clock has arrived. The question is on agreeing to the resolution offered by the Senator from Nebraska [Mr. BROWN].

Mr. BAILEY. I should like to have——

The VICE-PRESIDENT. No further debate is in order, under the order of the Senate. To the joint resolution the Senator from Kansas [Mr. BRISTOW] first suggested an amendment, upon which the Senator from Rhode Island [Mr. ALDRICH] raised the question that the amendment was not in order under the special rule adopted by the Senate. The Chair sustains the point of order, and holds that the amendment is not in order under the agreement. The question now is on the first amendment offered by the Senator from Texas [Mr. BAILEY].

Mr. LA FOLLETTE. Will the Chair indulge the Senate by having reported the order under which we are now proceeding?

The VICE-PRESIDENT. Without objection, the Secretary will report the order.

Mr. BEVERIDGE. Mr. President, I should have asked to have it reported myself, but, as a matter of fact, under the agreement——

The VICE-PRESIDENT. Is there objection?

Mr. BEVERIDGE. I have no objection myself; but we must have some rules of procedure.

The VICE-PRESIDENT. The Secretary will report the order.

The Secretary read as follows:

It is agreed by unanimous consent that at 1 o'clock p. m., Monday, July 5, 1909, the Senate shall proceed to vote, without debate, upon Senate joint resolution No. 40, "Proposing an amendment to the Constitution of the United States," and upon all amendments pending or to be propcsed thereto.

The VICE-PRESIDENT. The Secretary will report the first amendment offered by the Senator from Texas [Mr. BAILEY].

Mr. BRISTOW. May I ask the ruling upon my amendment?

Mr. ALDRICH and others. Let us have the regular order.

The VICE-PRESIDENT. The Chair has ruled that the amendment is not in order under the rule the Senate has provided for this procedure, to wit: The Senate has determined by its action that it will consider the amendment offered by the Senator from Nebraska [Mr. BROWN] relating to amending the Constitution and referring to the income tax. The amendment of the Senator from Kansas relates to an entirely different matter.

Mr. STONE. No; the question is——

Several SENATORS. Regular order!

The VICE-PRESIDENT. The Chair has ruled, and unless there is——

Mr. STONE. I rise to a question of order.

The VICE-PRESIDENT. The Senator will state it.

Mr. STONE. The Chair stated that the question was upon the resolution offered by the Senator from Nebraska, under the order just read.

The VICE-PRESIDENT. And the amendments thereto which are in order.

Mr. STONE. But the order just read says that we shall vote upon resolution No. 40, which is the resolution proposed by the Finance Committee.

Mr. ALDRICH. That is a technical matter.

The VICE-PRESIDENT. If the Chair made a misstatement in that regard everyone understands what is meant. Senate joint resolution No. 40 is the one the Senate is now considering. The Secretary will report the first amendment offered by the Senator from Texas.

The SECRETARY. In line 5, strike out the word "legislatures" and insert the word "conventions." In line 9, after the word "incomes" and the comma, insert "and may grade the same" and a comma.

Mr. McCUMBER. I should like to have those matters divided so that we can vote on them separately.

The VICE-PRESIDENT. Without objection, that will be done. The Senator from Texas, as the Chair understands, asks for the yeas and nays upon each amendment.

Mr. BAILEY. Yes.

The yeas and nays were ordered.

The VICE-PRESIDENT. The question is on the first amendment of the Senator from Texas.

Mr. CULBERSON. Mr. President, I have been absent from the Senate, and I ask that the first amendment be reported.

The VICE-PRESIDENT. Without objection, the Secretary will report the amendment.

The SECRETARY. In Senate joint resolution No. 40, line 5, strike out the word "legislatures" and insert the word "conventions."

The VICE-PRESIDENT. The Secretary will call the roll.

The Secretary proceeded to call the roll.

Mr. DILLINGHAM (when his name was called). I have a general pair with the senior Senator from South Carolina [Mr. TILLMAN], who is absent. I transfer that to the senior Senator from Maine [Mr. HALE], and vote "nay."

Mr. GUGGENHEIM (when his name was called). I have a general pair with the senior Senator from Kentucky [Mr. PAYNTER], who is detained by illness. I transfer that to the senior Senator from Washington [Mr. PILES], and vote "nay."

Mr. McLAURIN (when his name was called). I am paired with the junior Senator from Michigan [Mr. SMITH]. If he were present, I should vote "yea."

Mr. JONES (when Mr. PILES's name was called). My colleague is absent from the city on important business. If he were present, I am not prepared to say how he would vote on this amendment.

Mr. TAYLOR (when his name was called). I am paired with the junior Senator from Connecticut [Mr. BRANDEGEE] on all questions except this one. I vote "yea."

The roll call was concluded.

Mr. BACON. I desire to announce that my colleague [Mr. CLAY] is necessarily absent. If he were present, he would vote "yea." He is paired with the senior Senator from Massachusetts [Mr. LODGE], who, I presume, if present, would vote "nay."

Mr. BANKHEAD. I am paired with the junior Senator from Illinois [Mr. LORIMER]. I transfer that pair to the junior Senator from Maryland [Mr. SMITH], and vote "yea."

Mr. SCOTT. My colleague [Mr. ELKINS] is unavoidably detained from the city to-day. I am not prepared to say how he would vote if he were here.

Mr. BAILEY. I am paired with the Senator from West Virginia [Mr. ELKINS], and if it would make any difference in the result of this vote I should of course feel compelled to withdraw my vote. But as it does not make any difference in the result, I shall let my vote stand.

Mr. HEYBURN. I should like to make a parliamentary inquiry.

The VICE-PRESIDENT. The Senator will state it.

Mr. HEYBURN. Should pairs count on a vote of this kind, which requires a majority of two-thirds? It seems to me this is an exception to the rule.

The VICE-PRESIDENT. The question of pairs is not for the Chair to determine.

Mr. BACON. A majority of two-thirds is not required in the case of an amendment.

Mr. MONEY. I believe it has been ruled repeatedly that in the intermediate stages of an amendment to the Constitution only a majority is requisite.

The VICE-PRESIDENT. The Chair thinks that is so, but that was not the question that was asked of the Chair.

Mr. GALLINGER. Let us have the regular order.

The VICE-PRESIDENT. The question asked of the Chair was whether pairs should count. The Chair understands it is not for the Chair to determine whether a pair shall or shall not stand.

Mr. MONEY. The Chair is right about that. It is a matter of agreement between two Senators whether the pair stands or not; and that agreement is not liable to be reviewed by any other party.

The result was announced—yeas 30, nays 46—as follows:

YEAS—30.

Bacon	Cummins	Jones	Shively
Bailey	Davis	La Follette	Simmons
Bankhead	Fletcher	McEnery	Smith, S. C.
Borah	Foster	Money	Stone
Bristow	Frazier	Newlands	Taliaferro
Chamberlain	Gore	Overman	Taylor
Clapp	Hughes	Owen	
Culberson	Johnston, Ala.	Rayner	

NAYS—46.

Aldrich	Crane	Gallinger	Penrose
Beveridge	Crawford	Gamble	Perkins
Bourne	Cullom	Guggenheim	Root
Bradley	Curtis	Heyburn	Scott
Briggs	Daniel	Johnson, N. Dak.	Smoot
Brown	Depew	Kean	Stephenson
Burkett	Dick	McCumber	Sutherland
Burnham	Dillingham	Martin	Warner
Burrows	Dixon	Nelson	Warren
Burton	du Pont	Nixon	Wetmore
Carter	Flint	Oliver	
Clark, Wyo.	Frye	Page	

NOT VOTING—16.

Brandegee	Dolliver	Lorimer	Richardson
Bulkeley	Elkins	McLaurin	Smith, Md.
Clarke, Ark.	Hale	Paynter	Smith, Mich.
Clay	Lodge	Piles	Tillman

So Mr. BAILEY's first amendment was rejected.

The VICE-PRESIDENT. The Secretary will report the next amendment offered by the Senator from Texas.

The SECRETARY. In line 9, after the word "incomes" and the comma, insert the words "and may grade the same" and a comma.

The VICE-PRESIDENT. The question is on agreeing to that amendment.

Mr. BAILEY. Mr. President, I am satisfied that this amendment will be voted down; and voting it down would warrant the Supreme Court in hereafter saying that a proposition to authorize Congress to levy a graduated income tax was rejected. And although I do not believe it would be rejected upon any except a rather blind political reason——

Mr. HEYBURN. I call for the regular order.

Mr. BAILEY. I do not intend to allow that to occur, and I withdraw the amendment.

The VICE-PRESIDENT. The Senator can not withdraw his amendment except by unanimous consent after the yeas and nays have been ordered.

Mr. BAILEY. I did not know the yeas and nays had been ordered on that amendment.

The VICE-PRESIDENT. They have.

Mr. BAILEY. I think not.

Mr. ALDRICH. I think there will be no objection to that course, Mr. President.

The VICE-PRESIDENT. The Chair so understood. However, it is very easy to solve the difficulty. Is there objection to the Senator from Texas withdrawing his amendment? The Chair hears none. The Senator from Texas withdraws his amendment.

The question now is upon the amendment offered by the Senator from Mississippi [Mr. MCLAURIN], which the Secretary will again report.

The SECRETARY. Amend the joint resolution by striking out all after line 7 and inserting the following:

The words "and direct taxes," in clause 3, section 2, Article I, and the words "or other direct," in clause 4, section 9, Article I, of the Constitution of the United States are hereby stricken out.

The VICE-PRESIDENT. The question is on agreeing to the amendment.

The amendment was rejected.

Mr. BRISTOW. I desire to offer as a substitute for the joint resolution the matter which I send to the desk.

The VICE-PRESIDENT. The Senator from Kansas offers the following substitute for the joint resolution.

The SECRETARY. Joint resolution offered by Mr. BRISTOW as a substitute for Senate joint resolution No. 39, Sixty-first Congress, first session.

Mr. ALDRICH. I ask that the substitute be read, subject to objection.

The Secretary read as follows:

Joint resolution offered by Mr. BRISTOW as a substitute for Senate joint resolution No. 39, Sixty-first Congress, first session.

Joint resolution to amend the Constitution.

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled (two-thirds of each House concurring therein), That the following section be submitted to the legislatures of the several States, which, when ratified by the legislatures of three-fourths of the States, shall be valid and binding as a part of the Constitution of the United States:

"The Congress shall have power to lay and collect direct taxes on incomes without apportionment among the several States according to population."

That section 3 of Article I be so amended that the same shall be as follows:

"ARTICLE I.

"SEC. 3. That the Senate of the United States shall be composed of two Senators from each State, who shall be chosen by a direct vote of the people of the several States, for six years; and the electors in each State shall have the qualifications requisite for electors of the most numerous branch of the state legislatures; and each Senator shall have one vote."

Mr. ALDRICH. I make the same point of order in relation to that amendment.

The VICE-PRESIDENT. The joint resolution is not offered as an amendment to anything that is pending.

Mr. ALDRICH. It is not offered?

The VICE-PRESIDENT. It is not offered as an amendment to the pending joint resolution.

Mr. ALDRICH. Then, I object to its presentation.

The VICE-PRESIDENT. It is not in order.

Mr. BRISTOW. I offer it as a substitute for the pending joint resolution.

The VICE-PRESIDENT. But the joint resolution expressly says that it is offered as a substitute for joint resolution No. 39.

Mr. BRISTOW. This is No. 39?

The VICE-PRESIDENT. It is not.

Mr. ALDRICH and Mr. GALLINGER. Regular order!

Mr. BEVERIDGE. Let us have the regular order.

Mr. BRISTOW. May I ask what is the number of the pending joint resolution?

The VICE-PRESIDENT. No. 40.

Mr. BRISTOW. I ask to change the substitute to No. 40 instead of No. 39.

The VICE-PRESIDENT. The change will be made.

Mr. ALDRICH. I make the point of order against it.

Mr. BRISTOW. What is the point of order?

Mr. ALDRICH. I make the point of order that it covers matters not included in the agreement, and that under that agreement——

The VICE-PRESIDENT. The Chair sustains the point of order.

Mr. BRISTOW. I appeal from the decision of the Chair.

The VICE-PRESIDENT. The Senator from Kansas appeals from the decision of the Chair. The question is, Shall the decision of the Chair stand as the judgment of the Senate? [Putting the question.] The ayes appear to have it. The ayes have it. The decision of the Chair is sustained.

If there be no further amendment to be offered to the joint resolution, it will be reported to the Senate.

The joint resolution was reported to the Senate without amendment, ordered to be engrossed for a third reading, and was read the third time.

The VICE-PRESIDENT. The question is, Shall the joint resolution pass? The Secretary will call the roll.

The Secretary proceeded to call the roll.

Mr. BANKHEAD (when his name was called). I am paired with the junior Senator from Illinois [Mr. LORIMER]. I transfer that pair to the junior Senator from Maryland [Mr. SMITH], and vote "yea."

Mr. BACON (when Mr. CLAY's name was called). I again announce that my colleague [Mr. CLAY] is necessarily absent. If he were present, he would vote "yea." He is paired with the senior Senator from Massachusetts [Mr. LODGE], who I presume would also vote "yea," if present.

Mr. DILLINGHAM (when his name was called). I have a general pair with the senior Senator from South Carolina [Mr. TILLMAN].

Mr. BAILEY. If the Senator from South Carolina [Mr. TILLMAN] were present, he would vote "yea." If the Senator from Vermont votes the same way, he is at liberty to vote.

Mr. DILLINGHAM. Being thus released, I vote "yea."

Mr. SCOTT (when Mr. ELKINS's name was called). I repeat the statement I made a few moments ago. My colleague [Mr. ELKINS] is absent from the city.

Mr. GUGGENHEIM (when his name was called). I make the same announcement I did on the previous vote, and vote "yea."

Mr. JONES (when Mr. PILES's name was called). My colleague [Mr. PILES] is necessarily absent. If he were present, he would vote "yea."

Mr. DU PONT (when Mr. RICHARDSON's name was called). My colleague [Mr. RICHARDSON] is absent from the city. If he were present, he would vote "yea."

The roll call was concluded.

Mr. BAILEY. The Senator from Kentucky [Mr. PAYNTER] is sick and detained from the Senate. If he were present, he would vote "yea." The Senator from Colorado [Mr. GUGGENHEIM] need not therefore transfer his pair unless it suits him.

Mr. DAVIS. I desire to announce that my colleague [Mr. CLARKE of Arkansas] is necessarily detained on account of the critical illness of his son. If he were present, he would vote "yea."

Mr. BURROWS. A dispatch just received from my colleague [Mr. SMITH of Michigan] states that he is unavoidably absent, and if present he would vote for the joint resolution.

The result was announced—yeas 77, nays 0, as follows:

YEAS—77.

Aldrich	Crawford	Guggenheim	Penrose
Bacon	Culberson	Heyburn	Perkins
Bailey	Cullom	Hughes	Rayner
Bankhead	Cummins	Johnson, N. Dak.	Root
Beveridge	Curtis	Johnston, Ala.	Scott
Borah	Daniel	Jones	Shively
Bourne	Davis	Kean	Simmons
Bradley	Depew	La Follette	Smith, S. C.
Briggs	Dick	McCumber	Smoot
Bristow	Dillingham	McEnery	Stephenson
Brown	Dixon	McLaurin	Stone
Burkett	du Pont	Martin	Sutherland
Burnham	Fletcher	Money	Taliaferro
Burrows	Flint	Nelson	Taylor
Burton	Foster	Newlands	Warner
Carter	Frazier	Nixon	Warren
Chamberlain	Frye	Oliver	Wetmore
Clapp	Gallinger	Overman	
Clark, Wyo.	Gamble	Owen	
Crane	Gore	Page	

NOT VOTING—15.

Brandegee	Dolliver	Lorimer	Smith, Md.
Bulkeley	Elkins	Paynter	Smith, Mich.
Clarke, Ark.	Hale	Piles	Tillman
Clay	Lodge	Richardson	

So the joint resolution was passed, two-thirds of the Senators present having voted in favor thereof.

CLAIM OF MARCUS RAMADANOVITCH.

The VICE-PRESIDENT laid before the Senate the following message from the President of the United States, which was read, and on motion of Mr. CULLOM was, with the accompanying papers, referred to the Committee on Foreign Relations and ordered to be printed (H. Doc. No. 81):

To the Senate and House of Representatives:

I transmit herewith the report of the Secretary of State, with accompanying papers, relative to the claim of Marcus Ramadanovitch, alias Radich, a Montenegrin subject, for property stated to have been appropriated by the United States military authorities in Texas during the month of October, 1865.

In view of the statement by the Secretary of State that the claim appears to be a meritorious one, I recommend that an appropriation be made to pay it.

WM. H. TAFT.

THE WHITE HOUSE, *July 5, 1909.*

THE TARIFF.

The Senate, as in Committee of the Whole, resumed the consideration of the bill (H. R. 1438) to provide revenue, equalize duties, and encourage the industries of the United States, and for other purposes.

Mr. ALDRICH. I wish to modify the committee amendment which is now pending. On page 20, line 9, after the word "merchandise," I move to insert "for which no foreign value is established and."

The amendment to the amendment was read by the Secretary.

Mr. BACON. I dislike very much to delay the Senate, but in the confusion it is impossible to get the purport of the amendment. I have not the amendment before me, but I understand it relates to the question of appraisement, as to whether or not the appraisement shall be the valuation in the foreign country or in this country.

Mr. ALDRICH. Yes. This is an amendment suggested by the Merchants' Association of New York.

Mr. BACON. I suppose it is the same one that was spoken of in the papers this morning.

Mr. ALDRICH. I do not know what was spoken of in the papers.

Mr. BACON. I do not wish the Senator to be committed to that, but it is the only information I have about it.

Mr. ALDRICH. It is an amendment suggested by the importers of New York as a proper amendment, and the committee have agreed to it.

The VICE-PRESIDENT. The Secretary will read the amendment as it would stand in the text, and then the Senator from Georgia will understand it clearly.

The SECRETARY. In section 11, line 8, page 20, after the word "merchandise," insert "for which no foreign market value is established and," so as to read:

The actual market value or wholesale price as defined by law of any imported merchandise for which no foreign market value is established and which is consigned for sale in the United States, or which is sold for exportation to the United States, etc.

The VICE-PRESIDENT. The question is on agreeing to the amendment to the amendment.

The amendment to the amendment was agreed to.

Mr. ALDRICH. On the same page, line 22, after the word "paid," at the end of section 11, I move to insert:

On consigned goods, or a reasonable allowance for general expenses and profits (not to exceed 8 per cent) on purchased goods.

The amendment to the amendment was agreed to.

Mr. ALDRICH. I ask that the amendment may be agreed to as an amendment.

Mr. BACON. I hope the Senator will not press that question for a moment.

Mr. ROOT. There is one slight amendment to the amendment that I should like to have made.

The VICE-PRESIDENT. The Senator from New York offers an amendment, which will be read.

The SECRETARY. In section 7, on page 14, line 19, after the word "entry," it is proposed to insert the words "by more than 5 per cent."

Mr. ALDRICH. I will not object to that amendment to the amendment.

Mr. RAYNER. Is the customs-court amendment before the Senate now?

Mr. ALDRICH. It is.

Mr. RAYNER. I want to oppose it whenever the opportunity presents itself.

Mr. BEVERIDGE. It is right here.

Mr. RAYNER. I think it is an unconstitutional amendment.

Mr. BACON. I should like to ask the Senator from Rhode Island a question. A few moments ago he asked that the amendment as amended might be agreed to. Did the Senator refer to the entire amendment?

Mr. ALDRICH. I did.

The VICE-PRESIDENT. Pending that, an amendment is offered to the amendment by the Senator from New York.

Mr. BACON. I think the amendment had better be taken up in detail.

Mr. ALDRICH. Amendments are in order. If the Senator has any amendments to offer to the amendment, they are in order.

Mr. BACON. What is the amendment of the Senator from New York?

The VICE-PRESIDENT. The Secretary will again report the amendment to the amendment.

The SECRETARY. On page 14, line 19, after the word "entry," insert "by more than 5 per cent."

The amendment to the amendment was agreed to.

Mr. ALDRICH. Now the question is on the amendment as amended.

The VICE-PRESIDENT. The question is on agreeing to the amendment as amended.

Mr. RAYNER. Mr. President, is this the customs-court amendment to be voted on?

Mr. ALDRICH. The whole amendment.

The VICE-PRESIDENT. The entire amendment.

Mr. RAYNER. I want to say a few words in opposition to it. I am opposed to the amendment upon the ground of public policy, and I am opposed to it, furthermore, because I do not think it is a valid amendment. I do not think it is a constitutional amendment, and I want to give my reasons for it. When I get the attention of the Senate on this point—when there is order in the Senate—because it is an important point, I will proceed.

The VICE-PRESIDENT. The Senate will please be in order.

Mr. RAYNER. Mr. President, I am quite sure that the Senate does not want to enact any unconstitutional legislation; and if this whole legislation is a violation of the Constitution, it is void. I have not had time to give the matter the examination that it deserves, but the impression upon my mind is that it clearly violates the Constitution of the United States. I direct the attention of the Senate to the seventh amendment of the Constitution.

Mr. BACON. I should like to inquire if the amendment has ever been read from the desk?

The PRESIDING OFFICER (Mr. KEAN in the chair). It has been read.

Mr. BACON. The full amendment?

Mr. ALDRICH. The full amendment was read when it was presented.

Mr. OVERMAN. Mr. President, I suggest the want of a quorum.

The PRESIDING OFFICER. Does the Senator from Maryland yield to the Senator from North Carolina?

Mr. RAYNER. Yes; I yield for that purpose.

The PRESIDING OFFICER. The Secretary will call the roll.

The Secretary called the roll, and the following Senators answered to their names:

Aldrich	Curtis	Hughes	Penrose
Bacon	Daniel	Johnson, N. Dak.	Perkins
Borah	Davis	Johnston, Ala.	Rayner
Bradley	Dick	Jones	Root
Bristow	Dillingham	Kean	Scott
Burkett	Dixon	La Follette	Shively
Burnham	Fletcher	McLaurin	Smoot
Burrows	Flint	Martin	Stephenson
Burton	Frye	Newlands	Warner
Carter	Gallinger	Nixon	Wetmore
Crane	Gamble	Oliver	
Crawford	Gore	Overman	
Cullom	Guggenheim	Page	

The PRESIDING OFFICER. Forty-nine Senators have answered to their names; a quorum of the Senate is present. The Senator from Maryland will proceed.

Mr. RAYNER. Mr. President, so many laws have been passed here that are wrong that I have come to the conclusion that it does not make much difference to me what my friends of the Republican party do. They can pass an unconstitutional law if they want to.

I will submit the point I make to the Senate. This proposed act appears to me to be in violation of the Constitution of the United States, unless you make some change in it. I will state it plainly. It makes the customs court a final court. There is no appeal from the ultimate judgment of this customs court, and nowhere in these proceedings does it give a jury trial. It strikes me with force that at some stage of the proceeding you must give the party the right to a jury trial. He had, under the old acts prior to the existing one, a right to a jury trial in the circuit court. You take that right away from him now, and you make this court an ultimate tribunal, and at no period in the progress of these proceedings do you give him a right to a jury trial, although conviction may indirectly result.

Not only that, but you make the certificate of your collectors in criminal proceedings prima facie evidence against him, so that he is prima facie guilty unless he proves his innocence, and you do that without having afforded him a jury trial in the first instance. Let me see whether I am right about that.

I am also opposed to it upon the ground of public policy, but if I am right about this the act should at least be perfected. There ought to be some amendment, unless the Senator from Rhode Island is willing to take the risk. If he is willing to take the risk of this enactment, I will guarantee whenever an important case comes up some lawyer of distinction in the profession will go into the circuit court of the United States and attack this act upon this ground. If the Senator from Rhode Island is willing to take the chance of this measure, without having any legal opinion to sustain him at all, I suppose it matters very little whether the act passes or not.

Mr. ALDRICH. Mr. President——

Mr. RAYNER. In just a minute.

Now, this point has not been directly passed upon. The Senator from Rhode Island stated to me—I do not suppose there is any objection to my stating it here—that some years ago when the original act was under consideration in the Senate several distinguished Senators, men of great attainments in their profession, held that you could make the judgment even of the appraisers final, and he gave me the names of the Senators. But, Mr. President, there was the right of jury trial then. The junior Senator from New York [Mr. ROOT] will state to the Senate that there was a right of jury trial in the circuit courts of the United States at that time.

Mr. ALDRICH. I do not care how many Senators the Senator cites, there never has been any jury trial in the case of appraisement for value.

Mr. RAYNER. The Senator does not understand the point I am making at all.

Mr. ALDRICH. The claimant can appeal, of course, but not on a question of appraisement.

Mr. RAYNER. I understand that fully. You can appeal on questions of law and questions of fact.

Mr. ALDRICH. I have been in the habit of listening always with great respect to the views of the Senator from Maryland as a constitutional lawyer; but he evidently has not had great practical knowledge of customs cases.

Mr. RAYNER. The Senator from Rhode Island is mistaken about that. I have tried some important customs cases. Therefore the Senator from Rhode Island makes a misstatement.

Mr. ALDRICH. Then the Senator from Maryland ought to know that a decision of the appraisers and of the Board of General Appraisers as to the value of the goods has never, in the history of this country, been submitted to a jury and can not be. It is not submitted to any court except upon questions of classification. No question of value ever goes to any court outside of the appraisers and the Board of General Appraisers. The decision of those appraisers is, and has been ever since the board was created, absolutely final.

Mr. RAYNER. Now, Mr. President, that shows that the Senator from Rhode Island does not at all comprehend the point that I am making. I am not talking about values at all. Let us take classifications—classifications involving questions of fact. There is hardly a classification question that comes under the statutes that does not involve a question of fact.

Mr. ALDRICH. Under the law as it now stands they go to the circuit court or the district court, as the case may be, on appeal. There is no testimony taken by the district court or the circuit court and no question of evidence as to the proof of the allegations. The circuit court has to remand these cases to the Board of General Appraisers for testimony.

Mr. RAYNER. I understand all that. It is almost impossible to argue this with a gentleman who is not a little more familiar with the rudimentary principles of the profession which I represent. I know all this. A case goes up on testimony; but the testimony involves questions of fact. I hope the Senator from Rhode Island will not be so impatient, and will let me proceed for about ten minutes. If I am wrong, there is no trouble about it; but I have submitted the question to a number of my colleagues here, and every one of them thinks that I am right; and I think that there is not any Member of this body who is a member of my profession who does not think I am right. Therefore I prefer to take my views upon this subject in preference to the views of the Senator from Rhode Island.

This is strictly a legal and constitutional question, and I submit the point. If I am wrong, that is the end of it; and if I am right, I am quite sure the Senator from Rhode Island does not want to have an unconstitutional law passed. Let me just

proceed, if you can. I know how these cases go from the appraisers to the circuit court. They go up on testimony; there is no doubt about that; but that testimony involves questions of fact.

I ask the junior Senator from New York [Mr. ROOT], who has had more practice under the old law—now repealed—perhaps than any man in the profession, whether or not, under the law that existed before the present law, the circuit court did not always empanel a jury when suit was brought against the collector in those cases for the purpose of determining controverted questions of fact? I should like to have the opinion of the junior Senator from New York on that point, if he is willing to give it, because I repeat he has had more practice and experience than any of us on this point. If the Senator has no objection, I should like to have his opinion, though, of course, I have no right to call on him to give it.

Mr. ROOT. Mr. President, I am not familiar with the practice under the present law, for it is now a good many years since I have been engaged in the practice at all in such cases, and I have not practiced under the present law. Under the former law the determinations of the appraising officers upon values were held to be final. In case the importer or owner of goods was not satisfied with the decision of the collector as to classification, he paid his duty under protest, and then sued to recover it back. Suits which were brought to recover alleged excesses of duty because of errors in classification were considered as jury cases, were put upon the common-law calendar and tried by a jury.

Mr. RAYNER. That settles it. No one except the Senator from Rhode Island ever thought otherwise.

Mr. ALDRICH. If the Senator will listen to me for a moment—perhaps his knowledge of this matter is twelve or fourteen years old. In 1890 we changed all that and we established a new tribunal, which undertakes to pass upon these questions of classification. We provided for an appeal from that tribunal to the circuit and district courts, and the cases went up with the evidence as appeal cases. The Senator from New York has undoubtedly stated what is true as to what was the practice before the passage of the act of 1890, creating the Board of General Appraisers.

Mr. BORAH. Mr. President——

The PRESIDING OFFICER (Mr. KEAN in the chair). Does the Senator from Maryland yield to the Senator from Idaho?

Mr. RAYNER. I had rather go on, if I may be permitted to proceed.

The PRESIDING OFFICER. Does the Senator from Maryland yield to the Senator from Idaho?

Mr. RAYNER. I want to proceed for about five minutes. Then I will yield to the Senator.

Mr. President, I prefer the legal opinion, at least, of the Senator from New York [Mr. ROOT] to the legal opinion of the Senator from Rhode Island [Mr. ALDRICH]. The Senator from New York has stated that under the old law, when these propositions were before the court at the suit of the party aggrieved upon questions of classification, the court empaneled a jury.

Mr. ALDRICH. Would the Senator from Maryland permit me to interrupt him for a moment?

The PRESIDING OFFICER. Does the Senator from Maryland yield to the Senator from Rhode Island?

Mr. RAYNER. I do.

Mr. ALDRICH. I should like to make a statement to the Senator from Maryland, which may relieve some of his apprehensions in reference to this matter. This act in relation to a customs court was prepared at a conference between the Attorney-General and his representatives, the Secretary and Assistant Secretary of the Treasury and their representatives, and the officers of the customs in New York, all of whom went over this matter with the greatest care. It not only was submitted to the Attorney-General, but it was submitted to leading lawyers that he had in communication with him. It was also submitted to the Cabinet, and it has the approval of the Cabinet and of the President of the United States.

Mr. RAYNER. What do the Secretary of Agriculture and the Secretary of the Navy know about law?

Mr. ALDRICH. I think the Senator would perhaps be willing to admit that our late associate from Pennsylvania, the present Secretary of State, has some knowledge of law.

Mr. RAYNER. The Secretary of State, yes; but where is the guaranty that the Secretary of State has approved of such a provision as this? I feel quite sure that the Secretary of State has never approved of this proposed law—never. No one with his professional attainments could approve of a law of this sort.

Mr. ALDRICH. There are several other gentlemen in the Cabinet who, I think, have some knowledge of law. The present Attorney-General is supposed to have some knowledge of law, and I think the President of the United States also has some little knowledge of law.

Mr. RAYNER. Yes; they have knowledge of law; but I have no knowledge that any of them have had anything to do with this proposed enactment.

Mr. ALDRICH. This legislation, or analogous legislation, has been considered by more lawyers and by more business men than any other legislation that I have any knowledge of whatever. It has been decided in the courts for twenty years, or since 1890.

Mr. RAYNER. Where is the decision?

Mr. ALDRICH. No; I mean analogous legislation, fixing the duties and powers of the Board of General Appraisers, has been passed upon by the courts; the question of the right of final decision upon these questions has been passed upon by the courts; and I am sure if the Senator from Maryland, who is a great lawyer and who understands all these questions, had time to give this subject more than a cursory examination for a few minutes this morning, he would agree with every one of these propositions.

Mr. RAYNER. Now, will the Senator from Rhode Island permit me to go on for about ten minutes, for I know his anxiety to pass this proposed law?

Mr. BORAH. Mr. President——

The PRESIDING OFFICER. Does the Senator from Maryland yield to the Senator from Idaho?

Mr. RAYNER. If I could be permitted to just finish a sentence, I would be much obliged to the Senator from Idaho. Here I am in the middle of a sentence. It is impossible to pursue a logical argument in any such way as that. We do not use that process in court. Let me proceed for five or ten minutes.

Mr. BORAH. I apologize to the Senator.

The PRESIDING OFFICER. Does the Senator from Maryland yield to the Senator from Idaho?

Mr. RAYNER. I am compelled to submit.

Mr. BORAH. I apologize to the Senator from Maryland and will not interrupt him.

Mr. RAYNER. If the Senator wants to interrupt me as I go on, I have no objection, but I have not yet been able to state the point.

The Senator from Rhode Island knows all about tariff laws, but I very seriously object to taking his opinion upon a question of constitutional law. The President is a very eminent authority, and his Secretary of State is certainly a very eminent authority. I have yet to learn that the Attorney-General has anything to do with the passage of this bill. I tried to call him up this morning, but could not get the office. I doubt very much whether he supervised the preparation of this provision. I doubt very much whether the Secretary of State supervised it. Such bills originate in some mysterious way, and they do not receive the attention they are entitled to.

If I am wrong, the lawyers of this body will make that plain, but there is no use getting impatient about it. It is a question of law, and I want the Senator from Rhode Island to listen to me for a few moments, if he will. Is the Senator prepared to listen to me for about ten minutes?

Mr. ALDRICH. I am.

Mr. RAYNER. It does not hurt anybody if I am right; and if I am wrong, it is not the first mistake I have made, nor will it be the last. I am pretty well satisfied that I am right.

Mr. BORAH rose.

Mr. RAYNER. I suppose the Senator from Idaho has something to say.

Mr. BORAH. I was waiting until the Senator had concluded his sentence, so that I could in order ask him a question.

Mr. RAYNER. There is a semicolon here now.

Mr. BORAH. I want to know——

The PRESIDING OFFICER. Does the Senator from Maryland yield to the Senator from Idaho?

Mr. RAYNER. I have to yield.

Mr. BORAH. Mr. President, I was simply seeking information. I suppose it is under Article VII of the amendments to the Constitution that the Senator makes his argument.

Mr. RAYNER. Partly; but not entirely. There are two or three other articles. I will make another argument presently; and that is, that you can not convict a man in a criminal court unless you give him an opportunity to be confronted by the witnesses against him.

Mr. BORAH. What I was going to ask the Senator was whether or not a suit of the kind contemplated in the pending amendment would be an action at common law?

Mr. RAYNER. That is one of the questions, but I construe Article VII of the amendments to the Constitution to mean every suit that is not in equity. I understand that to mean a distinction between a suit at common law and a chancery suit. If it means at common law, of course it includes statutory law, because if it did not none of the cases in federal courts would come under it. When it says "common law" it does not intend to exclude suits of the United States, but it includes them; and the words "common law" are used in contradistinction to the words "in equity" or "in chancery."

Mr. BORAH. My mind is open to conviction by the argument of the Senator from Maryland. At present I do not believe the provision has reference to this kind of action.

Mr. RAYNER. Mr. President, suits at common law, in my judgment, comprise everything except suits in equity. Every suit, except a suit in equity, that involves a question of fact is comprised in the words "in suits at common law;" and I think that whenever such a suit involves over $20 the party is entitled to a jury trial somewhere or at some time. The Constitution provides:

> In suits at common law where the value in controversy shall exceed $20 the right of trial by jury shall be preserved.

There are hardly any customs cases where the value in controversy does not exceed $20. These questions of classification are always questions of fact. The Senator from Rhode Island is not here, because he has made up his mind to pass this bill whether it is a legal bill or not, and he does not want to listen to any argument on it. As I have said, these questions are always questions of fact, and under the old procedure, now repealed, there was always a right to a jury trial, and this law ought to be reenacted now.

Mr. FLINT. Mr. President——

The PRESIDING OFFICER. Does the Senator from Maryland yield to the Senator from California?

Mr. RAYNER. Yes.

Mr. FLINT. Does the Senator know of a single instance where they have impaneled a jury since the act of June, 1890, went into effect?

Mr. RAYNER. The Senator from New York [Mr. ROOT] has stated what the practice was under the old law. He said just now that they had jury trials in every case. I do not know what the practice is as to jury trials under the present law.

If you are entitled to a jury trial as a constitutional right under the old law, why should you not be entitled to a jury trial as a constitutional right under any law? The Constitution does not change with different enactments.

Mr. FLINT. I ask the Senator, does he know of his own knowledge in his entire practice of a single case where there has been a jury impaneled?

Mr. RAYNER. No; I do not under the present law which we are repealing.

This is a most serious question; it is a more profound question than the Committee on Finance think it is; it is a question whether at any stage in the proceedings a jury trial can be denied. If the Senator from Idaho is right as to the Constitution of the United States in this particular, that suits at common law do not comprise these cases at all, that is the end of it; but if suits at common law do comprise these cases, then at some stage of the proceedings there must be a jury to try them.

Mr. BORAH. Mr. President——

The PRESIDING OFFICER. Does the Senator from Maryland yield to the Senator from Idaho?

Mr. RAYNER. Certainly.

Mr. BORAH. I have not given that matter very much consideration, and, as I said a moment ago, the Senator from Maryland may be entirely correct; but my opinion is that this kind of an action is not an action known to the common law, and that it is not a suit at common law under the Constitution. I know the courts have been called upon to interpret what is the meaning of the phrase "a suit at common law." They have held that many special proceedings were unknown to the common law and did not come within that provision or that phrase; and I was simply waiting to hear the argument of the Senator.

Mr. RAYNER. I am much obliged, but the Senator from Idaho will realize that the Constitution does not mean suits known to the common law. It says "in suits at common law." There are hundreds of suits that are brought under the common law that were never known at common law. I do not give this as a definite opinion. I am very careful about giving opinions. I wish somebody would bring the Senator from Rhode Island in here so he can understand what I am talking about. I am never absolutely certain unless I have carefully examined the cases. There is no case on this question, and I do not undertake to say positively and absolutely that such a proceeding as would be covered by this provision would be a suit at common law; but I give the Senate my impression that it is a suit at common law, for the reason that suits at common law comprise everything outside of equity or chancery.

If the Senator has any decision saying that a man is not entitled to a jury trial at any stage of this proceeding, I should be glad if he would give it to me. There might be such a decision—we have been looking for it—and if there is such a decision, I should be very much obliged to the Senator to give it to me. That would not change my mind about the invalidity of this provision upon another ground; but it would help us out very much if the Senator could show me some case which holds that at no stage of this proceeding from the time a duty is levied by the collector to the time that it goes to the appraiser's office and to the time there is a final decision of the court—at no stage of that proceeding, no matter if it involves $100,000, is the party entitled to a jury trial in any event. If he can produce such a case, then I am wrong about it.

Mr. FLINT. It has been uniform practice——

Mr. RAYNER. I do not care about the practice.

A bad practice does not make good law. I do not care what the practice has been. We are instituting here a tribunal under the Constitution; we are instituting a tribunal with judges for life; we are instituting a tribunal whose ultimate decrees you can not appeal from, and we might as well examine into the foundations upon which this tribunal is to be organized.

I do not think there are many of us who realize what the proposition is. I did not until I took it up. There seems to be a good deal of hurry and unnecessary impatience about it.

Now, I want to take a few moments to point out that the absence of a jury trial will tend to convict innocent men in violation of another provision of the Constitution of the United States. I want the Senator from North Dakota, who is a good lawyer, to understand that I do not give it as my definite opinion that this is a suit at common law; I want the Senator from North Dakota, the Senator from Idaho, the Senator from California, and all Senators to understand that I only state me, of course I am perfectly willing to acknowledge that I am wrong.

Mr. BORAH. Mr. President——

The PRESIDING OFFICER. Does the Senator from Maryland yield to the Senator from Idaho?

Mr. RAYNER. Certainly.

Mr. BORAH. According to the practice under the former law, I think, the suit was one at common law, because the amount was collected and paid under distress, under protest, and a suit was brought to recover back that amount, which was that, in my judgment, it looks as though it would be classed as a suit at common law. If there are any authorities against an action known to the common law and an action at common law. I have no doubt that under that practice the defendant was entitled to a jury trial, and must have had a jury trial; but that is not this action.

Mr. RAYNER. Then that demonstrably answers the proposition. The Senator from Idaho has answered himself. That irresistibly demonstrates the proposition. If the right to recover back the money is a suit at common law, clearly the right to determine whether the money is payable is a suit at common law. If, after paying the money, in a suit to recover it back it comes under this provision of the Constitution, then when the court is called upon to determine whether or not the money shall be paid, that unquestionably is a suit at common law. The Senator from Idaho has answered himself. If that has been held, that is an end of all necessity for the further investigation of the subject.

Now, let me go on for a moment to the second point. I am opposed to anything that deprives an American citizen, in a case where he is liable to be sent to prison, of the right of jury trial and to be confronted by the witnesses against him. I have fought that proposition here over and over again upon other provisions of statutes. I recollect two years ago, when the ex-President wanted to send a lot of people to prison, and we had a bill up here to accomplish that purpose, we fought it persistently, and we defeated it. I am opposed on general principles to the denial of the right of trial by jury. I believe in the right of trial by jury in a criminal case. I do not care so much about it in civil cases. But these customs cases frequently eventuate criminally. There is the trouble about it. It is a criminal procedure that follows this civil procedure that we are dealing with, and I want to maintain the right of jury trial, if it exists under the Constitution.

Mr. BORAH. Mr. President——

The PRESIDING OFFICER. Does the Senator from Maryland yield to the Senator from Idaho?

Mr. RAYNER. I do.

Mr. BORAH. I do not understand that a customs court is given criminal jurisdiction.

Mr. RAYNER. None whatever. That is the trouble about it. If it had criminal jurisdiction, then the Senator from Idaho will admit that there must necessarily be a jury trial.

Mr. BORAH. Unquestionably.

Mr. RAYNER. I wish the Senator from Rhode Island was here, because I think he could understand this.

Mr. HEYBURN. Mr. President——

The PRESIDING OFFICER. Does the Senator from Maryland yield to the senior Senator from Idaho?

Mr. RAYNER. I do.

Mr. HEYBURN. Will it interrupt the Senator?

Mr. RAYNER. No; not at all.

Mr. HEYBURN. The Senator has classified causes into two classes, one in equity and the other at law, and has confined the right of trial by jury to the causes at law, and says those not triable by jury are equity causes. The statutes of the United States have given the right of action in a number of cases which are neither in law nor in equity, but special proceedings.

Mr. RAYNER. That is right.

Mr. HEYBURN. The United States Supreme Court has said so in a case brought in support of an adverse suit filed against an application for a patent. They said it was neither a case at law nor in equity, and that in such a case the suitors are not entitled to a jury. Such cases do not come within either class, but are special proceedings that arise out of the statutes of the United States and their enforcement.

Mr. RAYNER. That is perfectly correct, Mr. President; and in a long line of cases, which the Senator from Idaho will recall, the Supreme Court has stated that such cases were always tried by the principles of common law.

Mr. HEYBURN. But with no jury.

Mr. RAYNER. Whenever there is a statute, it is statutory law, and statutory cases are tried on the principles of the common law. When the Constitution says cases "at common law," it means cases tried by the principles of common law as distinguished from the cases tried by the principles of equity jurisprudence. I submit this point, and it is one for investigation.

Mr. ALDRICH. Mr. President, I should like——

Mr. RAYNER. The Senator has not been here and has not heard what I have said.

Mr. ALDRICH. But I should like to say a word in regard to the last suggestion.

The PRESIDING OFFICER. Does the Senator from Maryland yield to the Senator from Rhode Island?

Mr. RAYNER. I do.

Mr. ALDRICH. I should like to remark, in that connection, that I have been studying tariff legislation for thirty years.

Mr. RAYNER. We all know that.

Mr. ALDRICH. One of the first things that I learned was that the Government, in the administration of customs cases and the collection of taxes, fixed the method by which taxes are to be collected and adjusted the legislation as to their payment without reference to common-law proceedings or any other sort of proceedings. I have never before heard a lawyer undertaking to dispute that proposition.

Mr. RAYNER. The Senator hears one now.

Mr. ALDRICH. I have heard one, but I do not think I will hear any more.

Mr. RAYNER. We will see about that.

Mr. ALDRICH. I think when the Senator from California [Mr. FLINT] submits the cases that have been considered by the Supreme Court of the United States upon this precise point over and over again, there will be no other lawyer to dispute the proposition.

Mr. RAYNER. Why not let us have the cases?

Mr. FLINT. When the Senator finishes, I will do so.

Mr. RAYNER. Let me have them now. I think that is but fair.

Mr. ALDRICH. The Senator from California has a large number of cases.

Mr. RAYNER. Let me have one.

Mr. FLINT. When the Senator finishes, I shall be glad——

Mr. RAYNER. Give me one case.

Mr. FLINT. No. When the Senator finishes, I shall be glad to go on in my own way. I do not wish to interrupt him.

Mr. RAYNER. Will you let me have the cases? Will the Senator hand me the cases?

Mr. FLINT. I shall be very glad to do so when I make my remarks.

Mr. RAYNER. That is a very unfair way to try a question of this sort. I do not believe there are any such cases. I do not believe there is a case in the world on the point; otherwise the Senator from California would let me look at them and comment on them as I go along. I never knew a trial lawyer, when he had a case directly opposite to the point made, who would not let it be seen. As the Senator from California goes along, the legal minds of this body will discriminate and find out that the cases have nothing to do with this subject. I want a case upon the point that at no stage of this proceeding upon a question of fact are the parties entitled to a jury trial. That is the sort of case I want. I pause here for the case.

Mr. ALDRICH. Mr. President——

Mr. RAYNER. With great respect, I do not care for the Senator from Rhode Island to say anything in response to that. This is not a question of experience; it is a question of law. I want the Senator from California to give me a case. I can not take the legal opinion of the Senator from Rhode Island, as much as I like him.

Mr. ALDRICH. I was going to ask the Senator a question of fact.

Mr. RAYNER. Ask me a question of fact, then.

Mr. ALDRICH. Does the Senator think there has been any case, or can he point out any case, that has been tried before a jury on a question of classification anywhere in the United States since the act of 1890 was passed?

Mr. RAYNER. I have just gone over that subject while the Senator was absent. I have just discussed it.

Mr. ALDRICH. Very well; but can the Senator point to a single case where that has been done?

Mr. RAYNER. No; but what does that prove?

Mr. ALDRICH. It proves that it has not been done; and it can not be done.

Mr. RAYNER. It does not prove anything at all. Jury cases were tried under the old act; that is admitted.

Mr. ALDRICH. I assume that if the litigants in all these cases which have been tried during the last twenty years had had any such constitutional right, they would have exercised it in some case.

Mr. RAYNER. Not necessarily.

Mr. BORAH. Mr. President——

The PRESIDING OFFICER. Does the Senator from Maryland yield to the Senator from Idaho?

Mr. BORAH. The Senator from Maryland referred to me.

Mr. RAYNER. I suppose I will yield.

Mr. BORAH. The Senator from Maryland referred to me by name, or I should not have interrupted. I have not given very much consideration to the constitutionality of this act; but when I read it I had no doubt about its being constitutional. I am opposed to the act, but not upon that ground. I said, however, at the beginning of the debate, that I was perfectly willing to hear the Senator from Maryland; and that if he adduced any argument in favor of its constitutionality I should be very glad to hear it, because I should like to see the amendment defeated. But since he has referred to me, I will simply say that, in my opinion, it is a constitutional amendment.

Mr. RAYNER. The Senator from Rhode Island nods his head. That satisfies him, but that does not satisfy me. The Senator from Idaho may think it is constitutional and I may think it is unconstitutional. That question is for the courts to determine. I said in the absence of the Senator from Rhode Island—if he had been here he would have saved me the trouble of repeating it, and I hope he will listen to me now—that I was not certain about this point. But the Senator from Rhode Island can not brush it away. He does not understand it. You might as well ask Doctor GALLINGER, of New Hampshire, about it, and have a physician come in and settle the question of law, as to call upon a Senator who is not a lawyer to settle a question that requires years and years of study to understand.

Mr. ALDRICH. It is——

Mr. RAYNER. Let me go on; because the Senator from Rhode Island is not throwing the slightest light upon this question.

Mr. ALDRICH. I was only going to suggest to the Senator from Maryland that all of his years of profound study do not seem to have enabled him to arrive at a conclusion as to this matter.

Mr. RAYNER. Why, certainly not. The legal mind is frequently in doubt upon important questions. Do you suppose for a moment that I would stand here before the Senate and say positively that this is the law? I am showing you that the matter is involved in doubt, and that you are doing a dangerous thing, one that could be removed by a few lines in the statute giving a jury trial upon questions of fact somewhere in the law as it was under the law before 1890. One line will do the work. But the Senator from Rhode Island does not want it.

He wants these judges ultimately to determine this question. He will not leave it to the determination of a jury.

Mr. FLINT. If the Senator will permit me, this act gives the right to sue the Government, does it not?

Mr. RAYNER. I do not know.

Mr. FLINT. They would not have the right without an act of Congress.

Mr. RAYNER. The act does not give them the right to sue.

Mr. FLINT. But by an act of Congress they have the right to sue, have they not?

Mr. RAYNER. After this act is passed?

Mr. FLINT. Yes; it takes an act of Congress.

Mr. RAYNER. Is it the Senator's opinion that after this act is passed they will still have the right to sue to recover back these duties? Then the Senator has not read the act.

Mr. FLINT. I understand no right to sue the Government exists, except it is authorized by an act of Congress. The Government has the right, under that act, to impose any conditions that it desires as to how this money shall be collected.

Mr. ALDRICH. Mr. President, I did not suppose the Senator from Maryland considered my opinion of the law worth anything.

Mr. RAYNER. I want the Senator present. I want him to hear this argument.

Mr. ALDRICH. All right.

Mr. RAYNER. It is not necessary to consult the Senator from New York [Mr. ROOT]. I think he will agree with me. Whenever the Senator from Rhode Island is in great trouble he consults the Senator from New York. I again want it understood that I do not give this as my definite opinion, because I am careful in coming to legal conclusions. I want the Senate to understand that. I do not want any Senator to say that I gave it as my definite opinion that there must be a jury trial in the first instance. I am merely submitting the point. I do as I have always done in the trial of a case. Other lawyers have not done it; but I have always submitted the cases on the other side. If I found a case against me on the other side, I have considered that I would be suppressing the truth unless I gave it to the court. In criminal cases, when I was the attorney-general of my State, if there was anything in favor of the prisoner, I gave the court the cases. I always gave the court the cases, because I then felt it my duty to defend the prisoner if he was innocent just as much as I felt it my duty to prosecute him if he was guilty. And if there are any cases on the other side, I want them.

It is not in a contentious spirit that I have risen here. I have merely risen to throw what light I can upon the subject. I may be all wrong; but then, again, I may be all right. It is for the Senate to determine whether I am right or wrong. But I will repeat, for the last time, that I do not say positively that this must be done.

Let us see what this act says:

SEC. 29. That a United States court of customs appeals is hereby created, and said court shall consist of a presiding judge and four associate judges appointed by the President, by and with the advice and consent of the Senate, each of whom shall receive a salary of $10,000 per annum. It shall be a court of record—

Make no mistake about this. This is a new court. It is a court organized under the Constitution of the United States. It is not an administrative body; it is not an executive body; it is a judicial body; it is a court of record—

with jurisdiction as hereinafter established and limited. Said court shall prescribe the form and style of its seal and the form of its writs and other process and procedure—

I want to say to the Senator from California that at first thought I was under the impression that this carried with it the right to impanel a jury. I thought it carried with it that right. I hope it does. If so, there is no necessity of investigating it any further. But upon a close examination I think he will certainly come to the conclusion that that power is not embraced within the words "process and procedure."

and exercise such powers conferred by law as may be conformable and necessary to the exercise of its jurisdiction. It shall have the services of a marshal.

What do you want with a marshal? What does a marshal do? After the evidence is all before the court, what is the use of putting a marshal there just for the purpose of creating an office and paying him a salary?

Mr. FLINT. Mr. President——

The PRESIDING OFFICER. Does the Senator from Maryland yield to the Senator from California?

Mr. RAYNER. Yes.

Mr. FLINT. The marshal performs the same duties that the marshal does in the circuit court of appeals of the United States.

Mr. ALDRICH. Does the Senator think that is a question I may answer, or does it involve a constitutional question?

Mr. RAYNER. Is the Senator a lawyer?

Mr. ALDRICH. No.

Mr. RAYNER. Now, I want you to listen to me and not interrupt me.

Mr. ALDRICH. I will do it.

Mr. RAYNER. I will ask the Senator, because I do not know, what the Senator's profession is? I know his profession is that of a statesman; but has he studied law or the Constitution? I ask because I do not know.

Mr. ALDRICH. Mr. President, I am not a lawyer.

Mr. RAYNER. Then how on earth can the Senator throw any light on a legal question that it has taken me years to study, when the Senator has never even——

Mr. NELSON. Will the Senator from Maryland permit me a moment?

Mr. RAYNER. Certainly.

Mr. NELSON. I think the Senator from Rhode Island is not even in the predicament of Wilkins Micawber, because in his case he considered himself a lawyer and thought he ought to be chief justice of the court of king's bench, because he had acquaintance with law as the defendant in a civil process for debt. [Laughter.]

Mr. RAYNER. I have no feeling about this matter. There is no one I am fonder of than the Senator from Rhode Island. He knows that. He knows the respect and esteem in which I hold him. But the Senator does not know everything. There are plenty of things the Senator does not know, and one of the things that he does not know and has not the remotest conception about is law.

Mr. ALDRICH. Mr. President——

The PRESIDING OFFICER. Does the Senator from Maryland yield to the Senator from Rhode Island?

Mr. RAYNER. Yes.

Mr. ALDRICH. I have long held the opinion that we needed a customs court. The question came up as to what kind of a court we should have, and it was necessary to have somebody make a draft of an act of that sort. I asked the Secretary of the Treasury to detail for a conference on the subject his Assistant Secretary, who has long had charge of customs matters, and who is a lawyer. I asked the Secretary of the Treasury to attend the conference. I asked the Attorney-General to be present himself, by an Assistant Attorney-General, and by the expert of his department who has the most knowledge of legislation with reference to customs matters. I also asked the people in New York who have had most to do with the enforcement of the law to send the district attorney or an assistant district attorney and the expert who had the most knowledge of the law. I asked all these gentlemen to attend a conference for the purpose of preparing this customs-court act.

The bill was prepared by those experts, who know more than any other men that I know of about the customs law and the administration of the customs law and all the practical and legal questions involved. I should perhaps exclude the Senator from Maryland from that description; but with the exception of the Senator from Maryland, they had a better knowledge and more knowledge and more accurate knowledge of the subject than any men that I know of. This bill was prepared by those men. It was submitted, after it was prepared, to the other gentlemen I have alluded to, including the President of the United States.

My reasons and the reasons of the committee for taking these precautions were that we were not all lawyers; and we were extremely anxious to have the provisions of the bill tested by the men who had the most knowledge upon the subject. I wanted their views because I am not a lawyer—although, as I have said, I have been studying this question, from a practical standpoint, for thirty years, and I do know something about what the practice has been in the courts and before the General Appraisers.

I submit to the Senate that the precautions taken by the committee with reference to this matter are all that anyone could take. And I submit, with great confidence to the judgment of the Senate, the conclusions this conference arrived at, commended as they are by the members of the Committee on Finance, some of whom are lawyers.

Mr. RAYNER. Mr. President, the Senator may be right about all this, and he may be wrong. The Senator may be right, and the President and the Assistant Secretary may be right. But this is all one sided. Nobody presented any contrary views. It was trying a case ex parte. There was no opposition to it. These gentlemen all met together, and they wanted a customs court, and they framed a bill providing one. There was no lawyer there in opposition to it. There was no suggestion of

any legal objection. It is always easy to win a case if there is nobody against you. It was all ex parte. Knowing the Secretary of State as well as I do, I am sure that if I had appeared there and explained the objections to this bill the Secretary of State would at least have considered them. The Senator from Rhode Island does not even seem to be willing to consider them.

I was going on to read the bill, if the Senator will let me proceed with the reading of it, because the Senator from Rhode Island is not illuminating this discussion in any way. He is enveloping it in Cimmerian darkness by telling me a thing that every lawyer will deride—that this has been the practice; this has been a decision of the Cabinet.

What do I care about Cabinet decisions and practices when a constitutional question is involved? I say, again, I may be wrong, but the Senator from Rhode Island, with great respect to him, can not convince me that I am wrong.

I just want to finish this, and see what sort of a court this is. I have read to some extent what sort of a court it is. Let us look at it further:

The court of customs appeals established by this act shall exercise exclusive appellate jurisdiction—

It does not exercise any appellate jurisdiction at all. It exercises a jurisdiction by review. I repeat here now, in the presence of every lawyer in the United States, that, technically speaking, there is no such thing as a court of appeals sitting to hear an appeal from the decision of an administrative officer. It is a review of the officer's proceeding and not an appeal, because an appeal always means a judgment by an inferior judicial tribunal or a tribunal exercising the quasi powers of a court. I know what I am talking about. I have practiced my profession constantly, day in and day out, for nearly forty years, and I would be derided by any court in the land if I talked about giving a judicial tribunal an appeal from an administrative officer.

This is a review by the court. The court itself is practically a court of original jurisdiction, just as our United States circuit courts are courts of original jurisdiction. Will any Senator say that when the Interstate Commerce Commission imposes a rate on a railroad, and I go into court and ask the court to declare the rate unconstitutional, that is an appeal? It is absurd. This is the same thing. This is a review from an administrative officer. No question was ever discussed more comprehensively than that question was upon the floor of this Senate. You may call it what you will; it does not change what it is.

Let us see:

Exclusive appellate jurisdiction to review—

They were afraid of the word "appeal," and they put in the word "review."

By appeal, as provided by this act, final decisions by a board of general appraisers in all cases.

Now, listen—and I want the lawyers of this body to listen as well as the Senator from Rhode Island, who admitted that he is not a lawyer. It was not necessary for him to make that admission, because we all knew it.

In all cases as to the construction of the law—

And what?

Mr. ALDRICH. Mr. President——

Mr. RAYNER. Give me a moment, now.

Mr. ALDRICH. Mr. President, the Senator has again alluded to the fact that I am not a lawyer.

Mr. RAYNER. You ought not to be ashamed of that, perhaps.

Mr. ALDRICH. I think I am the only Republican member of the Finance Committee that is not a lawyer. But we have some Democrats on that committee who are lawyers. The Senator from Texas [Mr. BAILEY], who does not happen to be in his seat, and the senior Senator from Virginia [Mr. DANIEL] are lawyers, I think.

Mr. RAYNER. But you do not allow them to enter your committee room.

Mr. ALDRICH. I will say that this part of this bill was considered very carefully by every member of the Committee on Finance, including the Senator from Texas and the Senator from——

Mr. RAYNER. Does the Senator mean to say that the senior Senator from Virginia [Mr. DANIEL] has held that this customs-court measure is a constitutional measure? Has he examined it carefully? There he is.

Mr. ALDRICH. I will say that the Senator from Texas [Mr. BAILEY], who is not now in his seat——

Mr. RAYNER. There are other lawyers in this body. The Senator from Texas may disagree with me, but that does not control me. I have the highest opinion and regard in the world for the opinion of the Senator from Texas, but I am entitled to my own opinion.

Mr. ALDRICH. Certainly; but the Senator was trying to find some lawyers who agreed with the committee, and I was suggesting some.

Mr. RAYNER. But the Senator from Texas did not agree with the committee on this question.

Mr. ALDRICH. Oh, yes; he did.

Mr. RAYNER. Because he nodded assent this morning to me when I told him I thought this law was unconstitutional; and I have not spoken to a lawyer on this floor who believes it is constitutional.

Mr. ALDRICH. I will say to the Senator from Maryland that whatever the Senator from Texas might have meant by the nod of his head, he certainly supported this provision in the committee.

Mr. RAYNER. O Mr. President, all that may be. Why does the Senator object so much to a discussion of this matter? He has listened here for days and days; he has been pounded with a continuous volley of fire from the insurgent and rebellious forces on his own side; and yet, when the first argument is made upon this question, he is so impatient with it that he can hardly listen to the argument. I am almost through. You will pass this bill whether it is unconstitutional or not. I know you will pass it. If there was absolutely a provision here that was unconstitutional, it would be passed; but it will not be passed except with my protest, which would have been concluded long ago if I had not submitted to these interruptions.

Let me read this. I want Senators here to listen to this:

By a Board of General Appraisers in all cases as to the construction—

Of what?—

as to the construction of the law and the facts.

I will admit that it is right as to a construction of the law that a man would not have the right to a jury trial. But as to the construction of the facts, we ought—

Respecting the classification of merchandise and the rate of duty imposed thereon under such classification, and the fees and charges connected therewith, and all appealable questions as to the jurisdiction of said board, and all appealable questions as to the laws and regulations governing the collection of the customs revenues—

And what?—

and the judgment or decrees of said court of customs appeals shall be final in all such cases.

That is the language. When this court renders a judgment it is absolutely a final judgment, and a man has been deprived of his property, and as a result of it has been sent to prison without the right of a jury trial.

Let me see whether I am right about that, and then I will conclude this argument. This is my second point. I want Senators to examine section 6. I ask the Senator from Rhode Island, particularly, to turn to section 6; to kindly turn to page 13:

That any person who shall knowingly make any false statement in the declarations provided for in the preceding section, or shall aid or procure the making of any such false statement as to any matter material thereto, shall, on conviction thereof, be punished by a fine not exceeding $5,000, or by imprisonment at hard labor not more than two years, or both, in the discretion of the court.

Let us look at this a minute. You can penalize a man here in a fine not exceeding $5,000, and you can imprison him at hard labor not more than two years if he makes a false statement. Therefore, if a man makes a false statement to the collector of customs he takes his chances of being fined $5,000 and going to jail for two years. Now, look at page 15. I do not care if there are a thousand laws that have a provision of this sort in them, it is not only unlawful, but it is infamous.

Mr. FLINT. Mr. President——

Mr. RAYNER. Does the Senator from California want to interrupt me?

Mr. FLINT. I will let the Senator finish reading it.

Mr. RAYNER. I thought you were going to give me one of those cases.

Mr. FLINT. Yes; but I will ask this question: Does the Senator concede that a person making a false affidavit ought to be punished?

Mr. RAYNER. That is as absurd a question as the Senator from Rhode Island could have asked. The Senator is too good a lawyer to ask that question. I think when a man commits perjury——

Mr. FLINT. What is the point the Senator is making?

Mr. RAYNER. You interrupt me before I get to the point. I told the Senator to take that section in connection with this section. The Senator from California seems to be angry about this business.

Mr. FLINT. Not at all. Mr. President——

Mr. RAYNER. I will submit to no further interruptions, with great respect to the Senator from California, until he gives me his cases. Will the Senator give me his case, and not interrupt me every two minutes? It must be an awful case that the Senator from California has.

Provided, That if the appraised value—

I want the attention of the Senator from Idaho to this—

That if the appraised value of any merchandise shall exceed the value declared in the entry by more than 50 per cent, except when arising from a manifest clerical error, such entry shall be held to be presumptively fraudulent—

That is all right as far as it goes—

and the collector of customs shall seize such merchandise and proceed as in case of forfeiture for violation of the customs laws—

I am not complaining about this. Do not misunderstand me—

and in any legal proceeding—

No one will contest the point that a criminal proceeding is a legal proceeding. Nobody will rise here in the Senate and tell me a criminal proceeding is not a legal proceeding—

and in any legal proceeding that may result from such seizure, the undervaluation as shown by the appraisal shall be presumptive evidence of fraud, and the burden of proof shall be on the claimant to rebut the same, and forfeiture shall be adjudged unless he shall rebut such presumption of fraudulent intent by sufficient evidence.

And he is fined $5,000 and receives a jail sentence for two years. No man will stand here on this floor and justify that provision of the law as being in consonance with the Constitution of the United States.

Mr. FLINT. Mr. President——

The VICE-PRESIDENT. Does the Senator from Maryland yield to the Senator from California?

Mr. RAYNER. Not until you give me your case.

Mr. FLINT. The Senator is so persistent I will refer him to the case of Nichols *v.* United States (7 Wall., 126).

Mr. RAYNER. Let me have it.

Mr. FLINT. I have not the case here. I will send for it.

Mr. RAYNER. Have you an extract from it?

Mr. FLINT. Certainly.

Mr. RAYNER. Let me look at it.

Mr. FLINT. Certainly.

Mr. ALDRICH. Will the Senator allow me?

Mr. RAYNER. Do not interrupt me.

Mr. BORAH. Mr. President——

The VICE-PRESIDENT. The junior Senator from Idaho would be glad to interrupt the Senator from Maryland.

Mr. RAYNER. I have no objection to being interrupted. I yield to the Senator from Idaho.

Mr. BORAH. The sections which the Senator from Maryland was just quoting from are not the sections which have any reference to the jurisdiction of the customs court.

Mr. ALDRICH. They are not.

Mr. BORAH. Those are matters which will go into the regular courts and be determined under judicial procedure. In other words, they are not matters which the customs court would have any jurisdiction over.

Mr. RAYNER. Unquestionably.

Mr. FLINT. In the past twenty years every one of the indictments has been in the district courts.

Mr. RAYNER. I challenge the production of a case that upholds this provision.

Mr. ALDRICH. Mr. President——

The VICE-PRESIDENT. Does the Senator from Maryland yield to the Senator from Rhode Island?

Mr. RAYNER. Of course, I have to yield, but there will be no light thrown on this discussion.

Mr. ALDRICH. I want to throw some light on the subject.

Mr. RAYNER. You have not done it yet.

Mr. ALDRICH. This section is a codification of the customs administrative laws.

Mr. RAYNER. What has that to do with it?

Mr. ALDRICH. It has this to do with it: The provisions offered here have been the law for twenty years and have had the interpretation of the courts, and the sanction, so far as I am aware, of everyone who had anything at all to do with its administration.

Mr. RAYNER. What has that to do with it? That is not the proposition of a lawyer, that an unlawful statute has been upon the Federal Code, that the practice has been indulged in. The income-tax law was on the statute books for a hundred years. Still the Supreme Court reversed it. Give me the cases. I want to deal with cases. Show me a case that has been tried, in which the court has ever held that a collector can produce an ex parte affidavit and throw upon the defendant the burden of proving his innocence. If there is any lawyer in this body who has such a case, I should like to have it put in.

Mr. FLINT. I have the case here now.

Mr. RAYNER. It has been a long time coming. It usually takes about a few minutes to get a book from the Library.

Mr. FLINT. The Senator seems to be the one who is impatient. He has been complaining here that we are trying to rush this bill through. I am sure nobody is trying to rush it through. He seems to be in a frame of mind where he thinks everybody else is impatient. I would like to see the Senator go on. He seems to be making a very clear argument, and is, I think, convincing all the Senate.

Mr. RAYNER. That is a great piece of satire the Senator indulges in. The Senator is not given to irony and satire.

Mr. FLINT. The Senator himself is an expert at that.

Mr. RAYNER. The Senator obtained a quarter of a cent increase in the duty on lemons, and that was his specialty, I thought, and not satire.

Mr. FLINT. That is a pertinent remark.

Mr. RAYNER. And lemons have gone up from $2.50 to $6 a box.

Mr. DAVIS. Eight dollars.

Mr. RAYNER. To $8 a box, and still we are drinking lemonade.

Mr. FLINT. That simply confirms the argument I made in the Senate, that the question of the price of lemons is controlled by the New York and Baltimore importers. And with the tariff unchanged since I made my few brief remarks in the Senate, by manipulating the market, they have raised the price from $2 a box to $9 a box, and the profit of $7 is turned over to the importers of Baltimore and New York at the expense of the American people.

Mr. RAYNER. If this case the Senator has handed me is about the best case the Senator can get, I defy him to produce his worst cases. If this is the case on which he rests, let me read it to the Senate. If that is the best, let us see what it is:

Under the act of Congress of February 26, 1845, relative to the recovery of duties paid under protest, a written protest, signed by the party, with a statement of the definite grounds of objection to the duties demanded and paid, is a condition precedent to a right to sue in any court for their recovery.

Will any Senator tell me what that has to do with the proposition I am arguing?

Mr. FLINT. Go on and read the whole decision.

Mr. RAYNER (reading)—

Cases arising under the revenue laws are not within the jurisdiction of the Court of Claims.

Whoever said that they were?

Mr. FLINT. Read further.

Mr. RAYNER. That is the end of the headnote. Tell me what portion you want me to read. Select your own portion, and I will read it. I know you will select the best, and I will read it.

Mr. FLINT. I can find it. I will take it up, if the Senator desires it, in my own time. As I said before, the Senator's proposition——

Mr. RAYNER. The Senator will not find any portion of the case that he wants me to read. I am willing to read his own case. I am willing to leave it to him to select the best part of this case that he can find. Give it to me.

Mr. FLINT. If the Senator in the case I have given him from the Supreme Court of the United States can not find a place in the decision that applies to what we are discussing, I certainly am not going to enlighten him.

Mr. RAYNER. That is a very childish thing for the Senator to do. The Senator has a decision, he has just handed me this long decision, and I ask the Senator to select that portion of the decision that bears upon the point I am discussing. Now the Senator gives it to me.

Mr. President, I am surprised at the Senator from California. If it had come from the Senator from Rhode Island, I would not have been so much surprised, but I am surprised that a Senator who has been counsel for one of the Pacific railroads, a most capable lawyer, should hand me such a case as this. It is lamentable; it is deplorable. Just listen to it for a minute:

The immunity of the United States from suit is one of the main elements to be considered in determining the merits of this controversy. Every government has an inherent right to protect itself against suits, and if, in the liberality of legislation, they are permitted, it is only on such terms and conditions as are prescribed by statute.

Mr. ALDRICH. That is this whole case.

Mr. RAYNER. This is no suit against the Government. There is where the confusion arises in the Senator's head. This is a suit by the Government against the importer. Make no mistake about that. Ask the Senator from New York [Mr. ROOT] whether it is a suit against the Government. He will answer it. I will abide by his judgment. If you want a competent lawyer,

go and ask the Senator from New York. This is not a suit, Mr. President, against the Government. That is a perfectly correct proposition. There is nothing new about it. In this line of cases courts have over and over again passed upon the proposition that when the Government permits a suit against itself it may regulate the condition upon which the suit is brought. This is not a suit against the Government.

Mr. ALDRICH. How does the dissatisfied importer get his money back?

Mr. RAYNER. This is not getting money back. The Senator does not understand the law that he has framed.

Mr. ALDRICH. I think I do.

Mr. RAYNER. Absolutely not.

Mr. ALDRICH. Let us look at it in a practical way.

Mr. RAYNER. Let us look at it in a legal way; I do not care about the practical way.

Mr. ALDRICH. I trust the practical way is the legal way. The importer is assessed a duty by the Board of General Appraisers in New York upon a certain classification. He is obliged to pay the duty, and he can not get that money back except by bringing a suit against the collector. If dissatisfied, he must appeal from the decision of the collector. He becomes a party to the controversy and he becomes a party under the conditions which the United States fixes.

Mr. RAYNER. Of course the Senator is arguing something that nobody is arguing at all. I am arguing criminal jurisdiction here under this statute, and the Senator is arguing about the importer paying money. Money seems to be upon the mind of the Senator all the time. I am arguing for personal liberty.

Mr. ALDRICH. The Senator knows as well as I do that neither the Board of General Appraisers nor the circuit court or the court to be created by this act has any criminal jurisdiction. We are not proposing to give this court any criminal jurisdiction. The Board of General Appraisers have no criminal jurisdiction.

Mr. RAYNER. If the Senator will sit down he will enlighten the Senate by his silence.

Mr. ALDRICH. Does the Senator from Maryland contend that either the Board of General Appraisers or this court have any criminal jurisdiction?

Mr. RAYNER. I have said there is not a lawyer here who believes that.

The Senator from Texas [Mr. BAILEY] has just arrived. The Senator from Rhode Island said in the absence of the Senator from Texas that the Senator from Texas had clearly examined this measure and pronounced it to be constitutional. If the Senator has done that, I should like to hear him upon that subject.

Mr. CLAPP. Mr. President, while I think many of us thoroughly understand the point the Senator is making, I am going to take the liberty of suggesting that to those who may not be lawyers he has not made it entirely plain.

I am going to say, with the Senator's pardon——

Mr. RAYNER. Does the Senator mean that I have not made it plain to the Senator from Rhode Island?

Mr. CLAPP. Well, to a great many Senators. There are a great many Senators who are not lawyers.

Mr. RAYNER. What does the Senator want me to make plain? Can the Senator make it any plainer?

Mr. CLAPP. I do not think I can; but I think the Senator from Maryland can make it plainer.

Mr. RAYNER. In what way?

Mr. CLAPP. If the Senator will pardon me——

Mr. RAYNER. Certainly.

Mr. CLAPP. The Senator is discussing this question as he would discuss it in court, upon the assumption that the court took notice of the general principles and practice; but the Senator ought to remember that, in a measure, he is discussing it to laymen. I merely make the suggestion to the Senator, that he can make the proposition plainer to those who may not be lawyers.

Mr. RAYNER. If I have not made this proposition plain, it is not within my ability to make it any plainer. I will permit the Senator from Minnesota to make it plainer.

Mr. CLAPP. It is certainly plain to lawyers.

Mr. RAYNER. You can not make a legal proposition plain to laymen. You see that by the Senator from Rhode Island. There is a gentleman with as astute an intellect as there is in this body. If I can not explain it to him, how is it possible to explain it to anybody else? The Senator was not here when we were discussing this question. You have not heard the whole of this discussion. The truth is, Senators go out and then come in and expect a Senator to repeat everything he has said. I do not propose to do it. This is the longest speech I have made since I have been in this body, and I have gone over the proposition. I covered the first proposition; that any layman can understand. The proposition is that in a suit above $20, on the question of fact, a man has a right to a jury trial. Every layman understands that. The Senator from Idaho [Mr. BORAH], for whose legal opinion I have great respect, says he thinks I am wrong about that. The Senator from Rhode Island need not shake his head. Now, never mind, Mr. President——

Mr. ALDRICH. It is a self-evident fact, evidenced by the experience of this country for twenty years, without a single exception, that the Senator is wrong.

Mr. RAYNER. That is the same old thing again. I repeat, in the presence of the Senator from Texas, we had one hundred years of experience under the income tax, and decision after decision held it to be constitutional; and after a hundred years the Supreme Court pronounced it unconstitutional. No lawyer who understands his profession will assert the proposition that because there has been a bad practice that makes good law. Your practice may have been wrong. This question has never been discussed before in this body; and notwithstanding the practice, notwithstanding the Senator from Rhode Island, notwithstanding the preparation of this law by the Cabinet, I hold that, for the reasons I have given and especially for the reasons that I am now giving, it is but an unconstitutional law.

Mr. ALDRICH rose.

Mr. RAYNER. Let me finish.

Mr. ALDRICH. Let me say a word.

Mr. RAYNER. I can not stop you.

Mr. ALDRICH. My proposition is that the universal and unbroken practice——

Mr. RAYNER. The same thing again, "universal practice."

Mr. ALDRICH. Of the country shows conclusively that if the litigants who have taken advantage of this situation had been entitled to a jury trial they would have had it, and the fact——

Mr. RAYNER. Mr. President——

Mr. ALDRICH. Wait a minute. The Senator from Maryland will let me make a statement.

Mr. RAYNER. But not such an irrelevant statement as that.

Mr. ALDRICH. I say that the unbroken practice and experience of the United States for twenty years, if there were no other reasons, show that the Senator from Maryland must be wrong in his statement, and it needs neither the ignorance of a layman nor the intelligence of lawyers to convince any man who has heard his argument what his misgivings are upon the subject, because he says himself he doubts whether he is right or wrong. His misgivings have no foundation whatever.

Mr. RAYNER. I think the Senator would have come out much better if he had kept his seat to-day.

Mr. ALDRICH rose.

Mr. RAYNER. Now will the Senator permit me to finish? One can not argue a legal question with a gentleman who admits that he knows nothing about law; that he never studied it; and neither is it his profession. You might as well bring in an astronomer, a fortune teller, a geologist, or a physician, or anybody else, to argue a question of law with me. You do not see the Senator from New Hampshire, Doctor GALLINGER, get up here and argue this question. There is not a layman in this body, except the Senator from Rhode Island, who has intruded into this discussion, for they all appreciate the fact that this is a legal and a constitutional argument, and I have devoted the study of years to these questions, arguing them with lawyers, the best in the land; but the Senator from Rhode Island can not argue this question at all. There is only one point he makes all day long—"this has been the practice." Does not "the Senator from Maryland" know that "this has been the practice?" I do not care what has been the practice. The question is, Is it a valid practice? Is it a constitutional practice?

I am glad the Senator from Texas [Mr. BAILEY] is here. I will read this section over again, and I want to see if the Senator from Texas thinks it is good law. He may so think, or he may not agree with me. I do not know.

Mr. BAILEY. Before the Senator——

The VICE-PRESIDENT. Does the Senator from Maryland yield to the Senator from Texas?

Mr. RAYNER. I referred to the Senator from Texas. I should not have done so if the Senator from Rhode Island had not referred to him in terms, and stated that he had approved of this law.

The VICE-PRESIDENT. Does the Senator from Maryland yield to the Senator from Texas?

Mr. RAYNER. Certainly.

Mr. BAILEY. Mr. President, before the Senator reads the section, I want to correct the Senator from Rhode Island [Mr. ALDRICH] to this extent: The Committee on Finance had this matter under consideration at one session of the committee, but it was not then entirely concluded. The furthest I have gone about this matter is, that I am satisfied that it is desirable to have a court. That it is impossible for a judge of general jurisdiction, trying all manner of cases, to qualify him for the trial of this special class of cases I think will be apparent to any man who is at all familiar with the decisions or customs matters; but as to how well and how skillfully this provision has been drawn and as to whether or not it is within the Constitution, I must reserve my judgment until I hear the Senator from Maryland and until I look closer into it myself.

I have assumed that the amendment was drawn by the officials of the Attorney-General's Department, and that they have drawn it properly; but unless the present Attorney-General has used more skill in drafting this provision than a recent one which has been exhibited to the Senate, I shall have to reserve my judgment, even if it is his handiwork.

Mr. RAYNER. I am glad the Senator from Texas resents the imputation that was cast upon him by the Senator from Rhode Island. I know he is too good a lawyer to come to a conclusion upon a question of this sort without examining it. He might differ with me, but he does not pass upon great questions like this without any examination, no matter who prepared the bill. Is the Attorney-General infallible? I have seen Attorneys-General make the greatest mistakes on earth. I say as to one of the Attorneys-General who preceded the present Attorney-General that if you gave him a promissory note and a confession of judgment upon it, he would lose the case. [Laughter.]

Mr. BAILEY. That is such an apt characterization of an attorney-general I once knew that I should like to have his name to go along with the photograph.

Mr. ALDRICH rose.

Mr. RAYNER. I want to go on, Mr. President. I can not yield to the Senator from Rhode Island.

Mr. ALDRICH. Will the Senator pardon me?

The VICE-PRESIDENT. Does the Senator from Maryland yield to the Senator from Rhode Island?

Mr. RAYNER. I will pardon him for a moment, as requested.

Mr. ALDRICH. Mr. President——

Mr. RAYNER. I object to interruptions now. I wish to proceed.

The VICE-PRESIDENT. The Senator from Maryland declines to yield further.

Mr. RAYNER. It is a great pity that the junior Senator from New York [Mr. ROOT] could not have made the argument, instead of putting forth the Senator from Rhode Island to make an argument of this sort. I do not think the President of the United States will be under very many obligations to him for doing it.

I want to read now to the Senator from Texas this portion of section 7 of the pending amendment:

Provided, That if the appraised value of any merchandise shall exceed the value declared in the entry by more than 50 per cent, except when arising from a manifest clerical error, such entry shall be held to be presumptively fraudulent, and the collector of customs shall seize such merchandise and proceed as in case of forfeiture for violation of the customs laws, and in any legal proceeding that may result from such seizure, the undervaluation as shown by the appraisal shall be presumptive evidence of fraud, and the burden of proof shall be on the claimant to rebut the same, and forfeiture shall be adjudged unless he shall rebut such presumption of fraudulent intent by sufficient evidence.

If the Senator will turn back to section 6, he will see what precedes that:

SEC. 6. That any person who shall knowingly make any false statement in the declarations provided for in the preceding section, or shall aid or procure the making of any such false statement as to any matter material thereto, shall, on conviction thereof, be punished by a fine not exceeding $5,000, or by imprisonment at hard labor not more than two years, or both, in the discretion of the court.

I should like to know whether the Senator from Texas unites in the decision of the Senator from Rhode Island and believes that that is a constitutional provision—that you can, on an ex parte entry, send a man to prison unless he can prove his innocence? Now, let me, in conclusion, read two sections of the Constitution to which I have referred, and then I have finished. Article VI of the Constitution provides:

In all criminal prosecutions the accused shall enjoy the right to a speedy and public trial by an impartial jury of the State and district wherein the crime shall have been committed, which district shall have been previously ascertained by law, and to be informed of the nature and cause of the accusation; to be confronted with the witnesses against him.

He is never confronted by a witness, but is confronted by an ex parte statement. Whoever heard of any such proposition as that? All through the common law runs the principle greater than the common law itself—that every man is presumed to be innocent until he is proven to be guilty. Every man has a common-law right and a constitutional right to be confronted with the witnesses against him. He has the right to face such witnesses; he has the right to cross-examine witnesses. Before any presumption of guilt attaches he is innocent, and innocent until he is proven guilty; but here comes in the ex parte statement that proves him guilty until he proves himself innocent.

Now comes one more provision of the Constitution.

Mr. CLAPP. Mr. President——

The VICE-PRESIDENT. Does the Senator from Maryland yield to the Senator from Minnesota?

Mr. RAYNER. I will when I read this; then I am going to yield the floor. The Constitution provides:

ARTICLE V.

No person shall be held to answer for a capital, or otherwise infamous, crime, unless on a presentment or indictment of a grand jury, except in cases arising in the land or naval forces, or in the militia, when in actual service in time of war or public danger; nor shall any person be subject for the same offense to be twice put in jeopardy of life or limb; nor shall be compelled in any criminal case to be a witness against himself, nor be deprived of life, liberty, or property, without due process of law.

You deprive him of his liberty without due process of law. I challenge contradiction upon the floor of this Senate, that when you confront a man with an ex parte entry and throw upon him the burden of proving his innocence, that you deprive him of liberty without due process of law.

Mr. President, I have nearly finished. I want to say again to the Senate that on this last point I am perfectly satisfied that I am right, absolutely satisfied that I am right; but I have some doubt about the first point; and if the Senator from California [Mr. FLINT] will furnish me with cases negativing the proposition, then I shall yield that point to him. I had no idea when I entered the Chamber this morning of discussing this question at all. It involves a great constitutional question; and if this bill is not amended, I have not the slightest doubt but that the courts will set it aside.

Mr. President, the other day, when we were celebrating the Fourth of July with a very refreshing colloquy between the Senator from Rhode Island [Mr. ALDRICH] and myself, I insisted upon certain principles of law. I had at the time no case at all to sustain them. We were all looking around for a case. I now have such a case, Mr. President. It is a case directly in point. It will take me only a few moments to refer to it, and it sustains every proposition of law I was contending for in that discussion. And the strangest thing about the case is that it was tried, I understand, by the junior Senator from New York [Mr. ROOT]. It was tried in the lower court, and the junior Senator from New York there attempted to maintain the proposition for which the Senator from Rhode Island contended the other day. The court ruled against him, and ruled that an information for forfeiture was a criminal proceeding.

I am going to give the Senator the case, and then the Senator from Rhode Island can, of course, do what he thinks is proper to be done. But in view of this case, I doubt very much whether the amendment, which was put in at my suggestion, does not still render this section of the law unconstitutional. I desire to submit it to the Senator from Rhode Island in just a few words, because this is an exactly identical case. I had the case in mind, but I could not think of it at the time.

Let me read the section as it stands now. It is section 67. I read from page 340 of the new bill:

Provided, That if the appraised value of any merchandise shall exceed the value declared in the entry by more than 50 per cent, except when arising from a manifest clerical error, such entry shall be held to be presumptively fraudulent, and the collector of customs shall seize such merchandise and proceed as in case of forfeiture for violation of the customs laws, and in any legal proceeding—

We had the following words put in, excepting criminal prosecutions. The question before the Senate is whether these words are sufficient. If the Senate considers them sufficient, I am willing to abide by them. But in the utmost good faith, I submit that they are equivocal, in view of the decision I shall give the Senate in a moment.

And in any legal proceeding other than a criminal prosecution that may result from such seizure, the undervaluation as shown by the appraisal shall be presumptive evidence of fraud, and the burden of proof shall be on the claimant to rebut the same, and forfeiture shall be adjudged unless he shall rebut such presumption of fraudulent intent by sufficient evidence.

The question was, Is an information for forfeiture a criminal proceeding? Because if an information for forfeiture is a criminal proceeding, then, unless you except the information for forfeiture, you put upon a man the burden of proof of his innocence. You provide in this law that he is guilty on an ex parte certificate unless he proves himself innocent.

Let us look at what the Supreme Court has said:

This was an information filed by the district attorney of the United States in the district court for the southern district of New York.

I apprehend that was Senator Root.

Mr. CARTER. Mr. President——

The VICE-PRESIDENT. Does the Senator from Maryland yield to the Senator from Montana?

Mr. RAYNER. Yes, Mr. President; I yield.

Mr. CARTER. It appeared from the discussion of this subject the other day that a misunderstanding existed with reference to the proceedings which might obtain in consequence of some dereliction occurring under this section of the law. In the first place, it seems to me that reference to the old, elementary idea of a cause of action elucidates the point very clearly.

A proceeding to forfeit title to property is essentially a proceeding in rem. It is a proceeding against the thing. It can not involve the life or liberty of any individual having any special relation to the property. If, however, it occurs that in connection with the declaration of value or any act concerning the importation, the reputed owner or the real owner is guilty of a crime, that crime would be prosecuted entirely independently of the title to the property. It would be a proceeding against the person. I think that as far as forfeiture is concerned, no question of personal liberty is involved, but only a question of title to the property or the forfeiture of it.

Mr. RAYNER. I submit to the Senator that that question is not involved. It is not a question of personal liberty now. It is forfeiture under this decision. I want to be very frank with the Senate about this. I have my serious doubts about the constitutionality of this provision. I do not intend to impede the passage of the law; but there will be some lawyer that will take hold of this section and attack it on the ground I mention. This is not a question of personal liberty. The whole question is, Is an information for forfeiture a criminal action? If it is a criminal action, the bill is wrong.

Mr. HEYBURN. Mr. President——

Mr. RAYNER. I should like not to be interrupted for just a moment. Will the Senator allow me to explain this?

Mr. HEYBURN. Oh, certainly.

Mr. RAYNER. The other day for two hours there were just a series of interruptions; and if Senators will just give me five minutes, I will either yield the floor or let the Senate adopt the provision. Let me make the explanation as plain as I can.

Is an information for forfeiture a criminal action? If it is a criminal action, you can not make this entry evidence against a man. Everybody on the floor can understand that. It is not a question of liberty; it is a question of what sort of an action it is. Is it a criminal action?

I will read what the Supreme Court say upon the subject. Mr. Justice Bradley delivered the opinion of the court. I should like the attention of the Senators who are framing the bill; for, while I shall not insist upon this, I submit to them whether they want a bill that is certainly open to attack, to say the least of it.

This was an information filed by the district attorney of the United States in the district court for the southern district of New York in July, 1884, in a cause of seizure and forfeiture of property—

That is this case—

Against 35 cases of plate glass, seized by the collector as forfeited to the United States, under section 12 of the "Act to amend the customs-revenue laws, and to repeal moieties," passed June 22, 1874 (18 Stat., 186).

Here is what the court says. The case is Boyd *v.* United States (116 U. S., 616):

The information, though technically a civil proceeding, is in substance and effect a criminal one. As showing the close relation between the civil and criminal proceedings on the same statute in such cases, we may refer to the recent case of Coffey *v.* The United States (ante, 436), in which we decided that an acquittal on a criminal information was a good plea in bar to a civil information for the forfeiture of goods arising upon the same acts. As, therefore, suits for penalties and forfeitures incurred by the commission of offenses against the law are of this quasi-criminal nature, we think that they are within the reason of criminal proceedings for all the purposes of the fourth amendment of the Constitution, and of that portion of the fifth amendment which declares that no person shall be compelled in any criminal case to be a witness against himself.

That was my contention, with this difference: I contended that the sixth amendment of the Constitution applied. Of course if it is a criminal proceeding, not only do the fourth and fifth amendments apply, but the sixth amendment applies. The sixth amendment reads as follows:

In all criminal prosecutions, the accused shall enjoy the right to a speedy and public trial, by an impartial jury of the State and district wherein the crime shall have been committed, which district shall have been previously ascertained by law, and to be informed of the nature and cause of the accusation; to be confronted with the witnesses against him; to have compulsory process for obtaining witnesses in his favor, and to have the assistance of counsel for his defense.

If this is a criminal prosecution within the meaning of Article VI, you must confront the man with your witnesses.

The Supreme Court held in this case that it was a criminal prosecution. And at the end of the decision Justice Miller, with whom was the Chief Justice, concurring, said:

I am of the opinion that this is a criminal case within the meaning of that clause of the fifth amendment to the Constitution of the United States which declares that no person "shall be compelled in any criminal case to be a witness against himself."

If such a matter comes within the fifth amendment of the Constitution as a criminal case, it comes within the sixth amendment as a criminal case. And I suggest that the amendatory language does not cure the defect, because it still leaves and treats the action of forfeiture as a civil case.

In conclusion I want to say this: As I said before, this case, as I understand it—I gave the case to the junior Senator from New York—was tried below by the junior Senator from New York. The Senate will recollect that during the course of the discussion I asked the junior Senator from New York whether this was a criminal or a civil suit. He said that he did not know. He did not recollect, evidently, this case, which he himself tried.

I have finished, Mr. President. I desire to ask unanimous consent of the Senate to place the remarks I have made to-day at the end of the entertaining colloquy that occurred last Monday between the Senator from Rhode Island and myself, so as to amplify what I then said. I ask unanimous consent of the Senate to take that course. I think I have sustained the principles for which I am contending.

The VICE-PRESIDENT. Is there objection to the request? The Chair hears none.

Mr. ALDRICH. I should like to ask the Senator if he can suggest some other language than that?

Mr. RAYNER. I will tell the Senator what I would do. If the Senator will submit the matter to the Attorney-General, or anybody else, I will abide by the decision. But I really should not want to make an ex parte statement testimony in a case that the Supreme Court has held is a criminal case. I should not make this entry evidence. I should let the man be convicted or acquitted just as other people are convicted or acquitted—that is, on the testimony of the witnesses who confront him—under the Constitution. Leave that clause out. There is no trouble in producing the testimony against him.

I give it as my opinion now, after a careful examination—and the Senate can take it for what it is worth—that you can not in a criminal prosecution throw upon a man the burden of his innocence. I therefore suggest leaving that clause out of the law.

Mr. ALDRICH. I will say to the Senator from Maryland that this subsection has already been agreed to in the form in which it now stands. But in the conference committee the managers on the part of the Senate will take the matter very seriously into consideration, and will confer with the Attorney-General with reference to it, and make such amendments as may seem best under all the circumstances.

Mr. CLAPP. Mr. President, I should like the Senator from Rhode Island to answer a question. I confess that I never had occasion to examine the customs laws so far as they relate to the punishment of offenders. I should like to ask the Senator if it is his understanding that for twenty years, under the laws of this country, the findings of a board of appraisers was evidence, and made evidence by law, of fraud in a proceeding criminal in its character instituted against the importer?

Mr. ALDRICH. The provision of law to which the Senator alludes is largely a reproduction of the law as it existed prior to 1890. It has always been the law so far as I know. I think it has been ever since 1789.

Mr. BAILEY. Mr. President——

Mr. ALDRICH. Allow me to finish my sentence. Where the appraisers found that goods were undervalued to a certain extent, it was provided that that finding should be prima facie evidence of fraud. That, I think, has been true under all the customs laws from the beginning of the Government.

Mr. CLAPP. That would be true and would be legal as against the claim of the claimant against the Government, because the Government unquestionably could impose any condition it saw fit; but if it has been the law that such a finding should be taken as presumptive evidence of fraud in a proceeding instituted by the Government, then it certainly is time that we changed the law.

Mr. BAILEY. I wanted to say that the Senator from Minnesota in his question at first asked if it had been considered as presumptive evidence of guilt. Of course, if he means in a criminal proceeding, no.

Mr. ALDRICH. No.

Mr. CLAPP. That is what I meant.

Mr. BAILEY. It can not, in my judgment, be used in that way safely, although I say that with some reluctance, in view of a recent line of decisions in some of the States which have been trying to enforce their prohibition laws. It has been held that the mere possession of liquor was prima facie evidence that it was held for the illegal purpose of selling it. But that is going a long way.

Mr. CLAPP. Yes; but that does not go so far as this provision goes.

Mr. BAILEY. I think if this provision be read carefully—I have read it hastily here—it will be seen that the farthest it can be used is in proceeding to forfeit.

Mr. ALDRICH. That is what I was going to say. That is the precise question. It is used for the purpose of working a forfeiture, and nothing else.

Mr. CLAPP. The Senator from Rhode Island says that this is a substantial copy of existing law. I want to point out that a very little difference in language might make a very great difference in legal effect. The provision contains this language:

And in any legal proceeding that may result from such seizure—

A legal proceeding that might result from such seizure might be a criminal prosecution. If the Senator from Rhode Island is right about that, then the law is good, but if the Senator from Maryland is correct——

Mr. ALDRICH. That is my understanding of the law.

Mr. CLAPP. The law is absolutely void.

Mr. RAYNER. I should like to ask the Senator from Minnesota if a criminal proceeding is not a legal proceeding?

Mr. CLAPP. That is what I have stated.

Mr. ALDRICH. It may be a legal proceeding, but it is not a legal proceeding for the forfeiture of goods.

Mr. CLAPP. This is not limited to proceedings for forfeiture.

Mr. ALDRICH. It relates to forfeiture, and nothing else.

Mr. CLAPP. No; if the Senator will just permit me a moment, it reads:

And in any legal proceeding that may result—

Not for forfeiture, but—

from such seizure, the undervaluation as shown by the appraisal shall be presumptive evidence of fraud.

Then it goes on—

And the burden of proof shall be on the claimant to rebut the same.

When? Clearly only when the claimant is seeking a recovery. If the Senator from Maryland is correct, that in any legal proceeding this shall be presumptive evidence of fraud, I think anyone will agree with me that that would not be a valid enactment.

Mr. HEYBURN. Mr. President——

The VICE-PRESIDENT. Does the Senator from Minnesota yield to the Senator from Idaho?

Mr. CLAPP. With pleasure.

Mr. HEYBURN. I think that is the existing law, and has been for nineteen years. I have just compared the language.

Mr. ALDRICH. It is the same language.

Mr. HEYBURN. Take page 5 of the existing law. As I have it here, that provision——

Mr. ALDRICH. Not a single word or syllable is changed from the law as it has been since 1890.

Mr. HEYBURN. As I have stated, I have just compared the language.

Mr. CLAPP. I want to say that the only escape from it would be that the language, taken together, would not make this evidence in a proceeding against the claimant on the part of the Government.

Mr. ALDRICH. I was one of those who prepared that enactment originally, and I certainly never had any such idea or contemplated that it could be possibly construed in that way. It was only intended, of course, to cover procedure for forfeiture.

Mr. RAYNER. One line will amend it, and why not do so?

Mr. HEYBURN. It has never been construed as suggested by the Senator from Minnesota [Mr. CLAPP]. The construction that the courts have placed upon it is that when an independent criminal proceeding is commenced, it proceeds under the ordinary rules of evidence; but this is only as applied to the provisions of this bill.

Mr. BAILEY. The Senator from Maryland and the Senator from Minnesota are both right, if those words can be construed to include a criminal procedure.

Mr. HEYBURN. They have not been so construed.

Mr. BAILEY. That they have not been so construed is the only way to save the provision from the objection which the Senator from Maryland and the Senator from Minnesota both make to it. Of course, if the langauge has been construed, then it is well enough to leave it; but if it has not been construed, except by no attempt to enforce it in criminal cases, I think, as a matter of proper caution, we ought to confine it so that it could not be invoked, or attempted to be invoked, in a criminal proceeding.

Mr. HEYBURN. The cases are not tried in the same court.

Mr. BAILEY. I understand that.

Mr. HEYBURN. The criminal proceedings are tried in a court having its own independent rules of procedure.

Mr. RAYNER. Are there any cases on the subject, I ask the Senator from Idaho?

Mr. HEYBURN. I have sent for my notes on the criminal code which we enacted. I may probably be able to refer the Senator to some authorities. I do not care to speak offhand, although I may know them.

Mr. ALDRICH. Mr. President, I should like to say to the Senator from Texas that if there is any change that he can suggest that will make the language perfectly clear, I should be glad to have him do so. There never was such an intention as has been expressed here and no such purpose.

Mr. BAILEY. Yet to anybody reading the language for the first time it would naturally occur that it might be broad enough to include that. But, Mr. President, I have no hesitation in saying that I know probably less about criminal law than any lawyer on this floor. I have never practiced it.

Mr. SUTHERLAND. I have just a word to say, and then I will yield the floor. The Senator from Maryland [Mr. RAYNER] would be entirely correct if this provision should be applied to criminal cases. I do not think there could be any doubt about that at all, because under the Constitution every person accused of crime is entitled to be confronted by the witnesses against him; but I think it is quite clear, from a consideration of the proviso, that it does not apply to a criminal case, and can not by any sort of construction be held to apply to a criminal case. After the preliminary portion, the language of the proviso is:

Such entry shall be held to be presumptively fraudulent, and the collector of customs shall seize such merchandise and proceed as in case of forfeiture for violation of the customs laws—

By that phrase the collector of customs is directed in this event to proceed as in the case of forfeiture for the violation of the customs laws—

And in any legal proceedings that may result from such seizure.

Plainly and manifestly referring to the preceding clause, which has reference to an action for forfeiture. So that it seems to me there is no need of any amendment. It is perfectly apparent that the provision only applies to that sort of action.

Mr. McCUMBER. Right there I want to call the Senator's attention to the fact that there is no criminal procedure that originates or could originate from the seizure.

Mr. SUTHERLAND. No.

Mr. McCUMBER. No crime is based upon anything that pertains to the seizure, hence no criminal procedure would arise from that seizure.

Mr. SUTHERLAND. The Senator is right about that. The phrase "in any legal proceeding that may result from such seizure" plainly has reference to the particular legal procedure which is mentioned in the clause preceding.

Mr. ROOT. Mr. President, the Senator from Utah has made the precise suggestion which I rose for the purpose of making, that the only legal proceeding which will arise from the seizure will be a claim.

Mr. RAYNER. I should like to ask the Senator from New York whether a proceeding for the forfeiture of a man's property is a criminal procedure?

Mr. ROOT. It may be, and it may not be.

Mr. RAYNER. If it may be, then the clause is illegal.

Mr. ROOT. But in contemplation of law, when there has been a violation, upon which a forfeiture is visited, the title vests immediately in the Government, and all persons claiming the property are put to their affirmative proceeding to secure possession of it. It has been time out of mind, it has always been, so far as I know, the practice of this Government to determine the rules of evidence upon which such an affirmative proceeding against the officers of the Government could be maintained, and to impose the burden of proof upon the claimant.

The language that is referred to here is taken directly from the act of 1890. It does not change that language, and that language in turn simply states the law as it had existed before, so far as I am able to ascertain it; and it is by no means an

isolated case. There are many instances in which similar provisions of law establishing rules of evidence have been enacted by the Congress of the United States.

For example, under the old smuggling statute, the law which makes the importation of goods contrary to law a criminal proceeding and creates liability to forfeiture of goods or forfeiture of double value, the provision was, and I dare say still is, that the possession of goods which have been imported contrary to law shall be presumptive evidence of a knowledge on the part of the possessor that the goods which he possesses were imported contrary to law. It will be seen that that provision, under which the person's goods may be forfeited, or he may be sued for double their value, throws the burden of proof upon him to show that he had not knowledge of their importation contrary to law. I refer to that as an analogous exercise of power, because I know the law in question went to the Supreme Court of the United States in the case of United States *v.* Claflin.

While I am on my feet let me first congratulate the Senator from Maryland [Mr. RAYNER] on the perfectly beautiful time he has been having. I have never known a more safe or more sane Fourth of July, and I have never known an address upon this inspiring day which gave more delight and joy to the auditors. And let me follow that heartfelt expression of appreciation and gratitude by a simple statement of what I understand this proposed law to do.

Prior to the year 1890, and still, the decision of the appraisers was and is, but for the extension of opportunity afforded by the proposed law, final upon the question of value. That does not come in question. Prior to 1890 the decision of the collector upon the classification of goods, which determined whether they were to be classified under a clause fixing one rate of duty or another clause fixing another rate of duty, was final so far as the question between the Government and the owner or importer was concerned. The importer was bound to pay the duty; but he could pay it under protest, and could then sue the collector individually to recover back any excess which he deemed that he had been obliged to pay over the lawful rate. Before 1890, as I said, those suits against the collector were tried in the circuit court of the United States as jury cases. Originally the recourse was only against the collector individually. It did not concern the Government. The suit was not brought because the collector had been acting under the law, but was based upon the theory that he had been acting without the law; that he had been violating the law. And in order to relieve the collectors from the unfortunate consequences of errors in judgment, Congress provided that upon a certificate of good faith from the court, judgments against collectors should be paid out of the Treasury of the United States.

In 1890 Congress provided that there should be an appeal to the Board of General Appraisers to pass upon the question of classification, and a review upon the question of classification by the circuit court of the United States. That was the first time the importer had an opportunity to go up beyond the collector himself and get a review of that question.

Section 15 of the act of 1890 provided:

> That if the owner, importer, consignee, or agent of any imported merchandise, or the collector, or the Secretary of the Treasury, shall be dissatisfied with the decision of the Board of General Appraisers, as provided for in section 14 of this act, as to the construction of the law and the facts respecting the classification of such merchandise and the rate of duty imposed thereon under such classification, they or either of them may, within thirty days next after such decision, and not afterwards, apply to the circuit court of the United States within the district in which the matter arises for a review of the questions of law and fact involved in such decision. * * * Thereupon the court shall order the board of appraisers to return to said circuit court the record and the evidence taken by them, together with a certified statement of the facts involved in the case and their decisions thereon, and all the evidence taken by and before said appraisers shall be competent evidence before said circuit court.

It appears that under that provision for the past nineteen years these questions have been passed upon by the circuit court of the United States reviewing the action of the Board of General Appraisers upon a certified record of the testimony before the Board of General Appraisers and a certified statement by that board as to the facts. A year ago there was an amendment which authorized the court to send the case back for the taking of further testimony if they did not find that the facts were sufficiently before them upon the evidence returned in the first instance.

That seems to be the present state of the law and the practice, and it seems to have gone substantially unchallenged for the past nineteen years. What this bill does is not to create a new kind of practice, but to transfer from the circuit court of the United States to a new customs court the same jurisdiction to pass upon the questions of classification and rate of duty in the same way, upon evidence sent to them exactly as it is sent to the circuit court of the United States.

Mr. RAYNER. May I interrupt the Senator there?

Mr. ROOT. Certainly.

Mr. RAYNER. I will ask the Senator from New York where there is any such provision as that in this law? I have not seen it.

Mr. ROOT. In which law; the new law?

Mr. RAYNER. Yes; the new law.

Mr. ROOT. Look at page 42 of the law, beginning with line 9. You will find there an exact reproduction of section 15 of the act of 1890. It reads:

> If the importer, owner, consignee, or agent of any imported merchandise, or the collector or Secretary of the Treasury, shall be dissatisfied with the decision of the Board of General Appraisers as to the construction of the law and the facts respecting the classification of such merchandise and the rate of duty imposed thereon under such classification, or with any other appealable decision of said board, they, or either of them, may, within sixty days next after the entry of such decree or judgment, and not afterwards, apply to the United States court of customs appeals for a review of the questions of law and fact involved in such decision.

Mr. RAYNER. May I ask the Senator another question?

Mr. ROOT. Certainly.

Mr. RAYNER. Further over I find this language, "and all the evidence taken by and before said board shall be competent evidence." There is no doubt about that. Does that preclude this court from taking any other evidence at all? Look at lines 7 and 8, on page 43. That evidence is competent evidence; but it does not preclude the parties from giving any other evidence before a court of review, does it?

Mr. ROOT. That is the precise language of the act of 1890.

Mr. RAYNER. It may be.

Mr. ROOT. These words also occur in the act of 1890.

Mr. RAYNER. I can well understand, if the Senator will allow me, why that evidence should be competent evidence, because both parties were present, and were perhaps represented by counsel, and everything of the kind. I do not know what the practice has been under the act of 1890; but suppose there should be some newly discovered evidence of the highest importance which had come to light after the decision of the appraisers. The Senator from New York will not contend that before this court of customs, which is to be the final court, I could not produce a witness that would absolutely change the decision of the appraisers?

Mr. ROOT. No. It appears, however, that even before the passage of this act of 1908 the courts had adopted the practice of sending cases back to the Board of General Appraisers. I find in the case of Dieckerhoff, in Forty-fifth Federal Reporter, at page 235, that the district attorney and the counsel for an importer united in an application to the circuit court to send the matter back in order to get a further return from the Board of General Appraisers. The same thing was done in the case of Blumlein and a number of other cases in the same volume, at page 236. The law then goes on, using the same words as the act of 1890, to declare that—

> The decision of said court of customs appeals shall be final, and such cause shall be remanded to said Board of General Appraisers for further proceedings to be taken in pursuance of such determination.

That, again, merely reproduces the provisions of the act of 1890, substituting the court of customs appeals for the ordinary circuit court. I apprehend that the question of constitutionality does not arise here upon the terms of the proposed statute. It seems to me there is no doubt whatever that it is competent for the Government in all proceedings as between itself and an importer to say that the decision of such a tribunal shall be final, and end the matter there. That is essential to the efficacy of proceedings for the collection of taxes.

While it is a subject I have not examined, there may still be, outside of the limits of this legislation, by force of the operation of the Constitution, a right on the part of the importer or the owner to bring suit for the recovery of money exacted from him without warrant of law, just as he could bring suit under the old act of 1883 when money had been exacted from him without warrant of law by the collector. I do not think, however, that that question is one which arises upon this statute.

Mr. RAYNER. Would he not be entitled to a jury trial in a case of that sort?

Mr. ROOT. Undoubtedly he would.

Mr. RAYNER. If you will give him a jury trial under this amendment, I will withdraw my objection.

Mr. ROOT. But this amendment does not relate in any way whatever to that proceeding.

Mr. RAYNER. Let me ask the Senator from New York—because this is an entirely different argument from that conducted by the Senator from Rhode Island, and we have gotten more in two minutes from the Senator from New York than we have from all these interruptions of the distinguished Sen-

ator from Rhode Island—whether this does not make the decision final?—

The decision of said court of customs appeals shall be final.

I can talk now so that we can understand each other, because the Senator from Rhode Island would not understand this at all. If this decision is final, could it not be pleaded as res adjudicata against any suit that might be brought?

Mr. ROOT. That may be. I say I have not examined the question. It may be, however, that it would be held to be final, just as the decision of the collector before was held to be final as between the Government and the importer. This law does not seem to me to carry the finality of the decision of the proposed customs court any further than the old law carried the finality of the decisions of the collector.

Mr. RAYNER. Then let me ask the Senator another question, because I am quite sure we want to have a law that is valid. What I am after is a jury trial at some stage of the proceedings. In order to avoid all question, what is the objection to putting into the law a provision that after the decision of the court if the party aggrieved wants a jury trial upon the question of fact, he can go into the circuit court of the United States, just as he can go there now and could do under the act of 1890?

Mr. ROOT. The Senator must not ask me that question, for this is not my law.

Mr. RAYNER. No; I know the Senator from New York never drew a law like this.

Mr. ROOT. Personally, I am not in favor of having a new court. I do not oppose it, however, because gentlemen more familiar than I am with the present course of administration of the customs laws think it is necessary. Nevertheless I do not become its advocate; I merely yield to their judgment. So while I am willing to aid the Senator's Roman holiday in any way within my power, he must not ask me a question about what should or should not be done.

Mr. RAYNER. The Senator from New York certainly does not yield to the legal judgment of the Senator from Rhode Island. That would not be a legal holiday.

Mr. ROOT. My understanding is that the Senator from Maryland regards the opinion of the Senator from Rhode Island as being entirely a legal holiday.

Mr. RAYNER. I regard it as an illegal holiday.

Mr. HEYBURN. Mr. President, there should be no misunderstanding of the proposition submitted by the Senator from Maryland. His contention, as I understand it, is that in being deprived of the right to trial by jury these parties are deprived of a constitutional right. I understand that to be the burden of his objection, aside from the finality of the judgment.

All through the laws of this country, and all through its history, Congress has been making just such provisions. Wherever a controversy arises between the Government and one of its citizens as to whether or not the citizen has complied with the provisions of a law under which he may claim something from the Government, Congress has exercised the right to provide a tribunal to limit or prescribe the manner of trial. The case of the public lands is exactly in point. There the party makes an application for a patent to land. Another party files what is known as an "adverse." Congress has said that the case shall then be transferred to the court and tried under the ordinary rules of procedure. But Congress also took the liberty to say that the party should not be entitled to a jury trial. Even though the case involves every question as to character that this one involves, Congress says the party shall not have a jury trial—or the Supreme Court, in interpreting the act of March 3, 1881, has said so, and it has repeated itself since.

That is exactly in point on the question of a jury trial, because the court put it upon the ground that these are special proceedings. The right of action is derived from an act of Congress in regard to an extraordinary proceeding, and it is within the power of Congress to stop the trial at any point or to prescribe any limitations during the trial. Then the court says that the decision of an intermediate court shall be final; but, just as in a customs case, I imagine, if the intermediate court has violated the fundamental principles of law, you can apply to the Supreme Court of the United States for a writ of certiorari to bring up the proceeding for review. Of course that is not a right. That is a privilege the granting of which is discretionary with the court, and the court is governed only by the peculiar conditions and circumstances of the case.

That is an illustration that this proceeding is not extraordinary, and does not stand alone. I can cite a dozen such proceedings, special in their character, in the public laws of the United States, some of them decided finally in the lower court and others in the court next above, and so on; but always, of course, with the right to ask the highest court in the land to bring up the proceedings and review them, to see whether or not, first, the court had jurisdiction——

Mr. RAYNER. Will the Senator from Idaho yield to me?

Mr. HEYBURN. Yes.

Mr. RAYNER. There is no doubt about those cases and that law. But what possible similarity is there between that line of cases and a case that involves the forfeiture of a man's property and his liberty?

Mr. HEYBURN. It does not involve his liberty.

Mr. RAYNER. I beg the Senator's pardon. If a man makes a false entry he goes to prison.

Mr. HEYBURN. He does that in the land cases; but he does it in another court.

Mr. RAYNER. Where is there any such case? If the Senator has such a case, I should like to see it; and upon its production I will withdraw every word I have said. The forfeiture of a man's property is a criminal proceeding. It is one of the severest proceedings known to the common law.

Mr. HEYBURN. Let me answer that argument right there.

Mr. RAYNER. Just let me finish the sentence. You not only forfeit the man's property but you send him to prison. Where is there a case in the United States that says you can do that without giving a man, in the first place—mind you, in the first place—the right to a jury trial to determine the question of classification? And, in the second place, where is there a case which says he can be convicted upon the ex parte statement of a collector? If there is any such case, I should like to have it.

Mr. HEYBURN. I could give the Senator cases directly in point. For instance, the issues in a land case may be, and often are, as to whether or not a man has forfeited rights which were well established in him.

In many cases, perhaps in a large percentage of mining cases, the question is, "Has he forfeited some right which he had under the general law?" The Government determines that he has or has not forfeited the right. That is a determination of forfeiture. It is made in a civil proceeding. If he has forfeited his right, and has made false affidavits or has given false testimony, he is taken into another court, and there punished for the crime. The forfeiture does not necessarily involve the determination of the grade of the crime or its character. It is merely a declaration of forfeiture. The lands revert to the Government of the United States. The forfeiture is then complete, and the criminal prosecution does not arise out of the fact that he has suffered a forfeiture. It arises out of the manner in which he has undertaken to defend an unrighteous claim.

Mr. RAYNER. Mr. President, before the Senator sits down, I should like to ask him whether there is any proceeding of that sort where a man can be convicted upon an ex parte affidavit? That is what I want to know.

Mr. HEYBURN. No; and neither could that be done in these customs cases, because when he is in the criminal court he has certain rights that the Constitution gives him, and he is not tried upon affidavits; he is tried upon testimony.

Mr. RAYNER. I beg the Senator's pardon. If there is no testimony produced—and I want to call the Senator's attention to this—the man is convicted on the ex parte statement of a collector.

Mr. HEYBURN. I know of no such law, and there is no such decision. I have had occasion to review the decisions of the courts on that line. I undertake to say there is no decision recorded in which the court permitted conviction on forfeiture without trying the criminal case upon the facts.

Mr. RAYNER. This proposed law says that he shall be found guilty unless he produces testimony in his favor.

Mr. HEYBURN. Will the Senator kindly point me to the exact words on which he bases that statement? Give me the page and line.

Mr. RAYNER. On page 15:

And in any legal proceeding that may result from such seizure, the undervaluation as shown by the appraisal shall be presumptive evidence of fraud and the burden of proof shall be on the claimant to rebut the same.

There can not be anything plainer than that.

Mr. HEYBURN. That only goes to the question of measuring the weight of the evidence; it does not foreclose him.

Mr. RAYNER. But it throws on him the burden of proving his innocence, which you have no right to do under the Constitution of the United States.

Mr. HEYBURN. That is not a criminal case.

Mr. RAYNER. What is the forfeiture?

Mr. HEYBURN. We have the same presumption in the land laws.

Mr. RAYNER. Is not forfeiture a penal case?

Mr. HEYBURN. Forfeiture is not a case at all. It is simply the thing upon which a case may be based. Suppose, for instance, a man has made a double homestead entry; the same presumption arises against him there, because he is presumed to know the law. He has made two entries when he can make but one, and there is a presumption there of criminal intent in making a second entry, but he can show circumstances that would exonerate him from that presumption and acquit him.

Mr. SUTHERLAND. The Senator from Maryland insists, as I understand it, that the forfeiture of goods is a criminal proceeding?

Mr. RAYNER. Penal.

Mr. SUTHERLAND. A penal proceeding. At common law the forfeiture of goods in some instances may operate as a punishment for crime, but I never have understood that the action on the forfeiture of goods was itself a criminal action. We bring a civil action——

Mr. BAILEY. Not a criminal action, but it is a penal action, and stricter proof is required and stricter proceeding required than in an ordinary act of forfeiture. The Senator from Maryland did once call it criminal procedure, but he corrected himself and described it as it is.

I think that really the only difference between the Senator from Maryland and the other Senators is as to the effect of the words "in any legal proceeding." I believe it satisfies me, and I know it would satisfy the Senator from Maryland, if we may be sure that these ex parte affidavits were not to be used to jeopardize any citizen's liberty. Really the whole controversy revolves around whether that is true or not. If those in charge of the bill, either by amendment or by the show of construction, can satisfy us on that point, I think that would be the end of it.

Mr. FLINT. Let me make a statement. It is the intention of the committee to cover just what the Senator from Texas has stated, and not to include a criminal proceeding in this procedure.

Mr. RAYNER. If there is not any objection to putting that in the bill, it settles this whole business.

Mr. SUTHERLAND. Let me ask the Senator from Texas a question before he enters into negotiations with the committee about this matter. The Senator from Texas speaks of an action before the courts as being a penal action. I think he is hardly accurate in making that description. It is true the law required greater evidence in an action of that character. That was because of the maxim that forfeitures were not favorites of the law. But I do not think it is strictly accurate to speak of an action to forfeit as a penal action.

Mr. BAILEY. The Senator will agree that there are three kinds, the civil, criminal, and the penal acts. The action to enforce a forfeiture is not a criminal action, nor is it a civil action; it is a penal action. Although I do not pretend to much knowledge of these matters, I think the Senator will find upon an examination of the books that the division is in the three classes I state—civil, criminal, and penal.

Mr. BORAH rose.

Mr. BAILEY. I may be wrong. I see that the Senator from Idaho [Mr. BORAH] is on his feet and is smiling. I am not sure whether he is laughing at me or whether he agrees with me.

Mr. BORAH. I am not going to laugh at the Senator at any time.

Mr. BAILEY. I hope I find the Senator agreeing with me, then.

Mr. BORAH. My opinion is that a forfeiture is a civil action of a penal nature.

Mr. BAILEY. They sometimes call it a quasi criminal action.

Mr. SUTHERLAND. The Senator from Texas will agree with me that an action for forfeiture may be brought by one individual against another upon a contract.

Mr. BAILEY. That is a forfeiture of what was stipulated between them.

Mr. SUTHERLAND. Certainly.

Mr. BAILEY. On this kind of a case I can not analyze the nature of it, and I think Senators will agree with me. I admit my ignorance of these matters. I was never employed in half a dozen criminal cases in my life. I found pretty early that it was rather difficult for a man to practice criminal law without engaging in criminal practice, and I sought to eschew it.

In this very case the purpose of the Government is to enforce forfeiture as a part of the punishment for a given offense. If that does not constitute almost a criminal, and certainly a penal, action, I do not know how to define it.

Mr. CARTER. Mr. President——

The VICE-PRESIDENT. Does the Senator from Utah yield to the Senator from Montana?

Mr. SUTHERLAND. I should like to finish my statement, and then I will yield, if the Senator will wait a moment.

Mr. CARTER. I will forego the suggestion for the time being.

Mr. SUTHERLAND. If the Senator from Maryland will give me his attention for just a moment——

Mr. RAYNER. The Senator is speaking of a contractual forfeiture. I submit to leave that out of the question. I ask the Senator if this is not a qui tam action?

Mr. SUTHERLAND. Just at the moment I can not answer the question.

Mr. RAYNER. It is a qui tam action. I might have left out the word "criminal." We have a penal statute under which there is a qui tam action in my State. I do not know how it is in other States. I have brought three or four suits under it.

Mr. SUTHERLAND. It is certainly not a criminal action, so far as to come before a jury. If the Senator from Maryland will give me his attention for a moment, I believe I can convince him that the phrase which is used in reference to criminal proceeding that may result from seizure can not possibly have any application to any criminal proceeding. The Senator will observe, in the first place, the following language is used:

> And the collector of customs shall seize such merchandise and proceed as in case of forfeiture for violation of the customs laws, and in any legal proceeding that may result from such seizure.

Manifestly the phrase "legal proceeding that may result from such seizure" has reference to the legal proceedings that are referred to in the clause immediately preceding. As indicating that, if the Senator will follow on, he will see that it proceeds:

> The undervaluation as shown by the appraisal shall be presumptive evidence of fraud, and the burden of proof shall be on the claimant to rebut the same, and forfeiture shall be adjudged unless he shall rebut such presumption of fraudulent intent by sufficient evidence.

Mr. BAILEY. I suggest to the chairman and the members of the committee that what will satisfy the Senator from Maryland entirely is that we will insert, after the words "any legal proceeding," the words "not of a criminal character."

Mr. ALDRICH. That is perfectly satisfactory.

Mr. RAYNER. I will accept that.

Mr. ALDRICH. That is the clear intention.

Mr. RAYNER. I will accept it.

Mr. BAILEY. That settles it.

Mr. BORAH. Mr. President, I am not going to discuss the constitutionality of the act. I shall examine it with that in mind. I think it is unfortunate that it is constitutional. I look upon the proceedings for the collection of the tax as coming under entirely different rules of law than those in the case which we have been discussing for the last hour.

Mr. President, as it is undoubtedly to be presumed that this measure will become a law in some form, I want to call attention to some features of it I think worthy of the consideration of the committee before it is finally passed.

In the first place, on page 39, beginning with line 15, the act provides that this customs court of appeals "shall always be open for the transaction of business, and sessions thereof may be held annually or oftener by the said court in the several judicial circuits at the following places." Then it provides for a roving court from Boston to New York, Philadelphia, Baltimore, New Orleans, Galveston, Chicago, Seattle, Portland, and San Francisco.

It occurs to me that if it is to be a court in any sense of the term and become a permanent part of our judicial system, it ought not to be in the nature of a roaming commission. It ought to have at least one or two established points for the purpose of holding its sessions.

But that leads up to another suggestion, where it says that "any three of the members of said court shall constitute a quorum." Is it the understanding of the committee, if three constitute a quorum, two agreeing in opinion, that opinion shall be the opinion of the entire court, and that the minority shall establish the opinion for the majority of the court? When you have a court composed of five, it seems to me it would be a rather remarkable condition to prevail if two of the members may render an opinion which is valid.

Mr. FLINT. It must be a unanimous opinion. If the first have failed to agree, then it shall be a decision of the full court of five judges.

Mr. BORAH. That is a portion of the act which I have not been able to find. To what provision does the Senator refer? I went through it with a view to finding whether that was true, and I was unable to find any provision which would annul the effect of the provision upon page 40, lines 6 and 7. If that stands alone, undoubtedly less than a majority of the court could render the opinion.

Mr. FLINT. I have not read it since it was printed, and I can not turn to it.

Mr. BORAH. It is possible that the provision is in the act, but I have not been able to find it.

Mr. FLINT. It may have been omitted. It was a matter which was brought up, I will say to the Senator, after some discussion, and I called it to the attention of the committee. In glancing over it it appears that it was omitted. I am very glad the Senator has called attention to it because it is the intention of the committee that the decision shall be by three, and where an appeal is given it shall be by a majority of the court of five, so that the decisions shall be uniform throughout the United States.

Mr. BORAH. I understand that if it has been omitted it will be inserted.

Mr. FLINT. Yes, sir.

Mr. BORAH. I feel quite sure it has been omitted. I have not been able to find it.

Mr. BACON. I will thank the Senator from Rhode Island if he will accept the amendment which I propose to offer on the thirty-ninth page, inserting the word "Savannah" in the fifth circuit after the words "New Orleans." I will state the fact that the fifth circuit has, I think, twice as much seacoast as any other; in fact, I am sure of it. Unless it is the California circuit, I expect it has four times as much seacoast as any other circuit in the United States.

Mr. ALDRICH. I have no objection to that. It ought to come in after the word "of," in line 22, and before the words "New Orleans," so as to read, "cities of Savannah, New Orleans," and so forth.

The VICE-PRESIDENT. The Secretary will report the amendment.

The SECRETARY. On page 39, line 22, after the word "of" and before the words "New Orleans," insert the word "Savannah."

The amendment to the amendment was agreed to.

Mr. HEYBURN. I ask the chairman of the committee to accept an amendment, on page 23, by striking out the word "evidence," in line 1. I will say that that provision stands alone in legislation organizing and determining the power of courts. It is not in the law as it now exists. It allows the Board of General Appraisers, which is a minor court, to "establish from time to time such rules of evidence, practice, and procedure." The law as it stands now says they may establish from time to time such rules of practice and procedure. That is right, and Congress has never undertaken to come in to give a court the power to establish rules of evidence.

Mr. ALDRICH. Very well, strike out the word "evidence," in line 1, page 23.

The VICE-PRESIDENT. The Secretary will report the amendment to the amendment.

The SECRETARY. On page 23, line 1, strike out the word "evidence" and the comma.

The amendment to the amendment was agreed to.

Mr. SHIVELY. I offer an amendment on page 38, which I send to the desk.

The VICE-PRESIDENT. The amendment will be stated.

The SECRETARY. On page 38, line 2, strike out the word "ten" and insert the word "seven," so as to read:

Each of whom shall receive a salary of $7,000 per annum.

Mr. SHIVELY. Mr. President, I shall not discuss this amendment. In the light of other salaries paid, it requires no explanation. The bill fixes the salary of a judge of the proposed customs court at $10,000 per year. This court is to have jurisdiction over only a single line of cases. The United States circuit court has jurisdiction over a wide range of cases and a large variety of subject-matter. A United States circuit court judge receives a salary of $7,000 a year.

Mr. ALDRICH. I think the committee reached the understanding; I think the amendment has not been made; but the understanding was that the judges should be paid the same salary as the circuit judges.

Mr. McCUMBER. I think it is $7,500.

Mr. ALDRICH. It is $7,500, I think.

Mr. SHIVELY. In your last legislative, executive, and judicial appropriation act you appropriated salaries for 29 circuit judges at $7,000 each.

Mr. GALLINGER. That is right.

Mr. HEYBURN. We remember it. The Senate made it $7,500, but the House knocked it out.

Mr. KEAN. The House knocked it out.

Mr. ALDRICH. I am willing to accept the amendment to the amendment.

The VICE-PRESIDENT. The question is on agreeing to the amendment to the amendment.

The amendment to the amendment was agreed to.

The VICE-PRESIDENT. The question is on agreeing to the amendment as amended.

Mr. CLARK of Wyoming. I should like to make a parliamentary inquiry. It is whether the sections are segregated or to be considered separately.

The VICE-PRESIDENT. The amendment is considered as one amendment. It was offered as one amendment.

Mr. CLARK of Wyoming. There are distinct parts of the amendment. It occurred to me——

Mr. ALDRICH. They are all together as one symmetrical provision. It is all one section.

Mr. CLARK of Wyoming. It occurs to me that the proposition on the composition of the court is a different proposition from the other. I, of course, desire to follow the committee in the general scope of the amendment. I can not say that I am very heartily in favor of the court proposition. I should like to vote separately on it.

Mr. ALDRICH. Of course there is no objection to that; but I think the Senator from California has a long statement, which he is hesitating about making. I think the Senator himself, if he should hear the argument in favor of the question, would be as enthusiastic for it as the members of the committee are. I am quite sure of that. I hope the Senator will not ask for a division, because it is a part of a whole proposition, and if the Senator finds any objection to it——

Mr. CLARK of Wyoming. I should hate to vote on the whole proposition. I desire to state——

Mr. ALDRICH. I think, if the Senator will talk to the Senator from California and read some portion of the argument, he will have no hesitancy at all in supporting it.

Mr. BORAH. Mr. President——

The VICE-PRESIDENT. Does the Senator from Wyoming yield the floor.

Mr. CLARK of Wyoming. I simply make the parliamentary inquiry, if it is intended as one amendment.

Mr. ALDRICH. It is.

Mr. CLARK of Wyoming. And it must be so acted upon. I very much regret I shall have to part from my support of the committee in this matter, because I can not vote for a court that absolutely takes the property and disposes of it and allows the disposition of it without an opportunity to appeal to some other tribunal.

Mr. BORAH. Do I understand it is the purpose of the committee to make any explanation in regard to the court?

Mr. ALDRICH. I think not. The matter has been very carefully considered by the committee, and we have given great attention to it. I feel perfectly certain that if the Members of the Senate should examine the question as carefully as the committee did there would be no vote in the Senate against it. It is not a question of partisan judgment at all. It has been considered by the committee, the Republicans and the Democrats alike. It is simply a question of the honest enforcement of the law. The committee, the officers of the custom-house, the officers of the Department of Justice, everybody, have agreed that this proposition is a necessity if we expect to have the prompt and honest enforcement of the customs laws.

Mr. GALLINGER. Mr. President, I rose to inquire of the chairman of the committee as to the present salary of the general appraisers. Is it $9,000?

Mr. ALDRICH. Nine thousand dollars.

Mr. GALLINGER. That is the present law?

Mr. ALDRICH. Yes; that is fixed by law.

Mr. NELSON. I simply desire to call attention to Rule XVIII. I think under that clearly the amendment is divisible and we have a right to a separate vote upon it.

The VICE-PRESIDENT. The Chair has not ruled that it is not divisible.

Mr. ALDRICH. I did not say it is not divisible.

The VICE-PRESIDENT. The Chair has not so ruled.

Mr. NELSON. We have a right to have a separate vote on the proposition relating to a court, as distinct from the other, if the Senator from Wyoming asks for it.

Mr. BACON. I desire to ask the Senator from Rhode Island a question. I had several inquiries by those who are interested as to section 11. I want to see if I am correct in my understanding of it.

Mr. ALDRICH. The Senate has modified that amendment to-day, I think, along the line suggested.

Mr. BACON. I have examined the amendment, and the question I want to ask the Senator is this: As thus modified there is practically no difference in the rule of appraisement from what there is now, except as to the classification of things where the foreign market value can not be readily ascertained.

Mr. ALDRICH. The Senator is quite right. I have no objection to that.

Mr. CLARK of Wyoming. I ask for a separate vote on sections 29 and 30.

Mr. ALDRICH. I ask for a vote on the other provisions together.

The VICE-PRESIDENT. The Chair calls the attention of the Senator from Rhode Island to the fact that the suggestion made by the Senator from Maryland [Mr. RAYNER] has not been acted upon.

Mr. ALDRICH. I will repeat the amendment as I understand it:

On page 15, after the word "proceeding," at the end of line 21, insert "other than a criminal prosecution."

The VICE-PRESIDENT. The Chair thinks the words suggested by the Senator from Maryland were "not of a criminal character."

Mr. ALDRICH. I prefer the language which I have indicated. After the word "proceeding" insert "other than a criminal prosecution."

The VICE-PRESIDENT. The Secretary will report the amendment to the amendment.

The SECRETARY. On page 15, line 22, after the word "proceeding," insert "other than a criminal prosecution."

The amendment to the amendment was agreed to.

Mr. WARNER. I wish to ask the chairman of the committee what has been done with the salary that was fixed in section 30. You reduce the salary of the judges to $7,000, and I find that the Assistant Attorney-General starts out with $10,000 a year.

Mr. ALDRICH. It was the intention of the Committee on Finance to take care of these matters in conference, but if Senators desire to have the proposed salaries reduced now I have no objection.

Mr. HEYBURN. The Assistant Attorney-General gets more than the judges.

Mr. WARNER. I have no special objection to that salary, but I dislike very much to vote for a measure which places the salary of the attorney of the court at $10,000 when the court is only paid $7,000.

Mr. ALDRICH. I have no objection to reducing the salaries of the attorneys to $7,000.

Mr. HEYBURN. Their salaries ought to be less than the salary of the judges.

Mr. NELSON. I would suggest that the Senator from Rhode Island agree to that amendment now.

Mr. ALDRICH. I will.

Mr. WARNER. On page 45, line 21, if you will strike out the word "ten" and insert "seven"——

Mr. HEYBURN. I would not make the salary the same as that of the judges. I would make it less than that of the judges.

Mr. WARNER. I would suggest that on page 45, line 21, to strike out the second word "ten" and to insert "six."

Mr. ALDRICH. Perhaps we had better make it $7,000.

Mr. GALLINGER. I suggest $6,500, and that the deputy assistant receive $6,000, which follows immediately.

Mr. ALDRICH. I adopt the suggestion of the Senator from New Hampshire, if that is satisfactory.

Mr. WARNER. What is that?

Mr. ALDRICH. To make the salary of the assistant attorney $6,500, and the salary of the deputy $6,000.

Mr. WARNER. I have no objection to that, but I do not know about the deputy being paid $6,000. He may possibly get a class of attorneys not worth that much. That is more than the United States attorneys are paid. I would suggest that the salary be fixed at $5,000.

Mr. ALDRICH. Then, make it $5,000.

Mr. WARNER. Very well.

The VICE-PRESIDENT. The amendment will be stated.

The SECRETARY. On page 45, line 21, it is proposed to strike out the words "ten thousand" and to insert "six thousand five hundred;" in line 24, before the word "thousand," to strike out the word "seven" and insert the word "five;" and in the same line, after the word "thousand," to strike out "five hundred."

The amendment to the amendment was agreed to.

Mr. GALLINGER. Now, as to attorneys——

Mr. WARNER. I have suggested another amendment. On page 45, line 25, after the last word, I move to strike out the word "six" and to insert the word "five;" and on page 46, line 1, to strike out "five" and insert "four."

The VICE-PRESIDENT. The amendment proposed by the Senator from Missouri will be stated.

The SECRETARY. On page 45, at the end of line 25, it is proposed to strike out the word "six" and to insert the word "five;" and on page 46, line 1, to strike out the word "five" and insert the word "four."

The VICE-PRESIDENT. The question is on the amendment to the amendment.

The amendment to the amendment was agreed to.

The VICE-PRESIDENT. The Senator from Wyoming [Mr. CLARK] asks for a separate vote on sections 29 and 30.

Mr. ALDRICH. I ask that the vote be taken first on the other sections.

The VICE-PRESIDENT. If there be no objection, the vote will first be taken on the rest of the amendment. The Chair hears no objection. The question is on agreeing to the amendment as amended, save sections 29 and 30.

Mr. BRISTOW. Mr. President, do I understand that that includes the whole proposition?

Mr. ALDRICH. Except the court provisions.

Mr. BRISTOW. I want to make an inquiry in regard to the matter of valuations. As I understand from reading it as hastily as I have been obliged to do, the ad valorem duties are assessed on the wholesale valuation in this country, instead of the valuation in foreign countries. Is that correct?

Mr. ALDRICH. No; it is not. The ad valorem rates are assessed upon the valuation in foreign countries, as they have been, except in cases when it is impossible to ascertain the foreign value.

Mr. BRISTOW. I misunderstood the Senator.

Mr. CULBERSON. Mr. President, before the vote is taken on section 29 I ask the Senator from Rhode Island if any amendment has been adopted fixing the qualifications of the members of the proposed court?

Mr. ALDRICH. No; it is not intended to fix any qualifications. Their qualifications will be the same, of course, as those for circuit court judges.

Mr. CULBERSON. The same as those for judges of any court of record?

Mr. ALDRICH. The same as those of judges of any other court of record, of course. No qualifications are fixed. The President has the whole field of selection open to him; and these judges have to be confirmed by the Senate the same as other judges.

Mr. CULBERSON. As suggested by Senators sitting in my rear, "the whole field" of what? Can a layman be appointed a member of this court under this bill?

Mr. ALDRICH. I suppose he could be; but it would be impossible to suppose that the President would appoint a layman. These judges are practically circuit judges of the United States; they have the same tenure of office, the same rights, the same privileges, the same duties and responsibilities as have circuit judges. They are appointed just as are the circuit judges. There is no attempt made to limit in any way, and no purpose to limit, the President in their appointment.

Mr. CULBERSON. What I wanted to know distinctly was whether anyone except a lawyer could be appointed a judge of this court under this bill? Is that the opinion of the chairman of the Committee on Finance?

Mr. ALDRICH. Certainly not. The President could, I assume, appoint a man to be Chief Justice of the Supreme Court of the United States who was not a lawyer, but it is impossible to suppose that the President would appoint such a man. There is no restriction in the law or the Constitution to prevent the President appointing anybody he pleases, and there is no restriction in this case; but, I say to the Senator, it is utterly impossible, from my standpoint, to conceive that the President would appoint any man a judge of this court except a first-class lawyer, a man who would be fitted to be the Chief Justice of the Supreme Court of the United States.

Mr. CULBERSON. While the Constitution of the United States does not fix any qualifications, except by implication, I think the statute as to judges does so. That is my recollection.

Mr. ALDRICH. I think not. I do not think there is anything in any statute that undertakes to say that lawyers only shall be appointed to judgeships.

Mr. CULBERSON. The construction, then, is that none but a lawyer can be appointed a member of this court?

Mr. ALDRICH. Absolutely. I think no one has ever had any idea for a moment that not only nobody but lawyers, but nobody but the very best lawyers, would receive such appointments.

The VICE-PRESIDENT. The question is on agreeing to the amendment as amended, save sections 29 and 30. [Putting the question.] The ayes have it; and the amendment as amended, save those sections, is agreed to.

Mr. LA FOLLETTE. Mr. President, I wanted to offer an amendment to section 11, but I have not perfected it, and will simply say that I shall offer it when the bill reaches the Senate.

I think the explanation made by the Senator from Rhode Island [Mr. ALDRICH] with respect to the valuation provision—that is, this new provision of section 11—is not correct, and that under that section very large increases are certain to be made in the rates. It is a fact that in the trade merchandise is not sold in the open market as it was many years ago, but it is sold largely through distributers. Therefore, when the valuation is sought to be predicated upon the usual market price in the wholesale market abroad, and a given article of import is not quoted or not sold usually in the open market, but is sold through distributers, then, under the provisions of this section, as I understand it, the wholesale market price here would be substituted as the basis of valuation upon which the duty would be assessed.

I will not take the time of the Senate to discuss that now, but will look into the matter more carefully; and I will say that if I find that I have interpreted it correctly, I shall offer in the Senate an amendment to that provision.

The VICE-PRESIDENT. The question is on agreeing to sections 29 and 30 of the amendment as amended.

Sections 29 and 30 as amended were agreed to.

The VICE-PRESIDENT. The question now is on agreeing to the entire amendment as amended.

The amendment as amended was agreed to.

Mr. ALDRICH. I now offer certain amendments, which I send to the desk. I will say that they are but formal parts of the House bill. I think there will be no objection to any of them, and I think they will lead to no debate.

The VICE-PRESIDENT. The first amendment proposed by the Senator from Rhode Island will be stated.

The SECRETARY. It is proposed to add as new sections the following:

SEC. 5. That nothing in this act contained shall be so construed as to abrogate or in any manner impair or affect the provisions of the treaty of commercial reciprocity concluded between the United States and the Republic of Cuba on the 23d day of December, 1903, or the provisions of the act of Congress heretofore passed for the execution of the same.

SEC. 6. That the President shall have power and it shall be his duty to give notice, within ten days after the passage of this act, to all foreign countries with which commercial agreements in conformity with the authority granted by section 3 of the act entitled, "An act to provide revenue for the Government and to encourage the industries of the United States," approved July 24, 1897, have been or shall have been entered into, of the intention of the United States to terminate such agreements; and upon the expiration of the period when such notice of termination shall become effective the suspension of duties provided for in such agreements shall be revoked, and thereafter importations from said countries shall be subject to no other conditions or rates of duty than those prescribed by this act and such other acts of Congress as may be continued in force: *Provided*, That until the expiration of the period when the notice of intention to terminate hereinbefore provided for shall have become effective, or until such date prior thereto as the high contracting parties may by mutual consent select, the reduced rates of duty named in said commercial agreements shall remain in force.

SEC. 7. That whenever any country, dependency, colony, province, or other political subdivision of government shall pay or bestow, directly or indirectly, any bounty or grant upon the exportation of any article or merchandise from such country, dependency, colony, province, or other political subdivision of government, and such article or merchandise is dutiable under the provisions of this act, then upon the importation of any such article or merchandise into the United States, whether the same shall be imported directly from the country of production or otherwise, and whether such article or merchandise is imported in the same condition as when exported from the country of production or has been changed in condition by remanufacture or otherwise, there shall be levied and paid, in all such cases, in addition to the duties otherwise imposed by this act, an additional duty equal to the net amount of such bounty or grant, however the same be paid or bestowed. The net amount of all such bounties or grants shall be from time to time ascertained, determined, and declared by the Secretary of the Treasury, who shall make all needful regulations for the identification of such articles and merchandise and for the assessment and collection of such additional duties.

Mr. ALDRICH. I will say that this section is but a reenactment of the countervailing provisions of the existing law.

Mr. BACON. If the Senator will permit me, of course it is very difficult from the reading to gather the full import of the amendment. The Senator speaks of it as a countervailing duty. Would that affect the case, for instance, of the Standard Oil Company?

Mr. ALDRICH. No. In the first place, crude and refined petroleum in this bill are on the free list. It would not affect them, because this only applies to bounties.

Mr. BACON. It does not apply to duties?

Mr. ALDRICH. No; this does not apply to duties.

Mr. BACON. The term "countervailing" is used as to each——

Mr. ALDRICH. The word "countervailing" is used to this effect: Bounties were first put upon sugar, and the provision was used largely to cover the case of sugar. If Germany, for instance, should pay a bounty, as that country did, upon the exportation of sugar, the amount of that bounty would be added to the sugar duties in this country. It is a countervailing duty to that extent. It applies only to bounties paid by foreign governments for exportation, and equalizes conditions by imposing an amount of duty in this country equal to the bounty so paid.

Mr. BACON. Then, it does not reach any case where the article is on the free list?

Mr. ALDRICH. None whatever.

Mr. BACON. And where it is on the dutiable list in another country?

Mr. ALDRICH. Not at all. It only applies to articles that are on the dutiable list in this country, and adds to the amount of duty, it becoming a countervailing duty to that extent.

Mr. HEYBURN. I should like to ask the Senator if the provision applies to cases where the Government pays a bounty for the production of an article within its own borders, if that article is on the dutiable list in this country?

Mr. ALDRICH. Yes.

Mr. BACON. Articles on the free list?

Mr. ALDRICH. Articles in this country on the dutiable list.

Mr. HEYBURN. If an article is on the dutiable list in this country and the foreign country pays a bounty, that bounty is added to the duty?

Mr. SHIVELY. But, if the Senator will permit me, if it is on the free list in this country, the provision has no effect.

Mr. ALDRICH. It is not effective as to any article on the free list.

The VICE-PRESIDENT. The Secretary will resume the reading of the amendment. The reading has not been completed.

The Secretary resumed and concluded the reading of the amendment, as follows:

SEC. 8. That the produce of the forests of the State of Maine upon the St. John River and its tributaries, owned by American citizens, and sawed or hewed in the Province of New Brunswick by American citizens, the same being otherwise unmanufactured in whole or in part, which is now admitted into the ports of the United States free of duty, shall continue to be so admitted, under such regulations as the Secretary of the Treasury shall from time to time prescribe.

That the produce of the forests of the State of Maine upon the St. Croix River and its tributaries, owned by American citizens, and sawed or hewed in the Province of New Brunswick by American citizens, the same being otherwise unmanufactured in whole or in part, shall be admitted into the ports of the United States free of duty, under such regulations as the Secretary of the Treasury shall from time to time prescribe.

That the produce of the forests of the State of Minnesota upon the Rainy River and its tributaries, owned by American citizens, and sawed or hewed or mechanically ground in the Province of Ontario by American citizens, the same being otherwise unmanufactured in whole or in part, shall be admitted into the ports of the United States free of duty, under such regulations as the Secretary of the Treasury shall from time to time prescribe.

Mr. ALDRICH. I will say that we have added the provision in regard to the Rainy River. The Senate has already adopted the provision, and this merely provides for its location in this section of the amendment.

Mr. SHIVELY. If the Senator from Rhode Island will allow me to make an inquiry, do I understand the paragraph as read is the law at the present time?

Mr. ALDRICH. The first part of it, in regard to the St. Croix River and the St. John River, in Maine and New Brunswick, is in the present law. This provision is exactly as it stands in the law now. The provision in regard to the Rainy River was adopted by the Senate upon the motion of the senior Senator from Minnesota [Mr. NELSON] and is simply added to this paragraph to give it a place in the bill.

Mr. SHIVELY. That is, the addition applies to some other part of the Canadian border?

Mr. ALDRICH. Yes; it applies to the Rainy River between Minnesota and Canada.

Mr. SHIVELY. Do I understand that these logs are hewn on the Canadian side of the line?

Mr. ALDRICH. No; on the American side. The mills may possibly be on the Canadian side.

Mr. SHIVELY. Is the timber cut on the American side?

Mr. ALDRICH. It is cut on the American side.

Mr. SHIVELY. What is done on the Canadian side?

Mr. ALDRICH. In the case of the Rainy River proposition I think the mill itself is on the Canadian side.

Mr. CLAPP. The mill is on the Canadian side of the river.

Mr. SHIVELY. It is a mere matter of the location of the mill owned by citizens of the United States and sawing timber cut on the American side of the line?

Mr. ALDRICH. As a matter of fact, I think that mill is in the center of the river; but it is located so that it is technically within the jurisdiction of the Dominion of Canada.

Mr. McCUMBER. I will say to the Senator that there are two mills in the Rainy River. One is on the Canadian side of the thread of the stream and the other on the Minnesota side, but the products are the products of the State of Minnesota.

The VICE-PRESIDENT. The question is on agreeing to the amendment.

Mr. HEYBURN. Mr. President, before voting on the amendment, I should like a little further information, because the provision might apply more widely. Does this mean that timber may be cut in bond on the other side of the line, and after it is brought on our side it comes into the market with any special advantages?

Mr. ALDRICH. No; it does not come into the market at all in the form of lumber. It has to be remanufactured and comes into this country in the form of pulp in this case.

Mr. HEYBURN. This, then, applies only to pulp?

Mr. ALDRICH. It must be made from the products of American forests.

The VICE-PRESIDENT. The question is on agreeing to the amendment.

The amendment was agreed to.

The VICE-PRESIDENT. May the Chair ask, Is it not necessary, then, to strike out the provision on page 224?

Mr. ALDRICH. That is simply a transposition. I ask the Secretary to make that transposition.

The VICE-PRESIDENT. In the absence of objection, the Secretary will make the transposition as requested.

Mr. ALDRICH. There are a number of the provisions of the House bill which the committee have not asked to have reinserted. They are provisions that are not necessary in a tariff law, and the committee have not thought it wise to encumber this bill with their reenactment. There are certain exceptions to that. For instance, the House adopted elaborate provisions in regard to drawbacks, which the Senate committee were not willing to accept. I believe myself that if the House provisions in this respect should be agreed to it would cost the Government many millions of dollars a year. I can not understand how the House could have agreed to them; but the House incorporated them in the bill. The Senate committee recommended that they be stricken out; they have been stricken out; and the committee are not in favor of their reinsertion.

Mr. BACON. I wish to ask the Senator a question on that point. It is extremely difficult to keep up with the details of this elaborate bill, especially in view of the multitudinous changes and modifications. I recall that early in the session there was an interchange of views—I have forgotten whether or not it was a public discussion—as to the proposition to permit the manufacturers who exported goods, where there had previously been an allowance of drawback upon the imported material, a further advantage, which would allow them in all cases of export to have a drawback upon the amount of material used whether it had been imported or not. Is there such a provision in this bill?

Mr. ALDRICH. We have stricken that provision out of the bill. The Committee on Finance are very much opposed to it.

Mr. BACON. I am very glad to know that.

Mr. ALDRICH. The effect of striking that out is to stand upon the drawback provisions of the present law. The Senator from North Dakota [Mr. MCCUMBER] has an amendment to the existing law, which he will offer, covering certain features of it; but with the exception of that amendment, the committee recommends that the present law be maintained.

Mr. BACON. That is limited to the amount of goods actually imported for the manufactured goods which are exported?

Mr. ALDRICH. And which can be identified under regulations.

Mr. BACON. I am opposed to the whole thing. I think it is a vicious principle myself. I do not believe that manufacturers ought to be allowed greater privileges to make goods for foreigners than they are allowed to make goods for our own people; but certainly to extend it to the point which had been recommended was extremely objectionable to me. I should like to see the whole thing stricken out.

Mr. ALDRICH. It is all stricken out——

Mr. BACON. They are still allowed a drawback upon goods which can be identified?

Mr. ALDRICH. The committee are in favor of the existing law in that respect. That is the reason for the striking out of the provisions of the House bill in this respect, leaving the existing law to stand.

Mr. BACON. That is the provision which I was glad was stricken out, because that does give the manufacturer an advantage when he is manufacturing for a foreigner that is denied to him when he is manufacturing for our own people. I think that absolutely indefensible.

Mr. ALDRICH. I do not know that it is necessary to go into any extended defense of the drawback system as it now exists, but I hardly agree with the Senator from Georgia.

Mr. MCCUMBER. I offer the amendment which I send to the desk. It agrees with the suggestion of the Senator from Georgia so far as two articles are concerned.

The VICE-PRESIDENT. The amendment will be stated.

The SECRETARY. It is proposed to add the following section:

SEC. 0. The drawback provisions of this act shall not apply to wheat, wheat flour, or flaxseed, or to the products or by-products of flaxseed.

The VICE-PRESIDENT. The question is on agreeing to the amendment.

Mr. CLAPP. Before the question is put, I should like to have inserted in the RECORD some letters which I send to the desk.

The VICE-PRESIDENT. Without objection, the letters will be printed in the RECORD.

The letters are as follows:

ARCHER-DANIELS LINSEED COMPANY,
Minneapolis, Minn., May 5, 1909.

Hon. MOSES CLAPP,
Washington, D. C.

MY DEAR SENATOR CLAPP: It did not seem necessary at the time I was in Washington to explain that there was a so-called "linseed-oil trust." This is the American Linseed Company, and it owns probably more mills than there are independent mills, and it is generally understood that the majority of its stock is owned by the Rockefellers.

When parties told me that they had been approached by a party from Michigan, seeking the approval of the drawback on exported oil cake, I felt sure that this party represented the American Linseed Company, and am more than confident of it now. The party that I have in mind is the manager of their Chicago mill. He has been in the East of late, and returns making almost public statements in Chicago that it would do no good for the independent mills to make protests; that the matter was all fixed with the Senate Finance Committee, and that hereafter the East would be the cheapest market for oil instead of the West.

The trade papers claim that custom-house officials are sending out word that there is no question but what the drawback clause in the flaxseed bill will be passed by the Senate.

It appeared to us that this confidence expressed by a party in the employment of the linseed trust as to the report which would be made by your committee would not be altogether pleasant reading for that committee, and we do not believe that he has any such assurance; but you will see from what he states that the position they took, as you were informed before your committee, did not fully and honestly state what they were after. They claimed to be asking for assistance to establish a new industry through the allowance of a drawback on exported oil cake, that of manufacturing linseed oil on the Atlantic coast to export.

The boasts they now make show their true position, that they wish this drawback on oil cake in order to manufacture cheaper oil, and put the independent mills of the West at a disadvantage, and in a position in which we could not pay the western farmer a price that would encourage his raising the flax as he had been for this country's consumption.

If your committee has not acted on this subject, and their representations continue the same, would it not be possible to grant what they claim they wanted; that is, conditions that would enable them to manufacture linseed oil on the Atlantic coast to export, and do this by allowing the drawback on both the cake and the oil that is exported, having been made from imported flax? But in no case shall the drawback be allowed on the cake exported unless the oil from this seed, or from other imported seed, should also be exported.

We do not object to the establishment of new industries on the Atlantic coast unless they seriously injure the agricultural and manufacturing industries now established in the West; and we are sure that you will appreciate that this injury will follow the allowance of a drawback on oil cake, unless there is a protecting clause, such as mentioned above, which is that the drawback will not be allowed on the oil cake unless the oil also is exported.

The largest American Company's mill is on Staten Island. They also have a large mill at Philadelphia. The lead trust have a large mill in Brooklyn, N. Y., and there are practically no independent mills on the Atlantic coast.

Yours, very truly, ARCHER-DANIELS LINSEED COMPANY.

JUNE 15, 1909.

Hon. P. J. MCCUMBER, *Washington, D. C.*

MY DEAR SENATOR MCCUMBER: We thank you for your favor of the 12th. There is a very delicate situation in the tariff bill as affecting flaxseed and linseed oil, especially through this drawback feature, that we have hesitated to mention to you; but we think, as representing the majority of the farmers who raise the flaxseed of this country, that it is proper you should know.

There are frequent years when the seasons are so backward on account of cold and rain that it is difficult for the farmers of North Dakota to plant the acreage of wheat they would like. Under such conditions—and this year is one of them—the farmers are enabled to sow flax with every prospect of maturing a crop for nearly a month later than they can safely sow wheat.

If the drawback on oil cake is allowed, it will reduce the duty on flax about two-thirds, and, in years of large foreign crops, permit the foreign flax to come in in a way to reduce the returns received by the American farmer.

The principal advantage to be derived from the importation of foreign flax, as against the consumption in this country of flax raised by our farmers, will be to the eastern manufacturers of linseed oil. There are two large companies—so-called "trusts"—the American Linseed Company and the National Lead Company, the American Linseed Company probably doing ten times the amount of linseed-oil business that the National Lead Company does, but both owning large mills on the Atlantic coast. For many years the controlling interest in stock of the American Linseed Company has been owned by Mr. John D. Rockefeller or his son. When they obtained this control they placed on the board their own men, and to-day the business of that company is in the hands of John D. Rockefeller, jr., and Mr. Frederick Gates, the

latter being Mr. John D. Rockefeller, sr.'s, representative on the boards of many of the companies which he controls.

It is now being claimed that not only will foreign seed be encouraged to be imported by the permission of this drawback on exported oil cake, but that this foreign seed will be permitted to be worked only within a limited distance of the point at which it has been imported. So that if the first effect is to reduce the price of American flax and discourage the American farmer, and thus deprive the western manufacturer of home-produced raw material, then this rule of manufacturing near the import point would cut out the western manufacturer from any possibility of receiving and working a small amount of this foreign seed for his western trade.

It has been so openly claimed by people who have represented the American Linseed Company and the National Lead Company that these features, so favorable to their companies, have been fully decided upon by the Finance Committee, that within a short time the values of these stocks on the public markets, especially of the American Linseed Company, have advanced enormously and very large sales have been made.

It is possible that the late owners of the American Linseed Company, under these conditions, have disposed of their control; but we believe that it is proper for you to call Senator ALDRICH'S attention to the facts above named, that he will insist on a very thorough investigation, and we would be pleased to have called to Washington the people who have been urging this change, as well as the people who could speak for the northwestern farmers and independent linseed-oil crushers.

Yours, very truly, ARCHER-DANIELS LINSEED COMPANY.

Mr. CLAPP. With reference to this provision, I want to say that, so far as it applies to flax, I believe it is a very just one. The letters I have submitted bear upon that question. So far as it bears upon the products of wheat, I shall be constrained to differ with the Senator from North Dakota, and probably with my colleague, although I do not know what his views of the matter are.

I believe the importance of the milling interests of this country warrant some relief as against the duty now imposed upon Canadian wheat. At the same time, I realize that whatever the committee recommends will undoubtedly be adopted. Therefore I shall not detain the Senate with either discussing the question or asking for a roll call. But I have stood up in the northwestern country until I have seen mills go into Canada; I have seen great manufacturing enterprises involving the manufacture of farm machinery go to Canada; and I believe that in a little while, unless some relief can be afforded, either the flouring mills or what would naturally be added to the capacity of those mills in view of the growing product of the country will be seen established beyond the Canadian boundary.

If I thought it would do any good to detain the Senate with an argument upon this question, I should do so. I realize, however, in view of the experience of the past, that it would do no good.

The VICE-PRESIDENT. The question is on agreeing to the amendment.

Mr. BACON. I hope the Senator from North Dakota will explain it to us a little bit. Some of us are not familiar with it.

Mr. ALDRICH. Mr. President, I desire to say in this connection that the Senator form Indiana [Mr. BEVERIDGE] has given notice of a new drawback provision, which he has not yet prepared, I believe.

Mr. BEVERIDGE. No.

Mr. ALDRICH. He intends to offer it to-morrow, before the bill goes into the Senate.

Mr. BEVERIDGE. I shall be ready to offer it to-morrow. If the amendment is now adopted, I shall be glad if the Senator from Rhode Island will agree that it may be reopened for the purpose of offering it then.

Mr. McCUMBER. I do not care about debating this matter, if we are ready to vote on it.

Mr. BACON. I simply desire a word of explanation as to what it is.

Mr. McCUMBER. I can give the Senator an idea of what it is. It simply presents the question whether or not, in my section of the country, at least, we shall impose a duty upon grain, and then destroy the benefits of the duty by a drawback which will allow the free importation of the entire Canadian grain crop into the United States.

I will call the Senator's attention to the fact that in 1904 we imported only about 6,000 bushels of wheat from Canada. After the 30th of June, 1904, we raised a short crop in the United States; and the price of the grain of the United States averaged from about 20 to as high as 26 cents a bushel more than that of the Canadian grain. Immediately the 6,000 bushels of import jumped up to 3,102,000 bushels—enough to knock down the price of grain in all that part of the country where the imports were allowed. Then we went back to normal conditions again, and reduced the importation to about 6,000 or 7,000 bushels.

So the Senator can easily see that if we allow the drawback there is certainly no benefit whatever in providing for the tariff.

Then I wish to call the attention of the Senator to another fact: We are exporting from 50,000 to 100,000 bushels of wheat, aside from flour, to foreign countries. Our American millers certainly need not complain as long as there is wheat in the United States which they do not grind and ask to import some other grain that they may grind it in the United States as long as we are importing that amount.

I could discuss this matter at considerable length, but I think the Senate fully appreciates it and understands that as the law stands it is equivalent to no tariff upon grain.

Mr. BACON. Mr. President, I do not propose to antagonize this proposition particularly. But if I understand the Senator correctly, the effect of the present law is that at a time when in his particular section there was not enough wheat grown for the people to eat, the people got it a good deal cheaper than they would have if the change is made which the Senator suggests.

Mr. McCUMBER. There was enough produced to eat, because we were exporting grain at that time. But I want to call attention to the fact that the millers are getting into a little trouble on this very proposition. Some of them wanted the drawback provision; but, as suggested by the Senator, when the original bill was passed it was understood that the drawback would apply only to those things which could be identified after they had been inserted in the new article. The Secretary of the Treasury gave a different construction, however, and allowed the importers of wheat to manufacture it into flour, and to keep an account of the flour and of the wheat that went into the flour, and identify it in that way. But soon that decision led the Treasury Department into another decision; and that other decision was that you could import flour itself, and mix it with other flour, export the flour, and get the rebate on it again. So you could take a thousand barrels of Canadian flour and mix it with a single barrel of American flour, and get your rebate on the entire amount of flour imported from Canada.

The millers did not like that proposition, and wished to change it so that they will get the benefit, and not the blenders of the flour. It simply illustrates the fact that there should be no drawback whatever upon wheat or upon flax.

Mr. GAMBLE. Mr. President, when paragraph 262, which applies to flax, was reached, the amendments proposed by the committee were agreed to, but the provision as to drawback was stricken out. It was understood that when this matter should be taken up in connection with the general administrative features this subject could be returned to; but I rise to say that I am entirely satisfied with the amendment proposed by the Senator from North Dakota, which gives the relief called for. The Northwest is greatly interested in the production of flax and in its manufacture, and I think it is a wise thing that the provision should pass. I may say further that I had intended to submit an argument in behalf of it, but at this time I will not detain the Senate.

Mr. OVERMAN. Mr. President, I offer the amendment which I send to the desk.

The VICE-PRESIDENT. The Senator from North Carolina offers an amendment to the amendment, which the Secretary will report.

The Secretary read as follows:

Exporters of cotton which has been baled in the United States, and in the baling of which imported hoop or band iron, or hoop or band steel, commonly called cotton ties for baling cotton, has been used, shall, upon satisfactory proof, under such regulations as the Secretary of the Treasury shall prescribe, that such imported hoop or band iron, or hoop or band steel, has been used in the baling of such cotton, have refunded to them from the Treasury the duties paid on the hoop or band iron, or hoop or band steel, so used in the baling of such exported cotton.

Mr. ALDRICH. I think that could be done under the existing law. But I have no objection to all these amendments going in, and the committee will carefully consider their effect.

Mr. BURTON. It seems to me this makes an absurd proposition more absurd. If we are to have a general rule, let us observe it. What have the millers done that they should be discriminated against in this way? If we are to have a law in regard to drawbacks, let us enforce it without discrimination. There might be some cases wherein a great monopoly had the lead in the manufacture of a certain article, and some such exception would have a rational basis. But no such exception exists in the case of the milling industry.

The VICE-PRESIDENT. The question is on agreeing to the amendment to the amendment.

The amendment to the amendment was agreed to.

The VICE-PRESIDENT. The question now is on agreeing to the amended amendment.

The amendment as amended was agreed to.

Mr. ALDRICH. Mr. President, there are two or three other matters, one of them rather important, as to which the com-

mittee have not thought it necessary to adopt the House provisions or to adopt any amended provisions.

One is with reference to bonds to be issued for the Panama Canal and for restrictions upon its cost and giving the Government the right to issue $250,000,000 of certificates of indebtedness instead of $100,000,000, as now provided by law. The condition of the Treasury is such, and will be such until Congress shall meet again, that it will not be necessary to provide now for a different character of bonds or for an additional amount of bonds. Under the provisions of existing law certificates of indebtedness to the extent of $100,000,000 can be issued if necessary. For the last two months the receipts of the Treasury have been equal to its disbursements; and it is perfectly clear to my mind that no harm can come from continuing existing conditions until the meeting of Congress in December. It will then be necessary to take up questions involving the cost of the canal, the policy as to issuing bonds for the cost of the canal, including its purchase, and as to the character of the bonds which shall be issued. I think it must be evident to everyone that we shall have to provide for an additional class of bonds for this purpose.

The question of the issue of bonds is of course also involved in any changes which may take place in our monetary affairs. I hope the Monetary Commission will be able, at some time during the next session, to make at least a preliminary report on the important matters committed to it. This will probably involve some different provisions with reference to the character of United States bonds to be issued hereafter.

The committee have thought it desirable to strike out all of the provisions contained in the House bill with reference to bonds and to additional certificates of indebtedness, and as to the cost of the Panama Canal, as they are not strictly matters which should have consideration in this bill, and would certainly lead to a discussion of some length as to the character of the provisions to be inserted. Inasmuch as no harm can come to the Treasury along this line between now and December—I feel very positive on that point—the committee believes those matters should be left until the next session of Congress.

There are two or three other matters that the committee will report upon to-morrow morning. One has reference to certain provisions in regard to taxes upon foreign vessels, and matters of that kind. That subject is in charge of the Senator from Massachusetts, who is not now in his seat, but who will be here to-morrow morning.

The committee have also had under consideration the amendment offered by the Senator from Indiana [Mr. BEVERIDGE] with regard to an increase in the tobacco tax, and they will be ready to report upon that matter to-morrow morning. They have also had under consideration some provisions in regard to taxes on leaf tobacco, offered by the Senator from Kentucky [Mr. PAYNTER], and we hope to report upon those to-morrow morning.

With these exceptions the committee have no further recommendations to make for action in Committee of the Whole, and I very strongly hope that at a very early hour to-morrow we shall be able to report the bill to the Senate.

Mr. BACON. Mr. President, I wish to make an inquiry of the Senator. I recall that a few days since the Senator from Indiana [Mr. BEVERIDGE] made a very pertinent suggestion, as it occurred to me, to the effect that the bill be reprinted in such a way that we will be enabled to look at it and at once determine what changes have been made.

Mr. ALDRICH. The experts of the committee have been following and keeping track of the changes that have been made, and I am hopeful that not later than day after to-morrow we shall be able to furnish the Senate with a comparison of the kind indicated. The Senator was desirous of having, as I remember, a comparison between the existing law and the House provision and the Senate provisions, with possibly a statement of the changes which have taken place in the Senate. That will make four different propositions.

Mr. BEVERIDGE. That will not be very difficult.

Mr. ALDRICH. I think those can be printed in parallel columns without much difficulty.

Mr. BEVERIDGE. That will not be difficult. If the Senator will permit me, I will state that when I made the request, the Senator from Rhode Island asked me to reduce it to writing. I did so, and handed it to the Senator from Rhode Island. It involved what the Senator has already said, and involved one thing which may be a little bit too complex. I refer to the addition to the estimated revenues which we have here of the changes that have been made since the bill came in, up to the present time. Perhaps that is too complex; but I also asked three things that are very easy, and that the experts ought to be able to furnish in a very brief time—an hour or two. I refer now to the number of increases and decreases, and what they are on, that have been made in the Senate since the bill was reported by the committee—the increases over the House bill, and also over the bill as reported by the committee. That is very simple and easy.

Mr. ALDRICH. I think there will be no trouble about that. I think I can also give the Senate at the same time an estimate of the increased revenue which will be derived from the bill as it will be adopted in Committee of the Whole, as compared with the House bill.

Mr. BACON. The Senator will recall that during the progress of this discussion there have been at various times suggestions on his part to the effect that certain matters be reserved for action when we get into the Senate.

Mr. ALDRICH. Yes.

Mr. BACON. For that reason it is a little important that we should be able to get hold of the documents that will show us exactly what has been done in Committee of the Whole.

Mr. ALDRICH. As far as the committee itself is concerned, with two or three unimportant exceptions, the committee will have no suggestions of amendments in the Senate. I think substantially all of the paragraphs, with comparatively very few exceptions, have been attended to by the committee in the Committee of the Whole; and, of course, I understand that other amendments may be offered. I hope that there will not be many of them.

Mr. BACON. I do not think there will be any amendments offered which are going to lead to any great amount of discussion; but there are some matters which have been discussed and which have been passed over, largely, by——

Mr. ALDRICH. By general consent.

Mr. BACON. By the suggestion of the chairman himself.

Mr. ALDRICH. Yes.

Mr. BACON. And it is very important that we should be able to see what is the status of the bill as it has been worked upon by the committee in the Committee of the Whole.

Mr. LA FOLLETTE. Mr. President, I wanted to inquire of the Senator from Rhode Island whether the Senate would be furnished with the reprint of the bill and the other information indicated by the Senator before the bill is taken up in the Senate?

Mr. ALDRICH. We can order a reprint of the bill to-night.

Mr. BEVERIDGE. I will say for the Senator's information that I have spoken to the Senator from Rhode Island about this, and that my request, which was made several days ago, will be complied with, so as to have the document on the Senators' desks to-morrow morning.

Mr. ALDRICH. I am not quite sure whether we can get that to-morrow morning, but we will get it to-morrow as early as possible during the day.

Mr. LA FOLLETTE. The Senator will not take the bill up in the Senate until we have that information and a reprint of the bill, I take it?

Mr. ALDRICH. Well, we can have a reprint of the bill. I do not think that will take long.

Mr. BEVERIDGE. Did the Senator from Wisconsin understand what my request was?

Mr. LA FOLLETTE. No; I did not.

Mr. BEVERIDGE. Then, with the permission of the Senator from Rhode Island, I will state to the Senator from Wisconsin that I requested, and the Senator from Rhode Island reduced my request to writing, that the Finance Committee should do the following things for the information of Senators:

First, that there should be printed in parallel columns, in parallel sections, the present law, the House bill, the bill as reported to the Senate by the Finance Committee, and the bill as now amended, so that we may see at a glance, each in different type, just what are the changes in language. That is No. 1.

Second, I asked that the estimated revenues, this large document that is on Senators' desks, should have added to it, under any article where a change has been made, just what the change is; but I suppose that is too complex.

I asked, third, that a separate document be prepared which would show the increases and decreases that we have made in the House bill up to the time it goes into the Senate, and also over or under the bill that was reported by the committee in the first place.

I understand the Senator from Rhode Island to say that the first and the third of those requests would be prepared for us to-morrow morning. In that way we can see at a glance what we shall be interested to know.

Mr. ALDRICH. Mr. President, I will say to the Senator from Wisconsin and the Senator from Indiana that we could do that, perhaps, more quickly than anything else with this volume which I have in my hands, containing the House provi-

sions, the present law, and the recommendations of the Senate committee.

Mr. BEVERIDGE. Yes; so half of your work is already done.

Mr. ALDRICH. We can put right next to that the action of the Senate, so that one can see at a glance just what the House bill was, what the present law is, what the first recommendation of the committee was, and what the final action of the Senate has been; and that can then be printed in this form.

Mr. BEVERIDGE. It is perfectly immaterial in what form it is printed, so that that information can be laid before the Senate. I think myself that parallel columns would be a better arrangement, but that is a mere matter of device.

Mr. ALDRICH. It would take a good deal longer to have parallel columns, because this matter is already in type.

Mr. BEVERIDGE. The substance is the thing. What I wanted was to see at a glance the present law, the House bill, the bill the committee reported, and the bill as it now stands.

Mr. ALDRICH. The committee will consider itself instructed to have that done.

Mr. BEVERIDGE. Very well.

Mr. ALDRICH. At just the earliest moment possible.

Mr. BEVERIDGE. And the additional document about the increases and the decreases in the items in which they have occurred over and under the House bill and over and under the bill as reported to the Senate in the first place.

Mr. CULBERSON. Mr. President——

The VICE-PRESIDENT. Does the Senator from Rhode Island yield to the Senator from Texas?

Mr. ALDRICH. I was about to ask that the bill be reprinted now in the form in which it is, with the amendments made as in Committee of the Whole.

The VICE-PRESIDENT. Is there objection?

Mr. CULBERSON. Before that question is put I desire to say that the Senator from Georgia [Mr. BACON] a few moments ago made an inquiry of the Senator from Rhode Island about the question of drawback. As I understood the result of the colloquy, it amounted to this: The Finance Committee of the Senate had recommended that the House provisions be stricken out except as to the existing law.

Mr. ALDRICH. Oh, no. The House provisions were to be stricken out absolutely. That allows the existing law to stand.

Mr. CULBERSON. What I wanted to know is with reference to the question of drawbacks. If we adopt the course suggested by the Committee on Finance, how will we leave the question of the right of the Standard Oil Company to a drawback on tin plate?

Mr. ALDRICH. Just as it is now. It interferes with the rights of no one. It changes the rights of no one.

Mr. CULBERSON. I have the figures somewhere, but they are not convenient. Does the Senator know what amount of drawbacks the Standard Oil Company receives annually from this source?

Mr. ALDRICH. I do not. It depends entirely, of course, upon the extent of their business.

Mr. CULBERSON. I have the figures in my locker in the cloakroom, and they are inaccessible now, but my recollection is that it amounts to approximately a million dollars annually.

Mr. ALDRICH. I am not sure about that. Of course, the Standard Oil Company and everybody else——

Mr. NELSON. Mr. President, I had occasion to look up the matter of drawbacks some time ago, and my recollection is that the total amount of duties under the drawback clause is somewhere between six and seven million dollars on everything.

Mr. ALDRICH. I want to say that, in my judgment, the drawback provisions of the existing law are among the most beneficent of its provisions. There is a general feeling, I think, all over the country that we ought to do whatever we can to encourage the exportation of American products, and, beyond that, to give employment to American mills in the manufacture of products for exportation. I think that the drawback provisions of the present law have had a very beneficial effect. Of course the drawback provisions of the House bill go much further, and would necessarily involve a radical change in policy.

I do not know about the amount of drawbacks that have been paid by any individuals or by any corporations. All of them have been paid under the provisions of the law, and some companies, of course, are doing a much larger export business than others. I assume it is not the desire or purpose of the Senator from Texas or any other Senator to undertake to destroy the business of exporting oil. I do not think his State or any other State of this Union——

Mr. BEVERIDGE. Is the Senator discussing oil?

Mr. ALDRICH. I am answering a question asked me by the Senator from Texas.

Mr. CULBERSON. The Senator is answering the question and then endeavoring to explain it away.

Mr. ALDRICH. I am not endeavoring to explain it away.

Mr. CULBERSON. He is arguing against the logic of the question. I have no disposition to bring up the matter now, except to state the fact that the right of the Standard Oil Company to the drawback to which I have alluded, amounting to about a million dollars a year, is given by the action of the committee, and I reserve the right, in order that there may be no misunderstanding, to offer an amendment in the Senate.

Mr. ALDRICH. Does the Senator think the Standard Oil Company ought to be treated differently from other American citizens?

Mr. CULBERSON. I do not know but that it ought to be.

Mr. ALDRICH. The Senator was making his statement of the matter in the view that one class of citizens ought to be picked out.

Mr. CULBERSON. I think any monopoly ought to be treated differently from a citizen endeavoring to obey the laws of the United States.

Mr. ALDRICH. I do not think the Standard Oil Company have a monopoly of the exports of oil.

Mr. CULBERSON. The Standard Oil Company are reaping the benefit of an unequal law, a law that was possibly devised for its special benefit.

Mr. ALDRICH. I remember very well hearing Mr. Tarbell make a statement before the Committee on Finance, in which he stated that a large number of independent oil producers are exporting oil under the same conditions the Standard Oil Company are. But I have nothing to say about the Standard Oil Company one way or the other. They are citizens of the United States, and so far as their export business is concerned, they are engaged in a perfectly legitimate business transaction, and entitled to the same treatment other people are.

Mr. GAMBLE. I have before me the report of the Department of Commerce and Labor, which gives the articles exported for the purpose of drawback for the year 1908. The total amount is $6,637,602. I find that the drawback on tin manufactures under the term "cans," which, perhaps, would reply to the inquiry made by the senior Senator from Texas, is $2,218,002.

Mr. SHIVELY. Mr. President, while I do not approve of drawback provisions generally, I do say that neither the present law nor the proposed provision is on its face unequal in its benefits as among different exporters. The law is unequal in its effect, but not by reason of any inequality on its face. Its inequality attends rather the nature of the cases arising under it. For example, thousands of American farmers are engaged in what is called "intensive agriculture." They raise and can small fruits, vegetables, and other food products for both the domestic and the export trade. When they export their products in wrappers made from imported tin plate, they are entitled, under the drawback provisions of the law, to receive from the United States Treasury 99 per cent of the duty paid on the tin plate used in making the cans or wrappers. But in practice this drawback avails the farmer nothing. The red tape and expense of preparing, presenting, and having allowed a small claim are as great as in the case of a large one, the result being that the small importer finds the drawback eaten up by the expense of securing its payment. It falls out that the millions of dollars annually paid out as drawbacks go to a few exporters, while little or nothing goes to the average exporter. This consequence, I repeat, does not grow out of inequality of treatment as among exporters on the face of the statute, but results from proportional inequality of burdens attending its application in practice.

Mr. ALDRICH. There are certain Senators upon the other side who are always anxious to have something done to hurt monopolies. I want to suggest to the Senator from Texas and the Senator from Indiana, if they do not already know, that there is only one concern making tin plate in the United States. If they are anxious to benefit that one concern, that is all right; but when you are talking about monopolies, the tin-plate manufacture in the United States is entirely in the hands of one concern. I do not know whether that concern are asking to be benefited by the abolition of drawbacks or not, but I do know that the commerce of the United States and the business of the United States are greatly benefited by the drawback provisions, and I should be very sorry to see Congress for any reason restrict them.

I am not in favor of an enlargement as proposed by the House committee, because I think it goes too far, but I think it

would be a very great mistake for any reason or for any purpose to change the drawback provisions of existing law, and especially that we should change them as to one company for the benefit of another. I do not myself believe in legislating that way.

The VICE-PRESIDENT. Is there objection to the request of the Senator from Rhode Island for a reprint of the bill?

Mr. ALDRICH. It has been suggested to me that possibly we ought to wait until the bill is reported to the Senate for a reprint.

Mr. GALLINGER. I think we had better wait.

Mr. ALDRICH. I hope it will be reported early to-morrow morning. That is my present hope and purpose. I ask that whenever the bill shall be reported to the Senate there may be a reprint made.

The VICE-PRESIDENT. Is there objection to that modification of the request?

Mr. CRAWFORD. Why wait until the bill gets into the Senate?

Mr. ALDRICH. Otherwise there might be two or three prints. It multiplies the document, that is all. If the Senator desires, we can have a reprint.

Mr. CRAWFORD. It is not anticipated that any changes will be made after these two items have been disposed of.

Mr. ALDRICH. That is what I meant. It is my intention——

Mr. CRAWFORD. Why should you wait until after the bill gets into the Senate?

Mr. ALDRICH. No; the Senator misunderstands my request. It is that whenever those paragraphs are adopted, then we will have a reprint of the bill.

The VICE-PRESIDENT. Is there objection? The Chair hears none, and the order will be agreed to.

Mr. SCOTT. Mr. President, I want to say that I am very sorry at times to see a feeling of hatred, I may say, or a spirit of vengeance manifested against corporations doing business in a large way. The Standard Oil Company appears to be the bogy man at which everybody takes a kick. In my State since we refused to put a duty on oil the other day oil has been reduced 15 cents a barrel. We have 25,000 people in the State who are interested in the independent production of oil.

I am very sorry that the feeling is so intense against the Standard Oil Company that apparently the Senate is not willing to do justice to the independent operators. The State of Kansas has driven the Standard Oil Company out of that State, and they have established independent refineries as well as independent producers. They are laying pipe lines and the work of competition is going on. But the action of the Senate, the final ultimate passage of the tariff bill without putting a duty on oil to protect the independent operators against this monopoly Senators are so terribly incensed against, I think would be a great blow at my people and the people of many other States.

We have in West Virginia discarded the little log cabin for a beautiful little frame cottage. And the children, from the benefits of the production of oil, are being sent to school. The rising generation in West Virginia is being very much benefited by the production of oil in West Virginia, and the people are building nice, beautiful homes; they are rearing their children in the way they should be raised; they are sending them to school.

I stand here protesting against the prejudice that apparently crops out here on all occasions against this great monopoly, and the prejudice being so great that it may do a great injustice, fellow-Senators, to the independent producers of my State and of other States that are producing oil.

I am as sure as that I am standing on this floor that the Standard Oil Company does not want a duty on oil. I am absolutely satisfied of it.

I am making these remarks now preparatory to what I intend to try to do when we get the bill into the Senate, and that is to try to convince enough Senators to help me put at least some kind of a duty on oil to protect the independent producers in this country against the Standard Oil Company.

Mr. BACON. Mr. President, just one word, as I had made allusion to the Standard Oil Company, or asked a question about it rather, as to the countervailing duty. I want to state to the Senator from West Virginia exactly the reason why I made the inquiry. I was not willing that anything should be done which would restore the provision of the Dingley law or which would affect the price of oil. My reason for it was this: I have not made any investigations myself, but I recollect reading a very interesting speech made in the House of Representatives by a Representative from Wisconsin—I think, Mr. KÜSTERMANN—in which he found what he denominated to be the "joker" in the Dingley law relative to the Standard Oil Company, the provision under which a duty was imposed upon oil importations in this country when it came from a country which itself imposed any duty upon oil.

The fact was pointed out that under that provision, as Russia had a duty upon imports of oil into that country, the Russian oil can not be imported into this country except it paid a corresponding duty.

The Representative went on from the figures to show that in consequence of that, while the Russian oil could not compete with the Standard Oil product or the oil product of this country in America, it did compete with it in Great Britain, and that in consequence of that fact the Standard Oil Company sold its oil in Great Britain at a very much less price—I have forgotten how much, but it was sold for several cents a gallon less than it was sold in this country. Mr. KÜSTERMANN, from the figures he had obtained as to the amount imported and sold in Great Britain and the price at which it sold there, showed that a great many millions of dollars more had been paid to the Standard Oil Company for the oil sold in the United States than for the same amount that had been sold in Great Britain. I had no other purpose but simply to guard against that.

Mr. SCOTT. I wish to ask the Senator before he sits down to suppose, for instance, that one great concern controlled in a measure the entire cotton production of this country and yet the Senator in his State had some independent cotton producers, would he not think it hard if there was not some way by which his independent cotton growers could be protected?

Mr. BACON. It is very hard to draw comparisons of that kind, because there are no conceivable circumstances under which the tariff can affect, either beneficially or otherwise, the cotton crop except in the burden imposed upon those who produce it.

Mr. SCOTT. Take any other article that is produced.

Mr. BACON. Mr. President, I did not rise for the purpose of discussing that, but the Senator expressed himself rather extremely. He said there seemed to be an expression of hate whenever the name was mentioned. I was pointing out to him that I was not influenced by anything of that kind, but I had a substantial reason for it; that I was unwilling there should be a law under which the Standard Oil Company could sell to the people of Great Britain oil at several cents per gallon less than it sold to the people of the United States. That is the long and short of it.

Mr. SCOTT. I ask the Senator how we can regulate that any more than we can sewing machines sold for less in Europe than in this country.

Mr. BACON. We have regulated it in this bill, because we have no such provision in the bill as the provision in the Dingley law to which I have referred. We have expressly cut it out; and thus there is no danger that Russian oil is going to be brought to this country to compete with American oil; but if American oil is sold for less in England than it is sold for in this country, and the ports are open to the world, there will be competition. That is all there is in it.

Mr. SCOTT. If the Senator from Georgia will read the hearings before the Ways and Means Committee, he will find that it is a different grade of oil that is sold in England from the grade that the Standard Oil sells here.

But I am not here to defend the Standard Oil Company. I am here to defend the poor independent operator in my own State, who is being deprived of 15 cents a barrel on his product since you refused to put a duty on oil.

Mr. BACON. There was nothing said about independent oil which called forth any particular hostility to an enterprise of that kind.

Mr. FRYE. Mr. President, I should like the attention of the Senator from Rhode Island. I appeared before the committee in relation to an amendment touching tonnage taxes, and subsequently offered an amendment which is on the table. I understood from what the Senator said a few moments ago that that was still under consideration by the committee. If the committee is ready to report that amendment, of course that is more satisfactory to me than to offer it myself; but I wish the opportunity, if the committee does not report it, to offer it in the Committee of the Whole.

Mr. ALDRICH. I would much prefer that the Senator should offer it himself. It is one of those questions on which I imagine the Senate will vote with the Senator from Maine. Upon all shipping questions they follow his lead almost implicitly.

I should prefer that the Senate should pass upon it, as the committee are rather unwilling to take up any new questions. It is a question that hardly belongs to a tariff bill. I should prefer to have the independent action of the Senate, and I would prefer to have some sort of a limitation fixed upon the

time to be taken in its consideration. I do not know that any Senator would object to it, but it is not strictly a matter for a tariff bill.

Mr. FRYE. The senior Senator from Massachusetts [Mr. LODGE], a member of the committee, desired to offer the amendment himself, and I am entirely willing that he shall if he returns in season to do it; but if he does not, I certainly shall offer it myself.

Mr. GALLINGER. Mr. President, I had printed a proposed amendment increasing the duty on malt liquors which I have not yet formally offered. Several Senators within the last hour have inquired of me what disposition I proposed to make of that amendment. I simply desire to suggest this evening that at some time to-morrow, during the further consideration of this bill, that amendment will be offered, and it will, I hope, be agreed to.

Mr. CRAWFORD. Mr. President, has the chairman of the Finance Committee anything particular to present before adjournment?

Mr. ALDRICH. No, I have not, and I was about to move that the Senate adjourn.

MISSOURI RIVER BRIDGES.

Mr. CRAWFORD. Then I ask unanimous consent for the consideration of a measure, if I may. It is a bill authorizing the construction of a railroad bridge across the Missouri River in my State. There is no interest in it outside; there can not possibly be. The time within which it must be constructed under the former act has transpired, and the work has stopped on that account. The company is very anxious to proceed with the work.

The PRESIDING OFFICER (Mr. KEAN in the chair). The bill is on the calendar?

Mr. CRAWFORD. It is Senate bill 2459. It has been reported by the Committee on Commerce and is on the calendar.

The PRESIDING OFFICER. The Senator from South Dakota asks unanimous consent for the consideration of a bill, which will be read for the information of the Senate, if there be no objection.

The Secretary read the bill (S. 2459) authorizing the Minnesota, Dakota and Pacific Railway Company to build a bridge across the Missouri River.

The PRESIDING OFFICER. Is there objection to the present consideration of the bill?

Mr. SCOTT. Mr. President, do I understand that by entering upon the consideration of this bill, the agreement is set aside that there would be no business taken up except the tariff bill?

Mr. ALDRICH. Mr. President, I do not understand that this is a precedent. The Senator from South Dakota [Mr. CRAWFORD] informed me that it is important this bill shall be passed. I thought perhaps we might make an exception in this case.

The PRESIDING OFFICER. Is there objection to the present consideration of the bill?

There being no objection, the Senate, as in Committee of the Whole, proceeded to consider the bill, which had been reported from the Committee on Commerce with an amendment, to strike out section 1, as follows:

That the Minnesota, Dakota and Pacific Railway Company, a corporation organized under the laws of the State of South Dakota, its successors and assigns, be, and they are hereby, authorized to construct, maintain, and operate a railway bridge and approaches thereto across the Missouri River between the mouth of the Moreau River and the south line of Walworth County, in the State of South Dakota, in accordance with the provisions of the act entitled "An act to regulate the construction of bridges over navigable waters," approved March 23, 1906, it being the purpose of this act to extend in effect, operation, and force the special act entitled "An act to authorize the Minnesota, Dakota and Pacific Railway Company to construct a bridge across the Missouri River," approved May 14, 1906, as required by the provisions of the act of March 23, 1906, above referred to.

And in lieu thereof to insert:

That the act entitled "An act to authorize the Minnesota, Dakota and Pacific Railway Company to construct a bridge across the Missouri River," approved May 14, 1906, is hereby reenacted and so amended as to extend the time for commencing and completing the construction of the bridge therein authorized to one year and three years, respectively, from the date of approval of this act.

The amendment was agreed to.

The bill was reported to the Senate as amended, and the amendment was concurred in.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

The title was amended so as to read: "A bill to revive and amend an act entitled 'An act to authorize the Minnesota, Dakota and Pacific Railway Company to build a bridge across the Missouri River.'"

Mr. WARNER. I ask unanimous consent for the present consideration of the bill (S. 1441) to authorize the construction of a bridge across the Missouri River and to establish it as a post-road.

The PRESIDING OFFICER. The Senator from Missouri asks unanimous consent for the present consideration of the bill named by him.

Mr. CULBERSON. Mr. President, we shall assume that to a general extent the rule against the passage of any legislation other than the tariff bill and the census bill has been relaxed.

Mr. ALDRICH. Mr. President, I am not willing to admit that, but I do think, if Senators have bills that they consider very important, when we are not engaged——

Mr. CULBERSON. I say we will assume that to a certain extent the rule is relaxed—that is, when Senators present matters that they consider of extreme importance, as suggested by the Senator from Rhode Island.

Mr. ALDRICH. I think that is nothing but fair, unless there is some objection on the part of Senators.

Mr. CULBERSON. I have no objection to either one of the bills, but I think that all Senators should be treated alike as to bills of this character.

Mr. ALDRICH. There is no controversy on that subject.

The PRESIDING OFFICER. Is there objection to the present consideration of the bill?

Mr. ALDRICH. What is the bill?

Mr. WARNER. It is a bridge bill, extending the time for the completion of a bridge.

There being no objection, the Senate, as in Committee of the Whole, proceeded to consider the bill, which had been reported from the Committee on Commerce with an amendment, to strike out all after the enacting clause and to insert:

That the act of Congress entitled "An act to authorize the construction of a bridge across the Missouri River and to establish it as a post-road," approved May 16, 1906, be, and is hereby, reenacted and so amended as to extend the time for commencing and completing the structure therein authorized one and three years, respectively, from May 16, 1909.

The amendment was agreed to.

The bill was reported to the Senate as amended, and the amendment was concurred in.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

The title was amended so as to read: "A bill to reenact and amend an act entitled 'An act to authorize the construction of a bridge across the Missouri River and to establish it as a post-road.'"

JOHN RIVETT.

Mr. BURKETT. I ask unanimous consent for the present consideration of the bill (H. R. 9609) to grant to John Rivett privilege to make commutation of his homestead entry.

The PRESIDING OFFICER. Is there objection to the present consideration of the bill?

Mr. SHIVELY. Permit me to inquire if this bill has been before a committee?

Mr. BURKETT. Yes; and a similar bill was passed, I will say to the Senator, at the last session, but in some way or other the letter "T." got in between the name "John" and the name "Rivett." This bill is in the exact form of the bill passed at the last session with the letter "T." stricken out.

Mr. SHIVELY. Has it passed both Houses?

Mr. BURKETT. Yes; it has. I have the act as we passed it here on the 24th of February, 1909.

Mr. CULBERSON. I can not refrain from calling attention to this as an enlargement of the field of legislation upon which we are entering, and I assume there will be no objection to unanimous-consent-agreement matters being presented from all sides of the Chamber. The other two bills were bridge bills, and this is a private bill.

The PRESIDING OFFICER. Is there objection to the present consideration of the bill?

There being no objection, the Senate, as in Committee of the Whole, proceeded to consider the bill. It proposes to grant to John Rivett the privilege to make commutation of his homestead entry of the southwest quarter of section 28, township 22 north, range 50 west, sixth principal meridian, in the State of Nebraska, as provided by law for the making of commutation of homestead entries, and repeals Private Act No. 167, for the relief of John T. Rivett, approved February 24, 1909.

The bill was reported to the Senate without amendment, ordered to a third reading, read the third time, and passed.

THE TARIFF.

The Senate, as in Committee of the Whole, resumed the consideration of the bill (H. R. 1438) to provide revenue, equalize

duties, and encourage the industries of the United States, and for other purposes.

Mr. ALDRICH. I ask that the sections of the tariff bill following the free and dutiable list may be numbered consecutively by the Secretary.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ALDRICH. I move that the Senate adjourn.

The motion was agreed to; and (at 5 o'clock and 35 minutes p. m.) the Senate adjourned until to-morrow, Tuesday, July 6, 1909, at 10 o'clock a. m.

HOUSE OF REPRESENTATIVES.

MONDAY, *July 5, 1909.*

The House met at 12 o'clock m.

Prayer by the Chaplain, Rev. Henry N. Couden, D. D., as follows:

Infinite and eternal source of every clear vision, of every noble impulse, of every high and holy aspiration, our God and our Father, we draw near to Thee in gratitude and praise for all the blessings Thou hast bestowed upon us. Especially do we thank Thee for our Republic, a precious heritage from our fathers, whom Thou didst inspire to conceive, resolve, and maintain that immortal instrument, the Declaration of Independence, which brought us liberty and made us a free people. We recall this day with grateful hearts their patriotic zeal, their courage and devotion, their sacrifices and heroism, and pray that we may emulate their virtues, holding high the banner which they carried to victory in a holy cause; that we may be known throughout the world as a home-loving people, a peace-loving people, a justice-loving people, a God-loving people, marching on to greater achievements in all the peaceful pursuits of life; that our influence may ever be on the side of right and truth and justice, "Each for all and all for each;" that Thy kingdom may come and Thy will be done in earth as it is in heaven.

And now, O Father, let Thy blessing be upon the Member from the State of Washington, nigh unto death; restore him, O we beseech Thee, to health and strength, that he may again serve Thee and his people upon the floor of this House, and we will give all praise to Thee through Jesus Christ, our Lord. Amen.

The Journal of the proceedings of Thursday, July 1, 1909, was read and approved.

MESSAGE FROM THE PRESIDENT OF THE UNITED STATES.

A message, in writing, from the President of the United States was communicated to the House of Representatives by Mr. Latta, one of his secretaries, who also informed the House of Representatives that the President had, on July 2, 1909, approved and signed bills of the following titles:

H. R. 1033. An act to provide for the Thirteenth and subsequent decennial censuses.

H. R. 10887. An act to make Scranton, in the State of Mississippi, a subport of entry, and for other purposes.

MARCUS RAMADANOVITCH.

The SPEAKER laid before the House the following message from the President of the United States, which was read and, with the accompanying papers, referred to the Committee on Appropriations and ordered printed (H. Doc. No. 81):

To the Senate and House of Representatives:

I transmit herewith the report of the Secretary of State, with accompanying papers, relative to the claim of Marcus Ramadanovitch, alias Radich, a Montenegrin subject, for property stated to have been appropriated by the United States military authorities in Texas during the month of October, 1865.

In view of the statement by the Secretary of State that the claim appears to be a meritorious one, I recommend that an appropriation be made to pay it.

WM. H. TAFT.

THE WHITE HOUSE, *July 5, 1909.*

ADJOURNMENT.

Mr. PAYNE. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to.

Accordingly (at 12 o'clock and 9 minutes p. m.) the House adjourned till Thursday, July 8, 1909.

PUBLIC BILLS, RESOLUTIONS, AND MEMORIALS.

Under clause 3 of Rule XXII, bills, resolutions, and memorials of the following titles were introduced and severally referred as follows:

By Mr. WILEY: A bill (H. R. 11192) to reorganize the corps of dental surgeons attached to the Medical Department of the Army—to the Committee on Military Affairs.

By Mr. SPIGHT: A bill (H. R. 11193) to amend the laws relative to American seamen, to prevent undermanning and unskilled manning of American vessels, and to encourage the training of boys in the American merchant marine—to the Committee on the Merchant Marine and Fisheries.

By Mr. LIVINGSTON: A bill (H. R. 11194) to acquire certain land in Cecelia M. Coughlin and others' subdivision of Pretty Prospect and Cliffbourne, in the District of Columbia, for a public park—to the Committee on the District of Columbia.

By Mr. SMITH of Iowa: A bill (H. R. 11195) to establish a fish-cultural station in the western section of the State of Iowa—to the Committee on the Merchant Marine and Fisheries.

Also, a bill (H. R. 11196) for the relief of the New Nonpareil Company, of Council Bluffs, Iowa—to the Committee on Claims.

Also, a bill (H. R. 11197) granting additional compensation to surviving Union soldiers, sailors, and marines who were prisoners of war during the civil war—to the Committee on Invalid Pensions.

Also, a bill (H. R. 11198) to amend the act of February 6, 1907, granting pensions to certain enlisted men, soldiers and officers, who served in the civil war or the war with Mexico—to the Committee on Invalid Pensions.

Also, a bill (H. R. 11199) to simplify the proofs required in applications for pensions where the claimants were prisoners of war—to the Committee on Invalid Pensions.

Also, a bill (H. R. 11200) simplifying the proofs required in applications for widows' pensions—to the Committee on Invalid Pensions.

Also, a bill (H. R. 11201) to create a Tuberculosis Commission—to the Committee on Interstate and Foreign Commerce.

By Mr. WILSON of Illinois: Resolution (H. Res. 82) authorizing the appointment of one additional clerk to the Committee on Enrolled Bills—to the Committee on Accounts.

By Mr. BURNETT: Resolution (H. Res. 83) requesting the Secretary of Commerce and Labor to send to the House of Representatives certain documents—to the Committee on Immigration and Naturalization.

PRIVATE BILLS AND RESOLUTIONS.

Under clause 1 of Rule XXII, private bills and resolutions of the following titles were introduced and severally referred as follows:

By Mr. ANDERSON: A bill (H. R. 11202) granting an increase of pension to Herman R. Ferguson—to the Committee on Invalid Pensions.

By Mr. THOMAS of Kentucky: A bill (H. R. 11203) granting an increase of pension to James Loving—to the Committee on Invalid Pensions.

Also, a bill (H. R. 11204) granting an increase of pension to Clement Brawner—to the Committee on Invalid Pensions.

Also, a bill (H. R. 11205) granting an increase of pension to James H. Ashley—to the Committee on Invalid Pensions.

Also, a bill (H. R. 11206) granting a pension to Laura B. Adams—to the Committee on Invalid Pensions.

Also, a bill (H. R. 11207) granting a pension to F. M. Berry—to the Committee on Invalid Pensions.

Also, a bill (H. R. 11208) granting a pension to Millie Sweatt—to the Committee on Invalid Pensions.

Also, a bill (H. R. 11209) granting a pension to Mahala Faut—to the Committee on Invalid Pensions.

Also, a bill (H. R. 11210) granting a pension to Maggie Evans—to the Committee on Invalid Pensions.

Also, a bill (H. R. 11211) granting a pension to Sarah Mallory—to the Committee on Invalid Pensions.

Also, a bill (H. R. 11212) granting a pension to Anna Briggs—to the Committee on Invalid Pensions.

Also, a bill (H. R. 11213) for the relief of the heirs of Henry H. Johnston—to the Committee on War Claims.

By Mr. BARNHART: A bill (H. R. 11214) granting an increase of pension to William Kreighbaum—to the Committee on Invalid Pensions.

By Mr. BROWNLOW: A bill (H. R. 11215) granting an increase of pension to S. Nations—to the Committee on Invalid Pensions.

Also, a bill (H. R. 11216) granting a pension to Thomas C. Crow—to the Committee on Invalid Pensions.

By Mr. CASSIDY (by request): A bill (H. R. 11217) authorizing the appointment of Maj. J. F. Munson, United States Army, retired, to the rank and grade of brigadier-general on the retired list of the army—to the Committee on Military Affairs.

By Mr. CULLOP: A bill (H. R. 11218) granting an increase of pension to Wilson Watkins—to the Committee on Invalid Pensions.

By Mr. HOUSTON: A bill (H. R. 11219) granting a pension to Aaron B. Davis—to the Committee on Pensions.

By Mr. MADISON: A bill (H. R. 11220) granting an increase of pension to Charles R. Wright—to the Committee on Invalid Pensions.

By Mr. MOON of Tennessee: A bill (H. R. 11221) for the relief of L. D. Cotten, of Sparta, Tenn.—to the Committee on Naval Affairs.

By Mr. SCOTT: A bill (H. R. 11222) granting an increase of pension to Eliza S. Stiteler—to the Committee on Invalid Pensions.

By Mr. SMALL: A bill (H. R. 11223) granting a pension to Levi Newbern—to the Committee on Pensions.

By Mr. SMITH of Iowa: A bill (H. R. 11224) granting an increase of pension to George C. McKeen—to the Committee on Invalid Pensions.

Also, a bill (H. R. 11225) granting an increase of pension to John Koolbeck—to the Committee on Invalid Pensions.

Also, a bill (H. R. 11226) granting an increase of pension to John M. Miller—to the Committee on Invalid Pensions.

Also, a bill (H. R. 11227) granting an increase of pension to William Christie—to the Committee on Invalid Pensions.

Also, a bill (H. R. 11228) granting an increase of pension to Silas Town—to the Committee on Invalid Pensions.

Also, a bill (H. R. 11229) granting an increase of pension to Andrew J. Linn—to the Committee on Invalid Pensions.

Also, a bill (H. R. 11230) granting an increase of pension to Thomas N. Williamson—to the Committee on Invalid Pensions.

Also, a bill (H. R. 11231) granting an increase of pension to Jasper Blain—to the Committee on Invalid Pensions.

Also, a bill (H. R. 11232) granting an increase of pension to William H. Doyle—to the Committee on Invalid Pensions.

Also, a bill (H. R. 11233) granting an increase of pension to P. B. West—to the Committee on Invalid Pensions.

Also, a bill (H. R. 11234) granting an increase of pension to Henry C. Tucker—to the Committee on Invalid Pensions.

Also, a bill (H. R. 11235) granting an increase of pension to George H. Shoemaker—to the Committee on Invalid Pensions.

Also, a bill (H. R. 11236) granting an increase of pension to L. Sherwood—to the Committee on Invalid Pensions.

Also, a bill (H. R. 11237) granting an increase of pension to Mathias Stoffels—to the Committee on Invalid Pensions.

Also, a bill (H. R. 11238) granting an increase of pension to George W. Stratton—to the Committee on Invalid Pensions.

Also, a bill (H. R. 11239) granting an increase of pension to Joseph A. Spaulding—to the Committee on Invalid Pensions.

Also, a bill (H. R. 11240) granting an increase of pension to Milton Sperry—to the Committee on Invalid Pensions.

Also, a bill (H. R. 11241) granting an increase of pension to Henry Russell—to the Committee on Invalid Pensions.

Also, a bill (H. R. 11242) granting an increase of pension to Jasper Reno—to the Committee on Invalid Pensions.

Also, a bill (H. R. 11243) granting an increase of pension to Sarah A. Robinson—to the Committee on Invalid Pensions.

Also, a bill (H. R. 11244) granting an increase of pension to L. A. Persons—to the Committee on Invalid Pensions.

Also, a bill (H. R. 11245) granting an increase of pension to Rowlin T. Parkhurst—to the Committee on Invalid Pensions.

Also, a bill (H. R. 11246) granting a pension to Margaret Pendergast—to the Committee on Invalid Pensions.

Also, a bill (H. R. 11247) granting an increase of pension to Samuel F. Noel—to the Committee on Invalid Pensions.

Also, a bill (H. R. 11248) granting an increase of pension to James T. McIntosh—to the Committee on Invalid Pensions.

Also, a bill (H. R. 11249) granting an increase of pension to William M. McCrary—to the Committee on Invalid Pensions.

Also, a bill (H. R. 11250) granting an increase of pension to William P. McWilliams—to the Committee on Invalid Pensions.

Also, a bill (H. R. 11251) granting an increase of pension to Amanda McConkey—to the Committee on Invalid Pensions.

Also, a bill (H. R. 11252) granting an increase of pension to Mathew McCredden—to the Committee on Invalid Pensions.

Also, a bill (H. R. 11253) granting an increase of pension to Andrew J. Lake—to the Committee on Invalid Pensions.

Also, a bill (H. R. 11254) granting an increase of pension to Jefferson Kisling—to the Committee on Invalid Pensions.

Also, a bill (H. R. 11255) granting an increase of pension to William R. Keep—to the Committee on Invalid Pensions.

Also, a bill (H. R. 11256) granting an increase of pension to Henry W. Holden—to the Committee on Invalid Pensions.

Also, a bill (H. R. 11257) granting an increase of pension to Joseph Harlen—to the Committee on Invalid Pensions.

Also, a bill (H. R. 11258) granting an increase of pension to William E. Hilliker—to the Committee on Invalid Pensions.

Also, a bill (H. R. 11259) granting an increase of pension to Mary Healy—to the Committee on Invalid Pensions.

Also, a bill (H. R. 11260) granting an increase of pension to Wallace J. Hill—to the Committee on Invalid Pensions.

Also, a bill (H. R. 11261) granting an increase of pension to Shadrack Henderson—to the Committee on Invalid Pensions.

Also, a bill (H. R. 11262) granting an increase of pension to James W. Foster—to the Committee on Invalid Pensions.

Also, a bill (H. R. 11263) granting an increase of pension to Edward C. Fitch—to the Committee on Invalid Pensions.

Also, a bill (H. R. 11264) granting an increase of pension to Edward L. Folsom—to the Committee on Invalid Pensions.

Also, a bill (H. R. 11265) granting an increase of pension to Thomas Evans—to the Committee on Invalid Pensions.

Also, a bill (H. R. 11266) granting an increase of pension to Even Evans—to the Committee on Invalid Pensions.

Also, a bill (H. R. 11267) granting an increase of pension to William J. Dryden—to the Committee on Invalid Pensions.

Also, a bill (H. R. 11268) granting an increase of pension to Charles W. Case—to the Committee on Invalid Pensions.

Also, a bill (H. R. 11269) granting an increase of pension to Samuel R. Curtis—to the Committee on Invalid Pensions.

Also, a bill (H. R. 11270) granting an increase of pension to Edward B. Cousins—to the Committee on Invalid Pensions.

Also, a bill (H. R. 11271) granting an increase of pension to William H. Berry—to the Committee on Invalid Pensions.

Also, a bill (H. R. 11272) granting an increase of pension to Milo Bunce—to the Committee on Invalid Pensions.

Also, a bill (H. R. 11273) granting an increase of pension to James L. Anderson—to the Committee on Invalid Pensions.

Also, a bill (H. R. 11274) granting a pension to Watson C. Trego—to the Committee on Invalid Pensions.

Also, a bill (H. R. 11275) granting a pension to John J. Weigert—to the Committee on Invalid Pensions.

Also, a bill (H. R. 11276) granting a pension to William J. Warne—to the Committee on Invalid Pensions.

Also, a bill (H. R. 11277) granting a pension to Lora L. Warne—to the Committee on Invalid Pensions.

Also, a bill (H. R. 11278) granting a pension to Howard M. Stiles—to the Committee on Pensions.

Also, a bill (H. R. 11279) granting a pension to Emanuel Smith—to the Committee on Invalid Pensions.

Also, a bill (H. R. 11280) granting a pension to Nancy Palmer—to the Committee on Invalid Pensions.

Also, a bill (H. R. 11281) granting a pension to Elias Palmer—to the Committee on Invalid Pensions.

Also, a bill (H. R. 11282) granting a pension to Ellen Murphy—to the Committee on Invalid Pensions.

Also, a bill (H. R. 11283) granting a pension to M. E. Halderman—to the Committee on Invalid Pensions.

Also, a bill (H. R. 11284) granting a pension to Dorcas Cuppy—to the Committee on Invalid Pensions.

Also, a bill (H. R. 11285) granting a pension to Benjamin F. Clayton—to the Committee on Invalid Pensions.

Also, a bill (H. R. 11286) granting a pension to Thomas Brown—to the Committee on Invalid Pensions.

Also, a bill (H. R. 11287) for the relief of John Maher and Bessie J. Maher, dependent father and mother of Edward Maher, deceased—to the Committee on Military Affairs.

Also, a bill (H. R. 11288) for the relief of Charles H. Warren—to the Committee on Military Affairs.

Also, a bill (H. R. 11289) for the relief of Daniel J. Ockerson—to the Committee on War Claims.

Also, a bill (H. R. 11290) for the relief of Mrs. M. E. Haldeman—to the Committee on War Claims.

Also, a bill (H. R. 11291) for the relief of A. M. Ellis—to the Committee on Claims.

Also, a bill (H. R. 11292) for the relief of the personal representative of Jacob Bogert—to the Committee on Claims.

Also, a bill (H. R. 11293) for the relief of John M. Boyd—to the Committee on Claims.

Also, a bill (H. R. 11294) to correct the military record of William Vickory—to the Committee on Military Affairs.

Also, a bill (H. R. 11295) to correct the military record of Henry Smith—to the Committee on Military Affairs.

Also, a bill (H. R. 11296) to correct the military record of James Owens—to the Committee on Military Affairs.

Also, a bill (H. R. 11297) to correct the military record of Stephen T. Campbell—to the Committee on Military Affairs.

Also, a bill (H. R. 11298) granting the Court of Claims jurisdiction to hear and determine the claim of the widow, heirs, and personal representative of Thomas Page for Indian depredation—to the Committee on Claims.

Also, a bill (H. R. 11299) granting the Court of Claims jurisdiction to hear and determine the claim of the widow, heirs, and personal representative of Thomas Page for Indian depredation—to the Committee on Claims.

By Mr. THISTLEWOOD: A bill (H. R. 11300) granting an increase of pension to W. F. McKee—to the Committee on Invalid Pensions.

Also, a bill (H. R. 11301) granting an increase of pension to James M. Bracken—to the Committee on Invalid Pensions.

Also, a bill (H. R. 11302) granting an increase of pension to James Watson—to the Committee on Invalid Pensions.

Also, a bill (H. R. 11303) to remove the charge of desertion from the record of John Ballard—to the Committee on Military Affairs.

PETITIONS, ETC.

Under clause 1 of Rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

By Mr. AUSTIN: Petitions of Halls Cross Roads Council, No. 71, Junior Order United American Mechanics, for exclusion of all Asiatics save merchants, students, and travelers—to the Committee on Foreign Affairs.

Also, petitions of 18 merchants of Harriman, 13 of Clinton, 5 of Oliver Springs, 23 of Maryville, 18 of Norristown, 13 of Lafollette, and 8 of Jefferson City, all of the State of Tennessee, against a parcels-post law—to the Committee on the Post-Office and Post-Roads.

By Mr. FULLER: Petition of the Florsheim Company and W. G. Brown, of La Salle, Ill., for free hides—to the Committee on Ways and Means.

Also, petition of Lake Region Waterways Association, for improvement of the Oklawaha River—to the Committee on Rivers and Harbors.

Also, petition of the Carded Woolen Manufacturers' Association, concerning tariff on wool and wool products—to the Committee on Ways and Means.

Also, petition of Gold Leaf Manufacturers' Association, favoring tariff on gold leaf—to the Committee on Ways and Means.

Also, petition of Park & Tilford, McKesson & Robbins, and F. R. Arnold & Co., against increase of duty on toilet soaps—to the Committee on Ways and Means.

Also, petition of H. A. Eversole, of Gardner, Ill., for free hides—to the Committee on Ways and Means.

Also, petition of Morris Gas Light Company, of Morris, Ill., for increased duty on gas mantles and for placing thorium nitrate on the free list—to the Committee on Ways and Means.

Also, petition of E. Woelfel, president of the Woelfel Leather Company, of Morris, Ill., against a duty on hides—to the Committee on Ways and Means.

Also, petition of Illinois Coal Operators' Association, for the countervailing duty on Mexican coal—to the Committee on Ways and Means.

Also, petition of merchants of Ottawa, Ill., against a parcels-post law—to the Committee on the Post-Office and Post-Roads.

Also, petition of Chicago Association of Commerce, against proposed 2 per cent tax on corporation net receipts—to the Committee on Ways and Means.

Also, petition of E. P. Lathrop, of Rockford, Ill., against corporation tax—to the Committee on Ways and Means.

Also, petition of Frank A. Dickson, acting adjutant-general of the State of Illinois, favoring bill S. 1691—to the Committee on Militia.

Also, paper to accompany bill for relief of George Hutson—to the Committee on Invalid Pensions.

By Mr. LAFEAN: Petition of citizens of York, Pa., for abrogation of extradition treaty with Russia—to the Committee on Foreign Affairs.

By Mr. MOON of Tennessee: Paper to accompany bill for relief of L. D. Cotten, M. D., of Sparta, Tenn.—to the Committee on Naval Affairs.

By Mr. OLDFIELD: Paper to accompany bill (H. R. 11137) for improvement of navigation of the White and Black rivers in Arkansas—to the Committee on Rivers and Harbors.

Also, paper to accompany bill (H. R. 11187) for relief of Harmon Varner—to the Committee on Invalid Pensions.

By Mr. YOUNG of Michigan: Petition of citizens of Point Mills, Mich., favoring placing hides on the free list—to the Committee on Ways and Means.

SENATE.

TUESDAY, *July 6, 1909.*

The Senate met at 10 o'clock a. m.

Prayer by the Chaplain, Rev. Ulysses G. B. Pierce, D. D.

The Secretary proceeded to read the Journal of yesterday's proceedings, when, on request of Mr. KEAN, and by unanimous consent, the further reading was dispensed with.

The VICE-PRESIDENT. The Journal stands approved.

PETITIONS AND MEMORIALS.

Mr. BURTON presented a memorial of sundry citizens of Cleveland, Ohio, indorsing the action of the United States Senate in protecting the lemon industry of the United States, which was ordered to lie on the table.

Mr. STEPHENSON presented a memorial of the American Society of Equity of Calumet County, Wis., remonstrating against a reduction of the present duty on oleomargarine, which was referred to the Committee on Agriculture and Forestry.

Mr. DICK presented memorials of sundry citizens of Toledo, Columbus, and Cleveland, all in the State of Ohio, indorsing the action of the United States Senate in protecting the lemon industry of the United States, which were ordered to lie on the table.

C. P. SCHENCK.

Mr. KEAN, from the Committee to Audit and Control the Contingent Expenses of the Senate, to whom was referred Senate resolution 64, submitted yesterday by Mr. CUMMINS, reported it without amendment, and it was considered by unanimous consent and agreed to, as follows:

Senate resolution 64.

Resolved, That the Secretary of the Senate be, and is hereby, authorized to pay to C. P. Schenck, out of the contingent fund of the Senate, the sum of $76 for services as messenger from March 4 to March 22, 1909, inclusive.

BILLS INTRODUCED.

Bills were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. SCOTT:

A bill (S. 2834) granting an increase of pension to Alexander Phillips (with accompanying paper); to the Committee on Pensions.

By Mr. DILLINGHAM:

A bill (S. 2835) providing for the appointment of one additional assistant clerk and a financial clerk of the municipal court of the District of Columbia; to the Committee on the District of Columbia.

By Mr. FRYE:

A bill (S. 2836) granting a pension to Margaret Rice Sanford (with accompanying paper); to the Committee on Pensions.

By Mr. GUGGENHEIM:

A bill (S. 2837) granting an increase of pension to Alice T. Smith (with accompanying papers); to the Committee on Pensions.

By Mr. STEPHENSON:

A bill (S. 2838) granting an increase of pension to Frederick Heinemann; and

A bill (S. 2839) granting an increase of pension to Henry Connor (with accompanying papers); to the Committee on Pensions.

By Mr. DU PONT:

A bill (S. 2840) granting a pension to Elizabeth C. Jones;

A bill (S. 2841) granting a pension to John J. Quinnt (with accompanying paper); and

A bill (S. 2842) granting a pension to Lewis Bullock (with accompanying paper); to the Committee on Pensions.

AMENDMENT TO THE TARIFF BILL.

Mr. BURTON submitted an amendment intended to be proposed by him to paragraph 526 of the bill (H. R. 1438) to provide revenue, equalize duties, and encourage the industries of the United States, and for other purposes, which was ordered to lie on the table and be printed.

EMILY PERKINS HALE.

Mr. LODGE submitted the following resolution (S. Res. 66), which was referred to the Committee to Audit and Control the Contingent Expenses of the Senate:

Senate resolution 66.

Resolved, That the Secretary of the Senate be, and he is hereby, authorized and directed to pay to Emily Perkins Hale, widow of Rev. Edward Everett Hale, late Chaplain of the United States Senate, a sum equal to six months' salary at the rate he was receiving by law at the time of his demise, said sum to be considered as including funeral expenses and all other allowances.

THE TARIFF.

The VICE-PRESIDENT. The morning business is closed, and the first bill on the calendar will be proceeded with.

The Senate, as in Committee of the Whole, resumed the consideration of the bill (H. R. 1438) to provide revenue, equalize duties, and encourage the industries of the United States, and for other purposes.

Mr. BRISTOW. Mr. President, I suggest the absence of a quorum.

The VICE-PRESIDENT. The Secretary will call the roll.

The Secretary called the roll, and the following Senators answered to their names:

Aldrich	Clark, Wyo.	Gamble	Penrose
Beveridge	Crane	Guggenheim	Perkins
Bradley	Crawford	Hale	Scott
Briggs	Cullom	Jones	Smith, S. C.
Bristow	Cummins	Kean	Smoot
Brown	Daniel	La Follette	Stephenson
Burkett	Davis	McEnery	Stone
Burnham	Dick	McLaurin	Sutherland
Burrows	Dillingham	Martin	Taylor
Burton	Flint	Nelson	Wetmore
Carter	Frazier	Oliver	
Chamberlain	Frye	Overman	
Clapp	Gallinger	Page	

The VICE-PRESIDENT. Forty-nine Senators have answered to the roll call. A quorum of the Senate is present. The bill is before the Senate as in Committee of the Whole and open to amendment.

Mr. HALE. I was not in the Senate yesterday when the provisions of section 8 of the bill were reported, and I wish to offer an amendment to that amendment.

The VICE-PRESIDENT. Does the Senator mean section 8 of the amendment of the Senator from Rhode Island?

Mr. HALE. Yes; in line 25.

The VICE-PRESIDENT. That amendment has been agreed to. Without objection, it will be reconsidered for the purpose of receiving the amendment offered by the Senator from Maine. The Chair hears no objection.

Mr. HALE. It relates to the St. John River.

The VICE-PRESIDENT. The amendment was agreed to yesterday.

Mr. HALE. Yes; I ask that it be reconsidered.

The VICE-PRESIDENT. That has already been done for the purpose of offering a further amendment.

Mr. HALE. To perfect the section, after the word "continue," in line 25, I move to insert "for two years from the date of the passage of this act."

The Secretary read the amendment.

Mr. BRISTOW. I can not hear the amendment from the reading, nor am I able to hear anything that is said about it.

The VICE-PRESIDENT. The amendment offered is an amendment to the amendment of the Senator from Rhode Island relating to the St. John River in Maine, which was agreed to last evening.

Mr. HALE. This is perfecting the amendment.

Mr. BRISTOW. What is the page and line?

The VICE-PRESIDENT. The Senator will not find it in the amendment he has before him, because it is an amendment to that amendment, which was agreed to last evening. On page 4138 of to-day's RECORD the Senator from Kansas will find it.

Mr. NELSON. It does not refer to the Rainy River, Minnesota, paragraph?

Mr. HALE. It is an addition to the St. John River act and the St. Croix River act. It is simply perfecting the amendment, which, if I had been present, I would have asked to have done yesterday.

The VICE-PRESIDENT. The amendment will be stated by the Secretary.

The SECRETARY. In line 25, on page 8, after the word "continue," insert "for two years from the date of the passage of this act," so as to read:

SEC. 8. That the produce of the forests of the State of Maine upon the St. John River and its tributaries, owned by American citizens, and sawed or hewed in the Province of New Brunswick by American citizens, the same being otherwise unmanufactured in whole or in part, which is now admitted into the ports of the United States free of duty, shall continue for two years from the date of the passage of this act to be so admitted, under such regulations as the Secretary of the Treasury shall from time to time prescribe.

Mr. BACON. If I understand correctly, the same change is made in that case as in the Minnesota case. It relates only to timber that is cut in the State of Maine.

Mr. HALE. It relates only to lumber cut in the State of Maine. We have not reached the Rainy River amendment. That, I may say, is in charge of the Senator from Minnesota.

Mr. NELSON. The Rainy River provision relates simply to a stream on the boundary line between Canada and Minnesota.

Mr. BACON. It relates only to timber cut in the State of Minnesota?

Mr. NELSON. That is all.

The VICE-PRESIDENT. The question is on agreeing to the amendment submitted by the Senator from Maine.

Mr. CLARK of Wyoming. I understand that it refers to logs from Maine manufactured in the Province of New Brunswick.

Mr. HALE. Under old conditions the only possible way of getting out the product on the St. John River and tributaries was to send the lumber down the St. John River to be manufactured there, and it is brought in free of duty. That provision has been in every tariff act for twenty years. The committee has inserted the old provision, and being absent I was not able to look after it on yesterday. This clause is put in in order to give control to the conference as to the time the act shall continue.

The VICE-PRESIDENT. The question is on agreeing to the amendment proposed by the Senator from Maine.

The amendment was agreed to.

Mr. HALE. Now, in the next clause, which is another Maine river, with the same condition, after the word "admitted" I move to insert "for two years after the date of the passage of this act," so as to read, "shall be admitted for two years after the date of the passage of this act into the ports of the United States," and so forth. That relates to St. Croix River and its tributaries.

The VICE-PRESIDENT. The question is on agreeing to the amendment submitted by the Senator from Maine.

The amendment was agreed to.

The VICE-PRESIDENT. Without objection, the section as amended will be again agreed to.

Mr. BEVERIDGE. Mr. President, yesterday afternoon, when the drawback provisions were being considered——

Mr. BURKETT. Will the Senator from Indiana yield to me?

Mr. BEVERIDGE. Certainly.

Mr. BURKETT. I have now the amendment to offer after we have had some conversation and consideration with reference to fraternal beneficiary societies. The committee have considered it, and I now offer it, if the Senator from Indiana will permit me, to follow the first paragraph of the corporation-tax amendment.

Mr. BEVERIDGE. I yield for that purpose.

The VICE-PRESIDENT. Is there objection to reconsidering that amendment for the purpose of offering this amendment to it? The Chair hears none. The amendment proposed by the Senator from Nebraska will be stated.

The SECRETARY. In line 14, page 2, of the committee amendment strike out the period and insert a colon and the following words:

Provided, however, That nothing in this section contained shall apply to fraternal beneficiary societies, orders, or associations operating under the lodge system and providing for the payment of life, sick, accident, and other benefits to the members of such societies, orders, or associations, and dependents of such members, nor to building and loan associations.

The VICE-PRESIDENT. The question is on agreeing to the amendment proposed by the Senator from Nebraska.

Mr. BACON. Mr. President, I do not think that amendment goes near far enough. I did not know the Senator was going to bring it up to-day. I introduced an amendment two or three days ago that covers that ground fully, and much more fully than this amendment does, and also other organizations, including all benevolent, charitable, educational institutions, all mutual associations for mutual benefit, where there was no stock and where the proceeds were devoted to the benefit and assistance of the members, and also endeavoring to guard against the inclusion in the corporation tax of small mercantile establishments. I have not time to look up the amendment now. I supposed from the opposition of the Senator from Rhode Island that that matter was disposed of until we got into the Senate, when he said it was the purpose of the committee to present something upon that line.

Mr. ALDRICH. The committee have agreed to this proposition. I thought the amendment of the Senator from Georgia went too far.

Mr. BACON. I should like very much while we are on this to act upon the other proposition.

Mr. BURKETT. I will say to the Senator from Georgia that this includes every possible kind of fraternal beneficiary society. The additional provision of the Senator from Georgia relates to organizations without profit—educational and char-

itable institutions—but it is thought, as the first lines of the provision substantially provide that it shall pertain to corporations, joint stock companies, or associations organized for profit, it would simply be a duplication of the same words, only putting it the other way, one being negative and the other affirmative. Aside from that, this includes all the Senator had in his amendment, as I understand, but the first.

Mr. BACON. I ask if the Senator's amendment has been printed?

Mr. BURKETT. Yes; it has been printed.

Mr. BACON. I should like to have a copy of it, please.

Mr. CRAWFORD. Mr. President——

Mr. BACON. I hope the Senator will pardon me for a moment.

Mr. LA FOLLETTE. I wish to make an inquiry of the Senator from Nebraska. Is the amendment which the Senator from Nebraska has just offered the same as he presented on July 2, which appears on page 4063 of the CONGRESSIONAL RECORD.

Mr. BURKETT. I will say that this draft which I offer was the one I introduced two or three days before that. On the 2d of July I introduced another one, and it had in the fifth line the words "including labor organizations." It was thought by the committee and those who looked over it that there would not be any question but that the term "fraternal beneficiary societies, orders, and associations operating under the lodge system" would include that, and it was thought best not to name any particular fraternal organization or labor organization or anything, but to include them under the term "beneficiary organizations."

I will say also to the Senator that to that were added, to the amendment as I introduced it, the words "nor to building and loan associations."

Mr. LA FOLLETTE. I will state, if the Senator from Georgia will pardon me, that in the opinion of the representatives of those organizations who have given a good deal of consideration to this matter the language incorporated in the amendment, as offered on the 2d of July, is very much safer, and it ought to be included in this amendment. I hope the Senator——

Mr. BACON. I yielded to allow the Senator to ask a question, and I hope I may proceed.

Mr. LA FOLLETTE. I beg the Senator's pardon.

Mr. BACON. I had the floor.

Mr. BURKETT. May I reply to the Senator from Wisconsin?

Mr. BACON. I think it is better to take things in their order. Each Senator, of course, has something he desires to say, and I desire to say what I wish to submit before anybody else is heard.

The VICE-PRESIDENT. The Senator from Georgia has the floor.

Mr. BACON. I hope I may have the attention of the committee, because this is a matter in which there is no division on any political lines, and I am sure the committee will not desire to work a hardship upon organizations which ought not to be subjected to this tax. This is an extremely important matter. There is nothing partisan or political in it. It is something which must address itself to the judgment and consideration of every Senator, because it affects all classes of people throughout the whole United States, of every section.

I do not think that the amendment offered by the Senator from Nebraska goes far enough in some particulars, and I think it goes a great deal too far in one particular. I will call the attention of the Senate to it, and I am sure what I state must be recognized in this matter.

There is a general provision in the amendment that the law shall not apply to building and loan associations. That does not limit it to mutual building and loan associations, but to any organization which may denominate itself as a building and loan association and which may go into the business of a building and loan association. There are building and loan associations which are not altogether mutual establishments. There are building and loan associations which are organizations very largely for profit. We have had some tremendous scandals in this country growing out of the abuse by building and loan associations of the opportunity to make personal profit. So, while I am in favor of mutual building and loan associations being excepted, I am not in favor of a general provision which would except all building and loan associations.

I will state to the Senate that while in the earlier days the building and loan associations were mutual, some fifteen or twenty years ago there sprang up throughout the United States a class of building and loan associations which finally got into the courts and created a greater scandal than any other corporate enterprise I know of anywhere, absolutely wrecking all those who had put their money in them and a few men walking off with bags full of profits.

Mr. ALDRICH. Has the Senator a copy of his own amendment there?

Mr. BACON. I have.

Mr. ALDRICH. I wish he would read it, or have it read.

Mr. BACON. I will read it, and I will repeat what I said when I offered the amendment before. I recognize it was offered under disadvantageous circumstances, and I am glad to have the opportunity again to present it to the Senate. It is broken up into four or five different paragraphs in order that the Senate might, if it saw proper, reject one part or the other, and in order that it might not reject the whole by reason of any particular part. I will read the whole of it. It is put in as a proviso at the conclusion of section 4:

Provided, That the provisions of this section shall not apply to any corporation or association organized and operated for religious, charitable, or educational purposes, no part of the profit of which inures to the benefit of any private stockholder or individual, but all of the profit of which is in good faith devoted to the said religious, charitable, or educational purpose: *Provided further*, That the provisions of this section shall not apply to incorporations or associations of fraternal orders or organizations designed and operated exclusively for mutual benefit or for the mutual assistance of its members: *Provided further*, That the provisions of this section shall not apply to any insurance or other corporation or association organized and operated exclusively for the mutual benefit of its members in which there are no joint-stock shares entitled to dividends or individual profit to the holders thereof——

Mr. ALDRICH. That would not do, because it would open up——

Mr. BACON. Let me read it through, and then we will take it up separately:

Provided further, That the provisions of this section shall not apply to any corporation or association designed and operated solely for mercantile business the gross sales of which do not exceed $250,000 per annum.

Mr. ALDRICH. That will not do.

Mr. BACON. I recognized the fact that there are different degrees of merit in these various propositions and that some would meet with opposition and others might not. For that reason I said I had cut it into four different, distinct ones. The first two, it seems to me, are beyond question matters that ought to be eliminated from the law.

Mr. ALDRICH. I do not see any objection to the first two.

Mr. BACON. Very well; I think an examination of the amendment offered by the Senator from Nebraska, as compared with the first two provisions I have just read, will certainly more completely set up——

Mr. CLARK of Wyoming. Mr. President——

The VICE-PRESIDENT. Will the Senator from Georgia yield to the Senator from Wyoming?

Mr. BACON. With pleasure.

Mr. CLARK of Wyoming. I want to ask the Senator who has presented this matter whether the first provision would or would not apply to corporations such as the Trinity Church corporation of New York City.

Mr. BACON. I do not know what the provisions of that corporation are, but I will state to the Senator——

Mr. CLARK of Wyoming. The Trinity Church corporation of New York City is a very large and powerful corporation, and a very profitable corporation; but I do not understand that any of its profits are divided, nor do I understand that it has any stockholders.

Mr. BACON. "Trinity?" I did not catch the Senator's term until he began to describe it. I thought he said "primitive."

Mr. CLARK of Wyoming. I refer to the Trinity Church corporation of New York City. It occurs to me a corporation of that sort, which is taking in hundreds, thousands, and millions of dollars every year as rents and profits and gains, ought not to be excepted from a bill of this sort.

Mr. FLINT. Mr. President——

Mr. BACON. I yield to the Senator from California, who desires to say something in this connection.

Mr. FLINT. I wish to call the attention of the Senate to the fact that the bill is limited to corporations organized for profit, and it certainly can not be held that the Trinity Church corporation is a corporation organized for profit.

Mr. CLARK of Wyoming. That is very different from the statement the committee made to us a few days ago.

Mr. FLINT. I think not.

Mr. CLARK of Wyoming. It is a very different statement from what the bill itself makes, because the bill itself speaks of certain corporations not organized for profit that shall be under the tax.

Mr. ALDRICH and Mr. FLINT. Only insurance companies.

Mr. CLARK of Wyoming. I do not understand that the Trinity Church corporation was organized for profit. I do understand, however, that it has grown by virtue of its holdings into an organization which reaps very great profits in the city of New York.

Mr. KEAN. All its money is spent in religious and charitable work.

Mr. DEPEW. Mr. President——

The VICE-PRESIDENT. To whom does the Senator from Georgia yield?

Mr. BACON. I yield to the Senator from Wyoming to ask a question, but I do not yield the floor for general debate on the subject. I desire to present some views.

Mr. CLARK of Wyoming. I am asking for concrete information upon a point in the Senator's amendment, first calling his attention to my judgment that the Trinity Church corporation in New York, and perhaps others of that sort, would fall under the first provision. Second, I want to direct his attention to the third provision of his amendment.

Mr. BACON. I hope the Senator will not take up the third now. Let us take up one at a time. We are on the first two now, which relate to a different subject-matter.

Mr. DEPEW. Mr. President——

Mr. BACON. I can not answer two questions at once.

Mr. CLARK of Wyoming. If the Senator does not care to discuss the whole amendment at the same time I simply wanted to gain a little information; and I will defer asking in regard to the third until later.

Mr. DEPEW. Mr. President——

The VICE-PRESIDENT. Does the Senator from Georgia yield to the Senator from New York?

Mr. BACON. I yield.

Mr. DEPEW. I wish to make a very brief explanation in regard to Trinity Church. It is not organized for profit, nor in the usual acceptance of the meaning of that word does it receive any profits. It had a grant of land in the colonial period, which in the growth of New York has given it a valuable property that has a large earning power, but no one doubts or disputes but what that property is administered with honesty and with ability, and every dollar of the income is devoted to charitable, religious, and educational purposes. There is not a single penny that goes to any individual in the way of profit or distribution of dividends.

Mr. HALE and Mr. CLARK of Wyoming addressed the Chair.

The VICE-PRESIDENT. To whom does the Senator from Georgia yield?

Mr. BACON. I yield to the Senator from Maine.

Mr. HALE. Let me ask the Senator from New York a question. I was waiting for his statement with reference to this Trinity corporation. I understand that it has never ceased to be a religious and benevolent association.

Mr. DEPEW. It is wholly that.

Mr. HALE. It is not doing business for profit, but all of the avails of its business and its real estate belonging to the church association are distributed for benevolent purposes.

Now, does the Senator from New York—this being a matter under his eye—know the extent of its income? It has been intimated that it is vast. Does the Senator know anything about the extent of the income that this religious association has which it distributes in this way?

Mr. DEPEW. I could not name the exact figures. It is several hundred thousand dollars a year.

Mr. KEAN. Mr. President, I will say to the Senator from Maine that the amount of money received by the Trinity corporation has been grossly exaggerated in the newspapers. If I had the last report of the Trinity corporation, which is at my house here, I could give the Senator the exact figure, but I have it not here. I think it is something under a million dollars.

Mr. HALE. Does the Senator mean a million dollars yearly?

Mr. KEAN. A million dollars yearly, I think it is.

Mr. ROOT. Mr. President——

Mr. KEAN. It is all spent in support of religious and educational work.

Mr. HALE. I did not suppose it was so much as a million dollars.

The VICE-PRESIDENT. Does the Senator from Georgia yield to the Senator from New York?

Mr. BACON. I yield to the Senator from New York.

Mr. ROOT. Mr. President, I think that since this particular religious organization is under discussion, it ought to be said that as its revenues have increased by the increase in value of the real estate originally granted to it, it has erected new churches, so that when we speak of it as the Trinity Church corporation its revenues are applied to the maintenance of quite a considerable number of different churches, practically different parishes and different church organizations. It is not a mere case of a church growing rich and retaining its increased revenues, but of a church doing the proper work of a church, and as its revenues have increased going on into new fields and building new churches and chapels, and extending the work proportionately to its revenue.

Mr. CLARK of Wyoming and Mr. CRAWFORD addressed the Chair.

The VICE-PRESIDENT. To whom does the Senator from Georgia yield?

Mr. BACON. I yield to the Senator from Wyoming.

Mr. CLARK of Wyoming. Of course I had no desire in any way to reflect upon the management of the Trinity Church corporation, but from what I have learned, not only through the newspapers, but through the current magazines of the last two years, I have formed an idea that the Trinity Church corporation was engaged in other than religious work in the city of New York. Indeed, I have formed the idea that it was one of the greatest landlords in the city of New York, and that its tenements were not always conducted in a way that any landlord, let alone a church corporation, ought to conduct its tenements.

I have been further informed by the magazines that the net revenue of this corporation runs into the millions of dollars annually. It has occurred to me that a church corporation, even, ought not to be allowed to engage in the ordinary business of other corporations——

Mr. BACON. Mr. President——

The VICE-PRESIDENT. Does the Senator from Georgia yield further?

Mr. BACON. I have not yielded to the Senator for a general speech.

The VICE-PRESIDENT. The Senator from Georgia prefers not to yield further.

Mr. BACON. What the Senator says is entirely proper, but——

Mr. CLARK of Wyoming. I hope the Senator will not put me in the attitude of attacking this corporation without giving me an opportunity to make my statement.

Mr. BACON. Certainly not. I hope the Senator will proceed.

Mr. CLARK of Wyoming. It had occurred to me that any corporation, religious or otherwise, that is engaged in the general business of leasing or renting property could well afford to bring itself within the provisions of an act of this sort. My inquiry of the Senator was whether he thought corporations of this sort were excluded by virtue of his amendment.

Mr. DEPEW. Mr. President——

The VICE-PRESIDENT. Does the Senator from Georgia yield to the Senator from New York?

Mr. BACON. I do.

Mr. DEPEW. I should like to ask the Senator from Wyoming whether——

Mr. BACON. I hope the Senator will let me interrupt him to say that I will not yield further after I yield to the Senator from New York.

Mr. DEPEW. I wish to ask the Senator from Wyoming whether, in view of the many wild, extravagant statements which are made in the magazines as one subject after another or one man after another is taken up, he accepts those statements as actually true?

Mr. CLARK of Wyoming. No; but they simply put me on my guard to make an inquiry, and that inquiry I have made of the author of the amendment.

Mr. BACON. Mr. President, there are several aspects as to which consideration may be had in regard to the matter of taxing benevolent and religious institutions. There is a wide difference of opinion among people as to whether such organizations should be taxed at all or whether they should be taxed on profits. I do not propose to go into that question at all. It is not necessary to go into it, because this is not a general tax act. This is a provision by which a certain class of property is singled out for taxation, and it is one, as we are making a distinction, where we can very properly make a distinction in favor of religious, benevolent, and charitable institutions, without going into the general question whether they should be subject to taxation or not.

It occurred to me that in this partial levy of tax, where we are seeking to reach a certain class of wealth, we very properly except those institutions and those enterprises which have no element of personal gain in them whatever, and which are devoted exclusively to the relief of suffering, to the alleviation of our people, and to all things which commend themselves to every charitable and just impulse.

In regard to the particular corporation of which the honorable Senator from Wyoming [Mr. CLARK] has made mention, I want to say that if it be true that there are features in the business of that corporation which are not strictly religious, educational, or benevolent, they would not be screened by this amendment; and if they are all of them religious, benevolent, and educational, the fact of their magnitude would not, in my opinion, be any reason why we should exclude them from the beneficial provisions of this amendment.

I will say to the Senator from Wyoming and to the Senate—and I hope I may have the attention of the Senator from Wyoming now particularly—that the corporation which I had particularly in mind as an illustration at the time I drew this amendment is the Methodist Book Concern, which has its headquarters in Nashville, which is a very large printing establishment, and in which there must necessarily be profit made, and there is a profit made exclusively for religious, benevolent, charitable, and educational purposes, in which no man receives a scintilla of individual profit. Of course if that were the only one, it might not be a matter that you would say we would be justified in changing these provisions of law to meet a particular case, but there are in greater or less degree such institutions scattered all over this country. If Senators will mark the words, the amendment is very carefully guarded, so as not to include any institution where there is any individual profit, and further than that, where any of the funds are devoted to any purpose other than those which are religious, benevolent, charitable, and educational. So, it seems to me it is doubly guarded. It is guarded so as not to include in the exemption any corporation which has joint stock or in which any individual can receive a dividend for his personal use, and it is further guarded so as not to include any corporation which assesses any part of its revenue for any purpose other than those which are mentioned—religious, benevolent, charitable, and educational.

Mr. FLINT. Mr. President——

The VICE-PRESIDENT. Does the Senator from Georgia yield to the Senator from California?

Mr. BACON. With pleasure.

Mr. FLINT. I desire to ask the Senator from Georgia whether or not, in his opinion, we have not exempted them by the words "corporation, joint-stock company, or association organized for profit?"

Mr. BACON. I think not, Mr. President. I gave the illustration of the Methodist Book Concern for that reason. It is organized for profit, but it is not organized for individual profit. It is organized to make a profit to extend religious work and to extend benevolent work, charitable work, and educational work. It is organized for profit, and does make a profit. That is the very reason why I think the words of the amendment with reference to a corporation tax are not sufficient.

Mr. HALE. Will not the Senator from Georgia read the first clause of his amendment?

Mr. BACON. I will, with pleasure. It is as follows:

Provided, That the provisions of this section shall not apply to any corporation or association organized and operated for religious, charitable, or educational purposes, no part of the profit of which inures to the benefit of any private stockholder or individual, but all of the profit of which is in good faith devoted to the said religious, charitable, or educational purpose.

There is but one word that I can suggest to make that stronger, which I am willing to incorporate, and that is after the word "operated" to insert the word "exclusively," so that it will read in this way:

Provided, That the provisions of this section shall not apply to any corporation or association organized and operated exclusively for religious, charitable, or educational purposes, no part of the profit of which inures to the benefit of any private stockholder or individual, but all of the profit of which is in good faith devoted to the said religious, charitable, or educational purpose.

It seems to me that would make it as complete as it is possible to do.

Mr. HALE. I do not see how the Senator from Georgia, with what he has in view, can use language more complete as to what it embraces or more complete as to what it excludes. It seems to me he has got it in very complete form.

Mr. BACON. Would the Senator from Maine agree with me as to the insertion of the word "exclusively?"

Mr. HALE. Yes; I think that helps it.

Mr. BACON. That will make it much more emphatic.

Mr. President, shall I pass from that to the next amendment? In order that we may act upon these various propositions, if the Senator from Nebraska [Mr. BURKETT] will permit me to have this acted upon rather than the amendment suggested by him, I would ask for the adoption of my first amendment. Will the Senator from Nebraska agree to that?

Mr. BURKETT. I did not understand the request of the Senator from Georgia.

Mr. BACON. I asked if the Senator from Nebraska would consent that the amendment offered by me might be considered instead of the one presented by himself?

Mr. BURKETT. Well, I have no objection. I will say that I think perhaps the first two sections of the Senator's amendment could be very properly added to mine. I have no objection to their being adopted as an amendment. They might just as well be inserted as an additional provision.

Mr. BACON. I do not think they could be properly added.

The VICE-PRESIDENT. The Senator from Georgia may offer his amendment as a substitute for the amendment offered by the Senator from Nebraska, and then it will be subject to amendment.

Mr. BURKETT. The amendment of the Senator from Georgia might be added to my amendment, but it is not exactly a substitute for mine.

Mr. BACON. I do not care anything about that. It is a small matter. So that the language is adopted, I care not in what shape it gets before the Senate. The only objection to offering it as a substitute is that there are four different provisions of the amendment, some of which will meet with the approval of the Senate and others of which may not; so that to offer it as a substitute might perhaps result in some little embarrassment. I will offer the first two provisos of the amendment as a substitute, and then I will offer the other two as an amendment to that, after the substitute has been adopted.

Mr. BURKETT. I hope the Senator will not offer them as a substitute, for they are not a substitute for my amendment. I have no objection to the Senator offering them as an amendment, but I hope he will not offer them as a substitute, so as to displace my amendment. I think, perhaps, his amendment ought to be added to mine. To put his amendment in and have it adopted as a substitute would exclude one or the other; and when we are voting for my amendment we are excluding his, or if we vote for his, we exclude mine. I think they, perhaps, ought both to go in.

Mr. BACON. I do not think they both ought to go in, Mr. President.

Mr. HALE. Let me suggest to the Senator from Nebraska that he withhold his amendment, as the proposition of the Senator from Georgia is entirely distinct and by itself, and does not interfere with the amendment of the Senator from Nebraska. I suggest that the Senator from Nebraska withhold his amendment for a moment, and let the Senate adopt two provisions of the proposition of the Senator from Georgia. I only make that suggestion.

Mr. BEVERIDGE. And then, after that, adopt the amendment of the Senator from Nebraska.

Mr. HALE. After that adopt the amendment of the Senator from Nebraska.

Mr. BURKETT. I will say that I have no objection to that, except that my amendment is before the Senate. I do not know what difference it makes as to which one shall be first adopted. I have no objection to the amendment of the Senator from Georgia. I think it is very proper and ought to be adopted; but my amendment is before the Senate. The committee have reported my amendment at this time.

Mr. BEVERIDGE. Why would it not be satisfactory, in view of that, to reverse the suggestion of the Senator from Maine [Mr. HALE] and let the Senate first adopt the amendment of the Senator from Nebraska, which really has, in view of its acceptance by the Committee on Finance, the right of way, and then adopt the amendment of the Senator from Georgia? Would not that be acceptable?

Mr. HALE. I see no objection to that.

Mr. BEVERIDGE. It seems fair.

Mr. HALE. I think the first two propositions of the Senator from Georgia [Mr. BACON] are good and ought to be adopted.

Mr. BACON. Very well. I will ask the Senator from Nebraska to strike out what he has in his amendment in relation to building and loan associations, for the reasons which I have mentioned. The general term "building and loan associations" will not do and it is entirely covered by the second proviso of my amendment, which is:

Provided further, That the provisions of this section shall not apply to incorporations or associations of fraternal orders or organizations designed and operated exclusively for mutual benefit or for the mutual assistance of its members.

Which does not cover building and loan associations. We ought to take that matter up separately.

Mr. FLINT. Mr. President——

The VICE-PRESIDENT. Does the Senator from Georgia yield to the Senator from California?

Mr. BACON. I do.

Mr. FLINT. Mr. President, the first proviso in the amendment proposed by the Senator from Georgia [Mr. BACON] is not included in the amendment offered by the Senator from Nebraska [Mr. BURKETT].

Mr. BACON. No.

Mr. FLINT. The second proviso in the amendment offered by the Senator from Georgia is not as broad as the amendment offered by the Senator from Nebraska and, in my opinion, does not include certain organizations which should be included. The amendment of the Senator from Georgia limits it to fraternal orders or organizations designed and operated exclusively for mutual benefit or for the mutual assistance of their members. There may be some question as to whether that would include certain organizations which it is the desire of the committee to include.

Mr. BACON. Mr. President, I think the Senator from California is correct in that. I make the suggestion to the Senator from Nebraska that he perfect his amendment. In the last sentence occur the words "nor to building or loan associations." Let us take that up afterwards for perfection. Then I will offer the first proviso of my amendment as an amendment to that of the Senator from Nebraska.

Mr. BURKETT. Mr. President, I will say that my amendment was offered, and it is in the form this morning that the Committee on Finance reported it. So I should hesitate to withdraw the amendment without the consent of the committee, they having reported it. The Senator from Georgia, I will say to the Senator from California [Mr. FLINT], asked to have building and loan associations stricken out, inasmuch as his amendment included them.

Mr. BACON. If the Senator will pardon me a minute, I wish to say that I am not opposed to building and loan associations of a certain kind being exempted, those which are entirely mutual. I say that this language will not do, for the reason that I have personal knowledge of the fact that there are most tremendous organizations in this country under the name of building and loan associations which are not for mutual benefit. I would suggest that if the words covering building and loan associations are stricken from the amendment, we can take up that question in a later amendment and perfect it; but as it stands it would not do.

Mr. FLINT. Mr. President——

The PRESIDING OFFICER (Mr. GALLINGER in the chair). Does the Senator from Georgia yield to the Senator from California?

Mr. BACON. I do.

Mr. FLINT. I think the criticism of the Senator from Georgia is well made and that the language is too broad.

Mr. BACON. There is so much conversation in the Chamber that I can not hear what the Senator says.

Mr. FLINT. I stated that, in my opinion, the criticism of the Senator from Georgia is well made, and that the words "building and loan associations" are too broad. They might include the various associations to which the Senator has referred, which is not the desire nor the intention of the committee. If the Senator from Nebraska will strike out the provision in reference to building and loan associations, as suggested by the Senator from Georgia, I believe the matter may be provided for either in the second proviso or in another proviso.

Mr. DICK. Mr. President——

The PRESIDING OFFICER. Does the Senator from Georgia yield to the Senator from Ohio?

Mr. BACON. I do.

Mr. DICK. May I make this suggestion to the Senator from Georgia and the Senator from Nebraska, that building and loan associations be named in the amendment? I have no objection to inserting the words "cooperative or mutual benefit," or other qualifying words.

Mr. BACON. I am perfectly willing for them to be named.

Mr. DICK. I have no objection that these terms should be inserted; but I do think that building and loan associations should be named.

Mr. BACON. I agree with the Senator. The suggestion I make now is that we dispose of the other features, and then take up the building and loan association feature by itself. Then we can perfect it, and put it in such form as to make it agreeable to all parties.

Mr. DICK. I have no objection to that; but I desire to say that these "building and loan associations," so called in all States except Massachusetts and Louisiana, where they are called "cooperative banks" in Massachusetts and "homestead associations" in Louisiana, are of great public benefit. Their official motto is: "The American home the safeguard of American liberties." They are incorporated with capital stock, none of which is paid in as a condition precedent, but in most States are authorized to begin business when a certain per cent is subscribed; for instance, in Ohio the requirement is 10 per cent.

This stock so subscribed for and afterwards paid in is not permanent stock as in the ordinary corporation, but may be withdrawn by the owner and the stock so canceled may be reissued by the company. These certificates are issued and treated precisely as are certificates of deposit by banks.

Stock may be subscribed for at regular intervals, every six months in some companies and at any time in others, depending upon whether the plan of operation is what is known as the "serial" or "permanent" plan. Almost all Ohio associations are run on the permanent plan, while almost all the Pennsylvania companies are run on the serial plan.

Practically all the States either limit the number of shares a single individual can hold in his own name, or limit the voting power, as in Ohio, to 20 shares in the hands of one person.

No restriction as to the number or the size of the corporations exists in any of the States except Massachusetts, where they are limited to a certain amount of assets as a maximum and possibly a restriction as to the number in any community.

In serial associations, the net earnings are divided when the dues—money paid in plus the net earnings—equals the par value of the stock subscribed.

In permanent associations, the division of earnings is semi-annually made.

In States where permanent associations exist, the States require the creation of a fund for the payment of contingent losses and can not be used for any other purpose.

Practically all the States where these corporations have any strength at all have state inspection departments, and the excesses practiced by some in the past have been eliminated.

The odium of the past attaching to these associations was almost entirely caused by so-called "national associations," who, under the good name and reputation of local companies, got a foothold long enough to fleece a great many unwary and trusting people.

The opposition of the local or domestic companies, together with rigid state regulation, has now wiped out the nationals entirely in the Eastern and Central States.

Home building is the great work of these associations, not literally building themselves, but lending the money and encouraging the wage-earner to build.

It was recently said in the Senate Chamber that conditions had become such that only the thing visible to the assessor was taxed these days. The building associations are the direct means of creating visible things; they only loan on real estate, and mainly for the purpose of building homes.

The number of associations in the country to-day is 5,424, with assets of over $731,508,446 and a membership of over 1,839,119, whose savings average about $400 each.

Pennsylvania leads in associations, having 1,400, with assets of $146,915,600 and a membership of 374,950. Ohio follows next with more than 600, with assets of nearly $133,000,000 and a membership of more than 300,000.

The local building and loan associations of the United States are in excellent condition. That they manifestly enjoy a full measure of public confidence as a means of caring for small savings, and that they are a popular American institution, is amply shown by the large gains in membership and assets which they have again made during the past year. They have increased, approximately, $58,000,000 in assets in 1907, so that they now care for $731,500,000 of the people's savings. The members of these associations are largely wage-earners—persons with small incomes—but they have been economical and thrifty and have, in the aggregate, accumulated a vast sum which has been mainly loaned to its members for the purpose of assisting them in securing their own homes. That these associations have been doing much good and that they have been extending the sphere of their usefulness is apparent from the figures.

The great strength of the building associations is in their purely mutual and cooperative character, their simplicity of management, and in the prudence and care with which their affairs are administered. They have been an important aid in promoting industry, frugality, home building and home owning, and saving, and have added much to the material prosperity of our people. Those who have watched their growth have been gratified over the financial strength which they have developed in recent years, and which, it is believed, augurs much for them in the future.

The following statistical table shows by States the number of associations, total membership, and total assets for such

States as have a building and loan department which compile statistics. The data for all other States are given consolidated under the heading "Other States" and the figures are estimated:

1907–1908.

States.	Number of associations.	Total membership.	Total assets.	Increase in assets.	Increase in membership.
Pennsylvania	1,400	374,950	$146,915,000	$9,274,998	28,575
Ohio	644	321,780	132,714,147	11,619,300	10,945
New Jersey	415	143,886	67,802,407	5,814,215	12,668
Illinois	502	100,680	50,074,144	4,051,762	7,055
Massachusetts	135	114,705	47,220,074	4,602,490	10,223
New York	240	107,450	37,633,163	2,378,373	2,016
Indiana	334	117,974	34,040,117	1,838,864	20,446
California	110	33,565	19,522,896	298,958	[a]2,615
Michigan	55	39,968	14,157,529	1,125,847	4,000
Nebraska	66	39,898	11,422,890	2,461,102	8,109
Louisiana	50	25,437	10,328,307	1,323,347	2,057
Missouri	118	20,625	8,839,908	652,958	1,525
North Carolina	81	21,469	5,355,536	1,009,294	4,564
Kansas	48	16,343	5,118,842	555,914	1,810
Iowa [b]	56	15,950	4,577,214		
Wisconsin	52	12,200	4,490,486	319,000	1,005
West Virginia	39	10,495	3,834,544	434,094	1,195
Maine	35	9,345	3,676,453	241,727	379
Tennessee	15	4,658	2,500,204	660,706	1,738
New Hampshire	16	7,110	1,915,187	78,853	1,635
Connecticut	13	2,731	1,804,857	199,145	[a]600
Minnesota [b]	18	3,085	1,433,900		
North Dakota	7	2,300	1,286,681	295,378	500
Other States	975	292,625	114,753,275	9,067,275	22,175
Total	5,424	1,839,119	731,508,446	58,379,248	139,405

[a] Decrease.
[b] Figures for 1907 not being available, data for 1906 are used.

The receipts and disbursements for the year 1907 show an increased volume of business transacted aggregating nearly $25,000,000. In detail the receipts and disbursements for last year were as follows:

Receipts and disbursements for 1907.

RECEIPTS, 1907.

Cash on hand January 1, 1907	$24,843,904
Weekly dues	176,941,728
Paid-up stock	15,697,056
Deposits	44,070,000
Loans repaid	143,264,112
Interest	39,692,832
Premium	2,652,336
Fines	477,312
Pass books and initiation	748,512
Borrowed money	51,153,744
Real estate sold	6,286,416
Miscellaneous receipts	12,581,696
Total	518,409,648

DISBURSEMENTS, 1907.

Pass book loans	12,882,000
Mortgage loans	209,925,072
Stock withdrawals	145,254,720
Paid-up stock withdrawals	19,336,560
Deposit withdrawals	37,539,504
Expenses	5,239,584
Borrowed money	49,352,976
Interest	1,312,608
Real estate purchased	2,533,008
Miscellaneous disbursements	12,995,904
Cash on hand January 1, 1908	22,037,712
Total	518,409,648

The year 1908 has been an all-important one in the history of the building and loan associations of Ohio. While to those unfamiliar with their work and history the year would seem uneventful, it has nevertheless been a trying period to these financial institutions. The showing thus made must give cause for congratulation to those who are interested in or are friendly to these institutions and who believe in the principles through which they operate. The recent depressed financial period was so far-reaching in its effect on the wage-earner and those in moderate circumstances that direful results to associations organized and maintained, in large measure, to conserve the financial savings of these people were freely predicted, freely commented on, and the subject of much speculation and misgiving; but the results to these associations, as is shown from the various reports officially filed, is convincing that throughout this entire trying period the building and loan associations of Ohio have prospered and grown, and in their quiet, careful, and economical way have in no wise been disturbed by this financial ordeal. On the contrary, they have apparently remained undisturbed by flurry, and have not suffered to any appreciable extent by loss through excessive or abnormal withdrawals, continuing to accumulate the savings of their members and to loan their funds to buy, build, or improve homes. Notwithstanding the fact that during the past year many organized financial institutions were forced to adopt various methods of liquidation and the closing up of their affairs, not a building and loan association in Ohio was compelled to close its doors or defaulted in its payments. This extraordinary test of their strength and stability must give to the public added confidence in their condition and management.

The net gain in assets of these associations for the year was $6,626,297.15, and this large gain during a disastrous financial period, harmful and ruinous to so many, must be accepted as evidence that the confidence in membership and management in associations who advocate and encourage home building and home owning, and whose principles are based on a mutuality of interest, are permanent in their character and appeal to the confidence of all classes in fair or foul financial weather.

The rates of interest charged are not excessive, and premiums as formerly used are being eliminated. In Ohio not one association in fifty uses it. A straight rate of interest is generally being charged, expressed in plain terms, with no fines or subterfuges. Payments on loans are almost universally on the monthly repayment plan.

Building and loan associations have been exempted in previous legislation of this character. I hope and trust they will be in this act.

The PRESIDING OFFICER. The Senate will please be in order, and Senators will refrain from audible conversation on the floor.

Mr. BACON. I will say to the Senate that in the effort to talk, with everybody else talking, I have already gotten myself into a headache, although I have not talked very long. It is an extremely difficult matter from a physical standpoint to speak with a buzz of conversation going on all around.

I suggest to the Senator from Nebraska that his amendment as it is printed, before the last words, be submitted to the Senate. I will then offer the first proviso as an amendment to it, and we can take up the building and loan association matter in a subsequent amendment.

Mr. BURKETT. There are a good many Senators about me here who object to taking out the words "building and loan associations." They want them named; and I do not feel at liberty to consent that that part of the amendment shall be disagreed to unless it is the wish of the committee. I suggest that the Senator can move to amend my amendment by striking out those last words, "nor to building and loan associations," and take the sense of the Senate upon the question.

Mr. BACON. I want to say that I am not opposed to the exemption of proper building and loan associations. On the contrary, I am in favor of it. The Senator from Texas [Mr. BAILEY] has just made a suggestion to me that it should be confined to building and loan associations operating within a given or a limited territory. I merely give that as an illustration to show the importance of taking up the building and loan association matter by itself. I am not trying to cut the building and loan association feature out; I am trying to have it properly limited.

Mr. BURROWS. Will the Senator from Georgia yield to me for a moment?

Mr. BURKETT. Inasmuch as this amendment of mine comes with the report of the committee, I would not be at liberty to withdraw it without the concurrence of the committee.

Mr. BURROWS. I suggest to the Senator from Georgia that he might offer an amendment to this amendment touching the building and loan associations which would conform to his views and which could be adopted, and let the proposition stand.

Mr. BAILEY. If the Senator from Georgia will permit me. I am sure the Senator from Georgia feels as I do—that I would rather exempt some that ought to be taxed than to tax some that ought to be exempt.

Mr. BACON. Perfectly so.

Mr. BAILEY. I think there is no institution in this Republic that deserves encouragement more than an institution that helps the poor to acquire homes. I hope Senators on the other side will agree with the Senator from Georgia upon some amendment that will relieve from this tax those organizations designed to secure homes for worthy people and to subject to the tax those which are organized purely for the profit of their promoters.

Mr. BACON. I will propose an amendment to that part of the amendment of the Senator from Nebraska. The language of the amendment offered by the Senator from Nebraska is simply this, "nor to building and loan associations." I propose to add the words:

Organized and operated exclusively for mutual benefit, and no part of the profit of which inures to the benefit of any private individual.

I think it would be sufficient just to say "organized and operated exclusively for mutual benefit," and I will offer the amendment in that way.

Mr. FLINT. Let me make one further suggestion to the Senator from Georgia.

Mr. BACON. Certainly.

Mr. FLINT. That there be inserted the words, "and which make loans only to their shareholders or members."

Mr. BURTON. Mr. President——

The PRESIDING OFFICER. Does the Senator from Georgia yield to the Senator from Ohio?

Mr. BACON. I do.

Mr. BURTON. I think that there would be danger in the incorporation of the words "which make loans only to their shareholders or members." There might be a balance on hand deposited in banks. It seems to me it would be better to leave out those words. The words suggested by the Senator from Georgia, "organized for mutual benefit," I think, cover the case.

Mr. BACON. "Organized and operated exclusively for mutual benefit."

Mr. BURTON. "Organized and operated exclusively for mutual benefit." I think that language covers the case.

Mr. HEYBURN. The words "mutual benefit" seem to be unlimited, so far as I could gather from the reading. Is there language there that would confine that to the mutual benefit of the parties comprising the organization or to the mutual benefit of those parties and such as they might loan money to?

Mr. BACON. I will say the "mutual benefit of its members."

Mr. HEYBURN. I think there should be some limitation there. That is obvious.

Mr. BURKETT. Now, I should like to hear the amendment stated.

The PRESIDING OFFICER. The amendment will be stated.

Mr. CUMMINS. Mr. President——

The PRESIDING OFFICER. Does the Senator from Georgia yield to the Senator from Iowa?

Mr. BACON. I do, with pleasure.

Mr. CUMMINS. While we are exempting worthy associations from the operation of this law, there are some in our part of the country that I should like to have exempted—mutual insurance companies.

Mr. BACON. I will suggest to the Senator that that comes under a different provision. If the Senator will just postpone that until we finish the pending proposition, then that will come up as a subsequent part of the amendment.

Mr. CUMMINS. Very well. There is a very great difference between mutual insurance companies, some of which do business for similar purposes which I think you are trying for in the case of building and loan associations.

Mr. BACON. That will come up later. I now read the amendment which I propose to the amendment of the Senator from Nebraska. The amendment offered by the Senator from Nebraska adds simply the words "nor to building and loan associations." I propose to amend further by adding "organized and operated exclusively for the mutual benefit of their members."

Mr. BURKETT. I have no objection to that.

Mr. CUMMINS. May I suggest to the Senator from Georgia that there is a legal phrase that is pretty well known throughout the country that will describe the kind of building and loan associations that he has in mind—"domestic loan and building associations." The large building and loan associations are the ones, I take it, that the Senator does not want to exempt. In our State—I do not know how it is elsewhere—the small building and loan associations are known as "domestic loan and building associations."

The PRESIDING OFFICER. Does the Senator from Nebraska modify his amendment in accordance with the suggestion of the Senator from Georgia?

Mr. BURKETT. In accordance with the suggestion of the Senator from Georgia.

The PRESIDING OFFICER. If so, the amendment will be stated as modified.

Mr. BEVERIDGE. May I ask the Senator from Nebraska just one question?

The PRESIDING OFFICER. The amendment will be stated as modified.

The SECRETARY. At the end of line 14, page 2, strike out the period and insert a comma and the following words:

Provided, however, That nothing in this section contained shall apply to fraternal beneficiary societies, orders, or associations, operating under the lodge system, and providing for the payment of life, sick, accident, and other benefits to the members of such societies, orders, or associations and dependents of such members, or to building and loan associations organized and operated exclusively for the mutual benefit of their members.

Mr. BEVERIDGE. Mr. President, may I ask the Senator a question?

Mr. BURKETT. Certainly.

Mr. BEVERIDGE. I notice in the amendment, as stated, that the Senator has stricken from the original the words "including labor organizations." I had a telegram only this morning from the Brotherhood of Locomotive Firemen——

Mr. BURKETT. Will the Senator allow us to get this considered?

Mr. BEVERIDGE. Yes; but I wanted to know why those words were stricken out.

Mr. BURKETT. The committee reported the provision with those words out; but let us get this straightened out, and we will take that up later, for there are some Senators who want to take that up also.

Mr. BEVERIDGE. Very well; I will ask the question later.

The PRESIDING OFFICER. The question is on the amendment submitted by the Senator from Nebraska as modified.

Mr. BACON. I have an amendment which I will offer to it.

The PRESIDING OFFICER. That has been accepted.

Mr. BACON. No; not that one; but the amendment which I had previously offered and which I held in abeyance in order that the language of the Senator's own amendment might be corrected.

The PRESIDING OFFICER. The Chair would suggest that the amendment is now subject to further amendment.

Mr. CRAWFORD. Mr. President——

Mr. BACON. I have not yielded the floor, although I have not had much opportunity to occupy it.

Mr. CRAWFORD. Mr. President, I am not asking that; but before any motion is put and action is had by the Senate I want to be heard. I am opposed to the whole thing, and I want to be heard upon it.

Mr. BACON. Undoubtedly, under the rules of the Senate, the Senator will have an opportunity. There is no possible difficulty about that.

The PRESIDING OFFICER. Does the Senator from Georgia offer an amendment?

Mr. BACON. I will offer it; and then I will yield the floor to the Senator from South Dakota. As I understand, the amendment which has been read has been accepted.

Mr. BURKETT. It has been agreed to, as I understand.

The PRESIDING OFFICER. The amendment as modified——

Mr. CLAPP. I do not understand that it has been agreed to. It has been accepted by the Senator from Nebraska. I propose to be heard on the proposition.

The PRESIDING OFFICER. The Senator offering the amendment has modified it in conformity with the suggestion of the Senator from Georgia, and it is now before the Senate.

Mr. BACON. The further amendment which I propose to that is to add the following proviso:

Provided, That the provisions of this section shall not apply to any corporation or association organized and operated exclusively for religious, charitable, or educational purposes, no part of the profit of which inures to the benefit of any private stockholder or individual, but all of the profit of which is in good faith devoted to the said religious, charitable, or educational purpose.

I offer that as an amendment to the modified amendment of the Senator from Nebraska.

The PRESIDING OFFICER. The question is upon the amendment submitted by the Senator from Georgia to the amendment of the Senator from Nebraska.

Mr. HEYBURN. I should like to have it stated.

Mr. CRAWFORD. Mr. President, I think when we begin to depart from the language used by the committee providing that the proposed law should apply to corporations for profit, we at once get into a situation where one step leads to another, and privileges and exemption are secured that might be unjust and unfair to the others who would have to pay this tax.

This provision, as I understand, applies to corporations for profit. The term "corporations for profit" is well understood. "Corporations for profit" have run the gantlet of the courts. Everyone knows what a "corporation for profit" is; and the only question as to whether or not a benevolent association, a religious institution, a mutual insurance company, or a cooperative concern is or is not within the meaning of this provision is whether or not it is a corporation for profit.

Why should building and loan associations be exempt from this provision if they are corporations for profit and if they have that amount of net earnings in their treasury that brings them within the reach of this proposed law? A building and loan association is an organization which pays salaries to its officers, which collects interest, and, I dare say, that, as a rule, the average rate of interest paid by the borrower from a building and loan association exceeds that which he pays in borrow-

ing money from the ordinary lender or from a bank. There is one good thing about building and loan associations, and that is that poor people can get money on long terms and apply what otherwise might be paid out in rent gradually to the payment for property if they ever get through with it; but very often when half the term is gone they are obliged to give up all that they have paid, and the men who organized the company get the benefit.

The only question here is, Is it a corporation for profit and has it a net income to which this proposed law shall apply? If so, why should it be exempted?

I think there is too much false sentiment about this matter. Some one will come here and say "We are a lodge; we are an organization for the mutual help and benefit of our members, and therefore this law ought not to apply to us." In a case like that, the language of the amendment as it has been reported here is good enough. If it is a purely mutual cooperative concern for the benefit of its members and has no net profits coming within the meaning of this bill, the law will not apply, but if it is a corporation for profit and has a sufficient income, why should it be exempt simply because it goes under the name of a lodge or a cooperative concern? You will find every step leads to another, and finally the great insurance companies in the East, that call themselves cooperative or mutual companies, will have just as much right, because they assume that name, to claim the exemption as a building and loan association or the members of some lodge. Let the language reported by the committee stand. The term "corporation for profit" is sufficiently clear and sufficiently plain; and every case will fall on one side or the other of that line as it has been drawn by the committee.

I am opposed to taking a step beyond the regular construction put upon the language "corporation for profit." I do not care whether it is a Methodist Book Concern or a Presbyterian organization—splendid organizations which are doing great work—but are they or are they not corporations for profit? The whole thing turns on that. If they are not, then the law does not hurt them; and if they are and they are growing rich, they ought to pay precisely the same as others do. I am opposed to it all.

Mr. BURKETT. Mr. President, I believe the amendment of the Senator from Georgia is before the Senate, if the Chair will put it.

Mr. BEVERIDGE. I thought that the amendment of the Senator from Nebraska was before the Senate.

Mr. BURKETT. The Senator from Georgia offered an amendment to it, which the Chair has not put, I think, to the Senate as yet.

The PRESIDING OFFICER. The Senator from Georgia offers an amendment, which will be stated.

Mr. BACON. I want to change the language a little, in order to dovetail it with the language found in the amendment of the Senator from Nebraska. Strike out the words "*Provided*, That the provisions of this section shall not apply;" put a semicolon after the word "members," in the Senator's amendment, and then insert the word "nor" in place of the words I have indicated, so that it will read:

Nor to any corporation or association organized and operated exclusively for religious, charitable, or educational purposes—

And so forth.

The PRESIDING OFFICER. The amendment will be stated.

The SECRETARY. Add to the amendment already stated a semicolon and the following words:

Nor to any corporation or association organized and operated exclusively for religious, charitable, or educational purposes, no part of the profit of which inures to the benefit of any private stockholder or individual, but all of the profit of which is in good faith devoted to the said religious, charitable, or educational purpose.

The PRESIDING OFFICER. The question is on the amendment offered by the Senator from Georgia [Mr. BACON] to the amendment of the Senator from Nebraska [Mr. BURKETT].

Mr. LA FOLLETTE. I suppose the Senator from Nebraska may perfect his amendment before it is voted upon?

Mr. BEVERIDGE. Mr. President, I had risen for that very purpose.

Mr. LA FOLLETTE. I want to make a suggestion with respect to restoring to the amendment the words "including labor organizations."

Mr. BEVERIDGE. I had risen for that purpose.

The PRESIDING OFFICER. The amendment offered by the Senator from Georgia [Mr. BACON] is now in order. The Senator from Nebraska [Mr. BURKETT] modified his amendment in accordance with a former suggestion of the Senator from Georgia. Of course the Senator from Nebraska can modify it still further if he desires to do so.

Mr. BURKETT. Let the Senate vote first on the amendment of the Senator from Georgia, and after that vote on my amendment.

The PRESIDING OFFICER. The question is on the amendment offered by the Senator from Georgia.

The amendment to the amendment was agreed to.

Mr. BEVERIDGE. Mr. President, I rose some time ago to ask the Senator from Nebraska to modify his amendment further by inserting the words that were stricken out, "including labor organizations."

Mr. LA FOLLETTE. I have made some inquiry with respect to the matter, and find that in many States the labor organizations do not maintain a lodge system; so it is an important question whether they ought not to be specially included, if they are to be exempted from the payment of this tax.

Mr. BURKETT. I then ask unanimous consent to modify my amendment by inserting, after the words "lodge system," in line 5, the words "including labor organizations."

Mr. CRAWFORD. I object to it. I object to everything connected with the proposition.

Mr. LA FOLLETTE. Then I move to amend the pending amendment by inserting in line 5, after the word "system," the words "including labor organizations."

The PRESIDING OFFICER. The Senator from Wisconsin offers an amendment, which the Secretary will report.

The SECRETARY. In line 5 of the amendment, after the word "system," insert "including labor organizations" and a comma.

Mr. BURTON. I think there is a question of phraseology there, Mr. President. It will be noticed that the words "providing for the payment of life, sick, accident, and other benefits to the members of such societies," and so forth, are responsive to the words immediately preceding; and if the words "labor organizations" are inserted as proposed by the amendment, they separate a sentence which should be a unit. I think there is a reason why labor organizations should be included somewhere, because the exception applies only to associations which provide for the payment of life, sick, accident, and other benefits. Labor organizations do not all make such provisions, and are not organized for those purposes.

Mr. LA FOLLETTE. As I am informed, all of them pay sick benefits, but they are not all organized under the lodge system.

Mr. BURTON. I suggest to the Senators from Indiana and Wisconsin that the words "labor organizations" should be inserted in line 3, after the words "shall apply to."

Mr. BURKETT. Yes.

Mr. LA FOLLETTE. I think that is a good suggestion, and I will submit the amendment in that form—to insert after the word "to," in line 3, the words "including labor organizations."

Mr. BURKETT. I will say to the Senators that when I drew my original provision it contained the words "including labor organizations." They were put in after a conference with the representatives of some of the organizations. The expression may not be entirely applicable to all of them. I have no preference as to where it shall go in, provided it goes in somewhere.

The PRESIDING OFFICER. The Chair will suggest to the Senator from Wisconsin that the word "including" probably ought not to be used. If that is omitted, it will read:

That nothing in this section contained shall apply to labor organizations and to fraternal beneficiary societies.

Mr. LA FOLLETTE. That is manifest.

The PRESIDING OFFICER. "Or to fraternal beneficiary societies."

Mr. LA FOLLETTE. "Or" is the better word.

The PRESIDING OFFICER. The Senator from Wisconsin offers the amendment, which the Secretary will report.

The SECRETARY. On line 3, after the word "to," insert "labor organizations or."

Mr. FLINT. Mr. President, the committee has no objection to this amendment. On the contrary, after careful consideration we had reached the opinion that its purpose was included within the various definitions that have been given in the amendment. Since then, I understand, a number of these organizations have reached the conclusion that the terms of the original amendment are not broad enough.

The PRESIDING OFFICER. The question is upon the amendment submitted by the Senator from Wisconsin.

Mr. HEYBURN. Mr. President, in the multitude of amendments it is impossible to tell just what is the present status of the matter. What amendment are we voting on?

The PRESIDING OFFICER. Does the Senator from Idaho desire to have the amendment read?

Mr. HEYBURN. Yes; I desire to know what amendment it is.

The PRESIDING OFFICER. The Secretary will read the amendment as it will read if the amendment of the Senator from Wisconsin is agreed to.

Mr. HEYBURN. This is the only amendment pending?

The PRESIDING OFFICER. It is the only amendment pending.

The Secretary read as follows:

Provided, however, That nothing in this section contained shall apply to labor organizations or fraternal beneficiary societies, orders, or associations operating under the lodge system, and providing for the payment of life, sick, accident, and other benefits to the members of such societies, orders, or associations, and dependents of such members; nor to building and loan associations organized and operated exclusively for the mutual benefit of their members; nor to any corporation or association organized and operated exclusively for religious, charitable, or educational purposes, no part of the profit of which inures to the benefit of any private stockholder or individual, but all of the profit of which is in good faith devoted to the said religious, charitable, or educational purpose.

Mr. HEYBURN. Will some Senator tell me what remains and who there is remaining to pay this tax? I have just made a casual summary of the amount of capital exempted, and, according to the statistics, it is something over $1,800,000,000. There can not be very much remaining. Of course all these organizations are for the mutual benefit of those who organize them. A savings bank is for that purpose, and yet it is a money-making institution. The savings banks boast of the amount of money they make, and so do all these associations.

I voted against this measure. I am inclined to be very critical of it. If I were to take a defiant course, I should probably say: "Make it as bad as you can." But it will doubtless become a law. Having made a hasty mental summary as the various exemptions were proposed, and knowing as I do that you can call one of these concerns a "mutual benefit association," a "building association," or anything else, when it may really be a bank, I am merely calling attention to the fact that there will be very little left upon which to collect this revenue.

Mr. ALDRICH. Mr. President, it was the opinion of the committee, which I shared, that the language originally used in the provision covered everything that is now covered by the various amendments. I have no question about it in my own mind. But when we provided that corporations not organized for profit and without a capital stock, either or both were excluded, that excluded all the corporations and organizations that could properly be included in the amendment which is pending before the Senate. I personally had no question about that. Unquestionably there are building and loan associations, as well as other associations and corporations, that ought not to be excluded.

I shall not object to the adoption of this amendment and all these amendments; but I expect that the committee will give very careful consideration in conference to these various provisions, and try to admit to the privileges of exclusion those that are entitled to be so admitted and make the others pay.

The PRESIDING OFFICER. The question is on the amendment offered by the Senator from Wisconsin.

Mr. CLAPP. I desire to ask the Senator from Nebraska [Mr. BURKETT] if he will not accept as an amendment the insertion of the word "domestic," before the word "mutual," where the qualification "building and loan associations" occurs?

I should like to say a word on this subject. I believe that almost the most important thing in the permanency of our institutions is that people shall own their homes. A local building association has enabled thousands of persons to acquire homes who would never have acquired them otherwise. It is true that the rate of interest is excessive, but the borrowers participate somewhat in the benefits or profits accruing from that interest. They are enabled in this way to pay for their homes in little driblets, whereas they could not borrow the money upon a mortgage and pay off the mortgage in such small sums; and they could not conveniently and would not save in advance a sufficient amount to enable them to buy the homes. But by paying these monthly contributions they get their homes.

As this amendment stands to-day, however, it exempts the great so-called "jumbo" building and loan associations. They come absolutely within the language of the Senator from Georgia [Mr. BACON]. There is no distinction between the theoretical plan of the domestic building association and that of the "jumbo" association. The only difference is that when you come to work out the administration of the one, its loans are made and its stock is held locally; while in the case of the other, the stock is sold all over the country, and the company is run for the benefit of the men who promote it. Yet, theoretically, upon the face of their organization papers, the large companies would come within the purview of the language already agreed upon.

As was stated by the Senator from Iowa [Mr. CUMMINS], the word "domestic" has come to have a special meaning and significance in building and loan parlance; and I believe we should insert it here. If, in conference, the committee find some better term, there will be no objection to it. The word "local" might be better; or it might be limited to stockholders or borrowers within the county. That, taking an average, might be better. But somewhere in the paragraph relating to building and loan associations there ought to be a limitation of the kind suggested. Otherwise we will exempt the great "jumbo" companies that are run for speculation, the same as we will the domestic corporations that are run for the benefit of those who really get homes out of them.

I will ask the Senator from Nebraska to accept the word "domestic," with the understanding that if the committee find any better word it can be substituted.

Mr. BACON. Suppose the suggestion of the Senator were "local or domestic?"

Mr. CLAPP. I will accept "local or domestic." I merely made the suggestion in order that something may be inserted here as an evidence of the purpose of the Senate. If the committee can discriminate between local or domestic corporations on the one hand and the great "jumbo" building and loan associations on the other, that is all I desire.

Mr. BURKETT. Where does the Senator suggest that these words come in—right after the word "associations?"

Mr. CLAPP. No. Take the amendment of the Senator from Georgia, where he uses the words "organized and operated exclusively for the mutual benefit of their members."

Mr. BURKETT. Then what?

Mr. CLAPP. I suggest that before the word "loan" the word "domestic" be inserted.

Mr. BACON. Before the word "building?"

Mr. CLAPP. Before the word "building," so it will read:

Nor to domestic or local building and loan associations.

Mr. BURTON. Mr. President, the trouble about that is in the definition of the words "local or domestic." What would be the definition of those terms as there used? Does the Senator mean a building and loan association which confines its operations within a single State or within a single county?

Mr. CLAPP. That would depend somewhat on the result of experience that might be brought to the attention of the committee. In our country we regard as a domestic building and loan association one that is limited to the county. In other States it may be different. My object is simply to put this in as a suggestion to the committee, in order that when they get into conference they may devise some system of differentiating between the large and the small concerns.

Mr. BURTON. Mr. President, I think the operations of these associations should be confined within a single State. I think that practically all of them are. But it seems to me it would be somewhat severe to have a hard-and-fast rule that they must be confined within a county. That would be, in substance, declaring that a prosperous concern must stop transacting business when it reaches a certain development.

Mr. CLAPP. I have had a great deal to do with these concerns. My observation and experience is that, when they get to spreading out too far, they invite a field of exploitation for promoters, and the primary idea of the poor man getting a home is then lost sight of.

Mr. BURTON. I do not believe there will be any objection to the word "domestic." If it comes in at all, it should be at the very beginning—"nor to domestic building and loan associations."

Mr. CLAPP. That is agreeable to me.

Mr. BURKETT. Then, Mr. President, I accept that as part of the amendment.

The PRESIDING OFFICER. The amendment is so modified. The question now is upon the amendment offered by the Senator from Wisconsin.

The amendment to the amendment was agreed to.

The PRESIDING OFFICER. The question now is upon the amendment as amended, which will be again reported.

Mr. BACON. Has the separate amendment offered by me been adopted?

The PRESIDING OFFICER. It has been agreed to.

Mr. BACON. There are other amendments that some Senators desire to have considered. The Senator from Iowa, for instance, desired to have consideration of an amendment with reference to insurance companies.

Mr. FLINT. I suggest to the Senator that we adopt this amendment now and take up the question of insurance afterwards.

Mr. BACON. Very well.

The PRESIDING OFFICER. The amendment as amended will be again reported.

The SECRETARY. At the end of line 14, page 2, insert the following:

Provided, however, That nothing in this section contained shall apply to labor organizations or fraternal beneficiary societies, orders, or asso-

ciations operating under the lodge system and providing for the payment of life, sick, accident, and other benefits to the members of such societies, orders, or associations, and dependents of such members; nor to building and loan associations organized and operated exclusively for the mutual benefit of their members; nor to any corporation or association organized and operated exclusively for religious, charitable, or educational purposes, no part of the profit of which inures to the benefit of any private stockholder or individual, but all of the profit of which is in good faith devoted to the said religious, charitable, or educational purpose.

The PRESIDING OFFICER. The question is upon the amendment which has just been reported.

Mr. GORE. Mr. President, I desire to offer an amendment to the pending amendment. I did not expect it to come up today, and I have not reduced it to writing, so I will dictate it to the Secretary. It is as follows:

Add these words at the close of the amendment:

"*And provided further*, That all revenue arising under this act from banking associations organized under the laws of any State or Territory shall be paid over to the treasurer of the State in which such banking associations are severally situated."

I should like to have the yeas and nays on that.

The PRESIDING OFFICER. The question is upon the amendment offered by the Senator from Oklahoma, upon which the Senator from Oklahoma demands the yeas and nays.

The yeas and nays were not ordered.

The amendment was rejected.

Mr. GORE. Mr. President, I desire to offer another amendment, as follows:

And provided further, That all revenues arising from any corporation, joint-stock company, or association organized for the purpose of manufacturing, producing, or supplying water, gas, or electricity to any municipality shall be turned over to the treasurer of the municipality or municipalities supplied by such corporation, joint-stock company, or association.

The PRESIDING OFFICER. The amendment submitted by the Senator from Oklahoma will be reported.

Mr. ALDRICH. To save time, I move to lay the amendment on the table.

The PRESIDING OFFICER. The Chair will take the liberty of suggesting to Senators that in offering amendments they should be submitted in writing.

Mr. GORE. I should like to say that I did not anticipate that the amendment would come in in the amendment of the Senator from Nebraska, and I offer that to the Senate as a reason and an apology for the course I have pursued.

The PRESIDING OFFICER. The amendment will be stated.

The Secretary read as follows:

And provided further, That all revenues arising from any corporation, joint-stock company, or association organized for the purpose of manufacturing, producing, or supplying water, gas, or electricity to any municipality shall be turned over to the treasurer of the municipality or municipalities supplied by such corporation, joint-stock company, or association.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Rhode Island to lay on the table the amendment offered by the Senator from Oklahoma.

The motion was agreed to.

Mr. GORE. There is another amendment which I desire to submit. I shall have to offer it in the same way. Insert:

And provided further, That whenever any State levies a tax on the deposits of any banking association organized under its laws for the purpose of guaranteeing the payment of the deposits of such banking association, the amount of the tax levied by the State shall be deducted from the tax imposed by this act.

On that I ask for the yeas and nays.

The yeas and nays were not ordered.

The amendment to the amendment was rejected.

The PRESIDING OFFICER. The question is on agreeing to the amendment as amended.

The amendment as amended was agreed to.

Mr. BACON. I wish to offer an amendment to succeed the amendment which has just been adopted.

Mr. ALDRICH. I hope the Senator will not press his amendment. I think we have gone as far as we can in these exemptions.

Mr. BACON. I am not going to take any time particularly about it; but there is one class of exemptions which I think ought to be added, and that is to include the small mercantile organizations. After the previous amendment just adopted insert a semicolon and then the words:

Nor to any corporation or association designed and operated solely for mercantile business, the gross sales of which do not exceed $250,000 per annum.

It has come to be quite a common practice throughout the country and in all sections of the country for mercantile firms to be organized into corporations. It is simply a convenient manner of doing business. They can effect the same purpose by limited partnerships. There is nothing in the claim that they are screened from personal liability by the corporation, because under the limited partnership law, which is found in every State, the same exemptions can be secured. The man will be liable only for the amount of money he puts in.

The condition is this: That for convenience in the business world it has grown to be a very large practice for firms to organize themselves into corporations. They do exactly the same business as does the man or the firm across the street who is not incorporated; and it seems to me that, at least so far as concerns the small enterprises, there ought not to be any distinction made between those who, for convenience, are organized into corporations and those who pursue their business as individuals—either one individual or several associated together as partners. There are in the country, of course, very large enterprises which are organized into corporations, conducting great establishments, that stand on an altogether different footing.

Mr. HALE. Mr. President——

The PRESIDING OFFICER. Does the Senator from Georgia yield to the Senator from Maine?

Mr. BACON. I do, with pleasure.

Mr. HALE. The bill does not cover partnerships.

Mr. BACON. No; it does not.

Mr. HALE. Does the Senator desire that partnerships shall also be covered?

Mr. BACON. No, indeed. I presume the confusion in the Chamber prevented the Senator from hearing me accurately. I was simply illustrating. The only reference I made to partnerships was this: I stated the fact that, for convenience, it had grown to be a very general practice throughout the country for those engaged in mercantile businesses to organize themselves into corporations. It is not limited in that particular to those engaged in large enterprises, but all through the country men who are doing a small business organize themselves into corporations.

Mr. HALE. I know that where I live that has come to be rather the general way.

Mr. BACON. It is true in almost all communities.

Mr. HALE. Now, what does the Senator from Georgia desire to accomplish? I could not get that.

Mr. BACON. What I am after is this: I had stated that the men who are thus organized into corporations are really under no greater obligations, moral or otherwise, to pay money to the support of the Government than are other men who are engaged in exactly the same business and who adopt the firm style rather than the corporation style; and the suggestion which has been made here, that those who incorporate themselves have a certain increased advantage in the exemption which they have beyond their capital stock is not pertinent, because those who retain the firm style can still have that exemption by entering into a limited partnership, which makes them entirely exempt.

Mr. HALE. What does the Senator's amendment cover?

Mr. BACON. My amendment is to exempt certain mercantile corporations from the provisions of this act. I will read it in the hearing of the Senator:

Nor to any corporation—

That is, it shall not apply—

or association designed and operated solely for mercantile business the gross sales of which do not exceed $250,000 per annum.

Mr. DU PONT. Mr. President——

The PRESIDING OFFICER. Does the Senator from Georgia yield to the Senator from Delaware?

Mr. BACON. I do.

Mr. DU PONT. I should like to ask the Senator from Georgia if he does not think the people who are incorporated enjoy substantial benefits under the law in excess of those who are in partnership? They are exempt from personal liability, and in case of death or withdrawal from business the corporation can not be forced into litigation as is the case in a partnership. I think that business people when incorporated enjoy substantial privileges and immunities, and such being the case, it appears to me that they should submit to the tax.

Mr. BACON. I have endeavored to anticipate the objection made by the Senator from Delaware so far as exemption is concerned. Exactly the same thing is accomplished by the limited-partnership provision, which is known to the law of every State in the country, under which a partner is only liable for the amount of money which he actually puts in.

I submit the amendment. I do not want to occupy the time of the Senate.

The PRESIDING OFFICER. The question is on agreeing to the amendment proposed by the Senator from Georgia to the amendment of the Senator from Nebraska.

Mr. BACON. I should like to have the yeas and nays on it.

The yeas and nays were not ordered.

The amendment to the amendment was rejected.

Mr. LODGE. I offer as section 17 a new section. It is identical with section 19 of the House bill and with the existing law, with the single exception that after the word "convention," in line 24, the words "or act of Congress" are inserted.

The PRESIDING OFFICER. The amendment will be stated.

Mr. ALDRICH. I suggest to leave out the number.

The SECRETARY. It is proposed to insert as a new section the following:

SEC. —. That a discriminating duty of 10 per cent ad valorem, in addition to the duties imposed by law, shall be levied, collected, and paid on all goods, wares, or merchandise which shall be imported in vessels not of the United States, or which being the production or manufacture of any foreign country not contiguous to the United States, shall come into the United States from such contiguous country; but this discriminating duty shall not apply to goods, wares, or merchandise which shall be imported in vessels not of the United States entitled at the time of such importation by treaty or convention or act of Congress to be entered in the ports of the United States on payment of the same duties as shall then be payable on goods, wares, and merchandise imported in vessels of the United States, nor to such foreign products or manufactures as shall be imported from such contiguous countries in the usual course of strictly retail trade.

Mr. NELSON. Wherein does that differ from the existing law?

Mr. LODGE. It differs by merely adding after the words "treaty or convention" the words "or act of Congress." If those words are not added and the law stands as it is, it will operate to put a discriminating duty of 10 per cent on everything imported by us from East India or Canada, because East India and Canada are not included in the treaty of commerce and navigation with the United States.

Mr. GORE. Mr. President, I desire to submit an amendment to this amendment. I am in the same predicament I was a few minutes ago and am compelled to dictate it. It is to add the following proviso:

Provided further, That all imported material and supplies which shall be used in the construction, equipment, or maintenance of vessels enrolled or registered in the United States shall be entitled to the provisions of the drawback section of this act in the same manner and to the same extent as if such material and supplies had been exported subsequent to importation.

Mr. LODGE. I understand that the amendment proposed by the Senator from Oklahoma is entirely covered in the next section, which I am about to offer, the admission of free material with a drawback on material in shipbuilding. It has nothing to do with this section.

Mr. GORE. Then I withhold it for the present.

The PRESIDING OFFICER. The question is on agreeing to the amendment proposed by the Senator from Massachusetts.

The amendment was agreed to.

Mr. LODGE. I now offer the following section, which is the same as the existing law, except that in line 23 the word "two" is changed to "six," allowing vessels built of free foreign materials to operate for not more than six months in any two years in the coastwise trade instead of not more than two months.

The PRESIDING OFFICER. The amendment will be read.

The SECRETARY. It is proposed to add a new section, as follows:

SEC. —. That all materials of foreign production which may be necessary for the construction of vessels built in the United States for foreign account and ownership, or for the purpose of being employed in the foreign trade, including the trade between the Atlantic and Pacific ports of the United States, and all such materials necessary for the building of their machinery, and all articles necessary for their outfit and equipment, may be imported in bond under such regulations as the Secretary of the Treasury may prescribe; and upon proof that such materials have been used for such purposes no duties shall be paid thereon. But vessels receiving the benefit of this section shall not be allowed to engage in the coastwise trade of the United States more than six months in any one year except upon the payment to the United States of the duties of which a rebate is herein allowed: *Provided*, That vessels built in the United States for foreign account and ownership shall not be allowed to engage in the coastwise trade of the United States.

The PRESIDING OFFICER. The question is on agreeing to the amendment proposed by the Senator from Massachusetts.

Mr. GORE. Mr. President, I heartily approve of this measure as far as it goes. I think the change from two to six months is a long step in the right direction, because that limitation has hindered capital from investing in the construction of vessels of this character. The fact is that they are precluded from one of the largest and most profitable fields of navigation.

I move to strike out even that limitation. I will ask the Senator from Massachusetts to assist in suggesting the amendment. I realize that he does not approve of it, but I desire to move to strike out the limitation, so that they can engage in the coastwise trade twelve months in the year.

Mr. LODGE. It is six months in any two years now, as amended by the committee. I hope no further extension will be made.

Mr. GORE. I am sure no further amendment will be adopted. I merely desire to offer the amendment as an expression of my views on the subject. I move to strike out the proviso inserting the limitation.

Mr. LODGE. To strike out the whole limitation relating to vessels engaged in the coastwise trade is the amendment of the Senator from Oklahoma.

Mr. GORE. Yes.

The PRESIDING OFFICER. The question is on agreeing to the amendment proposed by the Senator from Oklahoma to the amendment of the Senator from Massachusetts.

Mr. GORE. I ask for the yeas and nays on it, because if we want to build up a merchant marine this is the way to do it.

The yeas and nays were not ordered.

The amendment to the amendment was rejected.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Massachusetts.

The amendment was agreed to.

Mr. LODGE. I now offer the following amendment as a new section, which I ask may be read.

The SECRETARY. It is proposed to add a new section, as follows:

SEC. —. That a tonnage duty of 2 cents per ton, not to exceed in the aggregate 10 cents per ton in any one year, is hereby imposed at each entry on all vessels which shall be entered in any port of the United States from any foreign port or place in North America, Central America, the West India Islands, the Bahama Islands, the Bermuda Islands, or the coast of South America bordering on the Caribbean Sea, or Newfoundland, and a duty of 6 cents per ton, not to exceed 30 cents per ton per annum, is hereby imposed at each entry on all vessels which shall be entered in any port of the United States from any other foreign port, not, however, to include vessels in distress or not engaged in trade.

This section shall not be construed to amend or repeal section 2792 of the Revised Statutes as amended by section 1 of chapter 212 of the laws of 1908, approved May 28, 1908, or section 5 of the said chapter 212 of the laws of 1908, or section 2793 of the Revised Statutes.

Section 4232 of the Revised Statutes, and sections 11 and 12 of chapter 421 of the laws of 1886, approved June 19, 1886, and so much of section 4219 of the Revised Statutes as conflicts with this section, are hereby repealed.

This section shall take effect sixty days after the approval of this act.

Mr. BACON. Mr. President, of course this is an extremely important matter, and it is absolutely impossible for those of us who have not had an opportunity to examine it carefully to know anything about it. I simply want to ask the Senator whether this amendment has been before the Committee on Commerce?

Mr. LODGE. It was introduced by the chairman of the committee.

Mr. BACON. I am asking for information. Was it introduced by the chairman of the Committee on Commerce?

Mr. LODGE. Yes.

Mr. FRYE. A bill similar to this, almost word for word, passed the House of Representatives several years ago, came to the Senate, and was referred to the Committee on Commerce. The Committee on Commerce unanimously reported it, but it was very late in the session. There was one Senator who always objected to its consideration, and the result was that it did not become a law.

Mr. BACON. I did not wish to be understood by my inquiry as antagonizing it; but, having the tariff bill under consideration, I desired to know whether it had been before the committee of the honorable Senator from Maine. That is the reason why I made the inquiry. I have nothing further to say.

Mr. LODGE. I would be very glad if the Senator from Maine would say a word in regard to the amendment.

Mr. FRYE. Mr. President, we have a tonnage tax of 6 cents a ton for every entry of our ships engaged in foreign trade in United States ports, not to exceed 30 cents a year, and for the nearby ports not to exceed 15 cents a year, 3 cents a ton. The old law provided that whenever the President of the United States was satisfied that any foreign country had no tonnage tax and no light-house dues or other dues equivalent to a tonnage tax, he then, by proclamation, should relieve the ships of that country from our tonnage tax.

Germany was relieved on representations made by the German Empire, which took three or four hundred thousand dollars from our Treasury.

But a few years afterwards one of our schooners, by accident, drifted in distress into a German port, and the German port did apply duties equivalent to the tonnage tax to that vessel. The result was that the privileges of the German shipping were promptly withdrawn by the President.

We have about a million dollars a year from this tonnage tax. A little over 7 per cent of the million dollars is paid by United States vessels; all the rest by foreign ships. So it can be seen that it is impossible to have any reciprocity, because we have no ships engaged in the foreign trade; and if the foreign countries should repeal their duties equivalent to the tonnage taxes, we would be in this position—we would lose $940,000 a year and gain only about $60,000 to ourselves.

A measure has been before the English Parliament and came near being passed, repealing their equivalent duties. If it had passed, we should have lost $400,000 or $500,000 a year from their ships and gained for our own practically only the American line, for we had no other ships engaged in the trade. So it is impossible to have any reciprocity.

If all these foreign nations should repeal their light-house dues equivalent to the tonnage taxes which we have—for we have no light-house dues, our tonnage tax takes the place—we would lose $940,000 a year, and save to ourselves only about $60,000.

This is an amendment which ought to be adopted in the interest of the United States, beyond any question.

Mr. BACON. I understand from the Senator the purpose of the amendment is to relieve us from the contingency——

Mr. FRYE. From reciprocal obligation.

Mr. BACON. From reciprocal obligation?

Mr. FRYE. That is all.

Mr. ELKINS. I think that the amendment will save probably to the Government a million of dollars a year, and I am heartily in favor of it. I want to say to the Senate that I introduced an amendment, on which I want to say just a few words, which reads as follows:

On all goods, wares, and merchandise, and articles of every kind imported in ships or vessels of the United States there shall be allowed a reduction of 5 per cent in the duties prescribed by law, to be levied, collected, and paid on such goods, wares, and merchandise.

Mr. FRYE. Mr. President——

The PRESIDING OFFICER. Does the Senator from West Virginia yield to the Senator from Maine?

Mr. ELKINS. I do.

Mr. FRYE. I hope the Senator does not offer that as an amendment to the pending amendment.

Mr. ELKINS. Not at all.

Mr. FRYE. This has been very carefully drawn and ought not to be amended in any particular.

Mr. ELKINS. I am not offering it as an amendment.

Mr. KEAN. I hope the Senator will let us vote on the pending amendment.

Mr. FRYE. Will the Senator let us vote on the amendment?

Mr. ELKINS. In a few minutes.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Massachusetts, on which the Senator from West Virginia has the floor.

Mr. ELKINS. Mr. President, during my early service in the Senate, more than ten years ago, in the year 1897, after a thorough study of the question of the decline of American shipping, I became convinced that something ought to be done in the way of legislation to build up and restore the same and get back our prestige on the sea, which we enjoyed for more than fifty years after the beginning of our Government, and which was brought about by the sound policy of protection to American shipping by discriminating duties. Accordingly, I introduced a bill in the Senate, which was substantially a copy of the bill introduced by James Madison, which became the second act of Congress and which was signed by President Washington.

This act, among other things, was designed to encourage American manufacturing and American shipping by increasing the duty 10 per cent on all goods, wares, and merchandise imported in foreign vessels. Under this act of Congress our merchants and importers at once set about to import all their goods in vessels of the United States, and this started in our important seacoast cities and towns American shipyards for building American vessels.

When I introduced this bill, I thought then, and I think now, that the policy of discriminating duties is the safest, surest, and least expensive way in which to encourage our shipping interests and build up our merchant marine. We protect all American industries and interests on land, but grant free trade in shipping to foreign nations and allow foreign ships to carry our commerce.

The St. Louis platform, which nominated President McKinley the first time, provided as follows:

We favor restoring the early American policy of discriminating duties for the upbuilding of our merchant marine and the protection of our shipping in the foreign carrying trade.

In his letter of acceptance President McKinley used the following language:

The policy of discriminating duties in favor of our shipping, which prevailed in the early years of our history, should be again promptly adopted by Congress and vigorously supported until our prestige and supremacy on the seas is fully attained.

In 1815, following the war with Great Britain, we were induced by the statesmen of England to abandon the policy of discriminating duties, which had given us the carrying trade of the United States in American vessels, and grant reciprocal shipping to Great Britain and other nations. This marked the beginning of the decline of American shipping.

I call the attention of the Senate to the fact that in our coastwise and lake shipping we have always protected our shipping interests by not allowing any foreign vessel to take part in the same, and the result of this protection has been as great as the results following our protective policy on land. We have as fine ships as are in the world in our coastwise and carrying trade on our Great Lakes and rivers. We could by a proper policy not only carry our own commerce in American vessels, but we could have a large share in carrying the commerce of other nations.

The act of Congress for the protection of American shipping, introduced by James Madison, to which I have referred, provided on all goods, wares, and merchandise imported in vessels not of the United States an additional duty of 10 per cent ad valorem should be levied and collected. Under this act shipping flourished for fifty years until we carried 92 per cent of our commerce in American vessels.

I urged the passage of the bill I introduced in every way I could, but I could not resist the tremendous influence of our home and foreign shipping interest, which opposed it. I could not stand up against the influence of shipping interests valued at a thousand million of dollars, focused and concentrated at Washington, to prevent the passage of the bill I favored.

Foreign shipowners are determined to do the carrying business of the United States and stand ready to resist all efforts to avert it from them. Of course they do not want to surrender a business that pays them two thousand millions of dollars in ten years.

Since we abandoned discriminating duties by granting free trade in shipping to England in 1815 we have virtually done nothing to encourage or build up American shipping. And as time goes on we seem unwilling or unable to do anything to restore our prestige on the seas. Our statesmanship is equal to any emergency on land, but utterly fails when we come to the seas. We are pushed off the seas by some of the smallest countries in the world.

There are now 50,000,000 of shipping tonnage engaged in transporting our commerce, 7,000,000 American and 43,000,000 foreign tonnage. We carry about 7 or 8 per cent of our own commerce, and foreign vessels carry 93 per cent. This is a humiliating confession to make and surely one of which the American people can not be proud.

In bringing forward the amendment I have offered to the pending bill I have reversed the provisions of the act of 1796, introduced by Madison and signed by Washington, and provide there shall be a reduction of 5 per cent in all duties on goods, wares, and merchandise imported in American vessels. The amendment reads as follows:

On all goods, wares, and merchandise, and articles of every kind imported in ships or vessels of the United States there shall be allowed a reduction of 5 per cent in the duties prescribed by law, to be levied, collected, and paid on such goods, wares, and merchandise.

This offers a great inducement to our importers to bring all their goods, wares, and merchandise into the United States in American vessels, and costs the Government nothing—not a dollar. No one doubts American vessels would be sought by all shippers of imported goods. What a change this would work in a few years.

We would again see the American flag in all the seas of the world, and an American would not feel lonesome when traveling around the globe. We have everything to make us the greatest maritime nation in the world. Must we let American shipping languish and die, and wait for another generation of statesmen to grow up to do what we fail to do?

This would immediately tend to build up American shipping, in my judgment. The reduction of 5 per cent in the existing tariff would be in the direction of a revision downward, and a sufficient inducement to importers and merchants to secure American ships to haul their goods, wares, and merchandise. This would at once induce capital to build American ships, furnishing a market for materials of all kinds entering into shipbuilding, and the employment of thousands of wage-earners.

The United States can not become a great naval power unless it has a great merchant marine. No nation has ever been great on the seas which has not had at the same time a merchant marine.

The United States can not reach its full measure of greatness until it becomes potential on the sea as well as on the land. From her situation on the globe, her commanding position on the Atlantic and Pacific oceans and the Gulf of Mexico, she has, by reason of location and advantages, the opportunity to lead the maritime nations of the world, and nothing but neglect and the want of wise policy has put us in the position of having

virtually no shipping interests on the seas and no merchant marine.

The United States has about 8,000 miles of seacoast, we have the greatest lakes and rivers, and we are the most productive country in the world, leading all the world in natural resources, with a population of nearly 90,000,000 people. Surely, with all these advantages which we now have and enjoy, our shipping interests should no longer languish, but we should have the same success on the seas that we enjoy on land.

There is a radical defect somewhere in our policies. We have done nothing toward building up our merchant marine. Look at Germany, without comparatively any seacoast, compared with our seacoast, and yet she has built up her shipping and to-day hauls American products and Americans to all parts of the world.

What would be thought of rival merchants doing a vast business, where one merchant hauled and delivered the goods not only that he sold, but the goods which his rival bought and sold? This is the present situation of our shipping.

The United States should be the leading shipping nation of the world. We are connected by land with Mexico and South America; we have contiguous territory all the way to the farthermost end of South America; yet we have little or no relation by sea with these South American countries.

If we want to reach any of the South American republics, we must go by England and send our mails first to Europe.

Trade and commerce follow shipping and the mails.

We can never build up our trade and commerce with Mexico and South America until we have close shipping relations and intercourse by sea. No wonder Europe controls the commerce and trade of South America, because when we want to reach South America we have to go by way of England.

If Germany and England, situated as they are, with one-half the population, can by any policy or otherwise build up their commerce and power on the sea, why can not the United States?

The greatest tax upon American industries, American commerce, and American people is the money we pay to foreign shipowners to carry our commerce. We pay more than $500,000 every day to foreign shipowners to haul our goods, wares, and merchandise which we sell and buy. This is more than $200,000,000 annually, or two thousand millions in ten years.

We talk about the tax levied to carry on the Government through the tariff and complain of this and of our internal-revenue taxation, but submit complacently to this enormous tax of $500,000 every day for the last twenty-five years. Think of this enormous aggregate.

The proposition to reduce duties 5 per cent on all goods, wares, and merchandise which we import in American vessels would reduce duties, and in a certain sense this would be revising the tariff downward asked for by so many of our people, and in addition furnish an incentive to every person importing goods to at once seek American vessels, because it is profitable to do so. This demand for American vessels would lead to the building up of our merchant marine in every direction. The American vessels would be sought to bring all of our imports from South American countries, as well as from Mexico, and all the world would at once start us on the road to success on the sea without the expenditure of a dollar.

When I found I could not induce Congress ten years ago to pass the discriminating duty bill, which I brought forward and copied from Madison's bill, the second act of Congress, I afterwards voted with the friends of subsidies to aid American shipping, and although I did not think this the wisest and best course to pursue, I have voted for every measure looking to the upbuilding of our merchant marine.

We have always had protection on land. Why not have protection on sea? Discriminating duties is one form of protection, and was adopted just as soon as the Government went into operation, along with the policy of protecting and encouraging American industries on land.

We protect all American industries on land and grant free trade in shipping, which causes us to pay $500,000 a day or $200,000,000 annually to foreign ships to carry our commerce. One can go around the world without seeing the American flag on a merchant vessel.

The American flag is rarely seen in any of the ports of the world. Foreign ships in New York and other American harbors float a forest of foreign flags, and here and there only an American flag is seen flying at the head of an American merchant ship.

We complain in various forms of the internal revenue, state, and customs taxes, but are paying out $200,000,000 to foreign shipowners as an annual taxation, which at the end of ten years amounts to $2,000,000,000, and no one complains of our languishing industries on the seas and the retarding and hindrance to our commerce.

We have given our shipping to foreigners, and in doing so impaired our trade and commerce.

One point made against discriminating duties is it will interfere with established treaties between the United States and the leading nations of the world. Some of these treaties date back nearly a century. The treaty with Great Britain, following the war of 1812, is dated 1815. Most of these treaties are mere commercial conventions and can be abrogated or terminated by giving a year's notice.

These treaties have always been a detriment to the United States and have handicapped the building up of our merchant marine, and, to a certain extent, have hindered and injured the growing commerce of the United States and have only served foreign powers. They take from us and give nothing in return; they are one-sided and against American interests; they bring us no good results. Our interests on the seas should be encouraged, built up, and protected the same as our industries on land.

I will submit a list of these treaties that have long been made the excuse for not passing an act providing for discriminating duties in favor of American shipping.

Mr. ROOT. Mr. President, I hope the Senator from West Virginia will ask for a reference on this subject of his proposal to an appropriate committee, whether that should be the Committee on Commerce or the Committee on Foreign Relations. He broaches a very great question. His proposal would amount to a change in the policy of the United States, a return to the policy which was followed during the first quarter of the last century and which was abandoned. It would involve the termination, perhaps, or probably the violation, of a series of treaties. It ought not to be entered upon until after mature deliberation and discussion, and then let Congress change the policy if it should come to the conclusion that the benefits to be lost by denouncing a series of treaties would be less than the benefits which would be gained. Manifestly it is impossible to consider and pass upon the question proposed now.

Mr. ELKINS. Mr. President, I want to say a word about these treaties. I ask to insert a list of them in my remarks without reading. As I said, some of them are nearly a hundred years old.

The PRESIDING OFFICER. Without objection, that order will be made.

The matter referred to is as follows:

The treaties are fully set forth in the volume of Treaties and Conventions between the United States and Other Powers, 1776 to 1887, and are with the countries following, with important article in each one cited:

Argentina. Article V, April 19, 1855, page 9.
Austria-Hungary. Article II, February 10, 1831, page 23.
Belgium. Articles II, III, June 29, 1875, page 76.
Bolivia. Article IV, January 8, 1863, page 91.
Brazil. Article IV, March 18, 1829, page 106.
China. Article III, October 5, 1881, page 184.
Costa Rica. Article V, May 26, 1852, page 223.
Denmark. Article III, October 14, 1826, page 232.
Dominican Republic. Article VI, October 24, 1867, page 246.
Ecuador. Article IV, September 23, 1842, page 256.
France. Article V, February 12, 1823, page 344.
Great Britain. Article II, December 22, 1815, page 410.
Greece. Article II, August 30, 1838, page 502.
Guatemala. Article IV, July 28, 1852, page 509.
Germany (Hanover). Article I, April 24, 1847, page 523.
Germany (Hanseatic League). Article I, June 2, 1828, page 533.
Germany (Mecklenburg). Article I, August 2, 1848, page 654.
Germany (Prussia). Article II, March 14, 1829, page 917.
Haiti. Articles X and XI, July 6, 1865.
Hawaii. Article IV, November 9, 1850, page 541.
Honduras. Article V, May 30, 1865, page 567.
Italy. Article V, November 23, 1871, page 582.
Korea. Article V, June 4, 1883, page 218.
Liberia. Article III, March 18, 1863, page 632.
Madagascar. Article IV, March 13, 1883, page 644.
Mexico. Article V, April 5, 1832, page 665.
New Grenada. Article IV, June 12, 1848, page 196.
Netherlands. Article III, February 26, 1853, page 764.
Nicaragua. Article V, August 13, 1868, page 780.
Paraguay. Article V, March 12, 1860, page 831.
Peru. Article IV, July 27, 1874, page 877.
Portugal. Article II, April 24, 1841, page 82.
Prussia. Article II, May 11, 1833, page 39.
Russia. Article II, May 11, 1833, page 933.
Salvador. Article IV, March 13, 1874, page 958.
Spain (Cuba and Porto Rico). Article I, October 27, 1886, page 1203.
Sweden and Norway. Article II, January 19, 1828, page 1059.
Turkey. Article VIII, July 2, 1862, page 803.
Venezuela. Article VI, September 25, 1861, page 1132.

Seven of these treaties were made before 1830. Six in the decade ending 1840. Six were adopted in the ten-year period ending 1850. Four were made previous to our civil war, and fifteen have been made since 1860.

In entering into the treaties providing for maritime reciprocity the United States abandoned discriminating duties, which was the greatest protection American shipping ever enjoyed, and under which it prospered as it never has since. The true intent and meaning of these treaties was that as between the contracting powers ocean carrying should be free and reciprocal and in effect put upon an equal footing. The United States has observed the spirit of these treaties, and has rendered but little or no aid to take the place of the protection enjoyed under discriminating duties.

Mr. ELKINS. I do not believe there will be any difficulty about terminating the treaties. Such treaties are terminated between other countries of Europe where shipping interests are involved, and they should not stand in the way of building up our merchant marine and our success on the seas.

I do not know that the chairman of the Finance Committee would accept this amendment. If he did, I know that it would find favor immediately and pass the Senate. If it did not, it would be the first amendment the committee has agreed to that has failed.

Mr. ALDRICH. I will have to say to the Senator from West Virginia that the committee will not accept this amendment.

Mr. ELKINS. I had that idea, Mr. President.

I will say to the Senator from New York [Mr. ROOT] that at the next session of Congress I propose to introduce and have referred to the appropriate committee, which is the Committee on Commerce, a bill substantially incorporating the provisions of this amendment for the consideration of the Senate. I hope it will be favorably considered, because, it seems to me, this would help American shipping without any expense to the people.

The PRESIDING OFFICER. The question is on agreeing to the amendment submitted by the Senator from Massachusetts.

The amendment was agreed to.

Mr. LODGE. I ask to have printed a statement drawn for the committee by the Commissioner of Navigation, explaining the details of the amendment.

The PRESIDING OFFICER. The Chair would inquire of the Senator from Massachusetts whether his request is to have the statement printed in the RECORD?

Mr. LODGE. Yes; in the RECORD simply.

The PRESIDING OFFICER. In the absence of objection, that order will be made.

The statement referred to is as follows:

SO-CALLED "RECIPROCAL TONNAGE-TAX EXEMPTIONS."

1. Section 11 (in part) and section 12 of the act of June 19, 1886 (see Appendix A), exempt from tonnage taxes in American ports vessels coming from foreign ports in which American ships are exempt from tonnage or light-house dues or equivalent taxes.

2. Theoretically the sections are based on the principle of reciprocity. Practically the principle is not applicable here, because American ships do so small a share of the foreign carrying trade of the United States. Tonnage taxes paid by foreign vessels in American ports last year amounted to $988,735.48, by American vessels to only $82,680.48. American ships thus paid less than 8 per cent of our tonnage taxes. World-wide reciprocity in this article, accordingly, could get only 8 per cent gain for American ships and must give 92 per cent gain to foreign ships. The percentage of American gain from abolition of tonnage taxes and light dues abroad would be even less.

3. A good argument can doubtless be made in favor of abolishing all tonnage taxes here, as taxes on international intercourse, if we could afford to surrender about $1,000,000 annual revenue. A good argument can doubtless be made for trading tonnage-tax exemption for some other kind of trade favor to American interests abroad. From the nature of the case no argument can be made in favor of reciprocal tonnage tax exemption.

4. The question is pertinent, because on May 28 the British House of Commons is to vote on a bill to abolish light dues in the United Kingdom. A similar bill was defeated in the House of Commons in April, 1903, by the close vote of 103 to 114, the Government opposing it. While the Government opposes the present bill, it seems to have a fair chance of passage, partly on the ground that it will secure American exemptions for British ships from the United Kingdom. Last year British ships from the United Kingdom paid in American ports $304,113.84; American ships, $8,581.08 (all others, $27,198). As British light dues are now virtually the same in rates as American tonnage taxes, under the arrangement we would give away 97 per cent revenue in return for 3 per cent American shipping gain.

PRESENT EXEMPTIONS.

Advantage has been taken of existing law by the following countries, provinces, or ports:

(*a*) Netherlands (since April 22, 1887). On the basis of entries for the past fiscal year, Dutch ships were exempt from $18,000 American tonnage taxes; other foreign ships from the Netherlands, $18,000; in all, $36,000. American vessels have not traded for years with the Netherlands, so there is no reciprocity here.

(*b*) Dutch East Indies (same date). On the basis of entries for the past fiscal year, foreign ships were exempt from about $8,000 tonnage taxes here. No American ships in this trade.

(*c*) Copenhagen, Denmark (since July 19, 1898). On the basis of entries for the past fiscal year, foreign ships were exempt from about $18,000 tonnage taxes. No American ships to Copenhagen.

In the three cases above, revenue aggregating from $60,000 to $65,000 annually is surrendered, in return for which American vessels get absolutely no corresponding benefit.

The rate imposed on vessels from Europe, Africa, Asia, Australasia, and South America below the Caribbean is 6 cents per net ton (100 cubic feet) for not over 5 entries a year, so the maximum is 30 cents. At this rate last year foreign ships paid $864,628.14; American ships, $37,130.22, or only about 4 per cent of the total.

REDUCTION OF NEAR-BY RATES.

The rate on vessels from foreign ports in North America, Central America, Mexico, West Indies, and Republics of Panama, Colombia, and Venezuela is 3 cents for 5 entries, a maximum of 15 cents per ton a year. At this rate last year foreign ships paid $124,107.34; American ships, $45,550.26, or nearly 27 per cent of the total. The total tax at this rate is $169,657.60. If reciprocal exemptions are abolished, we can afford to reduce this near-by rate from 3 cents to 2 cents, and from an annual total of 15 cents to 10 cents. That would reduce the total just stated by $56,552—more than covered by the $60,000 from the Netherlands, Denmark, and Dutch East Indies.

Under the 3-cent rate the present exemptions are:

(*a*) Islands of Montserrat, Guadeloupe, and Grenada in the West Indies, and Greytown in Nicaragua. The tonnage entered thence is small and not specifically stated in our statistics, and can be ignored.

(*b*) Republic of Panama. American tonnage entered in the United States last year, 172,661 tons; foreign, 395,299 tons. The American tonnage is almost exclusively the steamers of the government line to Colon. The propositions to abolish exemptions and fix a maximum annual of 10 cents in near-by trade would add about $1,500 to the expenses of the line and about $4,500 to foreign ships in this trade. There can be no American objection to this result.

(*c*) Republic of Colombia. American entries, 2,428 tons; foreign, 39,550. The proposed tax on American ships might be $250; on foreign steamers, perhaps $2,750. No American objection appears here.

(*d*) Province of Ontario. Vessels from the Province of Ontario are exempt, while those from the Province of Quebec paid last year $10,513.86. Our statistics do not separate entries from Ontario and Quebec, and the nature of the trades is different. The great bulk of entries from Ontario are car ferries making daily trips across the Lakes. Thus the *Marquette and Bessemer No. 2*, 1,484 net tons, run daily from Conneaut, near Cleveland, to Port Stanley. It would count in a year's aggregate for about 275,000 net tons, but the tonnage tax proposed would be only $148.40. Abolition of reciprocal exemptions with Ontario might add about $5,000 to expenses of American vessels and about $5,000 to Canadian vessels.

Section 4232 of the Revised Statutes, proposed to be repealed, reads:

"The mail steamships employed in the mail service between the United States and Brazil shall be exempt from all port charges and custom-house dues at the port of departure and arrival in the United States if, and so long as, a similar immunity from port charges and custom-house dues is granted by the Government of Brazil."

This section, of course, is a standing menace. Doubtless on the most-favored nation principle as long as this section stands the Cunard Company, for example, could secure exemption from tonnage taxes in the United States if the British Government would waive the company's light dues in England (and the same is true of the German and French mail steamships), to which our Post-Office Department already gives liberal sums.

Revenue summary.

	From foreign ships.	From American ships.
Increases:		
Netherlands	$36,000.00	
Dutch East Indies	8,000.00	
Copenhagen	8,000.00	
Panama	14,500.00	$1,500.00
Colombia	2,750.00	250.00
Ontario	5,000.00	5,000.00
	74,250.00	6,750.00
Decrease from 3-cent to 2-cent rate	41,369.11	15,183.42
Net results	+32,880.89	− 8,433.42

The net result will be on the basis of tonnage taxes for the past fiscal year a reduction of $8,433.42 paid by American vessels and an increase of $32,880.89 paid by foreign vessels, net increase in revenue $24,447.47.

The object of the amendment is not to increase revenue to this slight extent, but, keeping revenue as nearly as possible unchanged, to forestall the possibility of a heavy decrease in revenue under laws nominally reciprocal, but in fact not admitting of reciprocity.

TONNAGE TAX.

PROPOSED SECTION FOR TARIFF BILL.

SEC. —. (*a*) That section 11 of chapter 421 of the laws of 1886, approved June 19, 1886, as amended by section 1 of chapter 61 of the laws of 1888, approved April 4, 1888, be, and is hereby, amended to read sixty days after the passage of this act, as follows:

"SEC. 11. That section 14 of 'An act to remove certain burdens on the American merchant marine and encourage the American foreign carrying trade, and for other purposes,' approved June 26, 1884, be amended to read as follows:

"SEC. 14. That in lieu of the tax on tonnage of 30 cents per ton per annum imposed prior to July 1, 1884, a duty of 2 cents per ton, not to exceed in the aggregate 10 cents per ton in any one year, is hereby imposed at each entry on all vessels which shall be entered in any port of the United States from any foreign port or place in North America, Central America, the West India Islands, the Bahama Islands, the Bermuda Islands, or the coast of South America bordering on the Caribbean Sea, or Newfoundland. A duty of 6 cents per ton, not to exceed 30 cents per ton per month, is hereby imposed at each entry upon all vessels which shall be entered in the United States from any other foreign port, not, however, to include vessels in distress or not engaged in trade. Sections 4223 and 4224 and so much of section 4219 of the Revised Statutes as conflicts with this section are hereby repealed."

(*b*) That section 12 of chapter 421 of the laws of 1886, approved June 19, 1886, and section 4232 of the Revised Statutes are hereby repealed.

(*c*) That this section shall not be construed to amend or repeal section 2792 of the Revised Statutes as amended by section 1 of chapter 212 of the laws of 1908, approved May 28, 1908, or section 5 of the said chapter 212 of the laws of 1908, or section 2793 of the Revised Statutes.

APPENDIX A.

EXEMPTIONS FROM TONNAGE TAX.

The President of the United States shall suspend the collection of so much of the duty herein imposed on vessels entered from any foreign port as may be in excess of the tonnage and light-house dues, or other equivalent tax or taxes, imposed in said port on American vessels by the government of the foreign country in which such port is situated, and shall, upon the passage of this act, and from time to time thereafter as often as it may become necessary by reason of changes in the laws of the foreign countries above mentioned, indicate by proclamation

the ports to which such suspension shall apply and the rate or rates of tonnage duty, if any, to be collected under such suspension: *Provided further*, That such proclamation shall exclude from the benefits of the suspension herein authorized the vessels of any foreign country in whose ports the fees or dues of any kind or nature imposed on vessels of the United States, or the import or export duties on their cargoes, are in excess of the fees, dues, or duties imposed on the vessels of such country or on the cargoes of such vessels.

But this proviso shall not be held to be inconsistent with the special regulation by foreign countries of duties and other charges on their own vessels, and the cargoes thereof, engaged in their coasting trade, or with the existence between such countries and other States of reciprocal stipulations founded on special conditions and equivalents, and thus not within the treatment of American vessels under the most-favored-nation clause in treaties between the United States and such countries.

The President be, and hereby is, directed to cause the governments of foreign countries which, at any of their ports, impose on American vessels a tonnage tax or light-house dues, or other equivalent tax or taxes, or any other fees, charges, or dues, to be informed of the provisions of the preceding section, and invited to cooperate with the Government of the United States in abolishing all light-house dues, tonnage taxes, or other equivalent tax or taxes on, and also all other fees for official services to, the vessels of the respective nations employed in the trade between the ports of such foreign country and the ports of the United States.

The mail steamships employed in the mail service between the United States and Brazil shall be exempt from all port charges and custom-house dues at the port of departure and arrival in the United States if, and so long as, a similar immunity from port charges and custom-house dues is granted by the Government of Brazil.

THESE PRESERVED.

Vessels used exclusively as ferryboats, carrying passengers, baggage, and merchandise, shall not be required to enter and clear, nor shall the masters of such vessels be required to present manifests, or to pay entrance or clearance fees, or fees for receiving or certifying manifests, but they shall, upon arrival in the United States, be required to report such baggage and merchandise to the proper officer of the customs according to law.

Any passenger vessel engaged triweekly or oftener in trade between ports of the United States and foreign ports shall be exempt from entrance and clearance fees and tonnage taxes while such service triweekly or oftener is maintained.

Enrolled or licensed vessels engaged in the foreign and coasting trade in the northern, northeastern, and northwestern frontiers of the United States, departing from or arriving at a port in one district to or from a port in another district, and also touching at intermediate foreign ports, shall not thereby become liable to the payment of entry and clearance fees, or tonnage tax, as if from or to foreign ports; but such vessels shall, notwithstanding, be required to enter and clear.

Whenever it shall be made to appear to the satisfaction of the President of the United States that yachts belonging to any regularly organized yacht club of the United States are allowed to arrive at and depart from any foreign port and to cruise in the waters of such port without entering or clearing at the custom-house thereof and without the payment of any charges for entering or clearing, dues, duty per ton, tonnage taxes or charges for cruising licenses, the Secretary of Commerce and Labor may authorize and direct the customs authorities at the various ports and subports of entry of the United States to allow yachts from such foreign port belonging to any regularly organized yacht club thereof to arrive at and depart from any port or subport of the United States and to cruise in waters of the United States without the payment of any charges for entering or clearing, dues, duty per ton, or tonnage taxes, but the Secretary of Commerce and Labor may, in his discretion, direct that such foreign yachts shall be required to obtain licenses to cruise, in a form prescribed by him, before they shall be allowed under the provisions of this act to cruise in waters of the United States. Such licenses shall be issued without cost to such yachts and shall prescribe such limitations as to length of time, direction, and place of cruising and action, and such other particulars as the Secretary of Commerce and Labor may deem proper: *Provided*, That the privileges of this section shall not extend to any yacht built outside of the United States and owned, chartered, or used by a citizen of the United States unless such ownership or charter was acquired prior to February 5, 1897.

Mr. CURTIS. I propose an amendment, and ask that it be read and referred to the Committee on Finance.

The PRESIDING OFFICER. The Senator from Kansas offers an amendment, which will be read.

The SECRETARY. Add to the bill the following proviso:

Provided, That if there be imported into the United States crude petroleum produced in any country which imposes a duty on petroleum exported from the United States, there shall in such cases be levied, paid, and collected a duty upon said petroleum so imported one-half of the duty imposed by such country.

Mr. CURTIS. I ask that the amendment be printed and referred to the Finance Committee.

The PRESIDING OFFICER. That order will be made.

Mr. SMOOT. I offer certain amendments to the bill as a report from the committee, sections 10, 11, 12, 13, 14, 15, and 16, relating to the tobacco tax.

The PRESIDING OFFICER. The Senator from Utah, on behalf of the committee, offers amendments, which will be read. The Chair suggests that the sections be left blank.

Mr. SMOOT. I numbered them, thinking they would come in regular order.

Mr. BAILEY. I desire to ask the Senator if it is the expectation of members of the committee to proceed to-day to the consideration of these amendments?

Mr. SMOOT. That is the purpose.

Mr. BAILEY. Or is it intended to print them and take them up afterwards?

Mr. SMOOT. I will state to the Senator from Texas that within thirty minutes we will have the amendments here from the Printing Office and they will be upon the desks of Senators.

Mr. BAILEY. They have already been sent to the Printing Office?

Mr. SMOOT. They have already been sent to the Printing Office, and I am informed they will be back in thirty minutes. They were sent some time ago.

The PRESIDING OFFICER. The amendments will be read.

The SECRETARY. Add to the bill the following new sections:

SEC. 10. That section 3362 of the Revised Statutes of the United States, as amended by subsequent acts of March 1, 1879, January 9, 1883, and April 12, 1902, be amended to read as follows:

"All snuff in packages containing one-half, 1, 1½, 1¾, 2, 2½, 3, 3½, 4, 6, 8, and 16 ounces, or in bladders and in jars containing not exceeding 20 pounds. All fine-cut chewing tobacco, cavendish, twist, and plug tobacco, and all other kinds of tobacco not otherwise provided for, in packages containing one-half, 1, 1½, 1¾, 2, 2½, 3, 3½, 4, 6, 8, and 16 ounces, except that fine-cut chewing tobacco may, at the option of the manufacturer, be put up in wooden packages containing 10, 20, 40, and 60 pounds each. All smoking tobacco and all cut and granulated tobacco other than fine-cut chewing, all shorts, the refuse of fine-cut chewing, which has passed through a riddle of 36 meshes to the square inch, and all refuse scraps, clippings, cuttings, and sweepings of tobacco in packages containing one-half, 1, 1½, 1¾, 2, 2½, 3, 3½, 4, 6, 8, and 16 ounces each."

All cavendish, plug, and twist tobacco, in wooden packages not exceeding 200 pounds net weight.

And every such wooden package shall have printed or marked thereon the manufacturer's name and place of manufacture, the registered number of the manufactory, and the gross weight, the tare, and the net weight of the tobacco in each package: *Provided*, That these limitations and descriptions of packages shall not apply to tobacco and snuff transported in bond for exportation and actually exported: *And provided further*, That perique tobacco, fine-cut shorts, the refuse of fine-cut chewing tobacco, refuse scraps, clippings, cuttings, and sweepings of tobacco, may be sold in bulk as material, and without the payment of tax, by one manufacturer directly to another manufacturer, or for export, under such restrictions, rules, and regulations as the Commissioner of Internal Revenue may prescribe: *And provided further*, That wood, metal, paper, or other materials may be used separately or in combination for packing tobacco, snuff, and cigars, under such regulations as the Commissioner of Internal Revenue may establish.

SEC. 11. That section 3368 of the Revised Statutes of the United States, as amended, be, and the same is hereby, amended, so as to read as follows:

"Upon tobacco and snuff manufactured and sold, or removed for consumption or use, there shall be levied and collected the following taxes:

"On snuff, manufactured of tobacco or any substitute for tobacco, ground, dry, damp, pickled, scented, or otherwise, of all descriptions, when prepared for use, a tax of 8 cents per pound. And snuff flour, when sold, or removed for use or consumption, shall be taxed as snuff, and shall be put in packages and stamped in the same manner as snuff.

"On all chewing and smoking tobacco, fine-cut, cavendish, plug, or twist, cut or granulated, of every description; on tobacco twisted by hand or reduced into a condition to be consumed, or in any manner other than the ordinary mode of drying and curing, prepared for sale or consumption, even if prepared without the use of any machine or instrument, and without being pressed or sweetened; and on all fine-cut shorts and refuse scraps, clippings, cuttings, and sweepings of tobacco, a tax of 8 cents per pound."

SEC. 12. That section 3392 of the Revised Statutes of the United States, as amended by section 32 of the act of October 1, 1890, be amended to read as follows:

"All cigars weighing more than 3 pounds per thousand shall be packed in boxes not before used for that purpose containing, respectively, 5, 10, 12, 13, 25, 50, 100, 200, 250, or 500 cigars each; and every person who sells, or offers for sale, or delivers, or offers to deliver, any cigars in any other form than in new boxes as above described, or who packs in any box any cigars in excess of or less than the number provided by law to be put in each box, respectively, or who falsely brands any box, or affixes a stamp on any box denoting a less amount of tax than that required by law, shall be fined for each offense not more than $1,000, and be imprisoned not more than two years: *Provided*, That nothing in this section shall be construed as preventing the sale of cigars at retail by retail dealers who have paid the special tax as such from boxes packed, stamped, and branded in the manner prescribed by law: *And provided further*, That every manufacturer of cigarettes shall put up all the cigarettes that he manufactures or has manufactured for him and sells or removes for consumption or use, in packages or parcels containing 10, 15, 20, 50, or 100 cigarettes each, and shall securely affix to each of said packages or parcels a suitable stamp denoting the tax thereon, and shall properly cancel the same prior to such sale or removal for consumption or use, under such regulations as the Commissioner of Internal Revenue shall prescribe; and all cigarettes imported from a foreign country shall be packed, stamped, and the stamps canceled in like manner, in addition to the import stamp indicating inspection of the custom-house before they are withdrawn therefrom."

SEC. 13. That section 3394 of the Revised Statutes of the United States, as amended, be, and the same is hereby, amended, so as to read as follows:

"Upon cigars and cigarettes which shall be manufactured and sold, or removed for consumption or sale, there shall be assessed and collected the following taxes, to be paid by the manufacturer thereof: On cigars of all descriptions made of tobacco, or any substitute therefor, and weighing more than 3 pounds per thousand, $3 per thousand: *Provided*, That on such cigars of a wholesale value or price of more than $75 per thousand and not exceeding $110 per thousand, the tax shall be $6 per thousand; and on such cigars or cigarettes of a wholesale value or price of more than $110 per thousand, the tax shall be $9 per thousand; on cigars, made of tobacco, or any substitute therefor, and weighing not more than 3 pounds per thousand, 75 cents per thousand; on cigarettes, made of tobacco, or any substitute therefor, and weighing more than 3 pounds per thousand, $3.00 per thousand; on cigarettes, made of tobacco, or any substitute therefor, and weighing not more than 3 pounds per thousand, $1.25 per thousand: *Provided*, That all rolls of tobacco, or any substitute therefor, wrapped with tobacco, shall be classed as cigars; and all rolls of tobacco, or any substitute therefor, wrapped in paper or any substance other than tobacco, shall be classed as cigarettes.

"And the Commissioner of Internal Revenue, with the approval of the Secretary of the Treasury, shall provide dies and stamps for cigars weighing not more than 3 pounds per thousand; and for cigarettes at the rates of tax imposed by this section: *Provided*, That such stamps shall be in denominations of ten, fifteen, twenty, fifty, and one hundred; and the laws and regulations governing the packing and removal for sale of cigarettes and the affixing and canceling of the stamps on the packages thereof shall apply to cigars weighing not more than 3 pounds per thousand.

SEC. 14. That none of the packages of smoking tobacco and fine-cut chewing tobacco, cigarettes, or snuff prescribed by law, or any cigar or package of cigars or other package of tobacco prescribed by law, shall be permitted to have packed in or attached to or connected with the same any article or thing whatsoever other than the wrappers and labels of the manufacturers or persons, orders, or organizations making or producing the same, the internal-revenue stamp, and the tobacco, snuff, cigarettes, or cigars, respectively, put up therein, on which the tax is required to be paid under the internal-revenue laws; nor shall there be affixed to or branded, stamped, marked, written, or printed upon said packages or their contents any promise or offer of, or any order or certificate for, any money, gift, prize, premium, payment, or reward. And such labels shall truly state the bona fide owner, proprietor, and manufacturer.

SEC. 15. That no such packages, when emptied, nor any part of them, nor anything attached to such packages, shall be received by any manufacturer of tobacco, snuff, cigars, or cigarettes in lieu of coupons or in consideration of anything of value.

SEC. 16. That the provisions of sections 10, 11, 12, 13, 14, and 15 of this act shall not take effect until July 1, 1910.

Mr. SMOOT. Mr. President, those sections perhaps will be hereafter arranged, as I stated in offering them.

Mr. DANIEL. Mr. President, I ask that the entry on the Senate Journal be read as to this report. I want to test the record as to whom the report is made by.

Mr. SMOOT. I offered the amendments in behalf of the Finance Committee.

Mr. DANIEL. So I understand; but I want to have the entry read.

The PRESIDING OFFICER. The Senator from Virginia makes what request?

Mr. DANIEL. I rise to a question of privilege and to a point of order and deny the fact that the Finance Committee has made any such report. I dispute the assertion of the acting chairman.

Mr. SMOOT. Then I will offer these amendments——

Mr. DANIEL. Let me get through first, if you please. I have the floor.

Mr. SMOOT. Very well.

Mr. DANIEL. The Committee on Finance has made no such report as that. It is simply an addition to the bogus reports that have been from time to time handed in to the Senate as on behalf of the Finance Committee. I ask that the record may be read as to whom this report was made by, and in what behalf.

The PRESIDING OFFICER. The Secretary will read as requested. As the Chair understands, the Senator from Utah [Mr. SMOOT] submitted the amendments, stating that they were submitted on behalf of the Committee on Finance. The Chair thinks that is the record.

Mr. DANIEL. I had the honor, Mr. President, to be appointed a member of the Finance Committee. There has been no meeting of that committee; there has been no such report; and I dispute the fact that the committee has made any such report or authorized any such report to be made to the Senate.

I rise to a point of order, that no such report has been made by the Finance Committee, and also to a question of privilege, that, if there has been any meeting of the committee, every member of that committee had a right to be notified to attend such committee meeting, and to vote for or against any amendment which is floated into the Senate under the name of the committee.

Mr. ALDRICH. Mr. President——

Mr. DANIEL. I have not quite gotten through, if you please. I also desire to offer the resolution which I send to the desk.

Mr. ALDRICH. Let the resolution be read for information.

The PRESIDING OFFICER. The pending question is upon the first amendment proposed by the Senator from Utah [Mr. SMOOT]. The Senator from Virginia offers a resolution, which will be read for the information of the Senate.

The Secretary read the resolution (S. Res. 65), as follows:

Senate resolution 65.

Resolved, That every member of a committee appointed by the Senate has the right to be notified of all meetings of the committee to which he belongs, and the right to vote upon every proposition referred to the committee by the Senate or reported by the committee for action.

Mr. ALDRICH. I suggest that it is not proper to offer a resolution of that kind at this time.

Mr. DANIEL. Mr. President, the Senator from Rhode Island said the resolution might be read for information. I wish to state that I offer that resolution by authority of all the Democrats who have the honor to be Members of this body. There was a unanimous expression of their opinion that I should present this resolution, including the five members of the Finance Committee, who feel, as they expressed it to me, as if they had been abused and interfered with in the exercise of their legitimate functions of office. They feel that they have as much right to attend a committee meeting as they have to attend the sessions of the Senate. They feel that anyone who trespasses upon, impedes, stands in the way of, or attempts to circumvent their attendance upon committee meetings is intrusive upon the Government of the United States and impugning it in its sovereign character. I offer that resolution and shall call it up as soon as I may, so that the Senate may, by a yea-and-nay vote—if it is possible for me to get one—express itself as to its sense of its own integrity and its own functions. I will not now go any further into the argument whatsoever. The Senate has heard it time and again.

Now, I will hear, if he has anything to say, what the Senator from Utah [Mr. SMOOT] says as to reporting these amendments as from a committee.

The PRESIDING OFFICER. Does the Senator from Virginia desire the resolution to be printed and lie on the table, subject to call?

Mr. DANIEL. I should like to be heard just as soon as I can.

The PRESIDING OFFICER. The resolution will be printed.

Mr. ALDRICH. It is not in order.

Mr. SMOOT. Mr. President, does the Senator from Virginia desire me to explain as to how this amendment has been reported?

Mr. DANIEL. You have brought that amendment into the Senate; it stands upon the record as reported by a committee; and I have risen and disputed that fact.

Mr. SMOOT. Mr. President, I will simply say to the Senator from Virginia that the majority of the Committee on Finance have instructed me to report these amendments to the Senate. The Senator knows that there was a subcommittee appointed to consider this tobacco question——

Mr. DANIEL. I do.

Mr. SMOOT (continuing). He being a member of that committee. A majority of that subcommittee decided and agreed upon the rates as provided in these amendments.

Mr. DANIEL. I am not disputing that.

Mr. SMOOT. The majority of the subcommittee reported to the majority of the members of the Finance Committee, and it was agreed by a majority of the Finance Committee that the amendments should be reported as I have reported them.

Mr. DANIEL. It was simply a private meeting of the majority of the committee.

Mr. SMOOT. I do not agree that it was a private meeting.

Mr. DANIEL. Did they instruct you to make the report as a report of the committee?

Mr. SMOOT. They instructed me to report the amendments in behalf of the committee. Mr. President, I will state further that this morning I told the Senator from Virginia just exactly what the rates were and just what we intended to report.

Mr. DANIEL. I am not discussing that. That has nothing to do with this matter.

Mr. SMOOT. And the Democratic members of the subcommittee were informed as to just what the report would be and what the rates were which the amendments would carry.

Mr. ALDRICH. Mr. President——

Mr. DANIEL. I raise no issue about that.

The PRESIDING OFFICER. Does the Senator from Virginia yield to the Senator from Rhode Island?

Mr. DANIEL. Yes.

Mr. ALDRICH. Mr. President, I take it for granted that it is quite immaterial in what form these amendments come into the Senate. If the Senator from Virginia prefers that they should be offered by the Senator from Utah [Mr. SMOOT] or by myself, certainly I have no objection to that course being pursued. I certainly would not like to have the public business delayed, indefinitely at any event, in discussing questions of procedure.

Mr. DANIEL. Mr. President, the Senator from Rhode Island becomes impatient——

Mr. ALDRICH. I will suggest that the record be changed to read that these amendments were presented by the Senator from Utah.

Mr. DANIEL. Mr. President, the Senator from Rhode Island becomes impatient about delays as soon as he wants to do anything. He is absolutely neglectful of any delays which he himself may cause by keeping information from the members of the committee of which he is chairman, and whose every right should be subserved by him as their chairman, as well as the chairman of the particular clique which he gathers around him to report things or put on conditions when he wants them reported.

That is not the way for the laws of the United States to be administered; that is not the way in which they can be administered with due regard to the obligations of Senators or with due regard to the sanctions and obligations of office.

The Senator now admits that he was not charged by any committee with the reporting of those amendments, and that they are mere personal amendments, talked about by certain Senators, who met by themselves and who made him their spokesman. Of course I can do no more than prove what I said, that they are not amendments offered by any committee whatsoever. Whatever of private matters may be done I do not concern myself about, because it is no part of the public business; but many another amendment has come here under the same false color that the pending amendments have come here, bogus

amendments, introduced before the Senate as official papers, which had no sanction, no authority, no guise of authenticity or legality.

Mr. CULBERSON. Mr. President, the Senator from Utah [Mr. SMOOT], according to what the record will show, I believe, presented a number of amendments as if they were amendments presented by the Committee on Finance. The Senator from Virginia [Mr. DANIEL] challenged the statement that the amendments were presented by the Committee on Finance. I understood the Senator from Rhode Island [Mr. ALDRICH] to rise and ask that the record be changed.

The PRESIDING OFFICER. If the Senator from Texas will permit, the Chair will state that previous to that statement on the part of the Senator from Rhode Island, the Senator from Utah suggested that in view of the challenge he would offer them in his own name and in his own right.

Mr. CULBERSON. I understand that; I recall that; but, unless I misunderstood the language of the Senator from Rhode Island, he asked that the record be changed to the extent of showing that the Senator from Utah had presented this matter in his own right. Now, if I am correct as to that, I object.

Mr. ALDRICH. I did not mean the CONGRESSIONAL RECORD. I meant that the record on the amendment itself should show that it was offered by the Senator from Utah.

Mr. CULBERSON. I object to that, Mr. President. Of course I do not object to the Senator from Utah or the Senator from Rhode Island stating now that, instead of presenting the amendments on behalf of the committee, they present them individually, but I object to the correction or changing of the record so as to leave out the pertinency of the remarks of the Senator from Virginia.

Mr. ALDRICH. Mr. President, there is no use in disguising or walking around the fact that these amendments are suggested here in behalf of a majority of the Committee on Finance. This is the same old question that we have been discussing over and over again.

Mr. CULBERSON. That, [redacted] was not the statement of the Senator from Utah. He said he presented them on behalf of the committee. The Senator from Virginia asked the distinct question, and it was stated in that form, and the present occupant of the chair made the statement from the chair.

Mr. President, having expressed myself upon that point, I call the attention of the Senator from Rhode Island and the Senator from Utah to the fact that, speaking for myself alone, these are very important amendments. They have not, as I understand, been submitted to the members of the Finance Committee nor to the members of the subcommittee on this side of the Chamber. It has been stated to them, I understand, in substance, what those amendments would be, but the amendments themselves have not been submitted. Now, it occurs to me that the amendments ought to be printed and we ought to have an opportunity to examine them. I say that notwithstanding the fact, Mr. President, that all of us are anxious to have a vote on these matters and have them disposed of.

Mr. ALDRICH. If we can save discussion or save time, I have no objection to the amendments being printed and taking them up in the Senate after the bill reaches the Senate, if that is preferable. I am extremely anxious to avoid discussion so far as possible.

Mr. BAILEY. Mr. President, I am willing for the amendments to be offered in the Senate, but I am not willing for them to be adopted here without discussion.

Mr. ALDRICH. That was not my suggestion. I suggested that they be printed and go over, and that they be offered in the Senate.

Mr. CULBERSON. I have no objection to that, Mr. President, if it is agreeable to the members of the Finance Committee on this side of the Chamber; but the Senate ought at least to have the amendments printed, to have an opportunity to examine them, and to compare them with the law and with the proposal of the House bill.

Mr. ALDRICH. Mr. President, as the Senator from Texas knows, we are all extremely anxious—and I am sure he shares in that anxiety——

Mr. CULBERSON. I have already stated that I did.

Mr. ALDRICH. To get ahead as fast as possible. With a view of aiding him in that way, I will consent that the amendments shall be printed and that they shall be offered in the Senate.

Mr. CULBERSON. Instead of in the Committee of the Whole?

Mr. ALDRICH. Instead of in the Committee of the Whole. I see no objection to that. I am quite willing, of course, that the question of whether they are offered by a majority of the committee or by the full committee shall be waived, and that we shall wait until the bill gets into the Senate for the consideration and disposition of these amendments.

Mr. BACON. I want to say just one word in that connection, not to detain the Senate more than two or three minutes. We all know, of course, the contention which has been made by the majority of the committee, that in the framing of the tariff bill, it being more or less of a political measure, the majority would frame the bill without any consultation with the minority. Without stopping to discuss the propriety of that at all, it does seem to me that, when it came to the other features of this bill, out of proper respect for their colleagues on this side of the Chamber, they ought to have been called in, not simply to be told what had been done, but to confer with them, especially in view of the fact——

Mr. ALDRICH rose.

Mr. BACON. If the Senator will pardon me until I finish the sentence. Especially in view of the fact that a very large proportion of the industry which is to be affected by these amendments is an industry represented on this floor almost exclusively by the minority of this body; and yet they were not called in and not consulted about it. It does not seem to me to be treating them with proper respect.

Mr. SMOOT obtained the floor.

Mr. SIMMONS. I ask the Senator from Utah to yield to me for a moment.

The PRESIDING OFFICER. Does the Senator from Utah yield to the Senator from North Carolina?

Mr. SMOOT. I yield to the Senator from North Carolina.

Mr. SIMMONS. Mr. President, as a member of the subcommittee, I think that I ought to make a statement for the purpose of correcting the statement made by the Senator from Utah, which, if uncorrected, might be misleading.

The Senator said that the subcommittee had considered and acted upon this matter. The subcommittee, Mr. President, as a whole were asked to attend several hearings, and we did attend the hearings, which, I want to say now, in my judgment, were very meager, insufficient, and inadequate when you consider the great importance of the matter involved; but after we had been invited to the hearings and attended them with the same diligent attention that the majority members of the subcommittee did, we were utterly ignored by the majority members when they took up the consideration of the question of what action they would [redacted] of the investigation and hearings. They met [redacted] they decided what they would do; and after they had reached a conclusion, they very graciously informed the minority members of the subcommittee what they had decided upon.

I have said, Mr. President, that the hearings were very inadequate. The hearings as to a part of the matters involved in these voluminous amendments were sufficient; but as to the main question—the question of the greatest difference of opinion, the question which will arouse the greatest interest on this side of the floor, the question which chiefly affects the great tobacco industry of many of the Southern States—it has had before that subcommittee practically no hearing or investigation at all. Not only that, Mr. President, we were only advised this morning as to what determination the majority members of the subcommittee had reached, and we have had no opportunity up to this time to investigate, as we should like to do, the questions of grave importance involved in the amendments.

I trust that Senators on the other side, who have brought in this proposition here at the very end of this discussion, will not insist upon precipitate action. I have no complaint to make in regard to forcing action upon this matter, provided we are given sufficient time to present the views of this side of the Chamber upon that question. It is impossible for us, I think, adequately and properly to represent the interests involved if this discussion shall be entered upon to-day or probably to-morrow. Of course, it is better, I think, that the amendments should be offered in the Senate than to be forced to a consideration of them to-day; but if those are the best terms we can secure, of course we will have to accept them. I would prefer, however—and I think we are entitled to ask—that the matter go over, that the amendments be printed, and that we take up their discussion to-morrow or the next day in Committee of the Whole, just in the way we have treated other questions.

Mr. ALDRICH. I suppose the Senator means in the Senate.

Mr. SIMMONS. No; I said that I would prefer that we would discuss this in Committee of the Whole, as we have other matters, provided the Senator from Rhode Island will agree not to take up the matter to-day. Of course if he insists upon taking it up to-day——

Mr. ALDRICH. With the exception of this matter, the consideration of the bill is absolutely completed as in Committee of the Whole.

Mr. SIMMONS. The Senator ought not to insist upon completing the bill without giving reasonable opportunity to discuss so important a matter as this.

Mr. ALDRICH. I think the Senator entirely misapprehends my purpose. I said to the Senator from Virginia [Mr. DANIEL]

that I was quite willing to have the amendments printed and go over to the Senate; and I am willing, if Senators desire, to call a meeting of the full Finance Committee and give them an opportunity to express their opinions, and also, if they see fit so to do, to their associates as to this matter between now and the time when the amendments are taken up in the Senate. There is no disposition on my part——

Mr. SIMMONS. When does the Senator expect it to be taken up? Does he expect the bill to get into the Senate to-morrow?

Mr. ALDRICH. To-morrow, probably. I hope the bill will be in the Senate within fifteen minutes. That is my expectation.

Mr. SIMMONS. If it goes to the Senate to-day, the Senator will not insist on acting on this amendment?

Mr. ALDRICH. Certainly not. I will have it go over until to-morrow morning, and will call a meeting of all the members of the committee.

Mr. SIMMONS. In no event will the Senator ask for action on the amendment to-day?

Mr. ALDRICH. No.

Mr. McLAURIN. Is there any difference between the rules that govern debate in the Senate and those that govern debate in the Committee of the Whole?

Mr. ALDRICH. None whatever. It is simply more or less of a fiction. We go from the Committee of the Whole into the Senate, and everything is exactly the same in the Senate as it is here. Each Senator has his rights. I assure the Senator from North Carolina that we will not take it up to-day, but we will try to have a meeting of the committee and see if there is anything we can do.

Mr. SIMMONS. I will say to the Senator that there are a number of Senators on this side of the Chamber who regard this proposition as one of very great importance, and who do not wish to be either hurried or curtailed in any way in the discussion.

Mr. ALDRICH. The Senator from North Carolina will understand that this matter came into the Senate not very long ago, and that the committee appointed a subcommittee, of which the Senator from V[redacted] and the Senator from North Carolina [Mr. SIMMONS] were members. That subcommittee was selected by me with an idea of having upon it a perfectly fair representation from the tobacco States.

I realize the importance to those States of this question; and there is no disposition on the part of myself or the Senator from Utah or anyone else to prevent discussion or prevent the greatest freedom of action upon the subject that is consistent with the lateness of the session, and the fact that every Member of the Senate, I think, is very anxious to get away from here and have the matter disposed of.

Mr. SIMMONS. I should like to say to the Senator from Rhode Island, if the Senator from Utah will indulge me just a minute, that I was myself very much surprised at the abruptness and suddenness with which the hearings before the subcommittee were broken off. I said a little while ago that, in my judgment, there had been no adequate hearings upon the chief one of these amendments, the one involving the greatest interests. The first hearing held by the subcommittee—and I think I ought to say this in view of what the Senator has just said—was confined almost exclusively to the question of coupons. The parties appearing before the committee were given to understand at that hearing that the committee did not wish to take up any of the other matters affecting tobacco. The investigation was confined largely—almost entirely—to the matter of coupons.

Mr. SMOOT. Mr. President, the Senator from North Carolina will certainly remember that at that hearing Mr. Yerkes appeared, and he took most of the time upon the subject of coupons.

Mr. SIMMONS. The other witnesses spoke upon that subject, too.

Mr. SMOOT. Yes; and after he got through with his statement we took up the question of snuff.

Mr. SIMMONS. Yes.

Mr. SMOOT. We then took up the question of the rate on tobacco, and all the independent tobacco manufacturers present—some 28 of them—objected to any increase on tobacco.

Mr. SIMMONS. My understanding is that there has been very little, if any, hearing with reference to the increase of the tax on tobacco.

There was a good deal with reference to the coupon matter, and there was a good deal with reference to cigars and snuff, but practically nothing with reference to the increase of the duty on tobacco. Yesterday, when we met, that question was taken up and discussed to some extent. A number of the gentlemen who appeared before the committee said that they did not know until late Saturday evening that there was to be a hearing with reference to the increase of the tariff on tobacco; and one gentleman, claiming to represent the tobacco growers of a certain county in Pennsylvania that produces a large quantity of filler tobacco, stated that the information came to him so late—I think he was an officer in one of the associations up there—that the only opportunity he had had to communicate with the tobacco growers in his county was over the long-distance telephone, and he had hurried here, unprepared, to represent their interests. There was nothing said at that meeting which indicated that the hearings were absolutely closed. I expected that they would be resumed this morning. Greatly to my astonishment, they were not resumed this morning, but the minority members of the subcommittee were notified of what the majority members had decided to do.

I think I should be derelict in my duty to my constituents, who are largely interested in the tobacco industry, if I did not state that I do not feel that the tobacco growers have had a sufficient or a fair opportunity to present their views in opposition to this increase in the tax on tobacco.

I desire to repeat, if the Senator will indulge me long enough to let me say it, that while I am not disposed to make any very great opposition to many of the provisions of this amendment, the provision which proposes to increase the tax on tobacco from 6 to 8 cents is in a different category from the others. There is in my State, so far as I have been able to ascertain the sentiment and so far as it has been conveyed to my mind through the medium of resolutions and letters and personal information, an absolute unity of opinion against this increase, as being an additional burden laid upon the tobacco industry of the State. I shall at the proper time present resolutions opposing this tax from the boards of trade of nearly all the towns in my State that are engaged in the manufacture of tobacco. I shall also present the views of the producers of tobacco in my State, if I have time to do so.

The PRESIDING OFFICER. The amendments submitted by the Senator from Utah will be printed. The bill is still in Committee of the Whole.

Mr. GORE. Mr. Pr[redacted]esire to ask a question of the Senator from [redacted] to the amendments he has reported. If I understood correctly in the confusion, one of them provides that cigars shall be packed and sold in new boxes. I should like to ask the Senator if that is correct?

Mr. SMOOT. In new boxes?

Mr. GORE. Yes.

Mr. SMOOT. The amendment is in the exact words of the present law in relation to the boxes in which cigars are to be packed.

Mr. GORE. That is the provision of the present law. I wish to ask the Senator if he does not think it will be possible for the committee to work out a provision under which boxes can be used more than once? And if they do not desire to do so, I shall submit an amendment providing that these boxes may be used again, under rules and regulations to be prescribed by the Secretary of the Treasury.

Mr. SMOOT. Every officer of the Internal-Revenue Service whom we have had before us or with whom I have talked personally has said that that is an absolute impossibility and would, no doubt, lead in the end to defrauding the Government of a great deal of revenue.

Mr. GORE. I made the suggestion for this reason: The price of these cigar boxes is a dead loss to the retail dealers in tobacco in the country. As I understand, there are only two concerns engaged in the manufacture of cigar boxes on any considerable scale, and the necessity of invariably using new boxes is a calamity to the cigar manufacturers. It seems to me it serves no good public purpose, and that rules and regulations might be prescribed by the Secretary which would relieve the small manufacturers of cigars and the retail dealers in cigars, and would injure no one except two or three concerns engaged in the manufacture of the boxes, which now enjoy a legalized monopoly. It might also result in conserving our forests.

Mr. SMOOT. I wish to say, in answer to the Senator from North Carolina [Mr. SIMMONS], that, as he well knows, the subcommittee was crowded for time. I should have had a meeting of the subcommittee last evening if it had been possible. I spoke to the Senator from Virginia on the subject, but he said it was so late that he would prefer to have a meeting this morning at 9 o'clock. During the sessions of the Senate, whenever time has permitted, we have had sessions of the subcommittee. I believe that both the Republican and the Democratic members of the subcommittee have virtually agreed upon the provisions of all of these amendments, with the single exception of the advance tax on tobacco and snuff.

Mr. BAILEY. Did I understand the Senator to say that all the members of the committee had done that?

Mr. SMOOT. I said the members of the subcommittee.

Mr. BAILEY. Oh, the subcommittee! I never will agree to an increase in the tobacco tax.

Mr. SMOOT. Mr. President, we leave the rate on cigars as now, at $3 per thousand. The little cigars, or cigars that weigh less than 3 pounds, we increase from 54 cents per thousand to 75 cents per thousand. In the case of the cigarettes that were taxed at the rate of 54 cents or $1.08, according to their value, the amendment provides for a tax of $1.25. As to the cigarettes weighing over 3 pounds, the amendment provides for a tax of $3.60 a thousand, as against the present rate of $3. As to snuff of all descriptions, the present amendment provides for a tax of 8 cents per pound instead of 6; and in the case of tobacco of all descriptions a tax of 8 cents per pound instead of 6 is provided.

As I understand the Senator from Virginia and the Senator from North Carolina oppose the advance from 6 cents to 8 cents on tobacco and have done so from the beginning. No matter how many hearings we might have had, I do not believe they would have consented to the advance. The Senator from Virginia nods assent to that. That is as I understood the situation. I have made this report, and the majority members of the Finance Committee have approved it; and I offered the amendments as stated before.

Mr. ALDRICH. In accordance with the understanding that I suppose has been reached all along, I ask that the further consideration of this amendment go over, to be taken up in the Senate at the proper time. And I ask now, if there is no further amendment, that the bill may be reported to the Senate.

Mr. DANIEL. Mr. President, I desire to offer an amendment to the bill in the Committee of the Whole. In paragraph 429, lines 21 and 22, I move to strike out the words:

The weight on all the foregoing to include all coverings, wrappings, and packing material.

That is in the provision on firecrackers and fireworks.

Mr. ALDRICH. I do not understand the amendment.

Mr. DANIEL. I move to strike out, in lines 21 and 22, page 172, paragraph 429, the words:

The weight on all the foregoing to include all coverings, wrappings, and packing material.

There is a tax on the subjects-matter of fireworks, roman candles, and so forth, of 12 cents a pound, and the law at present reads:

The weight on all the foregoing to include all coverings, wrappings, and packing material.

Mr. ALDRICH. That is the same as the present law.

Mr. DANIEL. That may be; but I do not think it is a good law.

Mr. ALDRICH. It seemed to me that these articles could afford to pay a little higher rate of duty; and this seems to me to be a very good subject for revenue. If the duties on the wrappings were taken off, it would reduce the duties very largely, and I hope the amendment of the Senator from Virginia will not be adopted.

The VICE-PRESIDENT. The Secretary will report the amendment offered by the Senator from Virginia.

The SECRETARY. Page 172, lines 21 and 22, after the word "pound," strike out the semicolon and the following words:

The weight on all the foregoing to include all coverings, wrappings, and packing material.

Mr. DANIEL. Just a sentence or two, Mr. President, on that subject.

Of course what are known as "fireworks"—Roman candles, rockets, and so forth—have to be very carefully packed. They are liable to catch fire by friction. Consequently, the wrappers around them may be very considerable in weight and very considerable in substance. There has been a great deal of complaint from the American makers of fireworks, which has been communicated to me, that they ought not to be taxed upon these wrappers, which are of course waste or refuse as soon as the goods are delivered. In order to be appropriate, the tax should be put upon the substantive thing, the candle or the fireworks, the squib or what not that is inside of the package.

But to encumber with a tax the wrappers, which in this case have to be numerous and considerable, is a misplacing of a tax. They are of no value after they get here. So I think these words ought to be stricken out.

The VICE-PRESIDENT. The question is on agreeing to the amendment offered by the Senator from Virginia.

The amendment was rejected.

Mr. ALDRICH. I ask that the bill be reported to the Senate.

Mr. BEVERIDGE. Before the bill is reported to the Senate, I wish again to call the attention of the chairman of the Finance Committee to the request made some time ago about printing in parallel columns the law and the pending bill, and also the increases and the decreases and the item; that is to say, from the House bill and from the bill as reported to the Senate.

The second thing I wish to remark at this juncture is that it is understood that when the bill is in the Senate it will be open to amendment without reservation. That was discussed for some two hours here some time ago as Senators will remember. So that there may not be any mistake about it, I merely mention it now. It has been the practice heretofore to reserve the right.

Mr. ALDRICH. I do not know what the Senator means by the term "without reservation." I do not know of any understanding of that kind.

Mr. BEVERIDGE. It has been the practice here—whether justified by any parliamentary requirement or not, I do not know—when a Senator wanted to present an amendment to a bill in the Senate, to reserve the right to do so. I remember very well that the first Senator I ever saw do that——

Mr. BACON. Will the Senator from Indiana permit me?

Mr. BEVERIDGE. Just a moment, until I finish my sentence; then I will yield.

The first Senator I ever saw do that, a few years ago, was the Senator from Wisconsin, Mr. Spooner, and that practice has been followed. I understood in the discussion that took place here almost at the time when the bill was first brought up, in which the Senator from Georgia took part, and the Senator from Texas also, that it was the understanding that amendments might be offered in the Senate without any reservation.

I beg pardon of the Senator from Georgia. I wanted to get through the one sentence.

Mr. BACON. I was simply going to suggest that there is no rule which requires any reservation, and the practice has grown up simply in this way: Where we have a bill with a vast number of amendments, they are frequently put to the Senate all together, en bloc, and the purpose of the reservation is simply as a matter of convenience, that the balance of the amendments may be thus voted upon, without including those reserved. But there is no doubt about the fact that when a bill gets into the Senate, in the absence of an agreement to consider the amendments all together, they are to be considered simply as they were in Committee of the Whole.

I presume, for convenience, except as to those amendments which Senators may desire to have acted upon separately in the Senate, there will be a general vote. It may be important, with that view, before a general vote is taken, for Senators to indicate what amendments they desire to have considered separately in the Senate.

Mr. BEVERIDGE. I wish to say just one word, and then I will sit down. Speaking personally, I recognize what the Senator from Georgia says to be true; but this practice has grown up. I think it rests in sound reason and ought to become the rule of the Senate. After we have thrashed out a matter in Committee of the Whole, it is perfectly absurd to thrash it out in the Senate. Having gone through the same process once, before exactly the same men, it is absurd to repeat it when it comes into the Senate. Sound reason is behind the practice that has grown up here that amendments should be reserved if Senators want separate votes.

But that was not the understanding at the beginning of this discussion, and I rose now merely to call attention to the fact that when the bill reaches the Senate it will be open to amendment without reservation. This practice was followed by the Senator from Texas the other day and by two or three others. I merely wanted the matter cleared up.

Mr. ALDRICH. I do not understand there has been any such agreement as that suggested.

Mr. BEVERIDGE. Not a unanimous-consent agreement, but——

Mr. ALDRICH. The Senator from Georgia very clearly and, I think, very fairly stated the situation. It has been customary with a bill involving, as this does, a very large number of amendments, to have the amendments concurred in in the Senate en bloc, unless some Senator desired to have some amendments reserved. The reason for that course is perfectly obvious, as the Senator from Indiana has indicated. I think there has been no understanding different from that. I think when the bill is in the Senate we ought to agree in gross upon as many amendments as possible. All those as to which Senators do not desire to have special votes reserved, should be acted upon together, as we have done heretofore. Of course, I have no disposition to prevent any reservations which any Senator may desire to make.

Mr. BACON. I suggest to the Senator that possibly the better plan would be to take up the reserved amendments first and then after we dispose of all those, agree en bloc upon the balance of them.

Mr. ALDRICH. I have no objection to that course if the Senate prefers it.

Mr. BAILEY. Mr. President, I had in mind when I gave notice of demanding a separate vote on a particular amendment, or reserving the right, merely to prevent that being included in some request to vote on the amendments in gross. It is the practice not only here, but elsewhere, when the committee rises and reports a number of amendments, to vote on them in gross unless a vote on particular ones is especially

desired and requested. It was merely to prevent that particular amendment from being included, in case I happened to be out of the Chamber when that sort of request was made, that I gave the notice I did.

The VICE-PRESIDENT. The Chair understands it is the custom of the Senate, however, not to require notice to be given in committee that an amendment will be voted on separately in the Senate. But when the bill comes into the Senate that vote can be had.

Mr. BAILEY. Having given a notice of that kind, if I were called out by one of my constituents or were at luncheon, or if for any other reason I were out of the Chamber, and a request was made that the amendments be voted on in gross, including the one which I reserved, I would not feel bound by that, and I would insist, having given this notice, that I was entitled to a separate vote.

The VICE-PRESIDENT. The Chair feels sure that the Senate would at no time attempt to vote on an amendment in that manner where notice had been given, such as the Senator from Texas referred to.

Mr. BEVERIDGE. A parliamentary inquiry, Mr. President, Is this the situation: The Senate has been sitting as in Committee of the Whole, and as such it has made certain amendments to this bill. The bill comes into the Senate, and the amendments of the Committee of the Whole are voted on en bloc, unless there are reservations or general consent that some one amendment or amendments shall be singled out. But when the bill is before the Senate, any Senator can offer any amendment he pleases to any part of the bill without having made a reservation in the beginning. That is the parliamentary law of the situation?

Mr. ALDRICH. The Senator is mistaken in one respect. After the Senate has agreed to the amendments made in Committee of the Whole, those amendments can not be amended, except by a reconsideration of the action.

The VICE-PRESIDENT. But before they are agreed to, the Chair understood the Senator from Indiana to mean.

Mr. ALDRICH. Oh, yes; before they are agreed to, that is true.

Mr. BEVERIDGE. Any Senator may offer an amendment without any reservation in advance.

The VICE-PRESIDENT. Before they are agreed to; but not afterwards.

Mr. BEVERIDGE. Not afterwards.

Mr. BACON. They have to be agreed to in the Senate just as in the committee.

Mr. ALDRICH. Certainly.

Mr. BACON. In this connection I desire to make a suggestion, and possibly an inquiry, of the Senator from Rhode Island.

In view of the suggestion on his part that the bill be now reported from the Committee of the Whole to the Senate, is it the purpose of the Senator to proceed immediately with the consideration of the bill in the Senate? The purpose of my inquiry is this: As suggested yesterday, it is very difficult for us to frame the amendments, or all of them, that we may desire to offer in the Senate without knowing accurately what has been done in the Committee of the Whole. It would be an extremely difficult matter to do.

Mr. ALDRICH. The Senate has ordered a reprint of the bill, and it is already in type—that is, subject to changes which may be made now within a few minutes—and the reprint of the bill can be here, I imagine, within an hour. At any rate, it can be here very soon. The reprint in parallel columns, which has been asked for by the Senator from Indiana, will be ready very soon.

Mr. BACON. The Senator would not propose that there should be general action upon the amendments en bloc or in gross before we have the opportunity to look at the reprint?

Mr. ALDRICH. No. I hope we may dispose of a good many of the committee amendments this afternoon—unobjected amendments, as to which there will be no desire at all on anybody's part to have a rehearing. I had supposed we might make considerable progress in that direction. The committee themselves have a few amendments to suggest in the Senate.

Mr. BACON. It is the purpose of the Senator, then, to take up the bill at the beginning, as he did in the committee?

Mr. ALDRICH. I am quite willing to follow the suggestion of Senators. I do not think that would be necessary. For instance, take the chemical schedule. I do not know, or at least I can not now think, of any amendment to the chemical schedule that would have to be debated in the Senate. I should say that the amendments to a number of schedules could be agreed upon without further discussion. That is the way it would strike me. I think we might go on and consider amendments which Senators want to offer in the Senate.

Mr. BACON. I am perfectly willing that there should be consideration if we can have the opportunity to see the reprint before there is any general action.

Mr. ALDRICH. All the data desired, so far as it is possible to obtain them, will be here to-morrow morning. I will say to the Senator from Indiana, as to his suggestion with regard to increases or decreases in rates which have taken place in the Senate since the report of the committee, that in some of the amendments, quite a number, there are changes in phraseology where there is practically no data which would show precisely what were the changes in rates. We should undoubtedly be able to give the Senate our own views as to what those changes involve; that is, whether they involve increases or decreases. My own feeling is that there have been more decreases than increases.

Mr. BEVERIDGE. That will be before the Senate, I take it, almost immediately?

Mr. ALDRICH. It will be.

Mr. BEVERIDGE. This afternoon?

Mr. ALDRICH. I am not so sure as to that.

Mr. BEVERIDGE. It has been several days.

Mr. ALDRICH. It may not be completed before to-morrow morning.

Mr. BEVERIDGE. I hope it will be this afternoon. It will save a lot of time.

Mr. ALDRICH. We will try to have it here this afternoon.

Mr. NEWLANDS. I wish to inquire of the Senator from Rhode Island whether it is intended to have a new edition of this Schedule of Estimated Revenues?

Mr. ALDRICH. No; not exactly that. We are going to print, as was stated yesterday when probably the Senator was not here, practically in parallel columns, on opposite pages, the present law, the House bill, the original recommendations of the Committee on Finance, and the amendments adopted in Committee of the Whole, showing four different stages.

Mr. NEWLANDS. Showing the percentage in each case?

Mr. ALDRICH. No; that is impossible. The changes have not been very great from the report of the committee, and in most of those cases, as I have already stated, they are changes in phraseology or in classification which would make the data which the Senator now suggests impossible to get. The experts have been at work, and it is not possible to do that. I think the Senator will be satisfied, however, with the information which it will contain.

Mr. NEWLANDS. I should like to know what procedure is necessary or will be followed with reference to the amendments of individual Senators?

Mr. ALDRICH. Hereafter?

Mr. NEWLANDS. Will they come after the committee amendments have been considered?

Mr. ALDRICH. You mean in the Senate?

Mr. NEWLANDS. Yes.

Mr. ALDRICH. That is a matter for the consideration of the Senate. The usual course is to dispose of the amendments made as in Committee of the Whole. They are not committee amendments any more; they are amendments made by the Committee of the Whole.

Mr. NEWLANDS. As I understand it, if any of the amendments which have been reported by the committee should be adopted, it would be impossible to amend any of them except by obtaining a reconsideration.

Mr. ALDRICH. In the Senate?

Mr. NEWLANDS. In the Senate.

Mr. ALDRICH. Oh, yes; if the Senate adopts an amendment made as in Committee of the Whole that is the end of it, unless the Senate should see some good reason for reconsidering its action.

Mr. NEWLANDS. Then, as I understand it, where a Senator seeks to amend in any way the action of the Committee of the Whole when the bill comes in the Senate, it will be necessary for him to insist upon reserving that particular amendment for consideration.

Mr. ALDRICH. And offering his amendment, whatever it may be, to that.

The VICE-PRESIDENT. Are there further amendments to be offered to the bill as in Committee of the Whole? If not, the bill will be reported to the Senate.

The bill was reported to the Senate as amended.

The VICE-PRESIDENT. The bill is in the Senate, and open to amendment. The question is on concurring in the amendments made as in Committee of the Whole. Shall they be acted upon separately or in gross?

Mr. BACON. I shall object to their being acted on in gross for the present. I think we ought to be able to see what the bill is which has come from the Committee of the Whole. How it is possible for us to intelligently say whether any other amendments should be offered without seeing it in print I am at a loss to understand.

Mr. ALDRICH. Many of the amendments, of course, Senators are familiar with. I shall be glad, if possible, to either dispose of the amendments to which there is no objection or

that we shall go on the rest of the afternoon considering amendments which individual Senators may have to offer.

Mr. CLAPP. First, reserving any rights which I have, I reserve for a separate vote the amendment providing for a corporation tax. I have an amendment to offer to that amendment. The form of the committee amendment is fresh in our minds, and I do not see why——

Mr. ALDRICH. I have no objection to going on now and considering that amendment.

Mr. CLAPP. We can take up something like that.

The VICE-PRESIDENT. The Chair suggests that he supposes the regular order would be, in the face of objection of the Senator from Georgia, to take up the amendments seriatim, beginning with amendment numbered 1.

Mr. CLAPP. I am ready to go on with it. However, I reserve the amendment I have indicated for further consideration.

Mr. NEWLANDS. I suggest to the Senator from Rhode Island that we take a recess until the print of the bill as amended comes in. I think it would expedite the consideration of the bill to wait for the reprint. I understand the reprint will be ready within an hour or an hour and a half. Why not take a recess until 3 o'clock?

Mr. ALDRICH. I am not so sure precisely whether the copies of the bill will be here by that time.

Mr. NEWLANDS. Then I suggest that we take a recess until to-morrow morning. We will save time by that course, I think.

Mr. ALDRICH. I am told that the reprint will be here within an hour and a half or two hours. I think we could dispose of a great many of these amendments by commencing at the beginning and going along with the bill. I think most of them are matters to which there would be no objection.

Mr. LA FOLLETTE. The difficulty with that course, if I may be permitted, is that we would not have the form of the amendment before us.

Mr. ALDRICH. I will ask, then, that the Senate shall take a recess.

Mr. LA FOLLETTE. We can follow the best we can the reading at the desk, but it is very difficult.

RECESS.

Mr. ALDRICH. I suggest that we take a recess until half past 3. At that time we will have the reprinted bill here, I think.

Mr. McLAURIN. If the chairman of the committee will allow me to make a suggestion to him, I suggest that we adjourn until to-morrow morning. If at that time any Senator knows of any amendment that he wants to have a separate vote on, he can reserve it for a separate vote, and all the other amendments can be concurred in in gross. I do not see any objection to that course.

Mr. ALDRICH. I will suggest to the Senator from Mississippi that when we meet at half past 3 o'clock we will have the reprint here; and if it seems then desirable to Senators that the bill should go over, with a view of following the course suggested by him, we can take an early adjournment.

Mr. McLAURIN. I do not see any necessity for taking up the amendments seriatim, because that would take a long time and they are going to be adopted anyhow.

Mr. ALDRICH. I very much prefer the course suggested by the Senator from Mississippi, if we can get an agreement on that.

I move that the Senate take a recess until half past 3.

The motion was agreed to; and (at 1 o'clock and 22 minutes p. m.) the Senate took a recess until 3 o'clock and 30 minutes p. m., when it reassembled.

THE TARIFF.

The Senate resumed the consideration of the bill (H. R. 1438) to provide revenue, equalize duties, and encourage the industries of the United States, and for other purposes.

Mr. BEVERIDGE. I send to the desk, although it need not be read now, an amendment which I ask to have printed; and I give notice that I shall offer it to-morrow, if that is convenient. I shall not offer it this afternoon.

The VICE-PRESIDENT. The amendment will be printed.

Mr. ALDRICH. Mr. President, the printed copies of the bill have not yet arrived. I am therefore inclined to adopt the suggestion made by the Senator from Mississippi [Mr. McLAURIN], that we adjourn until to-morrow morning, with an understanding that at that time the amendments will be taken up, and those amendments that Senators desire to have reserved shall be reserved, and the others shall be voted on in gross.

Mr. HEYBURN. I suggest that the delivery of the copies should not be delayed until to-morrow morning.

Mr. ALDRICH. Oh, no; not at all.

Mr. HEYBURN. They will be available as early as possible, I presume?

Mr. ALDRICH. The copies of the bill will be delivered within a few minutes. My suggestion is that the copies of the bill as amended be delivered immediately upon their arrival, which will be within a few minutes. Senators will thus have an opportunity to examine the amendments. To-morrow morning we shall ask to have the amendments which are not reserved——

Mr. BEVERIDGE. At that time.

Mr. ALDRICH. At that time, adopted en bloc.

Mr. CULBERSON. Senators can to-morrow morning reserve the amendments upon which they propose to ask for separate votes?

Mr. ALDRICH. Oh, yes; undoubtedly. That is my purpose, and to have the others adopted en bloc.

Mr. HALE. I suppose the proposition of the Senator from Rhode Island is based upon the rule that is invariably observed in the case of appropriation bills.

Mr. ALDRICH. It has always been done in the case of tariff bills also.

Mr. HALE. And in tariff bills also. To-morrow morning, after having had an opportunity to examine the bill, Senators will be better prepared than they are now to say what amendments they desire reserved. We can then, after such amendments are reserved for separate votes as Senators may indicate they desire reserved, adopt the other amendments in gross, and proceed to the order of amendments reserved. I suppose that is the proposition of the Senator from Rhode Island.

Mr. ALDRICH. That is my understanding.

Mr. OVERMAN. But any independent amendments——

Mr. ALDRICH. The independent amendments will be taken care of, of course.

Mr. BEVERIDGE. Personally, Mr. President, I have no objection to that course; but it should be understood by all that it was stated by the Senator from Rhode Island this morning that under this sort of an arrangement, which, as I understand, does not amount to a unanimous-consent agreement, after the amendments made in Committee of the Whole have been voted on en bloc they can not thereafter be amended, except in the case of those reserved.

Mr. HALE. That is correct.

Mr. BEVERIDGE. I think everyone should have notice of that fact.

Mr. CUMMINS. Mr. President, I desire to ask the Senator from Rhode Island a question.

The VICE-PRESIDENT. Does the Senator from Rhode Island yield to the Senator from Iowa?

Mr. ALDRICH. I do.

Mr. CUMMINS. That does not relate to any amendments proposed by individual Senators. They will be in order at any time?

Mr. ALDRICH. They will be in order at any time after the disposition of the amendments made in Committee of the Whole.

Mr. CUMMINS. Thus it is not necessary to reserve them?

Mr. ALDRICH. It is not necessary to give any notice or make any reservation as to them. The whole thing is open to amendment in that form.

Mr. HEYBURN. Mr. President——

The VICE-PRESIDENT. Does the Senator from Rhode Island yield to the Senator from Idaho?

Mr. ALDRICH. Certainly.

Mr. HEYBURN. I want to understand this arrangement.

Mr. BEVERIDGE. It is not an arrangement; it is a statement of practice. There is no arrangement that binds any of us.

Mr. HEYBURN. Whatever it may be called, I wish to understand it. What I desire to know is, whether it is contemplated that all of the amendments that have been adopted by the Committee of the Whole will be voted on together?

Mr. ALDRICH. Except those that are reserved by Senators who desire separate votes.

Mr. HEYBURN. That is, those that are reserved to-morrow?

Mr. ALDRICH. Yes; those that are reserved to-morrow.

Mr. HEYBURN. That is all I wished to understand.

Mr. MONEY. I do not know that I clearly understand this matter. I understand that the amendments of the Committee of the Whole are to be voted upon en bloc.

Mr. ALDRICH. Yes; except such as individual Senators desire to-morrow morning to reserve.

Mr. FRYE. That is just what has always been done.

Mr. ALDRICH. It has been the universal custom.

Mr. MONEY. I am accepting it as stated; but I desire to understand what is meant by amendments made in committee. It means amendments made in Committee of the Whole?

Mr. ALDRICH. Amendments made in Committee of the Whole.

Mr. MONEY. I simply desired to understand that. And if anyone has an independent amendment, it can be offered?

Mr. BEVERIDGE. Before the amendments made as in Committee of the Whole are concurred in by the Senate, any Senator, as I understand, can offer any amendment he pleases.

Mr. ALDRICH. I move that the Senate adjourn.

The motion was agreed to; and (at 3 o'clock and 35 minutes p. m.) the Senate adjourned until to-morrow, Wednesday, July 7, 1909, at 10 o'clock a. m.

SENATE.

WEDNESDAY, *July 7, 1909.*

The Senate met at 10 o'clock a. m.

Prayer by the Chaplain, Rev. Ulysses G. B. Pierce, D. D.

The Journal of yesterday's proceedings was read and approved.

FINDINGS OF THE COURT OF CLAIMS.

The VICE-PRESIDENT laid before the Senate a communication from the assistant clerk of the Court of Claims, transmitting a certified copy of the findings of fact filed by the court in the cause of Mrs. Maria M. Harris, Frank N. Harris, Henry W. Harris, George W. Harris, Alla V. Harris, Annie E. Harris, John W. Harris, William Harris, and Thomas B. Harris, heirs and representatives of Henry N. Harris, deceased, *v.* United States (S. Doc. No. 123), which, with the accompanying paper, was referred to the Committee on Claims and ordered to be printed.

PETITIONS AND MEMORIALS.

Mr. KEAN presented a petition of the Guarantee Building and Loan Association, of Camden, N. J., praying for the adoption of a certain amendment to the so-called "corporation-tax amendment" to the pending tariff bill exempting building and loan associations from the provisions contained therein, which was ordered to lie on the table.

He also presented memorials of sundry members of the composing room chapel of the Jersey City Herald, of Jersey City; of sundry members of the composing room chapel of the Evening News, of Newark; of sundry members of the stereotypers' chapel of the Observer, of Hudson County; of sundry employees of the John L. Compton chapel of the Printing Pressmen and Assistants' Union, No. 183, of Hudson County; and of sundry employees of the Public Printer chapel of the Printing Pressmen and Assistants' Union, No. 183, of Hudson County, all in the State of New Jersey, remonstrating against the adoption of the proposed duty on print paper and wood pulp in the pending tariff bill, which were ordered to lie on the table.

Mr. BURTON presented a petition of sundry employees of the Novelty Cutlery Company, of Canton, Ohio, praying for the adoption of the proposed Senate substitute for paragraph 151 in the pending tariff bill relative to the duty on imported knives and erasers, which was ordered to lie on the table.

THIRD COLORADO VOLUNTEER CAVALRY.

Mr. WARREN, from the Committee on Military Affairs, to whom was referred the joint resolution (S. J. R. 20) to restore the status of the Third Colorado Volunteer Cavalry, who served during the late civil war, asked to be discharged from its further consideration, and that it be referred to the Committee on Pensions, which was agreed to.

EMILY PERKINS HALE.

Mr. KEAN, from the Committee to Audit and Control the Contingent Expenses of the Senate, to whom was referred Senate resolution No. 66, submitted yesterday by Mr. LODGE, reported it without amendment, and it was considered by unanimous consent and agreed to, as follows:

Senate resolution 66.

Resolved, That the Secretary of the Senate be, and he is hereby, authorized and directed to pay to Emily Perkins Hale, widow of Rev. Edward Everett Hale, late Chaplain of the United States Senate, a sum equal to six months' salary at the rate he was receiving by law at the time of his demise, said sum to be considered as including funeral expenses and all other allowances.

BILLS INTRODUCED.

Bills were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. GALLINGER:

A bill (S. 2843) granting an increase of pension to Edward Baker (with accompanying papers);

A bill (S. 2844) granting an increase of pension to Charles A. Riddle (with accompanying papers); and

A bill (S. 2845) granting an increase of pension to James F. Marshall (with accompanying papers); to the Committee on Pensions.

By Mr. McCUMBER:

A bill (S. 2846) to prevent the sale of intoxicating liquors in buildings, ships, navy-yards, and parks and other premises owned or used by the United States Government; to the Committee on Education and Labor.

By Mr. BURTON:

A bill (S. 2847) for the relief of Emma Morris; to the Committee on Claims.

A bill (S. 2848) to remove the charge of desertion from the military record of John H. Lettrell; and

A bill (S. 2849) to correct the military record of Timothy Sullivan; to the Committee on Military Affairs.

A bill (S. 2850) granting a pension to Henry Roberts;

A bill (S. 2851) granting an increase of pension to John Welch;

A bill (S. 2852) granting an increase of pension to Jacob M. Zartman;

A bill (S. 2853) granting an increase of pension to William A. Sturgeon;

A bill (S. 2854) granting an increase of pension to Peter Spears;

A bill (S. 2855) granting a pension to Peter Lunsford;

A bill (S. 2856) granting an increase of pension to Abram McCoy;

A bill (S. 2857) granting an increase of pension to Anthony Barleon;

A bill (S. 2858) granting an increase of pension to William A. Brown;

A bill (S. 2859) granting an increase of pension to George Richards;

A bill (S. 2860) granting a pension to John Carnes;

A bill (S. 2861) granting an increase of pension to Robert M. Work; and

A bill (S. 2862) granting a pension to Phoebe E. Davis; to the Committee on Pensions.

By Mr. DU PONT (by request):

A bill (S. 2863) to provide for payment of the claims of certain religious orders of the Roman Catholic Church in the Philippine Islands; to the Committee on the Philippines.

By Mr. GUGGENHEIM:

A bill (S. 2864) granting an increase of pension to John Barthel (with accompanying paper); to the Committee on Pensions.

By Mr. OWEN:

A joint resolution (S. J. R. 41) proposing an amendment to the Constitution of the United States; to the Committee on Privileges and Elections.

WITHDRAWAL OF PAPERS—ROYE E. KNIGHT.

On motion of Mr. McCUMBER, it was

Ordered, That leave be granted to withdraw from the files of the Senate the papers in the case of Roye E. Knight (S. 3965, 60th Cong., 1st sess.), there having been no adverse report thereon.

THE TARIFF.

The VICE-PRESIDENT. The morning business is closed and the first bill on the calendar is in order.

The Senate resumed the consideration of the bill (H. R. 1438) to provide revenue, equalize duties, and encourage the industries of the United States, and for other purposes.

The VICE-PRESIDENT. The question is on concurring in the amendments made as in Committee of the Whole.

Mr. BACON. I do not know what the method of procedure will be——

Mr. ALDRICH. I ask that the amendments made as in the Committee of the Whole may be concurred in in gross with the exception of such as may be reserved by individual Senators; and I ask that the reservations may be made now.

Mr. BAILEY. I want to reserve——

The VICE-PRESIDENT. Is there objection to the request that the amendments made as in Committee of the Whole be concurred in except where Senators announce amendments which they desire to have considered separately? The Chair hears no objection.

Mr. BAILEY. I wish to reserve the amendment beginning with section 6, on page 371, known as the "corporation-tax amendment."

Mr. BACON. I understand that a reservation——

Mr. ALDRICH. Must be submitted to a separate vote.

Mr. BACON. Includes all there is as well as the particular amendment. It is not necessary to reserve each——

The VICE-PRESIDENT. Certainly not.

Mr. BAILEY. I reserve the whole amendment.

Mr. BACON. There is another point I desire to ask, if I may have the attention of the Senator from Rhode Island; I desire to know whether I am correct in this understanding. The adoption of the amendments en bloc will not prevent the adoption of other amendments which do not change those amendments?

Mr. ALDRICH. Oh, no; not at all.

Mr. BACON. In other words, the bill is open in the fullest extent to amendment.

Mr. ALDRICH. Undoubtedly.

Mr. BACON. Only after the adoption of those amendments they themselves can not be changed.

Mr. ALDRICH. Unquestionably the Senator is right.

Mr. BEVERIDGE. An amendment may be offered to any other part of the bill, I understand.

Mr. ALDRICH. Undoubtedly.

Mr. BACON. I understand that it can be offered to some part of the bill, if it does not change the amendment.

Mr. ALDRICH. That is right.

Mr. HEYBURN. I wish to make an inquiry. When these amendments are adopted together, they become a part of the bill in the Senate?

Mr. ALDRICH. That is right.

Mr. HEYBURN. Including those reserved——

Mr. ALDRICH. Not including those amendments—aside from those. The amendments are not open to a continuous order.

Mr. HEYBURN. I want to reserve for consideration the zinc schedule.

Mr. ALDRICH. That is all right. The Senator can do that.

The VICE-PRESIDENT. Will the Senator from Idaho state what paragraph he desires to have reserved?

Mr. HEYBURN. I desire to reserve paragraph 190.

The VICE-PRESIDENT. The Secretary will make a note of that reservation.

Mr. BEVERIDGE. I reserve paragraph 189. I will say in advance that I think the Senator from Massachusetts and I will probably agree upon the matter, but I reserve it so that it may be open.

Mr. STONE. I reserve paragraph 148½.

Mr. BEVERIDGE. I reserve tentatively paragraph 194—that is, if it does not appear that paragraph 124 is a committee amendment. I mean the drawback provision. I intend to offer an amendment to the drawback provision, and if there is not a committee amendment to the drawback provision I do not wish to be shut out.

The VICE-PRESIDENT. No amendment has been made to paragraph 124.

Mr. WARREN. I suggest that we have some information as to what the paragraphs are that are being reserved.

The VICE-PRESIDENT. The bill is before Senators on their desks, and they can readily follow it if they will be good enough so to do.

Mr. BROWN. I wish to reserve paragraph 425.

The VICE-PRESIDENT. The Senator from Nebraska reserves paragraph 425.

Mr. PENROSE. I wish to give notice of my intention to offer an amendment to paragraph 100 and paragraph 101. These are the same in the Senate bill as in the House bill, so I suppose it is unnecessary to make the reservation.

Mr. ALDRICH. It is not necessary to reserve those paragraphs.

Mr. PENROSE. I say I suppose it is not necessary, but it can do no harm.

The VICE-PRESIDENT. It can do no harm.

Mr. McLAURIN. I do not suppose it is necessary to reserve this point, but I wish to give notice that I will again introduce the amendment I proposed, to put farming implements, carpenters' tools, and blacksmiths' tools on the free list.

Mr. ALDRICH. That is not a reservation.

Mr. BURTON. I should like to ask what paragraph was reserved by the Senator from Pennsylvania [Mr. PENROSE]?

The VICE-PRESIDENT. He gave notice that he would offer an amendment to paragraphs 100 and 101. There was no amendment, and it was not necessary to reserve it.

Mr. BACON. I wish to give notice that I desire to reserve paragraph 123, on page 38, and also——

Mr. ALDRICH. There is no amendment to paragraph 123, as I recollect.

The VICE-PRESIDENT. There is no amendment to paragraph 123.

Mr. ALDRICH. It is not necessary to make that reservation.

Mr. BACON. I should like to give notice of it in order to avoid any possibility of question.

The VICE-PRESIDENT. No harm can be done.

Mr. BACON. I desire to give notice also on page 92, of paragraphs 280 and 281, and paragraph 284, on page 93. There are other amendments, which I think are covered by the notice given by the Senator from Texas.

I wish to give notice also for my colleague [Mr. CLAY], who is necessarily absent, as to two amendments. If he should not return in time, I will offer them for him. I do not know exactly at what point he would desire to introduce one of them. One of them, however, is paragraph 213. I do not know that that is an amendment either, but I give the notice.

The VICE-PRESIDENT. Paragraph 213 has not been amended.

Mr. BACON. His amendment is to strike out the paragraph and insert a substitute.

Mr. ALDRICH. That will be in order in any event.

Mr. BACON. I understand; but I desire to be absolutely safe about it.

There is another amendment which he would offer. The particular point is not designated. I think, however, it would be possibly an amendment to the corporation tax. It is an amendment taken, I think, practically from the Spanish-war law with reference to stock transactions and things of that kind. I can not more particularly designate it than that.

Mr. BANKHEAD. I desire to reserve paragraphs 368, 369, and 371.

The VICE-PRESIDENT. Very good.

Mr. BRISTOW. I wish to inquire what the effect would be if an amendment should be offered to the bill that would affect in any way an amendment already adopted. Suppose, in amending paragraph 213 it should have some influence on an amendment which was concurred in in this general concurrence, would that be out of order?

Mr. ALDRICH. I think it would, for the reason that the other paragraph would have to be modified. I think it will not be possible indirectly to amend an amendment already concurred in. That is my judgment.

Mr. JONES. I desire to have paragraph 171 reserved, and also paragraph 488.

Mr. NEWLANDS. I should like to reserve paragraph 471d.

Mr. GUGGENHEIM. I give notice that I wish to reserve paragraph 524, which is in the free list.

Mr. CLARK of Wyoming. Mr. President, I desire to make a parliamentary inquiry. In the case of a reservation by an individual Senator of a paragraph, does that leave the whole paragraph open to amendment by each Senator?

Mr. ALDRICH. Oh, no; it only opens the amendment which was made as in Committee of the Whole. It refers only to the amendment adopted in the Committee of the Whole and action upon it.

Mr. CLARK of Wyoming. Then the amendment would be subject to amendment?

Mr. ALDRICH. Undoubtedly.

The VICE-PRESIDENT. Oh, yes.

Mr. CUMMINS. I desire to reserve section 2. It relates to the maximum and minimum tariff. I also desire to reserve section 12. There seems to be no continuity in these sections.

Mr. ALDRICH. What is the substance of it?

Mr. CUMMINS. I reserve section 12, which relates to the Board of General Appraisers, that part of it especially which authorizes the appointment by the President of the board.

Mr. BAILEY. If the Senator from Iowa will excuse me, section 12 is the tonnage.

Mr. ALDRICH. It is subsection 12.

Mr. CUMMINS. It is subsection 12.

The VICE-PRESIDENT. On page 343.

Mr. ALDRICH. Subsection 12 of section 3.

Mr. CUMMINS. I also desire to reserve sections 29 and 30, which relate to the establishment of a customs court of appeals. I also reserve section 7.

The VICE-PRESIDENT. The clerks at the desk did not get what the Senator just said he desires to reserve.

Mr. CUMMINS. Subsections 29 and 30, which relate to the establishment of a customs court of appeals.

The VICE-PRESIDENT. On page 362.

Mr. CUMMINS. Also section 7. I think it properly should be section 7. It relates to countervailing duties on export duties and bounties offered by a foreign country.

While I am on my feet I desire to give notice of an amendment which I may as well offer now, so that it may be printed. It is an independent paragraph or section which I will call "section 6¼." It proposes the levy of an income tax upon individual incomes, and is entirely independent of the corporation income tax which has already been adopted. I will ask that it be printed.

The VICE-PRESIDENT. Without objection, the amendment will be printed, and it will lie on the table until called up by the Senator from Iowa.

Mr. NEWLANDS. I should like to reserve the section which relates to the appointment of experts by the President.

Mr. ALDRICH. That has already been reserved.

Mr. NEWLANDS. What section is it?

Mr. ALDRICH. Section 2.

Mr. LORIMER. I should like to reserve paragraph 17 and paragraph 466.

The VICE-PRESIDENT. Paragraph 17 and paragraph 466 are reserved by the junior Senator from Illinois.

Mr. BRISTOW. I wish to reserve Schedule E. I do not want to take any chances.

Mr. ALDRICH. That is not necessary. There are no amendments to Schedule E, except as Senators may move amendments to it. Does the Senator desire to amend paragraph 217?

Mr. BRISTOW. Paragraph 213.

Mr. ALDRICH. That is entirely open in the Senate.

Mr. BRISTOW. And also Schedule M, because I want to offer an amendment to one of those paragraphs, and I think it affects a number of others.

Mr. ALDRICH. The Senator can not reserve amendments to a schedule. I suggest that he must indicate the particular amendment he desires to have reserved.

Mr. BRISTOW. I will read the paragraphs, then, in Schedule M. I thought I would save time by reserving the schedule.

Mr. ALDRICH. Will the Senator suggest the particular amendment he wants to have reserved?

Mr. BRISTOW. I want to amend——

Mr. ALDRICH. The particular paragraph?

Mr. BRISTOW. Paragraph 409.

The VICE-PRESIDENT. Paragraph 409 will, then, be reserved.

Mr. BRISTOW. And any other paragraphs that might affect it I want to reserve. For that reason, I suggested that the schedule should be reserved, because I do not want to be caught by being ruled out of order for lack of a reservation.

The VICE-PRESIDENT. The Chair thinks the Senator will have to name by number the paragraphs he desires to reserve.

Mr. BRISTOW. Paragraphs 402, 403, 404, 405, 406, 407, 408, 409, 410, 411, 412, 413——

The VICE-PRESIDENT. There is no amendment to paragraph 413.

Mr. BRISTOW. That is not amended. Then paragraphs 414 and 416.

The VICE-PRESIDENT. Very good.

Mr. DANIEL. I give notice that I may desire to offer an amendment to paragraph 17 and also paragraph 66.

Mr. ALDRICH. There will be no trouble about offering amendments afterwards. I ask that the amendments except those that have been reserved be now concurred in.

Mr. CLAPP. Before that is done others may wish to be heard. While no doubt a reservation by any Senator would reserve all amendments that he may wish reserved, still to protect myself against a possible temporary absence from the Senate when these matters come up, I want to reserve section 6, the so-called "corporation tax" provision. I intend to offer an amendment to it. I also reserve the provision relating to the establishment of a tariff commission.

The VICE-PRESIDENT. What is the number?

Mr. CLAPP. I can not state.

Mr. ALDRICH. It is section 2. Both those have been reserved by the Senator from Texas.

Mr. CLAPP. That may be, but there is so much confusion here I have waited until I could have the floor a moment for myself. I also wish to reserve the provisions relating to the establishment of a customs court.

Mr. ALDRICH. That has been reserved.

Mr. BRIGGS. I desire to have paragraph 1 and paragraph 183 reserved.

The VICE-PRESIDENT. Paragraphs 1 and 183 will be reserved.

Mr. GORE. The senior Senator from Wisconsin [Mr. LA FOLLETTE] desires to make certain reservations with reference to these schedules, or rather the paragraphs. I am not able to state in his absence the particular amendments he had in view. I wish to express the hope that no action will be taken in his absence which will prejudice or foreclose his right to offer the amendments.

Mr. HUGHES. I desire to reserve paragraph 471d and paragraph 309.

The VICE-PRESIDENT. The Senator from Colorado reserves paragraph 471d and paragraph 309.

Mr. BACON. I am not sure whether I designated paragraph 468 or not.

The VICE-PRESIDENT. The Senator did not before. Does he reserve paragraph 468?

Mr. BACON. I now designate it, though it may not be necessary. There is a proviso stricken out, and that might make it necessary to give the notice. So I do so.

Mr. BURTON. I desire to reserve paragraphs 83 and 88, and in connection therewith paragraph 493½; also paragraph 126, paragraph 182, and paragraph 627. I also reserve paragraph 90.

Mr. BACON. I gave notice, I think, of paragraph 123. I desire now to send to the desk the amendment which I intend to propose, in order that it may be printed.

The VICE-PRESIDENT. Without objection, the amendment will be printed and lie on the table.

Mr. BRIGGS. I desire to withdraw my request for reserving paragraphs 1 and 183.

Mr. BURTON. I have found another paragraph in connection with paragraph 88, paragraph 526.

The VICE-PRESIDENT. Paragraph 526 is reserved by the Senator from Ohio.

Mr. OLIVER. I wish to reserve paragraph 101.

Mr. ALDRICH. Paragraph 101 has already been reserved by two or three Senators. There is no amendment to it, but it has been reserved.

Mr. STONE. I stated a moment ago that I desire to reserve paragraphs 447½ and 448. I do not know whether the Secretary has it.

The VICE-PRESIDENT. The Secretary has it.

Mr. BULKELEY. I desire to reserve the paragraph relating to the corporation tax.

Mr. ALDRICH. That has been reserved by a number of Senators.

Mr. BULKELEY. Also paragraph 189, on page 68; section 6, on page 371; paragraph 177, on page 62; paragraph 433, on page 188; and paragraph 186, on page 66.

Mr. DICK. I desire to reserve paragraphs 22, 86, 271, 352, 419, 427, 455, and 587.

The VICE-PRESIDENT. Very good. Are there other reservations?

Mr. BRISTOW. If the amendment which I expect to offer to paragraph 213 is adopted, it would affect the duties on sugar.

Mr. ALDRICH. I will agree that if the Senator gets that amendment adopted I will be willing to take up the other provisions.

Mr. GALLINGER. All the rest of the bill?

Mr. ALDRICH. Yes.

Mr. BRISTOW. It might affect the paragraph relating to the Philippine sugar.

Mr. ALDRICH. If the Senator's amendment is adopted, I will agree to take up anything in the bill he desires.

Mr. BRISTOW. All right; I accept that. I am satisfied.

Mr. McLAURIN. I propose to offer an amendment to paragraph 708½. It might come in conflict with that paragraph if it were not reserved. Therefore I reserve paragraph 708½.

Mr. HALE. I ask that there be printed for the use of the Senate a list of the reserved amendments.

Mr. ALDRICH. Oh, no; do not let us do that. We will call them up in order. I do not want to have that done.

Mr. HALE. I will withdraw the request.

The VICE-PRESIDENT. Are there any other reservations? The question, then, is on concurring in the amendments not reserved.

Mr. TALIAFERRO. I ask that paragraph 408 be reserved.

The VICE-PRESIDENT. The Senator from Florida reserves paragraph 408.

Mr. ALDRICH. That has already been reserved twice, I will say to the Senator from Florida.

Mr. BRISTOW. I desire to reserve paragraph 94.

The VICE-PRESIDENT. The Senator from Kansas reserves paragraph 94. Are there other reservations?

Mr. DANIEL. The bill is so multiplex that anyone is liable to overlook something which he wishes to reserve. I think we had better leave the bill free to amendment.

Mr. ALDRICH. Oh, no; we can not do that. Regular order, Mr. President.

Mr. BACON. I desire to ask the Senator from Rhode Island a question. When the Senate bill is finished under his suggestion——

Mr. DANIEL. I am going to help to get the bill through as quickly as possible, but I do not think it right to close up the bill.

Mr. ALDRICH. The bill, I will say to the Senator from Virginia, is not closed up. Any Senator has a right to offer any amendment he sees fit after the committee amendments are disposed of.

The VICE-PRESIDENT. Does the Senator from Rhode Island yield to the Senator from Georgia?

Mr. ALDRICH. I do.

Mr. BACON. The Senator will recall the suggestion made by him and also by the Chair that particular paragraphs should be designated. I am not sufficiently familiar with the sugar schedule, but if amendments to be proposed by my colleague——

Mr. ALDRICH. The Senator from Kansas [Mr. BRISTOW] has practically covered what the Senator from Georgia desires.

Mr. GALLINGER. The entire paragraph.

Mr. CULBERSON. I will ask if the subject of drawbacks has been reserved by any Senator? My understanding is that there is nothing in the Senate bill——

Mr. ALDRICH. But there are several amendments with reference to drawbacks which have been offered. It is not necessary to reserve anything in reference to drawbacks. That will be open to amendment.

Mr. CULBERSON. Very well; with that understanding.

Mr. DANIEL. I should like to reserve any amendment or reserve the right to move to strike out any provision that concerns tobacco.

The VICE-PRESIDENT. The Chair did not understand the Senator from Virginia.

Mr. ALDRICH. The tobacco amendments have not been agreed to yet, and those will be in order when they come up.

Mr. DANIEL. But there are some already in the bill. I should like to reserve any amendment or the right to strike out any provision that concerns tobacco.

Mr. ALDRICH. That is not possible.

The VICE-PRESIDENT. The Chair thinks it is necessary to designate it by number, so that there may be no confusion. Will the Senator from Virginia be good enough to designate the numbers?

Mr. ALDRICH. I ask that a vote be taken on concurring in the amendments in gross.

Mr. NEWLANDS. What do I understand is now the question?

The VICE-PRESIDENT. It is on concurring in the amendments in gross, except those reserved.

Mr. NEWLANDS. Mr. President, after a special session of four months the tariff bill is now reported from the Committee of the Whole to the Senate, and within a few days will go into conference. No material changes can now be made in the bill, and the only question before us is whether we may not, by some general provisions, plant the seed of a rational tariff system, under which excessive tariff duties may be gradually reduced and the tariff taken out of politics.

The purpose of the session was to revise the tariff pursuant to the Republican platform—by the imposition of such duties as would equal the difference between the cost of production at home and abroad, together with a reasonable profit to American industries. The undertaking seemed simple. The Dingley schedules, elaborately worked out, covered every foreign product likely to seek entrance to our country in either the dutiable or the free list. No marked readjustment of schedules was necessary; the differential only need be ascertained, and approximate accuracy only was demanded.

METHOD OF CONGRESS UNSCIENTIFIC.

The method pursued by Congress was most unscientific. The Dingley Act contained 16 schedules, 471 paragraphs, and 4,000 items. It was necessary to ascertain the differential as to each item. No court would have attempted this task of ascertaining facts without calling in the aid of a master in chancery, who would hear the contentions and testimony of the importers on the one side and the domestic manufacturers on the other, and render findings of fact. A tariff commission would have been invaluable for this purpose; but Congress, jealous of its powers, concluded to conduct the investigation without outside aid.

The only semblance of investigation was made by the Ways and Means Committee of the House, whose hearings covered 16 volumes and 8,000 pages.

After the testimony was taken by this bipartisan committee, in which both parties were represented, the Democrats were excluded from the deliberations and the Republican members alone acted as a tariff commission and reported to the House their findings as to the differentials which are contained in the Payne bill. It is not pretended that these findings were even approximately accurate. They represented, not impartial determination of fact, but compromise and bargains. The bill was adopted in the House after eighteen days, and during that time nearly 400 judges were sitting upon the question of fact as to what the differential was. Then, under the rule, separate votes were taken on only 5 or 6 of the 4,000 items, and the bill was disposed of, the only alternative being the acceptance or rejection of the entire bill. Under the circumstances, no other course was feasible. It would be impossible to picture the confusion which would result from continuous debate and votes on each schedule, paragraph, and item, and the efforts of nearly 400 Members to reach a correct conclusion.

SENATE ACTION.

When the bill came to the Senate it was referred to the Finance Committee and reported two days afterwards, without hearings. The Republicans of the Finance Committee organized themselves into an unauthorized tariff commission, holding hearings in executive session and reporting amendments. Whilst the Senate is a smaller body than the House and unhampered in debate, it was clear that in order to bring the matter to a conclusion within a reasonable time it was necessary to have an organization that would back the Finance Committee in all its contentions, and to this end the party spirit was appealed to. The chairman of that committee at the very start assumed a bold and truculent manner, contemptuous of opposition and denunciatory of all suggestion of reduction by the progressive Members of his own party as involving an abandonment of party loyalty and treason to the protective principle.

At such a time the recommendation of the President of the United States, exercised in a constitutional way by message, would have been of immense importance, for doubtless the majority of the Republican Members would have preferred to follow the President, who was elected to lead, rather than the chairman of the Finance Committee, who was not elected to lead. But what could the President recommend? He had been in office but forty days; the information necessary to enable him to recommend specific reduction was not available, and no machinery had been provided by which he could ascertain the facts necessary to form a judgment as to desirable changes in tariff rates. Had such information for specific recommendation been available there is no doubt the President could have taken away from the chairman of the Finance Committee the majority of his organization, who, whilst unwilling to follow progressive associates declared by party leaders to be "insurgent," would have yielded readily to the suggestion of regularity involved in following the acknowledged leader of the party. This is evidenced by the fact that when the President acted decisively in favor of the substitution of a corporation tax for an income tax there was almost immediate acquiescence in his recommendation, although the tax itself, because of its universality and its inconvenience to the numerous small corporations throughout the country, aroused opposition in the constituency of every Senator. It is true that many voted for the President's measure in order to escape what they regarded as a greater evil—a general income tax; but, notwithstanding this, the incident clearly proves the effectiveness of a presidential recommendation at a critical time in influencing the action of his party.

SENATE REVISION UPWARD.

The Senate has now been in continuous session for ninety days over these tariff schedules; many able and brilliant discussions have taken place; but the legislation thus far shaped is almost barren of results in accomplishing what the President doubtless has in view—an honest revision of the tariff, following the rule laid down by the Republican platform. The revision of the Senate has doubtless been upward rather than downward, and the evils of excessive tariff duties have been increased rather than diminished.

It is true that some of these excesses may be corrected in conference, and it is confidently expected that the influence of the President will be exercised there; but unless the conference voluntarily places itself in communication with the President, it is difficult to see how he can exercise his power in any constitutional way; and, unless he has made a study of the schedules and is prepared to make specific recommendations, it is difficult to see what good can be accomplished by his intervention. If he is prepared to recommend specific reductions, the time to present them is by a message after the bill is reported by the Senate in Committee of the Whole to the Senate itself for final action.

Again, conference offers little chance of relief, for under the established rules of procedure the conferees can not fix a duty which is below the duty fixed by either House. As the Senate has made practically no reductions, all that conference could accomplish would be acquiescence in the moderate reductions of the Payne bill; so that conference presents the opportunity of little relief, and the only remaining expedient is a veto of the bill.

VETO ACTION.

And here another difficulty presents itself. The tariff bill is not a piece of original legislation, but a measure intended to correct the abuses of an existing law; and if, on the whole, after its passage, it is demonstrable that the revised duties are less onerous than the old ones, it will be difficult for the President to veto the bill on the ground that it does not go far enough, for in that case the old law would stand and none of the excessive duties would be corrected. It will be difficult, therefore, for the President to accomplish what he desires by a veto, unless he wishes to record his condemnation of party breach of faith, and the only alternative will be to accept the bill and press on later for ameliorative legislation. In doing this it will become necessary for him to make specific recom-

mendations, after the momentum of the reform movement has in a measure been lost, after Congress has acted, and when it will be very unwilling to return to the consideration of a subject which has been the source of so much bitterness and acrimony, with so little substantial result. A simple recommendation, under such circumstances, would probably fail; the President would have to make repeated recommendations, to organize public opinion, and to make a determined fight for a change in the organization of the Senate. Such a contest would probably absorb the best energies of the President during his entire term of office and prevent him from taking up effectually various other reforms relative to banking, transportation, and trusts and combinations, to which he doubtless desires to address himself later on; and even should he take this course, he will find himself opposed, as President Roosevelt was, by the Republican organization in the Senate, whose prestige would be increased by its success in the present issue.

EVOLUTION OF A SCIENTIFIC TARIFF.

It is not my province to proffer advice to the Republican party; but I am deeply solicitous that our action here, even though it may not meet the just expectations of the country, shall contain the seed of a rational tariff system which will gradually, by a process of evolution, eliminate the tariff from politics, just as the railroad question has been taken out of politics by the creation of the Interstate Commerce Commission. Stability of duties is as important to production as is stability of rates to interstate commerce; and reasonable duties are as essential to commerce as reasonable rates are to transportation. We can not expect to correct all the abuses of the tariff system in a day; we must, in shaping corrections of these abuses, recognize, for the present, at least, the protective system; but it should be remembered that the rule laid down by the Republican convention varies in only one particular, namely, the allowance of a profit to the manufacturer, from the declaration made by the Democratic party in its platform of 1888, which was as follows:

A fair and careful revision of our tax laws, with due allowance for the difference between the wages of American and foreign labor, must promote and encourage every branch of such industries and enterprises by giving them assurance of an extended market and steady and continuous operations.

I feel assured that if the Republican rule were fairly applied it would result in a considerable reduction of duties and that much relief would come to the country from it; and I feel also assured that if the American people were satisfied that a fair effort was being made to comply with this rule, through some competent tribunal organized by Congress, tariff agitation would practically end. The feeling now is that the rule is not being fairly applied; that the facts have not been ascertained; and it seems to me that patriotic men on both sides of this Chamber might well unite in such action as will result in a fair application of this rule.

If we could put into this bill an amendment providing the machinery by which the President could ascertain the differential called for by the Republican platform, authorizing him upon ascertaining it to reduce the duties in excess of it to such standard, we would accomplish more than has been accomplished in all the four months of deliberation. Or, if we could secure an amendment providing that wherever the imports of any commodity are less than one-tenth of its total production in this country, the President is authorized to gradually reduce the duty on such commodity until the imports equal one-tenth of the production, we would abolish prohibitory duties and accomplish more good than by all our contentions. And if we could organize a bipartisan tariff commission with power to ascertain and find as a fact the differential in the cost of production at home and abroad, and could also authorize the President upon the approval of such finding to make reductions of the duty to such differential, either immediately or gradually, by a percentage extended over a series of years, we would accomplish much toward the scientific adjustment of the tariff and its elimination from partisan politics.

I do not minimize the fact that the tariff bill contains some provisions which will be beneficial. Among these are the provisions for the tax on corporations and for the employment of—

such persons as may be required to make thorough investigations and examinations into the production, commerce, and trade of the United States and foreign countries, and all conditions affecting the same.

Whilst I would have preferred that the tax should be imposed only upon the larger industrial corporations, presenting, as they do, a vast aggregation of wealth which practically escapes taxation and which is enjoying the benefits of subsidized production, and which presents in the main the abuses which it is desirable to correct; and whilst I believe that unnecessary risk has been taken in incurring constitutional objections as to the right of Congress to levy a tax upon the occupations of artificial persons only, and not including natural persons, and to impose a tax upon corporate franchises granted by a sovereign State, yet I believe that this act, if held constitutional, will be of much benefit in securing the statistical information that will enable Congress to act intelligently upon the subjects of tariff legislation and trust regulation.

As to the tariff experts whose employment by the President is authorized, I regret that the bill does not explicitly organize a bipartisan tariff commission, to be appointed by the President, with power to ascertain the differential called for by the Republican platform, and with power to the President to reduce the duties fixed by this act to such differential. Efforts have been made to improve this provision in this particular, but without avail. The best that can be hoped for is that the President will appoint a capable body of experts, and that by a process of evolution it will gradually become a tariff commission with full power to act under a rule laid down by Congress.

THE PHILIPPINES.

There is another matter regarding which I am solicitous. I have contended against the abolition of duties on Filipino sugar, tobacco, and other products, upon the ground that the effect would be to give the Philippine Islands artificial prosperity by giving them the subsidized prices for their products now prevailing in this country through the imposition of high tariff duties, and that this will effectually build up subsidized interests in those islands that will use their fatal influence against independence and autonomy. The President's recommendation, however, made with the best of motives and out of solicitude for the welfare of the Filipino people, has carried, and all that can be done is to ameliorate its effects as much as possible.

There can be no doubt that our policy toward those islands, if we propose to hold them for all time as subject territory of the United States, and our policy if, on the other hand, we contemplate ultimately a limited autonomy under our protection, as suggested by the Senator from New York, should be quite different. There is an unwillingness on the part of the dominant party to fix a time within which autonomy is to be recognized, and I would not now press action in that direction; but I would suggest that by a solemn legislative utterance we put into law the recent declaration of the Senator from New York upon this floor, that we do not contemplate incorporating those islands as a part of the United States or holding perpetual dominion over them; that we hold them in trust for their own people, and purpose at the appropriate time in the future, to be determined by us, to give them autonomy, as in the case of Cuba; and that our purpose is to so shape the government of those islands as to prepare the Filipinos for self-government and ultimately to yield the islands to the government of their own people. If in connection with this, whilst remitting the entire duty upon Filipino products, so far as the United States is concerned, we would provide that one-fourth or one-half of it should go to the Filipino government for expenditure in agricultural development, in manual training, and in the acquisition of a common language, we would do much to fit those people for ultimate freedom. The difficulty about the proposed relief is that we practically remit these duties to the Filipino planters, who will make a struggle to absorb the whole and will yield but little to Filipino labor. It is much better now to segregate a portion of this, say one-half, amounting to seven or eight million dollars, or one-fourth, amounting to $3,500,000 annually, and turn it over to the Filipino government for the purposes which I have indicated. This is what we did with reference to Porto Rico; we took all the duties collected on Porto Rican products and turned them into the Porto Rico treasury for internal development. If we can apply this policy to a portion of the duties upon Filipino products, we will extend a real benefaction to the Filipino people, and not an exclusive benefaction to the Filipino planters.

In pressing these considerations I have had no partisan purpose, and I see no reason why Democrats and Republicans alike should not join in legislative action that will crystallize them into law.

Mr. ALDRICH. Regular order, Mr. President.

The VICE-PRESIDENT. The question is on concurring in the amendments made as in Committee of the Whole en bloc, except such as have been reserved.

Mr. LA FOLLETTE. Mr. President, I wish to make some reservations. It was my misfortune not to get my copy of the bill in time to go through it and make reservations by the numbers of the paragraphs, as I should like to do; and in order to protect myself, it may be necessary for me to number every paragraph in this bill from beginning to end. I do not want to do that; I am not here to obstruct the passage of this bill, but I desire that certain amendments shall be reserved. I have

not had the opportunity to make a list of those paragraphs, so that I can reserve them by number.

I want to say, Mr. President, with respect to the unanimous consent, which it is asserted by some Senators has been entered into, that these amendments may be submitted en bloc, excepting such amendments as Senators reserve, that there is not a general understanding on this floor that such unanimous consent has been given.

The VICE-PRESIDENT. The reporter's notes for the RECORD will show what was done.

Mr. LA FOLLETTE. I understand that, Mr. President, and I have no doubt that the RECORD will show that such unanimous consent was submitted by the Chair and that no objection was taken by any Senator here; but it was done, I am certain, very rapidly and consummated in such a way that many Senators on this floor did not understand it.

Mr. President, I am not standing here with any disposition to unduly hinder this bill in its progress before the Senate; but I do want certain reservations made. I have not had the opportunity under the new reprint of the bill to search out the numbers of such paragraphs. So I may be constrained, in order to protect my rights upon this floor, to begin at the beginning of this bill and number the paragraphs. I do not want to do that, Mr. President. If I can have some understanding, or if some understanding can be had with the Senate generally, that paragraphs may be taken up without going through the formula of moving to reconsider, then I shall be very glad to have it done in that way.

Mr. ALDRICH. Mr. President, the statement of the Senator from Wisconsin [Mr. LA FOLLETTE] that he did not see the bill until this morning might perhaps throw some blame upon the officers of the Senate with reference to the distribution of copies of the reprinted bill. I will say to the Senator from Wisconsin that two copies of the bill as amended were delivered to his secretary yesterday afternoon between 4 and 5 o'clock. If they did not reach the Senator from Wisconsin, it was not the fault of the officers of the Senate.

Mr. LA FOLLETTE. I will say to the Senator from Rhode Island that the bill was delivered at my house last night in the mail at a late hour and laid aside. I got no opportunity to examine the bill until this morning.

Mr. ALDRICH. The copies were delivered to the Senator's secretary yesterday afternoon, but I do not know, of course, whether they reached him or not.

Mr. LA FOLLETTE. I do not know about that.

Mr. ALDRICH. Mr. President, the unanimous consent to which the Senator from Wisconsin refers was not agreed to hastily. I made the suggestion yesterday afternoon, and I repeated it on several occasions this morning, and, as the RECORD will show, the unanimous consent was agreed to. If the Senator from Wisconsin has any special paragraphs which he desires to have reserved, I have no objection, within reasonable limits, of submitting to his suggestion in reference to this matter; but the Senator must understand that we have got to finish this business at some time or other, that there has got to be an end to the discussion, and that there has got to be a vote.

Mr. LA FOLLETTE. I do not need to have that said to me, Mr. President. I understand that as well as does the Senator from Rhode Island.

Mr. ALDRICH. After this motion has been agreed to and the paragraphs which have been reserved are concurred in, I will say to the Senator from Wisconsin, that if he has any other paragraph, there will be no trouble about arranging to have it voted upon again if he so desires. I have no intention of cutting him or anybody else off.

Mr. LA FOLLETTE. The point is, have I any assurance that some other Senator will not object to a reconsideration?

Mr. ALDRICH. I do not think that any Senator will object. If I, representing the committee, shall request that it shall be done, I do not think any other Senator, within any reasonable limit, would object. I feel very certain of that. The Senator from Wisconsin is quite well aware that after all these amendments are concurred in the whole bill will be open to amendment in the Senate. I suppose the Senator understands that.

Mr. LA FOLLETTE. I understand exactly that the whole bill is not open to amendment. I understand that after these amendments are concurred in no amendment can be adopted which in any way changes the amendments which have been concurred in. Is not that the fact?

Mr. ALDRICH. That is correct.

Mr. LA FOLLETTE. Except on reconsideration. Therefore they are not all open to change.

The VICE-PRESIDENT. All of the remainder of the bill will be open to amendment.

Mr. LA FOLLETTE. I understand; but those changes which have been made on the motion of Senators who have been objecting to increases in this bill, and the amendments which have been made in the Senate to which they most object, Mr. President——

Mr. ALDRICH. I can only assure the Senator that if he has any special paragraph or any special amendment that he desires to have a vote on, which has not already been put on in the Senate, so far as I am concerned, I will cooperate with him to secure a vote.

Mr. LA FOLLETTE. I should like to inquire of the Senator from Rhode Island if he means that I can amend the amended paragraphs?

Mr. ALDRICH. That is what I mean. I will try——

Mr. LA FOLLETTE. That is, any paragraph of the bill—not only those that have been changed and have been agreed upon, but all the paragraphs or any of the paragraphs?

Mr. ALDRICH. If the Senator——

Mr. LA FOLLETTE. I want to say to the Senator from Rhode Island that I am not seeking to get any consent from him that will embarrass the progress of this bill any further than to have the opportunity to discuss, within very reasonable limits, any of the paragraphs, and to have a vote upon any paragraph. That is all.

Mr. ALDRICH. I have no objection to an understanding that the Senator from Wisconsin, if any of these paragraphs have not already been reserved which he desires especially to have an additional vote upon, shall have that right, so far as I am concerned.

Mr. LA FOLLETTE. If there can be unanimous consent to that arrangement, that is all I ask.

Mr. ALDRICH. There could be no unanimous consent, because it is not necessary, and we could not make that unanimous consent; but I will agree——

Mr. LA FOLLETTE. I think we can make a unanimous-consent agreement for that as well as——

Mr. ALDRICH. It would be a precedent that I should not want to see established.

Mr. KEAN. Let us have the regular order.

The VICE-PRESIDENT. We are having the regular order. The Senator from Wisconsin is the regular order.

Mr. BEVERIDGE. Mr. President——

The VICE-PRESIDENT. The Senator from Wisconsin has the floor. Does he yield to the Senator from Indiana?

Mr. LA FOLLETTE. I do.

Mr. BEVERIDGE. I suggest to the Senator from Wisconsin, concerning, as he has himself stated, all the portions of this bill that are not amended in Committee of the Whole, he would have the right, without anybody giving any consent, to move to amend them; but as to the others, I think the Senator from Wisconsin will see, on reflection, that the assurance of the Senator from Rhode Island [Mr. ALDRICH] that he will cooperate with the Senator from Wisconsin in having any amendment that he might want to offer to amendments of the Committee of the Whole considered and voted upon, would be effective for this reason——

Mr. LA FOLLETTE. I am very certain that so far as the Senator from Rhode Island is concerned it would be effective. I do not know, however, but that some other Senator might object.

Mr. BEVERIDGE. I was going to say to the Senator that, as a practical matter, I think, no Senator will object; but any Senator who would object would do so for the purpose of hastening this bill to a conclusion. That is clearly so. Now, it is apparent to everyone, and always has been here in the Senate, that under a situation like that, if there should be objection to any such reasonable request, it would produce a state of mind in the Senate and among Senators which would prolong discussion, instead of shortening it. The whole question could come up again upon the motion of the Senator from Wisconsin and be considered, and that would arouse greater debate than ever. For that reason, I think, the situation handles itself; and upon the assurance of the Senator from Rhode Island, I think that, just as a matter of saving time, if nothing else, there would be no objection, because the Senator could not be prevented from moving a reconsideration, and a state of irritation would be created by such an objection that the very object a Senator might have in view by such an objection would be defeated by his making it. That is the reason, I think, there will be no trouble.

Mr. LA FOLLETTE. The Senator from Indiana must know that, with respect to certain situations here, there is a chronic state of unrest and irritation. Even since this matter has been under discussion, to see if it could not be disposed of here in a few moments by a tacit agreement, there has been a demand for the regular order.

Mr. BEVERIDGE. That was withdrawn.

Mr. LA FOLLETTE. No; it was not withdrawn. The Chair disposed of it because the Chair determined we were proceeding in regular order. I had risen to reserve some paragraphs here.

Coming up on the car this morning I marked a few paragraphs that I will reserve to "make assurance double sure," and then I shall be very glad to have that understanding with the chairman of the committee.

Mr. ALDRICH. I think that I have given the Senator from Wisconsin assurance upon the point that I will cooperate with him——

Mr. LA FOLLETTE. Very well; I will act upon that, Mr. President, and assume that I will have the opportunity desired.

The VICE-PRESIDENT. The question is on concurring in gross in the amendments made as in Committee of the Whole that have not been reserved.

The amendments not reserved were concurred in.

Mr. ALDRICH. Now I ask that the reserved amendments be taken up in their order.

The VICE-PRESIDENT. Without objection, that course will be followed. The Secretary will state the first amendment reserved.

The SECRETARY. Paragraph 17.

Mr. LORIMER. I ask that paragraph 17 be passed over until paragraph 466 is disposed of. I have also asked that paragraph 466 be reserved.

The VICE-PRESIDENT. Without objection, that course will be followed.

Mr. NELSON. What paragraph was that?

The VICE-PRESIDENT. Paragraph 17 is passed over until paragraph 466 has been disposed of.

The SECRETARY. The next reserved amendments in order are in paragraph 22, on page 9, gelatin, reserved by Mr. DICK.

Mr. ALDRICH. I ask that the amendments be concurred in.

The VICE-PRESIDENT. The question is on concurring in the amendments in paragraph 22.

The amendments were concurred in.

The SECRETARY. The next reserved amendments are in paragraph 83, at the top of page 20, tiles, and so forth, reserved by Mr. BURTON.

Mr. ALDRICH. I ask that the amendments be concurred in.

Mr. BURTON. Mr. President, I have no objection to that agreement being made. There is some difference between the House and the Senate. I think in some particulars the House provision is better, and in others the Senate provision is better. I am willing to leave that to be disposed of in conference.

The VICE-PRESIDENT. The question is on concurring in the amendments.

The amendments were concurred in.

The SECRETARY. The next amendments reserved are in paragraph 86, on page 20, reserved by Mr. DICK.

Mr. ALDRICH. I ask that the amendments be concurred in.

The VICE-PRESIDENT. The question is on concurring in the amendments.

The amendments were concurred in.

The SECRETARY. The next amendments reserved are in paragraph 88, on page 21.

Mr. MONEY. Mr. President, it is impossible for me to know what is going on when we are passing amendments by paragraphs. I do not want to delay the bill long enough to have them all read, but I should like to have some sort of information as to what they are.

The VICE-PRESIDENT. The Chair will direct the Secretary from now on to announce what the paragraph is when the number is announced.

Mr. MONEY. I do not care to have them all read, but I merely want to know what they are about.

The VICE-PRESIDENT. The Chair understands the desire is to have such a statement for general information on the subject.

Mr. ALDRICH. Mr. President, I hope there will be no general debate on the paragraphs unless they are paragraphs of importance. If there is any attempt to prolong discussion, I shall feel it to be my duty on unimportant paragraphs to move to lay amendments upon the table. The paragraphs have been largely discussed, and unless there are some special reasons for reopening the discussion, I hope that Senators will refrain from debating the paragraphs over again. This particular paragraph, for instance, has been debated and debated. I ask with confidence that the committee amendments be concurred in.

Mr. DICK. Mr. President, I asked that paragraph 86 might be reserved, and before I got a chance to offer an amendment the motion was agreed to concurring in the amendments as reported by the committee. I do not care to debate the proposition. I only want to state that gypsum rock, under the law as it exists, now bears a duty of 50 cents per ton; the House bill reduced it to 40 cents per ton; and the Senate bill reduced it to 20 cents per ton. My amendment would restore the House provision of 40 cents per ton.

Mr. ALDRICH. I hope the amendment will not be agreed to, Mr. President.

The VICE-PRESIDENT. The committee amendments in paragraph 86 have already been concurred in, and the paragraph has been disposed of.

Mr. ALDRICH. It has been disposed of. Then I object to its reconsideration. There has got to be an end of this business at some time. I strenuously object to its being reconsidered, and I should object as strenuously to the increase of duty which the Senator from Ohio proposes.

Mr. DICK. But, Mr. President——

Mr. ALDRICH. I ask that paragraph 88 may be considered.

The VICE-PRESIDENT. The Senator from Ohio desires to discuss paragraph 86.

Mr. DICK. I do not care to discuss it. I only want to correct the statement of the chairman of the committee, who says that he opposes an increase of duty. My amendment does not propose an increase of duty. The duty in the existing law is 50 cents per ton, and the amendment would make it 40 cents per ton, which is the rate carried in the House bill, and is still a decrease of 10 cents per ton from existing law.

Mr. ALDRICH. But, Mr. President, it stands in this bill at 20 cents a ton. The Senator from Ohio proposes to double the duty as it now stands in the bill, and I am opposed to any changes in that direction. I say that to the Senator from Ohio in the best of feeling. It is not possible for the Senate, in my judgment, to commence now and increase all these duties to meet the views of individual Senators. If we are going to do that, we might as well abandon the bill.

Mr. DICK. Mr. President, it is not the purpose, I take it, of Senators who offer amendments here to hope thereby to have the bill abandoned, nor to ask that an amendment should be adopted upon the individual opinion of a Senator. If the amendments do not receive a majority vote, they will not be adopted. It is only asking for fair and timely consideration that these amendments are now suggested. We were assured all during the consideration of the bill as in Committee of the Whole that ample opportunity should be given for the consideration of amendments; and, while I am anxious that this bill should be expedited to its conclusion, it is not my purpose as a Senator to permit any industry to be sacrificed for the sake of expedition.

Mr. President, I move a reconsideration of the vote by which the amendments to paragraph 86 were adopted.

The VICE-PRESIDENT. The Senator from Ohio moves to reconsider the vote by which the amendments to paragraph 86 were concurred in.

The motion was rejected.

The SECRETARY. The next amendment reserved is in paragraph 88, page 21, "Clays or earths, unwrought or unmanufactured," reserved by Mr. BURTON.

Mr. BURTON. Mr. President, I reserved the right to offer an amendment to that paragraph—in fact, two amendments. I wish to propose an amendment striking out, at the top of page 22, both the House provision and the Senate substitute for it.

Mr. ALDRICH. I suggest to the Senator from Ohio that the first thing in order is to dispose of the committee amendments, and then——

Mr. BURTON. I do not understand the Senator.

Mr. ALDRICH. To first dispose of the amendments made as in Committee of the Whole. The question is on the Senate concurring in the amendments to this paragraph made as in Committee of the Whole. Then the matter will be open in the Senate for amendment as to the text of the bill as it came from the House.

Mr. BURTON. I ask unanimous consent, then, with a view to moving a reconsideration, that the amendments made as in Committee of the Whole be concurred in.

Mr. ALDRICH. The Senator from Ohio can move to amend the amendment made as in Committee of the Whole, but I understood him——

The VICE-PRESIDENT. That is what the Senator is now desiring to do.

Mr. BURTON. I desire to strike out the matter I have referred to, and leave crude asphalt on the free list.

Mr. ALDRICH. It would not be on the free list, I suggest to the Senator, by disagreeing to the committee amendment.

Mr. BURTON. Of course that amendment would be followed by another one. I have also introduced an amendment inserting crude asphalt on the free list.

The VICE-PRESIDENT. The Secretary will state the amendment suggested by the Senator from Ohio.

The SECRETARY. Disagree to the committee amendment at the top of page 22, whereby the words "fifteen one-hundredths of 1 cent per pound on the bitumen content contained therein" were stricken out, and the words "crude, if not dried, or otherwise advanced in any manner, $1.50 per ton; if dried or otherwise advanced in any manner, $3 per ton," were inserted in lieu thereof.

Mr. BURTON. If that is the shortest way to reach what is desired, I make that motion, and on it I ask for the yeas and nays.

Mr. BEVERIDGE. May I suggest something to the Senator from Ohio, with his permission? It is this: The intention of his amendment is to put this material on the free list?

Mr. BURTON. Yes.

Mr. BEVERIDGE. Very well. After the amendments made as in Committee of the Whole have been disposed of, the bill will still be in the Senate, open to amendment; and the Senator can offer an amendment adding an additional paragraph to the free list, and putting this material on the free list directly. Is not that correct?

Mr. ALDRICH. Undoubtedly.

Mr. BURTON. I take it this language has to be stricken out.

Mr. ALDRICH. No.

Mr. BURTON. In order to make progress, I asked unanimous consent that the Senate amendment might be concurred in. I do not understand that the Chair presented that request to the Senate.

The VICE-PRESIDENT. The Chair understood the Senator from Ohio to afterwards modify that request by a motion.

Mr. BURTON. The motion was made in pursuance of the statement made at the desk, which I understood was the way selected in which the desired result might be reached.

The VICE-PRESIDENT. The Chair will put whatever question the Senator desires put. The Chair understood——

Mr. ALDRICH. I ask that the question be put as now stated by the Senator.

The VICE-PRESIDENT. The Senator from Ohio now demands the yeas and nays, or does the Senator desire to withdraw that demand and ask for unanimous consent?

Mr. BURTON. I ask for unanimous consent.

The VICE-PRESIDENT. The Senator, then, withdraws his request for the yeas and nays.

Mr. ALDRICH. What is the request?

The VICE-PRESIDENT. That the committee amendment be nonconcurred in.

Mr. ALDRICH. I object to that.

Mr. BURTON. No; my request is that it be concurred in.

Mr. ALDRICH. Oh, that the committee amendment may be concurred in?

The VICE-PRESIDENT. Is there objection to the request? The Chair hears none. The committee amendment is concurred in. The question, then, is on the other amendments to the paragraph.

Mr. BURTON. I move to strike out the provision as it now stands and insert in that connection a paragraph, which I think should be numbered 493½, placing crude asphaltum on the free list.

Mr. BAILEY. Why crude asphaltum alone? Why not asphaltum in all forms?

Mr. BURTON. I will state to the Senator from Texas, that should this amendment prevail it is my intention, then, to introduce another amendment lowering the duty on refined asphalt.

Mr. BAILEY. But why should a man who refines the material have any duty on his product, when the man from whom he buys it in its crude state is given no duty? If the Senator wants to put it all on the free list, I shall join him. But I shall not vote to give the men who manufacture it their material free of duty, and still leave them a duty on their finished product.

Mr. ALDRICH. I suggest that the Senator can not at this stage make a motion to put this material on the free list.

Mr. BEVERIDGE. No; not now. He can do so after a while.

Mr. ALDRICH. He can do so later on.

Mr. BAILEY. He can move to strike it out here, which he has done.

Mr. BURTON. I move to strike out the provision, if such a motion is in order.

Mr. BAILEY. If the Senator will say that he will follow that with a motion to put on the free list crude asphaltum and asphaltum in all forms, I shall vote for it. Otherwise, I shall not.

Mr. BURTON. I will state that I shall introduce an amendment proposing a material reduction. It seems to me it is fair that there should be some duty for the benefit of those who manufacture the refined product. The process involves labor and considerable expense.

Mr. BAILEY. But, Mr. President, the men who manufacture it expend no more labor in proportion to the value of the product than the men who produce the crude commodity. If you look at the question merely as one affecting the people who produce the raw material and the people who finish the product, as between them the same rate of duty is just and fair. But if you look at it from the standpoint of the Government, the Government can and ought to get quite as much out of the raw material in proportion as out of the finished product.

Mr. BURTON. The Senator from Texas must recognize that, as in the case of the wool schedule, the cotton schedule, and every other schedule, there is a larger degree of labor and expense put on the manufactured article than on the raw material.

Mr. BAILEY. Not a particle, Mr. President. Value for value, there is not one cent more labor put on the manufactured article. It takes more human labor to produce raw cotton than it does to fabricate it. Fabricated cotton is generally, upon an average, worth two or three times what raw cotton is; and yet, day for day, hour for hour, man for man, and hand for hand, it requires more labor in proportion to the value to produce the raw cotton than it does to produce the manufactured article.

Mr. BURTON. I suggest that it is pretty late in the consideration of this bill and also very late in the tariff policy of this country to raise that argument.

Mr. ALDRICH. Whenever the Senator has concluded——

Mr. BURTON. I move to strike out the paragraph. It seems to me that is the proper motion.

Mr. ALDRICH. I move to lay the motion on the table.

The VICE-PRESIDENT. It seems to the Chair that the motion to strike out is not in order. The Senate has just voted, by unanimous consent, to concur in the amendment. Now a proposition is made to strike it out.

Mr. GALLINGER. I was about to raise that very point. It seems to me we ought to proceed in order. The rules of the Senate are plain. The Senate concurred, by vote, in this amendment.

The VICE-PRESIDENT. Certainly; by unanimous consent.

Mr. GALLINGER. And I do not see that any motion at all pertaining to it is in order.

The VICE-PRESIDENT. Except a motion to reconsider.

Mr. GALLINGER. That is all.

Mr. BURTON. Then I move to reconsider.

Mr. ALDRICH. And I move to lay that motion on the table.

Mr. BURTON. On that I demand the yeas and nays.

The yeas and nays were not ordered.

The motion to lay the amendment on the table was agreed to.

Mr. GALLINGER. I call for the regular order.

Mr. BURTON. I will state that there is also pending a motion, in the form of a paragraph numbered 493½, to place this material on the free list.

Mr. ALDRICH. Yes.

Mr. BURTON. I should like to make a parliamentary inquiry. Can I not bring that motion up now?

Mr. BEVERIDGE. Not now.

The VICE-PRESIDENT. When it is reached; certainly.

Mr. BEVERIDGE. That is what I tried to suggest to the Senator. His rights in this behalf are not lost, because after the whole of the amendments made as in Committee of the Whole have been concurred in, the bill is still in the Senate and open to amendment, and the Senator, as I understand—and that is agreed to by older Senators on my right—can offer the amendment as a new paragraph of the free list. That will accomplish everything the Senator desires.

Mr. BURTON. I had understood, Mr. President, in view of the reservation, that the right existed to move to strike out this paragraph, including the House provision, and that the proper way was to strike out both provisions. I understood the Chair, however, to rule against me upon that question.

The VICE-PRESIDENT. The Chair attempted to straighten out the Senator before he made his motion to concur in the committee amendment. Having concurred in the committee amendment, the Senate can not immediately proceed to strike it out, having but a moment ago voted it in.

The question is on concurring in the other amendments to the paragraph.

The amendments made as in Committee of the Whole were concurred in.

Mr. BURTON. Mr. President, there is one other amendment I should like to propose in the case of paragraph 526. Should that come up at this time, or in connection with the free list?

The VICE-PRESIDENT. In the regular course that has been agreed upon.

The SECRETARY. The next paragraph reserved is paragraph 90, on page 23, "Earthenware and china. Common yellow, brown, or gray earthenware."

Mr. ALDRICH. I ask that the committee amendments be concurred in.

Mr. BURTON. I desire to offer an amendment there. Where the words "common yellow" occur, I move to insert the word "grade" before the word "yellow."

Mr. ALDRICH. I object to that, Mr. President. It would entirely change the nature of the paragraph.

The VICE-PRESIDENT. The Secretary will report the amendment proposed by the Senator from Ohio.

The SECRETARY. On page 23, line 1, after the word "common," insert the word "grade."

Mr. BURTON. I suggest that that designates a class, while the other is a mere word of description.

Mr. ALDRICH. Yes; but it increases the duty, too. It about doubles the duty.

The VICE-PRESIDENT. The question is on agreeing to the amendment offered by the Senator from Ohio.

The amendment was rejected.

The amendment made as in Committee of the Whole was concurred in.

The SECRETARY. The next paragraph reserved is paragraph 94, on page 24, "Gas retorts."

Mr. ALDRICH. I ask that the committee amendments be concurred in.

The amendments made as in Committee of the Whole were concurred in.

The SECRETARY. The next paragraph reserved is 126.

Mr. BACON. Mr. President, we have passed over paragraph 123.

Mr. ALDRICH. I will say to the Senator that there was no amendment to paragraph 123.

The VICE-PRESIDENT. That may be amended later.

Mr. BACON. Then those paragraphs to which there are no amendments are to be postponed until the others have been disposed of?

Mr. ALDRICH. Until after the amendments made as in Committee of the Whole are disposed of.

The VICE-PRESIDENT. That is correct.

Mr. OVERMAN. I notice that in the case of paragraph 100 there is no committee amendment; but after the committee amendments are disposed of we can go back to it?

The VICE-PRESIDENT. Most certainly.

Mr. GALLINGER. The Chair has just said so.

The SECRETARY. The next paragraph reserved is paragraph 126, on page 39, "All iron or steel sheets or plates." There is one committee amendment in line 12, which strikes out "forty-five" and inserts "forty."

The VICE-PRESIDENT. The question is on concurring in the committee amendment.

Mr. BURTON. I desire to introduce another amendment as soon as that is disposed of.

The amendment made as in Committee of the Whole was concurred in.

Mr. BURTON. I wish to offer an amendment in line 7.

Mr. ALDRICH. That amendment is not now in order.

Mr. BURTON. I move to strike out "two-tenths" and insert "four-tenths."

The VICE-PRESIDENT. That will be in order after the amendments made as in Committee of the Whole are disposed of. The Secretary will report the next paragraph reserved.

The SECRETARY. Paragraph 171, on page 60.

Mr. JONES. I desire to offer an amendment to the paragraph.

Mr. ALDRICH. I ask that the committee amendments may be concurred in.

The VICE-PRESIDENT. The Senator from Washington offers an amendment, which the Secretary will state.

The SECRETARY. In paragraph 171, line 18, after the word "contained," insert a semicolon in place of the colon, and the words:

Ores containing arsenic, 1½ cents per pound on the arsenic contained therein; white arsenic or arsenious acid, 2 cents per pound.

Mr. ALDRICH. I hope the amendment will not be agreed to. It is not pertinent to this paragraph, in any event.

Mr. JONES. I desire to state to the chairman of the Finance Committee that I submitted this proposition to one of the experts of the Finance Committee, and asked him to frame an amendment covering what we desired and put it where it ought to be in the bill. This is where he placed it. I must say that I myself do not know so very much about the procedure in such cases, but this is the point where he thought it was proper to put in this amendment.

Mr. ALDRICH. It ought to be put in as a new paragraph, 171½, if it is going in at all. It ought not to be inserted in the midst of the antimony paragraph.

Mr. JONES. That is where the committee's expert put it. I do not know just where it should come.

Mr. ALDRICH. The expert was mistaken.

Mr. DIXON addressed the Chair.

Mr. JONES. I wish to present some of my reasons for offering the amendment.

The VICE-PRESIDENT. Does the Senator from Washington yield to the Senator from Montana?

Mr. JONES. Certainly.

Mr. DIXON. I hope the Senator from Washington will offer that as a separate paragraph. I do not think the two amendments ought to be incorporated in the same paragraph. I suggest that he offer it as paragraph 171½.

Mr. JONES. I am perfectly willing to do that, if that is satisfactory to the chairman of the committee and he thinks that is the way it ought to be done.

Mr. ALDRICH. Yes; it should come after the committee amendments. That is the place for it. It ought to be a separate paragraph.

Mr. JONES. All right; I take the judgment of the chairman of the committee in preference to that of his expert.

Mr. ALDRICH. I ask that the amendment to paragraph 171 be concurred in.

The VICE-PRESIDENT. Does the Senator from Washington withdraw his amendment?

Mr. JONES. Yes; I withdraw it.

Mr. ALDRICH. The Senator can offer it later.

The VICE-PRESIDENT. The question is on concurring in the amendment to paragraph 171.

The amendment made as in Committee of the Whole was concurred in.

Mr. JONES. Now, Mr. President——

Mr. ALDRICH. The Senator from Washington can offer his amendment after the committee amendments have been disposed of.

Mr. JONES. Very well.

The SECRETARY. The next paragraph reserved is 177, on page 62, "Tinsel wire, lame or lahn," and so forth.

Mr. ALDRICH. I ask that the committee amendments may be concurred in.

The amendments made as in Committee of the Whole were concurred in.

The SECRETARY. The next paragraph reserved is paragraph 182, on page 64, "Chrome or chromium metal," and so forth. That was reserved by Mr. BURTON.

Mr. BURTON. Mr. President, the duties proposed by the Senate on chrome or chromium, ferrochrome, and so forth, mean very substantial increases over the House provision, and very much more substantial increases as compared with the existing law. Under a decision of the courts rendered in 1905, ferrotungsten, ferrotitanium, and so forth, are made dutiable under what is called the "similitude clause" at the rate of $4 a ton. Some of these metals, notably ferrotungsten, are of very considerable value. According to the Treasury statistics, ferrotungsten imports have been valued at more than a thousand dollars a ton. Under this provision the duty on a ton of ferrotungsten valued at $1,000 would be $200. The duty is 25 per cent if it is valued at less than $200 per ton, and 20 per cent if valued at more than $200 per ton.

These metals are beginning to be used extensively in the making of tools and for a great variety of purposes. Some of them give greater tensile strength; some give greater hardness; and all of them are very useful.

I submit that the duties should not be increased; and I trust the House provision will prevail rather than the Senate provision. Indeed, I think there should be no duty at all.

Mr. ALDRICH. I ask that the committee amendment be concurred in.

The amendment made as in Committee of the Whole was concurred in.

The SECRETARY. The next paragraph reserved is paragraph 186, page 66: "Pins with solid heads, without ornamentation," and so forth.

The VICE-PRESIDENT. The question is on concurring in the amendments.

The amendments made as in Committee of the Whole were concurred in.

The SECRETARY. The next paragraph reserved is 189, on page 67, "Watch movements."

Mr. LODGE. Mr. President, to meet some of the objections which have been made to the marking provision, I offer the following amendment:

In line 6, page 69, after the word "dials," insert "whether attached to movements or not;" and, beginning on line 7 with the words "and, if," strike out from there down to and including the word "thereon," in line 10, including the comma after "thereon."

The VICE-PRESIDENT. The Senator from Massachusetts offers the amendment which the Secretary will state.

The SECRETARY. On page 69, in the committee amendment, on line 6, after the word "dials," insert a comma and the words "whether attached to movements or not" and a comma; and in lines 7, 8, 9, and 10 strike out the words "and, if attached to movements, in addition to the country of origin shall have the name of the maker or makers of such watch or clock movements indelibly painted or printed thereon" and the comma.

Mr. SCOTT. I will ask whether that is a committee amendment?

Mr. LODGE. Yes; that is an amendment proposed by the committee. It simplifies the marking.

The VICE-PRESIDENT. The question is on agreeing to the amendment offered by the Senator from Massachusetts [Mr. LODGE].

The amendment was agreed to.

Mr. BULKELEY. I desire to offer an amendment to the amendment, which I send to the desk.

The VICE-PRESIDENT. The Senator from Connecticut offers an amendment to the amendment, which the Secretary will report.

Mr. LODGE. What is the amendment?

The VICE-PRESIDENT. The Secretary is about to report it.

The SECRETARY. On page 69, paragraph 189, line 5, before the word "three," the first word in the line, insert:

Costing not more than 10 cents each, 1½ cents per dial and 40 per cent ad valorem; costing more than 10 cents each,

Mr. BULKELEY. I desire to say, in connection with the proposed amendment——

Mr. ALDRICH. I will accept that, if we can thereby avoid discussion.

Mr. LODGE. I accept the amendment.

The VICE-PRESIDENT. The question is on agreeing to the amendment of the Senator from Massachusetts to the amendment made as in Committee of the Whole.

The amendment to the amendment was agreed to.

The amendment made as in Committee of the Whole as amended was concurred in.

Mr. HEYBURN. I will withdraw my notice in regard to paragraphs 190 and 191, and trust to adjusting the matter in conference.

Mr. ALDRICH. The Senate conferees will certainly take up this matter and consider it very carefully.

The VICE-PRESIDENT. The question is on concurring in the amendments made as in Committee of the Whole to paragraphs 190 and 191.

The amendments were concurred in.

The SECRETARY. Paragraph 194, page 73, cash registers, and so forth.

Mr. BEVERIDGE. That will be brought up hereafter, because it is not a committee amendment.

Mr. ALDRICH. I ask that the committee amendment may be concurred in. It does not cover this.

Mr. BEVERIDGE. It does not cover it, and the amendment may be concurred in.

Mr. PILES. I offer an amendment to paragraph 194.

The SECRETARY. It is proposed to add at the end of the paragraph the following:

Provided further, That tar and oil-spreading machines used in the construction and maintenance of roads and in improving them by the use of road preservatives shall be admitted free of duty.

Mr. ALDRICH. I have no objection to that going in. We will look at it afterwards.

The amendment to the amendment was agreed to.

The amendment as amended was concurred in.

The SECRETARY. The next paragraph reserved is 217, on page 80, wrapper tobacco and filler tobacco, when mixed or packed, and so forth.

Mr. ALDRICH. I ask that the committee amendment may be concurred in.

Mr. SIMMONS. Mr. President——

Mr. ALDRICH. That does not cover the general tobacco question.

Mr. SIMMONS. I beg pardon.

The amendment was concurred in.

The SECRETARY. Paragraph 271, page 91, figs.

Mr. DICK. I find that the amendment which I proposed to offer is not to a committee amendment, and therefore will offer it later.

Mr. ALDRICH. I ask that the amendment made as in Committee of the Whole may be concurred in.

The amendment was concurred in.

The SECRETARY. Paragraph 281, page 92, fresh beef, veal, mutton, and so forth.

Mr. BACON. That has not been amended.

The VICE-PRESIDENT. Paragraph 281 has been amended, but not paragraph 280.

Mr. ALDRICH. Paragraph 281 was amended.

The amendment was concurred in.

The SECRETARY. Paragraph 309, page 102, all mineral waters and all imitations of natural mineral waters, and so forth.

Mr. ALDRICH. I ask that the amendment may be concurred in.

The amendment was concurred in.

The SECRETARY. Paragraph 352 is the next paragraph reserved. It was amended.

Mr. SCOTT. What page is it?

The VICE-PRESIDENT. Page 133.

Mr. DICK. I offer the amendment I send to the desk.

The SECRETARY. On page 134, paragraph 352, line 5, in the committee amendment, strike out the word "plain," so that it will read:

Woven fabrics.

The "woven" to begin with a capital.

Mr. ALDRICH. I hope the amendment will not be agreed to.

The amendment was rejected.

The amendment made as in Committee of the Whole was concurred in.

The SECRETARY. Paragraph 368, page 139, top waste, slubbing waste, roving waste, and so forth.

Mr. ALDRICH. I ask that the amendment may be concurred in.

Mr. CARTER. I should like later in the day to submit some remarks on this subject, and I ask that the paragraph be passed over for the time being.

The VICE-PRESIDENT. What was the request of the Senator from Montana?

Mr. ALDRICH. That it be passed over.

The VICE-PRESIDENT. Is there objection to the request of the Senator from Montana? The Chair hears none.

The SECRETARY. Paragraph 369, page 139, shoddy.

Mr. ALDRICH. I ask that the amendment be concurred in.

The amendment was concurred in.

The SECRETARY. Paragraph 371, on the same page, tops shall be subject to the same duty, and so forth.

Mr. ALDRICH. I ask that the amendment may be concurred in.

The amendment was concurred in.

The SECRETARY. Paragraph 402, page 166, pulp papers and books.

Mr. ALDRICH. I ask that the amendment may be concurred in.

The amendment was concurred in.

The SECRETARY. Paragraph 405, printing paper.

Mr. BROWN. In line 15, I move that the words "one-tenth" be inserted in place of "two-tenths."

Mr. ALDRICH. That question can be tested on the vote to concur in the committee amendment.

Mr. BROWN. All right.

The VICE-PRESIDENT. The question is on concurring in the committee amendments.

The amendments were concurred in.

The SECRETARY. Paragraph 406, page 170, papers commonly known as "copying paper."

The amendments were concurred in.

The SECRETARY. Paragraph 407, papers with coated surface or surfaces.

The amendment was concurred in.

The SECRETARY. Paragraph 408, pictures, post cards, calendars, and so forth.

Mr. TALIAFERRO. I offer the amendment I send to the desk.

The SECRETARY. On page 175, line 12, after the word "bands," insert "labels and flaps."

Mr. ALDRICH. I hope the amendment will not be agreed to.

Mr. TALIAFERRO. Mr. President, I wish to say a word about the amendment. Its purpose is to restore, as to flaps and bands used for cigars, the rates prescribed in existing law. They have been increased here, and I have letters and telegrams from independent manufacturers stating that there is really no competition on these articles between the importers and the domestic producers.

The imported articles already sell for a higher price than the domestic producers charge for their product, and the character of flaps, bands, and so forth, that are imported are, as a rule, not manufactured in this country. So, there is no question of competition at all, and the purpose of the amendment is to restore the lower rate of duty prescribed by the Dingley law.

Mr. SMOOT. Mr. President——

The VICE-PRESIDENT. Does the Senator from Florida yield to the Senator from Utah?

Mr. TALIAFERRO. Certainly.

Mr. SMOOT. As I caught the figures, I believe they are even lower than the House provided, and in one or two cases even lower than the present law.

Mr. TALIAFERRO. Mr. President, I shall not delay the vote. I have made the statement of the purpose of the amendments. The amendments reduce the rates upon these flaps and bands, while the committee's report increased the rates as provided in the Dingley law, and also in many instances increased the rates of the bill as it came from the House.

I ask that these amendments may be adopted and thereby restore to the bill the lower rates that are now provided in existing law.

Mr. ALDRICH. I will say to the Senator from Florida that he is mistaken, but I do not desire now to take the time of the Senate. I ask that the vote may be taken.

The VICE-PRESIDENT. The question is on agreeing to the amendment proposed by the Senator from Florida.

The amendment was rejected.

The VICE-PRESIDENT. The Senator from Florida offers other amendments, which will be stated in their order.

The SECRETARY. On page 175, line 13, strike out "thirty" and insert "twenty."

The amendment was rejected.

The SECRETARY. In line 19, strike out "fifty-five," before the word "cents," and insert "fifty."

The amendment was rejected.

The SECRETARY. In line 19, after the words "per pound" and the semicolon, insert "cigar labels, flaps, and bands printed in bronze only, 15 cents per pound."

The amendment was rejected.

The VICE-PRESIDENT. The question is on concurring in the amendment made as in Committee of the Whole.

The amendment was concurred in.

The VICE-PRESIDENT. The next reserved amendment will be stated.

The SECRETARY. Paragraph 400, writing, letter, note, handmade paper, and so forth.

The VICE-PRESIDENT. The question is on concurring in the amendment made as in Committee of the Whole.

Mr. BRISTOW. I desire to offer the following amendment, which I hope the chairman of the committee will accept, because I do not think he can have any serious objection to it. In line 7, page 178, I move to strike out the words "per ream" and to insert in lieu thereof the words:

But not exceeding 15 pounds per ream, 2 cents per pound, and 10 per cent ad valorem; weighing more than 15 pounds per ream.

That simply restores the Dingley rate on common writing paper.

The VICE-PRESIDENT. The question is on agreeing to the amendment proposed by the Senator from Kansas.

Mr. ALDRICH. This matter was fully discussed when the bill was in Committee of the Whole, and I certainly can not accept the suggestion of the Senator from Kansas. I hope the amendment will be voted down.

Mr. BRISTOW. I beg to inform the Senator from Rhode Island that it was not fully discussed.

Mr. ALDRICH. Perhaps not fully. Probably I had better withdraw the word "fully." It was considerably discussed.

Mr. BRISTOW. The Senator is mistaken if he thinks it was, because it was not.

The VICE-PRESIDENT. The Secretary will state the amendment proposed by the Senator from Kansas.

The SECRETARY. On page 178, paragraph 400, line 7, strike out the words "per ream" and insert:

But not exceeding 15 pounds per ream, 2 cents per pound and 10 per cent ad valorem; weighing more than 15 pounds per ream.

Mr. BRISTOW. Mr. President, when this was before the Committee of the Whole the statement was made by the Senator from Rhode Island that the changes made in the phraseology of this paragraph were simply for the purpose of classifying it and that there were no material advances in the rates. I should like the chairman of the committee to hear this because I think he will agree with me. He will remember that he stated when the amendment was before the Committee of the Whole that the changes made in this paragraph were for the purpose of reclassifying it. I have left the classification just as the committee made it. The only difference made by this reclassification is to include a number of kinds of paper in the committee amendment that were not included in the House provision and are not included in the present law.

But in the reclassification made by the committee those papers that come in under the present law at 2 cents per pound and 10 per cent ad valorem are included in the class that come in at 3 cents a pound and 15 per cent ad valorem, thereby increasing the duties on all of these papers from 2 cents a pound to 3 cents a pound specific and from 10 per cent ad valorem to 15 per cent ad valorem.

The amendment I offer simply restores the papers that come in under the Dingley Act at 2 cents a pound and 10 per cent ad valorem to that rate and leaves the other papers that come in at a higher rate under the Dingley Act at the same rate that was fixed by the Senate committee.

I made the objection then that the duty on a large amount of paper that is used as stationery by the average citizen in carrying on his business correspondence has been increased 1 cent a pound and 10 per cent ad valorem, and that is the fact. I inquired why it was necessary to increase the rate practically 60 per cent on the stationery that is used in transacting the great mass of the business of the country. There is no importation of any consequence. The papers are made in this country, and the only purpose that can be alleged is to give to the manufacturers of these papers an opportunity to increase the price, because they have no competition from abroad now.

I want to inquire if the Senate believes that it is necessary to increase the rate of duty on this common paper, when there is no foreign competition and the importations amount to very little. I want a vote upon the question. I do not believe the Senate will want to do that if it will consider for a moment. I know it is difficult at this late day to get any deliberation or careful consideration of any suggested changes. I hoped the Senator from Rhode Island might accept this amendment. I know how difficult it is to get any exception made to these rates that does not meet his approval, whether the request appeals to reason or not.

I ask that the duties on writing paper remain as they are—that they be not increased—and if there is any reason for increasing them, I should like to hear it.

Mr. ALDRICH. I desire to repeat the statement made by the committee when the bill was in Committee of the Whole, that the rates upon 90 per cent of writing and other paper used by the people of the United States are reduced one-half cent a pound by the committee, and that the only change made is the one-tenth for purposes of classification necessary to be made.

I hope the amendment of the Senator from Kansas will be voted down.

Mr. BRISTOW. I should like it if the Senator would state what that class of paper to which he refers consists of.

Mr. ALDRICH. It is impossible at this time for me to consent to go over a discussion which proceeded at some length in the Senate, and the facts in regard to which I suppose the Senator from Kansas and myself would never be able to agree upon.

Mr. BRISTOW. I will read the class of papers upon which the duty has been increased and then let the Senate judge whether they constitute only 10 per cent of the paper that is used in correspondence.

The Dingley law, paragraph 401 of the present law, reads as follows:

Writing, letter, note, handmade, drawing, ledger, bond, record, tablet, and typewriter paper, weighing not less than 10 pounds and not more than 15 pounds to the ream, 2 cents per pound and 10 per cent ad valorem.

Those papers are included in the following language in the present bill:

Writing, letter, note, handmade paper, and paper commercially known as handmade paper and machine handmade paper.

Now, here is the addition:

Japan paper and imitation Japan paper, by whatever name known—

These are the same—

bond, record, tablet, typewriter, manifold.

Typewriter and manifold are included in this; they were not in the other.

Onionskin and imitation onionskin papers, calendered or uncalendered.

Those are the papers that are now included, and the duty is increased from 2 cents a pound to 3 cents a pound.

I want to state that the papers described in that paragraph will, in my judgment, constitute 90 per cent of the paper that is used in the commercial correspondence of the country, and the duty has been increased from 50 to 60 per cent on this 90 per cent. The Senator from Rhode Island is mistaken in his judgment as to the amount of paper upon which the rate has been increased.

I ask for the yeas and nays on the amendment.

The VICE-PRESIDENT. The Senator from Kansas demands the yeas and nays on agreeing to the amendment submitted by him.

The yeas and nays were ordered.

Mr. BEVERIDGE. Let the amendment be read.

Mr. McLAURIN. I should like to have the amendment read.

The VICE-PRESIDENT. The Secretary will again read the amendment.

The SECRETARY. In paragraph 409, page 178, line 7, strike out the words "per ream" and insert—

But not exceeding 15 pounds per ream, 2 cents per pound and 10 per cent ad valorem; weighing more than 15 pounds per ream.

Mr. BRISTOW. I wish to state that this restores the Dingley rate.

The VICE-PRESIDENT. The Secretary will call the roll.

The Secretary proceeded to call the roll.

Mr. DILLINGHAM (when his name was called). Owing to the absence of the senior Senator from South Carolina [Mr. TILLMAN], with whom I have a general pair, I withhold my vote.

Mr. FRYE (when his name was called). I am paired with the senior Senator from Virginia [Mr. DANIEL].

Mr. GUGGENHEIM (when his name was called). I have a general pair with the senior Senator from Kentucky [Mr. PAYNTER], and I withhold my vote.

Mr. LODGE (when his name was called). I have a general pair with the Senator from Georgia [Mr. CLAY]. I transfer that pair to the junior Senator from Kentucky [Mr. BRADLEY] and vote "nay."

Mr. McCUMBER (when his name was called). I have a general pair with the junior Senator from Louisiana [Mr. FOSTER]. As he is absent, I withhold my vote.

Mr. RAYNER (when his name was called). I am paired with the junior Senator from New York [Mr. ROOT]. If he were present, I should vote "yea."

Mr. DEPEW (when Mr. ROOT's name was called). My colleague [Mr. ROOT] is necessarily absent, delivering one of the addresses at the Tercentenary on Lake Champlain. He is paired, as stated, with the Senator from Maryland [Mr. RAYNER].

The roll call was concluded.

Mr. CURTIS. I am requested to announce the pair of the junior Senator from Arkansas [Mr. DAVIS] with the senior Senator from Illinois [Mr. CULLOM].

Mr. CULBERSON. The Senator from Arkansas [Mr. DAVIS] is paired with the Senator from Illinois [Mr. CULLOM]. If the Senator from Arkansas were present, he would vote "yea."

The result was announced—yeas 34, nays 40, as follows:

YEAS—34.

Bacon	Chamberlain	Hughes	Owen
Bailey	Clapp	Johnston, Ala.	Shively
Bankhead	Crawford	La Follette	Simmons
Beveridge	Culberson	McLaurin	Smith, S. C.
Borah	Cummins	Martin	Stone
Bristow	Fletcher	Money	Taliaferro
Brown	Frazier	Nelson	Taylor
Burkett	Gamble	Newlands	
Burton	Gore	Overman	

NAYS—40.

Aldrich	Bulkeley	Clark, Wyo.	Dick
Bourne	Burnham	Crane	Dixon
Brandegee	Burrows	Curtis	Dolliver
Briggs	Carter	Depew	du Pont
Elkins	Jones	Page	Smoot
Flint	Kean	Penrose	Stephenson
Gallinger	Lodge	Perkins	Sutherland
Hale	Lorimer	Piles	Warner
Heyburn	Nixon	Scott	Warren
Johnson, N. Dak.	Oliver	Smith, Mich.	Wetmore

NOT VOTING—18.

Bradley	Davis	McCumber	Root
Clarke, Ark.	Dillingham	McEnery	Smith, Md.
Clay	Foster	Paynter	Tillman
Cullom	Frye	Rayner	
Daniel	Guggenheim	Richardson	

So Mr. BRISTOW's amendment was rejected.

The VICE-PRESIDENT. The question is on concurring in the amendment made as in Committee of the Whole.

The amendment was concurred in.

The SECRETARY. The next amendment reserved is in paragraph 410, on page 178, "Paper envelopes not specially provided for in this section," and so forth.

The amendment was concurred in.

The SECRETARY. The next reserved amendment is in paragraph 411, "Jacquard designs on ruled paper," and so forth.

The amendment was concurred in.

The SECRETARY. The next amendment reserved is in paragraph 412, page 179, "Books of all kinds, bound or unbound," and so forth.

The amendment was concurred in.

The SECRETARY. The next amendment reserved is in paragraph 414, "All boxes made of paper," and so forth.

The amendment was concurred in.

The SECRETARY. The next amendment reserved is in paragraph 416, "Manufactures of paper, or of which paper is the component material of chief value," and so forth.

The amendment was concurred in.

The SECRETARY. The next amendment reserved is in paragraph 427, page 186, "Dolls, and parts of dolls, doll heads," and so forth.

The VICE-PRESIDENT. The question is on concurring in the amendment made as in Committee of the Whole.

Mr. DICK. I offer the amendment which I send to the desk.

The VICE-PRESIDENT. The Senator from Ohio offers an amendment, which the Secretary will read.

The SECRETARY. In paragraph 427, on page 186, line 23, after the word "marbles," insert the words "not exceeding 1 inch in diameter," so that it shall read:

Toy marbles, not exceeding 1 inch in diameter, of whatever materials composed.

The VICE-PRESIDENT. The question is on agreeing to the amendment offered by the Senator from Ohio.

The amendment was rejected.

The VICE-PRESIDENT. The question is on concurring in the amendment made as in Committee of the Whole.

The amendment was concurred in.

The SECRETARY. The next reserved amendment is, in paragraph 433, page 188, "percussion caps, cartridges," and so forth.

The VICE-PRESIDENT. The question is on concurring in the amendment made as in Committee of the Whole.

The amendment was concurred in.

The SECRETARY. The next reserved amendment is, in paragraph 447½, page 195, "hides of cattle, raw or uncured," and so forth.

Mr. STONE. Mr. President, I desire to make an inquiry of the Chair. What I wish to do, or attempt to do, is to offer an amendment putting hides, leather, boots, and shoes upon the free list. If that should be done, it would, of course, necessitate the striking out of paragraph 447½ and some of the clauses in paragraph 448. I wish to inquire if this amendment is concurred in now and I withhold my amendment until we reach the free list and I offered it then as an amendment, what would be the parliamentary status with reference to this paragraph?

The VICE-PRESIDENT. It would be necessary to reconsider the vote by which this amendment had been concurred in.

Mr. STONE. That would have to be done if the other should be adopted?

The VICE-PRESIDENT. Certainly.

Mr. STONE. I will wait until we reach the free list.

Mr. McLAURIN. Mr. President, I renew the amendment that I offered heretofore. I move to amend the paragraph by adding at its conclusion the words:

The word "hides" in this paragraph shall be understood to include all skins of all sizes and weights.

The VICE-PRESIDENT. The question is on agreeing to the amendment offered by the Senator from Mississippi.

The amendment was rejected.

The VICE-PRESIDENT. The question is on concurring in the amendment made as in Committee of the Whole.

The amendment was concurred in.

The SECRETARY. The next reserved amendment is, in paragraph 448, "band, bend, or belting leather," and so forth.

Mr. ALDRICH. The committee desire to modify the amendment in line 21 by striking out "ten" and inserting "fifteen."

The SECRETARY. In paragraph 448, page 195, line 21, in lieu of the committee amendment striking out "five" and inserting "ten," it is proposed to strike out "five" and insert "fifteen."

The amendment was agreed to.

The VICE-PRESIDENT. The question is on concurring in the amendment as amended.

The amendment as amended was concurred in.

The SECRETARY. The next reserved amendment is, in paragraph 455, page 201, "manufactures of bone, chip, grass, horn, quills, india rubber," and so forth.

Mr. ALDRICH. I ask that the amendment made as in Committee of the Whole be concurred in.

The amendment was concurred in.

The SECRETARY. The next reserved amendment is, in paragraph 466, at the bottom of page 203, "Photographic dry plates or films," and so forth.

Mr. LORIMER. I offer an amendment and ask for its adoption.

The VICE-PRESIDENT. The Secretary will read the amendment.

The SECRETARY. Paragraph 466, line 22, page 203, after the word "exposed," strike out the words "not otherwise specially provided for in this section" and insert "or photographic film negatives, imported in any form for use in any way in connection with moving-picture exhibits or for making or reproducing pictures for such exhibits."

Mr. ALDRICH. I suggest to the Senator from Illinois that the committee amendment had better be disagreed to, which would strike out the words "including moving-picture films not developed or exposed," and then leave the remaining part as it stands, and add at the end of the paragraph the language which he now suggests.

Mr. LORIMER. That is entirely satisfactory.

Mr. ALDRICH. I ask that the committee amendment be disagreed to.

The VICE-PRESIDENT. The Senator from Illinois withdraws his amendment. The question is on concurring in the amendment of the committee.

The amendment was nonconcurred in.

The VICE-PRESIDENT. The Senator from Illinois offers an amendment which the Secretary will state.

The SECRETARY. Add at the end of the paragraph the following:

Photographic film negatives, imported in any form for use in any way in connection with moving-picture exhibits or for making or reproducing pictures for such exhibits.

And also the following——

Mr. ALDRICH. One and one-half cents a foot?

Mr. LORIMER. Twenty-five per cent ad valorem.

Mr. ALDRICH. What is the other amendment? The Senator has another amendment?

The VICE-PRESIDENT. The additional amendment proposed by the Senator from Illinois [Mr. LORIMER] will be stated.

The SECRETARY. It is also proposed to add the following:

Photographic film negatives, imported in any form, for use in any way in connection with moving-picture exhibits or for making or reproducing pictures for such exhibits, 25 per cent ad valorem. Photographic film positives, imported in any form, for use in any way in connection with moving-picture exhibits, including herein all moving, motion, moto-photography or cinematography picture films, prints, positives, or duplicates of every kind and nature, and of whatever substance made, 1½ cents per lineal or running foot.

The VICE-PRESIDENT. The question is on agreeing to the amendment.

Mr. BACON. I will inquire of the Senator from Rhode Island if that is an increase?

Mr. ALDRICH. It is the substitution of a specific duty for an ad valorem duty. It is extremely difficult to fix an ad valorem duty in this case which is satisfactory, for the reason that these films are imported as old films which have been used or injured, when in fact they are new. It is almost impossible to fix any value upon them for an ad valorem rate.

Mr. BACON. I suppose the Senator has a general idea, though, as to whether the equivalent duty is an increase?

Mr. ALDRICH. It is about the same. I think the Senator from Illinois [Mr. LORIMER] stated to the committee that the rates were about the same, only that they were made specific.

Mr. LORIMER. Yes.

The VICE-PRESIDENT. The question is on agreeing to the amendment.

The amendment was agreed to.

The amendments to the paragraph were concurred in.

Mr. LODGE. Mr. President, it will now be necessary to return to paragraph 17, which was passed over on this account.

The VICE-PRESIDENT. Without objection, the Senate will now return to paragraph 17.

Mr. LODGE. That was reserved by the Senator from Illinois, and passed over. The Senator has an amendment to offer to that paragraph which is necessary to make it correspond.

Mr. LORIMER. I wish to offer the amendment which I send to the desk.

The VICE-PRESIDENT. The amendment proposed by the Senator from Illinois to paragraph 17 will be stated.

The SECRETARY. Paragraph 17, page 7, line 4, after the word "known," it is proposed to insert "except moving-picture films."

The VICE-PRESIDENT. The question is on agreeing to the amendment.

Mr. DANIEL. Mr. President, I wish to state that I had in view an amendment to this same paragraph, but the one which has just been offered by the Senator from Illinois [Mr. LORIMER] covers the matter; and so far as I am concerned I agree to it.

The amendment was agreed to.

The amendments to the paragraph were concurred in.

The next reserved amendment was to strike out paragraph 468, on page 204, plows, tooth and disk harrows, harvesters, etc.

The VICE-PRESIDENT. The question is on concurring in the amendment made as in Committee of the Whole.

The amendment was concurred in.

The next reserved amendment was to paragraph 471, page 207, "That there shall be levied, collected, and paid upon all articles coming into the United States from the Philippine Islands," etc.

Mr. NEWLANDS. Mr. President, I should like to have that passed over for the time being until other amendments are disposed of.

Mr. ALDRICH. It seems to me we had better dispose of this matter now. I suppose the desire of the Senator from Nevada is to have a record vote upon it.

Mr. NEWLANDS. I am not now prepared to present my amendment to the amendment.

Mr. ALDRICH. I think the Senator from Nevada will accomplish his purpose by having a record vote if he desires it. If the committee amendment is voted down, then he can offer his amendment in the place of it.

Mr. NEWLANDS. I have not my amendment prepared at present, and I should like to have the paragraph passed over temporarily.

The VICE-PRESIDENT. Is there objection to the request of the Senator from Nevada?

Mr. ALDRICH. I shall not object to it, but I hope to pass this bill in the course of a few hours, and I do not see how it is possible——

Mr. NEWLANDS. If I am not ready to present my amendment when the other amendments are disposed of, the bill, of course, can proceed.

Mr. ALDRICH. I am willing to let the matter go over until we dispose of the other amendments which have been reserved.

The VICE-PRESIDENT. Without objection, the paragraph will be passed over.

The next reserved amendment was on page 215, paragraph 488, "Arsenic and sulphide of arsenic," etc.

Mr. JONES. I desire to state to the chairman of the Committee on Finance that that amendment was reserved in connection with another proposition that I had submitted. I suppose I shall lose no rights by letting it now be concurred in.

Mr. ALDRICH. None whatever.

The VICE-PRESIDENT. The question is on concurring in the amendment made as in Committee of the Whole to paragraph 488.

The amendment was concurred in.

Mr. BACON. Mr. President, there is an amendment to paragraph 468, before the last reserved amendment, which was stated. I gave notice of the reservation. I do not know whether the Senator from Rhode Island would consider that as one to be acted on now or passed over, to be considered later. It is a part of a paragraph stricken out.

Mr. ALDRICH. That has just been concurred in.

Mr. BACON. I reserved paragraph 468.

Mr. ALDRICH. The Senator from Georgia, perhaps, was not in his seat when the paragraph was concurred in.

Mr. BACON. I was; I have been here all the time; but I did not know it had been concurred in. I gave notice——

Mr. LODGE. It was stated at the desk and concurred in.

Mr. ALDRICH. The Senator from Georgia, perhaps, was out of the Chamber.

Mr. BACON. No; I was not out of the Chamber. I have not been out of the Chamber.

Mr. ALDRICH. Then, perhaps, the Senator was not quite so attentive as he usually is to the proceedings of the Senate.

Mr. BACON. That may be.

Mr. ALDRICH. I have no objection to having a vote taken again on the amendment.

Mr. BACON. I want to say that my amendment does not relate to the part of the paragraph which has been stricken out. Consequently it will not be necessary to consider that part of it; but I wish to strike out the entire paragraph.

Mr. ALDRICH. I have no objection to the vote being taken on that proposition now, if the Senator so desires.

The VICE-PRESIDENT. That can be done by unanimous consent. Is there objection to the consideration of the amendment proposed by the Senator from Georgia [Mr. BACON] to paragraph 468? The Chair hears no objection. The Senator moves to strike out paragraph 468, on page 204.

Mr. BACON. One moment, Mr. President. I have an amendment here to offer to that paragraph.

Mr. ALDRICH. I suppose the Senator from Georgia intends to follow this by an amendment to put the articles contained in that paragraph on the free list. Otherwise he would be increasing the duty from 15 to 45 per cent.

Mr. BACON. If the Senator from Rhode Island will wait a moment, he will see that that matter is provided for in the amendment which I propose.

The VICE-PRESIDENT. The amendment proposed by the Senator from Georgia will be stated.

The SECRETARY. It is proposed to strike out paragraph 468 and to insert a paragraph in the free list, to be designated as paragraph 651½, as follows:

Plows, tooth and disk harrows, harvesters, forage and feed cutters, reapers, agricultural drills and planters, mowers, horse rakes, cultivators, thrashing machines, and cotton gins: *Provided*, That articles mentioned in this paragraph, if imported from a country which lays an import duty on like articles imported from the United States, shall be subject to duties existing prior to the passage of this act.

Mr. BACON. I do not desire to discuss the amendment. It was discussed in the Committee of the Whole, but I ask for the yeas and nays on it.

The yeas and nays were ordered, and the Secretary proceeded to call the roll.

Mr. BOURNE (when his name was called). I have a general pair with the Senator from Oklahoma [Mr. OWEN], and therefore withhold my vote.

Mr. DILLINGHAM (when his name was called). I again announce my general pair with the Senator from South Carolina [Mr. TILLMAN]. In his absence I withhold my vote.

Mr. GUGGENHEIM (when his name was called). I have a pair with the senior Senator from Kentucky [Mr. PAYNTER], and I therefore withhold my vote.

Mr. LODGE (when his name was called). I have a general pair with the Senator from Georgia [Mr. CLAY]; but I transfer that pair to the junior Senator from Kentucky [Mr. BRADLEY] and vote. I vote "nay."

Mr. RAYNER (when his name was called). I am paired with the junior Senator from New York [Mr. ROOT]. If he were present, I should vote "yea."

The roll call was concluded.

Mr. CURTIS. I am authorized to announce a pair between the junior Senator from Arkansas [Mr. DAVIS] and the senior Senator from Illinois [Mr. CULLOM]. I make this announcement to stand for the day.

Mr. CULBERSON. The Senator from Arkansas [Mr. DAVIS] is necessarily absent. As stated, he is paired with the Senator from Illinois [Mr. CULLOM]. If present, the Senator from Arkansas would vote "yea."

Mr. BACON. My colleague [Mr. CLAY] is necessarily absent. He is paired, as has already been announced by the Senator from Massachusetts [Mr. LODGE]. I simply desire to say that, if he were present, my colleague would vote "yea."

The result was announced—yeas 28, nays 50, as follows:

YEAS—28.

Bacon	Daniel	La Follette	Shively
Bailey	Fletcher	McEnery	Simmons
Bankhead	Foster	McLaurin	Smith, Md.
Bristow	Frazier	Martin	Smith, S. C.
Chamberlain	Gore	Money	Stone
Clapp	Hughes	Newlands	Taliaferro
Culberson	Johnston, Ala.	Overman	Taylor

NAYS—50.

Aldrich	Brown	Burton	Cummins
Beveridge	Bulkeley	Carter	Curtis
Borah	Burkett	Clark, Wyo.	Depew
Brandegee	Burnham	Crane	Dick
Briggs	Burrows	Crawford	Dixon
Dolliver	Heyburn	Nixon	Smoot
du Pont	Johnson, N. Dak.	Oliver	Stephenson
Elkins	Jones	Page	Sutherland
Flint	Kean	Penrose	Warner
Frye	Lodge	Perkins	Warren
Gallinger	Lorimer	Piles	Wetmore
Gamble	McCumber	Scott	
Hale	Nelson	Smith, Mich.	

NOT VOTING—14.

Bourne	Cullom	Owen	Root
Bradley	Davis	Paynter	Tillman
Clarke, Ark.	Dillingham	Rayner	
Clay	Guggenheim	Richardson	

So Mr. BACON's amendment was rejected.

The VICE-PRESIDENT. Without objection, the amendment made as in Committee of the Whole to paragraph 468 is concurred in. The Chair hears none.

Mr. McLAURIN. Mr. President, I offer an amendment to put farming implements, carpenters' tools, and blacksmiths' tools on the free list.

Mr. KEAN. That has just been voted on.

Mr. McLAURIN. I should like to have the amendment read. I have a right to say what the amendment is.

The VICE-PRESIDENT. Without objection, the amendment will be read, to be offered at the proper time.

Mr. McLAURIN. I think it comes in now at the proper time, Mr. President.

Mr. ALDRICH. I am willing to test the sense of the Senate at this time by moving to lay the amendment on the table.

Mr. McLAURIN. Let it first be read.

Mr. BACON. The Senator from Rhode Island will pardon me, as his motion has not yet been made. I want to call his attention to the fact that while we were proceeding in the labyrinth of the discussions in Committee of the Whole, the Senator from Rhode Island frequently suggested that such and such matters could be left for consideration when we got into the Senate. I do not think it is fair to now move to lay such amendments as this on the table after what the Senator has heretofore suggested.

Mr. ALDRICH. I will say to the Senator from Georgia, to assure him that I have been perfectly fair, that this precise amendment was discussed and voted on as in Committee of the Whole.

Mr. McLAURIN. If the Senator prefers, I will wait with my amendment until after the other amendments are disposed of, and not ask for a vote on it at this time. Is that satisfactory to the Senator from Rhode Island?

Mr. ALDRICH. It is.

Mr. McLAURIN. That is all right, then.

The VICE-PRESIDENT. Does the Senator from Mississippi desire his amendment printed or read?

Mr. ALDRICH. It might be read.

Mr. McLAURIN. It may be that I will get an opportunity to offer it to-day.

The VICE-PRESIDENT. The Chair simply wants to understand what the Senator now desires.

Mr. McLAURIN. I should like to have the amendment printed—I did not think about that—but before it is printed I will have to have a copy of it, for we may reach the stage in the bill to-day when it can be offered.

The VICE-PRESIDENT. Then, the Senator simply desires to withdraw it?

Mr. McLAURIN. Yes, sir; for the present, for, as I have said, we may reach the stage to-day when I will want to introduce the amendment before it can be printed.

The VICE-PRESIDENT. The Secretary will state the next amendment reserved.

The SECRETARY. Paragraph 587, on page 227.

Mr. BURTON. There are one or two amendments occurring before paragraph 587 which I should like to bring to the attention of the Senate.

The VICE-PRESIDENT. Those will be considered after the committee amendments are disposed of.

Mr. BURTON. After the committee amendments?

The VICE-PRESIDENT. After the committee amendments have been disposed of.

Mr. STONE. I understand there is an amendment to paragraph 581.

Mr. ALDRICH. Paragraph 581 was acted upon, I take it, when we acted upon the provision in regard to hides on the dutiable list. That was not reserved.

Mr. STONE. No; but, at any rate, at this point I desire to offer an amendment.

The VICE-PRESIDENT. Paragraph 587 is the next amendment reserved.

Mr. STONE. I desire to offer an amendment as a new section.

Mr. ALDRICH. That will come in after the committee amendments have been disposed of.

The VICE-PRESIDENT. Unless the amendment is to some proposition reserved, it would not now be in order.

Mr. STONE. Very well; I will withdraw it and offer it later.

The VICE-PRESIDENT. The amendment is withdrawn. The question is on concurring in the amendment to paragraph 587.

The amendment was concurred in.

The SECRETARY. The next amendment reserved is in paragraph 627, page 230, models or patterns of inventions, and so forth.

The VICE-PRESIDENT. The question is on concurring in the amendment.

Mr. BURTON. In regard to that there is a very serious question among the founders located on the south shores of Lakes Erie and Ontario due to the phraseology of the amendment. At the same time I do not think there is any opposition to the general spirit and intention of the provision as it is here. The vice-president, I think, of the Pattern Makers' Association is here, and an officer representing the founders is expected here soon, perhaps to-day. I think that paragraph should be held out to see if they can not harmonize their differences upon it.

The VICE-PRESIDENT. Does the Senator ask that the paragraph be passed over?

Mr. BURTON. I ask that it be passed over.

Mr. ALDRICH. I suggest that it be concurred in, and the whole matter will then be in conference.

The VICE-PRESIDENT. The Senator from Ohio asks unanimous consent to have it passed over temporarily.

Mr. BURTON. I fear that the matter could not be properly adjusted by the conferees unless the conference committee should vary entirely from the provisions of both bills.

Mr. ALDRICH. My impression is that the matter would be the subject of conference, and that we could change it in any way that the conferees might think desirable. I think so.

Mr. BURTON. I prefer that it be passed over; but I do not want to postpone the disposition of the bill.

The VICE-PRESIDENT. The Senator from Ohio asks unanimous consent that the paragraph be passed over.

Mr. ALDRICH. I am willing that it shall go over until the other amendments are disposed of.

The VICE-PRESIDENT. Without objection, the paragraph will be passed over until the other amendments are disposed of. The Secretary will state the next amendment reserved.

The SECRETARY. Paragraph 708½, page 241, woods—cedar, lignum-vitæ, and so forth.

The VICE-PRESIDENT. The question is on concurring in the amendment.

Mr. McLAURIN. Mr. President, I do not know whether it is exactly in form or not, but I have an amendment I desire to offer to that paragraph.

The VICE-PRESIDENT. The Secretary will state the amendment.

Mr. McLAURIN. It is to put certain portions of the articles mentioned in the paragraph on the dutiable list.

The VICE-PRESIDENT. The Secretary will state the amendment.

The SECRETARY. Add at the end of paragraph 708½ the following:

> There shall be levied and collected on all logs, sticks, and pieces of pine, mahogany, lignum-vitæ, and all woods used in cabinetmaking, when imported into this country, a duty of $1.50 for every thousand feet of lumber contained therein.

Mr. CULBERSON. I ask the Senator what idea he has in view in offering this particular amendment? I do not understand it.

Mr. McLAURIN. I have this idea in view: There is a tariff of $1.50 a thousand on rough lumber. I think if there is a tariff of $1.50 a thousand on rough lumber, there ought to be a corresponding duty on the raw material out of which that lumber is made. Then, I think if there is a tariff on lumber, there ought also to be a tariff on the material out of which Pullman cars and other cars are made, and out of which cabinet furniture is made. That is my idea about that. There is a duty on furniture, and there ought to be a duty on the raw material which goes into it.

Mr. ALDRICH. I understand this has a double purpose—to produce revenue and to encourage the growth of mahogany and other woods in the United States.

Mr. McLAURIN. No, sir; I do not say that. I want to produce revenue. If you produce revenue for the Government and for the manufacturers out of the material that goes into houses, and if you produce revenue also out of the furniture, I think there ought to be revenue produced out of the raw material that goes into the furniture. That is my idea about it.

The VICE-PRESIDENT. The question is on agreeing to the amendment offered by the Senator from Mississippi [Mr. McLAURIN].

The amendment was rejected.

The amendment inserting paragraph 708½ was concurred in.

The VICE-PRESIDENT. The next reserved amendment will be stated.

The SECRETARY. Section 2 of the bill on page 322.

Mr. ALDRICH. I ask that the amendment be concurred in.

The amendment was concurred in.

The VICE-PRESIDENT. The question now is on concurring in the amendment incorporating section 3 on page 325, which was reserved.

The amendment was concurred in.

The VICE-PRESIDENT. The next amendment reserved will be stated.

The SECRETARY. Section 6.

Mr. OVERMAN. Has page 325 been passed?

The VICE-PRESIDENT. The amendments on page 325 were concurred in.

Mr. OVERMAN. I desire to offer an independent amendment, to be numbered as section 4½; and I ask the Secretary to read it.

The VICE-PRESIDENT. That would come in on page 326, would it not?

Mr. OVERMAN. On page 326, as section 4½.

The VICE-PRESIDENT. The amendment will be stated.

The SECRETARY. It is proposed to add a new section, to be known as "section 4½," to read as follows——

Mr. ALDRICH. The committee amendments have not yet all been disposed of.

The VICE-PRESIDENT. This is an amendment to a committee amendment. It is adding to the committee amendment.

Mr. ALDRICH. What is the paragraph?

Mr. OVERMAN. It is an independent amendment.

Mr. ALDRICH. Is it not to a section that was reserved?

Mr. OVERMAN. It is an independent amendment. I can withhold it and present it later.

Mr. ALDRICH. I suggest to the Senator that he do so. When the other amendments are disposed of, it will be in order.

Mr. OVERMAN. Very well.

Mr. ALDRICH. Now, I ask that the Philippine section be taken up.

The VICE-PRESIDENT. Section 6, on page 328, has not been concurred in. The question is on concurring in section 6, on page 338.

Mr. ALDRICH. The Philippine amendment should be disposed of now.

The VICE-PRESIDENT. The question is on concurring in the amendment incorporating section 6, on page 338.

Mr. BAILEY. Mr. President, that is not the Philippine amendment.

The VICE-PRESIDENT. Certainly not; but that is the next proposition that was reserved.

Mr. BAILEY. I understood the chairman of the committee to ask that the Philippine paragraph be next taken up.

The VICE-PRESIDENT. The question is on agreeing to the amendment incorporating section 6, on page 338.

The amendment was concurred in.

The SECRETARY. The next amendment reserved is section 7, on page 383.

Mr. CUMMINS. Mr. President, I reserved some of the subsections, and I hope the amendments will be called up by subsections.

The VICE-PRESIDENT. That is what the Secretary is attempting to do. If he makes a mistake, the Chair will be glad if the Senator from Iowa will correct him.

The SECRETARY. Subsection 7, at the top of page 339, was reserved.

The VICE-PRESIDENT. The question is on agreeing to subsection 7, on page 339.

The subsection was concurred in.

The VICE-PRESIDENT. Subsections 29 and 30, on page 362, to and including page 371, were reserved.

Mr. CUMMINS. I reserved subsection 12.

The VICE-PRESIDENT. The Senator from Iowa is correct.

The SECRETARY. Page 345, subsection 12.

Mr. ALDRICH. I ask that the committee amendment be concurred in. That is exactly the present law. There has not been a single word changed in it.

Mr. CUMMINS. I think the Senator from Rhode Island is mistaken about that.

Mr. ALDRICH. I think not.

Mr. CUMMINS. There is no provision in the present law which I have been able to find under which the President of the United States—

shall designate one of the board of nine general appraisers of merchandise as president of said board and others in order to act in his absence.

Nor is there any provision of law giving to that president the tremendous powers that are specified on that page and the following page. I do not intend to argue it at any length, but I regard it as extremely bad policy to vest in any one man the power that is given to the new officer created by this subsection. I therefore move to strike out, on page 346, beginning with the word "The," in line 23, down to and including the word "absence," in line 2, on page 347; to strike out lines 5 to 15, inclusive, on page 347; and to strike out, beginning with the words "the president," in line 5, on page 348, down to and including the word "therefor," in line 15.

If I understand the matter aright, the part of the section I have moved to eliminate is new, and provides for the appointment of one of the Board of General Appraisers as president of the board. It confers upon him power to divide the board, to assign the members of the board to particular cases, and to send the board, or members of it, where he desires to send it. I am informed that under the present law the Secretary of the Treasury divides the board whenever it may become necessary, and I am opposed to reorganizing the General Board of Appraisers in this way.

I do not intend to consume more of the time of the Senate than I have consumed in merely stating my objections. This is another effort to centralize the board and to increase and magnify the power of one man upon it. I am not now referring, of course, to any particular designated man, but to the man who may be selected as president of the board.

Mr. ALDRICH. Mr. President, when I made the statement that there was no change I was under the impression that special provisions which were referred to were included in the act of 1908; but I now remember that they were not. Those provisions had the approval of the committee for this reason: The Secretary of the Treasury, who now designates the president of the board, is a party to all these suits. It has been objected that at some time the question might be raised whether the man who was a party to the suit ought to select the presiding judge. It was therefore thought better that the President of the United States, who is charged with the responsibility of executing all the laws, should have this right, rather than the Secretary of the Treasury.

I think that contention is correct. I think the President, who is, as I say, responsible to the country in any event, is the man who ought to determine these questions.

Mr. CUMMINS. Mr. President, as I understand, the man who is now appointed from time to time as president of this board is merely temporarily in the office. He is displaced whenever the good of the service seems to require it. He has no power whatsoever save to preside over the meetings of the general board. The law has been very much modified and changed by these additions.

I do not believe in such a concentration of power. I do not think it is necessary that this radical change shall be made in the law in order to relieve it of the objection suggested by the Senator from Rhode Island.

Mr. ALDRICH. The only radical change is the substitution of the President of the United States for the Secretary of the Treasury.

Mr. FLINT. It is proposed to make the rule definite by statute rather than to leave it to a regulation of the Secretary of the Treasury.

Mr. CUMMINS. I again suggest to the members of the Finance Committee that much more extensive changes have been made than a mere transfer of the power of selection from the Secretary of the Treasury to the President of the United States.

Mr. ALDRICH. The only other changes are those that are necessary for the administration of the office. It is necessary, for instance, that some one shall have the right to designate the members of the other boards; that some one shall pass upon the expenses of the board. This provision simply makes the president of the board for the time being—who may, of course, be changed at any time by the President of the United States—the fiscal representative of the board as to expenditures.

It is necessary to have some one for that purpose. We must either put that matter in the hands of the president of the board or create an auditor or some other officer, which will, of course, involve additional expense. There is no additional expense involved in this proposition. The president of the board is and ought to be the person responsible for the expenditures of the board.

Mr. CUMMINS. I have no objection whatever to provision being made for an auditing officer, who shall pass upon the expense accounts of these officers of the Government. The real purpose of this provision, however, if I have been able to discern it from the language employed, is not a matter of convenience. It is to create in this board a certain power which does not now exist. For instance, I read:

The president of the board shall assign three general appraisers to each of said boards and shall designate one member of each of said boards as chairman thereof, and such assignment or designation may be by him changed from time to time, and he may assign or designate all boards of three general appraisers where it is now or heretofore was provided by law that such might be assigned or designated by the Secretary of the Treasury.

I am not myself willing to transfer the power here indicated from the Secretary of the Treasury to the president of the Board of Appraisers.

The president of the board shall be competent to sit as a member of any board, or assign one or two other members thereto, in the absence or inability of any one or two members of such board.

When you have constituted the board as here provided for, you have a board of just one man, viz, the president of the board.

Mr. FLINT. The only change made there is this: The work of the board is now conducted on the same plan by rules and regulations promulgated by the Secretary of the Treasury. This provision creates a president of the Board of Appraisers, who is authorized to designate the various appraisers that shall sit in the various boards. I think it is a great improvement over the other system.

The VICE-PRESIDENT. The question is on agreeing to the amendment of the Senator from Iowa.

The amendment was rejected.

The VICE-PRESIDENT. The question now is on concurring in section 12, on page 345, as amended.

The amendments made as in Committee of the Whole were concurred in.

Mr. ALDRICH. Mr. President, the Senator from Nevada [Mr. NEWLANDS] desires to leave the Chamber; and I ask to have now taken up the Philippine provision, 471d.

The VICE-PRESIDENT. Without objection, the provision to which the Senator from Rhode Island refers will now be taken up.

The SECRETARY. Page 207, paragraph 471d.

Mr. NEWLANDS. Mr. President, it was my intention to offer an amendment to this paragraph practically incorporating the language of the Senator from New York [Mr. ROOT] regarding our future control over the Philippine Islands. That language I will read. It was in reply to a question put by myself. It appears in the debate of June 15, 1909, at page 3357 of the RECORD:

Mr. NEWLANDS. May I ask the Senator from New York whether his proposal for training the Philippine people in self-government also involves ultimate independence; and if so, when, in his judgment, that can be attained?

Mr. ROOT. I will cheerfully answer the Senator from Nevada. My proposal to train the people of the Philippine Islands to the capacity for self-government involves the expectation and the belief that the time will come when they will be able to assume relations to the United States quite similar to those that now exist between Cuba and the United States, probably not precisely identical, because the conditions must necessarily differ, but that the people of the Philippine Islands shall assume toward the United States such a relation that they will exercise the privilege and the right of self-government under the protecting care of the Government of the United States.

Mr. President, I was desirous of providing an amendment to this paragraph, and I hoped to have for it the support of the Senator from New York. I observe that he is not here this morning, however; and I can hardly hope that such an amendment will prevail without his assistance. My purpose in offering the amendment is to define clearly our policy regarding the Philippine Islands, for our policy will be one thing if we intend to hold them in subjection forever and quite another thing if we intend to give them ultimate independence. In the latter case we should, of course, recognize them as a separate entity, with separate laws and a separate fiscal system, and not endeavor to interlock their relations with ours in such a way as to prevent separation hereafter.

I hope, however, that in taking up this paragraph the conference committee will shape it so as to express the final pol-

icy of the United States regarding the Philippine Islands, not necessarily so as to fix the time of withdrawal, to which there is much objection, but simply in such a way as to define our policy, so that we can shape our future legislative action with reference to it.

There was also another amendment which I proposed to offer to this paragraph, but I find that in order to effect my purpose it would be necessary for me to redraft the entire provision. I again suggest to the Senator from Rhode Island that in conference this matter may be shaped in such a way as to carry out the purpose I have in view, and in which I believe the President will acquiesce.

Congress, by its action, has now accepted the President's policy that all duties upon Philippine products—sugar up to a certain number of tons and tobacco up to a certain number of cigars—shall be remitted. That is done with a view of aiding the Philippine Islands to secure a certain degree of prosperity by obtaining in the United States our high prices, increased as they are by high-tariff duties. It has been estimated that the remission of these duties will mean in the future a loss to the Federal Treasury of about $14,000,000 per annum, and that that amount will go to the sugar planters and the tobacco producers. I suggest, inasmuch as the purpose of the administration is to benefit the Filipino people—the people as a whole and not simply the planters as a class—that we should take action somewhat similar to that which we took regarding Porto Rico.

Some time ago, in the early stages of our legislation regarding Porto Rico, we provided that all duties upon Porto Rican products paid into the Treasury of the United States should be set aside as a separate fund and turned over to the Porto Rican government for the development of the island. It strikes me that, following the example of that rule, it would be a very excellent idea to take one-half or even one-fourth of these duties and, instead of remitting them to the Philippine planters, turn over that amount paid into the Treasury of the United States to the Philippine government, to be used by that government, in its discretion, in the agricultural development of the islands, in the training of their people in manual industry and in their instruction in a common language.

We all know that the Philippines have not now sufficient revenue to cover these purposes. The total revenue of the islands, insular, provincial, and municipal, is only $17,000,000 per annum, and a proper school system for 2,000,000 people would cost almost that amount.

We propose to remit $14,000,000; and the question is whether we shall let that $14,000,000 go entirely to the planters of tobacco and sugar or whether we shall take a part of it—one-half, amounting to $7,000,000, or one-fourth, amounting to a little over $3,000,000—and turn it over to the Philippine Commission every year and dedicate it to the work of the development of their agricultural resources, industrial training, and instruction in a common language.

So, without formally submitting the amendment, I commend this suggestion to the chairman of the conference committee, in the hope that it will receive the approval of the President, and that this beneficent action will be taken.

Mr. LODGE. Mr. President, I desire to make a modification in the committee amendment on page 209, line 5, so as to insert the word "direct" before the word "shipment."

The PRESIDING OFFICER (Mr. KEAN in the chair). The Secretary will report the proposed modification.

The SECRETARY. It is proposed, on page 209, line 5, to insert the word "direct" before the word "shipment."

The PRESIDING OFFICER. Without objection, the change is agreed to.

Mr. LODGE. I also propose, after the word "thereof," in the same line, to strike out the words "upon through bills of lading."

The SECRETARY. It is proposed, in the same line, to strike out the words "upon through bills of lading."

The PRESIDING OFFICER. The question is on agreeing to the amendment suggested by the Senator from Massachusetts.

The amendment was agreed to.

The PRESIDING OFFICER. The question now is on concurring in the amendment, made as in Committee of the Whole, as amended.

The amendment, made as in Committee of the Whole, as amended was concurred in.

The SECRETARY. The next paragraph reserved is on page 362, subsection 29 of section 5.

Mr. CUMMINS. Mr. President, I hope these two sections will not be adopted. I do not offer any amendment to them, because I assume that at the present time the question is whether the report of the Committee of the Whole shall be adopted by the Senate regarding these two sections, which are divisible or have been divided from the remainder of the bill.

I am opposed to the establishment of a customs court of appeal for two reasons.

The first is that it is a specialized court. It is a court that is to be brought into existence for the purpose of deciding in favor of the Government under all circumstances and no matter what the law or the evidence may be. I do not say that the men who are to compose it will be other than men of high character and great ability, but they are to be experts, their judicial business is to be confined to the matter of the duties on imports, and they will speedily become, just as all such courts become, the instrumentality of the Government for collecting the revenue; and they can not retain open and impartial minds, for it is impossible that they can escape the environment that will surround them.

I have no particular sympathy for importers, but the importers of the United States are entitled to justice. They are entitled to a fair and impartial administration of the law that we pass here. They are entitled to be judged by men who have no bent and who are not predetermined against them. All that I want is a fair judicial court, a court with a mind broadened all the time by contact with other judicial questions and the rights and privileges of citizens in other capacities, and you will not have such a court when you establish the tribunal as here suggested.

It is no secret upon the floor of the Senate that the purpose of this court is to secure men who either are at the time of their appointment, or will become, experts—specialists in the construction of this law. It is no secret that it is intended to remove from the circuit courts of the United States a jurisdiction which they have hitherto exercised, in order that there may be more judgments in favor of the United States and fewer judgments in favor of importers.

I care not whether a judgment be in favor of an importer or in favor of the United States. I only care to have a judgment that shall construe the law as it is, and a tribunal that will enter upon the consideration of any such case without any fear or favor or partiality for or against either of the litigants. You will find it, I believe, a grave mistake to erect a judicial tribunal of this sort.

So long as the Board of General Appraisers was a mere administrative tribunal, and so long as it was the final tribunal save as cases might be reviewed by the regularly constituted courts of the United States, no scandal could arise, because they recognized themselves to be but administrative or executive officers of the United States. But you are now attempting to draw the judiciary into the prejudices and the plans of those desiring to have the laws of our country so construed that importers shall have no chance whatsoever in their construction of the law.

I am opposed to it, secondly, because it is adding another expense to the Government of the United States. We have heard here the distinguished Senator from Rhode Island [Mr. ALDRICH] say that he intended to lend all the weight of his great influence to a more economical administration of our affairs; that he believed that in the next year we might reduce our expenditures by $35,000,000; and yet in the very bill concerning which he was debating we find a provision that will enlarge the expenses of the United States by two or three or four hundred thousand dollars per year. We find a provision creating a court of five judges, who not only may sit in New York, but in nine of the principal cities of the United States. And there must be court rooms and marshals and bailiffs and stenographers and clerks, and a part of this paraphernalia is to follow these judges as they travel from place to place in the country. You are beginning an expense that must eventually be a very serious burden upon the already overburdened people.

There is no necessity for this additional expense, and I for one am beginning now to retrench. There is no other time than the present to begin the work of reducing the expenses of the United States, or at least to prevent the increase of its expenses. Every session there will appear just such measures as this, which are believed to be wise and helpful, and of which it will be said that they will add more to the revenue and more to the privileges of the people of the United States than they cost. But we will go on and on, session after session, adding these expenses until we will need not only the revenue derived from a corporation tax, but we will need the revenue derived from all the other taxes that have been suggested during the course of this debate.

I therefore hope that this unnecessary addition to our judicial establishment and this unnecessary addition to the expenses of

our Government will not be entered upon, and that these two sections will not be adopted by the Senate of the United States.

Passing the question of establishment, when I come later to the matter of detail, I shall hope that at least the Finance Committee will see its way clear to eliminate that part of the expense entailed in the multiplication of places in which the court is to be held. This is a court of review or appeal. It is to determine its cases upon written or printed records. There will be no witnesses. There need be the attendance of no lawyers unless they desire to submit their cases upon oral argument; and therefore the court, if it is to be established, ought to hold its sessions in the city of Washington and no where else, and we would in that way eliminate a great deal of the expense without inconveniencing either suitors or their attorneys. I know that at the present moment that amendment can not be considered. It is now simply a question whether the court shall be established at all. I sincerely hope that we will stop in this what seems to me to be a mad race for the enlargement of our expenditures, and at least when we do enlarge our expenditures let us do it in behalf of the people in some measure of reform, or some measure in which we can better care for the interests and the welfare of the great multitude.

Mr. BORAH. Mr. President, I do not desire to discuss this matter, but I wish to insert in the RECORD a schedule showing the number of appeals from the Board of General Appraisers to the circuit court from May 1, 1908, to April 30, 1909, in the southern district of New York, where the great portion of these appeals arises; also a schedule showing the appeals taken in appraisers' cases from the circuit court to the circuit court of appeals.

The PRESIDING OFFICER. Without objection, the schedules will be printed in the RECORD.

The schedules referred to are as follows:

SCHEDULE I.

APPEALS TAKEN FROM BOARD OF GENERAL APPRAISERS TO CIRCUIT COURT.

May 1, 1908, to April 30, 1909, southern district of New York.

Number of appeals taken	207
Number of days on which court sat for the hearing of this class of cases exclusively	24
Number of such cases argued	71
Number of such cases decided after argument	71
Number of such cases decided by consent without argument	259

Correct:

JOHN H. SHIELDS,
Clerk U. S. Circuit Court, Southern District of New York.

SCHEDULE II.

APPEALS TAKEN IN APPRAISERS' CASES FROM CIRCUIT COURT TO CIRCUIT COURT OF APPEALS.

May 1, 1908, to April 30, 1909. Second circuit.

Number of such cases argued	54
Number of such cases decided after argument	54
Number of such cases decided by consent without argument	5
Number of full days, estimated as near as can be, occupied with the argument of this class of cases	15

Correct:

WM. P. ARTIM, *Clerk.*

Mr. BORAH. I also desire to put into the RECORD a letter from Judge Lacombe in reference to this matter. I want to say in introducing these papers that, so far as concerns the work necessary to be done by the proposed court, it seems to me to be very small, indeed, for the expenses to be incurred.

Mr. DOLLIVER. If the Senator from Idaho will pardon me, I should like to have the letter of Judge Lacombe read.

The PRESIDING OFFICER. Without objection, the letter will be read.

The Secretary read as follows:

UNITED STATES CIRCUIT COURT, JUDGE'S CHAMBERS,
New York City, May 3, 1909.

Senator JONATHAN P. DOLLIVER.

DEAR SIR: In response to request contained in your letter of May 5, 1909, I herewith inclose tabulations of certain cases concerned with the review of decisions of the Board of General Appraisers.

The schedules marked "I" and "II" are the precise things asked for, but since the year covered runs from May 1 to April 30, while the court year runs from October to October, they are in some respects misleading. For example, in the circuit court (southern district of New York) there were on May 1, 1909, a number of appeals from the board still on the argument calendar awaiting disposition; but there is a two weeks' session assigned specially for them in May and, if all are not then disposed of, an extra session for the same purpose will be held in June and continued until the calendar of ready cases is disposed of. It has for many years been the practice to hold such a session whenever the district attorney advises the court that there are cases left over from the regular assignments, in order that in this class of cases all issues in which both sides are ready for argument may be heard before vacation. It is rarely, however, that such an extra session is required, the time regularly allotted each year for these cases being amply sufficient; indeed, it often happens that a judge coming to hold a two weeks' session finds himself out of business before the session has expired.

It appears that the number of appeals taken during the period was 207, while the number of cases disposed of was 330; evidently many cases held over from some prior year to await the decision of a test case were disposed of this year by the rendition of such decision.

In the tabulation for court of appeals it has been necessary to include two months (May and June) of the prior year, and the May and June sessions of this year do not appear. This last circumstance, however, is not material since all the appeals of this class which were on the calendar for 1908–9 were heard or disposed of before May 1, 1909.

It should be noted that, by reason of the fact that in some instances two or more cases involving the same questions were argued together, the actual arguments were only 45. The estimate of time is believed to be fairly accurate. Under the rules one hour is given to each side for argument of this class of appeals. It very rarely occurs that any further time is asked for, while in the great majority of instances very much less time is consumed, and in many instances fifteen or twenty minutes on each side is the extent of oral argument. Allowing one hour for each argument, the time consumed would be forty-five hours. The court sits from 10.30 a. m. to 1.30 p. m. to hear argument, devoting the afternoons to work in the consultation room. This would give fifteen full days for hearing 45 arguments. The clerk calculates from his rough notes of actual hearings taken in the court room that twelve days only were consumed. The number given, fifteen, is certainly a liberal estimate.

I take the liberty of inclosing some other tabulations, which were not asked for, but which may be of interest to you. They are the same statistics, continued down to last year, which were before the Judiciary Committee of the House, Fifty-ninth Congress, first session, and are printed in a document entitled "Hearing in Relation to Additional Judge for Southern District of New York" (S. 5533, 1906).

Speaking generally of the statistics of judicial work, it may be premised that those most readily available for the information of Congress—the Reports of the Department of Justice—are misleading, for two reasons: First, they deal with the fiscal year ending June 30, while the court year runs from October to October, with but little work done in July, August, and the early part of September. Second, they make no distinction between live cases and dead ones. Thus an action may be begun by the service of a subpœna, and thus be entered on the clerk's registers, but it may be continued for months and years without making any business for the court; and if it dies a natural death by settlement or otherwise, usually no one bothers himself to call that fact to the attention of anybody or to have the cause ordered discontinued and struck from the record. The figures 13,826, given on page 149, Report of Attorney-General, as representing the cases undisposed of July 1, 1908, are wholly misleading. They include the accumulated wreckage of generations of abortive litigation.

In other parts of the country the number of docketed causes is a fair exponent of the condition of business, because a cause when once docketed is automatically progressed to some conclusion. But under the practice in New York the really live causes are those which, by the filing of a note of issue, have reached the calendar; those only are actually pending in the court, so as to make business which consumes its time. So, too, in the court of appeals a cause goes on the register when the record is certified from the court below, but it makes no business for the court until the parties have the record printed and move the cause to the argument calendar. Thus the figures given out by the Department of Justice showing causes undisposed of in that court would give the impression that it was behindhand with its work each year. (See Exhibit 5, Report of Attorney-General, 1908.)

This is no mere surmise. In Document 683, Sixtieth Congress, second session, Hearings Before a Subcommittee in Relation to the Customs-Administrative Laws, it is apparent that the witness, a careful and experienced public officer, was thus misled. He says: "In the circuit court of appeals for the second circuit * * * there were pending and undecided on July 1, 1907, 128 matters, and docketed during the fiscal year 1908, 286 matters. There were disposed of during that fiscal year 281 matters, and therefore pending July 1, 1908, 133 matters," and naturally impressed by these figures he refers to the overburdened calendars of that court.

The fact really is that since the court of appeals in the second circuit was organized it has invariably remained in session each term until every cause on its calendar for argument was heard, except those where the parties agreed to a continuance till the next term, because of the pending of some test case elsewhere or for some other good reason. How few these cases are will be seen by reference to Table A, inclosed. The calendars are heavier in some years than they are in others, but have never been so overburdened as to prevent our disposing of all cases ready to be heard by the early part of June.

Besides the cases in the circuit court registers, which may properly be called dead, there are others which are merely temporarily suspended awaiting the final decision of some leading case involving the same or similar questions to those presented in the case thus held back. The litigation known to the clerk's office as "appraisers' appeals" is especially prolific in this particular, as must be apparent to anyone who considers the character of such litigation. To-day there are undoubtedly thousands of suspended protests before the Board of General Appraisers awaiting the solution of some legal question presented in a test appeal, but upon inquiry at the district attorney's office as to the size of the calendar to be called at the session of May 10, I am informed that there are not altogether more than 70 independent issues, and that of these there will probably be ready for argument not more than enough to occupy the allotted two weeks. As was stated before, if there are any left over they can readily be disposed of in June.

Referring now in detail to the additional statistics:

Table A gives the total appeals which appeared on the calendar of the court of appeals from October, 1892, to the end of the court year preceding the present (unfinished) term.

Table B distributes those appeals into groups indicating the different branches of jurisprudence with which they were concerned. It shows that during sixteen years the total number of appeals argued and disposed of in customs cases was 462.

Table C represents an effort to indicate, somewhat imperfectly, the relative complexity of the questions presented for solution in the different groups. Two circumstances combine to make the amount of discussion given to the customs cases small when compared with patents or admiralty, where voluminous testimony as to facts calls for analysis and discussion: First, many of the cases involve substantially the same question, some slight variance having induced one side or the other to try to differentiate more recent importations from similar ones already disposed of; and, second, the questions presented are almost wholly questions of law, and in the great majority of cases involve only the construction of a single clause in a statute.

The remaining tables deal with circuit-court work. Table D shows what number of appraisers' appeals came on for hearing at each session of the court in each calendar year, and what number of them were then disposed of. Generally speaking, however large was the number appearing on any calendar, all causes actually ready for argument were then disposed of. Of the cases carried over to a later session many were disposed of by the parties in the interim. For example, it will be seen that in 1903, at the January session, there were 229 cases on the calendar and only 52 then disposed of, leaving 177 to go over. But at the next session in May there were only 51 cases on the calendar, all that were left of the 177, plus whatever new issues were added to the calendar. As was stated before, in every year at the last session before vacation every cause on the calendar in which both sides were ready has been heard.

The headings in this table are somewhat fuller for the last four years, covering cases disposed of by consent which did not appear on the calendar. The reason why the figures in the column heading "Disposed of in session of court," are occasionally higher than those given in the column headed "On calendar," is that the clerk has included with the cases disposed of after argument a few cases where, during a calendar hearing both sides appeared and agreed to orders disposing of cases which had not been placed on the calendar. It will be observed that this table covers whatever increases there may have been in litigation of this character ensuing upon the passage of the tariff acts of 1894 and 1897.

Table E shows the appearance and disposition of equity causes on the calendars of each calendar year.

Table F gives similar data as to the civil causes to be tried with a jury. It may be stated that the calendar has been called through and that all causes in which parties are ready for trial will be heard before vacation.

No tabulation as to criminal business is included for the reason that prior requests for statistics did not include that branch of the business, and without the assistance of earlier compilations it would take a long time to prepare such tabulation. I am advised that by the end of June every jail case now pending can be disposed of.

I am sure I express the opinion of all my colleagues as well as my own in stating that the circuit court of appeals for the second circuit and the circuit and district courts in the southern district of New York will have no difficulty in disposing of the cases which now come before those courts, including the normal increase for several years to come, without delay or congestion or any overburdening of their calendars.

Yours, very truly,

E. HENRY LACOMBE,
United States Circuit Judge.

Mr. DOLLIVER. Mr. President, I do not desire to prolong the debate, but it seems to me that we are about to enter upon a very undesirable field of legislation.

Within my time in Congress we have very greatly enlarged the facilities and increased the expenses of the custom-house at New York. I do not complain about that, because we have very greatly increased its efficiency. Twenty years ago it was almost impossible to get an authentic valuation of the merchandise entered at that port. Since that time, by the addition of bureaus of chemical analysis and other modern mechanism of a port of entry and by scattering throughout the market places of the world our expert detectives and inspectors, we have made it altogether possible in most cases to arrive with accuracy at a just valuation of imported merchandise.

Twenty years ago and more, I think in 1890, we created this Board of General Appraisers, a board considerable in number and very considerable in dignity and authority, even judged by the salaries appropriated for their maintenance.

They have a very limited variety of questions to decide. They decide questions on appeal affecting the valuation of merchandise, and besides that they have just one sort of question to decide, and that is the proper legal classification of merchandise.

So far as their duties affect the valuation of merchandise, they have been performed with a reasonable degree of skill. At any rate, whatever they have done is made final by the law and there is no appeal from their decision, so far as the valuation of imported merchandise is concerned. The only questions that come up on appeal are questions of classification.

Congress has been working for years to so classify imported merchandise that it would be obvious to merchants as well as to the officials of the Government at what rate of duty it is actually assessed, and in order to be certain that these classifications are correctly applied to merchandise they have maintained for twenty years this Board of General Appraisers in the city of New York.

There have been a good many questions arising as to the proper legal classification of merchandise; and when there was a difference between the importer and the Government as to the matter and either was dissatisfied, we have had an ordinary appeal of the case to the circuit court of the United States, and thence to the circuit court of appeals, and in rare cases to the Supreme Court of the United States. The circuit court of the southern district of New York has well and faithfully discharged the duties of correcting the errors made by the Board of General Appraisers.

I think the record can be searched in vain for one decision of that court that has not been in accordance with law and good sense, in the disposition of the case.

Therefore, the only question involved is whether these courts of the United States are burdened and hampered by the multiplicity and the difficulty of these little lawsuits. I speak of them as little because many of them involve very minor matters, although some of them involve large sums of money. But the question is, What does the tariff law of the United States mean? That is the only question they have up for decision. We have been trying for twenty years to get the matter so simplified that almost anybody would know what it means, and the time is coming in the United States when anybody will be able to interpret a tariff law made by the Congress of the United States.

I say, first, that these judges entertaining appeals from the Board of General Appraisers have invariably decided the cases correctly. I would be perfectly willing to stake this entire question upon the fact that this circuit court of the United States, executing our law and taking the evidence introduced, has made a fair and reasonable and sensible application of the statute to every case that has been heard.

A few cases have been appealed to the circuit court of appeals and the chance errors corrected. Occasionally a case has gone to the Supreme Court of the United States for the correction of obscure errors, usually on a writ of certiorari.

Now, then, the only question left is whether these courts are so burdened by this litigation as to require relief.

I was interested in that question, and I took the liberty—although I am informed on the floor just now that it is a very unseemly thing for a judge of the United States court to interest himself in legislation here—I took the liberty, hearing that these courts were burdened and swamped by these litigations, to direct a letter to Judge Lacombe, of the southern district of New York, asking him to have the clerk of his court furnish me with the statistics of pending suits and such information as would enable me to come to a reasonable conclusion as to whether that court ought to be relieved of its burdens. He was kind enough, and, I will venture to entertain the opinion, entirely within his official rights, to answer in the letter which has been read from the desk, in which it appears that instead of being burdened by this litigation this great court of the United States has handled it year after year with ease and with very limited loss of time. The questions they have to decide are simple. The question is, What does this law that we have passed mean as applied to particular merchandise? And instead of being crowded with that litigation, they have handled it comfortably and with ease; and instead of bungling the decision of these questions, they have invariably decided them with a strict accuracy, applying the laws which we have made.

Yet here we come with an agitation, arising I know not in what quarter, asking us to create a new court in the United States with lifelong tenure.

Mr. CLAPP. Will the Senator pardon a suggestion?

Mr. DOLLIVER. Certainly.

Mr. CLAPP. If he will study the map as disclosed by this provision, he will probably locate the source of the demand to some extent.

Mr. DOLLIVER. I am engaged now in suppressing rather than cultivating my suspicions, and I certainly do not desire at this stage of our proceedings to even hint——

Mr. BAILEY. Will the Senator permit me?

Mr. DOLLIVER. Certainly.

Mr. BAILEY. The Senator from Minnesota is not generally suspicious. I have never known him to utter an unjust suspicion on this floor before. The city of Galveston is in the provision, and I put it there in the committee the first time I had ever heard about that court provision. It does not become a Senator like the Senator from Minnesota to suggest that Senators are engaged in legislation with reference to local interests.

When I was first called to the committee I found they had no place probably from Baltimore all down the Atlantic seaboard to the Mexican Gulf. They did have New Orleans. Instantly I said, "That great Gulf coast there is entitled to a session of this court," and upon my suggestion, or upon my motion, it was put in. But it was put in without any suggestion or any supposition that it had any relation to the origin or even to the adoption of this amendment.

Mr. CLAPP and Mr. LODGE addressed the Chair.

The VICE-PRESIDENT. Does the Senator from Iowa yield; and if so, does he yield to the Senator from Minnesota or the Senator from Massachusetts?

Mr. DOLLIVER. The Senator from Minnesota already had the floor, and I yield to him.

Mr. CLAPP. Mr. President, it is not often that I do suggest anything of the kind, but when I see a measure associated with the matter of the judiciary, that presents the peculiar phase this

measure presents, I can not but believe that the chairman of the committee found it advisable to recognize and reconcile different sections of the country in support of the measure.

Mr. ALDRICH. Mr. President——

Mr. CLAPP. I propose, before the matter comes to a vote, to discuss the peculiarities of this measure in that respect.

Mr. BAILEY. If the Senator from Minnesota will take my advice, as his friend, he will find some other objection to it, because I know that that is not a true one.

Mr. ALDRICH. Mr. President——

The VICE-PRESIDENT. Does the Senator from Iowa yield to the Senator from Rhode Island?

Mr. DOLLIVER. Certainly.

Mr. ALDRICH. I am more surprised than the Senator from Texas at the suggestion of the Senator from Minnesota. That any action with reference to places at which these courts are to be held had anything to do with the preparation of the bill or its adoption or recommendation is simply ridiculous and absurd, and it is not worthy of the Senator from Minnesota. It was——

Mr. CLAPP. In reference to that language, the Senator from Minnesota will determine as to what he may consider worthy of his consideration or not.

Mr. ALDRICH. I suppose he will; but, Mr. President, it was important of course that this court should meet at different parts of the country. It is to be a court to determine finally upon duties to be assessed and upon classifications, and it was important that it should meet in different sections of the country. It was the purpose of the committee to include all sections of the country in a fair distribution of the meetings of the court, and I think they were successful. It had nothing to do with any support of the bill from any source. They simply intended that the sessions of the court should be held in different parts of the country for the convenience of litigants and all the parties interested.

Mr. LODGE. Mr. President——

The VICE-PRESIDENT. Does the Senator from Iowa yield to the Senator from Massachusetts?

Mr. DOLLIVER. Certainly.

Mr. LODGE. Mr. President, I merely want to say one word in reply to what I think is an extremely uncalled-for suggestion on the part of the Senator from Minnesota.

This measure, which some of us regard as a very important measure indeed for a proper collection of the revenues of the United States, was put in, and it was provided that the court should sit at certain cities. In the great cities of the country, Mr. President, what consequence is it whether a court sits there or not. In the great cities they do not know whether the court is sitting there. The courts are there for the convenience of the litigants. Does the Senator suppose that it is a great help to New York or Philadelphia or Boston or New Orleans or Galveston whether one court sits there more or less? It may be important to some back-country village, but it is not known in the big cities.

This provision was made, as I understand it—and I voted for it for that reason—to get a better uniformity in court decisions, to secure a more prompt trial of customs cases, and to help in the just administration of the revenue laws, whatever those laws may be as established by Congress.

As for the cost, I believe it will save to the Government and the litigants a thousand times all the cost that it may be to the Government.

I do not want to argue the merits of this proposition, which I think an extremely important one, but I do resent the suggestion cast at the committee that members of the committee, Democrats and Republicans alike, were engaged in supporting a great measure of this kind because, forsooth, they wanted to have a court sit in some great city that happened to lie within their borders. I do not know a member of the committee who thought anything about it from that point of view. Do we vote for the establishment of circuit courts of the United States because we hope they will sit in our States or our districts or our cities? We establish the judicial circuits of this country for the convenience of the litigants, and the courts have to sit at properly representative points in all the great sections. It is a mere detail in the establishment of any court.

Mr. President, it seems to me it is possible for us to discuss great measures without suggesting that those who support them or oppose them are influenced by petty or unworthy motives.

Mr. DOLLIVER. Mr. President, it interrupts somewhat the line of discourse which I was pursuing to hear these heated explanations and disclaimers as to the location of these courts. I did not intend to inquire into that, except to say that one of the objections which has been made to me by merchants living in the cities more remote from New York is that the location of the court there, without any definite fixing of a term, is likely to leave them with the promise——

Mr. LODGE. The Senator knows the court is to be in Washington.

Mr. DOLLIVER. Yes. These people seem to think that they will get a statutory session of the court in Galveston, Boston, Chicago, and at various other good places, without that contact with a court which sometimes may be thought to be convenient and useful to litigants and other parties. But I am not going to discuss that. I lay down the proposition in cold blood here that there has never been any just complaint either of delay or of the miscarriage of justice by allowing these appraisers' cases to be adjudicated in the circuit court of the United States.

The circuit court of the United States is in session in all of these cities, and if questions arise as to the classification of merchandise, such questions can be instantly transferred to that court and almost immediately disposed of. Therefore to create this new court is, in my humble judgment, a sheer waste of our public funds by the multiplication of machinery for the administration of our customs laws.

Look at the list of public officials that will ultimately find comfortable shelter in some quiet corner in the custom-houses of the United States; look at this list of salaried officials, and then consider that, with the circuit court sitting, we have efficient machinery to dispose of these cases now without another dollar of appropriation; consider also the fact that existing courts have well and faithfully disposed of these cases up to this time; yet we sit here creating now a strange judicial apparatus, hitherto unknown to our laws, and we start them out with an aggregate appropriation almost equal to the sum required to maintain the dignity of the Supreme Court of the United States.

I suggest, not as a party matter nor as a tariff matter, but just as a plain matter of business administration, that until some judge of the United States can be shown to have abused his office by deciding wrongfully these cases, until some circuit court of the United States can be found that is overpressed with business, owing to the multiplication of these cases, we ought to stop, even in the midst of our haste and panic, to finish this matter, to inquire of our better judgment whether it is wise now to superimpose on the complex machinery of our customs tariff laws this new judicial tribunal, with a life term of office, unknown hitherto to our laws, and which starts out with a bill of expenses equal to the entire cost of maintaining the Supreme Court of the United States.

Mr. CLAPP. Mr. President, I listened with a great deal of interest to the argument made by the junior Senator from Iowa [Mr. CUMMINS]. I am rather inclined to deal plainly with matters. The suggestion which he made is, I think, sufficiently plain, that here is a purpose to create a court not in the general spirit of courts, but a court for a particular purpose, and a court that by every logical sequence would sooner or later become what I may broadly state, a somewhat one-sided tribunal. If when I came into the Senate eight years ago I had proposed such a measure as this, the Republicans who to-day are in control of this bill would have characterized it as "Populism born of the West;" but in these days of rapid transition and the absorption of Populistic measures in this bill, I, even though fresh from the invigorating climate and atmosphere of the West, can hardly keep up with this committee.

I object to this upon the very ground stated by the junior Senator from Iowa. I believe it will be an unfortunate day for this country when we enter into the process of creating tribunals the very association of which, the very logical sequence applied to which, will make these tribunals instrumentalities for forwarding the particular purposes of any class of people or as between the Government and the citizen—and I do not care how reprehensible the citizen may be—as between the Government and the citizen, and that the purpose of the Government. This will be followed by other steps creating other tribunals.

I have simply been astonished in this Chamber that the conservative spirit which dominates the Republican party here should enter upon a career of this kind.

I warn them now, although perhaps the warning is gratuitous and but little appreciated, that this is but the beginning; that following this will come schemes and plans for other tribunals like this on specific and particular lines. I care not how honest and how sincere the men may be who are to be appointed to this office, sooner or later they will feel instinctively, by a process the force of which no man can escape, that it is their duty to see that a particular line of policy pursued by this Government shall be carried out.

But more than that, Mr. President. There is absolutely no use for this court, as appears from these returns. Here is a circuit

court of appeals and here is a circuit court for the southern district of New York. In the one there were about three hundred and odd cases in a year. The number of days which the court sat hearing these cases exclusively was only twenty-four; the number of cases argued was 71; the number of cases decided was 71; and there were 259 cases decided without any argument whatever. Then in the circuit court of appeals there were 54 cases argued; there were 54 cases decided after argument; and the number of cases decided without argument was 5. The number of days consumed by that court in deciding those cases was, according to the certificate of the clerk of that court, only fifteen; and yet for this purpose it is proposed to create a tribunal that shall cost almost as much as the Supreme Court of the United States.

The worst vice of the bill is that the service of these men and of this tribunal that is created to serve the public will be limited to this particular business and no other. If the courts are overburdened with work, our duty should be to relieve them by additional judges, who may not only decide these cases, but may serve the public in the decision of any case that the public has occasion in any form to bring before them. Yet for this small amount of business it is proposed to create a new court, to limit that court to this particular work, and to so limit them that they can render the public no other service.

Mr. President, for one I can not see why a Senate, embarking upon a proposition of economy, organizing a great committee for the purpose of economizing in the expenses of this Government, should at this particular time launch a proposition of this kind.

Now, a word in regard to the interruption which I made of the Senator from Iowa. I once heard a distinguished Senator from Massachusetts stand on this floor and bewail the fact that there should be anything like logrolling in a river and harbor bill. It struck me, Mr. President, as rather peculiar, because we all know that a river and harbor bill is the result, in the last analysis, of a good deal of that process which in the popular mind and vulgarly speaking, perhaps, may be termed "logrolling."

Now, I propose to say, distasteful as it may be, that these tariff schedules have been arrived at largely by reconciling different sections of this country. In saying that, no reflection is intended, and no suggestion of reflection could be drawn from my remarks, upon the men who have participated in framing this bill.

When I came to look at the provisions for the sitting of the court, I was very much impressed by the suggestion made by the junior Senator from Iowa that the proper place for this court to sit would be at the city of Washington. Here the great Interstate Commerce Commission sits; and while it is true its members may go forth into different parts of the country, yet, so far as providing for organized sessions as provided in this bill, we naturally make the city of Washington the center of their operations. In my judgment, if we are going to have this court, it should sit in the city of Washington. The hearings before this court will come in the nature of appeals, in the nature of the work of review. They will come here very largely upon evidence prepared before the appraisers. But, upon examination of this provision, I found that in the bill adjacent to New York was the city of Boston. I am willing to say that, in my humble judgment, there is no necessity for that court sitting at two points so near each other as New York and Boston. If they are not going to have their central place of business in Washington, it would be well enough to have one sesssion on the North Atlantic seaboard, another session on the South Atlantic seaboard, and another session on the Pacific coast. But we turn to the Pacific coast and we find Portland and Seattle almost within a stone's throw of each other, and yet each of those towns is provided for; and the next sitting of the court is located at Galveston.

The distinguished Senator from Massachusetts [Mr. LODGE] suggested that it was of no account or value to a city to have this court sit at a particular place. I realize that the great commercial centers of this country will go on and prosper even if this court does not sit within their limits; and yet I realize, as the Senator from Massachusetts and as every other Senator realizes, that in a bill of this kind cities are proud to be represented; they are proud to be named; and it is idle here to ignore the idea that there is nothing in that sentiment.

We next reach the city of Chicago; and then from Chicago to the Pacific coast there is no session of the court provided for. I made up my mind to one thing when this bill came into this Senate, and that was, I would not be driven into a position of surrendering my rights for favors. I have not and will not. If the committee and the Senate do not see fit to treat that section fairly, it may treat that section otherwise; but I will take my chances and responsibility. But from the city of Chicago to the western coast of this country, with the Canadian border stretching that entire extent, there is no provision for a sitting of this court; with the Great Lake ports, with the great ports at St. Paul and Minneapolis, with all that boundary reaching, as I have said, from the Lakes to the ocean, there is no provision made.

I am not complaining of that. I could not have asked the committee to put such a provision in this bill, for I am not here asking any favors at the sacrifice of my rights, but when I see the bill in this form, without intending any reflection upon any Senator, without impugning the motives of any Senator, simply because of the general understanding that localities take pride in having such tribunals located in their midst, and that Senators and Members of the House of Representatives take pride in serving their localities, I make the suggestion as to the geography of this provision.

Mr. President, I say again that if the sittings of this court are distributed over the country, there is no necessity for a court at New York and immediately at Boston; there is no necessity for one at Philadelphia and immediately at Baltimore. There should be one on the Gulf coast; there should be one on the South Atlantic; there should be one at Chicago; and there should be one somewhere upon the Great Lakes; but we find that vast area without any provision made for it at all.

I regret, Mr. President, that the matter of creating the proposed court was ever associated with a tariff bill, because we know—and there is no use in trying to disguise the fact—that a tariff bill is of necessity largely a matter of give and take between localities and the representatives of localities. This matter never should have found its way into a bill in this atmosphere, this surrounding, and this absolutely incidental environment. If we are to create a court, we should have created it independent and separate of any such conditions as now exist.

I want to enter my protest here, in view of the fact that we started out last March upon a policy of economy, of now establishing a court that will cost approximately as much as the Supreme Court of the United States, and yet tie the hands of that court so that it can not serve the American public except along the line of a certain service, although, according to statements which have been made, one of the courts charged with the hearing of customs cases spent a total number of twenty-four days and another a total number of fifteen days in the consideration of this class of cases.

Mr. BORAH. Mr. President, I simply want to ask a question or two before this proposition is finally put to a vote. I presume that it is proposed to create this court for one of two reasons—either because the federal courts are overburdened with work, or because it was the idea of the committee that the customs laws had not been properly administered or interpreted by those courts.

The Senator from Massachusetts [Mr. LODGE] suggested that this court would save hundreds and thousands and even millions of dollars to the United States. I can not imagine how that could be done, unless it arises out of the fact that the decisions of the federal courts have been such as to wrongfully deprive the Government of that money. If the decisions were in accordance with the law—and that is probably a legitimate assumption—it could hardly be said that the proposed court would increase the revenues of the Government, unless we would assume that they would interpret the law not according to the law, but according to the getting of revenue.

Mr. HALE. Mr. President, if the Senator will allow me——

The VICE-PRESIDENT. Does the Senator from Idaho yield to the Senator from Maine?

Mr. BORAH. I yield to the Senator. I asked for information and am very glad to yield.

Mr. HALE. I think one consideration that was very strong in the minds of the committee was the testimony that came before the committee, that the interpretation of the statute relating to the revenue and duties and classification was almost invariably in the direction not of the original statute, but in the way of amplifying it, and that the result was almost always against the Government.

I do not believe that resulted from any undue bias on the part of the courts; but the whole subject of revenue duties and of construction has become so vast that the committee believed that a single court dealing with these subjects would be better for the Government, be better for the suitor, and in the end would work out a better administration of justice than if the decisions were dispersed through the different circuit and district courts of the United States.

I do not, for one, very much believe in transferring this court to Washington. Almost all of the cases with which it will deal will arise in the great ports of the country; and I think they

can be better dealt with if the court is established and has its central place where almost all the business arises, namely, in the city of New York. I do not think it adds anything to the weight of the court to summon it here to Washington. I think the parties who are litigating will find it more convenient in New York; I think the attorneys who present the cases will be more competent in New York than in Washington; the witnesses, as has been suggested, will be there, and almost everything will be done there. That part of the plan had no special force in my mind; but that there should be one court that would settle all these cases, and settle them speedily, I think was the unanimous view of the committee.

Mr. BORAH. Mr. President, the Senator from Maine has been very frank as to the object of creating this court; and it is the purpose which, we have understood in a way, has been the prevailing one with the committee. To my mind, it presents an impassable barrier to the support of this amendment. Certainly there has not been an insufficient time upon the part of the circuit courts to deal with these subjects. The record here discloses that the cases have been disposed of without any unnecessary delay.

Mr. ALDRICH. Mr. President——

The VICE-PRESIDENT. Does the Senator from Idaho yield to the Senator from Rhode Island?

Mr. BORAH. I do.

Mr. ALDRICH. Bearing upon the point that the Senator now suggests, I should like to make a statement for the committee.

In 1908 a bill passed the House of Representatives and came to the Finance Committee, providing for an immediate appeal from the Board of General Appraisers to the circuit court of appeals instead of to the district and circuit courts. While that bill was pending before the committee Judge Lacombe, whose letter has been read here to-day, joining with the other judges of the circuit court of appeals in New York, wrote a letter to me as chairman of the Finance Committee, which I think ought to be read, because Judge Lacombe, in connection with the other judges of the court of appeals in New York, took exactly the opposite position from that which they now take with reference to the pending legislation. I think it is rather important that the letter should be read, not as bearing upon the question whether or not the court ought to be constituted, but bearing upon the question whether the business of the court is congested. Many of these cases involve millions—in some cases fifty or sixty or seventy million dollars—and there are customs cases now pending that grew out of the act of 1883 which are not yet settled. I think the letter of Judge Somerville to the President ought to be read in this connection, which shows distinctly——

Mr. FLINT. I have sent the letter to the desk, and I ask to have it read.

Mr. ALDRICH. It shows distinctly that there is a great class of cases involving millions of dollars that have not yet been decided, growing out of the acts of 1883, 1890, and 1894. I should like to read Judge Lacombe's letter.

Mr. BORAH. I have no objection to reading the letter; but I merely want to say that it can be demonstrated certainly, if those delays exist, it is by reason of the action of the litigants and not of the court.

Mr. FLINT. Mr. President, if the Senator will permit me——

Mr. BORAH. We are all familiar enough with the trial of cases in courts to know how attorneys continue cases to await action on some specific issue to be settled, and so forth. I venture to say that it will not be shown here that these delays are by reason of the action of the court, but that they are by reason of the action of litigants.

Mr. FLINT. In the New York circuit, I think you will find that cases are only put upon the trial calendar by agreement of counsel. The result is that they can not get an agreement. The counsel in customs cases, the customs brokers, and the attorneys intentionally delay these matters for the reason that customs attorneys take the cases on contingent fees; and by delaying the matter they can reap thousands and thousands of dollars, it is estimated sometimes five or six hundred thousand dollars a year, in attorneys' fees out of this class of litigation. The very purpose of the creation of this court is to have such cases tried as they are presented and not have the delay that now ensues.

Mr. BORAH. Mr. President, that can all be corrected by statute, without the creation of a new tribunal. A new tribunal will have no more to do with it than the present tribunals, unless you do have a statute.

Mr. ALDRICH. If the Senator will allow me, I will read this letter of Judge Lacombe.

Mr. BORAH. Certainly.

Mr. ALDRICH. I think it is pertinent and bears upon this question.

Mr. CLAPP. Mr. President——

The VICE-PRESIDENT. Does the Senator from Idaho yield to the Senator from Minnesota?

Mr. ALDRICH. Does the Senator want to ask me a question?

Mr. CLAPP. I want to ask a question in all fairness. As I understand, the letter which the Senator is about to read is dated earlier than the letter from Judge Lacombe which has already been presented. Will the Senator give us the date of the letter from which he is about to read?

Mr. ALDRICH. After I have read it I will explain the circumstances under which it was received. The letter is directed to me.

Hon. NELSON W. ALDRICH,
United States Senate, Washington, D. C.

DEAR SIR: We have just learned that a bill has been passed by the House of Representatives, and is now before the committee of which you are chairman, making certain changes in the procedure touching the review of assessments for duty on imported merchandise.

With one provision of the bill only is this court concerned. Had we known sooner that such legislation was in contemplation, we should have furnished your committee and the Committee on Ways and Means of the House with the following information, which would seem to be entitled to consideration before making the particular change in the procedure which is referred to. The bill abolishes appeals from the Board of General Appraisers to the circuit court, and from the circuit court to the circuit court of appeals, and substitutes therefor an appeal direct from the Board of General Appraisers to the circuit court of appeals.

It would seem that the immediate result of the passage of the bill, as now framed, would be very greatly to increase the amount of business to be disposed of by the circuit court of appeals. The consequence might very well be that this court would become so congested as to be unable to dispose of its calendar each year. This we consider a most serious matter, because circuit courts of appeal were originally constituted for the express purpose of disposing in each year of all the appeals which might be taken to them.

We offer for your consideration the following figures:

Appeals heard and disposed of.

OCTOBER.

1898–1899	157
1899–1900	163
1900–1901	156
1901–1902	143
1902–1903	185
1903–1904	199
1904–1905	234
1905–1906	273
1906–1907	285

When the calendar did not present more than 160 cases to be disposed of the circuit judges were able to hold sessions of three weeks for the hearing thereof, with recesses of two weeks between for the disposition of the same. Since the great increase of the past three years the recesses between sessions, during which the opinions have to be written, have necessarily been reduced to one week each. What the result might be if the present calendar of 285 cases were suddenly increased by adding 200 additional appeals it would be difficult to forecast. We remain,

Very respectfully, yours,

E. HENRY LACOMBE.
ALFRED C. COXE.
H. G. WARD.
WALTER C. NOYES.

This letter, it will be seen, was signed not only by Judge Lacombe, but by all of the judges of the circuit court of appeals in New York. The Senator from Minnesota [Mr. CLAPP] seems to think the date of the letter is important. It was dated July 22, 1908, and was written as bearing upon the bill, which passed the House and passed the Senate, providing for direct appeals in these cases. It shows, if it shows anything, that the courts would be congested beyond power of recovery if these additional cases were thrust upon them. I do not know, of course, what brought about the change in Judge Lacombe's opinion.

Mr. BORAH. I think the Senator from Rhode Island inadvertently does Justice Lacombe an injustice, because he is only insisting that the circuit court shall not be cut out, and that these cases shall be sifted through the circuit court before they reach the circuit court of appeals.

Mr. ALDRICH. But all of these cases must ultimately go to the circuit court of appeals.

Mr. BORAH. Not at all, Mr. President.

Mr. ALDRICH. Most of them do go there, as the judge himself says. Under this bill they will not go to the circuit court at all.

I do not know whether we ought to take the volunteered opinions of judges upon these questions or not. I will say that this change in the law was not intended or not proposed to meet the convenience of Judge Lacombe or any other judge. I do not think the volunteered opinions of judges as to what we ought to do in matters of this kind ought to have any very great weight with the Senate.

This provision of law is not recommended for any such purpose. It is to secure the prompt, honest, and uniform administration of our customs laws; and in my judgment, if we can secure this result, it will save the country and save the Govern-

ment of the United States, and save the people of the United States millions of dollars. To my mind all these other questions are minor and unimportant in comparison with the one question as to whether it is possible for Congress to propose an act of legislation which shall secure the uniform, honest, and speedy administration of the laws.

Mr. BORAH. It can not be possible, of course, that the Senator from Rhode Island means that we have had a dishonest administration in the circuit court?

Mr. ALDRICH. I do not say that at all. But I do say that these delays, brought about by the machinations of counsel, have resulted in the end in great loss to the revenue.

Mr. BORAH. If the Senator had had the same experience in the federal courts that I have had, he would agree with me that if there is any place in the world where the machinations of counsel can not prevail, it is in a federal court, because the judges generally control matters there with reference to rules which they themselves make.

Mr. FLINT. I do not think the Senator will agree to that statement as to the question of time. I do not know of any place where postponements are so easily obtained as in the federal courts of the country.

Mr. BORAH. That is a matter which is controlled by the litigants. I do not know of any way by which we can change that except by statute, whatever tribunal we may create. Certainly the federal courts have power to make rules with reference to disposing of the calendar, just as this court would have.

But this all comes back to the proposition I am coming to, and with regard to which I wish to say only a word; that is, that the object and purpose of creating this court is to have a court that will go and get this revenue. That has been frankly conceded. It is to have a court that will interpret this law for the purpose of getting the revenue for the Government. A more solemn, direct, and indefensible impeachment of the judicial system of this country was never heard. Some of us have been defending here for the last week the right to appeal to the Supreme Court of the United States where great questions were involved. It was said that it was improper to do so, because it was thought indelicate to go again to the court after it had once decided a proposition. Now we are told that we should create, not a court, but merely a board, because we want an honest and successful administration of the laws which we enact here.

That means just one thing: That, by the passing of this statute, the circuit court is impeached in either its integrity or its ability to determine the law. There can be no other interpretation.

Mr. FLINT. That is not the interpretation the committee places upon it.

Mr. BORAH. Mr. President——

Mr. FLINT. Pardon me until I finish. We do say that this is a peculiar class of litigation; and that when a court that is hearing and deciding all classes of cases, both equity and law, takes up technical questions relating to the classification of merchandise, it finds itself in a line of work that it does not comprehend. And, in my opinion, the decisions have been such as they would not have been if they had been rendered by courts that had had long experience in this line of cases.

Mr. BORAH. Mr. President, what does the language of the Senator imply—the incapacity or the inability of the federal courts to interpret an ordinary revenue law?

Mr. FLINT. Neither. On the contrary, I think revenue laws of this peculiar class require a court having a great deal of experience and technical knowledge, which can only be gained by a continuance of this class of litigation in one court.

Mr. BORAH. Mr. President, the fact is that for the last five or six years there has been growing up in this country a tendency to regard the federal court as a kind of emergency hospital for defective legislation. In my judgment, this is only another evidence of that tendency. In other words, it has been thought that those who represent the Government stand in a different position in a federal court from that of the ordinary litigants or individuals who come into the court. There has been a tendency and a disposition upon the part of the Government to approach the federal courts by telegrams and letters and private communications, and try cases in that way. I am old-fashioned enough to believe that when the Government goes into court it goes there in precisely the same capacity as an individual, with no different rights, and should expect no different result than a fair and impartial interpretation of the law. If there has been an unfortunate use of language in our statutes, it can be remedied here; but it certainly ought not to be remedied by creating a court which will interpret the law, not as it is written, but as some one supposes it was written.

Mr. CUMMINS. Mr. President, I have a word more to say in response to what has been suggested. I say it in the hope that the question which has been argued so interestingly by the Senator from Maryland [Mr. RAYNER] shall never become material. I really hope it will not reach the conference.

Mr. ALDRICH. The part of the bill which the Senator from Maryland was discussing, and which I was recently discussing, has already been concurred in in the Senate and is not a part of the court amendment at all and has no reference to it in any way.

Mr. CUMMINS. I supposed you were talking about something that concerns the question before the Senate.

Mr. ALDRICH. Not at all.

Mr. CUMMINS. I stated when I made the objection to these sections that this court was to be established because the courts of the United States as now existing had not construed the law to satisfy the Finance Committee of the Senate, and that charge has been abundantly established by the debate that has since occurred. There is no other reason for establishing this court and imposing this burden upon the taxpayers of the United States than that the circuit courts of the United States and the circuit courts of appeals have now and then decided customs cases against the contention of the Government; and in order to secure a court that at least will have a disposition to decide the cases coming before it in harmony with the views of the Government, it is proposed to establish this court of specialists, who, as I said before, will rapidly come to feel that the Government is a preferred suitor, and that the court is to receive from the officers of the Government in some other than the customary way their views with regard to the construction of the tariff law.

I believe that in so establishing it you are dealing a blow to our judicial system the consequences of which it is not easy to determine. In establishing it you are endeavoring to combine a court and an expert; you are endeavoring to combine a board and a judicial tribunal, and that effort will in the end fail, because the people of this country believe in courts that hear before they determine, and hear with an open mind, without regard to the character of the parties before it. I therefore am opposed still more than I was before to the adoption of these sections.

The Senator from Massachusetts [Mr. LODGE] frankly admitted that he expected that this court would save to the Government of the United States $250,000,000 a year. I think he somewhat exaggerated even the work of this court in the construction of the tariff law. But, as I remember, he said that if this court had been in existence during a former year it would have saved in that year to the people of the United States a thousand times its cost. The estimated cost of this court is about $250,000 a year.

Mr. BRISTOW. Mr. President——

The VICE-PRESIDENT. Does the Senator from Iowa yield to the Senator from Kansas?

Mr. CUMMINS. Yes, sir; I do.

Mr. BRISTOW. May I ask if the only way in which the $250,000,000 per annum would be saved would not be to collect that much in additional revenues over what has been previously collected?

Mr. CUMMINS. Obviously.

Mr. BRISTOW. That would therefore mean double the duties that have been collected.

Mr. CUMMINS. Such is the opinion of the senior Senator from Massachusetts—that this court would have the effect of doubling the amount collected at the custom-houses in each year. I do not, however, think that he had reflected very carefully upon that matter before he made the statement, and therefore I will not hold him altogether responsible for it. But it simply intensifies the statement made by the senior Senator from Maine—that we must have a court which, no matter what the importers may claim with regard to the construction of this law, will decide in favor of the Government. That is the position. It is open; it is clear; everybody will understand it.

I do not very much envy the man who holds a judicial place under an institution of that character. He will enter his place, as it seems to me, with a good deal of embarrassment, and he will hold it under a very great handicap, because it may be that you would find when you come to select the members of this tribunal some lawyer who, taking the place, would not agree to construe the tariff law of the United States precisely as the collector would have it construed, or as the chairman of the Finance Committee would have it construed. He might still hold fast to some remnant, at least, of his professional pride. But there is another suggestion. This court is a court of final

jurisdiction. There is no appeal, as I understand it, from the decisions of this court. It is equivalent within its jurisdiction to the Supreme Court of the United States. Its decision upon the constitutionality of any paragraph or any part of this bill might come within its cognizance and would be the decision of the final judicial tribunal of the United States.

I am opposed to it. We have a judiciary now that, taken as a whole throughout the United States, does not work half the time. There I speak with a great deal of knowledge of my own part of the country. If the courts of New York, as now composed, find it difficult to discharge their duties or find it difficult to dispose of the cases which come before them, there is a provision in the statutes already in existence that will authorize the transfer, possibly, of some other judges to that circuit or that district who are not so heavily burdened with judicial duties.

I am opposed to enlarging the federal judiciary, because we have already judges enough to do all the business of the United States, and then they have ample time for summer vacations. More than that, I am not so very much disturbed about the delay. It may be that there is some delay, but am I right in saying that the importer pays the duties as ruled by the collector? That is true, is it not?

Mr. FLINT. It is.

Mr. CUMMINS. Therefore the longer the cases are pending the longer the Government of the United States will be in possession of the money, if it is in possession of it wrongfully. I do not think we need to be very much concerned about speed in suits that are brought to recover from the United States customs paid wrongfully, because if the litigant who wants the money returned to him is willing that there shall be delay, why should we speed—I mean unduly speed—the disposition of such a case?

Mr. FLINT. For the reason that if the importer believed the decision would be in his favor, he would delay the hearing of the case for three or four years, as has been done in many cases, the custom-house broker or the attorney receiving from a third to 50 per cent of what is recovered and the importer receiving the balance, and the merchant pays the additional price during the entire period.

Mr. CUMMINS. That is upon the assumption that the collector has ruled in favor of the Government and that your court will reverse the decision of the collector. You are organizing a court here that is not intended to rule against the Government.

Mr. FLINT. Mr. President, I will not permit that statement to go unchallenged. I say this court is not organized for any purpose other than to carry out the law as enacted by the Congress of the United States, fairly, honestly, justly, and promptly.

Mr. CUMMINS. Mr. President, I shall not attempt to inquire into the motives that actuate the Senator from California. I have never known any but good ones to move him. But I am inquiring into the necessary consequences of the act you are about to perform, the kind of tribunal you are about to establish. The reasons for its establishment have been laid before the Senate by the members of the committee, and those reasons are that you have been disappointed in the decisions of the circuit courts of the United States and the circuit court of appeals. I am opposed to organizing an independent court in order to gratify or relieve disappointment in the past, and I am opposed to doing it because you are adding vast sums to the expenses of the Government.

I give notice now that I intend, when the debate has been brought to an end, to ask for the yeas and nays on the sections.

Mr. BURROWS. Mr. President, I desire to say that this provision in the pending bill now under consideration was not inserted by the committee thoughtlessly or without careful and protracted consideration, and I think the criticisms passed upon the provision and the committee in connection therewith are without justification.

It will be recalled that a year ago the Committee on Finance was authorized by resolution of the Senate to make inquiry in relation to the administration of the customs laws and to ascertain what amendments, if any, were necessary to promote the efficient administration of our customs laws. To that end the chairman of the Committee on Finance, the distinguished Senator from Rhode Island [Mr. ALDRICH], appointed a subcommittee to make inquiry into that subject, consisting of the Senator from Florida [Mr. TALIAFERRO], the Senator from Texas [Mr. BAILEY], the Senator from Mississippi [Mr. MONEY], the Senator from Illinois [Mr. Hopkins], the Senator from New York [Mr. Platt], the Senator from North Dakota [Mr. Hansbrough], and myself.

The subcommittee proceeded to New York and held protracted hearings upon the questions submitted to its jurisdiction, and among the subjects inquired into in connection with the administration of the custom laws was the propriety and necessity for the establishment of a customs court in connection with the collection of custom dues. The members of the Board of Appraisers, who certainly were possessed of the fullest knowledge on the subjects, were requested to appear before the committee and state their views in relation to the establishment of this court. I propose to read from the report of the committee what was said by the Board of Appraisers, they having met as a body and agreed upon the following statement, which was presented to the committee as their mature and deliberate judgment in relation to the matter, from which I propose to read a few extracts. I am confident the reasons assigned by the Board of Appraisers will appeal to the best judgment of the Senate, for to my mind they are comprehensive and complete. They say:

> This bill creates a new court, to be styled "the United States circuit court of customs appeals." It vests jurisdiction in this court of all appeals taken from the Board of United States General Appraisers and provides appeals shall be taken directly to that court from the board. It further vests jurisdiction therein over extraordinary process affecting the customs service. It further contains an itinerant provision in that a single justice thereof may proceed from port to port in the different circuits of the United States, as do the justices of the Supreme Court, for the purpose of hearing argument and other proceedings in customs appeal cases. Its relation to the Supreme Court of the United States is identical with that of other courts of appeal, and is intended to effect a speedy and sound adjudication of all customs appeals and relieve the existing circuit courts and circuit courts of appeal of that class of cases.
>
> The adjudication of the questions affecting a tariff act concerns the raising of as much as $330,000,000 public revenue annually, the prosperity and existence of most of the great industries of the country, and the cost of almost every article of consumption to every citizen of the land. The success or failure of business enterprises constituting the great volume of about $1,500,000,000 of annual foreign importations, the great importing business of the Nation, is also vitally affected by a speedy, fair, and just interpretation of that law. So intimately is the national welfare associated with this law that every reenactment of it witnesses excessive trade disturbances.
>
> As every rate and every phrase of a tariff act are the subject of judicial construction, until such is finally had no tariff act is complete, and until then all affected trades and industries are to an extent unsettled.
>
> While with the country at large the Congress is popularly believed the determinative body of tariff rates and schedules, as a matter of fact the courts and the customs administrative officers finally, in a great number if not great majority of cases, determine these matters. The Dingley tariff law passed Congress in July, 1897. By reason of interpretation and construction of its provisions whole schedules and numerous rates have been greatly changed from the supposed, if not manifest, purpose of Congress. These changes frequently net 10 per cent, 15 per cent, and sometimes greater differences. And at this day—over eleven years after that enactment—there are yet pending for decision questions of equal import, which by reason of the long drawn out road to final appellate decision may yet be delayed a year or years. The Dingley Act to-day is a court-made and not a Congress-made statute which, perforce the slow appellate processes provided, is still undergoing tardy but certain changes.
>
> That administration and judicial construction of a tariff law determine its character has been the history of every such law. The progressive changes in the average rate of duty collected upon dutiable importations under the tariff law of 1897 bear witness to this fact. The average ad valorem rate of duty collected upon dutiable merchandise from 1897 to the close of the fiscal year 1908 is as follows: 1898, 48.80 per cent; 1899, 52.07 per cent; 1900, 49.24 per cent; 1901, 49.64 per cent; 1902, 49.78 per cent; 1903, 49.03 per cent; 1904, 48.78 per cent; 1905, 45.24 per cent; 1906, 44.16 per cent; 1907, 42.55 per cent; 1908, 42,78 per cent.
>
> The duties collected during the fiscal year 1898 included sums collected under the previous tariff act. The highest rate of duty collected under the tariff law of 1897 was during the fiscal year ending June 30, 1899, when the average rate was 52.07, and the least during the fiscal year 1907, when the average rate was 42.55. The average ad valorem rate of duty collected under the Dingley tariff in the year 1908 was nearly 10 per cent below that collected in 1899 and was about that collected in the last full year of the Wilson-Gorman tariff law, to wit, 1897, which was 42.17 per cent ad valorem.

Then the board, speaking of the delays incident to the present method of administration and the hardships in connection therewith, say:

> No practicable scheme or plan for reimbursement to the Government of duties pending litigation over a rate can be devised except the collection of the higher rate during that period. In considering the vices resultant upon delay in ultimate decision of customs appeals, therefore, not the least to be borne in mind is that this higher rate of duty, already held illegal by the first tribunal, must be kept in full force and effect pending final decision, so that this law results and has resulted in the exaction of illegal duties for years and becomes and is an instrument for the defeat of justice and the intent of the Congress by keeping in effect the exaction of illegal rates of duty. Upon final decision these are refunded, in part to the attorney, in part to the broker, and in part to the importer; but there is no refund to the consumer, who, by reason of the maintenance of the higher rate of duty, has been compelled to pay an artificial and illegally exacted price for his merchandise. On behalf of the manufacturer, who profits by this illegal rate of duty, it is advantageous that litigation be prolonged. We may not, therefore, be surprised to find that agents of any who have found this to be advantageous would be strenuously in favor of the maintenance of the present dilatory system of appeals. Of course, should the illegally exacted rate be upon raw material, the result of prolonged litigation might eventually be made the means of driving out of business the manufacturer in this country consuming such material.

Speedy and sound adjudication of these cases is vitally necessary to settle business conditions and just assessment of public revenues. Only three years since—

The board says, speaking of the intolerable delay under the present system of administration:

Only three years ago four and a half years were, on an average, required after the decision by the Board of General Appraisers for the final determination in the circuit courts of appeal of any point of law raised with reference to any provision or rate of the tariff act. Since that time, perforce the dilatory system of law provided, it yet requires two and a half years to settle finally any such question. This is to a large extent by reason of the fact that appeals from the Board of General Appraisers are first prosecuted to the circuit courts and thence to the circuit courts of appeals. Under the amendments of May 27, 1908, a different and, perhaps, slightly more expeditious provision was enacted. This provides that all appeals from decisions of the Board of General Appraisers shall be taken to the United States circuit courts; that thereafter the Government of right, but the importer only on certificate from the judge deciding the case, can appeal to the United States circuit court of appeals. This procedure still invites delay by putting a premium upon it. It is to the interest of both counsel and importer, having lodged the appeal, to delay its determination as long as possible, for each day adds to the accumulated protests on that point, the refunds upon which they divide, while the higher assessed rate of duty enables them to collect the difference from the consumer. Consequently, whatever shortens the life of a customs appeal ratably reduces the number of protests to be handled by the customs officers and board upon that subject. Herein, therefore, is the most practical solution of the vexed problem of reducing the great number of protests now filed. As protests are made on each shipment during an appeal, whatever shortens the time of appeal pro rata lessens the number of protests. The legislation proposed by this bill will reduce the period of final determination of all issues raised concerning the tariff law certainly to within one year, now two and a half years.

The average life of an appeal under the amendments of May 27, 1908, is as yet purely speculative, but experience warrants the statement that where the inclination exists, and it always will where profit is possible, there will, under this amendment, be no perceptible shortening of the average life of customs appeals. In fact some of those interested have publicly declared that the new act would not expedite their causes. While in the appellate procedure some material progress was made by this amendment, the real exigencies have not been met. There yet remains the great diversity of practically final authority. In fact this feature is aggravated, for where final decision was previously ordinarily had in one of nine circuit courts of appeal, such now rests in 9 circuit courts of appeal, 29 circuit judges, 89 district judges, and 9 Supreme Court judges, all of whom are qualified to sit as circuit judges, not to mention the territorial judges and those of the District of Columbia. Already the books contain numerous conflicting decisions of customs cases decided by coordinate circuit courts and circuit courts of appeal sufficient to indicate the probabilities of confusion resulting under this amendment.

Moreover, no warrant of reason seems apparent why a decision by three members of the Board of General Appraisers, checked off in approval by six others, all of whom are lawyers, who for years have been schooled in customs law and practice, who have the witnesses before them to observe their demeanor and conduct, and who are thoroughly schooled in every such case that arises, should be reversed by one circuit judge, who seldom hears a customs case, knows but little about that peculiar law, has no witnesses before him, and whose court is already overcrowded by other causes.

It is the theory of representative government that every official is more or less unconsciously controlled by local education and environment. This is the theory which actuated the fathers in providing representative government that every district and locality might be represented. Senators from different States, Representatives from different districts, are examples; circuit judges who by law must be appointed from residents within the circuit in which they preside; district judges the same; and the personnel of the Supreme Court of the United States, constituted upon the same theory, is of judges who are appointed with reference to their geographical residence. The theory has been vindicated by a century's experiences. The tariff law is one which affects differently different sections of the country; it is a law that affects the whole Nation, and in the interpretation of every rate, paragraph, and schedule of which the whole Nation and every section thereof is vitally concerned. It is a law, therefore, in the determination of which, manifestly, there should be brought representation from the various sections and parties of the country; and its construction, if the theory of our representative government be true, should not be in the main vested in but one of the circuit courts of the United States. At the present time 83 per cent of the customs appeals from decisions of the Board of General Appraisers, which is a representative body appointed from all sections and parties of the country, are decided by the circuit court for the southern district of New York, which is but one of 77 circuit court districts. On appeal from the circuit court the ultimate decision of over 90 per cent of the cases appealed to circuit courts of appeal are decided by the circuit court of appeal for the second circuit, which is made up of judges from the States of New York, Vermont, and Connecticut, principally New York—3 of the 46 States of the Union—and who by law are required to be residents of those States before they are eligible to membership in that court. Either as fact or as precedent these courts decide finally over 85 per cent of the customs cases on appeal, and these precedents control the remaining percentage of such decisions.

It is but fair, just, and right, it is in harmony with representative government, that in the construction of a law in which every decision rendered affects the whole country and every citizen and section of the country, and ofttimes different sections differently, and in which the whole country and every citizen is interested from the standpoints of development, growth, and taxes, should be finally construed by a judicial body drawn from the entire country and not a fractional part thereof. This is true as a matter of governmental principle without the least reflection upon any member of the courts mentioned, all of whom are jurists of well-known learning in the law and profound in their decisions.

Then, speaking of the burdens these cases impose upon the United States court, the board say:

It is a matter of great injustice, however, to those judges and all parties to litigation to thrust these cases upon a court already greatly overburdened with a diversity of causes—civil, criminal, and admiralty. The condition of the files of the United States circuit court for the southern district of New York earnestly demands that they should be relieved of every possible number and class of cases.

Mr. CLARK of Wyoming. Mr. President——

The VICE-PRESIDENT. Will the Senator from Michigan yield to the Senator from Wyoming?

Mr. BURROWS. Certainly.

Mr. CLARK of Wyoming. What is the date of the report?

Mr. BURROWS. The report was made in January, 1909, this year.

The President-elect in various speeches throughout the country has pointed out that one of the most serious governmental problems of the day is the great delay in judicial proceedings and the overburdened condition of court dockets.

Formerly this circuit—

Speaking of the southern circuit of New York—

comprised the districts of Vermont and Connecticut and the northern, southern, and eastern districts of New York. Each district had a single district judge; there was one circuit justice and one circuit judge, making seven in all. In 1887 Judge Lacombe was appointed circuit judge. In 1891, when the circuit court of appeals was established, Judge Shipman was appointed circuit judge. In 1900 the western district of New York was established, and Judge Hazel was appointed district judge. In 1902 a fourth circuit judge (Judge Coxe) was appointed. In 1903 a second district judge (Judge Holt) was appointed in the southern district of New York; and in 1906 a third district judge (Judge Hough) was appointed. So that at present the judges qualified to sit in this circuit and to hear customs cases are 13 in number, including Circuit Justice Peckham of the Supreme Court of the United States. They consist of one circuit justice, four circuit judges, and eight district judges.

Notwithstanding the large personnel of this court and their great industry, as shown by the number of matters disposed of each year, the extraordinary amount of litigation arising within the circuit has resulted in an extraordinary accumulation of pending causes. A bill is now pending in Congress, favorably reported, to increase by one this personnel. The condition of the files in the court and the extraordinary number of causes arising therein would seem to require this court for ordinary cases to consist of an increase of at least one-third in its personnel. Even this in all probability would not be sufficient, for the reason that the judges therein are much overtaxed in their labors and, it is pertinent to add, greatly underpaid. According to the annual report—

And I desire to call the especial attention of the Senator from Iowa to this—

According to the annual report of the Attorney-General for 1908 there were pending July 1, 1908, in the southern district of New York the following number of cases:

Civil cases to which the United States was a party, including 855 customs cases	1,023
Criminal prosecutions to which the United States was a party	180
Bankruptcy cases, voluntary and involuntary	1,419
Other suits, including admiralty	13,826
Total pending and undecided matters July 1, 1908	16,448

This is the report of the Attorney-General.

Mr. BEVERIDGE. Will the Senator permit me just a moment?

Mr. BURROWS. Certainly.

Mr. BEVERIDGE. That statement is exceedingly important. I should like to ask the junior Senator from Iowa [Mr. CUMMINS] or perhaps the Senator from Minnesota [Mr. CLAPP] if those 16,000 cases that are pending before the federal courts, as have been stated here, are of record? I should like to have that explained, because that is the only point thus far I have heard——

Mr. BURROWS. I will read it again. I can only read from the report of the Attorney-General.

Mr. BEVERIDGE. I understand it. I am not questioning it. I would ask the Senator from Minnesota or the Senator from Iowa.

Mr. CLAPP. I had not noticed whether what the Senator was reading relates to the circuit court for the southern district of New York or the appellate circuit court of appeals.

Mr. BURROWS. I will finish reading what the Attorney-General says.

Mr. BEVERIDGE. I see the Senator from Iowa is present.

Mr. BURROWS. The report continues:

There were commenced therein during the last fiscal year:

Civil cases to which the United States was a party, including 424 customs cases	469
Criminal prosecutions to which the United States was a party	191
Bankruptcy cases, voluntary and involuntary	927
Other suits, including admiralty	1,402
Total	2,989

There were terminated during the same period:

Civil cases to which the United States was a party	551
Criminal prosecutions to which the United States was a party	177
Bankruptcy cases, voluntary and involuntary	550
Other suits, including admiralty	986
Total	2,264

Thus it will be seen that of matters pending within said district there were July 1, 1908, 16,448; that during the fiscal year preceding there were disposed of 2,264 matters, as against 2,989 new matters filed.

Mr. BEVERIDGE. What district was that, may I ask the Senator?

Mr. BURROWS. It is the southern district of New York.

Mr. CLARK of Wyoming. Is it not a fact that one judge has been added since that time?

Mr. BURROWS. No; the judges were added before that.

Mr. CLARK of Wyoming. I understood the date the Senator read there——

Mr. BURROWS. In 1887 Judge Lacombe was appointed; in 1891 Judge Shipman was appointed to the circuit court; in 1900 the western district of New York was established.

Mr. CLARK of Wyoming. I want to call the Senator's attention to the fact that an additional judge was provided for at the last session of Congress for the southern district.

Mr. BURROWS. I think one additional judge would not be able to relieve the situation very much as it is shown to exist.

Then the board say:

Of the current business 725 more matters arose therein than were disposed of, which represent the annual addition to the accumulated undisposed-of matters. The ratio is about one-third of that actually disposed of. Given 16,448 matters pending, to which 725 are annually added, we have the figures presented by the report of the Attorney-General of the condition of the business within that district, into which 85 per cent of the customs appeals are thrown for decision under existing law.

In the circuit court of appeals for the second circuit, to which go customs appeals from the circuit court for the southern district of New York, there were pending and undecided on July 1, 1907, 128 matters, and docketed during the fiscal year 1908, 286 matters. There were disposed of during that fiscal year 281 matters, and therefore pending July 1, 1908, 133 matters. If the customs appeals were withdrawn from the circuit court for the southern district of New York and the circuit court of appeals for the second circuit, their already overburdened calendars would be in a measure relieved. In any event appellate cases, many of which involve as to customs appeals hundreds of thousands and at times more than a million dollars, dependent upon intricate points of peculiar law, trade customs, scientific investigation, principles of manufacture, with voluminous records of testimony and far-reaching in their effects upon the commerce and manufactures of the country years to follow, should be determined by specially qualified judges with ample and undisturbed time for deliberate consideration.

The study, construction, and interpretation of customs law, principles, and precedents is one of peculiar technicality, just as much so as probate, admiralty, and other special branches of the law. No man can become proficient in it unless he makes it a specialty. It is of such volume and peculiarity that it requires the whole time, attention, and study of any lawyer, however great his qualifications. Its bearing upon the country and its industries is such that no man can be charged with its adjudication properly the greater portion of whose time is required to be devoted to the construction of other law. Those practicing customs law uniformly, where their business is of any moment, are compelled to devote their entire time to customs law. Yet, under the present system, the appeals on this subject prosecuted from decisions of the Board of General Appraisers are taken into and determined by circuit courts and circuit courts of appeal, presiding in which are judges whose entire time is more than occupied with cases involving other branches of the law, and with which alone most of those courts are greatly overburdened and far behind.

When customs cases are presented in their courts they are exceptional cases. Their calendars are already overcrowded. This is particularly true in that circuit which has the decision of over 83 per cent of the customs appeals—the southern district of New York. Necessarily the United States circuit court for the southern district of New York and the United States circuit court of appeals for the second circuit (New York, Vermont, Connecticut), by reason of the vast population of New York and the numerous controversies therein, are more overburdened with ordinary cases than any other circuit court or circuit court of appeals. Yet these are the courts to which over 83 per cent of customs appeals are prosecuted. Its judges are able, exceedingly industrious, but absolutely overworked by reason of the multiplicity of causes before their courts. The time and attention required by the intrusion of customs appeals upon the attention of these judges can not properly be ascertained by the numerical estimate of appeals, for the reason that where other cases might depend upon the construction of familiar statutes or principles of law, customs cases are peculiar both as to law and fact and require special study and examination for sound decision. In view of the constantly increasing population and litigation in this circuit the probabilities are strong that in the decision of cases other than customs cases alone even greater additions to the personnel of that circuit will have to be made.

Witness the proof of these statements in that there are now pending on appeal from the board in United States circuit courts approximately 820 appeals; in the United States courts of appeal 72 causes. Of these over 600 are pending in the circuit court for the southern district of New York, while the entire 72 in circuit courts of appeal are, with the exception of 12, in the circuit court of appeals for the second (New York) circuit. These involve many duplicated appeals which will be disposed of by one hearing and decision, but present a calendar, nevertheless, which suggests an imposition upon this circuit of cases which should be more ratably distributed throughout the circuits or collected within a single special circuit where constant and exclusive attention could be given such important issues.

A fair estimate of the number of appeals which would be heard by the proposed circuit court of customs appeals may be stated to be from 500 to 1,000, of which from 150 to 250 would involve different and intricate problems of law and fact. This is a sufficient number of cases to be well considered by any court of three judges. The number of appeals per annum for the past four years from the Board of United States General Appraisers is represented by the following tabulated list, which also indicates the moment of such cases.

Year ending June 30—	Circuit court.		Circuit court of appeals.		Supreme Court.	Total.
	Argued.	Not argued.	Argued.	Not argued.		
1905	154	131	36	12	1	334
1906	94	292	50	18	3	457
1907	121	161	44	15	5	346
1908	107	737	56	10	1	911

There are pending at the present time and would be upon enactment of the proposed bill approximately 1,000 appeals from the Board of General Appraisers in the various circuit courts and circuit courts of appeal throughout the United States. Many of these are duplicates, but there are at least 100 separate, distinct, and important litigated issues. The court, then, at organization would be met with this number of cases upon its calendar, and annually arising thereafter at least 500 appeals, of which at least 150 would be subjects of much consideration. In view of the early enactment of a tariff law, it is fair to assume that the number of appeals arising hereafter would be much greater than this. Particularly would this be true in the presence of a court whereat early final decision could be had. The greater expedition given to litigation the greater the desire of the party actually in interest to try out his rights in the court of last resort.

A comparison of the appeals pending in different courts is instructive.

The Supreme Court of the United States, consisting of nine justices, from 1890 to 1908, inclusive, disposed of, on an average, 400 cases per annum. This included decisions upon extraordinary and other process. This would be an average of approximately 45 decisions per justice. The reports of that court show many of these decisions to be rendered without opinion. While it is undoubtedly true that the questions presented to the Supreme Court are much more weighty than those that would be presented to the proposed court, nevertheless many customs cases are finally adjudicated in the Supreme Court, and many of them rank in importance for ahead of the average case decided by the Supreme Court.

The respective United States circuit courts of appeal during the fiscal year ending June 30, 1908, disposed of upon an average less than 135 appeals each. They were as follows: First circuit, 75; second circuit, 281; third circuit, 114; fourth circuit, 52; fifth circuit, 123; sixth circuit, 135; seventh circuit, 87; eighth circuit, 203; ninth circuit, 139; total, 1,209. The reports of the Attorney-General show that this was an extraordinary number of cases decided by those courts, and greater than in any preceding year.

The court of appeals for the District of Columbia, an appellate court of three judges, paid an annual salary of $7,000 each, disposed of the following matters during the years 1902 to 1908, inclusive: 1902, 149; 1903, 131; 1904, 131; 1905, 175; 1906, 176; 1907, 169; 1908, 185.

Then the Board of General Appraisers say further:

It would seem quite as important that a tribunal of the same dignity and standing and comparatively the same expense should be accorded to ultimately determine all appeals in customs cases, many of which involve millions of dollars of refunds from the Government, and each of which involves the substantial rights of the great manufacturing and importing interests of the country, and the ultimate decision of which in numerous instances involves the progress or continuance of some of these great interests. The work afforded the court, therefore, would not only be of the highest order, but sufficient to keep at least three qualified judges busy.

Mr. HALE. Let me ask the Senator a question.

The VICE-PRESIDENT. Does the Senator from Michigan yield to the Senator from Maine?

Mr. BURROWS. Certainly.

Mr. HALE. It has been stated that it is a part of this plan that the court shall be established in Washington, away from the business, away from the custom-house, away from the witnesses, and away from everybody dealing with the subject.

Mr. CUMMINS. May I suggest there——

Mr. HALE. Will not the Senator wait a moment? I find in the amendment the following provision:

The said court shall organize and open for the transaction of business in the city of New York within ninety days after the judges, or a majority of them, shall have qualified.

On page 363 it reads:

The court shall appoint a clerk, whose office shall be in the city of New York, and who shall perform all the ordinary duties of a clerk of the Supreme Court of the United States.

I do not want this matter to pass from the Senate with anybody having the belief that the Senate has agreed to establish this court and take it away from New York, where almost all the business is done, and transfer it to Washington. I ask the Senator, who has taken a great interest in this matter from the beginning, whether he understands that there is any authority, express or implied, for the location of this court away from the city of New York.

Mr. BURROWS. I am very glad the Senator from Maine propounded that question.

Mr. CUMMINS. Mr. President——

The PRESIDING OFFICER (Mr. CURTIS in the chair). Does the Senator from Michigan yield to the Senator from Iowa?

Mr. BURROWS. Allow me first to answer the question of the Senator from Maine.

Mr. CUMMINS. Very well.

Mr. BURROWS. While the question was mooted of having this customs court hold its sessions in Washington, the suggestion was disregarded and rejected at once. On the contrary, provision was made for holding the sessions of the court in New York and others of the great cities for the very purpose of accommodating parties who might be interested.

Mr. HALE. As a member of the committee, I so understood.

Mr. BURROWS. There was no other understanding whatever. Now, I yield to the Senator from Iowa.

Mr. CUMMINS. Mr. President, in the course of my objection to these sections, I mentioned Washington as a proper place in which the sessions of the court might be held. However, I have no preference for Washington. I see a great deal of reason for holding the court in New York. My objection to, and my suggestion with regard to, that phase of the bill was as to the matter of expense. I do not believe in sending this court all over the United States. It does not convenience litigants, because the litigants do not attend the sessions of the court. It might convenience the lawyers, although I doubt very much whether the additional expense involved in sending the court from New York to San Francisco and from the Lakes to the Gulf will be found to much convenience counsel. But am I right in saying this is a court of review or appeal, which hears no testimony?

Mr. BURROWS. The cases and the evidence taken before the General Board of Appraisers are transmitted to the court.

Mr. CUMMINS. Therefore the court can hold its sessions and decide these cases in one place just as well as in another. All that would be involved necessarily would be the travel of lawyers. Inasmuch as I suppose nineteen-twentieths of the cases are along the Atlantic seaboard, it is obvious that the court would be greatly less expensive if the sessions were held there instead of elsewhere.

Mr. BURROWS. That is a matter of administration; that is not a material matter to the one I am discussing—the necessity and importance of this court.

Mr. CUMMINS. May I suggest but one more feature before I close? Then I shall have said all that I have to say. If the judicial force in New York is not large enough to attend to business arising in New York, I should be very glad to vote for whatever increase may be necessary; but my objection is to the peculiar character of the court.

Mr. BURROWS. I suppose the Senator listened to the statement made by the Attorney-General as to the number of cases pending—over a thousand customs cases—and what the board say, that, on an average, it is three and one-half years before these customs cases are decided?

Mr. CUMMINS. That would be no evidence to me that the court was not able to dispose of those cases.

Mr. CLARK of Wyoming. Mr. President——

The PRESIDING OFFICER. Does the Senator from Michigan yield to the Senator from Wyoming?

Mr. BURROWS. I do.

Mr. CLARK of Wyoming. I suppose that the customs cases take their regular place upon the docket and that the customs cases are not any further behind than any other class of litigation.

Mr. BURROWS. No; but the very object of the creation of this court is to establish a tribunal that will take care of customs cases at once and expedite their determination. I will continue with the reading of this statement.

Mr. CLARK of Wyoming. I wish the Senator from Michigan would give us some information as to the necessity of expediting these cases, instead of having them take their regular course.

Mr. BURROWS. I will read further from the report upon that point and in full answer to the Senator's inquiry:

> It would seem quite as important that a tribunal of the same dignity and standing and comparatively the same expense should be accorded to ultimately determine all appeals in customs cases, many of which involve millions of dollars of refunds from the Government, and each of which involves the substantial rights of the great manufacturing and importing interests of the country, and the ultimate decision of which in numerous instances involves the progress or continuance of some of these great interests. The work afforded the court, therefore, would not only be of the highest order, but sufficient to keep at least three qualified judges busy.

I suppose the Senate would be surprised if I should submit here a statement from the Secretary of the Treasury that since the enactment of the Dingley law in 1897 the United States Government has been compelled by erroneous decisions to refund over $18,000,000.

Mr. CLARK of Wyoming. May I ask the Senator from Michigan a question?

The PRESIDING OFFICER. Does the Senator from Michigan yield to the Senator from Wyoming?

Mr. BURROWS. I do.

Mr. CLARK of Wyoming. I ask the Senator from what does the Senator read when he says "erroneous decisions?" When the Senator says "erroneous decisions," does he mean erroneous decisions of the circuit court of the United States?

Mr. BURROWS. I am not advised. I simply have the statement from the Treasury Department of the amount which has been refunded.

Mr. CLARK of Wyoming. I certainly can not conceive that the Secretary of the Treasury would refund money upon any decision that was not correct.

Mr. BURROWS. They were erroneous assessments.

Mr. CLARK of Wyoming. On erroneous assessments. That is very different.

Mr. CUMMINS. That simply proves that that collector was trying to get more money than was coming to the Government.

Mr. BURROWS. He is not administering the law properly.

Mr. CUMMINS. That is true, precisely; the collector of customs is not properly administering the law, and has been requiring the payment of that much more money than was due the Government.

Mr. BURROWS. Since 1897 there has been a refund of over $18,000,000 made necessary by erroneous assessment. The trouble is there is no single tribunal clothed with power to construe these tariff provisions and the result is that the appraisers in one place—in New York, if you please—make one ruling; in Boston another; in San Francisco another; and in Chicago another; so that there is no uniformity of decision whatever, no single guide to correct administration.

Mr. BORAH. Mr. President——

The PRESIDING OFFICER. Does the Senator from Michigan yield to the Senator from Idaho?

Mr. BURROWS. I should like very much to complete the statement in hand.

Mr. BORAH. Very well; I will not interrupt the Senator.

Mr. BURROWS. There has been some criticism touching the expense of this court. Upon this point the board say:

> A calculation of the expense of the proposed court fixes it at approximately $50,000 per annum. This is an insignificant sum compared with the results to be obtained. The time of ultimate decisions in customs cases would be reduced to within one year instead of as at present requiring two and one-half years or more. It would add to the expense of collecting the customs revenues, which, according to the last annual report of the Secretary of the Treasury, was $9,580,626.25 for the fiscal year ending June 30, 1908, such an insignificant sum as could hardly be estimated in percentages. Indeed, no public service can be adequately estimated in dollars and cents. If only that branch of the public service were established, and if only that administration of justice and the laws were provided which, by the performance of its duties, returned in dollars and cents the expense of its constitution, but few would be constituted. The same may be said of the time during which public officers are employed. If offices were not to be created which did not occupy the entire time of the officials, or which did not keep them pressed to their utmost capacity and intelligence and ability, but few offices would be created. The justices of the higher courts, Members of Congress, and other public officials performing the highest duties in public service are not and should not be kept continually at their desks.
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> Objection has been made to the constitution of this court by those interested in the present dilatory system, in that it provides that the justices thereof must be experienced in customs laws and admitted to the Supreme Court of the United States. This is a remarkable criticism.

We have had justices appointed on the Supreme Bench because they were particularly learned in one branch of the law.

> It bespeaks ignorance in the place of intelligence of the particular subject to be decided. The trend of all modern business and professional lines is toward specialism. This principle is observed in the personnel of the greatest courts of the land. Mr. Justice Brown, lately retired from the Supreme Court, was specially appointed to that bench by reason of his extensive knowledge of admiralty law. Mr. Justice White, at present an honorable member of that court, was appointed by reason in part of his special knowledge of civil law. Mr. Justice Lacombe, of the United States circuit court of appeals for the second district and a judge in the southern district of New York, was appointed to that branch especially to decide customs cases by reason of his special knowledge of customs laws.
>
> It is deemed so completely special that customs attorneys practicing before the Board of General Appraisers and the courts in this line practice in no other branches of the law, and few other lawyers care to undertake this class of cases. If it be true that those not skilled in customs law should be appointed judges of customs cases, it would be equally true that those not versed in any law should be appointed judges of general cases, and so on ad infinitum. The result of this proposition reductio ad absurdum is that judges are better qualified by ignorance than intelligence and that laymen and not lawyers should be made judges of our courts.
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> There is a general provision in the bill that the appointees should be admitted to the Supreme Court of the United States. This is a prudent provision, and secures in the personnel of the court the requirement to practice in the Supreme Court, to wit, that they shall have been engaged in general practice of the law in some State of the Union for the period of at least three years. This assures in the personnel of that court general practitioners specially skilled in customs laws. No less qualifications should surround the personnel of any court.
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> Further criticism is made by parties interested in dilatory proceedings that judges of the general bench are better qualified to decide these cases than those specially skilled in customs laws, as members of the board, who are specially skilled in this line of law. The deci-

sions of the Supreme Court of the United States fail to carry out this contention. Since 1891, 15 appeals were passed upon by the board, the circuit courts, the circuit courts of appeal, and the Supreme Court, and the final decision by the Supreme Court was as follows:

	Board.	Circuit courts.	Circuit courts of appeal.
Affirmed	11	8	5
Reversed	4	7	10

When it is borne in mind that after leaving the board additional testimony was introduced by one side or the other, or both, in the circuit court in most, if not all, of these cases, and that therefore the circuit courts and the circuit courts of appeal passing upon the cases had a complete record, whereas the board had an incomplete record, the record of the board for reversal in the Supreme Court of the United States is remarkable.

A frequent vice of the present system we find in the defeated litigants seeking another circuit to relitigate their cases already decided in the hope of favorable decision, or preferring certain circuits by reason of supposed advantages arising from divergent views taken in earlier decisions. In several instances there are now conflicting decisions on the same point not alone between circuit courts, but also between circuit courts of appeal, which naturally result in the enforcement of different rates of duty at different ports if these decisions are observed by the lower tribunals. The amendment of 1908, as stated, will simply multiply these differences.

The customs administration of this country, excepting its unperfected appellate provisions, is the most perfect in existence, and the vast revenue collected, the almost incalculable value of the interests affected, can well afford the additional expense to perfect this system. The final appellate authority upon customs matters should, by reason of the diversity of subjects and the technicality required for sound decision, be not alone schooled in customs law and practice, but should have ample time to and should study many cases from the standpoints of science, mechanics, and mechanism, as well as history of development and production. The importance of the subjects as bearing upon the interests, directly or indirectly, of every citizen of the country, in more ways than one, demands the most studious and painstaking consideration, and should not be cast by the law as an unimportant increment to an already overcrowded jurisdiction.

This Government, however, is great enough, strong enough, and always abundantly able to pay the expenses of whatever system conduces to the welfare of the public and its best interests as a Nation. As one of its results would be to make certain and complete all litigated rates and provisions of the tariff act in about one-third the time now required, it would seem that the expense involved would be insignificant in comparison with that result alone.

The enactment of this bill should provide a court which would relieve the congested dockets of other courts, unify the decisions on customs appeals, expedite such decisions to one-third of the present required time, and add to the completeness of the most nearly perfect customs system in existence.

Mr. President, this statement of the Board of General Appraisers is so comprehensive and complete that it seems to me nothing can add to its force and completeness. For myself, I can not understand why there should be any objection to the creation of this single tribunal having in charge the construction of our tariff laws, to the end that decisions may be prompt and uniform, thereby securing an efficient administration of our revenue system.

Mr. BORAH. Mr. President, I am going to detain the Senate only a moment, but I want to call attention to one fact, which shows how utterly unreasonable is the argument which has been presented by that committee. To show how much that argument is wrong, the salaries of the judges of that court alone amounted to $50,000.

Mr. BAILEY. Will the Senator from Idaho permit me?

The PRESIDING OFFICER. Does the Senator from Idaho yield to the Senator from Texas?

Mr. BORAH. I do.

Mr. BAILEY. I was a member of that committee, though I did not attend its sessions, being sick at the time; but the bill had not then fixed the salaries. It could not, therefore, be that the salaries were fixed at $50,000 when the report was submitted.

Mr. BORAH. Then, they are making an estimate upon the entire matter, apparently. To show how close their estimate came to the facts upon which we are now called upon to pass, I will state that, as the bill was brought to us, the salaries of the judges amounted to $50,000; that of the clerk to $4,000; the Assistant Attorney-General, $10,000; the deputy assistant attorney to $7,500; 4 attorneys at $6,000 each; the other attorneys at $5,000 each, and stenographers amounting to about $20,000 a year; the assistant clerk at a salary of $2,000; stenographer and clerk at a salary of $2,400; reporter at $2,500 per year; and messenger at $900 per year.

At the time the bill came into the Senate there were $120,000 of salaries in the bill alone. So far as the report of that committee is concerned, it does not throw very much light upon it when we come to vote.

Mr. BURROWS. Will the Senator allow me just a moment?

Mr. BORAH. Yes.

Mr. BURROWS. The statement in regard to $50,000 referred entirely to the members of the court. Nothing was said about the other officers required in the administration of the law. That is all open to amendment.

Mr. BORAH. What they said was that the court would cost about $50,000, as I understand.

Mr. BURROWS. That is, the court itself.

Mr. BORAH. Of course the court is not a court when you simply get the judges. The court itself is costing about $210,000 a year.

Mr. BURROWS. If I may be permitted to do so, I will say that if this court, by the uniformity of decisions, its thorough knowledge of the tariff, and the administration of the tariff, could save the Government from refunding, as it has during the last ten years, $18,000,000, does not the Senator think it would be wise to establish it?

Mr. BORAH. I say again, Mr. President, that can only be upon the theory that the decisions heretofore have been erroneous and have not been in accordance with the law. Certainly the proposed court could not save the Government one dollar if it interprets the decisions in accordance with the law, unless we proceed upon the theory that the other courts have not done so.

Mr. CLARK of Wyoming. Mr. President, I am not concerned with regard to the expense of this proposed court; I am rather concerned with reference to a matter which was hinted at by the Senator from Michigan [Mr. BURROWS], in his last statement, that had this court existed heretofore this $18,000,000 would not have been refunded. I am afraid that is true. The $18,000,000 was refunded under decrees of the United States federal court. It is possibly true that had the United States federal court been deprived of jurisdiction the Government might have held on to $18,000,000 which those courts say was improperly collected, but somebody would have been wronged.

I have a great deal of confidence in expert knowledge; I have a great deal of confidence in the expert knowledge of the Board of General Appraisers; but I dislike very much to see a court established by experts for the purpose of carrying out their especial theories of the law.

I am not very much concerned in regard to the delay in customs cases. I have listened pretty carefully, but as yet I have heard no reason why a customs case should be given a preference over an admiralty case. The customs cases in the southern district of New York take their turn with all the other cases that come before the court. I know of nothing sacred in a customs case that should give it the advantage of expedition over other cases. Nor do I care so much about a particular expert judge for that class of cases. It is well for a judge to know the law; but to say that a judge must be an expert upon every detail of all classes of cases that come before him is asking too much of human knowledge. As well might you say we ought to have a judge who has been nothing but an admiralty lawyer in order to enable him to sit properly in a United States court to try admiralty cases, because the one is as much a specialty as the other.

Mr. BURROWS. Mr. President——

The PRESIDING OFFICER. Does the Senator from Wyoming yield to the Senator from Michigan?

Mr. CLARK of Wyoming. Certainly.

Mr. BURROWS. Is not the Senator aware of the fact that Justice Brown, of my State, was appointed to the Supreme Bench because of his special knowledge of admiralty?

Mr. CLARK of Wyoming. Very well; that may have been. I wish more judges were appointed in that way. I was going to say that I can conceive of the possibility of a President of the United States appointing as a judge in the southern district of New York a man who is specially qualified to pass particularly upon customs cases, but I am fearful of special courts. I believe in the federal judiciary. Mr. President, our judiciary as now constituted is equal to all emergencies; and I should hate to think that a man selected by the President of the United States because he was considered competent from every standpoint, because of his legal mind and of his mature, ripe, and honest judgment, to take a place upon the district bench of the United States was not qualified to pass upon a customs case.

I regret very much, Mr. President, that I am unable to coincide with the committee of the Senate, which has recommended this amendment. I believe they have acted for what they thought was the best; but I believe they have been moved by an undue fear that the customs laws are not rapidly enough being executed and that we should have a court to determine what Congress might have meant instead of interpreting what Congress actually wrote.

Mr. BAILEY. Mr. President, it is inconceivable to me that any Senator could deliberately make up his mind to organize a court for the purpose of perpetrating an injustice; and I can not share the belief expressed by the Senator from Iowa [Mr.

CUMMINS] and the Senator from Idaho [Mr. BORAH] that those who propose this legislation have it in their minds to secure a decision in behalf of the Government without regard to the merits of the case. That is a charge so grave that I would not intimate it against any man in whose patriotism or in whose integrity I had the slightest confidence. I do think that there is a belief on the part of some supporting this measure that the importers have been able to secure decisions favorable to them in cases which the Government ought to have won; but I think that is predicated upon the idea that the judge of a court of general jurisdiction can not, in the nature of things, qualify himself for the apt and speedy decision of this particular class of cases.

I think that any lawyer who has ever examined one of these customs cases would himself despair of being able to decide it. He might even despair of being able to try it intelligently; and, if I might be permitted to say that much, an examination of the record in some cases will disclose that the Government's attorneys have not tried them with very great skill and with very great intelligence. I have no doubt that the Government has lost millions of dollars from time to time because customs cases have not been tried on behalf of the Government with the diligence and skill which their magnitude demands.

But, Mr. President, I support this provision, not because I believe it will insure a decision in behalf of the Government when justice is on the part of the citizen, but because I believe it is so vastly important that there shall be a speedy decision of every question, and, most of all, on questions of taxation, that I would not compel the Government and its suitors to wait at the court-house until the ordinary litigation has been disposed of.

It does not become the dignity of the Government to wait around with its hat in its hand until the ordinary civil and criminal cases have been dispatched. Nor is it proper for a citizen who has been compelled, in order to obtain his goods, to pay what he considers an unfair tax to wait upon the ordinary and the tedious processes of the law until his case against the Government can be decided.

I think the Senator from Iowa [Mr. CUMMINS], who makes so few mistakes in his arguments, will rather regret the statement which he made in reply to some interruption that he was not concerned about securing to the litigant against the Government a speedy disposition of the case, "because," said he, "the Government has the money." That is all true; but if the Government is not entitled to it, the Government ought not to be permitted to keep it one hour longer than the orderly and prompt decision of the case will permit.

I think there is no class of cases about which we should be so deeply concerned, not only for a correct, but for a prompt decision, as customs cases. There are $330,000,000 involved in the customs collections throughout the country; and a large per cent of that amount is collected at the port of New York.

I have no hesitation in saying that it is utterly impossible for the judge of a court of general jurisdiction to qualify himself for the trial of customs cases and still to perform his multitudinous and various duties. If any man believes it is easy to decide these questions of classification on the bench, let him first try to make one of these bills for Congress to pass. We have been here four months. The Senate represents upon the average an ability superior to the bench of the United States; and yet how many Senators, after these four months, would undertake to classify articles under this bill? But when a judge is called upon to decide these questions, they are no less perplexing to him than they are to us.

Nor does it always happen that the lawyers illuminate the subject. The old theory of the bar was that by having a man to present each side of the case, each presenting the truth as it appeared to him, the judge, if the case was tried by a judge, or the jury, if tried by a jury, would be able to evolve out of their contentions the very truth of the matter. But unfortunately the lawyers do not always try to enlighten the court, and a lawyer never feels it incumbent upon him to present the other side of the case.

The result of all this is that sometimes arguments tend rather to confuse than to guide and enlighten the judgment of the court. And so when a judge, turning from a case involving a wholly different proposition, comes to try one of these cases involving a difficult and technical question of classification, he may well despair of being able to decide it promptly and justly, because if he decides it promptly he is liable to decide it wrong, and if he takes the time to decide it properly he can not decide it promptly.

Mr. President, there has been some complaint here that the judgments of this court are to be made final; and I avow my responsibility for that. I believe that in a mere matter of dollars and cents, which can never involve all a man possesses, after it has been passed upon by the appraisers, one day in court is enough, and especially is it enough when it affects the revenues of the Government. But that would not have influenced me entirely. I think, as a general proposition, we have too many appeals in this country. I think that the appeal in this country in many cases amounts almost to a denial of justice, because the prosperous litigant can drag the man of small means through so many courts and so many appeals that in sheer despair the latter frequently compromises or surrenders his rights rather than to follow them through an almost interminable litigation. I rather believe——

Mr. HALE. Mr. President——

The VICE-PRESIDENT. Does the Senator from Texas yield to the Senator from Maine?

Mr. BAILEY. Certainly.

Mr. HALE. Let me ask the Senator if this feature of undue delays of the law is not especially applicable now in all the processes relating to questions arising in the collection of customs at the New York City custom-house.

Mr. BAILEY. I understand that to be true.

Mr. HALE. Is not the appeal from the appraiser to the full Board of Appraisers and to the district court and the circuit court and the court of appeals one of the most marked instances of the undue delay of the law that is afforded anywhere in the observation of the Senator?

Mr. BAILEY. I probably would not go quite that far or state it quite so strongly; and yet I am not sure that the Senator from Maine states it too strongly.

I myself rather believe that our ancestors in our mother country have adopted the wiser course about their appeals and the delays of justice. I believe that the best system of justice that could be devised would be one under which a man could bring a suit and get his money under execution within the same year. I believe that any system which delays the final justice of any case beyond twelve months from the institution of the suit is a defective one; and I do not believe it is necessary to have an imperfect justice administered in order to have it promptly administered.

But that was not the consideration which controlled me, and I have no hesitation in stating to the Senate the consideration that did control me, and it was this: The Supreme Court of the United States is to-day overburdened, and if any Senator doubts that, let him read the decisions of that great tribunal. He must conclude, when reading those decisions and comparing them with the decisions of other days, either that the work of the court has increased enormously or else that the intellect of the court has declined in a marked degree. I do not myself believe that the intellect of the court has declined, but I do believe that the work of that court has increased beyond the power of the men who compose it to dispatch it in a proper way. No supreme judge ought ever to be required to read to his brothers an opinion until he has written it and rewritten it until it is letter perfect both in its argument and in its phraseology. Yet I happen to know enough about the habits of the great lawyers who compose that tribunal to know that they work long into the night and then are compelled to say to their brothers they have not been able to give to the preparation of their opinions the time which they required.

Mark you, I make the distinction. I do not say they have not given to the decision of the case—although I think I could say that—the proper time, for I have never heard one of the judges complain that he did not have the time to decide the cases; but I have heard more than one of them admit that they did not have the time to suitably prepare their opinions.

Therefore, on this question of mere dollars and cents involved in the construction of the revenue laws of the country, I do not believe the Supreme Court's work ought to be increased by these appeals when it is already beyond the capacity of the most industrious justices to perform. I wanted to take that away; and while I am on my feet and on the subject I may say that if I had the power I would deprive these District litigants here of the opportunity to carry certain cases to the Supreme Court of the United States. They carry to that great tribunal many ordinary lawsuits transpiring here.

If I had my way, I would first appoint to that tribunal the greatest lawyers in America without reference to their politics, and then I would so limit their jurisdiction that not one of them would ever find it necessary to complain that he was worked beyond either the mental or the physical capacity of a man to do his best work; and I would have every opinion that comes from the pen of a justice and printed in the reports of the Supreme Court of this Republic perfect—as perfect as literary excellence and great ability could make it. That can never happen as long as that court is deluged with the appeals which now go there.

Mr. President, within the last two months that court has delivered an opinion on the commodities clause of the rate law which it were charity to believe was hastily written, because I undertake to say—and on a subsequent occasion I will undertake to prove—that it is the most remarkable deliverance which ever emanated from that tribunal. The court was in such a hurry as to say that the words "mined, manufactured, or produced" were "somewhat redundant."

Of course they were somewhat superabundant if that statute dealt with no case except the very kind of case then at bar. If the statute did not cover and was not intended to cover any except the case of the coal-carrying roads, then they were superabundant, and the word "mined" would have been sufficient. But we must remember that that statute was drawn to cover a multitude of cases, and it would not have covered all of the cases intended either by the man who drew it or by the Congress that passed it if it had not covered manufacturing and productive enterprises as well as mining enterprises. It is strange indeed that the court wrote the opinion in such hurry as to hold that phrase redundant.

Mr. President, I have now in my mind another case where one of the justices, in delivering the opinion, stated as a matter of record what was a matter of brief and a matter which the record itself put in a very different aspect.

I do not complain of that, because what would happen if they permitted their docket to become encumbered to such an extent as it would if they each took ample time to read every record? Lawyers who have had occasion to examine those cases know how voluminous those records are. It seldom happens that a record in a case of any importance is less than a thousand pages, and they are frequently three times that much. When you take all that into consideration, the marvel is that the court has done so well; and for one I never intend so long as I am in this body to see a case go there the effect of which can be measured in mere dollars and cents and which does not involve the Constitution of the United States or some treaty with a foreign country. For that reason I myself insisted upon making the judgment of this tribunal final.

Mr. President, one other word, and I am through. One Senator suggested that if the Government saved this money the effect would be to increase the rate of duty. But that is a mistake, arising from a misapprehension as to the course of business. The way the business is transacted is this: The Government assesses and collects the duty. The importer pays it under protest. He then sells his goods upon the theory that he has paid the higher duty, and the people pay that higher duty. If upon a suit against the collector, or against the Government, as permitted here, he recovers, he takes whatever he recovers out of the Public Treasury and puts it into his private pocket, and the consumers of his goods are not benefited a cent.

If the case could be decided before the goods were taken from the custom-house, then it might be a different thing. But every importer is paying the same duty; and therefore their competition, so far as they compete with each other, is on the basis of the higher duty already paid. Whatever they can recover from the Government is so much gained; and they frequently do recover.

I will not say that they recover unjustly. I am willing to say that every case that has ever been decided by the ordinary federal judge of general jurisdiction has been decided according to his conscience and his knowledge of the law. I have no reason for believing otherwise, and I do not believe otherwise. But I do believe that the better qualified a judge is to exercise the general jurisdiction of a federal court, the less qualified he is to administer justice in this particular kind of a case.

Mr. BORAH. Mr. President——

The VICE-PRESIDENT. Does the Senator from Texas yield to the Senator from Idaho?

Mr. BAILEY. I do.

Mr. BORAH. I should like to ask the Senator a question in view of the suggestion he made with regard to my position. It has been repeatedly stated here by the members of the committee that this court would have saved the Government millions of dollars in the past. What I said was that that was either a charge of incompetency against the federal court, or a charge to the effect that this court would decide as the law was intended, regardless of how it was written.

Mr. BAILEY. I understood how carefully the Senator from Idaho guarded that statement, and he did not leave the committee very much room to escape. But I hardly think it can be reduced exactly to that complexion, because the best judge in the world, if without sufficient knowledge, may honestly err, and almost every judge does err when he has insufficient knowledge. The more honest he is the more apt he is to err in acting upon insufficient knowledge.

Mr. ALDRICH. Mr. President——

The VICE-PRESIDENT. Does the Senator from Texas yield to the Senator from Rhode Island?

Mr. BAILEY. Certainly.

Mr. ALDRICH. I think the Senator from Texas will agree with me that the decisions in these cases that were perhaps not in accordance with what Congress intended have been the result of insufficient preparation on the part of the representatives of the Government more than anything else.

Mr. BAILEY. That is precisely what I was about to say.

Mr. ALDRICH. That is the point where the Government has been deficient.

Mr. BAILEY. And I wish to say that no one would be more impressed with that than the Senator from Idaho. I have already stated that in many instances the cases were not properly prepared and presented. As a result a judge, having no special knowledge of the subject, found that he was able to receive very little assistance from the Government's attorney, but was able to receive a great deal of assistance in arriving at the other conclusion from the importer's attorney. The importer's attorney is frequently the more astute of the two, and I will state how that happens.

I do not mean to say that because a man draws a salary from the Government, fixed without reference to his service, he is less zealous or less honest than a man whose compensation depends upon his success; but it is true that after a man has served the Government over in New York for four or five years, if he develops a sufficient aptness for the work, the importers tempt him with offers of several times as much compensation outside of the Government as the Government pays him. He consequently resigns his place under the Government, and engages in practice on behalf of the importers. That, in my judgment, is the reason the importer's case has generally been presented with more force and clearness than the Government's.

Mr. BORAH. Mr. President——

The VICE-PRESIDENT. Does the Senator from Texas yield to the Senator from Idaho?

Mr. BAILEY. I do.

Mr. BORAH. I only wish to say that if this court is a desirable court, and one that we ought to have, the defense which has been made here for it by the committee itself is, I think, unfortunate.

Mr. BAILEY. I think it is, too, if the Senator wishes my candid opinion. I do not subscribe to the idea that we are going to establish this as a kind of court of errors and corrections against what has happened heretofore. But I do say this, and this is what the committee means, and this much the committee is justified in saying: These cases of the Government, which in themselves only involve perhaps five or ten thousand dollars each, but which become precedents for cases which must be settled in accordance with them that involve half a million dollars, or even more, are not only frequently insufficiently prepared and presented by the government counsel, but have, in my opinion, been tried and disposed of by the court without always having suitable and full knowledge of the facts involved.

Mr. CUMMINS. Mr. President——

The VICE-PRESIDENT. Does the Senator from Texas yield to the Senator from Iowa?

Mr. BAILEY. I do.

Mr. CUMMINS. Does not the Senator think it would be possible to supply the Government with counsel in New York with sufficient compensation, without establishing a new court in which to try the cases?

Mr. BAILEY. You could, if you would, give them enough. But you can not induce a gentleman who can make $60,000 a year by practicing law against the Government to continue in the service of the Government for a compensation of six or even ten thousand dollars.

Mr. CUMMINS. Mr. President——

Mr. BAILEY. Let me finish; in just a moment. That is nothing to that lawyer's discredit. A man will come to the Senate and accept the salary of $7,500 when he could go out and make $50,000 or $75,000 elsewhere. A lawyer will give up his private practice to become a judge of even a circuit court of the United States when his practice had been bringing him four times the amount of his salary as a judge. In my opinion, no lawyer who felt himself qualified for the place ever refused to accept a seat on the bench of the Supreme Court of the United States, no matter what his income was. It is said that the position was offered to Mr. Conkling, and he declined. But in that case it was not a question of compensation. As Allen G. Thurman said, he "did not understand the language." He did not feel qualified for the position. His was a great intellect; he was a great scholar, a great statesman; but he was not a great lawyer, and he would not have made a great judge. For

that reason, and for no other reason, Roscoe Conkling declined the position.

Mr. CUMMINS. Mr. President——

The VICE-PRESIDENT. Does the Senator further yield to the Senator from Iowa?

Mr. BAILEY. I do.

Mr. CUMMINS. There will be the same temptation in the paths of the assistant attorneys-general provided for in this bill, will there not?

Mr. BAILEY. That is true.

Mr. CUMMINS. Then, as I understand, it is the view of the Senator from Texas that we ought to supplement the weakness of the lawyer by the special skill and knowledge of the judge. Is that so?

Mr. BAILEY. That is exactly what I mean.

Mr. CUMMINS. I am glad that we have found the real basis of the argument.

Mr. BAILEY. And I say that without reference to whether the court is going to decide for or against the Government. It is immaterial to me how the court decides, provided it decides the case according to the justice of it. Every time the Government sues a citizen without just cause, I want to see the citizen win the suit; and every time a citizen sues the Government without merit in his cause I want to see the Government win the suit. What I desire is a trial for right and justice, without reference to which way the cause goes with respect to the parties.

The Senator from Iowa has divined exactly what was in my mind. Recognizing the impossibility of the Government securing attorneys who will match in skill and zeal the attorneys of the importers, I would create a court that could try and decide the case justly and fairly if there were no lawyers in it.

The Senator from Iowa perfectly understands that nearly all of these customs cases are taken on contingent fees. An importer brings in a cargo and pays the duty exacted. He files a protest and straightway employs a lawyer. It is regarded there as a reputable practice, and I think would be so regarded everywhere. The importer employs a lawyer to reduce that claim to a judgment against the Government. In nine cases out of ten the lawyer's compensation depends upon a recovery. As in all such cases, the recovery is proportioned to the contingency, and the lawyer generally gets a large per cent of the judgment.

Mr. CUMMINS. Mr. President——

The VICE-PRESIDENT. Does the Senator yield?

Mr. BAILEY. Certainly.

Mr. CUMMINS. It surely can not be true that the great lawyers of New York, those who are especially strong before the courts, indulge in the practices thus suggested by the Senator from Texas? I do not know; I ask for information.

Mr. BAILEY. I think what the country regards as great lawyers are occupied with larger affairs. So far as my information goes I have never known one of the leaders of the New York bar to be employed in this kind of customs cases, although in those cases which involve the constitutionality of a tariff law generally the great leaders of the bar are employed.

Mr. CUMMINS. They are not employed on contingent compensation? I should hope that the Government at least would find lawyers capable of confronting the men who habitually accept contingent fees and prolong litigation in order to increase those fees.

Mr. BAILEY. The trouble about it is the Government educates these lawyers first. The Government does not have anybody but a man who is considered qualified for the position when he accepts it. The Government trains him at public expense and out of the Public Treasury for five or six years until he becomes exceedingly proficient in all customs matters. Then he perceives that he can resign his public position and earn five or six times as much as the Government pays him. I do not question his right to do so, nor do I question the propriety of contingent fees. While I have not indulged in it myself as a lawyer, I know some of the best lawyers in the United States, men of high character and standing, men I would not hesitate to make the executors of my will or the guardians of my children, who take contingent fees in any kind of practice. While I have not thought it was exactly the best way to practice law I have no criticism to make against gentlemen who think otherwise.

At any rate the fact remains that the importers have the best talent at the New York bar for this particular kind of practice. In the nature of things the Government can not always be losing its proficient and capable men and replacing them with inexperienced men without being put at a disadvantage in the trial of its cases. If I had the power, I would correct that disadvantage not by giving the Government an advantage over the importer, but by preventing the importer from having an advantage over the Government. I would have the case tried by a court whose sole and only duty it was to know this law from preamble to conclusion, to know every section in it, and men who would in time become as familiar with these classifications as experts could be. It would be their life work; it would be their life business; it would be their highest official duty. A man who is fit to wear the ermine of this Republic once put on this bench would be able to decide every one of these cases according to the very truth and justice of the matter; and he would so decide them, in my opinion, without much reference to the manner in which the lawyers presented their case.

Mr. McCUMBER. Mr. President, I was not a little surprised to find questioned on this floor the motives and purposes that actuated the Committee on Finance in reporting this provision, first to create a court and then to pack that court with appointees from the President and confirmed by the Senate who would be so prejudiced in their official capacity that they would decide every case in favor of the Government as against the other litigants. Inasmuch as that has been the charge on the floor, I think it appropriate in a very few short sentences to say what I believe did actuate the committee and every member of it in presenting this measure.

Mr. President, in the first place, it is not denied that there is great nonuniformity in the present adjudication of these cases. If we have one court that will give us uniform decisions, I do not think any Senator will deny that it will be beneficial to the litigants, beneficial to the importers, to the manufacturers, and to the business men of the country. And to the extent that it will be beneficial there will be one reason for the appointment of this court, and that is one of the reasons.

The second reason is that of efficiency. The law governing the development of the human intellect is such that constant study of a particular question necessarily broadens and expands and intensifies and deepens the mind on that particular subject. Any man who has gone over even the cotton schedule will understand how delicate questions will arise; how complex those questions must necessarily be, and how necessary it will be to have judges who will possess technical knowledge upon that subject; and a technical knowledge can only be obtained by a constant daily study of those questions. For that second reason it was thought best to have a court whose whole attention, whose whole life work, should be given to that particular subject.

Another reason was, it is admitted that we have not as speedy a determination of those questions as we ought to have, and to the extent we will secure a more speedy adjudication of all those cases to that extent will we benefit the Government and benefit the business of the Government.

The Senator from Iowa has considered that this court will necessarily, by reason of its construction, be a court whose decisions will always be biased in favor of the Government.

Mr. CUMMINS. Mr. President——

Mr. McCUMBER. In just one moment. Mr. President, the natural impulse of almost every man is in favor of the individual and against the Government. That natural impulse of human nature takes hold of judges just as strongly as it takes hold of any other man, and the history of adjudication in the United States will verify that statement.

We created some forty years ago a Court of Claims. Can anyone say that that court, which was created to decide questions of claims against the Government of the United States, has been biased in favor of the Government? Can anyone say that every adjudication has not been fair, and if there was a question of doubt usually that doubt has been in favor of the individual as against the Government?

What foundation, therefore, Mr. President, is there for the assumption that the judges who will make up this court will not be such judges as can sit and give justice as between the litigant and the Government of the United States?

Those, Mr. President, were the principal reasons that actuated the committee in reporting in favor of this measure. I am not one of those who will agree that it is going to cost the Government $250,000 for the carrying on of this court. We must admit that much of the expense that will be incurred in this court will be expenses that will be taken away from other courts, outside of the salaries alone. It is a court of review or a court of appeals, whatever you may call it. It takes no original evidence; it acts only upon the question of the construction of the law and the application of that law to the peculiar technical cases that will be brought before it as evidenced by the record that will be sent up. So there will be no great expense outside of the salaries of the judges themselves.

Then another matter which actuated the committee was this: It is a known fact that the officers acting upon the part of the

Government and in behalf of the Government did not have that technical training that the attorneys upon the other side had in their constant litigation of questions of that character. For that reason we provided for an Assistant Attorney-General who should give his entire attention to this business and should become as expert as those whose life work it is in setting aside or in recovering from the Government what has already been paid.

Taking all those matters into consideration, it was thought best for the interests of the Government to have this special court. No thought was ever in the mind of a single one of the committee that we would not have a fair court that would decide these questions properly, and no such idea, I think, was ever intimated by anyone in the discussion of the matter before the committee.

Mr. FLINT, Mr. SMITH of Michigan, and Mr. WARNER addressed the Chair.

Mr. ALDRICH. I hope that we will be able to get a vote on this question.

Mr. WARNER. Mr. President, I wish to make one suggestion which I think the chairman of the committee will readily agree to. I notice that in the cities named for the holding of the customs court 11 cities are named, and in the sixth, seventh, and eighth judicial circuits Chicago alone is named. My suggestion is by amendment to insert as one of the cities for holding this court, the great city of St. Louis.

Mr. ALDRICH. I have no objection.

Mr. WARNER. It is the fifth city in population and one of the first in commercial importance.

Mr. SMITH of Michigan. Mr. President, I desire to include Detroit.

Mr. ALDRICH. In line 23, after the word "Chicago," insert "St. Louis and Detroit," as suggested by the Senator from Michigan [Mr. SMITH]. I hope there will be no objection to the suggestion.

Mr. WARNER. I have no objection to Detroit.

Mr. SMITH of Michigan. No one can have any objection, and I hope it will be unanimous.

Mr. WARNER. But I am a little surprised to have it in the same class with St. Louis.

Mr. SMITH of Michigan. I am a little surprised at that myself in view of the wonderful growth and commercial importance of Detroit, but we can stand it, I think, under the circumstances, and St. Louis should feel greatly honored by our society.

Mr. ALDRICH. It is not in the same class with St. Louis, but in the same class with Chicago.

The VICE-PRESIDENT. The amendment to the amendment will be stated.

Mr. SMITH of Michigan. Mr. President, just a moment. I think the words "circuit shall be held at Detroit" ought to be added as well as the word "Detroit," because that is the only city in the sixth circuit that is especially named.

Mr. ALDRICH. All right. In line 23, after the word "sixth," insert the words "circuit shall be held in the city of Detroit."

Mr. CUMMINS. Mr. President, I rise to a question of order.

The VICE-PRESIDENT. The Senator from Iowa will state his question of order.

Mr. CUMMINS. The point of order is that amendments to the sections are not now in order. I want to have a vote on the sections as they stand. So far as any amendments offered on the floor of the Senate are concerned, I do not want to be debarred if other cities——

Mr. ALDRICH. The Senator from Iowa is mistaken about amendments not being in order.

Mr. CUMMINS. I would ask that Des Moines be added, if amendments are in order.

The VICE-PRESIDENT. The Chair must overrule the point of order. The amendments suggested to the amendment are in order.

Mr. CUMMINS. I understood that the order in which we were acting was the consideration of committee amendments.

Mr. ALDRICH. Amendments made as in Committee of the Whole.

The VICE-PRESIDENT. Amendments reported from the Committee of the Whole.

Mr. ALDRICH. And they are open to amendment in the Senate, unquestionably. They are reserved amendments.

Mr. CUMMINS. I did not so understand the order.

The VICE-PRESIDENT. The Secretary will state the amendment to the amendment.

The SECRETARY. On page 364, on line 23, after the word "sixth," strike out the comma and the words "seventh and eighth circuits, in the city of Chicago" and insert in lieu the following: "circuit, in the city of Detroit; in the seventh circuit, in the city of Chicago; in the eighth circuit, in the city of St. Louis."

The VICE-PRESIDENT. The question is on agreeing to the amendment to the amendment.

The amendment to the amendment was agreed to.

The VICE-PRESIDENT. The Senator from Iowa asks for the yeas and nays.

Mr. FLINT. Before the question is taken, I ask that a letter from Judge Somerville in reference to the customs court and also the report of the Committee on Finance in reference to the court be printed in the RECORD.

The VICE-PRESIDENT. Without objection, that will be done.

The matter referred to is as follows:

BOARD OF UNITED STATES GENERAL APPRAISERS,
New York, May 22, 1909.

Hon. GEORGE W. WICKERSHAM,
United States Attorney-General.

MY DEAR MR. ATTORNEY-GENERAL: Your letter of the 15th instant has been received with inclosures as stated, in which you request an expression of my opinion on the subject embraced in the printed copy of Judge Lacombe's letter to Senator DOLLIVER and other facts bearing on the necessity for the establishment of the proposed customs court of appeals embraced in H. R. 1438, now pending in the Senate of the United States.

I may state that the proposed bill had never been carefully examined by me until the receipt of your letter.

In my opinion the Senate amendment is subject to criticism at least for two defects.

1. The bill fails to provide for any review by the Supreme Court of the decisions of the court. It has a salutary and conservative effect upon the deliberations and decisions of every court to know that its action is subject to review by a superior judicial tribunal empowered to correct its errors, which must occasionally supervene in its judicial deliverances.

I think, if the proposed court is established, the United States Supreme Court should be authorized to review its decisions by certiorari or otherwise in all cases involving the construction or application of the Constitution of the United States, and otherwise, to the extent allowed for the review of the decisions of the circuit court of appeals in section 6 of the act of March 3, 1891. (26 Stat., 826.)

2. I think, moreover, that it will be utterly impracticable to carry out the provision of the Senate amendment on page 44, lines 11 to 16, inclusive, which reads as follows:

"Immediately upon receipt of any record transmitted to said court for determination the clerk thereof shall place the same upon the calendar for hearing and submission; and such calendar shall be called, and all cases thereupon submitted, except for good cause shown, at least once every sixty days."

I suggest, accordingly, that this clause be stricken out, and the following, or some similar provision, be inserted on page 40, between lines 2 and 3:

"The court may designate in its rules of practice, or by its orders duly promulgated, the times and places when and where its sessions shall be held for the submission and hearing of any pending case or cases, where the character of the business or other good reason does not justify holding sessions in any of the places heretofore named, having due regard, as far as possible, to the convenience of the court and of the litigants concerned. All cases shall be submitted and decided with as much promptness as is consistent with justice and equity and a due consideration of the subject involved."

Coming next to your immediate inquiry, I would say that the tabulated figures given in Judge Lacombe's letter are no doubt correct. More time has been given to the consideration of customs cases by the federal courts in this circuit (New York) in the past two years than formerly, but the decisions have been made in the first instance by many different circuit judges, which do not appear to me to be always harmonious. The jurisdiction of the proposed customs court of appeals, however, is designed to extend over the whole of the United States, embracing nine circuits, and is to be considered in a broader aspect than in its relation only to the New York circuit.

The establishment of a customs court of appeals vested with jurisdiction of customs cases throughout the 46 States would, in my judgment, correct two existing evils.

1. It would lead to the more prompt decision of customs cases, without such delay as would cause the accumulation of suspended protests before the Board of United States General Appraisers, awaiting the action of the courts. This has become an aggravated evil with which the board has struggled in vain, often making requests of the circuit court judges to bring the parties to trial in certain pending issues, so as to relieve the suspended files of the board. These cases now number about 63,000, thousands being covered by a single issue of law or fact.

A few years ago a careful computation made by the board showed that the average life of customs cases decided by the circuit court of appeals, second circuit, measured from the date of the board's return of the record to the circuit court to the date of decision by the court of appeals, was four years and eight months. As an average delay, this is manifestly absurd, indicating that some cases must have been 6 or 8 years old. Since then, largely through the efforts of the board to expedite the taking of testimony at circuit, with the cooperation of the Department of Justice, this period has been greatly reduced. The cases decided by the circuit courts of appeals during the past year are shown by computations which I have caused to be made to be slightly more than 2 years old by the same method of reckoning. There has been a corresponding reduction in respect to decisions in the circuit courts. The former period of probably several years has been reduced to about one year and six months. But even this delay I believe to be unnecessary.

The following are a few of many illustrations that might be given of protracted litigation. In some cases the delay was due to bringing of new suits on old issues.

The citron litigation, commenced under the tariff act of 1883, continued under the act of 1890, and, I believe, under the act of 1894. (Levy *v.* Robertson, 38 Fed. Rep., 714, decided April 16, 1889; Hills *v.* Ehrardt, 59 Fed. Rep., 768; United States *v.* Nordlinger, 121 Fed. Rep., 690, decided February 25, 1903.) Thus it took twenty years from the time when the question probably arose to settle this single contro-

versy; and protests that were filed under the three acts were steadily accumulating on the board's files, from the establishment of the board until 1897, when the act of that year was so drawn as to put an end to the question. They were then held in abeyance six years longer to await the termination of the litigation.

The sugar-test case was tried before the board in March, 1890. The record was returned to the circuit court in July of that year. The circuit court decision was not rendered until May, 1903, and the decision of the court above not until June 2, 1904. (United States *v.* Bartram, 131 Fed. Rep., 833.) Certiorari was denied by the Supreme Court December 5, 1904. The importers then made a new case, which was decided by the Supreme Court November 30, 1908. (American Sugar Refining Company *v.* United States, 211 U. S., 155.) This was more than ten years after the initiation of the litigation. In the meantime 10,000 to 12,000 protests reached the board from various ports of the country.

The featherstitch-braid controversy arose and apparently terminated under the tariff act of 1890. (In re Dieckerhoff, 54 Fed. Rep., 161.) It did not arise under the act of 1894, but recommenced under the act of 1897. After several abortive attempts the record was finally completed, and a case was decided in the circuit court for the southern district of New York November 23, 1907. (Baruch *v.* United States, 159 Fed. Rep., 294.) The appeal has just been argued in the circuit court of appeals, after an extraordinary delay in that tribunal, and a decision is expected daily. In the meantime the importers had taken up an obscure appeal in Chicago, which happened to involve in part the same question, and without the realization by the Government as to the importance of the matter considerable testimony was introduced in the circuit court there, an order of affirmance was entered by consent, and the case quietly appealed to the circuit court of appeals, apparently in an effort to get it considered by that court before the less favorable record in the Baruch case would be passed on by the court in New York. Thousands and thousands of protests have been filed on this issue.

2. The second and still greater evil that would be remedied is the irreconcilable conflict between the decisions of the circuit courts of appeals and also the circuit courts in different circuits, which have never found their way to the Supreme Court for correction. Embarrassment often arises as to which of these conflicting decisions should properly be followed by the board in making their rulings. So-called "test cases" frequently involve a small amount of duties in the particular protest decided, while the principle settled permeates a larger number of paragraphs in the tariff act so as in legal effect to involve thousands of dollars of revenue.

It is to be presumed that the same court would make all of its rulings uniform when the same or an analogous principle is involved. In customs cases, especially, I think it is a sound principle that it is more important to have a principle settled so that the commercial community may act on it without the hazard of an error than to reach absolute accuracy in doubtful cases of construction, thus preventing fresh litigation and abolishing the frequent habit of attempting to make new cases in other circuits, involving no sound differentiation, and based on the speculation that a different judge may be persuaded to attain a different conclusion.

Some serious instances of these conflicts are detailed on the accompanying inclosure headed, "Conflicting decisions."

The copy of Judge Lacombe's letter is herewith returned, as requested by you.

In conclusion I will say that you are at liberty to make any use of this you see fit.

Very respectfully,

HENDERSON M. SOMERVILLE,
United States General Appraiser.

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CONFLICTING DECISIONS.

Under the system that is now in force there have been frequent conflicts in decisions of circuit courts of appeals. The objectionable results of this condition have been mitigated in some instances, though not in all, by the Supreme Court by issuing writs of certiorari. Following are some of the details of recent conflicts:

BOTTLE CHARGES.

In this issue the question was whether the cost of bottle fittings—such as corks, labels, caps, etc.—should be included in the dutiable value of the bottles or attributed to their contents. Under the act of 1894 the board held that they should be applied to the bottles. This decision was reversed by the circuit court in South Carolina. (United States *v.* Keane, 84 Fed. Rep., 330.) A subsequent decision by the board following the Keane case was then reversed by the circuit court for the southern district of New York, which overruled the South Carolina court. (West *v.* United States, 119 Fed. Rep., 495.) The Government acquiesced in the decision in the West case. Under the present tariff the importers' interest was in having the opposite construction prevail—that is, that the charges should not be included in the dutiable value of the bottles—and probably 6,000 cases came before the board on this proposition. The board followed the West decision, which, though against the Government under the act of 1894, was in its favor under the act of 1897. The board was affirmed in the circuit court for the southern district of New York. (Leggett *v.* United States, 138 Fed. Rep., 970.) The importers appealed to the circuit court of appeals, second circuit. But when the case was reached it was dismissed by the importers, because in the meantime that court had expressed a view unfavorable to the importers in United States *v.* Dickson (139 Fed. Rep., 251), where the point had come up incidentally; and another appeal was taken and carried before the circuit court of appeals for the first circuit, which rendered a decision in favor of the importers. (Hayes *v.* United States, 150 Fed. Rep., 63.) Thus we have had the South Carolina circuit court overruled by the New York circuit court, and the circuit court of appeals for the second district overruled by the circuit court of appeals for the first circuit; and incidentally it may be remarked that this is but one of several instances where the importers, after winning an issue under one tariff, have under a succeeding tariff successfully maintained the opposite contention, oftentimes in a different circuit, where a new case had been made up.

ZANTE CURRANTS.

The circuit court in California held that the provision for Zante currants in the tariff act of 1894 was generic and not limited to the product of the island of Zante. (In re Wise, 73 Fed. Rep., 183.) The circuit court of appeals for the second circuit subsequently held the contrary, on the basis of a new record. (Hills *v.* United States, 99 Fed. Rep., 264.) The importers won. It is understood that they feared the result of an appeal in the ninth circuit, by reason of the local prejudice due to the interest of currant growers on the Pacific slope, which was supposed to have colored the testimony of the witnesses who testified in the first case, even though no bias were imputed to the court. Four years' delay was caused by this additional litigation.

SILK WOOL PROVISO.

Paragraph 391, tariff act of 1897, relates to "all manufactures" wholly or in chief value of silk, with a proviso that "all manufactures, of which wool is a component material, shall be classified and assessed for duty as manufactures of wool." Judge Townsend, in the circuit court for the southern district of New York, held that this proviso applies only to said paragraph, or at most only to the silk schedule in which it is found. (Slazenger *v.* United States, Fed. Rep., 517.) Judge Lacombe, sitting in the same court, has recently held the same. (Woodruff *v.* United States, T. D. 29645.) The circuit court of appeals for the eighth circuit has held that it extends not only beyond the paragraph in which it is found, but into other schedules. (United States *v.* Scruggs, 156 Fed. Rep., 940.) The circuit court of appeals for the first circuit held that it did not extend beyond that paragraph, observing that "the words 'all manufactures' found in the proviso should be held to be only a repetition of the same words with which the paragraph begins." (United States *v.* Walsh, 154 Fed. Rep., 770.) But the same court has just followed the decision in the eighth circuit in the Scruggs case without explaining its inconsistency further than to observe that in a doubtful case they would follow that decision as a matter of comity, even though not concurring "in all the reasoning of the opinion leading up to the final conclusion." (Ballot *v.* United States, T. D. 29766.) The circuit court of appeals for the second circuit has apparently occupied conflicting positions on the same question. (Rouss *v.* United States, 120 Fed. Rep., 1021; United States *v.* Johnson, 157 Fed. Rep., 754.) Note statement by reporter in latter case.

SAKE.

The circuit court of appeals for the second circuit has held the Japanese beverage known as "sake" to be dutiable as an unenumerated article under section 6, tariff act of 1897. (United States *v.* Nishimiya, 137 Fed. Rep., 396.) The circuit court of appeals for the ninth circuit held that it was dutiable as still wines by similitude. (United States *v.* Komada, 162 Fed. Rep., 465.) As in the Zante currant litigation this conflict was based on a different record. The matter is now pending in the Supreme Court.

STRUNG BEADS.

Beads temporarily strung were held by the circuit court of appeals for the seventh circuit to be dutiable as beads not strung. (United States *v.* Buettner, 133 Fed. Rep., 163.) The contrary was held by the circuit court of appeals for the second circuit in two cases, one decided before and one after the Buettner decision. (In re Steiner, 79 Fed. Rep., 1003; Frankenberg *v.* United States, 146, Fed. Rep., 704.) The Supreme Court affirmed the latter tribunal. (206 U. S., 224.) The first decision of the board on this issue seems to have been in 1891. (G. A. 876; T. D. 11885.) The litigation, persisting through three tariff acts, ended in 1907.

SIMILITUDE.

The circuit court of appeals for the second circuit held that where an importer wishes to rely upon the operation of the similitude clause to bring an unenumerated article under some particular classification, he must say so in his protest. (Hahn *v.* Erhardt, 78 Fed. Rep., 620.) The circuit court of appeals for the third circuit held the contrary without discussing the point. (In re Guggenheim, 112 Fed. Rep., 517.) The Supreme Court refused to grant a writ in the latter case. Subsequently the same question came before the circuit court of appeals for the second circuit, which adhered to its decision in the Hahn case. (United States *v.* Dearberg, 143 Fed. Rep., 472.)

CONTINUOUS-CUSTOMS PRACTICE.

There is a well-established rule that a long-continued customs practice with reference to the dutiability of merchandise is a cogent reason for continuing that practice, especially if it arose under a prior act. The circuit court of appeals for the first circuit has given this rule a paramount position not recognized by other tribunals, stating that it "is of the highest authority and masters all others." (Brennan *v.* United States, 136 Fed. Rep., 743; United States *v.* Proctor, 145 Fed. Rep., 126.) Extreme application of this rule was given where the customs practice had existed for but five years under the present act. (Burditt *v.* United States, 153 Fed. Rep., 67.) Passing over this application of the rule, it is desired to make the point that no other court of equal authority has followed the first circuit more than a very short distance along this path. Numerous cases have arisen elsewhere since decisions cited were rendered, in which the element of continuous-customs practice has been present as strongly as in the Burditt case, and has been urgently brought out on argument. But invariably the decision has been on other grounds. In fact, it seems to be the rule in other courts to apply this principle only in cases of great doubt, when no other determining consideration can be found. Under these circumstances the board is much embarrassed in deciding cases in which there is proof of a uniform assessment for several years. If the rule be given the primacy which was enjoined in the Brennan case and was applied extremely in the Burditt case, the settlement of customs questions would be highly simplified; but, in view of the attitude of other courts, it seems desirable to be much more conservative in that regard, though there is the practical certainty of a reversal in cases appealed to the first circuit, if they contain the element mentioned.

SUFFICIENCY OF PROTEST.

The circuit court of appeals for the seventh circuit departed from a long line of decisions holding that the importer's protest must indicate the statutory provision relied upon. (United States *v.* Shea, 114 Fed. Rep., 38.) In this case merchandise was classified as tissue paper, which should have been classified as paper not especially provided for. The importer's sole contention was that it was classifiable as manufactures of paper. The court held that the protest was sufficient. But two years later the circuit court of appeals for the third circuit followed the earlier rule in two well-considered opinions—United States *v.* Knowles (126 Fed. Rep., 737), United States *v.* Bayersdorfer (126 Fed. Rep., 732). These cases were later followed by the circuit court of appeals for the second circuit. (United States *v.* Fleitmann, 137 Fed. Rep., 476.) The weight of authority thus became definitely established on the side where it had formerly rested, thus relieving what would have been an intolerable situation, for such questions come before the board of appraisers with great frequency.

TEA COVERINGS.

The question of whether certain containers are usual or unusual coverings for tea was given opposite solutions by the circuit court for the

northern district of California and the circuit court for the northern district of Illinois. (Jackson *v.* Siegfried, 126 Fed. Rep., 837; Collector *v.* Jaques, not reported.) The Board of General Appraisers found it difficult to harmonize these decisions in deciding later cases, but finally concluded to follow the California decision in California cases and the Illinois decision in Illinois cases. (G. A. 5298–5299; T. D. 24288–24289.) This is obviously not an entirely satisfactory method of procedure.

Probably many other like cases of conflict could be cited. The foregoing list consists simply of instances that were recalled without reference to digests or similar sources of such information. It is thought that the showing already made is sufficient to establish the fact of frequent important and embarrassing conflicts of decisions among the federal courts in customs cases. In circuit courts they have been much more numerous than among circuit courts of appeals.

Mr. FLINT, from the Committee on Finance, submitted the following report, to accompany H. R. 1438:

The Committee on Finance, to whom was referred the bill (H. R. 1438) entitled "A bill to provide revenue, equalize duties, and encourage the industries of the United States, and for other purposes," having had the same under consideration, submit the following report on the committee's amendment for the creation of a United States court of customs appeals.

Mr. FLINT. This amendment involves no question of party policy or politics. It may be assumed as true that when a law has been enacted, men of all parties agree that its fair, equitable, and speedy enforcement must meet the approval of all fair-minded men.

This is particularly true with reference to a tariff law. Every provision of such a law affects more or less directly the whole body politic, the great manufacturing and importing interests of the country, as well as the interest of the consumer. Each and all are interested in defining as speedily as possible the precise rate applicable to imported merchandise. The manufacturer is interested, that he may know what protection is afforded. The Government is interested, that it may correctly estimate the probable revenue. The consumer is interested, that the rate of duty he shall pay for merchandise shall be as speedily as possible fixed and determined and that no unlawful tax be exacted of him.

No man can say aught but that a law affecting the whole community and every section of the country should be made certain and definite in its terms as speedily as possible. A tariff law, however, is not fixed and definite in its terms until its various provisions have been finally construed by the administrative officers and the courts. For that reason it becomes of the highest interest to the whole public that when issue has been made affecting any provision, and consequently the rate, of the tariff law, speedy decision should be had.

In a statement made before the Finance Committee, it is said:

> Every rate and phrase of a tariff act are the subject of judicial construction, and until such is finally had no tariff act is complete, and until then all affected trades and industries are to an extent unsettled.
>
> While with the country at large the Congress is popularly believed the determinative body of tariff rates and schedules, as a matter of fact, the courts and the customs administrative officers finally, in a great number if not great majority of cases, determine these matters. The Dingley tariff law passed Congress in July, 1897, and by reason of interpretation and construction of its provisions whole schedules and numerous rates have been greatly changed from the supposed, if not manifest, purpose of Congress. These changes frequently net 10 per cent, 15 per cent, and sometimes greater differences. And at this day, over eleven years after that enactment, there are yet pending for decision questions of equal import, which, by reason of the long-drawn-out road to final appellate decision, may yet be delayed a year or years. The Dingley Act, as with all previous tariff laws, to-day is a court-made and not a Congress-made statute, which, perforce the slow appellate processes provided, is still undergoing tardy but certain changes.
>
> That administration and judicial construction of a tariff law determine its character has been the history of every law. The progressive changes in the average rate of duty collected upon dutiable importations under the tariff law of 1897 bear witness to this fact. The average ad valorem rate of duty collected upon dutiable merchandise from 1897 to the close of the fiscal year 1908 is as follows: 1898, 48.80 per cent; 1899, 52.07 per cent; 1900, 49.24 per cent; 1901, 49.04 per cent; 1902, 49.78 per cent; 1903, 49.03 per cent; 1904, 48.78 per cent; 1905, 45.24 per cent; 1906, 44.16 per cent; 1907, 42.55 per cent; 1908, 42.78 per cent.
>
> The duties collected during the fiscal year 1908 included sums collected under the previous tariff act. The highest rate of duty collected under the tariff law of 1897 was during the fiscal year ending June 30, 1899, when the average rate was 52.07, and the least during the fiscal year 1907, when the average rate was 42.55. The average ad valorem rate of duty collected under the Dingley tariff in the year 1908 was nearly 10 per cent below that collected in 1899 and was about that collected in the last full year of the Wilson-Gorman tariff law, to wit, 1897, which was 42.17 per cent ad valorem.

Witness the fact that while this Congress now considers its successor, twelve years after enactment of the Dingley law, the colored-cotton rate is just announced. The result is that for twelve years there has been collected from the consumers of the country a 40 per cent duty where hereafter but 15 and 20 per cent will be collected. It took five years to reach ultimate decision after the point was first raised.

And so it is with numerous other cases still pending in the courts.

In view of the fact, however, that serious opposition has been offered to this bill both in the public press and upon the floor of the Senate, involving severe criticisms of those who have advocated it, it will not be unprofitable to review the history of the situation prompting the Finance Committee to report the amendment in question. It is always better to proceed in the light of a full understanding of the situation demanding attention.

Prior to 1890, during which year the customs administrative act was enacted, all appeals from decisions of collectors of customs as to the rate or amount of duty were heard by the Secretary of the Treasury. Inasmuch as the Secretary of the Treasury was one of the parties to the controversy, the manifest injustice of having the cases decided in that office so appealed to the Congress that what is known as the "customs administrative law" was enacted.

There were further reasons contributing to this enactment: First, the vast number of accumulated protests upon the files of the Treasury Department for decision seriously hampered its proceedings; second, the great delay resulting necessarily from such an accumulation of work upon the officials of the department, causing long delays in the ultimate decision of contested points, made it mandatory that some system be devised for the decision of these protests.

This led to the enactment of the customs administrative law of 1890, which created the Board of General Appraisers and provided a system of appeals from that board to the United States circuit courts, and to the Supreme Court of the United States in defined cases.

At that time circuit courts of appeal had not been created. Since then, in 1891, circuit courts of appeal were established and another intervening review of these cases was added, thereby increasing the possible delays in ultimate decision of these cases, making a total for them of five official reviews.

It may not be amiss for a proper understanding of the situation to comment upon the magnitude of the work thus cast upon the Board of General Appraisers, the first reviewing tribunal.

The work of the board is divided into two branches called "classification" and "reappraisement." Classification cases are questions of law relating to the determination of the rate or amount of duty properly applicable to imported merchandise. Reappraisement cases involve the question of the proper dutiable value of imported merchandise.

The annual number of classification or law cases received at the present time by the Board of General Appraisers far exceeds 50,000 per year. The estimated number which will be received during the fiscal year ending June 30, 1909, is 65,000.

A statement, by years, of the number of such cases arising before the board since its organization is as follows:

1891	50,146
1892	47,615
1893	26,404
1894	19,862
1895	24,150
1896	20,078
1897	14,544
1898	16,969
1899	21,876
1900	22,370
1901	19,789
1902	18,854
1903	29,589
1904	30,210
1905	38,768
1906	40,892
1907	58,443
1908	44,230
1909 [a]	65,000

Under the reappraisement branch the number of protests runs from 4,200 to 6,000 per year, as follows:

1891	2,969
1892	2,925
1893	1,954
1894	1,451
1895	3,645
1896	4,715
1897	3,889
1898	3,404
1899	3,190
1900	2,561
1901	2,317
1902	2,849
1903	3,112
1904	3,128
1905	4,246
1906	4,545
1907	5,628
1908	4,213

The Board of General Appraisers consists of nine members appointed from various sections of the country, no more than five of whom shall belong to the same political party.

The decisions of classification cases involve in many instances extensive research in the sciences, arts, and history of manu-

[a] Estimated.

facture and production of various and numerous articles of imported merchandise.

The decisions in reappraisement cases involve the ascertainment of the foreign market value of imported merchandise at various points throughout the world.

It will readily be understood that a proper performance of the duties upon behalf of the members of the Board of General Appraisers involves an immense amount of work. It may be said, however, to their credit that for the past several years at the close of each fiscal year the board was up with its current work.

The number of separate written decisions handed down by the board in classification cases runs between five and six thousand per annum. While many of these involve the same issue, the number of separate and distinct issues annually decided by the Board of General Appraisers averages about 3,000.

The number of findings in reappraisement or value cases, being the determination of foreign market value of merchandise, average about 5,000 per annum.

Reappraisement cases are first heard by a single general appraiser. An appeal is provided from his decision to a board of three general appraisers. The decision of the board of three in such cases is made final by statute, and there is no appeal to the courts from their decision.

In classification or law cases all decisions must be by a board of three. For this purpose the board of nine general appraisers is divided into three coordinate boards of three each. Under a rule of the board, authorized by the law, each decision of the board of three involving a new point must be approved by all the other members of the general board present. If two members of another board check "No," the case is thrown into the board of nine for ultimate decision.

The appeals in classification cases formerly provided by law were, first, from the board of three to the United States circuit court having jurisdiction at the port where the appeal arose; thence to the circuit court of appeals of the same jurisdiction; and thence, in certain instances, by review on certiorari or appeal to the Supreme Court of the United States.

Until May 27, 1908, it was provided by the law that on appeal from the board to the circuit court additional testimony could be taken. This provision of the law was originally intended as a safeguard in the nature of a new trial in case of evidence discovered subsequent to the decision of the board. It soon became the practice, however, in the trial of these cases, for reasons which I will give later, to submit only sufficient testimony before the board to satisfy the statute that the testimony above was "additional" testimony, as provided by the law, and subsequently to take the main portion of the testimony in the court above. This latitude afforded by the law became so much abused that in recent years more than one-half of the testimony in customs cases was taken in the United States circuit courts. Under this practice it became the interest of the protestant that only sufficient testimony should be offered before the board that the case could be decided, relying upon the introduction of his testimony in the court above. It more than often became the policy of the importer to submit only such evidence as would preserve the right to make his case above, preferring that the case be decided adversely below.

Thus, what Congress intended should be a provision to remedy possible error in the board was made the instrument of error and delay in decisions. In numerous and important cases the board, for lack of legal power, became but an instrument of delay under the law, there being no intention to submit all the evidence before the board to afford them the opportunity to find on all the facts. This practice was so much indulged that severe criticism was made of it in many instances. Thus, in the case of United States *v.* Hempstead (159 Fed. Rep., 290), Judge Holland stated:

> This is another illustration of the faulty procedure in this class of cases in permitting the parties objecting to partially present their case before the Board of General Appraisers and, after losing it there, then wakening up to the necessity of properly presenting it and producing the evidence before the court which could have as easily been submitted to the Board of General Appraisers. If this case had been presented to the board upon the evidence submitted here, and the classification urged under paragraph 398 of the tariff act of 1897 as surface-coated paper printed, "dutiable at 3 cents per pound and 20 per cent ad valorem," the board in all probability would have sustained the collector; but the contention was made that decalcomania was not properly assessed under paragraph 398 or paragraph 400, as claimed by the importer, but that it was dutiable at the rate of 45 per cent ad valorem as manufactures of metal under the provisions of paragraph 193 of the tariff act. This proposition, as stated in the opinion of the board, "is utterly groundless and upon principle must be rejected." It was rejected by the board; and decalcomania was held to be dutiable under paragraph 400 as "printed matter," whether it could be regarded as lithographic prints or not. The additional testimony, subsequently taken and now before the court, however, clearly establishes that decalcomania is an entirely different article of merchandise from lithographic prints or printed matter. It is a distinct article of commerce, differing from lithographic prints and printed matter both in manufacture and use.

The following is a list of a few cases where this practice was commented upon by the courts and expressly resulted in reversals of the board's decisions:

Hillhouse *v.* United States (152 Fed. Rep., 163; T. D. 27831), circuit court of appeals, second circuit: The Board of General Appraisers disposed of this claim by finding that there was not satisfactory proof that the machine had been used abroad for a year. This defect of proof was supplied in the circuit. * * * The decision is reversed.

United States *v.* Thurnauer (152 Fed. Rep., 660; T. D. 27857), circuit court, southern district of New York, Hazel, district judge: * * * The board sustained the protest. * * * The proofs given in this court show that, etc. The decision of the board is therefore reversed.

Nash *v.* United States (152 Fed. Rep., 573; T. D. 27875), circuit court, southern district of New York, Hazel, district judge: The testimony given in this court and which was not before the board indicates, etc. The decision of the board is reversed.

Mendelson *v.* United States (154 Fed. Rep., 33; T. D. 27898), circuit court of appeals, second circuit: In the case at bar, however, the importer did appear (before the board) and offered evidence, which the board found not satisfactory; it consisted merely of an affidavit made by a person in China. We are of the opinion, therefore, that the evidence taken in the circuit court was properly in the record and should be considered. * * * The decision of the circuit court is reversed.

NOTE.—The circuit court had affirmed the board, declining to consider the additional evidence taken after the case had been appealed. The testimony taken before the board, an affidavit, consisted of 4 folios, that in the circuit court of 128 folios.

Hesse *v.* United States (154 Fed. Rep., 171; T. D. 27980), circuit court, southern district of New York, Hough, district judge: * * * The testimony which has prevailed before the Board of Appraisers is that the goods are known as "Renaissance collars." * * * * I conclude from the evidence introduced in this court that they are not "Renaissance." * * * The decision of the general appraisers must be reversed.

United States *v.* Herrmann (154 Fed. Rep., 196; T. D. 27981), circuit court of appeals, second circuit: The decision of the board was reversed on the basis of additional evidence introduced in the circuit court. No evidence whatever was taken before the board.

Schall *v.* United States (154 Fed. Rep., 1005; T. D. 27985), circuit court of appeals, second circuit: The decision of the board was reversed. Considerable additional testimony was taken in the circuit court.

Kuttroff *v.* United States (154 Fed. Rep., 1004; T. D. 28003), circuit court of appeals, second circuit: The decision of the board was reversed. Seven folios of testimony were taken before the board and 391 before the circuit court.

Boker *v.* United States (154 Fed. Rep., 174; T. D. 28005), circuit court, southern district of New York, Hough, district judge: * * * The general appraisers have upheld the collector. * * * Much additional testimony has been taken in this court. * * * The protest is sustained.

United States *v.* Hempstead (153 Fed. Rep., 483; T. D. 28076), circuit court, eastern district of Pennsylvania, McPherson, district judge: * * * Further testimony having been taken under the order of the circuit court, this, with the testimony that was before the board, has been duly considered. * * * I * * * base my conclusions solely upon the testimony that was taken in the regular way before the board and under the order of the circuit court. * * * The decision of the Board of General Appraisers is reversed.

United States *v.* Colby (153 Fed. Rep., 883; T. D. 28078), circuit court of appeals, second circuit: The decision of the board was reversed. Thirty-eight folios of testimony were taken at circuit, additional to 165 taken before the board.

La Manna *v.* United States (154 Fed. Rep., 955; T. D. 28187), circuit court, southern district of New York. The board was reversed, presumably on the basis of additional evidence taken at circuit.

Vantine *v.* United States (155 Fed. Rep., 149; T. D. 28188), circuit court, southern district of New York, Platt, district judge: * * * The evidence before the board, coupled with that taken in court, etc. * * * The decision of the Board of General Appraisers is reversed.

NOTE.—One hundred and eighty-two folios of testimony were taken at circuit.

United States *v.* Bestard (T. D. 28234), district court, district of Porto Rico, Rodey, district judge: * * * A hearing was had in open court, the evidence of the witnesses taken. * * * Having examined the samples and heard the evidence, as intimated, we are of opinion that * * * the decision of the Board of General Appraisers should be reversed.

NOTE.—No evidence whatever had been taken before the board.

Davies *v.* United States (T. D. 28238), circuit court, eastern district of Louisiana: The board was reversed. Nine folios of testimony had been taken before the board and 46 before the court.

Bassett *v.* United States (154 Fed. Rep., 681; T. D. 28279), circuit court, eastern district of Pennsylvania, Holland, district judge: * * * On appeal to this court further testimony was taken. * * * The decision of the Board of General Appraisers should be overruled.

Wyman *v.* United States (T. D. 28210), circuit court, eastern district of Missouri: The decision of the board was reversed; additional evidence was taken in court.

United States *v.* Lorsch (158 Fed Rep., 398; T. D. 28513), circuit court of appeals, second circuit: Board reversed; additional testimony taken in court.

Crawford *v.* United States (T. D. 28539), circuit court, southern district of New York: Board reversed; additional testimony taken in court.

Dudley *v.* United States (153 Fed. Rep., 881; T. D. 28052), circuit court of appeals, second district: Board reversed; additional testimony taken in court.

United States *v.* Villari (T. D. 28654), circuit court of appeals, second circuit: Board reversed; 57 folios of evidence taken before board and 72 before court.

Benson *v.* United States (T. D. 28656), circuit court of appeals, seventh circuit: Board reversed in part; additional evidence taken in court.

Bockmann *v.* United States (T. D. 28784), circuit court of appeals, second circuit: Board reversed; additional evidence taken in court.

United States *v.* Hempstead (T. D. 28829), circuit court, eastern district of Pennsylvania, Holland, district judge: * * * This case is another illustration of the faulty procedure in this class of cases in permitting the parties objecting to partially present their cases before the Board of General Appraisers, and, after losing it there, then wakening up to the necessity of properly presenting it and producing the evidence before the court which could have as easily been submitted to the Board of General Appraisers. If this case had been presented to the board upon the evidence submitted here, * * * the board, in all probability, would have sustained the collector. * * * The additional testimony, subsequently taken and now before the court, however, clearly establishes that decalcomania is an entirely different article from lithographic prints or printed matter. * * * The decision of the Board of General Appraisers is reversed.

Wood *v.* United States (T. D. 28893), circuit court, district of Massachusetts, Colt, circuit judge: * * * Since this decision by the Board of General Appraisers additional testimony has been taken before a referee appointed by this court. * * * This additional testimony established beyond any doubt that the article is commercially known as "cotton waste." * * * The decision of the Board of General Appraisers is reversed.

Wyman *v.* United States (T. D. 28924), circuit court, eastern district of Missouri: Board reversed; additional testimony taken in court.

This system continued until May, 1908. Congress at that time enacted a law providing that all testimony in customs cases should be taken before the Board of General Appraisers, and that appeal to the circuit courts should be upon the record. The right to grant a new trial within thirty days was vested in the board.

Where the Board of General Appraisers previously had no plenary power for the summoning of witnesses, power was granted by the statute of that year.

For many years prior to that time, after appeal of these cases to the circuit courts, great delay was had in the taking of the testimony. The law provided that this testimony should be taken before a United States general appraiser as referee, but no provision was made whereby expedition could be had in the taking of the testimony. Consequently, until recently the length of an appeal from the time it left the Board of General Appraisers until it was finally decided by the United States circuit court of appeals was on an average four and one-half years, and five and six years for review by the Supreme Court.

It is the practice, under a Treasury order, when an issue is made before the Board of General Appraisers and an appeal taken to the circuit court, that all similar cases are put upon what is known as the "suspended files" of the board in order to await ultimate decision in the courts above, whereupon these cases are taken down and decided in accordance with the ultimate decision.

The number of these cases accumulating upon the suspended files became so great that the number of issues upon which cases could be decided by the board were becoming so few that imminent danger was presented that almost all protests coming before the board would be compelled to go on the suspended files to await final decision.

In order to relieve these threatening and congested conditions, the Board of General Appraisers established a referee's docket. By this is meant that the General Appraisers, sitting as referees, established a docket of all cases in which orders for additional testimony had been granted by the circuit courts, and proceeded to set these cases down for hearing. This resulted in much earlier completion of such records for trial and greatly expedited the decision of appeals, with the result that the average time of an appeal to the circuit courts was reduced from four and one-half to two and one-half years.

The legal right of the board to control the completion of such records was for a long time questioned, and its action criticised as an unwarranted interference with the progress of cases after decision. That controversy had not been completely settled in 1908.

In relief of this condition, and for the purpose of further reducing the length of time of ultimate decision of these cases, Congress, in May, 1908, enacted the law requiring that all testimony should be exhausted before the Board of General Appraisers, and that appeal must be had upon the record alone. That is the system in force to-day.

The ordinary transit, therefore, of protests from the time of filing until ultimate decision is as follows:

When filed with the collector it is reviewed by him, and if not sustained is forwarded with all the papers in the case to the Board of General Appraisers for decision. If that decision is unsatisfactory, it is then appealed to the United States circuit court for decision. If that decision is unsatisfactory, it may be appealed to the circuit court of appeals. This right is vested by law in the Government and permission in the importer.

In cases decided since that act went into effect importers' appeals have been taken as a matter of right, and while that right has not as yet been questioned, the undoubted course will be to allow them with the same liberality as before, unless in specific instances affirmative contrary reasons exist. Such is the usual construction of all such statutes. Any court would be slow to deny a legal right of appeal from its own decision, particularly where the other party has that right absolutely.

If the decision of the circuit court of appeals is unsatisfactory, there is right of review by certiorari from, or in proper cases appeal to, the Supreme Court of the United States.

In all cases appeals must be taken to the circuit court having jurisdiction of the port whereat the protest is filed.

It will thus be seen that the protest against a rate of duty levied is, under existing law, reviewed, first, by the collector; second, by the Board of General Appraisers; third, by a United States circuit judge; fourth, by the circuit court of appeals; and, fifth, by the Supreme Court of the United States.

The natural transit of a protest through these five respective points of review consumes on an average at present two and one-half years for decision in the circuit court of appeals, and three and one-half to four years where taken to the Supreme Court of the United States. While this is the average time, the more important cases consume three and four years and oftentimes longer.

It can be readily understood that in view of such an unnecessary number of reviews great delay must necessarily follow. This involves no criticism upon the courts or officials, but it is the vice of the law providing such a long system of review and such an unnecessary number of reviews.

Meanwhile under the necessary procedure the rate of duty originally levied by the collector, which is necessarily the high rate, remains in full force and effect, and affects all the merchandise of that class and to that extent increases the price which is paid for the same by the consumer of the country. If the importer is successful, the consumer receives no benefit from it. He has paid for his goods to the importer the increased amount effected by the increased rate; but when the refunds are paid by the Government in case of success, they are divided under the present system between the counsel for the importer, the broker, and the importer.

Almost all of these cases are taken upon contingent fees, dependent upon ultimate success, the fruits of which are divided between the counsel for the importer, his broker, and the importer.

Ever bearing this fact in mind, it will be found the source of almost all the opposition to this measure. This amendment means the reduction of these contingent fees and refunds, amounting to an average of over a million dollars a year, to at most one-third of that sum. Over this cause there has for years been waged a controversy between government officials on the one side, pressing for expeditious administration of the law, and the beneficiaries of these refunds on the other side, offering strenuous opposition.

In view of the fact that a protest is filed upon every importation of such goods into this country, the reason is at once seen why it is to the interests of all these parties under the present system to delay decision as long as possible, and it explains why under the present system loud protest is made against any procedure which purposes shortening the length of time for ultimate decision of these appeals. The importer does not suffer; in fact, he profits, because he collects the additional duty out of the consumer. The attorney and broker both share in these refunds, so it is to their great financial advantage to prolong as much as possible ultimate decision of these cases.

It is the view of the committee that the number of appeals provided in such cases is unnecessary, and that the collection of an excessive rate of duty from the consumer, which is necessary pending these appeals, should not be continued any longer than essential for the proper consideration of the law and facts.

It is the opinion of the committee that there is no warrant for opposition to this bill further than that which lies in the interest in the refunds that are afforded in case of success. The present dilatory procedure profits nobody but the parties mentioned, chiefly the counsel for the importer; next in interest to him, the broker; and, lastly, the importer.

Every dollar collected upon importations after a proper length of time for any of these issues to be decided is a dollar unjustly collected out of the consumers of the country for the benefit of the parties mentioned, and the maintenance by the Congress of the present dilatory system of appeals is simply the maintenance of a system of law which enables one class of persons to collect out of the pockets of another class of persons large sums of money each year without any justification and in many cases without any authority of law.

It is not surprising that representatives of certain manufacturing interests are particularly anxious for the continuance of the old system. The Senate has been flooded with copies of

a certain paper conducted by such. The reason is that when a rate of duty is held illegal by the board, its continuance can be maintained for years by keeping alive and nursing along that appeal. The unscrupulous manufacturer or his representative has here, then, in this delay a sure defeat for the board's decisions and method for the maintenance of an illegal rate of duty if he knows the trick.

The maintenance of this system of appeals, therefore, at once becomes the instrumentality for the long-continued exaction of an illegal rate of duty, and constitutes the Government a party to and bureau for the collection of illegal duties from the consumers of the country as a reward to be paid to a certain few for their interference with and delay of the procedure of the Government in the collection of its revenues.

A review of a few of these cases will give the Senate an idea of the possibilities of delay under the system of appeals in customs cases now existing. It will show that while the average life of an appeal has been from two and one-half to four and one-half years, in important cases, involving great amounts of money, the present system permits of delays extending over periods of time of from five to twenty years, and that it is no uncommon thing to string along these cases for a period of ten or twelve years, thus accumulating vast sums in the shape of possible refunds collected out of the consumers of the country.

PROTRACTED LITIGATION IN CUSTOMS CASES.

CANDIED CITRON.

This issue arose under the tariff act of 1883 and was continued through the tariffs of 1890 and 1894. Just how early in the life of the act of 1883 the litigation commenced does not appear, but it was first tried in the United States circuit court in New York April 16, 1889. (Levy *v.* Robertson, 38 Fed. Rep., 714.) This decision was against the importers. They prepared another case, which was decided October 10, 1893. (Hills *v.* Erhardt, 59 Fed. Rep., 768.) They lost this case also. In the meantime the Board of General Appraisers had been established, and the litigation was recommenced before the board. The board made several decisions adverse to the importers, and appeals were taken to the circuit court in New York. Orders for further evidence were entered and kept open until the act of 1894 had been repealed by the Dingley tariff, and there was no longer any possibility of accumulating further possible refunds. Finally, in February, 1902, the further evidence was completed. The case was then argued in the circuit court and decided May 9, 1902. (Nordlinger *v.* United States, 115 Fed. Rep., 828.) The decision was in favor of the importers, but the Government prevailed on appeal to the circuit court of appeals, second circuit. (United States *v.* Nordlinger, 121 Fed. Rep., 691.) The importers' application for writ of certiorari was denied by the Supreme Court December 21, 1903. The last published decision by the board seems to have been January 28, 1904. This litigation involved an unusually large sum of money, probably not less than a million dollars, and, as will be seen from the foregoing, had a history of more than twenty years from its probable inception to its termination.

VALUE OF RUPEE.

The question was whether the Indian rupee should be converted into American currency on the basis of its exchange or its coin value. The question arose under the act of 1894 and continued under the act of 1897. The first case decided by the board related to an entry made March 9, 1896. Protest was filed by the importers July 23, 1896. It was received by the board September 10, 1896, and was decided by the board January 9, 1897, favorably to the importers. Decision not reported. It was decided in the circuit court January 7, 1899. (United States *v.* Newhall, 91 Fed. Rep., 525.) No appeal was taken by the Government, but further proceedings were begun before the board. A new case was prepared, which was appealed to the circuit court of appeals for the first circuit and the Government again lost. (United States *v.* Beebe, 106 Fed. Rep., 75.) A third case was then prepared by the Government, and the decision of the board was affirmed by the circuit court in Baltimore and by the circuit court of appeals of the fourth circuit. (United States *v.* Whitridge, 199 Fed. Rep., 33.) Although the Supreme Court had previously denied a writ of certiorari in the Beebe case, they granted such a writ in the Whitridge case. A decision in favor of the Government was rendered February 27, 1905, nearly nine years after the initiation of the litigation. (United States *v.* Whitridge, 197 U. S., 135.) Several million dollars were at stake in this case.

SUGAR TEST.

The importers contended that the method of ascertaining the polariscopic test of sugar under the tariff act of 1897 as prescribed by the Secretary of the Treasury was illegal. The subject of litigation was an entry of January 6, 1898. The importers filed a protest March 5, 1898, which reached the board on the 22d idem. After careful hearing by the board a decision was rendered March 11, 1899, adversely to the importers. (G. A. 4686; T. D. 22123.) An appeal was taken by the importers to the circuit court in New York.

There ensued several years' delay to enable further testimony to be taken at circuit, and the case was not decided there until May, 1903, the Board of General Appraisers being reversed. On appeal by the Government to the circuit court of appeals, second circuit, that tribunal reversed the circuit court and affirmed the board. (United States *v.* Bartram, 131 Fed. Rep., 833; T. D. 25395.) This decision was rendered June 2, 1904. A writ of certiorari was denied by the Supreme Court December 5, 1904. The importers then recommended litigation before the board, aiming to take the case on appeal directly from the circuit court to the Supreme Court, on the theory that a constitutional question was involved. These further proceedings consumed four years more. The case reached its final stage November 30, 1908, when the Supreme Court dismissed the appeal for want of jurisdiction. (American Sugar Refining Company *v.* United States, 211 U. S., 155; T. D. 29411.) The litigation on this question thus endured nearly eleven years. At least $6,000,000 were involved in this case.

SAKE.

October 4, 1894, the Board of General Appraisers held that sake was dutiable as still wine by similitude under the tariff act of 1890. (G. A. 2786; T. D. 15392.) That case related to an importation at Honolulu made April 21, 1894, on which the importers filed a protest June 4, 1894, which was received by the board July 3, 1894. This decision was accepted by all concerned until April, 1902, when, under the tariff of 1897, an importation was made which the importers contended was subject to duty as beer or as an unenumerated article. After extended consideration by the board a decision was rendered against the importers April 29, 1903. (G. A. 5334; T. D. 24410.) No appeal was taken from this decision, because it was desired to have the matter passed upon by the courts in the second circuit.

A test importation was therefore made within that jurisdiction and an appeal taken from the decision of the board made on that importation. The board was reversed by the circuit court in New York and by the circuit court of appeals, second circuit, March 3, 1905. (United States *v.* Nishiniya, 137 Fed. Rep., 396; T. D. 26155.) This decision was against the Government. A new case was then brought in the ninth circuit. Exhaustive hearings were held by the board, testimony being taken at several ports, including Honolulu. On the record thus made up the importers prevailed in the circuit court in San Francisco, but were defeated in the circuit court of appeals, ninth circuit. (United States *v.* Komada, 162 Fed. Rep., 465; T. D. 29104.) This decision was rendered May 18, 1908. The Supreme Court has since granted a writ of certiorari, and the case is now pending before that tribunal and has been set for argument in October, 1909. Nearly seven years have been consumed in litigating this question under the present act, not to mention the litigation under the act of 1890. The board is holding in abeyance over 4,000 protests which have accumulated on this issue, and if the importers win this case more than a million dollars will be refunded.

GRANITE MONUMENTS.

This question arose under the act of 1897 on an importation entered August 19, 1904. A protest was filed October 7, which reached the board November 2, 1904, and was decided by the board favorably to the Government April 28, 1905. (G. A. 6026; T. D. 26334.) An appeal from this decision was taken through to the circuit court of appeals, second circuit, and was there decided adversely to the importers December 20, 1906. (Baldwin *v.* United States, 149 Fed. Rep., 1022; T. D. 27802.) A new case was then prepared before the board, and a decision was rendered February 19, 1907. An appeal was taken to the third circuit, and in the court of appeals in that jurisdiction decision was again rendered adversely to the importers May 14, 1908. (Murphy *v.* United States, 162 Fed. Rep., 871; T. D. 29032.) The importers, however, have not accepted this decision as final, and the matter is still in an acute form. Twenty appeals on this subject are now pending in various circuit courts of the United States, and it is the intention of the importers to carry the matter again to the circuit court of appeals in the second circuit. It will thus be seen that nearly five years have elapsed since the inception of this litigation, and the end is not yet.

GLASS ARTICLES.

This issue arose promptly under the tariff act of 1897 on an importation made September 8 of that year. The protest was

filed September 22 and reached the board November 9, 1897, and was decided by the board October 18, 1898. The importers were unsuccessful in the circuit court and in the circuit court of appeals of the second circuit. The latter tribunal rendered its decision January 9, 1901. (Stern *v.* United States, 105 Fed. Rep., 937.) This decision was accepted by the importers for several years, but the matter has since been reopened and the case taken to the circuit court of appeals for the third circuit. This tribunal on December 16, 1907, rendered a decision against the importers. (Hempstead *v.* United States, 158 Fed. Rep., 584; T. D. 28638.) Owing to the pendency of a related question in the circuit court of appeals for the eighth circuit, the matter is still unsettled and the board is now holding on its files 4,615 protests which have accumulated in the past two and a half years.

BUFFALO HIDES.

The importers contended that the term "cattle hides," in paragraph 437 of the tariff act of 1897, did not include buffalo hides, and the litigation commenced almost immediately after that act went into effect. A protest on an importation made August 25, 1897, was filed October 15 and reached the board November 6, 1897. It was decided by the board October 3, 1898. The case slumbered in the circuit court at New York for several years, and was finally decided by that court May 31, 1902, and by the circuit court of appeals April 18, 1903, this decision being adverse to the importers. (Rossbach *v.* United States, 122 Fed. Rep., 1020.) A new case was then prepared by the importers before the board, which was appealed to the same courts, the importers being again unsuccessful. (Schmoll *v.* United States, 157 Fed. Rep., 1005; T. D. 28604.) The Supreme Court denied a petition for a writ of certiorari April 13, 1908.

This litigation had been on the domesticated buffalo hides. In the meantime question had arisen with respect to the hides of the buffalo of the Straits Settlements, known as "Singapore" hides. The litigation on this phase commenced in 1898. It was not decided by the circuit court until 1903 or by the circuit court of appeals until December 7, 1904. (United States *v.* Winter, 134 Fed. Rep., 141; T. D. 25901.) While the Government had prevailed as to the hides of the domesticated buffalo, it was unsuccessful with respect to this latter variety of Singapores. A new case was made before the Board of General Appraisers and much additional evidence was introduced. The board's decision being adverse, the Government appealed to the circuit court, where a decision has just been rendered—again adversely. (United States *v.* Wadleigh, T. D. 29821.) An appeal will probably be taken to the circuit court of appeals, second circuit. The tariff act of 1897 will thus have passed out of existence before the scope of the expression "cattle hides" will be finally established by the courts.

HAT TRIMMINGS.

This famous case arose under the tariff act of 1883. It does not appear just when the litigation had its inception. It was twice carried to the Supreme Court and lasted until May 15, 1893, when the court handed down several decisions, all of which were favorable to the importers. (Hartranft *v.* Meyer, 149 U. S., 544.) From fifteen to eighteen million dollars is said to have been refunded as a result of this protracted litigation.

CHERRIES IN MARASCHINO—ACT OF 1894.

The litigation on this question was commenced in 1895 on an importation entered January 22. A protest filed March 26, and received by the board August 21, 1895, was decided December 18, 1896. Several appeals were taken on this and other protests. These appeals lay for a long time in the circuit court in New York. Additional testimony was finally completed May 12, 1903. The cases were decided by the circuit court November 15, 1904, and by the circuit court of appeals February 1, 1906. (United States *v.* Reiss, 142 Fed. Rep., 1039; T. D. 27119.) Eleven years' delay.

CHERRIES IN MARASCHINO—ACT OF 1897.

In the meantime a somewhat similar question had arisen under the tariff act of 1897. It was the understanding that if the importers won under the act of 1894 they would necessarily lose under the act of 1897, and appeals under the latter act were continued in the circuit court on the basis of that understanding until the litigation under the earlier act was terminated. These cases under the act of 1897 seem to have begun in 1899 or earlier. The appeals which had been pending in the circuit court of New York were discontinued and a new case made by the importers before the board. This was decided by the board October 31, 1906, the assessment of duty being affirmed. Further evidence was taken in the circuit court, where the case was kept pending for that purpose until April 28, 1908. The circuit court reversed the board May 23, 1908, and its decision was affirmed by the circuit court of appeals January 12, 1909. (United States *v.* Reiss, 166 Fed. Rep., 746; T. D. 29507.) It will be perceived that the importers were successful under both tariffs, despite said understanding to the contrary, which had been made the basis for continuing the cases arising under the act of 1897.

DRAWN WORK.

This case has been twice to the circuit court of appeals, second circuit, and once to the circuit court, western district of Texas (Judge Maxey). The importers were defeated in the Texas case (Beach *v.* Sharpe, 154 Fed. Rep., 544; T. D. 28281), but prevailed in the second circuit. (United States *v.* Ulmann, 139 Fed. Rep., 3; T. D. 26271; and United States *v.* Simon, T. D. 29702.) The litigation seems to have arisen in 1901, the first decision by the board having been rendered April 17, 1903. (G. A. 5329; T. D. 24373.) The latest court decision (Simon case) was rendered April 13, 1909. Nearly 5,600 protests on this issue are pending before the board. The future status of the case remains with the Attorney-General, who has under consideration the question of applying to the Supreme Court for a writ of certiorari.

COLORED COTTONS.

This question appears to have arisen as early as 1902, but owing to litigation on other phases of the issue, which proceeded through to the Supreme Court and was not decided there until November 12, 1906, the matter was not taken up by the board until 1907. Exhaustive hearings were held and the decision of the board was rendered October 8, 1907. (G. A. 6670; T. D. 28447.) The board was reversed by the circuit court March 2, 1908, and by the circuit court of appeals January 12, 1909. (United States *v.* Blatter, 167 Fed. Rep., 523; T. D. 29506.) Certiorari was denied by the Supreme Court May 29, 1909. Over 2,300 protests accumulated on this issue.

BOTTLE CHARGES.

Under the tariff acts of 1894 and 1897 disputes arose as to whether the cost of bottle fittings, such as corks, caps, wiring, labels, and so forth, should be included in the dutiable value of bottles. The question first arose on an importation June 9, 1896. The importers filed a protest June 29, which was received by the board July 11, and was decided favorably to the importers December 19, 1896. (G. A. 3728; T. D. 17742.) The Government appealed to the circuit court at Charleston, S. C., where the board was reversed December 24, 1897. (United States *v.* Keane, 84 Fed. Rep., 330.) This ruling was followed by the board in an unpublished decision dated January 26, 1899.

The record was returned to the circuit court June 3, 1899, and the case there slumbered three years and a half, being finally decided on November 6, 1902. (West *v.* United States, 119 Fed. Rep., 495.) The board was again reversed in this case, the New York court disagreeing with the one at Charleston. This decision was acquiesced in by the Government and many thousands of dollars were refunded to the importers. Under the tariff act of 1897 conditions were reversed, it being to the interest of the importers not to have the charges included in the dutiable value of the bottles. The board naturally followed the decision in the West case. An appeal was taken by the importers, and the board was affirmed by the circuit court at New York on the authority of the West decision, February 20, 1905. (Leggett *v.* United States, 138 Fed. Rep., 970; T. D. 26270.) The importers prosecuted the appeal to the circuit court of appeals, second circuit. This tribunal, while the appeal was still pending before it, uttered a dictum in another case, which had an adverse bearing on the importers' chances in that court, and when the appeal was reached for argument, after a year's delay, it was dismissed, on consent of the importers, February 20, 1906. The importers then prosecuted an appeal to the first circuit. This appeal was decided by the circuit court of appeals in that jurisdiction on December 20, 1906. (Hayes *v.* United States, 150 Fed. Rep., 63; T. D. 27806.) That court overruled the decision by the circuit court at New York and indorsed the former decision of the Charleston court in the Keane case, that decision being in favor of the importers. A writ of certiorari was denied by the Supreme Court December 16, 1907. More than 6,000 protests accumulated before the Board of General Appraisers on this issue. It will be seen that the litigation on this subject consumed a period of eleven years and embraced two tariff acts, and that the importers, although their interests were opposite under the two acts, were successful in both phases of the matter; also that the board's decisions were reversed three times, though its original ruling was right and the other two decisions were made in accordance with the rulings of higher courts.

STRUNG BEADS.

This issue arose under the tariff act of 1890, extended through part of the period of operation of the tariff act of 1894, and

through ten years of the life of the act of 1897. The point of the importers' contention was that the provision for beads "not strung" excluded only beads permanently strung, and that beads temporarily strung were "not strung" within the meaning of the law. The question arose on an importation made February 25, 1891. The board rendered its decision September 19, 1891. An appeal was taken to the circuit court at New York, and lay dormant there until April 25, 1894, when that court affirmed the board. (In re Steiner, 66 Fed. Rep., 726.) The circuit court was affirmed by the circuit court of appeals, second circuit, January 23, 1895. (Steiner *v.* United States, 79 Fed. Rep., 1003.) This decision was accepted by the importers for a while, and was then reopened in a Chicago case arising under the Dingley tariff. The circuit court at Chicago overruled the decision of the circuit court of appeals at New York, and its decision was affirmed by the circuit court of appeals for the seventh circuit, October 4, 1904. (United States *v.* Buettner, 133 Fed. Rep., 163.) The Government thereupon made a new case in the second circuit. The circuit court of New York followed the Steiner case and disregarded the Buettner decision, and was affirmed by the circuit court of appeals, second circuit. (Frankenberg *v.* United States, 146 Fed. Rep., 704.) The Supreme Court then granted a writ of certiorari, and affirmed the decision of the last-mentioned case, May 13, 1907. (Frankenberg *v.* United States, 206 U. S., 224.)

FEATHERSTITCH BRAIDS.

This subject arose under the tariff act of 1890 and was settled for the time being, the litigation being of unusually short duration. (In re Dieckerhoff, 52 Fed. Rep., 161.) Owing to a change in the tariff act of 1897 it became a live issue under that act, and more than 4,000 protests were filed. This matter has been decided three times by the circuit court at New York, twice favorably to the Government and once favorably to the importers. The issue finally reached the circuit court of appeals, second circuit, on an appeal by the importer, but was dismissed without argument May 25, 1906. A new case was prepared before the Board of General Appraisers, which was decided by the board July 25, 1906. An appeal from this decision was decided by the circuit court at New York November 23, 1907. The appeal to the circuit court of appeals, second circuit, was not decided until May 25, 1909. That court reversed the board and the circuit court. (Baruch *v.* United States, T. D. 29791.) It now remains for the Attorney-General to decide whether any further steps shall be taken in the litigation of this issue. In addition to the cases decided in the second circuit an appeal has been decided by the circuit court at Chicago and is now pending in the circuit court of appeals in that city.

LACE NECKWEAR.

The importers contended that lace neckwear was more specifically enumerated as "articles of wearing apparel, including neckwear," than as "articles in part of lace." The litigation commenced in 1900. The decision of the board was rendered March 8, 1901. (G. A. 4879; T. D. 22868.) The board was affirmed by the circuit court at New York July 23, 1903. (Goldenberg *v.* United States, 124 Fed. Rep., 1003.) The circuit court was affirmed by the circuit court of appeals April 14, 1904. (Goldenberg *v.* United States, 130 Fed. Rep., 108; T. D. 25220.) The Supreme Court denied certiorari January 24, 1905. The importers then tried the case before the board on a new theory. The decision of the board was affirmed by the circuit court. An appeal was taken to the circuit court of appeals, second circuit, which was subsequently dismissed. A third case was then prepared. The board's decision was again affirmed by the circuit court and by the circuit court of appeals. (Goldenberg *v.* United States, 157 Fed. Rep., 1003; T. D. 28715.) This last-mentioned decision was rendered January 11, 1908, and gave its quietus to one of the most persistently fought cases in the history of customs litigation, under which thousands of protests were filed.

CHLORAL HYDRATE.

Under the tariff act of 1890, the question was whether chloral hydrate and similar preparations were more specifically enumerated as chemical compounds or salts than as medicinal preparations. The question did not arise under the tariff act of 1894, but recurred under the tariff act of 1897 in another form, the issue being whether the articles were dutiable at the rate provided for preparations in which alcohol is used. On an importation made October 20, 1890, which was the subject of protest received by the Board of General Appraisers February 16, 1891, the board held (April 15, 1891) that the article was dutiable as a medicinal preparation. (G. A. 495; T. D. 11052.) This decision was reversed by the circuit court at St. Louis and by the circuit court of appeals, eighth circuit, February 6, 1893. (United States *v.* Battle, 54 Fed. Rep., 141.) A new case was made before the Board of General Appraisers, which on the strength of new evidence reaffirmed its former decision, July 22, 1893. (G. A. 2221; T. D. 14292) This decision was reversed, however, by the circuit court at New York, April 26, 1894. (Merck *v.* United States, 66 Fed. Rep., 724.) Refunds were made in accordance with these court decisions, which were subsequently shown to have been wrong, however, being in conflict with a decision of the Supreme Court May 23, 1898, on a related case, which was decided in accord with the views of the board. (Fink *v.* United States, 170 U. S., 584.) While this decision determined the classification of chloral hydrate as a medicinal preparation, the question was still left as to whether or not alcohol was used in its preparation. This issue was presented on an importation entered August 17, 1898. The protest, filed September 22, was received by the board October 15, 1898, and was decided by the board April 10, 1899. (G. A. 4412; T. D. 20994.) The board held that alcohol had been used in its preparation. The importers appealed to the circuit court at New York, which reversed the board, May 24, 1900. (Phair *v.* United States, 105 Fed. Rep., 508.)

This decision was acquiesced in by the Government, and was followed by the board in a decision rendered August 6, 1900. (G. A. 4740; T. D. 22411.) The Government then withdrew its acquiescence, and an appeal from the decision of the board was prosecuted to the circuit court of appeals, second circuit, where the Government finally triumphed in a decision rendered May 23, 1903. (United States *v.* Schering, 123 Fed. Rep., 65.) The latest published decision by the board on this question seems to have been rendered February 1, 1904. (G. A. 5567; T. D. 24970.) The importers have since continued to file protests occasionally on this material, but they have not been seriously prosecuted and have been overruled by the board with only formal consideration. The importers thus recovered large sums under the tariff act of 1890, which the subsequent decision in the Fink case shows them not to have been entitled to. Extensive refunds were also made under the act of 1897, during the operation of the acquiescence which the Government withdrew as above noted. The litigation in its various phases will be seen to have lasted, with an intermission during the act of 1894, from 1890 to 1904.

During all this litigation an illegal rate of duty was being exacted upon the involved merchandise, amounting in the period of time covered by the cases recited to more than $50,000,000. It is estimated by some that instead of $15,000,00 or $18,000,000 being paid in the Hat Trimmings cases it was more nearly $30,000,000. In that case, though it arose in 1883, $5,592,075.91 refunds have been paid out since the Dingley law went into effect.

The Finance Committee, after thoroughly considering the history of these cases and the disastrous results, was moved to the proposed amendments, which cure all of these defects. The litigating of the same issue in different jurisdictions, as shown in these cases, is not to be charged solely to importers. The Government, often prompted by the hope of a better presentation of the case, or of a more favorable hearing in a different court, has pursued to a great extent the same policy.

The Finance Committee does not approve of any system that permits of such procedure and the incidental extended delays. It has, therefore, reported to meet these objections an amendment establishing a single court for the determination of these issues. There is provided in that bill plenary power in the presence of an incomplete record to refer the case back to the Board of General Appraisers, that the record may be completed before final decision. This will at once make a complete record in every case, and defeat the policy of selecting one court after another according to the caprice of either litigant.

The committee deemed it further necessary in pursuit of this purpose, in view of the fact that many of these cases were probably lost in one court and not in another by reason of the exchange of attorneys unfamiliar with the issues; that there should be one force of government attorneys, of requisite ability and paid sufficient for their retention, to conduct these cases from inception to conclusion in the court of final resort.

This is not a matter the subject of criticism of any of the officers of the Government or of the courts or judges, but it is a fault which rests in the deficiency of the system provided by law, and the committee is convinced that the measures proposed will meet all these glaring deficiencies in existing statutes, and provide a sound, equitable, and speedy system for the adjudication of customs appeals.

These cases prove that the average life of an appeal does not show the real vice of the system. The real vice lies in the possibilities of delay proven. Undoubtedly counsel are quite willing to occupy the terms of court with the less important

issues, if the great ones can be, as they are, strung along over periods of many years.

It can hardly be gainsaid, in view of the great variety of decisions, that a single force of counsel before a single court for proper preparation and trial of these cases would end in many victories for the Government impossible under the present system.

The customs administrative law of 1890 was in letter and in spirit intended to expedite the decision of customs appeals. The members of the Board of General Appraisers, sworn to perform duties under that law, were charged with the spirit and letter of the law to expedite the decision of these cases. They have been criticised not alone in the press, but by public officials as exercising an unnecessary and unjustifiable amount of zeal in these matters. It was their sworn duty under the law under which they were appointed to expedite the decision of these cases as much as possible. The board was created for that purpose, and any zeal manifested in that direction has its warrant in the letter and spirit of the law under which they were appointed.

It is now charged and made one of the principal arguments against this amendment that it is prompted by the Board of General Appraisers and members thereof with a view to creating for themselves positions upon the proposed circuit court of customs appeals. This charge is completely and absolutely disproven by the records of this Congress. During the pendency of this bill in some form or other during the several Congresses since its first introduction in the House of Representatives the board and every member of the Board of General Appraisers appeared before the Ways and Means Committee of the House and the Finance Committee of the Senate urging in furtherance of this purpose not the creation of a special tribunal, but that customs appeals should be eliminated from the circuit courts and taken directly from the board to the regular United States circuit courts of appeal. A bill, prepared and introduced in the House by Mr. PAYNE (H. R. 7113), involving that identical provision, was advocated by the general appraisers and was favorably reported from the Ways and Means Committee in the House of Representatives in 1905.

Subsequently, and in the Sixtieth Congress, 1908, a similar bill, introduced by Mr. PAYNE, was approved and advocated by the board, as will appear by the hearings before the Ways and Means Committee, before whom a committee of the Board of General Appraisers, on invitation of that committee, appeared and advocated its passage.

This bill provided an appeal, not to a special court of customs appeals, but to the regular United States circuit courts of appeal throughout the country. That bill, advocated by the members of the Board of General Appraisers, passed the House and came to the Senate for action. When it appeared in the Senate, a protest was filed against it by the members of the circuit court of appeals for the second circuit. The protest of the judges of that court is on file to-day with the Finance Committee, and I will read from it what they had to say about the matter at that time. It is as follows:

OFFICE OF THE CLERK,
U. S. CIRCUIT COURT OF APPEALS, SECOND CIRCUIT,
New York, April 22, 1906.

HON. NELSON W. ALDRICH,
United States Senate, Washington, D. C.

DEAR SIR: We have just learned that a bill has been passed by the House of Representatives, and is now before the committee of which you are chairman, making certain changes in the procedure touching the review of assessments for duty on imported merchandise.

With one provision of the bill only is this court concerned. Had we known sooner that such legislation was in contemplation, we should have furnished your committee and the Committee of Ways and Means of the House with the following information, which would seem to be entitled to consideration before making the particular change in the procedure which is referred to. The bill abolishes appeals from the Board of General Appraisers to the circuit court and from the circuit court to the circuit court of appeals, and substitutes therefor an appeal direct from the Board of General Appraisers to the circuit court of appeals.

* * * * * * *

It would seem that the immediate result of the passage of the bill as now framed would be very greatly to increase the amount of business to be disposed of by the circuit court of appeals. The consequence might very well be that this court would become so congested as to be unable to dispose of its calendar each year. This we consider a most serious matter, because circuit courts of appeal were originally constituted for the express purpose of disposing in each year of all the appeals which might be taken to them.

We offer for your consideration the following figures:

Appeals heard and disposed of.

OCTOBER.

1898–1899	157
1899–1900	163
1900–1901	156
1901–1902	143
1902–1903	185
1903–1904	199
1904–1905	234
1905–1906	273
1906–1907	285

When the calendar did not present more than 160 cases to be disposed of the circuit judges were able to hold sessions of three weeks for the hearing thereof with recesses of two weeks each between for the disposition of the same. Since the great increase of the past three years the recesses between sessions, during which the opinions have to be written, have necessarily been reduced to one week each. What the result might be if the present calendar of 285 cases were suddenly increased by adding 200 additional appeals it would be difficult to forecast.

We remain,
Very respectfully, yours,

E. HENRY LACOMBE.
ALFRED C. COXE.
H. G. WARD.
WALTER C. NOYES.

In view of that protest of the judges of that court the Senate Finance Committee changed the provisions of the House bill and provided that appeals should take the course previously stated, which is in fact and effect the old system except that all testimony must be exhausted before the board.

The Finance Committee, therefore, is, under the protest from the judges of that court, presented with the dilemma either of creating a special court of customs appeals in order to expedite these hearings or of imposing the cases upon courts of appeals which have already protested against the same and stated that the amount of work could not possibly be handled by them. No other course was open under the circumstances; and the fact that the Board of General Appraisers for years advocated this system until it was defeated by the protest of the judges in the second circuit shows conclusively that their purpose in this matter is not a selfish one, but is in harmony with the purpose and actions of the board for many years to carry out the spirit and intent of the laws of the Congress.

In the administration of the customs laws it should not be necessary to undergo the long delay and expense and uncertainty of an application for a writ of certiorari to the Supreme Court in order to have uniformity of decisions, but this should be effected by the establishment of such a tribunal as would render this a matter of expeditious establishment.

A review of some of these instances will be instructive. It will not only demonstrate the vice and uncertainty of having numerous coordinate tribunals of last resort, but illustrate as I proceed the infinite maneuvers employed and possible under such a system by litigants dodging courts of unfavorable bent and seeking those of favorable disposition, all at the expense of the government revenues, resulting in extreme delays in final decision in customs cases.

BOTTLE CHARGES.

In this issue the question was whether the cost of bottle fittings, such as corks, labels, caps, and so forth, should be included in the dutiable value of the bottles or attributed to their contents. Under the act of 1894 the board held that they should be applied to the bottles. This decision was reversed by the circuit court in South Carolina. (United States *v.* Keane, 84 Fed. Rep., 330.) A subsequent decision by the board following the Keane case was then reversed by the circuit court for the southern district of New York, which overruled the South Carolina court. (West *v.* United States, 119 Fed. Rep., 495.) The Government acquiesced in the decision in the West case.

Under the present tariff the importers' interest was in having the opposite construction prevail; that is, that the charges should not be included in the dutiable value of the bottles; and probably 6,000 cases came before the board on this proposition. The board followed the West decision, which, though against the Government under the act of 1894, was in its favor under the act of 1897. The board was affirmed in the circuit court for the southern district of New York. (Leggett *v.* United States, 138 Fed. Rep., 970.) The importers appealed to the circuit court of appeals, second circuit. But when the case was reached it was dismissed by the importers, because in the meantime that court had expressed a view unfavorable to the importers in United States *v.* Dickson (139 Fed. Rep., 251), where the point had come up incidentally; and another appeal was taken and carried before the circuit court of appeals for the first circuit, which rendered a decision in favor of the importers. (Hayes *v.* United States, 150 Fed. Rep., 63.)

Thus we have had the South Carolina circuit court overruled by the New York circuit court, and the circuit court of appeals for the second circuit overruled by the circuit court of appeals for the first circuit. And incidentally it may be remarked that this is but one of several instances where the importers, after winning an issue under one tariff, have under a succeeding tariff successfully maintained the opposite contention, oftentimes in a different circuit, where a new case had been made up.

The delays in ultimate decision of these appeals is nowhere registered as with the board. An accumulation of undecided issues means an accumulation of undecided protests upon the board's files and a general clogging up of the possibilities of cleared dockets. It not alone greatly increases the work of the

board and its clerical force, but that of the clerical force at every collector's and appraiser's office throughout the country, for it makes necessary the handling and decision of thousands of protests that would never be filed were these issues determined much earlier. Activities of the board are absolutely necessary, therefore, to prevent a positive congestion of this line of work.

The amendment presented by the Senate is to remedy this condition, and is deemed by the committee under the circumstances the best possible remedy the situation demands.

It was drafted by a committee designated by the Finance Committee, consisting of representatives from the Treasury Department, the Attorney-General's office, and the Board of General Appraisers, and was afterwards entirely revamped by the entire Finance Committee.

The public prints of recent months have contained excerpts from a letter said to have been written by one of the judges of the United States circuit court of appeals for the second circuit purporting to set forth the condition of the business of that circuit and urging the conclusion that the district and circuit courts and the circuit court of appeals in that circuit were not overcrowded with cases and could easily dispose of all cases arising therein, including customs cases.

While the issue as to the condition of the dockets of that circuit only indirectly bears upon this bill and does not cover many of the reasons for its enactment, it may be well to point out that while about 80 per cent of the customs issues are decided in that circuit, the remaining portion is decided by the various other circuit courts and circuit courts of appeal throughout the United States wherein much greater delay is had. Undoubtedly in the past two or three years, by reason of extraordinary efforts made, the life of a customs appeal in the United States courts for the southern district of New York has been shortened. The records will show that the period of final decision in that circuit is now much less than in the other circuit courts of the United States.

The inevitable result of this condition, which is proved by the trend of appeals in the past few months, will be that attorneys making issues will seek some other jurisdiction for the reason that it will be much more profitable to do so. It can be pointed out that in one or two of the jurisdictions wherein delay has been much aggravated in recent years customs attorneys are now seeking those courts for the adjudication of cases. The reason is obvious. It is much more profitable to do so.

The fact, therefore, that in the southern district of New York customs cases are being disposed of with greater rapidity than heretofore, and that all of these cases arising therein might be disposed of with dispatch, is no convincing argument against this measure, because it is a condition the benefits of which will be neutralized by seeking other jurisdictions. And there are other more important considerations moving the enactment of this measure.

This letter, if current reports be true, emanates from one of the most eminent jurists of the country, Judge Lacombe. The letter, however, when measured in its entirety, shows a condition existing in that circuit which, when taken in connection with the official statistics at hand, argues the necessity for rather than against a special customs court of appeals.

It draws a distinction between the number of cases *docketed* in that court and the number of cases which are *brought to an issue*, and therefore constitute business for the court. It deals solely with the latter class of causes and shows that in that circuit causes docketed but not at issue are not regarded as "business for the court." No doubt there is sound reason for this procedure in that circuit, which differs, as stated by the learned writer of the letter, from the procedure in all other circuits, but it is a condition fruitful of delay and should be remedied. The court concerns itself not with the cases upon the docket which are not pressed for trial, but with the cases that are actually at issue and pressed for trial by both parties to the record. The difference, therefore, in statistics given by the court and those by the report of the Attorney-General and in other records will be readily understood.

The very fact that the court does not concern itself with the docket but only those cases which are cited for issue in trial by consent of both parties reveals a condition of affairs which in no sense expedites but delays the decision of the causes, including customs causes, docketed in those courts. Under such circumstances and procedure of the courts customs cases which are not pressed for issue by both the Government and counsel for the importer may go without trial for many years, as they are not regarded as business "for the court" until they are so pressed for trial. With this point in view the differences in statistics concerning this jurisdiction are readily understood. It will likewise be equally understood that there are pending in that jurisdiction many customs cases which have been pending therein for years and which to-day are undecided. That there may be no error here these cases will be included in this record by title and number. This distinction in the practice of that court is clearly pointed out and, as stated by the learned judge, is as follows:

> It has for many years been the practice to hold such a session (speaking of an extra session for customs cases) whenever the district attorney advises the court that there are cases left over from the regular assignment, in order that in this class of cases all issues *in which both sides are ready for argument* may be heard before vacation.

And he further states:

> In other parts of the country the number of docketed causes is a fair exponent of the condition of business, because a case when once docketed is automatically progressed to some conclusion. But under the practice in New York the really live causes are those which, *by the filing of a note of issue*, have reached the calendar; those only are actually pending *in the court* so as to make business which consumes its time. So, too, in the court of appeals a cause goes on the register when the record is certified from the court below, but it *makes no business for the court until the parties have the record printed and move the cause to the argument calendar.*

This clearly points out the distinction which explains entirely the discrepancy in the statistics offered. Only those cases *in which both parties* move for trial are considered "pending in the court."

In a class of cases like these, wherein, by all the means permitted by the law, one of the parties to the record is interested in delaying the certification of these cases for the "argument calendar" spoken of by the learned judge, we would of necessity expect to find upon the "docket" other than the "argument calendar" a large number of customs cases, which would seem to be resting somewhere between the argument calendar and the calendars of the Board of General Appraisers who decided the case below. Accordingly, it is perfectly consistent with the statement of the learned judge that while the "argument calendar" is clear, we might expect to find the docket of the court containing many undecided customs cases which have been pending thereupon for a considerable period of time.

The distinction between the docket, embracing all appraisers' appeals pending, and the argument calendar, embracing only those appraisers' appeals placed thereon for hearing by agreement of both parties, is further developed in the letter of the learned judge. He states:

> Table D shows what number of appraisers' appeals came on for hearing at each session of the court in each calendar year, and what number of them were then disposed of. Generally speaking, however large was the number appearing on any calendar, all causes actually ready for argument were then disposed of. Of the cases carried over to a later session, many were disposed of by the parties in the interim. For example, it will be seen that in 1903 at the January session there were 229 cases on the calendar and only 52 then disposed of, leaving 177 to go over. But at the next session, in May, there were only 51 cases on the calendar, all that were left of the 177, plus whatever new issues were added to the calendar. As was stated before, in every year at the last session before vacation every cause on the calendar *in which both sides were ready* has been heard.

This paragraph, in connection with the table submitted, makes more marked the distinction to be observed. A reference to the table discloses the following:

Session.	On calendar.	Disposed of.
1903.		
January 20	229	52
May 25	51	26
October 26	229	63
December 14	166	51
Total	575	192

These are the precise figures of the learned judge. An examination of them makes perfectly obvious the situation. There were 229 cases on the calendar January 20, and 52 disposed of, leaving 177 undisposed of. On the calendar of May 25 there were but 51 cases and 26 disposed of. It does not necessarily follow, as stated by the learned judge, that these 177 cases were disposed of in the interim by agreement. It more likely follows that consent to placing them on the argument calendar of May 25 was wanting, and that for that reason but 51 cases on the docket were put on the argument calendar. The interim between May 25 and October 26, the fall docket, is the vacation period and the one of least work and lowest number of appeals from the board; yet we find appearing upon the docket October 26, 229 cases, which undoubtedly embraced many of the 177 cases, and of these 63 were disposed of at that docket. And on the docket of December 14 there were 166 cases, of which 51 were disposed of. This shows a total of 575 cases docketed for the year, with 192 disposed of

The natural conclusion is that the small number of cases on the May docket was occasioned by a refusal on the part of one

of the parties to the record—probably the party interested in delay, that further protests might accumulate—to enter these cases upon the argument calendar. After, however, further accumulations had been had, consent was given to placing many of these upon the calendar, which accounts for the high number of 229 on the October 26 calendar.

In that jurisdiction the procedure, according to the learned judge, is not to regard the cases in court or the court's business until by agreement they are put upon the argument calendar. Being greatly to the interest of counsel for the importers not to agree until a sufficient number of protests have accumulated to make it worth while to try the case, it is not likely that the cases would be put upon the argument calendar until that time arrived.

This will undoubtedly account for the fact that the number of cases on the calendar for the next year had grown to 657 and those disposed of 204; and for the year 1905 they had grown to 848 and the number disposed of 344. Undoubtedly many of these cases are disposed of in the interim. These are generally similar issues to those decided by the court, and therefore disposed of upon order.

The same idea runs through a further quotation from the learned judge's letter:

Besides the cases in the circuit court registers, which may properly be called "dead," there are others which are merely temporarily suspended, awaiting the final decision of some leading case involving the same or similar questions to those presented in the case thus held back. The litigation known to the clerk's office as "Appraisers' appeals" is especially prolific in this particular, as must be apparent to anyone who considers the character of such litigation. To-day there are undoubtedly thousands of suspended protests before the Board of General Appraisers awaiting the solution of some legal question, presented in a test appeal, but upon inquiry at the district attorney's office as to the size of the calendar to be called at the session of May 10, I am informed that there are not altogether more than 70 independent issues, and that of these there will *probably be ready for argument* not more than enough to occupy the allotted two weeks. As was stated before, if there are any left over, they can readily be disposed of in June.

Here again we find the distinction that only those cases will be tried which are "ready for argument," as explained before, by both parties to the record. The calendar of May 10 is now concluded, and the tabulated list submitted of issues pending in that jurisdiction undecided after the calling of that calendar is available.

A precise register of all the appeals from the Board of General Appraisers pending in that court and in every other court is prepared quarterly and issued by the Treasury Department. According to that record, which is reliably accurate, as it is checked up every day by a complete system, there were pending in the circuit court for the southern district of New York and the circuit court of appeals for the second circuit on April 1, 1909, the following number of suits and issues:

	Circuit court.	Circuit court of appeals.	Total.
Number of suits pending	558	68	626
Independent issues involved in these suits	150	30	----

The number of independent issues wherein the same question is involved in both the circuit court and the circuit court of appeals is 8. The total number of independent issues pending April 1, 1909, in this circuit court and circuit court of appeals was, therefore, 172.

Involved in these issues are 50,750 protests on the files of the Board of General Appraisers.

I will further add that since the writing of the letter of Judge Lacombe the May calendar has been held, with this result:

Number of issues decided in the circuit court, 42; number of these at present appealed to the circuit court of appeals and thus kept alive as pending issues in those courts, 13; net reduction of issues by May calendar, 29.

Number of issues determined since April 1 in the circuit court of appeals, second circuit, not already estimated as disposed of in circuit court and not appealed to the Supreme Court, 9; number pending on writ in the Supreme Court but decided in second circuit, 3; total net issues disposed of by this circuit court and circuit court of appeals since April 1, 1909, 39; leaving 133 independent issues still pending and undecided in those courts.

I will submit to be printed in the RECORD a list of these cases by title and suit number, with the date when the same were decided by the Board of General Appraisers and the date of the return of the record to the circuit court, with a statement of those which involve the same issue and other pertinent facts explanatory thereof, that a precise record may be made of the actual customs issues pending and undecided in that jurisdiction.

An examination of these suits shows that one has been pending since 1901; several since 1903 and 1904 and many since 1906 and 1907; in fact, a majority of them.

The system of taking up cases only upon agreement of both parties is precisely one of the conditions which this bill is calculated to meet. Accordingly it is provided in it, on page 44, lines 11 to 16, as follows:

Immediately upon receipt of any record transmitted to said court for determination the clerk thereof shall place the same upon the calendar for hearing and submission; and such calendar shall be called and all cases thereupon submitted, except for good cause shown, at least once every sixty days.

Here is a provision of law provided by the committee which will not make the hearing and determination of customs cases dependent upon the will and caprice of both parties to the record, but compels an early hearing.

Not the least vulnerable point of hearing only those cases that are set by agreement is that in any circuit where there are several judges it enables the parties to select their own judge, which they might be actuated to do by the known trend of the mind of the particular judge, as shown in previous decisions.

This condition of dockets would seem to correspond precisely with representations made to the Congress and the findings of the Judiciary Committee of the Senate.

In 1906, upon representations to the Congress made by those conversant with the facts, an additional judge (Judge Hough) was added to the circuit court for the southern district of New York. It was then stated to the Congress that the overburdened condition of the dockets of that jurisdiction made it not only necessary at that time to provide an extra judge, but that during the year 1909 another additional judge would necessarily have to be added. True to this prediction, in February, 1909, another judge (Judge Hand) was provided for that jurisdiction.

Representations made to this Congress at these times as to the condition of business in that jurisdiction are set forth in the report upon that bill made to the Senate in February of this year—only four months ago—and I will read therefrom as to the congested conditions of the docket of the courts for that district. The representations filed February 22, 1909, made at that time as to customs cases pending in the courts of that jurisdiction, were as follows:

The southern district of New York has the greatest volume of customs cases. In the country at large in 1908 there were terminated 745 cases and 1,142 left pending. In the southern district of New York, during the year 1905, there were terminated 328 and left pending 631 cases. In 1908 there were terminated 515 and left pending 855.

These are the representations upon which the Senate was asked to act and upon which an additional judge was added to that circuit during the present year, only three months since.

It stands without reason that that circuit, embracing the great city of New York and suburban counties and the litigation arising therein, including many cases of trust prosecution now and heretofore pending therein, many cases of receiverships of corporations and street railway systems in the city of New York, and many cases of admiralty and criminal jurisdiction arising at that great port, must of necessity more than demand the time of the judges of that court. Added to this is the criminal jurisdiction.

This statement perfectly comports with all the representations which have been made to the Congress in various communications upon this subject. In Senate Report No. 2676, Fifty-ninth Congress, first session, filed April 16, 1906, supporting Senate bill 5533 for the appointment of an additional judge for the southern district of New York, there is set forth the contents of a letter signed by Judge Lacombe, author of the letter above quoted, and other judges of that jurisdiction. The report is as follows:

[Senate report No. 2676, Fifty-ninth Congress, first session.]

The Committee on the Judiciary, to whom was referred the bill (S. 5533) to appoint an additional judge for the southern district of New York, report it without amendment and recommend that it do pass.

The bill provides for the appointment of an additional judge for the southern district of New York. The business of the federal courts in this district has become so extensive that it is impossible for the federal judges to discharge it, and unless an additional judgeship is created either the criminal business must go largely unheard or the civil business must be neglected. The situation is clearly set forth in the joint letter of Circuit Judges William J. Wallace, E. Henry Lacombe, William K. Townsend, and Alfred C. Coxe, dated April 4, 1906, to the chairman of the Judiciary Committee of the Senate, which reads as follows:

"Since 1873 the terms of the federal courts for criminal business in the southern district of New York have been held by the district judge for the eastern district of New York (living in Brooklyn) pursuant to section 613 of the Revised Statutes.

"The business of the federal courts in the southern district of New York generally has been so extensive that it has rarely happened that any of the circuit judges or the district judges of the southern district could devote any time to the criminal terms. At the present time the general business of the eastern district has become so large that it is no longer practicable for the district judge of that district to hold the criminal terms in New York, and he has recently announced to the circuit judges that after the 1st of January next he will be unable to hold them.

"As you are aware, we have now two district judges in the southern district of New York. The time of one of these judges is almost wholly taken up with admiralty causes and the time of the other almost wholly with bankruptcy proceedings, and it is only occasionally that either of them is able to give any time to the business in this district outside of those branches.

"Under the circumstances it seems desirable, and, indeed, imperative, that there should be another district judge appointed for the southern district of New York whose time can primarily be given to the disposition of criminal business, which is so large and important that it alone will justify the creation of the office. It seems likely that there will be considerable increase in the criminal business of the southern district; indeed, the prosecutions under the antitrust law, a number of which are now in a preliminary stage, and are of a character which will consume a great amount of time, will, of themselves, considerably increase the work.

"Under the circumstances we have felt it to be our duty to call your attention to the situation and to a district judge for the southern district of New York. We have heard that a bill to that effect has been prepared by the Department of Justice, but our information is not definite. If such a measure is introduced, we would suggest that it is desirable that the act be merely general, not specifying any particular duties to be exercised by the new judge, but giving him the same powers and the same salary that the present judges have."

At a later day, on February 22, 1909, a similar report, supporting the bill for the appointment of another judge for the southern district of New York, was filed, setting forth in much detail the condition of business, the crowded condition of the calendars, and the overworked condition of the judges for this district. Upon these representations, made to and acted upon by the Congress, an additional judge was provided for that district. The report is Senate No. 1059, Sixtieth Congress, second session, filed February 22, 1909, as follows:

The Committee on the Judiciary, to whom was referred the bill (H. R. 19655) providing for an additional judge for the southern district of New York, report it favorably and recommend that it do pass. Your committee adopt the report of the Committee on the Judiciary of the House of Representatives on this bill, and such report is appended hereto as part of the report of your committee:

[House Report No. 1884, Sixtieth Congress, second session.]

The Committee on the Judiciary, to whom was referred the bill (H. R. 19655) providing for an additional district judge for the southern district of New York, and for other purposes, report and recommend that the same do pass.

The bill provides in its first paragraph for the appointment of an additional district judge for the southern district of New York, to meet the exigency now existing in both the circuit and district courts of that district by reason of the continued and increased growth of the business of those courts.

The bill, in its second paragraph, repeals that part of section 613 of the Revised Statutes which allows to the judge of the eastern district of New York $300 a term for trying the criminal cases in the southern district. The increase of business in the eastern district requires the presence of its own judge there. The addition of another judge to the southern district should remove the need of having the judge of the eastern district sit in the criminal cases in the southern district.

The need of a new district judge for the southern district of New York was foreshadowed by members of your committee when considering, at the first session of the Fifty-ninth Congress, the then pending bill for an additional judge for that district, which bill was subsequently enacted into law. The statistics then presented and the statements of the work being done then caused members of your committee at that time to remark that the judge then provided for would not relieve the peculiar situation existing in that district. The judge appointed by the President to fill the place created by the bill passed in the Fifty-ninth Congress was the Hon. Charles M. Hough, who went to the bench admirably equipped for his work, and has rendered conspicuous and untiring service. Twice, however, he has been seriously ill, due largely to overwork. While the illness of one of the judges increases the demands for an additional judge, an urgent demand exists for an additional judge in any event. A district judge is recommended, as he can sit in both circuit and district courts.

The growth of the business in the southern district can be indicated by the work of each court, as shown by the figures for 1905, which preceded the last addition of a judge to the court, and the figures for 1908, the past fiscal year.

For the year ending July 1, 1905, the circuit court of appeals for the second circuit disposed of 254 civil and 8 criminal cases, amounting altogether to 262 cases, as appears in the Attorney-General's report for that year. The next largest number of cases disposed of by any circuit court of appeals was by the court for the eighth circuit. The circuit court of appeals for that circuit disposed of 163 cases, which is 99 less than those disposed of by the court for the second circuit.

The same situation exists to-day, except that the court for the second circuit has done even more work. In the last fiscal year it disposed of 281 cases. The eighth circuit, which again was the next largest in the number of cases disposed of, aggregated 203 cases.

The southern district of New York has the greatest volume of customs cases. In the country at large in 1908 there were terminated 745 cases and 1,142 left pending. In the southern district of New York, during the year 1905, there were terminated 328, and left pending 631 cases. In 1908 there were terminated 515 and left pending 855.

The southern district of New York does the largest admiralty business. In 1905 there were commenced 388 admiralty cases, and 398 were terminated, leaving 1,108 pending. In 1908, 734 were commenced, 431 terminated, and 1,475 were pending.

The bankruptcy business of the southern district is large and ranks among the largest. In the year ending September 30, 1905, there were closed 473 bankruptcy cases, and in 1908 there were closed 345 voluntary cases and 205 involuntary cases, leaving pending 573 voluntary cases and 846 involuntary cases. In 1905 there were filed 466 voluntary petitions and 461 involuntary petitions. In 1908 there were filed 493 voluntary petitions and 734 involuntary.

The general civil business of the district is very great, exclusive of admiralty, which has been heretofore alluded to. In 1905, 890 cases were commenced, 484 were disposed of, and 11,769 were pending. In 1908, 668 were commenced, 555 disposed of, and 12,351 were pending. No particular stress is laid on those pending, owing to the fact that there are many old cases which have been kept on the docket for years and which probably will never be tried.

The criminal business is large. Last year there were 70 post-office cases commenced, 55 terminated, and 36 left pending. There have been commenced 6 banking cases, 1 of which has been disposed of and 5 left pending. There were 3 convictions under the pension laws and 24 under the naturalization laws, and 53 cases were left pending under the latter. Under the interstate-commerce act 1 prosecution was commenced, 4 terminated, and 5 left pending. Two were commenced and pending under the meat-inspection act. There were commenced 60 miscellaneous prosecutions and 48 were terminated, 66 being left pending.

The work of the southern district of New York has, of course, been impossible of accomplishment by its three judges of the southern district alone, the time of the circuit judges being taken up wholly with appellate work. The circuit judges do most of the chambers work and hear possibly a majority of the litigated motions, but do practically no trial work. During the last two and one-half years, during which time there have been three district judges, the time of two has been consumed on the strictly civil district work, leaving only one of them to try the enormous circuit calendar. He has been aided by the judges of the districts of Vermont, Connecticut, western and northern New York, each of whom contributed eight weeks per year for the trial of civil cases.

If forty weeks be counted a court year, these four judges from other districts, each giving eight weeks, do not contribute the time of one other judge toward the civil work. Meanwhile the civil work is steadily increasing, as shown by the figures hereinbefore cited. Nor has the unhappy situation which existed in 1905, when the circuit court calendar had fallen three years behind and it required four years for an action to be prosecuted from its beginning to the circuit court of appeals, been relieved.

If the time of the judges was disposed of in the manner just indicated, and which is absolutely necessary if even a fair attempt is to be made toward disposing of the civil business, there would be no one to attend to the criminal business.

In 1905 the six terms of court which were held in the southern district by the judge of the eastern district were proven insufficient for the criminal work, and the then judge of the eastern district announced that he could no longer give his time to that work.

Meanwhile the criminal business of the southern district has increased, and, as a matter of fact, during the last two years there have been in the southern district nearly if not as many trial days devoted to criminal business by southern district judges as by the eastern district judge. Criminal cases show a very marked tendency to increase in view of the increased activities of the Government. The Hepburn law, the naturalization law, the pure-food law, the meat-inspection law, the immigration law, and the whole body of the interstate-commerce law all tend to multiply offenses against the United States.

Thus, during the first six months of this fiscal year, viz, July 1, 1908, to January 1, 1909, although this half year is much the lighter half, including, as it does, the three summer months, the circuit court has tried 22 criminal cases, occupying seventy-three court days. During the corresponding six months of the previous fiscal year the circuit court tried only 8 criminal cases, occupying in all twenty-two court days. For the first time in the history of the circuit court for the southern district of New York it was necessary to hold a summer session of fifteen days during the month of July.

This imposes a most unreasonable strain upon the judges in view of the character of the work performed by the judges during the rest of the year. So, too, the average time for trial grows longer as the issues become more complicated; as, for instance, in cases arising under the Sherman law and in the recent prosecution for offenses under the national banking law. Furthermore, there are pending for trial several important government cases of unusual length and difficulty, involving large frauds of the revenue and violations of the national banking laws.

It must be borne in mind that before the courts of the southern district of New York are brought many of the most important and extensive cases of the country, both government and private suits—such as, for instance, the 80-cent gas case, the Harriman case, and the tobacco trust case—involving not only a great deal of time in actual court, but also weeks and even months of time in the study of voluminous records and briefs in the preparation of opinions.

A single case of this character is effective in stalling the calendar, and the committee is of the opinion that the number of these important and complicated cases in which the Government is interested tends to grow with each year. With the present supply of judges the Government can not keep abreast even of the current criminal work in the manner in which it should be kept up. This criminal work necessarily takes precedence of the civil work, and in such civil work there is even greater danger of congestion.

Figures will show a growth of business in the other districts of the second circuit, thus lessening the availability of their judges for southern district work. But the southern district of New York is the forum into which all of the important federal litigations of the circuit naturally drift. All of the important cases are tried there. As the litigation of the circuit increases, that pressure is felt in the southern district rather than in the other districts. Therefore the additional judge should be appointed in the southern district rather than in any of the other districts.

We find, therefore, that the emergency suggested by members of your committee at the time of the creation of the last additional judge of the southern district has become so acute as to make the appointment of a still further district judge an imperative necessity. If relief is not given, not only will the business of private litigants be indefinitely postponed, but the Government's business brought to a standstill.

In the light of these facts, it is the judgment of the committee that the bill should pass.

In a more recent document, filed with the Senate Finance Committee some time during the early part of 1909, the voluminous increase of the business in the circuit court of appeals for the second circuit and the circuit and district courts for

the southern district of New York is set forth in tabulated form. I will here insert it in the RECORD. It was a brief in support of an increase in salary of these judges.

The following table shows the growth of business in this court. It shows an enormous increase over the business of 1907:

	1908.	1907.
Law cases begun	330	289
Law cases disposed of	304	361
Equity suits begun	380	233
Equity suits disposed of	291	195
Appeals to United States Supreme Court	18	8
Appeals to circuit court of appeals	176	131
Indictments found	264	174
Indictments disposed of	200	214
Customs appeals filed	259	437
Customs appeals disposed of	446	204
Habeas corpus writs	18	12
Habeas corpus writs disposed of	13	12
Declarations of intention	8,689	12,689
Petitions for citizenship	404	213
Heard in open court	368	174
Motions heard	3,953	3,221

There is a corresponding increase in the business of district court of this district.

From this statement, which is evidently taken from the records of the court, it appears that though the personnel of the court has been increased by one judge since 1907 the business of the court has been greatly increased in almost every department.

The statement of the civil, criminal, bankruptcy, and other suits commenced in that jurisdiction during the fiscal year ending July 1, 1908, was 2,989 causes, while those terminated during the same period numbered 2,264. This statement shows that of the current business 725 more matters arose therein than were disposed of. The ratio of annual undisposed of new matters, therefore, is about one-third in excess of those actually disposed of. I will here insert a table taken from the report of the Attorney-General upon this subject.

There were commenced therein during the last fiscal year:

Civil cases to which the United States was a party, including 424 customs cases	469
Criminal prosecutions to which the United States was a party	191
Bankruptcy cases, voluntary and involuntary	927
Other suits, including admiralty	1,402
Total	2,989

There were terminated during the same period:

Civil cases to which the United States was a party	551
Criminal prosecutions to which the United States was a party	177
Bankruptcy cases, voluntary and involuntary	550
Other suits, including admiralty	986
Total	2,264

No man can measure the future progress and development of the country, the possible litigation which may arise, or the necessities of the tribunals of the Government for the disposition of public business speedily and accurately. It is one of the purposes of the present administration, as frequently announced, to expedite the decisions of all cases pending in the United States courts. For many years frequent complaint has been made throughout the country about the long delay in the decisions of these courts, occasioned not by lack of industry, application, or qualification of the judges, but by the increase in litigation naturally falling into these courts without a proper increase of the personnel of the courts.

From all the records at hand of previous demands made upon the Congress, no jurisdiction is more amenable to these observations than that of the second circuit. It seems to me that a fair consideration of that subject can not but lead to the conclusion that there is now pending in these courts and will be commenced therein more business than should be imposed upon the personnel of that court as constituted by law. The previous representations of the judges of that court, the findings of fact upon which this Congress has acted in adding judges thereto, and the common-sense view of the probabilities in that situation, lead unavoidably to this conclusion.

It is undoubtedly true that all the federal courts of this country, including the Supreme Court, are so overburdened with work that it is a constant subject of complaint and criticism, and every act which otherwise receives commendation should receive additional commendation by reason of the fact that one of its purposes is to relieve any of these courts of any considerable number of the cases now confined to their jurisdiction.

Before passing to the consideration of other features of the case, it may be profitable to advert to another statement in the letter of Judge Lacombe. It refers to the importance of customs cases. The learned judge states:

> Two circumstances combine to make the amount of discussion given to the customs cases small when compared with patents or admiralty where voluminous testimony as to facts calls for analysis and discussion: * * * and (2) the questions presented are almost wholly questions of law, and in the great majority of cases involve only the construction of a single clause in a statute.

The history of jurisprudence teaches that the importance of litigation can not possibly be measured and should not be minimized by the fact that only a single phrase or word or clause in a statute is involved. Particularly is this true of customs appeals, where the whole act must be read in connection with its every part and word. The history of jurisprudence teems with instances wherein great fortunes, even the destinies of human life and matters of the greatest importance, are made to depend upon a single clause in a statute. In fact, almost all litigation arising out of the construction of the law depends upon the construction of a single clause in a statute.

No better examples can be afforded than the customs litigation of this country. For example, the so-called "Figured Cotton cases" involved solely the absence from paragraph 313 of the Dingley act of the word "value." Its absence founded the contention of the importers that the cumulative duties of that paragraph are not applicable to cotton goods assessed under the ad valorem clauses of the countable paragraphs. This litigation occupied the attention of the courts for years, and the accumulated protests filed upon this subject until ultimate decision numbered thousands and involved sums of money running into more than a million dollars. The Board of General Appraisers held that the absence of the word "value" did not make inapplicable the cumulative duties in paragraph 313. This decision was reversed by the circuit court for the southern district of New York, and that decision affirmed by the circuit court of appeals for the second circuit. On certiorari, however, to the Supreme Court, that court took the view that the word was unnecessary, reversed the courts below, and affirmed the Board of General Appraisers.

So, in the celebrated Zante Currants case, the question was whether or not these two words covered certain importations from Greece. This litigation occupied the attention of two circuit courts of appeal, as I will mention hereafter. Thousands of protests accumulated thereon, and the refunds in that case touched almost $2,000,000. The whole contention was the construction of a single clause in a statute, and upon the proper construction of that and its application depended millions of dollars of public revenues.

And so all the great constitutional questions of the Government involve no more than the construction of a single clause in that document.

So it is all through the tariff act; and there might be enumerated cases in the courts without limit, wherein the construction of a single clause in the statute not alone involves hundreds of thousands, but even millions, of dollars, but its full force and effect demand a full consideration of all the other provisions of the tariff law and the decisions for all time affecting the proper construction of those provisions.

So that to argue that a question presented is of no great importance because it involves "the construction of a single clause in a statute" is to overlook the whole history of jurisprudence and innumerable decisions with which the law books are replete.

The situation in the New York jurisdiction, however, is not conclusive of the situation in this case. Indeed, it may be admitted that for all time there is ample time afforded the judges of that jurisdiction to hear and determine these cases. The situation is a broader one than that confined to the single question of whether or not the judges of any particular circuit could hear and determine all of these cases. This is but the least of the features connected with the situation.

In the district of Massachusetts on April 1, 1909, with no considerable changes since, there were pending 63 suits, involving 31 independent issues, in customs cases. Some of these cases were returned to that court in 1903, others in 1904, several in 1905, and a great many of them in 1906 and 1907.

In the eastern district of Pennsylvania there were on April 1, 1909, with no considerable changes since, pending 68 customs suits, involving 19 separate and distinct issues. This jurisdiction has always exerted great efforts to dispose of customs cases with rapidity. It is understood, however, that the calendars of those courts are so crowded with cases of all kinds that it is impossible to reach early decisions in these suits. The returns show that some of these were made in 1905, others in 1906, and many of them in 1907.

Other jurisdictions show the same results. A careful and accurate computation from the official record of appeals in

customs cases pending in the United States courts discloses that there were pending on April 1, 1908, in all courts 243 independent issues, involving approximately 65,000 protests suspended on the files of the Board of General Appraisers; that 150 of these were pending in the southern district of New York and the circuit court of appeals for the second circuit, while the remaining 93 were pending in jurisdictions outside of those named.

So it appears that the New York jurisdiction is not the only one which should be the subject of consideration in the determination of whether or not these amendments should be adopted. On the contrary, a very considerable number of these suits involving principles affecting the entire customs law and refunds of extensive amounts are involved in suits outside of the New York jurisdiction.

The most accurate test of the number of suits pending in the different courts is that registered by the number of protests upon the suspended files of the Board of General Appraisers. The number of these protests at the close of the present fiscal year, about 65,000, is the greatest in the history of the board. They all await decision of some suit in some court, and the great number indicates with some degree of precision the number of these suits pending and the necessity for a single tribunal devoting itself entirely to these cases that expeditious decision may be had.

The amount of refunds in a particular issue is no index to the importance of that issue. It may be some index of the length of time in which the suit was pending. For example, etamines showed comparatively small refunds, though the issue was one of great importance and effect upon the tariff law. The reason why the refunds in that case were small was that the case was never appealed from the Board of General Appraisers and the life of it was not more than four or five months. The effect, however, of customs decisions upon the tariff law is for all time after the decision, and the real effect upon the revenues of the country is impossible of measurement except by a comparison of the amount of refunds paid during the life of an appeal as compared to the life of the tariff act.

Customs cases differ essentially from any other class of cases. Each of them is a question in which the whole country at large is interested. For they bear upon and directly affect the terms and administration of a law that affects every citizen of the land.

It should not be regarded a criticism upon the courts of any circuit that the Congress, in its deliberation, should conclude to take from that circuit and place in a different jurisdiction cases previously within it. Congress creates courts; the Senate approves all judges; Congress devolves upon every court except the Supreme Court the jurisdiction of that court. It is within the plenary powers of the Constitution devolved upon the Congress to create, to add to, or to subtract from the jurisdiction of any court. It is the duty of Congress to vest these jurisdictions in such tribunals, to take them from the one tribunal, invest them in another, as in its opinion is for the best interests of the country.

It is not surprising, in view of the character of the opposition which has been for years offered to every effort to expedite the decision of customs cases, that when a measure of this kind is proposed there would be an attempt, through the press of the country and every other means possible, to create a prejudice against it by an endeavor to arraign it as a reflection upon the courts. It is a rightfully commendable spirit in this country to uphold the dignity of its courts. And so long as this is true, no more effectual assault can be made upon any measure than to arraign against it a prejudice, justly or unjustly founded, that its enactment contemplates a reflection upon any of the judicial tribunals of the country.

But the functions of Congress are above these petty considerations and arraignments. It is the duty of Congress to provide for its citizens efficient tribunals with adequate and speedy remedies for the enforcement of the rights of all citizens. It is particularly the duty of Congress in the collection of the public revenues to provide efficient and speedy remedies. In providing proper tribunals for the determination of customs cases Congress has proceeded in full light and obedience to the fact that there should be brought into such representatives from the various parts of the country.

It is the constitutional prerogative of the Congress to create inferior federal courts. It is the prerogative of the Congress alone to provide for the appointment of judges and to create their jurisdiction, to add to that jurisdiction or to take from it. It is the province of the judiciary alone to pass upon the cases confined to that jurisdiction by the Congress. It is for the judiciary to determine issues properly presented to them. It is for the Congress to determine what issues shall be presented before certain courts and what not. This principle is firmly embedded in the Constitution of the United States. It is the business of the Congress to consider these subjects, and in that consideration any interference or attempted interference upon the part of the judiciary to dictate to the Congress as to what shall be their jurisdiction and what shall not, or what classes of cases shall be submitted to them or not, or what number of cases may be considered by them or not, is an interference which is in violation of the constitutional principle which contemplates that there shall be no interference between the judicial, the legislative, and the executive branches of the Government.

This is not a question of individual right or of personal feelings, but it is a broader principle of representative government, and the committee has proceeded regardless of other considerations than its constitutional privilege and apparent duty.

The committee believes these cases involve questions of national concern, and not that of any particular district, judicial or otherwise.

It is the theory of representative government that every official is more or less unconsciously controlled by local education and environment. This is the theory which actuated the fathers in providing representative government, that every district and locality might be represented. Senators from different States, Representatives from different districts, are examples. Circuit judges, who, by law, must be appointed from residents within the circuit in which they preside; district judges the same; and the personnel of the Supreme Court of the United States, constituted upon the same theory, is of judges who are appointed with reference to their geographical residence. The theory has been vindicated by a century's experiences. The tariff law is one which affects differently different sections of the country; it is a law that affects the whole Nation, and in the interpretation of every rate, paragraph, and schedule of which the whole Nation and every section thereof is vitally concerned. It is a law, therefore, in the determination of which, manifestly, there should be brought representation from the various sections and parties of the country; and its construction, if the theory of our representative government be true, should not be in the main vested in but one of the circuit courts of the United States. At the present time 83 per cent of the customs appeals from decisions of the Board of General Appraisers, which is a representative body appointed from all sections and parties of the country, are decided by the circuit court for the southern district of New York, which is but one of 77 circuit court districts.

On appeal from the circuit courts the ultimate decision of over 90 per cent of the cases appealed to circuit courts of appeal are decided by the circuit court of appeal for the second circuit, which is made up of judges from the States of New York, Vermont, and Connecticut, principally New York—3 of the 46 States of the Union—and who by law are required to be residents of those States before they are eligible to membership in that court. Either as fact or as precedent these courts decide finally over 85 per cent of the customs cases on appeal, and these precedents control the remaining percentage of such decisions.

It is but fair, just, and right, it is in harmony with representative government, that in the construction of a law in which every decision rendered affects the whole country and every citizen and section of the country, and ofttimes different sections differently, and in which the whole country and every citizen is interested from the standpoints of development, growth, and taxes, should be finally construed by a judicial body drawn from the entire country and not a fractional part thereof. This is true as a matter of governmental principle without the least reflection upon any member of the courts mentioned, all of whom are jurists of well-known learning in the law and profound in their decisions.

This amendment is for that reason drawn upon broad principles, with a sufficient personnel (5) that all sections of the country can be represented therein and in the determination of these questions that concern alike the East, the West, the North, and the South.

While it is true that the representative theory of government should be observed in all of our institutions of national concern, including the judiciary, it is of equal importance that in constituting these institutions care should be had that uniformity of administration of the laws be preserved. If representative government results in lack of uniformity, the very purpose of the government fails. Under the previous system of appeals in customs cases, the ultimate authority being the different circuit courts or circuit courts of appeal throughout the United States, a great lack of uniformity of decision resulted. In consequence the tariff law, which is the law of the whole

country, has oftentimes received at different ports different interpretations according to the circuit court or circuit court of appeals of that jurisdiction, and consequently different administration.

The act of 1908, while an improvement of the customs administrative law in many particulars, in this respect was inferior to the law as previously existing. Under the amendments of 1908 there exists a greater diversity of possible final authority. Where final decision was previously ordinarily vested in one of nine circuit courts of appeal, such now is vested in nine circuit courts of appeal, 29 circuit judges, 90 district judges, and 9 Supreme Court justices, all of whom are qualified to sit as circuit judges of possible final authority in customs cases, not to mention the territorial judges and those of the District of Columbia. Already the books contain numerous conflicting decisions of customs cases decided by coordinate circuit courts and circuit courts of appeal sufficient to indicate the probabilities of confusion resulting under this law. In many cases previously existing the objectionable results were mitigated by writs of certiorari from the Supreme Court of the United States, but in many that court declined to interfere and conflicts still exist.

ZANTE CURRANTS.

The circuit court in California held that the provision for Zante currants in the tariff act of 1894 was generic and not limited to the product of the island of Zante. (In re Wise, 73 Fed. Rep., 183.) The circuit court of appeals for the second circuit (New York) subsequently held the contrary on the basis of a new record. (Hills *v.* United States, 99 Fed. Rep., 264.) The importers won. It is understood that they feared the result of an appeal in the ninth circuit (California), by reason of the local prejudice due to the interest of currant growers on the Pacific slope, which was supposed to have colored the testimony of the witnesses who testified in the first case, even though no bias were imputed to the court. Four years' delay was caused by this additional litigation.

SILK-WOOL PROVISO.

Paragraph 391, tariff act of 1897, relates to "all manufactures" wholly or in chief value of silk, with a proviso that "all manufactures, of which wool is a component material, shall be classified and assessed for duty as manufactures of wool." Judge Townsend, in the circuit court for the southern district of New York, held that this proviso applies only to said paragraph, or at most only to the silk schedule in which it is found. (Slazenger *v.* United States, 91 Fed. Rep., 517.) Judge Lacombe, sitting in the same court, has recently held the same. (Woodruff *v.* United States, T. D. 29645.) The circuit court of appeals for the eighth circuit has held that it extends not only beyond the paragraph in which it is found, but into other schedules. (United States *v.* Scruggs, 156 Fed. Rep., 940.) The circuit court of appeals for the first circuit held that it did not extend beyond that paragraph, observing that "the words 'all manufactures' found in the proviso should be held to be only a repetition of the same words with which the paragraph begins." (United States *v.* Walsh, 154 Fed. Rep., 770.) But the same court has just followed the decision in the eighth circuit in the Scruggs case without explaining the inconsistency further than to observe that in a doubtful case they would follow that decision as a matter of comity, even though not concurring "in all the reasoning of the opinion leading up to the final conclusion." (Ballot *v.* United States, T. D. 29766.)

SAKE.

The circuit court of appeals for the second circuit (New York) has held the Japanese beverage known as "sake" to be dutiable as an unenumerated article under section 6, tariff act of 1897. (United States *v.* Nishimiya, 137 Fed. Rep., 396.) The circuit court of appeals for the ninth circuit (California) held that it was dutiable as still wines by similitude. (United States *v.* Komada, 162 Fed. Rep., 465.) As in the Zante currant litigation this conflict was based on a different record. The matter is now pending in the Supreme Court.

STRUNG BEADS.

Beads temporarily strung were held by the circuit court of appeals for the seventh circuit to be dutiable as beads not strung. (United States *v.* Buettner, 133 Fed. Rep., 163.) The contrary was held by the circuit court of appeals for the second circuit in two cases, one decided before and one after the Buettner decision. (In re Steiner, 79 Fed. Rep., 1003; Frankenberg *v.* United States, 146 Fed. Rep., 704.) The Supreme Court affirmed the latter tribunal. (206 U. S., 224.) The first decision of the board on this issue seems to have been in 1891. (G. A., 876; T. D. 11885.) The litigation, persisting through three tariff acts, ended in 1907.

SIMILITUDE.

The circuit court of appeals for the second circuit (New York) held that where an importer wishes to rely upon the operation of the similitude clause to bring an unenumerated article under some particular classification he must so allege in his protest. (Hahn *v.* Erhardt, 78 Fed. Rep., 620.) The circuit court of appeals for the third circuit (Pennsylvania) held the contrary without discussing the point. (In re Guggenheim, 112 Fed. Rep., 517.) The Supreme Court refused to grant a writ in the latter case. Subsequently the same question came before the circuit court of appeals for the second circuit, which adhered to its decision in the Hahn case. (United States *v.* Dearberg, 143 Fed. Rep., 472.)

CONTINUOUS CUSTOMS PRACTICE.

There is a well-established rule that a long-continued customs practice with reference to the dutiability of merchandise is a cogent reason for continuing that practice, especially if it arose under a prior act. The circuit court of appeals for the first circuit (Massachusetts) has given this rule a paramount position not recognized by other tribunals, stating that it "is of the highest authority and masters all others." (Brennan *v.* United States, 136 Fed. Rep., 743; United States *v.* Proctor, 145 Fed. Rep., 126.) Extreme application of this rule was given where the customs practice had existed for but five years under the present act. (Burditt *v.* United States, 153 Fed. Rep., 67.) Passing over this application of the rule, it is desired to make the point that no other court of equal authority has followed the first circuit more than a very short distance along this path. Numerous cases have arisen elsewhere since decisions cited were rendered in which the element of continuous customs practice has been present as strongly as in the Burditt case and has been urgently brought out on argument. But invariably the decision has been on other grounds.

SUFFICIENCY OF PROTEST.

The circuit court of appeals for the seventh circuit departed from a long line of decisions holding that the importer's protest must indicate the statutory provision relied upon. (United States *v.* Shea, 114 Fed. Rep., 38.) In this case merchandise was classified as tissue paper, which should have been classified as paper not specially provided for. The importers' sole contention was that it was classifiable as manufactures of paper. The court held that the protest was sufficient. But two years later the circuit court of appeals for the third circuit followed the earlier rule in two well-considered opinions. (United States *v.* Knowles, 126 Fed. Rep., 737; United States *v.* Bayersdorfer, 126 Fed. Rep., 732.) These cases were later followed by the circuit court of appeals for the second circuit. (United States *v.* Fleitmann, 137 Fed. Rep., 476.) Such questions come before the Board of General Appraisers with great frequency, and the matter is left in utter conflict at the different ports.

TEA COVERINGS.

The question of whether certain containers are usual or unusual coverings for tea was given opposite solutions by the circuit court for the northern district of California and the circuit court for the northern district of Illinois. (Jackson *v.* Siegfried, 126 Fed. Rep., 837; Collector *v.* Jaques, not reported.) The Board of General Appraisers found it difficult to harmonize these decisions in deciding later cases, but finally concluded to follow the California decision in California cases and the Illinois decision in Illinois cases. (G. A. 5298–5299, T. D. 24288–24289.) No other course is open, and results in different practice at different ports.

SECTION 7.

Section 7, tariff act of 1897, provides that "if two or more rates of duty shall be applicable to any imported article, it shall pay duty at the highest of such rates."

The circuit court, southern district of New York, held that this applied to merchandise covered by two provisions, one of which imposed an ad valorem rate and the other a specific rate. (Meyer *v.* United States, 124 Fed. Rep., 293.)

The circuit court of appeals for the first circuit held to the contrary five years later, observing:

> It can not reasonably be maintained that the intention of Congress was that the same article should be interchangeably classified under these different paragraphs according to changes in the markets.

The court concluded, therefore, that section 7 could not apply to such a case. (Loggie *v.* United States, 137 Fed. Rep., 813.)

DECALCOMANIA LABELS.

In October, 1904, the circuit court in Chicago held decalcomania labels to be dutiable as labels printed in metal relief. (Wakem & McLaughlin *v.* United States, T. D. 25827.) In February, 1908, the circuit court in Philadelphia held that precisely similar goods were dutiable as surface-coated paper

printed. (United States v. Hempstead, 159 Fed. Rep., 200.) The result in consequence of these decisions is a positive conflict and different enforcement of the law at the two ports.

ENTIRETIES—NEEDLECASES.

The circuit court of appeals for the second circuit has held that fancy needlecases filled with needles were dutiable separately from the needles, as though imported separately. (United States v. Dieckerhoff, 160 Fed. Rep., 449.)

The circuit court at Philadelphia held the same articles to be dutiable as entireties. (Wanamaker v. Cooper, 69 Fed. Rep., 465.)

This results in a conflict of final authority in these two jurisdictions.

ENTIRETIES.

The circuit court at Boston in 1908 held that card clothing for carding machines imported separately, but as a part of the same importation as the machinery upon which it was intended to be used, was dutiable as a part of the machinery and not separately. (United States v. Leigh, 157 Fed. Rep., 317.)

More recently the circuit court of appeals for the second circuit has held that automobile tires imported with the machines for which they were intended to be used, but not attached, were not dutiable as a part of the automobile. (Auto Import Co. v. United States, 168 Fed. Rep., 242.)

FERROCHROME.

The circuit court of appeals for the second circuit held that ferrochrome is dutiable as ferromanganese by similitude. (United States v. Roessler, 137 Fed. Rep., 770.)

The circuit court of appeals for the third circuit held the identical material dutiable as a metal unwrought. (United States v. Cramp, 142 Fed. Rep., 234.)

HARMONICAS.

Harmonicas are held to be dutiable by the circuit court at Philadelphia as musical instruments. This decision was unreported.

They are held by the United States circuit court for the southern district of New York to be dutiable as toys. (Borgfeldt v. United States, 124 Fed. Rep., 473.)

The importers won their contention in each of these cases, and an irreconcilable conflict of authority results.

DRAWN WORK.

Drawn work was held dutiable by Judge Maxey, of the circuit court for the western district of Texas, as embroidered articles. (Beach v. Sharp, 154 Fed. Rep., 543.)

Upon precisely the same record and precisely the same decision of the Board of General Appraisers the circuit court for the southern district of New York held contrary. (Simon v. United States, T. D. 29702.) This decision of the circuit court for the southern district of New York has been affirmed by the circuit court of appeals for the second circuit, and it is understood a writ of certiorari from the Supreme Court is to be applied for by the Government.

In addition to these many other conflicts between the different jurisdictions in the United States might be cited. These are sufficient to illustrate the vice of having different coordinate appellate authorities at different ports throughout the country, such as is provided by the existing law. Not only is it true that different rates of duty are assessed in accordance with the final authority of that jurisdiction upon merchandise by the customs officials within that jurisdiction, but other equally serious consequences follow.

The existence of such a diversity of jurisdictions having ultimate authority is but an invitation to litigation. It is a frequent vice under the present system that defeated litigants will seek another circuit to relitigate their cases already decided, in the hope of favorable decision. Customs lawyers and importers closely study the trend of decisions, and observing the tendency of the court of a particular jurisdiction and the full scope of the principles in every decision, which may be more favorable to their cause, make importations at that port and litigate their cases in that jurisdiction by reason of the supposed advantages arising from divergent views probably taken in earlier decisions.

Under the amendment of 1908 these opportunities will be multiplied. It is of the highest importance to the commercial community to have once for all settled the effect of the provisions of a tariff law. It is of equally high importance to one community that another community, by reason of more liberal decisions in that jurisdiction, should not enjoy special advantages in the importation of their merchandise.

No complete and harmonious adjudication upon this subject can possibly be attained except by the establishment of one tribunal of competent personnel, which shall once for all and for all communities, and finally, settle the interpretation to be put upon the law and the rate of duty intended by Congress. If there were no other reason supporting the establishment of this court, this reason alone would be sufficient.

Objection has been urged against the establishment of this tribunal because there would not be a sufficient number of cases to be determined to warrant its establishment. Regardless of the amount of labor to be performed by these judges, the securing of uniform decisions, of prompt decisions, the affording of ample consideration of these decisions would more than warrant the establishment of the court. It is of much great importance to the country, and we should be more than concerned that our tariff laws are to be finally promptly construed by men qualified in every way to so construe them, with ample time for full investigation, discussion, and thorough consideration, than that five men in the government service might or might not be constantly employed. If only those offices are to be created and those duties performed in the government service which require constant desk application, but few of the higher places would be created, and the official blue book would be greatly condensed. There is a higher purpose in the interests of the whole people than that five men should be everlastingly occupied.

The records show, however, that the number of appeals coming before this body would be sufficient to keep five capable judges well employed. Due consideration of customs cases requires more than a research of the law. It often requires, when properly performed, a research into the sciences, into the arts, into the history of manufactures, into the methods of production, and into almost every manufacturing and producing process known to the civilized world. Not infrequently have courts commented upon the fact and the use of their outside knowledge in the decision of customs cases. For example, in the case of United States v. Roessler & Hasslacher Chemical Company (137 Fed. Rep., 771), Cose, circuit judge, took occasion to say:

> Having had occasion to examine recently the complicated process by which aluminum is produced, we are inclined to think that no better example of unwrought metal can be given.

Here is an instance where an eminent jurist found it necessary and did bring to the consideration of a customs case a fund of intelligence acquired upon the subject in a previous case (Electric Smelting and Refining Company v. Pittsburg Reduction Company, 125 Fed. Rep.).

Other instances may be cited. For example, in Sullivan Brothers v. Robertson (37 Fed. Rep., 778), Judge Lacombe, circuit judge for the second circuit, said:

> With regard to this general group of goods which we know, not only from the evidence in this case, but from our experiences in other cases, is a species of fabric, etc.

Proceeding to reach his conclusion not from the evidence in the case, but from studies of the evidence produced in other cases.

It goes without saying that in the proper determination of this class of cases it should be proved by the mere suggestion that their proper determination should involve study outside of the mere language of the law. And it is the purpose of the committee in the presentation of this amendment to provide a tribunal with sufficient salary to secure in the personnel of this court judges of high attainments and understanding and to clothe them with duties not such as would require the rushing through of cases similar to that followed in police and justices' courts, but to have ample opportunities in cases of small moment, as well as cases of large moment, to thoroughly investigate not only the law, but all the facts surrounding the same, that their decisions, when rendered, may be intelligent and sound. That much is due the industries of this country, and whatever might be the reasonable expenses, in the judgment of the committee, no expenditure could be better warranted than bringing into the final determination of customs matters, affecting all of the citizens in every community, men of intelligence, paying them a salary sufficient to warrant the devotion of a life to the service and clothing them with only such duties as would permit a thorough investigation of every subject presented to them.

The record of appeals from the Board of General Appraisers forms a fair estimate of the work that would be imposed upon this court, which, when compared with the duties imposed upon and performed by other courts, will show that any five men who may be appointed thereto will be well employed if they properly proceed to the performance of the duties assigned them by the statute.

Witness the proof of these statements in that there are now pending on appeal from the board in United States circuit courts approximately 842 suits; in the United States circuit courts of appeal, 75 suits. Of these, 558 are pending in the cir-

cuit court for the southern district of New York, while 68 of the 75 in circuit courts of appeal are in the circuit court of appeals for the second New York circuit.

These involve some duplicated appeals, which will be disposed of by one hearing and decision, but present a calendar, nevertheless, which suggests an imposition upon this circuit of cases which should be more ratably distributed throughout the circuits, or collected within a single special circuit where constant and exclusive attention could be given such important issues.

These figures are an accurate estimate taken from the official records as of date April 1, 1909. This record shows that of the 558 suits pending in the southern district of New York there are precisely 150 separate and distinct issues; that of the 68 suits pending in the circuit court of appeals for the second circuit there are precisely 30 separate and distinct issues. There are 8 issues pending in the circuit court of appeals for the second circuit that are also pending in the circuit court for the southern district of New York. Subtracting these from the total, we have 172 separate and distinct issues pending in that jurisdiction, and a total of 626 suits.

The exact tabulation, made up of the official statement of appeals pending in United States courts in customs cases, issued by the Treasury Department on April 1, 1909, shows a total of 842 customs cases pending in the different federal courts. The total number of separate and distinct issues is 303.

The total number of issues that are pending at the same time in a lower and a higher court of the same jurisdiction, or in a court of coordinate jurisdiction, is 60. Deducting these duplicates from the total of 303 gives 243 separate and distinct customs issues pending in federal courts of date April 1, 1909. This is a most conservative estimate. It does not include separate and distinct issues of fact, of which there are many pending in these courts, nor does it include the different questions of law and fact involved in the so-called "Petroleum Products" and "Sugar Test" cases, which oftentimes require extensive investigation into the treaty provisions of different nations and the facts involved in the application of these treaties.

This is a sufficient number of cases to be well considered by any court of five judges. The number of appeals per annum for the past four years from the Board of General Appraisers is represented by the following tabulated list, which also indicates the moment of such cases:

Year ending June 30—	Circuit court.		Circuit court of appeals.		Supreme Court.	Total.
	Argued.	Not argued.	Argued.	Not argued.		
1905	154	131	36	12	1	334
1906	94	292	50	18	3	457
1907	121	161	44	15	5	346
1908	107	737	50	10	1	911

In view of the early enactment of a tariff law, it is fair to assume that the number of appeals arising hereafter would be much greater than this. Particularly would this be true in the presence of a court where early final decision could be had. The greater expedition given to litigation the greater the desire of the party actually in interest to try out his rights in the court of last resort. The current business of the court would be not less than 250 separate issues of law.

A comparison of the appeals pending in the different courts is instructive.

The Supreme Court of the United States, consisting of nine justices, from 1890 to 1908, inclusive, disposed of, on an average, 400 cases per annum. This included decisions upon extraordinary and other process. This would be an average of approximately 45 decisions per justice. The reports of that court show many of these decisions to be rendered without opinion. While it is undoubtedly true that the questions presented to the Supreme Court are much more weighty than those that would be presented to the proposed court, nevertheless many customs cases are finally adjudicated in the Supreme Court, and many of them rank in importance far ahead of the average case decided by the Supreme Court.

The respective United States circuit courts of appeal during the fiscal year ending June 30, 1908, disposed of upon an average less than 135 appeals each. They were as follows: First circuit, 75; second circuit, 281; third circuit, 114; fourth circuit, 52; fifth circuit, 123; sixth circuit, 135; seventh circuit, 87; eighth circuit, 203; ninth circuit, 139; total, 1,209. The reports of the Attorney-General show that this was an extraordinary number of cases decided by those courts, and greater than in any preceding year.

The court of appeals for the District of Columbia, an appellate court of three judges, paid an annual salary of $7,000 each, disposed of the following matters during the years 1902 to 1908, inclusive: 1902, 149; 1903, 131; 1904, 131; 1905, 175; 1906, 176; 1907, 169; 1908, 185.

It would seem quite as important that a tribunal of the same dignity and standing and comparatively the same expense should be accorded to ultimately determine all appeals in customs cases, many of which involve millions of dollars of refunds from the Government, and each of which involves the substantial rights of the great manufacturing and importing interests of the country, and the ultimate continuance of some of these great interests. The work afforded the court therefore would not only be of the highest order, but sufficient to keep at least five qualified judges busy.

The Senate amendment proposes the immediate transfer to this court of all pending issues in customs cases. The court therefore would upon organization be confronted with from 150 to 250 important issues for determination. Its organization would be immediately upon the enactment of a new tariff law. The number of issues arising thereunder would be numerous. The number of appeals from decisions of the board upon these many subjects would doubtlessly be greatly in excess of 250 per annum. Indeed, the new appellate machinery would inevitably cause many merchants to try out their cases in the court of final resort who otherwise are unable to do so, or now hesitate to do so by reason of the extensive and circuitous procedure.

It seems, therefore, perfectly assured that the contemplated court would be immediately concerned with a sufficient number of cases to occupy it continuously.

Some idea of what can properly be considered by an appellate court may be gleaned from the letter by the judges of the circuit court of appeals for the second circuit addressed to the Finance Committee, April 22, 1908, previously read. In that letter it is stated, after reviewing the fact that the number of appeals annually considered by that court had risen from 157 to 285 in the course of twelve years:

> When the calendar did not present more than 160 cases to be disposed of, the circuit judges were able to hold sessions of three weeks for the hearing thereof with recesses of two weeks each between for the disposition of the same. Since the great increase of the past three years the recesses between sessions, during which the opinions have to be written, have necessarily been reduced to one week each. What the result might be if the present calendar of 285 cases were suddenly increased by adding 200 additional appeals it would be difficult to forecast.

The Supreme Court, deciding 45 cases per justice per annum on an average, when it adjourned this session was 468 cases behind. It may be stated to be the uniform rule that the different circuit courts and circuit courts of appeal throughout the United States are behind in their work.

Estimating the proper amount to be performed by appellate courts, and measuring the same by the work performed by the different courts of federal jurisdiction throughout the United States, it may be properly said that no such court should undertake the decision of more than from 35 to 50 cases per judge per annum. Deducting the necessary vacation time, this requires each judge to consider and write opinions in at least one case per week.

Many of these customs cases require a much greater length of time than that for thorough investigation. In fact, there has never been a year during the past quarter of a century when at least 20 customs issues per annum have not been raised, the proper consideration and determination of which would well command the combined study and legal acumen of any five men for at least two weeks, and many of these for longer periods of time.

No greater number of cases than that should be imposed upon any appellate tribunal for thorough and deliberate consideration, consultation, and decision.

There should be no question in this case that a sufficient number of cases would be afforded to occupy these judges their entire time. If any apprehension should be aroused in this instance, it would rather be in the opposite direction, as to whether or not the number of cases likely arising within the jurisdiction of this court would not be such as to require additional force.

The expense of the proposed court, as compared with the benefit received therefrom, is inconsiderable. The maximum expenditure for the court as provided in this amendment will be not greater than $75,000 per annum.

Measured against this expense, we are to consider the following results:

1. The time of ultimate decision in customs cases would be reduced to within one year, instead of as at present requiring two and one-half years or more. This estimate of time does

not include the time required in those cases that are reviewed in the Supreme Court of the United States.

This would represent a saving to the consumers of the country on an average of at least $650,000 per annum. This proposition is capable of mathematical demonstration.

Nor does this take into account the fact that those cases in which the heaviest refunds are paid uniformly have extended over a much longer period of time than two and one-half years, as has been shown by the list of important cases given.

It must constantly be borne in mind that these large refunds accumulate in proportion to the delay in the decision of the case. Protest is made upon each shipment of the merchandise the subject of suit. Each shipment brings to the importer, his counsel, and his broker a proportion of these refunds. If, therefore, the time of decision is reduced to one-third by the establishment of this tribunal, which undoubtedly will be the case, the amount of refunds in these cases will be reduced to one-third. As a matter of fact, it will be reduced much more than that because of the fact that the heaviest refunds are paid in cases extending over a much longer period of time than two and one-half years, as has been conclusively shown.

The importer, his broker, and his attorney would, therefore, in these cases, by reason of prompt decision, collect from the consumers of the country at most but one-third of what is collected under the present system.

Some idea of what is involved in this may be ascertained from a statement of the refunds paid in customs cases under the Dingley law. I here submit a statement, prepared by the Treasury Department, not of estimated refunds, but of actual refunds paid under the present law.

The aggregate from 1898 to 1908 was $18,295,401.48. To save question, I will deduct from this the sum of $7,191,335.71, paid by reason of refunds in the Hat Trimmings and Tobacco cases arising under previous laws. The net refunds, therefore, under the Dingley law for those years amounted to $11,104,065.77. This is an average of over $1,000,000 a year paid in refunds in customs cases. As a matter of fact, they will amount to very much more than that sum. The most conservative estimate by the auditor at the custom-house at New York and those who have made calculations in the different cases now pending in the courts is that during the current and ensuing year the refunds will approximate $3,000,000.

I base this statement upon the proposition that every case decided in that eleven years would be decided precisely as it has been decided; that there would be no change in any construction of the law. Taking that as a basis, the refunds for the eleven years, and undoubtedly for the years ensuing, will run over $1,000,000 per annum. These refunds accrue from cases the ultimate determination of which required at least two and one-half years, and therefore grow out of the protests filed upon every shipment of the merchandise involved during that period of time. As a matter of fact, the more important ones run over a much greater period of time. During this period of time the high and unlawful rate of duty is levied on these goods, paid by the importer, and collected from the consumer.

There is no escape from the fact that these refunds were, perforce of this dilatory system, collected out of the pockets of the consumers of the country by the importers of the country who sold them the merchandise. Upon settlement of the case these refunds were not distributed amongst the consumers of the country, but this vast sum of money, each year collected out of the consumers, is paid into the pockets of a certain few.

It might be added here that one large, well-established, and well-known house in New York, recognizing the moral features of this situation, makes it a rule that all refunds in customs cases accruing to that house by reason of decisions are distributed among the houses purchasing the merchandise; but this is the one exception that demonstrates the rule.

It seems perfectly plain that where the Government can disburse the sum of $75,000 per annum of moneys collected under the tariff law for the constitution of a tribunal that will insure prompt decisions in these cases, if nothing more, and thereby save to the consumers of the country $650,000 per annum, which would be unlawfully collected under the same, it is absolutely warranted without any other reason supporting it. The taxpayers pay $75,000 to save being taxed at least $650,000.

2. The vast number of protests being constantly filed in the different custom-houses throughout the country and forwarded to the Board of General Appraisers for decision has necessitated great increases in the clerical force of the different custom-houses and overtaxed the clerical force of the Board of General Appraisers in filing, docketing, and otherwise giving proper clerical attention to these protests, not to speak of the handling of them a second time throughout all the processes to and including reliquidation when they are finally disposed of.

These protests, as already shown, now amount in classification cases to approximately 65,000 per annum. If the length of time of appeal were shortened to one-third, the number of protests would of necessity be reduced to one-third, and in consequence there would be great saving in the clerical force necessary to handle these protests.

At different times during the past years the enormous number of these protests filed each day, the making of proper returns thereto by the appraising officers, their proper docketing by other clerks, the taking of samples, and doing of other attendant clerical service have consumed the time of so many clerks of the different departments in the customs service of the Government that additional temporary forces of considerable numbers have been required. A reduction in the number of these protests would result necessarily in a great reduction of the work to be performed in the custom-houses and appraising offices of the country, thereby effecting a material saving of the public revenues.

It has been shown that from time to time the accumulation of cases in the United States courts at New York has necessitated the addition to that district of additional judges. The enactment of this law will undoubtedly so relieve the jurisdictions of the southern district of New York, the district of Massachusetts, the eastern district of Pennsylvania, and the northern district of Illinois to that extent that, where under existing conditions an increase of the judicial force of those districts would be absolutely necessary, the passage of this bill will reduce that necessity.

The reduction of the labors of those courts alone would undoubtedly in the next ten years enable them to handle the otherwise accumulated work to that extent that the actual saving of judges would be at least five in number. So that the passage of this bill means but the earlier appointment of judges that would later be required and the assignment to them of special jurisdiction.

In that view, therefore, it can not be regarded in any sense as more than the inevitable expenditure of what in time will be necessary.

The addition of $75,000 to the expenses of collecting the revenues would be such an insignificant sum as could hardly be estimated in percentage. The cost of the collection of the revenues for the fiscal year ending June 30, 1908, was $9,580,626.25. The addition thereto of this expense would be so insignificant as to be incalculable.

This country already has the most complete administrative system of the world. Here the importer is given more opportunities to try out the merits of his protest than in any other civilized country. In Germany, France, Austria, Holland, Belgium, England, and every other country the administrative laws of which have been carefully examined, many of which countries have made protests against the administrative features of our customs laws, nothing like the opportunity of hearing given in this country is afforded. In those countries such things as hearings in customs cases do not exist in any case. The decision of customs matters is left entirely to the caprice of the particular customs officer, without any opportunity of hearing, except filing a written statement, and in many cases this is not afforded.

When, therefore, the Congress has provided, as is provided in this system, the opportunity of review, first, by the collector, second, by the Board of General Appraisers, third, by the court to be constituted of competent men, opportunity of review is afforded in this country such as is afforded in no other country of the civilized globe. And the complaint of the importer or any other person who may or may not be interested in the features of this law that the three reviews given should be made five is asking a most unreasonable result. In no other class of cases, civil or criminal, in this country or in any other, is the number of reviews afforded a litigant that is afforded in the present system of appeals in customs cases. The man who enters a case, civil or criminal, in any of the courts of federal jurisdiction has no right to review by more than three tribunals, including the Supreme Court of the United States; and that there should be accorded to one special class of litigants the opportunity of review in five tribunals is a travesty upon justice and beyond a reasonable demand.

The Supreme Court of the United States and the expressed will of all interested parties has ever been that the adjudication of all litigated questions ought to be so provided for under the law that swift justice may be done. The Supreme Court in well-considered cases has emphasized the fact that the collection of the public revenues should not be made to depend upon any

system which would result in great delay; otherwise the revenues can never be properly collected.

It is not a little strange that the proposition of the expense of this tribunal should be urged against its establishment by those who are particularly concerned in the collection, by virtue of the present dilatory procedure, from the taxpayers of this Government and drawing out of the Treasury almost ten times the cost of this tribunal per year. The $75,000 paid by the Government is paid by the federal taxpayers of the country. If the $75,000 is not expended by them in the establishment of this court, ten times that amount will be paid by the same taxpayers into the pockets of a certain few, collected in the same manner under the same law, because the court is not established. So it is for the federal taxpayers of the country to decide whether they will establish this court and pay but $75,000 per year, or whether they will refuse to establish this court and pay in lieu thereof $650,000 per annum. I think there can be no choice, and the argument of expense against the establishment of this court has not the slightest foundation in fact.

Aside from the question of overcrowded courts, aside from the question of whether or not a single decision would be changed, this amendment is warranted and demanded upon the grounds that it will shorten the life of customs appeals, relieve the customs service of much unnecessary labor, and save the consumers of the country over $650,000 per year.

The Senate amendment fixes the salary of the judges of the proposed court at $10,000 per annum. The committee is of the opinion that in order to secure judges of requisite ability and their continuance upon this tribunal that salary at least is absolutely necessary.

The temptations by reason of extraordinary fees made in this line of practice, as already stated, are a great inducement to lawyers once experienced in the customs law to leave official positions and engage in the practice of the law, where it is no uncommon thing to make fees of from $30,000 to $50,000 per year.

The salary of the members of the Board of General Appraisers is $9,000 per annum. The salary of the collector of customs at New York is $12,000 per annum. The salary of the United States district attorney at New York is $10,000 per annum. The salary of the postmaster at New York City is $10,000 per annum. The salary of the judges of this court should be higher than that of the lower reviewing tribunal from which appeals are taken.

The location of the court in the city of New York, where the expenses of living are much higher than elsewhere, requires that the salary be at least that sum. It is exactly the same as that paid the members of the Interstate Commerce Commission.

The higher and increasing cost of living is expressly recognized by the laws of the State of New York constituting the supreme court of that State, which has 26 judges in the boroughs of Manhattan and the Bronx. The salary of these judges is $17,000 per annum in the city of New York, while elsewhere in the State they receive a salary of $7,500 per annum.

The number of district municipal judges in New York City was increased January 1, 1908, from 13 to 42, and their salaries raised from $6,000 to $8,000 per annum by reason of the increased cost of living.

The judges of the city court of New York, whose number has just been increased from 7 to 10, received at the same time an increase in salary from $10,000 to $12,000 per annum.

The two surrogate judges of New York City receive $15,000 each per annum.

The judges of the court of general sessions of the city of New York, five in number, have lately been increased in salary from $12,000 to $15,000 per annum.

No body of men is better capable of measuring the proprieties of salaries in the city of New York than the legislature of that State, and this is its estimate of the requirements to obtain judicial talent.

There is no place wherein pressure is so great, by reason of opportunities in the practice of law, as in the customs law as practiced in that city. Hence it is absolutely necessary, if men of suitable ability are to be maintained upon this court, that a salary of at least $10,000 per annum be paid. The committee, in fixing this salary, deemed it the minimum that would obtain and retain men of suitable ability upon the court.

The fact that the United States federal judges receive a less salary is no argument against the fixing of this salary properly at the outset, but an argument that the judges of the circuit and district courts should receive higher salaries, a fact which has received the approval of the committees of Congress, of the House of Representatives, and the united support of the press throughout the country.

The necessary counterpart of the Senate amendment for the earlier and better determination of customs cases is the amendment providing for the government counsel's force. This amendment provides for an assistant attorney-general, at a salary of $10,000; a deputy assistant, at $6,000; and three other assistants, at $5,000 each; aggregating $31,000.

Under the present law that force consists of a chief counsel at $5,000, three assistants at $3,000 each, and three other assistants at $2,500 each, making an aggregate salary roll of $21,500. The clerical force in neither case is enumerated.

Under the present system of prosecution of customs appeals, they are attended in the first instance by the solicitor of customs before the Board of General Appraisers and his force. On appeal to the United States circuit courts and circuit courts of appeal, they pass out of his hands entirely and are prosecuted by the district attorneys for the respective districts. On appeal to the United States Supreme Court or on writ of certiorari they pass out of the hands of this office and are taken up by the Attorney-General or his assistant.

In this gamut of prosecution the handling of the cases on behalf of the Government changes hands three times. Upon the other hand, the handling of the cases by the importers' counsel is done by the same counsel before all these tribunals. It seems hardly necessary to suggest that the constant change of counsel, which no man in business would undertake—three times in the ultimate prosecution of a case—is a system the vice of which can not be more emphasized than by its suggestion. In the opinion of the Finance Committee, the prosecution of these cases from their inception before the board to their conclusion in the Supreme Court should be under the same official corps, who acquire a familiarity with the witnesses before the board, what is necessary to make it a complete case, and who prepared their case for prosecution to the Supreme Court. There should be no change of horses in the middle of the stream. Experience has demonstrated that it is a matter of the greatest importance that the same attorney should be intrusted with the Government's cases from the beginning to the end, and that these attorneys should possess greater ability in this line of work than can be obtained at the salary now being paid.

Customs law is largely a law unto itself and involves many intricacies with which lawyers in the general practice are not familiar; and there are but very few district attorneys who have had any experience of consequence in customs cases. Outside of the southern district of New York, the eastern district of Pennsylvania, and the district of Massachusetts the district attorneys have comparatively no familiarity with this class of cases. The result is that the preparation of many customs cases on behalf of the Government has been very imperfect, salient points have been overlooked, waivers have been made, and many questions of vital importance have been decided against the Government when full development of the facts would have resulted in contrary holdings. Further, it is well known that the decision of the lower court is presumably correct, and when a case is lost therein as a result of its not being properly presented, an affirmance by the higher court often follows solely on account of this presumption. It is very important, therefore, that a case be well tried, as well as prepared for hearing, in the lower court. In fact, if a lawyer of inferior talent is to appear anywhere in the progress of the case it is better for him to appear in the appellate court, because such court is inclined to be controlled by the decision of the court below. The lawyers take time to make a thorough and independent examination of the questions presented. It is needless to say that the importers always have on hand in every stage of the proceedings counsel exceptionally skilled in this line of practice and who receive for their services large remuneration.

Many of the long delays in final decision in customs cases will be found to rest in imperfect records, insufficient testimony, or specifications of appeal. The latter are now drawn by the collector's attorney, the case first presented by the solicitor of customs and later by the United States district attorney. Any defect in the record will and has often resulted in years of delay and consequent injustice. If the whole of these duties were confined to one office, such would be much less likely to occur.

The designation of the attorney in charge as Assistant Attorney-General, and payment to him of a salary of $10,000 per annum, as provided in this bill, will, it is believed, enable the Government to secure and retain a lawyer learned in the customs law to look after its interests in all customs cases. This salary is the same as that paid to the United States attorney at New York, where most of the customs cases arise, and is not more than is frequently paid in a single case to the counsel for importers.

The salaries of the Deputy Assistant Attorney-General and the other assistants are fixed at amounts which are deemed sufficient to secure and retain attorneys skilled in the customs law and decisions, and qualified to assist the Assistant Attorney-General in the preparation and trial of cases in any and all of the courts having jurisdiction.

This amendment involves an added expenditure for this office to secure these results of $9,500, which is an insignificant sum compared with the results to be obtained.

The Congress should not overlook the fact that if men of ability are to be retained in this line of practice for a length of time longer than to school them in the customs law, higher salaries than those now being paid must be paid. The customs lawyer in New York who can not make $10,000 per annum is one of exceedingly poor ability. It has been the experience of the Government that as rapidly as counsel become trained in the office of the solicitor of customs they go out into the practice of the customs law and often make ten times the salary paid in that office. Almost all of the leading customs lawyers of New York to-day are men who received their training in the customs service and passed out of it either from the solicitor of customs' office before the Board of General Appraisers, or some capacity in the Board of General Appraisers or the United States district attorney's office. It has been said, and it is known to be true, that some of the principal firms in this business in New York make from $30,000 to $50,000 per year for each member.

In view of these opportunities the Government can not expect to retain in its service men who are efficient and able to cope with lawyers particularly skilled in that line, whose learning was afforded them in government capacities. If, therefore, it is the purpose of the Government to build up a corps of efficient government attorneys and retain them in the service, who have the necessary ability and understanding of the law to fully represent the Government in these cases, where they are opposed by men of eminent ability and learning in this branch of the law, salaries commensurate therewith must be paid. If it is the purpose in the future, as in the past, to only educate men at the Government's expense who will then go into private practice to defeat the Government, lower salaries should be paid.

No less a corps would be able to cope with this work. There are three coordinate Boards of General Appraisers sitting at all times. There must be one assistant before each of these three boards at all times. If these cases are to be prosecuted by this office into the higher courts, as the Finance Committee believes should be done, there should be at least one assistant who could take charge of these cases.

The two proposed amendments constituting the court of customs appeals and enlarging the office of the Solicitor for the Treasury Department, classing it in the Attorney-General's office, adjust themselves one to the other. It could not be expected if these appeals were to be heard at many different ports throughout the country at the same time that any force in the government counsel's office would be sufficient to proceed to the different ports and try the different cases. The stationing, however, of the court and this corps of attorneys at the same point, to wit, New York, where the case can be prosecuted from its inception to its conclusion before the board and all courts of appeal, and where the government counsel's force will be in close contact with the court, and where the same attorney under the supervision of an assistant attorney-general to be in charge there can prosecute the case from commencement to conclusion, will result, it is believed by the committee, in a great saving of expense in these prosecutions and an infinitely better service.

Both the board and the court being stationed at the same point, there would be no possible delay in continuances on the grounds of attendance in the other tribunal, no expense of travel between them, and complete daily supervision by the chief officer in charge of each case from inception to conclusion.

Moreover, we should not lose sight of the fact that the creation of this office and the enlargement of its prerogatives and the betterment of its force will withdraw from the United States district attorneys' offices at New York, Philadelphia, Boston, and Chicago a considerable branch of the business of those offices. In consequence, necessary additions to those offices, which will inevitably have to be made if the accumulation continues in these offices, will be avoided. This measure forestalls the necessity of that and affords more time for the consideration of the constantly increasing work of these offices, and at the same time affords an infinitely better system of prosecution of customs appeals. In the four offices named there are five deputy district attorneys, whose time is almost exclusively given to customs appeals. The relief that this bill will afford upon the strain of those offices, which in recent years has been great, is an added reason for the passage of this amendment. Therefore, the moneys expended in this way will not only bring about a most desirable service, but result in an ultimate economy in the government expenditures.

It is the purpose of this bill to create a tribunal the jurisdiction of which will take the place of, and consign to its jurisdiction in all customs cases, that now covered by the United States circuit courts and circuit courts of appeal and in part the Supreme Court. The amendment is framed upon the lines and carries with it the salary which will bring into this court and retain men as judges of high legal attainments who will be amply paid and can afford to bring to these important questions such consideration, legal talent, and investigation of the arts, sciences, and all subjects relating thereto as will result in decisions profound, speedy, and equitable.

The committee has not concerned itself with numerous reports and insinuations as to the personnel of the court. The committee feels that the appointment of the judges of the court being vested in the President of the United States, where it rightfully belongs, he can be trusted to name such a personnel for the court as will be able, fair, and just to all parties concerned, and carry out the intent and purposes of the Congress. The committee has no reason to question the attitude of the President, and has full confidence in his integrity and fairness, and for that reason does not deem the matter of the possible personnel of the court one of consideration for or against the enactment of this law. Any consideration of that phase of the matter for or against the bill must be based upon a lack of confidence in the integrity and capacity of the President to make selections for public office, which the committee does not entertain. It is assumed that in the performance of that duty there will be brought into the personnel of this court men of legal attainments sufficiently broad, experience sufficiently great, and that unqualified integrity necessary to the personnel of this tribunal. The committee believes there are available men just as learned, just as fair, just as competent in every wise as the judges now deciding these cases, and is perfectly willing to confide their selection and appointment to the President of the United States.

In creating a special tribunal for this class of cases the committee is in perfect accord with all tendencies of modern times. The development of the sciences, the wonderful extensions of the latitude of manufacture, the remarkable increase in sources of production, and the remarkable diversity of products of the mercantile world in recent times, and the consequent amplification of the law dealing with these various subject-matters, render it quite impossible for the single human mind properly considering them to cover the whole subject of commercial activities.

The tendency is decidedly to specialism. Where the legal profession not many years ago was devoted to the general practice of the law, in the larger commercial communities of to-day it is devoted to specialties. There are corporation lawyers who attend no other business. There are admiralty lawyers who attend no other business. There are criminal lawyers who attend no other business. There are lawyers whose sole business is devoted to certain mercantile pursuits and so on. This theory has already been carried into the judiciary. We have our special courts of equity and special courts of law. We have our probate courts, our admiralty courts, and our criminal courts.

In the exercise of the broad federal jurisdiction in many of the districts, like the southern district of New York, there are special judges peculiarly qualified in special branches of the law to whom are assigned that particular class of cases. There are there judges to whom are assigned criminal cases, specially qualified in that line. There are there judges specially qualified in admiralty cases, to whom are assigned cases in that line. And so on throughout all the system of federal jurisprudence. In the practice of customs law attorneys devote attention to this class of cases and do not take up, as a rule, other classes of law. They find that its principles are so intricate, the practice so broad, and the demand on their attention to properly perform these duties so great, that they can not devote themselves to other classes of law.

So in the constitution of the greatest tribunal of the land, the Supreme Court of the United States, there was appointed to that tribunal one justice (Justice Brown) deemed specially qualified in admiralty law. There was also appointed to that tribunal another justice (Justice White) who was specially proficient in civil law.

In the constitution of the different courts of the land there has been constituted a special tribunal for the hearing and determination of claims against the Government, known as the "Court of Claims," situated in the city of Washington.

Customs cases are not unlike these, for they are claims against the Government, and whatever warrant there was in

establishing the Court of Claims, there is the same warrant for the establishment of a court of customs appeals. These subjects are sufficiently intricate, important, numerous, and involve so many principles peculiar to customs law that full warrant is given for the establishment of a tribunal which shall devote itself solely to these subjects. And in the establishment of this special tribunal the Congress is following precisely what the commercial world has long since accepted to be the necessity of modern times. And in pursuance of the principle that prompts commercial enterprise to seek the lines of best advantage, the Congress deems itself, in conforming thereto, following the lines of the best interest of the Government.

It may be further added that under the present system final decision in most cases is had by a single circuit judge. As already shown, these decisions rendered by the Board of General Appraisers are passed upon by three members of the board rendering the decision, and the other members of the board present at New York check their approval or disapproval. The members of the board have before them the witnesses in the particular case; they are particularly familiar with the law pertaining to these cases; they have before them evidence of the facts surrounding the case, and, therefore, if men of moderate ability, should be able to make sound findings and proper legal conclusions. On appeal, these cases are reviewed by a single judge. In some jurisdictions this judge may be particularly qualified in customs law; in many other and the great majority of jurisdictions the judge passing upon the case has had but little experience in customs law. In most, if not all, the jurisdictions, the case falls into a court where other classes of law already are sufficient to occupy the entire attention of the court. It is in many cases presented by a district attorney having little or no knowledge of customs law. Under these circumstances it could not be possible that these cases could, in the limited time allowed and under all the circumstances, receive that due deliberation and consideration which their merit warrants.

Reviewing the entire situation in the light of results that have ensued in the past, the committee is of the opinion that for the final determination of this class of cases there should be established a court of men eminent in the law, fair and impartial in their decisions, sound in their conclusions, and that whatever expense might be incurred is fully warranted.

Table showing affirmances and reversals of customs appeals in all courts since organization of the board in cases prosecuted to circuit court of appeals.

CIRCUIT COURTS.

Year.	Argued.		Not argued.		Total.
	Affirmed.	Reversed.	Affirmed.	Reversed.	
1907-8	71	36	472	265	844
1906-7	81	40	114	47	282
1905-6	53	41	238	54	386
1904-5	84	70	79	52	285
1903-4	34	44	118	27	223
1897-1903	126	113	215	120	574
Total	449	344	1,236	565	2,594

CIRCUIT COURTS OF APPEAL.

Year.	B.A.C.A.	B.A.C.R.	B.R.C.R.	B.R.C.A.	Total.
1907-8	33	7	9	17	66
1906-7	22	3	19	15	59
1905-6	36	9	7	16	68
1904-5	17	3	10	18	48
1903-4	18	7	2	6	29
1897-1903	46	15	13	19	93
Total	167	44	60	91	362

"B. A. C. A." means "board affirmed, circuit court affirmed."
"B. A. C. R." means "board affirmed, circuit court reversed."
"B. R. C. R." means "board reversed, circuit court reversed."
"B. R. C. A." means "board reversed, circuit court affirmed."

	Board.	Circuit court.
Affirmed	211	258
Reversed	151	104

The board had 211 affirmances and 151 reversals, although testimony was taken in 75 per cent of these appeals after leaving the board.

The circuit court had 104 reversals and 258 affirmances upon a full record.

Since the passage of the act of May, 1908, requiring that all testimony be exhausted before the board and a full record presented for the basis of their decision, the following was the result. None of these cases, for want of time, has reached any circuit court of appeals:

Appeals decided in circuit courts	23
Board affirmed	19
Board reversed	4

Since 1891, 15 appeals were passed upon by the board, the circuit courts, the circuit courts of appeal, and the Supreme Court, and the final decision by the Supreme Court was as follows:

	Board.	Circuit courts.	Circuit courts of appeal.
Affirmed	11	8	5
Reversed	4	7	10

When it is borne in mind that after leaving the board additional testimony was introduced by one side or the other, or both, in the circuit court in most, if not all, of these cases, and that therefore the circuit courts and the circuit courts of appeal passing upon the cases had a complete record, whereas the board had an incomplete record, the record of the board for reversal in the Supreme Court of the United States is remarkable.

Customs cases pending in the circuit court, southern district of New York, April 1, 1909.

SUGAR—SETTLEMENT TEST.

Suit 3221. American Sugar Refining Company *v.* United States.
Decided by the board June 27, 1901. Record returned to circuit court September 26, 1901. Record printed by circuit court years ago. Not yet argued.

COUNTERVAILING DUTY ON SUGAR—DUTIABLE WEIGHT—SUFFICIENCY OF PROTESTS—SUGAR TEST.

Suits 4045–4048 and 4055. Core & Herbert *v.* United States (4045), W. H. Force & Co. *v.* United States (4046), Hills Brothers Company *v.* United States (4047), Rosenstein Brothers *v.* United States (4048), and Hills Brothers Company *v.* United States (4055).
Decided by the board May and June, 1905. Records returned to circuit court August, 1905. A test case on this issue, begun in 1898, went to the circuit court of appeals, second circuit. Then another was prepared before the board and taken to the Supreme Court. The importers lost in both cases.

PETROLEUM PRODUCTS—COUNTERVAILING DUTY.

Suits 3458–3460. United States *v.* Muller, Schall & Co. (3458), United States *v.* Alpers & Mott (3459), and United States *v.* Cook & Cokefair (3460).
Suit 4264. Charles Zoller Company *v.* United States.
Suits 4398–4410. United States *v.* Frank Bergeresch, Jr. (4398), United States *v.* Clearman Brothers (4399), United States *v.* Cook & Cokefair (4400), United States *v.* R. F. Downing & Co. (4401), United States *v.* Fiske Brothers' Refining Company (4402), United States *v.* J. W. Hampton, Jr., & Co. (4403), United States *v.* Lehn & Fink (4404), United States *v.* F. A. Marsily & Co. (4405), United States *v.* J. C. Metzger & Co. (4406), United States *v.* Napier Chemical Company (4407), United States *v.* Schoellkopf, Hartford & Hanna Company (4408), United States *v.* Smith & Nichols (4409), and United States *v.* Zinkeisen & Co. (4410).
Decided by the board July 23, 1906.
Suits 4410, 4802, 4811, 4839, 5038, 5082, and 5238 (252, etc.). United States *v.* Swan & Finch Company (seven cases).
Suits 4466–4469. Bayway Refining Company *v.* United States (4466), J. W. Hampton, Jr., & Co. *v.* United States (4467), L. Sonneborn's Sons *v.* United States (4468), and Bliven & Carrington et al. (4469).
Decided by the board July 26, 1906.
Suits 4789–4801 and 4803–4805. United States *v.* R. F. Downing & Co. (4789), United States *v.* Schoellkopf, Hartford & Hanna Company (4790), United States *v.* Schoellkopf, Hartford & Hanna Company (4791), United States *v.* Napier Chemical Company (4792), United States *v.* Clearman Brothers (4793), United States *v.* The White Tar Company (4794), United States *v.* Lehn & Fink (4795), United States *v.* O. G. Hempstead & Son (4796), United States *v.* F. A. Marsily & Co. (4797), United States *v.* L. Sonneborn Sons (4798), United States *v.* Zinkeisen & Co. (4799), United States *v.* Bliven & Carrington (4800), United States *v.* Charles Zoller Company (4801), Schoellkopf, Hartford & Hanna Company *v.* United States (4803), L. Sonneborn's Sons *v.* United States (4804), and Zoller & Co. *v.* United States (4805).
Decided by the board December 24, 1906.
Suits 4837–4938. United States *v.* F. A. Marsily & Co. (4837), and United States *v.* National Aniline and Chemical Company (4838).
Decided by the board January 30, 1907.
Suit 4892. United States *v.* R. F. Downing & Co.
Decided by the board February 26, 1907.
Suits 4937 and 4948. United States *v.* F. A. Marsily & Co. (4937) and United States *v.* L. Sonneborn Sons (4948).
Decided by the board April 10, 1907.
Suits 4938–4940. United States *v.* National Aniline and Chemical Company (4938), United States *v.* Smith & Nichols (4939), and United States *v.* Swan & Finch Company (4940).
Suit 4983. United States *v.* The White Tar Company.
Decided by the board June 20, 1907.
Suit 4997. United States *v.* L. Sonneborn Sons.
Decided by the board June 26, 1907.
Suits 5078–5081 and 5083. United States *v.* National Aniline and Chemical Company (5078), United States *v.* Lehn & Fink (5079), United States *v.* Ahrman Ogg (5080), United States *v.* F. A. Marsily & Co. (5081), and United States *v.* L. Sonneborn Sons (5083).
Decided by the board October 3 and 4, 1907.

Suits 5150 and 5156. United States v. L. Sonneborn Sons (5150) and United States v. Lehn & Fink (5156).
Decided by the board November 27, 1907.
Suit 5189. United States v. F. A. Marsily & Co.
Decided by the board December 30, 1907.
Suit 5222. United States v. F. A. Marsily & Co.
Decided by the board January 30, 1908.
Suits 5260–5261. United States v. F. A. Marsily & Co. (5260) and United States v. Smith & Nichols (5261).
Decided by the board March 13 and 17, 1908.
Suit 5271. United States v. L. Sonneborn & Sons.
Decided by the board March 24, 1908.
Suit 5283. United States v. F. A. Marsily & Co.
Decided by the board April 22, 1908.
Suits 5293–5294. United States v. White Tar Company (5293) and United States v. Smith & Nichols (5294).
Decided by the board May 4, 1908.
Suit 5299. Smith & Nichols v. United States.
Decided by the board May 4, 1908.
Suit 5321. United States v. Swan & Finch.
Decided by the board June 25, 1908.
Suit 5328. United States v. Smith & Nichols.
Decided by the board July 11, 1908.
Suits 5358–5361. United States v. Clearman Brothers (5358), United States v. Smith & Nichols (5359), United States v. Lehn & Fink (5360), and United States v. Napier Chemical Company (5361).
Decided by the board September 24, 1908.
Suit 5390. United States v. Smith & Nichols.
Decided by the board November 17, 1908.
Suit 5415. United States v. F. A. Marsily & Co.
Decided by the board December 14, 1908.
Suits 5450–5453. United States v. F. A. Marsily & Co. (5450), United States v. Lehn & Fink (5451), United States v. White Tar Company (5452), and United States v. Napier Chemical Company (5453).
Decided by the board January 29, 1909.
Suit 5459. United States v. F. A. Marsily & Co.
Decided by the board February 9, 1909.
Suit 5469. Appeal from Abstracts 20850 and 20891 (T. D. 29644).
Decided by the board March 15 and 22, 1909.
The original case was decided by the board November 11, 1903. Record returned February 5, 1904. These cases have been continued in this court while test cases have been carried twice to the circuit court of appeals, second circuit, and once to the circuit court of appeals, first circuit. The Attorney-General is now considering whether to apply to the Supreme Court for a writ of certiorari.

ANTHRACITE COAL.

Suit 3514. Act of January 15, 1903.—The Perkins Company v. United States.
Decided by the board February 20, 1904. Record returned to circuit court May 4, 1904. Cause of delay unknown.

SHORTAGE OF SPIRITS, ETC.

Suits 3884, 3939, and 3950. Natale Licata v. United States (3884), E. La Montagne & Sons v. United States (3939), and Julius Wile, Sons & Co. v. United States (3950).
Decided by the board in 1904. One test case on this subject went to the circuit court of appeals, second circuit. The importers then prepared a new one, which they took to the Supreme Court and there lost it. This case has been ready for decision over a year.

CODEIN—OPIUM SALTS.

Suit 3968. Levi v. United States.
Decided by the board March 3, 1905. Record returned May 6, 1905, four years ago.

COLORS CONTAINING LEAD—GLASS ENAMEL.

Suits 4115 and 4116. J. Marsching & Co. v. United States (4115) and United States v. J. Marsching & Co. (4116).
Decided by the board August 30, 1905. Record returned to the circuit court November 17, 1905, almost four years ago.

SCALLOPED ARTICLES.

Suit 4148. Waentig v. United States.
Decided by the board November 9, 1905. Record returned to circuit court December 15, 1905. A cross appeal by the United States has been decided at circuit and is now pending in the circuit court of appeals, second circuit.

FERROS—METALS UNWROUGHT—FERROMANGANESE.

Suits 4158, 4179, and 4180. United States v. K. Sugawa & Co. (4158), United States v. O. G. Hempstead & Son (4179), and United States v. Dana & Co. (4180).
Suit 4158 was decided by the board December 9, 1905, and the record was returned to the circuit court January 24, 1906. The other cases were decided January 17, 1906, and the records returned February 20, 1906. Test cases have been decided in the circuit court of appeals for the second circuit, and by the same court for the third circuit; and other test appeals have just been taken to the last-named court.

BUFFALO HIDES.

Suits 4188–4193. United States v. Muller, Schall & Co. (4188), United States v. G. B. Ritchie & Co. (4189), United States v. American Hide and Leather Company (4190), United States v. Abe Stein Company (4191), United States v. J. H. Rossbach & Bros. (4192), and United States v. Joseph Hecht & Sons (4193).
Decided by the board January 30, 1906.
Suits 4204, 4205. United States v. Wertheim & Schmoll Company (4204) and United States v. Abe Stein Company (4205).
Decided by the board January 30, 1906.
Suit 4209. Joseph Hecht & Sons v. United States.
Decided by the board January 30, 1906.
Suits 5290, 5291. United States Leather Company v. United States (5290) and Fredk. Probst & Co. v. United States (5291).
Decided by the board May 18, 1908.
Suit 5300. J. H. Rossbach & Bros. v. United States.
Decided by the board May 12, 1908.
Suit 5309. F. B. Vandegrift & Co. v. United States.
Decided by the board May 18, 1908.
Suit 5325. Baeder, Adamson & Co. v. United States.
Decided by the board June 29, 1908.
The original case was decided by the board January 23, 1906; records returned to the circuit court February 20, 1906. This matter has twice been to the circuit court of appeals, second circuit, and in the second case the Supreme Court more than a year ago denied a writ of certiorari, thus practically settling the question against the importers.

SINGAPORE BUFFALO HIDES.

Suit 4202. United States v. Harburger & Stack.
Suits 5345–5353. United States v. W. L. Wadleigh (5345), United States v. Winter & Smillie (5346), United States v. Baeder, Adamson & Co. (5347), United States v. East Asian Mercantile Company (5348), United States v. Harburger & Stack (5349), United States v. Chas. Schieren & Co. (5350), United States v. Abe Stein Company (5351), United States v. C. V. Pustau & Co. (5352), and United States v. Alphonse Weil & Bros. (5353).
Decided by the board September 16, 1908.
The original case was decided by the board January 30, 1906; return made April 4, 1906. This issue was passed on by the circuit court of appeals, second circuit, several years ago. Another test case has just been decided against the United States, and an appeal to the circuit court of appeals, second circuit, will probably be taken.

GERMAN SUGAR BOUNTY.

Suit 4206. American Sugar Refining Company v. United States.
Decided by the board January 31, 1906; record returned June 2, 1906. A similar case has been pending two years in the circuit court for the eastern district of Pennsylvania.

BRAIDS.

Suit 4232. Dearbergh Brothers v. United States.
Decided by the board March 29, 1906; return made May 29, 1906, three years ago.

ARTIFICIAL HORSEHAIR.

Suits 4332–4334, 4336–4341. Berlin & Trosky v. United States (4332), Dieckerhoff, Raffloer & Co. v. United States (4333), R. F. Downing & Co. v. United States (4334), M. Goldberg v. United States (4336), G. Hirsch's Sons v. United States (4337), Moeller & Littauer v. United States (4338), G. Robison & Son v. United States (4339), Stern & Stern v. United States (4340), and F. A. Straus & Co. v. United States (4341).
Suit 4335 (106). Albert Eckstein v. United States.
Suits 4390, 4391. R. F. Downing & Co. v. United States (4390) and Albert Eckstein v. United States (4391).
Decided July 26, 1906.
The original cases were decided by the board June 22, 1906; record returned to circuit court September 25, 1906. A test appeal is now pending in the Supreme Court.

AMERICAN SHOOKS—FRUIT BOXES.

Suits 4374 and 4376. George J. Dunlop et al. v. United States (4374) and P. Saitta & Co. v. United States (4376).
Decided by the board June 6, 1906; records returned July 5, 1906.
Suit 5011. Dominici Brothers v. United States.
Decided by the board June 27, 1907.
Suits 5025–5028. Brucato Brothers v. United States (5025), B. Follina v. United States (5026), F. Minaldi & Co. v. United States (5027), and P. Sciortino v. United States (5028).
Decided by the board July 30 and 31, 1907.
Suit 5045. Hirzel, Feltmann & Co. v. United States.
Decided by the board August 12, 1907.
Suits 5053–5057 and 5061–5063. G. Calabrese v. United States (5053), A. Caramusa v. United States (5054), S. Dilliberto v. United States (5055), L. G. Marino & Co. v. United States (5056), G. R. Meeker & Co. v. United States (5057), L. Contencin & Son v. United States (5061), Villari, Mitchell & Co. v. United States (5062), and C. Wilkinson's Sons v. United States (5063).
Decided by the board August 22, 1907.
Suits 5088, 5089 and 5093–5102. O. F. Maniscalco v. United States (5088), Fratelli Sacca v. United States (5089), A. Carramusa v. United States (5093), G. D'Allesandra v. United States (5094), John Maniscalco v. United States (5095), P. Saitta & Co. v. United States (5096), W. H. Westervelt & Co. v. United States (5097), Courtin & Golden v. United States (5098), E. & A. Graziano v. United States (5099), A. Mannino v. United States (5100), F. Renda v. United States (5101), and F. B. Vandegrift & Co. v. United States (5102).
Decided by the board October 3, 9, and 15, 1907.
Suits 5106, 5107. G. Cutietta v. United States (5106) and R. A. Tucker v. United States (5107).
Decided by the board October 31, 1907.
Suits 5202–5204. Brucato Brothers v. United States (5202), P. Saitta & Co. v. United States (5203), and F. Zito v. United States (5204).
Decided by the board January 6, 1908.
Suits 5230–5234. Annello & Zito v. United States (5230), F. Gatto v. United States (5231), G. Gatto v. United States (5232), F. Zito Scalici v. United States (5233), and F. Zito v. United States (5234).
Decided by the board January 27, 1908.
Suits 5249–5259. Brucato Brothers v. United States (5249), G. Cappadonia v. United States (5250), A. Carramusa v. United States (5251), Courtin & Golden Company v. United States (5252), S. Dilliberto v. United States (5253), B. Follina v. United States (5254), Hirzel, Feltmann & Co. v. United States (5255), F. Minaldi & Co. v. United States (5256), P. Saitta & Co. v. United States (5257), P. Sciortino v. United States (5258), and F. Zito v. United States (5259).
Decided by the board February 28 and March 25, 1908.
Suits 5277, 5278. G. Lasagna v. United States (5277) and Dominici Brothers v. United States (5278).
Decided by the board March 25, 1908.
Suit 5281. P. Sciortino v. United States.
Decided by the board March 28, 1908.
Suits 5302–5308. Brucato Brothers v. United States (5302), Dominici Brothers v. United States (5303), B. Follina v. United States (5304), Hirzel, Feltmann & Co. v. United States (5305), G. Lasagna v. United States (5306), F. Minaldi & Co. v. United States (5307), and F. Zito v. United States (5308).
Decided by the board May 14, 1908.
Suit 5355. G. Lo Cicero v. United States.
Decided by the board September 12, 1908.
Suits 5363–3568. G. Cappadonia v. United States (5363), A. Carramusa v. United States (5364), Courtin & Golden Company v. United States (5365), Dominici Brothers v. United States (5366), P. Sciortino v. United States (5367), and Frank Zito v. United States (5368).
Decided by the board September 24, 1908.
Suits 5396–5400. Brucato Brothers v. United States (5396), Brucato Brothers Company v. United States (5397), Dominici Brothers v. United States (5398), C. E. Thurston & Co. v. United States (5399), and Frank Zito v. United States (5400).
Decided by the board November 25, 1908.

Suits 5403–5409. P. Tramontana & Co. v. United States (5403), G. Casesa & Co. v. United States (5404), G. Lo Cicero v. United States (5405), J. G. Cuccio & Co. v. United States (5406), A. Conigliaro v. United States (5407), A. Fazio v. United States (5408), and P. Giammanco v. United States (5409).
Decided by the board November 27 and December 16, 1908.
Suit 5427. C. I. & M. Dingfelder et al. v. United States.
Decided by the board December 29, 1908.

FEATHERSTITCH BRAIDS.

Suits 4420–4445. Bauman, Ludewig & Co. v. United States (4420), Berg Brothers v. United States (4421), Bloomingdale Brothers v. United States (4422), Boessneck, Broesel & Co. v. United States (4423), H. B. Claflin Company v. United States (4424), Drevert, Poirier & Poggenburg v. United States (4425), Guthman, Solomons & Co. v. United States (4426), A. J. Hague & Co. v. United States (4427), D. Hirschberg & Bro. v. United States (4428), Kennedy & Moon v. United States (4429), Knauth, Nachod & Kühne v. United States (4430), Mills & Gibb v. United States (4431), Neuberger, Heine & Co. v. United States (4432), Pratt & Farmer v. United States (4433), Pratt & Farmer Company v. United States (4434), C. B. Rouss v. United States (4435), Estate of C. B. Rouss v. United States (4436), Samstag & Hilder Brothers v. United States (4437), A. Steinhardt & Bro. v. United States (4438), Strauss Brothers & Co. v. United States (4439), Strauss, Sachs & Co. v. United States (4440), Syndicate Trading Company v. United States (4441), William J. Urchs v. United States (4442), C. M. Vom Baur v. United States (4443), Weiller & Sons v. United States (4444), and H. Wolf & Co. v. United States (4445).
Decided by the board July 25, 1906.
Suits 4449–4456. Calhoun, Robbins & Co. v. United States (4449), G. Reis & Bro. v. United States (4450), Dieckerhoff, Raffloer & Co. v. United States (4451), George Borgfeldt & Co. v. United States (4452), B. Ulmann & Co. v. United States (4453), Neuburger & Co. v. United States (4454), Edwin Horrax v. United States (4455), and Neuburger, Heine & Co. v. United States (4456).
Decided by the board July 26, 1906.
Suit 4605. George Borgfeldt & Co. v. United States.
Decided by the board October 1, 1906.
Suit 4620. A. Steinhardt & Bro. v. United States.
Decided by the board October 8, 1906.
Suits 4653–4658 and 4675–4677. Leopold Baruch v. United States (4653), Berg Brothers et al. v. United States (4654), Samstag & Hilder Brothers v. United States (4655), A. Steinhardt & Bro. v. United States (4656), Strauss Brothers & Co. v. United States (4657), Wieller & Sons v. United States (4658), Dieckerhoff, Raffloer & Co. v. United States (4675), Calhoun, Robbins & Co. v. United States (4676), and Neuburger & Co. v. United States (4677).
Decided by the board October 29, 1906.
Suits 4715, 4716. A. J. Hague & Co. v. United States (4715) and Bauman, Ludewig & Co. v. United States (4716).
Decided by the board December 4 and 7, 1906.
Suits 4719–4729 and 4735. Leopold Baruch v. United States (4719), H. B. Claflin Company v. United States (4720), Guthman, Solomons & Co. v. United States (4721), Mills & Gibb v. United States (4722), Pratt & Farmer Company v. United States (4723), C. B. Rouss v. United States (4724), Samstag & Hilder Brothers v. United States (4725), A. Steinhardt & Bro. v. United States (4726), Strauss Brothers & Co. v. United States (4727), William J. Urchs v. United States (4728), Weiller & Sons v. United States (4729), and Dieckerhoff, Raffloer & Co. v. United States (4735).
Decided by the board December 7, 1906.
Suits 4759–4762. Berg Brothers v. United States (4759), Mills & Gibb v. United States (4760), Samstag & Hilder Brothers v. United States (4761), and C. M. Vom Baur v. United States (4762).
Decided by the board December 17, 1906.
Suit 4816. Dieckerhoff, Raffloer & Co. v. United States.
Decided by the board January 17, 1907.
Suit 4834. Leopold Baruch v. United States.
Decided by the board January 25, 1907.
Suit 4854. George Borfgeldt & Co. v. United States.
Decided by the board January 31, 1907.
Suits 4877 and 4879–4885. Dieckerhoff, Raffloer & Co. v. United States (4877), Leopold Baruch v. United States (4879), A. J. Hague & Co. v. United States (4880), Pratt & Farmer v. United States (4881), Samstag & Hilder Brothers & Co. v. United States (4882), A. Steinhardt & Bro. v. United States (4883), Strauss Brothers & Co. v. United States (4884), and Weiller & Sons v. United States (4885).
Decided February 9 and 11, 1907.
Suit 4913. Dieckerhoff, Raffloer & Co. v. United States.
Decided by the board March 26, 1907.
Suits 4923–4932. L. Baruch v. United States (4923), H. B. Claflin Company v. United States (4924), Guthman, Solomons & Co. v. United States (4925), Pratt & Farmer Company v. United States (4926), Samstag & Hilder Brothers v. United States (4927), A. Steinhardt & Bro. v. United States (4928), Strauss Brothers & Co. v. United States (4929), Syndicate Trading Company v. United States (4930), William J. Urchs v. United States (4931), and Weiller & Sons v. United States (4932).
Decided by the board April 1, 1907.
Suit 4965. George Borgfeldt & Co. v. United States.
Decided by the board June 5, 1907.
Suits 4969–4971. A. Steinhardt & Bro. v. United States (4969), Strauss Brothers & Co. v. United States (4970), and Weiller & Sons v. United States (4971).
Decided by the board June 5, 1907.
Suit 4977. Dieckerhoff, Raffloer & Co. v. United States.
Decided by the board June 13, 1907.
Suits 5109–5114. Leopold Baruch v. United States (5109), Samstag & Hilder Brothers v. United States (5110), A. Steinhardt & Bro. v. United States (5111), Strauss Brothers & Co. v. United States (5112), W. J. Urchs v. United States (5113), and Weiller & Sons v. United States (5114).
Decided by the board October 29, 1907.
Suits 5118–5120. Calhoun, Robbins & Co. v. United States (5118), Neuburger & Co. v. United States (5119), and Dieckerhoff, Raffloer & Co. v. United States (5120).
Decided by the board November 7, 1907.
Suits 5183–5187. A. Strauss & Co. et al. v. United States (5183), Leopold Baruch v. United States (5184), Samstag & Hilder Brothers v. United States (5185), A. Steinhardt & Bro. v. United States (5186), and Strauss Brothers & Co. v. United States (5187).
Decided by the board December 20, 1907.
Suit 5236. Dieckerhoff, Raffloer & Co. v. United States.
Decided by the board February 6, 1908.
Suits 5284–5286. Samstag & Hilder Brothers v. United States (5284), A. Steinhardt & Bro. v. United States (5285), and Strauss Brothers v. United States (5286).
Decided by the board April 14, 1908.
Suit 5332. Dieckerhoff, Raffloer & Co. v. United States.
Decided by the board July 14, 1908.
Suits 5337–5340. L. Baruch v. United States (5337), Samstag & Hilder Brothers v. United States (5338), A. Steinhardt & Bro. v. United States (5339), and Strauss Brothers & Co. v. United States (5340).
Decided by the board July 21, 1908.
Suit 5385. Dieckerhoff, Raffloer & Co. v. United States.
Decided by the board October 27, 1908.
Suits 5411–5414. L. Baruch v. United States (5411), Samstag & Hilder Brothers v. United States (5412), A. Steinhardt & Bro. v. United States (5413), and Strauss Brothers & Co. v. United States (5414).
Decided by the board November 30, 1908.
Suits 5448, 5449. Neuburger & Co. v. United States (5448), and Dieckerhoff, Raffloer & Co. v. United States (5449).
Decided by the board January 19, 1909.
Suits 5455–5458. L. Baruch v. United States (5455), Samstag & Hilder Brothers v. United States (5456), A Steinhardt & Bro. v. United States (5457), and Strauss Brothers & Co. v. United States (5458).
Decided by the board January 29, 1909.
The original cases were decided by the board July 25, 1906. A test case has just been won by the importers in the circuit court of appeals for the second circuit, and the matter is awaiting the action of the Department of Justice.

STEEL HORSESHOE CALKS.

Suit 4448. Maldonado & Co. v. United States.
Decided by the board July 27, 1906.

AMERICAN GOODS LABELED ABROAD.

Suit 4494. Lunham & Moore v. United States.
Decided by the board August 23, 1906. This case has been continued many times to permit further testimony to be taken at New Orleans.

ENAMEL WHITE—PAINT.

Suits 4592 and 4594, 4595. Pomeroy & Fischer v. United States (4592), Maltus & Ware v. United Statts (4594), and Hensel, Bruckmann & Lorbacher v. United States (4595).
Suit 4619. Kempshall Manufacturing Company v. United States.

EMBROIDERED PARASOLS.

Suit 4604. Stern Brothers v. United States.
Decided by the board October 1, 1906. This case was ready for argument two years ago.

DRAWNWORK—LACE.

Suit 4616. Bernhard Ulmann & Co. v. United States.
Decided by the board October 3, 1906.

SHORTAGE OF SPIRITS.

Suits 3884, 3939, and 3950. Natale Licata v. United States (3884), E. LaMontagne & Sons v. United States (3939), and Julius Wile, Sons & Co. v. United States (3950).
Suit 4275. Julius Wile, Sons & Co. v. United States.
Suit 4296. Hartman, Goldsmith & Co. v. United States.
Suit 4301. Weideman Company v. United States.
Suit 4303. Batjer & Co. v. United States.
Suit 4635. Batjer & Co. v. United States.
Suit 4638. Hartman, Goldsmith & Co. v. United States.

BALL BEARINGS.

Suit 4679. Hensel, Bruckmann & Lorbacher v. United States.
Decided by the board November 23, 1906; record returned February 7, 1907.

SPANGLES.

Suit 4680. Morris Goldberg v. United States.
Decided by the board November 15, 1906.

STRAW PLATEAUX.

Suit 4682. Samuel Schiff & Co. v. United States.
Decided by the board November 19, 1906.

DISCOUNT.

Suit 4697. L. Straus & Sons v. United States.
Decided by the board November 22 and 23, 1906.
Suit 4808. L. Straus & Sons v. United States.
Decided by the board December 27, 1906.

IMITATION HORSEHAIR HATS.

Suits 4717, 4718. R. L. Cochran & Co. v. United States (4717) and Rosenblum & Sentner v. United States (4718).
Decided by the board December 7, 1906.

IMITATION HORSEHAIR BRAIDS.

Suit 4739. J. S. Plummer & Co. v. United States.
Decided by the board December 14, 1906.

FRUIT PRESERVED IN ALCOHOL.

Suit 4756. R. F. Downing & Co. v. United States.

BLEACHED COTTONS.

Suit 4757. United States v. McGibbon & Co.
Decided by the board December 28, 1906.

OLIVES, RIPE OR BLACK.

Suit 4758. Strohmeyer & Arpe Company v. United States.
Decided by the board December 17 and 28, 1906.
Suits 4806, 4807. United States v. Zucca & Co. (4806) and United States v. S. D. Stamatopoulos (4807).
Decided by the board December 27, 1906.
Suits 4817, 4826. United States v. E. D. Papavasilopulo (4817), United States v. S. Moscahlaides (4818), United States v. G. P. Calogera (4819), United States v. C. S. Galanopulo (4820), United States v. Theo. Economo & Bro. (4821), United States v. R. F. Downing & Co. (4822), United States v. Therry Brothers (4823), United States v. William A. Brown & Co. (4824), United States v. Zucca & Co. (4825), and United States v. S. D. Stamatopoulos (4826).
Decided by the board January 22, 1907. Orders for further testimony are still open in these cases.

CUBAN TREATY—PREFERENTIAL DUTY.

Suits 4830, 4831. Havana Tobacco Company v. United States (4830) and American Cigar Company v. United States (4831).
Decided by the board January 22 and 30, 1907.
Suit 4833. G. Falk & Bro. et al. v. United States.
Decided by the board January 22 and 30, 1907.

SUGAR BOUNTY—DUTIABLE WEIGHT.

Suits 4828 and 4893. United States *v.* American Sugar Refining Company.
Decided by the board January 25 and March 5, 1907. A like case was decided by the circuit court of appeals, third circuit, April, 1905, on appeal from a decision of the board in January, 1902. An order for further testimony is still open; outstanding over four years.

ONIONSKIN PAPER.

Suit 4832. Hensel, Bruckmann & Lorbacher *v.* United States.
Decided by the board January 22, 1907.

GRANITE MONUMENTS.

Suit 4848. F. B. Vandegrift & Co. *v.* United States.
Decided by the board January 28, 1907.
Suits 4902, 4903. New York Granite Company *v.* United States (4902) and Austin Baldwin & Co. v. United States (4903).
Decided by the board March 7 and 25, 1907.
Suit 4914. F. B. Vandegrift & Co. *v.* United States.
Decided by the board March 25, 1907.
Suits 5198–5200. F. B. Vandegrift & Co. *v.* United States (5198), Austin Baldwin & Co. *v.* United States (5199), and New York Granite Company *v.* United States (5200).
Decided by the board January 2, 1908.
Suit 5322. F. B. Vandegrift & Co. *v.* United States.
Decided by the board June 26, 1908.
Suit 5380. New York Granite Company *v.* United States.
Decided by the board October 16, 1908.
Suit 5439. New York Granite Company *v.* United States.
Decided by the board December 31, 1908.
Test cases have been decided by the circuit court of appeals, second circuit, and the same court for the third circuit, and a writ of certiorari has been denied by the Supreme Court. The importers are now preparing a third test case to be tried in the circuit court of appeals, second circuit.

FEATHER ARTICLES.

Suits 4856–4875. United States *v.* R. L. Cochran Company (4856), United States *v.* Max Herman & Co. (4858), United States *v.* Kimmerle & Dawes (4858), United States *v.* M. Katz (4859), United States *v.* David Spero Company (4860), United States *v.* Sommerich, Kalischer & Loewith (4861), United States *v.* Knauth, Nachod & Kühne (4862), United States *v.* Alfred L. Simon & Co. (4863), United States *v.* Wurzburger & Hecht (4864), United States *v.* Zucker & Josephy (4865), United States *v.* Warshauer & Rosemond (4866), United States *v.* Edward B. Goodman & Co. (4867), United States *v.* I. Lindheim, executor (4868), United States *v.* A. Hochheimer (4869), United States *v.* Rosenblum & Sentner (4870), United States *v.* Scheuer Brothers (4871), United States *v.* Benjamin Stearns & Co. (4872), United States *v.* A. A. Zeiner (4873), United States *v.* Hunken, Neale & Forbs (4874), and United States *v.* Appel & Kleinman (4875).
Decided by the board February 4, 1907.

ARTIFICIAL HORSEHAIR—BLANKET PROTESTS.

Suits 4852–4853. J. H. Lichtenstein & Co. *v.* United States (4852) and John Zimmerman Company *v.* United States (4853).
Decided by the board February 1, 1907.

MAGNESIA ARTICLES.

Suit 4894. D. S. Hesse & Bro. *v.* United States.
Decided February 26, 1907. This appeal is continued pending the preparation of a new case before the board.

ORNAMENTAL LEAVES.

Suits 4897–4901. D. Buhrig *v.* United States (4897), A. Herrmann *v.* United States (4898), L. J. Kreshower *v.* United States (4899), D. Spero Company *v.* United States (4900), and Max Herman *v.* United States (4901).
Decided by the board March 5, 1907. These are continued pending the settlement of a case in the circuit court of appeals, third circuit.

WASTE BAGGING—BAGS.

Suits 4910–4912. Castle, Gotthell & Overton *v.* United States (4910), Felix Salomon & Co. *v.* United States (4911), and A. Katzenstein *v.* United States (4912).
Decided by the board March 22 and 25, 1907.
Suits 5039–5042. Castle, Gotthell & Overton *v.* United States (5039), Felix Salomon & Co. *v.* United States (5040), A. Katzenstein *v.* United States (5041), and Salomon Brothers & Co. *v.* United States (5042).
Decided by the board July 31, 1907.
Suit 5237. A. Katzenstein *v.* United States.
Decided by the board February 10, 1908.
Suits 5266–5267. W. Wolf & Sons *v.* United States (5266) and F. B. Vandegrift & Co. *v.* United States (5267).
Decided by the board March 9 and 27, 1908.

WOOL GREASE—LANOLIN.

Suits 4934–4936. Evans & Son (Limited) *v.* United States (4934), Merck & Co. *v.* United States (4935), and Victor Koechl & Co. *v.* United States (4936).
Decided by the board April 5, 1907. The importers lately lost a like case in the circuit court of appeals, second circuit, but are preparing a new case before the board.

GELATIN PRINTS—LICHTDRUCK PROCESS—SUFFICIENCY OF PROTESTS.

Suits 4951–4953. The Rotograph Company *v.* United States (4951), Hensel, Bruckmann & Lorbacher *v.* United States (4952), and American News Company *v.* United States (4953).
Decided by the board May 14, 1907.

SUGAR BOUNTY.

Suit 4959. American Sugar Refining Company *v.* United States.
Decided by the board May 31, 1907.

EMBROIDERED SCREENS.

Suit 4960. Morimura Brothers *v.* United States.
Decided by the board May 27, 1907. This is a new case on an issue decided against the importers two years ago in Lichtenstein *v.* United States (— Fed. Rep., —).

SUGAR BOUNTY.

Suit 4966. United States *v.* American Sugar Refining Company.
Decided by the board June 10, 1907.

GRINDING DISKS.

Suit 4967. Prosser & Son *v.* United States.
Decided by the board June 21, 1907.

GUTTA-PERCHA WASTE.

Suit 4968. A. H. Ringk & Co. *v.* United States.
Decided by the board June 5, 1907.

NICKLED IRON SHEETS.

Suit 4976. Hermann Boker & Co. *v.* United States.
Decided by the board June 10, 1907.

BLEACHERS' BLUE.

Suit 4978. A. De Ronde & Co. *v.* United States.
Decided by the board June 14, 1907. This is the second time this question has arisen in this court.

CARNAUBIN WAX.

Suit 4995. United States *v.* C. B. Richard & Co.
This case has been continued in this court pending action on a test case in the circuit court of appeals, second circuit.

OLIVE OIL IN 1-GALLON TINS.

Suit 5012. Euler & Robeson *v.* United States.
One phase of this question was decided in the circuit court of appeals, second circuit, more than a year ago.

TOY FLAGS.

Suit 5030. Morimura Brothers *v.* United States.
Decided by the board July, 1907.

ROTTEN FRUIT.

Suits 5036–7. United States *v.* J. M. Ceballos & Co. (5036) and United States *v.* Courtin & Golden Company (5037).
Decided by the board August 10, 1907.
Suit 5371. J. G. Cuccio & Co. *v.* United States.
Decided by the board September 29, 1908.
Suit 5391. C. E. Thurston & Co. *v.* United States.
Decided by the board November 6, 1908.
Suit 5395. W. M. French *v.* United States.
Decided by the board November 20, 1908.
Suits 5401–2. Frank D'Anci *v.* United States (5401) and G. Cuccio di G. & Co. *v.* United States (5402).
Decided by the board November 27, 1908.
Suit 5410. F. Zito *v.* United States.
Decided by the board November 30, 1908.

BEADED ARTICLES—LAMP FRINGES.

Suits 5046–52. Holcomb & Co. *v.* United States (5046), C. M. Horch *v.* United States (5047), Horstmann Von Hein & Co. *v.* United States (5048), The Ideal Gas and Electric Company *v.* United States (5049), The Will & Baumer Company *v.* United States (5050), H. Hohenstein Company *v.* United States (5051), and G. Hirsch's Sons *v.* United States (5052).
Decided by the board August 13, 1907.

CADMIUM SULPHIDE.

Suit 5064. B. F. Drakenfeld & Co. *v.* United States.
Decided by the board August 28, 1907.

PAINTED LITHOGRAPHS.

Suit 5065. A. Steinhardt & Bro. *v.* United States.

FUR WASTE.

Suit 5069. Hatters' Fur Exchange *v.* United States.
Decided by the board September 20, 1907. This class of merchandise has previously been passed upon by this court.

JAM—MARMALADE.

Suit 5070. Bogle & Scott et al. *v.* United States.
Suits 5075–6. Dunlop & Ward *v.* United States.
Decided by the board September 23, 1907.

ENFLEURAGE GREASE.

Suit 5074. E. H. Burr *v.* United States.
Decided by the board September 24, 1907.

BONE SCREENS.

Suits 5085, 5086. Mogi, Monomoi & Co. *v.* United States (5085) and Morimura Brothers *v.* United States (5086).
Decided by the board September 30, 1907.

BINDINGS—EDGINGS.

Suits 5103, 5104. L. A. Consmiller *v.* United States (5103) and Massee & Whitney *v.* United States (5104).
Decided by the board October 17, 1907.

RHODIUM.

Suit 5105. United States *v.* Wells, Fargo & Co.
Decided by the board October 30, 1907.

SILK ELASTIC BELTS.

Suit 5115. Simpson-Crawford Co. *v.* United States.
Decided by the board November 1, 1907.

SILK ORGANZINE.

Suit 5117. Rudolph Cohen *v.* United States.
Decided by the board November 7, 1907.

HINOKI BASKETS.

Suit 5126. Morimura Brothers *v.* United States.

PENHOLDERS—PARTS OF FOUNTAIN PENS.

Suit 5178. Schrader & Ehlers *v.* United States.
Decided by the board December 14, 1907.

CHOCOLATE CONFECTIONERY.

Suit 5179. Horace L. Day Company *v.* United States.
Decided by the board January 2, 1908. This is a recrudescence of a question that has arisen under former acts, and has been passed on by the Supreme Court and the circuit court of appeals, second circuit.

ABANDONMENT.

Suit 5190. Habicht, Braun & Co. *v.* United States.

DECORATED CALENDARS—PAINTINGS.

Suit 5192. A. A. Vantine & Co. *v.* United States.

CONFECTIONERY—IMITATION FRUIT.

Suit 5201. A. A. Vantine & Co. *v.* United States.
Decided by the board January 16, 1908.

FIGURED COTTON CLOTH.

Suit 5223. Thomas Young *v.* United States.
Decided by the board January 18, 1908.

ARTIFICIAL SILK GLOVES.

Suit 5235. Edward Thomass & Co. *v.* United States.
Decided by the board February 6, 1908.

CONCENTRATED FRUIT JUICE.

Suit 5243. E. C. Rich *v.* United States.
Decided by the board February 17, 1908.

FRUIT PULP.

Suits 5244–6. A. L. Causse *v.* United States (5244) and Habicht, Braun & Co. *v.* United States (2 cases, 5245–6).
Decided by the board February 18, 1908.

FASHION-PLATE DRAWINGS—WORKS OF ART.

Suit 5247. Harper & Bro. *v.* United States.
Decided February 24, 1908.

CLEAR ALMONDS.

Suit 5248. Henry Heide *v.* United States.
Decided by the board February 29, 1908.

PHOTOGRAPH COVERS—ENVELOPES.

Suit 5262. Hensel, Bruckmann & Lorbacher *v.* United States.
Decided by the board February 29, 1908.
Suit 5280. Hensel, Bruckmann & Lorbacher *v.* United States.
Decided by the board March 28, 1908.

WASTE TOBACCO.

Suit 5264. Mendelsohn, Bornemann & Co. *v.* United States.
Decided by the board March 19, 1908.

ENGRAVED STEEL PLATE.

Suit 5265. Theodore W. Morris & Co. *v.* United States.

REAPPRAISEMENT—EXAMINATION OF MERCHANDISE.

Suit 6259. Loeb & Schoenfeld *v.* United States.
Decided March 14, 1908.

ROSARIES.

Suit 5272. Benziger Bros. *v.* United States.
Decided by the board March 17, 1908.

COMMISSIONS.

Suit 5273. S. Stein & Co. *v.* United States.
Decided by the board March 19, 1908.

STEEL SHAPES.

Suits 5274 and 5470. Central Stamping Co. *v.* United States.
Decided by the board March 31, 1908, and March 27, 1909.

CARBONATE OF BARYTA.

Suit 5275. United States *v.* Gabriel & Schall.
Decided by the board March 31, 1908.

FURNITURE.

Suit 5276. A. J. Woodruff & Co. *v.* United States.
Decided by the board March, 1908.

REAPPRAISEMENT OF OLIVE OIL.

Suit 5279. S. D. Stamatopoulos *v.* United States.
Decided by the board March 28, 1908.

COPPER PLATES.

Suit 5282. B. F. Drakenfeld & Co. *v.* United States.
Decided by the board April 3, 1908.

EMBROIDERED GLOVES.

Suits 5287–5289. United States *v.* T. H. La Fetra (5287), United States *v.* Pasavant & Co. (5288), and United States *v.* Trefousse, Goguenheim & Co. (5289).
Decided by the board April 23, 1908.
Suit 5295. United States *v.* T. H. La Fetra.
Decided by the board May 18, 1908.

SILK-WOOL DRESS GOODS.

Suit 5292. L. Ballot *v.* United States.
Decided by the board May 19, 1908.
Suits 5314–5317. Passavant & Co. *v.* United States (5314), C. Bahnsen & Co. *v.* United States (5315), Remy, Schmidt & Pleissner *v.* United States (5316), and Fleitmann & Co. *v.* United States (5317).
Decided by the board June 18, 1908.
Suit 5331. L. Ballot *v.* United States.
Decided by the board July, 1908.
Suit 5343. C. A. Auffmordt & Co. *v.* United States.
Suit 5357. Fleitmann & Co. *v.* United States.
Suit 5373. Levison Brothers & Co. *v.* United States.
Suits 5386–5388. L. Ballot *v.* United States (5386), C. A. Auffmordt & Co. *v.* United States (5387), and Levison Brothers & Co. *v.* United States (5388).
Decided by the board October, 1908.
Suit 5440. Knauth, Nachod & Kuhne *v.* United States.
Decided by the board December 31, 1908.
These cases have been continued pending the result of a test case in the circuit court of appeals, first circuit. A previous case has been passed on by the circuit court of appeals, eighth circuit, and a writ was denied by the Supreme Court.

BOTTICINI STONE—MARBLE.

Suit 5296. Pisani Brothers *v.* United States.
Decided by the board April 29, 1908.

COLORED COPYING PAPER.

Suit 5297. H. C. Davison & Co. *v.* United States.
Decided by the board April 29, 1908.

OLIVE OIL.

Suit 5298. R. U. Delapenha & Co. *v.* United States.
Decided by the board April 29, 1908.

TOY PINS.

Suit 5301. Hamburger & Co. *v.* United States.
Decided by the board May 12, 1908.

LAKES.

Suit 5310. United States *v.* G. Siegle.
Decided by the board May 20, 1908.

REAPPRAISEMENT OF MATTING.

Suit 5311.
Decided by the board May 28, 1908.

MINERS' DIAMONDS.

Suit 5312. Sullivan Machinery Company *v.* United States.

LOTUS NUTS.

Suit 5313. Kwong Yuen Shing *v.* United States.
Decided by the board June 6, 1908.

BOILED-OFF SILKS.

Suit 5318. Schefer, Schramm & Vogel *v.* United States.
Decided by the board June 18, 1908.
Suits 5334–5336. G. Saito *v.* United States (5334), Max M. Schwarcz & Co. *v.* United States (5335), and Yokohama Importing Company *v.* United States (5336).
Decided by the board July 14, 1908.

REAPPRAISEMENT OF EMBROIDERIES.

Suit 5320. H. S. Beer *v.* United States.
Decided by the board July 6, 1908.

FUR—WOOL ON SKIN.

Suit 5326. International Hide and Skin Co. *v.* United States.
Decided by the board June 29, 1908.

PRINTED PULP MATS.

Suit 5327. Frederick Hollender & Co. *v.* United States.
Decided by the board July 6, 1908.

PRECIPITATED CHALK.

Suit 5328. United States *v.* P. E. Anderson & Co.

JOSS STICKS—INCENSE.

Suits 5329, 5330. Yamanaka & Co. *v.* United States (5329) and Morimura Brothers *v.* United States (5330).
Decided by the board July 11, 1908.

BIRCH BARK.

Suit 5333. Reed & Keller *v.* United States.
Decided by the board July 14, 1908.

BOTTLES WITH CUT-GLASS STOPPERS.

Suit 5341. Park & Tilford *v.* United States.
Decided by the board July 29, 1908.

POWDERED OPIUM.

Suit 5342. United States *v.* McKesson & Robbins.
Decided by the board July 31, 1908.
Suit 5370. United States *v.* Merck & Co.
Decided by the board September 30, 1908.
This is a relitigation of the matter already passed on by the circuit court of appeals, second circuit.

ENFLEURAGE GREASE.

Suit 5344. Euler & Robeson *v.* United States.
Decided by the board August 26, 1908.

PRO FORMA INVOICE.

Suit 5356. United States *v.* Bennett & Loewenthal.
Decided by the board September 15, 1908.

STRUCTURAL STEEL.

Suit 5362. Edward M. Ackerson *v.* United States.
Decided by the board September 23, 1908.

PRESERVED GINGER.

Suit 5369. R. U. Delapenha & Co. *v.* United States.
Decided by the board September 24, 1908.

BRONZE STATUARY—RECIPROCITY.

Suit 5372. B. Altman & Co. *v.* United States.
Decided by the board September 29, 1908. This is a question already passed on by the circuit court of appeals, second circuit.

OLIVE OIL.

Suit 5374. United States *v.* Kraemer & Foster.
Decided by the board October 16, 1908.

EMBROIDERED FURS.

Suit 5377. Hugo Jaeckel & Sons *v.* United States.
Decided by the board October 13, 1908.

REAPPRAISEMENT OF WOOL.

Suit 5378. Oelrichs & Co. *v.* United States.
Decided by the board October 13, 1908.

REAPPRAISEMENT.

Suit 5379. T. J. Keveney & Co. *v.* United States.
Decided by the board October 15 and 22, 1908.

POST-CARD BOOKLETS.

Suit 5382. R. F. Downing & Co. *v.* United States.
Decided by the board October 20, 1908.

FORGINGS.

Suit 5383. United States *v.* Thomas Prosser & Son.
Decided by the board October 30, 1908.

COIN SWORDS.

Suit 5384. Soy Kee & Co. *v.* United States.
Decided by the board October 27, 1908.

FORGINGS.

Suit 5389. Thomas Prosser & Co. *v.* United States.
Decided by the board October 30, 1908.

CUT AGATE, ETC.—PRECIOUS STONES.

Suit 5392. United States *v.* Albert Lorsch & Co.
Decided by the board November 6, 1908.

FISH IN LARGE TINS.

Suit 5393. Strohmeyer & Arpe Company *v.* United States.
Decided by the board November 13, 1908.

MANICURE STICKS.

Suit 5394. E. B. Estes & Sons *v.* United States.
Decided by the board November 20, 1908.

SUFFICIENCY OF PROTEST.

Suit 5416. E. C. Carter *v.* United States.
Decided by the board December 7, 1908.

OLIVE OIL.

Suits 5417–5422. Holbrook Manufacturing Company *v.* United States (5417), Swan & Finch Company *v.* United States (5418), Oil Seeds Company *v.* United States (5419), A. Klipstein & Co. *v.* United States

(5420), Welch, Holme & Clark Company v. United States (5421), and Arnold, Hoffman & Co. v. United States (5422).
Decided by the board December 8, 1908.
Suit 5424. Th. Balaban v. United States.
Decided by the board December 12, 1908.

MEASUREMENT OF GLOVES.

Suit 5423. United States v. F. Schmidt.
Decided by the board December 24, 1908.
This is an issue pending in the circuit court of appeals, second circuit.

BINOXIDE OF BARIUM.

Suit 5425. Charles E. Sholes Company v. United States.
Decided December 10, 1908.
Suit 5437. McKesson & Robbins v. United States.
Decided by the board December 22, 1908.

OLEIN—WOOL GREASE.

Suit 5426. Swan & Finch Company v. United States.
Decided by the board December 21, 1908.

AUTOMOBILE—HOUSEHOLD EFFECTS.

Suit 5428. Paul A. Isler v. United States.
Decided by the board December 18, 1908.
Suit 5464. Louis Sherry v. United States.
Decided by the board February 26, 1909.
This issue has already been passed upon by the circuit court of appeals, second circuit.

BALSAM IN CAPSULES.

Suits 5420, 5430. United States v. Lehn & Fink (5429) and Lehn & Fink v. United States (5430).
Decided by the board December 15, 1908.

HANDMADE PRINTING PAPER.

Suit 5431. American Trading Company v. United States.
Decided by the board December 16, 1908.
This issue has already been passed on by the circuit court of appeals, second circuit.

POST CARDS OF PAPER AND OTHER MATERIALS.

Suits 5432–5436. Jacob Deutsch v. United States (5432), Hensel, Bruckmann & Lorbacher v. United States (three cases, 5433–5435), and A. H. Ringk v. United States (5436).
Decided by the board December 18, 1908.

REAPPRAISEMENT.

Suit 5438. T. J. Keveney & Co. v. United States.
Decided by the board December 28, 1908.

APPLIQUÉED COLLARETTES.

Suit 5442. J. Krusi v. United States.
Decided by the board January 12, 1909.

HAUTEVILLE STONE, ETC.—MARBLE.

Suits 5443–5447. United States v. C. D. Jackson & Co. (5443), United States v. Pisani Brothers (5444), United States v. Traitell Marble Company (5445), United States v. A. E. Bockmann (5446), and United States v. Robert Rossman (5447).
Decided by the board January 25, 1909.
This issue has already been passed upon by the circuit court of appeals, second circuit.

DRILLED PEARLS.

Suit 5454. United States v. Tiffany & Co.
Decided by the board February 6, 1909.
Suit 5460. W. G. Hockridge & Co. v. United States.
Decided by the board February 11, 1909.

GLOVES.

Suit 5461. United States v. Spielmann & Co.
Decided by the board February 15, 1909.

ICHTHYOL.

Suit 5462. Merck & Co. v. United States.
Decided by the board February 25, 1909.

RECIPROCITY—COUNTRY OF ORIGIN.

Suit 5463. Acker, Merrall & Condit Company v. United States.
Decided by the board February 26, 1909.

GLOVES.

Suit 5465. Goldschmidt Brothers Company v. United States.
Decided by the board February 26, 1909.

COTTON CLOTH IN PART OF JUTE.

Suit 5466. Lord & Taylor v. United States.
Decided by the board February 27, 1909. This reopens a question decided against the importers twenty-five or thirty years ago.

CHINESE SHOES EMBROIDERED.

Suit 5467.
Decided by the board February 27, 1909.

LITHOGRAPHIC CALENDARS.

Suit 5468.
Decided by the board March 4, 1909.

YAMS—PUERARIA ROOTS.

Suit 5471.
Decided by the board March 27, 1909.

GRANITO.

Suit 5472.
Decided by the board March 9 and 31, 1909. Relitigation of issue passed on by the circuit court for the southern district of Ohio.

STEEL STAMPINGS.

Suit 4213. United States v. A. & H. Veith.

CABRETTA SKINS.

Suit 4258. Booth & Co. v. United States.

STEEL GRINDING PLATES.

Suit 4378. United States v. Thomas Prosser & Son.
Decided July 12, 1906.

BRAIDS.

Suit 4397. J. Zimmerman's Sons v. United States.
Decided July 26, 1906.

The VICE-PRESIDENT. Is there a second to the demand for the yeas and nays?

The yeas and nays were ordered.

Mr. ALDRICH. The question is on concurring in the amendment made as in Committee of the Whole.

The VICE-PRESIDENT. The question is on concurring in section 29, on page 362.

Mr. KEAN. And section 30 also.

Mr. ALDRICH. Sections 29 and 30.

The VICE-PRESIDENT. The Chair understands that they are to be voted on by a yea-and-nay vote.

Mr. CUMMINS. Yes.

The VICE-PRESIDENT. The demand is for a yea-and-nay vote on sections 29 and 30, and the Secretary will call the roll.

The Secretary proceeded to call the roll.

Mr. BOURNE (when his name was called). I have a general pair with the senior Senator from Oklahoma [Mr. OWEN]. If he were present and voting, I should vote "yea."

Mr. DILLINGHAM (when his name was called). I withhold my vote because of the general pair I have with the senior Senator from South Carolina [Mr. TILLMAN], who is absent.

Mr. GUGGENHEIM (when his name was called). I make the same announcement I did on the previous vote.

Mr. LODGE (when his name was called). I am paired with the Senator from Georgia [Mr. CLAY]. Therefore I withhold my vote. If he were present, I should vote "yea."

The roll call was concluded.

Mr. DEPEW. My colleague [Mr. ROOT] is absent, delivering the address at the tercentennial celebration of the discovery of Lake Champlain. He is paired with the Senator from Maryland [Mr. RAYNER], and if he were present and not paired, he would vote "yea."

Mr. OVERMAN. The junior Senator from Maryland [Mr. RAYNER] is paired with the junior Senator from New York [Mr. ROOT]. Also, the junior Senator from Arkansas [Mr. DAVIS] is paired with the senior Senator from Illinois [Mr. CULLOM].

The result was announced—yeas 50, nays 26, as follows:

YEAS—50.

Aldrich	Curtis	Jones	Piles
Bacon	Depew	Kean	Scott
Bailey	Dick	Lorimer	Simmons
Bankhead	Dixon	McCumber	Smith, Mich.
Bradley	du Pont	McEnery	Smoot
Brandegee	Elkins	Money	Stephenson
Briggs	Flint	Nelson	Sutherland
Bulkeley	Foster	Newlands	Taylor
Burnham	Frye	Nixon	Warner
Burrows	Gallinger	Oliver	Warren
Burton	Hale	Page	Wetmore
Carter	Heyburn	Penrose	
Crane	Johnson, N. Dak.	Perkins	

NAYS—26.

Beveridge	Clark, Wyo.	Frazier	Martin
Borah	Crawford	Gamble	Overman
Bristow	Culberson	Gore	Shively
Brown	Cummins	Hughes	Smith, S. C.
Burkett	Daniel	Johnston, Ala.	Stone
Chamberlain	Dolliver	La Follette	
Clapp	Fletcher	McLaurin	

NOT VOTING—16.

Bourne	Davis	Owen	Root
Clarke, Ark.	Dillingham	Paynter	Smith, Md.
Clay	Guggenheim	Rayner	Taliaferro
Cullom	Lodge	Richardson	Tillman

So sections 29 and 30 were concurred in.

Mr. ALDRICH. I think this concludes every reserved amendment except the corporation tax.

Mr. CUMMINS. The Senator, I think, is in error. There is section 7.

Mr. DANIEL. I beg leave to remind the Senator——

Mr. ALDRICH. Yes; section 7—the countervailing duty. I ask that section 7 may be concurred in.

Mr. CUMMINS. Mr. President——

Mr. ALDRICH. I should like to say to Senators that I am very much in hopes of disposing of all these matters to-night. Section 7, which is now under consideration, is precisely the terms of the present law, and simply intends to cover bounties paid by other countries upon exportations.

Mr. BAILEY. Do I understand the Senator from Rhode Island to ask for a vote on section 7?

Mr. ALDRICH. I ask for a vote on section 7.

Mr. BAILEY. We have not reached that yet. The next is section 6, which is the corporation tax.

The VICE-PRESIDENT. That is section 6. The Senator from Rhode Island asks that section 7 be taken up.

Mr. ALDRICH. The Senator from Texas is right. I ask that section 7 may be concurred in.

Mr. CUMMINS. I rose simply to correct the misunderstanding of the Senator from Rhode Island wherein he said that the entire bill has been agreed to with the exception of the corporation tax.

Mr. ALDRICH. I meant the reserved amendments. I ask that section 6 may be concurred in.

The VICE-PRESIDENT. The Secretary will read section 6.

Mr. DANIEL. The Senator did not mention among the reserve amendments free leaf tobacco.

Mr. ALDRICH. That is not a reserved amendment. That is an amendment which comes in later.

The VICE-PRESIDENT. The question is on agreeing to section 6.

Mr. BAILEY. Mr. President, I rise to a parliamentary inquiry. I have no disposition to offer a substitute at this point, and thus preclude an amendment except in the first degree. If it is permissible under the rule, I will now offer the substitute which I intend to offer, and which is the original income tax provision as I introduced it, as modified upon the suggestion of the Senator from Iowa [Mr. CUMMINS]. In Committee of the Whole we had a direct vote on the pending amendment against the income tax as a substitute. Now I want to reverse it, and have a direct vote on the income tax as a substitute for the corporation tax; but I will withhold that until any other amendments which Senators desire to offer may be presented and disposed of.

Mr. ALDRICH. I hope there will not be any other amendments.

Mr. BAILEY. I think there are other amendments; but I suppose, as a matter of parliamentary procedure, the friends of the pending proposition are entitled to perfect it before a substitute can be offered.

Mr. ALDRICH. The friends of the proposition, so far as I know, are satisfied with the provisions as they are; and I know of no amendment that will not be antagonized.

Mr. BAILEY. Then, Mr. President——

Mr. CLAPP. Before the Senator——

Mr. BAILEY. One moment. Then, Mr. President, without any debate on that on my part, I shall offer the income-tax amendment as a substitute, if that does not interfere with the subsequent amendments which I know several Senators intend to offer.

Mr. ALDRICH. I assume it will not be necessary to read the substitute offered by the Senator from Texas.

Mr. BAILEY. No.

Mr. ALDRICH. It has already been read.

The VICE-PRESIDENT. Without objection——

Mr. CLAPP. Before the question is put, I should like to take a matter up with the Senator from Texas [Mr. BAILEY].

The VICE-PRESIDENT. Without objection, the amendment offered by the Senator from Texas will not be reread, the Senate understanding what the amendment is. No objection is heard.

Mr. CLAPP. I rise to a parliamentary inquiry. I have an amendment, the purpose of which is to include holding companies within the tax provisions of the amendment. I would not want to lose the opportunity to have that presented and voted upon.

Mr. BAILEY. The very reason I suggest that we take this vote first is that if, by any good fortune or a returning sense of justice on the other side, we should happen to adopt this proposition, then the other amendments would be unnecessary. Consequently, if it is agreeable to everybody, I think we should take a vote on this substitute, and then leave the other amendments intended to perfect this for subsequent consideration. To obviate any question about the parliamentary status, I ask unanimous consent that we may take a vote on my substitute for the pending amendment without interfering with the right of amendment.

The VICE-PRESIDENT. And thereafter amendments may be offered to whichever provisions remain in the bill. Is there objection to the request of the Senator from Texas?

Mr. ALDRICH. What was the request?

Mr. HALE. The Senator from Texas does not need to ask unanimous consent.

The VICE-PRESIDENT. The Chair thinks the Senator does.

Mr. BAILEY. The Chair seemed a little doubtful in his mind, and I thought I would obviate any question by asking unanimous consent.

Mr. ALDRICH. I would suggest that we take a vote now upon the amendment of the Senator from Texas.

The VICE-PRESIDENT. That is precisely what the Senator from Texas asks—unanimous consent that a vote be now taken upon his substitute, and thereafter amendments may be offered to perfect whichever sections remain in the bill. Is there objection?

Mr. NEWLANDS. Mr. President, may I inquire on what page of this bill the corporation tax is?

The VICE-PRESIDENT. On page 371.

Mr. NEWLANDS. Mr. President, I wish to inquire what is the parliamentary status of this question?

The VICE-PRESIDENT. The parliamentary status is that the Senator from Texas [Mr. BAILEY] has asked unanimous consent that the vote may first be taken upon his motion to substitute what is known as the "income-tax amendment," and that thereafter, whether the provision which is now in the bill or his amendment shall be agreed to, whichever provision remains may then be perfected.

Mr. NEWLANDS. I assume that there are now no amendments pending.

The VICE-PRESIDENT. No amendments are now pending.

Mr. BAILEY. But there will be amendments presented.

The VICE-PRESIDENT. Is there objection to the request of the Senator from Texas?

Mr. BORAH. Mr. President, I desire to make a parliamentary inquiry.

The VICE-PRESIDENT. The Senator will state his parliamentary inquiry.

Mr. BORAH. This agreement would not preclude the offering of a substitute for the corporation-tax amendment in case this substitute should be voted down?

The VICE-PRESIDENT. No.

Mr. BACON. It would not.

The VICE-PRESIDENT. The Chair hears no objection to the request of the Senator from Texas [Mr. BAILEY], and it is so ordered.

The question is on agreeing to the substitute offered by the Senator from Texas [Mr. BAILEY].

Mr. BAILEY. I demand the yeas and nays on that question.

The yeas and nays were ordered.

Mr. BAILEY subsequently said: Mr. President, I consented to omit the reading to save time, but I ask that the amendment be inserted in the RECORD immediately preceding the roll call.

The VICE-PRESIDENT. In the absence of objection, that order will be made.

The amendment is to substitute for section 6 the following:

That from and after the 1st day of January, 1910, there shall be assessed, levied, collected, and paid annually upon the gains, profits, and income received in the preceding calendar year by every citizen of the United States, whether residing at home or abroad, and by every person residing in the United States, though not a citizen thereof, a tax of 2 per cent on the amount so received over and above $5,000; and a like tax shall be assessed, levied, collected, and paid annually upon the gains, profits, and income from all property owned and of every business, trade, or profession carried on in the United States by persons residing elsewhere.

Such gains, profits, and income shall include the interest received upon notes, bonds, and all other forms of indebtedness, except the obligations of the United States, States, counties, towns, districts, and municipalities; all amounts received as salary or compensation for services, except such as may have been received by state, county, town, district, or municipal officers; all profits realized within the year from the sale of real estate purchased within two years previous to the close of the year for which the income is estimated; the amount of all premiums on bonds, notes, or coupons; the amount received from the sale of merchandise, live stock, sugar, cotton, wool, butter, cheese, pork, beef, mutton, or other meats, hay, grain, vegetables, or other products; money and the value of all property acquired by gift, bequest, devise, or descent; and all other gains, profits, and income derived from any other kind of property, or from rents, dividends, interest, or from any profession, trade, business, employment, or vocation, carried on in the United States or elsewhere, or from any other source whatever: *Provided, however,* That it shall be proper to deduct from such gains, profits, and income all expenses actually incurred in conducting any business, occupation, or profession, including the amounts actually expended in the purchase or production of merchandise, live stock, and products of every kind; all interest due or paid within the year on existing indebtedness, and all national, state, county, town, district, and municipal taxes, not including those assessed against local benefits; all losses actually sustained during the year, incurred in trade or arising from fires, storms, or shipwreck, and not compensated for by insurance or otherwise; all debts ascertained to be worthless, and all losses within the year on sales of real estate purchased within two years previous to the year for which profits, gains, or income is estimated, but no deduction shall be made for any amount paid out for new buildings, permanent improvements, or betterments, made to increase the value of any property or estate; the amount received from any corporation, company, or association as dividends upon the stock of such corporation, company, or association if the tax of 2 per cent has been paid upon its net profits by said corporation, company, or association as required by this act: *Provided further,* That only one deduction of $5,000 shall be made from the aggregate income of all the members of any family composed of one or both parents and one or more minor children, or husband and wife, but guardians shall be allowed to make a deduction in favor of each and every ward, except where two or more wards are comprised in one family and have joint property interests, when the aggregate deduction in their favor shall not exceed $5,000.

That there shall be assessed, levied, and collected for the calendar year 1909, and for each calendar year thereafter, a duty of 2 per cent on the net gains, profits, and income over and above $5,000 of all corporations, companies, or associations organized for pecuniary profit under the laws of the United States or under the laws of any State or Territory or doing business for pecuniary profit in the United States, no matter where or how created or organized, but not including copartnerships. The aforesaid net gains, profits, or income of any such corporation, company, or association shall include its entire gains, profits, and income save and except the amounts paid out during the year for maintenance, operation, and a reasonable allowance for depreciation; and the Secretary of the Treasury is authorized to prescribe and establish such system of bookkeeping and reports as may be necessary to insure

uniformity in this respect: *Provided, however*, That nothing herein contained shall apply to corporations, companies, or associations organized and conducted solely for charitable, religious, or educational purposes, including fraternal beneficiary societies, orders, or associations operating upon the lodge system and providing for the payment of life, sick, accident, and other benefits to the members of such societies, orders, or associations and dependents of such members; nor to the stocks, shares, funds, or securities held by any fiduciary or trustee for charitable, religious, or educational purposes; nor to building and loan associations or companies which make loans only to their shareholders; nor to such savings banks, savings institutions, or societies as shall, first, have no stockholders or members except depositors and no capital except deposits; secondly, shall not receive deposits to an aggregate amount, in any one year, of more than $1,000 from the same depositor; thirdly, shall not allow an accumulation or total of deposits, by any one depositor, exceeding $10,000; fourthly, shall actually divide and distribute to its depositors, ratably to deposits, all the earnings over the necessary and proper expenses of such bank, institution, or society, except such as shall be applied to surplus; fifthly, shall not possess, in any form, a surplus fund exceeding 10 per cent of its aggregate deposits; nor to such savings banks, savings institutions, or societies composed of members who do not participate in the profits thereof and which pay interest or dividends only to their depositors; nor to that part of the business of any savings bank, institution, or other similar association having a capital stock, that is conducted on the mutual plan solely for the benefit of its depositors on such plan, and which shall keep its accounts of its business conducted on such mutual plan separate and apart from its other accounts; nor to any insurance company or association which conducts all its business solely upon the mutual plan and only for the benefit of its policy holders or members, and having no capital stock and no stock or share holders, and holding all its property in trust and in reserve for its policy holders or members; nor to that part of the business of any insurance company having a capital stock and stock and share holders, which is conducted on the mutual plan, separate from its stock plan of insurance, and solely for the benefit of the policy holders and members insured on said mutual plan, and holding all the property belonging to and derived from said mutual part of its business in trust and reserve for the benefit of its policy holders and members insured on said mutual plan; nor to any part of the business of any insurance company having a capital stock and stock and stockholders except as to those gains and profits and income legally distributable to such capital stock and among such stock and stockholders. All states, county, municipal, and town taxes paid by corporations, companies, or associations shall be included in the operating and business expenses of such corporations, companies, or associations: *Provided further*, That any stockholder of any corporation, company, or association the income of which is taxable and taxed under the provisions hereof, whose total income from all sources does not render him liable to the duty herein provided for, may, at any time within six months after the corporation or association of which he is a stockholder has paid the duty herein required, file a written application with the collector of the district in which he resides, in such form as the Secretary of the Treasury may prescribe, showing that his total income for the year under consideration, computed as hereinbefore set forth, did not exceed $5,000; such application shall be under oath and accompanied by such other proof as the rules and regulations may require. If the application and proof are satisfactory to the collector, and are approved by the Secretary of the Treasury, and it further appears that the gains or profits of any share or shares of capital stock owned by any such stockholder in any such corporation have been included in the income upon which the corporation has paid a duty, then the Secretary of the Treasury shall pay to the applicant the proportionate part which his share or shares contributed to such duty; the intent being to exempt any person whose total income, computed as herein provided, is not more than $5,000 from the payment directly or indirectly of an income duty; and the Secretary of the Treasury is expressly authorized to establish such rules and regulations, and to provide such forms, as will enable such persons to present their claims and receive their reimbursement with least difficulty and delay consistent with the due administration of the law.

It shall be the duty of all persons of lawful age having an income of more than $5,000 for the preceding year, computed on the basis herein prescribed, to make and render a list or return, on or before the second Monday in March of every year, in such form and manner as may be directed by the Commissioner of Internal Revenue, with the approval of the Secretary of the Treasury, to the collector or a deputy collector of the district in which they reside, of the amount of their gains, profits, and income, as aforesaid; and all guardians and trustees, executors, administrators, agents, receivers, and all persons or corporations acting in any fiduciary capacity, shall make and render a list or return, as aforesaid, to the collector or a deputy collector of the district in which such person or corporation acting in a fiduciary capacity resides or does business, of the amount of gains, profits, and income of any minor or person for whom they act, but persons having less than $5,000 income are not required to make such report; and the collector or deputy collector shall require every list or return to be verified by the oath or affirmation of the party rendering it, and may increase the amount of any list or return if he has reason to believe that the same is understated; and in case any such person having a taxable income shall neglect or refuse to make and render such list or return, or shall render a willfully false or fraudulent list or return, it shall be the duty of the collector or deputy collector to make such list according to the best information he can obtain, by the examination of such person or any other evidence, and to add 50 per cent as a penalty to the amount of the tax due on such list in all cases of willful neglect or refusal to make and render a list or return; and in all cases of a willfully false or fraudulent list or return having been rendered to add 100 per cent as a penalty to the amount of tax ascertained to be due, the tax and the additions thereto as a penalty to be assessed and collected in the manner provided for in other cases of willful neglect or refusal to render a list or return, or of rendering a false or fraudulent return: *Provided*, That any person or corporation, in his, her, or its own behalf or as such fiduciary, shall be permitted to declare, under oath or affirmation, the form and manner of which shall be prescribed by the Commissioner of Internal Revenue, with the approval of the Secretary of the Treasury, that he, she, or his or her or its ward or beneficiary was not possessed of an income of $5,000 liable to be assessed according to the provisions of this act; or may declare that he, she, or it, or his, her, or its ward or beneficiary has been assessed and has paid an income tax elsewhere in the same year, under authority of the United States, upon all his, her, or its gains, profits, and income, and upon all the gains, profits, and income for which he, she, or it is liable as such fiduciary, as prescribed by law; and if the collector or deputy collector shall be satisfied of the truth of the declaration, such person or corporation shall thereupon be exempt from income tax in the said district for that year; or if the list or return of any person or corporation, company, or association shall have been increased by the collector or deputy collector, such person or corporation, company, or association may be permitted to prove the amount of gains, profits, and income liable to be assessed; but such proof shall not be considered as conclusive of the facts, and no deductions claimed in such cases shall be made or allowed until approved by the collector or deputy collector. Any person or company, corporation, or association dissatisfied with the decision of the deputy collector in such cases may appeal to the collector of the district, and his decision thereon, unless reversed by the Commissioner of Internal Revenue, shall be final. If dissatisfied with the decision of the collector, such person or corporation, company, or association may submit the case, with all the papers, to the Commissioner of Internal Revenue for his decision, and may furnish the testimony of witnesses to prove any relevant facts, having served notice to that effect upon the Commissioner of Internal Revenue, as herein prescribed. Such notice shall state the time and place at which, and the officer before whom, the testimony will be taken; the name, age, residence, and business of the proposed witness, with the questions to be propounded to the witness, or a brief statement of the substance of the testimony he is expected to give: *Provided*, That the Government may at the same time and place take testimony upon like notice to rebut the testimony of the witnesses examined by the person taxed. The notice shall be delivered or mailed to the Commissioner of Internal Revenue fifteen days previous to the day fixed for taking the testimony, in which to give, should he so desire, instructions as to the cross-examination of the proposed witness. Whenever practicable, the affidavit or deposition shall be taken before a collector or deputy collector of internal revenue, in which case reasonable notice shall be given to the collector or deputy collector of the time fixed for taking the deposition or affidavit: *Provided further*, That no penalty shall be assessed upon any person or corporation, company, or association for such neglect or refusal or for making or rendering a willfully false or fraudulent return, except after reasonable notice of the time and place of hearing, to be prescribed by the Commissioner of Internal Revenue, so as to give the person charged an opportunity to be heard.

Every corporation, company, or association doing business for profit in the United States shall make and render to the collector of the collection district in which it has its principal office, or if it has no principal office then in which it is transacting business, on or before the second Monday in March in every year, a full return, verified by oath or affirmation, in such form as the Commissioner of Internal Revenue may prescribe, of all the following matters for the whole calendar year next preceding the date of such return:

First. The gross profits of such corporation, company, or association, from all kinds of business of every name and nature.

Second. The expenses of such corporation, company, or association, exclusive of interest, annuities, and dividends.

Third. The amount paid on account of interest, annuities, and dividends, stated separately.

Fourth. The amount paid in salaries, with a list of all officers, employees, and persons receiving more than $5,000 per annum, stating the name and address of such officers, employees, and persons.

Fifth. The net profits of such corporation, company, or association, without allowance for interest, annuities, or dividends.

And any corporation, company, or association failing to comply with the requirements of this section shall forfeit as a penalty the sum of $1,000 and 2 per cent on the amount of taxes due, for each month until the same is paid, the payment of said penalty to be enforced as provided in other cases of neglect and refusal to make return of taxes under the internal-revenue laws.

The taxes herein provided for shall be assessed by the Commissioner of Internal Revenue and collected and paid upon the gains, profits, and income for the year ending the 31st of December next preceding the time for levying, collecting, and paying said tax; shall be due and payable on or before the 1st day of July in each year; and to any sum or sums annually due and unpaid after the 1st day of July as aforesaid, and for ten days after notice and demand thereof by the collector, there shall be added the sum of 5 per cent on the amount of taxes unpaid, and interest at the rate of 1 per cent per month upon said tax from the time the same becomes due, as a penalty, except from the estates of deceased, insane, or insolvent persons.

Any nonresident may receive the benefit of the exemptions hereinbefore provided for by filing with the deputy collector of any district a true list of all his property and sources of income in the United States and complying with the provisions of section — of this act as if a resident. In computinng income he shall include all income from every source, but unless he be a citizen of the United States he shall only pay on that part of the income which is derived from any source in the United States. In case such nonresident fails to file such statement, the collector of each district shall collect the tax on the income derived from property situated in his district subject to income tax, making no allowance for exemptions, and all property belonging to such nonresident shall be liable to distraint for tax: *Provided*, That nonresident corporations shall be subject to the same laws as to tax as resident corporations, and the collection of the tax shall be made in the same manner as provided for collection of taxes against nonresident persons.

It shall be the duty of every collector of internal revenue, to whom any payment of any taxes is made under the provisions of this act, to give to the person making such payment a full written or printed receipt, expressing the amount paid and the particular account for which such payment was made; and whenever such payment is made such collector shall, if required, give a separate receipt for each tax paid by any debtor, on account of payments made to or to be made by him to separate creditors in such form that such debtor can conveniently produce the same separately to his several creditors in satisfaction of their respective demands to the amounts specified in such receipts; and such receipts shall be sufficient evidence in favor of such debtor to justify him in withholding the amount therein expressed from his next payment to his creditor; but such creditor may, upon giving to his debtor a full written receipt, acknowledging the payment to him of whatever sum may be actually paid, and accepting the amount of tax paid as aforesaid (specifying the same) as a further satisfaction of the debt to that amount, require the surrender to him of such collector's receipt.

Sections 3167, 3172, 3173, and 3176 of the Revised Statutes of the United States as amended are hereby amended so as to read as follows:

"SEC. 3167. It shall be unlawful for any collector, deputy collector, agent, clerk, or other officer or employee of the United States to divulge or to make known in any manner whatever not provided by law to any

person the operations, style of work or apparatus of any manufacturer or producer visited by him in the discharge of his official duties, or the amount or source of income, profits, losses, expenditures, or any particular thereof, set forth or disclosed in any income return by any person or corporation, or to permit any income return or copy thereof or any book containing any abstract or particulars thereof, to be seen or examined by any person except as provided by law; and it shall be unlawful for any person to print or publish in any manner whatever not provided by law, any income return or any part thereof or the amount or source of income, profits, losses, or expenditures appearing in any income return; and any offense against the foregoing provision shall be a misdemeanor and be punished by a fine not exceeding $1,000 or by imprisonment not exceeding one year, or both, at the discretion of the court; and if the offender be an officer or employee of the United States he shall be dismissed from office and be incapable thereafter of holding any office under the Government.

"SEC. 3172. Every collector shall, from time to time, cause his deputies to proceed through every part of his district and inquire after and concerning all persons therein who are liable to pay any internal-revenue tax, and all persons owning or having the care and management of any objects liable to pay any tax, and to make a list of such persons and enumerate said objects.

"SEC. 3173. It shall be the duty of any person, partnership, firm, association, or corporation made liable to any duty, special tax, or other tax imposed by law, when not otherwise provided for, in case of a special tax, on or before the 31st day of July in each year, in case of income tax on or before the first Monday of March in each year, and in other cases before the day on which the taxes accrue, to make a list or return, verified by oath or affirmation, to the collector or a deputy collector of the district where located, of the articles or objects, including the amount of annual income, charged with a duty or tax, the quantity of goods, wares, and merchandise made or sold, and charged with a tax, the several rates and aggregate amount, according to the forms and regulations to be prescribed by the Commissioner of Internal Revenue, with the approval of the Secretary of the Treasury, for which such person, partnership, firm, association, or corporation is liable: *Provided*, That if any person liable to pay any duty or tax, or owning, possessing, or having the care or management of property, goods, wares, and merchandise, articles or objects liable to pay any duty, tax, or license, shall fail to make and exhibit a list or return required by law, but shall consent to disclose the particulars of any and all the property, goods, wares, and merchandise, articles, and objects liable to pay any duty or tax, or any business or occupation liable to pay any tax as aforesaid, then, and in that case, it shall be the duty of the collector or deputy collector to make such list of return, which, being distinctly read, consented to, and signed and verified by oath or affirmation by the person so owning, possessing, or having the care and management as aforesaid, may be received as the list of such person: *Provided further*, That in case no annual list or return has been rendered by such person to the collector or deputy collector as required by law, and the person shall be absent from his or her residence or place of business at the time the collector or a deputy collector shall call for the annual list or return, it shall be the duty of such collector or deputy collector to leave at such place of residence or business, with some one of suitable age and discretion, if such be present, otherwise to deposit in the nearest post-office a note or memorandum addressed to such person, requiring him or her to render to such collector or deputy collector the list or return required by law, within ten days from the date of such note or memorandum, verified by oath or affirmation. And if any person on being notified or required as aforesaid shall refuse or neglect to render such list or return within the time required as aforesaid or whenever any person who is required to deliver a monthly or other return of objects subject to tax fails to do so at the time required, or delivers any return which, in the opinion of the collector, is false or fraudulent, or contains any undervaluation or understatement, it shall be lawful for the collector to summon such person, or any other person having possession, custody, or care of books of account containing entries relating to the business of such person, or any other person he may deem proper, to appear before him and produce such books, at a time and place named in the summons, and to give testimony or answer interrogatories, under oath, respecting any objects liable to tax or the returns thereof. The collector may summon any person residing or found within the State in which his district lies; and when the person intended to be summoned does not reside and can not be found within such State, he may enter any collection district where such person may be found, and there make the examination herein authorized. And to this end he may there exercise all the authority which he might lawfully exercise in the district for which he was commissioned.

"SEC. 3176. When any person, corporation, company, or association refuses or neglects to render any return or list required by law, or renders a false or fraudulent return or list, the collector or any deputy collector shall make, according to the best information which he can obtain, including that derived from the evidence elicited by the examination of the collector, and on his own view and information, such list or return, according to the form prescribed, of the income, property, and objects liable to tax owned or possessed or under the care or management of such person, or corporation, company, or association; and the Commissioner of Internal Revenue shall assess all taxes not paid by stamps, including the amount, if any, due for special tax, income or other tax, and in case of any return of a false or fraudulent list or valuation intentionally he shall add 100 per cent to such tax; and in case of a refusal or neglect, except in cases of sickness or absence, to make a list or return, or to verify the same as aforesaid, he shall add 50 per cent to such tax. In case of neglect occasioned by sickness or absence as aforesaid the collector may allow such further time for making and delivering such list or return as he may deem necessary, not exceeding thirty days. The amount so added to the tax shall be collected at the same time and in the same manner as the tax unless the neglect or falsity is discovered after the tax has been paid, in which case the amount so added shall be collected in the same manner as the tax; and the list or return so made and subscribed by such collector or deputy collector shall be held prima facie good and sufficient for all legal purposes."

The Secretary proceeded to call the roll.

Mr. BOURNE (when his name was called). I have a general pair with the senior Senator from Oklahoma [Mr. OWEN]. If he were present and voting, I should vote "nay."

Mr. CURTIS (when his name was called). Upon this question I am paired with the junior Senator from Maryland [Mr. SMITH]. If he were here, I should vote "nay."

Mr. CULBERSON (when Mr. DAVIS's name was called). The Senator from Arkansas [Mr. DAVIS] is paired with the Senator from Illinois [Mr. CULLOM]. If the Senator from Arkansas were present, he would vote "yea."

Mr. PAGE (when Mr. DILLINGHAM's name was called). My colleague [Mr. DILLINGHAM] is unavoidably absent. He is paired with the senior Senator from South Carolina [Mr. TILLMAN]. If present, my colleague would vote "nay."

Mr. GUGGENHEIM (when his name was called). I have a general pair with the senior Senator from Kentucky [Mr. PAYNTER], who is detained from the Chamber by sickness. I shall therefore withhold my vote.

Mr. LODGE (when his name was called). I am paired with the junior Senator from Georgia [Mr. CLAY]. If he were present, I should vote "nay," and he would vote "yea."

Mr. GORE (when Mr. OWEN's name was called). My colleague [Mr. OWEN] is paired with the senior Senator from Oregon [Mr. BOURNE]. If my colleague were present, he would vote "yea."

Mr. BAILEY (when Mr. PAYNTER's name was called). The Senator from Kentucky [Mr. PAYNTER] is ill and is detained from the Senate. If he were present, he would vote "yea."

Mr. OVERMAN (when Mr. RAYNER's name was called). I again announce that the Senator from Maryland [Mr. RAYNER] is paired with the junior Senator from New York [Mr. ROOT].

Mr. DU PONT (when Mr. RICHARDSON's name was called). I announce the pair of my colleague [Mr. RICHARDSON] with the senior Senator from Arkansas [Mr. CLARKE]. If my colleague were present and free to vote, he would vote "nay."

Mr. BAILEY (when Mr. TILLMAN's name was called). The Senator from South Carolina [Mr. TILLMAN] is unavoidably absent. If he were here, he would vote "yea."

The roll call was concluded.

Mr. BACON. I wish to state that my colleague [Mr. CLAY], whose pair has already been announced by the Senator from Massachusetts [Mr. LODGE], would, if present, vote "yea."

The result was announced—yeas 28, nays 47, as follows:

YEAS—28.

Bacon	Culberson	Hughes	Overman
Bailey	Cummins	Johnston, Ala.	Shively
Bankhead	Daniel	La Follette	Simmons
Borah	Fletcher	McLaurin	Smith, S. C.
Bristow	Foster	Martin	Stone
Chamberlain	Frazier	Money	Tallaferro
Clapp	Gore	Newlands	Taylor

NAYS—47.

Aldrich	Clark, Wyo.	Gamble	Penrose
Beveridge	Crane	Hale	Perkins
Bradley	Crawford	Heyburn	Piles
Brandegee	Depew	Johnson, N. Dak.	Scott
Briggs	Dick	Jones	Smith, Mich.
Brown	Dixon	Kean	Smoot
Bulkeley	Dolliver	Lorimer	Stephenson
Burkett	du Pont	McCumber	Sutherland
Burnham	Elkins	Nelson	Warner
Burrows	Flint	Nixon	Warren
Burton	Frye	Oliver	Wetmore
Carter	Gallinger	Page	

NOT VOTING—17.

Bourne	Davis	Owen	Smith, Md.
Clarke, Ark.	Dillingham	Paynter	Tillman
Clay	Guggenheim	Rayner	
Cullom	Lodge	Richardson	
Curtis	McEnery	Root	

So Mr. BAILEY's amendment was rejected.

Mr. CLAPP. Mr. President, when this amendment was before the Senate a few days ago, I made some remarks on the subject and called attention to the fact that there were certain defects in the amendment. One is a very glaring defect that I shall not attempt to amend, because I know it would be absolutely useless to do so. Another defect in the amendment is that it permits the organization of holding companies and exempts such holding companies from any tax where their capital is invested in the stock of subordinate companies. It is urged that that would be double taxation; but the pending amendment is based upon the theory that it is not an income tax, but that it is a tax for the right of being a corporation and doing the business of a corporation. If so, there can be no reason, to my mind, why a great holding corporation, organized to buy a controlling interest in other corporations, should escape any taxation for the privilege or right of being a corporation and engaging in the business of operating and dominating other corporations. I offer the amendment which I send to the desk.

The VICE-PRESIDENT. The Senator from Minnesota offers an amendment, which the Secretary will state.

Mr. CLAPP. I might say, Mr. President, that the effect of my amendment, while it covers several places in the committee amendment, is simply to require holding corporations to pay taxes. In other words, I offer it as one amendment, because

the whole amendment goes to the question of whether a corporation shall be exempted from taxes upon that portion of its revenue which appears to be derived as dividends from stocks of other corporations subject to taxes. On the amendment I ask for the yeas and nays.

Mr. ALDRICH. I suggest that we take a vote on the first half of the Senator's amendment, and then, if the Senate is against it, the Senator will not demand the yeas and nays on the other portion of the amendment.

The VICE-PRESIDENT. The Senator from Minnesota proposes it as one amendment.

Mr. CLAPP. I propose it as one amendment, and I do not call for the yeas and nays but once.

The VICE-PRESIDENT. The Secretary will state the amendment as one amendment.

The SECRETARY. On page 372, strike out all of line 3, after the word "year," in said line; also all of lines 4 and 5 and all of line 6 to the comma preceding the word "or," in said line; also strike out all of line 11, on said page, after the word "year;" and also all of lines 12 and 13 and all of line 14 to the semicolon preceding the word "*Provided*," in said line 14; on page 373, strike out all of line 21, beginning with the word "fifth," and also all of lines 21, 22, and all of line 23 to the word "*Provided*," in line 24; on page 375, strike out all of line 2, beginning with the word "fifth," and all of lines 3, 4, and 5; on page 376, strike out all of line 18 after the word "Columbia," and all of lines 19, 20, 21, 22, and 23 to the semicolon in said line, after the word "section;" also, change the numbers "fifth," "sixth," "seventh," "eighth," and "ninth" as found in line 5, page 376, in lines 5 and 18, page 377, and in lines 10 and 13, on page 378, and the words "fourth," "fifth," "sixth," "seventh," and "eighth," respectively.

Mr. CLAPP. Mr. President, that there may be no misunderstanding about this amendment, and that the Senate may fully understand it, I will say that the amendment as reported by the committee and adopted as in Committee of the Whole exempts from taxation—

> All amounts received by it within the year as dividends upon stock of other corporations, joint-stock companies or associations, or insurance companies, subject to the tax hereby imposed.

This provision, as I said a moment ago, does not purport to be an income tax. It is not a tax upon property, but, clothe it as you may, split hairs as you may, it is a tax upon a corporation for the right and privilege of doing business as a corporation.

My contention is, in the language of the message of the President, that when men get the immunity of stockholders of a corporation, then that corporation as a corporation should pay the tax, regardless of what its capital is invested in or regardless of how much its revenues may be impaired or lessened by the fact that it has invested its capital in something, whether the stock of a corporation, or whether it is tobacco subject to a federal tax, or whether it is whisky subject to a federal tax, or anything which may perchance have been taxed; that when you come to levy an excise tax for the privilege of doing business, you can not trace the antecedents or the genealogy of the funds which come into the possession of that corporation.

Broadly stated, while my amendment covers several places, if the amendment obtains, then a holding company will have to pay a tax for the privilege of being a corporation and for the privilege of doing business as a corporation, just as any other corporation does. It will withdraw from this bill the invitation that is contained in it to organize companies for the purpose of securing the control of stock of other companies, and thus dominating and monopolizing the business of the country.

The VICE-PRESIDENT. The question is on the amendment offered by the Senator from Minnesota, upon which he demands the yeas and nays.

The yeas and nays were ordered.

Mr. DOLLIVER. Mr. President, I was unfortunately detained from the Senate on Monday last, when I intended to submit a few general observations about these new schemes of taxation which have attached themselves to our revision of the tariff. I think, on the whole, we have been very wise to submit, or take the necessary steps toward the submission to the people in the various States of the income-tax question, because if we were relying upon this tax to supplement deficiencies in the revenue, under this measure it is obvious, especially to those of us familiar with the legal aspects of the controversy, that during the next two years, when we will probably need the money most, we will have no money, but will be enjoying the luxury of a very elaborate series of lawsuits.

I do not expect to see our wisdom so developed as to levy a tax of which it can be said, "This is altogether a just and equal tax." I never expect to see a scheme of taxation invented by Congress in which the average man will not ultimately bear the burden of whatever assessment we make. I have never been able to secure, in my own mind, the enthusiasm which some seem to enjoy in the prospect of being able to levy a corporation tax or an income tax which will not ultimately fall upon the man least able to bear it.

In a general way, the income tax is an ideal assessment of public burdens; and yet it is very difficult to draw an income-tax law that does not appear full of inequalities. The income-tax provision which we have pending here, it seems to me, works a hardship upon all salaried people, especially official salaried people, because their income is derived not from their business, but from the total destruction of their business, so far as their private affairs are concerned. It is very difficult to draw an income-tax law in which inequality will not appear, because it is impossible for a statute to recognize the fact that some men need more money than others. A man without a family can bear an assessment without burden, which a man with a large family bears with very great difficulty. A man living in the country needs very little money compared to that required for the man living in a city. An income that is sufficient in Washington is utterly inadequate in New York.

And so, throughout the whole scale of men's occupations and residences, it would be difficult or impossible to assess a tax upon incomes that would present every requisite of equity and equality.

I have a general conclusion in my own mind that a tax assessed upon inheritances has in it elements of equity which are wanting in the other proposed assessments. That is true, whether the assessment be made for the purpose of securing revenue, or whether it is devised as a kind of weapon in the hands of society to discourage the excessive accumulation of money.

I do not believe anyone who has been fortunate enough, by whatever means, to acquire an excessive fortune, running up into the millions, and in some cases in the United States into the hundreds of millions of dollars, has any right to complain if society says to him: "Go on with your labors; go on with your speculations; make everything you can; we despair of being able to control your activities while you are living; but work always with the understanding that the Government of the United States will be represented at your funeral, not among the mourners shedding tears over your departure, but as a sort of court of equity to distribute your estate, to turn back into the Common Treasury the excessive accumulations arising from the activities of your lifetime."

It may be that that weapon will some day be taken in hand by modern society, with a view to preventing, or at least discouraging, the great business activities which in our own day and generation have threatened even the administration of our Government by the extravagance of their accumulations, surpassing even the imagination of other generations.

So, if it is thought necessary to supplement with extraordinary taxes the revenue measure we have before us, I should have been personally inclined to that tax recommended by the President in his inaugural address, which proposed to levy a graduated assessment on the transfer of estates, rising to a substantial tax as the estate rises in amount.

When the question of the corporation tax was before the Senate I was not able for a good many reasons to cast my vote for it, though I did not have the opportunity, or at least did not take the opportunity, of explaining my attitude toward it. If it were possible to draw a corporation tax that would be productive of revenue without working injustice, it would have my hearty consent. But I have made up my mind, after careful study of the question, that the statute which we have put in the way of passage here is so drawn as to produce inequality and injustice. In my humble judgment, it will operate as a tax upon the business investments and enterprises of our people; and in most cases where it places a burden upon those able to bear it, the burden will be immediately transferred to those who are not able to bear it. I believe it will create in our market place a grave sense of injury to find that rich men doing business without incorporation are exempted, while a score or a hundred men and women in very modest circumstances who have invested a small amount in the stock of organized corporations are required to submit to this public assessment.

But I should not have felt constrained to cast my vote against the corporation tax for that reason alone. I believe the great question before the Government and people of the United States to-day is the question of moderating, restraining, regulating,

and in the end prohibiting the consolidation of American businesses in the form of monopolies. I do not believe it is a healthful outlook for this form of government and for these 90,000,000 people to see every avenue of industrial enterprise preempted, intimidated, and controlled by organizations of capital more stupendous in capitalization than ever before entered into the industry and commerce of the world.

If there is one thing before Congress that is important, it is the suggestion of my learned friend from Minnesota that this tax, which purports to be levied upon corporations, has, without the public having a full knowledge of the ultimate significance of the act, deliberately exempted from its burden the very corporations which most need the eye of Congress and the attention of the Government and people of the United States.

What is a "trust," in the modern sense of the word? It is a great corporation which, by one means or another, seeks to control all enterprises engaged in that or a similar line of production. A curious fact about the organization of these great corporations is that they do not need any money at all with which to do business. I think I could overcome my prejudices against a rich man who went about buying up for cash the enterprises in which his neighbors were engaged. But I have not been able to overcome a sort of intuitive prejudice against the exercise by people in our market place of the legal right which brings them together in a corporation, and, by the simple device of exchanging its bonds or stock for a controlling interest in other corporations, enables them to effectually monopolize trade and restrain commerce and to visit upon the American people all the evils attendant upon the speculative trust system of the modern world. Yet we have deliberately said to these corporations that everybody else shall bear the burden of the corporation tax. The humblest stockholder shall feel the weight of this excise. The smallest corporation, within the very narrow limit of $5,000 annual net earnings, shall help bear the expenses of the Government, and shall pay for its corporate organization, for the facility with which it does business. But these great corporations, which have been organized in this market place within the last twenty years, not for the purpose of doing business, but for the purpose of bringing trade into one hand, for the purpose of monopolizing commerce and filling our civilization with all the evils that have attended monopoly in past ages, are deliberately exempted from the burden of this tax.

Why? Because, it is said, the money which they get from the dividends of stock of other corporations which they hold has already been assessed in the subsidiary companies.

If it were true that we are levying here a tax upon money, there would be some force in that argument. If it were true that we are levying a tax upon the incomes of corporations, there would be some force in that argument. If we were taxing the earnings of corporations, it might be essential and wise to inquire into the previous history of these dollars.

But we are not doing that. We are not taxing their money; we are not taxing their incomes; we are not taxing their earnings. I feel that I can speak with a reasonable degree of confidence about that, because the junior Senator from New York [Mr. ROOT], whose skillful hand found a very congenial occupation in drafting this bill, and who defended it on the floor of this Chamber, deliberately stated that it was not the purpose of the bill to tax either the earnings or the incomes of corporations.

What is the purpose of this measure, as explained by one who probably had more to do with its preparation than anyone else within the sound of my voice? I will read his exact words, spoken in this Chamber on the 1st day of July.

The Senator from Indiana [Mr. SHIVELY] had said:

> The profits of this corporation so derived would certainly not be subject to a tax under the rule in the Pollock case, would they?

And the Senator from New York answered:

> The Senator, Mr. President, uses words colloquially when he says "the profits would be subject to a tax." Speaking accurately, it is not the profits that would be subject to the tax, but the privilege or facility of transacting the business through corporate form. It matters not from what source may come the income which is seized upon by the law as a measure for the value of the facility or privilege which is taxed. That, I understand, to be the very question which was decided by the Supreme Court in the Spreckels case, referred to by the Senator from Idaho a few moments ago. In that case the company claimed that certain rentals received by it from the use of a wharf were not to be regarded as liable to be included in the measurement of the tax which was imposed, because, they said, "This is income from real estate, and under the income-tax decision it can not be subjected to such tax." The court said, "No; you got this money in the course of your business; the facility or privilege of doing business is what is taxed, and no matter where you got the money the income is adopted as the measure of the tax."

I believe the Senator from New York uttered words of truth and soberness. If, then, this is not an income tax, if it is not a tax on earnings, if it makes no difference where the money comes from that flows into the corporate treasury, on what theory are we, who sit here representing the American people, exempting from the burden of this tax not little corporations, because they can not afford to pay it, but great corporations, many of them grown so great that they trample under foot the laws of the United States, and have in some instances turned our Government itself into a farce through its impotency in dealing with their pretensions?

I say to you it is not wise; it is not safe; it will not be palatable to the American people to find that the corporations which carry the unnumbered thousands of legitimate and modest business enterprises from one ocean to another are made the victims of this system of taxation, while the corporations that are engaged in reaching out into every corner of the market place, seeking to control every department of business, gathering in the stocks of their competitors, bringing the market place into the control of united interests, consolidating the industries and the enterprises of our people—these overgrown corporations, against which public criticism has been directed for twenty years—are permitted, in the general enthusiasm of our proceedings, to escape untouched by this tax, carrying with them what is more important than money, a recognition by the Government of the United States that their business is a privileged business; that they alone, of all incorporated enterprises, have the right to go free without the annoyance of this assessment; that these great corporations, which control our largest industries, iron and steel and sugar and coal and the scores of others which in their sum represent the larger part of our industrial life and activity, shall mock the Government of the United States, while they watch their humble associates in the market place bearing a burden from which they have been deliberately exempted by the affirmative vote of the Congress of the United States.

I can not consent to it, and I can not believe, having read and reread the message of the President of the United States, that it was in the mind or in the heart of that great popular leader to relieve from the weight of this scheme of taxation those who are best able to bear it, and to put the burden of the Government's assessment upon the humble and unpretentious industries organized in corporate form which are scattered throughout all the cities and all the villages of the United States.

Mr. DIXON. Mr. President, I presume I would be classed among those Senators who have been persuaded away from the income-tax proposition by the message of the President and by his known wish that the corporation tax be substituted for it. I confess that the great virtue of the proposed corporation tax was its publicity feature.

As I understand the theory of the tax, it is a tax on the right of a corporation to do business, coming from the fact that men doing business under corporate form are exempted from certain liability which they assume when doing business in their own individual names. If that be the theory, it strikes me that it is wholly inconsistent to exempt holding corporations from the effect of this bill; and I agree with the Senator from Minnesota——

Mr. CLAPP. I wish to suggest to the Senator that so far as there is any publicity provided for in this amendment, if a great holding corporation, whose entire capital stock was invested in the stock of other corporations, made that return to the Government, it would be the end of publicity as to that corporation.

Mr. DIXON. That is exactly what I myself was starting to say—that so far as holding corporations alone are concerned, unless the amendment of the Senator from Minnesota carries, they are absolutely exempt from the provisions of this amendment, and I think it is most important that this amendment should carry if we are going to apply the same medicine to the holding corporations that we do to ordinary corporations. Some time in this debate—I presume it is not now in order—I expect to submit as an amendment to the bill the inheritance-tax provision, which was put in by the House committee and which was in the bill when it came to the Senate. I presume it would not be in order to do so until the committee amendments are all finished. Personally, what I would like to see would be the corporation tax reduced, keeping it high enough to maintain the publicity feature, and then really raise the revenue from the inheritance tax. That provision I will offer later in the day.

Mr. BULKELEY. I should like to ask the Senator if there is any publicity feature left in the amendment.

Mr. DIXON. I have been persuaded that there is.

Mr. BULKELEY. There was one originally, but has it not all been stricken out of the amendment?

Mr. DIXON. If it has been, then I will say all my sympathy for the amendment is gone. I have been laboring under the belief that the publicity feature was still in the amendment.

Mr. BULKELEY. It is made a penal offense to divulge the contents of one of these returns.

Mr. DIXON. As I understand, the returns are lodged with the Commissioner of Internal Revenue, subject to the control of the administration, subject to a resolution of Congress, in the Senate or the House, whenever we see fit to pass a resolution asking for it. So I do not think the publicity feature has been destroyed.

Mr. BULKELEY. We passed a resolution some time ago and the reply was that the information would not be furnished.

Mr. DIXON. I think in the future if we pass a resolution asking for any information from the Commissioner of Internal Revenue we will probably get it.

Mr. PAGE. I should like to ask the Senator from Minnesota how his amendment will affect a class of business we have in Vermont, which is this: We have a good many savings banks there which invest heavily in mortgage and other notes, but they do a great deal in the way of going into smaller and perhaps sometimes into larger places and aiding in the establishment of national banks. I think the savings banks in Vermont hold hundreds of thuosands of dollars of national-bank stocks. I am not certain how they would be affected, but it seems to me that under the amendment of the Senator from Minnesota great injustice would be done to those savings banks.

Mr. CLAPP. I can only answer the question of the Senator in this way: I do not yet know what the purpose of the Senate is as to taxing savings banks, but under my amendment the savings bank would have to pay a tax on whatever it made, whether it made it off of farmers' mortgages or off of the dividends of stocks in corporations which it might hold.

Mr. CUMMINS. May I attempt to answer the question of the Senator from Vermont?

Mr. PAGE. Just one word.

Mr. CUMMINS. Certainly.

Mr. PAGE. The savings banks of Vermont are of two classes. One class is without stock, but perhaps half the banks of the State have stock. For instance, the Burlington Savings Bank is one without stock. The Burlington Trust Company is a savings bank with stock. I think fully one-half of the banks in our State are banks with stock, and would clearly come within the provisions of this amendment. It would be a matter of great injustice to them if they came within the provisions of the amendment of the Senator from Minnesota. Those savings banks and trust companies go out into other towns and establish other savings banks and trust companies and national banks, and it seems to me it would compel them to pay a double tax were his amendment to prevail.

Mr. CLAPP. I can answer the Senator only in the words of one who has been the recognized leader of the Republican party:

> This is an excise tax upon the privilege of doing business as an artificial entity and of freedom from a general partnership liability enjoyed by those who own the stock.

If that means anything it means that anyone who avails himself of that privilege should pay a tax for it. I may say that that is an extract from the message of President Taft to the Senate.

Mr. DEPEW. Mr. President, stripped of all rhetoric and verbiage, if I understand the amendment of the Senator from Minnesota, it is that if one corporation holds stock of another corporation and the first corporation pays a tax, then the holding corporation shall pay it again.

Mr. CLAPP. To avoid any criticism that I indulge in verbiage, I repeat again the words of the President of the United States:

> This is an excise tax upon the privilege of doing business as an artificial entity and of freedom from a general partnership liability enjoyed by those who own the stock.

If that is verbiage, then I am not a judge of concrete, concise, plain English.

Mr. ALDRICH. Mr. President, it is well known that personally I am not especially enamored with this tax, but I am bound to say that the observations of the Senator from Iowa have no pertinency as to this amendment. No holding company or any other company is exempted from the provisions of the amendment. No large corporations are exempted from it.

Almost every State in the Union permits corporations to hold stock in other corporations. The provisions of this amendment were prepared by the administration and had the approval in every line of the President of the United States, including the provision which it is now sought to vote out of the measure specifically, which has the approval of the President of the United States. This proposition simply, in the case of corporations which have paid the tax once and whose stock is held by another corporation, permits the second holding corporation or the corporation holding the stock to return an exemption on account of that first payment. In other words, it does not enforce double taxation upon these various corporations. Every corporation must pay the tax, and if it is paid once, this act says in effect it shall not from necessity be paid a second time.

Mr. DANIEL. Will the Senator allow me to ask him a question?

Mr. ALDRICH. Certainly.

Mr. DANIEL. Take it the first corporation is a bank or a railroad company, and take it that the holding corporation is simply a corporation dealing in stocks. They are entirely separate businesses and each pays a tax for conducting its business. It is not a second payment of a tax; it is paying the tax on the conduct of its business. While the first pays a tax on the conduct of its business, it is a totally different and separate entity, and they have nothing to do the one with the other.

Mr. ALDRICH. Reverse the case. The Senator from Virginia well knows that all banks throughout the United States, all the trust companies, all the insurance companies, business companies all over the country holding large amounts of personal property, own stock in other corporations. There is not a bank in the Senator's State——

Mr. DANIEL. They are doing a different business from the other corporations.

Mr. ALDRICH. I understand, but they pay a tax on their own profits. If the Senator's suggestion should be carried, they would also pay a tax upon the profits or the earnings of all the corporations in which they hold stock.

Mr. DANIEL. It comes into their hands and those earnings are acquired by them. It becomes their property.

I call the attention of the Senator from Rhode Island and the Senator from New York to a case in which this very matter was involved. It has not been quoted yet, that I know. It is the case of the Society for Savings *v.* Coite, in Sixth Wallace, page 594, where there was a tax on a corporation. It appears that of their deposits, which amounted to $4,758,000, some $500,000 was invested in securities of the United States. Those securities were exempted from all taxation; but when they came into the hands of this corporation and were owned and used by it in its business the tax was proportioned to them, because they were exercising this separate business and franchise. There is a case in point.

Mr. ALDRICH. Take the railroad companies of the Senator's own State. They own stock in each other. That has been done in this country from time immemorial. If you undertake to exclude holding companies, I do not know what the holding company would be in that case. Suppose one railroad company in Virginia holds stock in another railroad company—does the Senator think that both companies ought to pay this tax on the same earnings?

Mr. DANIEL. They are not the same earnings.

Mr. ALDRICH. They are precisely the same. Would you lay a double tax on them?

Mr. DANIEL. All we have to do is to designate them so.

Mr. ALDRICH. They have precisely the same earnings.

Mr. DANIEL. Not at all.

Mr. ALDRICH. That is the practical effect of it, whatever you may call it.

Mr. DANIEL. Take the second company in this way.

Mr. ALDRICH. They are earned but once.

Mr. DANIEL. The second company in this case sums up its earnings, deducts all operating expenses, deducts salaries, and when they have become net a certain amount is in their hands and is taxed; that is all.

Mr. ALDRICH. What happens in case they are the same owners?

Mr. DANIEL. The corporation is a separate entity with a different relation to the subject-matter.

Mr. ALDRICH. The sole purpose of the measure is to prevent double taxation.

Mr. DANIEL. It is not double taxation.

Mr. ALDRICH. It has no other purpose at all.

Mr. DIXON. I wish to ask the Senator from Rhode Island a question. Of course there is no question but that there is a slight double taxation to the holding company, but at the same time it is insignificant as it places itself to my mind.

Suppose the holding corporation owns property in its own right and still, as in the case of banks, owns stock in another corporation. The holding company will pay its 2 per cent on its net earnings from its own individual investment, from the revenue it receives as the holding company from stock in the other corporation. Suppose the other corporation pays 6 per cent dividends to the holding corporation. On that 6 per cent it pays only 2 per cent of the 6 per cent, which, as a matter of

fact, would be one three-hundredths of 1 per cent. Only to that extent I believe is that done. The tax is slight; and unless this is done the corporation that is purely a holding corporation escapes almost entirely. The amount is infinitesimal.

Mr. ALDRICH. I think the Senator is entirely mistaken in his calculation. If one corporation pays a tax upon its earnings of 2 per cent, the next corporation pays a tax of 2 per cent on the same earnings.

Mr. DIXON. But, Mr. President——

Mr. ALDRICH. On the same earnings exactly. It is an exact duplication of taxation.

Mr. DIXON. I surely am right in my calculation. Suppose the subsidiary companies pay a net 6 per cent dividend to the holding company. The holding company——

Mr. ALDRICH. The subsidiary company pays 2 per cent of its earnings to the Government, and the whole 6 per cent goes to the holding company, and the holding company pays precisely the same tax over. It pays that exact amount in addition to the first tax, making a precise duplication of the tax.

Mr. DIXON. But if the holding company receives a thousand dollars on a 6 per cent dividend from the subsidiary company and pays 2 per cent on that thousand dollars to the Government, it is only 2 per cent of 6 per cent.

Mr. ALDRICH. Oh, no. That is all it is in the first company, and it is the same payment to the second company, and the same payment to the third company. You might go on indefinitely multiplying the taxation through a whole series of companies. The taxation is precisely the same, and it is duplicated, and it might be reduplicated if the suggestions which have been made here should be adopted.

Mr. CUMMINS. May I answer the suggestion of the Senator from Rhode Island? If this is an income tax, it is a tax on property or incomes, and the Senator from Rhode Island is right.

Mr. ALDRICH. The very measure suggested by the Senator from Texas and the Senator from Iowa himself exempted this duplication of taxes in precisely the same way that they are exempted here.

Mr. CUMMINS. But ours was an income tax.

Mr. ALDRICH. What is the use of playing upon words? I want to know whether an income tax is not a tax of the same kind, paying out of the same fund upon the profits. It makes no difference what you call it. It is only a question of words. The Senator from Iowa may say this is an income tax. I may say it is a corporation tax. Another may say that it is a tax upon earnings. Another may say that it is an excise tax. You may characterize it as you please; it is a precise duplication. The Senator from Iowa and the Senator from Texas recognized the equity in that case and made the same exemptions that are made under the proposition which comes from the President and is recommended by the administration.

Mr. CUMMINS. I agree that if this is an income tax, it is a duplication of taxation and is unfair and unjust; but we have been amused here in the last ten days with a fine and nice argument intended to prove that it was not an income tax, that it was not an imposition upon property, that the corporations were classified and assessed for the privilege of existing, for the privilege of doing business.

Mr. ALDRICH. Does the Senator insist——

Mr. CUMMINS. And it was said that they could well afford to pay an excise tax for the privilege of doing business as corporations, measured by 2 per cent of their net income. If that argument is sound, unless it is to be abandoned as it ought to be abandoned, then there is no duplication here.

Mr. ALDRICH. Does the Senator think that an "excise tax," if you may call it such, ought to be imposed upon different equitable principles from an "income tax," as he calls it?

Mr. CUMMINS. Certainly, it ought to be imposed upon different principles.

Mr. ALDRICH. Oh, no; not different equitable principles. If you have double taxation under an income tax, then I can see some argument why you should have double taxation under an excise tax; but if you exempt property on income or earnings, or whatever you please, in one case, you ought to exempt it in the other.

Mr. CUMMINS. If the Senator will allow me, if it is an excise tax upon a privilege or facility of doing business as a corporation, it is not double taxation. It only becomes double taxation when it is asserted and admitted that it is an income tax laid upon property. Now, you are attempting to sustain the validity of this tax. You are attempting to make the people of the country believe that this tax will meet the decision of the Supreme Court by making the miserable distinction the Senator from Rhode Island has just pointed out. I agree with him that we have come to a time now when we can dismiss these words. It is not an excise tax. It is an income tax.

Mr. FLINT. Mr. President——

The VICE-PRESIDENT. Does the Senator from Iowa yield to the Senator from California?

Mr. CUMMINS. I do.

Mr. FLINT. I believe it is an excise tax, and the reason why we have eliminated the holding companies is because we believe as a matter of equity they should be eliminated, just as we have eliminated mutual concerns and building and loan concerns. It is a matter of classification that we have a right to make. We have made that classification, and as a matter of equity we have eliminated the holding company so that it would not be in a position of having double taxation imposed upon it.

Mr. CUMMINS. While not agreeing at all with the interpretation put upon this proposed act by the Senator from California, I agree that if it is an excise tax equitable principles ought to be employed. There are some companies which hold the stock of other companies that equitably ought not to be required to pay an excise tax measured by the income upon that stock. But where there is one of such companies there are a score of companies which hold stock of other associations which ought to be compelled to pay the tax.

I will not give a concrete instance, because it might seem to be invidious; but if a company is organized for the purpose of consolidating a dozen other companies with a view to controlling the business in which those companies are engaged for the purpose of being able to direct through a single board the management of the entire field of industry, will the Senator from California insist that equity requires such a company to be exempted from the payment of the tax here imposed? Does he not know that aside from the contravention of public policy involved in such an organization the privilege enjoyed is of priceless value, and instead of being taxed at 2 per cent on the net earnings it ought to be taxed at 10 or 15 per cent on the net earnings, that it ought to be taxed so heavily that such companies would become not only unfashionable but unprofitable as well?

If you are attempting to do equity, then undertake to distinguish between these companies that were suggested by the Senator from Vermont [Mr. PAGE]. I agree with him that there is something to be said in favor of the little savings banks which hold the stock of other companies. That can not be said of these immense and growing concerns that are using this method of incorporation to throttle the business of the United States and stifle and annihilate competition in all our principal fields of industry. If you are depending upon equity, then make the discrimination that equity requires.

Mr. DANIEL. Mr. President, I simply wish to dissipate the idea that there is any suggestion of double taxation when a holding corporation owns bonds or stocks of another company. I think I can make it so clear that the Senator from Rhode Island and the Senator from New York will see it.

This is a tax for carrying on a vocation or profession. It is only upon the net profit of that particular profession which pays this excise tax in the nature of a license tax. It is exactly like a tax on a lawyer for exercising his profession, which may be measured by his profits, by his gross receipts, or by any other plan adopted.

Now, suppose we have two corporations. One is corporation A. It is in the brokerage business; it deals in bonds and stocks. Amongst its assets are many bonds in corporation B, which is a railroad corporation. Suppose, when you add up all the revenues derived from the bonds and stocks and all the other business, there are no net profits at all. In that case the corporation A will pay nothing; in that case the corporation B will pay nothing; and what you call "double taxation" may be no taxation whatever. It may be below zero.

Now, take the other case, in which both make money. The broker is making money because he is engaged in the business of the buying and selling and holding of bonds. The railroad company is making money. Though the railroad company may have been taxed as to its bonds, why should not the broker pay a tax as to the exercise of his profession? He is not taxed on the bonds; it is simply the net result of what is in his pocket from the exercise of his profession. A man who can not see that can not count two; his head is melted into somebody else's head and has lost its identity in the hot weather and in the asphyxiation of the closed committee room.

Mr. NEWLANDS. Mr. President, there are three kinds of holding companies. One is represented by insurance companies, another by holding railroad companies, another by the great combinations which hold the stock of other companies for the purpose of monopolizing production.

It is very clear, so far as the first class of corporations is concerned, such as insurance companies, that it would be unjust to prevent such companies from exempting from their income the dividends received from corporations which pay this tax, for insurance companies are organized for the purpose of investing the money of their policy holders in the stocks of other corporations, and such investment is a perfectly legitimate one and is sanctioned by law.

As to railroad holding corporations, that is a device which has grown up from the fact that the United States has never as yet passed a national corporation law for the incorporation of interstate railroads; and of course it is necessary that in some way the union of railroads organized in different States, but when joined, forming continuous lines, should be accomplished in order that the great systems, extending from ocean to ocean and through many States, may be organized in such a way as to meet the convenience of the public.

Therefore certain States grant charters, enabling such corporations to hold the stocks of other railroad corporations and to operate the roads owned by various railroad corporations as an entire system. That form of holding corporation, though it is a clumsy substitute for a national corporation and has led to many evils in overcapitalization and escape from proper control, meets the convenience of the public; and as the various constituent corporations under it are subject to public regulation and control as natural monopolies, and the holding company itself, if it operates the continuous line, is also subject to public regulation and control, no moral objection can be made to that form of a holding company. It would be unjust as to that form of a holding company to compel it to pay another tax upon the income received from the dividends of corporations which have already paid this tax.

We now come to the monopolistic holding company, the great trust organized like the steel trust, for the purpose of holding the stock of other constituent companies, with a view to controlling and monopolizing production in certain lines. Such an organization is not sustained by any moral consideration and is against public policy and the spirit of the interstate-commerce law.

The objection made to taxing such a company is that you give sanction to it, or, at all events, recognize it as a legalized form of combination. You may not sanction it; but you, by the law, recognize its existence. You recognize that existence without reprobation. Such an organization has a privilege of vast value, if it is to be regarded as legal; for, whilst it has no property except the stock of other corporations and no income except that which it derives from other corporations which may pay the tax, yet the privilege of combination itself is one of vast value. You can not reconcile the exemption of such a corporation from a direct excise tax upon that vast privilege under this proposed law.

Therefore, it seems to me, the only way to do is to support the amendment of the Senator from Minnesota [Mr. CLAPP], to withdraw this particular exemption of income from the bill, and afterwards to shape the bill in such a way as to permit the exemption of the income derived from stocks owned by insurance companies or savings banks organized for profit; to permit the exemption of the income derived by these great holding railroad corporations from the dividends of other corporations subsidiary to it, and then, if we propose to recognize also the only form of holding companies that is subject to criticism—the holding corporations organized for monopolistic purposes—we should frame a tax especially designed to reach the value of the great privilege which they enjoy.

Mr. ALDRICH. Mr. President, I am so anxious to get through with the consideration of this bill that I am going to accept the amendment of the Senator from Minnesota [Mr. CLAPP].

Mr. BAILEY. I would like that acceptance to be accompanied with some kind of assurance that it is not going to be sacrificed in conference.

The VICE-PRESIDENT. The yeas and nays have already been ordered on the amendment.

Mr. ALDRICH. I think that order can be withdrawn.

The VICE-PRESIDENT. Is there objection to annulling the order for the yeas and nays? No objection is heard. The question is on the amendment of the Senator from Minnesota [Mr. CLAPP].

Mr. BAILEY. Mr. President, of course, if the Senator from Rhode Island says that he accepts this amendment in good faith, I will accept his statement; but I know how often, when we are anxious to get through and are in a hurry, that amendments are accepted with a view to disposing of them in conference.

Mr. ALDRICH. I say, speaking only for myself, that it is my purpose to take care of all the Senate amendments that are made to this bill to the best of my ability, and to try to impress upon the managers of the conference on the part of the House that they ought to accept the Senate amendments. That is my deliberate purpose, and I expect to do that with all the earnestness and skill at my command. That applies to this amendment as well as to everything else.

Mr. BAILEY. Then I shall offer no objection; but, as supporting the Senator from Rhode Island when he comes to that contest, I want to suggest to him that the holding company is the last form of business organization in this country entitled to an exemption. In many of the States they are illegal. The Supreme Court of the United States, in a case of vast importance, held that a holding company designed to control certain competing transportation companies, was an illegal combination and entered an order against it that resulted in its practical dissolution. I believe that according to the law in a majority of the States a holding company is contrary to sound public policy; and all of them will so ordain sooner or later.

I have no question in my mind that at common law one corporation had no power to hold stock in another corporation. In making that statement, I do not forget, of course, that the organization of corporations in this country is a matter regulated by statute; but still, in the absence of statutory authority to that effect, I have no doubt that it is unlawful for one corporation to acquire and hold the stock of another corporation. With this public policy in force in a majority of the States, sustained by a decision of the Supreme Court, I sincerely hope that the Finance Committee will adhere to the amendment which they now accept.

Mr. CULBERSON obtained the floor.

Mr. ALDRICH. I ask——

Mr. CULBERSON. I desire to offer an amendment.

Mr. ALDRICH. I will say to the Senator from Texas that I am extremely anxious to dispose of two or three matters which are still unsettled, and I hope the Senator——

Mr. CULBERSON. I hope the Senator will accept the amendment which I will propose. I have been trying to offer it for half an hour.

The VICE-PRESIDENT. The amendment of the Senator from Minnesota [Mr. CLAPP] has not yet been disposed of.

Mr. CLAPP. I understood that the Senator from Rhode Island had accepted the amendment.

Mr. CULBERSON. I understood the amendment had been accepted.

The VICE-PRESIDENT. It has not been voted on. The Chair was about to put the question.

Mr. MONEY. Mr. President, I want to say a word at this point, in view of what has just been said by the Senator from Rhode Island [Mr. ALDRICH] in reference to the interrogation of the Senator from Texas [Mr. BAILEY]. I want it to be understood now, as I always have understood it, that the conferees are compelled to carry out the wishes of the Senate without regard to their individual opinions or wishes.

Mr. ALDRICH. That is undoubtedly so.

Mr. MONEY. That is so.

Mr. ALDRICH. That is my understanding.

Mr. MONEY. Then, there is no necessity for any assurance from anybody who may have the honor to serve as a conferee that he will do anything else except to carry out the wishes of the body to which he belongs.

Mr. ALDRICH. Unquestionably.

Mr. MONEY. So that we may all go that far with the full assurance that the conferees on the part of the Senate will record there the wishes of the Senate as expressed here; and of course if there can not be a decision made without great recession on one side or on both sides, the body which they represent will be informed of that fact.

Mr. BULKELEY. Mr. President, the acceptance by the committee of the amendment offered by the Senator from Minnesota [Mr. CLAPP], to my mind, renders this bill more obnoxious in its every feature than anything that has been injected into it up to this time.

Mr. ALDRICH. Will the Senator permit me to make a statement?

Mr. BULKELEY. Certainly.

Mr. ALDRICH. It must be evident to every Member of the Senate that this debate must close. It should close very soon, and I think we are all anxious that it should. Of course if we are to discuss all these propositions indefinitely, whether they are before the Senate or not, we are not likely to close this bill this week or any other week. I am extremely anxious to dispose of two or three other matters, which are still open, with a

view to securing a vote upon this bill either to-day or to-morrow. So I hope that Senators will, if possible, not discuss the paragraphs, but let us vote upon the bill after disposing of such amendments as may be offered.

Mr. BULKELEY. Mr. President, I will be glad to comply with the wishes of the chairman of the committee; but I have two or three amendments which I regard as very much more meritorious than the one which the committee have just accepted. They are designed to remedy what I regard, and the people of my State regard, as a very great injustice.

I have no idea that this bill can be brought to a vote to-night, for the amendments which I have it in mind to propose will probably involve considerable discussion; but if I felt I could have the same assurance that the distinguished Senator from Minnesota [Mr. CLAPP] has received, in having his amendment accepted, that my amendments will receive the urgent attention and support of the conference committee when this bill gets into that stage, I might be willing to dispose of the amendments to which I refer without any lengthy discussion.

There is pending, Mr. President, as I understand at the present time, an amendment offered by the Senator from Minnesota.

The VICE-PRESIDENT. The Senator from Connecticut is correct. The Chair supposed he was discussing it.

Mr. BULKELEY. We discuss things in a roundabout way sometimes, and reach other things in the course of the discussion than the one thing that is immediately before us. If I have had a remonstrance of any kind from my constituents in Connecticut, it has been against the character of amendment which is now proposed; and I should feel derelict in my duty if I failed to enter my earnest protest against its adoption.

It is not necessary for me, nor would it be in good taste, perhaps, to discuss the legal aspects of the pending amendment. They have been ably discussed while the bill was considered as in Committee of the Whole and have been gently touched upon this afternoon by the distinguished gentlemen who have spoken; but when an effort is made, in what seems to me a roundabout way, to lay an income tax under the guise of being something else, it seems well enough for us to stop in the discussion of this bill to think what we are doing and not attempt to go boldly forward because we are disturbed by the conditions of the atmosphere or by our longing to get to our homes.

So I hope, Mr. President, that the pending amendment, while it has been accepted by the committee as a part of the bill itself, will not meet the approbation of the Senate, though I am very much afraid that with the Senator from Texas [Mr. BAILEY], the Senator from Rhode Island [Mr. ALDRICH], and the Senator from Minnesota [Mr. CLAPP] all in accord it is likely that this measure will be put into the bill.

The VICE-PRESIDENT. The question is on agreeing to the amendment offered by the Senator from Minnesota [Mr. CLAPP].

Mr. CULBERSON. Mr. President, I find upon consideration of the amendment offered by the Senator from Minnesota, [Mr. CLAPP] that, with the assurance that it will be accepted, the amendment which I had intended to offer is unnecessary. It is quite brief, however, and I will read it——

Mr. ALDRICH. I hope the Senator will not do that. Let it be printed in the RECORD.

Mr. CULBERSON. I prefer to read it, Mr. President.

Mr. ALDRICH. Very well.

Mr. CULBERSON. Add after section 6 the following:

Nothing in this section is intended or shall be construed to legalize holding corporations when operating in violation of other laws of the United States.

As I have said, the provision of paragraph 2 of section 6, which led to the belief that it might authorize holding companies, having been stricken out, there is no necessity for me to press the amendment which I had intended to offer.

The VICE-PRESIDENT. The question is on the amendment offered by the Senator from Minnesota.

The amendment was agreed to.

Mr. BACON. I have a short amendment which I desire to offer, and I ask that it may be read. It should come in at the conclusion of the section.

The VICE-PRESIDENT. The Senator from Georgia offers an amendment to section 6, which will be stated.

The SECRETARY. Add at the end of section 6 the following proviso:

Provided, That the provisions of this section shall not apply to any corporation or association designed and operated solely for mercantile business, the gross sales of which do not exceed $150,000 per annum.

Mr. ALDRICH. Mr. President——

The VICE-PRESIDENT. Does the Senator from Georgia yield to the Senator from Rhode Island?

Mr. BACON. I do.

Mr. ALDRICH. I rose for the purpose of moving to lay the amendment on the table, and I give notice that I intend to move to lay all further amendments on the table.

Mr. BACON. I simply desire to ask for the yeas and nays on it. That would be just as expeditious as a vote on the motion to lay on the table.

The VICE-PRESIDENT. The Senator from Rhode Island merely gave notice of his intention. The Senator has not made the motion.

Mr. ALDRICH. I did not like to cut the Senator off.

The VICE-PRESIDENT. The question is on the amendment of the Senator from Georgia [Mr. BACON], upon which he asks for the yeas and nays.

The yeas and nays were ordered.

The Secretary proceeded to call the roll, and Mr. ALDRICH answered to his name.

Mr. BULKELEY. Mr. President, may we have the amendment reported?

The VICE-PRESIDENT. The roll call has begun; but if there be no objection, the amendment will be again reported, for information.

The SECRETARY. At the end of the section it is proposed to add the following:

Provided, That the provisions of this section shall not apply to any corporation or association designed and operated solely for mercantile business, the gross sales of which do not exceed $150,000 per annum.

Mr. BACON. With the consent of the Senate I will modify the amendment and make it refer to all corporations having a gross income not exceeding $150,000.

Mr. ALDRICH. That can not be done.

The VICE-PRESIDENT. The roll-call has already been begun, and a response has been made. Nothing further can be done except by unanimous consent.

Mr. BACON. I ask unanimous consent.

Mr. ALDRICH. I object, Mr. President.

The VICE-PRESIDENT. Objection is made. The Secretary will continue the roll call.

The Secretary resumed the calling of the roll.

Mr. BOURNE (when his name was called). I have a general pair with the senior Senator from Oklahoma [Mr. OWEN]. If he were present, I should vote "nay."

Mr. DILLINGHAM (when his name was called). I have a general pair with the senior Senator from South Carolina [Mr. TILLMAN], who is absent. I therefore withhold my vote.

Mr. GUGGENHEIM (when his name was called). I again announce my general pair.

Mr. LODGE (when his name was called). I have a general pair with the Senator from Georgia [Mr. CLAY]. If he were present, I should vote "nay" and he would vote "yea."

Mr. MARTIN (when his name was called). I have a general pair with the junior Senator from Nevada [Mr. NIXON]. In his absence I withhold my vote. If he were present, I should vote "yea."

The roll call was concluded.

Mr. GORE. I wish to announce that if my colleague [Mr. OWEN] were present, he would vote "yea."

Mr. JONES (after having voted in the negative). I ask if the junior Senator from South Carolina [Mr. SMITH] has voted?

The VICE-PRESIDENT. He has not voted.

Mr. JONES. I have a general pair with that Senator, and therefore withdraw my vote.

Mr. CULBERSON. The Senator from Arkansas [Mr. DAVIS] is absent and is paired with the Senator from Illinois [Mr. CULLOM]. If the Senator from Arkansas were present, he would vote "yea."

The result was announced—yeas 27, nays 45, as follows:

YEAS—27.

Bacon	Cummins	Gore	Overman
Bailey	Curtis	Johnston, Ala.	Shively
Bankhead	Daniel	La Follette	Simmons
Borah	Dolliver	McEnery	Stone
Chamberlain	Fletcher	McLaurin	Taliaferro
Clapp	Foster	Money	Taylor
Culberson	Frazier	Newlands	

NAYS—45.

Aldrich	Carter	Gamble	Piles
Beveridge	Clark, Wyo.	Hale	Scott
Bradley	Crane	Heyburn	Smith, Mich.
Brandegee	Crawford	Johnson, N. Dak.	Smoot
Briggs	Depew	Kean	Stephenson
Bristow	Dick	Lorimer	Sutherland
Brown	Dixon	McCumber	Warner
Bulkeley	du Pont	Nelson	Warren
Burkett	Elkins	Oliver	Wetmore
Burnham	Flint	Page	
Burrows	Frye	Penrose	
Burton	Gallinger	Perkins	

NOT VOTING—20.

Bourne	Dillingham	Martin	Richardson
Clarke, Ark.	Guggenheim	Nixon	Root
Clay	Hughes	Owen	Smith, Md.
Cullom	Jones	Paynter	Smith, S. C.
Davis	Lodge	Rayner	Tillman

So Mr. BACON's amendment was rejected.

Mr. NEWLANDS. Mr. President, I offer the following amendment: Strike out all after the word "association," in line 14, section 6, page 371, down to the word "Columbia," in line 21, and insert in lieu thereof the words:

Engaged in the business of refining oil or sugar, or in the manufacture of any commodity included in the dutiable list of this act, whose gross receipts exceed $250,000 per annum.

The VICE-PRESIDENT. The Secretary will report the amendment offered by the Senator from Nevada.

The SECRETARY. On page 371, after the word "association" and the comma in line 14, strike out all down to and including the words "District of Columbia," at the end of line 21, and insert:

Engaged in the business of refining oil or sugar, or in the manufacture of any commodity included in the dutiable list of this act, whose gross receipts exceed $250,000 per annum.

Mr. NEWLANDS. Mr. President, the amendment I offer makes this excise tax of 2 per cent on the privilege of doing business by corporations apply only to those corporations that are engaged in the business of refining oil or sugar, or in the manufacture of any commodity covered by the dutiable list of the bill. The Senate will recall that in the Spreckels case such a tax was sustained—a tax upon oil refiners and sugar refiners whose gross receipts exceeded $250,000 annually. This amendment simply extends that tax to all corporations engaged in the manufacture of commodities covered by the tariff bill.

In this connection I wish simply to state briefly that the schedule presented by the Finance Committee of the production in this country of commodities covered by the tariff act shows that the total production amounted to about $13,000,000,000, and that the total imports of such commodities equaled about one-twentieth of the domestic production, and that the amount expended for wages in producing these commodities aggregating over $13,000,000,000 amounted to about $2,500,000,000.

This act imposes a duty of about 45 per cent upon the foreign commodities which come in competition with our domestic production. So that it is safe to say that the value of this $13,000,000,000 worth of domestic products would be counterbalanced on the outside of our tariff wall by an equal amount of commodities valued at only $9,000,000,000. In other words, by the imposition of these duties we give to the American manufacturers the right to add to the foreign price of these commodities a total of over $4,000,000,000 annually—an amount more than sufficient to pay for the entire labor cost of all the commodities, aggregating, according to the statement of the Finance Committee, two billions and a half.

Of all the privileges enjoyed by corporations, the most valuable is this charter, given to the domestic corporations, which permits them to impose upon domestic consumers a charge of nearly $4,000,000,000 in excess of what they would pay if the competitive products on the outside were given free entry.

It therefore seems to me it is but fair to exact from these great domestic corporations whose gross receipts exceed $250,000 per annum the moderate tax of only 2 per cent upon their net income—in other words, one-fiftieth of their entire profits. For while the Government of the United States will collect from them a sum not exceeding $50,000,000 per annum, we have given them a charter to tax the American people to the extent of $4,000,000,000 per annum.

Mr. ALDRICH. Mr. President, I move to lay the amendment on the table.

The VICE-PRESIDENT. The Senator from Rhode Island moves to lay the amendment on the table.

Mr. NEWLANDS. On that I ask for the yeas and nays.

The yeas and nays were ordered.

Mr. BACON. As I understand, the roll call is on the motion to lay on the table?

The VICE-PRESIDENT. On the motion to lay on the table.

Mr. BACON. Those who are opposed to laying the amendment on the table will vote "nay?"

The VICE-PRESIDENT. They will.

Mr. BACON. I take the liberty of making that inquiry, because I am satisfied the matter is not generally understood.

The VICE-PRESIDENT. Very well.

The Secretary proceeded to call the roll.

Mr. BOURNE (when his name was called). I have a general pair with the senior Senator from Oklahoma [Mr. OWEN]. If he were here and voting, I should vote "yea."

Mr. CLAPP (when his name was called). I have just come into the Chamber, and I do not know what is the proposition.

The VICE-PRESIDENT. The question is on agreeing to the motion of the Senator from Rhode Island to lay on the table the amendment offered by the Senator from Nevada.

Mr. CLAPP. I do not know what the amendment is, and therefore ask to be excused.

Mr. DILLINGHAM (when his name was called). My pair, the senior Senator from South Carolina [Mr. TILLMAN], being absent, I withhold my vote.

Mr. GUGGENHEIM (when his name was called). I make the same announcement as on the previous vote.

Mr. LODGE (when his name was called). I have a general pair with the Senator from Georgia [Mr. CLAY]. If he were present, I should vote "yea" and he would vote "nay."

Mr. MARTIN (when his name was called). In the absence of the junior Senator from Nevada [Mr. NIXON], with whom I am paired, I withhold my vote.

Mr. GORE (when Mr. OWEN's name was called). If my colleague were present, he would vote "nay."

Mr. WARREN (when his name was called). Having a pair with the Senator from Mississippi [Mr. MONEY], I withhold my vote.

The roll call was concluded.

Mr. OVERMAN. I again announce that the senior Senator from Maryland [Mr. RAYNER] is unavoidably absent, and is paired with the Senator from New York [Mr. ROOT].

Mr. BACON. I desire to say that if my colleague [Mr. CLAY] were present, he would vote "nay."

The result was announced—yeas 46, nays 24, as follows:

YEAS—46.

Aldrich	Clark, Wyo.	Gamble	Penrose
Beveridge	Crane	Hale	Perkins
Bradley	Crawford	Heyburn	Piles
Brandegee	Curtis	Johnson, N. Dak.	Scott
Briggs	Depew	Jones	Smith, Mich.
Brown	Dick	Kean	Smoot
Bulkeley	Dixon	Lorimer	Stephenson
Burkett	du Pont	McCumber	Sutherland
Burnham	Elkins	McEnery	Warner
Burrows	Flint	Nelson	Wetmore
Burton	Frye	Oliver	
Carter	Gallinger	Page	

NAYS—24.

Bacon	Cummins	Hughes	Shively
Bailey	Dolliver	Johnston, Ala.	Simmons
Bankhead	Fletcher	La Follette	Smith, S. C.
Bristow	Foster	McLaurin	Stone
Chamberlain	Frazier	Newlands	Taliaferro
Culberson	Gore	Overman	Taylor

NOT VOTING—22.

Borah	Daniel	Money	Root
Bourne	Davis	Nixon	Smith, Md.
Clapp	Dillingham	Owen	Tillman
Clarke, Ark	Guggenheim	Paynter	Warren
Clay	Lodge	Rayner	
Cullom	Martin	Richardson	

So the amendment submitted by Mr. NEWLANDS was laid on the table.

Mr. McLAURIN. Mr. President, I have a short amendment here which I think the committee ought to accept. There are a great many small corporations that do not earn as much as $5,000 net. A great many of them do not earn that much gross. They are little drug-store corporations, mercantile corporations, farming corporations, and newspaper corporations. A great many of them are small newspapers that do not earn a net income of $5,000 and have not a capital of $50,000.

I do not see why such corporations as that should be worried by making out returns. If the president or principal officer will make affidavit that there is not $50,000 worth of stock and that the net income is not $5,000, then I do not think they ought to be required to make the return unless the Commissioner of Internal Revenue shall make a special order for that purpose. If there is any cause to suspect that the affidavit is not correct as to the amount of stock or as to the amount of net income, he could make an order requiring the return to be made to him and look into that. But no good purpose can be served by the small corporations going to the expense of making these returns; and it is also an expense to the Government that ought not to be incurred to investigate the matter.

I ask that the amendment be read, and I ask the chairman of the committee to pay strict attention to it and that he accept it. If he does not, I shall ask for a yea-and-nay vote on it.

Mr. ALDRICH. I move that the amendment be laid on the table.

Mr. McLAURIN. The Senator had better let it be read first.

The VICE-PRESIDENT. The Secretary will read the amendment.

The SECRETARY. On page 382, line 25, after the word "prosecution," at the end of the paragraph, insert:

If the president, vice-president, or other principal officer shall, within the time required herein for making return as herein required, make affidavit that the capital stock of the corporation does not exceed

$50,000, and that its net income does not exceed $5,000 for the year, the said return herein required need not be made, unless specially required by the Commissioner of Internal Revenue and notice thereof be served on such corporation. Such requirement by said commissioner shall only be made when he has good reason to believe said affidavit untrue as to the amount of stock or net income.

The VICE-PRESIDENT. The Senator from Rhode Island moves to lay the amendment on the table.

Mr. McLAURIN. On that I ask for the yeas and nays.

The yeas and nays were ordered, and the Secretary proceeded to call the roll.

Mr. BOURNE (when his name was called). I have a general pair with the senior Senator from Oklahoma [Mr. OWEN]. If he were here and voting, I should vote "yea."

Mr. DILLINGHAM (when his name was called). Having a general pair with the senior Senator from South Carolina [Mr. TILLMAN], I withhold my vote.

Mr. GUGGENHEIM (when his name was called). I again announce my general pair with the Senator from Kentucky [Mr. PAYNTER].

Mr. LODGE (when his name was called). I again announce my pair with the Senator from Georgia [Mr. CLAY]. If he were present, I should vote "yea."

Mr. MARTIN (when his name was called). In the absence of the junior Senator from Nevada [Mr. NIXON], with whom I am paired, I withhold my vote.

Mr. WARREN (when his name was called). I announce my pair with the senior Senator from Mississippi [Mr. MONEY].

The roll call having been concluded, the result was announced—yeas 46, nays 24, as follows:

YEAS—46.

Aldrich	Carter	Gallinger	Penrose
Beveridge	Clark, Wyo.	Gamble	Perkins
Bradley	Crane	Hale	Piles
Brandegee	Crawford	Heyburn	Scott
Briggs	Depew	Johnson, N. Dak.	Smith, Mich.
Bristow	Dick	Jones	Smoot
Brown	Dixon	Kean	Stephenson
Bulkeley	Dolliver	Lorimer	Sutherland
Burkett	du Pont	McCumber	Warner
Burnham	Elkins	Nelson	Wetmore
Burrows	Flint	Oliver	
Burton	Frye	Page	

NAYS—24.

Bacon	Cummins	Gore	Overman
Bailey	Curtis	Hughes	Shively
Bankhead	Daniel	Johnston, Ala.	Simmons
Chamberlain	Fletcher	La Follette	Smith, S. C.
Clapp	Foster	McLaurin	Stone
Culberson	Frazier	Newlands	Taylor

NOT VOTING—22.

Borah	Dillingham	Nixon	Smith, Md.
Bourne	Guggenheim	Owen	Taliaferro
Clarke, Ark.	Lodge	Paynter	Tillman
Clay	McEnery	Rayner	Warren
Cullom	Martin	Richardson	
Davis	Money	Root	

So Mr. McLAURIN's amendment was laid on the table.

Mr. BULKELEY. I should like to offer an amendment. On page 374, line 15, it reads, "the sums required by law to be carried to premium reserve fund."

There is nothing so far as my experience goes known as "premium reserve fund" in connection with insurance companies.

Mr. ALDRICH. The Senator explained his amendment to me, and I accept it.

The VICE-PRESIDENT. The Secretary will state the amendment.

The SECRETARY. Strike out the word "premium," at the end of line 15, on page 374, and strike out the word "fund," in line 16, and insert the word "funds."

The amendment to the amendment was agreed to.

Mr. BULKELEY. On page 377, line 9, I move to strike out the word "premium," before "reserve," and in the same line to add the letter "s" to the word "fund."

Mr. ALDRICH. Let the amendment to the amendment be agreed to.

The amendment to the amendment was agreed to.

Mr. BULKELEY. Another amendment should be made, on page 378, line 11. It reads:

For taxes imposed under the authority of the United States or any State or Territory thereof.

After the word "State," I move to insert the word "municipality."

Mr. ALDRICH. There is no objection to that.

The amendment to the amendment was agreed to.

Mr. BULKELEY. I suggest to the Senator from Rhode Island that the word "premium" be stricken out, on line 14, page 373, and, in the same line, to strike out "fund" and insert "funds," so that it will read the same as the other paragraph, "reserve funds."

Mr. ALDRICH. I have no objection to that.

The amendment to the amendment was agreed to.

Mr. BULKELEY. With a view of facilitating the passage of the bill, I will offer an amendment, and, without remarking on it, allow it to be voted on.

The VICE-PRESIDENT. The Senator from Connecticut submits an amendment, which will be read.

Mr. BULKELEY. I think it should be commented on, but it is the amendment which I suggested for publication in the RECORD a few days ago. It was then to come in after line 9. The bill has been changed, so that it will be section 6, page 371, line 15. After the word "company," I move to insert the following:

Except mutual insurance companies or corporations, and companies or corporations transacting business upon the mutual plan wholly for the benefit of its mutual policy holders.

I will not spend any time in discussing it.

The VICE-PRESIDENT. The amendment will be stated.

The SECRETARY. On page 371, after the word "company" in line 15, insert:

Except mutual insurance companies or corporations, and companies or corporations transacting business upon the mutual plan wholly for the benefit of its mutual policy holders.

Mr. ALDRICH. I move to lay the amendment on the table.

Mr. BULKELEY. On that I ask for the yeas and nays.

The yeas and nays were not ordered.

The motion to lay on the table was agreed to.

Mr. LA FOLLETTE. On page 372, at line 16, before the word "organization," I move to insert "agricultural or horticultural."

Mr. ALDRICH. I accept that amendment.

The amendment to the amendment was agreed to.

Mr. GALLINGER. There should be a comma after "labor."

Mr. LA FOLLETTE. I ask also to insert a comma after the word "labor," in line 15.

The VICE-PRESIDENT. Without objection, that will be done.

Mr. DANIEL. On page 371, beginning with section 6, I move to strike out, from line 13 down to and including the word "imposed," before the word "Provided," in line 14, on page 372, and to insert what I send to the desk.

The VICE-PRESIDENT. The amendment will be read.

The SECRETARY. As a substitute offered to section 6, on page 371, line 13, to line 14 on page 372, it is proposed to insert:

SEC. 6. That every corporation, joint stock company, or association organized for the profit of its members and having a capital stock represented by shares above $300,000, shall be subject to pay annually a special excise tax with respect to carrying on and doing business by such joint stock company or association, equivalent to one-fourth of 1 per cent, upon its entire gross proceeds over and above $20,000 received by it from all sources during such year.

Mr. DANIEL. Mr. President, if this was a class of competitive examination in order to show who was the most tired man of this debate, I would expect to win the first place in the competition. The Senator from Rhode Island is a great actor, a great wizzard, and he is also a great ventriloquist. With an activity, eagerness, earnestness, and freshness which are unsurpassed in this body, he comes upon the stage and says we must adjourn right now; that he is tired out. That is only one phase of his diverse genius. He is very different from the rest of us plain and prolix people. He does by magic what we have to try to do by toil. He waves his wand and utters his incantations, and so-called "insurgents" march with the vigor and measured tread of Roman soldiers following Cæsar to victory. More than that, Mr. President, we hear a murmur yonder; we hear a murmur here and a murmur there. Presently the Senator rises and flings his voice around the Senate and the next moment everybody is talking just like him, and Senators think that right which before they had murmured was wrong.

Mr. President, I do not wish the Senate to be misled. There is no man in this body who has enjoyed himself as much or so luxuriously as the Senator from Rhode Island, and he is so happy in carrying everything before him all the time that you could not please him better than if you were to stay here during August and September and allow him to spend his vacation in this joyous, conquering way. So I am emboldened, Mr. President to offer an amendment, which I hope may engage his attention and in the end may get his vote. The Senator is not rigid and unbending about the corporation amendment. He sometimes changes, like the rest of us plain mortals. In the beginning of this debate he said: "No corporation amendment;" and indicated his stern and opposed mind to that effect. Now he says "corporation amendments." But I want to suggest to the Senator's contemplation a simpler corporation amendment. It is one that does not cut such large slices out of the subject-matter, but it does take more small slices out of nearly the

whole subject-matter and does not turn over, to begin with, so much of it to anterior claimants. Besides this, it will get the revenue without oppression or incumbrance to the smaller corporations. It is the amendment which I have offered, and upon which I wish to briefly comment. In the first place, it taxes no corporation unless it has $300,000 capital. It is not necessary to tax all corporations; and this Government in taxing corporations may have that manner of regard for the small people which the poor law and the homestead law of a State has for them; the various exemptions which run through all our state laws have in dealing with people who are near or at the bottom, or engaged in charitable, fraternal, and educational work. Three hundred thousand dollars for a trading or manufacturing corporation is no large amount in these times. We do not think that a man has become dignified unless he is to be counted in the millions, and it is out of the millions that we wish to elicit a contribution which, as a general rule, is paid larger in proportion by poor people than by rich ones.

You consider the prices of the ordinary necessities of life, and you will find that the poor people pay more for what they consume than do any other people. It is because they have to buy "by the small," on account of their small capital, while the great can have large transactions and in wholesale ways get the lowest prices.

Furthermore, Mr. President, we could by this amendment relieve the pressure and trouble about all the small exemptions; we could also relieve the confusion and friction about the partnerships and the corporations by taxing nobody unless he is of importance enough to exceed $300,000 in stock in the corporation which is represented. The ordinary partnership does not rise to such an amount of capital.

In addition to that, to make the measure good and full, we would throw in $20,000, just as you throw in $5,000 in the pending bill.

Then, Mr. President, I would tax the gross receipts of all those corporations whose capital is above the exempted ones. Two per cent of net revenue, as provided in the pending measure, is a considerable percentage in taxation. One-fourth of 1 per cent is an amount which will break nobody and oppress nobody in the selected classes of corporate taxpayers to the United States, and will put no heavy or unbearable burden upon anyone whatsoever.

This proposition is founded on precedents. We used to tax corporations by gross receipts. It is a hoary example of this very Government. In that case you reach the property that is represented by the shares, by the bonds, and by everything that constitutes the corporation.

Mr. CARTER. Mr. President——

The VICE-PRESIDENT. Does the Senator from Virginia yield to the Senator from Montana?

Mr. DANIEL. I yield.

Mr. CARTER. I have in mind one corporation, with a net income of $250,000 per year, that only has $2,500 capital stock. Would the Senator's amendment reach that corporation?

Mr. DANIEL. I think it would not, according to its terms.

Mr. CARTER. It would be exempt, for it has only $2,500 of capital stock, though it has a net income of $250,000.

Mr. DANIEL. This is not an income tax.

Mr. CARTER. I understand that. The company to which I refer probably owns property to the value of $5,000,000.

Mr. DANIEL. Perhaps with a little more consideration and a little more deliberate chance, I might encourage the volunteer from Montana, and add something else to this bill that will embrace his corporation in it.

But it must be remembered that the proposition is that of a tax for conducting business, and the case referred to by the able Senator from Montana is not one usually, or within my knowledge, ever embraced in this kind of a proposition. In speaking of any general scheme—I care not what it is—there are always a good many things left out which, on reflection, one might like in some way to put in, and it may be some things put in that, on reflection, one would like to leave out. The only thing you can do is to draw certain general lines which are for the best, all things, including precedents, considered.

In regard to partnerships, there are a great many small partnerships in this country which are without the corporate form, but which are engaged in the same business that corporations similar in many respects are doing. This would eliminate that jar and jostle between them, and put them all upon the same footing up to the mark of $300,000. When they exceed that they would enter into a different class and come under different views.

There are no less than five differences of a striking character between partnerships and corporations, which may be doing the same business. In the first place, partnerships are natural persons. They are just plain folk, human beings, citizens, or perhaps aliens, but people. They have a local habitation and they have their own proper names. A corporation, on the other hand, is purely a fiction of the law; an artificial creation; a figment only out of the brain of man. That is one substantial difference.

The next substantial difference between the two is that the partner, the private citizen, always flies his own flag, and he generally goes under his own name, unless it be that of some antecessor who has preceded him in that business. There is an identity about it; there is a place about it; there is an openness, a candor, and a guilelessness about it, which makes a distinction between him and the corporation.

Who knows who a corporation is? It is often an obscure entity created by law, named by law, and existing by law, in the mold that the law has run the metal that constitutes it. It is a figment of law; it is not a reality in the sense that an individual or a partnership is.

In the third place, there is a difference in their liability. You may not even know who the corporation's constituent parts are, but you know who the partnership constituents are. In respect to liability, if a man enters a partnership, a man with a very small share of stock may bankrupt the concern, because he represents the whole partnership, and may use the partnership and bind and burden all the partners. In the next place, he may himself be bankrupted by another member of the concern. In the next place, he may have a very small interest, and may yet be liable for millions upon millions of dollars. His whole relationship of business is constituted and built up upon a different plan and scheme from that of a corporation.

It is true that in many of the States, as was suggested by the Senator from Georgia [Mr. BACON], they limit liability, but the ordinary common-law partnership, the partnership as it has been generally known in business, is of the character which I have described.

There is another most important difference between a partnership and a corporation. A corporation is created to have perpetuity and a common seal. Immortality is put into it, so far as the law can put immortality into anything. The death of a shareholder does not interrupt the current of its stream; the death of many shareholders does not alter its concerns. It flows on like a river that has no waves and no ripples. On the other hand, if a partner dies the firm is dissolved. All ends with one, and it goes out of existence.

In the next place, Mr. President, there is a very important difference as to location and residence of a partnership and of a corporation. Where does a corporation reside? It may be as migratory as any bird of the air. It may be organized in Utah or in Kansas or in that great factory of corporations, New Jersey, and it may be doing business in Washington; it may be doing business in Kamschatka; it may be roaming over the world to find its place of occupation; but a partnership is fixed; it has a fixed residence according to its own place of business and according to the status of its members.

The existence of these differences, and the franchise created by law for the corporate benefit, has led to the classification of corporations for subjection to the excise tax levied upon its exercise of the privileges conferred.

There are many things—settled personal views—about this excise tax which we ought to remember, and I propose to state, just as I have stated the difference between corporations and partnerships, what are some of the marked and settled opinions which have had juridical exposition and indorsement as to the power to tax corporations. I will state some of them. I think it will be found settled in the judicial reports of this country, and so well settled that no lawyer familiar with the decisions could hope to disturb the decisions, as follows:

(1) That corporate franchise is a distinct subject of taxation, and not as property, but as the exercise of a privilege.

(2) That it may be taxed by a State or country which creates it.

(3) It may be taxed by a State or Territory in which it is exercised, although created by a foreign country.

(4) It may be taxed by the United States, whether created by the United States or a foreign country or by a State, Territory, or district of the United States.

(5) The franchise of the corporation may also be taxed by a State, although created by the United States, unless created as a part of the governmental machinery of the United States.

The same or rather the like limitation applies upon corporations created by the States. You may tax any private corporation of a State, but a corporation of the State, that is chartered by the State to perform some function of its govern-

ment, partakes of a governmental nature, just as one so formed by the United States; and as the one can not be taxed by the Federal Government, so the other can not be taxed by the State.

It is also true—and this I put as a sixth proposition—that a United States corporation may be taxed by a State although created as a part of the governmental machinery of the United States, provided that the consent of the United States is given thereto. As an illustration of that, I cite the national banks.

Mr. President, an impression has got out in some portions of the Chamber that it is taxing property twice if a corporation holds stock in another corporation and if both corporations are taxed with respect to the holding of such property. This is a complete confusion of thoughts; it is the melting of two ideas into one, losing sight of the identical relation which each has toward business and toward the public.

In the case of a corporation whose bonds and stocks are held by another their relation is fixed by the person or corporation to whom they belong. The bonds of a corporation do not belong to itself. They belong to and are the property of some other person or corporation. If a holding corporation owns bonds or stocks it does not by this proportion pay any tax on them at all as bonds or stocks. They are simply used as a yardstick by which the measure of the excise, which is in the nature of a license tax, shall fix the number of dollars for that license or that privilege. That is all. It is a very simple proposition and it is incapable of confusion unless a man is negligent in observation or has a motive to confuse and wants to tangle things up in order to obfuscate other people.

Now, Mr. President, I am going to read a few decisions on this question. I will refer again to a Connecticut case, which has been a leading one. That was the case of the Society for Savings *v.* Coite. It went to the Supreme Court, and is reported in Sixth Wallace, page 594.

There was a striking instance of the power of a sovereign to take an excise tax out of a state corporation and to measure the tax by the United States bonds which were exempt from taxation which that corporation held. The legislature of Connecticut in this case had enacted a law that the savings banks should make an annual return to the comptroller of public accounts of the total amount of deposits. It appears that some $500,000,000 were invested in the securities of the United States. It was contended in that case before the Supreme Court, just as it is contended here after this long lapse of time, that these securities were exempted from taxation, and that, therefore, the State of Connecticut could not levy this franchise tax on the deposits of the banks, in so far as those deposits had been transformed by law into the form of United States tax-exempted securities. So the question was presented to the Supreme Court of the United States for judicial determination in the sharpest form in which it could arise; and Judge Clifford, a Maine man, eminent in his profession, and of great renown as an able judge, gave the opinion. Here is what he says:

> Power to tax is granted for the benefit of all, and none have any right to complain if the power is fairly exercised and the proceeds are properly applied to discharge the obligations for which the taxes were imposed. Such a power resides in government as a part of itself and need not be reserved when property of any description or the right to use it in any manner is granted to individuals or corporate bodies.
>
> Corporate franchises are legal estates vested in the corporation itself as soon as it is in esse. They are not mere naked powers granted to the corporation, but powers coupled with an interest which vest in the corporation upon the possession of its franchises, and, whatever may be thought of the corporators, it can not be denied that the corporation itself has a legal interest in such franchises.
>
> Nothing can be more certain in legal decision than that the privileges and franchises of a private corporation and all trades and avocations by which the citizens acquire a livelihood may be taxed by a State for the support of the state government. Authority to that effect resides in the State independent of the Federal Government, and is wholly unaffected by the fact that the corporation or individual has or has not made investment in federal securities.
>
> Private corporations engaged in their own business and pursuing their own interests according to their own will are as much subject to the taxing power of the State as individuals, and it can not make any difference whether the tax is imposed upon their property, unless exempted by some paramount law or the franchise of the corporation, as both are alike under the protection and within the control of the sovereign power.

I should also like to cite, although I do not care to read it at length—I wish to abbreviate as much as I can—the case of Coite *v.* Society for Savings, reported in Thirty-second Connecticut, page 173. These are doubtless cases with which our distinguished friend from Connecticut is thoroughly familiar. They come from his State, and they were among the forerunning cases that laid down the fundamentals of the law on this subject.

Another case that I will cite is from Massachusetts—the case of Provident Institution *v.* Massachusetts (6 Wall., p. 611). In that case the Coite cases were approved by the supreme judicial court of Massachusetts. In this particular case it appeared that the institutions for savings which were before the court were required by statute to pay to the treasurer of the Commonwealth of Massachusetts "a tax on account of its depositors of one-half of 1 per cent per annum on the amount of its deposits." With this statute, to which I have referred, in existence, the Provident Institution for Savings, a corporation without property except its deposits and the property in which its deposits were invested, and empowered under the general law of the State to receive money on deposit for the use and benefit of the depositors and to invest its securities in the securities of the United States, had as its average amount of its deposits for the six months preceding the 1st day of May, 1865, $8,047,652.10. Of that amount, $1,327,000 was invested in the public funds of the United States, exempt from taxation by any State. It paid all the taxes assessed against it except on that part which was made up of exempted United States securities, namely, $1,327,000. The Commonwealth of Massachusetts sued for the tax to collect the balance claimed to be due on the exempted United States bonds. The supreme judicial court of the State, considering that the tax was one on the franchise and not on property, adjudged the tax lawful and gave judgment for the Commonwealth of Massachusetts.

This case went up to the Supreme Court of the United States, in Sixth Wallace, as I have already stated; and Judge Clifford, in an illuminating opinion, restated the principles I have already announced.

In the Bank Tax case (2 Wall., 200), 1864, a New York tax came under scrutiny with reference to such principles as I have already announced. Judge Clifford there again gave the opinion and reiterated the views I have heretofore set forth.

Mr. President, I could multiply these cases indefinitely, but the case of Spreckels (192 U. S.) has shown that the Supreme Court is to-day treading in the middle of the road, just as it has done for over forty years. There is no novelty and no dubiety about this, and there is no sort of strangeness in these decisions. Let me put a case to the Senators who have questioned the principles here involved.

Suppose a man comes to town and gets out a license to buy and sell real estate. It is a vocation in many States, and in many of them a very large and far-ranging business. He may deal in nothing but real estate. The State may tax him with respect to all the estate that he deals in, or makes it the base of the measure of the percentage that it levies on his vocation, and so forth. The State or the Federal Government may fix its excise tax in any rational way that it thinks proper; and the fact that real estate is at the bottom of it, provided that real estate is held only as part of a business vocation, has nothing whatsoever to do with the matter any more than the exempted bonds of the United States had to do with the various questions of exemption, and trying to get out of and from under the tax which I have stated.

The VICE-PRESIDENT. The Senator from Virginia will permit an interruption. The hour of 7 o'clock having arrived, the Senate stands adjourned until to-morrow, Thursday, July 8, 1909, at 10 o'clock a. m.

SENATE.

THURSDAY, *July 8, 1909.*

The Senate met at 10 o'clock a. m.

Prayer by the Chaplain, Rev. Ulysses G. B. Pierce, D. D.

The Journal of yesterday's proceedings was read and approved.

PETITIONS AND MEMORIALS.

Mr. JOHNSTON of Alabama. I present a petition of Winona Council, No. 3, Junior Order of United American Mechanics, of Decatur, Ala., stating that our immigration laws are inadequate for the protection of the country from undesirable immigrants. I ask that the petition be printed in the RECORD and referred to the Committee on Immigration.

There being no objection, the petition was referred to the Committee on Immigration and ordered to be printed in the RECORD, as follows:

HALL OF WINONA COUNCIL, No 3,
Decatur, Ala., June 25, 1909.

To the honorable the Senate and the House of Representatives of the United States of America in Congress assembled:

Your memorialist, Winona Council, No. 3, Junior Order United American Mechanics, of Decatur, Ala., would respectfully submit to your honorable body that our immigration laws are inadequate for the protection of our country from the undesirable immigration from southern Europe and kindred nations and should be so amended to throw a greater restriction around our ports of entry so as to prohibit the landing upon our shores of all undesirable persons who come here to labor in competition with our American workmen.

Our present immigration laws are unsatisfactory. We should absolutely prohibit the coming here not only persons who are known to be believers in anarchistic principles or members of anarchist societies, but also all persons who are of a low tendency or unsavory reputation. This means that we should require a more thorough system of inspec-

tion abroad and a more rigid system of examination at our immigration ports, the former being especially necessary.

The object of a proper immigration law should be to secure by a careful and not merely perfunctory educational test some intelligent capacity to appreciate American institutions and act sanely as American citizens.

Not only must the American workmen's products be protected by the tariff, but the American labor needs protection from the competition of foreign laborers who come here under contract or those who come freely yet represent a standard of living so depressed that they can undersell our men in the labor market and drag them to a lower level.

No person should be allowed to land upon our shores who could not furnish the proper proof of personal capacity to earn an American living and enough to insure a decent start under American conditions.

Many come here with no other desire than to accumulate all the wealth they can for the purpose of returning with it to their native country, and to accomplish this they live in holes and hovels and subsist on what an American could not long endure.

The American workman has a family to support and children to educate in accordance with American standard and customs. The foreigner has not. We believe it is wrong to compel the American workmen, whose wages contribute so much to the good of our country, both materially and morally, to compete with foreigners, who absorb all and give nothing in return.

The strength of this country lies in the intelligence of its citizenship. The American people have for many years undertaken, at an annual expense of millions of dollars, to see that every child in America receives some preparation in our public schools for the duty of a citizen, and we insist that every person of foreign birth more than 10 years of age who desire to share the advantages of our country ought to be required before they come here to make so much preparation for American citizenship as is involved in learning to read and write in their own language.

We are unconditionally in favor of protecting all American products from competition with foreign products and keeping the American market for American products, and we are equally as pronounced in our demands for the employment of American labor in preference to foreign, and to this end we demand an immigration law that will protect American workmen from the competition of foreign workmen.

Finally, the truth is, under our present immigration law we admit a class of people to our shores who hate our form of government, despise our society, abhor our religion, disdain our family relations, and abominate our civilization, and would gladly overthrow and destroy all the blessings enjoyed by the American people. We therefore demand a rigid law to keep such a class from our country.

Respectfully submitted.

T. W. SPAIN,
S. W. FOISTER,
H. L. KIRBY,
Committee.

Attest:
FRANK J. DAVIS, *Councilor.*
[SEAL.] J. E. MOODEY, *Secretary.*

Mr. DOLLIVER presented memorials of sundry citizens of Des Moines and Waterloo, in the State of Iowa, indorsing the action of the United States Senate in protecting the lemon industry of the United States, which were ordered to lie on the table.

PROPOSED FINANCIAL LEGISLATION.

Mr. STONE. Mr. President, some days ago it was stated on the floor of the Senate that early in December at the regular session some financial measure would be reported, and I saw the same statement, in substance, in the press, credited to the chairman of the Finance Committee.

I have a document in my hand covering four pages, I believe, of typewritten matter, prepared by Mr. H. E. Trader, a banker of Missouri, relating to the subject of our finances, which has attracted some attention here and elsewhere. I ask that it may be printed in the RECORD without reading.

There being no objection, the paper was ordered to be printed in the RECORD, as follows:

PLAN FOR A SOUND, UNIFORM, AND ELASTIC CURRENCY.

[By H. E. Trader, New Cambria, Mo.]

1. Let there be provided a board of about 15 directors (one from every three States), to be in charge of the United States Treasury. Let the Secretary of the Treasury and those under him report to this board.

2. Maintain a gold reserve in the United States Treasury of not less than 25 per cent of the paper currency in circulation, and as much more as possible. Provide a means of attracting gold to the Treasury at all times, by free transportation or otherwise, so that it will always be there when needed.

3. Let the Treasury, under direction of this board, issue only one kind of currency, to be known as "United States currency," redeemable in gold. This currency to be legal tender and lawful reserve for banks.

4. Redeem all present gold certificates, silver certificates, United States notes, and Treasury notes with "United States currency."

5. Require all national-bank notes to be retired.

6. If gold be deposited with the Treasury, issue to the depositor "United States currency" in exchange therefor. If he does not wish to take "United States currency," coin his gold and return it to him.

7. In the crop-moving season, or in case of panic, or if necessary on account of retiring all national-bank notes, let the Treasury, by authority of its directors, issue and loan "United States currency" in sums of not less than $100,000 upon United States, state, or municipal bonds upon safe margins. The rate of interest to be such as the gold reserved and conditions at the time may warrant—the factors which fix interest rates the world over—in no case less than 3 per cent per annum.

8. The Treasury directors to call in such loans when the need for them has passed.

9. The Treasury should not receive deposits, except gold, as above provided.

This plan has no relation to the greenback theory. It contemplates a strong gold reserve, the larger the better; the greenbackers claimed no reserve was necessary.

This plan would be identically the same in operation as would be a "central bank of issue," in a strict sense of the term, but it would be carried out by the United States in the name of the United States, and would not be subject to the existing prejudice against a central bank. Arguments in favor of the foregoing suggestions follow, numbered as above.

TREASURY BOARD OF DIRECTORS.

1. No criticism can be made of any Secretary of the Treasury in recent years. Each has filled the position as well as it could be filled by one man. No more could be expected. But it must be admitted that fifteen heads are better than one. What would we think of putting one man in absolute control of one of the large New York banks without a board of directors? The United States is many times greater than all of the New York banks put together, yet one man is practically in absolute control of its financial affairs.

The argument is often made that we must separate the currency from the Government in order that it may not be affected by politics. Issuing the currency is clearly a government function of the highest order. If we have become afraid to govern ourselves, we should let the contract to Mr. Diaz. The currency must be regulated by men, whether they be employed by the Government or the banks; and it would be no more trouble to get good men for Treasury directors than it is to get good men for President, Vice-President, and other high positions of public trust. By having one director from each three States every section of the country would be fairly represented, and directors so chosen would know the conditions and needs of their respective districts. Being employed by the Government, they would have no personal interest in either expanding or contracting the currency. The same sense of duty which holds other public officers responsible for their acts would hold Treasury directors responsible for their acts.

UNITED STATES TREASURY THE PLACE FOR OUR GOLD.

2. If banks can get along with a 12 per cent cash reserve, surely the United States Government can redeem its notes on demand with a gold reserve in its Treasury of not less than 25 per cent. The United States Treasury is the proper place for all of our gold. By having it there our volume of currency could be safely increased, as suggested, enough to meet any crisis. In fact, there would be no crisis if it was there. An ounce of prevention is worth a pound of cure.

A paper dollar in circulation will go just as far as a gold dollar, but put the gold dollar in the Treasury and three or four paper dollars can safely be drawn against it. Germany will permit the Reichbank to issue 3 to 1.

By paying the carriage charges on gold sent in for exchange for "United States currency," gold should be attracted to the Treasury. If it was not, other means could be devised to attract it.

ISSUE OF UNITED STATES CURRENCY—REDEMPTION OF GOLD AND SILVER CERTIFICATES AND UNITED STATES AND TREASURY NOTES.

3 and 4. Instead of having five kinds of currency and one of them issuing from 6,000 different sources, why not have one, and that a good one? We have only one metal standard. Back of our gold certificates is a gold reserve of 100 per cent. Back of all other forms of currency there is a gold reserve in the United States Treasury of only about 11 per cent. Let us do away with such an unequal system, issue one form of currency, and put the same gold reserve back of all of it. If with an 11 per cent gold reserve the Government can keep two-thirds of the currency at par, then surely with a 25 per cent to 40 per cent reserve it can maintain all of the currency at par. Its liability would be no greater than at present, except to the extent its note issue might be temporarily increased.

On October 1, 1907, the total paper circulation was $2,034,153,382, to maintain the parity of which the United States Treasury held $921,913,121 in gold, or 45 per cent if equalized. Under this plan the Government could increase its paper circulation three hundred millions against the same amount of gold, and still have a gold reserve of 39½ per cent, 6 per cent higher than Germany's minimum. Such an increase in the volume of legal-tender money, put in circulation as suggested, would without doubt stop a worse panic than any we have ever had. Had the Treasury been able to do this on October 25, 1907, there would have been no panic. And when the crisis had passed the Treasury would call in such increase, so we would not suffer the ills of an inflated currency. And what is better, the Government would profit by the transaction instead of losing, as at present.

If the United States issued the currency direct, every citizen would be equivalent to being the holder of one share of stock. Every day the papers would announce the percentage of gold reserve in the Treasury. The people would soon learn that the less they hoarded the higher that percentage would be, and the higher the percentage the better the credit and condition of the country; and the responsibility and patriotism which takes men to war would prevent them from hoarding.

Everybody would have confidence in Uncle Sam's ability to redeem his notes in gold on demand. Even the strongest advocate of asset currency could not deny confidence in the plan. If the people did not have confidence in Uncle Sam's currency, where would the country have gone to in 1907?

5. The talk of giving national banks power to make further issues of currency is absurd. It smacks of favoritism. Besides, they have had forty-four years in which to prove their ability to issue money as needed, and having proven unequal to the task, have made necessary the existence of the National Monetary Commission. We hear more or less from bankers about keeping the Government out of the banking business, but we hear nothing about keeping the banks out of the government business.

The Government must and does coin all of the metal money, so why should it not issue the paper money? The profits arising therefrom should go to all of the people, and a more equitable plan for raising part of the government revenue could not be found. It would be just as reasonable for banks to coin gold and silver as it is for them to issue notes to use in its place. National banks should be satisfied with the same sources of profits as state banks, and not want to usurp and convert the money-making power into a money-making scheme, emptying into their coffers. Not all national bankers want such favors.

Our asset-currency friends seem to overlook the fact that a bank note is a bank liability. Matter not how good bank notes are made, they are not and can not be made legal tender or counted in bank reserves. We must still have so much real money. As there is not enough gold for circulation, my idea is to provide something to fill out with that we can call money, and, while we are at it, provide enough for every purpose, so that bank notes will not be needed. Would it be right to provide the best kind of money known for banks to hold in

their vaults as reserve and then allow the banks to deal out another inferior kind to the people for their use? Would the people stand for it? The holder of a bank note is entitled to have legal tender for it on demand. When people become panic-stricken and demand legal tender for their asset bank notes as well as their deposits, the banks would want more real money and less asset currency. So what good would asset or credit currency be when the banks could not use it at the very time they needed currency the worst. Do bankers want such a currency?

The Suffolk system of New England is held up by credit-currency enthusiasts as being the ideal currency system. Suppose that some of the Suffolk notes should wander out here to Missouri. Is it reasonable to think that we would receive them at par when we considered the cost of collection, the risk of handling, and the use of our money? Do we want a system under which the currency of one section will be at a discount in every other section? Do we want a currency which we must keep continually "shoving" in order to see if it is good? If it is made perfectly secure so it does not have to be "shoved," then the much-talked-of gravity-redemption feature is lost. Therefore the only system certain of elasticity is for the Treasury to issue its own gold notes when more currency is needed, calling them in when the need for them has passed.

UNITED STATES CURRENCY IN EXCHANGE FOR GOLD.

6. If a gold miner would not take United States currency in exchange for his bullion, then coin and return it to him at his expense, instead of giving him gold certificates against which a 100 per cent gold reserve must be held. If a bank issues its certificates of deposit in exchange for a deposit of actual money, it does not lay aside all of the money and hold it to protect that certificate of deposit. The certificate is added to the bank's deposits and the money is added to the bank's reserve. Why not conduct the Treasury in a practical banking business way?

LOANING UNITED STATES CURRENCY.

7. Instead of loaning money on call at 1½ per cent, the New York banks could invest their surplus reserves in municipal and state bonds earning 3½ per cent. If necessary, when it came time to move the crops the bonds could be sent over to the subtreasury and by authority of the Treasury board 75 per cent to 80 per cent of their market value borrowed upon them in United States currency—reserve money. When the crops had been moved, the banks would pay back the currency and take back their bonds. If they did not, the Treasury board would make them do it. Incidentally this arrangement would curb speculation in New York more than anything else.

If it was necessary for the national banks to get any currency to take the place of their notes as they were retired, they would already have the United States bonds. Let the Treasury loan them "United States currency," not exceeding 90 per cent of the market value of the bonds.

In the event of panic the Treasury directors could issue and loan United States currency in large sums at an advanced rate of interest. That would cause it to be paid back as soon as it was no longer needed. If they did not, the directors could advance the rate still higher or force the payment of the loans by selling the collateral, the same as a bank would do.

The Government would then receive enough interest on its loans to pay the interest on its bonds and have some left for the use of its money and credit, which it is justly entitled to. As the Government must guarantee the currency, no matter how it is issued, it may as well issue it direct and take the profit. If you must sign my note in order to make it good at the banks, you may as well loan me the money and take the discount. Your risk is just the same one way as the other.

The Treasury should not loan over 75 per cent of the market value of municipal bonds, 80 per cent of state bonds, and 90 per cent of United States bonds. Conservative bankers would not loan any more. National banks should not be babied always. They would not loan an individual what the United States loans them on United States bonds. The United States ought to be as conservative as any banker.

By making loans of not less than $100,000 the Government would be saved much bother and expense. At the same time, by keeping some approved securities always on hand, us "little fellows" would take care of ourselves. The big fellows are the ones that have the trouble, not us. Under this plan there would be nothing to the argument about a market for United States bonds, because state banks, private banks, and everybody else would want some of them, for they would know that come what may they could raise 90 per cent of their value in "United States currency."

The only bond-secured currency under this plan in ordinary times would be what is necessary to take the place of the national-bank notes and to move the crops each fall. Approximately eight hundred millions is the most that could be outstanding at any one time. There are over four billions of United States, state, and municipal bonds available as security therefor. The reason I suggest these bonds is that they are the very best security, and if any benefit is to result from their use it will be distributed to all of the people as near equally as it is possible to be done, which would not be the case with any other kind of security.

Asset currency advocates say that bonds are not liquid enough. If that is so, why do many of our largest and best banks show United States and municipal bonds on their statements as part of their cash assets? And why is it that in case of trouble these bonds are the first assets they realize on? Compare, for instance, a bond for $1,000 of the city of St. Louis with the note for $1,000 of a St. Louis brewer—and his business evaporating—which collateral would you prefer? Requite a good margin, and the bonds will be liquid enough.

CALLING TREASURY LOANS.

8. Competent directors in charge of the Treasury could tell exactly when the borrowers were able to pay off their loans, when the Treasury would promptly call them. As the loans would have to be paid in money, the volume of circulation would be automatically reduced as much as it was increased when the loans were made, thus avoiding inflation.

THE TREASURY SHOULD NOT RECEIVE DEPOSITS.

9. The Treasury should not receive deposits, except gold, in exchange for which it would issue "United States currency;" and it should make no loans other than "United States currency," as above provided. As the Treasury could not receive deposits, the currency it loaned would have to be taken away and deposited in banks. Being reserve money, relief would be afforded the banks. There would be no competition between the Treasury and the banks, the Government working in harmony with the banks, affording them and the country relief when it was most needed.

Respectfully submitted.

H. E. TRADER,
New Cambria, Mo.

HOURS OF DAILY SESSION.

Mr. ALDRICH. I move to strike out from the order of the procedure the time limit of 7 o'clock for adjournment.

The VICE-PRESIDENT. The Senator from Rhode Island moves to amend the order of the Senate so that 7 o'clock as the time of adjournment be stricken therefrom. The question is on the motion of the Senator from Rhode Island.

The motion was agreed to.

THE TARIFF.

The VICE-PRESIDENT. The morning business is closed, and the first bill on the calendar will be proceeded with.

The Senate resumed the consideration of the bill (H. R. 1438) to provide revenue, equalize duties, and encourage the industries of the United States, and for other purposes.

The VICE-PRESIDENT. The pending amendment will be read.

The SECRETARY. By the Senator from Virginia [Mr. DANIEL], as a substitute for section 6, on page 371, line 13, to line 14 on page 372, it is proposed to insert:

SEC. 6. That every corporation, joint-stock company, or association organized for the profit of its members and having a capital stock represented by shares above $300,000, shall be subject to pay annually a special excise tax with respect to carrying on and doing business by such joint-stock company or association, equivalent to one-fourth of 1 per cent, upon its entire gross proceeds over and above $20,000 received by it from all sources during such year.

Mr. ALDRICH. The Senator from Virginia, I believe, has not quite completed his remarks.

Mr. DANIEL. Mr. President, there is an error in the form of the amendment which I offered yesterday. I offered it to run from line 13, page 371, section 6, down to and including the word "imposed," in line 14, page 372. It appears in print in the form of a substitute. I did not expect to cut out the whole of section 6. I ask that those changes be made.

The VICE-PRESIDENT. The request of the Senator from Virginia will be complied with, without objection.

Mr. DANIEL. Mr. President, I shall conclude my remarks with just a few observations on the differences between the proposition now pending and the amendment reported from the Committee of the Whole.

Government comes first. Government ought always to come first with respect to the debts and obligations due to it by the people. It should always be the preferred creditor—indeed, the foremost creditor. In the section of the net-proceeds tax as it stands it is made a deferred and long-postponed creditor. As long as anybody else has a debt against the corporation charged with it he comes first. If there be any crumbs on the table or around it after everybody else is satisfied, the Government steps in and gets something, if it is there, out of net assets.

The fund or property of the corporation which the reported excise tax applies to is a fluctuating, uncertain, and absolutely variable quantity. A tempest-tossed wave going up and down on a vacillating and stormy sea is made the basis of the excise corporation tax of the United States. It is only the surplus of the assets of the corporation remaining after.

Mr. President, with respect to the amendment which I have offered, after exempting $300,000 of corporate capital and $20,000 in money from taxation at all for the purpose of current expenses or other incidental charges, the excise tax I would have here imposed is one-fourth of 1 per cent of all gross receipts above the exempted sums. It goes under bonds, it goes under stocks, and it goes under all outstanding obligations save the exempted items. In it government stands first. It sits at the head of the table in the name of the people; it exacts what is due to it for the necessary expenses of the Government.

A great convenience of this amendment is that it removes out of the way those tantalizing, various, and troublesome specific exemptions which are offered in so many forms. By putting up the bars of exemption at $320,000 it leaps over all minor impediments.

The imposition of an excise tax on net revenues only reverses the order of procedure and makes government last, which ought to be first. If there be no net revenue, what then? The corporation is still exercising its business, for which nominally there is a nominal excise tax in the nature of a license tax, but the corporation pays nothing for the benefits that accrue to it through its privileges that may be issued and through the protection which government accords to it. If anybody comes to rip up a railroad that carries the mail, interfering thereby with exercise of the faculties of government, we send, and we ought to send, the troops of the United States to defend the federal right invaded. President Cleveland under such conditions sent the troops to Chicago with widespread public approbation. Up to date the great corporate establish-

ments of the Government pay nothing to support the Government which they should have an ardent desire to support.

Mr. President, the leading rich men of Great Britain are taxed enormously by great income taxes, by all sorts of charges, and the wealth of Great Britain does not shrink from the burden. Are our men of great wealth setting for the people of the United States and for the young men of the country an example of American citizenship in not suffering themselves to bear the burdens of government and in not manifesting an entire and constant readiness to support it by their contributions?

Under the old feudal system, out of which our institutions on the other side of the water were finally evolved, the knight rode at the head of his retainers to the battlefield and to lead his people in whatever service of patriotism he was called. Is that sentiment pervasive in this country among the great men who have accumulated the immense wealth of the country and have it at their disposal? Do they come and say when it wants money and a deficit is staring it in the face, "Come and tax me; let me bear my portion. I am your faithful son, and I wish to serve you?"

Mr. President, I would be just to a corporation, as I would be just to anybody. They have their rights, and they are to be respected in their exercise and protected. But they have their great moral and patriotic obligations, and they should show in their spirit and in their conduct an appreciation of what is done for them by the Government and by the vast opportunities our country affords them.

This amendment takes but little from them. It is an ideal tax. It takes little from much. It does not take simply the leavings. As the official head of the American family, it has everybody to attend upon it with their responsive service. The people created it in the name of all—"we, the people of the United States"—and all the people, without exception, more especially those who are thrifty and prosperous, should be levied upon to bear its burdens.

I do not understand the nature of a man of great wealth who wants to be left out in the roll call when the contributions of citizens are called for. But we need not be alarmed about our deficit. It is a temporary inconvenience. It will soon be closed up, as the hollow of the disturbed sea is filled up by quick onrushing waters.

Mr. President, I can not be confident in the adoption of this amendment. The field has been preoccupied. We have a worthy man in the presidential chair, a judicial-minded man, a man of great mind, and a man of great heart. I have no sentiment of opposition to the pending proposition because it results from his recommendation. On the contrary, I look to its sources as of the highest respectability and of the most commanding character, and if my own amendment is not adopted I shall vote for the pending one as the best attainable.

I have thought it not unwise to submit these few observations for your reflections. Here I stop, Mr. President, simply commending to my associates the views which I have thus imperfectly and crudely stated.

Mr. BACON. I wish to suggest to the Senator from Virginia that possibly if he will insert words in the amendment it will obviate the objection which was urged by the Senator from Montana [Mr. DIXON] yesterday, if after the words "three hundred thousand dollars," which represents shares of stock, he will insert words so as to read, "or having received $300,000 annual gross receipts, shall be subject," and so forth. The objection was made by the Senator from Montana yesterday that a joint-stock company might have a very small capital stock and might do an immense business of millions of dollars. Therefore if the Senator would make his amendment apply either to the capital stock or to the gross receipts, it would meet that objection.

Mr. ALDRICH. Mr. President——

The VICE-PRESIDENT. Does the Senator from Georgia yield to the Senator from Rhode Island?

Mr. ALDRICH. I did not ask the Senator to yield.

Mr. BACON. I want to know what will be the response of the Senator from Virginia to my suggestion.

Mr. DANIEL. I have not been able to give to that proposition, which, to say the least, is plausible and fair, the reflection that ripens judgment into an abiding confidence. The plan I suggest is symmetrical. It fits into all conditions. If it should be adopted, and if it should become a law, we could soon repair any little faults in it, correct any incompleteness, and round it out.

If the Senator from Georgia feels like offering that amendment, I hope he will do so; but, without the time to study it out and consider all the circumstances which the new factor would introduce, I would feel some hesitation about it which perhaps maturer meditation would remove. I think this amendment I offer would work out well and give plenty of revenue, place little burden on those least able to bear it, and not be oppressive to anybody. For that reason I would prefer it.

Mr. BACON. I offer as an amendment the language which I have suggested. After the word "dollars," in the fourth line, I move to insert the words "or having exceeding $300,000 annual gross receipts." As an illustration of the importance of that, I will call attention to the fact that if I am correctly informed, one of the largest insurance companies in New York is doing business to the extent of hundreds of millions now, and its shares amount to only $100,000. Its business and its income are absolutely in the hundreds of millions of dollars. Therefore it shows the absolute necessity of such an amendment as this. The limitation imposed by the amendment offered by the Senator from Virginia is one solely as to the amount of shares of stock, and thus is not a measure of the magnitude of the business or of the income; but if you have it so that it shall be either one or the other, either the shares of stock or the gross receipts, then, of course, that danger is met.

I offer that as an amendment.

Mr. ALDRICH. I move to lay the amendment on the table.

Mr. BACON. Which amendment?

Mr. ALDRICH. Both amendments, if I can.

Mr. BACON. I rise to a point of order.

Mr. ALDRICH. I move to lay the amendment on the table.

Mr. BACON. I submit the question to the Chair.

The VICE-PRESIDENT. The Senator from Rhode Island moves to lay the amendment on the table. The Secretary will report the amendment.

Mr. BACON. I rise to a point of order, if I can have the attention of the Chair.

The VICE-PRESIDENT. The Senator from Georgia always has the attention of the Chair. The Senator will state his point of order.

Mr. BACON. The point of order I make is this: I inquired of the Senator from Rhode Island which amendment he moved to lay on the table. His response was that he moved to lay both of them on the table.

Mr. ALDRICH. If I may——

Mr. BACON. My point of order is that he can not make such a motion. He can only move to lay one amendment on the table.

Mr. ALDRICH. My motion is to lay the amendment of the Senator from Georgia on the table.

Mr. BACON. But the Senator——

Mr. ALDRICH. I said I would move to lay them both on the table, if I could.

Mr. BACON. I beg the Senator's pardon. He may have intended to say——

Mr. ALDRICH. That is exactly what I did say. It is precisely what I said.

Mr. BACON. There is only one amendment pending.

The VICE-PRESIDENT. The Senator from Georgia has not yet suggested any point of order that he desires to address to the Chair.

Mr. BACON. If the Senator from Rhode Island does not press what he said, that he made the motion as to both amendments, of course I have no point of order to suggest.

The VICE-PRESIDENT. The Senator chided the Chair for not recognizing him to address to the Chair a point of order, and now the Senator does not address a point of order to the Chair.

Mr. BACON. I do not desire to be understood as chiding the Chair, but I have the right to contend that the Chair in putting a motion shall give Senators an opportunity who desire to interpose a point of order or any other motion.

The VICE-PRESIDENT. The Chair always gives Senators such an opportunity.

The Secretary will now read the amendment offered by the Senator from Georgia.

The SECRETARY. In the printed amendment offered by the Senator from Virginia, in line 4, after the word "dollars" and the comma, insert "or having exceeding $300,000 annual gross receipts."

The VICE-PRESIDENT. The Senator from Rhode Island moves to lay the amendment to the amendment on the table.

The motion to lay on the table was agreed to.

Mr. ALDRICH. I move to lay the amendment of the Senator from Virginia on the table.

The motion to lay on the table was agreed to.

The VICE-PRESIDENT. The question is on agreeing to section 6 as amended.

Mr. GORE. Mr. President, I desire to offer an amendment to the pending amendment, to come in on line 3, page 373, after the word "purpose."

The VICE-PRESIDENT. The amendment will be stated.

The SECRETARY. On page 373, line 3, after the word "purpose," it is proposed to insert the following additional proviso:

Provided further, That all or any part of the revenue arising under this act from national banking associations may, upon the application of the bank or banks paying the same, be set aside by the Secretary of the Treasury as a special safety fund, to be used exclusively in the payment of the depositors of such banking associations in case of insolvency, and the Secretary of the Treasury is authorized to prescribe suitable rules and regulations for the administration and disbursement of said safety fund: *Provided, however*, That no national banking association shall be bound by any such rules or regulations or subjected to any obligation or liability thereby except upon the voluntary and written agreement of such banking association to be bound thereby, filed in advance with the Secretary of the Treasury.

Mr. GORE. Mr. President, I shall not detain the Senate more than a minute. I merely wish to say I am aware the Senate is hostile to an involuntary system of guaranteeing bank deposits. I am also aware that the country, by its vote last November, registered its opposition to an involuntary system of guaranteeing bank deposits. I respect the sentiment both of the Senate and of the country.

The amendment which I have proposed leaves the system first discretionary to the Secretary of the Treasury and then voluntary on the part of the bank. It has seemed to me that the proposition is reasonable and free from the objections that prevail against an involuntary and compulsory system of guaranteeing bank deposits.

Mr. ALDRICH. I move to lay the amendment on the table.

The motion to lay on the table was agreed to.

Mr. NEWLANDS. I offer an amendment to section 6.

The VICE-PRESIDENT. The amendment will be stated.

The SECRETARY. On page 383, after line 11, at the end of the section insert:

The provisions of this section shall only apply to corporations, associations, and insurance companies whose gross receipts exceed $250,000 per annum.

Mr. ALDRICH. I move to lay the amendment on the table.

The motion to lay on the table was agreed to.

Mr. STONE. Mr. President, I have two amendments I desire to offer. I do not wish to discuss them very long. I offer the amendment which I send to the desk.

The VICE-PRESIDENT. The amendment is to paragraph 528, which is not now pending. The pending question is on agreeing to section 6 as amended.

Mr. STONE. Let the clerks hold the amendment at the desk.

The VICE-PRESIDENT. The Chair will return the amendment to the Senator from Missouri. The question is on agreeing to section 6 as amended.

Section 6 as amended was agreed to.

Mr. ALDRICH. I think this concludes the reserved amendments.

The VICE-PRESIDENT. The Chair thinks there is one other. Section 7, the Chair thinks, was reserved by the Senator from Iowa [Mr. CUMMINS].

Mr. CUMMINS. I have reserved section 7 for the purpose of calling the attention of the Senate and the attention of the Finance Committee to what seems to me to be a very obvious oversight.

When the question was mentioned yesterday the Senator from Rhode Island stated that this provision was in the present law and had long been in our tariff laws. That is true, but we have now put into our tariff law a provision that never before has been made a part of the tariff laws of the United States. We have incorporated a dual tariff, a maximum or general tariff, and a minimum tariff. This provision, to which I now object, is entirely inconsistent with the dual tariff which we have already adopted.

For instance, on the 31st of next March there will go into effect, in the absence of any action on the part of the President, a general tariff above that which we have now adopted of 25 per cent ad valorem. If we leave the provision in the law, the countervailing duties provided in it will be added to the general retaliatory tariff. If, on the other hand, the President of the United States shall find that our relations with any particular country are fair and equal, that any particular country does not discriminate——

Mr. ALDRICH rose.

Mr. CUMMINS. I pause.

Mr. ALDRICH. I think the Senator is mistaken about the section that he is discussing. There are no countervailing duties in this section.

Mr. CUMMINS. There are countervailing duties in this section.

Mr. ALDRICH. I think not.

Mr. CUMMINS. Allow me to read it:

That whenever any country, dependency, colony, province, or other political subdivision of government shall pay or bestow, directly or indirectly, any bounty or grant upon the exportation of any article or merchandise from such country——

Mr. ALDRICH. I beg the Senator's pardon; I was looking at the wrong section.

Mr. CUMMINS. Precisely. I think if you will examine the section and compare it with the maximum and minimum tariff you will find that the two are wholly inconsistent. It can not be that we intend to add an additional duty upon the maximum duties that we have already adopted in order to retaliate upon any nation that fails to export her goods freely to the United States. The very provision that is here mentioned is the condition upon which the President of the United States can not issue his proclamation giving such country the benefit of our minimum tariff.

I ask the Senator from Rhode Island, who speaks for the Finance Committee, whether it is intended that if, for instance, France levies an export duty upon some product to the United States, and therefore is not entitled to our minimum tariff rates, it is intended that that export duty shall be added to our import duties, our import duties already being 25 per cent in advance of those which we have prescribed in the act?

Mr. ALDRICH. Evidently the Senator from Iowa does not understand fully the purpose and the effect of this section. This paragraph does not apply to existing duties at all—only to bounties.

Mr. CUMMINS. I understand that perfectly. There is——

Mr. ALDRICH. The Senator was discussing it as though it applied to export duties. It does not. It simply applies to bounties paid.

Mr. CUMMINS. There is no difference especially between an export duty and a bounty.

Mr. ALDRICH. There is a very great difference. One is a payment, and the other is a gift. One is a payment on the part of the exporter, a duty, and the other is a bounty. The difference between a duty and a bounty is as wide as the poles.

Mr. CUMMINS. I dispute that proposition as applying to all cases. It may be true in a particular case, but when the government of a foreign country pays a bounty upon the export of a particular article to the United States it has the same effect precisely as though the Government levied an export duty upon it. I mean——

Mr. ALDRICH. Mr. President——

Mr. CUMMINS. Will the Senator permit me to finish? It makes a vast difference to the exporter, but so far as the relations of that country to the United States are concerned they are exactly the same, and they are affected in the same manner. Why does the committee add——

Mr. ALDRICH. If the Senator will stop to reflect upon that proposition, I think he will find that one is a charge and the other is a gratuity. One is a payment for exportation and the other is a payment upon exportation; and, as I said, the two things are as wide apart as the poles.

Mr. CUMMINS. I have already said that one is a payment by the exporter and the other a payment by the Government to the exporter.

Mr. ALDRICH. The section as it stands covers one case and does not cover the other at all. It does not cover the case which the Senator was discussing.

Mr. CUMMINS. The Senator from Rhode Island does not look at the point I am making. I will try to restate it. It is true, is it not, that under our maximum and minimum provision, if any government paid a bounty upon the export of any article to the United States and did not pay that bounty to any other country foreign to the one which produced the article, it would be a reason for imposing upon that country our maximum tariff?

Mr. ALDRICH. But, Mr. President, the Senator must realize that that is an impossible situation. No country can under the general treaties of the world put a different provision upon the exports of the United States than it does upon any other country; that is an impossible situation.

Mr. CUMMINS. It is no more impossible that it shall pay bounty upon exports to the United States and thus discriminate against the United States than it is to impose an export duty to the United States and thus discriminate against the United States.

Mr. ALDRICH. This does not provide for bounties paid on exports to the United States. The bounties which this provision are intended to cover are bounties like the sugar bounties of Germany, which are not paid for exportation to the United States, but paid upon exportations generally.

Mr. CUMMINS. Mr. President, so far as affecting the relations between foreign countries and the United States there is no difference between the export duty and the bounty. In either event this country is discriminated against, and that is the thing that was intended to be provided against both in this section and in the maximum and minimum tariff provision. The only effect of this will be to increase the duties paid by the people of the United States upon articles imported here. It seems to me that every opportunity is embraced that will result in increasing these duties. Therefore, while I have not had the slightest hope that the suggestion would meet with the favor of the committee, I have thought it my duty to call it to the attention of the Senate.

The PRESIDING OFFICER (Mr. KEAN in the chair). The question is on agreeing to section 7.

Section 7 was agreed to.

Mr. ALDRICH. I think that covers everything reserved.

The PRESIDING OFFICER. The Secretary informs the Chair that there were two paragraphs passed over.

Mr. ALDRICH. Yes; paragraph 627 was passed over.

Mr. JONES. I wish to ask the chairman of the committee with reference to section 11. I have received quite a number of letters from merchants in my State with reference to the basis for assessing the duties. I imagine that the chairman has received letters of similar import. They all seem to be of about the same character. I wonder whether the objection these people have made has been met.

Mr. ALDRICH. It has.

Mr. JONES. Very well.

Mr. ALDRICH. Paragraph 627, according to my memorandum, is the only one remaining.

Mr. GUGGENHEIM. I have an amendment.

Mr. ALDRICH. I call the attention of the Senator from Ohio [Mr. BURTON] to paragraph 627, which we are about considering. That is my memorandum. Perhaps the Secretary has a different one.

The SECRETARY. Paragraph 368 was passed over and paragraph 627 was passed over.

Mr. BURTON. What is the subject?

Mr. NEWLANDS. I should like to make an inquiry of the Senator from Rhode Island.

Mr. ALDRICH. What is the inquiry?

Mr. NEWLANDS. I wish to inquire of the Senator whether there is any other section reserved for consideration?

Mr. ALDRICH. Paragraphs 368 and 627 are the only paragraphs reserved.

Mr. NEWLANDS. I wish to offer an additional section.

Mr. ALDRICH. That is not yet in order, I suggest to the Senator.

Mr. BURTON. I will state to the Senator from Rhode Island that I have sought to bring the parties together to see if they could not agree upon the phraseology. As at present advised, I am unable to suggest any amendment to this paragraph.

Mr. ALDRICH. Then I ask that the paragraph may be agreed to.

The PRESIDING OFFICER. The question is on agreeing to paragraph 627.

The paragraph was agreed to.

The PRESIDING OFFICER. Paragraph 368 will be read.

The SECRETARY. Paragraph 368, page 139:

Top waste, slubbing waste, roving waste, ring waste, and garnetted waste, 30 cents per pound.

The PRESIDING OFFICER. The question is on agreeing to the paragraph.

The paragraph was agreed to.

Mr. ALDRICH. That includes everything. Now, I ask that the tobacco amendment reported by the committee may be taken up.

Mr. BACON. Mr. President——

The PRESIDING OFFICER. Does the Senator from Rhode Island yield to the Senator from Georgia?

Mr. ALDRICH. I do.

Mr. BACON. I had an amendment for my colleague [Mr. CLAY] which I had intended to offer as an amendment to the corporation-tax provision. I gave notice of it, the Senator will remember, but when the vote upon the amendment was taken my attention was diverted for a moment. If the Senator prefers, I will offer it as an independent amendment.

Mr. ALDRICH. I think the Senator had better offer it as an independent amendment.

Mr. BACON. I wish to say in connection with the corporation-tax amendment what I would have said if I had had my attention called at the time the vote was taken. When the vote was taken in Committee of the Whole I withheld my vote and would not vote either way. I did so upon the statement at the time that I thought I was entitled to vote on the income-tax question before I was required to vote upon the corporation tax. Furthermore, I objected to the amendment as it then stood. In fact, it did not take care of the fraternal orders, or of religious, educational, and charitable associations.

I also objected to the amendment as it then was framed on the ground of the provision in it which excepted from the income of holding companies taxes which had been paid by the companies thus owned by the holding companies. In several of these particulars the objections mentioned have been corrected. There are still some features in the amendment to which I very seriously object. Some of them have been voted down on amendments which have been offered by myself to correct them. Still, while it can not be put in the position where I would give it my entire approval, I shall deem it my duty, under the circumstances, to give it my vote.

Mr. President, with that statement, rather than move a reconsideration of the vote of the Senate adopting the corporation-tax amendment, I will, on behalf of my colleague [Mr. CLAY], offer the amendment which I send to the desk, to come in immediately after section 6, the amendment which has been adopted providing for a corporation tax. I hope the Senate may be allowed to hear this amendment, as I deem it extremely important, and I wish to ask for a yea-and-nay vote on it.

The PRESIDING OFFICER. The Senator from Georgia offers an amendment, which will be stated.

The Secretary proceeded to read the amendment submitted by Mr. BACON.

Mr. ALDRICH. To save the time of the Senate, I hope the Senator will now allow a vote to be taken on the motion to lay on the table.

Mr. BACON. I hope the Senator will not make that motion. I will tell him the reason why——

Mr. ALDRICH. I certainly shall make it.

Mr. BACON. If the Senator will listen to what I have to suggest to him, it will probably recall the matter to his memory.

My colleague [Mr. CLAY] prepared that amendment and proposed to offer it in Committee of the Whole. He called the attention of the Senate to it, and, at the suggestion of the Senator from Rhode Island, he agreed to let it go over and to offer it in the Senate. My colleague is absent, and I know he wants a vote on this amendment. I think, under the circumstances, instead of a vote on a motion to lay on the table, we ought to have a vote upon the amendment itself.

Mr. ALDRICH. If the Senator will not ask to have the amendment read——

Mr. BACON. Mr. President——

Mr. BURKETT. Let us have it read.

Mr. BACON. It will not take long to read it.

Mr. GALLINGER. I think the amendment ought to be read, Mr. President. It has been partially read.

Mr. CRAWFORD. I insist on its being read, Mr. President.

The PRESIDING OFFICER. The amendment will be read.

The Secretary resumed the reading of the amendment.

Mr. ALDRICH. Mr. President, this amendment has been read sufficiently to disclose its character. This is an elaborate system for taxing sales upon exchanges. It has no place in this bill; it has not been examined by any committee; and I feel constrained to move to lay it on the table.

Mr. BACON. The Senator can not move to lay the amendment on the table before it is read.

Mr. ALDRICH. If the Senator insists upon it, of course, he can have the amendment read.

Mr. BACON. Under the circumstances, I do, as the Senator makes that proposition. I have read it myself; but there are other Senators who have asked for its reading.

The PRESIDING OFFICER. The Secretary will continue the reading of the amendment.

The Secretary resumed and concluded the reading of the amendment, which was to add to section 6 the following:

10. From and after the passage of this act every person, association, copartnership, or corporation who or which shall in his, its, or their own behalf, or as agent, engage in the business of making or offering to make contracts, agreements, trades, or transactions respecting the purchase or sale, or purchase and sale, of any grain, provisions, raw or unmanufactured cotton, stock, bonds, or other securities wherein both parties thereto or such person, association, copartnership, or corporation above named contemplate or intend that such contracts, agreements, trades, or transactions shall be or may be closed, adjusted, or settled according or with reference to the public market quotations of prices made on any board of trade or exchange upon which the commodities or securities referred to in said contracts, agreements, trades, or transactions are dealt in, and without a bona fide transaction on such board of trade or exchange, or wherein both parties or such person, association, copartnership, or corporation above named shall contemplate or intend that such contracts, agreements, trades, or transactions shall be or may be deemed closed or terminated when the public market quotations of prices made on such board of trade or exchange for the articles or securities named in such contracts, agreements, trades, or

transactions shall reach a certain figure, and every person, association, copartnership, and corporation who or which shall in his or its own behalf, or as agent, conduct what is commonly known as a "bucket shop," shall pay a stamp tax of 10 cents on each $100 in value or fraction thereof of the merchandise covered or pretended to be covered, and also a tax of 10 cents on each $100 on the face value or fraction thereof of all stocks, bonds, or other securities covered or pretended to be covered by each and all of such contracts, agreements, trades, or transactions: *Provided, however*, That the payment of any tax imposed by this paragraph shall not be held or construed to exempt any such person, association, copartnership, or corporation from any penalty or punishment provided by the laws of any State for carrying on such business, or the making of such contracts, agreements, trades, or transactions within such State, or in any manner to authorize the commencement or continuance of such business, or the making of any such contracts, agreements, trades, or transactions contrary to the laws of such State, or in any place prohibited by municipal law; and on or before the 1st day of April, 1910, every such person, association, copartnership, or corporation, as aforesaid, shall for each office or place of business, and for each branch office or place of business wherever established, pay a special tax of $500, and on or before the 1st day of July, 1910, and annually thereafter, for every such office or branch office a special tax of $500, and such taxes shall be in addition to all other special taxes imposed by this act. Every person, association, copartnership, or corporation proposing to engage in or continue the business aforesaid shall, before commencing such business, file with the collector or proper deputy collector of the district in which it is proposed to carry on such business a notice in writing under oath, and in such form as the Commissioner of Internal Revenue may prescribe, stating the name of the person, association, copartnership, or corporation intending to engage in such business, the names of the members of any such association or copartnership, and the names of the officers of any such corporation, together with the residences of all the individuals whose names are thus required, and the place (including street number) where such business is to be carried on, and it shall be the duty of the collector of internal revenue to keep in his office a book in which shall be recorded a complete copy of all such notices, and such book shall be open to public inspection. Every person, association, copartnership, or corporation conducting or transacting the business aforesaid shall keep or cause to be kept just and true books of account, wherein shall be plainly and legibly recorded on the day of the making of every such contract, agreement, trade, or transaction a complete and exact specification thereof, including the date thereof, the other party thereto, and the quantity, price, and the gross amount in value of each article or commodity covered or pretended to be covered by each such contract, agreement, trade, or transaction, and such books shall at all reasonable times and hours be subject to the inspection of the collector, deputy collector, and the inspector of internal revenue or any duly authorized agent of the Internal Revenue Department, and every such person, association, copartnership, or corporation shall deliver to the other party to each such contract, agreement, trade, or transaction, at the time of making the same, a written memorandum also containing the complete and exact specification thereof above referred to, to which the proper stamp shall be, before delivery, affixed. Every person, association, copartnership, or corporation who shall, in his or their own behalf, or as agent, engage in or continue in the business hereinbefore defined without having filed the notice herein required, or who shall fail or refuse to keep any such book or make any return, report, or affidavit required as aforesaid, or who shall make a false, fraudulent, or partial return, report, or affidavit, or shall fail or refuse to deliver a written memorandum, as hereinbefore required, or shall in any other respect violate any of the provisions of this paragraph, shall, besides being liable for the amount of the tax or taxes herein prescribed, be deemed guilty of a misdemeanor, and upon conviction thereof shall, for each and every such offense, pay a fine of not less than five hundred nor more than five thousand dollars, or be imprisoned not less than three months nor more than two years, or both, in the discretion of the court. All provisions of law now in force relating to the collection, recovery, and enforcement of taxes, fines, and penalties imposed under the law concerning internal revenue and not inconsistent with the provisions of this paragraph shall extend and apply to the recovery and enforcement of the taxes, fines, and penalties imposed by this paragraph.

Mr. BACON. Mr. President——

Mr. ALDRICH. Mr. President, I move to lay the amendment on the table.

The PRESIDING OFFICER. The Senator from Rhode Island.

Mr. BACON. I first addressed the Chair, Mr. President. I am entitled to the floor. It is well known that the purpose of the Senator from Rhode Island [Mr. ALDRICH] is to move to lay the amendment on the table without giving me an opportunity to say anything.

Mr. ALDRICH. I withhold the motion.

Mr. BACON. I appeal to the Senate——

The PRESIDING OFFICER. The Chair recognizes the Senator from Georgia.

Mr. ALDRICH. I withhold the motion, Mr. President.

Mr. BACON. Mr. President, it is a very apparent thing that there are some Senators in this Chamber who, by reason of the fact that they occupy a certain relation to the majority in this Chamber, assume that they have greater rights than other Senators upon this floor. I resent that assumption, not only for myself, but for others; and so long as I am permitted to remain here I do not intend to submit to such lordly performances as those which are here attempted.

Mr. President, I intend to detain the Senate but one moment. The Senator from Rhode Island, when he made the extraordinary motion, pending the reading of the amendment, before it had been finished, to lay it upon the table—something, I think, absolutely unprecedented in the history of this body, and which I presume no other Senator would have assumed for a moment to do—stated that this was an amendment which had not been examined by anyone; that it had not been before any committee; and that, on account of its importance, it was a matter which was not now entitled to consideration by this body.

I desire to say, Mr. President, that that is a substantial, if not a literal, copy of the act of 1898. My colleague was associated with two other Senators on this side of the Chamber in its preparation. One of them was the Senator from Colorado [Mr. HUGHES] and the other was the Senator from Kentucky [Mr. PAYNTER], who is now absent, sick. The Senator from Colorado, however, informs me that it is substantially, if not literally, a copy of that act. So it is an amendment which has had the consideration of this body, which has been upon the statute books, and we are not in the position of the consideration of an unconsidered measure.

Each Senator here knows what the provisions of the amendment are, and knows the fact that it is not an ill-considered and untried measure, but it is simply a question whether or not we shall adopt it at this time.

Mr. ALDRICH. I do not desire to interrupt the Senator, but I desire to address the Senate when he is through.

Mr. BACON. I have concluded.

The PRESIDING OFFICER. The Senator from Rhode Island.

Mr. ALDRICH. I move to lay the amendment on the table.

Mr. BACON. On that I ask for the yeas and nays.

The PRESIDING OFFICER. The Senator from Rhode Island moves to lay the amendment on the table, and on that the Senator from Georgia asks for the yeas and nays.

The yeas and nays were ordered, and the Secretary proceeded to call the roll.

Mr. BACON (when Mr. CLAY'S name was called). I desire to announce that my colleague [Mr. CLAY] is necessarily absent at this time. He is paired with the senior Senator from Massachusetts [Mr. LODGE]. If my colleague were present, he would vote "nay."

Mr. CULLOM (when his name was called). I have a general pair with the junior Senator from Arkansas [Mr. DAVIS]. If he were present, I should vote "yea."

Mr. CULBERSON (when the name of Mr. DAVIS was called). The Senator from Arkansas [Mr. DAVIS] is paired with the Senator from Illinois [Mr. CULLOM]. If the Senator from Arkansas were present, he would vote "nay."

Mr. DILLINGHAM (when his name was called). Owing to the general pair I have with the senior Senator from South Carolina [Mr. TILLMAN], I withhold my vote.

Mr. GUGGENHEIM (when his name was called). I have a general pair with the senior Senator from Kentucky [Mr. PAYNTER], who is detained by sickness, and therefore I withhold my vote.

Mr. LODGE (when his name was called). I have a general pair with the Senator from Georgia [Mr. CLAY]. If he were present, I should vote "yea," and I suppose he would vote "nay."

Mr. RAYNER (when his name was called). I am paired with the junior Senator from New York [Mr. ROOT]. If he were present, I should vote "nay."

The roll call was concluded.

Mr. OWEN. I am paired with the Senator from Oregon [Mr. BOURNE], and therefore withhold my vote.

Mr. LODGE. The Senator from Wyoming [Mr. WARREN], who is paired with the Senator from Mississippi [Mr. MONEY], is absent. I suggest that the Senator from Wyoming stand paired with the Senator from Georgia [Mr. CLAY], which will permit both the Senator from Mississippi and myself to vote.

Mr. MONEY (after having voted in the negative). I want to say that I was not aware the Senator from Wyoming [Mr. WARREN] was absent when I voted; but the arrangement suggested by the Senator from Massachusetts [Mr. LODGE] is entirely satisfactory to me, and I will allow my vote to stand.

Mr. LODGE. I vote "yea."

Mr. DILLINGHAM. I transfer my pair with the senior Senator from South Carolina [Mr. TILLMAN] to the senior Senator from Indiana [Mr. BEVERIDGE] and vote. I vote "yea."

Mr. CULLOM. I transfer my pair with the Senator from Arkansas [Mr. DAVIS] to the Senator from Idaho [Mr. BORAH] and vote. I vote "yea."

The result was announced—yeas 44, nays 34, as follows:

YEAS—44.

Aldrich	Cullom	Gallinger	Oliver
Bradley	Curtis	Gamble	Page
Brandegee	Depew	Hale	Penrose
Briggs	Dick	Heyburn	Perkins
Bulkeley	Dillingham	Johnson, N. Dak.	Scott
Burnham	Dixon	Kean	Smith, Mich.
Burrows	du Pont	Lodge	Smoot
Burton	Elkins	Lorimer	Stephenson
Carter	Flint	McCumber	Sutherland
Clark, Wyo.	Foster	McEnery	Warner
Crane	Frye	Nixon	Wetmore

NAYS—34.

Bacon	Culberson	Jones	Shively
Bailey	Cummins	La Follette	Simmons
Bankhead	Daniel	McLaurin	Smith, Md.
Bristow	Dolliver	Martin	Smith, S. C.
Brown	Fletcher	Money	Stone
Burkett	Frazier	Nelson	Taliaferro
Chamberlain	Gore	Newlands	Taylor
Clapp	Hughes	Overman	
Crawford	Johnston, Ala.	Piles	

NOT VOTING—14.

Beveridge	Clay	Paynter	Tillman
Borah	Davis	Rayner	Warren
Bourne	Guggenheim	Richardson	
Clarke, Ark.	Owen	Root	

So the amendment offered by Mr. BACON in behalf of Mr. CLAY was laid on the table.

Mr. ALDRICH. I ask that the tobacco amendment be now taken up.

The VICE-PRESIDENT. The Secretary will state the amendment which has heretofore been offered by the Senator from Utah [Mr. SMOOT].

The SECRETARY. It is proposed to add as new sections to the bill the following:

SEC. 10. That section 3362 of the Revised Statutes of the United States, as amended by subsequent acts of March 1, 1879, January 9, 1883, and April 12, 1902, be amended to read as follows:

"All snuff in packages containing ¼, 1, 1½, 1⅞, 2, 2½, 3, 3½, 4, 6, 8, and 16 ounces, or in bladders and in jars containing not exceeding 20 pounds. All fine-cut chewing tobacco, cavendish, twist, and plug tobacco, and all other kinds of tobacco not otherwise provided for, in packages containing ¼, 1, 1½, 1⅞, 1⅞, 2, 2½, 3, 3½, 4, 6, 8, and 16 ounces, except that fine-cut chewing tobacco may, at the option of the manufacturer, be put up in wooden packages containing 10, 20, 40, and 60 pounds each. All smoking tobacco and all cut and granulated tobacco other than fine-cut chewing, all shorts, the refuse of fine-cut chewing, which has passed through a riddle of 36 meshes to the square inch, and all refuse scraps, clippings, cuttings, and sweepings of tobacco in packages containing ¼, 1, 1½, 1⅞, 1⅞, 2, 2½, 3, 3½, 4, 6, 8, and 16 ounces each."

All cavendish, plug, and twist tobacco, in wooden packages not exceeding 200 pounds net weight.

And every such wooden package shall have printed or marked thereon the manufacturer's name and place of manufacture, the registered number of the manufactory, and the gross weight, the tare, and the net weight of the tobacco in each package: *Provided*, That these limitations and descriptions of packages shall not apply to tobacco and snuff transported in bond for exportation and actually exported: *And provided further*, That perique tobacco, fine-cut shorts, the refuse of fine-cut chewing tobacco, refuse scraps, clippings, cuttings, and sweepings of tobacco, may be sold in bulk as material, and without the payment of tax, by one manufacturer directly to another manufacturer, or for export, under such restrictions, rules, and regulations as the Commissioner of Internal Revenue may prescribe: *And provided further*, That wood, metal, paper, or other materials may be used separately or in combination for packing tobacco, snuff, and cigars, under such regulations as the Commissioner of Internal Revenue may establish.

SEC. 11. That section 3368 of the Revised Statutes of the United States, as amended, be, and the same is hereby, amended so as to read as follows:

"Upon tobacco and snuff manufactured and sold, or removed for consumption or use, there shall be levied and collected the following taxes:

"On snuff, manufactured of tobacco or any substitute for tobacco, ground, dry, damp, pickled, scented, or otherwise, of all descriptions, when prepared for use, a tax of 8 cents per pound. And snuff flour, when sold, or removed for use or consumption, shall be taxed as snuff, and shall be put in packages and stamped in the same manner as snuff.

"On all chewing and smoking tobacco, fine-cut, cavendish, plug, or twist, cut or granulated, of every description; on tobacco twisted by hand or reduced into a condition to be consumed, or in any manner other than the ordinary mode of drying and curing, prepared for sale or consumption, even if prepared without the use of any machine or instrument, and without being pressed or sweetened; and on all fine-cut shorts and refuse scraps, clippings, cuttings, and sweepings of tobacco, a tax of 8 cents per pound."

SEC. 12. That section 3392 of the Revised Statutes of the United States, as amended by section 32 of the act of October 1, 1890, be amended to read as follows:

"All cigars weighing more than 3 pounds per thousand shall be packed in boxes not before used for that purpose containing, respectively, 5, 10, 12, 13, 25, 50, 100, 200, 250, or 500 cigars each; and every person who sells, or offers for sale, or delivers, or offers to deliver, any cigars in any other form than in new boxes as above described, or who packs in any box any cigars in excess of or less than the number provided by law to be put in each box, respectively, or who falsely brands any box, or affixes a stamp on any box denoting a less amount of tax than that required by law, shall be fined for each offense not more than $1,000, and be imprisoned not more than two years: *Provided*, That nothing in this section shall be construed as preventing the sale of cigars at retail by retail dealers who have paid the special tax as such from boxes packed, stamped, and branded in the manner prescribed by law; *And provided further*, That every manufacturer of cigarettes shall put up all the cigarettes that he manufactures or has manufactured for him and sells or removes for consumption or use, in packages or parcels containing 10, 15, 20, 50, or 100 cigarettes each, and shall securely affix to each of said packages or parcels a suitable stamp denoting the tax thereon, and shall properly cancel the same prior to such sale or removal for consumption or use, under such regulations as the Commissioner of Internal Revenue shall prescribe; and all cigarettes imported from a foreign country shall be packed, stamped, and the stamps canceled in like manner, in addition to the import stamp indicating inspection of the custom-house before they are withdrawn therefrom."

SEC. 13. That section 3394 of the Revised Statutes of the United States, as amended, be, and the same is hereby, amended, so as to read as follows:

"Upon cigars and cigarettes which shall be manufactured and sold, or removed for consumption or sale, there shall be assessed and collected the following taxes, to be paid by the manufacturer thereof: On cigars of all descriptions made of tobacco, or any substitute therefor, and weighing more than 3 pounds per thousand, $3 per thousand: *Provided*, That on such cigars of a wholesale value or price of more than $75 per thousand and not exceeding $110 per thousand, the tax shall be $6 per thousand; and on such cigars or cigarettes of a wholesale value or price of more than $110 per thousand, the tax shall be $9 per thousand; on cigars, made of tobacco, or any substitute therefor, and weighing not more than 3 pounds per thousand, 75 cents per thousand; on cigarettes, made of tobacco, or any substitute therefor, and weighing more than 3 pounds per thousand, $3.60 per thousand; on cigarettes, made of tobacco, or any substitute therefor, and weighing not more than 3 pounds per thousand, $1.25 per thousand: *Provided*, That all rolls of tobacco, or any substitute therefor, wrapped with tobacco, shall be classed as cigars; and all rolls of tobacco, or any substitute therefor, wrapped in paper or any substance other than tobacco, shall be classed as cigarettes.

"And the Commissioner of Internal Revenue, with the approval of the Secretary of the Treasury, shall provide dies and stamps for cigars weighing not more than 3 pounds per thousand; and for cigarettes at the rates of tax imposed by this section: *Provided*, That such stamps shall be in denominations of 10, 15, 20, 50, and 100; and the laws and regulations governing the packing and removal for sale of cigarettes, and the affixing and canceling of the stamps on the packages thereof, shall apply to cigars weighing not more than 3 pounds per thousand."

SEC. 14. That none of the packages of smoking tobacco and fine-cut chewing tobacco, cigarettes, or snuff prescribed by law, or any cigar, or package of cigars, or other package of tobacco prescribed by law, shall be permitted to have packed in, or attached to, or connected with the same any article or thing whatsoever other than the wrappers and labels of the manufacturers or persons, orders, or organizations making or producing the same, the internal-revenue stamp, and the tobacco, snuff, cigarettes, or cigars, respectively, put up therein, on which the tax is required to be paid under the internal-revenue laws; nor shall there be affixed to, or branded, stamped, marked, written, or printed upon said packages, or their contents, any promise or offer of, or any order or certificate for, any money, gift, prize, premium, payment, or reward. And such labels shall truly state the bona fide owner, proprietor, and manufacturer.

SEC. 15. That no such packages when emptied, nor any part of them, nor anything attached to such packages, shall be received by any manufacturer of tobacco, snuff, cigars, or cigarettes, in lieu of coupons or in consideration of anything of value.

SEC. 16. That the provisions of sections 10, 11, 12, 13, 14, and 15 of this act shall not take effect until July 1, 1910.

Mr. MARTIN. Mr. President, I desire to occupy but a very few moments of the time of the Senate to enter my protest against this proposed tax. It provides for a very large increase of taxation on the tobacco industry, which is already very heavily taxed. On manufactured tobacco the increase is 33 per cent, and on cigars and cigarettes the increase is very large. It is estimated that the increased revenue to be derived from this amendment will closely approach $10,000,000 per annum.

It seems to me, Mr. President, that a heavy increase of taxation like this ought to have been brought to the attention of the Senate in a different manner from that in which it has now been brought to the attention of the Senate by the Committee on Finance. The purpose to put this increased tax upon this industry has been held back until the closing days of the consideration of this bill, and it has been presented at a time when it has been impossible to ascertain from those chiefly affected by it what their views in relation to it are.

One thing, Mr. President, is very certain, and that is that the manufacturers and dealers will not pay this tax. They will reimburse themselves out of the pockets of other people for every dollar which they pay into the Treasury. They will have several opportunities for this reimbursement. We all know that the tobacco market is largely dominated by the tobacco trust. They can recoup against the grower of the tobacco in the purchases which they make of the leaf, or they may take it out of the pockets of the consumers of the tobacco.

Another opportunity which they will have to reimburse themselves will be to increase the cost of tobacco to the consumer. Still another opportunity which may be availed of will be by the diminution of the quality or quantity of the commodity which they sell to the consumer. But whether they reimburse themselves in one or another of these ways or by all of these methods, it does seem to me impossible to conceive that they will fail to reimburse themselves in some way. This tax will be taken out of the pockets of the growers of tobacco or out of the pockets of the consumers of tobacco or out of the pockets of both.

The provision is in line with almost all the provisions of this bill. The purpose of the dominant party, and especially the purpose of the committee having charge of these matters, seems to have been to entirely ignore the great body of the people and to afford the utmost opportunity for the trusts, for the monopolies, and for the great manufacturers to encroach upon the rights of the great body of the people.

There has been no opportunity, Mr. President, whatever given to the growers of tobacco to be heard in respect to this matter. From the independent manufacturers we have had protests. It has happened that the independent manufacturers are now in session holding their annual convention at Old Point Comfort, in the State of Virginia, and they have adopted resolutions protesting against this tax. I can not at the moment lay my

hands on the telegram, but the body referred to is the Association of Independent Tobacco Manufacturers of the United States; and I say that that association, in annual convention at Old Point Comfort, has adopted resolutions protesting against this tax.

We have had no opportunity to hear from the growers of tobacco, from the farmers of the country; but it goes without saying that they can find no good coming to them by increasing 33 per cent the tax on this industry.

I will not, Mr. President, prolong my remarks. I simply desired to enter my protest against what I consider an unjust increase of taxation on this great industry; to enter my protest against the method which has been used to bring it before the Senate; and to enter my protest against a policy which inures to the advantage of the monopolies and trusts of the country and to the detriment of the growers of tobacco and the consumers of tobacco in this country from one end of it to the other.

Mr. MARTIN subsequently said:

Mr. President, I send to the Secretary's desk a number of communications, and I ask unanimous consent that, without being read, they may be printed at the end of the remarks I submitted this morning.

The VICE-PRESIDENT. In the absence of objection, permission is granted.

The matter referred to is as follows:

MARTINSVILLE, VA., *July 7, 1909.*

Hon. THOMAS S. MARTIN,
Washington, D. C.

DEAR SENATOR: The Martinsville Tobacco Board of Trade has just wired you with reference to the proposed increase in the tobacco tax from 6 to 8 cents per pound, asking you to strenuously oppose same. This increase will work a great detriment to the independent tobacco manufacturers, and will punish them much worse than the trust, as it will require more capital to do business, and will necessarily lessen the amount of business by the smaller manufacturer, and the loss to them will be the gain of the trust. We sincerely trust you will do all in your power to defeat this increase. We beg to remain, with sincere regards,

Yours, very truly,

SPARROW & GRAVELY TOBACCO CO.
By J. D. SPARROW, *President.*

DANVILLE, VA., *July 7, 1909.*

Hon. THOMAS S. MARTIN,
United States Senate, Washington, D. C.

DEAR SIR: We regret very much to see that there is an effort being made to advance the tax on tobacco. We sincerely hope that you will do all that you can against any increase in the tax. It is about the only farm product that has shown no advance in price to the farmer and any increased tax would certainly militate against the price of the raw material, in our judgment. It does seem to us that the Government has laid a sufficiently heavy tax upon tobacco and will find other ways of relieving the deficit which is confronting them than imposing an additional burden upon tobacco.

Yours, very truly,

J. N. WILLIE & CO.

MARTINSVILLE, VA., *July 7, 1909.*

Senator THOMAS S. MARTIN,
Washington, D. C.

DEAR SIR: We are informed by to-day's papers that the Senate Finance Committee yesterday recommended an increase of 2 cents per pound on all manufactured tobaccos. This will work a great hardship on the independent manufacturers, and will necessitate the change of styles of plug in many instances, and where it is impossible to change styles will be a clear loss to us of the increase in the tax. Senator BEVERIDGE'S argument that the manufacturer of smoking tobacco is robbing the consumer of one-third ounce tobacco in every package of 1⅓ ounces is unjustifiable from the fact that the average price paid for leaf by the manufacturer for the years 1907, 1908, and 1909 on the Danville and Martinsville markets is about 60 per cent higher than it was during the years 1898, 1899, and 1900, when the Spanish-war tax was in operation. The increase is more detrimental to the independent or small manufacturer than it is to the trust, as it requires more capital to operate business. Farmers are now realizing more for their tobaccos than they did under the war tax, and in our opinion on certain grades of tobacco if the increase in tax goes into operation, the manufacturer will lose 2 cents per pound or be inclined to pay the farmer just that much less for his leaf. We sincerly hope you will use your best efforts in defeating the increase, and allow the tax to remain at 6 cents.

Yours, very truly,

W. A. BROWN TOBACCO CO.,
By G. B. DUDLEY.

LYNCHBURG, VA., *July 7, 1909.*

Hon. THOMAS S. MARTIN,
Washington, D. C.

DEAR SIR: We dislike to bother you again in reference to the "tobacco tax," but it looks like some increase is coming. We trust you can be counted on as strongly opposing this.

We feel as if it would almost ruin the small manufacturers, who are now struggling hard to exist. Raw material in our business is from 50 to 70 per cent higher than seven years ago, and labor has increased about as much; with an increase in tax we fear we will be put out of business.

If you will raise your strong arm against this move we think all of your people will be benefited.

Yours, very truly,

HANCOCK BROS. & CO.

MARTINSVILLE, HENRY COUNTY, VA.,
July 7, 1909.

Hon. THOMAS S. MARTIN,
Senate Chamber, Washington, D. C.

DEAR SIR: We see in to-day's paper that on to-morrow (Thursday) further actions will be taken with the tobacco tax and we hasten to write and urge upon you to use your best influence against the increase. To have this tax increased from 6 to 8 cents per pound will be a great injury to the independent tobacco business, and we hope you, with all the help you can get, will defeat such a measure. Hoping to hear that this iniquitous measure has been defeated, and thanking you, we are,

Yours, very truly,

THE HENRY COUNTY TOBACCO CO.,
R. B. SEMPLE, *President.*

MARTINSVILLE, VA., *July 7, 1909.*

Senator THOMAS S. MARTIN,
Washington, D. C.

DEAR SIR: We see from to-day's paper that the Senate bill relative to the increase of tobacco tax will be considered to-morrow, the 8th. We earnestly ask you to use every possible effort to prevent this increase. As we see it, nothing would so seriously affect and injure the welfare of the independent factories, as well as the tobacco growers, as this increasing the tax. To make it plain to you, the average of leaf tobacco on the Danville market, which is the largest loose-leaf market in the United States, for the past three years has been just double what it was during the two years of the increased tax on plug tobacco to meet the expenses of the Spanish-American war. We believe you will do all you can to help us, and that you readily see the importance of acting promptly in the matter.

Thanking you in advance for your effort,

Yours, truly,

PENN & WATSON.

DANVILLE, VA., *July 7, 1909.*

Hon. THOMAS S. MARTIN,
Washington, D. C.

DEAR SIR: We see from the various reports in the newspapers there is a strong probability of the tax on manufactured tobacco being increased to 8 cents per pound. We wish to strongly and in the most emphatic way enter our protest against such action. To increase the tax will bring about changes in the style, etc., of manufactured tobacco, thus very greatly demoralizing the trade. We further feel that to increase the tax the burden would fall much heavier on the independent manufacturers than the trust, and it does seem to us that the independents in the field should not be punished for the sins of the trust. There is no question but that the supposed increase will seriously handicap the independent tobacco manufacturers, and we sincerely trust that you will use every endeavor to defeat same. Further, hope that you will take the matter up with the various Congressmen from this State and secure their support against the increase. We would much prefer seeing checks, drafts, deeds, etc., taxed, where the burden will be equally distributed; or why not tax automobiles, as the people who are in a position to buy same for pleasure are in a position to pay a good, stiff tax. A duplicate of this letter goes to Senator DANIEL by this mail.

Yours, very truly,

G. PENN SONS TOBACCO CO.,
By R. PENN, *First Vice-President.*

RICHMOND, VA., *July 7, 1909.*

Hon. THOMAS S. MARTIN,
Senator from Virginia.

DEAR SIR: In our opinion, any higher tax on tobacco at present would be very disastrous for the manufacturers. A higher tax is very uncalled for now, as we are oppressed with high prices for leaf and other material, and we beg of you to use your influence and vote to prevent any increase of tax or any change in packages, and save us from a further burden. Should any change be made for a higher tax it would, in our opinion, hurt the independent tobacco manufacturers more than the trust.

Yours, very respectfully,

JOSEPH G. DILL (INCORPORATED).
ADOLPH DILL, *President.*

LYNCHBURG, VA., *April 14, 1909.*

Hon. THOMAS S. MARTIN,
United States Senate, Washington, D. C.

DEAR SIR: We note in the tobacco schedule of the tariff bill as passed by the House that there is a considerable advance in the tax on little cigars. We also note that the tariff bill as reported to the Senate contains this same increase.

As the representative from our State, we wish to say to you that this increase of tax will work a great hardship on the manufacturer of little cigars, and we understand that it was an oversight on the part of the framers of the bill, which accounts for this being in the House and Senate bills.

As you are aware, the labor cost on little cigars is a great deal heavier than it is on paper cigarettes, and the Government has always made a difference of 54 cents per thousand in favor of the little cigars, the tax now being 54 cents per thousand on little cigars weighing less than 3 pounds to the thousand, and $1.08 per thousand on paper cigarettes of the same weight.

The Booker Tobacco Company (Incorporated) is probably the largest manufacturer of little cigars outside of the American Tobacco Company, and as it is a home industry, and we work a large number of hands who would in part suffer along with us by this increase in tax, we write to ask you to do what you can to have the tax remain as it now is on little cigars.

Please advise us if you think it possible that you can do anything along this line, and if you think it will do any good for us to write to Senator ALDRICH, the chairman of the Senate committee. If so, kindly give us Senator ALDRICH'S initials, as we think it is NELSON W. ALDRICH, but are not certain.

With kind regards from the writer, we are,

Very truly,

BOOKER TOBACCO COMPANY (INCORPORATED),
By W. J. MORRISSETT, *Vice-President.*

Mr. SIMMONS. Mr. President, in beginning my remarks I wish to say that it is not my purpose to enter upon a prolonged discussion of the amendment. I recognize the fact that at this stage of the discussion Senators are impatient of debate, and that there is a general desire on both sides of the Chamber that the bill shall be voted upon as early as possible—to-day, if possible. I further recognize the fact that Senators on the other side of the Chamber have made up their minds to pass this amendment, and that no protest or anything we may say upon this side of the Chamber will avail to defeat it. For that reason I shall content myself with stating the situation with reference to the tax as it occurs to me and as it has been presented to me by the tobacco interests of my State.

Mr. President, I wish to present briefly a number of protests that have reached me from my own State. These people have had no opportunity to appear before the committee, and the only way I can get their views before the Senate is by now presenting them.

First, I wish to repeat the protest which I made a few days ago against the summary way the tobacco interests were treated in connection with the hearings before the committee. Although this amendment was introduced some time ago, it was not taken up for consideration by the committee until a few days ago. It was then referred to a subcommittee. On account of the lateness of the session and the pressure to dispose of the bill, the committee was able to give to it only the most meager consideration. Speaking generally, it can be truthfully said that the great interests to be affected have had no adequate opportunity to present their views. No amendment proposed to this bill could more seriously affect an industry involved than this. It will place a burden of $9,000,000, if adopted, upon the tobacco interest; and a few hours will cover the time devoted to the hearings. With respect to every other industry affected by this bill, the hearings, both in the House and the Senate, have been full. Everyone having anything to say has been given an opportunity to say it. Nor have they been hurried. I do not wish to complain, but I feel that circumstances justify me in protesting against this apparently unfair discrimination against one of the greatest industries in the South. But I have heretofore discussed in the Senate this injustice, and I will not further enlarge on it.

I wish now to present to the Senate certain resolutions from the tobacco boards of trade of my State, and some letters and telegrams from the independent tobacco manufacturers of my State. When I called these matters to the attention of a member of the subcommittee a few days ago, I was met with the statement that of course everybody who is interested in tobacco is opposed to the tax. I suppose the meaning of that statement is that the representations of persons who are engaged in the tobacco business are not entitled to any consideration in this body. I protest against that view of the question, as I protest against the meager opportunity which has been given the tobacco interests to be heard before the committee and before the Senate. When we were considering the other schedules, Senators on the other side of the Chamber not only recognized the right of interested parties to be heard, but they admitted upon the floor of the Senate that their schedules were based upon information and facts furnished by interested parties as to the cost of production, and as to the effect of the proposed legislation upon their interests.

I submit that the persons representing the tobacco interests, whether as manufacturers or as producers of tobacco, are entitled to be heard, and their statements are entitled to be received with the same degree of consideration and credit as the statements of persons interested in any other industry affected by the bill.

Believing, Mr. President, that the manufacturers and the producers of my State are entitled to be heard, and that their statements with reference to the effect of this legislation upon their business should be given proper consideration, I wish, as I said, to present the resolutions and representations.

I have here resolutions, which have been forwarded to me with the request that I should bring them to the attention of the Senate, from the tobacco board of trade of the city of Winston-Salem, N. C. I wish to say that Winston-Salem is probably the largest tobacco-manufacturing town in the South, and probably in the United States, unless St. Louis is larger; I do not think it is. There are more independent factories in Winston-Salem than in any other city in the country. Although I do not know the exact amount, I think that 20,000,000 pounds of leaf tobacco are annually sold in that market; and that constitutes only a fraction of the amount of leaf tobacco annually manufactured there. I shall not detain the Senate by reading the resolutions, but shall simply say that they are a most vigorous protest against this amendment on the part of the independent manufacturers of that city, and of the tobacco board of trade, composed of some who are not manufacturers, but who are engaged in other lines of the tobacco business.

I will only read that part of the resolutions that refers to the 2-cent additional tax on tobacco and snuff:

RESOLUTIONS OF THE TOBACCO BOARD OF TRADE OF WINSTON-SALEM, N. C.

At a meeting of the Tobacco Board of Trade of Winston-Salem, N. C., held June 10, 1909, at 10 o'clock a. m., the following resolutions were adopted:

* * * * * * *

"Fourth. And whereas a bill has been introduced to increase the tax on manufactured tobacco, therefore we hereby offer our earnest protest against this proposed increase, as it will further demoralize business, injuring everyone connected with the trade—farmers, dealers, and manufacturers—and we hereby request that you use your best efforts against the passage of this bill."

TOBACCO BOARD OF TRADE,
Winston-Salem, N. C.
F. A. COLEMAN,
C. J. OGBURN,
H. C. NORFLEET,
Committee.

I also have, and wish to call to the attention of the Senate, resolutions passed by the Tobacco Board of Trade of the City of Wilson, N. C. Wilson is not a very large manufacturing town, but it is a large leaf market. There are some factories there, though not many. There is one large cigarette factory, I think, and probably one or two plug factories. But there are sold in the town of Wilson about 17,000,000 or 18,000,000 pounds of leaf tobacco. Most of their tobacco is cutter and filler tobacco, rather a low grade of tobacco. These resolutions, like the others, contain a vigorous protest against the part of this amendment which proposes to increase the tax upon manufactured tobacco and snuff from 6 to 8 cents per pound. It is to that part of the amendment that I am especially addressing myself. In fact, it is to that part of the amendment that I shall confine my remarks. And I wish to say here that when we come to vote I shall ask that the amendment be divided, so that we may have a separate vote on the provisions which increase the tax upon manufactured snuff and tobacco from 6 to 8 cents per pound.

I will not read these resolutions. It is sufficient to say that they are a vigorous protest against this tax and a denunciation of it as alike hurtful to the tobacco trade, the tobacco farmer, dealer, and manufacturer.

I now present resolutions passed by the Tobacco Board of Trade of Greenville, N. C. Greenville is another large tobacco market in my State. There are sold in Greenville somewhere near 15,000,000 pounds of tobacco a year; I believe that is correct. It is almost entirely tobacco used in making cigarettes and smoking tobacco. These resolutions, like the others, contain a vigorous protest against this part of the bill.

But I will not detain the Senate to read them. They are similar to those read before, and embody a protest against this proposed amendment.

I also present resolutions passed by the Tobacco Board of Trade of Rocky Mount, N. C., another large tobacco town in my State. I do not know exactly the amount of tobacco sold in Rocky Mount, but it is, I think, about the fourth largest tobacco market in my State.

I will not detain the Senate to read these resolutions. They contain a strong representation that this amendment will be hurtful to every tobacco interest—that of the farmer, dealer, and manufacturer.

I wish now to read a few letters, selected from many, addressed to me by independent tobacco manufacturers of my State. The first is a letter from the firm of Brown & Williamson, of the city of Winston-Salem. These gentlemen are, I believe, the largest independent plug manufacturers in the United States. I know them personally. They are men of the highest character and of broad business intelligence, and what they say upon the subject should be received by the Senate as a truthful statement of the effect of this legislation, as they see it, upon their business:

Hon. F. M. SIMMONS,
Washington, D. C.

DEAR SIR: We respectfully submit that as we are the largest independent manufacturers of flat-plug tobacco in the United States our unqualified protest against this measure, in which we feel sure we are joined by every other independent manufacturer of tobacco, is entitled to careful consideration.

The proposed increase of the internal-revenue tax on plug and smoking tobacco and snuff is a direct tax on the laboring class, who actually consume 90 per cent of all chewing tobacco and snuff and a large percentage of smoking tobacco.

Mr. President, I know that tobacco is spoken of as an article of luxury. I know that the idea prevails with some that it is chiefly consumed by the well to do, the rich, those who are able to pay a heavy tax without feeling it. But, as a matter of fact, as this great business firm states and as the representa-

tives who appeared before the subcommittee stated, 90 per cent of all the plug and smoking tobacco used in this country is used by the class of people to whom we usually refer as laborers. The percentage of men who use tobacco among this class is very great as compared with the percentage of men who use tobacco in the higher walks of life. Nearly every laboring man in the country, at least four-fifths, whether in the factory or on the farm or in the mine, uses tobacco in some form at some time during the day, either while he is at work or at night when his work is over. They use the cheaper grade of tobacco. They use the class of tobacco that will be most affected by this tax. And right here I wish to say that there is no law upon the statute books which, to my mind, is more unjust than this internal-revenue tax upon tobacco in its discrimination as to the different classes of tobacco. Nearly all of our schedules are made with reference to the value of the article upon which the tax is imposed. The tax upon tobacco is imposed without any reference to the value of the article.

It has been said here that at the present time burley tobacco is selling at a very high price. That is true. I think burley tobacco brings to-day from 16 to 18 cents a pound. The filler tobacco and the cutter tobacco, which are the kinds chiefly raised in my State and in Virginia, did not average last year over 8 cents a pound. And yet, Mr. President, the internal-revenue tax upon a pound of this 8-cent tobacco, which is the tobacco used by the common people of this country, is the same as the tax upon the burley tobacco, which sells for from 16 to 18 cents a pound.

It is the same upon this cheap tobacco as upon the highest grade of Sumatra. In effect the internal-revenue tax now laid upon the tobacco grown in my State is three times as much ad valorem as the tax upon the tobacco grown in the State of Kentucky and in some other States of the Union. I again return to the reading of the letter from Messrs. Brown & Williamson:

The proposed increase of the internal-revenue tax on plug and smoking tobacco and snuff is a direct tax on the laboring class, who actually consume 90 per cent of all chewing tobacco and snuff and a large percentage of the smoking tobacco.

This proposed bill would not affect the profits of the tobacco trust—

Mr. President, the one great argument that has been addressed to the Senate in favor of this proposition by its distinguished and brilliant author has been that it would in some way or other, by some mysterious working which nobody, I think, except the Senator himself has been able clearly to see, be a blow at the American tobacco trust, an institution that all of us would like to see abolished and suppressed. Here is this great independent manufacturer of my State, the largest producer of flat plug tobacco in the United States, a competitor of the trust, more interested in destroying the trust than the Senator from Indiana or any other Senator upon this floor, who says that this increase in tax would be a serious blow to the independent manufacturers, and that it would not hurt the trust.

I proceed with the reading:

This proposed bill would not affect the profits of the tobacco trust, but would put an additional burden on the independent manufacturer who is now fighting against tremendous odds, and this bill might prove the last straw to many of them.

Exactly. In the hearings before the subcommittee, independent manufacturer after independent manufacturer expressed his apprehension that if this amendment became law it would be a serious handicap to the weaker independent manufacturers, if it did not wipe out of existence altogether the majority of them.

In conclusion, these gentlemen say:

In conclusion, the proposed increase of 3 cents per pound on plug tobacco—

That was before the Committee on Finance reduced the amount to 2 cents—

And 6 cents per pound on snuff would be especially burdensome to the laboring man in the South and Southwest, which sections consume probably 75 per cent of the chewing tobacco and snuff used in the United States.

Mr. President, I present a letter from Taylor Brothers, another very large firm of independent manufacturers of plug and twist tobacco in my State. They say:

We understand there has been introduced in Congress by Senator BEVERIDGE a bill, known as H. R. 1438, to advance the tax on plug tobacco 3 cents a pound, making the tax 9 cents. We want you to oppose this advance, if you can conscientiously do so. It will disorganize trade. It will require that much more capital to do business. Such a measure will play directly into the hands of—

Of whom?—

of the tobacco trust.

The institution that the author of this bill says it strikes a blow at.

Such a measure will play directly into the hands of the tobacco trust, as they have unlimited capital to do business, and it would not hurt them materially to advance the tax to the Government, as they sell the goods.

The truth of the business is if the Government wants to burst up the tobacco trust, the most effective way it could do it would be to take the tax off of tobacco entirely and all the restrictions as to its manufacture.

Mr. President, I do not unqualifiedly indorse that method. If we were ready to give up the revenue from tobacco, which we are not, Republican extravagance having brought about a condition in this country where we are not in a position to give up revenue from any source, it appears, without embarrassing the Treasury of the United States, but if we did not need the revenue from tobacco I have no doubt that this method would solve the problem growing out of the existence of the tobacco trust. If you would take all the tax off of tobacco it would force the dissolution of the tobacco trust or minimize its evils in the suppression of competition.

That would come nearer swamping the trust—

Says this writer—

than anything else that could be done.

This writer makes the point—and it is a good one—that when you increase the tax, you throw a greater burden upon the weak man in the tobacco business than you do upon the strong man; that instead of strengthening the weak man, as the author of this amendment claims is his purpose, the effect of this legislation will be to weaken the weak and strengthen the strong.

It requires only a moment's consideration to see the truth of that statement. The purchase of these stamps has to be made in advance. It requires a very large outlay of money. The man who can control unlimited money is not hampered and embarrassed by this additional imposition to the extent that the man is who is merely making a living out of his business.

But, Mr. President, I do not intend to elaborate this point, but merely emphasize it; and I shall not take any further time of the Senate upon it.

Mr. President, my colleague hands me a letter from another large independent manufacturing firm of Winston—Messrs. Bailey Brothers. I know that firm. They are entirely reliable. It is one of the largest in my State.

Mr. OVERMAN. One of the largest independents.

Mr. SIMMONS. One of the largest independents in my State. That is what I mean. I am now talking about the independent manufacturers. Here is what they say:

We are advised that there is a probability that the tax on manufactured tobacco will be increased to 8 cents.

We write to protest against any increase of the tax on manufactured tobacco. It will be more burdensome to the independent manufacturers than to the trust.

We are to strike a blow at the trust, according to the Senator from Indiana, but instead, as this letter shows, we are striking the weak competitors of the trust.

Any advance at this time would injure the independent tobacco manufacturer very seriously, and we believe greatly injure the tobacco raiser.

You will probably remember how low the price of leaf tobacco was when the tax was raised from 6 cents to 12 cents during the Spanish-American war. If you do not, it was so, and the manufactured tobacco trade was very dull.

When this matter was up the other day I expressed the apprehension, although at that time I had not investigated it, that if we increased the tax on tobacco one of its first effects would be to reduce the price of the raw material—leaf tobacco. I was not then prepared with figures, but here is a man of absolute business integrity, whose business it is to buy leaf tobacco and manufacture it, who states as a fact that when the tax was increased during the Spanish-American war from 6 to 12 cents, the effect was greatly to reduce the price of leaf tobacco, the product of the farm.

The letter continues:

We hope you will use your influence to the utmost to prevent this proposed advance, which we assure you will be very hurtful to the business in which we are engaged.

Mr. OVERMAN. I call my colleague's attention to the fact that that shows that when the tax was 12 cents the leaf tobacco, the raw material, was lower than when it was at 6. It has been stated upon the floor that the trust controls the price of the leaf.

Mr. SIMMONS. Yes; I want to discuss that.

Mr. OVERMAN. Therefore, to recoup themselves they reduce the price of the leaf, and the farmer is the man who suffers.

Mr. SIMMONS. Yes; I want to discuss that later for a few moments.

Mr. President, I present a telegram from Robert Harris & Bro., large manufacturers of tobacco at Reidsville, N. C., addressed to myself. It is as follows:

Increase in tobacco tax would prove most hurtful to independent interests. If consistent with your views, trust you will do all in your power to defeat increase.

My clerk has handed me since I began letters that have been received this morning from dealers in my State, which I wish to present to the Senate.

I am doing this, Mr. President, because, as I said a few days ago, these people had no sufficient opportunity to be heard before the committee as other interests had been given an opportunity during the consideration of this bill.

This letter reads as follows:

We are just advised that the proposed increased tax on tobacco will probably be embodied in the Senate tariff bill, and we again urge you to use your influence against this increase, which as previously explained will be an additional tax on the laboring man, and not only that, but will almost ruin our business, as our most popular style of goods could not be made in the shape it now is if this increase is put into effect by Congress.

The writer of this letter is not a representative of the tobacco trust, but is a competitor of the tobacco trust, speaking to Congress and appealing in behalf of his business, which he says this proposed legislation imperils.

Here is another letter—from Mr. Bohannon, a large manufacturer in my State—which has just been handed me by my clerk:

As an independent tobacco manufacturer of the fifth district of North Carolina, at Winston-Salem, I would most respectfully ask that you do all in your power to prevent the increase of tax on manufactured tobacco, as it will not only be a burden on the independent manufacturer, but in the end will be the greater burden on the producer, the farmer, who, as you know, has been burdened for years.

Mr. President, I am speaking here to-day for the producer more than I am speaking for the independent manufacturer. I am interested in the prosperity of the independent manufacturers of my State. They have violated no law. They are in no conspiracy against trade. They are as much oppressed by this conspiracy against trade as anybody else. I am speaking for them, of course. But, Mr. President, for every man engaged in the manufacture of tobacco in my State there are hundreds engaged in its production, and it is in the interest of the producers of tobacco that I speak chiefly here to-day.

This letter, from a man whose business it is to buy from the producer, tells the Senate that this legislation will be hurtful to the producers of tobacco, to the farmers, who have been burdened, says this letter, for years.

In line with Mr. Bohannon's letter, I want to read a telegram, of particular force and pertinence, from R. P. Richardson, jr., & Co., independent manufacturers, of Reidsville, N. C. Here is what this firm says about this matter:

Any advance in tax rate will greatly injure the tobacco industry, particularly the growers.

I wish also, at the request of my colleague, to present the following letter, addressed to him by a large plug-manufacturing firm, Messrs. E. J. & A. G. Stafford, of Greensboro, N. C.:

Hon. LEE S. OVERMAN,
Washington, D. C.

HONORABLE SIR: I notice an effort to increase the tax on manufactured tobacco from 6 to 8 cents per pound. Please do all you possibly can to prevent this increase. The independent manufacturers have all they can do to live at the present tax, and with the increased tax it will about put them out of business.

My opinion is, the trust will be delighted with the proposed increase, knowing it will be a blow at the independent manufacturer.

Do all you can for us. I am your friend and have the utmost confidence in you to take care of our interest. With kindest regards, I am,
Respectfully,

E. J. STAFFORD.

I have here a brief filed, at its request, before the subcommittee of the Committee on Finance, by one of the most interesting men I have had the pleasure of meeting in many a day, a man whose clearness of insight not only impressed me, but every member of the committee, when he was discussing this question before us. He is absolutely familiar with all the details of the tobacco business, and his comprehension of the subject was truly wonderful to me.

I am going to read copiously from it, because it is, to my mind, an exceedingly illuminating document upon this subject. It is an argument and a statement. Its reference is to cigars, but the argument applies equally to tobacco and snuff. Its author is Mr. Jacob Wertheim. He stated to the committee that he was the largest independent producer of cigars in this country. I think he said his firm produces annually 400,000,000 cigars. That is, I think, about one-fourteenth of all the cigars sold in this country. He is a manufacturer of many of the popular brands of cigars. He stated frankly to the committee that he appeared before them not in his own interest, because he said this legislation would not hurt him and like large manufacturers so much as it would hurt his weaker competitors, and that to the extent that it would weaken his competitors it would strengthen him in his competition with them; and that while he would be injured he could measurably recoup himself by the larger market he would find as the result of the forcing out of the trade by this legislation of his weaker competitors.

Mr. Wertheim is the president of the National Association of Cigar Manufacturers of America, and in that capacity he appeared before the subcommittee. He said that he was strong enough to protect himself, but he would have to do it at the expense of his weaker competitor, and his official duty required him to present the case from their standpoint and in their interests rather than his own, and he did it with great frankness and rare ability. He said so far as the American tobacco trust was concerned, this legislation in its final results would, in his opinion, be more beneficial than hurtful, but he said it was manifest to any man of business sense, familiar with the tobacco industry as it is now conducted in the country, that this legislation would be very harmful to the independent manufacturer and destructive to the weaker manufacturers.

He says:

I beg to state that I learned only late last evening of this hearing and have not been able to prepare myself at all to address you. The proposition before you, however, is so simple and to my mind so untenable that I do not fear but that I shall be able to convince you that the proposed increase in the tax on cigars from $3 to $3.60 per thousand should not be made.

Mr. President, the proposition to increase the tax on cigars has been abandoned by the committee as a result, I have no doubt, largely of Mr. Wertheim's argument; but the argument made by him against an increase of the tax on cigars holds with equal force and with equal pertinence against the increase in the tax on plug tobacco and smoking tobacco.

I appear before you to-day in a dual capacity. First, as president of the National Association of Cigar Manufacturers of America; and second, as president of the largest independent cigar-manufacturing corporation in the world.

I said a little while ago that Mr. Wertheim's firm was the largest independent manufacturer of cigars in the United States; it now appears that he is the largest in the world. He is the only man in this country, I believe, who can stand up and give the American Tobacco Company something like an interesting fight.

In the latter capacity my presence here, if anything, is a financial detriment to the company I represent, for I am firmly convinced that any increased tax on cigars will ultimately benefit my company.

Mr. Wertheim's company is a large concern, nearly as strong as the trust; and in the manufacture of cigars probably as strong as the trust.

But my duty to the Association of Cigar Manufacturers makes it imperative that I appear before you and attempt to point out to you the inadvisability of any increase in the internal-revenue tax on cigars.

Precedents of this kind have proven conclusively that any legislation that increased the cost of producing cigars has helped my business, to the detriment of the masses of smaller manufacturers with whom I have been and am competing.

In this statement Mr. Wertheim is not dealing in theory. He is not speculating; he is stating a fact. He is stating it in the presence of the independent manufacturers, fifteen or twenty of whom were around that board, every one of whom assented to his statement. He stated as a fact that experience shows that legislation increasing the tax had helped large businesses like his, but that it had been hurtful to the small competitor.

If this additional tax of 60 cents is imposed, it becomes my evident duty to the corporation that I represent to recoup myself.

Recoup himself! Of course, Mr. President. Does anybody suppose that if we increase this tax the tobacco manufacturer is going to take it out of his profits? Has any such argument as that been made with reference to the increase of any tax since we began the discussion of these schedules abounding in such increases? They are not paid by the manufacturer, as we all know. Somebody else, either the consumer or, if it is a manufacturer, the producer of his raw material, is the man who bears the tax burden.

It has been stated that when, during the Spanish war, the internal-revenue tax on tobacco was raised from 6 to 12 cents the price of tobacco did not fall; that the price to the consumer was not increased to that amount. I inquired about that at the Internal-Revenue Bureau, and I was told that no figures of that sort were there; that there was nothing there to show that the effect of the tax was not to impose an additional burden upon the consumer, in part, on the one side, and an additional burden upon the producer, in part, upon the other side.

The truth is, Mr. President, that if we increase this tax 2 cents, the manufacturer, whether the trust or the independent, will pass it on. The question is, Where will he pass it? That question was asked in the subcommittee of the intelligent gentlemen there representing the tobacco manufacturers. I myself asked it. In answer to that, and if I am not correct let some member of the committee correct me, not a single man there said that it would be passed to the consumer. Why? Because they said that that could not be well done on account of the conditions under which the tobacco trade is carried on. They said it would be passed on, but along the lines of the least

resistance, and that the resistance would be greatest in the direction of passing it to the consumer, because in the tobacco business the cigar and smoking tobacco trade had been built up on a system of packages of legally defined weights, and the plug business upon brands of fixed sizes, at prices based upon the currency system of the country, and this could not be changed without great demoralization and injury to the trade and the business.

Mr. President, hundreds of thousands, yea, millions, of dollars have been spent in exploiting and advertising these brands and packages, and in this way a market has been built up for a particular size package or a particular brand at a fixed price. The current of trade has fixed the price, and the price is regulated by the unit of currency in this country. There is a package of a certain weight which sells for 5 cents, another for 10 cents, and another for 25 cents. The size of the package and the price of the package are as much an asset of the manufacturer as any other part of his equipment. It is the same thing with reference to cigars. Cigar brands have been advertised at a certain price. They have acquired a clientele at a certain price. Here, for illustration, is a 5-cent cigar of a popular brand. Add 1 cent to that price and you destroy the selling quality and the popularity of that brand, created by long effort to introduce it and heavy expense in advertising it. They said, "We can not do it."

That was the uniform testimony. There was not a dissenting voice to that. For these reasons they said the increase would not be passed on to the consumer. They all agreed the manufacturer would not pay it if he could help himself. Then the question was asked, Who would have to pay it?

There was present before the committee a representative of the cigar workers' union. I do not know what the association is called, but he represented this union composed of men engaged in making cigars. I think he said there were twenty or thirty thousand laborers belonging to this association; I do not remember the number. There are 120,000 cigar workers, but there are only about twenty or thirty thousand of those who belong to the union. He was a very intelligent gentleman. He said that when the tax was raised on cigars during the Spanish-American war from $3 to $3.60, every cent of that tax was dumped upon the back of labor, and he added just as certain as this increase was made it would be unloaded on labor if it could be done.

He declared his organization was strong enough to protect itself to some extent, but that the seventy-odd thousand non-union cigars makers would suffer.

Now, what did the manufacturers present say about it? They said: "We will not put it all on labor; that would involve trouble. It would be resisted; it might possibly bring about a strike, and so forth, with its responsibility and disastrous effects on business; but we would doubtless put part of the loss on labor. That is the reason why we can not dump it all on labor." Where would you put the balance of it? To a man they answered, "On the grower. That is where we would meet the least resistance."

Mr. President, I speak for the people of twenty or twenty-five counties in my State in which the production of tobacco is their chief industry. They do not grow a high-priced tobacco. They do not realize, on an average, over 8 cents a pound for it—that is to say, the proposed tax will be equal to its value. This looks like a deliberate attempt to crush this great industry under a load of taxation. I protest against it, and I appeal to the fairness and sense of justice of the Senate and the country against it.

But let me return to this excellent brief of Mr. Wertheim. Continuing, he says:

> Precedents of this kind have proven conclusively that any legislation that increased the cost of producing cigars has helped my business, to the detriment of the masses of smaller manufacturers with whom I have been and am competing. If this additional tax of 60 cents is imposed, it becomes my evident duty to the corporation that I represent to recoup myself and, if possible, to gain a further advantage from some source for this additional outlay.
>
> In order to accomplish this object, I would naturally select the weakest point of resistance, which would be the cost of labor; after that, and probably together with it, the producer of the leaf tobacco would be compelled to bear his quota.
>
> Owing to the peculiar conditions existing in the cigar trade by which the unit of the retail selling price of my product is either 5 or 10 cents, nothing in the way of securing from the public this increased rate of 60 cents is possible or advisable, as it is manifest that if I can get it out of labor and material I benefit my business at the expense of weaker competitors, and experience has shown me that this has uniformly been the ultimate result of any legislation tending toward an increased cost of my product.
>
> Were your body to decide to increase the cigar tax by this additional .60 cents I should, as I have in the same manner met former increases, make no changes in my product or its price, but by a naturally increased output, the result of such measures, largely benefit at the expense of my smaller competitors, as well as the raisers of tobacco and the labor that makes my cigars.
>
> But you can see at a glance that this policy benefits only the corporation that I represent or other similarly large ones, and at the expense of thousands of other cigar manufacturers who make up the association of which I am president.
>
> I should like to emphasize for the benefit of the committee the advantage which a wealthy corporation enjoys over small competitors in marketing its product. It is in position, because of the demand which it has created for its brand, virtually to compel retailers to handle them whether the profit be large or small. It is able to enforce many economies in production which to smaller concerns are impossible. As a large consumer of raw material it is frequently able to dictate the price it will pay for its leaf tobacco and other materials, and in the ratio that you decrease, by legislation or otherwise, the competition of its rivals who do not enjoy similar advantages, you enable it to dominate the labor market. Every factory forced out of business throws upon the market a certain number of operatives who at once become bidders for employment in my factory, thereby tending to reduce the wage cost of my product.

Mr. President, it sometimes will be difficult for a manufacturer to pass a tax to the producer of his raw material. But that is not the case, at least not to the same extent, with the tobacco manufacturer. Everybody, I believe, who has spoken upon this subject admits, and I think it is accepted as a fact, that the tobacco trust largely controls the price not only of manufactured tobacco, but of leaf tobacco as well—that it regulates and controls these prices to a very large extent.

If the burden of this increase in tax can be placed either upon the producer or upon the consumer, is it not reasonably certain that it will not be put on the consumer, if that would result, as all the testimony shows it would, in embarrassing the tobacco trade by disorganizing and demoralizing the business methods under which it has been built up and is conducted? Is it not apparent for these reasons that it would be thrown upon the producer of the leaf tobacco?

Mr. President, something has been said in this debate about a demand for this legislation. Who is demanding it? I have shown, I think, that no independent manufacturer has asked for it. If any Senator knows of any independent manufacturer who is asking for this increase of tax, I ask that he furnish the Senate with that information. On the contrary, I assert that there is not a single independent manufacturer in this country who is not against it. They are not asking for it. Nobody claims that the trust is asking for it. Surely the consumer is not asking for it. There is no reason why he should, unless it will reduce the price to him, and nobody claims that it will have that effect in any contingency.

Surely we can not impose this tax upon the ground that the people use too much tobacco and the habit should be discouraged, as the argument of the Senator from Indiana would seem to suggest when he emphasizes the fact that our people use three times as much per capita here as is used in France and six times as much as in Italy. I imagine no one would propose by taxation to correct the tobacco habit of our people. It may be a bad habit, but it is a fixed habit and one from which thousands and millions derive solace and comfort. It is not confined to any class of our people; but the poorer people use it, as statistics show, much more extensively and generally than the rich or even well to do. They use 90 per cent of all that is used. It is their greatest luxury. We have no right to legislate against their use of it, and it is an outrage to overtax a product of which they consume nine-tenths. They consume nearly all of our domestic tobacco, especially the cheaper grade, such as we raise in North Carolina and Virginia. The rich use the finer grades.

The kind of tobacco these poor people—laborers, tenants, and small farmers—use pays an ad valorem tax several times greater than the kind the rich use, and for that reason, as well as for the reason that the poor use nine-tenths of all the tobacco that we consume, the burden of this increased tax will be thrown on the man least able to bear it.

I repeat, Mr. President, the interest of the consumer is against this increase, and he does not ask it. From his standpoint there is no justification for it.

Are the producers of tobacco asking for this increase? Those producers who appeared before the committee opposed it. Many Senators have advised me that the growers in their States are not asking for it, and that those who have declared themselves to them have expressed opposition. If there be any Senator here from a tobacco-growing State who has a constituent who grows tobacco who asks or demands it, I ask him to rise here now and state that fact to the Senate. Mr. President, nobody rises and no one will rise.

Now, Mr. President, we have this state of facts: The manufacturer is not asking it, but opposing it; the consumer is not asking it, but opposing it; the producer is not asking it, but opposing it. These represent all the people of this country who have any interest in tobacco, either making it, manufacturing it, or ultimately disposing of it. Not one of them is here asking for this tax. Who is asking it? Of course I must concede that the Senator from Indiana [Mr. BEVERIDGE] is asking it, asking it with great zeal, with great persistence, with great aggressiveness, with brilliancy, even. I do not know of any other person

who asks it. At the eleventh hour the Committee on Finance has yielded to the importunities of the Senator from Indiana—for what purpose I do not know, but I have a suspicion. Be that as it may, they have yielded, and a sufficient majority of the other side of the Chamber will follow the committee to pass the amendment. They will vote for it, though some of them, to my knowledge, do not approve, and believe it is wrong, unjust, and unwise. But let that pass—it is politics. I have shown that nobody is asking for this increase of tax. The only remaining inquiry is, Does the Government need it, and should it be levied to meet that public demand?

I assert that it does not need it. When we first entered upon the discussion of the tariff question the Senator from Rhode Island [Mr. ALDRICH], in charge of this bill, having at his command the aid of all the clerical force and experts in the Treasury Department, having had that question thoroughly and fully investigated, stated upon the floor of the Senate that the bill, if passed as he had brought it in, would raise ample and abundant revenue to support the Government, to pay all of its legitimate expenses, and to wipe out the deficit. The bill is going to pass almost exactly as it was when the Senator from Rhode Island made that statement, for the committee has yielded little and been beaten but once or twice, and then on unimportant items. Several days ago, since the corporation-tax amendment was reported, the Senator from Rhode Island was again interrogated about this matter. He was asked if the bill as it then was, leaving out the corporation tax, would yield sufficient revenue for the purposes of the Government; and he answered that he was just as confident then as he was the day he made his first statement that, without the corporation tax, it would raise sufficient revenue to meet all the demands of the Government.

Mr. President, we have adopted the corporation-tax amendment, and it is agreed that it will yield an annual revenue of forty or fifty millions of dollars, and even if the Finance Committee is mistaken in the predictions I have referred to as having been made by its chairman, with this corporation tax the bill will beyond peradventure supply ample and abundant revenue to pay all expenses of the Government and to meet all financial contingencies. Why, then, impose this additional tax, nine-tenths of which will fall on the poorer classes of our people?

Mr. President, whatever may be its justice per se, I can not believe that any tax is a righteous tax unless the money which that tax will yield is needed to meet public expenses. A tax, I care not what is its purpose, that is not needed for the support of the Government, is a tyrannical tax. It is an exaction which no government—representative, monarchical, or despotic—has the right to levy upon the toil of its people or its subjects.

We have been told that tobacco in this country does not bear a heavy rate of tax compared with that imposed on it in other countries. Seventeen cents per pound, we are told, is the average tax, including the internal-revenue and the customs tax, borne by tobacco. That is the average, including the domestic and foreign leaf, including internal-revenue and import taxes. Not discriminating as to value and as to quality, that is the average. While the tax on domestic tobacco, compared with that of other countries, seems low, that on imported tobacco is high. Sumatra tobacco, which is used for wrappers, which is the finest class of tobacco, bears a customs tax of $1.85 a pound, and an internal-revenue tax of 6 cents a pound, which equals $1.91 a pound. No kind of foreign tobacco is admitted for less than 35 cents a pound, which, with the internal-revenue tax, will be 41 cents a pound.

The average tax upon the imported tobacco in this country is therefore probably 65 cents a pound. I do not pretend to speak accurately, but only approximately. That is a pretty steep tax, but the average is brought down because that part of our supply of tobacco that we raise, and it is by far the larger part of our consumption, only pays a tax of 6 cents.

Now, Mr. President, England does not allow tobacco to be grown in that country. It has not, since the days of Sir Walter Raleigh, allowed a single pound of tobacco to be grown upon her soil. Therefore all the tobacco which England taxes is imported tobacco. Compare the tax that we impose upon imported tobacco with the tax that England imposes and the difference will not be very great. England raises her revenue from a few articles, which she taxes heavily. Tobacco is one of them. She has no tobacco industry to consider. She treats it as a luxury, and puts on it all the tax she thinks the consumers of it will stand; and they stand a good deal, because the poor people do not use it to the same extent that they do here, where we consume three times as much per capita as they do.

Do protectionists think that in comparing our tobacco tax with that of England no consideration should be given to the fact that in this country we have a domestic industry and interests in which hundreds of thousands are interested and upon which the prosperity of great States is dependent? Do they think that should be left out of consideration, and that the only question to be determined in fixing the tax is how much will the appetites of the users of the article stand?

The tax imposed on tobacco by Italy, France, and Austria-Hungary is greater by far than we impose, if you consider the average on domestic and foreign leaf. But these countries have the regie system; that is, in them tobacco is a government monopoly. In a strict sense these Governments do not impose a tax on it at all. They do not allow anyone else to sell it, and they charge as large a profit on it as it will bear. These countries do not raise it, and the people do not use it to the extent that our people do. France does not allow one man to raise more than a few acres of it, and only a limited number of acres is allowed to be planted in tobacco in that country. It sells the right to plant tobacco. France uses only about one-third per capita as much as we use, while Italy uses only one-sixth per capita as much as we. Tobacco is not a domestic industry in those countries. They consume imported tobacco.

The tax we impose on imported tobacco is not much below the profits those Governments exact under their monopoly system. It is manifest that under these circumstances no just comparison can be made between those countries and ours in this matter.

Mr. President, there is much more I would like to say upon this interesting subject; but I promised, out of consideration for the desire of Senators for a vote, that I would not consume unnecessary time, and I will keep that promise by not further trespassing upon the patience of the Senate. I am greatly indebted to the Senators for the attention they have given me.

The VICE-PRESIDENT. The question is on agreeing to the amendment offered by the Senator from Utah [Mr. SMOOT].

Mr. BAILEY. Mr. President, the Senator from Virginia [Mr. DANIEL] has been called out for a moment, but he did not want a vote taken on the pending amendment until he could submit some observations. I have no desire to address the Senate myself, but I will occupy the floor until the Senator from Virginia can return to the Chamber.

Mr. President, this is rather an odd proposition to come from a Republican Finance Committee in 1909, when I remember that a Republican Finance Committee in 1888 solemnly proposed to repeal the entire internal-revenue tax on tobacco; and I am not certain but what the Senator from Rhode Island [Mr. ALDRICH] was then in charge of that proposition. The Democratic majority in the House sent a tariff bill over to the Senate, and the Senate, being Republican, and the Senator from Rhode Island, then, as now, being the specialist on the tariff question, had charge of the substitute reported by the Republican majority, and he proposed then to repeal all the internal-revenue taxes on tobacco.

The Senator from Rhode Island is trying his best not to hear what I am saying, because the Senator from Rhode Island does not like to be reminded of these inconsistencies. I do him the justice to say, however, that I do not think he has any more sympathy with this tobacco tax than he had with that corporation tax; but times change and men change with them; and so this same Senator from Rhode Island, who was so stoutly demanding the repeal of the tobacco tax in 1888, is now demanding an increase of that same tobacco tax. When the Senator gets the RECORD, I hope he will give me the benefit of it, because I am speaking merely from my recollection, and I may be mistaken. I had no thought of taking the floor, and only take it to hold it, as I explained in the beginning; but I think that my statement will be found to be correct.

At that time the Republican party was confronted with a plethoric Treasury. The Government was collecting too much money, and the people were demanding a reduction of these collections. The Republican party naturally preferred to take the tax off of everything else before they reduced it on any of the tariff schedules; and so, in order to avoid the unanswerable arguments in favor of reducing tariff duties, they proposed the abolition of the tobacco tax.

The Senator from Rhode Island and his associates are in this attitude: Having prepared a tariff bill, which they have repeatedly assured the Senate will, of itself and alone, provide sufficient revenue, and having been dragooned into the support of an amendment which the President estimates will raise $25,000,000, and which, in my judgment, will come very near raising twice that amount; and thus, with a surplus of somewhere between twenty-five and forty million dollars, if the President is right about the amount to be raised under the corporation tax and if the Senator from Rhode Island is right about the amount which the bill will raise, you propose to supplement and aggravate this Treasury surplus of well-nigh

$50,000,000 by increasing the tax on the poor man's tobacco until you collect an additional twelve or fifteen million dollars.

Mr. President, it will not do to say that this tax on tobacco is a voluntary tax. While in a sense that is true, it happens that almost every man in this country is a volunteer in the army of taxpayers. Nine men out of ten use tobacco in one form or another, and this is simply a proposition to increase the burden of those nine men out of every ten.

The other day the Senator from South Carolina [Mr. TILLMAN] offered an amendment to levy a tax of 10 cents per pound on ten. I supported that proposition cordially and with alacrity, for two reasons. In the first place, it seemed an ideal revenue article, because it would come so near putting into the Public Treasury all that it would take from the pockets of the people that I considered it my duty as a Democrat to support it; but I found very little assistance on the other side of the Chamber. Senators over there refused to raise $9,000,000 on an article that not one man in ten uses, and the tenth man who uses it is well able to pay the tax; but now they turn about and propose to raise $12,000,000 on an article that nine men out of every ten use, and half of those who use it are not able to pay an additional tax.

Mr. President, whether it ought to be so or not, the very poor people of this country are the ones who find the greatest comfort in tobacco. It seemed to me a cruel outrage as I heard them read out a proposition to increase the tax on snuff. Perhaps no woman ought to use it, but some good women do use it; and the misery of it is that those who use it are generally the poorest of our country. As for my part, I would just as soon a woman would dip snuff as to smoke cigarettes.

I do not see much difference in the two habits. I think one just as bad as the other; but whether a woman ought to dip snuff or not, some women do it, or else there would be no snuff sold and no tax collected. I repeat that those who use it are the women in the very humblest walks of life, who can ill afford to pay any tax at all, not to speak of this additional tax.

More than that, Mr. President, I undertake to say that, as to the poorest class of our working people, tobacco, next to clothing and meat, constitutes about the largest item in the year's expense account, yet you, Senators, who have refused to tax the abundant incomes of millionaires are not content to leave the poor man go free of your additional burden, and you now propose to assess him upon his appetite for tobacco an increase of 33⅓ per cent. If the American people submit to that outrage, I for one will admit that they ought to have injustice inflicted upon them.

You Republicans think you dare do anything now, because you think the country is afraid of the Democratic party. I fear the country is afraid of us. If not, they would have turned you out long ago. [Laughter.] But mark my words: You can proceed too far. You can multiply the burdens until the people will rise up in their righteous wrath and drive you from the high places whose powers you have abused. Even if they do not think we are as wise as we ought to be, they will after a while reach the conclusion that it is better to be governed by fools than it is to be governed by rascals. [Laughter.] And I warn you that you tempt your fate too far when, having refused to exact anything from the abundant incomes of the rich, you lay a still heavier exaction upon the tobacco of the poor.

Mr. President, I see that the Senator from Virginia [Mr. DANIEL] is now in his seat; and I yield the floor to him.

Mr. DANIEL. Mr. President, nothing but an imperious and exacting sense of duty could actuate me at this late hour of the session in attempting to impress upon the minds of my colleagues of the Senate some views respecting the tax upon tobacco.

I know how the nerves and faculties of all the Senators have been taxed. I am in deep sympathy with them. There is a concurrence of opinion as to their toils and exertions in which there will be no division. I am a fellow-sufferer, and I much dislike to tax their patience even for a moment. But this is an exceedingly grave matter, one that comes home to the business and to the bosoms of a great mass of the hard-working people of the country, who will first feel any unnecessary burden which was imposed upon the subject-matter of this amendment.

RAW MATERIALS, LABOR, AND TAXATION AS FIXED CHARGES.

Raw materials, labor, and taxation are three fixed charges, constant and heavy on those who deal in any manufacturing business. This is the case of none more than those who deal either in making tobacco out of the earth or in handling it for the market. This remark applies to cigars, to plug tobacco, to all the branches of the tobacco trade in its fundamental relation to those who lay the sill and build the structure from the bottom. This burden would strike instantly the independent manufacturers, the laborers in manufacture, and the farmers producing tobacco.

INCREASED TAXATION ON TOBACCO IS A BLOW AGAINST INDEPENDENT MANUFACTURERS AND WOULD INCREASE LARGELY THE NECESSARY CAPITAL.

In the first place, I think, it would be wise for the Senate to reflect that if it increases the tax from 6 cents to 8 cents per pound on smoking and plug tobacco and the varieties of their manufacture, it will immediately impose a very heavy burden on those independent operators and manufacturers who are struggling against odds and are trying to maintain themselves as American citizens in an independent business. It will increase by at least $40,000 the amount of capital necessary for operation in the case of every manufacturer who puts up as much as 2,000,000 pounds of tobacco annually. And just as you increase the number of pounds of tobacco, you increase the capital with which the manufacturer is bound to be provided and which he is bound to handle and to use in order to keep life in his business.

TESTIMONY OF THE PRESIDENT OF THE NATIONAL ASSOCIATION OF CIGAR MANUFACTURERS OF AMERICA.

We had before us in the subcommittee, which had two hasty meetings several days ago, a gentleman from New York named Jacob Wertheim. You can see from his testimony the operation of the bill if it is passed in this form just like the movement of the works of a watch under a glass case. He tells with great candor and with great precision, exactly what would happen. I propose to read some of his remarks, because they illuminate the fundamental principles of political economy which will be immediately and destructively set in motion against all the subjects they apply to. This gentleman is president of the Association of Cigar Manufacturers, and he speaks from the standpoint of a cigar manufacturer. But what he says applies just as much to other branches of the trade as it does to this one. He says:

Precedents of this kind have proven conclusively that any legislation that increased the cost of producing cigars has helped my business to the detriment of the masses of smaller manufacturers with whom I have been and am competing.

This has been notoriously, visibly, and ostentatiously displayed in the tobacco trade. The independents have been withering, competition has been made more difficult, and a colossal trust has arisen largely out of the discriminations of taxation, though I do not say that is the sole cause.

If this additional tax of 60 cents is imposed—

THE LARGER CORPORATIONS, WHO PAY INCREASED TAX, WILL RECOUP ON LABORERS AND PRODUCERS, THE WEAKEST POINT OF RESISTANCE.

Mr. Wertheim was speaking of cigars. It was proposed to add 60 cents to the $3 tax on cigars, which has happily been dispensed with by the committee. But as an illustration of the essential political economy of the case, I read these remarks:

It becomes my evident duty to the corporation that I represent to recoup it and, if possible, to gain a further advantage from some source for this additional outlay.

How would that corporation conduct itself?

Says Mr. Wertheim:

In order to accomplish this object, I would naturally select the weakest point of resistance, which would be the cost of labor; after that, and probably together with it, the producer of the leaf tobacco would be compelled to bear his quota.

THE CONSUMERS OF ESTABLISHED BRANDS WOULD GET THEM NO CHEAPER.

It would be natural to suppose, and in many cases it would be true, that the consumers of the article would immediately feel the increased burden. But if you understand the maxim of the tobacco trade, the value of its brands, and the necessity of its keeping up an article that has once become celebrated and known to the taste of the market, you will see that that is the last point that yields in the pressure of these new burdens.

THE OLD, OLD STORY OF STRENGTH AGAINST WEAKNESS—SMALLER COMPETITORS, LABORERS, AND PRODUCERS TO BE PUSHED TO THE WALL.

This writer, who testified under oath in a very intelligent manner before the subcommittee, says:

Owing to the peculiar conditions existing in the cigar trade by which the unit of the retail selling price of my product is either 5 or 10 cents, nothing in the way of securing from the public this increased rate of 60 cents is possible or advisable, as it is manifest that if I can get it out of labor and material I benefit my business at the expense of weaker competitors, and experience has shown me that this has uniformly been the ultimate result of any legislation tending toward an increased cost of my product.

The product that he is referring to is the small 5-cent cigar. He then says:

Were your body to decide to increase the cigar tax by this additional 60 cents—

Which I am glad to say it has not done—

I should, as I have in the same manner met former increases, make no changes in my products or its price, but, by a naturally increased output, the result of such measures, largely benefit at the expense of my smaller competitors, as well as the raisers of tobacco and the labor that makes my cigars.

QUICK SALES IN LARGE QUANTITIES.

The maxim of trade used to be "Quick sales and small profits." In these days of great concerns, of pervasive and extended establishments, the maxim of trade is, "Quick sales in large quantities." The small profit on the great multitude of transactions is the pivotal point in the foundation, the preservation, and the prosperity of the great magnate concerns of the country.

SAYS CORPORATIONS ONLY HELPED AT EXPENSE OF THOUSANDS.

He adds what the trusts might as well say out of their own mouths:

You can see at a glance that this policy benefits only the corporation that I represent, or other similarly large ones—

At whose expense? He replies—

At the expense of thousands of other cigar manufacturers who make up the association of which I am president.

THE POWERFUL POSITION OF GREAT WEALTH TO DICTATE.

He descants for a moment upon the advantage occupied in trade by the stupendous corporation. He says:

I should like to emphasize for the benefit of the committee the advantage which a wealthy corporation enjoys over small competitors in marketing its product. It is in position, because of the demand which it has created for its brand, *virtually to compel retailers to handle them whether the profit be large or small.* It is able to enforce many economies in production which to smaller concerns are impossible.

And here is a basic fact which should be pondered by Congress, which shows how wealth can dominate and repress competition through the means of the tax that is contemplated.

The witness says:

As a large consumer of raw material, the "great rich corporation" is frequently able to dictate the price it will pay for its leaf tobacco and other materials; and *in the ratio that you decrease, by legislation or otherwise, the competition of its rivals who do not enjoy similar advantages, you enable it to dominate the labor market.*

FACTORY MEN FORCED OUT OF BUSINESS OR THROWN ON THE MARKET.

Every factory forced out of business—

And the policy of this bill is to force out the weaker competitors—

Every factory forced out of business throws upon the market a certain number of operators, who at once become bidders for employment in my factory, thereby tending to reduce the wage-cost of my product.

This little essay of testimony from Mr. Wertheim is so full of meat that it is a better speech than I could compose upon the subject. Hence I have tried to emphasize the various sentences with which he has exfoliated and made visible to the mind the workings of the mechanism that would be put into operation by this oppressive bill.

HEAVY TAX ON TOBACCO TRADE.

Mr. Wertheim continues:

The suggestion has been made that the tobacco industry of the United States is not taxed at a rate commensurate with the burdens placed on other industries. In this connection I beg to call your attention to the fact, using my own product as an illustration, that aside from the $3 per thousand that I pay as an internal-revenue tax, amounting in rough figures to $1,200,000, I pay an import tax on the material I consume for this quantity of cigars of an average of $5 per thousand, making another $2,000,000, forming a total of $3,200,000, equal to an average of $8 per thousand, and which, marketed at an average net selling price of about $31 per thousand, gives a total ad valorem of over 25 per cent. This percentage is, if anything, smaller than what is paid per thousand by my numerous competitors, whose cost of raw material is naturally high on the market.

THE GREAT PRODUCING AND TAXING STATES.

Nearly fifty millions a year is derived from tobacco revenues. Is not that enough? Its contributors think so.

There are 38 States and Territories interested in the tax on tobacco, embracing 65 collection districts.

Florida, Illinois, Kentucky, Maryland, Michigan, Missouri, New Jersey, New York, North Carolina, Ohio, Pennsylvania, and Virginia, 12 in number, each pay over a million dollars annually into our Treasury.

Forty-nine million eight hundred and sixty-two thousand seven hundred and fifty-four dollars and twenty-six cents was the net amount paid for the fiscal year ending June 30, 1908. And several of the States paid several millions each. See Report of Commissioner of Internal Revenue for 1908, pages 138–139.

The total production of manufactured tobacco, not including snuff, by States producing not less than 6,000,000 pounds each per annum, as given by the Internal Revenue Commissioner for 1908, was as follows:

Missouri	71,212,212
North Carolina	65,502,107
Kentucky	45,219,830
Ohio	34,795,641
Virginia	28,111,558
New Jersey	24,844,980
Michigan	20,546,289
Illinois	18,538,313
Maryland	16,034,298
New York	12,201,604
West Virginia	6,993,456

Snuff was manufactured in 26 districts, the total production amounting to 24,175,219 pounds, a decrease of 1,940,066 pounds over the previous year.

The greatest revenue-paying States on tobaccos of all kinds are:

Illinois	$2,265,934.28
Indiana	395,101.18
Kentucky	2,776,998.01
Michigan	2,179,060.95
Missouri	4,382,911.66
New Jersey	3,388,998.18
New York	8,707,866.90
North Carolina	4,266,969.81
Pennsylvania	6,238,143.54
Virginia	3,521,728.70

The amounts respectively paid by the States and Territories are as the Commissioner of Internal Revenue states in the report quoted, page 139.

States, and districts in States.	Total collections on tobacco.
Alabama	$18,070.77
Arkansas	6,187.61
California:	
First	288,277.90
Fourth	33,640.39
Colorado	72,236.69
Connecticut	242,868.65
Florida	1,012,265.84
Georgia	25,476.54
Hawaii	2,419.96
Illinois:	
First	1,891,042.16
Fifth	81,067.22
Eighth	237,720.07
Thirteenth	56,104.83
Indiana:	
Sixth	235,277.04
Seventh	159,824.09
Iowa:	
Third	107,627.92
Fourth	234,734.55
Kansas	78,544.09
Kentucky:	
Second	111,152.57
Fifth	2,374,064.85
Sixth	233,765.46
Seventh	55,636.19
Eighth	2,378.94
Louisiana	571,002.74
Maryland	1,496,115.90
Massachusetts	661,373.31
Michigan:	
First	1,992,604.24
Fourth	216,456.71
Minnesota	236,593.23
Missouri:	
First	4,312,671.35
Sixth	70,240.31
Montana	43,448.05
Nebraska	89,829.39
New Hampshire	102,016.43
New Jersey:	
First	161,655.26
Fifth	3,227,342.92
New Mexico	7,673.38
New York:	
First	1,068,804.98
Second	3,086,993.20
Third	3,188,918.21
Fourteenth	502,739.80
Twenty-first	645,063.88
Twenty-eighth	225,346.83
North Carolina:	
Fourth	2,106,466.78
Fifth	2,160,503.03
North and South Dakota	33,738.18
Ohio:	
First	2,464,059.77
Tenth	421,339.34
Eleventh	708,712.61
Eighteenth	563,001.68
Oregon	27,225.23
Pennsylvania:	
First	2,572,511.78
Ninth	2,219,705.02
Twelfth	321,257.04
Twenty-third	1,124,669.70
South Carolina	76,339.61
Tennessee	515,176.32
Texas:	
Third	37,540.86
Fourth	14,338.61
Virginia:	
Second	3,126,694.31
Sixth	395,034.39
Washington	46,172.04
West Virginia	793,129.16
Wisconsin:	
First	560,174.52
Second	127,069.87
Total	49,862,754.26

AMENDMENT MOVED TO REDUCE THE PROPOSED TOBACCO TAX FROM 8 CENTS PER POUND TO EXISTING FIGURE OF 6 CENTS.

Now I shall move to strike out the word "eight" and insert "six" in two paragraphs of the pending amendment.

The VICE-PRESIDENT. Will the Senator indicate the line?

Mr. DANIEL. I will in a moment. On page 3, line 15, the paragraph which I propose to amend places a tax—

On snuff, manufactured of tobacco or any substitute for tobacco, ground, dry, damp, pickled, scented, or otherwise, of all descriptions, when prepared for use, a tax of 8 cents per pound.

In line 18, on page 3, I move to strike out "eight" and insert "six."

The paragraph is:

On all chewing and smoking tobacco, fine-cut, cavendish, plug, or twist, cut or granulated, of every description; on tobacco twisted by hand or reduced into a condition to be consumed, or in any manner other than the ordinary mode of drying and curing, prepared for sale or consumption, even if prepared without the use of any machine or instrument, and without being pressed or sweetened; and on all fine-cut shorts and refuse scraps, clippings, cuttings, and sweepings of tobacco, a tax of 8 cents per pound.

I shall move there also to strike out "eight" and to insert "six."

These are possibly the best attainable betterments of this bill in sight, else I might add other proposed amendments, and would.

HEAVY BURDENS ON THE TOBACCO FARMERS—THEIR HARD AND LONG LABORS.

Mr. President, there are no farmers in the country, if we begin at the bottom of this case, with the toilers in the field, who produce the raw tobacco that goes to market, who have more charges to pay or more concerns and different agencies and instrumentalities operating upon them than the tobacco growers. Take a plain tiller of the soil in Virginia, in Maryland, and in Pennsylvania, Ohio, or Kentucky. He first has to lay out his acreage and to plant his tobacco. During a period of thirteen months before that tobacco is matured for market it is the constant source of his care and the constant occupation of his labor. In the meantime he is paying the tax upon his land. He is one of our domestic operators and fellow-citizens who generally lives at his own home, a species of citizen to be cherished, held up, and commended by his countrymen. It is the men of that class upon whom falls largely the burden of the defense of the country. If an enemy attacks us, they hear the first roll of the drum and offer their lives and fortunes in our defense. There is no just motive of statesmanship which can actuate any party in heaping upon them such burdens as place them beyond the pale of competition and make them absolutely subject to those who are using the material they produce to build up colossal fortunes.

Let us take this farmer, who is occupied thirteen months at a time in a business where the moth and rust do corrupt—in the tobacco worm or in an adverse season—in a business in which he takes all the chances that flesh is heir to, including elements of nature and a changeable condition of affairs, which he can not control. He has next to get his tobacco to market.

THE MONOPOLIES OF EUROPE AND THE REGIE AGENTS OF THE MONARCHS.

Just in this connection my distinguished friend, the Senator from Indiana, suggests that we are not paying as much tax on tobacco in this country as the great nations of Europe are exacting out of tobacco in their countries. Those are paternal, patriarchal nations, not modeled upon any system that is in vogue in America, not modeled upon any system of government dependent upon the rights of man, where the people have enthroned themselves as sovereigns. They are the agents of emperors and kings, who rule Europe somewhat as they did in the middle ages. Nowadays they enter into industries and create monopoly by law to gather unto themselves the honey which has been made by American bees in their republican hives, so far as it is permitted to operate. The European monopolies send to this country their "regie" agents, or "buyers," as they are called. The principals—the European monopolists—buy through them, and deal out our tobacco to their people and charge just what they please for it.

This is a poor model to hold up for American imitation. The foreign brand of oppression ought not to live in this atmosphere.

ALLOTTING THE AMERICAN SOIL.

These agents of the regies go to the tobacco section. They plan with a map before them as generals plan battles. They divide out that section. One of them will bid only in a certain territory. They allot to themselves the American soil, which belongs to its people, and they pasture upon such lands as their allotment and combination may appoint unto themselves. They are squatter sovereigns, assisted sometimes by the trusts—they who are only shadows of monopolistic names. They divide and rend and destroy the American garment, and we are told here by my distinguished friend the Senator from Indiana they are the people for us to pattern after in their exactions. God forbid! Is the helpless pauper man of Europe to become the pattern of American serfs?

LAND TAX, FREIGHT TAX, WHOLESALE AND RETAIL TAX.

Mr. President, the farmer has his land. It is his land, a thing held sacred in our Anglo-Saxon system of jurisprudence. His home is his castle, which the king can not enter, but which any king of Europe who has a flourishing monopoly in his kingdom may send his vicegerent over here to divide up and allot unto himself. This system has been illustrated in too many pamphlets, in too many speeches, for me to repeat it more definitely than I have done. I have simply summed it up.

Now, then, at home the farmer has to pay his county tax on his land; he has to pay his state tax on his land. Those who deal in his product for manufacture already pay, and have long paid, a heavy tax. His is a property open to the naked eye and which can not be juggled, which can not be hidden, and taxation is just as sure as the days run around and the maturity of payment comes.

Mr. President, before that tobacco gets into the markets of the world it has to pay certain other charges of our modern system. It has to pay the distance freight—that is to say, the freight of travel. That is an irregular, unscientific charge. The maxim of railroads at one time was to charge what they could get, charge what the traffic would bear, and they did proceed to put up all the charge on the course of our domestic products to market that the people would stand for or submit to. We have, to a degree, and especially with respect to rebates, moderated, improved, and to a certain extent reformed the old system; but, Mr. President, it remains, in large extent, at the disposition of the railroads to charge, without any very strict restraint and often without any charge appointed by law, what they can get, and the tobacco farmers often are, or may be, the most heavily imposed upon of their customers.

Besides the land tax at home and the freight tax toward market, the tobacco producer has to deal with our internal-revenue tax, with the wholesale and the retail traders of the country. That is a subject-matter which has not been one of close investigation by this or by any Congress. But there are more charges yet coming.

THE ENGLISH CUSTOMS TAX.

Before our tobacco can land on English soil it has to pay a tax of 76 cents a pound, many times more than it cost, many times more than our producer here in this country can hope to get for it by selling in any market. It is generally his vendee who arrives in Europe, or consigns the tobacco there, who in the various countries meets charges of this kind. But before he, or the man who derived it from him, can land his tobacco on the English shore, he must pay a tax down, cash, of 76 cents a pound.

THE FOREIGN COMMISSION MERCHANT'S CHARGES AND THE BROKER'S ILLICIT CHARGE.

When this 76 cents a pound has been disposed of, the owner of the tobacco is necessarily in the hands of the commission merchant of Liverpool, of Birmingham, of London, or some other tobacco market. When he gets into the hands of the commission merchant, he has to pay his commissions and storage charges. A system exists in Great Britain which is not one of legitimate trade. It is this: Go to the commission merchant's place of business in England, and there you will find him provided with various tables and receptacles for the temporary housing of the samples of the various tobaccos from America or elsewhere which are in his hands for sale. You can go there and handle them with your hands, examine their color and their quality, and make up your mind as to their merit. Now, then, who sells those tobaccos?

THE FOREIGN BROKER'S CHARGES ARE ALL MADE AGAINST THE AMERICAN CONSIGNOR.

The commission merchant is visited by tobacco brokers, and I want this fact to be understood, for it is a most material fact in the marketing of our American tobaccos. I am familiar with it. The brokers examine the tobacco; and I have seen it done and gone through, and with my eyes witnessed the process, and with my ears heard their own account of it. You will find in the proceedings of the Industrial Commission a report on this subject by Judge EDWARD W. SAUNDERS, now a Member of the House of Representatives from my State and a highly intelligent gentleman, in which this system is recounted.

I am personally conscious of its truth. There is a cask of tobacco. It is to be sold. What price? That is asked by the broker of the commission merchant. Who is the broker? He is the agent of the English manufacturer who wants to buy

the tobacco. When he has selected the tobacco for his manufacturing client and has come to a conclusion with the commission merchant as to the price he will take for it, there is a separate charge for his service. It is half a pound in English money, or about two dollars and a half a cask in ours. This is the charge whether the tobacco be fine or whether it be common. It is paid over to that broker of the English manufacturer who is buying, and the brokerage is charged against the American consignor and owner of the tobacco. So, by the illicit system, the broker who negotiates with the English commission merchant has an interest to sell quickly and get his broker's fee of about $2.50. He has no interest in the price he gets, with the exception that the buyer he acts for is his "client," and he is without interest to serve the man who pays him.

It is a species of double-facedness, of constructive and venal duplicity, of illegitimate and vicious character, of jugglery in traffic, which would not be tolerated in a high English court. Quite similar transactions have been overthrown in English courts and by the House of Lords. The agent of the American owner of the tobacco and the intermediary for the English manufacturer is one and the same man, facing both ways, getting pay from the American owner for what he does for the man who buys. I do not know that our State Department can do anything for our people in this respect, but it is an egregious wrong, fraudulent either in law or equity, and unendurable as a method of trade.

THE AMERICAN FARMER ON HIS WAY TO MARKET.

Now, Mr. President, these are some of the adventures of an American tobacco producer on his way to market. He has a heavy road to travel with his produce. The common carriers of the country get their consideration. Of course it presses back on the producer, and reduces the amount that finally reaches him.

The ocean carrier gets another charge upon him. The English and other custom-house officials meet him at the shore and charge him for the privilege of selling—76 cents in England and other large prices in other places. I need not go through the statistics. After he has gone through all of these adventures, he is sold out by a man who represents the other side and is making all he can by plucking the American greenhorn, as he usually considers him, to the utmost extent of his power. If you will open the Industrial Commission Report and think this a sightly thing to look upon, you can satisfy your curiosity.

NO POLITICS AND NO PLATFORM BEARS ON THE SUBJECT.

Now, Mr. President, we are before the United States. We ask our Government to be fair and equitable in their consideration of the tillers of the soil of this land. There is no politics whatever in this measure. A Republican is just as free to vote for it as a Democrat. There is no platform anywhere that calls for any such measure. There is no principle anywhere that calls for any such measure.

There is no expediency in the public policy of this country or in the policy of any party in this country to call for this measure. There has been no voice of the people of the United States resounding up to the halls of Congress asking for this measure.

THE VIEWS OF THE SENIOR SENATOR FROM INDIANA—THE EFFECT OF HIS PROPOSITION PUTS THE BURDEN ON LABORERS, TOBACCO FARMERS, AND INDEPENDENTS.

My distinguished friend from Indiana [Mr. BEVERIDGE], whose discourses I read with pleasure, whose diligence and whose great intelligence are often manifested upon this floor, has started out in a campaign against the trust. The target that he nominally shoots at is the trust. The target that is struck is right at the muzzle of his gun. He can not miss it. It is the American farmer, the American workman, and the American independent. There is no doubt about that. He must shoot through and mutilate this trinity of victims before he can reach the trusts.

MEN DO NOT PAY TAXES THAT STAY PAID IF THEY CAN PUSH THEM OVER ON OTHER SHOULDERS.

The trust does not care anything about this tax particularly, certainly nothing that I know of or have heard of. If you levy it, it will just pay it and it will pass it on to the burden bearer close by. No ordinary man pays a tax that he can transfer by the operations of trade as a burden over upon another. If any great big rich concern has ever ultimately paid a tax it could "pass on," it was not caught at it or charged with it. There is no doubt of the fact that every trust and every great rich operator in this country has the power to transfer the tax immediately to three different classes of your most independent and worthy American business men.

THE MEN TO STAND BY.

The first class is the independent American manufacturer. Whenever you see an independent man anywhere standing up on his own feet and making his fight for life, you see a spectacle for the gods. It is a spectacle, too, which every honest and high-spirited man should honor and respect and hold up in the brave fight against an embattled world.

He is your man. He is also that kind of a man who has made America great, and as long as you give your hand to him you have an American brother upon whom you may rely in your day of need, whatever the need be. He is the man to count on. He has the metal of manhood in him. He wins not by devious devices, he wins not by any aspersed combinations; he stands up alone in the world as a manly man. He delights to do, and has the satisfaction of his spirit in doing, and he fights the battle that has made America great.

SUPPORT THE GALLANT INDEPENDENT FIGHTERS.

We should go to the support of all the gallant men in this country and of all the independent men in this country who are making the true-grit American kind of fights.

COMPETITORS WITH MONOPOLIES WILL SUFFER IF THIS BILL PASSES—THE BOTTOM MEN PINCHED.

Now, Mr. President, my State, like that of North Carolina on the one side, like that of Maryland upon the other, like Pennsylvania a little north of us, like old Kentucky over the mountains, is deeply interested in this matter. When you have broken down the independents, where else is there to be a competitor in our market to rival any trust in the buying of this tobacco? You will get none from the Old World. The regies have occupied that field. We have made no movement here to dispossess them, nor do I know that we could succeed at it. The independents will be the immediate sufferers. All independent and small manufacturers will require more capital for competition. They have got to get a much larger capital in a struggling condition, in which capital does not rush to spend itself on other people.

Then go to your cities where the bottom man is toiling at his tobacco table. He is the first man you strike there, amongst the thousands of cigar operators, and wherever there is a city that has a plug factory it is the same thing as to the plug tobacco.

Then go back to the home where for thirteen months one of the hardest working Americans that you have got is the man toiling in the sunshine, in the storm, and in the rain, wrestling with the clods of mother earth to get a dollar out of them. That is the man upon whom all of this ultimate burden falls, and he is the man who is squeezed and pinched and made to come down to the very closest margin of living.

PROTEST OF THE TOBACCO ASSOCIATION OF THE UNITED STATES, COMPOSED OF INDIVIDUAL WORKERS.

Mr. President, my distinguished friend from Indiana [Mr. BEVERIDGE] has made two or three speeches on this subject—two that I am more familiar with. I have read the last carefully; it is that of July 5. Two months ago, when the first bruit of his attack on tobacco got into the press, I received this letter, which I beg leave to insert in the RECORD, from the president of the Tobacco Association of the United States, at Richmond, Va., Mr. T. M. Carrington, a very worthy and excellent man, whose acquaintance I possess and who is the trusted official head of this important organization. He speaks, as I hope will be noted, simply for individual operators and concerns. He says:

This association is composed entirely of individuals and firms who are neither members of the American Tobacco Company nor of any concerns associated with them, and the position that this association takes against any advance in the tax is based upon the disastrous effects it would have on the business of the tobacco trade in general.

The letter is as follows:

TOBACCO ASSOCIATION OF THE UNITED STATES,
Richmond, Va., May 25, 1909.

Hon. JOHN W. DANIEL,
United States Senator, Washington, D. C.

DEAR SIR: My attention has been called to the remarks of Senator BEVERIDGE advocating an increase of tax on manufactured tobacco, and I would judge that he has it greatly in his mind that this extra tax would come out of the profits of the American Tobacco Company, and I beg to say that I regard this ground as absolutely untenable.

This association is composed entirely of individuals and firms who are neither members of the American Tobacco Company nor of any concerns associated with them, and the position that this association takes against any advance in the tax is based upon the disastrous effects it would have on the business of the tobacco trade in general. While the American Tobacco Company manufactures very largely the greatest percentage of the output, still the independent factories are of all importance to everyone connected with the tobacco business as the nucleus by which comes competition, and any injury to these independent factories will be reflected directly upon the producers, buyers, sellers, and everyone engaged in the tobacco business who are not asso-

ciated with the American Tobacco Company. Any change in the size of the packages, on account of the very high price of leaf tobacco, would either mean a very heavy loss to the manufacturers or a smaller amount of tobacco sold to the consumer—

Now note what this gentleman says of the independent manufacturers—

In the success of the independent manufacturers, together with the different elements of the trade dependent upon them, there lies the only solution of the many vexed questions that are every day arising in the business, and an increase in the tax as suggested will be fraught with many dangers. With the injury to the independent manufacturers, there goes with it a great opportunity for the American Tobacco Company to become more of a monopoly than even it is now. Therefore, for these reasons I beg that you use your best efforts to prevent any increase of tax on manufactured tobacco.

Yours, very truly,

T. M. CARRINGTON, *President.*

THE SENATOR FROM INDIANA SILENT AS TO LITTLE CIGAR FACTORIES AND THEIR WORKMEN.

Mr. President, I think the Senator from Indiana, to whom I have referred, has indicated in his own remarks that he is at times conscious of the ill effect in the directions which I have named of this increased burden of taxation.

I shall quote a few of his remarks as indexes of the sentiment which I refer to. The Senator from Indiana has pointed out that when the tax on tobacco was reduced and small packages were required for the purpose of putting it up and marketing it, that great consolidated trust of the country immediately increased and pocketed an amount quite approximate to the amount of the remitted tax and made their profits upon the matter in that way.

That is no reason, Mr. President, even if it were accurately stated, why you should put a tax upon the farmer's tobacco. There is no reason why we should try to recoup taxes which were voluntarily dispensed with by the Government of the United States by the act of its Congress. Why not relent as to the farmer as well as to the cigar maker?

On page 3742 of the RECORD of July 5, the Senator from Indiana says in his speech:

The Senate will remember that no increased tax whatever was laid on cigars in the amendment as originally offered, except when it got up to cigars selling from $35 to $75 a thousand. Pretty careful investigation had convinced me that that *would not put any additional tax at all, but would leave the tax as it was upon practically all the cigars that are made by little factories,* and would thus lay not a cent's burden upon that great branch of the industry. *Since then, in conversation with some cigar makers, I can see that it might affect perhaps as many as 2,000, if not more, throughout the country, unless we begin the increased tax on cigars with those that sell from $75 to $100 a thousand and upward.* So, at their request, *I have modified the amendment in that particular, so that the increase on cigars is on the cigars of very high price. They are all made by very large and very prosperous companies, and not a single independent cigar maker in his little factory in the whole United States would be affected. That is one change.*

This shows the relenting of the Senator for the sake of the cigar makers of little factories. They occupied the same relative position that the independent manufacturers and the tobacco farmers occupy with respect to the proposed increased tax on plug and twist tobacco, of which they are producers and out of which the independents make the finished product. The good motive that stayed "a cent's additional burden" on the one class should likewise stay it on these classes.

THE SENATOR'S DIATRIBE IS A REFLECTION ON THE REPUBLICAN CONGRESS.

The Senator's whole diatribe is an impeachment of the legislative power of the United States and is an anathema against the party which he himself represents, for it is the only political party that has been in power and helped to do these things, with slight exceptions during the time of the Wilson tariff law, that short period of our history when Democracy only had time to look into the door and go out.

But the rest of the Senator's speech is against the Republican party and what it has done, as he says, with the prevision of the trust, they well knowing it, both to put up those heavy taxes and to remit them in a form in which they spilled over and into the trust's pocket.

But however keen is this invective, however earnest is the desire of the Senator to get these taxes back, he well knows you can no more get them back than you can gather back the dews of springtime now in July, or the snows of last winter which have melted and gone down the mountain. They are a perished tale. They have gone out of the affairs of men. Many millions of dollars which he thinks could have been made to inure to the benefit of the people of the United States have disappeared under the legislation of Congress. Nobody is chargeable with it except the Congress. Even as to the trust, which has taken advantage, as men are prone to do, of opportunity to make big money, the Senator says "he does not blame them." He makes conspicuous the fact that he neither impugns their "intention nor puts any blame upon them" at all, simply because it was, as he thinks, a natural thing to have done.

Knowing men as we must know them, we know the proneness of the human mind and the human hand to look after a dollar and to get it if it is lying around where they can reach it. That is all he accuses the trust of; and in doing so my distinguished friend is particular to state that even if we dissolve the trust we do not know that things will be bettered, because their elementary parts, like the Carnegie establishments, would still exist and continue, and cooperate as they have done before. They operated before to build one of the most colossal fortunes that was ever known to the history of man, and so he thinks they would so operate again.

So the Senator is in despair about doing anything with the trusts and is only "wanting those presents back" from the long time ago or else to put these charges back upon the bottom earth of the whole basis, not by charging up license taxes to the trust, not by making the whole of that corporation pay a tax to the United States—as was proposed at least this very morning, when he voted against it—but to let them go on and get what they may out of either the rise or the fall of taxes upon the humbler and less powerful people.

REPUBLICANS CLAIMED TO BE FOR REMISSION OF TOBACCO TAXES.

The Republican party has not asked this. In fact, if you turn over a few pages of history, you will find that the Republican party not many years ago was the advocate and exploiter of remitting the taxes upon the farmers of this country. Hon. John Sherman started it. I well remember his campaign, for he came down into my State and temporarily got our people a good deal concerned about his speeches in that direction. President Arthur took it up. Mr. McKinley took it up to a certain extent in the free leaf accorded in the McKinley bill. There was a tendency in the Republican party to show that it had some warm blood in its veins and some mercy upon the tillers of the soil, grappling with mother earth in a hard contest for a living. But we can not say of it: "Its mercy endureth forever." It appears to have vanished either from proposition, speculation, or intention.

NO JUSTIFICATION FOR THIS BILL.

There is no necessity whatsoever, no justification whatsoever, for putting this tax upon the farmers of the country. Who else is there that tills the soil of the country, besides the tobacco farmer, at whom a special burden is directed?

We are about to pass, and speedily shall pass, a great tariff bill. The distinguished chairman of our Finance Committee [Mr. ALDRICH] is optimistic about that tariff bill. He thinks the deficit will swiftly melt away as soon as the radiance of the new tariff bill diffuses itself like the light and warmth of a new sunrise over the country. He may be mistaken about that. Prophecy, especially political prophecy, is not one of the exact sciences. It is, even as a weather bureau is, often shifty and uncertain. But, let his optimism go into effect or not, the Republican party has got two resources, one absolutely at its command and the other almost so. The first is other and more provident taxes, and the second is bonds, its hitherto favorite resort.

We have already approved a corporation-tax provision, not an ideal one, as I venture to say, but a corporation-tax provision with many millions in it to be provided for, according to the views of your able President and in accordance with the interpretations of constructive workmen, who have put those views in plan and in detail, which will immediately go into effect unless halted in the House of Representatives.

Do you want it to pass? You have said so. It is true it has got to pass another House, and we have no knowledge what that House will do with it. It may get over there, and an inheritance tax may take its place, or some other kind of a tax may take its place; but let the matter go one way or the other, there is no call from any respectable body of our fellow-citizens, there are no cries from the ground to Congress, for any increased taxation upon our tobacco farmers, who, for so many years, have patiently poured their contributions into the Public Treasury. Look at the many millions of dollars which have flowed from this source in a continuously golden stream.

WE GET LARGE REVENUES FROM TOBACCO—IT IS ONE OF THE TEN GREATEST REVENUE PRODUCERS.

Mr. President, while my distinguished friend is commenting upon the greater taxes that Europe gets out of tobacco, do not let him leave out of account the tariff taxes that we are getting out of tobacco. Read the statistics I have already cited. We are taxing Sumatra leaf by tariff 187 per cent, and we are

getting a good revenue from those kinds of tobacco and from the cigars that come from foreign countries into our own.

As to your tobacco farmers, they have been the constant night and day, year in and year out, decade after decade, supporters of this country, and the liberal, faithful contributors to its Treasury. Besides do not forget, though I will not take time for details, that tobacco is one of the ten great revenue-yielding subjects in the United States. Do not ride the easy horse too hard.

MOVEMENT AGAINST LABOR.

Mr. President, I again advert to the remarks of my distinguished friend from Indiana, some of which I have quoted. He points out in his speech one fact which we should all remember; that is, that it is the trust that has made war upon labor. He knows that to be a fact, and as soon as this bill has passed, it will be the tocsin sounded for a new war, in which the laborer is as sure to go down as you make sure to arm his opponents to strike him down.

WHO CALLS FOR THIS TAX?

Who first called for this tax? We do not find that information in the voluminous, able, and detailed speeches which my distinguished friend has made; and I give all compliment, not only to his industry, but to his talent, exercised I fear in this case to "make the worse appear the better reason." Who has communicated to this Congress the desire of any State of this Union, or of any Congressional District in this Union, or of any large body of respectable people, whose voice may be fitly uttered to Congress, for the increase of this domestic agricultural tobacco tax? I find but one that has enforced my attention, though there may be some others amongst the tobacco operators that have escaped me. That is the paper known as the "Tobacco Leaf," which is cited as independent. I am not familiar with that journal. It is not one of the ordinary spokesmen to Congress.

It is a trade paper. I suppose—though it is a mere surmise—that the Tobacco Leaf is like all trade papers; it publishes advertisements of its patrons, and if one of its patrons writes a letter to it, it will give him a compliment. I have no attack to make upon it, neither any charge to make upon it, but it is a very small circumstance to move the Congress of the United States to go into raising taxes upon the great agricultural interests on the basis of a passing newspaper item, entered upon at a time when it is filling its records with real or seeming efforts—sometimes sham and shallow, perhaps, and sometimes available—to protect every other kind of a farmer and landowner in the United States.

Let these hard-worked men, who are breaking the hard clods of mother earth with the sweat on their faces, come into this brotherhood of American folk, who have the attentive and friendly ear of Congress, and let them not have these trusts, which you despair of ruining, thrown down like an immense superstructure on top of them, to crush them closer to mother earth, and leave them less small change in their pockets to buy clothes for their children and the necessities of their living.

THE MARKSMAN MISSES HIS TARGET AND HITS THE BYSTANDERS.

Mr. President, my distinguished friend is a great marksman. I generally hear his speeches with pleasure, when they are not against something which I represent; but in this case the marksman has entirely missed his proclaimed mark. He has come up to shoot at it, thundering against the trust, and he is doing, or seeking to do, the very thing which will put the poor, humble farmer, the independent American business man, the laborer, who is sitting in New York and Boston and Baltimore and everywhere else where there are tobacco factories, upon lower wages and smaller allowances; and then he is going to rejoice that he is getting back the taxes Congress voluntarily remitted some years ago.

RUNNING THE MILL WITH WATER THAT HAS PASSED.

It is a vain hope; it is a conclusion without any premise upon which it can soundly stand; it is trying to run the mill with the waters that have passed. It is a vision, with no reality on the road to fulfill its alluring, spectral appearance.

Mr. President, I do hope that our friends on the other side of this Chamber, as well as on this side, will stand up now for these men, the bearers of many and long burdens, and will indulge in no illusion that they can fire a cannon ball and kill or mangle or destroy or impair the trusts, when that cannon has its dead aim upon the farmer in the field, upon the laborer toiling in his workshop, and upon the American citizen, who is blameless and unaccused by anybody—the independent manufacturer.

THE TRUST LAUGHS IN ITS SLEEVE AT THE PLAN TO KILL OUT OTHERS BY TAXING THEM.

This act may burst its shells in helpless homes amongst women and children, in the fields where their kinsfolk toil, or in the workshops amongst the tobacco workers, but the trust laughs in its sleeve; and not only in its sleeve, but openly. Its loud laughter resounds in the echoes of the voices of the large operators who have testified here. That witness, Jacob Wertheim, if I am any judge of men, is an honest man. He spoke with a candor, with a freedom, and with relation of what he would do or what the trust would do, that at least was becoming to his manliness and attracted faith in his utterance.

He tells you beforehand, and you want now, after that is told, and when they can prophesy what will happen just as easily as they prophesied what would happen when they saw you preparing the boxes of small packages from which you had taken off the tax. Of course the money ran into the mold after you had fixed for it, and in this case it will run in the same mold again by a counter operation, which is just as sure as that time speeds on its way.

In another year, if you should come here, you would hear that the trusts had, in effect, lowered prices of its raw material, and of the tobacco workers, and had the independents on the run. The trusts have time and again got higher profits than the independents do. Look at these figures. The trusts and the independents do not fare at the same table. They have different economic systems to work with.

Look at this tobacco report, to which my distinguished friend has so often referred, on prices of tobacco, and to Tables 18, 19, and 20, pages 52, 53, 54, and 55. On these pages—which I shall ask leave to transfer in part to my remarks, as those who may possibly read them may like to see them there—is shown how the trust, through its operations in business, got higher prices, while the independents were getting lower ones, and the downward pressure was on the farmers.

The PRESIDING OFFICER (Mr. BURROWS in the chair). In the absence of objection, permission is granted.

Mr. DANIEL. The book I quote from is "Prices of Tobacco," contained in the report of Herbert Knox Smith, esq., Commissioner of Corporations, which is found in Senate Document No. 78, Sixty-first Congress, first session:

TABLE 18.—*Combined value of sales, costs, and profits for 48 independent manufacturers of plug, smoking, fine-cut, and scrap tobacco, 1906.*

	48 concerns.		45 concerns in domestic business.	
	Amount.	Average (per pound).	Amount.	Average (per pound).
		Cents.		*Cents.*
Quantity (pounds)	47,612,799		46,315,204	
Net value, including tax	$14,082,503.66	29.5	$13,817,789.76	29.8
Tax	$2,782,089.27	5.9	$2,778,912.24	6.0
Net value, less tax	$11,250,504.39	23.6	$11,038,877.52	23.8
Cost	$10,246,674.09	21.5	$10,050,026.27	21.7
Profit	$1,003,830.30	2.1	$988,851.25	2.1

The commissioner says in the report, pages 52 and 53:

The total profit obtained by these 48 independent concerns in 1906 amounted to $1,003,830.30, or an average of 2.1 cents per pound. For the 45 concerns in the domestic business the average profit was the same (disregarding fractions), although the average profit of the 3 concerns engaged primarily in the export trade was only about 1.2 cents per pound. *The profit of the independent concerns averaged much less than that of the tobacco combination.* The average profit of the principal companies in the combination on their domestic plug, smoking, fine-cut, and scrap business in 1906 was 8.2 cents per pound, or nearly four times as much as for these independent concerns.

It will be seen further that the average rate of profit of the 48 independent concerns on their cost was 9.8 per cent, and for the 45 engaged in the domestic trade, the same, while the tobacco combination on its domestic trade in these same products made a profit of 39.1 per cent on cost.

Here it will be seen "the profit of the independent concerns averaged much less than that of the tobacco combination." Further, that in 1906 48 independent concerns averaged only 2.1 cents per pound on their tobaccos in profit. At the same time "the average profit of the principal companies in the combination on their domestic plug, smoking, fine-cut, and scrap business in 1906 was 8.2 cents per pound, or nearly four times as much as for these independent concerns."

Now let us return to Commissioner Smith's report, No. 19.

TABLE 19.—*Prices, costs, and profits for 45 independent tobacco-manufacturing concerns in the domestic trade, by price groups, 1906.*

Groups: Concerns having average price of—	Sales.		Net price (per pound).			Cost (per pound).	Profit (per pound).	Rate of profit on cost.
	Quantity.	Proportion of total in group.	Including tax.	Tax.	Excluding tax.			
	Pounds.	*Per cent.*	*Cents.*	*Cents.*	*Cents.*	*Cents.*	*Cents.*	*Per cent.*
20 to 25 cents per pound	4,988,282	10.8	23.4	6.0	17.4	16.4	1.0	6.1
25 to 30 cents per pound	23,705,126	51.2	27.9	6.0	21.9	20.2	1.7	8.4
30 to 35 cents per pound	15,257,043	32.9	32.5	6.0	26.5	23.7	2.8	11.8
35 to 40 cents per pound	945,848	2.0	37.0	6.0	31.0	27.7	3.3	11.9
40 and above	1,418,905	3.1	51.2	6.0	45.2	38.6	6.6	17.1
Total	46,315,204	100.0	29.8	6.0	23.8	21.7	2.1	9.7

Commissioner Smith comments as follows on this report of Table 19, page 54:

It will be seen from this table that whereas the average price of the tobacco combination on substantially its entire output of plug, smoking, fine-cut, and scrap tobacco in the domestic trade was in 1906, 35 cents per pound, including tax; much the greater proportion of the sales of the independent concerns consisted of tobacco worth less than 35 cents per pound, including tax. In fact, only a little over 5 per cent of the sales of the independent concerns consisted of the sales of those having an average price of 35 cents per pound or more. The greatest proportion of the independent sales is found in the group comprising those concerns whose average price, including tax, is from 25 to 30 cents per pound, which group represented a little over 50 per cent of the total independent sales covered by the table. For this important group the average profit per pound was 1.7 cents, representing 8.4 per cent on cost. For the comparatively important group of concerns selling at from 30 to 35 cents per pound on the average the profit was 2.8 cents per pound, or 11.8 per cent on cost; while for the group selling at from 35 to 40 cents per pound on the average the profit was 3.3 cents per pound, or also 11.9 per cent on cost. The profits for these two groups may be compared with those of the tobacco combination, which averaged 8.2 cents per pound on a product of an average value of 35 cents, the rate of profit of the combination on cost being 39.1 per cent, or considerably more than three times as high as for the independent concerns of this class. Even for the limited number of independent concerns whose product is higher priced than the average for the combination, namely, the group averaging 40 cents or more per pound, the profit was only 6.6 cents per pound, or 17.1 per cent on cost.

Average profit of one group of independents, 1.7 cents per pound.

Average profit of second group of independents, 2.8 cents per pound.

Average profit of tobacco combination, 8.2 cents per pound.

Here, now, is Table 20 of Commissioner Smith's report, page 55:

TABLE 20.—*Prices, costs, and profits for 48 independent manufacturers of plug, smoking, fine-cut, and scrap tobacco, classified according to their principal kind of product, 1906.*

Concerns making chiefly—	Quantity of sales.	Net value including tax.	Profit.	Averages.					Rate of profit on cost.
				Net price (per pound).			Cost (per pound).	Profit (per pound).	
				Including tax.	Tax.	Excluding tax.			
	Pounds.			*Cents.*	*Cents.*	*Cents.*	*Cents.*	*Cents.*	*Per cent.*
Plug and twist (22 concerns)	16,480,014	$5,061,429.05	$406,184.41	30.7	[a]5.6	25.1	22.6	2.5	11.1
Smoking (17 concerns)	10,718,914	3,402,344.36	245,742.60	31.7	6.0	25.7	23.4	2.3	9.8
Scrap (6 concerns)	8,498,205	2,359,066.26	94,565.08	27.8	6.0	21.8	20.7	1.1	5.3
Mixed (3 concerns)	11,915,666	3,209,733.99	257,338.21	26.9	6.0	20.9	18.7	2.2	11.8
Total (48 concerns)	47,612,799	14,032,593.66	1,003,830.30	29.5	5.9	23.6	21.5	2.1	9.8

[a] No tax on export product included in this group.

And here is the commissioner's analysis:

It will be seen that 22 of the 48 concerns were engaged primarily in the plug and twist tobacco business (this includes 3 engaged in the export trade). Their output amounted to 16,480,014 pounds of an average value, exclusive of tax, of 25.1 cents per pound, from which an average profit of 2.5 cents per pound was derived. For the concerns engaged exclusively in the domestic trade, the average value per pound would be slightly greater, and the profit about 2.6 cents per pound. The tobacco combination in its domestic trade in 1906 obtained an average price for plug and twist tobacco of 30.1 cents per pound (excluding tax), with an average profit of 9.1 cents per pound.

Seventeen of the concerns made principally smoking tobacco, their output being 10,718,914 pounds, of an average value, excluding tax, of 25.7 cents per pound, with an average profit of 2.3 cents per pound. The sales of the combination in 1906 commanded an average price, less tax, of 29.3 cents per pound and a profit of 9 cents per pound.

Average profit of independents on plug and twist tobacco, 2.5 cents per pound.

Average profit of the combination, 9.1 cents per pound.

Commissioner Smith adds, as it will be noted:

Even for the limited number of independent concerns whose product is higher priced than the average for the combination, namely, the group averaging 40 cents or more per pound, the profit was only 6.6 cents per pound, or 17.1 per cent on cost.

PONDER THIS CASE.

Let the calm-thinking and just-minded contemplate the fight for life the independents are making, the factory workers are making, and the tobacco farmers are making; let them ponder, too, the embattled array, and the difficulties and burdens that environ them—the foreign regies and the trusts, the local and the national taxes, the foreign customs taxes, the commission merchants abroad, and the double-faced go-betweens—and let them pause ere they strike on their heads with sledge hammers the struggling toilers of the farm, the factory, and the counting-room. The spite house was never a good house to live in. Let us not, in order to hit the trusts, which will smile at the blow and laugh aloud at its impact, aid those very trusts to crush down the most meritorious of our citizens. Ponder Commissioner Smith's tables, and give the righteous answer.

DO NOT ARM THE GREAT AND POWERFUL TO OPPRESS THEIR WEAKER BRETHREN.

The farmers are struggling under that condition of things, brought about in this country by a deep and widespread change in the systems of trade and by the burdens of large expenditures and heavy taxation. They can not help it. My distinguished friend from Indiana indicates that he can not help it. While he blames the trusts for making so much money, upon which he has his eye for the purpose of counting it up in the Treasury, he says he "does not blame them." He says he does not impugn their "intentions." He simply knows that they are acting as men in such circumstances are likely to act. But are we to harness them up, or to saddle them up, and give them all the paraphernalia we can, and to put them to run against the most worthy, the most blameless, and the most hard working amongst all our worthy American constituents, in the shops of the cities, at the tobacco table, or in the field, all the year round encountering nature in her variable and ofttimes sternest moods,

and in the countingroom of the independent manufacturer, who is trying to maintain a firm step in those walks and branches of trade which are an honor to the whole country and to the population which they represent?

TESTIMONY OF W. J. CRONIN, PRESIDENT OF THE INTERNATIONAL CIGAR MAKERS' UNION.

Mr. President, on this same line Mr. Cronin, of New York, president of a cigar maker's association, followed Mr. Wertheim in his discussion before the subcommittee. That gentleman is himself a cigar maker. He is an artisan and represents the International Cigar Makers' Union of this country. He has shown, from his experience and observation in past years and from his analysis of the necessary force and effect of the proposed law here, how it will strike the operatives in New York and elsewhere. He says:

Whenever the internal revenue is increased on cigars, the increase invariably comes out of the wages of the cigar maker.

THE LAW OF GRAVITY IN TRADE.

It is equally and just as inevitably true that, whenever you increase the tax on plug and twist and smoking tobacco, it immediately comes out of the possible profits of the farmer, who plows, digs, and works the ground to get out of it the tobacco leaf. It is only, Mr. President, the exemplification in political economy of the law of gravity—the law of gravity in trade and manufacture. When Isaac Newton saw the apple fall from the tree and go to the ground, he saw it go down, down, down, until it met a counter proposition in the hard earth against which it struck. This is as inevitably a law of taxation as it is a law for the government of the material world around us. Gravity carries the tax paid by the party of the first part down, down, down, just as far as it can go, and everybody that it may first touch passes it down just as quickly as he can hit it with a bat that will knock it down rapidly.

The neophyte who has observed the courses of trade, the scholar who has read the profoundest works of political economy, the man who knows something of the laws of nature, knows that this is a fact. It is a fact that the farmer can not change. It is a fact that the independent manufacturer can not change. It is a fact that the poor fellow, sitting in a crowded city at a table making cigars, can not change. No sidelong talk about the trusts and no attempt to divert the mind of the legislator from the facts that underlie this case can possibly make a legislator think, if we should adopt this proposition, that he was shooting into the trust and was not hitting the laborer at the table, the plodder in the field, or the independent manufacturer in his office. You can not make anything more certainly direct if there is anything in the law of gravity in which we live and move and have our being, and from which there is no escape.

I will read a little more, Mr. President, from Mr. Cronin. He is himself a workingman, working at the table, making cigars with his own hands by the side of his fellows. He has risen from the ranks by their selection to represent them. He is no loud-mouthed, scheming politician. He is a simple son of toil, and a man of family, who is representing men like himself. The intelligence, the candor, the dignity with which he spoke won for him my good opinion. I will read a few more observations that he makes, and then I am done:

While it may be true—

He says—

While it may be true that the organized cigar makers may be in a position to resist a reduction in their wages, it would be at a great cost to them, which we want to avoid, and the unorganized being helpless in this direction, they would be compelled to accept these reductions, and as competition in the cigar trade is so keen, many large manufacturers being compelled to sell their product at a margin of profit that in many instances is not greater than the proposed increase in the internal revenue, it is bound to follow that all cigar makers, organized and unorganized, will be compelled to accept reductions in wages almost immediately after this bill becomes a law, and besides this, as said by Mr. Wertheim this morning, "This proposed increase will have a tendency to centralize the industry in the hands of a few and completely drive out of business a large number of small manufacturers of cigars."

Centralization by the measured art of man, congestion of wealth, congestion of power, congestion of population, congestion—the fatal disease of republics—that is the inevitable harvest of all these ponderous taxes weighed down upon the toilers, on whose backs they are inevitably cast by those who can slip away from them.

THIS BELATED ELEVENTH-HOUR TAX AND ITS SPONSORS—IT DID NOT ORIGINATE WITH THE PEOPLE OR REPRESENTATIVES OF THE PEOPLE.

Mr. President, as soon as a proposition to increase the tax on the plug and smoking tobacco was whispered around and finally got into the newspapers, some of our people pricked up their ears. Then it died out for a season, and it was reserved until the very end of this prolix, overworked, much-occupied session of Congress to fling this firebrand of alarm into the Senate. The House of Representatives, whose office it is to originate taxes, did not originate this proposition. It stands upon our calendar under the sponsorship of the Senator from Utah [Mr. SMOOT]. I do not see Utah mentioned as any great tobacco-producing country.

It may be, so far as I know, like Rhode Island, which does not produce a stalk. Why this invasion in this way with a revenue-tax measure—not through the Hall of the House of Representatives—of a new and independent measure, comprehending many States, affecting many portions of the country, without any cry of the people therefor? Who was there out in Utah who set in motion this great ball to travel over the continent and to roll over the interests of other people? That is not like Utah. I think this is an exotic sprung from soil far away from its birthplace.

Why was the Senate selected for the inauguration of an independent measure, which is a kind of foreign graft upon the tariff bill, coming up after all the other measures have been considered and disposed of, as a sort of afterthought of some volunteer statesman from the mighty West, who has come over to teach the people along the Atlantic seaboard these novel and misleading lessons as to how much tax should be levied and who and what should be taxed?

THIS MEASURE OUT OF PLACE AND BODES NO GOOD.

Mr. President, this measure is out of place. It has neither the people nor the voice of any party behind it. If the Senator from Utah, so far as the RECORD discloses, had just been content to go along in the great current of American affairs, as almost everybody else was doing, we should not have been arrested on our way from labor to a summer rest and refreshment by having this great measure plunged here, challenging and demanding our sudden, instant consideration. Many have been left to that increment of their already great burdens.

As soon as it was known that people were giving testimony in one of the offices downstairs about this large measure, telegrams commenced flowing in upon me from my State. I have a batch of them from our most important business men, from independent tobacco associations, from the farmers, and from their commercial representatives. So have many other Senators.

I hope that the Senate will not pass this amendment. It bodes no good. It bodes instant ill to many and great branches of our American industries. It would press down its weight not only on those who are striving in the city factories and offices, but as well to many who are tilling your land, who are building up your homes, who are raising their children in the countryside to be respectable and honorable and manly and independent American citizens. Do not hit any of these people in the face with this uncalled-for, this unprovoked, proposition. There is nobody that you can benefit but the trust. You know the process by which you can benefit it. You know the precedents which have set their light-houses over the warnings of recent history in which such things as this have appeared as rocks in the path of healthy thrift and industry and prosperity.

You will not see anything in that history which leaves you a beam of hope that it will help a farmer in Missouri, or a farmer in Kentucky, or a farmer in New England or the Middle States, or a farmer in Maryland, or a farmer in the North, South, East, or West. It is against them far and wide, in all the regions where men are cultivating their fields and eking their living out of them in order that they may live decently and in some comfort at their own homes.

Mr. BEVERIDGE. Mr. President, I shall take scarcely any of the time of the Senate; but in reply to the assertion that any part of this tax will fall on the leaf grower, I have here a very elaborate table giving the prices per pound of tobacco in all States since the civil war up to the present, which shows that the tax on tobacco, whether it was put on or taken off, has never affected the price of leaf. I ask that that may be inserted in the RECORD without reading.

The PRESIDING OFFICER. Without objection, leave will be granted.

The table referred to follows.

TABLE NO. 1.—*Farm price of leaf tobacco per pound, by States and by internal-revenue periods, 1866–1908.*

[In gold for all years. For 1866–1871, prices of following January 1; subsequently, December 1.]

Production year and internal-revenue period.	Connecticut.	Pennsylvania.	Maryland.	Virginia.	North Carolina.	South Carolina.	Georgia.	Florida.	Ohio.	Wisconsin.	Kentucky.	Tennessee.
	Cents.	*Cents.*	*Cents.*	*Cents.*	*Cents.*	*Cents.*	*Cents.*	*Cents.*	*Cents.*	*Cents.*	*Cents.*	*Cents.*
1866	13.9	12.1	7.4	9.8	14.6	----------	22.8	----------	4.8	17.8	6.8	15.0
1867	16.6	6.5	8.7	9.0	12.5	----------	21.7	----------	7.2	----------	7.0	10.1
1868	18.4	----------	8.0	6.3	12.3	----------	22.1	----------	5.6	----------	9.4	12.1
1869	22.2	----------	11.0	8.5	11.3	----------	16.0	----------	5.1	----------	7.5	10.7
1870	20.4	22.6	7.8	6.6	12.7	----------	12.0	----------	11.1	----------	7.4	7.5
1871	25.3	13.9	7.5	10.0	9.4	----------	19.6	----------	8.3	10.1	7.1	10.1
1872	29.2	13.0	8.9	9.3	8.9	----------	15.9	----------	7.2	7.7	7.5	10.4
1873	20.9	11.2	7.0	8.4	8.2	----------	18.8	38.0	6.0	----------	6.5	5.5
1874	20.2	15.2	9.6	10.1	17.7	----------	11.6	----------	8.4	----------	12.3	10.8
1875	20.5	12.3	7.6	8.3	7.7	----------	20.8	----------	6.0	15.2	7.5	8.1
1876	8.4	8.3	7.4	7.4	8.3	----------	----------	18.5	6.0	5.6	6.5	7.4
1877[a]												
1878	11.0	10.0	5.5	5.0	6.0	----------	----------	----------	5.0	----------	5.0	6.0
1879	12.0	9.0	5.0	5.0	7.0	----------	----------	----------	3.0	12.0	5.0	5.0
1880	15.0	10.0	7.0	8.0	9.0	----------	----------	----------	6.0	12.0	7.0	9.0
1881	16.0	13.0	8.0	8.6	13.5	14.0	14.0	20.0	8.0	12.5	8.8	7.6
1882	13.0	12.0	6.0	7.3	12.0	13.0	14.0	18.0	7.0	12.0	8.0	6.7
1883	13.5	12.0	6.5	8.0	12.5	----------	----------	----------	8.0	11.0	8.6	6.0
1884	12.4	10.5	7.3	7.4	11.5	----------	----------	----------	7.2	10.2	7.5	7.0
1885	12.4	10.5	7.3	7.4	10.6	----------	----------	----------	6.3	9.5	6.5	7.0
1886	14.0	11.8	6.5	7.0	9.5	----------	----------	----------	7.0	10.0	6.0	6.0
1887	14.3	15.0	5.5	8.0	10.0	----------	----------	----------	9.0	11.0	12.0	10.5
1888	13.0	11.0	5.0	6.0	8.0	----------	----------	----------	8.0	10.0	8.0	8.0
1889	12.5	11.7	5.0	6.5	11.0	----------	----------	----------	5.8	9.5	5.1	5.2
1890	16.0	13.5	6.5	8.0	11.0	----------	----------	----------	7.5	9.5	6.5	6.3
1891	19.5	14.5	6.7	7.0	9.6	----------	----------	----------	8.5	8.7	7.3	6.7
1892[a]												
1893	14.0	13.5	7.6	6.2	8.0	----------	----------	----------	6.5	6.3	7.6	8.8
1894	16.0	9.0	6.0	6.0	9.0	----------	----------	----------	5.4	5.4	5.5	9.0
1895	16.5	7.4	5.8	8.0	10.3	9.0	----------	----------	5.2	4.0	5.3	7.0
1896	13.0	8.0	4.3	5.2	8.0	8.0	10.0	27.0	4.5	5.5	4.2	7.0
1897[a]												
1898[a]												
1899	18.0	8.2	5.6	5.9	6.6	8.2	11.9	28.7	6.8	7.0	6.1	11.0
1900	15.0	6.0	6.0	6.0	7.0	7.0	15.0	26.0	7.0	7.0	6.0	6.0
1901	15.0	6.0	6.0	8.0	9.0	7.0	18.0	27.0	7.0	8.0	6.0	6.0
1902	16.0	8.0	7.0	9.0	11.0	13.0	19.0	30.0	7.0	7.0	10.0	10.0
1903	15.5	7.3	5.5	6.1	6.3	5.1	15.0	32.0	7.2	6.8	6.2	7.5
1904	22.6	8.9	6.5	7.4	8.6	8.2	20.6	31.5	8.0	7.8	6.4	5.8
1905	17.0	10.8	6.0	7.6	8.8	8.7	17.0	18.0	8.4	10.0	7.0	7.5
1906	18.0	13.7	6.8	8.2	10.0	10.5	30.0	35.0	11.5	13.5	7.7	7.5
1907	11.5	7.5	6.5	10.5	11.0	10.7	40.0	45.0	8.4	6.5	10.2	9.8
1908	17.0	10.5	7.5	9.2	10.5	10.0	35.0	35.0	10.5	10.0	9.1	9.0

[a] No data.

Mr. OVERMAN. As I shall probably not see the table until to-morrow, will the Senator read to me the prices in 1897, 1898, 1899, and 1900?

Mr. BEVERIDGE. This table was made up by the Department of Commerce and Labor, and there are some years for which no data are given. But in 1899, when the tax was on, the price was 18 cents in Connecticut, 8.2 in Pennsylvania, 5.6 in Maryland, 5.9 in Virginia, and so on, going on clear through.

Mr. DANIEL. That was the cigar tobacco.

Mr. BEVERIDGE. In 1903, when the tax was entirely off, it was 15.5 in Connecticut, which is 3 cents less instead of 3 cents higher. In Wisconsin, for instance, instead of being 7.8 cents it was 6.8 cents, and so forth.

Mr. OVERMAN. How about North Carolina?

Mr. BEVERIDGE. In North Carolina in 1899, when the tax was on, it was 6.6 cents. In 1903, when it was entirely off, it was 6.3 cents.

Mr. OVERMAN. What was it prior to 1899—say in 1896?

Mr BEVERIDGE. In 1896 it was 8 cents in North Carolina; in 1895, 10.3 cents; in 1894, 9 cents; in 1893, 8 cents; and so on. In other words, the Senator will find that the tables prepared by the Government, from the government reports of prices during the various years, demonstrate that the tax has never affected the price of leaf.

Mr. DANIEL. Will the Senator be kind enough to tell me what table that is?

Mr. BEVERIDGE. It is a table of prices of tobacco in the various States for the various years for which the Government has data.

Mr. DANIEL. Obtained from what source? Is it published in any of the official publications?

Mr. BEVERIDGE. Yes; it is collected by the Department of Agriculture from its publications and gives the farm prices of leaf tobacco per pound by States and by revenue districts.

I shall next ask leave to put in, without reading, a number of tables, the first one giving the number of pounds of leaf consumed annually from 1895 to 1906 in the manufacture of all tobacco produced in the United States, which shows that when the tax was increased the consumption did not diminish.

Also, a table showing the number of hogsheads sold in the Cincinnati market, together with the amount realized and the price per pound, which shows that when the tax was on the price per pound was in some instances actually greater than when it was taken off in 1902.

Also, the average prices at Louisville and Cincinnati markets for various revenue periods, showing the same thing.

Also, the prices of export tobacco, showing precisely the same fluctuations regardless of the tax.

Also, the total production of Virginia, North Carolina, and South Carolina, with the average price per pound, showing that when the tax was entirely off, before it was removed in 1902, the price per pound was as great and in one or two instances greater than it was without the tax.

Also, a table showing by years, from 1895 to 1904, the average prices received for loose leaf tobacco from warehouse growers in the Danville (Va.) market, showing the number of pounds, the value, and the average price per pound, and showing precisely the same result.

Without going into the details of these various tables, which are a mathematical demonstration of this matter, I shall ask that they be inserted without reading.

The PRESIDING OFFICER. Without objection, leave will be granted.

The tables referred to are as follows:

TABLE 2.—*Number of pounds of leaf consumed annually, 1895–1906, in the manufacture of all tobacco produced in the United States.*

Year.	Total number of pounds consumed.	
1895	344,633,888	Before increase.
1896	329,614,960	
1897	364,915,119	
1898	355,226,964	War tax on, yet consumption increased.
1899	374,186,167	
1900	386,422,056	
1901	406,018,070	
1902	435,028,484	
1903	451,023,800	War tax off, but price still on.
1904	458,652,792	
1905	467,665,776	
1906	491,817,044	

Mr. BEVERIDGE. I have put in brackets the periods before the tax was increased, when the increased tax was in effect, and when the increased tax was taken off, but the price still kept up. It shows conclusively that the tax has had nothing to do with the consumption.

TABLE 3.—*The number of hogsheads sold, amount realized, and average price per pound of burley tobacco on the Cincinnati market, 1895–1905.*

Year.	Number of hogsheads.	Amount realized.	Average price (cents per pound).
1895	72,681	$6,187,306.83	6.65
1896	70,306	5,861,475.72	5.07
1897	81,781	7,916,121.76	6.62
1898	62,247	5,693,087.49	[a] 8.56
1899	64,711	6,186,414.31	[a] 7.90
1900	54,641	5,385,740.57	[a] 8.11
1901	54,932	5,203,721.37	[a] 7.43
1902	51,045	4,957,082.34	7.16
1903	54,284	5,435,453.58	8.02
1904	20,000	2,415,760.53	9.17
1905	40,215	4,458,046.41	9.13

[a] War tax on.

In this table it should be noted that the decrease of hogsheads is caused by the decreasing importance of Cincinnati as a tobacco market, Louisville gaining on that city in this particular.

Of course everybody knows that burley tobacco is an important class of leaf, entering almost entirely into domestic consumption. So the effect of changes in the internal-revenue tax on tobacco would be noticed in the price of burley tobacco, if anywhere. It must be observed that the price of this important leaf was much lower before the war tax of 1898 was put on than during the war period; and the first year after the tax was taken off the price of burley leaf actually decreased. It increased in 1904 and 1905 for well-known local causes, that have been referred to.

The next table shows the average price at Louisville and Cincinnati markets, by periods. It demonstrates that the price of tobacco actually was higher in these markets during the period covered by the war tax than during the period before the war tax was put on. The increase for the last period was due to the causes already mentioned.

TABLE 4.—*Average price at Louisville and Cincinnati markets, by periods.*

Period.	Average price Louisville.	Average price Cincinnati.
	Cents.	Cents.
1896–1899	6.47	[b] 7.49
1899–1902 [a]	6.84	[c] 7.78
1903–4	7.32	[d] 9.15

[a] Inclusive. [b] Before war tax. [c] With tax. [d] After tax removed.

First period—low price, with no tax, due to general depression.

Table 5 shows the average price from 1895 to 1904 of dark export tobacco, which, not being affected by the tax, nevertheless shows the same fluctuations.

TABLE 5.—*Average price per pound paid for crops, 1895–1904, for dark tobacco. (Export.)*

Crop of—	Average price (cents per pound).
1895	5.81
1896	6.61
1897	9.13
1898	6.27
1899	6.18
1900	7.21
1901	6.12
1902	5.55
1903	4.75
1904	6.23

Table 6 is a complete demonstration that the tax has no effect upon the price of the leaf. Observe that the three years from 1899 to 1901, inclusive, when the tax was on, show leaf on the average higher than the succeeding years, when the war tax was taken off.

TABLE 6.—*Total production of Virginia, North Carolina, and South Carolina, with average price per pound.*

Year.	Pounds produced.	Average price per pound.
		Cents.
1899	270,284,270	[a] 6.33
1900	248,251,588	[a] 6.66
1901	233,950,911	[a] 8.00
1902	300,915,008	[b] 7.00
1903	280,132,896	[b] 5.83
1904	203,290,455	[b] 8.09

[a] War tax. [b] Without tax.

The next table, No. 7, is compiled from the records of the Board of Trade of Danville, Va., and is a demonstration to the same effect.

TABLE 7.—*Average prices received for loose leaf tobacco on the warehouse floors of the Danville (Va.) market, by years, from 1895 to 1904.*

Crop.	Pounds.	Value.	Average price.
			Cents.
1895	40,160,999	$3,127,588.42	[a] 7.79
1896	46,693,654	3,013,983.13	[a] 6.46
1897	49,464,741	3,864,830.74	[a] 7.81
1898	48,939,542	3,252,935.26	[a] 6.64
1899	54,107,580	3,648,378.88	[b] 6.74
1900	37,134,068	2,740,984.62	[b] 7.38
1901	33,685,062	3,451,150.34	[b] 10.25
1902	46,710,547	4,095,216.12	[c] 8.55
1903	42,908,497	3,408,186.45	[c] 7.94
1904	38,029,050	3,251,633.66	[c] 8.55

[a] Before tax. [b] With tax. [c] Without tax.

Without consuming more time, I will say that these tables, which I will insert without further explanation, are complete and unanswerable demonstrations that the tax never has had, and does not now have, the slightest effect upon the price of leaf. With reference to Table 9, I will, however, call attention to the remarkable fluctuation after the tax was taken off. The price of leaf, as shown in this table, rose for only two years after the tax was removed, and then fell to a lower point than at any time in many years.

TABLE 8.—*Average prices paid in Danville (Va.) market for bright tobacco, by periods of years.*

Years.	Average number of pounds sold.	Average price.
		Cents.
1872–1878, inclusive	20,153,492	[a] 13.18
1879–1883	30,465,495	[a] 11.71
1884–1888	33,355,535	[b] 10.19
1889–1893	36,753,688	9.79
1894–1898	40,893,145	[c] 7.33
1899–1904	42,095,800	[d] 8.23

[a] Tax high. [b] Tax reduced. [c] Tax off. [d] Tax on.

TABLE 9.—*Table showing the total leaf purchases of the American Tobacco Company in the bright-leaf districts of Virginia, North and South Carolina.*

Year.	Number of pounds purchased.	Total amount paid.	Average price per pound.
			Cents.
1897	23,071,000	$1,531,000	[a] 6.64
1898	23,632,000	1,576,000	[b] 6.67
1899	30,581,000	2,064,000	[b] 6.75
1900	52,948,000	3,105,000	[b] 5.87
1901	32,751,000	2,387,000	[b] 7.29
1902	40,380,000	4,030,000	[c] 9.90
1903	65,095,000	6,516,000	[c] 10.01
1904	104,057,000	6,049,000	[c] 5.81
1905	71,450,000	5,436,000	[c] 7.60
1906	87,923,000	6,944,000	[c] 7.90

[a] Before tax. [b] With tax. [c] Without tax.

As to the price to the consumer, Mr. President, tobacco is an exception to the rule. It is a matter of extreme difficulty, as manufacturers will tell you, to increase the price to the consumer. That is for the reason that the size of the package is fixed by law; the price is fixed by custom at 5, 10, 15, and 25 cents, and so forth; the size of the cut of the plug is also thus determined; and thus a raise in price is only accomplished and has only ever been accomplished by the most extravagant advertising.

For example, when the tax was reduced after the Spanish war, the price having been advanced in various ways by the amount of the tax, it cost the American Tobacco Company, as is shown in the government report, millions of dollars in advertising to hold up the price. That price is now fixed by custom. To add this small amount of increased tax would cost the company much more in advertising than the amount of the tax. That they know this is true and that they know they will have to pay the tax out of their pockets is proved by their determined resistance to this amendment.

It was said that no growers appeared before the subcommittee; but the manufacturers did appear before the subcommittee and bitterly resisted this amendment. The first to appear was the counsel of the American Tobacco Company. If they are not to be affected, how does it happen that they are the ones who are protesting?

The reasons that I have given lift tobacco out of the general rule; but there is another reason that does apply universally. That is that whenever the seller of any article raises the price of the article above what the market will stand, the consumption immediately falls off, and while the seller nets more on a single sale, he loses on his gross sales.

I present here a table of figures taken by the Government from the books of the American Tobacco Company, showing that in 1906 and in 1907, when they thought they could raise prices arbitrarily and raise them above what the market would stand, the consumption immediately dropped so that upon these 11 brands the profits decreased $1,244,456 just by that experiment. Upon the other brands, of which there are a great number, they did not raise the price above the danger line, and it is upon these brands that their enormous profits are made.

Table showing decrease in profits of American Tobacco Company on 11 brands of tobacco, decrease being caused by attempting to raise price.

	Net profit, 1907.	Net profit, 1906.
Brand No.—		
1	$2,574,338.32	$2,656,865.04
2	2,841,547.80	3,318,584.84
3	173,188.50	337,207.14
4	738,778.08	924,758.24
5	560,669.73	620,269.92
6	72,840.50	83,703.36
7	323,658.79	317,134.02
8	95,838.70	159,475.45
9	187,668.22	348,885.11
10	75,040.62	80,372.43
11	413,945.10	454,715.75
Total	*8,057,514.45	9,301,971.30

* Decrease, 1907 from 1906, $1,244,456.85.

Mr. NEWLANDS. Mr. President——

The PRESIDING OFFICER. Does the Senator from Indiana yield to the Senator from Nevada?

Mr. BEVERIDGE. Yes; I do. I wish to get through in a few moments.

Mr. NEWLANDS. I simply wish to ask a question.

Mr. BEVERIDGE. Very well.

Mr. NEWLANDS. I wish to ask the Senator what proportion of the total tobacco of the country the tobacco trust controls as contrasted with the independent manufacturers?

Mr. BEVERIDGE. Something over 80 per cent, except in the case of cigars.

Mr. NEWLANDS. The Senator's contention, then, is that the imposition of this tax will not raise the price to the consumer?

Mr. BEVERIDGE. It is.

Mr. NEWLANDS. But the tax will simply be paid by the tobacco trust?

Mr. BEVERIDGE. It will—80 per cent of it.

Mr. NEWLANDS. It will also be paid by the independent manufacturers, will it not?

Mr. BEVERIDGE. To the extent of his business. That is demonstrated in the remarks I had the honor to submit some time ago, which were based upon the figures of the Government.

That the manufacturer does pay this tax—and that means practically that the American Tobacco Company pays it—is demonstrated by several telegrams which the Tobacco Leaf published in its efforts to kill this amendment. That journal sent out broadcast over the country to various manufacturers asking for these telegrams of protest. I shall not stop to read, but shall insert in these few remarks statements made in these telegrams from the various manufacturers declaring that they will have to pay the tax, and that that is the reason why they resist it.

Among these responses, however, were two from companies of the kind you sometimes find—men who are willing to pay a fair proportion of the burdens of the Government, and who are wise enough to know that it is better to do that than to continue an injustice. One which I have heretofore inserted in my remarks was from the great independent firm of the Surbrug Company, who actually say—and I suppose this escaped the editor before he saw it or he would not have printed it—they think that in most instances even a higher tax than I had proposed ought to be paid.

They say that on tobacco an increase of 2 cents a pound would hardly be noticeable; that on cigarettes a small increase would affect very few; but that at the end of each year the added amounts obtained by these small increases in revenue would amount to an enormous sum for the Government, as they would be derived from an indirect taxation that would work hardship to none.

In one telegram published by the Tobacco Leaf, protesting against this amendment, the reporter of that paper says that the manufacturers are opposed to the amendment, and continues:

"They claim the tax is high enough, and that the entire BURDEN OF THE INCREASE WOULD FALL UPON THE MANUFACTURERS."

Another manufacturer says in his telegram that the amendment "would have a very bad effect on cigar manufacturing interests, from the fact that when prices are established by manufacturers on their brands of cigars, *it is no easy matter to raise them.*" If true of cigars, of course this is true of other forms of tobacco.

Another manufacturer says in his telegram: "We object to the proposed increased tax on all tobaccos. In the event of such *the manufacturer would suffer.*"

But while all objected, still two of them actually proposed an increase. For instance, R. Whalen & Co., say in their telegram: "We would favor a greater tax of 6 cents a pound on all tobacco that retails for less than 50 cents a pound, and 18 cents on all that retails for 50 cents and over. This would be fair, honest, and just, and would furnish all the revenue needed."

Mr. President, this case is made up. I shall not even make an extended résumé of it. I have already taken hours of the Senate's time, laying repeatedly before it what was done in 1902—how the American Tobacco Company foresaw this action by Congress, as the government reports show, and have profited by it to the extent of from fifteen to nearly twenty millions of dollars a year that have gone from the Treasury of the Government to the treasury of the trust. I have shown that tobacco is now taxed less than at any time in our history since internal revenue taxation began, excepting only for the brief period immediately before the Spanish war. I have shown that even if we tax it as highly as we did prior to 1883, when we reduced the tax solely to reduce the surplus, and not because it was thought the tax was too high, even then we would not be taxing it from one-half to one-fifth what other countries tax it.

The situation is this: The American Tobacco Company and other manufacturers are still collecting the war tax that we removed and are transferring it from the Government's Treasury to their pockets, as the books of the manufacturers show, the reports of which have been laid before Congress. We now have the opportunity of undoing, as far as we may, the evil legislation of 1902 on the one hand, and of diverting from the treasury of the trust to the Treasury of the Government $9,500,000 annually on the other hand.

The tables I have presented demonstrate that not one cent of that will come from the leaf grower. The reasons I have given show that not one cent of the tax will come from the consumer. The Senator from Virginia [Mr. DANIEL] need not fear for the laborer. The American Tobacco Company now pays him as little as possible. The sole question is this: Do we need this revenue more than the American Tobacco Company does?

One thing more Senators should bear in mind: This amendment does not touch a single union cigar maker in the country. Before I finally modified it, when I presented it the second

time, I went over that matter with the union labor cigar people. *It does not increase the tax one cent on 95 per cent of the cigars produced in the country.*

Mr. BAILEY. Mr. President, it is, to my mind, a curious kind of argument which admits that the tobacco trust did charge to the consumer the war tax of 1898, and after the tax was repealed refused to remit that repealed tax to the consumer, and yet concludes that it will not now charge this tax to the consumer. The very fact that the tobacco trust exercises such a control over the market as enabled it to transfer the tax to the consumer when the Government levied a tax on it in 1898, and yet could refuse to reduce the price of tobacco when the Government reduced the tax, is to my mind a demonstration that the trust can and will compel somebody else to pay this tax if the Government now levies it. That it found a way to transfer to the consumers the tax levied to pay the expenses of the Spanish war is admitted here. Then, by what process of reasoning can we be asked to conclude that this tax will not also be transferred to the consumer.

If the state of the tobacco trade makes it impossible to transfer that tax to those who consume tobacco, then, to an absolute certainty, the tobacco trust will take it out of the men who grow tobacco. Any organization in this country which controls 80 per cent of a product will always exert such a command over the market that it can lay the burden where it pleases. If these people controlled 40 or 50 per cent, then the competition of the independent companies might render them powerless to take from the people who sell them the tobacco any part of this tax, and might likewise render it impossible for them to transfer any part of the tax to the people who buy their tobacco. The fact that this organization controls 80 per cent of the market—and that means that it purchases 80 per cent of all that the farmers sell and sells 80 per cent of all that the tobacco consumers buy—makes it, to my mind, a patent proposition that it will not pay the tax; and if I needed anything except the argument upon the principle to convince my mind, I would find it in the fact that when the Government did increase the tax the trust did increase the price.

Mr. President, it will not do to assume from the course of prices that a tax exerted a given effect, because many factors enter into and determine the price of every commodity. It is quite within the experience of all Senators here that sometimes even under a higher tax a commodity sells at a lower price. But that does not prove that it would not have sold still lower, except for the tax. That is one of the vices of the protectionist argument. They tell us that twenty years ago a given commodity sold at a given price, and that under the operation of the beneficent protective system it now sells for 75 per cent of its former price, and they thus invite the people to conclude that the tariff has produced the reduction. That is not the real test. The real test is what would that commodity sell for in our markets, except for the tariff; and that test is brought to a demonstration by taking the price abroad and adding to that price the cost of bringing the article here. Without the tariff added the price in our markets would be the foreign price, plus the cost of transportation and plus a fair profit to the man who imported it.

So it will not do, either in this or any other case, to declare that the tax has exerted no influence over prices because prices happened to be the same after the tax was reduced as they were before the tax was increased. The very tables which the Senator from Indiana has laid before the Senate show that the price varied in the years before the Spanish war came to demand that increase, and those tables likewise show that prices have varied since the tax was repealed. So it does not establish any contention to say that the farmers receive as much for their tobacco as they did aforetime.

The Kentuckians have a way of selling their tobacco to the trust, somewhat novel, but which has been demonstrated to be very effective. While I do not approve of that process, I am not perfectly certain that the men who take by force are not just about as honest and ought to be about as respectable as the men who take by fraud; and I am not sure that the tobacco trust, which levies upon the people an extortionate price upon what they consume, ought to enjoy our favor any more than those Kentuckians who ride at night to regulate such affairs. I approve neither method.

Let us pause and remember that the very object of forming a trust is to control the price it pays for the raw material and the price it receives for the finished product. Unless it could in a large measure control both transactions, a trust would fail of the very object of its organization; and I am compelled to believe that as you increase the tax on tobacco, this gigantic corporation will divide its burden between the people who consume tobacco and the people who produce tobacco, and I am by no means certain that it will not take it first out of the people from whom it buys its raw material and then take it all again out of the people to whom it sells the finished product.

If I could be persuaded by any kind of reasoning that we could tax this trust $9,500,000, and neither subtract anything from what the farmer receives for his tobacco nor add anything to what the American citizen pays for the tobacco he consumes, I would be glad to assess these people this large amount.

Mr. President, if we want to curtail the power of the trust, there is another proposition pending here deemed by its supporters of great importance. If we will agree to the amendment urged by the two Senators from Kentucky and the Senators from Tennessee to remove entirely the tax from certain leaf tobacco, it will afford a larger relief and, in my opinion, will be a more serious blow against the trust than anything proposed in this pending amendment. But I record it as my belief that if Congress can be persuaded to lay this tax upon this article of almost universal use, it will be laid ultimately upon the people, probably dividing the burden with the people who produce tobacco and those who consume it. The trust will never pay a cent except what it takes at first and at last out of the producer and the consumer.

Mr. FLETCHER. Mr. President, as indicating the views of people engaged in the manufacture of cigars and interested in one phase of this question, I ask to have read a telegram which I have just received.

The PRESIDING OFFICER. If there be no objection, the Secretary will read as requested.

The Secretary read as follows:

TAMPA, FLA., *July 8, 1909.*

Hon. DUNCAN U. FLETCHER,
Senate, Washington, D. C.:

Beveridge amendment increasing internal tax on cigars would be severe blow to the manufacturers of clear Habana cigars. We request you use your best efforts to defeat same.

TAMPA MANUFACTURERS' ASSOCIATION,
ENRIQUE PENDAS, *President.*

Mr. SMOOT. Mr. President, I simply want to call the attention of the Senator from Florida to the fact that there is no increase on cigars that is proposed in the amendment.

Mr. BAILEY. No; they leave it off of the men who can well afford to buy cigars and put it on the people who have to take their comfort in a plug of cheap tobacco.

Mr. FLETCHER. I understand that there is an increase on cigars where they are valued at $75 a thousand and above. There is no increase up to that point, but there is an increase on the more expensive cigars.

Mr. SMOOT. That simply applies to cigars that come from Cuba. It does not apply to any domestic cigars whatever.

The VICE-PRESIDENT. The question is on agreeing to the amendment of the Senator from Virginia [Mr. DANIEL] to the amendment. The Secretary will state the amendment.

The SECRETARY. On page 3, line 18, strike out the first word "eight" and insert "six;" and on page 4, line 5, strike out the word "eight" and insert "six."

Mr. SIMMONS. I ask for a yea-and-nay vote on the amendment to the amendment.

The yeas and nays were ordered, and the Secretary proceeded to call the roll.

Mr. BACON (when Mr. CLAY's name was called). My colleague [Mr. CLAY] is necessarily absent, and is paired with the senior Senator from Massachusetts [Mr. LODGE]. If my colleague were present, he would vote "yea."

Mr. DILLINGHAM (when his name was called). Owing to my general pair with the senior Senator from South Carolina [Mr. TILLMAN], who is absent, I withhold my vote.

Mr. GUGGENHEIM (when his name was called). I have a general pair with the senior Senator from Kentucky [Mr. PAYNTER], who is absent. So I shall withhold my vote.

Mr. LODGE (when his name was called). I have a general pair with the Senator from Georgia [Mr. CLAY]. If he were present, I should vote "nay" and he would vote "yea."

Mr. RAYNER (when his name was called). I am paired with the junior Senator from New York [Mr. ROOT].

The roll call was concluded.

Mr. BOURNE. I have a general pair with the senior Senator from Oklahoma [Mr. OWEN]. By mutual consent, we have dissolved that pair for to-day. I therefore vote "nay."

Mr. BAILEY. I wish to announce that the Senator from Kentucky [Mr. PAYNTER] is now and has been for more than a week at the hospital, and therefore unable to attend the sessions of the Senate. If he were present, I am sure he would vote "yea."

The result was announced—yeas 24, nays 53, as follows:

YEAS—24.

Bacon	Fletcher	McLaurin	Simmons
Bailey	Foster	Martin	Smith, Md.
Bankhead	Frazier	Money	Smith, S. C.
Chamberlain	Gore	Newlands	Stone
Culberson	Johnston, Ala.	Overman	Taliaferro
Daniel	McEnery	Shively	Taylor

NAYS—53.

Aldrich	Carter	Frye	Page
Beveridge	Clapp	Gallinger	Penrose
Borah	Clark, Wyo.	Gamble	Perkins
Bourne	Crane	Hale	Piles
Bradley	Crawford	Heyburn	Smith, Mich.
Brandegee	Cummins	Johnson, N. Dak.	Smoot
Briggs	Curtis	Jones	Stephenson
Bristow	Depew	Kean	Sutherland
Brown	Dick	La Follette	Warner
Bulkeley	Dixon	Lorimer	Warren
Burkett	Dolliver	McCumber	Wetmore
Burnham	du Pont	Nelson	
Burrows	Elkins	Nixon	
Burton	Flint	Oliver	

NOT VOTING—15.

Clarke, Ark.	Dillingham	Owen	Root
Clay	Guggenheim	Paynter	Scott
Cullom	Hughes	Rayner	Tillman
Davis	Lodge	Richardson	

So Mr. DANIEL'S amendment to the amendment was rejected.

The VICE-PRESIDENT. The question is on agreeing to the amendment of the committee.

Mr. MARTIN. I should like to have a vote on sections 14 and 15. Let them be voted on separately from the other sections.

The VICE-PRESIDENT. The Senator from Virginia asks for a separate vote on subsections 14 and 15?

Mr. MARTIN. Yes, sir.

The VICE-PRESIDENT. On each of the two?

Mr. MARTIN. On the two together. They are to the same effect.

The VICE-PRESIDENT. A separate vote is asked on subsections 14 and 15. The question is on agreeing to all the amendments save sections 14 and 15.

Mr. BAILEY. I want a yea-and-nay vote on the amendment before it is adopted.

The VICE-PRESIDENT. Very good. The Chair suggests that the first vote be taken on subsections 14 and 15. The question then will be on the remaining amendment.

Subsections 14 and 15 were agreed to.

The VICE-PRESIDENT. The Senator from Texas demands the yeas and nays on agreeing to the amendment.

Mr. SMOOT. I desire to call attention to section 16, and I ask that the sections named there, 10, 11, 12, 13, 14, and 15, be left blank, because they will not appear as sections in the bill.

Mr. BEVERIDGE. The numbers to be left blank.

Mr. SMOOT. Yes; we can put in the numbers afterwards.

The VICE-PRESIDENT. Is there objection to the request of the Senator from Utah? The Chair hears none.

The Senator from Texas asks for the yeas and nays on agreeing to the amendment.

The yeas and nays were ordered.

Mr. CULBERSON. Will the Chair be kind enough to state the question?

The VICE-PRESIDENT. The question now is on agreeing to the amendment offered by the Senator from Utah, the portion——

Mr. CULBERSON. Except sections 14 and 15.

The VICE-PRESIDENT. Except sections 14 and 15, which have already been agreed to. The Secretary will call the roll.

The Secretary proceeded to call the roll.

Mr. DILLINGHAM (when his name was called). I again announce my pair with the senior Senator from South Carolina [Mr. TILLMAN] and withhold my vote.

Mr. GUGGENHEIM (when his name was called). I again announce my general pair with the senior Senator from Kentucky [Mr. PAYNTER].

Mr. LODGE (when his name was called). I again announce my pair with the Senator from Georgia [Mr. CLAY]. If he were present, I should vote "yea," and he would vote "nay."

Mr. RAYNER (when his name was called). I am paired with the junior Senator from New York [Mr. ROOT].

The roll call was concluded.

Mr. DEPEW. I wish to announce that my colleague [Mr. ROOT] is on his way from the Champlain celebration, and will arrive early this afternoon. My colleague is paired with the Senator from Maryland [Mr. RAYNER].

Mr. GORE. My colleague [Mr. OWEN] is paired with the senior Senator from Oregon [Mr. BOURNE]. If my colleague were present, he would vote "nay."

Mr. CULBERSON. The Senator from Arkansas [Mr. DAVIS] is paired with the Senator from Illinois [Mr. CULLOM]. The Senator from Arkansas, if present, would vote "nay."

The result was announced—yeas 52, nays 25, as follows:

YEAS—52.

Aldrich	Burton	Elkins	Nixon
Beveridge	Carter	Flint	Oliver
Borah	Clapp	Frye	Page
Bourne	Clark, Wyo.	Gallinger	Penrose
Bradley	Crane	Gamble	Perkins
Brandegee	Crawford	Hale	Piles
Briggs	Cummins	Heyburn	Smith, Mich.
Bristow	Curtis	Johnson, N. Dak.	Smoot
Brown	Depew	Jones	Stephenson
Bulkeley	Dick	Kean	Sutherland
Burkett	Dixon	La Follette	Warner
Burnham	Dolliver	Lorimer	Warren
Burrows	du Pont	Nelson	Wetmore

NAYS—25.

Bacon	Foster	Martin	Smith, S. C.
Bailey	Frazier	Money	Stone
Bankhead	Gore	Newlands	Taliaferro
Chamberlain	Hughes	Overman	Taylor
Culberson	Johnston, Ala.	Shively	
Daniel	McEnery	Simmons	
Fletcher	McLaurin	Smith, Md.	

NOT VOTING—15.

Clarke, Ark.	Dillingham	Owen	Root
Clay	Guggenheim	Paynter	Scott
Cullom	Lodge	Rayner	Tillman
Davis	McCumber	Richardson	

So the amendment was agreed to.

Mr. TALIAFERRO. While the vote was being taken on the amendment which was just adopted I received several telegrams from parties in Florida largely interested in the manufacture of cigars, stating that the provisions of the amendment would be of great injury to their business, which I ask may be printed in the RECORD.

The VICE-PRESIDENT. Without objection, the telegrams will be printed in the RECORD.

The telegrams are as follows:

TAMPA, FLA., *July 8, 1909.*

Senator TALIAFERRO,
Senate, Washington, D. C.:

Try best to defeat increase internal revenue. It will work hardship. Believe cheap-goods factories are fostering same wherein child labor is employed. We employ skilled workmen at high wages. Profits on Havana cigars too small to stand increase. This measure, if enacted, will assist unscrupulous makers of so-called "cigars."

F. GARCIA & BROS.

TAMPA, FLA., *July 8, 1909.*

Senator TALIAFERRO,
Washington, D. C.:

Do your utmost best defeat increase on internal-revenue taxes; will ruin our business.

A. SANTAELLA & CO.

TAMPA, FLA., *July 8, 1909.*

Hon. JAMES P. TALIAFERRO,
Senate:

Beveridge amendment to cigar schedule distinctively inequitable, and would seriously injure interests of cigar manufacturers and skilled labor.

F. LOZAN SON & CO.

TAMPA, FLA., *July 8, 1909.*

Hon. JAMES P. TALIAFERRO,
United States Senate, Washington, D. C.:

Beveridge amendment severe blow all high-grade factories. Doubtless compel us reduce wages of our skilled labor and cause labor trouble.

LEOPOLD POWELL & CO.

TAMPA, FLA., *July 8, 1909.*

Hon. JAMES P. TALIAFERRO,
Senate:

The proposed Beveridge amendment to increase the internal-revenue tax on a sliding scale on high-grade cigars is unfair to Tampa manufacturers and will work a great detriment to the entire independent clear Havana cigar industry. If necessary to increase tax, we prefer a uniform rate, to apply on all classes of cigars. The proposed amendment discriminates against the majority of the manufacturers who come under this tax. Tampa makes a large percentage of cigars affected by the increased tax, and should the bill pass it would mean disaster to our business. We appeal to you for protection.

V. GUERRA DIAZ.

TAMPA, FLA., *July 8, 1909.*

Hon. JAMES P. TALIAFERRO,
Washington, D. C.:

Beveridge amendment increasing internal-revenue tax on cigars would be severe blow to the manufacturers of clear Havana cigars. We request you use your best efforts defeat same.

ENRIQUE PENDAS,
President Manufacturers' Association.

NEW YORK, *July 8, 1909.*

Hon. JAMES P. TALIAFERRO,
Senate:

The proposed graduated internal-revenue tax on cigars will work a serious injury to the clear Havana cigar industry in the United States,

as well as opening the door to fraudulent practices. We solicit your cooperation in maintaining the present internal-revenue tax on cigars.
F. LOZANO SON & Co.

Mr. BRADLEY. I offer an amendment as an additional section, to come in after the amendment which has just been adopted. The amendment proposes to remove the tax from leaf tobacco.

The VICE-PRESIDENT. The Secretary will read the amendment submitted by the Senator from Kentucky.

The SECRETARY. It is proposed to add at the end of the bill the following:

That subsection 9 of section 3244 of the United States Revised Statutes as amended by section 69 of the act entitled "An act to reduce taxation, to provide revenue for the Government, and for other purposes," of August 27, 1894, be, and the same is, amended so as to read as follows:

"Every person whose business it is to manufacture tobacco or snuff for himself, or who employs others to manufacture tobacco or snuff, whether such manufacture be by cutting, pressing, grinding, crushing, or rubbing any raw or leaf tobacco, or otherwise preparing raw or leaf tobacco, or manufactured, or partially manufactured tobacco or snuff, or the putting up for use or consumption of scraps, waste, clippings, stems, or deposits of tobacco, resulting from any process of handling tobacco, or by the working or preparation of leaf tobacco, tobacco stems, scraps, clippings, or waste, by sifting, twisting, screening, or any other process, shall be regarded as a manufacturer of tobacco: *Provided*, That unstemmed tobacco in the natural leaf and not manufactured or altered in any manner shall not be subject to any internal-revenue tax or charge of any kind whatsoever, and it shall be lawful for any person to buy and sell such unstemmed tobacco in the leaf without payment of tax of any kind: *Provided further*, That any person who sells natural leaf tobacco to manufacturers of tobacco, snuff, or cigars shall be deemed and considered a dealer in leaf tobacco and become subject to all the provisions, rules, and regulations of subsection 6 of section 3244, United States Revised Statutes, as amended by section 14, act of March 1, 1879, and also as amended by the act of March 3, 1883, and further, shall be subject to all the provisions of section 3360, United States Revised Statutes, as amended by section 14, act of March 1, 1879, and of sections 3359 and 3391, United States Revised Statutes: *And provided further*, That farmers and growers of tobacco may sell leaf tobacco of their own growth and raising to manufacturers of tobacco, snuff, or cigars without being considered leaf dealers or manufacturers of tobacco and shall not be subjected to the sections of the law and amendments thereof above named; and so much of section 3244 of the Revised Statutes of the United States and acts amendatory thereof as are in conflict herewith are hereby repealed: *Provided further*, That it shall be the duty of every farmer or planter producing or selling leaf tobacco, and every subsequent vendor of same, on demand of any internal-revenue officer or other authorized agent of the Treasury Department, under regulations to be prescribed by the Commissioner of Internal Revenue with the approval of the Secretary of the Treasury, to furnish such officer or agent a true and complete statement, verified by oath, of all his sales of leaf tobacco, the number of hogsheads, cases, or pounds, with the name and residence in each instance of the person to whom sold and the place to which it is shipped. And every farmer or planter or subsequent vendor, who willfully refuses to furnish such information, or who knowingly makes false statements as to any of the facts aforesaid, shall be guilty of a misdemeanor and shall be liable to a penalty not exceeding $500. And so much of section 3244 of the Revised Statutes, and acts amendatory thereof, as are in conflict herewith are hereby repealed; and section 3361 of the Revised Statutes is hereby repealed."

Mr. ALDRICH. The committee accepts that amendment as far as it can do so.

Mr. FRAZIER. Mr. President, I do not propose to detain the Senate to discuss this amendment at length. It is a very important one for the tobacco producers in my State and elsewhere. Both the senior Senator from Kentucky [Mr. PAYNTER] and myself have introduced amendments very similar to this. I heartily favor this amendment.

Mr. President, this amendment to give freedom of trade in leaf tobacco is of stupendous importance to the hundreds of thousands of farmers, in Kentucky and Tennessee and elsewhere, who are engaged in the cultivation and production of tobacco.

This is not in any sense a political question. It does not involve any question of protection or a tariff for revenue. It is an internal-revenue tax upon one of the farm products of this country. It is a business proposition in which is involved a question of simple justice to thousands of honest toilers, who feel that, under exsting law, they are being oppressed by a monopoly.

Mr. President, I invite the Senate to a careful and candid consideration of this question, feeling, as I do, that if Senators know and fully understand the conditions which prevail, and which have for a number of years prevailed, in the tobacco districts of the country, it will appeal with irresistible force to the sense of fairness and justice of every Senator in this Chamber. It is a great industry, from which the Government is receiving annually more than $40,000,000 in revenue and upon which more than a million of people are dependent for subsistence.

Mr. President, I do not arise to speak for great capitalists, who come asking that their investments may be protected from competition and that their profits may be enhanced by act of Congress. I speak for plain farmers, who have but small capital, for tenants who have even less, and for the laborers who toil in the tobacco fields of the country. They have no lobby quartered at the hotels in this city and swarming through the corridors of this Capitol. They are not able to come here and buttonhole Senators and personally plead their case. They depend solely upon the justice of their cause; and they have a right, Mr. President, to expect to receive at the hands of this Congress that just and fair treatment which should be accorded to every citizen and to every industry within the confines of the Republic. They are not asking that taxes be laid upon others for their benefit. They are asking only that the heavy hand of the law be lifted from their shoulders, and that they be accorded the same rights and privileges, no more and no less, that have always been accorded to every other agricultural product of this country—the right to sell what their labor produces from the soil as it comes from the soil without restriction and without tax. They ask simply that the law may untie their hands, that they may, by their own unaided efforts, create for themselves a market in which there shall be legitimate competition for their products now denied them by the power and the injustice of a gigantic monopoly.

The purpose and effect of this provision, Mr. President, is to remove all restrictions and all tax, and allow absolute freedom in the purchase and sale of leaf tobacco in the hand, in the raw and unmanufactured state just as it is taken from the stalk by the farmer. This leaf tobacco is stripped from the stalk by the producer and the leaves bound together in what is known as a "hand." The hand of tobacco is to tobacco what the bundle of fodder is to the stalk of corn and the sheaf to the wheat. It is the leaf in its crude and natural state just as it is gathered and cured by the farmer.

This amendment will accomplish two things, both of which, under existing conditions, are of the greatest importance to the tobacco growers of the country, and especially to those growers in the dark-tobacco district of Tennessee and Kentucky, as I will endeavor to show before I conclude:

First, it will allow the tobacco grower to sell his crop in the leaf, by himself or through an agent, without restriction or limitation and without paying a tax.

Second, it will allow his vendee to sell tobacco in the leaf, in its natural state, to whomsoever he will, without restriction and without the payment of a tax.

Mr. President, that Senators may see just what the existing law is, I will read that part involved in this controversy:

SEC. 69. Every person shall be regarded as a manufacturer of tobacco whose business "it is *to sell leaf tobacco in quantities less than a hogshead, case, or bale; or who sells directly to consumers*, or to persons other than duly registered dealers in leaf tobacco, or duly registered manufacturers of tobacco, snuff, or cigars, or to persons who purchase in packages for export; and *all* tobacco so sold by such persons *shall be regarded as manufactured tobacco* and *such manufactured tobacco* shall be put up and prepared by such manufacturers *in such packages only as the Commissioner of Internal Revenue, with the approval of the Secretary of the Treasury, shall prescribe.*"

Provided, That farmers and growers of tobacco who sell leaf tobacco of their own growth and raising shall not be regarded as manufacturers of tobacco; and so much of section 3244 of the Revised Statutes of the United States, and acts amendatory thereof, as are in conflict with this act are hereby repealed.

Provided further, That section 27, chapter 1244, page 863, volume 1 of Supplement to the Revised Statutes of the United States (which was the McKinley law) "be amended by striking out all after the word 'repealed.'"

It will be seen that this section deprives the vendee of the farmer, or producer of tobacco, of the right to sell this leaf tobacco without paying the tax. Another very remarkable provision of the law is this: Tobacco in the hand or leaf, in its natural state, just as the farmer cures it, without any process of manufacture whatever, is declared to be manufactured tobacco and subject to the payment of the 6 cents tax until you get 2,000 pounds together and put it in a hogshead, and then, though unchanged in character, it ceases to be manufactured tobacco and again becomes, by operation of this anomalous law, tobacco in the leaf and may be sold without tax. Both the vender and the vendee may sell the hogshead without the payment of the tax. But the farmer who produces that tobacco can not sell it in small lots to the consumer without delivering it in person, and his vendee can not sell it at all without the payment of the tax. The effect of this law is to force all tobacco into the hands of the manufacturer or exporter and to prevent the consumer from getting tobacco in the natural state. There are many consumers of tobacco, particularly of smoking tobacco, who would prefer to buy the leaf and themselves crumple or granulate it, suitable for the pipe. It is the best in that state because the purest. But under existing law that privilege is denied the consumer, and he is forced to pay the manufacturer from 40 to 60 cents a pound for what has cost the manufacturer not to exceed half a cent a pound to manufacture. The producer is, in effect, denied the right to sell, and the consumer is denied the right to buy, tobacco in

its natural state, though he might thus obtain a cheaper and purer tobacco.

The proviso of the existing law has been construed by the Commissioner of Internal Revenue. It has been held to mean that a grower may sell his product to the consumer, but he can not do so through an agent. The department has held that the right of the grower to sell and deliver his tobacco is a personal privilege, and can not be delegated to anyone else. I read from a letter from Hon. J. M. Yerkes, former Commissioner of Internal Revenue:

YERKES' LETTER.

In reply you are informed that a farmer or grower of tobacco may sell tobacco of his own growth or raising or that which he receives from his tenants as rent for land without restriction as to the quantity sold or the business of the person to whom the tobacco is sold and delivered. This privilege is one which the farmer or grower can not delegate to another person.

The farmer can not employ an agent to travel from place to place and sell and deliver his tobacco, but he may himself sell and deliver the tobacco in any quantity. If the tobacco is sold on sample by an agent, it must be delivered by the farmer or grower directly to the purchaser.

Thus it will be seen that the grower must go in person and deliver his tobacco to any consumer to whom he may desire to sell it. He can not send his tenant on his farm or employ an agent to find a purchaser and sell and deliver his tobacco for him. It will be readily seen that if the privilege of selling to the consumer is limited, as it is under existing law, to buyers to whom the producer can deliver in person, it is a privilege without value to the grower, for the reason that those round about him and accessible to him are themselves producers, and are sellers, not buyers, of tobacco. The farmers of Tennessee and Kentucky and elsewhere, who are engaged in the production of tobacco, can not leave their farms and go to Mississippi or Arkansas or Louisiana or elsewhere, where they might find a market for their leaf tobacco, so as to sell and deliver it as the law requires. The expense would make it unprofitable and impracticable. Hence it will be seen, Mr. President, that the practical effect of the law and the interpretation put upon it by the department, is to deprive the tobacco farmer of this pretended privilege, of selling his leaf tobacco to the consumer without tax, and to force him to sell it to one of three purchasers designated under the law—a licensed dealer, a manufacturer, or an exporter. So that, under existing law, the alleged right and privilege of the grower of tobacco, to sell his tobacco in the leaf to the consumer without tax, amounts to no privilege at all, and is practically worthless to him. While he is granted an abstract privilege, he is denied the practical use of it.

But even if the farmer could find a purchaser for his tobacco in the raw state, and had time and opportunity to go in person and sell and deliver it, the purchaser who buys it from the farmer, under existing law, can not resell it, though in the same condition in which he bought it, without paying the tax of 6 cents a pound. Under the law, while the grower has the privilege of selling his tobacco in the leaf directly to the consumer without paying a tax, provided he actually delivers it in person, the purchaser of such tobacco can not himself sell it in the leaf without thereby becoming a manufacturer and having to pay the tax of 6 cents a pound. In other words, no tobacco can be sold, even though in the leaf and in the crude and raw state, after it passes out of the hands of the producer, without payment of the tax of 6 cents per pound, except by a licensed dealer or an exporter. What the producer of tobacco asks, and what, it seems to me, he is justly entitled to, is freedom of trade for himself and his vendee in the product of his farm, in the natural or crude state, just as he harvests it from his field or takes it cured from his barn. The farmer who raises tobacco asks that he may take his tobacco to his merchant and exchange it for those things which his necessities force him to buy, or that he be left free by the law to ship and sell it in the leaf to a merchant or dealer, North, South, East, or West, wherever he can find a purchaser, and that that purchaser may sell it to the consumer, without tax, so long as it remains in its natural state. He does not now ask that the tax be taken off his tobacco after it has been manipulated, twisted, or changed in any respect from the natural state by any process of manufacture.

Now, let me demonstrate, as I believe I can, how this privilege which is sought by the tobacco grower, and which, it seems to me, is such a just and reasonable request, is of the greatest importance to the tobacco producers, particularly in the States of Tennessee and Kentucky. Certain portions of those two States constitute what is known as the "dark-tobacco district." It embraces portions of middle Tennessee and western Kentucky. It is a rich and fertile soil, better adapted to the growth of tobacco than to any other crop. It produces a tobacco of great richness, fine flavor, and delicious aroma. Under ordinary conditions there is produced in that district between 80,000,000 and 90,000,000 pounds of this dark tobacco.

It is a very fine quality of tobacco, and is in great demand not only for manufacturing purposes in this country, but in certain European states whose governments maintain a monopoly in the sale of tobacco. Something like 80 per cent of the product of this dark-tobacco district is exported, and upon that portion of the product which is exported the Federal Government, of course, collects no tax and receives no revenue. A number of European governments, among which are France, Austria, Spain, Italy, and perhaps others, maintain a government monopoly in tobacco; that is, those Governments retain to themselves the exclusive right or privilege to sell tobacco in its various forms to their people, and the profits from this monopoly constitute one of the largest sources of revenue of those Governments. As stated above, the dark tobacco grown in Tennessee and Kentucky is the tobacco most largely used and sold in those countries.

Prior to about 1900 there was a genuine bona fide competition between the buyers of leaf tobacco for these several Governments, known as the "Regie purchasers," and the manufacturers of tobacco in this country, so that the growers of dark tobacco in the dark-tobacco district, by reason of the existence of a legitimate competition, realized a fair price for the products of their farms and a reasonable return for their labor, but since that time practically all competition in the purchase of this leaf tobacco has been eliminated and destroyed, and the tobacco grower now has, to all intents and purposes, only one purchaser for his crop, who absolutely fixes the price of his product and forces him to accept it or let his tobacco rot in his barn. Under present conditions and under existing law the grower of tobacco is at the mercy of this monopolistic purchaser and must accept his terms, though the price which he offers be below the actual cost of production.

Now, let me explain how this condition, so unjust and unfair to the tobacco grower, has been brought about. It must not be forgotten that under existing law the producer of tobacco is not free to sell his tobacco, by himself or his agent, to whomsoever he pleases, but is forced by operation of law to sell to a dealer or a manufacturer or an exporter. In 1890 there was organized under the laws of the State of New Jersey a corporation known as the "American Tobacco Company," with a capital of $25,000,000. Its ostensible purpose was the manufacture of cigarettes. That corporation, immediately after its organization, began to buy up, to absorb, and to consolidate many of the independent tobacco manufactories in this country, and in less than ten years its control and monopoly of the cigarette manufacture and business was complete. In 1898 the Continental Tobacco Company was organized, with a capital of $70,000,000. It was controlled by the same men who constituted the dominating influence in the American Tobacco Company, and was, in fact, but a subsidiary of that company. The purpose of its organization was to secure the control and monopoly of the manufacture of plug tobacco, and by a relentless warfare on its competitors and by a process of absorption it accomplished its purpose. It next organized the American Snuff Company, and by the same process of consolidation and absorption it acquired a monopoly of the manufacture of snuff in this country. Thus the American Tobacco Company acquired and holds to-day a complete mastery over the tobacco manufacturing business of the United States, except only that of cigars. In the past eighteen years it has increased its capital to $316,346,821, and in addition thereto it owns large and controlling interests in many subsidiary companies. So rapid has been its growth, and so far-reaching and complete has been its absorption and control of independent concerns that it controls 82 per cent of the output of plug tobacco in this country, 71 per cent of the smoking tobacco, 81 per cent of the fine cut, and 96 per cent of the snuff, and at this time, by this process of absorption and consolidation, it owns or controls at least 80 per cent of the entire product of all kinds of tobacco manufactured in this country. Its total capitalization, including stocks and securities held by it in subsidiary companies belonging to the combination, is more than $450,000,000. Its dividends have ranged from 20 to 32 per cent per annum. It completely dominates the American tobacco market, and is able and, in fact, does fix the price to be paid the tobacco grower for the raw product of his farm and likewise fixes the price at which the finished product shall be sold to the consumer.

In 1901 this mighty combination determined to extend its operations and influence abroad, and to more effectually carry out its purposes it organized the Consolidated Tobacco Company, which was a holding company. It entered the British Empire and waged a relentless industrial warfare upon the Imperial Tobacco Company and other competitors there until it forced the Imperial Company to capitulate. Thereupon these two great corporations entered into the treaty of peace, by the terms of which they praceled out the tobacco world between them. For the information of the Senate I read the substance of that remarkable compact.

It was also agreed that the Imperial should have the trade of Great Britain and Ireland itself. It was likewise arranged that the American Company, in which, of course, the British had no interest, should remain in undisputed possession of the United States, Cuba, and the Philippines. To deal with the outside trade, the British-American Tobacco Company was formed, with both England and American directors, but with the Americans in control. In other words, the Imperial surrendered the entire foreign market to the control of the Americans and gave them an interest in its own business as the price of the peace.

Mr. President, no victorious conqueror of old ever parceled out his conquered provinces among his generals more completely than did these industrial corporations parcel out the tobacco world between themselves. When the monopoly of the tobacco trust had thus been made world wide it entered into some kind of an arrangement with the Regie purchasers, who had contracts to supply the governments which maintained government monopoly in tobacco, by which the dark-tobacco district of Kentucky and Tennessee was to be parceled out, and each assigned a territory, so that there should be no competition in the purchase of that tobacco from those who toiled in the fields to produce it. While the contract or arrangement to prevent competition can not be proven, the fact that competition was absolutely destroyed is susceptible of demonstration. Mr. President, I have here an affidavit, made by a former employee of the tobacco trust, whose character and credibility is vouched for by Hon. A. O. STANLEY, a Member of the House of Representatives from Kentucky, in a letter to me, which I ask to have printed in the RECORD without reading:

HOUSE OF REPRESENTATIVES,
Washington, D. C., May 13, 1909.

Senator JAMES B. FRAZIER,
United States Senate.

MY DEAR SENATOR FRAZIER: I am inclosing you herewith copy of an affidavit made by Mr. A. O. Dority, for whose absolute integrity I can unhesitatingly vouch. I inclose a copy of this statement, which was taken in my presence. I sincerely hope that it may be of some service to you in your fight for this much-needed legislation.

Yours, very truly,

A. O. STANLEY.

The affidavit is by Mr. A. O. Dority and is as follows:

A. O. Dority states:

"It is my opinion that the independent man who bought it could not find a buyer, for the reason that the trust people have bought, with their agents, a sufficient amount to furnish their immediate wants and to control the market, and at that time I was buying for the trust.

"For the first two years prior to the formation of the association I bought for the Italian regie, and the average was about $4.90, including my commissions, and I bought the best tobacco in our country. The next two years I bought for the American Snuff Company. The prices averaged $3.67 for the last two years when I bought for the American Snuff Company. Such tobacco is now bringing about $11. I was in the employ of the Italian regie; I had a territory and no other Italian man bought in my district, and nobody else until I got through, and the American Snuff Company did not buy in my territory while I was working for the Italian regie, and it was the same way when I was working for the American Snuff Company. That is, I had an allotted territory, and no buyer for the Italian regie entered it. While I bought for the American Snuff Company it sold for an average of $3.67. I bought all kinds of tobacco that was in our section.

"These facts I have previously furnished to Mr. Littlepage, and the facts which I will state, after an examination of my books, I furnished Mr. Littlepage, and which I presume are now in the archives of justice."

More than that, Mr. President, it was proven in the hearings before the House Ways and Means Committee that in my own State one of these purchasers, representing this combination, bought the tobacco of a farmer on one side of a road and refused to even look at or price the tobacco of the same farmer in another barn across the road, though the tobacco was similar in kind and quality and raised on the same farm, because, he said, that was outside of his district. That all competition has been destroyed in the purchase of this tobacco, and that there is a monopoly which arbitrarily dictates the price at which it shall be sold, is proven by testimony which can not be successfully controverted. The price which they will pay for tobacco is agreed upon in advance, so that, in fact and in reality, the producer of tobacco in that district, for the great bulk of his crop, has only one purchaser to whom he can sell. The price at which he must sell his tobacco is arbitrarily fixed and determined without reference to the cost of production or the interests of the producer, and the farmer must accept the price fixed for him or allow his tobacco to remain unsold in his barn. It is, of course, to the interest of the manufacturer and purchaser of tobacco to obtain the raw material at as little cost, and hence at as low a price, as possible. The lower the price at which the monopoly could force the producer of tobacco to sell his raw product, the greater the profits to the trust; for while this combination was beating down the price of the farmer's product to a starvation figure, it did not allow the deduction of a single penny from the price at which it sold the manufactured product to the American consumer. Thus the tobacco grower is hedged about by restrictions and burdens of law on one hand, and by the trust upon the other. The law binds and holds him fast, while the trust strips him of the fruits of his labor. It seems to me that this injustice to an honest and hard-working people should appeal to the sense of fairness of every Senator here and impel him, so far as possible, to secure for the farmers of this district relief from these unfair conditions. What we seek by this amendment is to free the tobacco farmer from these legal restrictions and from this unjust tax, and thus untie his hands that he may have at least an equal chance in the fight against the trust.

We seek to open the door to him for other purchases and to give him freedom to seek another market, so that when the combination refuses to pay him a fair and just price for the product of his toil he can refuse to sell to the combination and send his tobacco in the natural leaf to seek a market among the consumers of tobacco throughout the land. He does not ask the privilege of manufacturing his product without tax. He does not even ask that he may be allowed to twist it or manipulate it with his hands to put it in merchantable shape. He only asks the poor privilege of sending it forth as he has gathered it and cured it, and in that form seek a purchaser where he can find him. He only asks what is freely granted to every other tiller of the soil in this country—that what he raises may be sold in its natural state, without restriction and without tax.

How will the repeal of this law afford relief? It will open up and create a demand for leaf tobacco in the South and elsewhere, and give the farmer another market for his product, and thus insure to him competition in the purchase and sale of his crop. The farmers in the dark-tobacco district believe that if there is granted freedom of exchange and trade in leaf tobacco, they can find a market for their products in the lumber camps, the coal mines, and on the cotton plantations of the South for at least a portion of their crop. There is a demand for it among the laborers in those industries now, but under the law the tobacco producer is precluded from taking advantage of it. By the possession of the privilege granted in this amendment, they will be able to force the tobacco trust, which, under existing conditions, has a virtual monopoly of their crop, to pay a price commensurate with the labor and cost of production.

Under the conditions which I have described, competition in the purchase of this tobacco was so completely destroyed that only a few years ago the price of raw tobacco was forced below the actual cost of production. The price in the tobacco market of Tennessee went down as low as 3 or 4 cents per pound, when the cost of production is proven to be upon the average about 6 cents per pound.

These conditions became so intolerable to the tobacco growers of Tennessee and Kentucky, and brought their industry to such a hopeless state, that they organized themselves into an association, known as the "Planters' Protective Association of Kentucky, Tennessee, and Virginia," for the purpose of bringing about a mutual agreement among the tobacco growers to hold their crops and refuse to sell until they could thus force the trust, practically their only purchaser, to pay them a just and fair price for their product. This association had and has now as its officers and at its head men of the highest standing and integrity of character. They were law-abiding men, and the association had no unlawful purpose in its organization. It sought only cooperation among the growers to hold their crops until they could realize a just and living price for them. In its membership is embraced perhaps 90 per cent of the tobacco growers of the entire dark-tobacco district. Through the influence of this association a large per cent of the tobacco growers of that district held their crops for three years, until they finally forced the trust to pay them a reasonable price for their tobacco.

But, Mr. President, this organization is expensive to maintain. Its success is always problematical, for its members

are widely scattered, and many of them poor and needy, and during its existence acts of lawlessness have been committed, which no man who believes in a government by law can justify or condone. But even though its success should be assured, is it just and fair to force these farmers to organize as for a commercial war to protect themselves against the aggressions of a trust, whose capital and power make it a hard and unequal struggle? Every citizen, however humble, is entitled to the protection which just and equal laws give him, and it is no credit to a free government to so write its statutes that its citizens are forced to join together to secure that protection from monopoly which the law itself should afford. Under such conditions as these, it does seem to me that this great Government can not longer afford by these unfair laws to hamper and restrict these producers in the free and untrammeled disposition of their product.

Now, what are the objections to this amendment? They are two. One is administrative; the other that it will affect the revenues. The first is that freedom of trade in leaf tobacco will make it more difficult to keep trace of, and hence to collect the tax on manufactured tobacco. Mr. President, there was no tax and no restriction on the sale of leaf tobacco under the act of 1890, and yet no difficulty was experienced in collecting the tax on manufactured tobacco. And no such complaint was ever registered against that law, so far as I have been able to ascertain, by the department charged with the responsibility of enforcing it. Former Commissioner Yerkes, in a letter to me upon this question, used this language:

* * * * * * *

Answering your questions more specifically, I would say that, in my judgment, the loss in revenue to the Government if this or a similar bill should become a law would be comparatively small, and no serious annoyance or embarrassment would be occasioned in the execution of the law and in the proper administration of departmental affairs so far as the Internal-Revenue Bureau is concerned.

* * * * * * *

But to my mind, Mr. President, there is a complete and conclusive answer to this objection. It must be borne in mind that the tax on manufactured tobacco is on the finished product. The manufacturer, under the law, pays the tax on what he sells, not on what he buys. He can not sell one pound of tobacco without placing on the box or package a government stamp showing the weight and character of the contents. No retailer can buy or sell that package without the stamp upon it. It is of no consequence to the Government how or where the manufacturer gets his raw tobacco. Its only concern is to know that every pound which goes out from the manufacturer bears a stamp showing that it has paid the tax of 6 cents a pound. This, it seems to me, is a complete check upon the manufacturer, and under this amendment no possible fraud could be practiced on the Government with respect to the tax on manufactured tobacco.

But this amendment further guards the revenues of the Government by providing that the producer of leaf tobacco and any subsequent vender thereof shall keep and furnish on demand a record of all sales over 10 pounds.

Now, as to the second objection, will it materially affect the revenues of the Government? There is now, practically, no revenue derived from the sale of leaf tobacco. Mr. Yerkes, former Commissioner of Internal Revenue, in the hearings before the House committee, in answer to a question as to how much revenue was received from the tax on leaf tobacco, said: "I will say about nothing."

Mr. Yerkes further said: "I do not think that it would materially injure the revenue of the Government," referring to the bill then pending before the House, to remove the tax of 6 cents on leaf tobacco. Practically the only loss to the revenues of the Government, Mr. President, should this amendment be adopted, would be the tax on that amount of manufactured tobacco, which the leaf thus sold would displace. How much of this leaf tobacco would go into the market and be sold and used by the consumers and thus displace pro tanto that amount of manufactured tobacco, no one can tell, but my judgment is, Mr. President, that it would be a comparatively small amount, for the reason that I do not believe that the farmers and producers of tobacco would in fact go to the trouble and expense of preparing their tobacco for market and trying to build up a trade in leaf tobacco, difficult and expensive to handle in that shape, provided they could sell their tobacco in a lump, at a fair and reasonable price, to the manufacturer.

And I feel assured that the fact that the producer and dealer had the privilege of selling his tobacco in the leaf in small quantities to the consumer would force the tobacco trust to pay a fair price for his raw product. The value to the farmer would consist in the possession of this privilege rather than in its exercise. The manufacturer of tobacco would be vitally interested in preventing the farmer and small dealer from building up a trade in leaf tobacco which would, to the extent of its use, become a competitor to his manufactured product, and to prevent this he would be willing to pay the producer a fair and reasonable price for his product. For these reasons I am convinced that the loss of revenue to the Government would in fact be inconsequential.

But even if the loss of revenue should be considerable, Mr. President, the facts and circumstances which surround this industry and the unfortunate conditions which prevail in this dark-tobacco district make it imperative upon us to grant some relief from the exactions of this grinding monopoly. A just government owes this much to the tiller of the soil, even though by giving justice it may lose revenue. Mr. President, there is no man in all the domain of agriculture who expends more time, labor, and watchful care in the planting, cultivation, harvesting, and curing his crop and preparing it for market than the tobacco grower. It is said that it requires thirteen months' work to raise and mature a tobacco crop. The planter must first burn the soil and make his beds, sow his seed, transplant his plants, cultivate his crop, and with watchful care guard it against the ravages of the tobacco worm; and when it is matured he must harvest it with the greatest care, house it in barns especially built for that purpose, cure it, and, finally, strip it and bind it in the hands before it is ready for the market.

All of this involves much labor and great pains and skill, and surely we can afford, even at a slight loss of revenue, to grant these hard-working people that small measure of relief which they ask and which they hope and believe will tend to restore a prosperity which once abounded in their land. To deny the prayer of these toiling thousands is to leave them bound and exposed to the onerous exactions which the tobacco trust has placed upon them. Let Senators who are willing that this monopoly shall continue to dominate this industry and to force the plain, hard-working farmers to sell the product of their toil to it below the cost of production vote against this amendment. The issue is made. It is for you to determine it, but you can not escape it.

Mr. President, three times has a bill embodying the substance of this amendment passed the other House, and three times it has died in the Committee on Finance in the Senate, and now for the fourth time it has passed the House in this bill. Its passage will not injure one American industry, but it will give life and hope to an old and important American industry. It will not take from any tobacco manufacturer one farthing to which he is justly entitled. It will not materially affect the revenues of the Government, but it will tend to bring peace and order to that portion of Tennessee and Kentucky which has been the scene of disorder and bloodshed, and I believe it will have a potential influence in restoring prosperity and bringing happiness to the tens of thousands who toil in the heat and burden of the day.

The VICE-PRESIDENT. The question is on agreeing to the amendment offered by the Senator from Kentucky [Mr. BRADLEY].

Mr. DANIEL. I have before me two amendments offered by the Senator from Kentucky. One is dated April 19 of this year, and the other is dated May 15.

Mr. BRADLEY. The amendment I have just offered is dated May 15.

Mr. DANIEL. It is in print?

Mr. BRADLEY. It is; but I have made some modifications.

Mr. DANIEL. I shall not enter into an argument upon this subject, because I recognize the situation; it explains itself. But I do not think it is right to charge the vendee of tobacco, because he sells to a manufacturer, with being himself a manufacturer. That applies, I understand, to the plain, unmanufactured matter of a hand of tobacco, which are the leaves taken from the top.

Mr. BRADLEY. Will the Senator from Virginia permit me to make an explanation?

Mr. DANIEL. I would be glad to hear it.

Mr. BRADLEY. The Senator is mistaken. The amendment with the changes merely requires not that the vendee shall become a manufacturer, but the farmer's vendee can sell without paying any tax, just as the farmer can sell; but when he does sell, he must be in condition to make the same report to the revenue officer of the Government the farmer is required to make. There is no tax on anybody who sells this tobacco in hand.

Mr. DANIEL. I am glad to hear that, because I misapprehended the reading of the amendment.

The VICE-PRESIDENT. The question is on agreeing to the amendment proposed by the Senator from Kentucky [Mr. BRADLEY].

The amendment was agreed to.

Mr. CURTIS. I offer the amendment which I send to the desk.

The VICE-PRESIDENT. The Secretary will read the amendment.

The SECRETARY. It is proposed to insert the following proviso:

Provided, That if there be imported into the United States crude petroleum produced in any country which imposes a duty on petroleum exported from the United States, there shall in such cases be levied, paid, and collected a duty upon said petroleum so imported one-half of the duty imposed by such country.

Mr. ALDRICH. That should be inserted as a proviso to paragraph 637.

Mr. FLINT. Mr. President——

The VICE-PRESIDENT. Does the Senator from Kansas yield to the Senator from California?

Mr. CURTIS. I do.

Mr. FLINT. On behalf of the Committee on Finance, I accept the amendment offered by the Senator from Kansas.

Mr. CURTIS. Mr. President, I offer this amendment at the request of the independent oil producers of this country. Of 600,000 barrels of crude oil produced a day in the United States, the independent oil producers furnish 89 per cent of that production. This amendment only applies to crude petroleum. In the production of the 89 per cent of the crude oil of the country, the independent oil producers employ over 500,000 people in that great industry. Some ten years ago the independent refineries of the country only produced 5 per cent of the refined oil, while to-day they produce over 20 per cent of the refined oil used in this country; and in the States where there are independent refineries the oil is cheaper than in States where there are none. In Kansas we have 18 independent refineries. They produce 45 per cent of the oil used in our State, and oil is selling cheaper in Kansas than in any other State in the Union.

In behalf of these independent producers, who are afraid of the large production of oil in Mexico, I offer this amendment. It applies only to countries that levy a duty against oil which is exported from this country to their country, and it is only one-half of the duty which is levied by those countries.

Mr. ALDRICH. I suggest to the Senator from Kansas that his amendment has been accepted.

Mr. CURTIS. Mr. President, in this connection I want to have read a newspaper clipping which has just been handed to me, showing the discovery of a new oil well in Mexico and the amount of its production.

The VICE-PRESIDENT. Without objection, the Secretary will read the clipping referred to by the Senator from Kansas.

The Secretary read as follows:

GUSHER NEAR TUXPAM—200,000 BARRELS A DAY BELIEVED TO BE FLOWING—STANDARD CONTROLS IT.

MEXICO CITY, *June 28, 1909.*

One of the biggest oil flows in the history of the industry has just been obtained in a well near Tuxpam, State of Veracruz. The daily output of the well is estimated at 200,000 barrels.

It is located upon a tract of land which is owned by George I. Ham, an American banker of this city. It is situated only a short distance from the big tract of land which was recently purchased by E. H. Harriman.

The oil flow was struck at a depth of 2,800 feet. The pressure is so strong that efforts to cap the well have not yet been successful. Earthen tanks are being constructed in which to store the oil temporarily. It is reported that the Standard Oil Company owns the rights to the land.

The VICE-PRESIDENT. The question is on agreeing to the amendment submitted by the Senator from Kansas [Mr. CURTIS].

Mr. BACON. Mr. President, I do not desire or purpose to detain the Senate by any extended discussion of this matter, but a few days ago, when a similar proposition was before the Senate as that embodied in the substitute offered by the Senator from Massachusetts [Mr. LODGE] to the income-tax amendment, which had been offered by the Senator from Texas [Mr. BAILEY]—I think that was the time—I alluded to the fact that this matter had been under discussion in the House during the last Congress and that a very interesting speech had been made in regard thereto by a Representative from Wisconsin, Mr. KÜSTERMANN. I purpose now simply to have that part of the speech read from the desk, in order that Senators may know—the part I desire to have read is not long, and it will not take more than five or ten minutes—in order that Senators may know the certain result which will follow the adoption of the pending amendment. Before having the Secretary read the part of the speech which I desire—it is less than two columns—I desire to say that Mr. KÜSTERMANN, after an investigation and calculation upon the figures, shows that the countervailing duty as contained in the Dingley law had within ten years put into the treasury of the Standard Oil Company $133,900,000. Assuming that the foreign sales in Great Britain would be the same as they were in those ten years, the effect of the countervailing duty, if Mr. KÜSTERMANN's position is correct—of course that is to be judged when what he says is read—the effect of the present amendment will be to put one-half that amount into their treasury, which, of course, is that much taken out of the pockets of the American people.

Mr. KÜSTERMANN shows that the Standard Oil Company during this period sold its product in Great Britain between 2 and 3 cents a gallon less than it was sold for to the people of the United States. I presume it is upon that basis that the result is reached by him as to the amount which the Standard Oil Company receives from the American people in excess of what it would have received had it not been for the countervailing duty.

Mr. SCOTT. Mr. President——

The VICE-PRESIDENT. Does the Senator from Georgia yield to the Senator from West Virginia?

Mr. BACON. I do.

Mr. SCOTT. Mr. President, I do not want to bring on a discussion, but the Senator from Georgia certainly knows that the oil which the Standard Oil Company sells in Great Britain is of a grade not at all in comparison with the grade of oil which is sold in this country. It is just like many other things which are sold in foreign markets; it is of an inferior grade. The Senator from Georgia certainly knows that.

Mr. BACON. Mr. President, I do not suppose there can be any doubt about the fact——

Mr. GORE. Mr. President——

The VICE-PRESIDENT. Does the Senator from Georgia yield to the Senator from Oklahoma?

Mr. BACON. I do.

Mr. GORE. Mr. President, I should like to say that the grade of oil sold in England and in other foreign countries by the Standard Oil Company is known as "Standard white oil," while the grade sold in the United States is known as "water white oil." The difference between the values of the two oils is 1 cent a gallon.

Mr. SCOTT. The Senator from Georgia also knows that we have state laws which compel the Standard Oil Company to make their oil of a certain test. It must stand a certain test in this country.

Mr. BACON. Mr. President, what I was about to say when I yielded to the Senator from Oklahoma [Mr. GORE] was, without going into the details of the discussion, that the purpose of this amendment certainly is to enable the oil company, whichever company that might be, or companies, to collect more out of the people of the United States for that oil than they otherwise would collect. There is no question about that, I suppose. I will have the discussion of this matter by Mr. KÜSTERMANN read from the desk, in order that Senators may judge whether or not his contention is correct. I ask that the parts of his speech which I have marked on pages 1425 and 1426 of the CONGRESSIONAL RECORD may be read.

The VICE-PRESIDENT. Without objection, the Secretary will read as requested.

Mr. ALDRICH. Mr. President, I do not know what the statement is, but I presume the Senator from Georgia has stated the substance of it.

Mr. BACON. I did not hear what the Senator from Rhode Island said, because he said it while I was myself speaking.

Mr. ALDRICH. I said that I supposed the Senator from Georgia had stated the substance of the remarks he has referred to.

Mr. BACON. I have not.

Mr. ALDRICH. I dislike at this stage of the session to have time taken up by reading remarks that are already in the RECORD, unless the Senator from Georgia insists upon it.

Mr. BACON. I am desiring them read, not that they may go into the RECORD, but that Senators who are to vote on this question may have the argument and the information. That is the only purpose I have. I now ask that the matter be read. If the Senator objects to that, of course I shall have to read it myself. I desire to have the parts of the speech read which I have marked on pages 1425 and 1426, omitting the tables, but asking that they may be inserted in the RECORD.

The VICE-PRESIDENT. Without objection, the Secretary will read as requested.

The Secretary read as follows:

In paragraph 626, under section 2, a number of articles are enumerated on which there is no import duty, among them petroleum, crude and refined, but the one who reads the paragraph to the end will find that the thirty or forty other kinds of oils mentioned in the paragraph are actually on the free list, while petroleum is in reality removed from the free list by an innocent little proviso or joker at the end of the paragraph, which reads as follows:

"*Provided*, That if there be imported into the United States crude petroleum, or the products of crude petroleum, produced in any country which imposes a duty on petroleum or its products exported from the United States, there shall in such cases be levied, paid, and collected a duty upon said crude petroleum or its products so imported equal to the duty imposed by such country."

That is the same paragraph, gentlemen on the Democratic side, that you had in your tariff [laughter on the Republican side] in 1894, and our people overlooked it.

The effect of this cunning little proviso is that the petroleum of the Standard Oil Company has greater protection than almost any other article appearing on the Dingley tariff.

The only competitor of any account in the petroleum business is Russia, which country has such vast resources that not alone is it able to supply all demands at home, but it has a great surplus to ship outside.

With the high prices of oil in the United States, the Russian producers of petroleum would be pleased to sell us part of their product, and sell it at a less price than it is sold for by the great monopoly in this country, but there stands that little joker in our tariff laws, charging the same duty as is charged the American oil in Russia—in some cases 100 and even 200 per cent.

I presume Russia is charging such a high import duty because it knows that if it were not for this, the Standard Oil Company would first ruin all the Russian oil industries by offering oil at cost if necessary, and afterwards charging extravagant prices to the Russian consumer.

One would think that under such a high wall erected against Russian oil not one drop would be sent into the United States, but some of it must have found its way into this country, because, from reports procured from the Treasury Department, I find that $35,963.65 have been collected at American ports on Russian oils within the last six years.

The rates charged were 5.4 cents per gallon on crude and 2.34 cents on refined oils.

There was sent to this country from foreign ports during the last six years 38,413,312 gallons, much of which must have come from countries that have no import duty on American oil, such as Austria-Hungary, Roumania, Dutch East Indies, and British India.

* * * * * * *

The Russian tariff bearing on oil and its products imported into Russia is as follows:

	Rubles per poud.
Petroleum, crude	0.30
Liquid products distilled from petroleum (kerosene), photogen; solar oil; paraffin oil and lubricating oil; naphtha-ether, gasoline, ligroin, benzine, etc	1.80

(One ruble equals $0.515 and 1 poud equals 36.1 pounds.)

So great is the output of crude oil in Russia that in 1900, when there were no political disturbances, the production exceeded that of the United States by over 12,000,000 barrels. The remarkable feature of this is that the leading Russian oil wells are all within a radius of about 6 square miles at Baku, on the Caspian Sea.

The following table shows approximately the crude-oil production of the world at five-year intervals from 1885 to 1905, distinguishing the leading countries. The figures for the minor fields in the earlier years are imperfect, but the total production of these fields at that time was very small:

World's production of crude oil on the first of every fifth year from 1895–1905.

[Barrels of 42 gallons.]

Year.	United States.	Russia.	Austria-Hungary.	Roumania.
During 1885	21,859,000	13,498,000	----------	193,000
During 1890	45,824,000	27,661,000	659,000	383,000
During 1895	52,892,000	46,140,000	1,453,000	575,000
During 1900	63,621,000	75,779,000	2,347,000	1,629,000
During 1905	134,718,000	51,000,000	5,765,000	4,421,000

Year.	Dutch East Indies.	British India.	All other countries.	Total.
During 1885	----------	----------	350,000	35,900,000
During 1890	----------	118,000	200,000	74,845,000
During 1895	900,000	372,000	288,000	102,680,000
During 1900	1,968,000	1,078,000	1,693,000	148,115,000
During 1905	7,768,000	4,137,000	2,629,000	214,398,000

Now, let us see whether our great monopoly needs protection.

In 1903, when the average price of American oil in the United States was 10.9 cents per gallon, the New York export price was 5.9 cents per gallon, and the American oil was sold in London for 8¼ cents per gallon, or 2.4 cents per gallon less than the United States oil monopoly was furnishing it for in Chicago, Philadelphia, or any other American city. In other words, our oil monopoly was selling its product cheaper to foreigners than to American citizens, even after adding the expense of transportation across the ocean.

In 1905 the price of oil in America came down to 9⅓ cents per gallon and the price in London to 5.8 cents per gallon.

Thus American oil was sold in London 3.4 cents per gallon less than in American cities.

In the following table the margin between the price in the United States and the several prices in the foreign trade is presented merely for convenience in comparing relative movements.

Comparative movements of domestic and foreign prices of American illuminating oil, 1897–1905.

[Cents per gallon.]

Period.	Average price in United States.	Prices in export trade.			Excess of United States price over—		
		New York export.	Hamburg.	London.	New York export.	Hamburg.	London.
1897	7.5	3.0	6.9	----------	4.5	0.6	----------
1898	7.5	3.8	8.5	----------	3.7	−1.0	----------
1899	8.3	5.4	10.2	----------	2.9	−1.9	----------
1900	9.2	5.9	10.5	8.5	3.3	−1.3	−0.2
1901	8.7	5.0	9.8	9.1	3.7	−1.1	− .4
1902	9.0	4.8	9.6	8.7	4.2	− .6	.3
1903	10.9	5.9	10.7	8.5	5.0	.2	2.4
1904	10.8	5.4	9.8	7.9	5.4	1.0	2.9
1905	9.2	4.3	9.1	5.8	4.9	.1	3.4
1897–1899	7.8	4.4	9.0	----------	3.4	−1.2	----------
1900–1902	9.0	5.2	10.0	8.9	3.8	−1.0	− .1
1903–1905	10.3	5.2	9.9	7.7	5.1	.4	2.8

From the foregoing statement which I have submitted it is to be seen that Great Britain and other foreign countries, on account of Russian competition, were supplied by the Standard Oil Company, in spite of expense of ocean transportation and other costs, at a lower price than American cities.

The following table shows by six-month periods, from 1903 to the middle of 1905, the average prices, less transport costs and duties, of water-white oil in the United States and standard-white oil in Germany, the United Kingdom, and Denmark, together with the excess of the United States price over the foreign prices, after allowing 1 cent for difference in the quality of the oil:

Comparison of domestic and foreign prices of illuminating oil, less transport costs and duties, 1903–1905.

[Cents per gallon.]

Period.	Prices of illuminating oil.				Excess of United States price (allowing 1 cent for difference in quality) over—		
	United States.	Germany.	United Kingdom.	Denmark.	Germany.	United Kingdom.	Denmark.
1903—January to June	11.0	----------	7.87	----------	----------	2.13	----------
July to December	11.0	8.29	8.36	9.33	1.71	1.64	1.37
1904—January to June	11.4	8.30	9.39	8.24	2.10	1.01	2.16
July to December	10.3	6.92	6.42	6.49	2.38	2.88	2.81
1905—January to June	9.2	6.21	5.03	6.08	1.99	3.17	2.12

These figures show a very remarkable excess in the American price above the foreign prices, particularly during the latter half of 1904 and the first half of 1905. During the latter half of 1904 the price averaged for the United States 10.3 cents, as contrasted with 6.92 cents in Germany, 6.42 cents in the United Kingdom, and 6.49 cents in Denmark. The excess of the domestic price, after allowing 1 cent for difference in quality, ranged at that time from 2.38 cents to 2.88 cents. During the first half of 1905 the extraordinary decline in the prices in the United Kingdom increased the effective margin between the domestic price and the price in that country to 3.17 cents.

This the company was enabled to do on account of that little joker in our tariff laws, virtually keeping out all foreign products and leaving our home people at the mercy of the greatest monopoly in the world.

That clever little joker in the Dingley tariff law has brought to the coffers of the great oil monopoly millions and millions of dollars.

From tables in my possession I am enabled to tell you quite accurately how much this little proviso, which in some clever manner crept into the tariff law, has been worth to the Standard Oil Company.

The entire production of mineral oil in the United States during the ten years the tariff has been in existence was 318,914,000 barrels of 42 gallons each.

Now, it is not denied that one-half or even more than one-half of this great production was consumed in the United States; but to be conservative let us call it one-half, or 159,457,000 barrels, containing 42 gallons each, in all 6,697,194,000 gallons.

By keeping out Russian competition the trust was enabled to charge home consumers about 2 cents more per gallon than it could have done if petroleum had really been on the free list.

Thus the profit to the Standard Oil Company on account of this proviso has been $133,943,880 within the last ten years, which is equivalent to a tax of about $1.50 levied on every inhabitant of the United States.

Mr. BURTON. Mr. President, the argument just read and the statement made by the Senator from Georgia, both alike overlook a fundamental fact, which is that the Standard Oil Company is not a producer of crude oil, but rather a refiner and a manufacturer of the secondary products of petroleum. Of course it owns a certain number of wells which it utilizes for the sake of obtaining crude oil for refining.

I think I am entirely familiar with the movement behind this amendment. It proceeds from the independent oil refiners, many of whom I have known for years, and who, I know, have been engaged in a constant contest with the Standard Oil Company, a constant contest for life.

I have consistently opposed during this Congress the imposition of duties on raw materials not now subject to duties or the increase of those already existing, but in this case an exceptional condition exists. The hope for cheap refined oil in the United States rests with the independents. They have greatly increased in number and output of late. If they can obtain a firm foothold, the price will be moderated or diminished. The Bureau of Commerce and Labor published a year or two ago a map, or diagram, which showed surprising conditions relating to the cost of refined oil. It was the object of the map to eliminate freight rates and give the price of refined oil irrespective of any charge for carriage.

It appeared from that map that in the States of Ohio and Pennsylvania the price of refined oil was 2, 3, or 4 cents less than in many other States. The difference was much larger in some States. I believe the State of Kansas showed a somewhat lower price. What was the reason for that? Because there are independent refineries in those States.

They are placed at a very great disadvantage. They are in competition with the most powerful business organization to be found in the history of commerce. The Standard Oil Company has tank ships on the sea and pipe lines on the land. It is able to obtain a supply of crude oil wherever it can be obtained cheapest and bring it to its refineries and sell its refined oil under circumstances affording it the greatest profit.

The independent refineries in Ohio and Pennsylvania are supplied with their crude oil very largely by wells that formerly furnished a very considerable flow, but that are now almost exhausted. In some fields the pumping apparatus works on one well one day and on another another day, the average flow being not more than half a barrel a day. Those oil producers in these States will be placed at a very great disadvantage if petroleum comes in free, and the independent refiners will be deprived of their most available source of supply. Indeed, when the oil amendment failed here a week or more ago it had an immediate effect in diminishing the price of oil.

I am frank to say that the figures of difference in the price of refined oil in London and the United States are somewhat startling to me. I do not quite know the explanation, but I question very much whether crude petroleum would be brought from the Russian fields to the United States in any event. The richest fields in Russia are around the Caspian Sea. It would first be necessary to bring the crude oil, which is a bulky product, to the Black Sea, and then transport it by ships to the United States and transfer it to the refineries. It is clear that if any of this oil is brought here the Standard Oil Company would bring it because of their superior facilities for transportation.

The object of this amendment is to impose a duty upon oil coming in from the productive fields of the Republic of Mexico, where already the Standard Oil Company has a foothold; where already, I am informed, there are three refineries owned by the Standard Oil Company or affiliated companies, and where the crude oil could readily be brought by pipe lines into the United States and utilized in the Standard refineries.

For these reasons it seems to me that this duty should be imposed. I want to add that as a general principle I do not believe in a countervailing duty. It puts a weapon into the hands of the country against whose products you are seeking to establish protection. If there is a superabundant supply in Mexico, they can take off their duty and ship their oil into the United States free of duty; but in any event I trust the Senate will not reject this very modest proposition, which will have some effect in encouraging the production of crude oil by those who are pumping it in divers States and will have an even greater effect in aiding the independent refiners.

Mr. GORE. I desire to offer an amendment to the pending amendment, if it is in order at this time.

The VICE-PRESIDENT. It is in order.

Mr. GORE. I move to add at the close of the pending amendment the words:

Provided further, That importers of crude petroleum shall not be entitled to the drawback provisions of this act.

The VICE-PRESIDENT. The amendment will be stated.

The SECRETARY. It is proposed to add at the end of the amendment the following:

Provided further, That importers of crude petroleum shall not be entitled to the drawback provisions of this act.

Mr. CURTIS. As the proposer of the amendment, I accept the amendment of the Senator from Oklahoma.

Mr. FLINT. On behalf of the committee, I accept it.

The VICE-PRESIDENT. The Senator from Kansas accepts the amendment, and it therefore becomes a part of his amendment.

Mr. BACON. Mr. President, just a word. It must be patent to everyone that the effect of adopting this countervailing duty is the same as putting a duty upon the importation of oil. There is but one country from which we can expect any importation of oil, and that is Russia——

Several SENATORS. Oh, no!

Mr. BACON. I had not yet finished my sentence. I was going on to say, unless the future possibilities of Mexico are to be taken into consideration. I do not understand that the character of oil now produced in Mexico makes that a present possibility. So excluding that from consideration for the present, I repeat that the only country from which the importation of oil can be anticipated is Russia, and Russia has now a high duty upon the importation of oil. Consequently the adoption of this countervailing provision would be the same as leaving a duty upon Russian oil.

As is known, this provision is in the existing law except that the proposed amendment puts the rate at one-half what it is under the existing law. The bill has come from the House not only without any duty imposed upon oil, but with the countervailing provision of the existing law purposely left out of the proposed law.

I presume I do not transgress the general rules in stating the fact, which we all know, that in the House of Representatives, which is largely Republican, the question whether or not this bill should contain a provision imposing a duty upon oil was fought out and settled in the negative. The House decided that it should not contain any duty upon the importation of oil.

And, not content with that, the House, doubtless for the reasons I have stated—which have been drawn largely from the part of the speech which has been read in the hearing of the Senate, made by a Republican Representative from the State of Wisconsin—not only refused to put a duty upon oil, but struck out the countervailing provision, which, under certain circumstances, would have had the same effect as the imposition of this duty upon oil.

Not only so, Mr. President, but before the Senate an amendment was offered in which the issue was squarely raised whether or not in this bill a duty should be imposed upon the importation of oil, and the Senate decided that it would not impose such a duty.

The adoption of this amendment will have exactly the same effect and serve the same purpose. I have no idea that there will be any importation of Russian oil, whether the countervailing-duty provision is in the bill or not. But in the absence of the countervailing provision, and in the absence of any duty upon the importation of oil, of course the knowledge of the fact that there is the opportunity for the importation of Russian oil will operate upon the oil companies of this country—the Standard Oil Company being the one which fixes the price and makes the sales—to reduce the price to the American consumer.

That is the entire issue, Mr. President, and I have no more to say on the subject.

The VICE-PRESIDENT. The question is upon agreeing to the amendment.

Mr. CULBERSON. On that I ask for the yeas and nays.

Mr. STONE. I should like to know what the amendment is. Will the Chair state what it is?

The VICE-PRESIDENT. The Chair will have the Secretary again report the amendment, if the Senator desires.

The SECRETARY. Add at the end of paragraph 637, on page 232, the following:

Provided, That if there be imported into the United States crude petroleum produced in any country which imposes a duty on petroleum exported from the United States, there shall in such cases be levied, paid, and collected a duty upon said petroleum so imported one-half of the duty imposed by such country: *Provided further*, That importers of crude petroleum shall not be entitled to the drawback provisions of this act.

The VICE-PRESIDENT. Upon the question of agreeing to the amendment, the Senator from Texas asks for the yeas and nays.

The yeas and nays were ordered, and the Secretary proceeded to call the roll.

Mr. DILLINGHAM (when his name was called). I have a general pair with the senior Senator from South Carolina [Mr. TILLMAN], who is absent. If he were present, I should vote "yea."

Mr. GUGGENHEIM (when his name was called). I again announce my general pair with the senior Senator from Kentucky [Mr. PAYNTER].

Mr. LODGE (when his name was called). I again announce my pair with the Senator from Georgia [Mr. CLAY]. If he were present, I should vote "yea" and he would vote "nay."

The roll call having been concluded, the result was announced—yeas 44, nays 31, as follows:

YEAS—44.

Aldrich	Clark, Wyo.	Hale	Penrose
Borah	Crane	Heyburn	Perkins
Bourne	Curtis	Johnson, N. Dak.	Piles
Bradley	Depew	Jones	Root
Brandegee	Dick	Kean	Scott
Briggs	Dixon	Lorimer	Smoot
Bulkeley	du Pont	McEnery	Stephenson
Burnham	Elkins	Nixon	Sutherland
Burrows	Flint	Oliver	Warner
Burton	Frye	Owen	Warren
Carter	Gallinger	Page	Wetmore

NAYS—31.

Bacon	Culberson	Hughes	Rayner
Bailey	Cummins	Johnston, Ala.	Shively
Bristow	Daniel	La Follette	Simmons
Brown	Dolliver	McLaurin	Smith, Mich.
Burkett	Fletcher	Martin	Smith, S. C.
Chamberlain	Frazier	Nelson	Stone
Clapp	Gamble	Newlands	Taliaferro
Crawford	Gore	Overman	

NOT VOTING—17.

Bankhead	Davis	McCumber	Taylor
Beveridge	Dillingham	Money	Tillman
Clarke, Ark.	Foster	Paynter	
Clay	Guggenheim	Richardson	
Cullom	Lodge	Smith, Md.	

So the amendment of Mr. CURTIS was agreed to.

Mr. ALDRICH. On behalf of the committee, I ask to modify paragraph 120 in accordance with the amendment which I send to the desk.

The VICE-PRESIDENT. The Senator from Rhode Island offers an amendment, which the Secretary will report.

The Secretary read as follows:

In paragraph 120, on page 36, after the word "at," in line 16, strike out all down to and including "ad valorem," in line 21, and insert in lieu thereof the following:

"Eight-tenths of 1 cent per pound or less, three-tenths of 1 cent per pound; valued above eight-tenths of 1 cent and not above 1 cent per pound, four-tenths of 1 cent per pound; valued above 1 cent and not above 2 cents per pound, five-tenths of 1 cent per pound; valued above 2 cents and not above 3 cents per pound, six-tenths of 1 cent per pound; valued at over 3 cents per pound, 20 per cent ad valorem."

Mr. ALDRICH. This is a readjustment of the rates under the new classification—a reduction of two rates and an increase of one.

The VICE-PRESIDENT. The question is on agreeing to the amendment.

The amendment was agreed to.

The paragraph as amended was concurred in.

Mr. STONE. I desire to offer an amendment.

The VICE-PRESIDENT. The Senator from Missouri offers an amendment, which the Secretary will report.

Mr. STONE. This is an amendment which I very much hope the chairman of the Finance Committee will accept.

The SECRETARY. On page 221, in paragraph 528, line 4, after the word "binitrotoluol," insert "paranitrochlorbenzol."

The VICE-PRESIDENT. The question is on agreeing to the amendment.

The amendment was rejected.

Mr. STONE. I offer the amendment I send to the desk.

The VICE-PRESIDENT. The Senator from Missouri offers another amendment, which the Secretary will report.

The SECRETARY. Insert in the free list a new paragraph, to be numbered 581, as follows:

Hides of cattle, raw or uncured, whether dry, salted, or pickled; band, bend, or belting leather, rough leather, sole leather, and all other leather made from the hides or skins of cattle, without regard to size or weight; boots and shoes made of leather or of which leather is the component material of chief value.

Mr. ALDRICH. I suggest that the Senator make this paragraph 581½. That will obviate all necessity of reconsideration.

Mr. STONE. Very well; I will make it 581½.

Mr. President, I do not desire to take up the time, the very valuable time, of the Senate, when everyone is impatient to reach the end, and no one more so than I.

When this same question was before the Committee of the Whole I offered substantially this amendment, but it was disagreed to by the Senate on a yea-and-nay vote. But at that time, standing back of the amendment I offered, was pending the proposition of the House bill to put hides alone on the free list, leaving leather and boots and shoes on the dutiable list.

The situation now is quite a good deal changed. In the Committee of the Whole it was determined that hides standing alone should not go upon the free list, but those who voted against my amendment to put hides and leather and boots and shoes on the free list no doubt were waiting for the subsequent proposition to put hides alone on the free list, hoping to get hides on the free list, with leather and its products on the dutiable list.

Senators who represented constituents interested in the manufactures of leather, such as boots and shoes, no doubt hoped that the Senate might put hides on the free list and still leave leather and the manufactures thereof on the dutiable list, and hence voted against the proposition I submitted to put all of them on the free list. But since the vote taken in the Committee of the Whole was against putting hides as a separate proposition on the free list, I now again present the same proposition to the Senate.

Mr. President, I believed when this question was before the Committee of the Whole that it was impossible to put hides alone upon the free list, keeping leather and the manufactures of leather on the dutiable list. My judgment as to that was justified by the result. I thought then, as I do now, that the only hope of putting hides on the free list was to put leather and boots and shoes on the free list; and, Mr. President, there is no reason in the world why that should not be done. The Senator from Vermont [Mr. PAGE], in the very instructive and interesting address he made here the other day, expressed himself, speaking in a special sense for the makers of leather, as being willing to put leather upon the free list if the tanners could have hides on the free list; and the shoe manufacturers of the United States have declared in hearings before the Ways and Means Committee, and in other ways, that if they can have free hides and free leather they can go into the open field and dominate the markets of the world.

I think the men who under such circumstances ask for favors should be willing to give in return. If the men who want free hides, out of which leather is to be made, and having free hides, declare they can go into the markets of the world and control them, not only as to leather, but as to all the manufactures of leather, are in earnest, then prove it by joining forces here and now to put not only hides, but leather and boots and shoes, all of them, on the free list.

Mr. President, there are a good many things I might say, and would like to say, about this matter, but, as I said in the beginning, I have no desire to occupy the time of the Senate when all are so anxious to conclude this business to-day. I say this much and submit the proposition.

Mr. ALDRICH. I move to lay the amendment on the table.

Mr. STONE. Before that motion is made——

The VICE-PRESIDENT. Does the Senator from Rhode Island withdraw his motion?

Mr. STONE. I wish to say to the Senator from Rhode Island——

The VICE-PRESIDENT. Just a moment.

Mr. STONE. I know the motion is not debatable.

The VICE-PRESIDENT. It is not debatable.

Mr. STONE. I know as well as does the Chair that it is not debatable.

The VICE-PRESIDENT. The Chair asked the Senator from Rhode Island if he withdrew his motion.

Mr. STONE. I can make a suggestion. That is a very common thing here in the Senate.

The VICE-PRESIDENT. Oh, certainly. The Chair misunderstood the Senator. The Chair thought the Senator wanted to continue the debate.

Mr. STONE. The same end can be accomplished by a yea-and-nay vote on my motion as on the motion to lay the amendment on the table. However, let it be understood that those who vote for the motion to lay on the table vote against the main proposition.

The VICE-PRESIDENT. The question is on agreeing to the motion of the Senator from Rhode Island to lay on the table the amendment submitted by the Senator from Missouri.

Mr. STONE. On that I ask for the yeas and nays.

The yeas and nays were ordered, and the Secretary proceeded to call the roll.

Mr. DILLINGHAM (when his name was called). In the absence of the senior Senator from South Carolina [Mr. TILLMAN], with whom I am paired, I withhold my vote.

Mr. GUGGENHEIM (when his name was called). I again announce my pair with the senior Senator from Kentucky [Mr. PAYNTER].

Mr. LODGE (when his name was called). I again announce my pair with the Senator from Georgia [Mr. CLAY]. If he were present, I should vote "yea" and he would vote "nay."

Mr. McCUMBER (when his name was called). Recognizing my pair with the junior Senator from Louisiana [Mr. FOSTER], who, I observe, is absent, I withhold my vote.

Mr. ROOT (when his name was called). I am paired with the Senator from Maryland [Mr. RAYNER]. If the Senator from

Maryland were present, he would vote "nay" and I should vote "yea."

The roll call was concluded.

Mr. CULBERSON. The Senator from Arkansas [Mr. DAVIS] is paired with the Senator from Illinois [Mr. CULLOM]. If the Senator from Arkansas were present he would vote "nay."

Mr. BACON. I desire to state that if my colleague [Mr. CLAY] were present, he would vote "nay."

The result was announced—yeas 45, nays 28, as follows:

YEAS—45.

Aldrich	Carter	Hale	Piles
Borah	Clark, Wyo.	Heyburn	Scott
Bourne	Crane	Johnson, N. Dak.	Smith, Mich.
Bradley	Depew	Jones	Smoot
Brandegee	Dick	Kean	Stephenson
Briggs	Dixon	Lorimer	Sutherland
Brown	du Pont	McEnery	Warner
Bulkeley	Elkins	Nelson	Warren
Burkett	Flint	Nixon	Wetmore
Burnham	Frye	Oliver	
Burrows	Gallinger	Penrose	
Burton	Gamble	Perkins	

NAYS—28.

Bacon	Cummins	Johnston, Ala.	Page
Bailey	Daniel	La Follette	Shively
Bristow	Dolliver	McLaurin	Simmons
Chamberlain	Fletcher	Martin	Smith, S. C.
Clapp	Foster	Newlands	Stone
Crawford	Frazier	Overman	Taliaferro
Culberson	Gore	Owen	Taylor

NOT VOTING—19.

Bankhead	Curtis	Lodge	Richardson
Beveridge	Davis	McCumber	Root
Clarke, Ark.	Dillingham	Money	Smith, Md.
Clay	Guggenheim	Paynter	Tillman
Cullom	Hughes	Rayner	

So Mr. STONE's amendment was laid on the table.

Mr. CLAPP. I ask to have printed in the RECORD a letter from boot and shoe dealers, which should have been printed before action on the amendment offered by the Senator from Missouri [Mr. STONE]. Those who sign the letter desire the duty taken off boots and shoes, and I submit it as an evidence of their good faith.

The VICE-PRESIDENT. Without objection, the letter will be printed in the RECORD.

The letter referred to is as follows:

FOOT, SCHULZE & CO.,
St. Paul, Minn., June 25, 1909.

Hon. MOSES E. CLAPP,
United States Senate, Washington, D. C.

DEAR SIR: The signers of this letter to you comprise all of the shoe manufacturers of the Twin Cities, and as such we wish to assure you that there is nothing so vital to us at the present time as the question of free hides. We believe that it is absolutely essential to the life of our business that hides should be admitted free into this country. We candidly do not see any future for us unless this can be done, and we feel so strongly about it that we, representing, as we have said, all the shoe manufacturers of the Twin Cities, are willing, and more than willing, if we can only procure free hides, to give up all the advantages which we might be able to obtain by a tariff upon the finished product; hence please understand us as being perfectly willing to have brought into this country free all the shoes which anyone may desire, provided that we may have the same privilege with hides.

Trusting that we may "win out" upon this vital proposition, we remain,

Very truly, yours,

FOOT, SCHULZE & CO.,
By T. A. SCHULZE, *President.*
NORTH STAR SHOE COMPANY,
By W. W. HEFFELFINGER, *President.*
SHAFT-PIERCE SHOE COMPANY,
By J. M. RICHARDSON, *Secretary.*
C. GOTZIAN & CO.,
By H. J. HAM.
O'DONNELL SHOE COMPANY,
By WM. O'DONNELL, *President.*
SHAROOD SHOE CORPORATION,
By C. K. SHAROOD, *President.*

Mr. NEWLANDS. Mr. President, I offer an amendment to come in as an additional section.

The VICE-PRESIDENT. The Secretary will read the amendment proposed by the Senator from Nevada.

The SECRETARY. It is proposed to add at the end of the bill a new section, as follows:

SEC. —. That the duties fixed in this act shall, on the first day of each year, commencing January 1, 1910, be reduced at the rate of 5 per cent thereof per annum: *Provided, however,* That such reduction shall not apply to any commodity the duty on which does not exceed the difference between the cost of producing such commodity in the United States and competing countries, such difference to be ascertained and declared by the President: *Provided,* That the total reduction shall not exceed 25 per cent of any of such duties until further directed by law: *And provided further,* That this provision shall not apply to schedules F and H, relating to tobacco and spirits.

Mr. NEWLANDS. Mr. President, I presume the Senator from Rhode Island will have no objection to this amendment and is willing to incorporate it in the bill. The Senator from Rhode Island is silent. I will ask, in order to clear his mind upon the subject, whether in his judgment the duties in the bill represent fairly the difference in the cost of production between this country and competing countries and a fair profit to the American manufacturer added? The Senator doubtless did not hear my question.

Mr. ALDRICH. I must confess that I did not.

Mr. NEWLANDS. I will repeat it. I ask the Senator whether, in his judgment, the duties in the bill fairly represent the difference in the cost of production, with reference to the various commodities covered in it, between this country and competitive countries, with a fair profit to the American manufacturer added?

Mr. ALDRICH. I should say yes in answer to that.

Mr. NEWLANDS. May I ask, Does the Senator believe that they represent only that difference?

Mr. ALDRICH. Mr. President, there may be some cases where they do not represent the difference.

Mr. NEWLANDS. Would the Senator say they are in excess or below?

Mr. ALDRICH. The Senator from Nevada and various associates and allies of his have been so persistent in their vote to reduce duties that there may be some cases in the bill—and I am inclined to think there are—where the rates are not as high as they should be to represent the difference in the cost of production. But, with those exceptions, I think they come as near to it as we could get under the circumstances.

Mr. NEWLANDS. I understand, then, the Senator from Rhode Island claims that the bill does present in its duties the difference between the home production and foreign production regarding these commodities, with a fair profit to the American manufacturer added. I suggest, therefore, that no possible harm can come from the adoption of this amendment, for the amendment simply provides for a reduction of the duties at the rate of 5 per cent per annum, with a proviso that such reduction shall not apply to such duties as do not exceed this differential, and the differential is to be ascertained and declared by the President of the United States, doubtless with the aid of the experts afforded by the bill.

I assume that the Senator is willing that this question of the differential shall be inquired into in a leisurely way, in a deliberate way, by the President of the United States, with such expert aid as he can secure. If the bill does properly represent the differential called for by the Republican platform, doubtless the President will so declare, and there will be no reductions. But as the Senator's aim has been to fairly represent in these duties this differential, he doubtless will have no objection to the President of the United States, if upon investigation and deliberation he finds that the duty is above that differential, having the differential reduced to the standard fixed by the Republican party, particularly when that reduction is to be so gradual a reduction, a reduction only at the rate of 5 per cent per annum, and with the proviso that in no case shall the total reduction exceed 25 per cent.

But, Mr. President, if the Senator from Rhode Island is satisfied that the bill properly presents the differential called for by the Republican platform, the people of the country are not satisfied. You have only to read the newspapers coming from every section of the country and representing all parties to realize that the country believes that the methods adopted by Congress for ascertaining this differential are faulty, that the method of inquiry is defective, and that the committee and Congress have not properly recorded this differential.

If the country were satisfied that deliberate inquiry would be made on this subject in an investigation in which the importer would stand upon one side, presenting his facts, and the manufacturer upon the other, presenting his facts, and both of them making their contentions and their arguments before a board of experts appointed by the President for that purpose, the finding of that board of experts to be approved by the President of the United States, I believe that agitation regarding the reform and the revision of the tariff would practically end. I do not believe any party could successfully go before the country and contend for a revision and readjustment of the tariff when the tariff is based upon an honest ascertainment of the differential in the cost of production. The Democratic party in 1888 practically so declared in its platform of 1888, and however this may be, the good judgment of the country would not stand by an agitation which would seek to overthrow an honest ascertainment of this difference and a declaration of it in the law.

So it seems to me that the stability of business, the stability of production, depends upon silencing these doubts, silencing this agitation, by an inquiry conducted somewhat after the manner in which, under the authority of Congress and under a rule laid

down by Congress, the question of a reasonable railroad rate is now determined by a tribunal organized by Congress, the Interstate Commerce Commission. The organization of that commission, the feeling on the part of the people that they have a chance, that both sides have a chance, the shippers upon the one side and the railroad company upon the other, to present their facts and their contentions before a capable tribunal, has done more to abate the controversy regarding railroads in this country than any other thing; and with the legislation required in the future, aiding that commission, and enlarging its powers, it is safe to say that the transportation question will absolutely disappear from politics.

Now, why is it more important that the question of the reasonable transportation rate should be determined by a tribunal competent to determine it than that a reasonable duty upon foreign importations should be determined by a tribunal capable of determining it?

Mr. ALDRICH. Mr. President——

The VICE-PRESIDENT. Will the Senator from Nevada yield to the Senator from Rhode Island?

Mr. NEWLANDS. Certainly.

Mr. ALDRICH. The Senate is extremely anxious, and I am sure the Senator from Nevada shares in that anxiety, to dispose of the bill. I would suggest that the Senator permit the Senate to vote upon the question. I am sure we understand the provisions of the amendment he has suggested.

Mr. NEWLANDS. The Senator, of course, is very solicitous to get through with the bill, and I imagine the Senate is; but I intend to go on for a few moments and press these points, because I believe that the true solution of this question in the future rests upon the contention which I am making; and whilst my voice may not be potential in its determination, I believe that other voices will be added to mine in the future, and to the voices of those who, like the Senator from Wisconsin [Mr. LA FOLLETTE], make the same contention, and that finally there will be an overwhelming sentiment created in this country that this tariff shall not be year after year the sport of politics, but that it shall be adjusted in some rational and scientific way by men who have the time and the training and who are especially authorized to perform this task, and who are disinterested, and who can give the whole question that deliberation which it is impossible for the Senate of the United States or the House of Representatives of the United States with their large membership and their other absorbing duties to give to it.

I challenge the Senator from Rhode Island to permit the President of his own party, selected by that party as its leader, to organize a tribunal that will make a deliberate inquiry into the facts regarding this differential, and will record that fact under some effectual rule laid down by Congress.

Let me say, Mr. President, that whilst the Senator from Rhode Island may be convinced that the duties fixed in this act only fairly represent the differential in the cost of production between this country and foreign competing countries, I beg to differ with him upon that contention, and I base my view upon certain general conclusions from the statistical information which has been furnished to this body. The Finance Committee has informed us that the total production in this country of commodities covered by this tariff act included in its dutiable list aggregate in value thirteen billion and a half dollars, and that only $770,000,000 worth of like commodities slipped into this country over the tariff wall which has been established—only about one-twentieth, only about 6 per cent of the total production of this country.

That, in my judgment, indicates a prohibitory tariff; not a tariff which simply establishes the differential of cost, giving our manufacturers, according to the contention of the Republican party, a fair show in our own markets with the maintenance of existing wages, but giving them an advantage which the Republican party, if its platform expresses its real purpose, does not seek to obtain.

There are other statistics also. The statistics presented by the Senator from Rhode Island show that the total wage cost in this country in the production of these thirteen billion and a half of domestic products equals two billions and a half, and yet a 45 per cent duty means that the manufacturers of this country have added to the cost of the production abroad of a similar quantity of commodities $4,000,000,000, which is imposed as an additional cost upon the American consumers.

So with a total wage cost in the protected industries of only two billions and a half dollars you give the manufacturers of this country a charter to impose additional taxes upon the American people in increased prices of $4,000,000,000.

Now, your platform does not call for an allowance to the American manufacturer in the shape of a duty of the entire wage cost of the production of these articles. It gives you the right only to impose the difference between the wage cost here and the wage cost abroad, and yet you have taken not only the whole wage cost and added it to the price of your domestic products, but you have taken one billion and a half more and added that to such cost, and in this way you have gradually evolved the great trusts and monopolies which, behind the protection of this tariff wall, thus excluding foreign competitive products, have monopolized production and sale in our own country, resulting in the creation of enormous fortunes unknown hitherto in the history of the world, and organizing a plutocracy powerful in business and powerful in legislation such as has never been produced before in the history of the world.

So I ask the Senator from Rhode Island in all sincerity to put in the bill his party declaration, to accept the test of the deliberation and the judgment of a fair tribunal appointed by the President himself, and let us see, after such deliberation and inquiry upon proofs presented by all the parties in interest, whether these duties really equal the difference in the cost of production or are excessive, and if they are excessive it devolves then upon the Republican party to see to it by a rule fixed in the bill that they are reduced to the standard which they themselves have fixed. I ask permission to put in the RECORD certain statistics in a table presented to the Senate by the Finance Committee.

The VICE-PRESIDENT. Without objection, that permission will be granted.

The table referred to is as follows:

Recapitulation.

[The ad valorems are based on the dutiable values.]

Schedules.	Value of merchandise (dutiable and free).	Census of manufactures 1905 (calendar year, 1904).	
		Wages.	Value of products, including custom work and repairing.
A. Chemicals, oils, and paints	$42,067,649.85	$44,258,256	$572,848,476
B. Earths, earthenware, and glassware	31,306,008.97	154,652,719	430,944,049
C. Metals, and manufactures of	68,016,829.55	652,109,633	3,130,253,195
D. Wood, and manufactures of	24,498,810.90	378,461,021	1,236,489,978
E. Sugar, molasses, and manufactures of	92,784,061.69	23,536,189	413,333,428
F. Tobacco, and manufactures of	29,959,061.79	62,640,305	331,117,081
G. Agricultural products and and provisions	63,925,575.39	100,839,004	2,194,833,894
H. Spirits, wines, and other beverages	23,083,420.03	43,924,676	474,487,379
I. Cotton manufactures	31,869,814.07	217,955,322	1,014,094,237
J. Flax, hemp, and jute, and manufactures of	114,172,202.94	27,223,574	185,094,092
K. Wool, and manufactures of	62,818,797.81	135,069,063	767,210,990
L. Silks and silk goods	38,816,839.20	26,767,943	133,288,072
M. Pulp papers and books	20,005,025.62	123,903,633	548,957,239
N. Sundries	135,821,484.06	340,506,182	1,954,228,027
Total from customs	779,140,621.87	2,331,938,518	13,534,180,743
Net increase			
Total luxuries, articles of voluntary use, dutiable	289,411,904.28		
Total necessaries, dutiable	489,728,717.59		

Mr. ALDRICH. I move to lay the amendment on the table.

Mr. MONEY. Mr. President, before that motion is put——

The VICE-PRESIDENT. The question is on the motion of the Senator from Rhode Island to lay the amendment on the table.

Mr. MONEY. I ask the Senator to yield to me for a few minutes.

Mr. ALDRICH. I withdraw the motion for the present.

The VICE-PRESIDENT. The Senator from Rhode Island withdraws his motion for the present.

Mr. MONEY. Some three weeks ago, with a sincere desire to expedite the passage of this bill in some form and to get it completely before the Senate, I asked certain questions of the honorable Senator who has charge of the bill. I respectfully requested him to give us a complete bill. I did so at that time because I was very greatly urged by friends of mine on this side to consent to a time certain upon which we could vote upon the whole bill. I felt that that was impossible when we did not have the bill before us, and I made certain suggestions in a memorandum, which I had the Secretary to read, and I asked to that memorandum the attention of the chairman of the committee. He was kind enough to say at that time that he

would consider these things and that his intention had been all along to call a meeting of the whole committee, in which meeting these matters would be considered.

Mr. President, we have carried this bill through the Committee of the Whole, and we are about to bring it to a conclusion in the Senate, and we yet have no complete bill before the Senate. There has been no repealing clause, and what effect a repealing clause may have when introduced by the chairman, at the order or direction of the committee, may very much influence the vote upon the whole bill; in fact, it may change the whole character of this bill. It may destroy or it may make revenue.

But I am going to have the Secretary read—and I invite most respectfully the attention of the Senator to them—some things which have been omitted from the bill, which the Senator will recognize as being quite necessary to it. I hope that something will be done in the direction which I have just indicated.

Mr. ALDRICH. Mr. President——

Mr. MONEY. For instance, if the Senator will allow me, there is one thing of very great interest to the consumers of this country, and that is, under the present law when American goods are sent abroad they can be imported by American citizens without the payment of any duty. That does not appear in this bill. There is a prohibition in the present law against obscene matter being introduced, and that does not appear in this bill. There is also a drawback on machinery and other things that are needed here to do things which we can not do with our own machinery, and to admit them free of duty if they should be imported. There is no drawback in this bill, either.

Mr. ALDRICH. Does the Senator from Mississippi want an answer as he goes along, or does he desire to first make his speech?

Mr. MONEY. I do not desire to make a speech at all, if the Senator will allow me——

Mr. ALDRICH. The Senator from Mississippi was probably not in the Senate when I explained that the provisions to which he has been alluding are not reenacted because there is no occasion for their reenactment. The repealing clause does not affect them. They are left to stand as they are in the existing law, without change and without modification.

Mr. MONEY. It is very reassuring to have that statement from the honorable chairman of the Committee on Finance; but the Senate is entitled to the phraseology of the bill which will be the law, and not the assurance of any Member of this Senate as to what it will be. What we want is the law itself, and I for one would like to know what is to be repealed by the repealing clause; how much of the present law, whether so much as is in conflict with certain provisions of this bill, or whether certain paragraphs or sections are to be left untouched; whether such provisions as I shall send to the desk are to be reenacted in this law, or not. If the Senator will bear with me, I will have the paper which I have sent to the desk read, and then I will give him the floor.

Mr. ALDRICH. Mr. President, if the Senator from Mississippi had been in the Senate four or five days ago, he would have heard what I then stated, that it was not the purpose of the committee, because they considered it absolutely unnecessary, to reenact the eight or ten sections of existing law which are not changed at all by this bill, and can not be changed at all by the repealing clause. I also explained as to other provisions. For instance, as to the drawback provisions, the House bill contained entirely new drawback provisions, based upon a different theory and principle from what has been in use in this country up to the present time. I stated for the committee that they believed that the present drawback provision should remain, instead of the new one; and that, therefore, they asked the Senate to strike out the other provisions and retain the existing law. That has been done. All these matters have been taken care of. If the Senator from Mississippi had followed the proceedings, he would have discovered that they had all been acted upon by the Senate.

Mr. MONEY. Mr. President, it is quite probable, as stated by the distinguished Senator from Rhode Island, that I have not very closely attended the proceedings of this body. I have been here from day to day, but have been unable at times to keep my seat. I am quite sure, however, that in the bill as printed, there is no provision made for the things which I have enumerated in the paper which I have sent to the Secretary's desk, and which I will ask the Secretary to now read.

The VICE-PRESIDENT. Without objection, the Secretary will read as requested.

Mr. ALDRICH. If the Senator from Mississippi desires, I will answer as the reading proceeds. When I see what the paper states are excluded, I will give the reasons for their exclusion.

The provisions with reference to the importation of obscene literature, consisting of four or five sections of the existing law, were not changed in the House bill at all, and the Committee on Finance saw no reason for their reenactment. That is true of the drawback provisions; and that is also true of a number of other provisions of the bill.

The bill as it stands before the Senate to-day is a complete bill, the repealing sections and all. The committee have no amendments to suggest except as to one or two omissions, which have been accidentally made as to some matters; but, with that exception, the bill is complete, and can be passed at this moment as a completed bill.

Mr. MONEY. I would ask that the Secretary read the repealing clause of this bill upon which we are called upon to act, and which the Senator from Rhode Island assures me is completed. I want to hear the Secretary read the repealing clause of this bill.

The VICE-PRESIDENT. Without objection, the Secretary will read the repealing clause of the pending bill.

The Secretary read as follows:

Section 4232 of the Revised Statutes, and sections 11 and 12 of chapter 421 of the laws of 1886, approved June 19, 1886, and so much of section 4219 of the Revised Statutes as conflicts with this section, are hereby repealed.

The VICE-PRESIDENT. Does the Senator from Mississippi desire to have read what he has sent to the desk?

Mr. ALDRICH. I will myself read the last clause of the House bill.

Mr. MONEY. It is not my desire to cross-examine the Senator from Rhode Island, as he very well knows.

Mr. ALDRICH. The last clause of the House bill reads:

SEC. 42. That all acts and parts of acts inconsistent with the provisions of this act are hereby repealed, but the repeal of existing laws or modifications thereof—

And so forth.

Mr. MONEY. I ask the Senator from Rhode Island whether or not this bill provides in any way for the reimportation free of duty of goods of American manufacture which had been sent abroad?

Mr. ALDRICH. That is provided for in the paragraphs of the free list.

Mr. MONEY. Well, Mr. President, I have not lost anything by calling the attention of the chairman of the Committee on Finance to what I conceive to be the condition of things. I was not in the Senate when he made his remarks the other day, and I am very glad to be informed that some care has been taken of these matters.

Mr. ALDRICH. I move to lay on the table the amendment submitted by the Senator from Nevada [Mr. NEWLANDS].

The motion was agreed to.

Mr. BURTON. I desire to offer an amendment as a new paragraph, to be known as "493½."

Mr. NEWLANDS. Mr. President——

The VICE-PRESIDENT. Does the Senator from Ohio yield to the Senator from Nevada?

Mr. BURTON. I do.

Mr. NEWLANDS. I wish to ask the Senator whether he will not permit me to offer an amendment supplementary to the one which I last offered? There will be no debate; and I presume it will be disposed of in the same way.

Mr. BURTON. I am willing to suspend the consideration of my amendment and yield to the Senator from Nevada for that purpose.

Mr. NEWLANDS. I offer the amendment which I send to the desk.

The VICE-PRESIDENT. The amendment proposed by the Senator from Nevada will be stated.

The SECRETARY. It is proposed to add as a new section the following:

That the duties fixed in this act shall, on the first day of each year, commencing January 1, 1910, be reduced at the rate of 5 per cent thereof per annum: *Provided, however,* That such reduction shall not apply to any commodity the imports of which during the previous fiscal year ending June 30 shall have exceeded one-tenth of the total production of such commodity in the United States: *And provided further,* That such reduction shall cease when the imports of such commodity shall exceed one-tenth of the total production thereof in the United States during such previous fiscal year: *And provided further,* That the total reduction shall not exceed 25 per cent of any such duties, until further directed by law. This provision shall not apply to Schedules F, H, and L, relating to tobacco, spirits, and silks.

The VICE-PRESIDENT. The question is on agreeing to the amendment of the Senator from Nevada [Mr. NEWLANDS].

The amendment was rejected.

Mr. BURTON. Now I offer my amendment.

The VICE-PRESIDENT. The Senator from Ohio offers an amendment, which the Secretary will state.

The SECRETARY. It is proposed to insert in the free list a new paragraph, as follows:

493½. Asphaltum and bitumen, crude, if not dried or otherwise advanced in any manner.

Mr. BURTON. Mr. President, if there is any form of improvement which should receive the encouragement of Congress, it is the good-roads movement and the better paving of streets. Asphalt has been found to be one of the very best materials for paving and has greatly increased in use during the last ten years. The first asphalt pavement laid in the country was, I believe, on Pennsylvania avenue here in the year 1878.

There are three principal sources of supply, one in California, where it is a petroleum product, and the others in Venezuela and in the island of Trinidad, where asphalt is a natural product, which is brought to this country in the crude form for refining. When refined, the California product has perhaps 99 per cent of pure bitumen, which is the element that determines the usefulness of the article for paving. The Venezuelan asphalt has about 95 per cent of bitumen, while that from the island of Trinidad has about 60 per cent. I submit, Mr. President, that this article of crude asphalt should be on the free list.

Mr. BAILEY. Will the Senator from Ohio permit me to interrupt him?

The VICE-PRESIDENT. Does the Senator from Ohio yield to the Senator from Texas?

Mr. BURTON. I do.

Mr. BAILEY. I desire to ask the Senator if in its crude state it is available for use as a paving material?

Mr. BURTON. Not the Venezuelan product or the Trinidad product; they have to go through the process of heating in a large kettle.

Mr. BAILEY. There would still be a duty on it when in a condition fit for public use for sidewalks?

Mr. BURTON. When fit for immediate use. I would say that it is mostly brought here in the crude shape. In the year 1907 there was something over 100,000 tons imported in crude shape, and I believe about 30,000 in refined shape. The removal of the duty on the crude material will diminish the cost of paving from 5 to 10 or even 15 per cent. To that extent it will diminish the cost of asphalt paving in all our cities, and will greatly diminish the cost when used for road building. Several States have appropriated, for the purpose of good roads, amounts varying from $500,000 up to $5,000,000.

Is there any domestic industry which would suffer by the removal of this duty? There is the competing product of California, which is obtained by distillation from petroleum. The use of that California asphalt has greatly increased, from about 8,000 tons in the year 1893 to 100,000 tons in 1907.

It has an entire monopoly of the whole Pacific coast, and has an advantage also in freight rates for a good share of the distance toward the Mississippi River. The quantity of asphalt required is so large that the California product is now used in very considerable amount on the Atlantic coast. Only a short distance from the Capitol—New Jersey avenue, between B and C streets, is paved with California asphalt.

The claim made in California, as I understand, is that as their freight rate is $10 a ton, while the freight rate on the Venezuelan and Trinidad asphalt is only about $2, they should have a duty sufficient to enable them, after paying that freight rate of $10 a ton, to control the eastern market.

Mr. GALLINGER. Mr. President——

The VICE-PRESIDENT. Does the Senator from Ohio yield to the Senator from New Hampshire?

Mr. BURTON. Yes.

Mr. GALLINGER. My attention was attracted to a statement made by the Senator, that this would be of advantage in the good-roads movement. Did I understand the Senator to say that crude asphaltum was used in the construction of modern roads?

Mr. BURTON. Not crude asphaltum, but the refined asphaltum, as I understand it.

Mr. GALLINGER. Is that product used in the construction of modern roads in the country?

Mr. BURTON. I will read a brief sentence which, I think, will answer the Senator's question, from a statement issued by Mr. E. L. Atherton, director of the Good Roads Committee, in which he says:

The immense investment now being made in all Eastern States for good roads is jeopardized through the wear and tear on roads by automobiles. Good roads conventions recently held in Paris, Seattle, and elsewhere show that the mineral elements in good roads must be bonded together by asphalt to make them durable and to save enormous annual expenditures for their maintenance. It is therefore vitally important to the good-roads system in this country that nothing should be allowed to stand in the way of the procuring of asphalt at the lowest cost.

I will state also to the Senator from New Hampshire that I am in receipt of a pamphlet issued by the Good Roads Committee of the State of Massachusetts, an official statement, showing that they are using asphalt on their roads in Massachusetts now.

Mr. GALLINGER. I had knowledge that they did not use it a few years ago in Massachusetts in constructing their most excellent roads. The little State of New Hampshire has recently appropriated a million dollars for roads. I know that they have no intention of using asphaltum, and it is a new thought to me.

Mr. BURTON. The reason why they have not used it, probably, is partly because they have not tried it and partly because of its cost. The diminished cost by reason of taking off the duty would encourage them to use it, where otherwise they would feel they could not do so.

Mr. GALLINGER. I should think, from what knowledge I have of asphaltum and its costs, that it would be so expensive as to be prohibitory in the building of country roads.

Mr. BURTON. Asphalt pavements naturally can not be had except on the very expensive roads; but asphalt could be used, as stated in the paper from which I have just read, as a binding material with other road material.

Mr. President, I do not wish to detain the Senate for any long time. In view of these facts, I submit to the Senate that crude asphalt should be placed upon the free list. I do not think it should be insisted that the duty ought to be kept up so that an article from California, costing about $5, and paying a freight rate of $10, may come into the eastern markets by the aid of a duty. That would mean we were establishing the principle that, if in a remote portion of the country there is an article produced only there, your tariff rates must be fixed at a figure which will enable the producer to have the market all over the United States.

Mr. BAILEY. Mr. President, I move to strike out of the pending amendment all after the word "bitumen," so as to put asphaltum and bitumen in all forms on the free list. I can see no good reason for giving it to those who intend to refine it, without a duty, and still leaving a duty on it in the only form in which it is fit for general and public use.

Mr. BURTON. Will the Senator from Texas allow me?

Mr. BAILEY. Certainly.

Mr. BURTON. There was a brief dialogue between the Senator from Texas and myself on that subject a day or two ago. I think there should be some duty on the refined product. I will suggest, however, that if this amendment should prevail, I shall follow it with another amendment to reduce the duty on the refined article. There has been for twelve years a differential between them of a dollar and a half a ton. I fear that the motion of the Senator from Texas would tend to prejudice some support which would otherwise be obtained for the amendment I have proposed. I can not offer any objection, however, to his making the motion, if he desires to do so.

Mr. BAILEY. Mr. President, of course I would not consent to a differential duty on any product, because the differential is essentially a protection. If we are to give the people, to our municipalities, and to other public bodies the benefit of cheaper asphaltum, surely we ought to make it cheap in the form which is fit and ready for use. I take it that the people who mine—and I suppose it might be probably called a "mining process"—the people who mine this asphaltum bestow quite as much labor on it as the people who refine it; and I can not understand why the Government should allow it to come in free in the form in which most of it comes in and lay a tax only on the smaller part of it that comes in fit and ready for use.

Mr. ALDRICH. Would the Senator from Texas be willing to withdraw his amendment for the purpose of allowing me to make a motion to lay the amendment of the Senator from Ohio [Mr. BURTON] on the table?

Mr. BAILEY. I should like to have all asphaltum free, but I am not willing to give the refiners of it the large quantity which they import free of duty and still leave the people to pay a duty on the smaller part which they bring in for use. I should myself prefer to put asphaltum in all forms on the free list; and I should prefer a vote on that motion.

The VICE-PRESIDENT. The Secretary will state the amendment offered by the Senator from Texas [Mr. BAILEY] to the amendment of the Senator from Ohio [Mr. BURTON].

The SECRETARY. In the amendment offered by Mr. BURTON it is proposed to strike out the words "crude, if not dried or otherwise advanced in any manner," so that it will read:

493½. Asphaltum and bitumen.

Mr. FLINT. Mr. President, I simply desire to say a word in answer to the Senator from Ohio [Mr. BURTON] in reference to the rate of duty on asphalt. Prior to the tariff of 1897, when asphalt was free, the price of asphalt was $35 a ton, and the average cost for paving was $3.50 per square yard. A duty was then placed upon it, and in ten years, under that duty, the price of asphalt has fallen from $35 a ton to $20 a ton and the price of paving from $3.50 to $1.75 per square yard.

The removal of this duty on asphalt would turn over to the asphalt trust of this country an absolute monopoly of this business. The only competition that there is to-day with the imported asphalt is that produced in California, and the removal of this duty would give to the monopoly the entire business of this country. The asphalt trust, through their power of manipulating councilmen and legislative bodies, have had conditions placed in the specifications, so that to-day in many of the cities of the United States the asphalt trust is able to have its commodity used and no other. If the people of this Nation desire to have this business turned over to the asphalt trust, they can do so by placing asphalt on the free list.

Mr. BAILEY. Do I understand the Senator from California to say that there is a national asphalt trust?

Mr. FLINT. Yes, sir.

Mr. BAILEY. I hope the Senator will say that loud enough for the Attorney-General to hear him. [Laughter.]

Mr. BURTON. Mr. President, there is a deeply seated fear of the trust in California. When we were talking about lemons, the argument was presented to us that the Sicilians and inhabitants of remote portions of the earth were coming on us in the form of a trust, to do us harm and raise the price of lemons, unless we raised the duty on California lemons from a cent to a cent and a half a pound. I should think the use of that trust argument on one occasion would be sufficient.

I wish to say that there is and can be no trust in asphalt. All that is required is a few iron kettles, the importation of the article, and some little combustible material. It may be of interest to the Senator from California to know that there is in this city a contractor who has imported some thousands of tons of asphalt.

Mr. BAILEY. Will the Senator from Ohio permit me, just there, to make this suggestion? If the process is as simple and inexpensive as he has described, they certainly do not need a duty.

Mr. BURTON. I expected that argument from the Senator from Texas. Nevertheless, there is a reason, I still maintain, for some duty. The work has to be done with some care, and at some considerable cost.

Mr. BACON. Will the Senator permit me to ask him whether any of the refined article is imported into this country?

Mr. BURTON. There is, as I stated, about 30,000 tons.

Mr. BACON. From Venezuela?

Mr. BURTON. From Venezuela and from Trinidad. I am not so sure as to the country of origin of the refined asphalt, but——

Mr. BACON. That is what I asked about—the refined article, which you wish to protect. Is there any importation of that?

Mr. BURTON. There is an importation of about 30,000 tons of the refined article. I am not sure of the countries from which it comes.

The Senator from California [Mr. FLINT] quoted from the argument of one of his fellow-citizens in regard to the diminished cost of asphalt since the duty was placed upon it. In their quotations they are both in error. The official book of Imports and Duties, which we all have on our desks, shows that the custom-house valuation of imported asphalt, crude, not dried or advanced, was, in 1894, $2.76 per ton; in 1897, $3.24; in 1907, $4.13. So far, then, from being of a higher price before the duty was imposed, the price has been higher at the time during which the duty was imposed. So far as regards refined asphalt, the custom-house valuation in 1898 was $4.80 per ton, and in 1907, $10.62 a ton. So it is not correct to say that the imposition of this duty has lowered the cost.

The VICE-PRESIDENT. The question is on agreeing to the amendment to the amendment.

The amendment to the amendment was rejected.

Mr. ALDRICH. I move to lay on the table the amendment of the Senator from Ohio.

Mr. BURTON. On that I ask for the yeas and nays. I hope the Senator from Rhode Island will not press his motion.

The yeas and nays were ordered, and the Secretary proceeded to call the roll.

Mr. CURTIS (when his name was called). I desire to announce my pair for the balance of the day with the junior Senator from Maryland [Mr. SMITH]. If he were here, I should vote "yea."

Mr. DILLINGHAM (when his name was called). I have a general pair with the senior Senator from South Carolina [Mr. TILLMAN]. Not knowing how he would vote if present, I withhold my vote.

Mr. FLINT (when his name was called). The senior Senator from Texas [Mr. CULBERSON] being absent, I withhold my vote.

Mr. GUGGENHEIM (when his name was called). I again announce my pair with the senior Senator from Kentucky [Mr. PAYNTER].

Mr. LODGE (when his name was called). I am paired with the Senator from Georgia [Mr. CLAY]. I transfer the pair to the Senator from Kentucky [Mr. BRADLEY], and will vote. I vote "yea."

Mr. ROOT (when his name was called). I again announce my pair with the senior Senator from Maryland [Mr. RAYNER].

The roll call was concluded.

Mr. DANIEL. I am paired with the Senator from Maine [Mr. FRYE]. If he were present, I should vote "nay."

Mr. McCUMBER. I have a pair with the junior Senator from Louisiana [Mr. FOSTER]. He being absent, I withhold my vote.

Mr. FLINT. I transfer my pair with the senior Senator from Texas [Mr. CULBERSON] to the junior Senator from Utah [Mr. SUTHERLAND], and will vote. I vote "yea."

The result was announced—yeas 37, nays 29, as follows:

YEAS—37.

Aldrich	Carter	Hale	Perkins
Bailey	Clark, Wyo.	Heyburn	Piles
Beveridge	Crane	Johnson, N. Dak.	Scott
Bourne	Depew	Jones	Smoot
Brandegee	Dick	Kean	Stephenson
Briggs	Dixon	Lodge	Warren
Bristow	du Pont	Lorimer	Wetmore
Brown	Flint	McEnery	
Bulkeley	Gallinger	Page	
Burnham	Gamble	Penrose	

NAYS—29.

Bacon	Dolliver	McLaurin	Smith, Mich.
Bankhead	Fletcher	Martin	Smith, S. C.
Burkett	Foster	Money	Stone
Burton	Frazier	Nelson	Taliaferro
Chamberlain	Gore	Overman	Taylor
Clapp	Hughes	Owen	
Crawford	Johnston, Ala.	Shively	
Cummins	La Follette	Simmons	

NOT VOTING—26.

Borah	Curtis	McCumber	Root
Bradley	Daniel	Newlands	Smith, Md.
Burrows	Davis	Nixon	Sutherland
Clarke, Ark.	Dillingham	Oliver	Tillman
Clay	Elkins	Paynter	Warner
Culberson	Frye	Rayner	
Cullom	Guggenheim	Richardson	

So Mr. BURTON's amendment was laid on the table.

Mr. DIXON. Mr. President, I have two amendments affecting the inheritance tax. I first desire to offer a proviso merely declaring the intention of Congress with regard to the repealing clause of the act of 1902. This proviso was prepared in the Attorney-General's office, and is designed to cure an anomalous condition now existing in the internal-revenue law. After the clerk has read the proposed amendment, I should like to make a little explanation of it.

The VICE-PRESIDENT. The Secretary will report the amendment.

The SECRETARY. Add as a new section to the bill the following:

Whereas much uncertainty and conflict of opinion having arisen as to when taxes or duties imposed by section 29 of the act of June 13, 1898, and its amendments mentioned in section 8 of the act "to repeal war-revenue taxation and for other purposes," approved April 12, 1902, should be deemed imposed, it is hereby declared to have been the true intent and meaning of section 8 of said act approved April 12, 1902, that such taxes or duties should be deemed imposed prior to the taking effect of said act whenever a taxable legacy or interest or the legal or equitable rights thereto vested in possession and enjoyment before July 1, 1902, whether or not the tax or duty became due or payable before such last-stated date.

Mr. KEAN. I do not think that belongs in this bill.

Mr. DIXON. This amendment was prepared in the office of the Attorney-General of the United States, who is very anxious that Congress shall give some relief regarding about $4,000,000 now collected and held in the Federal Treasury under the old inheritance-tax law of 1898.

Mr. ALDRICH. If the Senator will permit me, I think there will be no objection to this amendment——

Mr. BAILEY. Mr. President, as I caught the language of the amendment from the reading, it simply construes a statute.

Mr. DIXON. That is all.

Mr. BAILEY. Congress has no power to construe a statute. The courts do that.

Mr. ALDRICH. The trouble is, the courts are all divided on this subject.

Mr. BAILEY. That is not unusual nowadays. The majority has to decide, however.

Mr. ALDRICH. But there can be no majority in the cases before the Supreme Court, as I understand it.

Mr. BAILEY. Then——

The VICE-PRESIDENT. Does the Senator from Montana yield?

Mr. BAILEY. Is this an instruction to the Supreme Court?

Mr. ALDRICH. No; this is an instruction to the administrative officers of the Government.

The VICE-PRESIDENT. The Senator from Montana has the floor.

Mr. DIXON. It is probable that never before in the judicial history of this country has there existed such a condition as now exists with regard to the $4,000,000 that we collected six years ago, and that is now being taken out of the Treasury every day, while the Government is powerless to help itself. A case involving this question was decided in favor of the Government by the circuit court of appeals of the eighth district. The circuit court of appeals of the second district decided a similar case against the contention of the Government. It went up on appeal to the Supreme Court of the United States, at a time just after Mr. Justice Brown had resigned from the bench. An evenly divided court resulted—four to four. So the question again remained undecided. As recently as last May the Government tried to get it up again on certiorari before the Supreme Court of the United States, but they refused to entertain the writ.

The situation is simply this: The Government collected $4,000,000 of these taxes. The question as to when the tax was imposed depends upon the construction of the repealing clause. The claimants contend that the tax was not imposed until the expiration of the full year, because they had a year in which to pay the tax. The Government claims that the tax was imposed at the time of the death of the decedent. The tax was collected years ago; but, under this abnormal condition as to decisions of the courts, claims attorneys representing the larger estates are bringing suits, the solicitor tells me, for the larger amounts, and recovering them, and the Government is standing helpless. This is merely a declaration of the intention of Congress. It is asked for by the Attorney-General, and was prepared in his office.

Mr. BAILEY. If I caught the language of this proviso correctly, it is not worth the paper on which it is written. Congress has no power to tell a court how to decide a law. That is peculiarly within the judicial province. If Congress passes a law that has a double meaning, or an obscure meaning, the courts must work it out the best they can.

I shall do no more than simply to protest against this novel doctrine that the court being evenly divided Congress steps in and decides the case. The law was passed, and as it was written it must be construed. This is the first time I have ever heard it suggested that Congress could usurp the judicial function and construe a law. Our office is to pass the law; the office of the President is to see that it is executed; and if in executing the law any question arises as to its meaning, that question must go to the courts.

Mr. DIXON. But the court is at a standstill; and this is merely declaratory of the meaning of the act.

Mr. BAILEY. That was simply the result of the action of the officers of the Government in having an important case heard and determined by an incomplete court. On a question of that kind it looks to me like the legal officers representing the Government would have suggested delay until the court could have been filled, and then with nine there could not be an evenly divided court.

Mr. ALDRICH. Will the Senator permit me?

Mr. BAILEY. Permit me to add that the reason we have an odd number to compose the court is so that it can not be equally divided.

Mr. ALDRICH. I was applied to by the Attorney-General and by the Solicitor of the Department of Justice to put this amendment into this bill in the public interest. I said to them very frankly that it could not be thought about if it led to discussion; that I was willing that the attempt should be made; and the Senator from Montana is making the suggestion along that line. It is very evident to me that it will lead to discussion, and I ask the Senator from Montana if he will not withdraw the amendment?

Mr. BAILEY. I do not intend to discuss it any more, but I am not willing to sit here and see this kind of a provision written into the law without expressing my opinion about it.

Mr. DIXON. I think there will be a vote.

Mr. HUGHES. Mr. President, I should like to know if it is claimed that the Attorney-General of the United States has expressed the opinion that, eleven years after a law has been passed and six or seven years after it has expired, this body can enact a binding construction of that law? I should like to have the yeas and nays of this body upon the proposed amendment, that we may see whether any lawyer here—I can not conceive that the Attorney-General does—indorses a legal doctrine of that kind. I think it is an affront to the learning and conservative judgment of the lawyers in the Senate to ask them to say that when the Supreme Court can not decide a question of statutory construction in the determination of litigated rights, this body may enact a construction of a law which has passed out of existence and make that construction, declaration, or opinion determine the rights of litigants or people who are interested in that money, and whose rights are before the court.

Mr. DIXON. It is a matter in which I have no personal interest in any degree, and I will withdraw the amendment if it leads to debate.

The VICE-PRESIDENT. The Senator from Montana withdraws the amendment.

Mr. DIXON. Mr. President, at this time I want to offer the inheritance-tax amendment which was adopted by the House, with the one exception that I have raised the minimum of the estates to direct heirs to be taxed from $10,000 to $25,000. In general it levies a 5 per cent tax on the collateral heirs; on the direct heir, nothing up to $25,000; from $25,000 to $100,000, on the direct heir, 1 per cent; from $100,000 to $500,000, 2 per cent; and above $500,000, 3 per cent. The only change in the House provision is to raise the minimum of the estates from $10,000 to $25,000. Everyone is perfectly familiar with the situation, and I will not take up the time of the Senate in discussing it.

The VICE-PRESIDENT. The Secretary will read the amendment.

Mr. ALDRICH. It has been read.

The VICE-PRESIDENT. If there be no objection, it will not be again read.

The amendment is to insert the following at the end of the bill:

SEC. —. A tax shall be and is hereby imposed upon the transfer of any property, real or personal, of the value of $500 or over, or of any interest therein or income therefrom, in trust or otherwise, to persons or corporations, within the United States or any of its possessions (except the Philippine Islands), in the following cases:

1. When the transfer is by will or by the intestate laws of any State, or Territory, or of the United States from any person dying seized or possessed of the property while a resident of the United States or any of its possessions (except the Philippine Islands).

2. When the transfer is by will or intestate law, of property within the United States or any of its possessions (except the Philippine Islands), and the decedent was a nonresident of the United States or any of its possessions at the time of his death.

3. Whenever the property of a resident decedent, or the property of a nonresident decedent, within the United States or any of its possessions (except the Philippine Islands), transferred by will, is not specifically bequeathed or devised, such property shall, for the purposes of this section and the next four sections following, be deemed to be transferred proportionately to and divided pro rata among all the general legatees and devisees named in said decedent's will, including all transfers under a residuary clause of such will.

4. When the transfer is of property made by a resident or by a nonresident when such nonresident's property is within the United States, or any of its possessions (except the Philippine Islands), by deed, grant, bargain, sale, or gift made in contemplation of the death of the grantor, vendor, or donor, or intended to take effect in possession or enjoyment at or after such death.

5. When any such person or corporation becomes beneficially entitled, in possession or expectancy, to any property or the income thereof by any such transfer, whether made before or after the passage of this act.

6. Whenever any person or corporation shall exercise a power of appointment derived from any disposition of property made either before or after the passage of this act, such appointment when made shall be deemed a transfer taxable under the provisions of this act in the same manner as though the property to which such appointment relates belonged absolutely to the donee of such power and had been bequeathed or devised by such donee by will; and whenever any person or corporation possessing such power of appointment so derived shall omit or fail to exercise the same within the time provided therefor, in whole or in part, a transfer taxable under the provisions of this act shall be deemed to take place to the extent of such omission or failure, in the same manner as though the persons or corporations thereby becoming entitled to the possession or enjoyment of the property to which such power related had succeeded thereto by a will of the donee of the power failing to exercise such power, taking effect at the time of such omission or failure.

7. The tax imposed hereby shall be at the rate of 5 per cent upon the clear market value of such property, except as otherwise prescribed in the next section.

SEC. — When property, real or personal, or any beneficial interest therein, of the value of less than $25,000, passes by any such transfer to or for the use of any father, mother, husband, wife, child, brother, sister, wife or widow of a son or the husband of a daughter, or any child or children adopted as such in conformity with the laws of any State, Territory, or of the United States (in which such person shall at the time of such transfer reside), of the decedent, grantor, donor, or vendor, or to any child to whom any such decedent, grantor, donor, or vendor for not less than ten years prior to such transfer stood in the mutually acknowledged relation of a parent: *Provided, however,* That such relationship began at or before the child's fifteenth birthday and was continuous for said ten years thereafter: *And provided also,* That,

except in the case of a stepchild, the parents of such child shall be deceased when such relationship commenced, or to any lineal descendant of such decedent, grantor, donor, or vendor born in lawful wedlock, such transfer of property shall not be taxable under this act; if real or personal property or any beneficial interest therein so transferred is of the value of $25,000 and not exceeding $100,000, it shall be taxable under this act at the rate of 1 per cent upon the clear market value of such property; if exceeding $100,000 and not exceeding $500,000, it shall be taxable under this act at the rate of 2 per cent upon the clear market value of such property; if exceeding $500,000, it shall be taxable under this act at the rate of 3 per cent upon the clear market value of such property. But any property devised or bequeathed to any person who is a bishop or to any religious, educational, charitable, missionary, benevolent, hospital or infirmary corporation, including corporations organized exclusively for Bible or tract purposes, shall be exempted from and not subject to the provisions of this act. There shall also be exempted from and not subject to the provisions of this act personal property other than money or securities bequeathed to a corporation or association organized exclusively for the moral or mental improvement of men or women, or for scientific, literary, library, patriotic, cemetery, or historical purposes, or for the enforcement of laws relating to children or animals, or for two or more of such purposes and used exclusively for carrying out one or more of such purposes. But no such corporation or association shall be entitled to such exemption if any officer, member, or employee thereof shall receive or may be lawfully entitled to receive any pecuniary profit from the operations thereof except reasonable compensation for services in effecting one or more of such purposes or as proper beneficiaries of its strictly charitable purposes; or if the organization thereof for any such avowed purpose be a guise or pretense for directly or indirectly making any other pecuniary profit for such corporation or association or for any of its members or employees, or if it be not in good faith organized or conducted exclusively for one or more of such purposes.

SEC. —. If such tax is paid within six months from the accrual thereof, a discount of 5 per cent shall be allowed and deducted therefrom. If such tax is not paid within eighteen months from the accrual thereof, interest shall be charged and collected thereon at the rate of 10 per cent per annum from the time the tax accrued; unless by reason of claims made upon the estate, necessary litigation, or other unavoidable cause of delay, such tax can not be determined and paid as herein provided, in which case interest at the rate of 6 per cent per annum shall be charged upon such tax from the accrual thereof until the cause of such delay is removed, after which 10 per cent shall be charged.

SEC. —. That the tax or duty aforesaid shall be due and payable in one year after the death of the testator and shall be a lien and charge upon the property of every person who may die as aforesaid, for twenty years, or until the same shall, within that period, be fully paid to and discharged by the United States; and every executor, adminstrator, or trustee having in charge or trust any legacy or distributive share, as aforesaid, shall give notice thereof, in writing, to the collector or deputy collector of the district where the deceased grantor or bargainer last resided within thirty days after he shall have taken charge of such trust, and every executor, administrator, or trustee, before payment and distribution to the legatees, or any parties entitled to beneficial interest therein, shall pay to the collector or deputy collector of the district of which the deceased person was a resident, or in which the property was located in case of nonresidents, the amount of the duty or tax assessed upon such legacy or distributive share, and shall also make and render to the said collector or deputy collector a schedule, list, or statement, in duplicate, of the amount of such legacy or distributive share, together with the amount of duty which has accrued, or shall accrue thereon, verified by his oath or affirmation, to be administered and certified thereon by some magistrate or officer having lawful power to administer such oaths, in such form and manner as may be prescribed by the Commissioner of Internal Revenue, which schedule, list, or statement shall contain the names of each and every person entitled to any beneficial interest therein, together with the clear value of such interest, the duplicate of which schedule, list, or statement shall be by him immediately delivered, and the tax thereon paid to such collector; and upon such payment and delivery of such schedule, list, or statement said collector or deputy collector shall grant to such person paying such duty or tax a receipt or receipts for the same in duplicate, which shall be prepared as hereinafter provided. Such receipt or receipts, duly signed and delivered by such collector or deputy collector, shall be sufficient evidence to entitle such executor, administrator, or trustee to be credited and allowed such payment by every tribunal which, by the laws of any State or Territory, is, or may be, empowered to decide upon and settle the accounts of executors and administrators. And in case such executor, administrator, or trustee shall refuse or neglect to pay the aforesaid duty or tax to the collector or deputy collector, as aforesaid, within the time hereinbefore provided, or shall neglect or refuse to deliver to said collector or deputy collector the duplicate of the schedule, list, or statement of such legacies, property, or personal estate, under oath, as aforesaid, or shall neglect or refuse to deliver the schedule, list, or statement of such legacies, property, or personal estate, under oath, as aforesaid, or shall deliver to said collector or deputy collector a false schedule or statement of such legacies, property, or personal estate, or give the names and relationship of the persons entitled to beneficial interests therein untruly, or shall not truly and correctly set forth and state therein the clear value of such beneficial interest, or where no administration upon such property or personal estate shall have been granted or allowed under existing laws, the collector or deputy collector shall make out such lists and valuation as in other cases of neglect or refusal, and shall assess the duty thereon; and the collector shall commence appropriate proceedings before any court of the United States, in the name of the United States, against such person or persons as may have the actual or constructive custody or possession of such property or personal estate, or any part thereof, and shall subject such property or personal estate, or any portion of the same, to be sold upon the judgment or decree of such court, and from the proceeds of such sale the amount of such tax or duty, together with all costs and expenses of every description, to be allowed by such court, shall be first paid, and the balance, if any, deposited according to the order of such court, to be paid under its direction to such person or persons as shall establish title to the same. The deed or deeds, or any proper conveyance of such property or personal estate, or any portion thereof, so sold under such judgment or decree, executed by the officer lawfully charged with carrying the same into effect, shall vest in the purchase thereof all the title of the delinquent to the property or personal estate sold under and by virtue of such judgment or decree, and shall release every other portion of such property or personal estate from the lien or charge thereon created by this act. And every person who shall have in his possession, charge, or custody any record, file, or paper containing, or supposed to contain, any information concerning such property or personal estate, as aforesaid, passing from any person who may die, as aforesaid, shall exhibit the same at the request of the collector or deputy collector of the district, and to any law officer of the United States, in the performance of his duty under this act, his deputy or agent, who may desire to examine the same. And if any such person, having in his possession, charge, or custody any such records, files, or papers, shall refuse or neglect to exhibit the same on request, as aforesaid, he shall forfeit and pay the sum of $500: *Provided*, That in all legal controversies where such deed or title shall be the subject of judicial investigation, the recital in said deed shall be prima facie evidence of its truth, and that the requirements of the law had been complied with by the officers of the Government: *And provided further*, That in case of willful neglect, refusal, or false statement by such executor, administrator, or trustee, as aforesaid, he shall be liable to a penalty of not exceeding $1,000, to be recovered with costs of suit. Any tax paid under the provisions of sections 34, 35, 36, and 37 shall be deducted from the particular legacy or distributive share on account of which the same is charged.

SEC. —. That from and after the passage of this act the Secretary of the Treasury, upon the recommendation of the Commissioner of Internal Revenue, is authorized to appoint a competent person, at an annual salary of $3,000, whose special duty it shall be to conduct such investigations as may be necessary to secure the efficient enforcement of the tax imposed upon legacies and distributive shares of personal property by this act, and the Commissioner of Internal Revenue may also from time to time assign one or more special agents to aid in such investigations.

The VICE-PRESIDENT. The question is on agreeing to the amendment proposed by the Senator from Montana.

Mr. BORAH. Do I understand this is offered as an amendment or as a substitute?

Mr. DIXON. As an amendment to the bill; not as a substitute.

Mr. BORAH. If it is offered as an amendment, I will vote against it. I do not want to raise revenue on everything.

Mr. STONE. I rose to make the same inquiry—whether it is an amendment. I am going to vote against it, because I think this matter ought to be left as a source of revenue to the States.

Mr. ALDRICH. I move to lay the amendment on the table.

Mr. DIXON. On that I ask for the yeas and nays.

The yeas and nays were not ordered.

The motion to lay on the table was agreed to.

Mr. ROOT. I offer the amendment I send to the desk.

Mr. ALDRICH. The committee accept the amendment offered by the Senator from New York.

The VICE-PRESIDENT. The Senator from New York offers an amendment, which will be stated.

The SECRETARY. On page 127, line 8, after the word "containing," strike out the word "ninety" and insert "one hundred and sixteen."

Mr. HALE. I wish to say that this amendment was originally offered by me and adopted by the Senate. I do not agree to the principle of the amendment now suggested; but it is better that the whole matter be sent to conference. Therefore I shall not oppose it here.

Mr. STONE. I should like to have the amendment reported.

The VICE-PRESIDENT. Without objection, the Secretary will again state the amendment.

The SECRETARY. On page 127, in paragraph 339, relating to floor mattings, and so forth, in line 8, strike out "ninety" and insert "one hundred and sixteen," so as to read:

Commonly known to the trade as China and India mattings, containing 116 ends of warp or less, 3 cents per square yard.

Mr. BACON. I should like to inquire of the Senator whether the amendment raises or reduces the rate?

Mr. ALDRICH. It reduces it. It is a large reduction.

The VICE-PRESIDENT. The question is on agreeing to the amendment offered by the Senator from New York.

The amendment was agreed to.

Mr. ROOT. There is another amendment on line 10, which will be required to be made in order to give effect to the amendment.

Mr. ALDRICH. Yes; in line 10, after the word "than."

The SECRETARY. In line 10, strike out "ninety," and insert "one hundred and sixteen."

The VICE-PRESIDENT. Without objection, the same amendment will be made in line 10.

Mr. McLAURIN. Mr. President, I have an amendment that I desire to offer. It is practically an amendment that I offered in Committee of the Whole, on which there was a yea-and-nay vote taken. I suppose it will go the way of the other amendments, but it is in behalf of a class of people who, I think, ought to be recognized by the legislation of this country. It is in order to put farming implements and carpenters' tools and blacksmiths' tools on the free list. The farmers are a very important class of the population of this country. If they were to cease to perform their office all over the world for one year, the populations of all the earth would perish.

I will not detain the Senate to make any remarks on it, but I ask that this short amendment be read, and I would be very

glad to have it adopted. I ask that it be added after the words "United States," in paragraph 712, line 23, on page 244.

The VICE-PRESIDENT. The Secretary will read the amendment.

The SECRETARY. On page 244, after the words "United States," it is proposed to insert:

Notwithstanding anything in this bill contained, trace chains, lock chains, log chains, and all other chains used on a farm; plows, plow handles, plow beams; screws used on, in, or about plows, colters, lap rings, clevises, clevis pins, buck heads, singletrees, doubletrees, cuffs and hooks for singletrees and doubletrees; horse collars, hames, hame strings, backbands, bellybands, plow lines, bridles, and all other plow gear; saddles, wagon harness, buggy harness, carriage harness, pitchforks, spades, spade handles, shovels, shovel handles, axes, ax handles, hoes of all kinds, hoe handles, reapers, harvesters, mowers, pea-vine pullers, scythes, scythe blades, reap hooks, grass blades, lawn mowers, rakes, hammers, hammer handles, hatchets, hatchet handles, and all other farming implements, and all carpenters' tools and all blacksmiths' tools, when imported into this country shall be admitted free of duty.

Mr. KEAN. The Senator——

Mr. ALDRICH. I move to lay the amendment on the table.

The VICE-PRESIDENT. The Senator from Rhode Island moves to lay the amendment on the table.

Mr. KEAN. The Senator from Mississippi——

The VICE-PRESIDENT. The motion is not debatable.

Mr. KEAN. Neglected to include grindstones with which to sharpen the tools.

Mr. McLAURIN. I accept the amendment.

Mr. GORE. Mr. President——

The VICE-PRESIDENT. For what purpose does the Senator from Oklahoma rise?

Mr. GORE. I ask the Senator from Rhode Island if the table is big enough to lay these things on?

The VICE-PRESIDENT. The Senator from Rhode Island moves that the amendment be laid on the table.

The motion was agreed to.

Mr. BEVERIDGE. I offer the following amendment.

The VICE-PRESIDENT. The amendment will be stated.

The SECRETARY. It is proposed to add, at the end of paragraph 128, page 40, line 2, after the word "pounds," the following proviso:

Provided, That the drawback provisions of this act shall not apply to any articles manufactured in whole or in part of tin plates, terne plates, and taggers tin.

Mr. BEVERIDGE. Mr. President, I offer this amendment in the fulfillment of what seems to me strictly protective principles, emphasized by justice.

Under the present indiscriminate drawback provisions of our law perhaps the greatest business organization in the world gets its tin plate in Wales, brings it here, manufactures it into cans and containers, and then ships it out again, getting all of the tariff that it paid when it brought the tin in as a drawback, excepting only 1 per cent. That great concern, as everybody knows, is the Standard Oil Company.

I do not appeal for a single vote upon any grounds of attacking that great corporation or of its unpopularity, but its great prosperity has been drawn from the common prosperity of the American people. The development of our resources, the creation of our industries under the protective system, have given to it a great portion of its enormous wealth, of which for the purposes of this vote, I repeat, I make no complaint. It seems to me only just that it should patronize American tin-plate mills instead of the Welsh tin-plate mills. It appears to me to be no hardship that it should buy its tin here instead of in Wales.

Mr. President, this is a large matter for the tin-plate industry of this country, but a comparatively small matter for this tremendous business organization. During the past ten years more than one billion, nearly 1,400,000,000 pounds of tin plate, have been imported into this country. On that a duty has been paid aggregating $20,000,000. Practically all of that was brought in by the Standard Oil Company, and having manfactured its tin, which it brought in, into cans and containers it shipped it out again full of oil drawn from our own wells and exported to foreign markets and then got back nearly all of the $20,000,000 which it had paid as a duty excepting 1 per cent. The result of this——

Mr. ALDRICH rose.

Mr. BEVERIDGE. Pardon me just a moment and I will be through. The result of this has been that the tin-plate industry of this country has suffered. Perhaps the protective duty on tin plate was the farthest sighted piece of protective statesmanship that we have witnessed since the civil war. It has justified itself by building up a tin-plate industry in this country which now supplies all our needs.

In order to keep the men at work we must ourselves export tin plates, and the tin plates that we export are made by our workingmen, upon an agreement with the manufacturers that they shall make that particular tin plate at more than 20 per cent less wages. It is estimated by the laborers engaged in this great industry that if this concern and other concerns who buy their tin plate in Wales were to buy it here, it would keep as much as 30 tin-plate mills going in addition to those we now have. I do not know whether that estimate is correct or not; but it must be patent to all that if they bought their tin plate here, where they have derived their great wealth, they would certainly keep every tin-plate mill now in existence in full operation at full wages.

Mr. DOLLIVER. Mr. President——

The PRESIDING OFFICER (Mr. GALLINGER in the chair). Does the Senator from Indiana yield to the Senator from Iowa?

Mr. BEVERIDGE. I am about through, but I will yield.

Mr. DOLLIVER. I wish to make a suggestion, in order to get the Senator's view about it. This drawback provision has been on the statute books for a good many years. My recollection is that it was said in 1897 that if the drawback privilege was withdrawn it would not operate to stimulate the purchase of tin plate here, but would operate to stimulate the manufacture of tin cans in Hongkong and other Asiatic centers for the distribution of oil in tin cans; that the Standard Oil Company and other exporters of oil would carry in bulk in tank steamers their oil to the places where they would be ready to ship to the interior of Asiatic countries; and that instead of resulting in the patronage of our own tin-plate mills it would result in the purchase of foreign tin plate and the manufacture of oil cans and containers in Hongkong or other eastern cities, where it could be done very cheaply. I should like to know what the views of the Senator are in respect to that.

Mr. BEVERIDGE. My views upon that particular point are that if it would be profitable for them to do that in the future, then it would be profitable for them to do it now. They already have a line of tank steamers. They can already ship their oil in bulk; and if they could ship their oil in bulk cheaper, they would do that and get their tin cans made by Hongkong labor. That is the first answer.

The second answer is that that argument would serve to keep up any duty on anything, no matter whether it was reasonable or extravagant.

The third answer is that the tin manufacturers of this country, and especially the tin workers of this country, whom I know to be an uncommonly intelligent set of men, keenly alive to their interests, think that the exception of tin plate in the drawback provision would result in their working full time at full wages instead of a part of the time at cut wages.

These men have studied every phase of the question. I present their views. They occurred to me to be remarkably reasonable. Certainly if a business organization derives its prosperity from American resources and from the American people under the protective system which has built up our industry, it ought to be willing to patronize similarly protected American industries. Certainly there can be no reason why it should not buy its tin plate here as well as and better than in Wales. It would not cost it, Mr. President, so very much, in comparison with what it makes.

I shall insert in my remarks a list of the drawbacks without reading them, because I do not want to consume the time, from the year 1899 to the year 1908; all the drawbacks also in each year. They run from $1,744,400 in 1899 to $2,357,486 in 1908. That would not be a great deal for this company, but it would mean much to the thousands of tin-plate workers in the United States.

Mr. ALDRICH. Mr. President, this proposition involves about $75,000,000 of exports from the United States per annum and puts an additional burden upon all those exports. Let us see what the situation is. The only people practically who make tin plate in the United States are the United States Steel Company. If anybody is to be benefited by this proposition, it is that one single concern.

Let us see who is interested on the other side. It is true that the Standard Oil Company is a large exporter of oil. So are a large number of other oil exporters. But they are not the only people who are shipping American products out of this country in tin cans. The meats of the West are constantly shipped to a very large extent in tin cans.

Mr. PERKINS. A million cases of salmon.

Mr. ALDRICH. Yes; a million cases of salmon; meats from Iowa, from the Western States, from Illinois; fruits and vegetables; fruits from all along the Atlantic seaboard.

Mr. SCOTT. Alcohol.

Mr. ALDRICH. Alcohol; all kinds of domestic products. Fruits can not be sent abroad and canned there. Oil has the least of the benefits, because, as has already been suggested by

the Senator from Iowa, oil can be shipped in tank cars to Canada or by steamer to Hongkong or to any one of a great number of ports and put in tin cans, thereby depriving the American workmen. But these other products can not be treated in that way. It seems to me very strange that the Senate should be asked, for the benefit of one concern, to hamper or place burdens upon the export business of the United States.

I move to lay the amendment on the table.

Mr. BEVERIDGE. I hope the Senator will withhold that for a moment until I can make one or two remarks in answer to what the Senator said, because it is just.

The PRESIDING OFFICER. Will the Senator from Rhode Island withdraw his motion?

Mr. ALDRICH. Very well.

Mr. BEVERIDGE. First, the Senator says this would affect $75,000,000. I wish to say——

Mr. ALDRICH. Of exports.

Mr. BEVERIDGE. Yes; of exports of oil.

Mr. ALDRICH. Not of oil, but of everything.

Mr. BEVERIDGE. How much oil?

Mr. ALDRICH. I do not remember; somewhere in the neighborhood of $50,000,000; not by the Standard Oil Company, but by the great railroad companies.

Mr. BEVERIDGE. Well, whatever they are, the answer to that is that the Senator would not claim that if they had canned their oil in American-made tins, they would stop their exports.

Mr. ALDRICH. No; but they would put the oil in some other form.

Mr. BEVERIDGE. Would they stop their exports if they were put in some other form?

Mr. ALDRICH. Of course not, because they will have to export it.

Mr. BEVERIDGE. That was the question asked by the Senator from Iowa [Mr. DOLLIVER] which I tried to answer. It is certain that they would not stop their exports. It is certain that they would export it in some other way. It is certain that they would not make quite so much profit.

Now, the Senator has said that means only one concern that would be benefited, and that was the Steel Corporation. The Senator knows that it would not benefit one dollar, for the reason that the drawback does not now harm it in any way. It must export its tin if it is the tin producer, and I did not know it was the only tin producer until the Senator said so, and I do not believe it now.

Mr. ALDRICH rose.

Mr. BEVERIDGE. In a moment. Concede that it now supplies our home market and makes a surplus which it must export, and as our Republican campaign text-book shows—and I do not want to take the time to read it, but will if the Senator desires—makes arrangements with these men to work for reduced wages in order to keep fully employed making this excess tin which they have to export.

If the drawback was taken off, if the Standard Oil Company or any other company or concern had to buy American-made tin plate, this concern would get no benefit, because it would all go to these wages which now by agreement are good for the purpose of making this extra supply of tin plate for export.

I do not know that all Senators know, but I am sure the Senator from Rhode Island knows, that it is the case in the tin-plate industry that the tin-plate workers are not all paid at the same scale of wages. No matter what kind of tin plate they make or for what purpose, they are paid full wages for that sold in this country, and cut wages, to which they agree, for that which is exported.

Now, if that condition did not exist, if there was a market which——

Mr. McLAURIN. Will the Senator allow me?

Mr. BEVERIDGE. In just a second—which absorbed all of their product, they would not work at cut wages for the excess which they manufactured to export abroad, but would work for full wages, as they do now on all tin made for American consumption.

Mr. McLAURIN. I was just going to ask the Senator from Indiana why they are paid less wages for that which is exported than for that which is consumed in this country?

Mr. BEVERIDGE. They agree to it; they must. That is why I put in the amendment.

Mr. McLAURIN. Upon what basis is that agreement made?

Mr. BEVERIDGE. The basis of the agreement and the reason why the agreement becomes necessary is, as they have told me themselves, that we now make in this country enough for our own domestic supply and more; and in order to keep the men at work and the mills running, we manufacture an excess for export; but it can not be exported at the wages we pay here for the production of American tin used in this country.

Therefore the company and the men agree to a cut in the wages which will cover that difference. So with this drawback, the tin-plate company would not get the benefit, but the laborers would get the benefit to the extent I have indicated.

Mr. ALDRICH rose.

Mr. BEVERIDGE. Just one word more, and I shall sit down, and the Senator from Rhode Island may make his motion to lay on the table.

Then, Mr. President, about fruits. There is a duty on most of these fruits. They are protected. Why can they not be shipped abroad in protected American-made tins? If they enjoy protection, why should they not patronize protection? It seems to me, as I stated in the beginning, that this amendment is based upon strict protective principles, emphasized peculiarly by justice.

Mr. SCOTT. Why does not the Senator offer an increase of duty on tin plate and protect the workmen?

Mr. BEVERIDGE. I am surprised that the Senator from West Virginia should ask that question, because the Senator will see that that would not prevent these companies, especially the Standard, from getting its tin in Wales. It would be a still greater inducement for it to do so. There is no need of increasing the duty on tin plate, because, under the present duty, we are making all we can use in this country, and more, and must export it; and the portion which we must export we can profitably export only by having the workingmen, who agree to the arrangement, work at reduced wages, which enables the company to export, thus keeping them employed all the time. That is the reason.

In the case of fruit and all of those things that must be shipped abroad in tins, I think most of them are afforded protection. I do not see now—I am perfectly aware that others are better informed and can enlighten me—why those who are protected should not also patronize industries that need their patronage. I can not understand——

Mr. BAILEY rose.

Mr. BEVERIDGE. Just a moment.

I can not understand why they should not be shipped abroad in our own tin.

Mr. BAILEY. Mr. President——

The PRESIDING OFFICER. Does the Senator from Indiana yield to the Senator from Texas?

Mr. BEVERIDGE. Certainly.

Mr. BAILEY. Waiving the question of sending this surplus abroad and selling it to foreign people cheaper than to our own people, I want to inquire of the Senator from Indiana how it happens, under this protective tariff, if we are making more than we consume and are thus compelled to ship this surplus to other nations, that an enormous amount of it is imported into this country?

Mr. BEVERIDGE. The reason is that it is imported, of course, on account of the existence of this drawback provision, which enables the importers of the tin to purchase it in Wales cheaper than they can purchase it here, make their tin into cans, ship it abroad, and get the benefit of the drawback, and thus pay no tariff.

Mr. BAILEY. Mr. President, that answer is not sufficient, because, if they can sell this tin abroad, and sell it in competition with Wales, after paying ocean freight and insurance in carrying it to those markets, certainly they could compete against Welsh tin after it had paid ocean freights and insurance in coming here. So that explanation will not suffice.

Mr. BEVERIDGE. The answer to that is, that the tin exported is not made at American wages, but at reduced wages. However, these are the facts as I understand them. This, as I understand, is the request of these thousands of American laborers.

Mr. BAILEY. These benevolent tin-plate manufacturers and these American laborers, if they have to take lower wages, ought certainly to be willing to give their fellow-citizens in this country the benefit of them, and they ought to save ocean freight and insurance both ways. That would tend very much to correct inequalities of wages.

Mr. BEVERIDGE. If the Senator will permit me, if they did that, if there were no tariff on at all, if they reduced their wages all along the line, as they do for that portion of the tin which they export, then they would have to compete on a labor basis with Welch laborers, which is something that the protective system does not admit of. The Senator from Texas does not mean to say that he would have the tin-plate workers of this country paid Welch wages.

Mr. BAILEY. I would pay every man exactly what he is worth, and I would not tax any other man to pay him more than he is worth. But that still does not explain, because they have a protective tariff intended to protect American laborers

against this Welsh competition, and I am only trying to emphasize the fact that the protective tariff fails at this point, according to all the arguments.

Mr. BEVERIDGE. Mr. President, my only answer to that is that I am, by excepting tins from this drawback provision, showing that the protective system does work. It does work perfectly, except where this drawback provision excepts it——

Mr. BAILEY. That is equivalent to saying that it works, except where it does not work.

Mr. BEVERIDGE. Except where the drawback makes an exception.

Mr. BAILEY. I want to ask the Senator, furthermore, if it is true that the steel trust is the only producer of tin plate in this country?

Mr. ALDRICH. That is unquestionably true.

Mr. BAILEY. Then, it looks as if the American Congress is reduced——

Mr. ALDRICH. It is inconceivable to me that the Senator from Indiana did not know that fact.

Mr. BAILEY. That is not surprising to me.

Mr. BEVERIDGE. I do not know it; but I do know what the workingman in the tin-plate industry in this country complains of and demands.

Mr. ALDRICH. I move to lay the amendment on the table.

Mr. BEVERIDGE. I do know the chief beneficiary of the drawback is the Standard Oil Company.

Mr. BAILEY. I only want to observe that the American Congress is compelled to choose in this matter between the two greatest trusts in the United States—whether we will compel the oil trust to patronize the steel trust.

Mr. ALDRICH. It is not the oil trust alone; it is the meat producers of Texas.

Mr. BAILEY. The packers are also in a trust.

Mr. ALDRICH. I move to lay the amendment on the table.

The PRESIDING OFFICER. The question is on the motion of the Senator from Rhode Island to lay on the table the amendment of the Senator from Indiana.

The motion was agreed to.

Mr. GUGGENHEIM. I offer the amendment which I send to the desk.

The PRESIDING OFFICER. The amendment will be stated.

The SECRETARY. On page 61, after line 18, it is proposed to insert the following paragraph:

173½. Chromate of iron or chromic-bearing ores of all kinds, 20 per cent ad valorem on the metallic value of the chrome contained therein.

Mr. ALDRICH. I am willing to let that go in, so that it may be considered in conference.

Mr. KEAN. I hope it will go out.

Mr. BURTON. Mr. President, I do not like to leave it in that way. There is an intimation that it may be thrown out in conference; but it seems to me the amendment ought not to be accepted. The article has heretofore come in free; it is a very useful article in many lines of industry, and the benefits which will be conferred by the amendment will be very slight in comparison with the greater expense to a very large number of users.

Mr. ALDRICH. I am extremely anxious to pass this bill to-day, and I am willing to have a vote on the proposition.

The PRESIDING OFFICER. The question is on the amendment offered by the Senator from Colorado [Mr. GUGGENHEIM].

The amendment was rejected.

The SECRETARY. Also strike out paragraph——

Mr. ALDRICH. The rejection of the last amendment, Mr. President, obviates the necessity of voting on the other amendment.

The SECRETARY. Strike out paragraph 524, which reads:

524. Chromate of iron or chromic ore.

The PRESIDING OFFICER. The question is on the amendment.

Mr. BURTON. The rejection of the other amendment leaves that paragraph as it is.

The PRESIDING OFFICER. The question is on agreeing to the amendment.

The amendment was rejected.

Mr. OWEN. I offer the amendment which I send to the desk, to come in after line 25, on page 211.

The PRESIDING OFFICER. The amendment will be stated.

The SECRETARY. On page 211, after line 25, it is proposed to insert as a new paragraph the following:

471½. That the rate fixed on all articles enumerated in section 1 of this act, in Schedules A, B, C, D, E, F, G, I, J, K, L, M, N, shall be reduced 5 per cent per annum of the rate fixed in this act, annually on June 30, for each of the next ensuing five fiscal years: *Provided*, That such rate shall not hereunder be reduced or fixed below the point at which it would produce an amount equal to the difference in the cost of the production of any such article in the United States and abroad. The difference in the cost of the production of any such article in the United States and abroad shall be determined, upon proper evidence duly recorded, by a nonpartisan commission of five experts, to be appointed by the President of the United States and confirmed by the Senate.

Mr. ALDRICH. I move to lay the amendment on the table.

The VICE-PRESIDENT. The question is on agreeing to the motion of the Senator from Rhode Island to lay on the table the amendment offered by the Senator from Oklahoma [Mr. OWEN].

The motion was agreed to.

Mr. HEYBURN. I offer the amendment which I send to the desk.

The VICE-PRESIDENT. The amendment will be stated.

The SECRETARY. On page 239, after the word "thereof," in line 4, it is proposed to insert the following:

Provided further, That on and after January 1, 1910, and until July 1, 1920, there shall be paid, from any moneys in the Treasury not otherwise appropriated, to the producer of tea within the United States, a bounty of 10 cents per pound, under such rules and regulations as the Commissioner of Internal Revenue, with the approval of the Secretary of the Treasury, shall prescribe.

The producer of said tea to be entitled to said bounty shall have first filed prior to January 1 of each year with the Commissioner of Internal Revenue a notice of the place of production, with a general description of the lands and methods to be employed by him, with an estimate of the amount of tea proposed to be produced in the current or next ensuing year, including the number of acres to be cultivated, and an application for a license to so produce, to be accompanied by a bond in a penalty, and with sureties to be approved by the Commissioner of Internal Revenue, conditioned that he will faithfully observe all rules and regulations that shall be prescribed for such growth and production of tea.

The Commissioner of Internal Revenue, upon receiving the application and bond hereinbefore provided for, shall issue to the applicant a license to produce tea within the United States, at the place and by the methods described in the application; but said license shall not extend beyond one year from the date thereof.

No bounty shall be paid to any person unless he shall have first been licensed as herein provided, and only upon tea produced by such persons within the United States. The Commissioner of Internal Revenue, with the approval of the Secretary of the Treasury, shall from time to time make all needful rules and regulations for the cultivation of tea within the United States under the provisions of this act, and shall, under the direction of the Secretary of the Treasury, exercise supervision and inspection of the production thereof.

And for the payment of these bounties the Secretary of the Treasury is authorized to draw warrants on the Treasurer of the United States for such sums as shall be necessary, which sums shall be certified to him by the Commissioner of Internal Revenue, by whom the bounties shall be disbursed, and no bounty shall be allowed or paid to any person licensed as aforesaid in any one year upon any quantity of tea less than 100 pounds.

Mr. HEYBURN. Mr. President, this amendment is offered on behalf of the consumers of tea in this country and on behalf of the interests of the country in the production of tea. We are paying out in cash from $13,000,000 to $18,000,000 per year for tea to a limited area of production. We can produce all the tea that we need in this country under as favorable circumstances and of better quality than it is produced in Asiatic countries. We have an area of more than 200,000,000 acres that the Agricultural Department of the United States has pronounced adapted to the growth of tea. This year the product of tea will equal 33,000 pounds, and in twenty years we can produce, and will produce under the encouragement proposed by this amendment, all and more than all the tea necessary for the people of this country. Why not do it? The industry has grown in ten years faster than any industry that ever was started in this country. It extends from the Atlantic Ocean to the Gulf coast of Texas and clear through to California.

I could go into this question with some particularity, and it would probably attract the attention of Senators who have not had occasion to inquire about it. Senators will be surprised to know the extent over which tea is now produced in this country. I have a statement here, that is responsible, showing that during this season 33,000 pounds of tea can be harvested in the United States, as follows: From the Summerville mill, 14,000 pounds—that is in South Carolina; from the American Tea Growing Company's farms, in the same State, 16,000 pounds; from the Greenville farm, 1,000 pounds; from the experimental station of the Government in Texas, 1,000 pounds; and there is another place where it is produced; making a total of 33,000 pounds. That is an infant industry, but the soil and the climate of this country are just as well adapted to growing tea as those of Asiatic countries.

Just one other item and I will not detain the Senate further. The land now being used for tea growing is producing an average crop of 535 pounds of dry tea per acre each year. The climate of the southern Gulf States is, in general, admirably adapted to the cultivation of the tea plant. The cultivation of tea can safely be risked where the temperature seldom falls below 24 and never goes below zero, and where the annual rainfall exceeds 30 inches or more.

I will submit the question upon those facts. Let us build up this great new industry as we have built up the great beet-

sugar industry in this country. It is perfectly reasonable and it is entirely in line with the policy of the Republican party.

Mr. BEVERIDGE. Mr. President, I do not want to argue this question right now, but I do want to make one statement in answer to what the Senator from Rhode Island [Mr. ALDRICH] has said. I did not know that the tin-plate industry is, as he states, wholly made by the United States Steel Corporation. My communication on this subject, unlike his, had been with the workers directly; but since his statement was made, Senators on this floor have informed me that that corporation is not the only maker of this product, that it does not monopolize the tin-plate industry of the country.

There are four prosperous mills, and two of them are very large mills, in West Virginia; there are two in Ohio, one being a very large affair; and there are several, I am informed, in Pennsylvania. This information has come to me voluntarily within the last few moments, since his statement was made; and I am not willing to have it go unchallenged that the taking off of this drawback would benefit merely one corporation. It would not benefit it even if it were true; but the men who ask that this may be done desire to let it go on record that it is not a trust. There are, as I have pointed out and have been informed by Senators who themselves know, at least six great independent mills, and probably more.

Mr. ALDRICH. Can the Senator call the attention of the Senate to the extent of the production of these mills?

Mr. BEVERIDGE. I can not. I am not so well informed as is the Senator upon the production of the corporation and its rivals; but I think I am better informed than he is upon the condition and desires of the working people that are employed in these industries.

Mr. ALDRICH. When the Senator from Indiana wants to have something done, it is always the workingmen, and not the employers or the manufacturers that will get the benefit of it. If he is opposed to a thing being done, it is the manufacturers who will get the benefit and not the employees.

Mr. BEVERIDGE. And with the Senator from Rhode Island it is always the manufacturers, and never the employees.

Mr. ALDRICH. The Senator is presuming a great deal when he makes that statement.

Mr. BEVERIDGE. Not so much as the Senator presumed when he made the statement that he did. I say, and repeat for the third time, as I told the Senator before when I told him I was going to do this, that this was a request that the tin-plate workers—the tin-plate laboring men—personally made, because they wanted full wages all the time instead of cut wages some of the time.

Mr. ALDRICH. The Senator did tell me once or twice that he had been obliged, under stress of political exigencies——

Mr. BEVERIDGE. The Senator must let me correct him right there.

Mr. ALDRICH. That is the way I understood him.

Mr. BEVERIDGE. No; the Senator is an older Senator than I am, but he presumes a great deal in repeating a private conversation incorrectly. He knows that I did not say "political exigencies" or anything of the kind. I said the workingmen had asked me.

Mr. ALDRICH. I am not repeating a private conversation. The Senator said in his own public statement that he had promised——

Mr. BEVERIDGE. I say the demand for this thing comes from the workingmen themselves.

Mr. ALDRICH. I understood the Senator to be carrying out his promise.

Mr. BEVERIDGE. I think the Senator is carrying out his promises, also—that is clear. [Laughter.]

Mr. ALDRICH. Mr. President, I understood the Senator to say, in his opening speech upon this subject, that he had said to the workingmen that this attempt should be made. I understood him in that way. It is unquestionably true that there are five or six comparatively unimportant tin-plate mills in the United States, or perhaps more.

Mr. BEVERIDGE. Senators on the floor inform me that they are very important.

Mr. ALDRICH. They are important in a sense; but, of course, the large part, 80 or 90 per cent, of the tin plate produced in the United States is manufactured by one corporation.

But that has nothing whatever to do with my judgment as to the merits of the proposition made by the Senator from Indiana; and I do not intend to discuss it any further.

Mr. BEVERIDGE. Is not this the case: While it now develops here that there are, as Senators tell me, many very important tin-plate mills that are perfectly independent, is it not true, on the other hand, that the Standard Oil Company is practically the sole exporter of oil, and practically the largest beneficiary of this drawback provision?

Mr. ALDRICH. No, Mr. President; it is not true that the Standard Oil Company is practically the only exporter of oil. There are a great many independent exporters of oil.

Mr. BEVERIDGE. Exporters of oil?

Mr. ALDRICH. Yes; exporters of oil; and the exports other than oil, as I have stated, amount to more than $25,000,000 a year.

The VICE-PRESIDENT. The question is on agreeing to the amendment offered by the Senator from Idaho [Mr. HEYBURN].

The amendment was rejected.

Mr. OLIVER. Mr. President, I desire to offer an amendment, which I send to the desk.

The VICE-PRESIDENT. The Senator from Pennsylvania offers an amendment, which the Secretary will report.

The SECRETARY. On page 30, in paragraph 100, in line 6, strike out the word "ten" and insert in lieu thereof the word "twelve;" in line 8 strike out the words "twelve and one-half" and insert in lieu thereof the word "fifteen."

Mr. BACON. What page is that?

The SECRETARY. Page 30, paragraph 100; so that it will read:

Cast polished plate glass, finished or unfinished and unsilvered, not exceeding 384 square inches, 12 cents per square foot; above that, and not exceeding 720 square inches, 15 cents per square foot.

The VICE-PRESIDENT. The question is on agreeing to the amendment.

Mr. OVERMAN. I desire to offer an amendment.

The VICE-PRESIDENT. An amendment to the amendment?

Mr. OVERMAN. Yes.

The VICE-PRESIDENT. The Senator from North Carolina offers an amendment to the amendment.

Mr. OVERMAN. Where the amendment says "12 cents" I move to amend by making it "8 cents;" and where it says "15 cents," I move to make it "10 cents" per square foot. I read from the old Dingley bill. This is the Dingley rate.

The VICE-PRESIDENT. The Secretary will report the amendment to the amendment.

The SECRETARY. It is proposed to make the rate where the area is not exceeding 384 square inches, 8 cents per square foot; above that, and not exceeding 720 square inches, 10 cents per square foot.

Mr. OVERMAN. The old Dingley rates for cast polished plate glass, finished or unfinished and unsilvered, not exceeding 16 by 24 inches square, were 8 cents per square foot; above that, and not exceeding 24 by 30 inches square, 10 cents per square foot. The House bill increased the Dingley rates from 8 to 10, and from 10 to 12, respectively.

The VICE-PRESIDENT. The Chair thinks the amendment which the Senator offers does not amend the amendment which the Senator from Pennsylvania has offered.

Mr. OVERMAN. I offer it as a substitute for it, then. I think it does amend it. It strikes out "twelve" and puts in "eight;" and it strikes out "sixteen" and puts in "ten."

The VICE-PRESIDENT. If the Senator will state it in the way of amending the amendment——

Mr. OVERMAN. I will simply offer as a substitute for it the provision of the Dingley bill.

The VICE-PRESIDENT. The Dingley bill is not pending. The amendment of the Senator from Pennsylvania is pending.

Mr. OVERMAN. I understand; but I am copying from the Dingley bill its language and offering that as a substitute. It is the law as it is at present.

Mr. ALDRICH. Mr. President——

Mr. OVERMAN. Mr. President, I have the floor.

Mr. ALDRICH. Will the Senator yield to me for a moment?

Mr. OVERMAN. I certainly will.

Mr. ALDRICH. One of these amendments increases the duty over the bill as it now stands, and the other reduces it. I do not like to have a discussion which may be indefinite in its length launched upon the Senate with reference to this matter. If the matter can be disposed of promptly, I shall not object. Otherwise, I shall move to lay these amendments on the table.

Mr. OVERMAN. The Senator can not keep me from the floor.

Mr. ALDRICH. No; and I am not proposing to. I am suggesting that I should like to dispose of the amendments.

The VICE-PRESIDENT. But the Senator from North Carolina has simply been yielded to by the Senator from Pennsylvania in order to offer his amendment. The Chair was attempting to get the amendment straightened out and reported. Now the Secretary will report the amendment.

The SECRETARY. As a substitute for the amendment offered by the Senator from Pennsylvania, the Senator from North Carolina proposes the following:

100. Cast polished plate glass, finished or unfinished and unsilvered, not exceeding 16 by 24 inches square, 8 cents per square foot; above that, and not exceeding 24 by 30 inches square, 10 cents per square foot.

Mr. OLIVER. Mr. President, I am aware that the Senators are very tired, and that they do not desire to listen to any lengthy discussion upon this or any other subject. But I regard this one as of vital importance to a very important industry, not only in our State, but all through the Middle West; and I think the Senate ought to have some little information upon it.

In 1875, before the establishment of the plate-glass industry in the United States, the smaller sizes of plate-glass sold at 71 cents per square foot. They are now selling at 18¼ cents per square foot. The larger sizes then sold at $1.69 per square foot. They are now selling at 43 cents per square foot. All this has been brought about through the enterprise of the American plate-glass manufacturers under the liberal encouragement given by the protective tariff.

It may be asked, "Why is it necessary to give even this slight increase at this time?" I will explain that in a very few words.

When the industry was established in this country, the demand for plate glass was confined almost entirely to the very large sizes. The smaller sizes were supplied through breakage and the cutting out of flaws that were found in the larger plates. Of late years the demand has entirely changed, and the time will soon come when the demand for the smaller sizes will be greater than that for the large ones. As the duty on the small sizes is confessedly much less, and, in fact, so low that they are sold for less than actual cost, the manufacturers find it absolutely necessary, in order to sustain themselves in business, that they shall be allowed this small advance in the duties upon the smaller sizes.

Mr. SMITH of Michigan. Mr. President——

The VICE-PRESIDENT. Does the Senator from Pennsylvania yield to the Senator from Michigan?

Mr. OLIVER. Certainly.

Mr. SMITH of Michigan. I should like to ask the Senator from Pennsylvania if it is not true that since the passage of the Dingley law and under its rates the domestic glass industry has increased more than 200 per cent?

Mr. OLIVER. I can not answer the Senator on that point.

Mr. SMITH of Michigan. I can tell the Senator from Pennsylvania that such is the truth. The House of Representatives has already added 25 per cent to the Dingley rates, after careful deliberation; but the proposition to increase the House rates 25 per cent is unnecessary, and I denounce it. I desire the American glass industry fully protected, and have helped to do it.

Mr. OLIVER. The Senator can denounce it in his own time.

I want to say that the industry which uses most of this small glass is now confessedly buying its glass at less than it costs the manufacturers to make it. I have this admission from one of them. And they are now seeking to perpetuate this condition of affairs. If the Senator wants an instance of inconsistency, I say that he can find it in the furniture manufacturers, who are themselves protected by the tariff and stand here and demand a range of duties which will compel other manufacturers in this country to sell them their goods at lower than absolute cost.

Mr. OVERMAN. Mr. President, as reported from the Finance Committee——

Mr. ALDRICH. Will the Senator from North Carolina allow me?

Mr. OVERMAN. Not if you are going to move to lay the amendment on the table. I can not yield for that purpose.

Mr. ALDRICH. There is no other way that I see to test the sense of the Senate on the two propositions, and without discussion.

Mr. OVERMAN. I do not yield for that purpose.

Mr. ALDRICH. I will seek the floor as soon as I can get it.

The VICE-PRESIDENT. The Senator from North Carolina is entitled to the floor.

Mr. OVERMAN. Mr. President, as reported from the Finance Committee, the increase was more than 25 per cent, which was a tax upon the furniture manufacturers of North Carolina alone of over $200,000, and this increase will make it from $350,000 to $400,000, according to the estimates they give me. One of these glass men came into my office a few days ago, urging me to agree to this amendment. I said, "This means an increase of tax upon my people, who make this plain furniture. It means an increase of several hundred thousand dollars." His reply was, "The furniture men will not have to pay it. The men who buy the furniture will have to pay it; the consumer will have to pay the tax."

Mr. President, I desire the Secretary to read some letters—only three—which I have received from furniture men in North Carolina.

The VICE-PRESIDENT. Without objection, the Secretary will read as requested.

The Secretary read as follows:

HIGH POINT, N. C., *June 15, 1909.*

Hon. LEE S. OVERMAN,
United States Senate, Washington, D. C.

DEAR SIR: Again regarding the proposed increase in the glass tariff, we can not too strongly protest against any increase. Statistics show that, taking the furniture manufacturers as a whole, the average profit is not exceeding 5 per cent in normal times, and during the last two years of panic this small profit has been entirely wiped out. Already 20 of our furniture factories have been forced to discontinue business, and if there should be an advance in the price of glass it would only mean that all the manufacturers of furniture would be forced to the wall; the strongest could not survive. Under present conditions it is utterly impossible to sell anything except a very small per cent of the capacity, and that at greatly reduced prices. We do most urgently beg you to use your influence against such hardships on the furniture makers just for the interest of the glass trust, whose capital invested is much smaller than the investment in furniture manufactories, and who employ only about one-fourth as many men. The glass growth has been phenomenal, and the trust is amply protected under the present rate.

Once more we urge that you use your efforts in defeating the proposed increase, which would mean destruction to the furniture industry of the country, and especially in the South, where principally the small sizes are used.

Yours, truly,

HIGH POINT FURNITURE CO.,
M. J. WRENN, *Proprietor.*

Mr. ALDRICH. Will not the Senator from North Carolina have the other letters printed in the RECORD without being read?

Mr. OVERMAN. Yes; I will have them printed. I merely wish to show the protest of our people.

The letters referred to are as follows:

NORTH WILKESBORO, N. C., *April 12, 1909.*

Hon. LEE S. OVERMAN,
Washington, D. C.

DEAR SIR: While it is very seldom that we mix up with political questions, still, the proposed increase in the tariff on small sizes of plate glass seems to be so uncalled for, and at the same time a blow at the class of manufacturers in the South, as well as a burden on the average citizen, in that it will increase the price of the grade of furniture that he buys, that we decided to write and ask you to use your best endeavors to prevent this increase in the tariff on small sizes of plate glass.

At this time there is a large corporation, which almost amounts to a trust, in the glass business, and the present high tariff has brought this about and has prevented importation, thereby reducing the revenue of the Government.

Hoping you will make an energetic fight against this clause of the bill, we are,

Yours, very truly,

FOREST FURNITURE CO.,
J. R. FINLEY, *Secretary and Treasurer.*

FAYETTEVILLE, N. C., *April 7, 1909.*

Senator LEE S. OVERMAN,
Washington, D. C.

DEAR SIR: Permit us to call your attention to the glass schedule of the Payne bill, paragraphs 97 and 100. Personally we might be benefited, at least temporarily, by the passage of the Payne bill, as we have a large stock of glass on hand, but we desire as far as possible to prevent the consumers being unprotected against the trusts, which are able to manipulate the business under the present tariff. The price of glass being high when they can control the market, and when the independents become troublesome, the price is dropped until the outside people are crowded out. We do not believe this condition would exist under a tariff for revenue. From the best information we have, it costs but little more to produce glass in America than in Europe; American machine-made glass doubtless costs less. Plate glass costs 3 or 4 cents per square foot more in this country than in Europe, although in the best American factories it probably costs no more. As we understand the situation, the net result of the Payne bill is an advance in the glass that is actually imported, and a slight reduction is made in glass that is practically not imported; the reduction is therefore a "humbug," while the advance is real. The consumers and purchasers of these trust-protected articles are not heard from, as they can not afford to go to Washington, while the representatives of the trusts can, as they have ample means to pay such expenses, while the consumers have this added to their cost bill. This same argument applies, of course, to many other articles; but it is especially patent to us in the glass situation, and as we have no doubt you will view it from the same point we do, we have no hesitancy in asking that you endeavor to have this put down to a revenue basis.

With kindest regards, we remain,

Yours, truly,

HUSKE HARDWARE HOUSE,
B. R. HUSKE, *President.*

Mr. ALDRICH. I move to lay on the table the amendment proposed by the Senator from North Carolina to the amendment of the Senator from Pennsylvania.

Mr. OVERMAN. Will that carry the amendment of the Senator from Pennsylvania—both amendments?

Mr. ALDRICH. If not, I shall be obliged to move to lay the other one on the table, because I am not going to consent to a continuance of this discussion if I can help it.

Mr. OVERMAN. Does the Senator assure me he will move to lay the other amendment on the table?

Mr. ALDRICH. I do.

The VICE-PRESIDENT. The question is on agreeing to the motion of the Senator from Rhode Island to lay on the table the amendment of the Senator from North Carolina to the amendment of the Senator from Pennsylvania.

The motion was agreed to.

Mr. ALDRICH. I now move to lay on the table the amendment proposed by the Senator from Pennsylvania.

The motion was agreed to.

Mr. SHIVELY. I desire to call attention to page 323, line 14, and offer the amendment I send to the desk.

The VICE-PRESIDENT. The Secretary will state the amendment.

The SECRETARY. On page 323, line 14, strike out the words "ninety days," and, in the same line, strike out the word "the," before the word "proclamation;" so that if amended it will read:

Or other products in the United States treatment which is reciprocal and equivalent, then, after proclamation to this effect by the President of the United States, etc.

Mr. ALDRICH. The Senator from Indiana is right. "Ninety days" should not have been inserted there.

Mr. SHIVELY. Yes; and the word "the," following, should be stricken out.

Mr. ALDRICH. I ask that the vote by which this was agreed to be reconsidered and that the amendment be agreed to.

The VICE-PRESIDENT. Is there objection to the request of the Senator from Rhode Island? The Chair hears none, and it is so ordered.

Mr. SHIVELY. I offer the further amendment which I send to the desk.

The SECRETARY. On page 322, in lines 21 and 22, strike out the words:

In view of the character of the concessions granted by the minimum tariff of the United States.

Mr. ALDRICH. I can not consent to that.

Mr. SHIVELY. Before we go to this amendment, do I understand that the other amendment was agreed to?

Mr. ALDRICH. It was.

Mr. SHIVELY. Some Senators about me say it was not.

The VICE-PRESIDENT. It was agreed to by unanimous consent.

Mr. SHIVELY. And the record is complete showing its adoption?

The VICE-PRESIDENT. The Senator from Rhode Island asked that the vote be reconsidered, and that the amendment of the Senator from Indiana be agreed to, and the Chair put it as a request in that form, to which there was no objection.

Mr. SHIVELY. That settles that.

Mr. ALDRICH. I can not consent to this amendment.

Mr. SHIVELY. Mr. President, I do not intend to discuss at length this amendment. I doubt whether, in the hurry and rush of this closing hour of the pending bill, the significance of the words I have moved to strike out can be impressed on the Senate. All the duties imposed on the President by this section are to be performed in the light of these words, "in view of the character of the concessions granted in the minimum tariff of the United States." If concessions are granted in the minimum tariff, they are granted as fully and completely to one foreign country as to another. If they are granted, they are granted to all alike. How is the President to find in a foreign country treatment which shall be "reciprocal and equivalent" if the minimum tariff is not regarded as making affirmative concessions to be met by affirmative concessions by the government of that foreign country?

I do not believe this is what the Finance Committee intend, but this is what the language implies. The language quoted is unnecessary. This is not an act directing the making of a contract and prescribing what the consideration shall be. It is not an act granting treaty-making powers. The language I object to, or anything like it, is only employed in acts authorizing the making of treaties as to a limited number of objects; but here the maximum duties apply to all dutiable articles, and the President must act in reference to them all and as to all foreign countries, and as to none by way of treaty, yet he must act as to each country in the light of this language, which means nothing unless it means that our minimum tariff by its concessions frames up obligations which can only be canceled by affirmative corresponding concessions by each foreign country. The words serve no good purpose. The purpose of the section will be clearer and the duty of the President clearer by the omission of the words. They either confuse and becloud his real duty, or the section imposes on him an impossible task. To assume that concessions have been granted, and then to require the President to act in view of such concessions so as to secure treatment which shall be "reciprocal and equivalent," and yet not require the foreign government to meet our claimed concessions by corresponding concessions, is to make a travesty of words.

This amendment may not be adopted, but I commend it to the reflection of the conference committee. I have no doubt the words I move to strike out will be found only to bring ambiguity into and cast doubt over this section, and hamper rather than assist the President in executing its purpose. If the conference committee will carefully reconsider this language in connection with all other parts of this section, in my judgment this clause will not finally go on the statute books.

Mr. ALDRICH. I move to lay on the table the amendment proposed by the Senator from Indiana.

The motion was agreed to.

Mr. DICK. I offer the following amendment.

The VICE-PRESIDENT. The Secretary will read the amendment.

The SECRETARY. In paragraph 271, page 91, line 9, after the word "pounds," insert:

Specially prepared for the consumer by capping, stemming, wet or dry cleaning, one-half cent per pound additional.

So as to read:

Currants, Zante or other, 2 cents per pound; specially prepared for the consumer by capping, stemming, wet or dry cleaning, one-half cent per pound additional.

Mr. DICK. The purpose of the amendment is to fix a differential between cleaned and uncleaned currants brought into this country from Greece.

Previous to the McKinley Act currants were imported free of duty. Under that act there was levied a duty of 1½ cents per pound. Under the Wilson law the duty remained the same, and under the Dingley law the duty is 2 cents a pound.

The duty of 2 cents per pound is equivalent to an ad valorem duty of from 50 to 90 per cent.

These currants are not raised in this country, but are brought almost exclusively from Greece, the soil of that country being the only soil in which currants can be successfully raised. The currants are brought into this country in barrels. Upon each currant is a little stem, and a great deal of sand and dirt is mixed with the currants, and the same have to be cleaned before they are ready for the market.

If it is deemed best to continue the duty of 2 cents a pound for any reason the most important matter to the American cleaner and manufacturer is the necessity of an increase of duty on cleaned products.

Until within five or six years the currants were all brought into this country uncleaned, but within that period of time the Greeks are cleaning and shipping to this country the finished product, and the great difference between the prices of labor in Greece and in this country makes it essential that the Americans should have additional protection.

It is estimated that the cost of cleaning currants in this country, together with the cost of cartons and the cases for packing, makes the element of labor involved an item of importance.

When the currants are cleaned in this country, they are cleaned by men or women earning from $1.50 to $2.50 a day, while in Greece our information is that the work is done by girls at about 25 cents a day. When they are cleaned and placed in packages here, American cardboard manufacturers make the cartons, American printers do the printing, and American mills make the cases, whereas when the cleaned product comes from Greece directly, all of these things are done in Greece.

We therefore would urge the importance of levying a duty of at least one-half cent per pound for cleaned currants over and above whatever duty may be imposed upon the uncleaned product.

Formerly no currants were cleaned in Greece, but American skill and ingenuity devised machines for cleaning the currants with such efficiency that, as has been suggested, the Greeks themselves are now using the cleaning machines and are turning out the finished product, and if this competition can not in some way be stopped, or equalized, American producers of the finished currant product must inevitably suffer.

Prior to seventeen or eighteen years ago currants prepared for the consumer were unknown as an article of commerce in the United States. About that long ago the process of cleaning currants was inaugurated here, and since then has developed a large industry, employing large capital and giving employment to many people, and at this time nearly the entire importation of currants reaches the consumer cleaned and packed in cartons. In very recent years Greek merchants have discovered the success of this manner of marketing currants and are imitating the American process. They have established connections in this country and have entered into active com-

petition with American operators. They obviously have an advantage, unless there be a differential established that will place the American operators on a parity with them.

The American is at a disadvantage, first, because he must pay duty on the dirt that is invariably present in currants imported in original condition, and which varies from 3 to 10 per cent, average about 5 per cent.

Second. Because of the difference in prices of labor employed in cleaning and packing.

Third. Because of the difference in prices of labor employed in the manufacture of cases and the cartons in which the currants are packed.

It would seem reasonable that the currant-cleaning industry should be put on a parity with its foreign competitors by the additional duty of one-half cent per pound on the product ready for the consumer.

Mr. ALDRICH. I will examine it afterwards.

The VICE-PRESIDENT. The question is on agreeing to the amendment proposed by the Senator from Ohio.

The amendment was agreed to.

Mr. OVERMAN. I offer an amendment. I do not care to debate it.

The VICE-PRESIDENT. The Secretary will read the amendment.

The SECRETARY. It is proposed to insert the following as a new section, to be numbered 4½, on page 326:

That whenever the President of the United States shall be satisfied that any company, combination, monopoly, or trust is producing or controlling more than 50 per cent of any product consumed in the United States, and is so organized, managed, and controlled that any of its products, articles, goods, wares, and merchandise is exported and sold by it, or by and through its agents, in a foreign market at a less price than they are sold in the home market; and that the price at which said products, articles, goods, wares, and merchandise is sold in the United States, or the home market, is unreasonable or extortionate, he is hereby authorized and directed to suspend by proclamation to that effect, in whole or in part, the collection of custom duties or taxes on any products, articles, goods, wares, and merchandise of a like character which may be imported into this country for such a period of time as the President may deem proper.

Mr. OVERMAN. Mr. President, I wish to say that if it is true, as claimed by Senators on the other side, that the products of the trusts are not sold at extortionate and unreasonable prices in this country, this amendment will do no good; but if they are, as we claim, sold at unreasonable and extortionate prices, and sold cheaper in foreign countries than sold in this country, it will give the relief sought for.

Mr. ALDRICH. I move to lay the amendment on the table.

Mr. OVERMAN. On that I ask for the yeas and nays.

The yeas and nays were not ordered.

The VICE-PRESIDENT. The question is on the motion to lay the amendment on the table.

The motion was agreed to.

Mr. JONES. I desire to offer an amendment.

The VICE-PRESIDENT. The Secretary will read the amendment.

The SECRETARY. It is proposed to insert a new paragraph in the bill, to be known as 171½, as follows:

Ores containing arsenic, 1¼ cents per pound on the arsenic contained therein; white arsenic or arsenious acid, 2 cents per pound.

Mr. JONES. Mr. President, I desire to say that while arsenic is on the free list and has been for some time, it seems to me that the conditions in this country will warrant placing it on the dutiable list from a protective standpoint.

I will not take the time of the Senate except merely to mention that in the Geological Survey report it is stated that there is enough arsenic going out through the fumes of the smoke-stacks of the smelters in Butte, Mont., to supply the entire market in this country. We have a good many mines in different parts of the country that have worked intermittently from time to time, but on account of the reduced price they have had to stop. In the State of Washington we have a smelter that runs once in a while, but it has not been running for the last two or three years. Four or five years ago it produced three or four hundred tons of arsenic. As a result, the price went down. The imports into the country range about 10,000,000 pounds, and the production is only about 1,700 tons, running as low as 36 tons.

There is some objection to this because, it is contended, it is likely to raise the price. I wish to call the attention of the Senate to the range of prices under free trade. In 1901 the price in New York was 3½ to 4½ cents a pound; in 1902 it was from nearly 3 cents to 3¼ cents; in 1903 it was 3 to 3⅜ cents; in 1906 it was 4$\frac{5}{16}$ cents; in 1907 it was from 5 to 8 cents a pound.

The records show that when we have produced arsenic by mining it in this country and have refined it, the price has come down; but when they stopped doing it, then the price has gone up. So, in my judgment, if we can place on the small duty that will encourage the development of the resources in the product actually going to waste in this country, instead of raising the price, we will have a stable price and one less than the foreigner gets when our smelters are closed. He puts the price down for a time, but as soon as the smelter closes he puts the price up, and instead of our people getting arsenic cheaper they have to pay more for it.

I am not going to take the time of the Senate to go into the matter further. I trust that the chairman of the committee will feel justified at least in allowing this provision to go in the bill and give it consideration in conference in view of the facts presented.

I ask to place in the RECORD a table showing the imports from year to year; a statement showing the various prices; a statement from Joseph Struthers, in 1903, of the Geological Department, showing a foreign combination to control prices; and also the report of the Geological Survey, showing the extent to which one of the great resources of our country is going to waste.

The VICE-PRESIDENT. Without objection, permission will be granted.

The matter referred to is as follows:

PRODUCTION.

The United States daily pours great quantities of arsenic fumes from its smelter stacks, thus wasting thousands of tons yearly. And yet, with such an incessant waste, this country imported in 1906 more than 8,000,000 pounds of arsenic and arsenic compounds, at a cost of approximately $375,000. During the same time there was produced in this country only a little more than one-sixth of the quantity imported, valued at but $63,460.

Arsenic ores, especially arsenopyrite or mispickel, are widely distributed, particularly in the granitic and highly metamorphosed rocks. Ores of tin, copper, and antimony are frequently accompanied by arsenical ores. The most common are arsenopyrite or mispickel, a sulpharsenide of iron, containing 46 per cent of arsenic; realgar, the red sulphide, containing 70.1 per cent of arsenic; orpiment, the yellow sulphide, containing 61 per cent of arsenic; and enargite, a sulpharsenate of copper, containing 19.1 per cent of arsenic.

The principal countries producing arsenic ores are France, Germany, England, Turkey, Portugal, Spain, Canada, and the United States.

It is surprising that the United States, having extensive deposits of arsenical ores and being the leading consumer in the world, should be dependent for its supplies of arsenic and arsenical compounds largely upon England, Germany, Spain, and Canada. The United States utilizes over half of the world's production of metallic arsenic, white arsenic (arsenious acid), and arsenic sulphides (orpiment and realgar). Another anomaly is the waste by burial in this country every year of several hundred tons of arsenic sulphide which is obtained in purifying sulphuric acid at chemical manufacturing works. The United States should yield sufficient raw material to manufacture all the arsenic and arsenical compounds it may need, instead of being obliged to make importations.

Few mineral substances are so widely diffused through nature as arsenic.

Enormous quantities of arsenic in fumes continually escape from the smelters of the country, while at present comparatively little arsenic is saved. Harkins and Swain, in "Papers on smelter smoke," state that in August, 1905, from the Washoe smelter, which works exclusively upon Butte copper ores, 59,270 pounds of arsenic trioxide per day were passing through the stack. This is equivalent to 21,633,550 pounds, or 10,817 short tons, per year, and is exclusive of what arsenic trioxide was saved from the flues. At 5 cents per pound, the lowest price for which white arsenic sold during 1907, this product of one year would be valued at $1,081,700. The waste arsenical fumes at this plant alone amount to more than six times the domestic saving of arsenic trioxide, and to much more than the combined production and imports of arsenic in the United States each year.

At the Butte reduction works and the Great Falls smelter other great quantities of more or less arsenical Butte copper ores are treated, from which no saving of arsenic is known to have been made and from which the losses must be very great.

In Utah both the Bingham and the Tintic copper ores are arsenical, and no saving has as yet been made from them, though immense quantities of ore are smelted.

It is recognized that in handling a low-priced product like arsenic saving can not be carried to extreme refinement without becoming unprofitable. However, arsenic is now being extracted from sulphuric acid in a number of establishments in England, and both products are cheap articles. If even one-half of the arsenic wasted were saved, the market in this country would be glutted. However, without taking account of the possibility of greater demand if there were a greater supply at a somewhat lower price, there will in time probably be some plan devised for the better saving of smelter fumes, through the operation of which it will be unnecessary for this country to import arsenic while so much is continually being wasted.

Production of arsenic, 1901–1907.

Year.	White arsenic.	
	Quantity (short tons).	Value.
1901	300	$18,000
1902	1,353	81,180
1903	611	36,691
1904	36	2,185
1905	754	35,210
1906	737	63,460
1907	1,751	163,006

Imports of arsenic, 1893–1908.

	Pounds.
1893	6,092,377
1894	7,063,442
1895	6,984,273
1896	5,813,387
1897	7,242,004
1898	8,686,681
1899	9,040,871
1900	5,765,559
1901	6,989,668
1902	8,110,898
1903	8,357,661
1904	6,800,235
1905	7,675,088
1906	7,974,000
1907	10,328,000
1908	9,330,843

FOREIGN COMBINATION.

Spanish white arsenic ruled lower than the English brands, due not to inferiority, but to the comparative newness of the brand, which required a concession in price in order to establish its introduction in the New York market. It was reported that in October, 1903, a consolidation, having for its object an advance of prices, had been effected among the largest European manufacturers. That there was good authority for the unconfirmed rumor is attested by the fact that prices for arsenic white (including the Spanish brand) were firmly maintained at 3¼ cents per pound during the closing quarter of the year. The European combination, however, did not have sufficient control of the situation in the American market to continue the high price after the close of the year, mainly for the reason that American competitors promptly took advantage of the higher standard of price and placed a considerable quantity of the domestic product on the market. As a natural result the price declined early in the year 1904.

PRICES.

1907. Five to 8 cents in large lots at smelters; 7¾ to 8 cents at New York City, closing at end of year 5¾ to 6 cents.
1906. Four and three-tenths cents. In New York large lots from 4.5 to 12 cents.
1905. Two and three-fourths to 4¼ cents. Prices higher during last part of year by reason of difficulties in mining and scarcity of mispickel.
1904. Three to 3¼ cents.
1903. Three to 3¼—mostly 3 cents.
Foreign combination (see 1903, p. 10).
1902. Two and ninety-four one-hundredths to 3.34 cents in New York.
1901. Three and five-tenths to 4.5 cents at New York.

Mr. JONES. I trust the Senate will adopt the amendment.

The VICE-PRESIDENT. The question is on agreeing to the amendment.

The amendment was agreed to.

Mr. JONES. I presume that this necessitates an amendment on page 215, paragraph 488, to strike out the words "arsenic and" and put the capital "S" in "sulphide." I offer that amendment.

The VICE-PRESIDENT. The amendment will be stated.

The SECRETARY. On page 215, paragraph 408, strike out the words "arsenic and" and begin the word "sulphide" with a capital "S."

The amendment was agreed to.

Mr. BRIGGS. I offer an amendment, which I send to the desk.

The VICE-PRESIDENT. The Secretary will read the amendment.

The SECRETARY. On page 3, line 4, after the word "acid," strike out "five" and insert "ten," so as to read:

Salicylic acid, 10 cents per pound.

Mr. BRIGGS. The duty under the present law on this article is 10 cents a pound. It is proposed to cut this in half. The importations of the article are controlled largely by a syndicate which regulates the prices and requires an agreement to maintain the prices.

The manufacture of this article was commenced in this country in 1895. The price at that time was $1.21. Immediately after the manufacture was started in this country the price was reduced, and there have been sucessive reductions until now it is about 30 cents a pound.

Five factories were started after the passage of the Dingley Act, which placed a duty on the article. Owing to the strong competition, three of these concerns have been closed up, and I believe the other two will suspend if the duty is cut in half.

I think the matter is probably one that has not been fully presented to the Finance Committee, and I ask them to allow this amendment to be passed, so as to give the matter further consideration.

The VICE-PRESIDENT. The question is on agreeing to the amendment proposed by the Senator from New Jersey.

The amendment was agreed to.

Mr. BURTON. I offer an amendment which I send to the desk.

The VICE-PRESIDENT. The amendment will be read.

The SECRETARY. On page 39, line 7, strike out "two-tenths" and insert "four-tenths."

Mr. ALDRICH. If the Senator from Ohio will make it three-tenths, I will be willing to accept it.

Mr. BURTON. I fear that is not sufficient.

Mr. ALDRICH. Then I think the committee will have to oppose the amendment.

Mr. BURTON. In order to avoid the exhaustion of the time, I will agree to three-tenths and modify the amendment. May I ask what the Senator from West Virginia [Mr. ELKINS] says about it?

Mr. ELKINS. There are four or five plants in West Virginia interested in this subject. My colleague and myself are willing to accept three-tenths if agreeable to the Senator from Ohio.

Mr. BURTON. It appears to me insufficient. Then I ask unanimous consent to modify my amendment so that "four-tenths" be changed to "three-tenths."

The VICE-PRESIDENT. The Senator has a right to change his amendment. It has not been voted on. The Secretary will read the amendment as modified.

The SECRETARY. On page 39, line 7, strike out "two-tenths" and insert "three-tenths," so as to read:

When galvanized or coated with zinc, spelter, or other metals, or any alloy of those metals, shall pay three-tenths of 1 cent per pound—

And so forth.

The VICE-PRESIDENT. The question is on agreeing to the amendment of the Senator from Ohio.

The amendment was agreed to.

Mr. BURTON. I offer an amendment which I send to the desk.

The VICE-PRESIDENT. The Secretary will read the amendment.

The SECRETARY. In paragraph 526, page 220, after the words "blue clay," strike out the word "in" and insert the words "and Gross-Almerode glass-pot clay, in cases or;" and in line 22, after the word "crucibles," insert the words "and glass-melting pots or tank blocks."

Mr. BURTON. I will state that that puts clay used in the manufacture of glass on the same footing with that which is used in crucibles in the manufacture of iron and steel.

Mr. ALDRICH. There is no objection to the amendment.

The VICE-PRESIDENT. The question is on agreeing to the amendment.

The amendment was agreed to.

Mr. ALDRICH. In the amendment to paragraph 124, line 11, I move to strike out "two" and insert "three."

The VICE-PRESIDENT. The amendment will be stated.

The SECRETARY. On page 38, line 11, strike out "two" and insert "three," so as to read:

Railway fish plates or splice bars, made of iron or steel, three-tenths of 1 cent per pound.

The VICE-PRESIDENT. The question is on agreeing to the amendment.

The amendment was agreed to.

Mr. BRIGGS. I offer the amendment which I send to the desk.

The VICE-PRESIDENT. The Secretary will report the amendment.

The SECRETARY. Paragraph 183, page 65, line 7, strike out "sheets and strips cut from sheets" and the comma; and in line 8 strike out the period after the word "pound" and insert a comma and add:

Sheets, strips, and wire, 35 per cent ad valorem.

Mr. ALDRICH. That is a little too complicated, I think. It changes too many things.

Mr. BRIGGS. It is simply the paragraph as it stands now. It places on the finished product—the strips and sheets and fine wire which are usually used in electrical instruments—the same duty as on pigs and ingots.

Mr. ALDRICH. I ask that the amendment be read again.

The Secretary again read the amendment.

Mr. ALDRICH. It is all right. The committee accept it.

The VICE-PRESIDENT. The question is on agreeing to the amendment.

The amendment was agreed to.

Mr. WARREN. I have a letter from Edward Bedloe, together with a petition signed by prominent physicians of Philadelphia and elsewhere, in favor of a removal of the duty on Tansan mineral water. I ask that the communication and accompanying petition be printed as a document (S. Doc. No. 124).

The VICE-PRESIDENT. Without objection, the request will be complied with.

Mr. SMOOT. I ask that section 15 of the bill be reconsidered, and that on line 23 the words "or dealer in" be added.

The VICE-PRESIDENT. Without objection, section 15 will be reconsidered. The Secretary will report the amendment.

The SECRETARY. On page 7 of the printed amendment relative to tobacco, section 15, line 23, after the words "manufac-

turer of," insert "or dealer in" so as to read, "by any manufacturer of or dealer in tobacco."

The amendment was agreed to.

Mr. SMOOT. The amendment as amended should be agreed to.

The VICE-PRESIDENT. The amendment as amended is agreed to.

Mr. BULKELEY. I desire to offer an amendment.

The VICE-PRESIDENT. The Secretary will read the amendment offered by the Senator from Connecticut.

The SECRETARY. In paragraph 423, page 184, after the words "ad valorem," at the end of the paragraph, insert the words "buttons of metal, embossed in a design, device, pattern, or lettering, 45 per cent ad valorem."

Mr. ALDRICH. That amendment is in conference. The Senate has already acted upon it once. I think that that ought not to be done now.

Mr. BULKELEY. I do not think that that amendment has been proposed here.

Mr. ALDRICH. The Senate has voted on that proposed amendment.

Mr. BULKELEY. It was in the bill as it came from the House.

Mr. ALDRICH. And was stricken out of the House bill by a vote of the Senate.

Mr. BULKELEY. This paragraph has been agreed to as amended, and the amendment is in order.

Mr. ALDRICH. I think the amendment is not in order, the Senate having already acted upon it.

Mr. BULKELEY. I understood that amendments were in order at this time to any part of the bill.

Mr. ALDRICH. No.

Mr. BULKELEY. I will state, Mr. President, that this is simply to give to the manufacturers of buttons for the army and navy in this country the privilege of making them and not to come in competition with the foreign manufacturers of buttons for the use of the army and navy here.

The VICE-PRESIDENT. The Chair must sustain the point of order raised against the amendment by the Senator from Rhode Island [Mr. ALDRICH].

Mr. BRISTOW. Mr. President, lest we forget, I want to submit an amendment here in regard to the sugar schedule, paragraph 213, page 79. I submit the amendment which I send to the desk, and ask that it be read.

The VICE-PRESIDENT. The amendment proposed by the Senator from Kansas will be stated.

The SECRETARY. In paragraph 213, page 79, in lines 2 and 3, it is proposed to strike out the words "not above No. 16 Dutch standard in color;" in lines 9 and 10, to strike out the words "and on sugar above No. 16 Dutch standard in color;" and in line 11, after the word "refining," to insert "or bleaching by any chemical processes."

Mr. BRISTOW. Mr. President, I should like to have the attention of the Finance Committee, if I can have it.

The VICE-PRESIDENT. The Senate will please be in order.

Mr. BRISTOW. I think I shall remove the difficulty they had on this question when the sugar schedule was before the Senate. I then endeavored to have the Dutch standard provision stricken out. It was alleged that in that event the raw sugar of a low polariscopic test would be brought in bleached by a chemical process, so as to be whitened and dried out so as to appear like granulated sugar, and thereby be put upon the American market as a fraudulent refined sugar. Now, in order to prevent that, I have moved to insert in line 11, the chairman of the Committee on Finance will notice, that sugar that is bleached by any chemical process shall carry the same duty as refined sugar; so that any sugar that might be bleached would carry the full duty of refined sugar, and the Dutch standard can thereby be removed without any danger of the American market being flooded with sugar that has been colored by a chemical process, so as to appear to be refined.

It will permit the people to get the light-brown sugar, that they were able to get formerly, without paying for the cost of refining, if they do not want to pay for it; and the American people will then be able to buy any grade of sugar that they desire.

Mr. President, it is not my purpose to take any great time. I simply want to repeat here that the only parties who benefit by this provision are the sugar trust; and the danger of raw sugars becoming competitors with beet-sugar factories or beet sugar is removed by this insertion, requiring the duty on all bleached sugar to be the same as on the refined sugar. I should be very much pleased if the chairman of the Committee on Finance could accept that amendment. I see he is waiting to move to lay the amendment on the table, as he does not respond to my request.

Mr. ALDRICH. It is my purpose, whenever the Senator from Kansas is through with his remarks, to move to lay the amendment on the table.

Mr. BRISTOW. I should like to know——

Mr. DOLLIVER rose.

Mr. ALDRICH. If the Senator from Kansas is through, I will make the motion; but if the Senator from Iowa [Mr. DOLLIVER] desires to make some remarks, I will yield to him.

Mr. BRISTOW. I will yield to the Senator from Iowa.

Mr. ALDRICH. That is a little too roundabout for me. I think I addressed the Chair. But I am quite willing——

The VICE-PRESIDENT. The Senator from Kansas [Mr. BRISTOW] has not yet yielded the floor.

Mr. ALDRICH. Whenever the Senator does yield the floor, I desire to be recognized, and then I shall yield to the Senator from Iowa.

Mr. BRISTOW. Let me inquire of the Senator from Rhode Island what is his objection to accepting my suggestion?

Mr. ALDRICH. I expressed my objections to the other plan when this matter was before the Senate some time ago, and I have the same objection to this.

Mr. BRISTOW. The objection then expressed by the Senator from Rhode Island [Mr. ALDRICH] and the Senator from Utah [Mr. SMOOT] was that it would permit a coarse raw sugar that is bleached to come in, so that it would be, in fact, fraudulent.

Mr. ALDRICH. There are a hundred different ways in which the brown color can be taken out of sugar besides bleaching. It can be washed out, or removed in other ways.

Mr. BRISTOW. I should like to inquire in what other way it can be done except by filtration or centrifugal refining or chemical bleaching?

Mr. ALDRICH. I do not desire to extend this discussion. Therefore I will postpone the catechism until some later day, if the Senator from Kansas does not mind.

Mr. BRISTOW. Of course, if the Senator refuses to be catechized I shall have to submit, though I feel that the Senator ought to respond to a proposition that is as fair as this. It removes any possibility of putting upon the American market a chemically bleached sugar in competition with the beet sugar or the cane sugar. I put in this provision so that there might be no hesitancy on the part of anyone who is interested in a beet-sugar plant, that is not controlled by the American Sugar Refining Company, or that anyone who is interested in protecting the American market from a chemically bleached sugar, might vote for this amendment, without in any way endangering the beet-sugar industry in the United States, and, at the same time, give the consumers of sugar in this country an opportunity to get a brown sugar without any impediment of legislation other than the straight duty.

Mr. ALDRICH. Mr. President, I am about to make the motion to lay the amendment on the table, but I withhold the motion until the Senator from Iowa [Mr. DOLLIVER] addresses the Senate.

Mr. DOLLIVER. Mr. President, I only desire to occupy a moment or two, merely for the purpose of putting into the RECORD a statement of the reasons that have led me to believe that no really worthy industrial interest would suffer by the elimination of the language suggested by the Senator from Kansas [Mr. BRISTOW].

It has seemed impossible for Congress to take any action in which the sugar production of the country is concerned without incidentally increasing the profits of the Sugar Refining Company. Even the development of the beet-sugar industry, which we have looked forward to so hopefully, has operated to create new defense of the refining interest. Our benevolent policy toward the tropical islands which came within our jurisdiction under the treaty of Paris and the act of Congress annexing Hawaii have worked to the advantage of the sugar importers more effectively than they have to the advantage of Porto Rico and Cuba and our islands in the Pacific. Curiously enough, the remission of these sugar duties, amounting in the aggregate to millions of dollars, has not been accompanied by any intelligent effort to restate the differential, established years ago for the protection of the refining industry in the United States; and so it happens that the differential, which was reasonable before the Spanish war, or, at least, not seriously out of the way, has become dislocated and excessive when made applicable to the new conditions growing out of subsequent legislation.

I do not think that in this revision of the tariff Congress should omit altogether the duty of reducing the refiner's protective differential, at least in the same measure in which it

has been indirectly increased through our legislation affecting the commerce of our tropical islands. A short, simple, and effective way to do this is to make the sugar duties dependent upon the polariscope test of the sugar contents of imported cargoes, without reference to any commercial standards of color. The real differential should be measured by the difference in the duties placed upon raw sugars and those placed upon refined sugar, according to their saccharine potency, as shown by the polariscope, without any reference to their color. If the phrase by which a particular standard of color is fixed is meant to describe refined sugar, it might do no harm to leave it in the tariff law, although in that case it would be superfluous; but if it is our intention to limit the refiner's protection to the real difference between the rates of duty on raw sugar and the rates of duty on refined, the color standard should be eliminated, for the reason that the effect of setting up such standard, whatever the purpose of Congress may be, is to increase the differential by limiting the importation of raw sugars to those which are below the standard fixed. In other words, by reason of this color standard, the differential intended by Congress of 12½ cents a hundred pounds—that is to say, the difference between sugar of 100°, paying $1.82½, and refined sugar, or sugars above the standard fixed, paying $1.95—is increased to a differential of 26½ cents by limiting the importation of raw sugar to such as will test 96°, on which the duty is $1.68½ per hundred pounds. If the artificial color standard is eliminated, sugar testing 97° or 98° would be imported, and the Government would receive from 3½ cents to 7 cents per pound additional revenue, while the sugar refiner would receive from 3½ to 7 cents less differential.

To this plain statement of facts no answer has been made in this Chamber, except a feeble exhibition of inferior sugar, bleached to a color approaching white by a chemical process. While it requires a very credulous ear to seriously entertain such an argument, I am glad that the Senator from Kansas has removed that aspect of the matter entirely from the discussion in the amendment which he now proposes, in which the words "or bleaching by any chemical process" are added after the word "refining," in line 11, on page 19, of the Senate bill.

Mr. LA FOLLETTE. Mr. President——

Mr. ALDRICH. I withhold the motion to lay on the table for a moment.

Mr. LA FOLLETTE. I only desire to say a word on the amendment before it is finally disposed of.

Mr. ALDRICH. Certainly; I withhold the motion.

Mr. LA FOLLETTE. I know that Senators representing States where the beet-sugar industry has already been established have been apprehensive about the abolition of the Dutch standard. I received a communication only a few days ago from the president of one of the largest beet-sugar factories in Wisconsin. I thought I could place my hand on it, and I intended to offer it for the consideration of the Senate in connection with this amendment. I am, however, not able to do so, as I do not find it among the papers which I have here; but its contents I remember very well, Mr. President. Mr. Magnus Swenson, the writer of the letter, for twenty years has been one of the most original and progressive investigators of this subject in the world. He knows sugar; not only beet but cane sugar, and sugar made from northern cane, called "sorghum." He has made a great and honored name for himself. In the letter he sent to me he said the abolition of the Dutch standard would in no way work any harm to the beet-sugar industries of this country.

I felt it incumbent upon me to make that statement in connection with the pending amendment.

Mr. SMOOT. Mr. President, I feel that it would be very inappropriate for me to make any extended remarks at this time, but I wish to take issue with the statement that was made by the Senator from Wisconsin [Mr. LA FOLLETTE], for I can not conceive of anything more dangerous to the beet-sugar industry interests of this country than to eliminate the No. 16 Dutch standard.

I have a mass of information before me, Mr. President, and if I had time I would go into the matter in detail. Take the amendment offered by the Senator from Kansas [Mr. BRISTOW], incorporating the words "or bleaching by any chemical process." If you eliminate the "Dutch standard" and substitute "bleaching," you come back to the matter of color, but without an established gauge of color; for bleaching is whitening secured by the use of sulphur, strontium, or other substances, and who is to determine the amount which can be used before the sugar shall be declared "bleached sugar?" Then how can it be determined how much bleaching material has been used, except each cargo be traced to its origin? And that is an all but impossible undertaking.

Take the question of washing sugar. I have here [exhibiting] a sample of sugar that Doctor Moore, of the appraiser's office, New York, tested for me, that only tests 91.3 per cent, and yet it is whiter than No. 16 Dutch standard. The Senator from Iowa [Mr. DOLLIVER] said that we would be the gainer by allowing 97 or 98 per cent sugar to enter our ports according to their saccharine strength as shown by the polariscope, without regard to their color, even if it were darker than No. 16 Dutch standard. Think of the millions of dollars that we should lose by having such sugar as this 90.3 per cent come into the country if the Dutch standard were eliminated on the basis of saccharine contents.

Under the present tariff law, 96° sugar pays a duty of $1.68½ per 100 pounds, while sugar above No. 16 Dutch standard of color and refined sugar pays a duty of $1.95; hence it has been claimed that the so-called "refiners' differential" is the difference, or 26½ cents per 100 pounds, instead of 12½ cents, the difference between $1.82½ on 100° unrefined sugar and $1.95 on refined.

Under the proposed law this difference between the duty on refined sugar and 96° sugar is reduced 5 cents, or to 21½ cents per 100 pounds. It is a mistake to call this 21½ cents the refiners' differential because of the fact that it takes more than 100 pounds of raw sugar to make 100 pounds of refined sugar. The amount of this loss, as shown by the testimony of all refiners before the Ways and Means Committee, is 14 cents per 100 pounds. This leaves 7½ cents as the true refiners' differential under the proposed law, as compared with 12½ cents under the present law—a reduction of 40 per cent in the amount of protection accorded the refiners.

The terms "refined sugar" and "above No. 16 Dutch standard of color," as used in our tariff bill, are meant to be synonymous as describing a "raw material" and a "finished product."

The whole contention of those who advocate the removal of the color restriction from this schedule is that a "finished product," ready for "direct consumption" can enter our ports by paying only the duty prescribed for a "raw product." They miss the whole purpose and intent of the theory of every schedule of the bill, which is to levy a higher duty on a "finished product" than on a "raw product," in order that the manufacturers of a "finished product," as well as the manufacturers of a "raw product," may be accorded a due measure of protection. All of our beet-sugar factories turn out a "finished product" for direct consumption, and this color restriction is for their protection primarily, rather than for the protection of our seaboard refineries.

For years we have been building up a home sugar industry, which makes sugar instead of merely refining an imported raw material. The duty on the raw product protects our farmers, who are producers of the raw material, while the duty on the finished product protects the beet-sugar manufacturers, and incidentally the seaboard refiners. With a duty on the finished product and no duty on the raw product, the latter would be furnished by tropical and European planters, whose labor is cheap, instead of by American farmers, whose labor is dear. On the other hand, unless we afford a full measure of protection to the finished product—be it refined sugar or washed unrefined sugar for direct consumption—of our beet-sugar factories, they will cease to operate, and the farmers will have no market for their beets.

All beet-sugar producers are refiners, making a finished product for the market. Their protection lies in keeping out all semirefined or bleached sugars testing above No. 16 Dutch standard which can go into direct consumption, and unless these sugars pay the full duty of $1.90 it will give their foreign competitors an advantage over them not intended by Congress.

McKinley, Wilson, Dingley, and PAYNE, as well as the chairman of this committee, have always taken this view and approved the combination polariscopic and Dutch-standard test. Why abandon this satisfactory standard at the behest of foreign sugar producers wishing to evade our custom-houses and destroy the protection to home industry, namely, a duty of $1.90, which is the protection intended by Congress for the beet-sugar industry, which can market but one grade of sugar, which is refined granulated?

Let the foreigners understand once for all that they must make a grade of sugar fully refined, of value equal to our home beet sugars, and pay the full amount of duty.

Mr. ALDRICH. I now move to lay the amendment on the table.

The VICE-PRESIDENT. The Senator from Rhode Island moves to lay the amendment on the table.

Mr. BRISTOW. On that I ask for the yeas and nays.

The yeas and nays were not ordered.

The VICE-PRESIDENT. The question is on the motion of the Senator from Rhode Island to lay on the table the amendment of the Senator from Kansas [Mr. BRISTOW].

The motion was agreed to.

Mr. LODGE. Mr. President, we made a change yesterday in the Philippine paragraph which necessitates a further change which I did not see at the time. I move to amend, on page 209 of the new bill, line 6, after the word "*Provided*," by striking out the first proviso down to the word "condition," in line 10. I move to strike out the whole proviso and insert the proviso that I send to the desk.

The VICE-PRESIDENT. The Secretary will report the amendment offered by the Senator from Massachusetts.

The SECRETARY. On page 209, in line 6, after the word "*Provided*," strike out the proviso down to and including the word "condition," in line 10, and insert:

That direct shipments shall include shipments in bond through foreign territory contiguous to the United States.

The VICE-PRESIDENT. The question is on agreeing to the amendment.

The amendment was agreed to.

Mr. LODGE. Mr. President, I have one further amendment, to make the language consistent. In line 23 I move to strike out the words "upon through bills of lading" and insert "as hereinbefore provided."

The VICE-PRESIDENT. The Senator from Massachusetts offers a further amendment, which the Secretary will report.

The SECRETARY. On page 209, in line 23, strike out the words "upon through bills of lading" and insert in lieu thereof "as hereinbefore provided."

The VICE-PRESIDENT. The question is on agreeing to the amendment offered by the Senator from Massachusetts.

The amendment was agreed to.

Mr. ALDRICH. Mr. President, I desire, in behalf of the committee, to insert a new paragraph, it having been stricken from the free list and not inserted in the dutiable list.

The VICE-PRESIDENT. The Senator from Rhode Island offers the amendment which the Secretary will report.

The SECRETARY. Insert a new paragraph in the bill, to be known as "paragraph 27½:"

Licorice, extracts of, in paste, rolls, or other forms, 2½ cents per pound.

The VICE-PRESIDENT. The question is on agreeing to the amendment offered by the Senator from Rhode Island.

The amendment was agreed to.

Mr. PERKINS. Mr. President, I desire to present the amendment which I send to the desk.

The VICE-PRESIDENT. The Senator from California offers an amendment, which the Secretary will report.

The SECRETARY. On page 11, add after line 6 a new section, to be numbered "36½," as follows:

Orange oil, 50 per cent ad valorem.

The VICE-PRESIDENT. The question is on agreeing to the amendment offered by the Senator from California.

The amendment was agreed to.

Mr. BACON. Mr. President, I offer an amendment, which I send to the desk.

The VICE-PRESIDENT. The Secretary will report the amendment offered by the Senator from Georgia.

The SECRETARY. Strike out paragraph 123 and add a new paragraph to the free list, to be known as "paragraph 583¼," as follows:

Hoop or band iron, or hoop or band steel, cut to lengths, or wholly or partly manufactured into hoops or ties, coated or not coated with paints or any other preparation, with or without buckles or fastenings, for baling cotton or any other commodity.

Mr. ALDRICH. Mr. President, unless the Senator from Georgia desires to make some remarks——

Mr. BACON. No; I simply wish to say that this matter has been fully discussed. The proposition is to put cotton ties on the free list; that is all.

Mr. ALDRICH. I move to lay the amendment on the table.

Mr. BACON. On that I ask for the yeas and nays.

The yeas and nays were ordered, and the Secretary proceeded to call the roll.

Mr. DILLINGHAM (when his name was called). Owing to the absence of the senior Senator from South Carolina [Mr. TILLMAN], I withhold my vote.

Mr. GUGGENHEIM (when his name was called). I again announce my general pair.

Mr. LODGE (when his name was called). I again announce my pair with the Senator from Georgia [Mr. CLAY]. If he were present, I should vote "yea," and he would vote "nay."

Mr. GORE (when Mr. OWEN's name was called). If my colleague [Mr. OWEN] were present, he would vote "nay."

Mr. ROOT (when his name was called). On account of my pair with the Senator from Maryland [Mr. RAYNER], as heretofore announced, I withhold my vote.

The roll call was concluded.

Mr. CULBERSON. The Senator from Arkansas [Mr. DAVIS] is paired with the Senator from Illinois [Mr. CULLOM]. If the Senator from Arkansas were present, he would vote "nay."

The result was announced—yeas 43, nays 31, as follows:

YEAS—43.

Aldrich	Carter	Gamble	Perkins
Borah	Clark, Wyo.	Hale	Piles
Bourne	Crane	Heyburn	Scott
Bradley	Depew	Jones	Smith, Mich.
Brandegee	Dick	Kean	Smoot
Briggs	Dixon	Lorimer	Stephenson
Bulkeley	du Pont	McCumber	Sutherland
Burkett	Elkins	Nixon	Warner
Burnham	Flint	Oliver	Warren
Burrows	Frye	Page	Wetmore
Burton	Gallinger	Penrose	

NAYS—31.

Bacon	Cummins	Johnston, Ala.	Overman
Bailey	Daniel	La Follette	Shively
Bankhead	Fletcher	McEnery	Simmons
Bristow	Foster	McLaurin	Smith, S. C.
Chamberlain	Frazier	Martin	Stone
Clapp	Gore	Money	Taliaferro
Crawford	Hughes	Nelson	Taylor
Culberson	Johnson, N. Dak.	Newlands	

NOT VOTING—18.

Beveridge	Curtis	Lodge	Root
Brown	Davis	Owen	Smith, Md.
Clarke, Ark.	Dillingham	Paynter	Tillman
Clay	Dolliver	Rayner	
Cullom	Guggenheim	Richardson	

So Mr. BACON's amendment was laid on the table.

Mr. DICK. I offer the amendment I send to the desk.

The VICE-PRESIDENT. The Secretary will report the amendment offered by the Senator from Ohio.

The SECRETARY. On page 182, in paragraph 419, strike out the entire paragraph and insert in lieu thereof the following:

419. (a) Toilet brushes, household and mechanical brushes, either hand drawn or where the brush materials are cemented in or anchored by any mechanical process, or held in bored blocks by any style of anchor, 50 per cent ad valorem.

(b) Pan or cement process brushes, as shaving, paint, and artist brushes, and hair pencils in quills or otherwise, and feather and wool dusters of all kinds, 40 per cent ad valorem.

(c) Brooms, of all kinds, made from broom corn, 25 per cent ad valorem.

Mr. DICK. This amendment seeks to classify the articles which come in under this paragraph.

In the present law and in this bill brooms of the coarsest construction and toilet brushes of the finest make are dutiable at the same rate. That is not the only incongruity. Although the production of brooms in this country aggregates eleven millions annually, the importations are about $2,000 worth; while of toilet brushes the importations now exceed a million and a half dollars, and the increase goes on with each recurring month.

In the amendment which I have sent to the desk we do not disturb the rates on paint brushes and brushes of that character. The importations in that line are immaterial, and therefore there is no reason for disturbing them. The rate on brooms is cut from 40 to 25 per cent, which can not injure the industry, since there are no importations.

But the brush industry is one the ramifications of which extend into every State in the Union. There is no trust, no combination, but the most persistent competition. Every feature of brush making—the handle, the bristle, the wire, the boxing; every feature—is taxed or has a tariff levied against it.

In the present bill, I think with a single exception, there are no reductions in any of these parts, as they might be called, or elements in brush making, and there has been a distinct advance on the fiber which is being used in lieu of bristles.

The greatest competitor, or the one to be most feared, is the Japanese brush maker. Importations have grown from $660 worth in 1890 until they now reach a half million dollars; and the brush industry, without some help, is in serious danger.

The request for an increase of only 10 per cent, it seems to me, ought to be conceded to an industry which is so important and which ought to be entirely with our own people.

I know there has been a very general objection on the part of importers, but the brush industry is here asking, not for generous treatment, but for enough to save it from destruction by the foreign producer, and especially the Oriental.

The domestic manufactures of brooms and brushes amount to $21,100,000 annually. The amendment proposed, I repeat, is primarily for the segregation of brooms from brushes, and thereby to supply separate brush and broom schedules. The object is to separate articles having no relation in common, for

by reason of the single schedule of the past, misleading and erroneous statistics as to domestic manufacture and imports, have had a controlling influence. This works great injury to the toilet-brush manufacturers. It is not regarded proper in making schedules to include dissimilar articles in a single paragraph, as, for instance, hats and also shoes; and, so long as toilet brushes and broom-corn brooms are in one paragraph, the incongruity is fully apparent.

The raising of broom corn is an important industry. It grows as does hay or fodder in the field. Brushes are the product largely of the bristle of the domestic pig, and of the wild hog of the countries of Siberia, India, China, France, and Germany; and the woods used are the timbers of the United States, South Africa, South America, and Mexico.

The importers are protesting against the proposed amendment. They use the improperly associated brush and broom statistics as showing comparison of the imports of brushes, and that includes all kinds, for 1908, $1,681,640, as being 10 per cent of the domestic product of the brush manufacturers, but in reality it is the output of the broom factories, $11,000,000, plus every variety of brushes produced, $10,000,000. No more misleading or unfair statement could be made to the United States Senate, nor could greater unfairness be exhibited toward the toilet-brush manufacturers, for, under the adverse tariff conditions, they only produce in this country $3,500,000 in toilet brushes annually out of gross brush production of every variety of $10,000,000. Hence relief is asked for toilet-brush makers by providing separate paragraphs in this substitution for paragraph 419. The substitute:

(a) Toilet brushes, household and mechanical brushes, either hand drawn or where the brush materials are cemented in or anchored by any mechanical process or held in bored blocks by any style of anchor, 50 per cent ad valorem.

(b) Pan or cement process brushes, as shaving, paint, and artist brushes, and hair pencils in quills or otherwise, feather and wool dusters of all kinds, 40 per cent ad valorem.

(c) Brooms made of broom corn, all kinds, 25 per cent ad valorem.

In the briefs filed at the tariff hearing before the Ways and Means Committee it was admittedly stated that 75 per cent to 90 per cent of all the brush imports are of the toilet-brush classification and as indicated in paragraph "a" of the abov eamendment. Thus it is demonstrated the toilet brushes imported are abnormally out of harmony, as shown in comparison with the general imports of all the merchandise of the United States.

Brush importations, 1909	$1,681,640
Additional duty imposed, 40 per cent	672,665
Total value brush imports	2,354,305
Brush and broom manufactures of the United States are divisible as follows:	
A. Toilet brushes (toilet-brush imports equal 75 per cent of all brush imports or $1,765,721, or 50 per cent of domestic manufacture of toilet brushes)	3,500,000
B. Paint brushes, domestic only (the imports of this class equal only 25 per cent, or $588,576. Of exports, 90 per cent are of this class)	6,500,000
C. Brooms, domestic manufacture (only $2,065 in brooms are imported)	11,100,000
Total	21,100,000

Thus it is shown that the toilet-brush industry bears the burden of the importation of all the associated items under the old schedule. (There are substantially to-day no exports of toilet brushes, all statements in singular and in general of importers to the contrary notwithstanding. Exports of brushes are of the Class B, or paint brushes. For full details of which see Tariff Hearings, volume 6, pages 6448 to 6452.)

To summarize the movements of brushes between the United States and foreign countries, 1890 and 1907, we say, first:

Brushes—mostly toilet brushes—increased in imports, in annual percentage, 120 per cent, while the total shown of all merchandise increase is but 42 per cent. With this abnormal showing, and which, it must be understood, is mostly toilet brushes, is the justification of the amendment asking an ad valorem rate of 60 per cent instead of 40 per cent.

The domestic toilet brushes, in price, have lowered from the year 1890 until to-day, so that as good an article is bought now, a toilet hair brush, for 10 cents as sold in 1890—the brush being all bristle, too—for the sum of 25 cents; and be it understood that as good brushes are now daily produced in the United States as are made anywhere else in the world. This is a statement of fact in contradiction to the claims made by importer.

The commercial designation of brushes is broadly divisible in the two family groups as provided in the amendments "a" and "b." Broom-corn brooms do not belong in either class. They are made of unlike materials, by different processes, and are not items of international commerce. For all purposes of tariff relation they must be entirely segregated from brushes, and are entitled to be included in a paragraph by themselves. In the manufacture of brushes, group "a," toilet goods, some of the most intricate machinery is utilized known in all the manufacturing industrial arts. Single factory equipments in the United States have exceeded in cost hundreds of thousands of dollars, and, contrary to the contention of importers, they are not protected by any valuable patents. Highly experienced tool makers and skilled machinists keep such machines in perfect working condition. Skilled men and skilled women operate these machines. Seventy-five per cent of all imports of brushes are toilet brushes, such as indicated under group "a." The intricate brush machinery before mentioned was introduced at great expense, and insured labor-saving conditions to enable home factories to meet foreign cheap labor and to further lessen the cost of manufacture and the selling price. To-day the world makes no better brushes; still importations increase in volume. The toilet-brush goods carry this burden, and out of the percentage two other industries protected by the tariff act.

Foreign brush makers' wages, all statisticians agree, are the lowest in the wage scale of human employment. The reason for this must now be understood, and it is a condition confronting the underlying fabric of our American industrial existence. The foreigners are utilizing the world's best machinery, tools, and inventions, notably Japan, dually cooperating in such use the cheapest human power and skill. Japan labor works at brush making at 50 cents per day for skilled men, 15 cents for women, and 5 cents for minors, as shown by a November, 1908, Consular Report; and so, with but a 40 per cent duty on toilet brushes, they undersell American brush wares. Such is the unnatural brush competition to-day. The Japanese merchant does not appear to possess that element in national characteristics known as "commercial integrity," for, in dealing with the United States Customs Board of Appraisers, their reports show greater percentage of advances in valuations assessed on Japanese goods than are marked against any other country.

If it is the intention of the tariff-making power to reconstruct the tariff along lines that will exclude unnatural foreign labor competition, commensurate with, but not beyond, what will secure work for our skilled laborer at living wage scales, that will let him enjoy his ambitions, have home and property, instead of looking forward to possible trade extinction, this status must be maintained in contradistinction to the Mongolian laborer, who may be satisfied to live on rice and fish and to wear the poorest garb. In the organized movement of the Orientals for commercial supremacy over the Caucasian countries their success is already notably evidenced in the statistical showing of brush imports here, given out by the Bureau of Statistics. They are mostly toilet brushes. The amounts are indicated by the following table from 1891. The increase is 3,200 per cent, and from $990 in 1890 to $437,680 in 1908.

The table, by years, is as follows:

Japanese imports.

[United States Government statistics.]

Year.	Brushes (amount).	All merchandise imports (amount dutiable).
1890	$990	$2,192,760
1891	15,872	3,342,560
1892	25,618	3,655,484
1893	30,450	5,158,110
1894	45,402	4,045,720
1895	57,682	6,744,902
1896	59,639	5,074,582
1897	88,035	5,201,174
1898	101,256	5,259,965
1899	123,202	11,162,882
1900	130,093	12,182,704
1901	191,911	13,133,045
1902	195,782	15,562,063
1903	273,140	15,924,823
1904	353,453	12,468,122
1905	294,991	14,308,687
1906	317,123	16,426,657
1907	401,639	18,559,205
1908	473,680	16,124,555

Reference is usually had to the European markets as being in competition with the American industries, but the oriental factor, as in toilet-brush imports, will soon develop in other lines. This controlling factor should determine the measure of protection upon the American toilet-brush product. Japan now imports here 20 per cent of all brushes imported and, as stated, they are nearly all of the toilet hairbrush variety, or of the Group A—this great increase in the face of the fact that the first importation noted from Japan was in 1890. Such is the tremendously rapid pace at which the Japanese producers are marching to secure the American market on brushes.

Brushes are sold in nearly every store in every variety of trade, hence the ramifications of distribution and consumption are general.

The importers organized upon learning of the brush amendment now under consideration and undertook a general attack to accomplish its defeat. They operate wholly through selfish motives, and to that end gave out misleading statements by the distribution of circular letters mailed broadcast to the dealers throughout the United States.

These circulars were mailed to the wholesale drugs, hardware, dry goods, barber-supply houses, books and stationery, wooden ware, notions, large catalogue houses, department stores, and jewelry stores. They also circularized a form of letter to be addressed to the chairman of the Finance Committee of the Senate and also a circular form giving seven reasons to be copied into the form of a letter which was to be mailed to United States Senators. I hold a copy of the circular to which I make reference.

I have named in the foregoing statement the suggestions in the protest of the importers. Under the present brush schedule toilet brushes of domestic manufacture only equal an annual output of $3,500,000, and not $21,100,000, as given in the statistics for the guidance of Congress. In the latter amount of $21,000,000, we should include $6,500,000 paint brushes that are manufactured and classified under the previous paragraph; there should also be included $11,100,000 of domestic brooms manufactured. Hence the claims of the importers are manifestly improper and wholly wrong. The total of all brush imports for 1908 was $1,681,640. Add to this 40 per cent ad valorem duty, and we have $2,354,305. This is mostly toilet brushes. This amount of imports equals 66 per cent of the toilet brushes now annually made in the United States. This manufacture is annually growing less because of improper protection. It is the intention of the amendment to modify this tremendous injustice to the domestic manufacture of toilet brushes.

Domestic production of broom-corn brooms shows by careful estimate to be $11,100,000, while the government statistics show the imports of brooms to only amount to $2,065 annually.

The toilet-brush manufacturers do not make 10 cents per dozen under the present tariff rate of 40 per cent. The advance duty of 50 per cent on toilet brushes will only secure a continuance of the present living conditions, and can not by any possible contingency advance the market price to consumers, as is contended by the importers. Under the McKinley and Dingley acts, notwithstanding the duty was raised from 30 per cent to 40 per cent, the trend in the domestic prices of brushes has been continuously downward, until to-day these goods are sold at a reduction of 50 per cent of the sales price of 1890.

The profits, as stated, are but from nothing to $1.20 per gross on toilet brushes. This fact precludes any possibility of truthfulness of the statement made by a few dealers in writing to their Senators under inspiration of the circular-letter forms of importers that toilet brushes are now sold in Canada and elsewhere at less figures than they are offered in the United States. It would not be possible to reduce the average price of domestic toilet brushes even 5 per cent without threatening bankruptcy to that industry.

To meet the competitive opportunity as thought to be offered by the McKinley Act, a toilet brush manufacturing company in the State of Ohio increased its capital from $75,000 to $400,000, and all paid in. Its machinery equipment was augmented by the addition of the best-known processes in use in the United States, England, and France. These utilities accomplish to-day with 300 employees what at that time had required in this country 2,500 people. Here is the result. The selling prices of this factory's output were reduced year by year while the toilet-brush imports developed abnormally year by year. Notwithstanding that this company produces as fine toilet brushes as are made anywhere on earth, the company could not make a living profit on its invested capital; hence the capital stock was reduced by shrinkage and, following such misfortune, by vote of the stockholders, from $400,000 to $100,000, and only possible under existing conditions to show a 6 per cent dividend upon the basis of the latter capitalization. It is not making more than 5 cents a dozen net profit on its output. The record of its last fiscal year shows a positive loss. Factories with less advantages can not now live, as is shown by the great number that have discontinued business in recent years. The only thing that will save from annihilation any toilet brush maker is the increased duty proposed on toilet brushes.

Mr. ALDRICH. I feel constrained to move to lay the amendment on the table.

Mr. DICK. Upon that I ask for the yeas and nays.

The yeas and nays were not ordered.

The motion to lay on the table was agreed to.

Mr. JONES. I desire, on page 20, line 22, to strike out "five" and insert "ten."

The VICE-PRESIDENT. The Senator from Washington offers an amendment, which will be stated.

The SECRETARY. On page 20, line 22, strike out "five" and insert "ten," so as to read:

Lime, 10 cents per hundred pounds.

Mr. JONES. I simply desire to say that this equalizes the duty on the coast anywhere between Canada and this country. Their duty amounts to from 20 to 25 cents a barrel. Our duty is 10 cents. The difference in wages in their favor is giving them our market, and our people simply ask that the duty on lime coming from Canada into this country shall be the same as on lime going from our country into theirs.

In this connection I desire to print in the RECORD certain statements.

The VICE-PRESIDENT. Without objection, the statements will be printed in the RECORD.

The statements referred to are as follows:

ROCHE HARBOR, WASH., *January 26, 1909.*

Hon. WESLEY L. JONES,
Washington, D. C.

DEAR SIR: We write to call your attention to an inequality and an injustice to us on import duty on lime. As you know, we are located right upon the British Columbia frontier. The market for lime in British Columbia is very limited, while the market for lime upon this side of the line is very extensive. The manufacturers of lime in British Columbia are able to turn out their product at a very low price by the employment of Chinese labor at about 90 cents per day. One of the manufacturers of lime upon that side told the writer a short time ago that that was what they paid their Chinese laborers. On this side of the line we pay from $1.75 to $2.50 per day for white labor. The manufacture of lime is practically a question of labor. You will thus note the great advantage in favor of the British Columbia manufacturers. The present rate of duty on importation of lime to this country is 10 per cent ad valorem. By making a low valuation on their lime on the other side they are able to put it on the markets of Puget Sound at a very low price. They are also able to reach the markets of the Hawaiian Islands by the Canadian Pacific Steamship's line of steamers at a lower rate than ourselves. This is accounted for in the fact that the Canadian Pacific line of steamers makes to them a much lower rate of freight to Hawaii than we are able to get from the Sound by American lines. The difference in rate of freight is more than enough to pay the duty of 10 per cent ad valorem, which thus places us at an actual disadvantage in competition with them in our own American market of Hawaii.

On the other hand, while the market in British Columbia is very limited, the manufacturers upon that side are protected against competition from us by a duty of 20 per cent ad valorem, which is just double the protection afforded us by our tariff here. In addition to that, the customs authorities on that side insist upon calculating the rate of duty upon an arbitrary selling price for our lime on this side without any regard to the actual price at which we sell it or offer it for sale.

These conditions place us at a very great disadvantage, with the result that the British Columbia manufacturers are shipping their product largely into the Hawaiian Islands, the Oregon and the Puget Sound markets in competition with us on a basis of lower cost of labor in production, while we are shut out of their markets by a protective law. We have no complaint to make of their law, if they see fit to protect themselves to that extent. We do think, however, that it is manifestly unfair for our laws to permit them to stand behind an impregnable wall of protection and thus invade our markets at will. These invasions are also made in sweeping cuts in the price of lime in order to try to force us to buy off their competition. In fact, they have repeatedly made deliberate offers to remain out of our markets entirely for a cash consideration, without which they insisted upon continuing to practice piracy upon our markets, knowing that we have no means of retaliation under the existing laws. The injustice of this situation should be manifest to you. We presume some changes will likely be made in the tariff schedule during the present session of Congress. We therefore write to ask you in connection with our other Representatives in Congress to endeavor to secure some relief for us sufficient to cover the inequality above mentioned. We think the rate of duty on importation of lime under the circumstances should not be less than 25 per cent ad valorem. A more satisfactory basis, however, would be a duty of 25 cents per barrel of 200 pounds weight, which would prevent them from seeking refuge behind a ruinously low valuation.

There are five companies manufacturing lime on Puget Sound at this time. They employ collectively, directly and indirectly, in the neighborhood of 500 or 600 men, and have a capital engaged of more than $1,000,000 in value. All of these institutions and their employees are greatly interested in this subject, and will be grateful for any effort which you may make in their behalf.

We will send similar letters to our other Representatives in Congress from this state, and especially ask the cooperation of all the Members of our delegation upon this subject, in the hope that we may have as early relief as possible, for the reason that every day represents a very large loss to us on account of the slaughter of prices which is represented by the acts of piracy practiced upon our markets from across the line.

Thanking you in advance for any effort, and hoping to have an early reply, we are,

Very truly, yours,

TACOMA AND ROCHE HARBOR LIME CO.,
By JOHN S. MCMILLIN, *President.*

ROCHE HARBOR, WASH., *June 5, 1909.*

Hon. WESLEY L. JONES,
United States Senate, Washington, D. C.

MY DEAR SENATOR: Your three letters of May 21 came to hand while I was in California, and I now hasten to reply as far as possible. Will try to get some additional data and forward it to you as early as possible.

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British Columbia manufacturers are protected by 20 per cent duty, and we must pay that 20 per cent in order to get into their markets at all. Furthermore, this 20 per cent is levied not upon the actual invoice which we make to British Columbia purchasers. In computing their duty they refuse to be governed by the invoice price at which we are willing to sell and actually do sell to British Columbia consumers. They keep thoroughly posted upon the highest price obtainable in the market upon this side of the line and figure their 20 per cent upon whatever arbitrary price they see fit to put upon our lime.

I do not see how the statisticians can figure out that 5 cents per hundred pounds is 20 per cent ad valorem on the British Columbia lime. A barrel of lime weighs 200 pounds. At 5 cents per hundred pounds, our duty on British Columbia lime is 10 cents per barrel. That is all there is to it.

As the labor employed in the manufacture of the lime on Puget Sound is much higher than that on the other side of the line, we are therefore forced to pay this 20 per cent upon a higher price, based upon a higher cost of production.

All we have asked for is an actual equality in the rate of duty, and we are unable to see how anyone can consider this proposition an unfair one.

The present market price of our lime here is $1.25 per barrel. The British Columbia duty of 20 per cent ad valorem on that price is 25 cents per barrel, as against 10 cents per barrel on their lime coming this way. It is true that sometimes they will let our invoices pass at $1 per barrel, which makes the duty paid on our lime going into British Columbia 20 cents per barrel, and this is the absolute minimum. Thus the case boiled down is simply this: We must pay from 20 cents to 25 cents per barrel duty to get our lime into British Columbia, while British Columbia manufacturers are permitted to put their lime into our markets at 10 cents per barrel duty. To make it equal, the rate of duty on the British Columbia lime should be 10 cents per hundred pounds instead of 5 cents per hundred pounds. This would only put us on an equality upon the minimum rate of duty collected by them.

Even this duty would by no means place us on an equal competitive ground, for the reason that the markets of British Columbia are very small, while our markets are large and attractive to them. Probably in the ratio of not less than 20 barrels to 1 in favor of the American side.

I am absolutely at a loss to understand how anyone can figure 5 cents per hundred pounds to be 20 per cent ad valorem. That would mean that they were figuring the price of lime at 50 cents per barrel. The package alone costs at this time about 45 cents each, and while the price of lime in British Columbia is considerably lower than our price on this side, I have never known it to be anything like 50 cents per barrel. There is certainly a mistake somewhere in somebody's calculations to enable them to arrive at 20.55 per cent as the actual percentage of duty at 5 cents per hundred pounds. This calculation is certainly based upon a price or a cost of production which does not and never has obtained in either British Columbia or on Puget Sound. A fair and clear statement of the comparative rates of duty is a minimum of 20 cents per barrel into British Columbia and 10 cents per barrel into the United States.

On the very face of it this statement is unjust and unfair. It is greatly emphasized when the actual conditions of manufacture and market are considered.

The markets which are ordinarily supplied by the American kilns are Alaska, Washington, Idaho, Oregon, California, and the Hawaiian Islands. The works supplying these markets are located as follows:

We have here at Roche Harbor a capacity of 1,500 barrels lime per day. We employ on the average about 250 men in all departments. There are also four other small works in this county, employing about 30 men each. Making a total of 370 men. A large percentage of these are heads of families, representing the support of a much larger number of people. Quite a number of them are farmers or ranchers engaged in cutting cord wood and logs on their lands in the county, thus enabling them to earn a living in this way while clearing up their farms and bringing them into a condition of cultivation.

There is another plant at Wenatchee, employing about 25 men. Another in Stevens County, north of Spokane, employing about 60 to 75 men. There are two plants near Lewiston, Idaho, employing probably 25 or 30 men each. There are three plants in eastern Oregon, employing about 30 men each. There is one in southern Oregon, employing about 30 men. Making a total in Oregon, Washington, and Idaho of about 600 to 650 men.

There are also several large manufacturers in California, supplying principally that State, Nevada, Arizona, and a portion of Mexico, Central America, and the Hawaiian Island trade.

I am unable to state the number of men employed in the California kilns, but the number would probably about equal those employed in the northern fields above mentioned.

Up to date the British Columbia kilns have attacked only the markets of Oregon, Washington, and the Hawaiian Islands, although there has been some talk of their going into California markets as well.

PRICES.

Lime has ordinarily sold f. o. b. Puget Sound kilns at $1 to $1.25 per barrel of 200 pounds each, packed in first-class wooden barrels; the barrels themselves costing from 40 cents to 45 cents each.

I may say that on account of the humidity in this atmosphere no lime can be handled or sold in bulk or bags in this climate. It must be put up in first-class wooden packages. Hence, when we speak of a barrel of lime here it means a different thing from what is called a barrel of lime in many places in the East, where they refer to their unit of manufacture as a barrel of 200 pounds, but actually sell it in bulk without any package at all.

At the present time our lime nets us f. o. b. at our kilns, in small orders, a maximum of $1.25 per barrel for our best markets, and runs as low as 85 cents per barrel, in large quantities, on account of the local competition among American manufacturers.

The average profit to the retail dealer in the general markets is about 10 per cent.

The British Columbia lime sells at kilns for from 75 cents to 90 cents per barrel.

FREIGHT.

Freight varies from 12½ cents per barrel to local markets to 30 cents to San Francisco and 52 cents per barrel to the Hawaiian Islands markets.

The freight from the British Columbia kilns to the American markets is practically the same.

All the Puget Sound kilns and all the British Columbia kilns are located on the salt water, and all have water transportation. Distance cuts practically no figure whatever, and the rates of freight to the same markets are practically uniform.

WAGES.

The average rate of wages for common labor in the limekilns on the American side is about $2.25 per day. Experienced, technical men in burning, quarrying, and other departments get considerably more than that, ranging upward to as high as $3.50 to $4 per day. The lowest rate of wages is about $2 per day.

On the other side the line we are informed by the manufacturers themselves that their white labor costs them from $1.75 to $2 per day. The principal manufacturers on that side, however, employ very few white men.

The largest and leading plant on that side of the line and the only one which has disturbed the American markets at all employs Chinese labor almost exclusively, and we are advised by manufacturers upon that side of the line that the rate of wages to the Chinese is from 90 cents to $1.25 per day.

* * * * * * *

Lime is principally labor. There is very little opportunity for the use of machinery in connection with its manufacture, outside of the manufacture of the package. The difference between the cost of labor on this side of the line and the Chinese labor in British Columbia is from 50 per cent to 100 per cent. Hence we think when we are asking only that the rates of duty be equalized by advancing our rate to an equality with the British Columbia rate, no just American Representative should deny us this small measure of relief.

LOCAL SUPPLY.

That there may be no misunderstanding as to the local competitive conditions and adequate supply for all our markets from kilns owned by our own people and operated in our own country, I beg to say that, barring a period of about nine months after the great fire in San Francisco, there has not been a moment in the past ten years when the markets on the American side of the line have been sufficient to consume the output of 60 per cent of the productive kiln capacity of the American manufacturers.

At this present moment we have eight kilns in operation at this plant. We have five others standing idle. We have also several additional idle kilns in other parts of the State. The competition among our own manufacturers has always been keen, and prices have never been above a very limited return upon the capital and labor employed. Much of the time local competition has been sufficient to prevent any profit whatever to American kilns. There is no monopoly nor semblance of monopoly on this side of the line which makes the importation of lime from British Columbia necessary or justifiable from the standpoint of a just price to the consumer.

There are several millions of dollars invested in lime manufacturing plants on this coast, and conditions are such that abundant opportunities exist for additional plants to be developed if any extravagant price for the product were ever demanded by the American manufacturers.

As you know, public sentiment is such that the employment of Chinese or Hindoos on this side of the line would be impossible, and it seems most unjust that tariff conditions should exist which would encourage, and in fact invite, American capital to dump into our American markets the product of a class of labor which they could not successfully employ upon this side of the line.

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Very sincerely, yours, JOHN S. MCMILLIN.

The VICE-PRESIDENT. The question is on agreeing to the amendment proposed by the Senator from Washington.

The amendment was agreed to.

Mr. OVERMAN. I desire to submit an amendment—to add a new section, to be numbered 10½—page 386.

The SECRETARY. On page 386 add a new section, to be numbered section 10½, as follows:

That there shall be levied, collected, and paid a tax of $10 for every alien entering the United States, in the manner and under the rules and regulations provided in section 1 of the act of February 20, 1907, entitled "An act to regulate the immigration of aliens into the United States."

Mr. OVERMAN. Mr. President, I shall not inflict any extended remarks upon the Senate, as I have heretofore discussed this amendment at some length. On the 26th of April I pointed out that this increase is needed to defray the expense of the Immigration Bureau in a more liberal treatment of detained immigrants at our ports, a more thorough inspection of the enormous incoming tide, and the needed deportation of admittedly undesirable aliens who gain entrance. I also urged it because it would not fall upon the immigrant but upon the untaxed foreign steamships, and because even a still greater increase was desirable to increase and equalize steerage rates so that we would not continue to be the cheapest country to reach—although in many cases the more distant—and hence, in truth, the world's immigration dumping ground. I have published in the RECORD its indorsement by the Farmers' Educational and Cooperative Union of America, the National Farmers' Congress, the National Grange, the Cotton Manufacturing Association of America, the American Federation of Labor, and the Knights of Labor. Nearly every patriotic society and charitable organization in this country, of which there are many, have indorsed this movement for the restriction of immigration, less lax enforcement of the law, and the more efficient handling, inspection, and examination of immigrants at our ports of entry.

I desire to read a short paragraph prepared from the annual report of the commissioner-general, which shows how the most objectionable aliens gain admission without the least apparent difficulty:

The report of the commissioner-general shows that a foreign-born population (which in 1900 constituted 13.6 per cent of the total population) furnished in 1908 134,094 persons, or 21.9 per cent of those in all the penal, reformatory, insane, and charitable institutions

of the United States, or 15.6 per cent of the criminals, 20.8 per cent of the paupers, and 29.5 per cent of the insane. (The proportion of the foreign born to the total population has remained practically constant for several decades.)

It further appears that of the 15,323 alien criminals, 8,197, or 53.5 per cent, had committed serious crimes as distinguished from minor offenses.

The total number of aliens in 1904 in these institutions was 44,985 as against 60,501 in 1908, an increase of 15,516, or about 34 per cent. The alien criminals increased from 9,825 to 15,323; the insane, from 19,764 to 25,606; the paupers, from 15,396 to 19,572. The criminals increased from 4,124 to 8,197 in grave offenses, and only from 5,701 to 7,126 in minor offenses.

I quote one short paragraph from Theodore Bingham's report in the city of New York. I believe he was until very recently police commissioner of New York City, through which comes the bulk of our present enormous foreign immigration of from 1,000,000 to 1,500,000 aliens annually:

We are trying to handle mediaeval criminals—men in whose blood runs the spirit of the vendetta, by modern Anglo-Saxon procedure. It is wrong to allow these people to slip into this country. But besides allowing this, we give them, once in, every chance to work their blackmail without getting caught. Against this sort of crime our laws are weak. Either they must be kept out or else a system of procedure must be devised which is potent and immediate enough to handle that sort of crime.

I read from a letter written by the United States ambassador to Germany, Andrew D. White, who wrote Josiah Flynt for publication in Mr. Flynt's new book, Tramping with Tramps:

EMBASSY OF THE UNITED STATES OF AMERICA,
Berlin, April 19, 1905.

DEAR MR. FLYNT: As you know, I consider the problems furnished by crime in the United States as of the most pressing importance. We are allowing a great and powerful criminal class to be developed, and while crime is held carefully in check in most European countries, and in them is steadily decreasing, with us it is more and more flourishing. It increases from year to year and in various ways asserts its power in society.

So well is this coming to be known by criminal classes of Europe, that it is perfectly well understood here that they look upon the United States as a "happy hunting ground," and more and more seek it, to the detriment of our country and all that we hold most dear in it.

Yours, faithfully, ANDREW D. WHITE.

MR. JOSIAH FLYNT.

According to current newspaper reports, the superintendent of prisons of New York State has just made a census of state penitentiaries which reveals that there are 990 alien felons confined therein, of which number 349, or over one-third, were convicted of felonies before they had been in this country three years. Nothing is said of the number of aliens convicted of minor offenses, but those convicted of felony alone have, are, or will cost New York about $5,000,000, and still there is no law under which they can be deported.

I also desire, with his permission, to put in the RECORD a letter sent to me by the senior Senator from New York [Mr. DEPEW].

The letter referred to is as follows:

1470 FIFTH AVENUE,
New York, June 22, 1909.

Hon. CHAUNCEY M. DEPEW,
Senate, Washington, D. C.

DEAR SIR: Senator LEE S. OVERMAN, of North Carolina, introduced an amendment to the tariff bill increasing the head tax on immigrants from $4 to $10, and upon a thorough investigation of this matter I have discovered, by personally questioning some of those recently landed, that the immigrants are entirely ignorant of the fact that any tax is placed upon them when entering this country; and upon looking into the matter further I find that in the event of an immigrant continuing his or her travels to either Mexico or Canada a rebate of the amount paid for the head tax is given; not to the immigrant, but to the steamship company on whose vessel he has traveled to this country, and, therefore, the tax is practically levied upon the steamship companies.

According to official records for 1908 the expenditures of the immigrant fund exceeded the receipts from payment of head taxes, etc., by the enormous sum of $2,000,000; and inasmuch as the steamship companies are directly benefited by the bringing of immigrants, I see no just reason why this tax should not be increased.

They are certainly making a handsome profit out of the business, else they would not be continually adding so many new vessels to their already large fleets. On Sunday there came to New York the new North German Lloyd steamship *George Washington*, with a carrying capacity of 3,303 persons. This is her maiden trip, and according to the newspapers she is the "newest and largest German ship afloat."

On June 4 there came to New York the new Italian liner *America*, with a steerage capacity of 2,404; on June 5 there came the *Cincinnati*, of the Hamburg-American Line, on her first and maiden trip, with 2,064 steerage passengers.

The North German Lloyd has 332 vessels afloat, traveling chiefly between the old and this country, three-fourths of which come to us from countries bordering chiefly on the Mediterranean, as a result of their shifting the source of our foreign immigration there in pursuit of the most profitable traffic.

The International Mercantile Marine has in the neighborhood of 150 boats afloat, and they also run chiefly between the Mediterranean countries and the United States, or engage in bringing that class of people via northern European ports.

It must be clearly evident to you that this business must be paying a handsome profit, notwithstanding the reports given out about dividends, etc. It seems to me that these foreign corporations and their owners would not be so foolish as to invest their money in losing enterprises. Therefore it is reasonable, in view of the deficit in last year's immigrant fund, to have them contribute to our Federal Treasury at least enough to support and defray the reasonable expenses of the immigration service.

Why is it that the construction of needed, much needed, hospitals, detention rooms, and other accommodations at Ellis Island had to be postponed and curtailed?

The Ellis Island station is the only one owned by the Government; those at Philadelphia, Baltimore, New Orleans, and Boston are rented, and, pardon me, are a disgrace to the United States. The money that was appropriated by Congress for the building of stations at Philadelphia, Boston, and New Orleans was not even sufficient to buy desirable sites.

The increase in head tax is needed for providing decent accommodations at our ports of entry. But the foreign steamship companies, untaxed and bound not to be taxed, have their powerful lobby at work.

* * * * * * * *

The head tax really ought to be $25. Why not protect us (by compelling them to defray the expenses of an immigration bureau) from the Black Handers and others who slip right through at present, chiefly because even if we had the law, we have not the funds owing to deficits, etc., to enforce the laws and provide suitable stations at our ports of entry, where immigrants would be examined and the steamship companies taught not to bring undesirables here by compelling them to take them back.

* * * * * * *

Please give this your earnest consideration, look into the facts clearly, go or send to Ellis Island and look at the rooms which should be used for observing insane and feeble-minded suspects being used for sleeping quarters, and note for yourself the necessary requirements which it will be impossible to have unless we increase the revenue of the immigrant fund.

Yours, respectfully, WM. B. GRIFFITH.

Mr. OVERMAN. I also desire to put in the RECORD an editorial and article from the Farmers' Union News on this subject just handed me for insertion by the junior Senator from South Carolina [Mr. SMITH]:

An article and editorial from the Farmers' Union News, June 30, 1909, published at Union City, Ga., and representing the attitude of over 3,000,000 organized farmers and planters of the South and West:

THREE HUNDRED MILLION MORE.

Here is the charming doctrine of put-your-hired-man-in-the-parlor-and-sit-on-the-stoop-yourself finely stated by our contemporary, the New York Times:

There are some 90,000,000 people in the United States. If 400,000,000 were developing its resources, the country would support them more comfortably, more prosperously than it can support the 90,000,000. Labor in this land grows by what it feeds on—more men.

More men, and more men, and more men. Never mind the quality of the men—all we want is quantity. More men to keep up the processions of the unemployed. More men for the bread lines. More women and children for the sweatshops. More thousands to populate "lung blocks." More dark-visaged gentlemen of the Mafia, the Camorra, and the Black Hand. More prosperity for the stiletto trade. More and more ignorance of and want of sympathy with original American ideas of the sacredness of individual right and initiative, and more and more encouragement for the intrusive police methods of Europe.

We need men in this country, oh yes; but not so much great numbers of any kind of men as a fair chance for the right sort of men. We are not particularly anxious to have a worse attack of ethnological indigestion than the one we are suffering from at present. Let us give a fair chance to the 100,000,000 to become full-sized, full-brained, sound-hearted Americans before we bring in 300,000,000 more.

In protesting against the proposed turning of the government departments at Washington into official employment agencies, chiefly for the benefit of new European immigrants, the officials of the American Federation of Labor have done exactly right. Immigration should be restricted, not magnified. (The Evening (N. Y.) Mail, June 3, 1909.)

The above, coming as it does, from the center of the immigration district, shows that the New England press is awakening to the horribleness of an unrestricted immigration. New England is being crowded to death, and she must do one of two things: Have her immigrants distributed through the United States, or have the law strengthened and enforced, thus stopping the present influx of immigration. Either one of these, or else New England must suffer as no section of this country has ever suffered from an overflow of undesirable citizens.

FALLACY OF AGE-HERALD'S POSITION ON IMMIGRATION EXPOSED.

(We publish below an editorial from the Birmingham Age-Herald and a reply to it by J. H. Patten, secretary of the Immigration Restriction League. This editorial of the Herald proves what little knowledge some of our big papers have in regard to the actual situation on immigration. It also shows how irresponsible they are when it comes to giving editorial comment on great national questions. Mr. Patten's reply was not published until after a threat had been made to have the reply published in the Farmers' Union News and Farmers' Union Guide; then it came forth.—Editor.)

TO KEEP OUT IMMIGRANTS.

The congested districts of New England and the States that lie about New York City are endeavoring to restrict immigration, simply because they have enough workers at present. They do not consider the needs of the far West or of the South. They regard themselves alone, and from their selfishness and localism has arisen a bill to raise the head tax on immigrants to $10. It now stands at $2.

This means that the poor immigrant would be shut out. We have in the past invited the poor and oppressed of all nations to come here, but under the bill now before the Senate Finance Committee this invitation would be restricted to those who can pay a $10 head tax. This would cut out the poor, at any rate, and we would hereafter invite the oppressed that have $10 a head.

The bill before the Senate Finance Committee should be voted down by all who believe America should continue to be the asylum of all who desire to find new homes. The bill discriminates between men, all of whom are needed to develop our resources and to add to the natural wealth. The man or woman who can pay but a small head tax would prove perhaps as valuable an addition and asset as the man who could pay a $10 head tax. The discrimination lacks business sense, is un-American, and is wholly uncalled for by the general situation. It probably came from the narrow brain of some HENRY CABOT LODGE in the crowded New England environment. (Birmingham Age-Herald.)

Age-Herald, Birmingham, Ala.

DEAR EDITORS: I have just seen your editorial of May 24, instant, "To keep out immigrants," and as a southerner and one deeply interested in the immigration question, I beg to have a few words with you, and, if I am not presuming too much, with your readers also.

Your first statement that the Northeast congested districts are endeavoring to restrict immigration is only a part of the whole truth. They demand it, or the distribution of their present surplus congested foreign populations and the diversion of the present enormous influx of brownish peoples, akin to the Negroid races, to sections of the country in favor of this new immigration and opposed to restriction.

In view of the action of your and most of the state legislatures of our 46 States in abolishing bureaus of immigration, refusing to establish such, or in resolving in favor of immediate restriction, the passage of stringent restriction resolutions by farmers' unions, labor unions, patriotic societies, charity organizations, and the universal formation of restriction leagues, and the general interest in, and widespread demand for such, as well as the fall in wages and the large number of unemployed, at least in the North, I would challenge your statement and inference about the any-kind-of-immigration needs of the South and West. These facts are all ably and comprehensively dealt with by Senator LEE S. OVERMAN, who introduced the amendment increasing the present head tax of $4 (not $2, as you state) to $10, in a speech in the Senate, April 26, ultimo.

I would also question your statement about this country having "in the past invited the poor and oppressed" of any land, let alone "all nations," as you put it, for in 1808 we prohibited the slave trade, which meant African exclusion, and which, in the light of subsequent history and current events, was no mistake, and in 1882 the Chinese were also as a race excluded. In fact, this country was really established by the somewhat exclusive Puritan and Cavalier who immediately proceeded to make it unbearably uncomfortable for any and every one disagreeing with their ideas of religion, politics, and economics; and rightly, too, in my humble opinion, for, if you will pardon the racial conceit, I think we have here, as a result, the finest and best civilization that ever shone, bedimmed only by the presence of alien races enthusiastically brought here for the blood money there was and is in the traffic.

Your opinion that the proposed increase of $6 in the duty on aliens is a tax on "deserving poverty" and "misery," seems to be the only plausible objection raised, if one can judge from the press and public. I think you are quite wrong there, just as you are in regard to the proposal having come "from the narrow brain of some HENRY CABOT LODGE in the crowded New England environment." That's calling Senator LEE S. OVERMAN, of North Carolinia, a pretty hard name, don't you think? And don't you think you ought to right the wrong you have done one of the most broad-minded, patriotic Southern men in the Senate? I know you will if you will but look over his able speech which I take great pleasure in sending you under separate cover.

In that speech Senator OVERMAN points out four possible, to my mind conclusive, reasons, grounded in official statistics and record testimony, why the present head tax should be increased from $4 to at least $10. They are as follows:

First. Last year the expenditures out of the "Immigrant Fund" exceeded its receipts by 100 per cent, and as a result therefrom the building of needed hospitals, detention rooms, and contagious wards at Ellis Island, New York City, and the establishment of needed government-owned accommodations at other ports of entry, had to be curtailed and postponed. This new immigration from southeast Europe and western Asia contains many having dangerous, contagious diseases—with such dreadful oriental afflictions as trachoma, favus and the like—who often have to be detained for weeks and months before a cure can be effected and the alien admitted.

Second. The tax is not levied upon or collected from the immigrant, but is paid by the steamship companies. The immigrant knows nothing about it. The foreign-owned and operated steamship companies are in a combine or trust for charging the immigrant all the traffic will bear. Their officials so testified before the United States Industrial Commission (Vol. XV, pp. 103, 117, etc.), and were forced to admit that as a result of the combination they had more than doubled steerage rates to this country, and still it is the cheapest country to come to by from $10 to $65. Since monopoly conditions exist and the traffic is being charged all it will bear, the present tax of $4 is not shifted upon the immigrant, but comes out of the excessive profits of the foreign steamship lines. On July 1, 1907, the head tax was doubled—that is, increased from $2 to $4 in order to get needed additional revenue to provide better and needed accommodations at New York and Boston, and to establish stations in the South. But steerage rates remained the same throughout that year, and are the same to-day, and in the opinions of students of the situation, would continue the same if the tax were increased to $10 or even $20. An increase in rates in an effort to shift the tax would result in a falling off in traffic and a consequent greater diminution of the net profits than would the payment of the tax. According to your statement of the facts, the average immigrant is poverty stricken, and consequently any increase in the present steerage rate of $37.50 (the rate varies a dollar or two with the port, size and speed of vessel) would mean a great decline in the number of passengers carried, and therefore a greater loss to the steamships.

Testimony before the Industrial Commission revealed it cost them only $1.70 to feed and room an immigrant passenger on the entire trip over, and not over $7, all told, to bring an alien here in the steerage. Why should not these foreign corporations, which at present contribute not one red cent to the financial support of the Federal Government beyond the present $4 head tax, inadequate even to meet the reasonable expenditures of the Immigration Service, pay even a twenty or thirty dollar tax, since they are making annually millions of dollars out of the traffic, as is attested by the small cost of the service rendered and their continually building larger and faster ocean flyers?

Third. As has been said, the United States is by from $10 to $65 cheaper to get to from European and Western Asiatic ports than Canada, South America, South Africa, and Australia; and consequently no other country has any considerable net foreign immigration—we are, in truth, the world's dumping ground. The foreign steamship lines, as shown by Senator OVERMAN, have made secret contracts with foreign governments like Austria-Hungary, to cart off so many thousand a year to America. An increased head tax upon them of thirty or forty dollars would equalize steerage rates, and shove off or back some of the social refuse and scum populations that are unquestionably being dumped upon the New England States. New York State pays annually over ten millions of dollars for the support of the foreign-born deficients and dependents in her public institutions. Boston has just learned what it is to have the franchise in the hands of the brownish Negroid races, and the Massachusetts legislature has, as a result, just passed a bill practically disfranchising the Boston city electorate and putting the local government in the hands of a civil service commission and a permanent finance commission appointed by the governor. That's what makes "narrow-minded Lodgeism in crowded New England," as you term restriction. You do not seem to be any more able to comprehend the immigration problem and evils of Yankeedom any more than New England formerly understood the negro problem. I had no conception of it until I went to Harvard and became acquainted with conditions down there, which were so alarming that I could not resist identifying myself with one of the restriction societies. But you will some day, if foreign immigration from southeast Europe and western Asia is distributed and diverted South, just as New England now has some practical conception of the negro problem as a result of the recent influx of alien races.

Fourth. Three-fourths of the present foreign immigration are male, and nine-tenths are adults. As a rule, they come single-handed and alone, for the purpose of staying a few years, picking up what they can find at any wage and any work, living parsimoniously—"like a flight of grasshoppers upon our abundance," says John Temple Graves—and going back with their miserly savings to their native lands. During the past ten years over 8,000,000 aliens have entered the United States, and 4,000,000 have left. Less than 10 per cent of the annual alien influx has ever been here before. They bring with them in cash on an average of $25 per person. Why should not these "birds of passage," granting that the increase falls on them, be made to contribute something directly to the financial support of a Government which offers them such splendid opportunities and privileges, and whose hospitality is so grossly abused?

Now, in all candor and fairness to public-spirited citizens of North and South, to Senator OVERMAN in particular, to your own congressional delegation, every one of whom I understand to dissent from your editorial of the 24th instant, and one of whom is on the House Immigration Committee, and is a member of the United States Immigration Commission, which has been investigating the subject for over two years, and whose report will be along the lines of this letter, will you not give this letter publicity in your columns, or at least, parts of it?

Sincerely, yours,

J. H. PATTEN.

WASHINGTON, D. C., *May 27, 1909.*

I also wish to put into the RECORD a few of the replies I have received from New York State officials showing the alien burdens there and the need of additional restrictive legislation and apparently the expenditure of much more than has been spent in the past in the enforcement of our immigration laws, which do not begin to compare with Canada's:

STATE OF NEW YORK,
OFFICE OF THE STATE COMMISSION IN LUNACY,
Albany, July 8, 1909.

Hon. LEE S. OVERMAN,
United States Senate, Washington, D. C.

MY DEAR SENATOR OVERMAN: In further answer to your favor of June 26, I have to report in response to query No. 1: The number of foreign-born insane in the 15 state hospitals for their care in this State on February 1, 1909, was 11,859, out of a total of 28,643, the nativity of 332 being unascertained. That is, on that date 45.2 per cent of our insane in state hospitals was of foreign birth. In Manhattan State Hospital, situated on Wards Island, New York City, which receives the larger proportion of the insane of New York City, there were on this date 4,158 patients, of whom 59.64 per cent were of foreign birth. At Central Islip State Hospital on the same date there were 3,868 patients, of whom 58.48 per cent were of foreign birth; this hospital receives patients from New York City as a rule on alternate weeks, sharing the increment with Manhattan State Hospital.

In 1900 the foreign-born population of New York State was 26.3 per cent of the entire population; while in 1903, the foreign born insane in New York State represented 46 per cent of the population. It is probable that the foreign born in the State represent nearly 35 per cent of the entire population of the State to-day.

In 1905 more than 25 per cent of aliens in penal, reformatory, and charitable institutions in the United States were in the New York State hospitals for the insane, although New York State had in 1900 but 9.5 per cent of the whole population of the United States, and but 18 per cent of the foreign born population.

During the year ended September 30, 1908, 49 per cent of our patients admitted for the first time (to any hospital for the insane in this State or elsewhere) were of foreign birth. The foreign born were but 26.3 per cent of the whole population of the State in 1900. Careful investigation of our statistics shows that the disproportionate number of foreign-born insane can be accounted for only in part by difference in age; for the proportion of foreign-born residents of the State who are adults and of the age in which insanity most frequently occurs is very little larger than the native born.

The following table presents some interesting facts concerning the number of people deported by the board of alienists attached to this commission during nearly five years:

[Including New York City; also including New York State; by friends; and on warrants.]

	State.	New York City warrants.	Friends.	State.	Total.
1904	176	(a)	(a)	(a)	(a)
1905	299	112	16	2	130
1906	307	149	14	6	169
1907	352	222	28	20	270
1908	(b)	277	67	25	369
1909	(b)	c 305	35	17	357

a Board of alienists not yet appointed. b Not out yet. c To date (July 1).

As to the third query, the number of alien insane that failed of deportation, although in our opinion properly certified as such, cut no figure in 1905 and in 1906; but late in December, 1906, and in Janu-

ary, 1907, instances of this kind began to appear, the first case on our records bearing date of January 1, 1907. Eight of such cases appeared during the year ending September 30, 1907, but during the year ending September 30, 1908, 43 such cases were refused deportation. Upon the objection of our board of alienists, 16 of these were ultimately deported and 12 were bonded, this bonding of a case of mental defect being illegal, as we claim, under the immigration law of July, 1907. The so-called "reimbursing" rate of $3.50, which the sureties for the bonded insane aliens agree to pay New York State for the care of these patients, is little more than one-half the weekly cost of these patients to the State.

The energetic protest of our board of alienists, with added influence exerted by this commission, aided in large degree by the moral support of some, if not all, of the United States alienists at Ellis Island (notably Doctor Thornton) resulted in the prevention of improper landing of many cases.

The number of cases not certified as insane by our board of alienists, owing to the lack of necessary testimony to prove that they were deportable, is not as large as formerly. In 1905 there was a very large number of such cases, but experience has taught that but a comparatively small number need escape certification. Four years ago about 100 avoided deportation, but last year less than 25 were in this class.

The cost of maintaining an insane person in this State in one of our hospitals is $186.63. The average length of life in the hospitals is nine years; thus an insane persons costs us, on the average, $1,679. Therefore the 15 persons who escaped deportation or failed of being bonded during the year ending September 30, 1908, will cost the State $25,185, if we are unable to secure their deportation within the three-year limit, after making, as we are doing now, renewed application to the new Secretary of Commerce and Labor for proper disposition of their cases.

Please use this information in any way that you deem wise, quoting my name freely, as these facts are in no sense confidential.

The State of New York owes you a large debt of appreciation, my dear Senator, for the interest you are taking in the matter of deporting insane aliens.

Yours, very truly, ALBERT WARREN FERRIS,
President.

STATE OF NEW YORK,
STATE BOARD OF CHARITIES,
OFFICE AT THE CAPITOL,
Albany, N. Y., June 21, 1909.

* * * * * * *

I can not tell you how much it costs the State of New York to maintain aliens in institutions, but I know that in consequence of the removal of approximately 1,200 aliens from the institutions subject to the jurisdiction of the state board of charities during the last year, the State has been saved the cost of maintenance of such persons during a probable average period of fifteen years in each case, and that, for the purpose of each alien, the public spends upon an average $200 per annum. To put it in another form, had these aliens been maintained in the institutions of the State of New York for a single year, they would have cost the State $240,000. If permitted to remain fifteen years, the average duration of a pauper's stay, they would cost the State $3,600,000, and this covers the removals of only one year, and also only the public charitable institutions of the State of New York, exclusive of the hospitals for the insane. The prisons and jails have their own aliens, equal in number to those in the charitable institutions. Hence the total expense to the State is ultimately very heavy indeed.

I remain,
Very respectfully, yours, ROBERT W. HILL,
Secretary.

STATE OF NEW YORK,
STATE COMMISSION IN LUNACY,
OFFICE OF THE BOARD OF ALIENISTS,
New York, June 29, 1909.

Hon. LEE S. OVERMAN,
United States Senate, Washington, D. C.

DEAR SIR: Your esteemed favor of the 26th instant, asking for certain figures, came duly to hand. As public officials, we see no objection to supplying them to you, especially as they appear in the public records.

In answer to your various questions in the same order as given, the replies are as follows: In 1907, 3,827 out of 10,781 admissions of pauper cases to the New York asylums were foreign born; in twenty years ending 1907, 54,200 out of a total of 158,200 were foreign born. Right here it might be said that the last United States census showed 25 per cent of the population of New York State to be foreign born. The discrepancy in percentages is obvious.

As to the number of aliens deported annually by this department, we would say that in 1908, 277 were deported on government warrants, and this year we will so deport about 400; in addition, the State deports 100 more who desire to return to Europe and who have been too long in the country to be deported under the immigration law. We ought to be allowed to deport within five years of landing, instead of within three years, as at present.

The ratio of insane aliens to immigration shows relatively as much insanity among the aliens in one year as in our population in a generation.

As to the number of newly landed aliens picked up in New York City, we would say that the average of 1,000 cases deported on warrants shows that the aliens were in this country less than one year at the time of becoming public charges; last year when arrested, 19 were here less than one month, 53 less than three months, 96 less than six months, and 134 less than twelve months.

In the matter of the financial burden imposed on this State, we would inform you that the total expense incurred by the State for each case admitted, including erection of buildings, furniture, maintenance for the average length of life of the inmates, interest on the investment, etc., is placed at about $5,000. If it is true, as claimed by sociologists, that the productive life of every healthy immigrant, or any other person for that matter, is worth $5,000 to the community, then the loss in total is not less than $10,000.

At the present time we are very glad to be able to inform you that the present administration of the Department of Commerce and Labor seems anxious to act for the best interests of the community. Our medical certificates are received with very rare exceptions, and they are acted on promptly. No cases are being landed under bond. While Mr. Straus was in office I should say that, roughly, this State lost nearly 10 per cent of the cases that we asked to have deported. But that can not be said at the present time.

A further note may interest you somewhat. The superintendent of the New York State prisons is now looking into the matter of deporting alien criminals who landed in violation of law. This is a new matter for such a department in any State, and is believed to be a very encouraging symptom of the trend on the part of the various local authorities to take advantage of the provisions of the immigration law. Mr. Collins's report for 1905 shows that 40 per cent of the inmates of the state's prisons were foreign born. These figures include the women, which, if excluded, would make the percentage of the men very much higher.

For an interesting volume on the presence of the insane and the feeble-minded in the institutions of the various States, you are referred to a volume issued in 1904, by the Department of Commerce and Labor, entitled "Insane and Feeble-Minded."

In every instance outside of New England, the foreign-born percentage is in excess.

The state board of charities also deports pauper and defective aliens to the number of several hundred a year. We handle the insane only.

If there is any more information we can supply you, we will be very glad to do so.

Yours, respectfully, SIDNEY D. WILGUS, *Chairman.*

According to these and other letters from New York state officials and their testimony before the Industrial Commission, it costs New York about fifteen millions a year, or from one-fourth to one-half its annual expenditures, for the support, care, and control of foreign-born deficients, defectives, and delinquents.

According to these authorities, in 1907, 3,827 pauper cases of foreign-born insane were admitted to New York state asylums, the estimated cost of each one of whom to the State is, according to the New York officials, $5,000, unless deported. About one-third are deported. Last year 1,000 newly landed insane aliens were deported. Consequently, the cost of foreign-born insane to the State of New York is between ten and twelve millions of dollars per year. The total loss must be about twice that, for Andrew Carnegie and certain economic writers estimate that a healthy adult is worth about $5,000 to the community, if he is the right kind.

There are 990 alien felons and several hundred more foreign-born felons in New York state prisons, whose mere keep, to say nothing of the expenses of their convictions and other police burdens and depredations on persons and property, costs the State, according to Superintendent Collins, over $200 per year, and the total cost per person is estimated at about $5,000, or nearly five millions of dollars. Add to this another $5,000 per person for the economic loss, and we have a total of ten millions for foreign born criminals.

DEPARTMENT OF COMMERCE AND LABOR,
IMMIGRATION SERVICE,
OFFICE OF THE COMMISSIONER,
Boston, Mass., June 23, 1909.

Hon. LEE S. OVERMAN,
United States Senate, Washington, D. C.

MY DEAR SENATOR: I think I can not better reply to your inquiry of the 22d instant than by inclosing copy of a communication addressed, January 31, 1908, to Congressman KELIHER, in whose district our present station is located, and who submitted an inquiry similar to yours. While the general conditions have not changed since that report was submitted, it may be said that the immigration for the calendar year 1908 amounted to only 35,000, compared with 75,000 for the calendar year 1907. Immigration for the current year is estimated to be about 60,000.

After Congress appropriated a sum of money for a new immigration station at this port, Assistant Secretary McHarg, of this department, visited Boston for the purpose of investigating the matter of possible sites. Following that investigation I submitted a report to the department under date of May 11, ultimo, a copy of which I also inclose. If you do not need this report of May 11 for your permanent files, I shall appreciate the courtesy of its return, since it is the only spare copy that we now possess. If you prefer to retain it, however, please do not hesitate to do so. The time of our stenographers is so taken up this week that there has not been an opportunity to make another copy of the report.

I also submit a cut of our present station, taken from the annual report of the Commissioner-General for the fiscal year ending June 30, 1904. Facing the picture the immigration quarters occupy the right-hand side of the dock, extending to the left as far as the first red cross. The boarding division of the Customs Service occupies that part of the building extending from the first to the second red cross, and from the latter point to the left-hand end of the building the premises are occupied by a steamship company whose vessels ply between Boston and Yarmouth.

If I can be of further assistance to you in this matter, please advise me.

Very truly, yours, GEO. B. BILLINGS,
Commissioner.

JANUARY 31, 1908.

Hon. JOHN A. KELIHER,
House of Representatives,
Washington, D. C.

MY DEAR CONGRESSMAN: In answer to your letter regarding the needs of a new immigration station at this port, I will give my reasons as briefly as possible why it should be done.

In the first place, the situation we are in to-day is entirely different from New York; that is to say, at New York the officials, except the boarding division, who examine the first and second cabin passengers and citizens on board ship, all remain at Ellis Island, where all the steerage are brought to them for examination. Although we have the

boarding division, the same as in New York, the other officers have to go to the various docks to examine the steerage passengers, which, of course, is not a satisfactory way to do the work. When two vessels of different lines come in at the same time, our officers might have to go to East Boston to examine aliens there, and also be required at Charlestown at the same time. Of course at a time like this we have to split our force, which delays all concerned. As we make our original examination at the various docks, we only bring the detained immigrants here, which is about 10 per cent; i. e., in the course of a year we have at the station six or eight thousand people, whereas last year, if we brought all the aliens, we would have had in the vicinity of 75,000.

Whenever the United States Government assumes the responsibility of caring for human beings, it should do everything possible to insure the safety, comfort, and health of these people. The building we have to-day is a wooden one, and every precaution has been taken in the way of installation of fire apparatus, fire walls, and all modern appliances to insure as far as possible the safety of those who are held at this station, but even with these precautions the building, of course, is not fireproof, and although, in my judgment, Long Wharf is the best-protected wharf in Boston against fire, even at the best it is not absolutely safe.

We have got all the available space on the wharf, and when we came here four years ago it seemed ample for our wants, but the new laws and the increased immigration added so to the work of the office that we are now very much cramped for room. We have no place except a few safes for keeping the records of the office, and we could not build any fireproof vaults on the wharf.

The site that we are on now is probably as centrally located as possible, but the volume of business done by two steamship lines and the many mercantile concerns keeps the wharf very much crowded. On the north side we have a berth for a steam launch which is used for transferring the inspectors to the different wharves in East Boston, South Boston, and Charlestown. On this side a large fleet of fishing schooners is continually coming and going and at times block up the space between this wharf and T wharf, so that it is only after a long delay that our launch is able to force its way through. On the south side the revenue cutter is used by the boarding officers of the customs, and our own inspectors in boarding incoming vessels also have trouble in getting from its berth on account of the steamers and lighters that are sometimes there.

On the end of the wharf the Dominion Atlantic Steamship Company, plying between this port and Yarmouth, Nova Scotia, runs two trips a week in the winter and eight trips a week in the summer. These steamers bring considerable freight, which necessarily means a large number of teams has to be used to transfer it, and at times they block up the entrance to the station so that it is extremely difficult for the employees as well as other people having business at the office to obtain entrance.

From a sanitary point of view the objections to the present station arise from the nature of the construction of the building and the lack of available space, either in the building itself or in the vicinity, to install the necessary adjuncts for the proper care of the people. The sheathing of the detention quarters not being tight renders fumigation in the dormitories almost impossible. Opportunity for bathing is provided, but we are unable to cleanse vermin-infected clothing or blankets, because we have no steam disinfector and no space available in which to install one.

In the matter of disinfecting blankets used by persons who may develop disease we are dependent upon the courtesy of the local quarantine physician to respond to our personal requests to do such work. The cleansing process to which the blankets are subjected weekly by the contractor is valueless for purposes of disinfection. No ordinary laundry or blanket-cleansing establishment can be relied upon to insure proper disinfection of blankets. As a matter of fact, no laundry desires our blankets, from the fear of losing their other customers and stampeding their own employees on account of the vermin that is liable to be in them. Proper provision for doing all necessary laundry work is a very important feature in arranging a new immigration station.

There is no available space in our present station for the proper isolation of cases of suspicious or contagious diseases pending transfer to hospital. The room we now use in this connection differs from the rest of the establishment in that it is tinned and painted on the inside, and can be cleansed and disinfected, but it is not isolated in the best possible manner.

It would seem just also that we should be able to provide cabin passengers who may be detained accommodations comparable with those furnished them on shipboard. Such, of course, is impossible with our present available space.

The dormitories now occupy all the space that can be devoted to that purpose. The devices which have been arranged to promote ventilation probably serve to furnish as good air conditions as it is practicable to attempt to secure, considering the small initial per capita air space and limitations to artificial ventilaton imposed by the construction of the building and the rights of other tenants.

We have beds to accommodate 204 on the men's side and about 125 to 150 women and children in the women's side. With either of these sides full in the warm weather, the air space would make it rather disagreeable. Fortunately, however, it is very seldom that either side is filled.

It seems to me that the above shows the necessity of a proper fireproof station in Boston, which has been for years the second port, as far as immigration has been concerned, in the United States.

Very truly, yours,

GEORGE B. BILLINGS,
Commissioner.

DEPARTMENT OF COMMERCE AND LABOR,
IMMIGRATION SERVICE,
OFFICE OF THE COMMISSIONER,
Baltimore, Md., June 23, 1909.

Hon. LEE S. OVERMAN,
United States Senate, Washington, D. C.

MY DEAR SENATOR: Replying to your inquiry of yesterday, I have to state that the conditions surrounding the landing of aliens at the port of Baltimore are entirely different from that at Ellis Island. With the exception of a few fruit steamers landing passengers from ports in the West Indies, all aliens arriving at this port come via the North German Lloyd Line from Bremen, and the steamers of that line are docked at the new Baltimore and Ohio Railroad pier, No. 9, the second floor of which is used as a landing station. The attached cuts will give you a very good idea of the outside of both the old and new buildings. Aliens upon landing are, as at Ellis Island, examined by the surgeon and grouped in aisles very similar to those at New York and are registered in precisely the same manner. The building will comfortably hold 5,000 immigrants, and the largest number of arrivals which we have ever had at the port at one time was approximately 3,000. Those admitted entrain on the same floor; those detained or refused a landing are taken to the detention house, which is a brick building, conveniently near to the pier and fairly well fitted for its purposes. While this detention house is under my supervision, it is operated and controlled by the North German Lloyd Steamship Company, A. J. Koether being the proprietor.

In December last, some complaint having reached the Secretary, the Assistant Commissioner-General was detailed to pay this port a visit, and I take pleasure in attaching a copy of his memorandum with reference to the detention house as then existing. The only comment I have to make on Mr. Larned's report is that the changes desired have all been made; and, having periodical reports as to the quantity and quality of the food served at the detention house, I can assure you that the immigrants are comfortably housed and fed. All the expenses of detention are borne by the North German Lloyd Company, and the rate charged the Government for the detention of special cases is 50 cents per diem.

Aliens held for hospital treatment by the Public Health and Marine-Hospital surgeon attached to this station are sent, by his designation, to one of the several city hospitals, except measles cases, which are treated at the detention house in quarters isolated from the others, and the expenses incident to detention and hospital treatment are borne by the steamship company.

The Immigration Bureau leases no buildings at this port other than the uptown offices in the Stewart Building, corner of Lombard and Gay streets, nor does the Government pay any rental for the facilities afforded at the landing station and detention house.

I might add that two years ago a bill was introduced by Representative MUDD, of the Fifth Maryland District, embodying an appropriation of $250,000 for a landing station, including detention and hospital quarters, at Baltimore. Similar bills introduced in behalf of the ports of Boston and Philadelphia have, I understand, been favorably acted upon, while the bill for the port of Baltimore remains unacted upon, although the immigration through here is more than double that of Philadelphia and compares favorably with the port of Boston.

Respectfully,

LOUIS T. WEIS, *Commissioner.*

DEPARTMENT OF COMMERCE AND LABOR,
IMMIGRATION SERVICE,
OFFICE OF THE COMMISSIONER,
New York, N. Y., June 26, 1909.

Hon. LEE S. OVERMAN,
United States Senate, Washington, D. C.

SIR: This is in further reply to your letter of the 22d instant, making inquiries in relation to recent enlargement of the Ellis Island plant.

1. You ask "whether there was any curtailment during the past fiscal year in the building and enlargement of hospitals, detention rooms, and other facilities for handling and taking care of immigrants at Ellis Island, as originally proposed about two years ago." My answer is that there was not. The chief one of these enlargements, however, consisted in the creation of the new island with contagious-disease hospital, all of which were planned during my first term of office (which extended down to February 10, 1905). The principal further enlargements are new baggage and dormitory building (for which about $400,000 was appropriated) and a further hospital building on one of the old islands, all of which were planned by my successor. With the exception of the upper floor of the new dormitory building, none of these extensions are at the present time in actual use, though we hope soon to have them so, particularly if at this session of Congress a sufficient appropriation is made to furnish the new contagious-disease hospital.

2. You state that you understand that there is "no used detention room for the observation of feeble-minded and detained insane suspects, and that you have to use the general wards of the hospital for such." Doctor Stoner, chief medical officer here, has given me the following information in reference to the foregoing:

"There is at present, and has been for some time past, in the immigrant hospital at this station a ward set apart for the observation of male immigrants suspected of being mentally defective, and also a ward for female immigrants.

"In addition to these, the psychopathic wards (male and female) in the separate building especially constructed for the purpose, are in constant use.

"The observation wards referred to became available when the hospital was enlarged by the construction of the first (central) extension. The temporary pavilions adjoining the main building were discontinued as mental observation rooms about a year ago and put to use by the commissioner as ordinary detention rooms to take the place of the old barracks, which had to be removed to make room for the construction of the new building—baggage and dormitory detention rooms—and when extensive alterations were also made to the main building—new dining room, etc."

3. You inquire further whether "when immigration is at its greatest you have to house the immigrants in more or less temporary quarters." My second term of office began just four weeks ago. I am glad to say that immigration is not at its highest just now, and I am unable to state just what will happen when this occurs again. If next year's immigration exceeds the highest we have ever had, it is quite likely that I shall have to request appropriations for still further detention quarters. In view of the short time I have been here under my second term, I am unable to state just how the more stringent rules I am putting into effect concerning the inspection of immigrants will affect detentions after my policy has become known abroad, and I would not care to-day to express an opinion as to whether or not we have room enough now. I may add that during the construction of the new dormitory building above referred to, detained immigrants were housed in temporary wooden quarters, which for various reasons, including the danger of fire through their presence, I am about to cause to be removed.

If this reply is not sufficiently full, I hope you will give me opportunity to write you further. I shall doubtless be in Washington on official business before Congress adjourns, and if you desire to see me concerning any particular matter, it will give me great pleasure to call upon you. Perhaps you will feel inclined some time to come to Ellis Island and see how the immigration laws are executed.

Respectfully,

WM. WILLIAMS, *Commissioner.*

DEPARTMENT OF COMMERCE AND LABOR,
IMMIGRATION SERVICE,
OFFICE OF THE COMMISSIONER,
Philadelphia, Pa., June 26, 1909.

Hon. LEE S. OVERMAN,
United States Senate, Washington, D. C.

SIR: I beg to acknowledge receipt of your letter of the 22d instant, requesting information as to present facilities at this port for the inspection and handling of immigrants, and I have been directed by Commissioner Rodgers, who is at present absent from the city, to say that there are two regular lines carrying passengers to this port. First, the American Line, from Liverpool and Queenstown. Their passengers are examined in a frame building, formerly a freight station, which is owned by the Pennsylvania Railroad, and, I understand, is leased by the American Line, and which is connected with their pier by an overhead bridge. The building is an old one and, while every effort is made to keep it clean and sanitary, it is far from modern. This building was inspected by the Immigration Commission during the examination of the passengers of the steamship *Merion* on June 3 and 4, 1907, and their report on the same will no doubt be of interest. Second, the Italia Line, from Genoa and Naples, use the river end of the second floor of pier 80. This pier is a large frame structure owned by the Baltimore and Ohio Railroad Company, and the fittings in the portion used for the examination of immigrants were installed, I believe, by the city of Philadelphia in the nature of an inducement, so that this line, which is a new one, might have some sort of facilities here, and, like the building used by the American Line, this place is far from modern. The detention house, which was also inspected by the Immigration Commission, is an old building, by no means up to date, but kept as clean and sanitary as possible for a building of its character. Both lines keep their detained passengers there, and I understand that they exact an indemnifying bond from the man who has charge of it. It is not under the control of this office. We have no government hospital here, and arriving immigrants in need of hospital treatment are sent to several hospitals in this city, principally the Philadelphia Almshouse Hospital, and contagious diseases, such as scarlet fever, diphtheria, and measles, to the Municipal Hospital. With respect to your request for kodak pictures showing the conditions under which our force works, I regret that we have none on hand, but will endeavor to comply with your desire at the earliest possible time, and will be very glad to furnish any further information.

Respectfully,
J. S. HUGHES,
Acting Commissioner.

Mr. President, I have these official letters and others showing that in Boston, Baltimore, Philadelphia, Galveston, and at all the leading ports except New York we have no adequate government-owned facilities for taking care of these people when they come and inspecting and detaining properly those likely to become public burdens or undesirable citizens. As to New York Ctiy, I have a letter saying that they probably have not sufficient quarters to take care of them when the flood tide is at its height, and Congress is even being asked for appropriations to make available existing buildings. We have expended directly for enforcement of the law during the past twenty-five years far more money than the income from the head tax, rentals, and so forth. I say this principle and this policy of levying a head tax or steamship tax has been established for years. It is no new principle; it is no new policy; it has been up before the Supreme Court and declared constitutional. We first levied 50 cents, then $1 by a "rider," then $2, and two years ago $4. And at that time the Senate, I believe, passed a bill making it $5; but in conference it was reduced to $4, even though there were proposals in the House to make it $25 and bills introduced there to make it $50.

Complaints are continually coming in about the conditions of the quarters furnished by the steamship companies at Philadelphia, Baltimore, and elsewhere, which have to be investigated and changes made. I have here an extract from the memorandum of Mr. F. H. Larned, Assistant Commissioner-General, who investigated charges about the detention rooms furnished by the steamship companies at Baltimore, which I wish to quote as showing need for an increased tax, and which says:

The reports which have reached the Secretary to the effect that the conditions under which aliens are detained at Locust Point are highly undesirable, are certainly exaggerated, if not wholly untrue. I find, however, that a few changes in the lighting, ventilation, and toilet facilities would be highly desirable, viz, two windows facing south to be in the first story (dining room), and two each, immediately above these, on the second and third floors, to afford more light; a skylight to be added on the third floor for better ventilation, and new ceilings put in; additional windows to be put in the rear part of the building used as a hospital, and the same to be made damp proof; new toilets to be built affording more privacy to both sexes.

RECOMMENDATION.

As the Secretary knows, a bill is now pending in Congress (December 10, 1908) for the construction of an immigrant station at Baltimore. There seems to be no good reason to doubt that Congress will take favorable action on the pending bill in the not very far distant future, the necessity, from the point of view of good and economical administration, for such course being patent, I believe no mistake will be made in allowing the present arrangement to be continued if Mrs. Koether will immediately make the changes in her building above suggested.

F. H. LARNED,
Assistant Commissioner-General.

Here is a newspaper clipping from the New York Times of yesterday, July 7, 1909, which seems to show the need of more funds, a larger force, and additional restrictive legislation and the heavily fining of the foreign steamship companies for bringing so many admittedly undesirables here:

PLAINT OF ELLIS ISLAND MEN—SO MANY ALIENS TO DEPORT THAT THEY CAN NOT EAT AT HOME, THEY SAY.

The deportation staff at Ellis Island are complaining that owing to the large increase in the number of aliens being sent back they have to work from twelve to sixteen hours daily for $850 a year.

Last week the number of deportations was 600. To-day 278 aliens will be sent back to Europe. They are distributed among these liners: *Argentina*, 90; *Estonia*, 53; *Lucania*, 41; *Oceanic*, 10; *Pennsylvania*, 84.

The deportation officers on the *Lucania* finished their work at 9.30 o'clock last night, and those on the *Pennsylvania*, at Hoboken, at 10.30 o'clock. They had all begun their duties as early as 6.30 a. m. In addition to the long hours waiting at stations for late trains arriving with immigrants, they say that, as they can not get home, the little money they earn is absorbed by having to buy meals.

I know what the Senator from Rhode Island has risen for, and that is to move to lay the amendment on the table.

Mr. ALDRICH. I move to lay the amendment on the table.

Mr. OVERMAN. I have the floor.

The VICE-PRESIDENT. The Senator from North Carolina has the floor.

Mr. OVERMAN. It is late in the day and in the session, but I want him to listen to me for a moment. I offered this amendment in Committee of the Whole. The Senator from Rhode Island requested that I should not introduce or press it until we came into the Senate. Now, does he think it is fair to move to lay it on the table? I would prefer the Senator to have it given a more fitting disposal. I know he is going to oppose it, in order to further the speedy passage of the pending tariff bill, but I should like to have it referred to the Committee on Immigration, so that it may be carefully considered and taken up at the next and regular session.

Mr. ALDRICH. I have no objection to the reference.

Mr. OVERMAN. I will then move the reference.

Mr. ALDRICH. I am quite willing to have it referred to the committee.

The VICE-PRESIDENT. The Senator from North Carolina moves to refer the amendment to the Committee on Immigration. The question is on agreeing to the motion.

The motion was agreed to.

Mr. OVERMAN. I have recently received many letters, resolutions, and indorsements, some of which I desire to insert in the RECORD—the indorsement of the Locomotive Enginemen, the Brotherhood of Locomotive Firemen, the Brotherhood of Railroad Trainmen, the Knights of Labor, and divers patriotic societies, leagues, and other organizations—which show the universal interest in the question and an enlightened public demand for congressional legislation:

WASHINGTON, D. C., *July 7, 1909.*

Hon. L. S. OVERMAN,
United States Senator, Washington, D. C.

DEAR SENATOR: The organizations I represent have repeatedly given expression favorable to the enactment of legislation restricting foreign immigration; and as an increase in the head tax on aliens would furnish to the Government the funds necessary to a more thorough inspection of immigrants, and thereby better enable it to sift out the undesirable and restricted classes, we therefore favor the amendment offered by you increasing the head tax on aliens from $4 to $10, and hope it will be adopted.

Very truly, yours,
H. R. FULLER,
National Legislative Representative Brotherhood of Locomotive Firemen and Enginemen, Brotherhood of Railroad Trainmen.

OFFICE OF GENERAL MASTER WORKMAN,
ORDER OF KNIGHTS OF LABOR,
Washington, D. C. July 6, 1909.

DEAR SENATOR: The Knights of Labor at its general assembly last November passed a strong resolution in favor of the further restriction of foreign immigration by means of an increased head tax, the illiteracy test, etc., and in favor of the better enforcement of the law.

We are, of course, deeply interested in the adoption of the proposed increase in the head tax on aliens, which is paid by the foreign steamship companies, and upon which depends the amount of money spent by the Immigration Service in the enforcement of the law, etc.

We favor it because it will provide the funds to erect government stations at Boston, Philadelphia, Baltimore, Galveston, San Francisco, and other ports where at present our inspectors are obliged to examine immigrants, not at government-owned stations, but on premises owned and controlled by the steamship companies themselves, since, under existing conditions, all detained immigrants are left in charge of the steamship companies and housed in quarters provided by them and under their immediate supervision. A change in this respect would undoubtedly bring about better results in the care of the immigrants and also in the enforcement of the laws, especially the alien contract-labor law and the law excluding insane persons, paupers, and criminals.

In behalf of the Knights of Labor, I respectfully beg to call this proposed increase of head tax to your attention, in the hope that you will give it your support and will not allow it to be postponed or ruled out. There is urgent need from every standpoint of its adoption, even though the commission is expected to report next winter. To adopt it will certainly meet the approval of organized labor, which needs the protection.

Very truly, yours,
JNO. W. HAYES,
General Master Workman.

JULY 5, 1909.

SENATOR: The undersigned respectfully beg to call your attention to Senator OVERMAN'S amendment increasing the duty on aliens to $10. The present duty is $4, and is "levied upon" and really paid by the steamship companies, because monopoly conditions exist and the traffic is being charged all it will bear—this increase can not be shifted.

While each of our organizations and societies favor the restriction of foreign immigration by means of an economic, educational character, and further physical and mental tests, the proposed increase in the so-called "head tax," but more accurately called a "steamship tax," is favored not because we think there is any restriction in it, but because it would tend to equalize steerage rates, and particularly because it would raise needed funds to warrant the Government in inaugurating a more liberal financial policy in providing facilities at our ports, enlarging the force of inspectors, etc., and in bringing about, and necessary to, a more efficient administration of the law. The United States is at present the cheapest country to come to, which, together with our feeble immigration laws—mere police regulations—and their economical administration, in our opinions, accounts for the large numbers of insane, pauper, and criminal aliens in our public institutions.

During the fiscal years of 1907 and 1908 the total expenditures exceeded the actual receipts in the Immigration Service by $2,000,000, and resulted in too economical a financial policy, in our judgment. For instance, the appropriation for a government station at Philadelphia was not enough to buy a desirable site. Similarly at Boston. Baltimore also is in great need of a station. At each of these ports immigrants have to be inspected upon the steamship docks, and detained immigrants are left really in the care of the steamships. The prospect seems for even still greater annual expenditures than the over five millions spent in 1908, and in our opinion there is need of an even greater annual expenditure indefinitely.

According to the Immigration Commission's preliminary report, it has completed by this time all of its investigations that would bear upon this matter, and since members of the commission have introduced immigration bills dealing with steerage conditions, immigrant stations, alien criminals, etc., and in view of the fact that Congress doubled the head tax in 1894 by a "rider," we respectfully urge you to give it your powerful support, and assure you it would meet the hearty approval of the many, many patriotic persons represented by us.

Most respectfully,

Jesse Taylor, past secretary national legislative committee, Junior Order United American Mechanics; C. E. Redeker, chairman national legislative committee, Patriotic Order Sons of America; Clarence Gerard, secretary, Immigration Restriction League (Ohio); H. H. Layton, chairman legislative committee, Immigration Restriction League, of New York; George Dietz, secretary, Immigration Regulation League, of Brooklyn; O. D. Hill, assistant secretary, Farmers' National Congress; J. H. Patten, secretary, Immigration Restriction League (Massachusetts); Alfred Taylor, Senior Order United American Mechanics; R. F. Duckworth, legislative agent, Farmers' Educational and Cooperative Union of America.

Mr. GORE. I desire to offer an amendment similar to the one which has just been referred to the Committee on Immigration.

The VICE-PRESIDENT. The amendment will be read.

The SECRETARY. It is proposed to add as section 10½ the following:

SEC. 10½. That all alien immigrants above the age of 15 years who can not write in a legible hand from dictation 50 words from some European language, the words not to be identical in any two cases, shall be required to pay a tax of $200 before being allowed to enter the United States, and the Secretary of Commerce and Labor is authorized to prescribe suitable rules and regulations and to designate proper officials to carry this provision into effect: *Provided, however*, That nothing in this section contained shall be construed to impair the obligation of any valid treaty now existing between this Government and any foreign power.

Mr. GORE. Mr. President, we have been engaged here for three or four months erecting tariff walls to safeguard the American laborer against the pauper labor of all the earth. If Senators on the other side are in good faith, let us not rear ineffectual walls to keep out goods manufactured by paupers abroad, but let us erect a wall here that will prohibit those paupers themselves from invading this Republic.

Mr. President, I have wondered how long it requires a pauper from Armenia, from Syria, or from Hindustan to become an American laborer after landing upon our shores. I have also wondered, and I have hoped that some Senator on the other side would answer the question, Why it is that an Asiatic or a European pauper when he sets foot upon this land of the free requires protection against the pauper brother, the pauper father, and the pauper son that he left behind him across the sea? Why is it that we should tax the farmers of Kansas, Iowa, and Oklahoma to pension the paupers imported from the four quarters of the earth?

Mr. President, in Massachusetts, one of the States most desirous of protection, 43 per cent of her population by the census of 1900 were foreign born, and in the State of Rhode Island, which has the honor to be represented by the chairman of the Finance Committee, I might say by the entire United States Senate 45 per cent of the population is foreign born, according to the census of 1900. The streets of their cities are vocal with all the tongues that babbled around the ruins of Babel. If that Senator desires to protect American labor against the pauper labor of other countries, I ask him to allow this amendment to be adopted and afford effectual protection to the laborers of the United States. The refusal or the failure to do so unmasks the hypocrisy of the whole scheme of tariff protection in the name of the American laborer. The laborer is kissed and then betrayed.

The object of the tariff is not to protect or to benefit the American workman; it is not to insure high wages; the object is to insure high profits. It effectually accomplishes that object.

Mr. President, this amendment is taken from the laws of Australia. Great Britain and Japan are allies. Australia is a part of the British Empire, and Japan has not resented the enforcement of that law by her ally. I know there are some American statesmen who look under their beds at night to see whether there is not a Japanese concealed in hiding there. I have no patience with statesmanship of that sort.

I offer this amendment in order to protect our own interests, in order to protect the integrity of our own race so far as that is now possible, in order to safeguard our own destiny, and I offer it without any reference to the number of battle ships which might be mobilized by the commander in chief of any foreign navy.

Mr. ALDRICH. I move to lay the amendment on the table.

Mr. GORE. I should like to have the yeas and nays on that.

The yeas and nays were not ordered.

The VICE-PRESIDENT. The question is on agreeing to the motion to lay the amendment on the table.

Mr. GORE. Mr. President, I should like to have it go to the Immigration Committee. If it can not be adopted, I should like to have it considered by that committee.

The VICE-PRESIDENT. The question is on the motion to lay on the table.

The motion to lay on the table was agreed to.

Mr. BULKELEY. I offer an amendment on page 373, line 14.

The VICE-PRESIDENT. The amendment will be stated.

The SECRETARY. On page 373, line 14, after the word "funds," insert "and all payments actually made within the year to policy holders on account of and under the provisions of these policies."

Mr. CLAPP. I rise to an inquiry. Will the Secretary repeat the line?

The SECRETARY. On page 373, line 14, after the word "funds"——

Mr. ALDRICH. That amendment is not in order. This whole question will be in conference. I suggest to the Senator from Connecticut that he bring it to the attention of the conferees after they are appointed. I shall have to raise the point of order that it is not in order.

The VICE-PRESIDENT. Upon what ground is the point of order made?

Mr. ALDRICH. On the ground that this section has been agreed to in the Senate.

Mr. LODGE. The entire amendment has been agreed to.

The VICE-PRESIDENT. The Chair sustains the point of order.

Mr. BULKELEY. I move to reconsider the section.

The VICE-PRESIDENT. That motion is in order.

Mr. ALDRICH. I move to lay the motion to reconsider on the table.

Mr. BULKELEY. I think I have the floor.

The PRESIDING OFFICER (Mr. CARTER in the chair). The Senator from Connecticut.

Mr. BULKELEY. I had printed in the RECORD a few days ago a statement showing how, under the terms of this bill, it might be construed with the proper deductions, in order to ascertain the net income of the insurance companies——

Mr. ALDRICH. Mr. President, I dislike to raise another question of order, but I think the Senator from Connecticut voted against the adoption of this section in the Senate, and therefore he is not eligible to make a motion to reconsider under the rules of the Senate.

Mr. BULKELEY. The Senator is mistaken.

Mr. ALDRICH. I think the Senator voted against the adoption of this section.

Mr. BULKELEY. The RECORD will show whether I did or not, if it was a yea-and-nay vote.

Mr. ALDRICH. The Senator from Connecticut knows whether he voted for it or not.

The PRESIDING OFFICER. Did the Senator from Connecticut vote for or against the amendment?

Mr. BULKELEY. I am not certain how I voted. There were amendments accepted by the Senator from Rhode Island which relieved it of some objections.

Mr. ALDRICH. On the whole corporation-tax amendment?

Mr. BULKELEY. On the whole corporation-tax amendment I possibly did. I think I did.

The PRESIDING OFFICER. In that event——

Mr. BULKELEY. But this is an amendment——

The PRESIDING OFFICER. The point of order made by the Senator from Rhode Island is sustained.

Mr. BULKELEY. I desire while I am on the floor to offer further amendments.

The PRESIDING OFFICER. The amendment presented by the Senator from Connecticut will be read by the Secretary.

Mr. BULKELEY. These are in accord with the amendments that were accepted by the committee yesterday, simply to fill two or three places which are required to keep the bill in accord. On page 373, line 21, after the word "State," I would ask to have inserted "municipality."

Mr. ALDRICH. That has already been done. I make a point of order against the amendment.

Mr. BULKELEY. It has not been done in this connection.

Mr. ALDRICH. Then I make the same point of order. That can be attended to in conference. It is not necessary to make the amendment here.

Mr. FLINT. The bill will be made uniform. Where the word "municipality" should appear it will be included.

Mr. BULKELEY. I only want to call attention to it so that it will not be forgotten. Also on page 377, line 18, strike out the word "premium" and also strike out the word "fund" and insert "funds."

Mr. ALDRICH. That is subject to the same point of order, and it is subject also to the suggestion that the provisions will be made uniform in conference.

The PRESIDING OFFICER. The Chair understands the Senator from Connecticut is merely making suggestions to the committee, and that he is not presenting any amendment to be voted upon.

Mr. BULKELEY. I send those to the desk and ask to have them inserted in the RECORD.

The PRESIDING OFFICER. If there be no objection, the proposed amendments will be printed in the RECORD as requested by the Senator from Connecticut.

The amendments are as follows:

Page 373, line 21, after the word "State," insert "municipality."
Page 377, line 18, strike out the word "premium;" also strike out the word "fund" and insert "funds."

The PRESIDING OFFICER. The question is, Shall the amendments be engrossed and the bill read a third time?

Mr. ALDRICH. The Senator from Wisconsin [Mr. LA FOLLETTE] has some amendments to offer.

Mr. NELSON. Has the bill been read a third time?

Mr. ALDRICH. No; the Senator from Wisconsin has some amendments.

Mr. LA FOLLETTE. Mr. President, I had expected to submit some remarks upon the bill at this time, reviewing generally the schedules and laying before the Senate the changes made first by the House bill as compared with the existing law and the changes in the Senate bill as compared with the House bill. However, because of the speed with which the Senate is disposing of the bill, the Bureau of Statistics could not furnish the necessary data in time to enable me to place before the Senate and the country in detail the changes which have been made in the pending bill as compared with existing law and as compared with the bill as passed by the House.

I brought the matter to the attention of the chairman of the Committee on Finance this afternoon, and he agreed with me that a table similar to the table which I submitted during the consideration of the cotton schedule should be prepared and presented to the Senate. The table which I presented was prepared by the Bureau of Statistics, and it instituted a comparison of the Payne tariff bill with the present tariff law, showing the value of imports and duties collected as reported for the year ending June 30, 1907, compared with estimated duties under the proposed bill in the Senate as reported from the Finance Committee, United States Senate, grouped to show separately the value of imports on which the duties are unchanged, increased, or decreased, and the percentages of increase or decrease.

It is known as "Document No. 77." The chairman of the Finance Committee assented to a proposal which I made to him that the dates agreed upon in conference should be extended in this table and be reported to the Senate with the conference report, so that the Senate might know what increases have been made.

Mr. ALDRICH. Mr. President——

Mr. LA FOLLETTE. Just a moment. Also the decreases and the percentages of increase or decrease in each case as computed by the Bureau of Statistics.

Mr. ALDRICH. I will say to the Senator from Wisconsin that I did not intend to say that they should be a part of the conference report, but they will be submitted by the Finance Committee at the time——

Mr. LA FOLLETTE. At the same time?

Mr. ALDRICH. At the same time.

Mr. LA FOLLETTE. I perhaps misstated the understanding. I do not know that it is necessary, Mr. President, to have that agreed to as a unanimous-consent agreement.

Mr. ALDRICH. I think not; because a large part of the data are already in the hands of experts.

Mr. LA FOLLETTE. Yes; I know that is so, because I have placed a portion of it in the hands of the Bureau of Statistics; and if the changes as made by the conferees are reported from time to time to the Bureau of Statistics, that bureau will be able to furnish the conferees with a complete report, by table, of all the changes made as the conferees go forward with their work.

So, Mr. President, with that statement and with that understanding, I shall curtail what I had intended to say at this time, and withhold a review of the schedules of this bill and the changes which it makes until such time as the bill shall be reported from the conference committee. We will know then what we finally have to pass upon.

However, at this time I do wish to submit to the Senate, first, some amendments to the administrative features of the bill, which I deem to be very important. I am sensible of the fact, Mr. President, that the Senate is overweary, and I am not going to press for extended discussion or for a record vote upon each one of those amendments. I have one amendment upon which I shall ask a record vote and upon which I trust the chairman of the Finance Committee will not deem it to be his duty, in advancing the consideration of this bill, to move to lay on the table, as I should like to have, if I may have, a direct vote upon it.

The amendment which I first wish to submit to the Senate and as to which I shall make a very brief and very succinct statement—and in order that it shall be brief and shall be succinct I have dictated it, so that it can not take but a moment of time. I submit, first, with respect to the administrative features of the bill, the amendment which I send to the desk.

The PRESIDING OFFICER. The amendment proposed by the Senator from Wisconsin will be stated.

The SECRETARY. It is proposed, on page 322, line 8, to strike out the word "thirty;" and, in line 9, to substitute the word "July" for "March," so that the section shall read:

That from and after the 1st day of July, 1910—

And so forth.

Mr. LA FOLLETTE. Mr. President, the object of this amendment is to give the President sufficient time to negotiate commercial treaties with foreign nations. The bill in its present form allows the President only five months within which to negotiate commercial treaties with the countries of the entire world, a task which is beyond the powers of the Department of State or a special commission which may be appointed by the President under authority vested in him by this bill. I say five months, because, while eight months are allowed before the maximum rates are to go into effect, yet by the provision in lines 14 and 15, page 323, which provides that the minimum rates shall go into effect ninety days after the proclamation to this effect has been issued by the President, this makes it necessary that all treaties shall be concluded at least three months before the 31st day of March, under the terms of the present bill. If, for instance, a treaty were to be concluded on the 15th day of March, and the proclamation issued to that effect by the President, the minimum rates would not be put into effect before the 15th day of June, thus subjecting imports of the foreign country in question to the maximum rates of the tariff for two and one-half months through no fault of either party to the agreement. Such a situation would be extremely dangerous to all interests involved, and it would naturally lead to retaliation on the part of foreign countries and the imposition of maximum rates upon American products.

I have therefore offered an amendment substituting July 1 for March 31 for putting the maximum tariff into effect. Although this would apparently leave the President eleven months' time in which to negotiate commercial treaties, it will, as a matter of fact, mean only eight months, in view of the ninety-day provision referred to before.

Mr. ALDRICH. I will say to the Senator from Wisconsin that that provision of the bill was changed to-day.

Mr. LA FOLLETTE. I did not know that.

Mr. ALDRICH. Yes, it has been——

Mr. LA FOLLETTE. What was the change made?

Mr. ALDRICH. So that it goes into effect at once.

Mr. LA FOLLETTE. That probably makes unnecessary the amendment which I have offered.

The PRESIDING OFFICER. The question is on agreeing to the amendment proposed by the Senator from Wisconsin.

Mr. SHIVELY. That is the change made this afternoon by my amendment. It provided, or the effect of it is, that immediately upon the issue of the proclamation in favor of the minimum rates they will go into effect. But the other provision, further along in section 2, requiring ninety days after the President shall have issued his proclamation to elapse before the maximum rates go into effect, remains the same, and that is as it should be.

Mr. LA FOLLETTE. I think that is true; and I withdraw the first amendment which I have offered.

The PRESIDING OFFICER. The amendment is withdrawn.

Mr. LA FOLLETTE. The next amendment which I desire to submit to the Senate is on page 326, line 3, where I move to strike out the words "reduced rates of duty named in" and to substitute the words "the terms of." I send the amendment to the desk.

Mr. ALDRICH. As to that, I think the Senator may be mistaken.

The PRESIDING OFFICER. The amendment proposed by the Senator from Wisconsin will be stated.

The SECRETARY. On page 326, line 3, it is proposed to strike out the words "reduced rates of duty named in" and in lieu thereof to insert the words "the terms of," so that it will read:

As the high contracting parties may by mutual consent select, the terms of said commercial agreements shall remain in force—

The PRESIDING OFFICER. The question is on the amendment proposed by the Senator from Wisconsin.

Mr. LA FOLLETTE. Mr. President, I desire to say on that amendment just this: As thus amended the act will provide for the retention not only of reduced rates provided for in the agreements, but also of their administrative features.

The object of this amendment is to enable the Government of the United States to abide by all the provisions which it has consented to put into effect by the terms of some of those commercial treaties. The agreement with Germany, for instance, provides not only for reduced rates of duty, but also for certain administrative features which it is our duty to retain in force during the life of the agreement as a matter of good faith.

The PRESIDING OFFICER. The question is on the amendment proposed by the Senator from Wisconsin.

Mr. ALDRICH. I have no objection to that amendment. It leaves the matter in conference and, I think, has the same effect as the language already in the bill.

The amendment was agreed to.

Mr. LA FOLLETTE. On page 323, line 21, after the word "act," I move to insert:

The President is also authorized, in return for special reductions from the existing tariffs of foreign countries on agricultural, manufactured, or other products of the United States, to grant additional reductions of duty, which in no case shall exceed 20 per cent of the rates provided for in the tariff act of July 24, 1897.

Mr. ALDRICH. That certainly can not be agreed to, Mr. President. Is that one of the amendments on which the Senator from Wisconsin desires a yea-and-nay vote?

Mr. LA FOLLETTE. No; I am not going to ask for a yea-and-nay vote on that amendment; but I wish to make a brief statement, and then I shall ask that the vote of the Senate be taken upon it without asking for the yeas and nays.

The object of this amendment is to enable the President to obtain special concessions on American products in foreign countries on which no minimum rates are provided in the existing tariffs of foreign countries, or on which the minimum rates of those countries are not sufficiently low.

This amendment authorizes the President to reduce existing rates to an extent not exceeding 20 per cent of these rates. It revives, as Members of the Senate will remember, the provisions of section 4 of the Dingley Act for all those articles on which rates have not been reduced to the extent of 20 per cent in the bill now under consideration. It therefore calls for no greater reduction of duty than Congress authorized twelve years ago in enacting the Dingley law. On the other hand, it will give the President the means to obtain special reductions in favor of American products which he will otherwise be unable to obtain.

If this amendment is embodied into the law, tariff wars with some of the countries, which are now extremely probable, will become impossible. On the other hand, it would not only secure to the products of America all existing minimum tariffs, but would enable the President to secure further reductions on special American products which are not adequately treated in the tariffs of foreign countries.

The VICE-PRESIDENT. The question is on agreeing to the amendment offered by the Senator from Wisconsin.

The amendment was rejected.

Mr. LA FOLLETTE. On page 344, line 15, beginning with the last word, the word "such," strike out the remaining portion of section 11, and substitute the words which I send to the desk.

The VICE-PRESIDENT. The amendment will be stated.

The SECRETARY. On page 344, section 11, in line 15, after the word "officer," strike out "such" and the remainder of the section, and in lieu thereof insert the following:

by reason of the fact that such merchandise is either manufactured exclusively for export or is sold in the home market only in limited quantities, then the export price of said article shall be taken as a basis in ascertaining actual market value.

Mr. LA FOLLETTE. I want to submit just a word or two on that amendment. It will take but a moment to do it. These amendments have been very carefully wrought out, and, with all modesty, I venture to say that, if in the pressure of this debate they can not receive the consideration to which they are entitled, they will come back again to invite the consideration of Senators and of the Senate as a body. This proposed amendment reenacts what are known as the provisions of the German commercial agreement.

It had the indorsement of the experts of the Treasury Department, the Department of Commerce and Labor, the former Secretary of State, who is now a Member of this body [Mr. ROOT], and the Attorney-General of the United States, before it was put into effect by the President of the United States.

The amendment which I propose here, let me say to Senators, is to take the place of this new scheme of valuation, which will be found to be a new means of adding very greatly to the rates fixed by this bill when it shall have gone into operation. These rates, which have been the subject of such contention here on this floor for the last three months, are to be enhanced and increased by various provisions of this bill, changes from ad valorem to specific and changes from specific to ad valorem rates, where the increases are not disclosed. Yet, in addition to all that, you will find when this new system of applying the ad valorem rates to the valuation under subdivision 11, which I now propose to amend, shall have gone into effect, that it will increase tremendously the rates beyond anything which the Senate now has in mind. I have proposed an amendment which is to sweep that aside, which is to take even the bad provisions of the McKinley Act, which have been aggravated and intensified by the new proposals made in this bill, sweep all that aside and substitute for it that which has been agreed to already by the Roosevelt Administration, that which was sustained and approved by the State Department and by the Department of Commerce and Labor as the true basis for the valuation of foreign imports.

I repeat, that the amendment, exactly as I have offered it here, will defeat a covert plan to greatly increase the rates, and had the indorsement of the tariff experts of the whole Treasury Department, the Department of Commerce and Labor, the Secretary of State, and the Attorney-General of the United States before it was put into effect by the President.

Contrary to the assertions of those opposed to it, it does not expose the Treasury to dangers of fraud by undervaluation because of the many safeguards against undervaluation contained in the customs administrative act.

It has worked successfully for the past two years as applied to the imports from all the important commercial countries.

If anybody challenges that on this floor to-day, I refer him to the testimony of the Treasury experts taken before a subcommittee of the Finance Committee of this Senate, which has never been printed. I warn the Senate here to-night that you are about to adopt provisions in this bill which mean great advances in these rates and which will be prevented if you accept the amendment here proposed and which has been adopted and approved by the Treasury Department, by the State Department, and by the Department of Commerce and Labor.

The use of open-market prices in the markets of the United States as a basis for the imposition of duties is impracticable. Yet that is what it is proposed to do according to this new provision. It is impracticable for the following reasons:

(1) No uniform prices are published.

(2) Public-price quotations are fictitious, serving generally as a basis for bargaining between private parties; and are invariably subject to considerable discounts, which are made confidentially, as every man in trade knows, in proportion to the size of the order and the importance of the customer.

(3) It would place the imposition of duties in the hands of the very people who are interested in keeping out importations and in preventing competition with foreign countries.

I do not know whether the Senate has followed the reading of section 7 and analyzed it with any care. Under certain conditions, which now obtain very largely in trade, it hands over the valuation and the standards to be accepted at the New York custom-house to the merchants and manufacturers of this country, enabling them to fix the standard of value as the basis upon which the rates are to be established for imports at the New York and other custom-houses.

Mr. SHIVELY. That is to say, the beneficiaries of these high rates fix the basis of valuation upon which competing goods are to be imported?

Mr. LA FOLLETTE. That is true, and invariably, Mr. President. The custom-house officials will be obliged, in order to obtain information as to the current prices obtaining with respect to a given importation, to appeal to these manufacturers for testimony and for information upon which to fix the valuation upon the imports.

Mr. SHIVELY. That is, the valuation on a competing article?

Mr. LA FOLLETTE. The valuation on a competing article. It will be fixed by men upon whom there are no restraints. If the importer undervalues that which he is trying to import into the country, certain penalties are prescribed by the law. But if these men, who are his competitors in the markets of this country, are called in to fix the market price which shall be taken, under certain conditions, according to the terms of the bill, as the basis for fixing rates, no penalty attaches to what these competitors of his may say or do in establishing the market prices which shall thus be taken as the basis for fixing the duties.

The bill places no limitations upon false overvaluation for the purpose of the imposition of unreasonable duties, since it provides no penalties for such offenses. In other words, while the importer is deterred from undervaluation by the penalties provided for such offenses, such as the danger of confiscation of his goods and criminal prosecution for fraud, there is no penalty provided for false excessive valuation on the part of the domestic producer.

Furthermore, the proposed amendment does away with the ascertainment of the cost of production of articles in foreign countries; and it takes away from the customs officers the arbitrary power of adding from 8 to 50 per cent to the cost ascertained by them as provided under existing law.

There is not a civilized country in the world which has such provisions as are proposed in the bill we are now considering.

It is impractical, because it imposes upon the confidential agents of the Treasury Department the impossible task of ascertaining a most complicated set of facts in a foreign country, where they have no power to summon witnesses or to call for the production of books. Therefore at the best there work will be only guesswork, and this will bring the name of the United States into disrepute in foreign countries.

This practice was condemned by the tariff commission which was sent by President Roosevelt to examine into the German commercial situation. This condemnation was shared by the then Secretary of State, Mr. ROOT, and by the President, who voiced it in the following language in the message of transmittal which he sent to this body on January 22, 1908:

> This careful examination into the tariff relations between the United States and Germany involved an inquiry into certain of our methods of administration which had been the cause of much complaint on the part of German exporters. In this inquiry I became satisfied that certain vicious and unjustifiable practices had grown up in our customs administration, notably the practice of determining values of imports upon detective reports never disclosed to the persons whose interests were affected. The use of detectives, though often necessary, tends toward abuse, and should be carefully guarded.

I wish to add to that a practical statement by a business man. I have here a communication received from a Milwaukee merchant bearing upon this provision—a provision which stands by itself, unique, with no companion piece in all the legislation of all the civilized countries of the world. This letter, as I say, is from one of the leading merchants of Milwaukee, John P. Miley, president of the G. M. Barrett Company:

MILWAUKEE, *June 12, 1909.*

HON. ROBERT M. LA FOLLETTE,
United States Senate, Washington, D. C.

DEAR SIR: Section 11 of the administrative features of the tariff bill now before Congress provides that the wholesale selling price in the United States, without deduction for the wholesaler's expenses or profits, shall be used as a basis for the assessment of duties, unless the merchandise is actually sold or freely offered for sale in usual wholesale quantities in the open market os the country of exportation to all purchasers.

Under modern commercial conditions, as you know, practically no merchandise is freely offered for sale to all purchasers, many of the well-known lines being handled by one or more distributers, whether as agents or otherwise. It is essential, therefore, for us, as well as all other dealers, that this section be amended in two respects:

1. By inserting words making it perfectly plain that whenever a foreign market value can be ascertained, foreign market value shall be used as a basis for the assessment of duties, as has always been the case heretofore and not the American selling price. Otherwise, the result will be:

(*a*) That the duty will not be collected uniformly, as the individual collectors at the different ports of entry would have to decide whether an article is freely offered for sale to all purchasers or not, and in one port it might pay duty on the foreign market value while at another port duty would be collected on the American wholesale market price.

(*b*) The duty would be assessed on a higher value on an article sold to one or few purchasers than on a similar article of the same value sold to all purchasers.

(*c*) Many lines bearing well-known trade-marks would pay a higher duty than similar lines of the same intrinsic value.

(*d*) Since the wholesale selling price differs for same or a similar article of the same value between different importers in the same city, but even more so when the importers are located in different cities, the result would be that the duty assessed on the wholesale American selling price would vary also, there being no uniform wholesale American selling price on any one article.

But if section 11 is amended as suggested under heading 1, it will be necessary to further amend it:

1. By inserting words making it perfectly plain that when no foreign market value can be established, and the American wholesale value is applied as the dutiable amount, due allowance be made not only for the duty, cost of transportation from point of purchase to point of delivery, but also for a proper deduction from the American wholesale price, for general expenses incurred in this country, as well as the wholesaler's profit, because—

(*a*) Otherwise the purchaser would be forced to pay an import duty on these general expenses in the United States, such as wages, traveling, rent, etc., as well as on his profit, which is certainly unjust.

(*b*) The failure to provide for a deduction of such general expenses and the wholesaler's profit is a discrimination against purchased goods as compared with consigned goods. From the price of consigned goods, according to the proposed section, a commission of 6 per cent may be deducted if paid or contracted to be paid, while no provision for any deduction is made on purchased goods.

(*c*) The result would be that a higher rate of duty would actually be imposed than is provided by the various schedules, the rates in the tariff bill being based on the foreign market value.

You can readily see that when buying an import it would in many instances be uncertain whether upon arrival of the goods the duty would be assessed on the foreign market value or on the American selling price, with the result that on many lines no importer could quote fixed selling prices, and this uncertainty would embarrass the purchaser as much as the importer.

Were the duty assessed on the American market value without deduction of the general expenses and profit of the importer, the selling price of any such article would have to be advanced accordingly.

Yours, truly,

G. M. BARRETT CO.,
J. P. MILEY.

I read that communication not because I expected, if this section were to be amended at all, that the suggestions made in it would have any weight with the Senate, but simply to show what would be necessary in the way of amendment, if we were to adopt the provision of the bill, in order to make it adjust itself fairly and decently to the trade conditions of the country. Therefore, Mr. President, it seems to me that the only fair and just change which can be proposed in the pending section is to adopt the provisions embraced in the amendment I have sent to the desk; and I ask for a vote upon the amendment.

The VICE-PRESIDENT. The question is on agreeing to the amendment submitted by the Senator from Wisconsin.

The amendment was rejected.

Mr. LA FOLLETTE. Mr. President, I rather suspected it would be rejected. I now propose an amendment to which I beg the consideration of the Senate, and upon which I shall ask, of course always with the indulgence of the chairman of the Finance Committee, a yea-and-nay vote.

The VICE-PRESIDENT. The Secretary will state the amendment.

The SECRETARY. It is proposed to strike out all after the word "otherwise," on page 324, and to substitute the following:

That a commission is hereby created and shall be known as the tariff commission, which shall be composed of nine commissioners, who shall be appointed by the President, by and with the advice and consent of the Senate. The commissioners first appointed under this act shall continue in office for the terms of three, four, five, six, seven, eight, nine, ten, and eleven years, respectively, from the 1st day of January, A. D. 1910, the term of each to be designated by the President; but their successors shall be appointed for terms of ten years, except that any person chosen to fill a vacancy shall be appointed only for the unexpired term of the commissioner whom he shall succeed. Any commissioner shall be removed by the President for inefficiency, neglect of duty, or malfeasance in office. No person shall be eligible to appointment as a commissioner under this act who is a Senator or Representative of the United States or is a Senator or Representative elect of the United States at the time of his appointment. Not more than four of said commissioners shall be members of the same political party. One of said commissioners shall have a practical knowledge of the manufacturing industry; one of said commissioners shall have a practical knowledge of agriculture; one of said commissioners shall have a practical knowledge of the import business; one of said commissioners shall be a representative of labor; one of said commissioners shall be a lawyer who has made a special study of the tariff laws and customs practice in the United States; one of said commissioners shall have made a special study of domestic and foreign tariffs and commercial reciprocity; one of said commissioners shall be an eminent economist who has made a special study of wages and cost of production. No vacancy in the commission shall impair the right of the remaining commissioners to exercise all the powers of the commission. Each commissioner shall receive a salary of $10,000 per year.

That said commission as soon as qualified shall without delay meet for organization in the city of Washington, in the District of Columbia, and it shall organize by the election of one of its number to be

chairman and one of its number to be vice-chairman. The commission shall appoint a secretary and such other employees as it may find necessary to the proper performance of its duties and fix the salary or compensation of each. Until otherwise provided by law, the commission may select and rent suitable offices for its use, and shall have authority to procure all necessary office supplies. The expenses of the commission, including necessary expenses for transportation incurred by the commissioners or by their employees under their orders, in making any investigations, or upon official business in any other place than the city of Washington, shall be allowed and paid upon presentation of vouchers therefor, approved by the chairman of the commission. The principal office of the commission shall be in the city of Washington, where its general sessions shall be held; but whenever the convenience of the public or the commissioners may be promoted or delay or expense prevented thereby, the commission may hold its sessions in any part of the United States. It may, by one or more of the commissioners or its employees, prosecute any inquiry necessary to the performance of its duties in any part of the United States or in any foreign country: *Provided*, That not more than four members of said commission shall be absent from the United States at one time.

That the commission hereby created shall have authority and it is hereby directed to ascertain the difference in the cost of producing articles of the same, or substantially the same, quality and kind in this country and in competing foreign countries. The commission in such investigation shall ascertain, in connection with the several articles covered by its reports in the United States and in competing foreign countries, the wages, the hours of service, and the efficiency of labor employed, and the standards of living of such laborers. The commission shall ascertain the cost of raw material, the cost of labor, the fixed charges, depreciation upon the true value of the capital invested, and all other items necessary to determine the true cost of the finished product. Said commission shall ascertain the market conditions and the prices at which protected products of the United States are sold in foreign countries as compared with the prices of products sold in the United States. The commission shall investigate the effect of transportation rates upon the markets and prices of dutiable products, the relation between government revenues and tariff schedules, and shall, pursuant to the purposes of this act, in so far as practicable, make an investigation of all questions and conditions relating to the agricultural, manufacturing, mining, commercial, and labor interests with reference to the tariff schedules and classifications of the United States and of foreign countries. Said commission is authorized to call upon any department or officer of the Government for any information in the possession of such department or officer and relating to any subject under investigation by said commission. It shall be the duty of such department or officer to furnish the information required. It shall be the duty of said commission upon petition, or upon its own initiative by one or more of its members, from time to time to hold hearings at such places as it may designate to determine industrial, commercial, and labor conditions in relation to the tariff. Such investigation shall be public, except as otherwise provided herein. The commission shall, whenever practicable, give at least ten days' public notice of any and all hearings, and at any such hearing, whether undertaken upon the initiative of the commission or upon petition, any person may appear before said commission and be heard, or may be represented by attorney, and may file any written statement or documentary evidence bearing upon any matter it may have under investigation: *Provided*, That said commission in any investigation may, upon the request of any witness examined as to any secret process used in the production of any article, take such evidence at a secret session: *And provided*, That the testimony of any witness in regard to any secret process shall not be reduced to writing, but that all other testimony shall be reduced to writing for the guidance of the said commission in arriving at conclusions and making reports to Congress. A majority of the commission shall constitute a quorum for the transaction of business. Said commission may from time to time make or amend such general rules or orders as may be requisite for the orderly regulation of proceedings before it, including form of notices and the service thereof. Every vote and official act of the commission shall be entered of record. Any of the members of the commission or its secretary may administer oaths and affirmations and sign notices.

That for the purposes of this act, in the case of articles on the dutiable list and such other articles as the commission may decide to investigate with a view to determine whether it shall recommend that the same be placed upon the dutiable list, the said commission is authorized to require of any person, firm, copartnership, corporation, or association producing any such article or articles the production of all books, papers, contracts, agreements, invoices, inventories, bills, and documents of any such person, firm, copartnership, corporation, or association, and make every inquiry necessary to a determination of the value of such property. Said commission is authorized to require by notice the attendance and testimony of witnesses and the production of all books, papers, contracts, agreements, inventories, invoices, bills, and documents relating to any matter pertaining to such investigation. Such attendance of witnesses and the production of such documentary evidence may be required from any place in the United States at any designated place of hearing, and witnesses shall receive the same fees as are paid in the federal courts. In case of failure to comply with such a notice, or in case any person, firm, copartnership, corporation, or association shall fail to comply with any of the requirements of this act, the said commission shall make a report to Congress of such failure, specifying the names of each person, the individual names of such firm or copartnership, and the names of the officers and directors of each such corporation or association guilty of such failure, and such report shall specify each particular in which such person, firm, copartnership, corporation, or association has failed to comply with such requirements, and shall also specify the article or articles on the dutiable list produced by such person, firm, copartnership, corporation, or association and the tariff schedule which applies to each such article. The information as to costs of production secured under the provisions of this section from any person, firm, copartnership, corporation, or association shall not be disclosed to any business competitor or rival of such person, firm, copartnership, corporation, or association.

That the commission shall ascertain whether any persons, firms, copartnerships, corporations, or associations engaged in the production or sale of any dutiable article cooperate by agreement or arrangment of any kind to control production, prices, or wages in the United States, or to control prices in any foreign market. The commission shall also ascertain whether any person, firm, copartnership, corporation, or association owns or controls such a proportion of any dutiable product as to enable such person, firm, copartnership, corporation, or association to control production, prices, or wages in the United States or to control the price of such product in any foreign market. In making such investigations the commission shall give notice thereof in writing to such person, firm, copartnership, corporation, or association and afford an opportunity for the parties to present testimony and to be heard in person or by counsel. Whenever there exists any such agreement or arrangement by which any person, firm, copartnership, corporation, or association owns or controls such a proportion of any domestic article named on the dutiable list as to control the market price of such article, and any undue advantage is taken in the exercise of such control, then, in either case, the imposition and collection of the duties on the similar imported article provided by existing law shall be suspended, and such article shall be admitted free of duty if the cost of labor of the domestic article does not exceed that of the foreign article. If the cost of labor does exceed that of the foreign article, such article shall be subjected to a rate of duty equivalent to the difference in the cost of labor of the domestic and foreign article: *Provided*, That in case the price of the raw material entering into the composition of any such article is not controlled by agreement or arrangement, the difference between the domestic and foreign cost of the raw material shall be added to the difference in the cost of labor in order to determine the rate of duty. In the execution of the foregoing, whenever the commission shall find that there exists any such agreement or arrangement by which any person, firm, copartnership, corporation, or association owns or controls such a proportion of any domestic article named on the dutiable list as to control the market price of such article, the commission shall ascertain the difference, if any, in the cost of labor of the domestic and foreign article, and also the difference, if any, between the domestic and foreign cost of the raw material entering into the composition of such article, provided the price of such raw material is not controlled by agreement or arrangement between parties, firms, copartnerships, corporations, or associations, or by any person, firm, copartnership, corporation, or association. In pursuing such investigations the commission shall begin with the primary industries producing iron ore, coal, lumber, and other raw material from the natural resources of the country, and shall proceed in consecutive order, as nearly as practicable, from the industries producing raw material to the industries producing finished products. The commission shall immediately report its findings and the evidence to the President in the order of the industries as herein provided, and the President shall forthwith, and he is hereby authorized and empowered to, suspend, by proclamation to that effect, the imposition and collection of the duties provided by law on the articles in said industries, and thereupon and thereafter, as the case may be, said articles shall be admitted free of duty or the duties levied, collected, and paid upon such articles shall be the amount of the difference in the cost of labor as determined by the commission, and in addition thereto the amount of the difference between the domestic and foreign cost of the raw material as determined by the commission under the conditions and in accordance with the provisions hereinbefore specified. Said suspension or reduction of duty or duties caused by proclamation of the President shall remain in force until removed or modified by Congress.

That said commission shall make annual reports to Congress of its investigations and recommendations, together with the testimony and information on which such recommendations are based, and such special reports as it may deem advisable. The testimony and information so reported shall be accompanied by a complete topical digest or analysis and by a topical index of all the testimony taken during the period covered by the report. Said reports, with the accompanying testimony, records, and digest, shall be printed as public documents. The annual report shall be published and ready for distribution on the first Monday of December of each year.

That at all times during the session of Congress a majority of said commission shall be on duty in the city of Washington for the purpose of furnishing information and advice to Congress.

Mr. LA FOLLETTE. Mr. President, I will not detain the Senate with an extended discussion of this proposed amendment. I know that it will be rejected by the Senate. Those who control are opposed to a tariff commission. I do want to say that I trust no Member of this body who is in favor of the establishment of a commission or anything approaching a commission will be misled into supporting the proposition contained in the bill as anything approaching or intended to approach the creation of a commission with power to make an investigation that shall be helpful in future tariff legislation.

I am going to take the time to say that it is not the purpose of the chairman of the Finance Committee that there be any legislation establishing a tariff commission, or anything akin to a tariff commission, that will make any substantial change in the present method of tariff legislation. When the amendment offered by the Senator from Iowa was pending——

Mr. ALDRICH. Mr. President——

Mr. LA FOLLETTE. In just a moment. The Senator from Rhode Island, referring to the time when it had been offered previously—that is, when the Mills bill was pending in 1888—said with respect to the amendment of the Senator from Iowa, and I am not going to misrepresent the Senator from Rhode Island:

> There was not a member of the committee for it, and I do not believe a member of the committee would now be for it.

Then he proceeded to state his reasons for his opposition to that amendment. I quote his statement just as he made it on the 3d day of July, recorded on page 4089 of the CONGRESSIONAL RECORD. He said:

> It would of course open up indefinite and perpetual tariff agitation.

That is, the amendment offered by the Senator from Iowa. And I intend to dissect that amendment and compare it with the proposition embodied in this bill, so that the Senators may know, in following the Senator from Rhode Island on this proposition, what they are standing for and just what they are likely to get. I want to suggest that other legislation must follow that which is embodied in this section, if the proposition for the appointment of this so-called "commission" is to be made effective.

There must be legislation clothing this commission with power, defining its duties; and if anyone other than clerks in the Treasury Department is called into this service, there must be an adequate appropriation.

Mr. ALDRICH. Will the Senator from Wisconsin yield to me?

Mr. LA FOLLETTE. Certainly.

Mr. ALDRICH. The duties of the commission, the parties to be named by the President, are defined in the act. They will also be defined by the President; and so far as appropriations are concerned, the appropriations will undoubtedly be made. This proposition was put into the bill in good faith. It was agreed to by the Senator from Indiana [Mr. BEVERIDGE], who aided in the preparation of it, and it covers all the suggestions and the requirements of the various organizations that have been asking us to provide for the appointment of a commission of this kind.

Mr. LA FOLLETTE. Now, Mr. President, I was not disposed to extend unduly the discussion on this subject.

Mr. BEVERIDGE. Mr. President——

Mr. LA FOLLETTE. I think——

Mr. BEVERIDGE. Will the Senator permit me just a moment?

The VICE-PRESIDENT. Will the Senator from Wisconsin yield to the Senator from Indiana?

Mr. LA FOLLETTE. In a moment.

The VICE-PRESIDENT. The Senator declines to yield for the present.

Mr. LA FOLLETTE. In a moment I will yield to the Senator from Indiana with very great pleasure. What this proposed legislation will do is to be determined by the language embodied in that provision. No larger powers can be conferred upon those who are to be appointed under it. Those are provided for there, and I am going to take that up in a moment. I am going to analyze it.

Mr. BEVERIDGE. The only reason why I wanted to interrupt the Senator in this particular instance was to note the statement of the Senator from Rhode Island concerning the certainty of an adequate appropriation, which I was delighted to hear made.

Mr. LA FOLLETTE. I was very glad to hear that declaration myself, and proposed to make such further reference to it as to prevent the possibility of its being forgotten hereafter. I am glad to have everything pertaining to the so-called "commission" provided for in this bill strengthened, because I do entertain the opinion that the Senator from Rhode Island is not as much in favor of a tariff commission as the Senator from Indiana and myself, and I believe the great majority of Senators on this floor are in favor of a commission the members of which shall be required to have certain qualifications fitting them for the service in order to be appointed to such a body, a commission that shall have duly and specifically defined duties and authority.

Mr. President, if it is worth while to appoint a so-called "tariff commission," it is worth while to do a thoroughgoing job when we are at it. No more important commission has been under consideration in this or any other Congress. I will not except the Interstate Commerce Commission with all its vast powers, dealing, as it does, with railroad rates which concern the people of this country to the measure of about two thousand million dollars annually. That commission is not so important, in my opinion, as a tariff commission endowed with proper authority; not a commission that shall come in and take away from the Congress of the United States its authority to make laws any more than a railroad commission shall come in and take away from the Congress of the United States its authority over matters of interstate commerce.

Mr. HALE. Mr. President——

The VICE-PRESIDENT. Does the Senator from Wisconsin yield to the Senator from Maine?

Mr. LA FOLLETTE. I do.

Mr. HALE. I want to say for myself that I do not understand the provisions reported by the committee upon this bill in any way constitute a tariff commission. In my belief the wit of man can not devise any scheme that will keep the country constantly agitated over tariff issues that will be so bad and involved in its operation as a tariff commission such as the Senator from Wisconsin is earnestly and honestly for. I do not believe such a commission would either be valuable in aiding Congress when the time comes in tariff legislation, which ought not to be often, but at far separated spaces of time. I do not think such a commission would ever, in any way, help Congress in working out a proper result.

If I believed that the provisions of the bill would do anything more than allow the President to appoint experts that from time to time will report, and if necessary be sent to Congress by the President, and that it would be a commission with authority such as the Senator wants, I would not vote for the proposition.

Mr. LA FOLLETTE. Mr. President, may I just ask the Senator from Maine before he takes his seat to define what he conceives to be the sort of commission that I want? We may be at cross purposes, and I should like to know what he believes to be an impossible commission such as he said I desired. What powers does the Senator from Maine think I would have conferred upon a tariff commission?

Mr. HALE. I think the Senator, whether he realizes it or not, believes that the fundamental power and authority of adjusting tariff differences should be lodged with a commission.

Mr. LA FOLLETTE. Now you see, Mr. President——

Mr. HALE. I do not believe in that. I think the provision in the bill is a good one, will work well, but will not in any way interpose an authority that shall interfere with Congress.

Mr. LA FOLLETTE. Mr. President——

Mr. HALE. Therefore I am very heartily for it.

Mr. LA FOLLETTE. I think the Senator has disclosed that he has a misconception as to the powers which I desire conferred upon a tariff commission. I am glad to have him take the floor on the subject——

Mr. HALE. I wish the Senator would bear in mind——

Mr. LA FOLLETTE. The Senator, as I remember, is chairman of the Committee on Appropriations; and we may begin to measure up what sort of a commission the Appropriations Committee of the Senate will provide money for as we go along with this discussion. Now, Mr. President——

Mr. HALE. Let me say to the Senator further——

Mr. LA FOLLETTE. The Senator from Maine entirely misapprehended me. He could not have listened to the amendment which I offered for the creation of a commission.

Mr. HALE. I did listen.

Mr. LA FOLLETTE. Then, the Senator entirely misunderstood it, because I do not propose to confer upon a commission any authority to fix tariff rates. I simply propose that there shall be an appointive commission, composed of men of standing, representative of business interests, of agricultural interests, of manufacturing interests, men who have made a study of commerce and transportation in the United States and who have made a philosophical study of the commerce of the world—men who are trained statisticians. Such are the men described in the amendment I introduced as properly equipped to be appointed to places upon this commission.

Mr. HALE. Will the Senator allow me to say one word?

Mr. LA FOLLETTE. In a moment. I would not clothe them with any power except to go out and gather the facts which are necessary to intelligent action upon tariff schedules and from time to time report the facts thus secured to Congress.

Mr. President, if in the making of a tariff bill we are afraid of the truth, if we can not afford to have the difference in the labor cost in this country and abroad, the difference in the cost of production at home and in competing countries, laid before Congress in published reports at the beginning of each session, or as often as may be necessary, then we ought to be opposed to a commission with any authority to gather facts.

Mr. HALE. Now, will the Senator let me interrupt him further?

Mr. LA FOLLETTE. Certainly.

Mr. HALE. Mr. President, in what I have said I do not claim to speak for any other Senator; I do not claim to speak for the Committee on Finance. I think the provision upon the bill is a wise one, and that it will work well. I do not fancy there will ever be any question raised about making proper appropriations to carry out that provision and everything else in relation to this bill; but I wish to say again that in what I have said I have expressed only my general idea. I do not believe in any good purpose ever being accomplished by what is known as a "tariff commission."

Mr. LA FOLLETTE. Mr. President, I see that the Senator from Maine [Mr. HALE] agrees with the Senator from Rhode Island [Mr. ALDRICH], from the statement of the Senator from Rhode Island with reference to the amendment proposed by the Senator from Iowa [Mr. DOLLIVER] when this section of the bill was under consideration a few days ago. I had only read a portion of the statement of the Senator from Rhode Island when I was interrupted. The Senator said:

> It would of course open up indefinite and perpetual tariff agitation. It proposes that this commission to be created shall report to Congress at every session and go into an infinite variety of examinations, which are not pertinent to any real question which has ever been before the Senate of the United States.

That is the Senator's full statement upon this subject. He objects to the amendment offered by the Senator from Iowa,

because "it would of course open up indefinite and perpetual tariff agitation."

Mr. President, certain protectionists who have had control in both branches of Congress believe we should revise the tariff at stated periods. The people of this country will no longer endure unjust tariff duties. When there arises such a clamor and such a demand for revision that it can not be registered, then the tariff may be revised, not with respect to changed economic conditions, not with respect to changed industrial conditions, but simply to satisfy public clamor. That is the spirit in which we approached this revision, and that is the trouble with this revision. We have come to the revision of the tariff at this time without any information upon which to base our action.

Mr. President, business would not be disturbed, business would have no reason to fear tariff legislation if it was made on correct economic principles, if there were constantly in the field a body of men ready to investigate the effects resulting from changing industrial and economic conditions. How preposterous it is that we should frame a tariff bill supposed to measure the difference in the cost of production at home and abroad, and do this once in ten or twelve years, when revolutions which change the cost of production take place in the economic and industrial world sometimes in a single period of six months!

If there is to be any just basis for a tariff, it rests on the difference in the cost of production at home and abroad. There should be a body of impartial men always at work, ready to meet whatever transpires to cheapen the cost of production, so that the people of the country may quickly secure the benefit of such changes.

It was stated a moment ago by the chairman of the Finance Committee that the proposed legislation was made to meet the demand of the country—of the various manufacturing and commercial bodies of the country for this legislation. I shall read just one resolution adopted by one of the great boards of trade of this country. I hold in my hand a very large number of such resolutions representative of the progressive thought of American business men upon this subject. I undertake to say that the half a dozen lines contained in this bill authorizing the employment of experts are no answer at all to the demand that has been pressed upon Congress for two or three years by the leading commercial and business organizations of the United States for the creation of a tariff commission. Mr. President, I ask leave to print, without reading, a number of the resolutions adopted by boards of trade and commercial organizations of the country.

The VICE-PRESIDENT. Is there objection to the request of the Senator from Wisconsin? The Chair hears none.

The resolutions referred to are as follows:

THE NATIONAL ASSOCIATION OF MANUFACTURERS.

[With a membership of 3,000 firms.]

FEBRUARY 4, 1908.

That for the promotion of the best interests of American industry this conference advocates the immediate creation of a nonpartisan permanent tariff commission, for the following purposes and ends, through congressional action, viz:

First. The intelligent, thorough, and unprejudiced study of facts.

Second. The development and enlargement of our foreign trade.

Third. The accomplishment of this by reciprocal trade agreements, based on maximum and minimum schedules.

Fourth. The adjustment of the tariff schedules so that they shall affect all interests favorably and equitably, without excessive or needless protection to any.

THE AMERICAN RECIPROCAL TARIFF LEAGUE AND 200 CONSTITUENT ORGANIZATIONS.

[National Reciprocity Conference, Chicago, unanimously adopted August 16–17, 1905.]

Resolved, That eventually the question of schedules and items to be considered in reciprocal concessions preferably be suggested by a permanent tariff commission, to be created by Congress and appointed by the President, which shall consist of economic, industrial, and commercial experts: That we urge upon Congress such action at the earliest time possible.

NATIONAL CONVENTION FOR THE EXTENSION OF FOREIGN COMMERCE OF THE UNITED STATES.

[Resolution adopted, Washington, D. C., January 16, 1907.]

Be it resolved, That in addition to the granting of discretionary powers to the Executive, we urge the establishment of a permanent nonpartisan advisory board or commission, charged with the duty of studying at all times our trade relations with foreign countries, with a view toward recommending, from time to time, such modifications in customs duties or regulations as may, in their judgment, be necessary or desirable.

CARRIAGE BUILDERS' NATIONAL ASSOCIATION.

WILMINGTON, DEL., *December 5, 1907.*

Whereas the resolution adopted at the convention of the Carriage Builders' Association, Atlanta, Ga., in 1906, favoring the prompt revision of the tariff and the governmental commission to assist in removing the questions of tariff from active partisanship:

Resolved, That we reaffirm our views as set forth in our Atlanta resolutions and earnestly request prompt consideration by our national representatives at the incoming session of Congress.

AMERICAN HARDWARE MANUFACTURERS' ASSOCIATION.

PHILADELPHIA, *December 9, 1907.*

Resolved, That this association is definitely opposed to the revision of the existing tariff laws except through the instrumentality of a nonpartisan commission with powers similar to the power now possessed by the Interstate Commerce Commission.

MERCHANT TAILORS' NATIONAL PROTECTIVE ASSOCIATION.

This association is in favor of the establishment at the earliest practicable moment, of a tariff commission, expert, impartial, and thoroughly competent, which shall investigate the tariff schedules, one by one, and present their findings in the shape of recommendations to Congress and the Executive, this commission having power to summon witnesses and compel the submission of testimony.

NATIONAL ASSOCIATION OF AGRICULTURAL IMPLEMENT AND VEHICLE MANUFACTURERS.

[With 600 firms as members.]

Resolved, That the National Association of Agricultural Implement and Vehicle Manufacturers hereby instructs its officers to make every reasonable endeavor to secure the appointment of a permanent tariff commission at the forthcoming session of Congress.

NATIONAL LIVE STOCK ASSOCIATION.

[Resolution adopted at annual convention at Denver, Colo., January, 1908.]

Resolved, That, with a view toward securing all necessary data and adequate advices relating to the revision of tariff and other matters touching international trade, we urge the immediate creation of a nonpartisan tariff commission along the lines of the Beveridge bill recently introduced in the United States Senate, with instructions to investigate thoroughly existing conditions and promptly report, for the information of the Chief Executive, of Congress, and the people.

AMERICAN MEAT PACKERS' ASSOCIATION.

The American Meat Packers' Association, whose membership comprises 95 per cent of the meat packers of America, at their last annual convention unanimously adopted the following resolution:

"*Be it resolved*, That the American Meat Packers' Association formally declares itself in favor of establishing a nonpartisan tariff commission with semijudicial powers, as, for example, to summon witnesses; this commission to investigate thoroughly and scientifically the various schedules, and from time to time submit their conclusions in the form of recommendations to the Executive and to Congress."

CHICAGO, ILL., *December 14, 1907.*

Resolved, That in the judgment of the members of the Western Association of Shoe Wholesalers in annual meeting assembled that Congress should be called upon to create a permanent nonpartisan tariff commission with semijudicial functions, such as the power to summon witnesses, which shall make an unbiased investigation of our customs duties, regulation and classification, hear complaints, study domestic and foreign market conditions, and to report to the Executive and to Congress from time to time such modifications of the tariff schedules as in their judgment may safely and properly be made in the interests of the general welfare.

MILLERS' NATIONAL FEDERATION.

CHICAGO, *January 24, 1908.*

The Millers' National Federation are in favor of a tariff readjustment entirely along the lines of reciprocal arrangements which will enable us to regain certain foreign markets which we are convinced are closed to us due to the lack of reciprocity. Our people are opposed to anything of a political nature, although believing in a tariff commission, and feeling that a commission of experts can do much good in securing the needed readjustment.

NATIONAL BOOT AND SHOE MANUFACTURERS' ASSOCIATION.

ROCHESTER, N. Y., *January, 1908.*

We favor the taking of all tariff matters out of politics. We favor the passage of the bill now pending before the Senate providing for the appointment of a tariff commission to investigate and make recommendations from time to time for the revision of the tariff schedules to the President of the United States to be transmitted to Congress.

NATIONAL PIANO MANUFACTURERS' ASSOCIATION OF AMERICA.

JANUARY 28, 1908.

Resolved, That we heartily approve of Senate bill No. 3163, for the creation of a tariff commission, and urge its passage.

MERCHANTS' ASSOCIATION OF NEW YORK.

[With a membership of 1,200.]

Resolved, That the board of directors of the Merchants' Association of New York heartily indorses the proposal to create a permanent tariff commission, which shall take the tariff out of politics and politics out of the tariff; which shall include in its membership men qualified by training and experience to deal with the problems which would come before the commission; which would command the confidence and respect of the country, and which would be competent to obtain and compile statistical information needed by Congress and to formulate proposed legislation relating to the tariff in a manner which would simplify and facilitate action thereon by the legislative department of the Government.

BOSTON CHAMBER OF COMMERCE.

[Resolutions adopted July 26, 1906.]

Resolved, That the Congress of the United States should, as speedily as possible, take such measures as may be necessary to safeguard our markets in foreign countries by lessening those duties that will surely lead, if continued, to reprisal by foreign governments at our expense.

BALTIMORE CHAMBER OF COMMERCE.

DECEMBER 9, 1907.

Resolved, That the Baltimore Chamber of Commerce unites with other commercial organizations in urging the enactment of a law which shall create a tariff commission, thus affording ample opportunity to study the tariff thoroughly, in all its bearings, and report a definite and conclusive recommendation by 1909, when such changes in our tariff laws can be considered.

CHICAGO ASSOCIATION OF COMMERCE.

We believe that the appointment of a permanent nonpartisan tariff commission, to make an unbiased investigation and report to Congress, would result in legislation adopting the broad commercial principle of reciprocity.

BOARD OF TRADE OF CHICAGO.

JANUARY 14, 1908.

The executive committee recommends the creation of a nonpartisan tariff commission which shall make unbiased investigations and report to the President and Congress from time to time as to such modifications of the tariff as in their judgment may safely and properly be made in promoting the general welfare of the country.

MERCHANTS' EXCHANGE OF ST. LOUIS.

DECEMBER 11, 1907.

The board of directors of the Merchants' Exchange of St. Louis indorses the sentiment as expressed in the letter of the American Reciprocal Tariff League and will cooperate in calling upon Congress to create a permanent nonpartisan tariff commission to make unbiased investigations and report to the President and Congress from time to time such modifications of the tariff as in their judgment may safely and properly be made, in keeping with the interests of the general welfare of the country.

CHATTANOOGA MANUFACTURING ASSOCIATION.

CHATTANOOGA, TENN., *January, 1908.*

We are in favor of an early readjustment of our present tariffs, and of a permanent nonpartisan tariff commission. Also that the same commission be empowered to keep it revised to suit the changing business conditions of our country, so that equal justice may be done to all our people. The question of tariff, as we view it, should be outside of political parties, because it is a question of economics, and not one of policy or preference.

COMMERCIAL CLUB OF TOPEKA, KANS.

[Adopted December 13, 1907.]

Resolved by the Commercial Club of Topeka, Kans., That we are in favor of the creation by the present Congress of a permanent tariff commission as recommended by the National Association of Manufacturers, the National Foreign Commerce Convention, and the American Reciprocal Tariff League.

DAYTON CHAMBER OF COMMERCE.

DAYTON, OHIO, *January 28, 1908.*

Resolved, That the Dayton Chamber of Commerce approves the proposition to establish a national permanent nonpartisan expert tariff commission, as provided by Senate bill No. 3163, and that both our United States Senators be notified of this action and requested to support this bill.

EAST BUFFALO LIVE STOCK ASSOCIATION.

EAST BUFFALO, N. Y., *January 2, 1908.*

Resolved, That the East Buffalo Live Stock Association approves the proposition that Congress create a permanent nonpartisan tariff commission to act in an advisory capacity, substantially as provided in the second section of said resolution.

ST. LOUIS COTTON EXCHANGE.

The St. Louis Cotton Exchange, by its board of directors, approves the plan of a permanent nonpartisan tariff commission.

MASSACHUSETTS STATE BOARD OF TRADE.

[Resolution adopted January 24, 1908.]

Resolved, That the Massachusetts State Board of Trade, believing that the changes in the tariff should be made in accordance with business requirements, and not because of political considerations, favors legislation by Congress which shall provide for the appointment by the President of a permanent nonpartisan tariff commission, to whom proposed changes in the laws relating to the tariff shall be submitted for consideration and report before being acted upon by Congress.

MISSOURI MANUFACTURERS' ASSOCIATION.

[Adopted January 9, 1908.]

That the Missouri Manufacturers' Association indorses the position of the American Reciprocal Tariff League, and that this association will cooperate in requesting Congress to create a permanent nonpartisan tariff commission to make thorough and unbiased investigation, and report to the President and Congress at stated intervals such changes in the tariff laws as in their judgment should be made to promote the interests and general welfare of the country and the Nation's commerce.

Mr. LA FOLLETTE. Mr. President, if we are to have a commission in accordance with the recommendations of the Chicago Board of Trade, which are included in the resolutions I have submitted, it would report from time to time the changed conditions which that body deem necessary to have corrections made in the tariff law. Mr. President, if we could have corrections of our tariff made in accordance with the results of such investigation as is proposed by the amendment which I have offered, we would not have the business of this country all in suspense. There would be no business disturbance at all. The modification of some particular rates in any given schedule would make no very great impression upon the current of business at the time.

Now a bill is offered revising the whole tariff, changing all the schedules. There is no other country on the face of the earth that revises its tariff without a thoroughgoing investigation, and whose revision is so planned and ordered as to go into effect immediately upon the passage of the bill, so that the business of the country is obliged to be suspended for the time being to wait the action of Congress upon that legislation. No other country in the world provides that a tariff law shall go into effect immediately upon its passage. It is deferred for a year or eighteen months. That does away with the clamor for rushing through legislation and removes the occasion for the urgent demand to railroad a bill through without proper consideration, such as we have been subjected to during the last two or three months.

There are many Senators on both sides of this Chamber who favor the creation of a tariff commission; there are many Senators to whom the experience of this session has been enough to change their convictions upon this subject, to teach them that they have been voting blindly on every schedule, and, furthermore, that no member of the Finance Committee was in any position to instruct them with respect to the cost of production. I undertake to say—and I do it without any intention to affront anybody—that there is no member of the Finance Committee, from the chairman to the last man on that committee, who can answer the questions which are necessary to be answered to fix a single rate in this bill according to the rule that it shall measure difference between the cost of production in this country and a competing country. It is not enough, Mr. President, to know the difference in wages between this and the competing country. Many other elements enter into the determination of that question which ought to be considered.

What are the provisions in the amendment offered by the Senator from Iowa to which the Senator from Rhode Island took exception? He stated that he was opposed to that kind of a commission. Senators who have said that their experiences have taught them as a result of this session's legislation that there ought to be some commission to investigate the facts and place them before Congress should carefully consider just what power was conferred by the amendment offered by the Senator from Iowa.

In the first place, it was provided that there should be five members of that commission; that they should have terms of six years; and that their salaries should be $7,500 each. It was provided that they should have power to appoint a clerk, a stenographer, and a secretary. It was provided that they might appoint certain other clerical assistants, with the consent and approval of the Secretary of the Treasury. It was provided that they should investigate the average price of commodities imported into the United States.

Now, I ask Senators to follow this, and see if there is any recital in this proposed amendment to which any man who favors a tariff commission and thinks it is necessary to the proper adjustment of our tariff would be opposed:

That it shall be the duty of the said commission to examine into and ascertain the average price of commodities imported into the United States, both at wholesale and retail in the United States, and both in the United States and in the foreign places of production, sale, or shipment for the period of six months preceding and six months following any change in the rate of customs duties imposed upon such commodities, and this inquiry shall be carried back for a period of twenty-five years, and more, if deemed advisable by such commission, and shall extend to all facts relating to demand and supply, domestic and foreign, which tend to influence prices of such commodities, foreign and domestic, and to aid in determining the true effect of the import duty or of the change therein in the several cases, upon domestic and foreign prices, and upon productions of the same or of other commodities, upon revenue, upon immigration, upon profits of capital, rates of wages, and the general welfare. Second, to ascertain the amounts in quantity and value of the importation of the principal commodities during each of said periods of six months preceding and succeeding any such change in customs duties. Third, to ascertain, as far as practicable, the quantity and value of the same or similar commodities produced in the United States during the same respective periods. Fourth, to ascertain whether in any and in what instances the particular rates of customs duties have operated to increase or diminish production in the United States. Fifth, to ascertain in what particulars rates of customs duties, existing from time to time, operate injuriously or favorably to the development and increase of American manufactures and productions, or operate injuriously or favorably to the consumers of such manufactured

articles and productions in respect of causing or contributing to the payment of unreasonable prices by consumers, or the removal or reduction of the same—

Surely there could not be any conceivable objection to such an investigation as that—

Sixth, to ascertain the effect of the customs duties upon the price of agricultural productions of the country and their sale in the United States markets and their consumption in the United States. Seventh, to ascertain the effect of such customs duties, both actual and relative, in respect of the employment and the payment of remunerative wages, both actual and relative, to labor in the United States, and a comparison of the same with the labor and wages in other countries. Eighth, to consider the effect of customs duties, or the absence of them, upon the agricultural, commercial, manufacturing, mining, and other industrial interests of the people of the United States. Ninth, to ascertain and compare the actual cost and the selling price, both at wholesale and retail, of similar manufactured commodities reduced to American weights, measures, and money in the United States and elsewhere. Tenth, to ascertain the growth and the development of the principal manufacturing industries affected by the tariff schedules in England, France, Germany, Belgium, Japan, and the United States for the last twenty-five years; and to ascertain the relative cost of transportation in those countries and the United States.

Those are the requirements of the amendment to which the Senator from Rhode Island excepted, and concerning which he said that he would be opposed to a commission authorized to make the investigation and execute the powers conferred in that amendment.

I say that no man on this floor who is in favor of a commission that can accomplish anything whatever could have been opposed to the commission proposed in the amendment offered by the Senator from Iowa.

So let no man here to-night who really favors the establishment of a commission that shall promote intelligent tariff legislation claim any standing for the provision embodied in this bill as interpreted by the chairman of the Finance Committee, on the ground that he stands for a commission that can accomplish anything whatever in that direction. For, as defined by the chairman of the Finance Committee, that commission is to have no power whatever such as is contained in the provisions offered by the Senator from Iowa. Stripped of the duties and powers provided for in the amendment of the Senator from Iowa, no body of men called a "commission" would be worthy of the name.

To offer to the people of the country who are demanding a commission, to offer to the business interests of the country who for two or three years have been organizing all over the country to demand such a commission, that sort of a substitute, interpreted as that is by the chairman of the Finance Committee—and let me say to Senators that his interpretation will be the interpretation which the subsequent legislation necessary to give vitality to this commission will make for it—is to insult the intelligence which prompted the demand and forced this seeming compliance with it.

Mr. BEVERIDGE. The Senator, I think——

The VICE-PRESIDENT. Does the Senator from Wisconsin yield to the Senator from Indiana?

Mr. LA FOLLETTE. I do.

Mr. BEVERIDGE. The Senator inadvertently said, I think, "the interpretation given by the chairman of the Finance Committee." I know he means the interpretation given by the chairman of the Committee on Appropriations; because just a moment before he had been referring, in his remarks, to the chairman of that committee.

Mr. LA FOLLETTE. I do not think a distinction can be made between the interpretation given by the Finance Committee and the interpretation given by the Committee on Appropriations.

Mr. BEVERIDGE. I hope it can.

Mr. LA FOLLETTE. They are practically the same. But I have been dealing especially with the interpretation given by the chairman of the Committee on Finance, because the chairman of the Committee on Finance had pronounced against such a legislative proposition as that offered by the Senator from Iowa; and I had just outlined the duties and the powers conferred by the proposed measure upon the proposed commission.

I submit to the Senator from Indiana or any other Senator on the floor who is in favor of a commission that can do service to the people, a commission that can bring to Congress year after year the facts necessary for an intelligent disposition of tariff legislation, whether it could possibly be a commission with less power than that conferred by the proposed amendment of the Senator from Iowa?

Mr. President, just what is the commission provided for in the bill? It provides for the appointment of men to do what?

First—

To secure information to assist the President in the discharge of the duties imposed upon him by this section.

That is section 2. There is not a word there about such authority as a commission should be invested with that is to contribute information upon which legislation can be based.

Second—

And information which will be useful to Congress in tariff legislation.

That is what there is, and all there is, of it.

Third—

And to the officers of the Government in the administration of the customs laws.

No qualifications are prescribed, no authority is conferred, no duties are defined, nothing is provided to give weight and character and dignity to any report of the findings of this commission.

What questions should a permanent tariff commission answer in order to furnish any information to Congress? What is it that is necessary to determine in order to settle the difference in the cost of production at home and abroad?

First, what is the nature and use of a given commodity under consideration?

Second, what are the raw materials used in its production and manufacture?

Third, what is the amount of the production of this commodity in this country?

Fourth, what is the amount of the consumption of this commodity in this country?

Fifth, how many concerns are engaged in the manufacture of the commodity under consideration?

Sixth, who are the principal producers?

Seventh, what are the ruling market prices of this commodity in this country?

Eighth, what are the ruling market prices of this commodity in competing countries?

Ninth, what is the total cost of production per unit of product in this country?

Tenth, what is the total cost of production per unit of product in competing countries?

Eleventh, what is the percentage of the labor cost to the total cost of a unit of product in this country?

Twelfth, what is the percentage of the labor cost to the total cost of a unit of product in competing foreign countries?

Thirteenth, what is the cost of transportation to the principal markets in this country from the principal points of production in this country?

Fourteenth, what is the cost of transportation to the principal markets in this country from the principal points of production in competing foreign countries?

Fifteenth, what part of the proposed duty represents the difference in the cost of production between this and competing foreign countries?

And, sixteenth, what part of the proposed duty represents the reasonable profit for the American manufacturer if he is to be given a reasonable profit?

Mr. President, those are questions which a tariff commission ought to be able to answer, and which, if it is to render any service to Congress or to the country, it would have to be able to answer, and which it would not be able to answer unless it was clothed with authority and its duties clearly defined. Those are questions which no man on the floor of the Senate can answer with respect to a single item in the tariff bill we are now about to pass.

If we are sincere in our proposal to create a tariff commission, we will create a permanent tariff commission. There is nothing permanent about this commission. We will prescribe the very highest qualifications for the members of that commission. We will define its duties. In order that there shall be no further mystery about making tariffs we will confer, within the limits of our constitutional power, whatever authority we may be able to confer upon such a commission in its work. Furthermore, we will make the commission a bipartisan commission, which will result in making it a nonpartisan commission if men of the highest ideals and qualifications are appointed or selected for the work.

Mr. President, I am willing to take the sense of the Senate upon the amendment which I have offered; and in view of the lateness of the hour, as I have one other matter which I wish to place before the Senate, I shall not demand a roll call upon that amendment.

The VICE-PRESIDENT. The question is on agreeing to the amendment offered by the Senator from Wisconsin [Mr. LA FOLLETTE].

The amendment was rejected.

Mr. LA FOLLETTE. Mr. President, I do not intend to offer any extended remarks upon the tariff bill which we are about to pass. I do desire to submit some amendments, upon which I will ask a vote. They are amendments which I submitted in Committee of the Whole. They relate to Schedule K. I send them to the desk.

The VICE-PRESIDENT. The Secretary will report the amendments, one at a time.

Mr. LA FOLLETTE. The amendments are so framed as to work out consistently upon a given principle a revision of Schedule K. They would not be intelligible considered separately.

The VICE-PRESIDENT. The Senator asks that they all be considered as one amendment?

Mr. LA FOLLETTE. I should like to have them considered as one amendment, as they were in Committee of the Whole.

The VICE-PRESIDENT. Without objection, that will be done.

The SECRETARY. Page 135, Schedule K, wool and manufactures of:

Amend paragraph 356 by striking out the word "three" in line 6, on page 135, and insert the word "two."

Amend paragraph 357 by striking out the same and inserting in lieu thereof the following:

357. Class 1, all wools not hereinafter included in class 2.

Strike out paragraph 358.

Amend paragraph 359 by striking out the word "three" in line 22, on page 135, and insert in lieu thereof the word "two."

Amend paragraph 361 by inserting after the word "duty" in line 15, on page 136, the words "as class 1" and by striking out all of the balance of line 15 and all of line 16.

Amend paragraph 362 by striking out the same and inserting in lieu thereof the following:

Paragraph 362. The duty on wools of the first class shall be 45 per cent ad valorem.

Strike out all of paragraph 363.

Amend paragraph 364 by striking out all of line 13, on page 137, after the word "be," and inserting in lieu thereof the following: "Thirty-five per cent ad valorem;" also by striking out all of lines 13 to 23, inclusive, on said page 127.

Strike out all of paragraphs 365 and 366.

Strike out all of paragraph 367.

Amend the committee amendment to paragraph 368 by striking out the words "30 cents per pound" in line 12, on page 139, and insert in lieu thereof the words "45 per cent ad valorem."

Amend paragraph 369 by striking out the words "25 cents per pound" in line 13, on page 139, and the words "20 cents per pound" in line 16, and inserting after the word "section," in line 16, the words "45 per cent ad valorem."

Amend paragraph 370 by striking out all of line 17, on page 139, after the words "flocks," and all of line 18, and insert in lieu thereof the words "45 per cent ad valorem."

Amend paragraph 371 to read as follows:

371. Tops, 50 per cent ad valorem.

Amend paragraph 373 by striking out all of the paragraph after the word "pound" in line 2, on page 140, and inserting in lieu thereof the words "55 per cent."

Amend paragraph 374 by striking out the words "or in part of wool" in line 11, on page 140, and inserting in lieu thereof the words "of wool, or of which wool is the component material of chief value."

Also amend the paragraph by striking out all of the paragraph after the word "section," in line 12, and inserting in lieu thereof the words "65 per cent ad valorem."

Strike out all of paragraphs 375, 376, 377, 378, and 379.

Amend paragraph 380 by striking out all of the paragraph after the word "description," in line 17, on page 143, and ining in lieu thereof the words "60 per cent ad valorem."

Amend paragraph 381 by striking out all of the paragraph after the word "description," in line 17, on page 143, and inserting in lieu thereof the words "60 per cent ad valorem."

Amend paragraph 382 by striking out all of the paragraph after the word "description," in line 20, on page 143, and inserting in lieu thereof the words "60 per cent ad valorem."

Amend paragraph 383 by striking out all of the paragraph after the word "description," in line 25, on page 143, and inserting in lieu thereof the words "60 per cent ad valorem."

Amend paragraph 384 by striking out all of the paragraph after the word "otherwise," in line 3, on page 144, and inserting in lieu thereof the words "60 per cent ad valorem."

Amend paragraph 385 by striking out all of the paragraph after the word "carpets," in line 6, on page 144, and inserting in lieu thereof the words "60 per cent ad valorem."

Amend paragraph 386 by striking out all of the paragraph after the word "carpets," in line 8, on page 144, and inserting in lieu thereof the words "60 per cent ad valorem."

Amend paragraph 387 by striking out all of the paragraph after the word "rugs," in line 13, on page 144, and inserting in lieu thereof the words "60 per cent ad valorem."

Amend paragraph 388 by striking out all of the paragraph after the word "otherwise," in lines 17 and 18, on page 144, and inserting in lieu thereof the words "60 per cent ad valorem."

Mr. LA FOLLETTE. Mr. President, I think it doubtful if any other schedule bears harder upon the poorer people or the people of moderate means in this country than Schedule K, unless it will be the cotton schedule. The amendments which I have offered here are amendments which were offered in Committee of the Whole, and need not be explained further. They make reductions not on the raw wool, but reductions upon the manufactured product, both in the compensatory duties and in the protective duties.

I think I made an absolute demonstration that the compensatory duties range all the way from 25 to 75 per cent more than are just. I think I made a demonstration that will never be controverted that the protective duties range from 33 to 65 per cent higher than can be justified upon any difference in the cost of production.

Now, Mr. President, imposing duties of that sort leads to one inevitable result. Under the new system that prevails in the commercial and industrial world, and that has come into being in the last eight or ten years, organizations which suppress domestic competition have been brought about, so that it is possible for those who have suppressed all domestic competition and are safeguarded against foreign competition by exorbitant protective duties to assess the consuming public of this country whatever they please.

When Schedule K was pending in Committee of the Whole I said to the Senate that the passing of that schedule and the confirming of its unjustifiably high rates would, under the conditions which prevail, lead to the imposing upon the American public of extortionate charges for the woolen clothing worn by the people of this country. This increase came, Mr. President, much sooner than I anticipated it would.

It appears that the trust organization which controls this industry felt such assurance when the Committee of the Whole confirmed the House provisions of Schedule K that it was warranted in immediately advancing the prices of woolens. Upon the day following the adoption of that schedule in the Senate announcement was made of the increases in the prices of woolens to which the American people are to be subjected, and which will be confirmed when this bill passes through the Senate.

I received a communication from the manufacturers who make practically 90 per cent of the woolen clothing of the American public, and though it contains a personal reference and comments upon the amendments which I offered in Committee of the Whole to this schedule and which I have resubmitted here to-night, I feel that I ought to read it to the Senate.

Statement of a special committee of the National Association of Clothiers, appointed June 30, 1909.

This statement is inclosed in a letter addressed to me:

The members of this committee are: Marcus M. Marks, president of the National Association of Clothiers, chairman; Ludwig Stein, of B. Kuppenheimer & Co., of Chicago; Siegmund B. Sonneborn, of Henry Sonneborn & Co., of Baltimore; David Kirschbaum, of A. Kirschbaum & Co., of Philadelphia; Louis Kirstein, of Stein-Bloch Company, of Rochester; Frank R. Chambers, of Rogers, Peet & Co., of New York; William Goldman, of Cohen, Goldman & Co., of New York; and E. R. Smith, of E. R. Smith & Co., of Boston.

The National Association of Clothiers is composed of 97 per cent of the leading clothing manufacturers of the United States. The industry is the third largest in the country. The value of its output is $600,000,000 annually. The business ramifies into every city and town in the United States, and the retailers are the best type of those engaged in mercantile pursuits in their respective communities. The clothing manufactured is an article of necessity and supplies probably 95 per cent of the clothing worn by the masses of the people in the United States. This committee is authorized to voice the protest of the National Association of Clothiers against Schedule K, covering wool, woolens, and clothing, as adopted by the Senate Committee of the Whole, which schedule apparently does not show any change from the Dingley bill.

The result of the Dingley tariff wool schedule has been to reduce the quality and diminish the weight per yard, especially in the cloths out of which popular-priced clothing is made, thereby making that clothing less durable. This is due largely to two causes, the specific duties on raw wools without regard for their fineness and shrinking qualities, and the exaggerated so-called "compensatory duties on woolen cloths." As the lower grades of coarse greasy wools used largely by the carded wool manufacturers lose a great part of their weight in washing and scouring, and are sold frequently at prices considerably below 11 cents a pound, the duty of 11 cents on unwashed wools, or 22 cents on washed wools, or 33 cents on the same wools when scoured, amounts at times to several hundred per cent, while the same duty on high-priced light wools, containing but little grease, used largely by the worsted manufacturers, amounts to as little as 23 per cent.

I will say, Mr. President, that would all be corrected by adopting not a reduced duty upon wools, but an ad valorem duty upon wools.

The duty on woolen cloth, which consists of a compensatory duty of 44 cents a pound, plus a protective duty of 50 per cent or 55 per cent, is based on the assumption that it takes 4 pounds of raw wool to make 1 pound of cloth. As a matter of fact, it takes a great deal less on the average, not more than one-half in the case of the finer woolens, and as for the poorer grade woolens used in manufacture of cheaper clothing a considerable part thereof consists of shoddy and

cotton, on which no duty has been paid, and therefore no compensatory duty should be allowed, and thereby results in the imposition of duties all the way from 100 per cent to 200 per cent and over, the rates rising in inverse ratio to the value of the cloth.

I fancy that this document will be much less amusing than it appears to be to-night to some Members on this floor when they confront it, as they will, in every clothing store in this country. To resume my reading:

Standard winter worsteds which ranged, twelve years ago, from 21 to 24 ounces in weight per yard, have gradually been decreased in weight, so that they now range from 14 to 16 ounces per yard; standard spring worsteds which ranged from 14 to 16 ounces in weight per yard have gradually been decreased, so that they now range from 9 to 12 ounces per yard. In consequence, a deterioration of fully 33⅓ per cent in weight has taken place, in addition to the establishment of a much higher range of prices for the same qualities of goods. The clothing manufacturer, therefore, through the inability of the cloth to stand ordinary wear, is deprived of the opportunity to produce garments upon which a good reputation can be based.

The situation has been further aggravated by the failure of the wool supply in this country to keep pace with the growth of population, and by the further fact that, coincident with the limitation of supplies, competition has been to a great extent eliminated by large and powerful combinations of woolen and worsted manufacturers and spinners who practically fix their own prices and dominate the market. This has been evidenced recently by the fact that when the so-called "combination" advanced their prices for cloths for the spring of 1910, the mills not in the combination, which had previously quoted prices considerably lower, immediately advanced them to a parity with the higher range announced by the combination. That these advances in the United States, ranging up to 35 per cent, are not due entirely to the increase in the price of the raw material—wool—is shown by the fact that in England the advances for the same season on similar cloths ranged only from 10 to 12 per cent.

These advanced prices on worsteds, which have been announced, following the steady deterioration of fabrics in weight and quality, resulting from the operations of the Dingley bill, will add to the retail price approximately $2.50 on a $10 suit of clothes, $3 on a $15 suit, and $5 on a $20 suit, or from 20 per cent to 25 per cent to the cost of the clothing to the wearer thereof. The aggregate burden of the increased cost of men's and boys' clothing to the American people, under the present advance alone, will be $120,000,000 for the year 1910, which is twice the value of the annual domestic wool clip. Although the bill has not yet actually become a law, yet it is clearly seen how it will operate, and the foregoing demonstrates the results already apparent to the actual manufacturer of clothing.

Senators from wool-producing states should reflect upon that statement made by manufacturers who, now when they must order their supplies for the approaching season, are forced to make their calculations upon these advances of rates, adding $120,000,000 to what the American people will pay for men's and boys' clothing next year. This additional burden is not upon the advances that will be made upon this entire schedule, but just upon the advances that have already been made upon the clothes that enter into the wearing apparel of men and boys; nothing with respect to the effect upon the prices of flannels, blankets, or of women's wearing apparel.

Already the action of this body in confirming the action of the House on Schedule K has added $120,000,000 to the burden that the men of this country must pay for their clothing and for the clothing that they buy for their boys for one single year.

While the Dingley rates will nominally remain the same, the provision of the pending bill substituting domestic market prices for those in foreign countries in determining the basis of valuation for customs purposes—

I dealt somewhat upon that in offering an amendment here to-night. You are to base the continuation simply on the Dingley rates in Schedule K or any other schedule in this bill, but when this new system of valuation shall have gone into effect advances will be made on every single item that comes to the custom-houses of this country above those fixed and designated in this bill.

While the Dingley rates will nominally remain the same, the provision of the pending bill substituting domestic market prices for those in foreign countries in determining the basis of valuation for customs purposes will undoubtedly result in a material increase of the present duties, with the inevitable result of still further advances in prices of domestic goods. We therefore protest against the provision of the bill.

The National Association of Clothiers have not protested before because they felt that after all that had been said concerning the wool schedule the Congress would realize the necessity for making a change therein by adopting a tariff which would be sufficiently protective, but from which there should be removed the features which would continue to allow the present discrimination against the interests of the farmer and the workingman, who after all wear the great bulk of the clothing produced. As the schedule covering this industry has, however, been adopted by the Senate Committee of the Whole, and as it is practically a continuation of the old Dingley schedule, the National Association of Clothiers feel that they must file their protest before its adoption by the Senate.

Let me pause here to say, Senators, that I know from personal interviews with the representatives of this great association that they have no expectation of any modification being made here. They are simply, as one of the great business associations of this country, making a record to which they will appeal hereafter.

This protest is not being made in any narrow and selfish spirit. The National Association of Clothiers are cognizant of the fact that if the tariff charges should be lowered their members would be the first to suffer by the reduction, as all of them have stocks of clothing as well as woolens on hand and under contract which would have to be sold at a loss in profit upon the basis of the readjustment of prices which would naturally follow any reduction. The consumer, however, would be the immediate and permanent gainer. The National Association of Clothiers are willing that the present tariff on clothing should be reduced in proportion to any downward change which may be made in the wool schedule.

The clothing manufacturers seek no advantages for their own trade, although it is a cardinal principle of protection to admit raw material at as low rates of duty as possible, and even free of duty, and to increase the duty as the material is advanced from one stage of manufacture to another; yet, recognizing the necessity of giving the wool-grower a liberal share of protection, we heartily indorse the amendment of Senator ROBERT M. LA FOLLETTE, providing for a duty of 45 per cent ad valorem on raw wool, which is one of the highest rates of duty levied on any raw material, and has the advantage of doing away with the inequalities of the present specific rates, which bear heaviest on the poorer man's wool and lightest on the finer varieties. We also regard the duty of 65 per cent ad valorem on all woolen cloths, proposed by Senator LA FOLLETTE, as ample protection and fair to the manufacturers of woolen cloth, since it fully compensates them for the duty on raw wool and affords additional protection of 100 per cent on the labor cost which goes to make up the price of cloth. Further, we regard his proposed rates on all the other products of wool in the various stages of manufacture as equally fair.

The foregoing statements are made from direct experience in the manufacturing, wholesaling, and retailing of clothing, and are not the averments of theorists. The membership of the National Association of Clothiers is largely Republican "protectionists," but we are confronted by an acute situation which forces us to demand a change in the tariff to enable us to clothe the great mass of the people satisfactorily at prices within their reach. We therefore urge the Congress to take this action, which will benefit all the people to whom our manufacture is a prime necessity.

Respectfully submitted.

By MARCUS M. MARKS,
President of the National Association of Clothiers (Chairman).
LUDWIG STEIN,
SIEGMUND B. SONNEBORN,
DAVID KIRSCHBAUM,
LOUIS KIRSTEIN,
FRANK R. CHAMBERS,
WILLIAM GOLDMAN,
E. R. SMITH,
Special Committee of the National Association of Clothiers.

Mr. President, that document can not fail to make a profound impression upon the country, if it makes no impression upon this body. We are in the closing hours of the consideration of this tariff bill. It is doubtful if anything which could be produced here could move the Senators who have been voting together in one compact body to sustain and advance the rates to make any exception. If there be one schedule more than another, the woolen schedule—and I will couple with it the cotton schedule—should receive the serious consideration of this body even now before it should be too late, for it will quickly pass beyond your reach.

Let this woolen schedule, that has not had a single change made in it, pass the Senate without a change, and either body of this Congress is powerless to change it. I say to you, Senators, here to-night with a single line of production in this great schedule going only to the clothing of the men and the boys in this country, making, as it does, upon the advances which the manufacturers have made since this bill was passed in Committee of the Whole, an added burden of $120,000,000 upon the people of this country—I say to you there is reason for us to stop now and change this bill so that the American public may be delivered from the power of this trust, which lays such an unjust and unnecessary burden upon them.

Mr. President, this tariff revision did not come because the manufacturers wanted it, but because 90,000,000 people, bowed by a burden of excessive and increasing cost of living, demanded it and have pressed that demand upon the Congress of the United States and upon the political parties of this country until they were compelled to heed it.

Then, Mr. President, we addressed ourselves to the consideration of this tariff in this extraordinary session. Was there a man a year ago—outside, possibly, of those who controlled and who knew, of course, and could have forecast what would take place—was there a man in all this country of ours who could have been brought to believe that a revision of the tariff would result in advancing the rates as a whole? Was there a Member of either branch of Congress, outside of those who knew in advance and could have foretold what the tariff legislation would be—was there a man that would have said to a constituent of his that either the rates would be maintained or, on an average, that they would be increased? Is there a State in this Union, outside, maybe, of four or five, that could have been carried on a platform of that sort? Nobody believes it; yet we are enacting legislation here from which we would have shrunk back as from a thing that would have contaminated us eighteen months or two years ago.

Mr. President, it was not possible for me, as I promised when discussing some of the schedules of this bill, to lay before the Senate before we voted upon this bill the exact result of the changes that have been made. I have pressed as hard as it was possible for one to do upon the Bureau of Statistics in order that

I might have the table which I submitted during the tariff debate, which showed accurately the changes made by this bill as it was reported from the Finance Committee as compared with the Dingley law corrected to show the exact effect of the changes in tariff rates made by the Senate. That has not been possible; but by the arrangement which has been consummated here to-night with the chairman of the Finance Committee, we are to have that table carried out in detail, so that it will show, when the conference report comes back to us, just what will be the effect of the rates.

Mr. President, I was able to get just these few facts, and I can state them in three minutes to the Senate, and then I have done with respect to the changes in this bill.

As I stated when discussing the cotton schedule, when the bill was reported from the Finance Committee to the Senate the total value of the goods affected by increases of duty over the Dingley rates amounted to $102,000,000, while the value of articles affected by decreases of duty amounted to slightly in excess of $66,000,000.

We have spent some weeks upon this bill; many things have taken place here. I think it is no exaggeration to say that most of the changes made in the Senate have been made without Senators being able to know the consequence of their votes. It has been rare, indeed, that any of us have known here, when a vote was taken upon some amendment offered, what that amendment would signify to the purchaser of that product.

Indeed, very many of these changes have been made by shifting from ad valorems to specifics and back again from specifics to ad valorems, by changes in classification, by changes in phraseology, all to be affected later by this change in valuation. But when the bill came to us from the Finance Committee, the increases of duty over the Dingley rates, upon the basis of the importations of 1907, affected goods amounting in value to $102,000,000. The value of the articles affected by the decreases of duty was slightly in excess of $66,000,000.

A good deal has been made from time to time here in the way of argument, by statements that we have so many reductions and so many increases—over 300 reductions in this bill and only a limited number of increases. That does not in itself signify anything, as Senators well understand. You may have a lot of reductions upon matters of very trivial importance, of very minor importance, the importation of which and the consumption of which is a matter of no very great concern to the purchasing public.

The Bureau of Statistics are able to give me these facts, which I leave with you as I close: The bill as reported by the Committee of the Whole to the Senate—and I think no changes have been made in duties since the bill came into the Senate, but if they have been they are of minor importance—the bill as we finished it in Committee of the Whole increases duties in 248 instances, and these increases affect goods which in 1907 were imported to the amount of $146,125,000. So that the bill as now before the Senate shows increases in excess of those which it contained when reported originally from the Committee on Finance to the amount of $44,125,000. As reported from the Committee of the Whole, the bill contains 529 reductions in duties from the Dingley rates, affecting goods imported in 1907 to the amount of $93,525,000.

The bill now has $27,000,000 more of decreases than when originally reported from the Committee on Finance; but this does not mean that the bill has been improved in the Committee of the Whole. It does mean that the bill is worse now, so far as the consumer is concerned, than it was when originally reported to the Senate. The Senate, it is true, has changed the duties so as to add $27,525,000 worth of imports to the total list of reductions reported by the Finance Committee; but at the same time it has added more than $44,125,000 to the list of increases, the additional increases of duty being nearly twice as large as the additional reductions, measured by the value of imports in 1907.

The bill as a whole, Mr. President, as it stands now—I do not know what it may be when it comes from the conference committee; it may be that there are increases here which will be yielded in conference—but as it stands now it is not revision downward; it is most pronouncedly revision upward.

It violates the understanding that the public of this country had as to what this revision would be; it violates the pledges made over and over again by the candidate for the Presidency, President Taft, while that campaign was on; and I say, Mr. President, on that basis alone, to say nothing of the so-called "tax on corporations," which has been injected into the bill, it is not entitled to support.

I say the "so-called tax on corporations." I mean by that, Mr. President, that as to all the great and important corporations of this country to be reached ostensibly by that legislation, the burden will be shifted onto the people. Senators who voted for that proposition may look to see the 2 per cent, nay more than the 2 per cent, reflected in the increased transportation charges on interstate commerce. You may look to see additional charges carried over into the products of steel and all of the manufactured products that are controlled by the great industrial organizations of this country; and they control practically the great body of the products that go into the consumption of this country.

It is only the small manufacturer, who is affected by competition with the individual, and the partnership who may not be able to transfer this tax to the customer. That is, however, but a fractional part of it, and not to be counted. Instead of this so-called "corporation tax," which will finally come to be a still greater burden than the increased duties laid upon the people of this country, instead of that being a reason why I would support this bill, it is an added reason why I can not vote for it when the roll is called upon its final passage.

Mr. GORE. Mr. President, the Senator from Wisconsin [Mr. LA FOLLETTE] has just demonstrated that the woolen schedule as agreed to in this bill will cost the American people $120,000,000 every year. This one schedule in the pending bill imposes an added burden of $120,000,000 upon the American people.

I had occasion some time ago to comment upon the fabulous dividends which have been declared by certain cotton and woolen mills situated in the New England States. I referred then to the Algonquin Printing Company, a cotton manufacturing concern, which had accumulated a surplus largely in excess of its entire capital stock, and which had realized a net profit exceeding 67 per cent during each of the last nine years. I referred to the Troy Cotton and Woolen Mills, which had declared in 1907 a dividend amounting to 67 per cent. I referred then to the Acushnet Mills, situated at New Bedford, Mass., which had declared in 1907 a dividend amounting to 66 per cent. I mentioned also the Dartmouth Mills, situated in New Bedford, Mass., which had likewise declared a dividend aggregating 66 per cent in the year 1907.

Mr. President, I desire to call the attention of the Senate to one very significant incident which has recently occurred. The woolen schedule of the pending bill was finally agreed to on June 11. On June 15, only four days thereafter, the stockholders of the Whitman mills assembled at New Bedford, Mass., and declared a dividend aggregating 33 per cent. Think of that, sir, a dividend of 33 per cent declared only four days after the Senate had agreed to guarantee to those mills a reasonable profit! The dividend, indeed, was a stock dividend, but no one will be deceived by jugglery of that sort. This Mr. Whitman is the same individual who enjoyed some celebrity in connection with "dress goods, yarns, and tops."

Mr. President, the statements made by the Senator from Wisconsin were not the fears of an affrighted imagination. I have in my possession a letter written by one of the principal clothing companies of the United States, a letter addressed to a prominent merchant in the State of Oklahoma, and this company was advising that merchant that it would be necessary to advance the price of clothing during the coming season as compared with last season. Increases cast their shadows before.

I observed a few days ago in a most reputable journal that the common stock of the United States Steel Corporation had advanced from $40 per share to $69 per share during the last one hundred days—perhaps due in no measure to the promise in the Republican platform and the fulfillment of that promise in the pending bill to guarantee reasonable profits unto American industry!

I suggested a few moments ago that the object of a high tariff is not to insure high wages, but is to guarantee high profits. The Republican party promised, as the country understood, to revise the tariff downward. The promise was contained in these words:

> We declare unequivocally for a revision of the tariff.

Mark the words—"we declare unequivocally."

Why, sir, insert the word "unequivocally?" Had the party equivocated so often and equivocated so long that they felt constrained to enter a disclaimer in advance? Did they feel obliged to enter a plea of "not guilty" before either indictment or arraignment?

> We declare unequivocally for a revision of the tariff.

If any stand-pat Senator in this body should undertake to borrow money from any bank in the United States, and should interline in the promissory note, "I promise unequivocally to pay," the banker would instantly demand additional security for the payment of the note.

> We promise unequivocally!

In the history of human politics there is no greater instance of equivocation. Did you promise to revise up, or did you

promise to revise down? Equivocation unparalleled and unprecedented, even in the Delphian oracles of old!

It is vain for the chairman of the Finance Committee to say that the Republican party did not mean to revise the tariff downward. It is vain for the Senator from Massachusetts to say that nobody pledged him to a revision downward any more than to a revision upward. It is unavailing for "potent, grave, and reverend seigniors" to assert here that the platform did not promise a revision downward. At least it was intended to be understood as pledging a revision downward.

The President of the United States knew more and knows more about the Republican platform than any other man in America, or elsewhere, excepting in Africa. [Laughter.] It was currently reported and commonly believed that the Republican platform, especially the tariff plank, was prepared by the President of the United States and by his illustrious and strenuous predecessor. The President has interpreted and construed this tariff pledge, and stated repeatedly during the campaign that it meant on the whole an honest and a substantial revision downward. He made that promise and that statement repeatedly in the West before the election, and he has ventured to make the same interpretation in the East since the election. The American people and the President understood this platform alike. The people understood that it meant a revision of the tariff downward. They took the President at his word. They accepted his plighted faith. They relied upon his assurance. And, relying upon that assurance, they exalted him to the most distinguished station among the nations of the earth.

The President, since the election, has solemnly declared that we had better have no revision at all than not to have an honest revision in accordance with the principles laid down in the Chicago platform. He prophetically added that unless such a revision was made the Republican party would be visited with the pains and penalties that are due to violated faith.

There is only one standard by which we can determine whether there has been an honest and a substantial revision downward. That test must be made at the retail counters of the United States from the eastern to the western seas. If the people can buy the necessaries and comforts of life cheaper after this bill has been passed than they could before, your revision has been honest and has been made in good faith. If the American people can not buy the necessaries and comforts of life cheaper after this bill has been passed than before, your revision has been vain and unavailing.

Unless the farmers in Iowa, Nebraska, and Oklahoma can buy their hats and shoes and harness and farming implements cheaper in consequence of the passage of this bill, your revision has been fruitless, and in their name I protest against the passage of this bill, and I call upon the President of the United States to keep his faith and to veto this disappointment.

Unless the miners of West Virginia, Pennsylvania, and Oklahoma can buy their picks, their safety lamps, their blasting caps, and powder cheaper after this measure has passed than before, your bill is a delusion and a cheat, and in behalf of the miners I protest against the passage of the bill and call upon the President of the United States to keep his plighted faith and veto the measure.

Unless the housewives in every community and in every State of this glorious Union can buy their sugar, their cloth, their thread, their buttons, their hooks and eyes, and other necessaries of the home cheaper on account of the new law than under the old law, your revision of the tariff has been futile and fruitless; and in their behalf I protest against the passage of the measure, and cherish the hope that the President will keep his covenant and will veto the bill.

In behalf of the retail dealers of the United States, who have here been indicted and arraigned for extortion, I protest against the passage of the measure. They will be compelled to pay more for what they buy, and to charge more for what they sell. The increased price will be due to the increased tariff, and will involve them in endless embarrassment with their customers, their friends, and their neighbors. If this tariff policy is continued in the interest of the protected monopoly, the retail merchants of this country will soon be a "finished product." And I call upon the President in their behalf to veto this breach of faith.

In behalf of the salaried classes of the United States, I protest against this measure. The cost of living has been increasing more rapidly during the last dozen years than have either salaries or wages. The salaried classes will find it more difficult to provide themselves with the necessaries and comforts of life; and I trust that the President of the United States, faithful to his obligations, will veto this measure in behalf of this honest and deserving class.

In behalf of the laborer of the country, in whose name all these protection crimes have been perpetrated, and whose cost of living will outrun the increase in his wages—in his behalf, silent here, I desire to raise my voice in protest, and to register the hope that this bill will receive the condemnation of the President.

In behalf of the farmers, who have been chivalrously and munificently remembered with an increased duty of a nickel a bushel on wheat and corn, I likewise enter my earnest protest. Let me say in passing that you might as well levy a tax upon the tides of the sea; you might as well prohibit the importation of snowstorms; you might as well levy a tariff upon the trade winds, or fix a duty upon imported waterfalls in order to stimulate the activity of Niagara and the Yosemite. Yet the farmers will be cheated by increased prices upon the necessaries and the comforts of life. In behalf of the toilers and the farmers of this country, I protest against this disappointing, this cheating measure, and express the hope that the President will protect them now as they honored him in November, and will visit this measure with his executive veto.

In behalf of the public press, in behalf of the editors—the arc lights of the Republic—whose services have been accepted and whose hopes have been dashed to the earth, I raise my protesting voice here in this presence. I trust the President will use his pen as faithfully in their interests since his election as they used their pens in his behalf before his elevation.

In behalf of all the consumers of the United States, whose burden will be aggravated by this measure, I desire also to enter a protest and at the same time to express a hope that the President will shield them now against the increased burdens of increased tariff taxation.

Mr. President, the consumers of this country will find this measure a disappointment; they will find that the golden apples of tariff revision which were so bewitching to the eye have turned to bitterness and wormwood upon the lips. In all human history I know of no instance so striking where the people have asked for bread and have received a stone; where they have asked for fish and have received a hissing serpent; where they have asked for an egg and have received a stinging scorpion.

Mr. President, the passage of this measure marks the beginning instead of the end of tariff agitation in the United States. The politicians of the Republican party in their next national convention will write the word "downward" in their tariff platform or else the historian will write the word "downfall" after the next election.

Mr. President, vain I know are prophecies, and yet the Republicans may draw an overdraft upon the confidence and the credulity and the patience of the American people. The Democracy was elected to power in 1892 upon the promise of tariff reform. They broke their pledge and they broke their faith. They suffered the penalties that are always visited upon broken faith and violated pledges. The Democracy defaulted its bond and deserved its defeat.

Mr. Cleveland said that the Wilson-Gorman Act was a compound of perfidy and dishonor. In my own judgment, Mr. Cleveland ought to have vetoed that measure. Better for his fame and better for the fortunes of Democracy a thousand times over that he had vetoed the measure rather than suffer it to become a law without affixing his signature to it.

Now, sir, I believe that history in some measure is repeating itself. The example of the Democracy ought to be a warning rather than a guide to the Republican party. Republicans are now violating their faith and breaking their promises to the people, and I believe it would be better for the fame of Mr. Taft, better for the fortunes of his party, if he should affix his veto to this death warrant of the people's hopes rather than suffer it to become a law, either with or without approval, which is an open and palpable violation of every promise and every assurance which he vouchsafed to the American people.

I profess little solicitude either for the fame or the fortunes which I have just mentioned, but I do profess a sincere regard for the American people, and I desire to see their burdens lessened and removed, and I am largely indifferent whether the relief comes from the Democratic or from the Republican party. That end is the consummation devoutly to be wished, and I am indifferent as to the means.

Mr. President, during the Roosevelt régime I could not be classified among the king's friends. I did not always approve of his objects, and less often did I approve of his methods. But, sir, I can not believe that Theodore Roosevelt would approve the present measure, which is worse than the existing law; and I say now, if when Roosevelt again sets his foot upon this continent he proclaim to the American people that

this measure is a violation of the Republican platform, and that it could not have received his approval, then, sir, the stand-pat Republicans may reckon it as not the least of their troubles to prevent his renomination and reelection to the Presidency of the United States. If that be done, it may not be so wild a prophecy to say that the next President will be an African [laughter]—of course a temporary nimrod in the dark continent.

Mr. President, the corporation tax recently passed by this body is characterized by the same injustice and inequality that characterize every schedule of the pending measure. The chairman of the Finance Committee boldly avowed that he introduced it here with murderous design; he boldly avowed that his purpose was to kill the income tax. I admired his candor, though I did not approve either his motives or object.

I am a friend of the income tax, and I do not like to become an accomplice in its murder; neither an accessory before or after the fact. I fear that the astute chairman of the Finance Committee not only introduced the corporation tax here to defeat the income-tax amendment which was proposed to the pending bill, but I fear that he left that tax loose upon the country at this time with the expectation and the hope that it would effect the defeat and death of the income-tax amendment to the Federal Constitution. One of the first measures which I introduced when I had the honor to become a member of this body, and when the country had the good fortune to begin to enjoy my services, was a constitutional amendment authorizing the levy and collection of an income tax. The first measure which I introduced into this extraordinary session was a joint resolution proposing a constitutional amendment for the levy and collection of an income tax.

Mr. President, little did I dream then that my solitary ranks would be so rapidly recruited by the stand-pat Members of this body; little did I dream that within four months my constitutional amendment would be submitted to the States of the Federal Union. I congratulate the majority upon their wisdom and their sagacity, and I pardon their infraction of my copyright.

Mr. President, the corporation tax just adopted is both unjust and unequal in many particulars. As I understand, it exempts Mr. Carnegie and his millions of bonds. I presume the same is true of other royal favorites. Their factories are protected and their fortunes are exempted. I am opposed to both policies. I think that wealth, instead of want, ought to be taxed, and I think it unjust to tax the rags of Lazarus and exempt the riches of Dives.

I trust this corporation tax will teach the people this truth, which to me is self-evident: All taxation is an evil. No tax, whether high or low, whether direct or indirect, is a blessing. A high tax is a heavy burden. A lower tax is a lesser burden, but always and everywhere a burden. Everybody will admit that high taxation, when direct, is undesirable; but millions contend that high taxation, when indirect, is an incalculable blessing. Perhaps the protected manufacturers are the only ones who will insist that this corporation tax is a special benefaction. There is no good tax any more than there is good evil, and the payment of necessary taxes is a duty and not a benefit or a favor. I wish this truth might be graved upon the wristlets and carved upon the frontlets of the American people.

If the Democrats and the progressive Republicans in the Senate had been vested with the power of enacting this corporation tax they would not have passed a measure fraught with so much of injustice and inequality. Within three years from this hour a Democratic House will revise this corporation measure, and will revise it upon sound principles and free it alike from its inequality and its iniquity.

When that measure comes to the Senate, I trust that there will then be enough Democrats and progressive Republicans to insure its passage through this body. I hope the Lord will increase the tribe of these progressive Republicans. I can not say that all Republicans look alike to me; I have my choice among them; and I think it is important that the ranks of the progressives should be recruited. If the people have not the wisdom to select Democrats, then let them select progressive Republicans. Fidelity to my party does not require me to be faithless to my country. Those who think alike ought to vote alike. I can not say too often that the monopolies vote for their interests regardless of party, while the masses vote for their party regardless of interest.

The people must come to realize that it is important to revolutionize both the methods of the Senate and the House of Representatives. It was never intended by our Constitution that any one man should be the sceptered master of the Senate. It was never intended by the Constitution that any one man should be the sceptered monarch of the House of Representatives. It is important that the American people should dethrone these masters and these monarchs, these pretenders and usurpers.

As I have witnessed the proceedings here, often has my memory reverted to my childhood, when I used to play the old game, Simon says wigwag, Simon says thumbs up, Simon says thumbs down. That, sir, illustrates the game which has been played here by the distinguished chairman of the Finance Committee. That has been the monotonous history of this tariff revision.

Mr. President, the proverbial fame of Mary as a shepherdess has perished from the earth. Beside the chairman of the Finance Committee she has become as the stars beside the sun. Sir, in all history the chairman of the Finance Committee is the master shepherd, and he is a typical shepherd of the olden golden time, with this single exception, that he has no crook. Mary had one lamb, and it followed her to school one day. The chairman of the Finance Committee has 45 lambs, and they follow him every day, and they follow him everywhere. [Manifestations of applause in the galleries.]

The VICE-PRESIDENT. The occupants of the galleries must not indulge in any demonstrations.

Mr. GORE. Mr. President, I have often witnessed pet lambs feeding from their master's hand. Never did I witness so much of either appetite or avidity as has been exhibited in the Senate of the United States. Some of the lambs belonging to the chairman of the Finance Committee have a ravenous appetite for pig lead, some for lemons, some for woolen goods, some for steel rails, while the appetite of others turns to drink, and they have a ravenous thirst for crude and refined oil, including kerosene, benzine, gasoline, and vaseline, a la Standard. [Laughter.] Sir, whatever may be their appetite, like a good shepherd, the chairman of the Finance Committee supplies their wants, and his lambs fondly obey his behests.

I say this, sir, without disrespect either to the chairman of the Finance Committee or to any member of the fold. The protected interests have exhibited great wisdom and great sagacity. The chairman of the Finance Committee is an undoubted genius. He has dedicated his utmost fidelity to the protected interests of this country. But, sir, he ought not to undertake either to fleece the royal tiger or to shear the slumbering lamb. Mr. President, the welfare, the prosperity of the protected interests, of the trusts and monopolies are not identical either with the welfare or progress or prosperity of the American people.

I hope to see reforms come alike into the Senate and into the House of Representatives, and I had almost said that if I were the boss of my party, "as I ought to be," I would hardly suffer any Democrat to make the race against any of the 12 Republicans who voted against the present Speaker of the House. I would commission them to go forth as 12 apostles preaching the gospel of a new dispensation, and preaching that gospel unto every creature, and I should continue the agitation until the Senate and House were under the control of the friends of the consumers and the friends of the American people, until a tariff law should be enacted that would be drafted in the handwriting of the sovereign people of the United States, and would not bear the signet of any trust or any monopoly within the confines of this Republic.

I would enact a tariff law fraught with blessings and free from burdens as far as possible, and the trail of the serpent should not be over a single schedule or a single section of that beneficent measure.

The VICE-PRESIDENT. The question is on agreeing to the amendment offered by the Senator from Wisconsin [Mr. LA FOLLETTE].

Mr. LA FOLLETTE. I ask for the yeas and nays on the amendments en bloc.

The VICE-PRESIDENT. Those that the Senator last offered as one amendment?

Mr. LA FOLLETTE. Yes.

The VICE-PRESIDENT. Is the demand seconded?

The yeas and nays were ordered, and the Secretary proceeded to call the roll.

Mr. CULLOM (when his name was called). I have a general pair with the junior Senator from Arkansas [Mr. DAVIS]. If he were present, I would vote "nay."

Mr. DILLINGHAM (when his name was called). I have a general pair with the senior Senator from South Carolina [Mr. TILLMAN]. I therefore withhold my vote.

Mr. GUGGENHEIM (when his name was called). I am paired with the Senator from Kentucky [Mr. PAYNTER], and withhold my vote.

Mr. LODGE (when his name was called). I have a general pair with the Senator from Georgia [Mr. CLAY]. If he were present, I should vote "nay" and he would vote "yea."

Mr. ROOT (when his name was called). I withhold my vote on account of my pair with the Senator from Maryland [Mr. RAYNER].

The roll call was concluded.

Mr. CURTIS. I desire to announce my pair with the junior Senator from Maryland [Mr. SMITH].

The result was announced—yeas 33, nays 45, as follows:

YEAS—33.

Bacon	Culberson	Johnston, Ala.	Shively
Bailey	Cummins	La Follette	Simmons
Bankhead	Daniel	McLaurin	Smith, S. C.
Beveridge	Dolliver	Martin	Stone
Bristow	Fletcher	Money	Taliaferro
Brown	Foster	Nelson	Taylor
Burkett	Frazier	Newlands	
Chamberlain	Gore	Overman	
Clapp	Hughes	Owen	

NAYS—45.

Aldrich	Crane	Heyburn	Piles
Borah	Crawford	Johnson, N. Dak.	Scott
Bourne	Depew	Jones	Smith, Mich.
Bradley	Dick	Kean	Smoot
Brandegee	Dixon	Lorimer	Stephenson
Briggs	du Pont	McCumber	Sutherland
Bulkeley	Elkins	McEnery	Warner
Burnham	Flint	Nixon	Warren
Burrows	Frye	Oliver	Wetmore
Burton	Gallinger	Page	
Carter	Gamble	Penrose	
Clark, Wyo.	Hale	Perkins	

NOT VOTING—14.

Clarke, Ark.	Davis	Paynter	Smith, Md.
Clay	Dillingham	Rayner	Tillman
Cullom	Guggenheim	Richardson	
Curtis	Lodge	Root	

So Mr. LA FOLLETTE's amendments were rejected.

Mr. CUMMINS. I offer an amendment to the first section of the bill.

The VICE-PRESIDENT. The Secretary will read the amendment.

Mr. CUMMINS. With the consent of the Senate, after the Secretary has read the first paragraph I will state the substance of the remaining part of the amendment, for I think I can do it in much less time than it will require the Secretary to read it.

The VICE-PRESIDENT. Without objection, that proceeding will be followed. The Chair hears no objection.

Mr. CUMMINS's amendment was to add at the end of section 1 the following:

Provided, That if, with respect to any article or commodity upon which an import duty is laid under the provisions of this act, substantial, effective, and actual competition as to extent of production, price for sale, or manner of distribution has ceased, or shall in the future cease, to exist among domestic producers or sellers, or both, generally throughout the United States, or if the buyers, users, or consumers of any such article or commodity are now or shall hereafter be deprived, and without regard to the cause or causes of such deprivation, generally throughout the United States, of the benefits and advantages of substantial, effective, and actual competition with respect thereto, then and so long as such conditions, or either of them, shall exist all imports of such articles or commodities shall be admitted free of duty into all the ports of the United States.

The existence of such conditions or either of them shall be determined as follows, to wit: Any citizen of the United States may bring a suit in equity for injunction in the circuit court of the United States against the collector of customs of any port of entry in the district in which the port is situated. The bill in any such suit shall contain the requisite allegations showing the existence of such conditions, or one of them, and shall pray for an injunction to restrain the collector from levying or collecting a duty or duties upon such article or commodity. The procedure in any such suit shall be as now established for ordinary suits in equity. Immediately after the service of the subpœna the defending collector shall publish for three successive days a notice of the bringing of the suit, stating in general terms the allegations of the bill, and setting forth the day upon which the defendant is required to appear, in at least five daily newspapers published in the United States of general circulation, no two of which are published in the same State, and the cost of such publication shall be allowed to the collector as a part of his expenses. Upon the day on which the defendant is required to appear, or at such later date as the court may fix, any person, copartnership, association, or corporation interested in the manufacture or sale of such article or commodity may appear and be made a defendant to said suit with all the rights, privileges, and obligations of a party thereto. If no such person, copartnership, association, or corporation shall appear, the United States district attorney for the district may, if he is so advised by the Attorney-General, appear for the collector and make such defense as the case may warrant. If upon the final hearing of any such suit an injunction shall issue, the clerk of the circuit court shall at once certify a copy of the decree to the Secretary of the Treasury, and then and thereafter all imports of such articles or commodities from all foreign countries shall be admitted free of duty into all the ports of entry in the United States.

Provided further, That if the President of the United States shall at any time be of the opinion that such conditions, or either of them, exist, it shall be his duty to direct the Attorney-General to give notice to the person or persons, copartnership or copartnerships, association or associations, corporation or corporations responsible therefor that at the end of thirty days from and after the service of such notice the said article or articles, commodity or commodities will be admitted free of duty in all the ports of the United States unless a bill in equity is brought in the circuit court of the United States against a collector by such persons, copartnerships, associations, or corporations, or some or one of them, to restrain such free admission of imports. If there is a collector in the district of the residence of any such person, copartnership, association, or corporation, or in the district of the residence of one of them, the suit shall be brought in that district, otherwise in the district in which any collector has his principal office. If no such suit is brought within the thirty days hereinbefore specified, the President of the United States shall, by proclamation, suspend the duties imposed by this act upon any such article or articles, commodity or commodities, and they shall thereafter be admitted free of duty. If, however, a suit is brought as herinbefore last provided, the bill shall show by its allegations that no such condition or conditions exist, and shall pray an injunction to restrain the collector from admitting such imports free of duty. The Attorney-General, or by his direction the United States district attorney for the district in which the suit is brought, shall appear for the collector and defend the suit, and the procedure shall be as now established for ordinary suits in equity. If upon final hearing the court shall refuse to issue the injunction and shall find in its decree that such conditions, or either of them, exist, the clerk of the court shall immediately certify the decree to the Secretary of the Treasury, and then and thereafter such article or articles, commodity or commodities shall be admitted from all foreign countries into the ports of the United States free of duty.

Provided further, That if, following a decree in either of the cases hereinbefore mentioned, any article or articles, commodity or commodities are admitted free of duty, then after the period of one year of such free admission of any such article or articles, commodity or commodities, any citizen of the United States may file a supplemental bill in any such suit, showing that after the entry of the decree the condition or conditions found by the decree had disappeared, and that substantial, effective, and actual competition existed; whereupon such notice as the court may direct shall be given to the parties to said suit, and the supplemental bill with the issues made therein shall proceed to final hearing, the Attorney-General or, by his direction, the district attorney, appearing for the collector. No testimony shall be introduced upon any such supplemental bill to impeach the original decree, but all testimony shall be confined to a change in conditions occurring after the original decree was entered. If upon any such supplemental bill the court shall enter a decree finding that the conditions found to exist by the original decree had changed, and that substantial, effective, and actual competition existed, the clerk of the court shall at once certify the decree upon the supplemental bill to the Secretary of the Treasury, and then and thereafter, and until affected by a subsequent proceeding taken in accordance with the provisions hereof, the import duties specified in this act shall be levied and collected upon such imports.

Mr. CUMMINS. Mr. President, the remaining part of the amendment provides a method for ascertaining the fact of competition or no competition, and the method provided is by a trial in our courts according to the well-established methods of judicial procedure.

The fact is to be determined in a suit brought either by any citizen of the United States or by the Government of the United States. I need not pursue the details of this arrangement, because the effect will be readily understood by all who are here. It will suffice to say that no article will be admitted to the free list under the terms of this amendment until by full impartial judicial hearing it shall have been determined that competition with respect to the sale of that article has ceased in the United States.

Mr. President, the duties imposed in the bill upon which we are about to vote are generally too high. I regret that they so far exceed the test established by the party to which I belong that it will become impossible for me to give them my approval by my vote. However, this would be of little concern were complete substantial effective competition still a factor in American business.

I believe in protection, and I stand for it here and everywhere, but there is one economic principle, one governmental principle that I put high above the doctrine of protection. It is the principle, the factor of competition. I want competition in the business of the United States. I want it among our own producers if that be possible, but I want it through the world if that be necessary. The right of the consumer of any article or any commodity to competition is dearer and higher and more sacred than the right of the producer to protection, and therefore I have provided this plan, this simple, this just way to ascertain whether or ascertain when the tendency which we all perceive in modern industrial methods has carried us to the point of the extinguishment of all competition. When we reach that moment then I say invite the competition of the whole world rather than suffer the monopoly of our own country. It is upon this principle that my amendment is founded. It records my views with respect to the present economic and industrial condition.

I do not intend to consume a single further moment of the Senate in discussing it. I have no desire either to require Senators here to record themselves upon this principle. I am satisfied with making my own record upon it, and therefore I do not ask for a roll call in order to prolong the session of the evening.

The VICE-PRESIDENT. The question is on agreeing to the amendment submitted by the Senator from Iowa [Mr. CUMMINS].

The amendment was rejected.

The VICE-PRESIDENT. If there be no further amendment, without objection——

Mr. GORE. Mr. President, I want to offer an amendment, which will not take long. At the end of the free list, I move to insert the paragraph:

Barbed wire used for fencing.

The VICE-PRESIDENT. The Secretary will state the amendment proposed by the Senator from Oklahoma [Mr. GORE].

The SECRETARY. It is proposed to add a new paragraph to the free list, as follows:

Barbed wire used for fencing.

The VICE-PRESIDENT. The question is on the amendment proposed by the Senator from Oklahoma.

The amendment was rejected.

Mr. GORE. Mr. President, I offer a further amendment, to insert as an additional paragraph to the free list the words:

Spool thread, manufactured of cotton.

The VICE-PRESIDENT. The amendment proposed by the Senator from Oklahoma will be stated.

The SECRETARY. It is proposed to add at the end of the free list, as a new paragraph, the following:

Spool thread, manufactured of cotton.

The VICE-PRESIDENT. The question is on agreeing to the amendment proposed by the Senator from Oklahoma.

The amendment was rejected.

Mr. GORE. I wish to offer only one other amendment, Mr. President, and that is to insert in the free list the words:

Picks, safety lamps, blasting caps, and blasting powder used in mining.

The VICE-PRESIDENT. The question is on the amendment proposed by the Senator from Oklahoma.

The amendment was rejected.

The amendments were ordered to be engrossed, and the bill to be read a third time.

Mr. BULKELEY. Mr. President, I can not permit this bill to come to a vote without taking a moment of the time of the Senate for the purpose of putting myself in a proper position with my constituency in explaining the vote I shall cast when my name is called on its passage.

There are features of this bill which are exceedingly objectionable to the people of the Commonwealth of Connecticut; and I have had them expressed to me to-day, not in telegrams, that can be handed around and transmitted so easily, but in letters, that have reached me from the leading industrial interests of my State, who have condemned in the severest terms some of the measures that are contained in this bill. Under ordinary circumstances I should feel bound to respect the wishes of my constituents in that regard.

I should have very much preferred to have seen incorporated in the bill, outside of the ordinary customs service, if the Government is in any need of further revenue, one of the early recommendations of our President, which was adopted in the other House and which would have been preferable, I think, to my constituents—a stamp tax or something of that character, or almost any method of taxation which would seem to be just and equitable and to spread equitably amongst the people of this country the burdens of government, rather than to select an individual class, as this bill now appears to do, to bear an undue share of the burdens which, to my mind, should fall upon the whole people.

Mr. President, having confidence that when this bill comes back again to this body we shall hardly recognize the features of taxation that are now contained in it, if I can judge correctly the sentiments that have been expressed here by members of the Finance Committee, I shall, when my name is called, cast my vote for the passage of the bill, with this explanation, not to the Senate, but to my constituents.

The VICE-PRESIDENT. Without objection, the bill will be read the third time.

The bill was read the third time.

The VICE-PRESIDENT. The question is, Shall the bill pass?

Mr. BEVERIDGE. Mr. President, after three months of earnest work by all, even at this late hour perhaps the Senate will not begrudge a minute for a statement of the views of some of us.

Any promise, Mr. President, is a serious thing, and never should be made except to be kept; but a promise to a people is sacred. It has been the pride and the glory of the Republican party that it keeps its promise; and its promise always has been the people's settled and mature demand.

The people's demand and the party's pledge as to the tariff was for such a revision, according to protective principles, as would meet changed industrial conditions and the requirements of justice. That pledge was voiced by our party's candidate and leader, in the party's name, in the phrase since famous of "revision downward," which became the Republican tariff battle cry of the campaign. That promise, Mr. President, and the people's absolute faith that it would be kept, was one of the three principal reasons why the people made our candidate their President and gave our party greater powers in government. To keep that pledge has been the effort of those Republican Senators who have battled against increasing rates when unnecessary and for such reductions as the facts demanded.

Mr. President, the millions who ask such a reduction are protectionists; the great man who promised it is a protectionist; Republican Senators who have been fighting for it are protectionists. I want to preserve that historic American system so dear to our hearts; and we know that history tells us that the only danger to such a system is that it shall be made unjust. We know that history declares that the way to preserve a policy is to keep it just, and the way to preserve a party is to keep its faith.

Mr. President, when a protective-tariff rate is beyond the requirements of honest protection, it presents a moral instead of an economic question. The only peril to the protective-tariff system is that subtle but deadly peril of excess. To prevent that peril has been the thing for which Republican Senators have fought these three months past, and as we have fought we shall vote to-night.

Mr. President, there are five stages in the making of a law such as this under our form of government. The first is its passage by the House; the second, its amendment by the Senate; the third, its adjustment in conference; the fourth, the adoption by both Houses of Congress of the conference report; and fifth, and finally, its approval by the President. What we are about to do is to finish the second stage of this process in the making of an American tariff law; and so, under the circumstances, our votes will mean what we think the conferees should do in their great council chamber.

Mr. President, our votes shall be cast in harmony with our party's pledge as voiced by our party's leader—the Nation's President. Our votes will be that a great group of Republican States demand of the conferees of the Senate and the House that they shall generally stand by their respective reductions, and report a bill for which all Republicans and protectionists can vote, the President can sign, and the people will receive with approval and acclaim. The reductions made by the House were made by protectionists; the reductions made by the Senate were made by protectionists; and so those reductions, except where made on insufficient evidence, certainly are protective.

Mr. President, in his inspired speech, and his last, that greatest protectionist in American history voiced the march of events and the meaning of the times in his historic and prophetic words. His great successor, Theodore Roosevelt, declared that our laws must keep step with the Nation's advancing thought. That splendid man, whom the American people have chosen to be their Chief Magistrate, and whom they so deeply trust and love, has pointed out what our duty is. These mighty Republican leaders are, and will be, historic Republican figures. It is safe to follow them, for they have uttered the people's will and pronounced the true verdict of the people.

Mr. ALDRICH. Mr. President, I have been in the public service long enough to have seen several occasions when individual Members of this body, or individuals outside of the body, have thought that they were wiser than their party associates, and that their views should control the action of the party, notwithstanding the vote of majorities. I have seen men in this Senate change from one side of this aisle to the other. I remember in a party convention when men who had stood high in the party councils left it because they thought at the moment that their views upon public questions were the views of a party and not of individuals. I say to the Senator from Indiana and to his friends that the Republican party is a party of majorities, and the views of the majority in matters of legislation control party policies and control governmental policies.

The Senator from Indiana does not speak for the Republican party. He has no right to call here the name of the President of the United States in support of any of the suggestions he has made. Those of us who are here representing States and voting as a majority in this Chamber, represent the Republican party, and not individual Senators, whatever may be their standing or whatever may have been their service to the party.

Mr. President, the bill which will be voted upon in this Senate in a few moments is a revision, which carries out to its letter every pledge of the Republican party. If Senators shall see fit to vote against it on account of their individual views, that is a matter for them to determine; but I suggest to those Senators that they can not attempt to speak for the party without a protest from the men who represent States here, as I have said

before, that have elected, and can and will elect Republican Presidents, whatever may be the attitude of individuals, either in this body or elsewhere.

Mr. STONE. Mr. President, I feel that I am duly impressed with the solemnity of the occasion. [Laughter.] I have listened with deep interest to the sad and somewhat tearful and pathetic funeral orations which have just been delivered. [Laughter.] It is customary, Mr. President, after the sermon, to sing a song. I commend to my brethren on the other side an old song that I heard when I was a boy, the first verse of which, a little paraphrased, ran something like this:

Hark from the tomb a doleful sound!
My ears attend the cry;
Dear brethren all, come view the ground
Where we shall shortly lie.

[Laughter.]

Mr. CRAWFORD. Mr. President, just a word before the roll is called.

I do not think the chairman of the Finance Committee has any more authority to say to me that I have no right to speak as a Republican, or express my sentiments as a Republican Senator, than I have to say the same thing to him. I recognize his right; and I recognize the right of the majority, as far as legislation is concerned, to say what shall be enacted. But I do not believe we have come to the point where a Member of this body loses his right to express, or loses his standing in his party if he expresses, his judgment and follows his conscience in voting upon a question of such vast moment and importance as that embodied in this bill. I shall not cast my vote here to-night because of what the majority has said shall be the legislation; but I shall cast my vote in accordance with my judgment and my conscience and my sense of duty and obligation to the country at large and to the constituency that sent me here.

A bill came to the Senate from the House of Representatives, in which it originated. That bill fixed rates for every one of the various items. As it was being considered in the Senate, time and again I voted against increases that were recommended by the Finance Committee and voted for by the majority, because I did not believe in those increases, and I do not believe in them now. The bill is not finished. The House passed one bill; the Senate passes what is practically another bill; and the legislation is not ended. The expression of the Senate and the expression of the House must be reconciled and compromised. And here to-night what do we do? We simply vote as to whether or not we approve the differences that have been presented here by the Senate as against the first proposition sent here by the House, and the conferees will have to settle the matter.

I shall vote against the bill to-night, but not because I consider that it is enormously wicked and bad. It has some excellent things in it. I shall vote against it, but not because I think if it goes through just as it has been presented it is going to ruin the country.

I do not for a moment think so. There are many things about it I wish were not there; but I believe if it became a law as it stands now we would enter upon an area of prosperity, and a few months hence we would find that a great many extravagantly stated fears and apprehensions about it were not well founded. But that does not mean that I must vote for it, with many things in it that I do not like, when I believe that protesting against them now will enable them to be improved upon when they come up for consideration in the conference committee. Therefore I shall vote "nay," simply as a protest against many of the increases in the bill with which I am not pleased, so that it will not go to the conference committee with apparently the absolute approval of every Republican Member of the Senate when many of us do not approve of many changes that have been made here.

Does the Senator from Rhode Island say to me that because I propose to exercise my judgment and my conscience in a matter of this kind I am not a good and loyal member of my party? I maintain that it is the duty of every Member of this body to stand here and represent his judgment and his convictions in regard to the bill as it is here in any form for consideration.

Mr. ALDRICH. Mr. President——

The VICE-PRESIDENT. Does the Senator from South Dakota yield to the Senator from Rhode Island?

Mr. CRAWFORD. I do.

Mr. ALDRICH. I was only about to say that the remarks I made were in answer to the suggestion made by the Senator from Indiana to the effect that the Senators who will vote against this bill are the people who represent the President and represent the Republican party. That is the only suggestion I made in reference to the matter.

Mr. CRAWFORD. Very well.

Mr. BEVERIDGE. My words stand for themselves. They do not need any explanation.

Several SENATORS. Question!

The VICE-PRESIDENT. The Senator from South Dakota has the floor.

Mr. CRAWFORD. I do not care to continue this discussion further; but this is an important matter. It is an important matter when one sees fit not to vote with the majority of his party; but I think those of us who do so have a perfect right to state their position, and that that is an appropriate course for them to adopt.

Mr. CLAPP. Mr. President, the hour is late; the Senate is weary, and I do not propose to-night to take any particular amount of time in replying to the suggestions of the Senator from Rhode Island.

When the bill comes back from conference, I have no doubt there will be abundant warrant as well as opportunity for a review of the situation. The Senator from Rhode Island says the Senator from Indiana has no right to refer to the President in this discussion. For the last three or four days it has been bruited around here and drummed into our ears that we must do this and that in the name and at the behest of the President.

And the Senator from Indiana was well warranted in referring to the fact that we had sought, during these last few months, to follow the pledges that were emphasized and crystallized as the party promises in the utterances of the President.

The Senator from Rhode Island has referred to the historic past, wherein men were divided from their party, and in the end found themselves disappointed in popular support. That was upon a mere question of whether we should use one metal or the other for our currency. And notwithstanding their disappointment, I should be satisfied to leave no grander legacy to my family than the fame and the honor of the men who walked out of the St. Louis convention, and the fame and the honor they have earned in the estimation of the American people since that historic event. I do not mean to imply by any means that there is a parallel between this case and that.

In this fight there is a broader and deeper question than the mere question of dollars and cents.

In the history of this country there came a time when the people believed there was a question involving excessive rates of duty that went to the very spirit of our institutions. It may be that a reaction will come. It may be that we who have stood on the skirmish lines will fall in the struggle; but I want to say that there are others to take our places; for this is not a mere question of the basis of a metallic currency, but a question that goes to the very foundation of competition and individuality in the processes of American industrial life.

I rose only to say that at the proper time I shall reply more in detail. I merely wish to say now, that my silence may not be misconstrued, that the criticism of the Senator from Rhode Island neither has stung to silence nor entombed at least one Senator.

Mr. NELSON. Mr. President, the hour is late and I simply wish to say on this occasion that it takes more than the State of Rhode Island and the Senator from Rhode Island to read the State of Minnesota out of the Republican party. [Applause in the galleries.]

The VICE-PRESIDENT. The Chair has once admonished the occupants of the galleries that they are the guests of the Senate, and that the Senate does not permit demonstrations of approval or disapproval.

Mr. NELSON. And when Senators get up and talk in such an arrogant and overbearing manner and attempt to lecture us who have views of our own on the tariff question, I submit it does not come with good grace. I will say to the Senator from Rhode Island that when that little State shall have perished from the face of the earth, the State of Minnesota, with its 5,000,000 people and its 150,000 Republican votes, will be found uppermost in the column of the Republican party, and the Senator from Rhode Island can not read that State out of the party.

The VICE-PRESIDENT. The question is, Shall the bill pass?

Mr. ALDRICH, Mr. NELSON, Mr. STONE, and others demanded the yeas and nays, and they were ordered.

The Secretary proceeded to call the roll.

Mr. BACON (when Mr. CLAY's name was called). My colleague [Mr. CLAY] is necessarily absent. If he were present, he would vote "nay." His pair will be announced by the Senator from Massachusetts [Mr. LODGE].

Mr. CULLOM (when his name was called). I have a general pair with the junior Senator from Arkansas [Mr. DAVIS]. If he were present, I should vote "yea."

Mr. CULBERSON (when the name of Mr. DAVIS was called). The Senator from Arkansas [Mr. DAVIS] is paired with the Senator from Illinois [Mr. CULLOM]. If the Senator from Arkansas were present, he would vote "nay."

Mr. DILLINGHAM (when his name was called). I have a general pair with the senior Senator from South Carolina [Mr. TILLMAN], who is absent. If he were here, I should vote "yea."

Mr. GUGGENHEIM (when his name was called). I again announce my pair with the senior Senator from Kentucky [Mr. PAYNTER], who is absent.

Mr. BAILEY. The senior Senator from Kentucky [Mr. PAYNTER], as I have once to-day announced, is detained by illness at the hospital. His vote would not affect the result, and as I know the Senator from Colorado especially desires to vote on this question, I take the liberty of authorizing him to cast his vote, notwithstanding his pair. If the Senator from Kentucky were present, he would vote "nay."

Mr. GUGGENHEIM. In view of the statement made by the junior Senator from Texas, I will vote. I vote "yea."

Mr. LODGE (when his name was called). I am paired with the Senator from Georgia [Mr. CLAY]. If he were present, I should vote "yea," and he would vote "nay."

Mr. CULBERSON (when Mr. RAYNER's name was called). The Senator from Maryland [Mr. RAYNER] is paired with the Senator from New York [Mr. ROOT]. If the Senator from Maryland were present, he would note "nay."

Mr. DU PONT (when Mr. RICHARDSON's name was called). My colleague [Mr. RICHARDSON] is paired with the senior Senator from Arkansas [Mr. CLARKE]. If my colleague were present, he would vote "yea."

Mr. ROOT (when his name was called). If the Senator from Maryland [Mr. RAYNER] were present, he would vote "nay," and I should vote "yea." Because of the pair heretofore announced I withhold my vote.

Mr. BAILEY (when the name of Mr. SMITH of Maryland was called). The Senator from Maryland was this afternoon called to the bedside of a sick wife. He is paired with the Senator from Kansas [Mr. CURTIS]. If he were present, he would vote "nay."

Mr. BAILEY (when Mr. TILLMAN's name was called). The Senator from South Carolina [Mr. TILLMAN] is unavoidably absent. If he were here, he would vote "nay."

The roll call was concluded.

Mr. CURTIS (after having voted in the affirmative). I desire to withdraw my vote, as I am paired with the junior Senator from Maryland [Mr. SMITH]. Were he here, he would vote "nay," and I should vote "yea."

Mr. OWEN. I wish to announce that the Senator from Arkansas [Mr. CLARKE] is paired with the Senator from Delaware [Mr. RICHARDSON]. He is unavoidably absent. If present, he would vote "nay."

The result was announced—yeas 45, nays 34, as follows:

YEAS—45.

Aldrich	Crane	Heyburn	Piles
Borah	Depew	Johnson, N. Dak.	Scott
Bourne	Dick	Jones	Smith, Mich.
Bradley	Dixon	Kean	Smoot
Brandegee	du Pont	Lorimer	Stephenson
Briggs	Elkins	McCumber	Sutherland
Bulkeley	Flint	McEnery	Warner
Burnham	Frye	Nixon	Warren
Burrows	Gallinger	Oliver	Wetmore
Burton	Gamble	Page	
Carter	Guggenheim	Penrose	
Clark, Wyo.	Hale	Perkins	

NAYS—34.

Bacon	Crawford	Hughes	Owen
Bailey	Culberson	Johnston, Ala.	Shively
Bankhead	Cummins	La Follette	Simmons
Beveridge	Daniel	McLaurin	Smith, S. C.
Bristow	Dolliver	Martin	Stone
Brown	Fletcher	Money	Taliaferro
Burkett	Foster	Nelson	Taylor
Chamberlain	Frazier	Newlands	
Clapp	Gore	Overman	

NOT VOTING—18.

Clarke, Ark.	Davis	Rayner	Tillman
Clay	Dillingham	Richardson	
Cullom	Lodge	Root	
Curtis	Paynter	Smith, Md.	

So the bill was passed.

Mr. ALDRICH. I move that the Senate insist upon its amendments to the bill and ask for a conference with the House of Representatives upon the bill and amendments.

Mr. BAILEY. I submit that that question is not in order, because the House has not yet disagreed to the amendments, and we should at least show the House the courtesy of allowing it to express itself before we insist upon our amendments.

Mr. ALDRICH. This has been done very many times. I ask that the motion be put.

The VICE-PRESIDENT. The Chair understands that it has been the custom in the Senate, and the Chair knows it has been the custom in the House; and in the absence of any rule to the contrary the Chair would hold that the motion is in order.

Mr. BAILEY. I object to that method of procedure, because there may be some particular amendments to the bill that the House might concur in and then it might disagree to the other amendments. I think polite intercourse between the two bodies requires——

Mr. ALDRICH. This motion does not prevent the House from agreeing to all the amendments.

Mr. BAILEY. Then it puts the Senate in the attitude of insisting upon amendments to which the House has not disagreed.

Mr. ALDRICH. This course was followed in 1897. It has been followed on almost every tariff bill that has passed the Senate within my time. I know it has been done in the case of several of them.

Mr. BAILEY. Then it is important that it should be promptly abandoned, because it is not good legislative procedure for this body to assume that the other body will disagree to what we have done. Although I have no doubt they will have the good sense to disagree to most of them, there are at least two or three amendments which I have strong hopes the House may accept at once, and thus eliminate them from controversy between the two Houses.

The VICE-PRESIDENT. For the reasons already stated, the Chair shall hold that the motion is in order. The question is on the motion of the Senator from Rhode Island.

The motion was agreed to.

Mr. BAILEY. It is customary to say that the hour is so late I will not detain the Senate by demanding the yeas and nays on the motion.

Mr. ALDRICH. I ask that the conferees may be appointed by the Chair.

There being no objection, the Vice-President appointed Mr. ALDRICH, Mr. BURROWS, Mr. PENROSE, Mr. HALE, Mr. CULLOM, Mr. DANIEL, Mr. MONEY, and Mr. BAILEY the conferees on the part of the Senate.

Mr. ALDRICH. I ask now that the bill be printed with the amendments made in the Senate numbered.

Mr. BAILEY. If it would be parliamentary, I would like to ask the chairman of the Finance Committee how long it will be before he will have need of the Democratic conferees?

The VICE-PRESIDENT. The Senator from Rhode Island asks unanimous consent that the bill be printed with the amendments numbered. Is there objection to the request? The Chair hears none and the order is made.

Mr. ALDRICH. I move that when the Senate adjourns to-day it be to meet at 12 o'clock to-morrow, and that the regular hour of meeting hereafter shall be 12 o'clock until further ordered.

The motion was agreed to.

Mr. ALDRICH. I move that the Senate adjourn.

Mr. LA FOLLETTE. I rose to inquire whether the transmission of the German report on wages in certain industries has been received at the desk.

The VICE-PRESIDENT. It has not come into the possession of the Chair.

Mr. LA FOLLETTE. I was advised by the State Department that it had been transmitted, and I thought perhaps it had been received.

The VICE-PRESIDENT. It has not been received.

Mr. LA FOLLETTE. I wanted to ask that it be printed.

The VICE-PRESIDENT. It has not been received. The Senator from Rhode Island moves that the Senate adjourn.

The motion was agreed to, and (at 11 o'clock and 16 minutes p. m.) the Senate adjourned until to-morrow, Friday, July 9, 1909, at 12 o'clock meridian.

HOUSE OF REPRESENTATIVES.

THURSDAY, *July 8, 1909.*

The House met at 12 o'clock noon.

The Chaplain, Rev. Henry N. Couden, D. D., offered the following prayer:

Our Father in heaven, we come to Thee under the shadow of a great cloud, yet unshaken in our faith and confidence in Thy boundless love. Thou knowest how strong are the ties of friendship woven 'twixt the Members of this House, so when one is taken from our midst, though it is to a larger life in one of the "many mansions," our hearts are rent with grief. But we thank Thee, our Father, that we were permitted to know and love FRANCIS W. CUSHMAN, one of nature's noblemen; strong, brilliant, versatile of mind; warm, loving, genial of heart; pure, spotless of character. He gave himself without reserve to his people, his State, his Nation, and leaves behind him an enviable reputation.

We can not solve the mysteries of life or death, but we can trust Thee; be this our solace; and may the hope which burns bright and beckons us onward to the realms of immortal life comfort the broken-hearted mother; the brother, who will miss the warm handclasp and the welcome voice; and, O Father, be Thou strength and comfort to the little woman who has walked faithfully by his side in the tender ties of wedlock, in sunshine and in shadow, in victory and in defeat, in joy and in sorrow; and bring us all together, we beseech Thee, some time, somewhere, to part no more, and eons of praise we will ever give to Thee.

Behold, we know not anything;
We can but trust that good shall fall
At last—far off—at last, to all,
And every winter change to spring.

For Thine is the kingdom and the power and the glory, forever and ever. Amen.

The Journal of the proceedings of Monday, July 5, was read and approved.

LEAVE OF ABSENCE.

Mr. RUSSELL, by unanimous consent, was granted leave of absence, indefinitely, on account of sickness in family.

WITHDRAWAL OF PAPERS.

Mr. BURLEIGH, by unanimous consent, was granted leave to withdraw from the files of the House, without leaving copies, the papers in the case of George Andrews, Sixtieth Congress, no adverse report having been made thereon.

Mr. LANGLEY, by unanimous consent, was granted leave to withdraw from the files of the House, without leaving copies, the papers in the case of Joseph Dobson, Sixtieth Congress, no adverse report having been made thereon.

MESSAGE FROM THE SENATE.

A message from the Senate, by Mr. Crockett, one of its clerks, announced that the Senate had passed, without amendment, joint resolution and bill of the following titles:

H. J. Res. 54. Joint resolution authorizing the Secretary of War to loan cots, tents, and appliances for the use of the forty-third national encampment of the Grand Army of the Republic, at Salt Lake City, Utah; and

H. R. 9609. An act to grant to John Rivett privilege to make commutation of his homestead entry.

The message also announced that the Senate had passed joint resolution and bills of the following titles, in which the concurrence of the House of Representatives was requested:

S. J. R. 40. Joint resolution proposing an amendment to the Constitution of the United States;

S. 2459. An act to revive and amend an act entitled "An act to authorize the Minnesota, Dakota and Pacific Railway Company to build a bridge across the Missouri River;" and

S. 1441. An act to reenact and amend an act entitled "An act to authorize the construction of a bridge across the Missouri River and to establish it as a post-road."

DAILY HOUR OF MEETING.

Mr. DALZELL. Mr. Speaker, I ask unanimous consent for the present consideration of the following resolution.

The SPEAKER. The gentleman from Pennsylvania asks unanimous consent for the present consideration of the resolution which the Clerk will report.

The Clerk read as follows:

House resolution 84.

Resolved, That from and after this day the House shall meet at 12 o'clock meridian daily.

The SPEAKER. Is there objection? [After a pause.] The Chair hears none.

The question was taken, and the resolution was agreed to.

TRADE WITH CANADA AND SOUTH AMERICA.

Mr. SULZER. Mr. Speaker——

The SPEAKER. The gentleman from New York [Mr. SULZER] is recognized.

Mr. SULZER. Mr. Speaker, while there is still time, and before the pending tariff bill is finally completed, I desire to reiterate the hope, so often expressed by me, that something will be done ere the tariff bill becomes a law to bring about closer political ties and freer commercial relations with our neighbors on the north—the Canadians—and with the progressive people of our sister Republics, in Mexico and in Central and South America.

Here is the true field, it seems to me, for our legitimate expansion of trade, for broader markets, for our industrial endeavors, and for our commercial extension; and now is the time for an exhibition on our part, as the representatives in Congress of the people of the United States, of a little political sagacity and the exercise of good business foresight in the enactment of this tariff legislation that will mean more and more commercially as the years come and go to our producers, to our merchants, to our manufacturers, and to all the people of our country.

And yet, sir, I regret to say that not a line has thus far been written, by either the House or the Senate, in the pending tariff bill looking to closer political ties and to a greater expansion of our trade and commerce with these friendly and neighborly countries. Not a thing has been done for its accomplishment, and I am frank to say it is a grave mistake. As I view the situation, we either attempt to go too far afield on the one hand, seeking trade at great expense in distant lands, or we display a lack of business knowledge and exhibit a narrow provincialism on the other hand, declining trade at our doors, that is as detrimental to our best interests as it is deplorable in our statesmanship. Canada, Mexico, Central and South America are our neighbors and our real friends, and they should be our best customers; and they would be our best customers if we only had the commercial sense and the political wisdom to deal with them aboveboard, in the spirit of trade equality, and treat them fairly and reciprocally along lines mutually advantageous.

Hence I repeat that I indulge the lingering hope that ere the pending tariff bill becomes a law a paragraph will be written in its provisions for closer commercial relations with these progressive countries, based on the principles of freer trade, closer political sympathy, and truer reciprocity. I do not care how it is done; I have no vanity in the matter; but I want to see it accomplished at the earliest possible day for the benefit and in the interest of all the people on the Western Hemisphere. I know it can be easily done; and if it is not done now, we are simply blind to our own industrial welfare and to our own commercial opportunities. Shall protection forever shackle us to the dead post of the past and bind us to blighted opportunities?

Sir, the statistics conclusively show that this trade at our very doors is growing more important and becoming more valuable every year. Why should we ignore it? European countries are doing their best to secure it, and the facts prove that they are getting the most of it at the present time, very much to our detriment and to our disadvantage. Why will our people always be blind commercially to their own best interests and to their own greatest opportunities? Why spend millions of dollars seeking trade in the Orient when the commerce of the Occident—richer than the Indies—is knocking at our door? Let us obliterate the obstacles, tear down the barriers, and open wide the doors to welcome the commerce of North and South and Central America, on land and sea, ere it is too late and the opportunity to secure it be lost forever. Now is the accepted time. These countries are anxiously awaiting the outcome of our deliberations. They are watching the enactment of this tariff legislation. They long for some evidence of our friendship and sincerity. They want to trade with us. They will meet us more than halfway. Shall we disappoint their most sanguine expectations? Shall we ignore this most valuable trade, these great commercial opportunities, and give these splendid markets wholly and entirely to Germany and to England and to France? I trust not; and so I say again that I hope, ere we adjourn and the pending tariff bill becomes a law, there will be written in it a broad and a liberal reciprocal provision for open markets, freer trade, and unrestricted commerce between the United States and all our sister countries on the Western Hemisphere.

If I read the signs of the time aright, I must say that I believe President Taft is friendly disposed to the proposition, and will not be disappointed if the tariff bill contains a provision for an expansion of our trade with our neighbors to the north and to the south; and I know we will make a serious political blunder if we do not take advantage of the occasion now presented to brush away the political cobwebs and break down the commercial barriers which impede its consummation. Enlightened public opinion favors this movement, sound business judgment demands it, and I will go as far as any man in Congress or out of Congress to bring it about.

In this connection, sir, I want to commend the good work that is being done, and has been done, along these lines by the Hon. John Barrett, the very able and efficient and experienced Director of the Bureau of the American Republics. He is the right man in the right place. He knows the truth of what I am saying to-day. He is doing his part. His indefatigable labors are bearing fruit, but I am sorry to say that his earnest efforts are very little appreciated at home, though very generally applauded by the far-seeing statesmen of our sister republics.

Then, too, Mr. Speaker, in connection with the expansion of our trade and commerce to our north and to the south, we should provide for adequate steamship service on the Atlantic and the Pacific by discriminating tonnage taxes in favor of American-built ships, carrying the American flag, and manned by American sailors. This policy will go far to restore our merchant marine and give us a share in the deep-sea carrying trade of the world. Next to securing the trade is the ability to carry it; and we should transport all this commerce in our own ships, under our own flag, in order to build up our merchant marine; and we can easily accomplish it, as I have suggested, by a graduated system of tonnage taxes in favor of American-built ships that will not cost the Treasury a cent or take a dollar out of the pockets of our taxpayers. We must construct our own ships to get this trade. We must build our merchant marine to command this commerce. The trade of the western world must be ours. It will be ours if this Congress will do its duty and take the right step to meet the expectations of the people.

Mr. Speaker, the people of these countries to our north and to our south are the true friends of the people of the United States; they look to us for protection, for sisterly sympathy, for a reciprocal exchange of products; they need our help in their industrial progress; they desire our aid in the marketing of their exports; they appeal to us for financial assistance in the development of their great natural resources; and their resources and their products are greater and richer than those of countries far away across the Pacific and the Atlantic oceans. We should aid them in their struggle for better conditions. We should extend to them a helping hand in their onward march of progress. We should glory in their prosperity. Their success is our success. They are rapidly forging to the front; their exports and their imports are increasing annually; their trade is becoming more and more important, their commerce more and more valuable; and instead of closing our doors by prohibitive tariff taxes against these countries and their products, in my opinion, we should open them wider and do everything in our power to hasten closer political ties and facilitate closer trade and commercial relations. We want their products and they want our products, and all tariff barriers erected to prevent a fairer and freer exchange of goods, wares, and merchandise should, in so far as possible, be eliminated. It will be for the best interest of the people of the United States, of lasting benefit to our neighbors to the north and to the south, and for the mutual advantage of each and every country on this hemisphere, binding us together in closer ties of friendship and making for the peace and the prosperity and the greater industrial and wider commercial progress of the times.

HIDES.

Mr. COX of Indiana. Mr. Speaker, I ask unanimous consent to submit in the RECORD some data, together with some observations thereon, in relation to hides.

The SPEAKER. The gentleman from Indiana asks unanimous consent to print in the RECORD data in relation to hides. Is there objection? [After a pause.] The Chair hears none.

Mr. COX of Indiana. Mr. Speaker, since the 15th day of last March Congress has been engaged in revising the tariff. The Democratic party has always stood for "a tariff for revenue only," with incidental protection, while the Republican party has stood for "protection," with incidental revenue. But a tariff for revenue carries with it some protection, no matter if the duty be 1, 5, or 10 per cent; to the extent of the added duty, we always get protection. From this there is no escape.

It is the duty upon imported articles which disturbs the equilibrium of free trade. From the foundation of the Government to the present time, the system of raising revenue for the support of the Government, by means of a duty upon foreign manufactured goods, imported into this country, has been in vogue in some form. Earlier in the history of the Government it was mainly a duty for the purpose of raising revenue. As construed by the Republican party, it is a duty solely for the purpose of protection, letting revenue take care of itself. This system of raising revenue has been in force so long that it has become a part and parcel of the traditional institutions of the Government. For the purpose of raising revenue by means of a duty placed upon articles imported into this country, articles are ordinarily divided into three classes: "A," the raw material; "B," the partially finished commodity; and "C," the finished commodity, ready to be used by the consumer.

How shall the duty be levied to the end that revenue may be procured for the Government and the burden of taxation as nearly equally distributed as possible? Shall a duty be laid upon the raw material, or upon the partially finished product, or upon the finished commodity, or shall it be laid upon each one of these articles in proportion to its value, equally placing the burden of taxation upon the shoulders of all? In my judgment, if any duty at all be levied, a small duty should be levied upon each and all of the articles belonging to one or the other of the classes herein mentioned.

The Ways and Means Committee reported this bill to the House, placing hides upon the free list, although under the Dingley bill all cattle hides bore a duty of 15 per cent. Long before the bill was reported to the House an intense campaign was being waged in this country for free hides, the advocates thereof bottoming their entire argument upon the one proposition that "the 'big packers' are monopolizing the hide market in the United States." If the government figures can be relied upon, and I have no doubt that they can, this argument is not true. The Department of Agriculture has in it what is known as the "Bureau of Animal Industry," and through it the Government maintains meat inspectors at the packing houses of the large packers in the country, and, in addition thereto, at many of what are known as "independent packers." By this system the number of hides which come into possession of the "big packers" by virtue of their business is positive and certain. There is no guesswork about it.

On the 14th day of June, 1909, the Department of Agriculture made the following report in reference to the number of hides which come into the possession of the "big packers:"

According to the estimates of the Bureau of Statistics of this department, the number of cattle in the United States on January 1, 1897, was 46,450,135, and the number on January 1, 1909, was 71,099,000. The Bureau of Annual Industry of this department estimates that there are slaughtered annually in the United States about 13,000,000 adult cattle and 5,500,000 calves, and that consequently those numbers of hides are produced. The American Live Stock Association estimates that in addition to this there are annually produced about 1,000,000 "fallen hides"—that is, hides taken from cattle which die or are killed by accident. The total of these estimates gives 19,500,000 as the total annual hide production of the country.

During the fiscal year ending June 30, 1908, there were slaughtered by Armour & Co., Swift & Co., Morris & Co., and the National Packing Company, under the inspection of the Bureau of Annual Industry, 4,045,357 adult cattle and 1,026,707 calves, making a total of 5,072,064 cattle. During the same period there were slaughtered at all establishments under federal inspection 7,116,275 adult cattle and 1,999,487 calves, making a total of 9,111,762. By deducting from these figures the slaughter by the four firms above named, it will be seen that the slaughter by all other establishments under federal inspection amounted to 3,071,918 adult cattle and 968,780 calves, a total of 4,040,698.

M. M. HAYS, *Acting Secretary.*

It will be observed that of the total number of 19,500,000 hides annually produced in this country the "big packers," against whom the advocates for free hides—the tanners, the leather trust, and the boot and shoe makers—are waging the fight, by reason of their business annually come into possession of 5,072,064 hides, leaving 14,427,930 hides produced by the "independent packers," the local butchers, and the farmers of the country. It will be observed that the packers come into possession of 23 per cent of the total production of hides in the country, leaving the remainder, 77 per cent, of hides to be bought in the open markets of this country by anyone who desires to purchase them. This, to me, does not look like monopoly. What is to prevent the tanners from going into the market and competing with the buyers of hides for this 77 per cent? I know of nothing at all.

Who is engaged in the production of raising hides in this country? The answer is self-evident—the farmer. If it were not for the farmer, there would be no hides raised in the country. There are now approximately 10,000,000 farmers in the United States, representing a population of at least 45,000,000 people, or one-half of the total population of the United States. It is true that not all the farmers in the country are engaged in the raising of cattle exclusively, but a vast majority of the farmers throughout the country do have cattle on their farms. They are not raising them for love or for glory, but they are raising cattle upon the same principle as they raise wheat, corn, and other farm products—for the profit there is in it to them. It is equally true that in certain sections of the country farmers are engaged in raising cattle to the exclusion of other business. This is particularly true in the Southwest and in the Northwest, where as yet the country is sparsely settled; but in States east of the Mississippi River—Illinois, Indiana, Ohio, and many other States—you will see on every farm a drove of cattle raised by the farmer for the profit there is in it to him. That the hide of a cow or steer materially enters into the value of the animal, there is no question. It ordinarily represents about one-sixth of the total value of the animal, and no one knows this better than the farmer. Anything which injures the hide injures not only the value of the hide, but the selling price

of the animal as well. In 1908 the monthly average price of hides, unbranded and branded, were as follows:

Month.	Native steers, heavy.	Butt-branded steers.
	Cents.	*Cents.*
January	11.31	9.46
February	10.75	9.88
March	9.36	8.97
April	10.68	10.31
May	11.45	11.15
June	13.50	12.56
July	15.06	13.81
August	15.75	14.17
September	15.81	14.31
October	15.65	14.15
November	15.37	14.44
December	16.00	14.43

It will be observed that branded hides sell in the market from 1 to 2 cents a pound cheaper than unbranded hides. Another thing is equally noticeable, that purchasers of live stock pay from 10 cents to 40 cents a hundred less for branded than for unbranded cattle. In all the hide markets there is a distinction made in the quotations of clear hides and branded hides. This fact shows beyond controversy that there is everywhere a recognized distinction between the hide value and the meat value in the animal, and successfully answers the argument of the tanners and boot and shoe manufacturers, and proves that the hide of the animal has a value separate and apart from the value of the meat in it.

Equal burdens and equal benefits should be the ruling principle in every law. The lack of this principle in any law is what gives rise to the criticism of "special class legislation," and always breeds distrust and discontent among the classes. When one class of people has been discriminated against, they have just cause to complain, and, Mr. Speaker, for one, if I can avoid discrimination by my vote, I am going to do it, even though I do it at the risk of being criticised in so doing. Equality before the law would say that when you take the duty off of hides, which discriminates against the farmer who has raised the hide, that the tanner who buys the farmer's hide should give up the duty upon his leather, and that the boot, shoe, and leather manufacturers should give up the duty upon their finished commodity, because the hide of the steer raised by the farmer is just as much the farmer's finished commodity as leather is the finished commodity of the tanner, or the boot, shoe, saddle, harness, and belting leather is of the manufacturer of this kind of commodities.

But, Mr. Speaker, this has not been done. Here is a plain case of discrimination. The duty in the Payne bill when it left the House was entirely taken off of hides and still left upon leather and the finished commodities of leather. In the bill as it passed the House a duty is still retained upon leather or the finished commodities of leather at the following rates: Upon band belting or sole leather, a duty of 5 per cent; upon upper leather, dressed and finished, a duty of 15 per cent; all leather not specifically provided for, a duty of 15 per cent; calfskin, tanned and dressed, a duty of 15 per cent; sheep and goat skins, including lamb and goat skins, dressed, 15 per cent; japanned, varnished, or enameled leather, 20 per cent; upon boots and shoes, 15 per cent; upon leather cut into shoe uppers or vamps, or other forms suitable for conversion into manufactured articles, 30 per cent; upon leather used for belts, satchels, pocketbooks, and so forth, 40 per cent; upon manufactures of leather, 30 per cent. All of the above are ad valorem rates of duty; that is, upon the value of the article. The rate of duty upon cattle hides in the Dingley bill was as follows:

Hides of cattle, raw or uncured, whether dried, salted, or pickled, 15 per cent ad valorem.

It will be observed that under the Dingley bill only hides of cattle contained a duty. No other hide had any duty whatever imposed upon it. In 1898 a controversy arose between the importers of hides on the one side and the Government upon the other as to what was meant by the word "hide." In a hearing had before the Board of Appraisers in New York it was determined that all wet and uncured hides of cattle weighing from 25 pounds up should be classed as "hides" and be subject to the duty, and wet or uncured hides or skins of cattle weighing less than 25 pounds were classed as "skins" and should come in free of duty. All sun-dried hides of cattle weighing from 12 pounds up were classed as "hides" and subject to the duty, and all hides or skins of cattle of this class weighing less than 12 pounds were classed as "skins" and come in free of duty.

If the hides were salted and dried, all such weighing from 15 pounds up were classed as "hides," and subject to the duty, and all weighing less than 15 pounds of this class were classed as "skins," and come in free of duty, weight all the time marking the dividing line between hides and skins. By far the larger part of footwear used in this country is made out of skins, and, so far as the raw material is concerned, the hide or skin out of which the boot or shoe is made, under this ruling of the Treasury Department, has always come in free of duty. Nothing in this kind of footwear has been taxed, so far as the hide is concerned, except the sole leather. The larger part of cattle hides are used to make harness, saddles, belting, and so forth. True, some of this kind of leather goes to make boots and shoes, but the quantity is indeed negligible. Approximately 73 per cent of the boots and shoes worn in the United States are made from leather upon which there is no duty upon the original hide whatever, except the sole leather contained in the boot or shoe. This is made so by virtue of the ruling of the Treasury Department dividing cattle hides from skins.

Now, Mr. Speaker, the proposition is to take the duty entirely off of cattle hides—although, notwithstanding the peculiar ruling of the Treasury Department, ever since 1898 the Government has been annually collecting $2,345,101.41 in revenue each year—and to turn this amount of money not into the pockets of the people, but into the pockets of the tanners, the leather trust, and the boot and shoe manufacturers of the United States. They do not even promise that if this is done the people will get cheaper boots, shoes, and finished leather goods, but here is their promise faithfully kept in the bill: On boots and shoes, the finished product of the boot and shoe manufacturers, they retain a duty of 15 per cent, which means that for every pair of shoes costing the consumer $3 the boot and shoe manufacturer charges the purchaser thereof a bounty of 45 cents.

I do not know the value of the upper leather in a pair of shoes, but suppose it is worth 75 cents, and for this you must pay the tanner a bounty of 30 per cent, which amounts to 22½ cents—and, mark you, for the leather which enters into the 73 per cent of the boots and shoes worn in this country, the tanner has not had to pay one cent of duty upon his hides or skins in the first instance—it amounts to a bounty of 67½ cents, which the consumer is compelled to pay to the tanner and the boot and shoe manufacturer for his pair of shoes costing him $3. You have taken from the farmer, who raises the hide in the first instance, what little increased value there was to his cattle hides, by reason of the duty upon them, and you have given to the tanner, the boot and leather manufacturer, a right to exact the bounty off of him when he buys their finished commodity in return. You have not only done this, but when the farmer buys a set of harness, costing him $15, he must pay the manufacturer for his finished product 30 per cent, or $4.50; or, if he buys a saddle, costing him $15, he must pay to the manufacturer of the saddle again 30 per cent, or $4.50; and he must pay to the tanner who tanned the leather a duty of not less than 15 per cent. So that if the leather in his set of harness is worth $8, he must pay the tanner $1.20; and if the leather in his saddle is worth $8, he again must pay the tanner $1.20. So upon his harness he has paid the harness maker and the tanner, who tanned the hide which went into his harness, a bounty of not less than $5.70; and to the saddle maker and to the tanner likewise; and so it goes all along the line. And, mark you, his harness, saddle, and bridle leather is all made out of his cattle hides, upon which, under the Dingley bill, he had a small duty.

Who is getting hurt in this deal? Let the farmer answer; let the Government of the United States answer, to the tune of upward of $2,000,000 annually in the way of loss of revenue. Who is getting the benefit of this deal? The answer is self-evident and forthcoming—the tanner, the boot, shoe, and leather manufacturers, together with the leather trusts of the country. And they are getting this benefit to the extent of every dollar of revenue which the Government has derived by virtue of a 15 per cent duty on cattle hides. You are taking this from the farmer and giving it to the special interests—interests which are abundantly able to pay this revenue to the Government and still do a thriving business. You are compelling the farmers to sell their hides free of duty, and then compel them to buy back their hides from the boot, shoe, and leather manufacturers, in the shape of leather, boots, and shoes, upon which there is an enormous rate of duty. Is this equity? Is it equality before the law? There is an old principle of the common law, as old as the law itself, which says that "he who seeks equity must do equity." If the advocates of free hides are seeking them under the principle of equity, equity would say to them, "Before you get this, you should give to the users and consumers of your finished commodity free leather, free boots, and free shoes."

Mr. Speaker, like the Horse Leech Sisters, who constantly cried "More, more, more!" one of these special interests says,

"Give me more protection or I will fall in the march of competition." Another special interest cries, "Give me high protection and, in addition thereto, free raw materials, or I, too, will fall before my competitors." "A duty placed upon an article is all right," says this special interest, "so long as it is upon the other fellow's commodity."

Indeed, it is God's blessing showered upon the people, but when they are asked to dine at their own table and pay a little duty upon hides, a dismal howl goes up all over the land from the tanners, boot and shoe manufacturers, the leather trusts, and other special interests, saying, "Relieve us from this burden by giving us free hides," utterly reckless of the interest of others, equally regardless of the needs of the Government for revenue. Shall we relieve these special interests of this annual burden of $2,000,000 and continue to pay a duty of 61.29 per cent upon every pound of sugar we use in this country? Shall we relieve these special interests of this burden and continue to pay a duty of 180 per cent upon the blankets used by the people for the purpose of keeping warm? Shall we relieve these special interests of this burden and continue to pay a duty upon woolen and worsted clothes ranging from 61.50 per cent to 136.13 per cent? Shall we relieve these special interests of this burden and continue to pay a duty upon flannel underwear ranging from 88.67 per cent to 123.34 per cent? Shall we relieve these special interests of this burden and continue to pay upon women's and children's dress goods a duty ranging from 94.11 per cent to 107.53? For one I say "No." Let these special interests stand their part of the burden in supporting the Government as well as the others stand theirs. If the Government loses this amount of revenue, it must be made up in some other way. Congress must turn around and put an equivalent duty upon some other articles, which would fall upon the shoulders of the masses of the people. Rather than lift this burden from the shoulders of these special interests, Mr. Speaker, I believe there would be more justice and equity in reducing the tariff upon sugar, a universal article of food, to a revenue basis, or putting it entirely upon the free list, or reduce the tariff to a revenue basis upon blankets, woolen goods, ladies' and children's dress goods, together with a thousand other articles, the duty upon which is now so high that the burden is greater than the mass of the people can stand.

When you put cattle hides upon the free list, sir, you give to the tanners, so far as this article is concerned, free trade. When you put a duty upon leather, you refuse to the consumers of leather the principle of free trade. Why give to one class free trade, which, so far as numbers are concerned, is largely a minority, and refuse it to the other, which constitutes the majority?

HIDE PRODUCTION.

There were consumed in 1904 by the tanners 922,635,558 pounds of cattle hides. Of this amount, approximately 128,879,335 pounds, or 14 per cent of the amount consumed, were imported. There were produced in this country 793,755,635 pounds of cattle hides, or 86 per cent.

Imports into the United States of hides and skins (not including goatskins), other than furs, 1898–1908.

[From Statistical Abstract of the United States.]

Year ending June 30—	Cattle hides.			
	Dutiable.		Nondutiable.[a]	
	Pounds.		*Pounds.*	
1898	126,243,595	$13,624,989	54,607,534	$7,667,342
1899	130,396,020	13,621,946	66,965,785	9,877,771
1900	163,865,165	19,408,217	100,070,795	16,539,807
1901	129,174,624	14,647,413	77,989,617	12,995,567
1902	148,627,907	17,474,039	89,457,680	15,054,400
1903	131,644,325	16,159,902	102,340,303	16,942,982
1904	85,370,168	10,989,035	103,024,752	17,045,304
1905	113,177,357	14,949,628	126,893,934	22,868,797
1906	156,155,300	21,862,060	158,045,419	30,246,198
1907	134,671,020	20,649,258	135,111,190	30,841,989
1908	98,353,249	12,044,435	120,770,913	25,400,575
Averages:				
1898-1903 (expansion)	138,325,273	15,822,751	81,905,286	13,179,645
1904-5 (depression)	99,273,762	12,969,332	114,959,343	19,957,050
1906-7 (expansion)	145,413,160	21,255,659	146,578,309	30,544,094

[a] Includes flint-dried skins (arsenicated) of cattle weighing less than 12 pounds, dry-salted skins weighing less than 15 pounds, and green-salted hides weighing less than 25 pounds, but does not include goatskins.

"A vote for free hides benefits no one but the packers," say the advocates of free hides. I think I have made it clear that a duty upon hides does increase the value of the animal to the farmer who has raised the hide, and therefore a vote for a duty upon hides benefits the 10,000,000 farmers in this country, and a vote for a duty upon hides is a vote in the interests of another, whose interest is paramount to the interest of all others, and that is the interest of the Government itself.

Duty, drawback, and net revenue on cattle hides during the years 1898 to 1908, inclusive.

[From Statistical Abstract of the United States.]

Year ending June 30—	Duty paid.	Drawback.
1898	$1,824,269.45	$26,934.75
1899	1,951,918.17	337,013.21
1900	2,727,435.99	800,179.14
1901	2,230,838.03	760,420.86
1902	2,650,420.05	693,823.10
1903	2,417,458.84	724,266.21
1904	1,621,827.28	631,443.91
1905	2,185,381.53	565,514.99
1906	3,284,521.11	683,992.39
1907	3,115,390.94	907,386.83
1908	1,786,654.14	845,432.24
Total	25,796,115.58	6,931,408.63
Yearly average	2,345,101.41	630,128.05

It will be observed by reference to the above table that the Government has annually received by virtue of the 15 per cent duty upon cattle hides the sum of $2,345,101.41. In the last analysis, a vote for a duty upon hides benefits not only the raiser of the hide, but the Government at the same time; while a vote for free hides not only injures these parties, but directly benefits the tanners, the boot, shoe, and leather manufacturers, and the leather trust. Mr. Speaker, here is the meat in the cocoanut; here is the hidden hand plainly exposed to view. On the 6th of May, 1909, the boot and shoe manufacturers held a convention at Cincinnati, Ohio, and in a written statement signed by Carl H. Krippendorf, chairman of the convention, and Benjamin J. Wolf, its secretary (and in this statement they declare that they represent over 700 firms of boot and shoe makers throughout the country), as another argument for free hides, they say:

> Why should the farmer, if hides are placed on the free list, be compelled to sell his cattle for less than when there is a tariff on hides? What prevents the packer from paying the farmer a fair price for his cattle and charging a little more for beef or the other by-products of cattle if, in order to make a fair profit, the world's price of hides makes it necessary? It should therefore not make any material difference, either to the farmer or the beef packer, if the tariff on hides is retained or removed. If hides are placed on the free list, he will have to pay a little more for his beef. Assuming that by placing hides on the free list the market price of hides would decline to this extent, the difference which would have to be charged for the average price of beef would be less than one-fifth of a cent a pound on the average steer.

What! Raise the price of beef, and the price now soaring to the skies! What for? To compensate the farmers for the loss which they will sustain by reason of taking the duty off hides. At one time the argument is that the hide does not enhance the value of the steer. Now, by taking the duty off hides you can compensate the farmer for this loss by raising the price of beef one-fifth of a cent a pound. The entire argument for free hides has been made in the interest of the "tanners" and the boot and shoe manufacturers, but in reality the leather trust. And their fight has been against the packers? But now they are willing to see the packers rob the users of beef by raising the price of it to the consumer one-fifth of a cent per pound, if in return they can get free hides. "Oh, consistency, thou art a jewel."

The Dingley law contained a drawback provision in it. Under this provision the tanners could go into any foreign market, buy hides, import them into this country as raw material, manufacture them into leather, export the leather and draw back from the Treasury the full amount of duty paid in the first instance, less 1 per cent; and under this system the shoe, boot, and leather manufacturers have had free trade and seemed to flourish wonderfully well. In 1898 the amount of money paid back by the Treasury to the tanners for leather exported was $26,934.75. In 1899 it was $337,013.21; in 1900 it was $800,179.14; in 1901 it was $760,420.86; in 1902 it was $693,823.10; in 1903 it was $724,266.21; in 1904 it was $631,443.91; in 1905 it was $565,514.99; in 1906 it was $683,992.39; in 1907 it was $907,386.83, and in 1908 it was $845,432.24, making the total money paid back out of the Treasury of the United States to the tanners during this period of time in the way of drawback of $6,931,408.63, or upon an average of $630,128.05 per year. Under the law as it has existed the drawback paid to the tanners during this same period of time has increased 300 per cent—from 1898 to 1908.

Who is behind this move for free hides? The farmers are not asking for it; the consumers of the finished products of leather are not asking it; the Government is not asking it. The tanners, the leather trusts, and the shoe and boot manu-

facturers are the ones who are asking free hides; and this same class of special interest ever since last April has maintained here in Washington one of the most stupendous lobbies ever maintained, lobbying for free hides. Has their time, money, and energy been spent in the interest of the people or the Government, either? Their desire is to get rid of this $2,345,101.41 which they have been compelled to pay annually into the Treasury of the United States by reason of the duty upon hides and to put this amount of money down into their own pockets.

No advocate of free hides has ever yet been bold enough to assert that the people would get any direct benefit whatever if the duty was taken off hides in the way of cheaper boots, shoes, and finished leather goods. The persons who please to style themselves "independent tanners," backed by the leather trusts and the boot and shoe manufacturers, are the champions for free hides. Let us see who some of these people are.

The United States Leather Company, known as the "leather trust," was incorporated under the laws of New Jersey in 1893 to consolidate the business of about 25 firms and corporations engaged in the manufacture of leather. It was capitalized for $128,000,000; sixty-four millions of this stock was 8 per cent cumulative preferred, and sixty-four millions of it common, representing "water." The preferred stock now pays 6 per cent and carries about 40 per cent accumulated unpaid dividends. It carries a bonded debt of $5,280,000, 6 per cent bonds due in 1913; total capital issued, par value $130,444,600; market value about sixty millions; remainder of stock "water." The American Hide and Leather Company, known as the "upper-leather trust," was incorporated under the laws of New Jersey in 1899. At the time of its organization it controlled 22 plants engaged in the manufacture of upper leather. At the time of its organization it claimed to represent 75 per cent of the upper-leather business of the United States. It was capitalized for $35,000,000; $17,500,000 of this was 7 per cent cumulative preferred stock and $17,500,000 was common stock, representing "water." It carried a bonded debt of $8,216,000 first-mortgage 6 per cent bonds, due September 1, 1919. At the end of the first year the company reported a net profit of $1,386,062; total capital issued, $32,716,000; market value, $7,500,000; remainder "water."

Mr. Speaker, it will be observed that these two companies were not merely holding companies, engaged in buying and selling leather after it was manufactured, but they were organized for the purpose of manufacturing leather—that is, tanning hides into leather. But these are not all the leather trusts now engaged in the hue and cry for free hides. It will be observed that the United States Leather Company, known as the "leather trust," was an institution of no small concern itself; but the Central Leather Company, "another trust," was organized under the laws of New Jersey in 1905. It was organized to acquire the stock of the United States Leather Company, and in this it was so successful that during the three years ending December 31, 1907, its income account showed that it had received in dividends from the stock of the United States Leather Company the enormous profit of $7,739,434. It took over several subsidiary companies, amounting to $16,174,732. But this was not an appetizer for this strong, healthy, lusty trust, and at one gulp it swallowed down the United States Leather Company, of which, in connection with its other subsidiary companies, at this time the stock amounted to $151,165,739. (For authority for the above see John Moody's Manual on Trusts.)

Mr. Speaker, these are only a few of the independent tanners—the real trusts—behind this move for free hides. These are some of the people, along with the boot and shoe manufacturers, who are perfectly willing to see the "big packers" raise the price of beef one-fifth of a cent per pound to the consumers if they can get free hides in return.

Between the packers on one side and the leather trust upon the other, it is simply a case of the "pot calling the kettle black;" and between the two the farmers are to be filched out of the profits accruing to them by reason of the duty upon the hides of cattle, and the Government is to be squeezed out of its revenue, to the end that these trust magnates may have more money to line their already "golden-lined" pockets. Ask the leather trust to release its duty upon its finished commodity and it answers, "Oh, no; I need this because the price of labor has gone up in this country." Ask the boot and shoe manufacturers to give up the duty on their finished commodity and they answer, "No; I need this to pay for the difference in the cost of labor in my plant and abroad."

Mr. Speaker, conceding that the laborer is well paid in these institutions, yet they forget that the price of labor has gone up all over the country in the past ten years, upon farms, from 50 to 100 per cent. Why should not the farmer have a small duty upon his hides as well as the tanner, the leather trust, and the shoemaker, or in return get free boots, shoes, and finished leather commodities? The farmer invests his capital in his land; in his cattle; in feed to raise and fatten them; devotes his labor, involving much exposure, in their care; brings or transports them to distant markets; slaughters or causes them to be slaughtered for him and, in various other ways, takes care of them, always at a great risk of loss by exposure, disease, accident, or otherwise. By the time the hide is taken from the animal and ready for the tanner it represents a substantial cost to the farmer. This is all accomplished by the farmer investing his own capital and labor; and the farmer is not a speculative dealer or tradesman, though he may have more capital, skill, labor, and risk involved in the hide product, according to its value, than a person usually has in the product manufactured from it.

It is estimated that a duty of 15 per cent upon cattle hides is annually worth to the farmers of the country $20,000,000. It is proposed to take this value from him and give him absolutely nothing in return. But, Mr. Speaker, if the tanners, the leather trusts, the boot, shoe, and leather manufacturers will agree to take the duty off of leather and off of boots and shoes and give us these products free in return, for one I will gladly make the swap and vote for free hides every day in the week. At one time the boot and shoe manufacturers, through their representative, appeared before the Ways and Means Committee, and there testified that they were willing to have the duty removed from boots and shoes, but a strange spell—in less than two days' time—came over the boot and shoe manufacturers, and they reappeared before the Ways and Means Committee in person and by briefs, still advocating their "pound of flesh" in the way of a high rate of duty upon boots and shoes.

Mr. Speaker, I have nothing on earth in common with what is commonly known as "the big packers." I believe they are trusts, and my most ardent hope is that the agitation will continue to go on against them until eventually the Department of Justice will take up the cry of the people, and never cease until they are made to feel the force and effect of violation of antitrust laws of the United States; but, Mr. Speaker, suppose hides be put upon the free list, what is to prevent the "big packers" from going into the hide markets, not only of our own country but of the world, and buying all the hides they desire? There is nothing in the law to prevent them from doing it, and if they are engaged in the tanning business I imagine this is exactly what they will continue to do, go into the markets and buy hides to replenish their tanneries.

There is nothing in this law or any other law which would prevent them from doing it, unless they are doing it in some way unlawfully; and if they are buying, tanning, and disposing of their hides contrary to the antitrust laws of the United States, no one knows this better than do the "tanners" and the leather trusts, and no one is in possession of this evidence better than the "tanners" and the leather trusts, and let them furnish the evidence to the Department of Justice, to the end that they may be vigorously prosecuted and punished according to their deeds.

Mr. Speaker, the most ardent advocate of free hides has never yet been able to figure out where, by reason of a duty upon cattle hides, the price of boots and shoes has been increased to exceed 4 cents per pair. I insist that the users and consumers of finished leather commodities are not being hurt by reason of a duty upon hides, but they are being hurt by the duty still being retained upon leather and the finished product of leather.

Mr. Speaker, I am in favor of a small duty upon hides. I voted for a 10 per cent duty upon them when this bill was before the House, this being a reduction of 33⅓ per cent from the rate carried in the Dingley bill; and when the tanners and the boot and shoe manufacturers, together with the leather trusts, of this country refuse to remove the duty from their finished commodities, for one I refuse to remove the duty upon the raw material which enters into a part of their finished commodities. To the boot, shoe, and leather manufacturers, and even to the leather trusts, I would say let us all pull together, and make a long pull, a steady pull, and a hard pull, and while we are pulling the duty off of cattle hides let us pull it off of leather, boots, shoes, and manufactured leather commodities.

DEATH OF HON. FRANCIS W. CUSHMAN.

Mr. HUMPHREY of Washington. Mr. Speaker, it is with deepest sorrow that I now perform my sad duty and announce the death of my colleague and my friend, the Hon. FRANCIS W. CUSHMAN. Here in this House, where he was greatly honored and esteemed, he had just entered upon his sixth consecutive term when the dread summons that must come to us all came to him. At some future time I shall ask that a day be set apart that fitting tribute may be paid to the life, character, and

public services of this brilliant young man, who for many years with exceptional fidelity and distinguished ability served his State and country.

I now offer the following resolutions.

The SPEAKER. The Clerk will report the resolutions.

The Clerk read as follows:

House resolution 86.

Resolved, That the House has heard with profound sorrow of the death of Hon. FRANCIS W. CUSHMAN, late a Representative from the State of Washington;

Resolved, That the Sergeant-at-Arms of the House be authorized and directed to take charge of the body of the deceased, and to make such arrangements as may be necessary for the funeral, and that the necessary expenses in connection therewith be paid out of the contingent fund of the House;

Resolved, That the Clerk communicate these resolutions to the Senate, and transmit a copy thereof to the family of the deceased;

Resolved, That as a further mark of respect this House do now adjourn.

The SPEAKER. The question is on agreeing to the resolutions.

The question was taken, and the resolutions were unanimously agreed to.

Accordingly (at 12 o'clock and 12 minutes p. m.) the House adjourned.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of Rule XXIV, a letter from the Secretary of the Treasury, transmitting a copy of a letter from the president of the Board of Commissioners of the District of Columbia submitting an estimate of appropriation for the service of the District of Columbia (H. Doc. No. 82), was taken from the Speaker's table, referred to the Committee on Appropriations, and ordered to be printed.

PUBLIC BILLS, RESOLUTIONS, AND MEMORIALS.

Under clause 3 of Rule XXII, bills, resolutions, and memorials of the following titles were introduced and severally referred as follows:

By Mr. A. MITCHELL PALMER: A bill (H. R. 11304) to amend sections 5136 and 5137 of the Revised Statutes of the United States, known as the "National-bank act"—to the Committee on Banking and Currency.

By Mr. CROW: A bill (H. R. 11305) to authorize the Phillip & Strangways Lumber Company, of Arkansas, to construct a bridge or bridges across the St. Francis River, in the State of Missouri—to the Committee on Interstate and Foreign Commerce.

By Mr. HAMER: A bill (H. R. 11306) to establish a fish-culture station in Idaho—to the Committee on the Merchant Marine and Fisheries.

By Mr. MILLER of Minnesota: A bill (H. R. 11307) to legalize the construction of a bridge across the Mississippi River at Hill City, Aitkin County, Minn.—to the Committee on Interstate and Foreign Commerce.

By Mr. LINDBERGH: Resolution (H. Res. 85) in relation to the proposed amendment to the Constitution of the United States relative to the power in Congress to lay and collect taxes on incomes—to the Committee on Ways and Means.

By the SPEAKER: Memorial of the legislature of Illinois, praying for national support for a 14-foot channel from St. Louis to the mouth of the Mississippi River—to the Committee on Rivers and Harbors.

PRIVATE BILLS AND RESOLUTIONS.

Under clause 1 of Rule XXII, private bills and resolutions of the following titles were introduced and severally referred as follows:

By Mr. AIKEN: A bill (H. R. 11308) for the relief of J. M. Ellison—to the Committee on War Claims.

By Mr. AUSTIN: A bill (H. R. 11309) granting a pension to M. Belle Houk—to the Committee on Invalid Pensions.

By Mr. BOEHNE: A bill (H. R. 11310) granting an increase of pension to G. W. Roberts—to the Committee on Invalid Pensions.

By Mr. BURLEIGH: A bill (H. R. 11311) granting an increase of pension to Sanford B. Gammons—to the Committee on Invalid Pensions.

By Mr. BUTLER: A bill (H. R. 11312) granting an increase of pension to Joseph C. Freel—to the Committee on Invalid Pensions.

By Mr. CLARK of Missouri: A bill (H. R. 11313) granting a pension to Mary H. C. Mueller—to the Committee on Invalid Pensions.

By Mr. COOPER of Pennsylvania: A bill (H. R. 11314) granting an increase of pension to John W. Stirling—to the Committee on Invalid Pensions.

By Mr. CROW: A bill (H. R. 11315) granting an increase of pension to Samuel E. Norris—to the Committee on Invalid Pensions.

Also, a bill (H. R. 11316) granting an increase of pension to Charles P. McElligott—to the Committee on Invalid Pensions.

Also, a bill (H. R. 11317) granting an increase of pension to John G. Monroe—to the Committee on Invalid Pensions.

Also, a bill (H. R. 11318) granting an increase of pension to Dugal G. Parker—to the Committee on Invalid Pensions.

Also, a bill (H. R. 11319) granting an increase of pension to James R. Power—to the Committee on Invalid Pensions.

Also, a bill (H. R. 11320) granting an increase of pension to Hazen Wardlow—to the Committee on Invalid Pensions.

Also, a bill (H. R. 11321) granting an increase of pension to Christopher S. Alvord—to the Committee on Invalid Pensions.

Also, a bill (H. R. 11322) granting a pension to George S. McGuire—to the Committee on Invalid Pensions.

Also, a bill (H. R. 11323) granting a pension to George W. Pack—to the Committee on Invalid Pensions.

Also, a bill (H. R. 11324) granting a pension to Annis Woodward—to the Committee on Invalid Pensions.

By Mr. DIXON of Indiana: A bill (H. R. 11325) granting a pension to Sarah Shields—to the Committee on Invalid Pensions.

Also, a bill (H. R. 11326) granting a pension to Amanda J. Gunning—to the Committee on Invalid Pensions.

Also, a bill (H. R. 11327) granting a pension to Laura Brand—to the Committee on Invalid Pensions.

Also, a bill (H. R. 11328) granting a pension to Jacob Righthouse—to the Committee on Invalid Pensions.

Also, a bill (H. R. 11329) granting an increase of pension to Frederick Willman—to the Committee on Invalid Pensions.

Also, a bill (H. R. 11330) granting an increase of pension to John W. Hubbard—to the Committee on Invalid Pensions.

Also, a bill (H. R. 11331) granting an increase of pension to James Rawlings—to the Committee on Invalid Pensions.

Also, a bill (H. R. 11332) granting an increase of pension to Francis B. C. Rail—to the Committee on Invalid Pensions.

Also, a bill (H. R. 11333) granting an increase of pension to William F. Vance—to the Committee on Invalid Pensions.

Also, a bill (H. R. 11334) granting an increase of pension to John H. Berry—to the Committee on Invalid Pensions.

Also, a bill (H. R. 11335) granting an increase of pension to William M. Robbins—to the Committee on Invalid Pensions.

Also, a bill (H. R. 11336) granting an increase of pension to Mahlon Bailey—to the Committee on Invalid Pensions.

Also, a bill (H. R. 11337) granting an increase of pension to John F. Robertson—to the Committee on Invalid Pensions.

Also, a bill (H. R. 11338) granting an increase of pension to Martin Hardin—to the Committee on Invalid Pensions.

Also, a bill (H. R. 11339) granting an increase of pension to N. C. Rucker—to the Committee on Invalid Pensions.

Also, a bill (H. R. 11340) granting an increase of pension to William Seal—to the Committee on Invalid Pensions.

Also, a bill (H. R. 11341) granting an increase of pension to William Collins—to the Committee on Invalid Pensions.

Also, a bill (H. R. 11342) granting an increase of pension to Michael A. Langneck—to the Committee on Pensions.

By Mr. FULLER: A bill (H. R. 11343) granting an increase of pension to Jerome O. Lillibridge—to the Committee on Invalid Pensions.

By Mr. GRAHAM of Pennsylvania: A bill (H. R. 11344) granting an increase of pension to John Ehrenfelt—to the Committee on Invalid Pensions.

By Mr. KORBLY: A bill (H. R. 11345) granting an increase of pension to John A. Miller—to the Committee on Invalid Pensions.

Also, a bill (H. R. 11346) granting an increase of pension to Alfred Hammell—to the Committee on Invalid Pensions.

Also, a bill (H. R. 11347) granting an increase of pension to John C. Johnston—to the Committee on Invalid Pensions.

Also, a bill (H. R. 11348) granting a pension to Lydia A. Swift—to the Committee on Invalid Pensions.

By Mr. LANGLEY: A bill (H. R. 11349) granting a pension to John W. Roberson—to the Committee on Invalid Pensions.

Also, a bill (H. R. 11350) granting a pension to Susan V. Begley—to the Committee on Pensions.

Also, a bill (H. R. 11351) granting a pension to Lucretia Cassady—to the Committee on Pensions.

Also, a bill (H. R. 11352) granting an increase of pension to Wallace W. Bailey—to the Committee on Invalid Pensions.

Also, a bill (H. R. 11353) granting an increase of pension to John Reffitt—to the Committee on Invalid Pensions.

Also, a bill (H. R. 11354) granting an increase of pension to Jerome B. Phillips—to the Committee on Invalid Pensions.

Also, a bill (H. R. 11355) granting an increase of pension to William H. Elliott—to the Committee on Invalid Pensions.

Also, a bill (H. R. 11356) granting an increase of pension to Margaret Minnix—to the Committee on Invalid Pensions.

Also, a bill (H. R. 11357) for the relief of B. L. Davis—to the Committee on War Claims.

Also, a bill (H. R. 11358) for the relief of J. H. Cole—to the Committee on Claims.

Also, a bill (H. R. 11359) for the relief of Amanda Davis—to the Committee on War Claims.

Also, a bill (H. R. 11360) for the relief of Alfred Combs—to the Committee on War Claims.

Also, a bill (H. R. 11361) for the relief of Henry Holbrook—to the Committee on War Claims.

Also, a bill (H. R. 11362) for the relief of the estate of Richard White—to the Committee on War Claims.

Also, a bill (H. R. 11363) to correct the military record of Samuel Spaulding—to the Committee on Military Affairs.

Also, a bill (H. R. 11364) to correct the military record of Henry Easterling—to the Committee on Military Affairs.

By Mr. MARTIN of Colorado: A bill (H. R. 11365) granting an increase of pension to N. Benton Yackey—to the Committee on Invalid Pensions.

Also, a bill (H. R. 11366) granting an increase of pension to Fred A. Rudolph, sr.—to the Committee on Pensions.

Also, a bill (H. R. 11367) for the relief of Edwin A. Brown, for lumber furnished by him for government structures in San Juan County, N. Mex.—to the Committee on Claims.

Also, a bill (H. R. 11368) to remove the charge of desertion from the military record of George W. Irick and to grant him an honorable discharge—to the Committee on Military Affairs.

By Mr. MILLER of Minnesota: A bill (H. R. 11369) granting an increase of pension to Eliza A. Elliott—to the Committee on Invalid Pensions.

Also, a bill (H. R. 11370) granting an increase of pension to Sarah Martin—to the Committee on Invalid Pensions.

Also, a bill (H. R. 11371) granting an increase of pension to H. G. Klink—to the Committee on Invalid Pensions.

Also, a bill (H. R. 11372) granting an increase of pension to Solomon M. Price—to the Committee on Invalid Pensions.

Also, a bill (H. R. 11373) granting a pension to Thomas W. Lang—to the Committee on Invalid Pensions.

Also, a bill (H. R. 11374) to reimburse Dr. M. K. Knauff—to the Committee on Claims.

By Mr. MOSS: A bill (H. R. 11375) granting an increase of pension to Benjamin A. Carnes—to the Committee on Invalid Pensions.

Also, a bill (H. R. 11376) granting an increase of pension to James M. Cooper—to the Committee on Invalid Pensions.

Also, a bill (H. R. 11377) granting an increase of pension to Jacob Gibbons—to the Committee on Invalid Pensions.

Also, a bill (H. R. 11378) granting an increase of pension to William A. Barton—to the Committee on Invalid Pensions.

Also, a bill (H. R. 11379) granting an increase of pension to John M. Spurgin—to the Committee on Invalid Pensions.

Also, a bill (H. R. 11380) granting a pension to Mary E. Rumel—to the Committee on Invalid Pensions.

Also, a bill (H. R. 11381) granting a pension to Elizabeth M. Hubble—to the Committee on Invalid Pensions.

By Mr. PRATT: A bill (H. R. 11382) granting an increase of pension to Nelson J. Finney—to the Committee on Invalid Pensions.

By Mr. RAUCH: A bill (H. R. 11383) granting an increase of pension to Samuel Kilander—to the Committee on Invalid Pensions.

By Mr. SIMMONS: A bill (H. R. 11384) for the relief of Thomas Glenn, alias Thomas Brady—to the Committee on Military Affairs.

By Mr. THISTLEWOOD: A bill (H. R. 11385) granting an increase of pension to Michael J. Schrader—to the Committee on Invalid Pensions.

Also, a bill (H. R. 11386) granting an increase of pension to John T. McMillan—to the Committee on Invalid Pensions.

Also, a bill (H. R. 11387) granting an increase of pension to Nicholas Probst—to the Committee on Invalid Pensions.

Also, a bill (H. R. 11388) granting an increase of pension to Martin V. B. Mann—to the Committee on Invalid Pensions.

By Mr. THOMAS of Kentucky: A bill (H. R. 11389) granting an increase of pension to Abner P. Johnson—to the Committee on Invalid Pensions.

Also, a bill (H. R. 11390) granting an increase of pension to Japhet N. Durall—to the Committee on Invalid Pensions.

Also, a bill (H. R. 11391) for the relief of heirs of J. C. Kennerly—to the Committee on War Claims.

Also, a bill (H. R. 11392) to remove the charge of desertion from the military record of Woodford Dunn—to the Committee on Military Affairs.

PETITIONS, ETC.

Under clause 1 of Rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

By the SPEAKER: Petition of Black Diamond Local Union, No. 2257, United Mine Workers of America, praying for the repeal of the so-called "Dick military act"—to the Committee on Militia.

Also, petition of Mrs. Nellie Wicks and 99 others, praying for legislation to prevent the so-called "white-slave traffic"—to the Committee on Immigration and Naturalization.

Also, petition of Central Labor Council of Seattle, Wash., praying for a per capita tax on immigrants—to the Committee on Ways and Means.

Also, petition of R. B. Smith Sons & Co., of Chicago, Ill., praying that hides may be placed on the free list—to the Committee on Ways and Means.

Also, petition of F. G. Baumbart & Co. and 25 other firms and individuals, protesting against the imposition of the duty on Canadian sea grass or sea moss—to the Committee on Ways and Means.

By Mr. BUTLER: Petition of the Pennsylvania Savings, Loan, and Building Association, against corporation-taxation clause in tariff bill—to the Committee on Ways and Means.

By Mr. COOK: Petitions of Herman Building and Loan Associations, Nos. 1, 2, and 3; Lessing Building and Loan Association; Second Girard Avenue Building and Loan Association; and Hamilton County League of Building Associations, against corporation-tax feature of the tariff bill—to the Committee on Ways and Means.

By Mr. COOPER of Pennsylvania: Petitions of Third Herman Building Association; Herman Building Associations, Nos. 1 and 2; Lessing Building Association, of Philadelphia, Pa.; General Lawton Building and Loan Association; Second Girard Avenue Building Association; and Hamilton County League of Building Associations, against tax on building associations—to the Committee on Ways and Means.

By Mr. ESCH: Memorial of Chamber of Commerce of Milwaukee, Wis., recognizing value of Hydrographic Office to shipping—to the Committee on the Merchant Marine and Fisheries.

Also, petition of Hamilton County League of Building Associations, against placing a tax on building and loan associations—to the Committee on Ways and Means.

By Mr. FULLER: Petition of J. H. Fitzgerald, of Utica, Ill., for free hides—to the Committee on Ways and Means.

Also, petition of the Lackey Manufacturing Company, Bromley Manufacturing Company, and American Textile Company, for a tariff on nets and netting—to the Committee on Ways and Means.

Also, petition of Hamilton County (Ohio) League of Building Associations, against taxing building associations—to the Committee on Ways and Means.

Also, paper to accompany bill for relief of Jerome O. Lillibridge—to the Committee on Invalid Pensions.

By Mr. KELIHER: Petition of John F. Sullivan and numerous other citizens of Boston, and the government of the city of Boston, against erection of an immigrant station on Governors Island, Boston Harbor—to the Committee on Public Buildings and Grounds.

By Mr. KINKEAD of New Jersey: Petition of Patrotic Order Sons of America, for abrogation of extradition treaty with Russia—to the Committee on Foreign Affairs.

By Mr. KORBLY: Papers to accompany bills for relief of John C. Johnston; Mrs. Lydia A. Swift, wife of Frank L. Rigg; and Alfred Hammell—to the Committee on Invalid Pensions.

By Mr. HENRY W. PALMER: Petition of Henderson Gaylord Council, No. 316, Junior Order United American Mechanics, of Plymouth, Pa., favoring anti-Asiatic immigration legislation—to the Committee on Foreign Affairs.

By Mr. SULZER: Petition of board of presidents and ex-presidents of the United Societies of Philadelphia for Relief and Protection of Immigrants, against a tax of $10 on immigrants—to the Committee on Immigration and Naturalization.

By Mr. TAYLOR of Ohio: Petitions of Philip Weber and other citizens of Canal Winchester; J. E. Eitel & Sons, of Lockbourne; R. D. Grant and other citizens of Grove City; and B. F. Klamforth and other citizens of Groveton, all in the State of Ohio, against a parcels-post law—to the Committee on the Post-Office and Post-Roads.

By Mr. SULZER: Petition of M. Martin & Co., of New York City, against increase of duty on laces—to the Committee on Ways and Means.

Also, petition of business houses of New York, Park & Tilford, and others, favoring Dingley duty rate of 15 cents per pound on soaps—to the Committee on Ways and Means.

Also, petition of Manhattan Shoe Company and Monarch Suspender Company, of New York City, for free hides—to the Committee on Ways and Means.

Also, petition of Austin Nichols & Co., of New York, against increase of duty on sweetened biscuits—to the Committee on Ways and Means.

Also, petition of Healey & Co., of New York, favoring 45 per cent duty on automobiles and parts, as per House bill—to the Committee on Ways and Means.

Also, petition of William Demuth & Co., of New York, against restitution of 25 per cent duty on brier wood—to the Committee on Ways and Means.

Also, petition of National Association of Hosiery and Underwear Manufacturers, favoring Dingley rates on hosiery—to the Committee on Ways and Means.

Also, petition of Scandinavian Canadian Land Company, favoring automatic plan of tariff revision—to the Committee on Ways and Means.

Also, petition of Chelsea Fiber Mills, protesting paragraph 334, page 117, lines 6, 7, and 8, and other features of tariff bill—to the Committee on Ways and Means.

Also, petition of the Knowles-Hartong Company, favoring present tariff of $10 per ton on saltpeter—to the Committee on Ways and Means.

Also, petition of New York Produce Exchange, favoring placing of cabbage on free list—to the Committee on Ways and Means.

Also, petition of the Lackey Manufacturing Company, of Newburgh, N. Y., for recognition of nets and netting as per paragraph 346, H. R. 1438—to the Committee on Ways and Means.

Also, petition of Amalgamated Wood Workers' International Union of America, against decrease of tariff on dressed lumber—to the Committee on Ways and Means.

Also, petition of Harry W. Bell, for placing crude gypsum on the free list—to the Committee on Ways and Means.

Also, petition of Hudson Valley Muslin Underwear Company, against raise of duty on laces and embroidery—to the Committee on Ways and Means.

Also, petition of New York State League of Local Cooperative Savings and Building Loan Associations, against corporation tax on loan associations—to the Committee on Ways and Means.

Also, petition of the Merchants' Association of New York, favoring a permanent tariff commission—to the Committee on Ways and Means.

Also, petition of Marine Trades Council, against the disrating of employees in the New York Navy-Yard—to the Committee on Naval Affairs.

SENATE.

FRIDAY, *July 9, 1909.*

Prayer by the Chaplain, Rev. Ulysses G. B. Pierce, D. D.

The Secretary proceeded to read the Journal of yesterday's proceedings, when, on request of Mr. KEAN, and by unanimous consent, the further reading was dispensed with.

The VICE-PRESIDENT. The Journal stands approved.

ENROLLED BILLS SIGNED.

A message from the House of Representatives, by Mr. W. J. Browning, its Chief Clerk, announced that the Speaker of the House had signed the following enrolled bill and joint resolution, and they were thereupon signed by the Vice-President:

H. R. 9609. An act to grant to John Rivett privilege to make commutation of his homestead entry; and

H. J. Res. 54. Joint resolution authorizing the Secretary of War to loan cots, tents, and appliances for the use of the forty-third national encampment of the Grand Army of the Republic at Salt Lake City, Utah.

PETITIONS AND MEMORIALS.

Mr. BULKELEY. I present resolutions adopted by the Chamber of Commerce of New Haven, Conn., which I ask may be printed in the RECORD.

There being no objection, the resolutions were ordered to lie on the table and to be printed in the RECORD, as follows:

To the Congress of the United States:

Whereas we recognize that a tariff on importations is necessary for the raising of revenue for the Government, and recognizing also the disturbances in mercantile and manufacturing interests that are attendant upon every revision of the tariff schedules, because of the uncertainties of the effect of such revision upon trade and readjustment therein that must follow: Therefore be it

Resolved by the Chamber of Commerce of New Haven, Conn., representing in very large measure the manufacturing, mercantile, and banking interests of the city as well as a large proportion of its general business interests, That we approve of and indorse the proposed tariff commission, believing that a commission composed of experts who may be in session as a commission much more frequently than Congress is, and who shall make a special study of trade conditions as affected by the tariff schedules, will work for the stability of business of the country, and we urge upon Congress the careful consideration of a bill to create a tariff commission of experts in trade conditions.

Mr. DICK presented a memorial of sundry citizens of Dayton, Cincinnati, Chillicothe, and Ironton, all in the State of Ohio, indorsing the action of the United States Senate in protecting the lemon industry of the United States, which was ordered to lie on the table.

Mr. FLINT presented a joint resolution of the legislature of California, which was referred to the Committee on Pensions and ordered to be printed in the RECORD, as follows:

STATE OF CALIFORNIA,
Department of State.

I, C. F. Curry, secretary of state of the State of California, do hereby certify that I have carefully compared the annexed copy of S. J. R. No. 20, chapter 37, laws of 1909, with the original now on file in my office, and that the same is a correct transcript therefrom and of the whole thereof. Also, that this authentication is in due form and by the proper officer. Witness my hand and the great seal of State, at office in Sacramento, Cal., the 26th day of April, A. D. 1909.

[SEAL.]

C. F. CURRY,
Secretary of State.
By J. HOESCH,
Deputy.

—

Senate joint resolution 20—Chapter 37.

Resolution relative to a bill in Congress extending pension laws to include the First Battalion Mountaineers, California Volunteers, who served during the late war of the rebellion.

Whereas the officers and privates of the First Battalion Mountaineers, California Volunteers, served during the war of the rebellion against the Indians of the frontier counties; and

Whereas under the provisions of the general pension laws and the several special pension acts, said volunteers have always been held entitled to the benefit of said pension laws, and have for many years received pensions from the Government for said service during the rebellion, which pensions have been in most cases the only means of support of these old volunteer soldiers; and

Whereas under a recent ruling of the Department of the Interior, it has been held that the pension laws do not include the volunteer soldiers who fought during the war of the rebellion against the Indians; and

Whereas there is now pending in the Congress of the United States, a bill introduced in the Senate and House of Representatives to extend the provisions of the pension laws to include the officers and privates of the First Battalion Mountaineers, California Volunteers, who served during the late war of the rebellion and were honorably discharged, and to the widows and minor children of such volunteer soldiers: Therefore, be it

Resolved by the Senate (the assembly concurring), That our Senators in Congress be instructed and our Members in Congress be requested to use all honorable means to secure the prompt passage by Congress of the bill referred to in the preamble of this resolution.

W. R. PORTER,
President of the Senate.
P. A. STANTON,
Speaker of the Assembly.

Attest:
C. F. CURRY, *Secretary of State.*

Indorsed: Filed in the office of the secretary of State the 29th day of March, A. D. 1909, at 4 o'clock p. m. C. F. Curry, secretary of state. By J. Hoesch, deputy.

Mr. FLINT presented a memorial of the Ruskin Art Club, of Los Angeles, Cal., indorsing the work of Doctor Wiley, Chief of the Bureau of Chemistry, Department of Agriculture, on the subject of pure food, etc., which was referred to the Committee on Agriculture and Forestry.

He also presented a memorial of the Independent Oil Producers' Agency, of Bakersfield, Cal., remonstrating against the repeal of the present duty on oil imported from foreign countries, which was ordered to lie on the table.

He also presented a memorial of the Typographical Union of Los Angeles, Cal., indorsing the changes recommended by the Select Committee on Paper and Pulp Investigation, which was ordered to lie on the table.

He also presented petitions of sundry citizens of Monticello, Watsonville, Fresno, Lancaster, Ontario, Bishop, Big Pine, Los Angeles, Watts, and Atwater, all in the State of California, praying for a reduction of the duty on raw and refined sugars, which were ordered to lie on the table.

He also presented memorials of sundry tanners of leather of California, Kentucky, Illinois, Indiana, Iowa, Michigan, Minnesota, Missouri, Ohio, South Dakota, Oregon, Massachusetts, and Pennsylvania, remonstrating against the proposed rate of duty of seven-eighths of 1 cent per pound on solid extract of quebracho, which were ordered to lie on the table.

Mr. HEYBURN presented sundry papers to accompany the bill (S. 1214) granting an increase of pension to Lewis W. Graham, which were referred to the Committee on Pensions.

SNAKE RIVER BRIDGE, OREGON.

Mr. MARTIN. I am directed by the Committee on Commerce, to whom was referred the bill (S. 837) to authorize the county commissioners of Malheur County, Oreg., and Canyon County, Idaho, and the chamber of commerce of the town of Ontario, Oreg., to construct a bridge across the Snake River at the town of Ontario, Oreg., to report it favorably without amendment, and I submit a report (No. 11) thereon.

Mr. HEYBURN. I ask that the bill be put upon its passage.

The Secretary read the bill, and there being no objection, the Senate, as in Committee of the Whole, proceeded to its consideration.

The bill was reported to the Senate without amendment, ordered to be engrossed for a third reading, read the third time, and passed.

PEND D'OREILLE RIVER BRIDGE, WASHINGTON.

Mr. MARTIN. I am directed by the Committee on Commerce, to whom was referred the bill (S. 2433) to authorize the Idaho and Washington Northern Railroad to construct a bridge across the Pend D'Oreille River, in the State of Washington, to report it favorably without amendment, and I submit a report (No. 13) thereon.

Mr. HEYBURN. I ask for the present consideration of the bill.

The Secretary read the bill, and there being no objection, the Senate, as in Committee of the Whole, proceeded to its consideration.

The bill was reported to the Senate without amendment, ordered to be engrossed for a third reading, read the third time, and passed.

NOXUBEE RIVER BRIDGE.

Mr. MARTIN. I am directed by the Committee on Commerce, to whom was referred the bill (S. 2290) to authorize the Alabama, Tennessee and Northern Railroad Company to construct a bridge across Noxubee River, to report it favorably without amendment, and I submit a report (No. 12) thereon. I call the attention of the Senator from Alabama [Mr. BANKHEAD] to the bill.

Mr. BANKHEAD. I ask unanimous consent for the present consideration of the bill.

The Secretary read the bill; and there being no objection, the Senate, as in Committee of the Whole, proceeded to its consideration.

The bill was reported to the Senate without amendment, ordered to be engrossed for a third reading, read the third time, and passed.

BILLS INTRODUCED.

Bills were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. HEYBURN:

A bill (S. 2865) granting an increase of pension to Davis W. Webb (with accompanying paper); to the Committee on Pensions.

By Mr. McLAURIN:

A bill (S. 2866) for the relief of the estate of David Buck, deceased (with accompanying paper); to the Committee on Claims.

By Mr. CUMMINS:

A bill (S. 2867) for the relief of D. M. Rowland; to the Committee on Claims.

A bill (S. 2868) granting an increase of pension to William W. Olmsted;

A bill (S. 2869) granting a pension to Elizabeth Graft;

A bill (S. 2870) granting an increase of pension to John W. Edwards;

A bill (S. 2871) granting an increase of pension to Jeremiah Thomas;

A bill (S. 2872) granting an increase of pension to Stephen F. Balliet;

A bill (S. 2873) granting an increase of pension to James W. Tucker;

A bill (S. 2874) granting an increase of pension to Alfred M. Buttolph;

A bill (S. 2875) granting an increase of pension to Harrison P. Wilson;

A bill (S. 2876) granting an increase of pension to Richard Davis;

A bill (S. 2877) granting an increase of pension to James W. Gunnels;

A bill (S. 2878) granting a pension to Miller C. Hunter;

A bill S. 2879) granting an increase of pension to John T. Ream;

A bill (S. 2880) granting an increase of pension to Jasper Blain;

A bill (S. 2881) granting an increase of pension to Edwin L. Rood;

A bill (S. 2882) granting an increase of pension to William H. Dodge;

A bill (S. 2883) granting an increase of pension to David H. Hill;

A bill (S. 2884) granting an increase of pension to Andrew Balfour;

A bill (S. 2885) granting an increase of pension to James H. Firman;

A bill (S. 2886) granting an increase of pension to James W. Paschal; and

A bill (S. 2887) granting an increase of pension to W. H. Hopkirk; to the Committee on Pensions.

By Mr. FLETCHER:

A bill (S. 2888) for the relief of the estate of Henry Kizer, deceased; to the Committee on Claims.

By Mr. BANKHEAD:

A bill (S. 2889) for the relief of Thomas Seymour;

A bill (S. 2890) for the relief of heirs or estate of Benjamin Lawler, deceased; and

A bill (S. 2891) for the relief of James Williams; to the Committee on Claims.

By Mr. STONE:

A bill (S. 2892) granting a pension to George Treece;

A bill (S. 2893) granting an increase of pension to Polonzo N. Graves;

A bill (S. 2894) granting a pension to Samuel T. Davis; and

A bill (S. 2895) granting an increase of pension to John W. Johnson; to the Committee on Pensions.

By Mr. BULKELEY:

A bill (S. 2896) authorizing the Connecticut River Company to construct a dam or dams across Connecticut River above the village of Windsor Locks, Conn.; to the Committee on Commerce.

A bill (S. 2897) granting an increase of pension to Joseph E. Stanley (with accompanying papers); to the Committee on Pensions.

By Mr. DICK:

A bill (S. 2898) granting certain obsolete ordnance for ornamental purposes; to the Committee on Military Affairs.

A bill (S. 2899) to provide for payment of the claims of the Augustinians, the Dominicans, the Recoletos, and the Franciscans, religious orders of the Roman Catholic Church in the Philippine Islands; to the Committee on the Philippines.

By Mr. WARNER:

A bill (S. 2900) for the relief of the heirs of Jacob Harrold, deceased (with accompanying papers); to the Committee on Claims.

By Mr. FLINT:

A bill (S. 2901) providing for the elimination of private holdings in the Sequoia and General Grant national parks, in the State of California; to the Committee on Public Lands.

A bill (S. 2902) to establish an assay office at Los Angeles, State of California; to the Committee on Finance.

A bill (S. 2903) to enable the people of Arizona to form a constitution and state government and be admitted into the Union on an equal footing with the original States; to the Committee on Territories.

A bill (S. 2904) to authorize additional aids to navigation in the Light-House Establishment, and for other purposes; to the Committee on Commerce.

A bill (S. 2905) granting an increase of pension to George P. Clark (with accompanying paper);

A bill (S. 2906) granting a pension to Josephine Amsden (with accompanying papers); and

A bill (S. 2907) granting an increase of pension to Harvey J. Shoulters; to the Committee on Pensions.

By Mr. BURTON:

A bill (S. 2908) granting an increase of pension to James J. Brown; and

A bill (S. 2909) granting an increase of pension to John H. Whitaker; to the Committee on Pensions.

A bill (S. 2910) to correct the naval record of Alfred Burgess; to the Committee on Naval Affairs.

A bill (S. 2911) to remove the charge of desertion from the military record of Joseph Desatell; to the Committee on Military Affairs.

By Mr. McENERY:

A bill (S. 2912) for the relief of the estate of John W. Austin, deceased; and

A bill (S. 2913) for the relief of the legal representatives of Francisco Deocoro, deceased; to the Committee on Claims.

By Mr. BEVERIDGE:

A bill (S. 2914) to reimburse the postmaster at Sandborn, Ind.; to the Committee on Post-Offices and Post-Roads.

Mr. BAILEY (by request):

A bill (S. 2915) for the relief of Sarah E. Dixon; to the Committee on Claims.

CIVIL SERVICE INVESTIGATION.

Mr. BORAH submitted the following resolution (S. Res. 67), which was referred to the Committee to Audit and Control the Contingent Expenses of the Senate:

Senate resolution 67.

Resolved, That the Committee on Civil Service and Retrenchment be, and it is hereby, authorized and directed, by subcommittee or otherwise, to make investigation as to the civil service and as to the enforcement and administration of the civil service law, rules, and regulations, and a full and complete inquiry with reference thereto. And for this purpose it is authorized to sit, by subcommittee or otherwise, during recesses or sessions of the Senate at such times and places as it may deem advisable, to send for persons and papers, to administer oaths, and to employ such stenographic, clerical experts, and other assistants as may be necessary, and to have such printing and binding done as may be necessary, the expense of such investigation to be paid from the contingent fund of the Senate.

THE PHILIPPINE TARIFF.

The VICE-PRESIDENT. The morning business is closed, and the first bill on the calendar will be announced.

The SECRETARY. A bill (H. R. 9135) to raise revenue for the Philippine Islands, and for other purposes.

The Senate, as in Committee of the Whole, proceeded to consider the bill, which had been reported from the Committee on the Philippines with amendments.

Mr. LODGE. I ask that the formal reading of the bill be dispensed with, and that it be read for amendment, the committee amendments to be first considered.

The VICE-PRESIDENT. Is there objection to the request?

Mr. DEPEW. Mr. President, I make the request of the Senator from Massachusetts that he will defer this bill for the next one on the calendar, House bill 9541, which relates to the island of Porto Rico. The Porto Rican bill is eminently an emergency measure.

Mr. CULBERSON. Mr. President, I rise to a question of order.

The VICE-PRESIDENT. The Senator from Texas will state his question of order.

Mr. CULBERSON. Not that I have any particular objection to the consideration of either of these bills, but I call attention to the rule adopted on the 1st of April:

That until otherwise ordered no legislative business except the consideration of the census bill and the routine morning business shall be transacted at the sessions of the Senate.

Mr. LODGE. The bill there referred to is the tariff bill that has passed the Senate.

Mr. CULBERSON. It says "until otherwise ordered."

Mr. LODGE. I do not understand that the rule was to exclude this business, which is absolutely necessary in the case of both these bills. The order operates until further notice. We can rescind it at any moment by our action.

Mr. CULBERSON. I call the attention of the Chair to the language of the order, "until otherwise ordered."

Mr. LODGE. I am now seeking to otherwise order.

The VICE-PRESIDENT. The Chair, however, is of the notion that the rule adopted ought to be modified before the bill is taken up.

Mr. LODGE. Then I can move to rescind the order.

Mr. HALE. I hope the Senator will not do that, because it would throw open the rest of the session to every kind of business. I have no doubt the Chair is right in the intimation that the rule is still operating, but——

The VICE-PRESIDENT. The Chair will suggest, if the Senator from Maine will permit him, that the rule is "until otherwise ordered." It is not necessary to annul the rule, but automatically the bill came up without the Senate affirmatively bringing it up; and the Senate would otherwise order for that purpose.

Mr. LODGE. That is exactly what I wanted to bring about. I did not want to infringe on the rule further than to bring up the Philippine tariff bill, which is an essential part of the other tariff bill.

Mr. HALE. I do not object to that, but I think it will be more in the interests of good legislation, and prevent us from being swamped with all kinds of business, if, instead of rescinding the rule, the Senator asks unanimous consent, and let the order be modified from time to time by the unanimous consent of the body. I should not want to agree to rescind the rule absolutely and leave everything open.

Mr. LODGE. I agree entirely with the Senator from Maine. I do not want to rescind the rule. I do not think it ought to be rescinded. I made a request for unanimous consent. I am perfectly willing to cover the Porto Rican bill, too. They must come up in their order on the calendar. They are equally important, and those bills will come up in succession. I made the request for unanimous consent, but the Senator from Texas interposed.

The VICE-PRESIDENT. The Chair did not put it in that form. Perhaps the Chair was in error. The bill was called up in regular order under the rule, and the Chair understood that the request was that the formal reading of the bill be dispensed with.

Mr. LODGE. I ask unanimous consent, then, that the Philippine tariff bill be considered, and then the Porto Rican bill.

The VICE-PRESIDENT. Is there objection to the request?

Mr. MONEY. I wish to make an inquiry. There is no objection to the request of the Senator from Massachusetts on this side that I am aware of, for the committee are entirely ready to go on with this bill. But I ask the Senator if it is necessary to go on with the bill?

Mr. LODGE. It is absolutely necessary in the case of both bills. The Philippine tariff is made necessary by our action on the tariff bill that has just passed the Senate. In that we provided by an arrangement, familiar to the Senator, that all the products of the United States should enter the Philippine Islands free of duty. That involves a revision of their tariff. We have had to alter it to meet that condition. It is absolutely necessary that the bill should be gotten through so that it can be dealt with in the conference and be passed at the same time the general tariff bill passes. The Porto Rican bill is absolutely necessary, for they are at a standstill.

Mr. MONEY. I am perfectly willing to yield to the Senator from Massachusetts. The only reason I asked was that my attention has been directed to a provision in the bill which seems to be very important, but I have not had time to examine it at all. I presume the Senator knows all about it.

Mr. LODGE. If the bill is taken up, I think I can satisfy the Senator. The bill has been most carefully prepared and gone over by a subcommittee of the Committee on the Philippines, of which the Senator from Idaho [Mr. HEYBURN] was chairman. There is a most elaborate report here. If there is any objection the Senator finds, we can care for it. I do not know of any objection to the bill. I have not heard of any anywhere.

Mr. DEPEW. Mr. President——

The VICE-PRESIDENT. Does the Senator from Massachusetts yield to the Senator from New York?

Mr. LODGE. I yield to the Senator from New York.

Mr. DEPEW. The bill for Porto Rico is an emergency measure. The house of delegates of the island of Porto Rico refused to pass an annual appropriation bill unless they could get certain legislation which was a virtual repeal of the organic act under which the island is governed. Their refusal to pass the appropriation bill has left the government of the island ever since the 30th of January without any money whatever for any governmental expenses. They have no money for schools, none for highways, none for courts, and until this measure passes the island is in a state of financial paralysis.

The VICE-PRESIDENT. Is there objection to the request of the Senator from Massachusetts? The Chair hears none.

Mr. NEWLANDS. Mr. President, I was claiming the attention of the Chair some time ago. I wish to inquire of the Senator from Massachusetts which bill it is proposed to take up first, the Porto Rican bill or the Philippine bill?

Mr. LODGE. I propose they shall be taken up in the order in which they stand on the calendar—the Philippine bill first and then the Porto Rican bill.

Mr. NEWLANDS. Is it the intention to press continuous sessions or to adjourn until Monday?

Mr. LODGE. I am in strong hopes that we can dispose of both bills to-day while we are waiting to hear from the House. I know of no objection to either measure. Then we can have an adjournment over until Tuesday.

Mr. CULBERSON. With reference to the question about rescinding this order, all I have to say in addition to what I have said is that in calling it to the attention of the Chair I stated distinctly that I had no objection to taking up either of these bills, but I wanted to have the question of order decided.

The VICE-PRESIDENT. The Chair has decided it.

Mr. CULBERSON. My notion is, Mr. President, that it would require at least a formal rescinding, either in whole or pro tanto, of the order before any other business could be taken up.

Mr. LODGE. We rescind it pro tanto by taking up another bill.

Mr. CULBERSON. The Chair ruled, and it seems to be generally acquiesced in, that if the Senate, by unanimous consent or on motion, agreed to take up a certain bill, it would, to that extent, modify the rule and meet the situation. All I rose for at this time was to suggest what I had suggested before—that I have no objection to the taking up of either of these bills, but I wanted to have the situation clearly understood.

The VICE-PRESIDENT. The Senator from Texas has stated it as the Chair understands it. The Chair hears no objection, and the bill is before the Senate as in Committee of the Whole. The Senator from Massachusetts asks unanimous consent that the formal reading of the bill be dispensed with, and that the bill be read for amendments, the committee amendments to be first considered. Is there objection?

Mr. JOHNSTON of Alabama. I suggest to the Senator from Massachusetts it seems to me unnecessary to read all these purely formal amendments, changing sections and inserting one letter at a time. They might all be considered at one time.

Mr. LODGE. I think we can run through them very rapidly. A great many of them, at least, are formal amendments. I think we shall dispose of the amendments very rapidly. I know of no opposition to them.

Mr. JOHNSTON of Alabama. There is one amendment which changes——

Mr. LODGE. If the Senator will allow me, I will ask, in conformity with his request, that the clerks be permitted to correct the numbers of the sections, as suggested in the report.

The VICE-PRESIDENT. Is there objection? The Chair hears none. The reading of the bill will be proceeded with.

The Secretary proceeded to read the bill.

The first amendment of the Committee on the Philippines was, on page 1, after line 2, to strike out:

That on and after sixty days following the passage of this act there shall be levied, collected, and paid upon all articles when imported from any foreign country into the Philippine Islands the rates of duty which are by the sections and paragraphs of the dutiable list of this act prescribed.

SEC. 2. That duties shall be collected on all articles, goods, wares, or merchandise imported from any foreign country into the Philippine Islands, at the rates hereinafter provided, except when same are expressly exempted from duty by this act. Any articles, goods, wares, or merchandise from abroad, except as hereinafter provided, entering the jurisdiction of the Philippine Islands, in any manner whatsoever, either with intent to unlade therein, or which, after such entering, become incorporated into the general mass of property within said islands, or are consumed therein, shall be deemed to have been imported within the meaning of this act.

And to insert:

That on and after sixty days following the passage of this act, except as otherwise specifically provided therein, there shall be levied, collected, and paid, upon all articles, goods, wares, or merchandise of every kind and class entering the jurisdiction of the Philippine Islands, from any place or places, including the United States and its possessions, and in any manner whatsoever, either with intent to unlade therein, or which, after such entering, are consumed therein, or become incorporated into the general mass of property within said islands, the rates of import duty which are by this act specifically provided.

Mr. HEYBURN. Mr. President, I will first call the attention of Senators to the manner in which these amendments are presented in the report accompanying the bill, and it will save a great deal of time that would otherwise be consumed in directing the attention of the Senate to a change and the purpose of the change.

There are a great many amendments. The bill is accompanied by a report in which the reasons for making the amendments are fully set forth. That will be found true as to every amendment proposed in the bill. The report states, first, the text of the paragraph or section, as it may be, and then gives reasons for the proposed change, with the data upon which those reasons are based.

Unless some Senator desires fuller or more extensive information than that, we had thought of allowing the clerks to read along until they came to some question against which some objection was desired to be urged.

I should like first to put in the RECORD a statement of the condition of the treasury of the Philippine Islands and the basis of this amendment. I will do so without reading it, unless some Senator desires to have it read, and I can see no particular purpose in having it read.

The VICE-PRESIDENT. Without objection, the request will be complied with.

The statement referred to is as follows:

Memoranda concerning the net revenues of the Philippine government, showing sources from which derived.

Customs revenues	$8,017,891.80
The internal-revenue collections accruing to the insular government were	2,458,915.94
Income from other sources	422,453.70
Giving a total income to the insular government of	10,899,261.44

The customs collections were divided as follows:

1. Import duties	6,492,244.195
2. Export duties	743,988.28
3. Immigration dues	29,286.00
4. Wharfage	313,716.77
5. Licenses	43,053.01
6. Sale of stamps	33,305.90
7. Duty on unclaimed merchandise sold at auction	10,676.58
8. Unclaimed refundable export duty	82,593.055
9. Duties collected on Philippine products in United States	269,028.01
Total customs revenue	8,017,891.80

REMARKS.

Of the customs collections, the third, fifth, sixth, seventh, and eighth items are unchanged by the proposed tariff. The fourth item, "Wharfage," will be increased 33.3 per cent, giving an estimated increase under the proposed bill of $104,572.25. The ninth item, "Duties collected on Philippine products in the United States," is under this bill a total loss. There remains then for consideration in the customs collections the two items of "Import duties" and "Export duties."

During the past year export duties were collected upon hemp, sugar, copra, and tobacco, and there was a provision for export duties on indigo, which brought in, however, no revenue. In the new bill indigo is omitted. As hemp and copra were admitted free of duty into the United States under the present law, the export rates being unchanged in the pending bill, the revenue from that source will remain the same. The only changes will be due to an increase in the shipment of sugar and tobacco to the United States. During the fiscal year 1908 export duties to the amount of $24,800 were collected upon sugar shipped to the United States, and $274 upon tobacco so shipped. Assuming that sugar and tobacco exports to the United States will double, with a corresponding decrease in foreign shipments, there would be a net loss of export duties amounting to $44,468. An estimate of the effect of a change in the tariff rates coincident with the admission of American goods into the Philippine Islands free of duty is more difficult to reach. During the last fiscal year the duty on imports from the United States was $999,666. The duty on goods from foreign countries was $5,691,819. Could it be assumed that imports from the United States and from foreign countries would continue in the same proportion, with free admission of American goods, it would be necessary to consider only the effect of a change in the rates of duty; but it is apparent that after the new tariff bill becomes effective imports from the United States will increase, and the imports from foreign countries will correspondingly decrease until such time as the increased purchasing power of the islands, consequent upon the benefits derived from the competition afforded by the removal of the duties in the United States upon their principal products, shall bring about an increase of imports both from foreign countries and from the United States.

There was, during the fiscal year 1908, collected under the existing tariff $5,691,819 upon imports from foreign countries; and were the imports from foreign countries to remain the same under the new tariff, the collections would be approximately $6,085,661, which is within $600,000 of the entire receipts from imports during the last fiscal year; but it is estimated that there will be a falling off for a few years of imports from foreign countries, which would probably create an additional loss in import duties of $852,000, leaving a total collection from imports under the proposed rates of $5,233,661, indicating a total loss to the revenue from this source of $1,457,824.

Summarizing, it is estimated that there will be under this bill the following losses in the customs revenues:

From import duties	$1,457,824
From export duties	44,468
From duties collected on Philippine products in the United States	269,028
Total estimated loss	1,771,320

Against this loss there will be an increase in collections from wharfage dues of $104,572.25, showing a probable net loss of customs revenues under the proposed bill during the first year of its operation amounting to $1,666,748.

Although the financial condition of the Philippine government is such that it could meet this annual decrease of revenues until the beneficial effects of the proposed limited free trade with the United States would be felt in an increased trade, both with the United States and foreign countries, thus overcoming the temporary loss in customs revenues, it has been deemed safer not to depend wholly upon this, but to meet the loss by a revision and increase of the internal-revenue taxes, which was effected at the last session of the Philippine legislature.

The following table will show, first, the principal commodities imported into the Philippine Islands during the fiscal year 1907 from the United States and other countries, the values of those commodities, and the duties collected thereon separately; second, the equivalent ad valorem rates collected under the present and proposed tariffs, the estimated revenue which will be derived from each group of commodities under the proposed tariff, the loss of revenues through increased imports from the United States free of duty, and the net revenue that will probably be yielded in view of that loss.

Summarizing the figures of these tables, the following is found:

Import duties collected upon merchandise from the United States during fiscal year 1908	$999,666
Import duties collected upon merchandise from foreign countries during the same period	5,691,819
Total import duties collected	6,691,485
Estimated revenue from imports under pending bill, with free admission of American goods	5,233,661
Indicating a temporary annual loss of	1,457,824

Value of imports and duties collected thereon during fiscal year 1908.

Commodity.	Imports for fiscal year 1908 from—			
	United States.		All other countries.	
	Value.	Duty.	Value.	Duty.
Cattle			$1,055,236	
Breadstuffs, except flour	$94,717	$3,773	234,915	$38,052
Flour	507,235	43,596	537,335	47,489
Cement			331,143	11,346
Coal	63	3	567,157	54,361
Chemicals, drugs, and dyes, except opium	100,724	22,130	334,522	56,642
Cotton goods	685,919	121,713	7,325,915	1,898,110
Manufactures of fibers, vegetable	6,335	1,665	607,804	151,372
Fish and fish products, including shellfish	138,904	17,289	255,756	32,383
Iron, steel, and manufactures of	802,313	108,091	1,362,594	222,340
Leather, and manufactures of, including boots and shoes	462,756	54,415	209,206	45,934
Malt liquors	43,756	12,022	46,836	10,219
Illuminating oils	619,545	302,561	186,567	55,174
Paper, and manufactures of	167,928	32,010	358,500	92,119
Provisions, including beef, hog, and other animal and dairy products	195,027	22,450	1,325,342	86,149
Rice			5,861,256	1,254,515
Distilled spirits	68,760	47,643	171,460	170,742
Silk, and manufactures of	12,978	6,008	521,633	199,631
All other articles	1,172,710	204,300	4,555,886	1,265,241
Total	5,079,670	999,666	25,839,075	5,691,819

Estimated revenues under pending Philippine tariff revenue bill.

Commodity.	Ad valorem rate.		Estimated duty under proposed tariff.	Probable loss through increase in United States trade.	Revenue under import tariff rates, proposed law, 1909.
	Present.[a]	Proposed.			
	Per ct.	*Per ct.*			
Cattle		8	$85,000		$85,000
Breadstuffs, except flour	16	15	35,237	$10,000	25,237
Flour	9	10	53,734	47,000	6,734
Cement	3	5	16,557		16,557
Coal	10	10	54,361		54,361
Chemicals, drugs, and dyes, except opium	17	20	66,904	40,000	26,904
Cotton goods	26	26	1,898,110	300,000	1,598,110
Manufactures of fibers, vegetable	25	25	151,372		151,372
Fish and fish products, including shellfish	13	13	32,383	5,000	27,383
Iron, steel, and manufactures of	16	16	222,340	100,000	122,340
Leather, and manufactures of, including boots and shoes	22	25	52,301	40,000	12,301
Malt liquors	22	22	10,219	10,000	219
Petroleum and its derivatives	30		80,000		80,000
Paper, and manufactures of	26	20	71,701	45,000	26,701
Provisions, including beef, hog, and other animal and dairy products	7	15	198,801	85,000	113,801
Rice	21	[b]26	1,523,933		1,523,933
Distilled spirits	99	140	240,052		240,052
Silk, and manufactures of	38	38	199,631		199,631
All other articles	27	[c]26	1,173,025	250,000	923,025
Total			6,165,661	942,000	5,223,661

[a] Computed on basis of 1908 imports from other countries.
[b] After May 1, 1910.
[c] Opium duty of $100,000 eliminated.

The VICE-PRESIDENT. The question is on agreeing to the amendment of the committee.

The amendment was agreed to.

The reading of the bill was continued.

The next amendment was, under the subhead "Treatment of textiles," on page 3, line 13, after the word "part," to insert "of the body of the textile;" and in line 15, after the word "resulting," to strike out "in the body of the fabric," so as to make the clause read;

Should a textile be more closely woven in some parts than in others, the number of threads in the most closely woven part and in the most loosely woven part of the body of the textile shall be ascertained, and the average number of threads resulting shall serve as the basis for levying duty.

The amendment was agreed to.

The next amendment was, under the subhead "Receptacles, packages, and packing," on page 14, line 1, after the word "wares," to strike out "and" and insert "or," so as to read:

(e) Wherever it is provided in this act that articles, goods, wares, or merchandise shall be dutiable by "gross weight," the dutiable weight thereof shall be held to be the weight of same, together with the weight of all containers, packages, holders, and packing, of whatsoever kind or character, in which said articles, goods, wares, or merchandise are contained, held, or packed at the time of importation.

The amendment was agreed to.

The next amendment was, under the subhead "Prohibited importations," on page 16, line 13, after the word "legislature," to insert "or when imported by, or for the use of, the United States or insular governments," so as to make the clause read:

(a). Dynamite, gunpowder, similar explosives, firearms and detached parts therefor, except in accordance with enactment of the Philippine legislature, or when imported by, or for the use of, the United States or insular governments.

The amendment was agreed to.

The next amendment was, under the subhead "Rates of duties," on page 19, line 25, after the words "Philippine Islands," to insert "or going into said islands from the United States or any of its possessions, except as otherwise provided in this act," so as to make the clause read:

SEC. 8. That the rates of duties to be collected on articles, goods, wares, or merchandise imported into the Philippine Islands, or going into said islands from the United States or any of its possessions except as otherwise provided in this act, shall be as follows, etc.

The amendment was agreed to.

The next amendment was, under the subhead "Stones and earths," on page 22, line 4, before the word "cents," to strike out "six" and insert "sixteen," so as to make the clause read:

(a) Fire clay, lime, and Roman, Portland, and other hydraulic cement, 100 kilos, 16 cents.

The amendment was agreed to:

The next amendment was, under the subhead "Precious stones, pearls, and imitations thereof," on page 24, line 11, before the word "unset," to strike out "or" and insert "and;" and in line 12, before the word "unset," to strike out "or" and insert "and," so as to make the clause read:

13. Precious and semiprecious stones, including jade, tiger-eye, chalcedony, opal, and similar stones not otherwise provided for, any of the foregoing cut or uncut, but unmounted and unset, and not further manufactured, pearls unmounted and unset, diamond dust and bort, 15 per cent ad valorem.

The amendment was agreed to.

The next amendment was, on page 24, line 15, after the word "pearls," to insert "unmounted and unset," so as to make the clause read:

14. Doublets and other imitations of precious and of semiprecious stones, and imitation pearls, unmounted and unset, 30 per cent ad valorem.

The amendment was agreed to.

The next amendment was, under the subhead "Glass and manufactures thereof," on page 24, line 18, before the word "Articles," to strike out "Note," so as to make the clause read:

Articles ground or cut only for the purpose of truing them or fitting stoppers shall not be held to be cut glass.

The amendment was agreed to.

The next amendment was, on page 26, line 7, after the word "same," to insert "of all kinds," so as to make the clause read:

(d) The same, of all kinds, engraved or enameled, 50 per cent ad valorem.

The amendment was agreed to.

The next amendment was, under the subhead "Coal, schists, bitumens, and derivatives thereof," on page 27, after line 10, to strike out:

22. Tars and pitches not otherwise provided for, unrefined tar oils, asphaltums, asphalts, asphalt paving blocks, crude oils derived from shales, axle grease, carbolineum and similar compounds, any of the foregoing not derived from petroleum and not otherwise provided for, gross weight, 100 kilos, 20 cents.

And insert:

22. Tars, pitches, and tar oils, not otherwise provided for; mineral oils, crude or refined, including those for illumination, lubrication, fuel, or solvents; vaseline (except when compounded with other substances); axle grease of all kinds; asphaltums; carbolineum and similar compounds; gross weight, 100 kilos, 25 cents: *Provided*, That no article classified under this paragraph shall pay a less rate of duty than 10 per cent ad valorem: *Provided further*, That, though imported under a name referable to this paragraph, paraffin or other products shall be classified under paragraph 83 of this act.

The amendment was agreed to.

The next amendment was, under the subhead "Cast iron," on page 30, line 8, before the word "Malleable," to strike out "Note," so as to make the clause read:

Malleable cast iron and manufactures thereof shall be dutiable as wrought iron.

The amendment was agreed to.

The next amendment was, under the subhead "Wrought iron and steel," on page 30, after line 20, to strike out:

28. Wrought iron and steel:
(a) In rails, straight or bent, crossings and similar track sections, switch rails, and portable tramways, gross weight, 100 kilos, 40 cents.
(b) Metal cross-ties, switches, tongues, frogs, fish plates, and chairs, gross weight, 100 kilos, 45 cents.

And to insert:

28. Wrought iron and steel, gross weight:
(a) In rails, straight or bent, cross-ties, portable tramways, crossings and similar track sections; switch rails, switches, tongues, frogs, fish plates, and chairs therefor; 100 kilos, 40 cents.

The amendment was agreed to.

The next amendment was, on page 31, line 12, after the word "hoops," to strike out "gross weight," so as to make the clause read:

(b) In bars or beams (except of crucible steel), not cut to measure, perforated, or riveted or fastened together, rods, tires, and hoops, 100 kilos, 40 cents.

The amendment was agreed to.

The next amendment was, on page 31, line 19, after the word "steel," to strike out "gross weight," so as to make the clause read:

(c) The same, of crucible steel, 100 kilos, $2.65.

The amendment was agreed to.

The next amendment was, on page 32, line 8, after the word "under," to strike out "this," and in the same line, after the word "clause," to insert "(b) of this paragraph," so as to make the proviso read:

Provided, That any of the articles or materials classified under clause (b) of this paragraph, made up in hoops, ridgings, eaves, drain pipes, gutters, ceilings, shingles, ceiling centers, borders, friezes, dados, and similar articles, shall be dutiable at the rate herein provided, with a surtax of 100 per cent.

The amendment was agreed to.

The next amendment was, on page 35, line 8, before the word "with," to strike out "any of the foregoing;" in line 10, before the word "common," to strike out the word "and;" in line 12, before the word "grass," to strike out "and;" and in line 13, before the word "fishhooks," to strike out "and," so as to make the clause read:

(a) Butchers', shoemakers', saddlers', plumbers', painters', pruning, budding, kitchen, bread, and cheese knives; table knives and forks with handles of common wood, or of iron, japanned or not, not covered or coated with other metals; common scissors or shears, plain, glazed, or japanned; grass, garden, hedge, pruning, and sheep shears; fishhooks; 20 per cent ad valorem.

The amendment was agreed to.

The next amendment was, under the subhead "Copper and alloys thereof," on page 36, line 22, before the word "alloys," to strike out "and" and insert "or;" in line 23, before the word "ingots," to strike out "and" and insert "or;" and in line 24, after the word "except," to insert "of," so as to make the clause read:

46. Copper or alloys thereof, in bars, pipes, and sheets, and alloys of copper, in lumps or ingots, any of the foregoing except of Munts metal, 10 per cent ad valorem.

The amendment was agreed to.

The next amendment was, on page 37, line 6, before the word "cables," to strike out "and," so as to make the clause read:

(c) Covered with textiles, not otherwise provided for, or with insulating materials, cables for conducting electricity, and trolley wire, 10 per cent ad valorem.

The amendment was agreed to.

The next amendment was, on page 40, line 22, before the word "any," to strike out "Note."

The amendment was agreed to.

The next amendment was, under subhead "Chemical and pharmaceutical products," on page 43, line 24, before the word "acids," to strike out "Note. No." and insert "*Provided*, That no," so as to make the proviso read:

Provided, That no acids or double salts shall be dutiable under this paragraph.

The amendment was agreed to.

The next amendment was, on page 44, line 12, after the word "section," to strike out "four" and insert "three," so as to make the clause read:

77. Opium in any form, and preparations thereof, for medicinal purposes, not otherwise provided for, subject to the provisions of section 3 of this act, 35 per cent ad valorem.

The amendment was agreed to.

The next amendment was, under the subhead "Oils, fats, waxes, and derivatives thereof," on page 46, line 1, after the word "wax," to strike out "any of the foregoing not the products of petroleum," so as to make the clause read:

83. Mineral, vegetable, and animal wax.

The amendment was agreed to.

The next amendment was, under the subhead "Various," on page 47, line 11, before the word "cartridges," to strike out "fireworks," and in line 12, after the word "firearms," to insert "fireworks," so as to make the clause read:

(b) Other cartridges, fixed ammunition, primers and percussion caps, for firearms, fireworks, 30 per cent ad valorem.

The amendment was agreed to.

The next amendment was, on page 47, line 17, before the word "of," to insert "and match sticks," so as to make the clause read:

90. Matches and match sticks of all kinds, including weight of immediate containers, kilo, 20 cents.

The amendment was agreed to.

The next amendment was, under the subhead "Textiles," on page 48, line 12, before the word "When," to strike out "Note," so as to make the clause read:

When textiles, included in this group, contain an admixture of materials, are brochéd, embroidered, trimmed, or made-up, they shall be subject to the corresponding surtaxes prescribed in general rules 2 to 11, inclusive

The amendment was agreed to.

The next amendment was, on page 52, line 15, before the word "article," to strike out "any" and insert "no;" and in line 16, before the word "pay," to strike out "not," so as to make the proviso read:

101. Piqués of all kinds, kilo, 38 cents: *Provided*, That no article classified under this paragraph shall pay a less rate of duty than 30 per cent ad valorem.

The amendment was agreed to.

The next amendment was, on page 53, line 3, before the word "kilo," to strike out "(see rule 6)" and insert "subject to the provisions of rule 6," so as to make the clause read:

103. Plushes, velvets, velveteens, and other pile fabrics (except in towels and bathrobes), subject to the provisions of rule 6, kilo, 50 cents.

The amendment was agreed to.

The next amendment was, on page 53, line 4, after the word "manufactured," to strike out "with" and insert "of;" and in the same line, after the word "pile," to strike out "warp" and insert "fabrics," so as to make the clause read:

104. Bathrobes and towels manufactured of pile fabrics, 25 per cent ad valorem.

The amendment was agreed to.

The next amendment was, on page 53, line 6, after the word "goods," to strike out "(see rule 6)" and insert "subject to the provisions of rule 6," so as to make the clause read:

105. Knitted goods, subject to the provisions of rule 6:

The amendment was agreed to.

The next amendment was, on page 53, line 18, after the word "Tulles," to strike out "(see rule 6)" and insert "subject to the provisions of rule 6," so as to make the clause read:

106. Tulles, subject to the provisions of rule 6, plain or figured or embroidered on the loom, kilo, 56 cents.

The amendment was agreed to.

The next amendment was, on page 54, line 8, after the word "blondes," to strike out "(see rule 6)" and insert "subject to the provisions of rule 6," so as to make the clause read:

107. Laces and blondes, subject to the provisions of rule 6.

The amendment was agreed to.

The next amendment was, on page 56, line 13, after the word "nets," to insert "and," so as to make the clause read:

(d) Hammocks, tennis nets, and manufactures of netting not otherwise provided for, 40 per cent ad valorem.

The amendment was agreed to.

The next amendment was, under the subhead "Textiles," on page 56, line 18, before the word "When," to strike out "Note," so as to make the clause read:

When textiles included in this group contain an admixture of materials, are embroidered, trimmed, or made up, they shall be subject to the corresponding surtax prescribed in General Rules 2 to 11, inclusive.

The amendment was agreed to.

The next amendment was, on page 60, line 15, after the word "fabrics," to strike out "(see rule 6)" and insert "subject to the provisions of rule 6," so as to make the clause read:

124. Plushes, velvets, velveteens, and other pile fabrics, subject to the provisions of rule 6, 30 per cent ad valorem.

The amendment was agreed to.

The next amendment was, on page 60, line 18, after the word "goods," to strike out "(see rule 6)" and insert "subject to the provisions of rule 6," so as to make the clause read:

125. Knitted goods, subject to the provisions of rule 6.

The amendment was agreed to.

The next amendment was, on page 60, line 24, after the word "laces," to strike out "(see rule 6)" and insert "subject to the provisions of rule 6," so as to make the clause read:

126. Tulles and laces, subject to the provisions of rule 6, 60 per cent ad valorem.

The amendment was agreed to.

The next amendment was, on page 61, line 7, after the word "containers," to strike out "(see rule 7)" and insert "subject to the provisions of rule 7," so as to make the clause read:

129. Trimmings, ribbons, braid, tape, and galloons, including weight of immediate containers, subject to the provisions of rule 7.

The amendment was agreed to.

The next amendment was, under the subhead "Manufactures," on page 62, line 14, after the word "hair," to insert "and," so as to make the clause read:

137. Bristles, animal hair, and manufactures thereof, not otherwise provided for, 30 per cent ad valorem.

The amendment was agreed to.

The next amendment was, on page 62, line 18, after the word "goods," to strike out "(see rule 6)" and insert "subject to the provisions of rule 6," so as to make the clause read:

139. Knitted goods, subject to the provisions of rule 6.

The amendment was agreed to.

The next amendment was, under the subhead "Paper and manufactures thereof," on page 65, line 7, before the word "paragraph," to strike out "Note. This" and insert "*Provided*, That this;" and in line 10, after the word "and," to strike out "twenty-five" and insert "twenty-four," so as to make the clause read:

Provided, That this paragraph shall not apply to works of art introduced for use as such, even when imported for sale, which shall be classified under paragraph 324.

The amendment was agreed to.

The next amendment was, under the subhead "Wood," on page 65, line 24, before the word "dovetailed," to strike out "Plain" and insert "Planed," so as to make the clause read:

(b) Planed, dovetailed, or cut to size, including shingles, laths, and fencing, 15 per cent ad valorem.

The amendment was agreed to.

The next amendment was, on page 66, line 10, after the word "hoops," to insert "and;" so as to make the clause read:

158. Shooks, staves, headings, hoops, and bungs, 10 per cent ad valorem.

The amendment was agreed to.

The next amendment was, under the subhead "Various," on page 68, line 16, before the word "dyed," to strike out "bleached;" in the same line, after the word "colored," to strike out "or;" and in line 17, after the word "stained," to insert "nor artificially bleached," so as to make the clause read:

(a) Crude, or not further advanced in manufacture than cut into straight lengths suitable for sticks for umbrellas, parasols, sunshades, whips, fishing rods, or walking canes, and straw braids, suitable for making or ornamenting hats, neither dyed, colored, stained, nor artificially bleached, 10 per cent ad valorem.

The amendment was agreed to.

Mr. HEYBURN. In line 19, the committee propose another amendment by striking out the word "Note," with the colon.

The VICE-PRESIDENT. Without objection, the amendment will be agreed to.

Mr. LODGE. I suggest that amendments which are simply matters of punctuation be considered as agreed to, and that they be made by the clerks at the desk.

The VICE-PRESIDENT. Is there objection to the request of the Senator from Massachusetts? The Chair hears none, and it is so ordered.

The next amendment was, under the subhead "Hides, skins, leather wares, intestines, and wastes," on page 70, line 3, after the word "the," to strike out "same" and insert "foregoing," so as to make the clause read:

(a) Cow, and hides not otherwise provided for, split or not, of the classes known as common sole, skirting, harness, or hydraulic leather, sheepskins (basils), and boot and shoe findings of any of the foregoing, 10 per cent ad valorem.

The amendment was agreed to.

The next amendment was, on page 71, line 1, after the word "sandals," to insert "and," so as to make the clause read:

(b) Other, and slippers, sandals, and alpargatas, of whatever material (except silk), 25 per cent ad valorem.

The amendment was agreed to.

The next amendment was, under the subhead "Apparatus and machinery," on page 73, line 18, after the word "section," to strike out "four" and insert "three," so as to make the clause read:

188. Automatic slot machines, not otherwise provided for, and detached parts therefor (subject to the provisions of section 3 of this act), 35 per cent ad valorem.

The amendment was agreed to.

The next amendment was, on page 75, after line 2, to strike out:

191. Machinery and apparatus:
(a) For use in the crushing, handling, or conveying of sugar cane or its products in or around sugar mills, and detached parts therefor; engines, tenders, meters, steam boilers, pumps, and machinery, diving suits, common tools, implements, apparatus, and shafting and gearing; any of the foregoing or detached parts therefor of iron, steel, or wood not otherwise provided for, 15 per cent ad valorem.
(b) The same, of other materials, 20 per cent ad valorem.
(c) Emery cloth, 20 per cent ad valorem.

And insert:

191. Engines, tenders, motors, steam boilers, pumps, and machinery; diving suits; common tools, implements, and apparatus; detached parts therefor; not otherwise provided for; shafting and gearing:
(a) Of iron, steel, or wood, 15 per cent ad valorem.
(b) Of other materials; emery cloth; 20 per cent ad valorem.

The next amendment was, on page 76, line 11, before the word "not," to strike out "and," so as to make the clause read:

193. Fine tools, implements, and instruments, of whatever material, used in the arts, trades, and professions, such as measuring instruments, micrometric gauges, mathematical and drawing instruments, manicure instruments (not pocket cutlery), watchmakers', jewelers', surgeons', dentists', engravers', carvers', glass cutting, and similar tools, instruments, and implements, any of the foregoing and detached parts therefor, not otherwise provided for, 20 per cent ad valorem.

The amendment was agreed to.

The next amendment was, under the subhead "Vehicles," on page 77, line 7, before the word "balloons," to insert "and," so as to make the clause read:

198. Other wheeled vehicles, including perambulators, and aerial machines and balloons, any of the foregoing and detached parts therefor, not otherwise provided for, 20 per cent ad valorem.

The amendment was agreed to.

The next amendment was, under the subhead "Boats and other water craft," on page 78, line 5, after the word "and," to strike out "fifty" and insert "forty-eight," so as to make the proviso read:

Provided, That upon proof satisfactory to the collector of customs that adequate facilities are not afforded in the Philippine Islands for such repairs, the same shall be subject to the provisions of paragraph 348 of this act.

The amendment was agreed to.

The next amendment was, under the subhead "Poultry, meats, soups, and fish," on page 79, line 3, after the word "Poultry," to insert "and," so as to make the clause read:

201. Poultry and game, not otherwise provided for, dressed or not, gross weight 100 kilos, $4.

The amendment was agreed to.

The next amendment was, on page 79, line 7, before the word "sausage," to insert "and," so as to make the clause read:

203. Meat and sausage casings, salted or in brine, gross weight 100 kilos, $2.50.

The amendment was agreed to.

The next amendment was, on page 79, line 9, before the word "other," to insert "and," so as to make the clause read:

204. Hams, bacon and other meats, and sausages, dry, cured, or smoked, not preserved in cans, including weight of immediate containers, 100 kilos, $4.50.

The amendment was agreed to.

The next amendment was, on page 79, line 19, before the word "imitations," to insert "and," so as to make the clause read:

205. Lard and imitations thereof, gross weight 100 kilos, $2.50.

The amendment was agreed to.

The next amendment was, on page 80, line 5, before the word "ordinary," to strike out "and;" and in line 6, before the word "sausages," to strike out "and," so as to make the clause read:

207. Internal parts of animals, including tongue, liver, and tripe; rabbits; poultry; ordinary preparations thereof, canned or potted; sausages not otherwise provided for; 20 per cent ad valorem.

The amendment was agreed to.

The next amendment was, on page 80, line 9, after the word "game," to strike out "and preparations thereof;" and in line 12, after the word "class," to insert "preparations thereof," so as to make the clause read:

208. Canned or potted game; paté de foi gras; deviled ham, meats or game; mincemeat, meat patés, jellied lambs' and sheep's tongues, boneless pigs' feet, sweetbreads, brains, and similar products of delicatessen class; preparations thereof; not otherwise provided for; 25 per cent ad valorem.

The amendment was agreed to.

The next amendment was, on page 81, line 9, before the word "similar," to insert "and," so as to make the clause read:

(c) Fish, shellfish, sea food, and preparations thereof, including anchovies, merluza, anguias, awabi, sardines not otherwise provided for, lampreys, whiting, turtle, fish roe, eels in jelly, sharks' fins in any form, shrimp, bloater, and fish pastes and butters, and similar products of delicatessen class, 25 per cent ad valorem.

The amendment was agreed to.

The next amendment was, on page 86, line 18, after the word "nuts," to insert "and," so as to make the clause read:

236. Nuts and nut products, not otherwise provided for, 25 per cent ad valorem.

The amendment was agreed to.

The next amendment was, under the subhead "Coffee, tea, cacao, spices, sauces, condiments, and flavoring extracts," on page 89, line 11, before the word "horse-radish," to insert "and," so as to make the clause read:

250. Mustard and horse-radish, including weight of immediate containers.

The amendment was agreed to.

The next amendment was, on page 89, line 21, before the words "curry powder," to insert "and," so as to make the clause read:

(b) Ground and curry powder, 100 kilos, $10.

The amendment was agreed to.

The next amendment was, on page 90, line 19, after the word "containers," to insert "kilo," so as to make the clause read:

256. Vanilla beans, including weight of immediate containers, kilo, $2.50.

The amendment was agreed to.

The next amendment was, under the subhead "Spirits, wines, malt, and other beverages," on page 90, line 23, before the word "For," to strike out "Note," so as to read:

For the purpose of assessment under those paragraphs in which the proof liter is the basis, each and every gauge or wine liter of measurement shall be counted as at least 1 proof liter.

The amendment was agreed to.

The next amendment was, under the subhead "Various," on page 93, line 11, after the word "and," to strike out "substitutes therefor" and insert "imitations thereof," so as to make the clause read:

270. Cheese of all kinds and imitations thereof, 15 per cent ad valorem.

The amendment was agreed to.

The next amendment was, under the subhead "Miscellaneous," on page 95, line 16, before the word "cents," to strike out "thirty" and insert "fifty," so as to make the clause read:

280. Buttons, including weight of immediate containers: (a) Of mother-of-pearl, kilo, $1.50.

The amendment was agreed to.

The next amendment was, on page 95, line 21, after the word "under," to insert "clause (a) of;" in line 23, before the words "per cent," to strike out "twenty-five" and insert "fifty;" and in the same line, after the words "ad valorem," to insert:

And provided further, That no article classified under clauses (b) or (c) of this paragraph shall pay a less rate of duty than 25 per cent ad valorem.

So as to make the proviso read:

Provided, That no article classified under clause (a) of this paragraph shall pay a less rate of duty than 50 per cent ad valorem: *And provided further*, That no article classified under clauses (b) or (c) of this paragraph shall pay a less rate of duty than 25 per cent ad valorem.

The amendment was agreed to.

The next amendment was, on page 97, line 12, before the word "manufactures," to insert "and," so as to make the clause read:

(b) Further advanced, and manufactures in which feathers or downs are the component material of chief value, 40 per cent ad valorem.

The amendment was agreed to.

The next amendment was, on page 98, line 7, before the word "parts," to insert "and," so as to make the clause read:

292. Reservoir pens, and parts and points therefor, of whatever material, 25 per cent ad valorem.

The amendment was agreed to.

The next amendment was, on page 99, line 8, before the word "uncovered," to insert "complete;" in line 9, before the word "mounted," to insert "whether;" and in the same line, after the word "sticks," to insert "or not," so as to make the clause read:

(d) Umbrella frames complete, uncovered, whether mounted on tubes or sticks or not, 40 per cent ad valorem.

The amendment was agreed to.

The next amendment was, on page 99, line 14, before the word "crowns," to insert "and," so as to make the clause read:

296. Hats, bonnets, and crowns therefor, of straw, chip, palm leaf, grass, rattan, osiers, and analogous materials.

The amendment was agreed to.

The next amendment was, on page 100, line 5, before the word "headgear," to insert "and," so as to make the clause read:

298. Caps, fezzes, turbans, and headgear not otherwise provided for, 30 per cent ad valorem.

The amendment was agreed to.

The next amendment was, on page 100, after line 23, to strike out:

(a) Wrapper tobacco, filler tobacco when mixed or packed with more than 15 per cent of wrapper tobacco, leaf tobacco the product of two or more countries or dependencies when mixed or packed together, any of the foregoing unstemmed, kilo, $4.08.
(b) The same, unstemmed, kilo, $5.52.
(c) Filler tobacco, not otherwise provided for, unstemmed, kilo, 78 cents.
(d) The same, stemmed, kilo, $1.11.
(e) Cigars, cigarettes, cheroots, paper cigars, and cigarettes, including wrappers, kilo, $9.93 and 25 per cent ad valorem.
(f) Other tobacco, manufactured or unmanufactured, not otherwise provided for, kilo, $1.22.

NOTE.—The term "wrapper tobacco," as used in this act, shall be taken to mean that quality of leaf tobacco which is suitable for cigar wrappers, and the term "filler tobacco" shall be taken to mean all other leaf tobacco.

And in lieu thereof to insert:

(a) Leaf tobacco of any kind, unstemmed, kilo, $4.08.
(b) Leaf tobacco of any kind, stemmed, kilo, $5.52.
(c) Cigars, cigarettes, and cheroots, of all kinds, kilo, $9.93 and 25 per cent ad valorem; and paper cigars, and cigarettes, including their wrappers, shall be dutiable under this clause.
(d) Other tobacco, manufactured or unmanufactured, not otherwise provided for, kilo, $1.25.

The amendment was agreed to.

The next amendment was, on page 103, line 3, after the word "upon," to strike out "the;" and in line 6, after the word "section," to strike out "nine" and insert "eight," so as to make the proviso read:

Provided, That any such article, exclusive of the repairs thereon, shall be free of duty when reimported, upon compliance with the regulations of the insular collector of customs governing such exportations and reimportations, otherwise the terms of section 8 shall apply.

The amendment was agreed to.

The next amendment was, under the subhead "Free list," on page 103, line 22, before the word "than," to insert "purposes," so as to make the clause read:

307. Articles, including anchors, binnacles, propellers, and the like, the character of which, as imported, prevents their use for other purposes than the construction, equipment, or repair of vessels, and life-preservers and life buoys.

The amendment was agreed to.

The next amendment was, on page 104, after line 6, to strike out:

313. Petroleum, crude or refined, and the products thereof.

The amendment was agreed to.

The next amendment was, on page 105, line 13, before the word "office," to strike out "Note.—Store" and insert "*Provided*, That store," so as to make the clause read:

Provided, That store, office, and business signs, used for advertising local business houses, firms, offices, associations, corporations, trades, or professions, shall not be classified under this paragraph.

The amendment was agreed to.

The next amendment was, on page 106, line 3, after the word "section," to strike out "four" and insert "three," so as to make the clause read:

327. Public documents issued by foreign governments, correspondence, manuscripts, and typewritten documents, not prohibited by section 3 of this act, and collections of stamps of national issue, used or unused.

The amendment was agreed to.

Mr. HEYBURN. Mr. President, on page 106, line 16, where the words "*And provided further*" appear in italics, I think that is really an amendment, though it does not appear that way in the original bill.

The VICE-PRESIDENT. The words to which the Senator from Idaho refers will be stated as an amendment.

The SECRETARY. On page 106, line 16, after the word "notwithstanding," it is proposed to insert "*And provided further*."

The amendment was agreed to.

The reading of the bill was resumed.

The next amendment of the Committee on the Philippines was, under the subhead "Free, subject to express conditions," on page 107, line 10, after the word "animals," to insert "and," so as to make the clause read:

332. Carabao and other bovine work animals, and mules, until such time as the governor-general shall certify that conditions in the Philippine Islands warrant the imposition of duty thereon in accordance with the rates prescribed in group 1 of class 11 of this act.

The amendment was agreed to.

The next amendment was, on page 109, after line 2, to strike out:

337. Supplies and materials imported by or for the use of the United States Government, or the government of the Philippine Islands, or any of their subordinate branches: *Provided*, That title shall have passed to one of said governments before such supplies are released from customs custody: *And provided further*, That any article (except those enumerated in paragraph 215) which would otherwise be classified under this paragraph shall, if imported for sale to private or corporate persons, be dutiable under the corresponding paragraph of this act.

The amendment was agreed to.

The next amendment was, on page 110, line 7, after the word "and," to strike out "thirty-nine" and insert "thirty-seven," so as to read:

336. Wearing apparel, articles of personal adornment, toilet articles, books, portable tools and instruments, theatrical costumes, and similar personal effects, accompanying travelers or tourists in their baggage or arriving within a reasonable time, in the discretion of the collector of customs, before or after the owners, in use of and necessary and appropriate for the wear or use of such persons according to their profession or position for the immediate purposes of their journey and their present comfort and convenience: *Provided*, That this exemption shall not be held to apply to merchandise or articles intended for other persons or for barter or sale: *And provided further*, That the collector of customs may, in his discretion, require a bond for the exportation of or the payment of duties upon articles classified under this paragraph within the time and in the manner prescribed by paragraph 337.

The amendment was agreed to.

The next amendment was, on page 111, line 1, after the word "and," to strike out "thirty-eight" and insert "thirty-six;" and in line 2, after the word "and," where it occurs the second time, to strike out "thirty-nine" and insert "thirty-seven," so as to read:

338. Professional instruments and implements, tools of trade, occupation, or employment, wearing apparel, domestic animals, and personal and household effects, including those of the kind and class provided for under paragraphs 336 and 337, belonging to persons coming to settle in the Philippine Islands.

The amendment was agreed to.

The next amendment was, on page 112, line 12, after the word "and," to strike out "thirty-nine" and insert "thirty-seven," so as to make the clause read:

339. Vehicles, animals, birds, insects, and fish, portable theaters, circus and theatrical equipment, including sceneries, properties, and apparel, devices for projecting pictures and parts and appurtenances therefor, panoramas, wax figures, and similar objects for public entertainment, upon identification and the giving of a bond with sureties satisfactory to the collector of customs in an amount equal to double the estimated duties thereon, conditioned for the exportation thereof or payment of the corresponding duties thereon within the time and in the manner prescribed by paragraph 337.

The amendment was agreed to.

The next amendment was, on page 113, line 17, after the word "and," to strike out "thirty-nine" and insert "thirty-seven," so as to make the clause read:

343. Pumps for the salvage of vessels, upon identification and the giving of a bond with sureties satisfactory to the collector of customs in an amount equal to double the estimated duties thereon, conditioned for the exportation thereof or payment of the corresponding duties thereon within the time and in the manner prescribed by paragraph 337.

The amendment was agreed to.

The next amendment was, under the subhead "Free upon compliance with corresponding regulations," on page 114, line 2, after the word "and," to strike out "thirty-eight" and insert "thirty-six;" and in line 3, after the word "and," to strike out "thirty-nine" and insert "thirty-seven," so as to read:

345. Foreign articles, goods, wares, or merchandise destined for display in public expositions in the Philippine Islands, and animals for exhibition or competition for prizes, together with the harness, vehicles, and tackle necessary for the purposes designated, subject to such rules, regulations, and conditions as shall be prescribed by the insular collector of customs with those articles provided for under paragraphs 336 and 337, belonging to residents of the Philippine Islands returning from abroad.

The amendment was agreed to.

The next amendment was, on page 115, line 21, before the word "books," to insert "and," so as to make the clause read:

347. Articles of the growth, produce, or manufacture of the Philippine Islands, paintings which are works of art, and books, exported to a foreign country and returned without having been advanced in value or improved in condition by any process of manufacture or other means, and upon which no drawback or bounty has been allowed, and articles returned from foreign expositions, subject to identification under such rules and regulations as the insular collector of customs shall prescribe.

The amendment was agreed to.

Mr. HEYBURN. Mr. President, the Committee on the Philippines propose a further amendment, on page 117, line 3, to strike out all after the word "provided" and to insert a period.

The VICE-PRESIDENT. The amendment proposed by the Senator from Idaho will be stated.

The SECRETARY. On page 117, line 3, after the word "provided." It is proposed to strike out the words "see rule 13" and the parentheses around the same.

The amendment was agreed to.

The reading of the bill was resumed.

The next amendment of the Committee on the Philippines was, on page 117, after line 3, to insert as a new section the following:

SEC. 12. That all articles, the growth, product, or manufacture of the United States, upon which no drawback of customs duties has been allowed therein, going into the Philippine Islands shall hereafter be admitted therein free of duty when the same are shipped upon through bills of lading and are discharged at the port of destination in said islands within six months from the date of shipment from the port of departure in the United States as originally packed without having been opened or in any manner changed in condition: *Provided, however*, That if such articles become unpacked while en route by accident, wreck, or other casualty, or so damaged as to necessitate their repacking, the same shall be admitted free of duty upon satisfactory proof that the unpacking occurred through accident, or necessity, and that the merchandise involved is the identical merchandise originally shipped from the United States, and that its condition has not been changed, except for such damage as may have been sustained.

The amendment was agreed to.

The next amendment was, under the subhead "Export duties," on page 118, line 3, after the word "Islands," to strike out "coming directly" and insert "shipped upon through bills of lading," so as to make the clause read:

SEC. 13. That upon the exportation to any foreign country from the Philippine Islands, or the shipment thereof to the United States or any of its possessions, of the following articles, there shall be levied, collected and paid thereon the following export duties: *Provided, however*, That all articles the growth and product of the Philippine Islands shipped upon through bills of lading from said islands to the United States or any of its possessions for use and consumption therein, shall be exempt from any export duties imposed in the Philippine Islands.

Mr. HEYBURN. Mr. President, on page 118, in lines 3 and 4, the committee disagreed to the House provision and struck out the words "coming directly" and inserted in lieu thereof the words "shipped upon through bills of lading." We now desire to allow it to stand as it came over in the House bill.

The VICE-PRESIDENT. In the absence of objection, the amendment will be disagreed to. The Chair hears none.

The reading of the bill was resumed.

The next amendment of the Committee on the Philippines was, on page 118, after line 11, to strike out:

357. Tobacco, manufactured, gross weight, 100 kilos, $1.50.
358. Stems, clippings, and other wastes of tobacco, gross weight, 100 kilos, 50 cents.
359. Tobacco, raw, grown in the provinces of Cagayan, Isabela, and Nueva Viscaya (Island of Luson), gross weight, 100 kilos, $1.50.
360. Tobacco, raw, grown in other provinces of the Philippine Islands, gross weight, 100 kilos, $1.

NOTE.—Certificates of origin of raw tobacco may be required by the collector of customs at the port of exportation when proof of the place of production is necessary.

355. Tobacco, gross weight:
(a) Manufactured or unmanufactured, except as otherwise provided, 100 kilos, $1.30.
(b) Stems, clippings, and other wastes of tobacco, 100 kilos, 50 cents.

The amendment was agreed to.

The next amendment was, on page 119, after line 6, to strike out:

361. Shells, gross weight:
(a) Tortoise, and mother-of-pearl, 100 kilos, $1.
(b) Other, 100 kilos, 50 cents.

The amendment was agreed to.

The next amendment was, under the subhead "Wharfage," on page 119, line 13, after the word "coal," to strike out "and;" and in line 14, after the word "timber," to insert "and cement," so as to read:

SEC. 14. That there shall be levied and collected upon all articles, goods, wares, or merchandise, except coal, timber, and cement, the product of the Philippine Islands, exported through ports of entry of the Philippine Islands, or shipped therefrom to the United States or any of its possessions, a duty of $1 per gross ton of 1,000 kilos, as a charge for wharfage, whatever be the port of destination or nationality of the exporting vessel: *Provided*, That articles, goods, wares, or merchandise imported, exported, or shipped in transit for the use of the Government of the United States, or of that of the Philippine Islands, shall be exempt from the charges prescribed in this section.

Mr. HEYBURN. Mr. President, before passing on that amendment, on line 14, after the word "timber," in the printing of the bill there has been some omission of language. The comma should be stricken out after the word "timber," and then the words in italics take their proper place. I think that completes the sense of it. I move that the comma be stricken out after the word "timber."

The VICE-PRESIDENT. The amendment will be so modified and stated by the Secretary as modified.

The SECRETARY. On page 119, line 13, after the word "coal" and the comma, it is proposed to strike out the word "and;" and after the word "timber," in line 14, to strike out the comma and to insert the words "and cement," so as to read:

That there shall be levied and collected upon all articles, goods, wares, or merchandise, except coal, timber and cement—

And so forth.

The amendment as modified was agreed to.

The VICE-PRESIDENT. That completes the committee amendments to the bill.

Mr. BULKELEY. Mr. President, I want to call attention to the fact that the pending bill, in a great measure, is made up on the theory, as I understand from the committee, that the tariff bill, which was passed by the Senate last evening, will be in force, according to the terms of the bill as passed by the Senate. The duties proposed by the bill now pending are very much reduced from the duties on like articles imported into the United States, and in many cases a large number of the articles that are on the dutiable list in the bill passed last evening are put on the free list in the bill which is now pending, relating to the Philippine Islands.

I only speak of this for the reason that I notice that on page 125, the drawback clause, provided for in this bill, makes provisions which are entirely antagonistic, as I understand them, to the provisions in the Senate tariff bill, which is now in conference, and which contain some provisions which, if I remember correctly, were characterized by the chairman of the Finance Committee as very undesirable in a tariff bill for the United States.

While I myself should be very glad to see incorporated in the general tariff bill the drawback provisions originally passed by

the House, believing them very much more for the convenience of those industries of the country which use both foreign and home grown material, and which are entitled under those provisions in their exportation business to a drawback of 99 per cent of the duty—to see a provision of this character incorporated in our own bill. The matter which I particularly desire to call to the attention of the Senate in this measure is that it provides for a drawback on the use of foreign raw materials, on which a duty has been paid, or a similar quantity of domestic material; so that it does not necessitate a large manufacturing industry, using, for instance, iron, both of foreign and domestic production, practically to run two plants to their great inconvenience, in order to determine the exact quantities of the raw materials, on which duty has been paid, that have entered into the manufacture of certain articles exported.

It does not seem to me that it is wise at the present moment to adopt this bill, not that I am opposed in a general way to liberal legislation for the Philippine Islands and the admission of articles there that are needed for their use or for their industries, if they have any, but that I think these measures—the Senate tariff bill and this bill for the benefit of the Philippine Islands—are so dependent upon each other and should be so uniform in their character that it is better to adjust them before the final disposition of this measure, and to ascertain, if we can, what will be the final form of the bill that we have enacted for our own country, and of which this is practically a supplemental bill.

Mr. LODGE. I will say to the Senator that the committee agrees with him entirely about that, and nothing will be done on this bill until the conference committee has acted on the general tariff bill. We are very desirous of getting this bill into conference, so that both shall be in the same stage.

Mr. BULKELEY. I do not want to obstruct the bill.

Mr. LODGE. I understand that.

Mr. BULKELEY. I only want to call attention to these things; because, it seems to me, in the preparation of these bills, some of the provisions of which are so entirely interwoven with and dependent on each other, that they should have consideration somewhat together. I am aware that this bill will necessarily go to a different conference committee from the general tariff bill. I only want to bring it to the attention of the Senate.

Mr. LODGE. In the House, as the Senator knows, this bill is in charge of the Ways and Means Committee.

Mr. BULKELEY. I have as much confidence in the Philippine Committee of the Senate as I would have in the Finance Committee in the handling of this measure, and I have confidence in both of them.

Mr. LODGE. A member of the Finance Committee will probably be on the conference.

Mr. BULKELEY. I have confidence that we are going to work out a tariff bill that will adjust itself and be satisfactory to ourselves and the country when it is finished. I merely wanted to make that suggestion. I have not risen to oppose the bill, but to call attention to the desirability of carefully looking at some of its features, because I can see that unless the general tariff bill is retained in its integrity practically there is an open way for introducing into this country at lower rates and with cheaper labor the raw material of the world.

Mr. JOHNSTON of Alabama. Mr. President, I wish to offer an amendment as an addition to section 28, the last section of the bill.

The PRESIDING OFFICER (Mr. KEAN in the chair). The amendment will be stated.

The SECRETARY. On page 129, section 28, at the end of the bill, it is proposed to add:

Provided, That nothing herein contained shall be construed into an intention on the part of the United States to annex said islands, but to restore to the citizens thereof the right to govern themselves, at the earliest possible time consistent with the formation of a stable government in said islands.

The PRESIDING OFFICER. The question is on the amendment.

Mr. LODGE. Mr. President, I hope the Senator from Alabama will not open that great question in connection with this bill, which is merely intended to provide a means for securing revenue for the Philippine Islands. To attempt to attach that provision to this bill might keep us here for days.

Mr. JOHNSTON of Alabama. I do not see, Mr. President, why we should not put a declaration of our intention toward these people in a bill of this character.

Mr. LODGE. If the Senator will allow me, that opens up the whole question of the relations of this Government with the Philippine Islands.

Mr. JOHNSTON of Alabama. I understand that.

Mr. LODGE. It is not connected with the matter of what duties shall now be levied there, and if we opened up that great question of the Philippine Islands, we should not be able to settle it if we stayed here a month, and, of course, it would render any prospect of making these necessary changes in the tariff quite hopeless.

Mr. JOHNSTON of Alabama. I do not suppose that question will be debated for twenty minutes. It is a question whether this Senate shall make a declaration of its intention.

Mr. LODGE. Of course, Mr. President, the Senator knows that we on this side of the Chamber can not accept that amendment. I have no desire to debate it. If the Senator merely wants a vote on it, of course I have no objection to that.

Mr. JOHNSTON of Alabama. No; I do not want that.

Mr. NEWLANDS. Mr. President——

The PRESIDING OFFICER. Does the Senator from Alabama yield to the Senator from Nevada?

Mr. JOHNSTON of Alabama. Yes.

Mr. NEWLANDS. If the Senator will allow me for one moment, I may be pardoned for saying that I regard the action which the Senator from Alabama asks for, or action in that direction, as the most important thing that can be put in this bill.

Mr. LODGE. Of course it is the most important thing.

Mr. NEWLANDS. So far as I am concerned, I intend, whenever a matter of legislation comes up relating to the Philippine Islands, to press the question as to whether we intend to hold those islands permanently or whether we intend to hold those islands simply in trust for their own people and to turn over to them the government of those islands when they have established a stable government. I think it is only persistency of that kind that will result in finally putting upon the statute books a firm declaration of our purpose. So far as I am concerned, I shall support the amendment of the Senator from Alabama [Mr. JOHNSTON], and I am prepared at any time to offer another if that should be defeated; and I shall press the presence of a quorum for the consideration of this important question.

Mr. LODGE. All right, Mr. President, if that is to be the attitude, of course I move to lay the amendment on the table.

The PRESIDING OFFICER. The Senator from Massachusetts moves to lay on the table the amendment offered by the Senator from Alabama [Mr. JOHNSTON].

Mr. NEWLANDS. I suggest the absence of a quorum.

The PRESIDING OFFICER. The absence of a quorum being suggested, the Secretary will call the roll.

The Secretary called the roll, and the following Senators answered to their names:

Aldrich	Crawford	Hughes	Root
Bacon	Curtis	Johnson, N. Dak.	Scott
Bankhead	Daniel	Johnston, Ala.	Smith, Mich.
Bradley	Depew	Kean	Smoot
Brandegee	Dick	La Follette	Stephenson
Briggs	Dillingham	Lodge	Stone
Bristow	du Pont	McCumber	Sutherland
Brown	Elkins	McEnery	Taliaferro
Bulkeley	Fletcher	Money	Taylor
Burkett	Flint	Newlands	Warner
Burnham	Frazier	Oliver	Warren
Burrows	Frye	Overman	Wetmore
Carter	Gallinger	Page	
Chamberlain	Guggenheim	Perkins	
Clapp	Heyburn	Piles	

The PRESIDING OFFICER. Fifty-seven Senators have answered to their names. A quorum of the Senate is present. The question is on the motion of the Senator from Massachusetts [Mr. LODGE] to lay on the table the amendment of the Senator from Alabama [Mr. JOHNSTON].

The motion was agreed to.

Mr. JOHNSTON of Alabama. I propose to offer another amendment to the same section, and I want to say that this is an amendment which provides substantially exactly the declaration that was made ten years ago, on the 14th of February, 1899, and was voted for by the members of the Republican party in the Senate. I will ask the Secretary to read the amendment. The Senator from Massachusetts [Mr. LODGE] voted for this amendment in substance.

The PRESIDING OFFICER. The Secretary will report the amendment offered by the Senator from Alabama.

The SECRETARY. Add at the end of the bill the following proviso:

Provided, That nothing herein contained shall be construed as furthering an intention to incorporate the inhabitants of the Philippine Islands into citizenship of the United States, nor to permanently annex said islands as an integral part of the territory of the United States.

Mr. JOHNSTON of Alabama. I wish to call the attention of the Senator from Massachusetts to the fact that this is substantially the declaration voted for by the Republican Members

of the Senate on the 14th of February, 1899. I suppose those gentlemen will be content to vote for it again.

I wish to say further that this proviso was offered because the Commissioners from the Philippine Islands who sit in the other House fear that this free trade between the United States and the Philippines will further fasten the chains that bind us together.

I read an extract from the speech of Mr. DE LEON, made in April of this year, in which he said:

> Furthermore, viewing the question under its political aspect, is not there a danger that the future independence of the Philippines would be hindered by the ties consequent upon the establishment of free trade? The trusts and other corporations that would establish themselves in the Philippines, encouraged by free trade, will oppose a formidable barrier against Filipino freedom. If we have elements of this kind with which to contend—elements against which the American people are at present struggling, with no seeming success—the economic ruin of the Philippine Islands and the premature death of the political ideals of the Filipinos are a sure prediction. I say this not as a mere opinion of mine; I am here voicing the feeling of my people expressed through their representatives.

This proviso is to assure those people that we have no desire to permanently annex the Philippine Islands to this country.

It is a little curious how this matter has progressed. After the war with Spain we found ourselves in possession of the Philippine Islands, when there was no cause of war or trouble between the people of those islands and the United States. We bought them from Spain for $20,000,000. We bought 8,000,000 people. It cost a little less than $3 per capita purchase money for those people.

After acquiring possession it was said, in justification for holding the territory, that the commerce of that country would be a great thing for the United States; but it seems from the last reports that the entire exports of the islands amount to but a little over $30,000,000, and the United States gets less than $5,000,000 of the entire volume of their exports. So if we were to get the entire exports of the islands—the entire $30,000,000—without making any compensation to them for it, it would not pay interest, at the rate of 4 per cent, on the debt we have created in acquiring them and holding them.

The best information I can get is that the expenditures of the United States in acquiring, occupying, and governing those islands, with the increase in the army and the increase in the navy necessitated by their possession, amount now to nearly $800,000,000. It has been the most unprofitable commercial transaction that our country has ever engaged in, to say nothing of the broader question, whether we have power under our Constitution to subject these people, of foreign race and foreign blood, to our domination, without their consent.

It was said that we would introduce Christianity into the islands. But instead of sending our missionaries there with their prayer books and their Bibles and their hymn books, we sent armed men to subjugate and hold them under our domination. That is not the method which is taught in the Gospel. The word there was: "Go ye into all the world, and preach the Gospel to every creature." But we sent our infantry and cavalry and artillery, and the doctrine seems to be to go there and shoot the Gospel into every living creature. I take it that that may be a very effective way of making Christians.

We go to church on Sunday, and we hear the preacher say "repent, believe, or be damned," and a great many of us take the chances of being damned. But I imagine that if we should take a regiment of infantry with loaded guns and stand them up in front of the sinners and say, "Believe or be shot," a great many would profess belief.

If we are not going to hold those islands permanently, if we do not intend to hold them as a province of the United States, I see no harm in this simple declaration that does not even specify the time within which their government shall be restored to them. When those people are going to be capable of self-government God only knows.

But some declarations have been made by the Republican party, I believe, and if my memory is correct it seems to me the Democratic party has some declarations on this subject, and I would be glad if the Senator from Missouri [Mr. STONE], who seems to be well advised on all declarations made at Denver, and who has enlightened and instructed the Senate very often as to those declarations, would read from his little red book the declaration which was made on that subject.

Mr. STONE. Mr. President——

The PRESIDING OFFICER. Does the Senator from Alabama yield to the Senator from Missouri?

Mr. JOHNSTON of Alabama. Certainly.

Mr. STONE. The Senator from Alabama has called upon me to make a deliverance.

Mr. President, last summer, from the mountain heights on which the beautiful, freedom-loving, and Democratic city of Denver sits, a political gospel was promulgated from which I have had occasion several times to read during the progress of the debate which has run through the weary weeks. I carry this book around with me when I am in the Senate, not only to fortify my own strength, but that also of my political associates, and that I may make it now and then a fitting text for fruitful exhortation to the evil.

In response to the call of my friend the Senator from Alabama, I will read from that gospel:

> We condemn the experiment in imperialism as an inexcusable blunder which has involved us in enormous expenses, brought us weakness instead of strength, and laid our Nation open to the charge of abandoning a fundamental doctrine of self-government. We favor an immediate declaration of the Nation's purpose to recognize the independence of the Philippine Islands as soon as a stable government can be established, such independence to be guaranteed by us as we guarantee the independence of Cuba, until the neutralization of the islands can be secured by treaty with other powers. In recognizing the independence of the Philippines our Government should retain such land as may be necessary for coaling stations and naval bases.

Upon that text the Senator from Alabama can proceed with his speech.

Mr. PAGE. Mr. President——

The PRESIDING OFFICER. Does the Senator from Alabama yield to the Senator from Vermont?

Mr. JOHNSTON of Alabama. Certainly.

Mr. PAGE. From the many, many times I have observed the Senator from Missouri reading from that book, I imagine the binding must be worn out, and if he will allow me the pleasure I should like to have the book bound in calf.

Mr. STONE. If the Senator will vote for free leather, I will consent, but if we are to have a prohibitive tax on an industry of that kind, I should not like to give to it my sanction.

Mr. PAGE. I believe the Senator has no right to ask me to agree to that, in view of the way I voted yesterday on his free hide and leather proposition. I think he ought to send the volume to me to be rebound without attaching any conditions.

Mr. JOHNSTON of Alabama. I think the Senator from Vermont should be supplied with a copy of that book, because in my short acquaintance with him I have formed a very high regard for his qualities as a man, and I think he needs only a little instruction in the scripture of Democracy to be a valiant soldier in the ranks.

But that book reminds me of an incident which occurred once in the place where I lived, where there is a good old woman, a very devout Christian lady, faithful in her attendance upon church. She finally became so feeble by the burdens of age that she was unable to go to church except upon the visitation of the bishop. She was a member of the Episcopal Church, and she was devoted to the bishop, who was a great man and a good man. Upon one occasion he came and she was unable to go by reason of her infirmities.

But the family went, and when they returned she met them at the door, and she asked: "What did the dear, good bishop preach about to-day?" One of them said he preached on the doctrine of total depravity. She threw up her hands and said: "What a blessed doctrine, if we could just live up to it!" I think the Senator from Vermont will find a blessed doctrine in that little red book of the Senator from Missouri, if he will just undertake to live up to it.

But, Mr. President, I do not intend to press the argument on this amendment. Senators have been exhausted by so long attendance upon the sessions here in the consideration of the tariff. But I think, when we are setting out on a new line, when we are establishing free trade with these islands, there is nothing more important to the people of the United States than for the Congress of the United States to declare to those people that it is not our purpose to hold them indefinitely in subjection, but that we recognize the right of self-government and that we intend that no act shall be put upon our statute books here except in recognition of those principles upon which this Government is founded as applicable not only to ourselves, but to all the other people of the world.

I do not believe, Mr. President, if there were no constitutional objections to this, that the Government of the United States should undertake to subjugate foreign nations and make laws for them and manage and govern them by Congress.

You recollect that when Rome began to extend her possessions, until it is recorded in Scripture that all the nations of the earth were taxed—taxed by Rome—she sent her satraps, her governors, her vice-consuls to govern those nations, and all the trade was brought to Rome and all the riches were concentrated there. Then Rome began to grow weak and finally fell, because of her riches that enervated and undermined the vigor of that great people. We ought not to follow that example, and we ought, as a Christian nation, to upbuild and help and aid and assist the Filipinos and be their friends instead of their oppressors.

Mr. President, where are the Philippine Islands? I confess that I hardly knew until the Spanish war there was such a territory in the world. If you wanted to get them by the nearest and most direct route, you would just sink a hole down here through the earth, and when you came out on the other side you would be in the Philippine Islands. God Almighty put them as far as he could get them from the United States, and the Filipinos, I have no doubt, now wish they were still farther.

They are a source of weakness to this country. They have entailed, as the senior Senator from Maine [Mr. HALE] predicted ten years ago, as shown by the RECORD before me, great appropriations for our navy. They would be our weakness in time of war—the vulnerable point. Our army has been increased and the navy enlarged and our expenses are continually on the rise.

I am only asking for this simple declaration, the declaration in substance for which the Senator from Massachusetts [Mr. LODGE], voted on the 14th of February, 1899. The Senator from Maine [Mr. FRYE], the Senator from Michigan [Mr. BURROWS], the Senator from California [Mr. PERKINS], and the Senator from Minnesota [Mr. NELSON] all gave their votes for it, and nearly every Republican in the Senate voted then for the declaration contained in this proviso; and I hope the Senator from Massachusetts will see fit to accept the amendment.

Mr. LODGE. Mr. President, I do not want to discuss this subject. A declaratory resolution was passed in 1899. I do not think it is necessary for the United States to keep repeating that it is going to keep faith, and thus to exhibit suspicions of its own integrity. But I do not want to discuss this subject at all in connection with the pending bill. It does not belong on the bill. This is a bill necessary for the welfare of the people of those islands, and I want to appeal to Senators to permit the bill, which is now completed, to pass. If we can get this and the Porto Rican bill out of the way this morning, it is my intention to move to adjourn until Tuesday, and we can arrange so that we can get away—I can not go, but some of us can get away—and get the rest we all so much need after the long and laborious weeks of tariff debate.

I am very anxious, on account of the situation in the Senate, to dispose of this bill, and I therefore move to lay the amendment on the table.

The PRESIDING OFFICER. The Senator from Massachusetts moves to lay on the table the amendment proposed by the Senator from Alabama.

Mr. NEWLANDS. Mr. President——

Mr. LODGE. I withhold the motion if the Senator from Nevada desires to ask me a question.

The PRESIDING OFFICER. The Senator from Massachusetts withholds the motion.

Mr. LODGE. I withhold it for a moment; I do not yield the floor.

Mr. NEWLANDS. I wish to address myself to the question of the amendment.

Mr. LODGE. Of course I can not prevent the Senator from holding the Senate here. I appeal to him, on account of other Senators, to allow this bill to pass. By no possibility can this amendment be put on, and it only involves keeping the Senate here and sending for absent Senators. It will become the duty of myself and the Senator from New York, in charge of this bill, to enforce the attendance of a quorum. We shall not be able to adjourn.

It seems to me the Senator ought to be willing, out of consideration for all the other Senators, to allow us to dispose of these two measures, to which there is no opposition, and take an adjournment.

Mr. NEWLANDS. Mr. President, I am not insensible, of course, to the question of the convenience and the comfort of the Senate. It is not my choice that this bill is now presented. The difficulty is that the bills regarding the Philippines——

Mr. LODGE. I did not yield for a speech. If the Senator wants to make a speech, I can not prevent him, but I can move to lay this amendment on the table.

The PRESIDING OFFICER. Does the Senator from Massachusetts insist on his motion to lay on the table the amendment proposed by the Senator from Alabama?

Mr. LODGE. I do. I dislike to do those things——

Mr. NEWLANDS. I suggest the absence of a quorum.

Mr. LODGE. But the Senator is not willing to show any consideration for the other Senators, who perhaps are not so fortunately situated as he is here, and many of whom desire to go home. I can not leave the city, but many of the Senators desire to go home for a few days. If the Senator insists on holding us here, of course I have no choice; I am helpless. I move to lay the amendment on the table.

Mr. NEWLANDS. I was about——

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Massachusetts to lay on the table the amendment proposed by the Senator from Alabama. [Putting the question.]

Mr. NEWLANDS. I suggest the absence of a quorum.

The PRESIDING OFFICER. By the sound, the "ayes" have it. The "ayes" have it, and the motion is agreed to.

Mr. NEWLANDS. I suggest the absence of a quorum.

The PRESIDING OFFICER. The Senator from Nevada suggests the absence of a quorum. The Secretary will call the roll.

The Secretary called the roll, and the following Senators answered to their names:

Bankhead	Crawford	Gamble	Perkins
Bourne	Cummins	Heyburn	Piles
Brandegee	Curtis	Johnston, Ala.	Root
Briggs	Daniel	Jones	Scott
Bristow	Depew	Kean	Smith, Md.
Brown	Dick	La Follette	Smoot
Bulkeley	Dillingham	Lodge	Stephenson
Burkett	Dixon	McCumber	Stone
Burnham	du Pont	Martin	Sutherland
Burrows	Fletcher	Money	Taylor
Burton	Flint	Newlands	Warner
Chamberlain	Frye	Overman	Wetmore
Clapp	Gallinger	Page	

The PRESIDING OFFICER. Fifty-one Senators have answered to their names. A quorum of the Senate is present.

Mr. NEWLANDS. Mr. President, I offer the following amendment. As the handwriting is not very clear, I will read it:

That it is the purpose of the United States to hold the Philippine Islands in trust for the Filipino people until such time as a stable government shall be established and the people of such islands shall be prepared for self-government, and then to withdraw, maintaining, if deemed advisable, to such islands some such relation as the United States now bears to Cuba.

I wish to say that that amendment, as I have drawn it, does not present fully my individual views, but does represent what I understand to be the views of the Senator from New York [Mr. ROOT], as expressed the other day; and inasmuch as it is impossible for me to secure now such a declaration as I would desire, I must accept what the Republican party may be willing to declare, a provision which substantially represents the views of the distinguished Senator from New York, who was at one time Secretary of War, and later on Secretary of State in an administration which similarly declared itself in a message from the President.

Now, Mr. President, I have to say with reference to the objection made by the Senator from Massachusetts to prolonged discussion at this time, and the appeal which he made to me, that I am not at all insensible to the inconvenience of Senators, and I do not intend to press the question in such a way as to involve discomfort or inconvenience to them. I have insisted upon these roll calls because the Senator from Massachusetts proposed by a motion to table to deny me the right to express my views upon the amendment offered by the Senator from Alabama, and while it is my intention to express those views briefly, I think it important whenever the Philippine question comes up in this body that those who are in favor of the declaration of a definite policy toward those islands should take steps to that end.

It is important that we should make some declaration, for our policy toward the Philippine Islands will be quite one thing if we intend to hold them permanently and quite another thing if we intend to hold them simply in trust for the Filipino people and ultimately to withdraw. What I object to above all things is the policy of drift. I fear that whilst our purpose may be, and doubtless is, to withdraw, we will drift into such legislation as will tie those islands to us irrevocably and prevent our separation from them in the future. So it is my intention upon every occasion when the Philippine question comes up in the Senate to press this matter upon the attention of Congress and upon the attention of the people of the United States.

Mr. President, we have drifted into very careless legislation regarding the tropical islands. Sentimental considerations led us into very ill-advised action regarding Cuba, resulting in a bounty of over $10,000,000 annually to that island in the remission of duties on sugar, turned over to the producers of Cuban sugar, and that, too, without any precaution to see that the benefit of that bounty should go to the Cuban people themselves, instead of drifting, as it has done, into the hands of the planters—American planters, largely—who have organized and maintained the great trust in our own country, now the object of so much criticism.

Had we rested content after freeing that island, without further sentimental effort, economic necessity would have driven her to apply for admission as a Territory of the United States,

with the prospect of ultimate statehood, and Cuba would make a most desirable part of our country, more desirable now, when she is at the very lowest point of population, when the population can be trained in sympathy with our institutions, than in the future when the population shall be increased.

So far as the Hawaiian Islands were concerned, we also pursued the policy of "drift." I have felt always some degree of responsibility regarding those islands, for I had the honor to introduce in the House of Representatives the resolutions under which they were annexed. But there we failed to realize that the question of the future of the Hawaiian Islands was not so much a question of government as a question of economics. It was my effort when the civil government bill was framed to have the laws regarding those islands so framed as to develop a self-respecting citizenship, composed of men who had an interest in the soil and who would ultimately be prepared to take upon themselves the burdens of self-government. I introduced several amendments to the organic act in the House of Representatives to that end, some of which were beaten and some of which passed, but I am sorry to say that most of them were eliminated in conference, upon the assumption that these questions could come up at some future time for solution. They have never come up, and the result is that we have legislated with reference to the Hawaiian Islands in such a way as to give the land itself a value of from fifteen hundred to two thousand dollars an acre and to make man there almost valueless.

The view that I had in urging these considerations at the time the civil government of Hawaii was being considered is presented in the remarks made by me in the House of Representatives on the 5th, 6th, and 26th of April, 1900, a portion of which I shall insert in the RECORD. The matter referred to is as follows:

CIVIL GOVERNMENT IN HAWAII—LAND MONOPOLY—SERVILE LABOR.

In my judgment the future of the Hawaiian Islands, as well as that of the other semitropical and tropical islands we have recently acquired, will depend not so much upon the form of their government as upon the economic conditions there existing. The form of the government may be perfect; the organic act which we provide for the government of Hawaii may conform with the most advanced ideas of free government; yet if the economic conditions there are such as to perpetuate an extensive system of land monopoly, the concentration of large areas of land in the hands of individuals and corporations, employing laborers as mere machines for the cultivation of the soil, we can not hope to develop there such citizenship as will be able to maintain the free institutions of a republic.

As I have previously stated, the population of the Hawaiian Islands consists of about 60,000 Asiatics, half Chinese and half Japanese; 40,000 Kanakas, the native people of Hawaii; 15,000 Portuguese; and about 8,000 other whites. It is fair to assume that as yet the Portuguese are not educated. Probably the most of them have been imported into these islands and are unfamiliar with the English language, so that we have a population of 23,000 white people as against 100,000 of Asiatics and natives; and of these 23,000 white people, it is probable that not more than 8,000 are equal in intelligence and education to the average white citizen of the United States.

A few of these 8,000 whites are in the ownership and control of almost all the land in these islands. The main occupation there is agricultural, all the commerce being merely incidental to the great sugar interests of these islands. The sugar plantations are almost entirely owned by corporations, and the holdings run as high as five or ten thousand acres. Corporate control is the most convenient, effective, and economic method of managing sugar plantations. It secures cooperation of capital, and it enables capital to enter upon a comprehensive plan of improvement which contemplates, first, the acquisition of a large area of land; second, the construction of extensive irrigation works with which to irrigate it; third, the construction of a central sugar mill for the purpose of grinding the cane; and, fourth, the construction of a radial railway connecting all parts of the plantation, by means of which the cane can be economically transported to the factory.

Upon these plantations are employed about 60,000 Asiatics, as well as a certain proportion of the Kanaka and Portuguese population. The tendency is to regard the Asiatic laborers as mere machines. Their food, their health, their sanitary conditions are looked after only with a view to maintaining their efficiency as machines. As to the Kanakas, they are a kindly people who have received a fair education, but who seem unable to withstand the contact of strong and vigorous races, and as a result the native race is gradually becoming extinct.

SMALL LAND HOLDINGS.

It is probable that these islands will support a population of a half million of people, and the development of the industries there will necessitate the increase of population by means of immigration from without. Chinese immigration is now prohibited by the United States laws; but other Asiatics, such as the Japanese, can enter, and they are crowding there in large numbers. Unless, therefore, we are content to allow the Japanese to gradually meet all the increasing requirements of these islands for laborers, we must devise some system by which the migration of citizens of the United States, white or black, or of the white people of other countries, shall be promoted; and we can never expect to be able to successfully promote such migration if the laboring class is to be attached, as heretofore, in a semiservile capacity to the soil, without rights in it. The promotion, therefore, of small landholdings is absolutely essential to the promotion of a desirable immigration, and without the latter Hawaii will be republican in name only.

The task is a difficult one, I admit, but the more difficult it is the sooner we should enter upon it. We can not expect the class which has heretofore governed the islands, intelligent, public-spirited, and capable though it be, to work out the reforms that will be essential to the maintenance of republican institutions. They are the landed class. They are the beneficiaries of the system which now prevails there, a system which increases the dignity and wealth of the landowner and degrades the condition of the land laborer, a system which has given this class the wealth which it possesses. It can never be expected that the beneficiaries of an abuse will reform that abuse. This is too much to hope of human nature. The landowning class will control the political government of Hawaii, and any reform in the future must be compelled and forced by the United States Government through its control over Hawaii as a Territory of the United States.

It is urged that the sugar industry is such as to require large holdings and semiservile labor, and that the climate of Hawaii is unsuited to the labor of any other class than that now employed there, and that therefore reform is hopeless. My answer is that by admission of Hawaii to the commercial union of the United States large markets have been given to her sugar production, which have vastly increased its value, and that we will be recreant to our duty if we permit the entire benefits of this increase of the value of their sugar product to go to capital instead of being divided into some fair proportion between capital and labor. Are we to perpetuate a system which will raise the value of sugar lands from $40 an acre to a thousand, two thousand, and three thousand dollars an acre and say none of the benefits of this system shall go to the labor employed upon the land? The very foundation of the protective system of this country is that monopoly of American markets given to American products tends not so much to the advantage of capital as it does to the elevation of labor. If, then, our tariff on sugar gives to Hawaii a share in the monopoly of American markets, should we not see to it that this advantage accrues to the labor as well as to capital; the men employed to till the soil as well as the men who own the soil?

As to the climate, the very fact that 15,000 Portuguese are now employed there indicates that it is adapted to the white races. The immigration of the Italians and Portuguese can be encouraged there rather than the immigration of Asiatics. The Italians and Portuguese in our western country constitute a very valuable part of our community. They are soon assimilated. Their children are educated in our schools and become familiar with and attached to our institutions. Then, again, the climate is adapted to our negroes, who are now citizens of the United States, entitled to political rights; and then the overcrowded condition of Porto Rico offers an opportunity for the gradual transfer of thousands of people who are accustomed to a climate almost identical with that of Hawaii, and who have been trained in the very industries pursued in Hawaii. But the migration of the inhabitants of Porto Rico and the whites and the negro population of the South and of the Italians and Portuguese can not be promoted if the large holdings of land are to be continued.

It is, perhaps, essential that these large holdings should be permitted for the purpose of development—that is to say, it may be a wise thing to permit a corporation to hold a large tract of land with a view to its development by irrigation works and the construction of a sugar factory and the construction of a railway system for transportation; but when this is accomplished the policy of the State should be to compel the partitioning of this area into convenient tracts, with water rights attached; the waterworks, the sugar factory, and the railroad to be charged with a public use and their rates regulated by law, either through a commissioner or the courts. Such enterprises are to-day conducted all through the arid West and in California. Large areas of land are taken up, irrigation works constructed, and when completed the lands are divided into small tracts of from 20 to 40 acres, with water rights attached, and the land sold to small holders whose rights to the water are protected by law. Such a system could be inaugurated in Hawaii, but it must be compulsory, for the profits of sugar production are so large there as to appeal to the selfishness of monopolies and trusts.

GRADUAL REFORM.

The question is, How can this be done without violently wrenching the business as now conducted? No one, of course, wishes to accomplish reform at the expense of a temporary industrial readjustment which will bring distress or loss to that community, and it is for this reason that I have urged throughout, in the consideration of this bill, amendments which would call the attention both of the governing body in Hawaii and the governing body here to the desired reforms, and which would result in the collection of accurate statistical information that would be a guide to future action both there and here. I have been anxious that the intelligent thought of Hawaii should be stimulated to action upon this matter as well as our own, for the reason that I fear when this organic act is passed our attention will be so much absorbed in other questions of domestic and foreign relations that the Hawaiian Islands will drift from our consideration, and I wish to plant the seed of an agitation there which will make itself felt in local legislation, and, if necessary, in such a movement as will compel attention at the Capitol of the Nation.

The tendency of human nature is to apply remedial legislation rather than to engage in preventive legislation. Whilst preventive legislation may be easier, yet indolence prompts us to wait till abuses cry aloud for a remedy. We are all more likely to take this view as to the questions now under consideration because we have never yet ourselves experienced the evils of land monopoly. We have here a population of 70,000,000 people in a country capable of sustaining 400,000,000. There has been as yet no congestion of population. Land has been the one thing of which we have had a superabundance; but this is not true of Hawaii, Porto Rico, or Luzon, and history tells us that the centralization of land ownership has been the fruitful cause of most disastrous wars and prolonged and violent agitations. We can rest assured that all the disturbances which history accredit to a system of land monopoly will be felt in Porto Rico, Hawaii, and Luzon when the advantages of our extended markets advance the value of the sugar lands in those islands to a point where they will arouse the greed of the trusts and syndicates. History teaches us that unless restrained by law these great monopolies will accommodate themselves to any system of degraded labor which will advance the profits of the land.

AMENDMENTS.

Turning for a moment from this general view of the subject, I wish to state that the amendments which I have offered were prepared upon the floor of the House whilst the bill was under consideration. I do not claim that they are as perfect as they might be. I have had no time to go into the details of this question, absorbed as I have been by the questions which have been before the Ways and Means Committee, of which I am a member; but my purpose has been to insert in this bill certain amendments which can be made the basis of thoughtful consideration by the conferees of the Senate and the House when this bill goes before them, and which can be there shaped in more scientific terms.

That utterance, made in the year 1900, nine years ago, has been abundantly vindicated by subsequent events. We have

built up there by a subsidy of $12,000,000 annually in the sugar bounties a sugar-planting class, one of the most refined, cultivated, and educated classes to be found in the world, but a small class composed at the utmost of a few thousand people, and we have there 150,000 people almost none of them fitted for self-government, almost the entire population of those islands being attached in a semiservile capacity to the soil, without rights in it and without any conception of what free government means. We have encouraged the immigration into those islands of this class of people, and to-day there are nearly 80,000 Japanese in those islands, whose presence will constitute a constant menace in the future.

One of the reasons for the acquisition of those islands was that they controlled our defensive line on the Pacific, that we could not risk their occupation by any foreign power; and yet we have allowed the people of the only power which is likely to contest with us our position of advantage in the Pacific to go unnumbered upon those islands, ex-soldiers, trained men; and if at any time difficulty arises with Japan we would have not only the navy of Japan on the outside, but the army of Japan within the islands, to confront.

The policy which I pointed out in 1900 would have given us by this time a self-respecting citizenship of American citizens, black and white, of Porto Ricans, of Portuguese, and Italians. It would have eliminated, by a gradual and progressive system, the conditions of land monopolies that have prevailed there, and we would have made the man worth something there, instead of the land, as we have done by our policy.

I fear that our policy will tend in the same direction regarding the Philippine Islands. We are now about to subsidize those islands to the extent of $15,000,000 annually, an amount almost equal to the entire present revenues of the islands. I would have no objection if it were necessary to turn over that sum from the Treasury of the United States to the Filipino government, to be used there in a rational system of agricultural development, of manual training, of training the people in a common language, and gradually developing them in such a way as to fit them for self-government. I do not object to the expenditure of money upon the Filipinos, but I do object to this indirect way of giving $15,000,000 annually, not to the Filipino people, not for their development, not for their training, but for the planting class which has thus far controlled Hawaii, to the planting class which has controlled Cuba absolutely, in disregard of the interests of the great mass of the people of those islands.

So I have opposed this particular form of benefaction to the Philippine Islands. That, however, is past history. Those islands are now to receive this bounty. These favored interests, these men engaged in tobacco planting and in sugar planting, are to be permitted to receive $15,000,000 annually in sugar and tobacco bounties. It is to be hoped that some of it will filter down to the great masses of the people in those islands.

But I wish to make a suggestion here, and I make it in the hope that it will reach the Filipino government itself. If these bounties to the planting class of those islands result in an increased prosperity which will raise the revenues, I hope that it will apply a large portion of those revenues to the agricultural development and the manual training of the Filipino people, not so much to a training of the heads as of the hands of the Filipino people.

Let me suggest in this connection that the government there has not the constitutional and other restraints imposed upon us here. It can do almost anything in a paternalistic line that it chooses. I wish to suggest that by governmental action there the danger of monopolistic control of land can be largely met by providing, as public utilities, for the great central sugar mills necessary to grind the cane and the radial railroads necessary to bring in the cane from the land. With such a system of public utilities peasant proprietorship can be promoted, but otherwise the large expenditures required for these mills and railroads will force the proprietorship of the lands into the hands of corporations able to furnish the requisite capital.

I trust that when the tariff bill comes out of conference the provision remitting duties to the Philippine planters will be amended so as to provide that, as was originally done with Porto Rico, a portion of these duties, say one-fourth, may be collected by our customs offices and then turned over to the Philippine government for agricultural and industrial development such as I have referred to. That government could use it most effectually in the development of the man at the bottom, whilst bounties to the planters mean the enriching of the man at the top.

I shall not press the amendment which I have offered. It is not prepared with care and has only been used by me as a vehicle for a speech, whose utterance would otherwise have been prevented by the motion of the Senator from Massachusetts [Mr. LODGE].

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Nevada.

Mr. NEWLANDS. I withdraw the amendment.

The PRESIDING OFFICER. The amendment is withdrawn.

The bill was reported to the Senate as amended, and the amendments were concurred in.

The amendments were ordered to be engrossed and the bill read a third time.

The bill was read the third time and passed.

Mr. HEYBURN. Mr. President——

Mr. DEPEW. I move that the Senate proceed to the consideration of House bill 9541, the Porto Rican bill.

Mr. HEYBURN. If the Senator will pardon me, I ask that the Senate insist upon its amendments to the bill, ask a conference with the House, and that the conferees on the part of the Senate be appointed by the Chair.

The PRESIDING OFFICER. The Chair suggests to the Senator from Idaho that he ask for a conference with the House of Representatives on the bill and amendments.

Mr. HEYBURN. Yes; and that the Senate insist on its amendments.

Mr. DANIEL. Had we not better just ascertain by sending the bill to the House whether they concur in our amendments?

Mr. HEYBURN. We are pursuing the same course pursued with the tariff bill.

Mr. DANIEL. I know it has been the practice for some time.

Mr. HEYBURN. We have some knowledge——

Mr. DANIEL. But it is not the ordinary course of parliamentary law, and we really have no opportunity to insist upon amendments unless we find somebody else objects to them. Passing the amendments is a declaration of the views of the Senate as to what amendments should be adopted. It has only the power under the Constitution to amend a bill of this sort; not to originate it, and when it passes an amendment it speaks for itself. Now, how do we know, and what right has the Senator to infer, going into the secret councils of the House, that the House will have any amendment to object to? If these are as beneficial amendments and as great amendments in the interest of the people as some Senators here have insisted, it might be supposed, from our official prophecies about them, that the House would go forth to agree to them and pass them as soon as possible.

What right has the Senator to have any inference in his mind, or any suspicion, of the wisdom of the House in accepting things so long considered, so forcibly maintained, and so earnestly urged upon them; and what provocation have we to take a position parliamentary adverse to the wishes of the House by insisting on a thing that we have done and that they have not yet seen?

In truth, Mr. President, it involves an element of disrespect to the House. Of course it involves the necessary element of suspicion and surprise that the House will not instantly agree to things so long considered and so wisely urged upon them. It involves, also, the suggestion of impoliteness and discourtesy in that a man should twice insist upon a thing when it has not been opposed once.

So, Mr. President, this is not the course of parliamentary law. I think the proper course is to pass the bill as we pass any other bill. It is against parliamentary law, and I conceive it is more emphatically against the spirit of the law in respect to a revenue bill, which only the House can originate, than it would be in the case of an ordinary bill, which we can originate as well as they. It is in effect, and it is in substance, saying beforehand to the House, which has sole authority to originate and to construct the measure, "We are so much against your measure before we have laid it before you that we insist on our objections to it and challenge you to opposition."

A reference to the history of parliamentary law and a very simple analysis of the conditions show the impropriety of this course with respect to a revenue bill, even though they might be pleased to tolerate it about another kind of bill, in which we had the same authority of origination and suggestion that they had.

So, Mr. President, I would respectfully advise that we let this bill go in the usual course of parliamentary law. The practice has been changed sometimes, as I am well aware, by the impatience of that body of the Government which ought to be more patient than the other body of the Government, because the Constitution has provided, with a view of securing patient, mature, and somewhat seasoned men here, that nobody shall come here until he is 30 years of age, at which time of life, it is assumed—sometimes violently—by our Constitution, that

he has become a soberized and settled kind of a man, or a man who will not overleap the ordinary bounds of human nature in his thirst and desire to push his objections upon a coordinate branch of this Government.

With young men just from college, who sometimes leap in their brilliancy and energy into the House of Representatives, this course might not be surprising; but in a staid, old-fashioned, deliberate gentleman, like the Senator from Idaho [Mr. HEYBURN], it is a little surprising to note how he champs the bit and how he seeks to rush into a difficulty without having any difficulty presented to him under the Constitution and the laws. Bide your time with that patience that so usually possesses your character and conduct and which is so pleasing in the deliberate manner in which you have discharged your office. Do not let us rush headlong at the House of Representatives and against the House of Representatives, insisting when nobody is insisting otherwise. Do not let us torment people by impolite and hasty objections, to arouse their own temper against what we will need all their temper to abide with.

Mr. HEYBURN. Mr. President, the request was for a conference on the bill and amendments with the House of Representatives with such conferees as they should name. We have been following that practice. I did not consider that I was launching out in some new method of doing business in this body, because it is only a few hours since we did take exactly that course, and did it upon the authority and precedents which were last night given to the Senate; and the presiding officer, the President of the Senate, upon a direct question presented, held that it was parliamentary. Now, at this late day it is desirable, of course, to avoid as much delay as can be avoided without violating the rules of the Senate. It was only because I was actuated by that motive that I made this request, which is entirely in accordance with our practice.

Mr. DANIEL. I hope the Senator from Idaho is not going to try to make the illicit and illegal practices of the Senate precedents of parliamentary law. He can not find any book for it.

Mr. HEYBURN. I have the rule asserted, if the Senator will permit me, by the Vice-President, presiding in the Senate.

Mr. FRYE. Authorities are plentiful.

Mr. DANIEL. The practice of the Senate?

Mr. FRYE. No; the authorities of parliamentary law are plentiful.

Mr. DANIEL. Some of you gentlemen made them here in a hard place like this. They are not parliamentary precedents; they are practices of politicians; and I hope, after his dignified career in this body, the Senator from Idaho is not going to condescend to be a politician, and just try to hurry a thing through in any way he can—

> Get thee glass eyes;
> And, like a scurvy politician—

I could not think of applying that to the Senator, for no man is less one—

> seem
> To see the things thou dost not.

You can see them in Republican placards; you can see them any day in Republican practices; and even hoary Republicans, who have been here long enough to have the elemental principles of parliamentary law impressed upon them, soaked into them, and dyed in them, do not recognize them when they meet them in the middle of the road, when they try to ride over them. Sometimes when they are doing it the Senator observes his usual dignity and silent patience, never lifting his finger against them.

Why is it that after contemplating such things, after knowing their wrongfulness so long, he leaps up all in a hurry and tries to make something of another precedent out of the same character of cheap raw material? It is shoddy raw material. It is not the law of the land as it has been preached by the fathers. You could not do a thing like this in the time when Thomas Jefferson presided over the Senate; you could not have done this in the days when old staid gentlemen were, with the dignity of Supreme Court judges in their black gowns, here serving in the Senate. Why not try to get rid of some of these perversions of the settled practices of law?

Mr. HEYBURN. Mr. President, the Senator from Virginia has beautifully expressed his views. Thomas Jefferson and every other one of those Vice-Presidents are presiding over this Senate.

Mr. DANIEL. Not in the flesh.

Mr. HEYBURN. And their judgments are crystallized in the rules that have been adopted and that we follow to-day. So that we can accept their spirit and their utterance of speech and sustain the motion which I have made according to the precedents up to the latest session.

Mr. DANIEL. The Senator can not quote a single sentence from any of those great men in marble——

Mr. HEYBURN. No; but I can recognize the principle——

Mr. DANIEL. Now, let us hear one of them speaking through his lips.

Mr. HEYBURN. I can recognize the principle that has been embodied into the general wisdom of this House. It has all been focused into the present——

Mr. DANIEL. By whom?

Mr. HEYBURN. Because that is the way that the wisdom of the world has been focusing down through the ages, until it is simply meet for the day in which we live.

Mr. DANIEL. It is a very new arrival, Mr. President; it comes in very strange guise. The Senator referred to the authorities that he could look at as advocates of his views; but he can not find a word that they have written or spoken to sustain his assertion. He is getting very reckless in his assertions in taking this reckless step.

Mr. HEYBURN. I would not like to feel that I had gained the reputation for being reckless in this body. I have endeavored not to be.

Mr. DANIEL. I am trying to save the Senator from being so.

Mr. HEYBURN. I am simply seeking to follow a rule that was very recently established here, but it is just as sacred as though it had the imprint of the ages upon it.

Mr. DANIEL. I call the attention of the Senator to the fact that in a single moment he has quoted without discrimination all the fathers of the olden times as the venerable apostles and preachers of this rule; and he now says it has been established very recently, which disproves his first case.

Mr. HEYBURN. There is something of the wisdom of all of those men who are represented by the effigies that look down upon us in everything we do to-day and every rule that guides us. It may be small in this case or large in that, but it certainly justifies the motion that I have made on this occasion.

Mr. DANIEL. Does not the Senator think that we should have a quorum here to pass upon that?

Mr. HEYBURN. I hope the Senator will not feel the necessity of taking that time.

Mr. DANIEL. Well, if the Senator will not relent, I will.

The VICE-PRESIDENT. The question is on the motion of the Senator from Idaho [Mr. HEYBURN].

The motion was agreed to; and the Vice-President appointed Mr. HEYBURN, Mr. LODGE, and Mr. JOHNSTON of Alabama the conferees on the part of the Senate.

PORTO RICAN BUDGET.

Mr. DEPEW. I ask that the Porto Rican bill be laid before the Senate.

The PRESIDING OFFICER. The Chair lays before the Senate a bill, the title of which will be stated.

The SECRETARY. A bill (H. R. 9541) to amend an act entitled "An act temporarily to provide revenues and a civil government for Porto Rico, and for other purposes," approved April 12, 1900.

There being no objection, the Senate, as in Committee of the Whole, proceeded to consider the bill.

Mr. DEPEW. Mr. President, that is a House bill. It is identical, except in two matters, with a bill which I previously introduced, and I will explain it, so that I do not think it will be necessary to read it.

The VICE-PRESIDENT. Without objection, the formal reading of the bill will be dispensed with. The Chair hears no objection.

Mr. DEPEW. Mr. President, on the 11th of May I introduced a bill to amend an act entitled "An act temporarily to provide revenues and a civil government for Porto Rico, and for other purposes, approved April 12, 1900," substantially the same as the one which passed the House and is now reported by the Senate Committee on Pacific Islands and Porto Rico. It was impossible to have action taken by the Senate under the rule which prohibited any matters being considered except the tariff bill until that was disposed of. The House, however, awaiting the action of the Senate, passed the present bill which is now under consideration. There is an immediate necessity for the passage of this bill. The fiscal year of the government of Porto Rico ends on the 30th of June. At that date their appropriations were exhausted. It has been the custom for appropriation bills to be passed by the two houses. This year the house of delegates refused to pass the appropriation bills, though there was no objection to the provisions in them, unless the upper house would consent to legislation which practically changed the government of the island. The upper house could not consent to these measures, nor to a situation under which a practical revolution would be brought about, unless an agreement was had upon laws which were against the unanimous judgment of the upper house and in violation of the organic act

known as the "Foraker Act." This can be altered or amended only by the Congress of the United States. Under these conditions President Taft recommended in his message of May 10 to the Congress that the same provision should be made for Porto Rico that is in the organic acts for the Philippines and Hawaii. In the Philippine and Hawaii acts, if the legislature fails to make the annual appropriations necessary for the conduct of the government, the appropriations for the previous year become automatically the law. Of course, the moneys are collected and in the treasury before the end of the fiscal year available for the ensuing one, so that under the operation of this provision in the organic act of these two territories there is no possibility of the operations of the government being suspended by an effort of the lower house, which is a native house, to hold up the government in order to force undesirable, or for that matter desirable, legislation.

This bill provides that the same process shall be available in Porto Rico as exists in the organic acts of the Philippines and Hawaii. In other words, if, as in this case, the house of delegates refuses to pass any appropriations unless they can have other legislation, or for any other reason, the provisions of the appropriation bills of the previous year become applicable in payments to be made for all purposes for the current year.

There is one other provision in this bill which the President considers very essential. Now the Porto Rico authorities report to four different departments of this Government. This makes unnecessary labor and delay when the President wishes to get any definite information. He must first ascertain in which department it is, and it may be in several. Under this bill such reports will hereafter be in the Bureau of Insular Affairs, thus making the process uniform for all our insular possessions.

A brief review of the circumstances and conditions in Porto Rico will explain the origin of this bill. The treaty with Spain, under which Porto Rico was transferred to the United States, was ratified on the 10th day of December, 1898. Under the provisions of the act known as the "Foraker law," which passed April 12, 1900, the government of the island consisted of a governor, a secretary, an attorney-general, a treasurer, an auditor, a commissioner of the interior, and a commissioner of education, to be appointed by the President, and to hold office for four years, respectively. With the exception of the governor these six officers, with five others, to be appointed by the President, who must be native inhabitants of Porto Rico, constitute the executive council. A legislative assembly was created to consist of two houses, one the executive council, and the other the house of delegates of 35 members, elected biennially. For the purpose of election Porto Rico is divided into seven districts. A vote of two-thirds of the legislative assembly overrides a veto by the governor.

Mr. CULBERSON. Mr. President——

The VICE-PRESIDENT. Does the Senator from New York yield to the Senator from Texas?

Mr. DEPEW. Certainly.

Mr. CULBERSON. I understood the Senator to say that the council, which, as I understand, is one of the legislative bodies of Porto Rico, is composed of six Americans and five natives.

Mr. DEPEW. Five Porto Ricans.

Mr. CULBERSON. Five Porto Ricans. I will ask the Senator how many of those six Americans are officeholders?

Mr. DEPEW. All of them. They are the executive officers of the island, with the governor.

Harmony has existed between the executive council, which is the upper house, and the house of delegates, so far as legislation is concerned, until 1908. At this last session the house of delegates refused to pass the appropriation bill unless the executive council would consent to certain radical legislation.

There are 26 municipal judges elected by the people and 44 justices of the peace appointed by the governor. The demand was that the justices of the peace should be abolished and the number of municipal judges increased to 66. There is no call whatever for municipal courts to this number. It was purely an effort to secure more offices for the dominant party and to have these judicial officers under the control of the executive committee of that party.

The house also demanded the creation of counties in the island, which is not desired by the majority of Porto Ricans. This was to provide for more offices.

They demanded also the establishment of a manual-training school. This was for the purpose of taking out of the hands of the commissioner of education the administration of the education of the island and putting it in the hands of local officials. Under the organic act the commissioner of education has entire charge of all matters pertaining to the education of the people, and if a bill had passed the house of delegates and the executive council and been signed by the governor it would have been ultra vires.

They demanded an agricultural bank with two millions of dollars of capital to be loaned to the people of the island. There were no funds available, nor were there any means by which these two millions of dollars could be secured.

They demanded the creation of industrial and professional schools of the arts and trades. This also was a violation of the organic act, which provides that the commissioner of education "shall superintend public instructions throughout Porto Rico, and all disbursements on account thereof must be approved by him." This was a further effort to get more patronage and offices for Porto Rican politicians.

In the effort of the house to reorganize the judiciary by abolishing the justices of the peace and appointing 66 municipal judges, they provided that appointments must be given to such persons as belonged to the political party obtaining the majority of votes in their respective municipalities during the last elections of November 3, 1908; that the governor must appoint the candidate suggested to him for such office by the superior committee of the political party. The bill further provides that the marshals and officers of the courts shall be selected in the same manner, and where the governor had to fill vacancies he must act under the direction of the political committees of the dominant party. The house of delegates made a more strenuous demand for this bill than any other, and insisted that this measure was the sine qua non without which no appropriation bills would be passed. The object of this bill was to do away with the courts presided over by persons appointed by the governor, and to have these courts in the hands of judges selected at the dictation of the party leaders. The judiciary system of the island has worked very well since the civil government was organized. It is independent and able. Under this bill there would have been substituted for it a scheme which would wreck any judiciary system anywhere.

Another claim which they made was that when a mayor of any municipality died or was removed, instead of his successor being appointed by the governor, he should be elected by the municipal council. The mayor is elected by the people. The objection to this was that in case the mayor and the common council were equally corrupt and the mayor removed because of maladministration that his confederates should not select another of the same kind. But the house of delegates refused to accept any suggestion which would prevent the common council from acting in this way.

In order to still further coerce the governor and the council the house struck out of the appropriation bill the provisions for the payment of jury and witness fees and traveling expenses of the United States district court; they reduced the salaries of that court not fixed by Congress 90 per cent; they struck out all provision for the publication, as provided by law, of the Official Gazette; they attempted to change the whole system of property assessment by substituting boards in the assessment districts controlled in each locality by three assessors chosen by lot from the 20 largest taxpayers; they made a horizontal reduction of 5, 10, and 15 per cent in all other salaries not fixed by Congress. Under the organic law of the island the council has the sole power to fix these salaries, so that this action of the house was also beyond their authority.

The legislature of Porto Rico assembled on the 12th day of January, 1909. On the evening of that day, and before any trouble of any kind had arisen between the house and the executive council, the members of the house held a caucus. All the members are of one party—the Unionist party. But the caucus was a joint caucus, because the members of the house invited to their deliberations the central committee of the party. The object of the caucus was to formulate a policy for the whole session. At this joint caucus the following resolution was proposed, but after discussion was considered too radical, though there was a general assent to its provision:

The house to abstain from the introduction of any bills and to indefinitely postpone all bills of the council, declaring, if necessary, that it adopts this attitude because it considers that the Foraker Act is a tyrannical yoke imposed on Porto Rico, and that the house is a figurehead, whose laws are not even complied with and are in practice of no account and useless.

As a substitute this was unanimously adopted:

1. That at all costs it is necessary to act energetically against the existence of the Foraker Act, which destroys the personality of Porto Rico, and against the manner in which the central officers are applying it.

2. That, however, resort should not be had to any act of systematic opposition, and it should only be understood that the house adopts a position of irrevocable independence.

3. That the house of delegates ought to vote and support laws of an automatic character for the entire life of the country, to enter upon a severe criticism of the administration in its distinct services, and

utilize the political means that it possesses to the end that those laws shall be approved and the administration corrected in an effective manner.

Following this nom of conduct the central committee and the house will do whatever circumstances require, and always within legal means, making all possible sacrifices.

A committee was sent here from the house of delegates to see the President and Congress. They stated that this meant that there must be a change in the government of the island, or, as far as the house of delegates could affect it, a revolution. The leaders of the Unionist party who hold every seat in the lower house claim that this has been their contention for ten years.

The three commissioners sent here by the house of delegates to take up these conditions with the President and Congress presented a written communication in which they said:

The undersigned, as representatives of a people in servitude, beg of you, their representatives of a free people, that before casting your vote in Congress on the question of Porto Rico you read these short pages and be convinced that we are simply asking for our rights and appealing to your sense of justice.

They also added:

One million souls are living in Porto Rico in an unbearable state of tyranny under the folds of the American flag.

One of their claims was that under the Spanish decree of 1897 they had greater liberty, autonomy, and self-government than since the island passed under American control. This decree of 1897 was made by the Spanish Government, to apply to Cuba and Porto Rico, in hopes of preventing or stopping the revolt against the Spanish authority, which had assumed formidable proportions. Henry K. Carrol, special commissioner to Porto Rico, in his report of December 30, 1898, said:

This constitution was promulgated in Porto Rico on February 11, 1898, but was never fully installed. The war intervened, and the provincial legislature, which was its most important feature, was dissolved when Sampson's fleet appeared, and the governor-general conducted the government practically on the old plan.

As a matter of fact, the Porto Ricans never had any autonomous government or individual liberty, as we understand it, under the Spanish Government. Their government was changed every few years, according to the recommendation of the governor-general, or the desire to accomplish some purpose there or elsewhere by the Spanish Government. The royal decrees of September 12, 1870, of January 4, 1883, and of March 15, 1895, all changed the form of government in the island. Another law was passed December 31, 1896, which repealed all former provisions and laws relative to provincial government. The laws and constitutions of 1895 and 1896 gave a legislature to the island of twelve members, called the "provincial deputation." The governor-general, however, was supreme and had the power to suspend the orders of this assembly and to suspend the members themselves, and a deputy so removed by him could not be reelected until after six years. When the governor-general suspended a deputy he had the power to fill the vacancy with any person who had previously held the office by election. This provincial deputation, or assembly, had no power over the budget. They were authorized to prepare the appropriation bills, but were compelled to forward them to the governor-general three months before the commencement of the fiscal year. If the governor-general disapproved, the whole matter went to the colonial secretary at Madrid, and his decision was final. But there was another provision in this organic law of 1896 which reads as follows:

If the budget should not be approved at the beginning of the fiscal year, the previous budget shall remain in force in its necessary parts.

This provision of automatic continuance of the budget out of the revenues collected for the ensuing year has been in force under the Spanish Government of the island since 1870. Under this decree or constitution of 1897, which the commissioners who came here claimed gave them so much greater liberty than they now enjoy, the Spanish Government retained the ultimate power over the revenues. They reserved the right to the Spanish Cortes of declaring what expenses should be made and of fixing the amount every three years. This so-called liberal grant of 1897, which is now appealed to by the Porto Rican commissioners as a charter for them from the Spanish Government of autonomy and liberty greater than they now enjoy, was a pretense and a pretext from the beginning. There was a string to every privilege and every right in the firm hand of the Spanish governor-general, of the colonial secretary at Madrid, and of the Spanish Cortes. The revolution had assumed such proportions in Cuba, and disaffection in Porto Rico was becoming so dangerous, that this was a sop intended to blind the Cubans and the Porto Ricans without conceding any Spanish right, and every right which was conceded was subject to nullification and recall by the Spanish governor-general and the home authorities.

This at once raises the question as to what the United States have done for this island since its occupation. They have, under the Foraker Act, which is their organic law from the American Congress, a provincial legislature elected by the people. They have the right to make their own budgets and their own appropriations, subject only to their approval by the council, of whom five are native Porto Ricans. Under this bill we do not take away this right. We simply legislate, as we have legislated in the organic laws of our other insular possessions, that if they do not provide a budget or appropriations to carry on the government, the budget of the preceding year, a budget which was passed unanimously by the house of delegates, remains in force for the current year. Before our occupancy of the island this scheme had been always in force under the Spanish rule. There is no doubt if the house of delegates had confined their attention to the appropriations and not attempted to make them a medium to carry revolutionary legislation, there would have been no difficulty in having the appropriation bills agreed to between the two houses.

In the Porto Rican congress of the two houses 6 are Americans and 40 are natives. We have turned into their treasury about three millions of dollars in cash, the amount of duties which were collected in the United States on Porto Rican products after the Spanish evacuation, and from the time of our taking military possession in 1898 until their organic law of 1900 gave to the island free trade with the United States. By giving free trade to Porto Rico we have surrendered $15,000,000 annually which would be otherwise collected upon Porto Rican products imported into the United States. This free trade and surrender of revenues on the part of the United States places the island of Porto Rico, in regard to its products of sugar and tobacco, in an immensely superior position industrially and commercially to Cuba and the other West India islands. When the cyclone swept over the island a few years since and worked great havoc among the coffee plantations, the Government of the United States made to the people of Porto Rico a present of $200,000 to relieve the situation. The United States pays out of its own treasury the whole cost of the Porto Rican regiment, and also the harbor improvements, the marine hospital, the weather bureau, the maintenance of agricultural experiment stations, the revenue vessels, the light-house service, and the coast surveys. Porto Rico is the favored territory of the United States. Imports going into Porto Rico are subject, of course, to the same duties under the Dingley Act as imports from foreign countries passing through the custom-houses of any other port in the United States. The revenues derived from this source amount to a million dollars a year. This is the average. In 1906–7 they were $1,138,555, and in the following year $979,990. These duties are paid into the Porto Rican treasury for purely Porto Rican purposes, though they belong absolutely to the Treasury of the United States. The internal-revenue taxes collected in the island amount to $1,917,000. These taxes, which belong to the Treasury of the United States, are also paid into the treasury of Porto Rico for local purposes in the island. Thus the United States surrenders from its own Treasury three millions a year for the support of the Porto Rican government. There is a tax levied upon the property of the people of the island which yields about $1,200,000 a year. This, less 10 per cent, which is the cost of collection, is remitted to the various municipalities for expenditure by the local governments for their local and municipal needs and requirements. This fund of three millions a year out of the Treasury of the United States certainly should have the supervision of the council, or upper house, and of the governor. It is virtually a gift by the United States to improve the condition of the people of the island, and not to be made the sport of politics and of factions. The neighboring English colony of Jamaica is governed by one house, of whom the majority is appointed. There is no doubt that except for the supervision of the council, composed of the secretary, the attorney-general, the treasurer, the auditor, the commissioner of the interior, and the commissioner of education, and five native Porto Ricans of the highest standing and character appointed by the President, this large contribution of the United States for schools, good roads, and the general welfare of the island would be distributed among the municipalities, as the fund collected by taxes in the island is, and largely squandered and misappropriated.

There never has been any question until this last year between the house of delegates and the council as to how this contribution of the United States of three millions of dollars annually should be appropriated. There is no charge of any kind against the efficiency or the integrity of the United States officials in the island. On the contrary, the committees of both houses who appeared before the committee of the Senate testified to the integrity and ability of these officials. The beneficent

effect of this annual contribution of the United States upon the people of the island is a romance as well as a reality of the uplifting power of the American Government.

In the matter of education, under the Spanish rule, the island had an attendance of 21,000 pupils in 551 schools of the most primitive character. To-day there are 2,400 schools, with an attendance of 114,367 students. In the last year of Spanish rule there was spent for school purposes $35,000. During the year just closed of American rule the appropriations for schools were $1,146,619.

The macadam roads of the island have been increased in our nine years of occupation from 172 to 624 miles. In other words, during the four hundred years of Spanish rule there were constructed 172 miles of macadam roads. These roads were mainly for military purposes, while the American roads are to bring the farmer to the market and to develop the resources of the island. While four hundred years under the old rule gave to the island 172 miles, nine years of American rule have duplicated that 172 miles and added 452 more.

Under the old régime one regular Spanish steamer a month supplied all the commercial facilities of the island. There was an occasional call from a French or German steamer, but it was not part of the commercial facilities which could be relied upon. Now, instead of one monthly steamer, there are fourteen monthly American steamers.

In the agricultural section of the island land has risen from ten to one hundred dollars an acre. Wages have increased everywhere. Every township now has a good road to the sea, and the roads are connecting towns with each other. Bridges are built where there were formerly fords and ferries, which in the rainy season could not be used. The roads have reduced the cost of transportation to the farmers from $1 a hundred pounds a mile to 20 cents.

An American engineer with an efficient corps is perfecting an irrigation scheme which will relieve the sugar cultivation from the periodical droughts to which it is now subject.

In January, 1899, the Medical Corps of the Army undertook to overcome smallpox, which was devastating the island. Of the 1,000,000 inhabitants, 800,000 were vaccinated, and smallpox, which was the most destructive of epidemics among the people, was practically eliminated. There had always existed in Porto Rico a disease called "tropical anemia." Seven hundred thousand of the 1,000,000 inhabitants of Porto Rico were chronic sufferers from this trouble, called uncinariasis. Eighteen per cent of all the deaths were due to this anemia. The capacity for labor of the people of Porto Rico on this account was reduced 20 per cent. Dr. Bailey K. Ashford, an assistant surgeon in the Army, accurately determined the nature of this disease, and it was found to be preventable and could be cured, except in advanced cases. There were 11,875 deaths due to anemia from 1900 to 1901, and in 1908 there were only 1,785. Of the 81,375 patients treated for uncinariasis in 1908 only 93 died. I do not think in the records of any population in the world has there been accomplished in the same period of nine years the eradication of two such deadly diseases, causing such frightful results upon life and upon industries as in this relief to these people from smallpox and anemia.

We can not too frequently recall the fact that the cost of this marvelous medical service, the building of these good roads, the installation of this irrigation plant, and the creation, extension, enlargement, and maintenance of the public schools have been paid out of federal taxes belonging to the United States and not out of local taxes assessed upon the people of the island.

Universal suffrage has been granted to all male inhabitants of the island above the age of 21. If the franchise were restricted to those who could read, there would be less than 50,000 qualified voters, but in the last election for delegates over 150,000 votes were cast.

The island of Porto Rico is 108 miles in length and from 37 to 43 miles across, and contains 3,600 square miles, a little less than one-half the size of the State of New Jersey.

According to the census of 1900, the population consisted of 589,426 whites and 363,817 colored.

In the annual report for 1899 of Gen. George W. Davis, the military governor, the population is given as 960,000, or 260 to the square mile. He says: "Nearly 800,000 could neither read nor write. Most of these lived in bark huts and were in effect the personal property of the landed proprietors. They were poor beyond the possibility of our understanding, and if they were so fortunate as to have enough for the current hour they were content." Later, in describing the effect of the hurricane of 1899, he says: "A population of nearly a million souls, not less than one-quarter of which was already suffering from chronic starvation * * *." As I have already stated, to relieve that Congress appropriated and gave to the island $200,000.

From General Davis's report I make the following extract, which describes the conditions in the island and of its inhabitants at the time we took possession. It is an illuminating exhibition of the poverty, illiteracy, and morality of the people as we found them:

> In any country where more than one-half of the population is continually on the verge of starvation or are pinched by hunger; where labor, when employed at all, is remunerated only to the extent of from 20 to 35 cents per day; where thousands upon thousands are unable to secure work at any rate; where only 10 or 15 per cent of the inhabitants can read and write; where the ordinary standards of public morality are largely ignored; where half the children are illegitimate; and, finally, where the functions of the government have been used to discourage, repress, or prevent initiative and the people have no knowledge of any duty or obligation but to obey the orders of the governing classes, it would be strange if, under such conditions, murder was unknown and pilfering, stealing, and plundering were uncommon. Let it be supposed that under conditions such as are recited a government of repression should be suddenly relaxed and for it another substituted, which these ignorant people have heard of as one under which freedom is the predominating characteristics, it would be still less strange if, when released from restraint, the tendency to lawlessness should greatly increase and a reign of terror should take the place of a reign of oppression.

Dr. Lyman Abbott, a most careful, conscientious, and intelligent observer, recently visited the island. He went to every part of it and thoroughly investigated conditions, social, economic, and political. He conversed with sugar, tobacco, and coffee planters, with business and professional men and the politicians. He is very emphatic as to the immense improvement which has been made in the island since American occupation in every department which makes for the uplift and welfare of the people. He pays a high tribute to the manner in which American officials have conducted the government, and says that there is prosperity never known before and general content and satisfaction except among the politicians. He gives this picturesque comparison:

> In November, 1493, Columbus landed for water at Aguidilla, on the western coast of Porto Rico. A monument marks the spot where he filled his water cans. A mile below, in the town subsequently built upon the shore of the sea, the villagers continue to this day to come night and morning to this same stream to fill their water cans. The waterworks of Aguidilla in 1909 are practically identical with those of 1493. The fact is typical.

While there are a great number of cases like this of the waterworks of the time of Columbus being still the waterworks of localities, nevertheless American government is rapidly eradicating these conditions and bringing the island generally and its townships and municipalities rapidly up to American standards.

In other words, no progress had been made in the betterment of the conditions of the people in the promotion of industries or in the development of production in four hundred years of Spanish occupation. I have recited what has been done in nine years of American occupation in education, in sanitation, in good roads, and in other respects; but the influence of American legislation, association, and phenomenal generosity is evidenced by the industrial progress in the island. With industrial progress has come its attendant of better housing, better living, larger intelligence and happiness, health, and comfort.

In 1901 the value of the sugar exported from Porto Rico was $4,700,000; last year it was $18,600,000, an increase of about four times. In 1901 there were 100,000 acres devoted to sugar; now 195,000, or double the acreage. In 1901 the value of the tobacco was $681,642, while last year it was $5,401,195, or an increase of about eight times in the nine years. The value of the coffee grown in 1901 was $12,157,240; last year it was $35,245,480, or an increase of three times in the nine years. The value of all the fruits which were exported in 1901 was $93,000; last year their value was $1,159,420, or an increase in this industry in the nine years of over ten times. The imports and exports of Porto Rico in 1901 were $17,951,190; last year they were $56,470,151.

I do not believe that in the administration of any other old settled and almost overpopulated community, like that of Porto Rico, such a change as this can be shown. It would be marvelous in a new country which offered rich opportunities and whose newly discovered wealth had led to a great inflow of enterprising settlers, but this marvelous growth in every department which counts for prosperity, wealth, good citizenship, homes, schools, and happiness in one of the oldest and the most thickly populated communities of the Western Hemisphere in less than a decade is a tribute, than which none could be higher, to the American government and administration and the uplifting power of American liberty.

Porto Rico has a federal district court which commands the respect of all the people of the island, irrespective of party. Its local judiciary of five supreme court judges was praised for

ability, integrity, and judicial fairness by all parties who appeared before the committee. The American officers, the governor, the secretary, the treasurer, the auditor, the attorney-general, the commissioner of education, and the commissioner of the interior are all gentlemen who had made their mark in the United States in their profession and in the public service before they were appointed to their present positions and who have moved with their families and made their residence in Porto Rico. They have learned the Spanish language and have, as individuals and officials, the confidence of every citizen and of all parties.

The whole of this trouble grows out of an anxiety on the part of a few who are in control of the political parties. With 90 per cent of the electorate illiterate, with generations of autocratic government behind them, emotional, suspicious and easily influenced, it is not difficult for men with special talent in that direction to exercise over them a large, if not dangerous, influence. The Unionist party, which now has gained all the offices and has every seat in the house of delegates, desires for the government of the island an autonomy something like that of Canada, where there will be a nominal governor from the United States, but the legislative and judicial branches shall be in the power of the people of the island. The Republican party has for its platform the creation of Porto Rico into a State and its admission to the Union. Every authority, official and general, which has visited the island and studied the conditions are united in the opinion that as yet the people are not ready for such a government as is desired by the one party, nor for admission to statehood as is demanded by the other.

Having been familiar all my life with party leaders and party bosses, I pay tribute to the gentleman who absolutely controls the Unionist party for having displayed a skill in securing a power and maintaining it which places him in the front rank of political leaders. He dominates the house of delegates, having nominated all its members. They do not even decide upon legislation without publicly summoning him and his executive committee to their deliberations, and in reaching out for the control of the local judiciary under a bill which would compel the governor to appoint those nominated by him in every locality he would have under his control not only the legislation of the island, the appropriation bills and the expenditures, the offices and the salaries, but also the administration of justice and the decisions of the courts. This little island is too small for such executive genius. No pent-up Utica of constitutional authority should circumscribe the activities of talent so superior in political management. With a free hand in a South American Republic, he would become a figure of international importance.

There may be amendments required to the so-called Foraker Act, which is the organic law. It would be strange, after some years of administration and with such phenomenal progress as has been made, if conditions had not arisen which would require changes in the act, but they can come in the proper and orderly way at the regular session of Congress. With this temptation to secure power of the purse to promote legislation, desirable or undesirable, patriotic or selfish, by revolutionary methods removed we can confidently anticipate the two branches of the legislature will act as heretofore in harmony, and the peace and the prosperity of the island be preserved, promoted, and continued.

Mr. FLETCHER. Mr. President, the bill is one that has come to the Senate from the House, and, as I understand, meets the approval of both sides or factions in the island. As the Senator from New York [Mr. DEPEW] has signified, there seems to be some difference in Porto Rico between the house of delegates, elected by the people there, and the executive council, appointed by the President. These two bodies constitute the lawmaking power of the island, and all the laws passed by them are the laws which are being administered and are the local laws in force for that island. So, the executive council and the other body combine and act together, and both pass upon the local laws.

I am in favor, Mr. President, at the regular session of Congress, of enlarging or increasing the measure of local self-government for that island. At this session that question can not be taken up satisfactorily, and there should not be, I believe, any objection to the passage of the pending bill. It is favored by both sides. It is an emergency measure. It simply provides that the appropriations of last year shall be applied the same as if they had been adopted by the executive council and the house of delegates this year.

Eventually there will be changes in the organic law, known as the "Foraker Act," and both sides also favor changes, probably not identical, but both sides are committed to the proposition that when Congress, at the regular session, meets, it will have to take up and deal with the original act, known as the "Foraker Act," organizing the government of Porto Rico.

So there is no question, I think, that when the regular session comes around in December there will be legislation which will do away with the permanent character of the present bill, and perhaps a satisfactory adjustment of these differences will be reached. At present, as I say, both sides upon the island, as reported to the committee, are in favor of this bill. It is recommended by the governor and by the house of delegates, as well as by the executive council and the President, and I see, therefore, no reason why it should not be passed.

Mr. CULBERSON. Mr. President, stated broadly, my understanding is that this legislation is proposed because of a disagreement between the council and the house of delegates with reference to an appropriation bill. The house of delegates is composed of natives of Porto Rico—those who are particularly interested in and those who are particularly affected by the legislation. The council is composed of 11 members, 6 of whom are territorial officers appointed from the United States, and 5 are natives of the island; and, as far as I know, probably territorial officers also.

Mr. DEPEW. No.

Mr. CULBERSON. In other words, Mr. President, the controversy with reference to the appropriation bill is between the natives of the island, who pay the taxes, and the carpetbag officeholders sent there from the United States.

Not only that, but the principal difference between the house of delegates and the council is on the proposition to reduce the salaries of territorial officeholders, which include the salaries of the 6 members of the council holding office by appointment from the Federal Government.

I do not intend to offer any particular objection to the passage of this bill, although I am opposed to it. I am opposed to it on the ground that when we give the people of Porto Rico self-government to a certain extent, when the people of that territory, represented by the house of delegates, happen to disagree with the council, we ought not to withdraw it by a measure of this kind.

Not only that, sir, but I understand that the financial condition of that Territory suggests that there ought to be a diminution in the appropriations. In other words, the fiscal resources of the island suggest that there ought to be a reduction in expenditures; and when the house of delegates attempts to do this, the officeholders, who compose a majority of the council, object to the reduction of their salaries, and that controversy is brought here, and Congress proposes by this bill practically to take from the house of delegates its authority under the organic act to agree or disagree to an appropriation bill.

Now, while I object to this bill on the ground stated, I do not propose under the circumstances to do more than enter my protest against an act which takes from the people of Porto Rico, to a certain extent, the power of self-government which we have conferred upon them by the organic act. But it occurs to me that we ought, at least, to limit the operation of this law for a short period, say one year, when Congress can take up this question and legislate upon it intelligently and with proper deliberation, and I therefore offer an amendment to add at the conclusion of the bill the words:

Provided, That this amendment shall expire July 1, 1910.

Mr. DEPEW. Mr. President, I trust that the amendment will not be adopted. There is no reason why there should be any difference in the organic acts of the Philippines and Hawaii and this island. There never has been the slightest dispute between the house of delegates and the council as to appropriation bills until this year, and there would not have been any dispute this year, except that the house of delegates attempted to use the purse for the purpose of creating offices and expenses.

A delegation from the house of delegates appeared before our committee, and they made no complaint whatever about expenses, about salaries, or about anything, except that they wanted and would insist upon using what power they possessed to force a change in the organic law—that is, the Foraker Act. This trouble will arise every year in order to try to coerce Congress. It is a rule which always prevailed in the island until we went there, and this provision, being put into the organic law of the Philippines and of Hawaii, has prevented in those islands an enormous amount of trouble. There is no doubt that, except for this item in the organic law of the Philippine Islands, the assembly there would have attempted the same thing—to hold up the appropriations in order to force the United States to do things to which the Congress itself would never agree.

I do not see that any harm can be done in making an appropriation which the house of delegates unanimously agreed to as

correct last year applicable to any year when the house of delegates wants to use the purse to coerce the government.

The VICE-PRESIDENT. The Secretary will state the amendment proposed by the Senator from Texas.

The SECRETARY. On page 2, line 11, after the word "department" and before the period, insert a colon and the following words:

Provided, That this amendment shall expire July 1, 1910.

Mr. ROOT. Mr. President, I hope this amendment will not prevail. I think it would simply be giving notice to the recalcitrant assembly in Porto Rico that the United States is not serious in its determination that this Government will not be coerced in accordance with the methods which have been so frequent and so destructive under Spanish-American government in many places. I beg the Senator from Texas to reflect upon this proposition, which I think is a sound one. This question is not so much one between persons or between houses as it is between two systems and methods of government. One of the serious evils of Spanish-American government has long been that when one party finds itself unable to accomplish what it desires it seeks to coerce the home government by refusing to go on with the operations of government; and that is the precise situation created here.

Mr. CULBERSON. I will ask the Senator from New York if the financial condition of Porto Rico does not in good faith suggest that the expenditure should be decreased?

Mr. ROOT. In my opinion the financial condition of Porto Rico does not in any degree whatever suggest it. On the contrary Porto Rico is opulent and competent beyond its utmost dreams at any time prior to the institution of government by America; and what is more, sir, the provisions which the legislative assembly of Porto Rico insist upon are not susceptible of being regarded as being in good faith suggested for purposes of economy.

Here is the statement made by the committee from Porto Rico—Mr. Muñoz Rivera, the political leader, being one of the signers, a gentleman whom I know and of whom I have a very high opinion—as to the central proposition, that with regard to the appointment of officers, and he says——

Mr. FLETCHER. Mr. President——

The VICE-PRESIDENT. Does the Senator from New York yield to the Senator from Florida?

Mr. ROOT. Certainly.

Mr. FLETCHER. If the Senator will allow me for just a moment, in connection with that suggestion that the financial condition of Porto Rico is such as to call for an economical adjustment of salaries, and the question of the Senator from Texas whether that action on the part of the house of delegates was not in good faith, I beg to call the attention of the Senate to the fact that the proposition was to reduce all salaries of the district court, not fixed by Congress, 90 per cent. So the effort was not merely for economy, but it was an effort by the house of delegates to cripple the government.

Mr. ROOT. I am very much obliged to the Senator from Florida for interpolating that suggestion.

Here is what this committee says:

According to the usages and practices in the island, it concedes to the central committee of the Union party the right of proposing names to the governor to fill the vacancies of mayors, councilmen, and judges.

That is the central proposition.

Mr. CULBERSON. Mr. President——

The VICE-PRESIDENT. Does the Senator from New York yield to the Senator from Texas?

Mr. ROOT. In a moment. This party proposes to take possession of the government and to run it in accordance with its own views, and if it can not run it in accordance with its own views it proposes to withhold the supplies from the executive government. It proposes to coerce the upper chamber under the system of government provided by Congress, by refusing all supplies for the conduct of the government; and we can not permit, Mr. President, that any government shall be conducted in that way, and we ought not to put in a limitation which indicates that at any future time we propose to permit it.

Mr. CULBERSON. Mr. President——

The VICE-PRESIDENT. Does the Senator from New York yield to the Senator from Texas?

Mr. ROOT. Certainly.

Mr. CULBERSON. With the permission of the Senator from New York, and recurring to my statement that there is a necessity for a reduction of expenditures, I happen to have a copy of the paper to which the Senator has referred, and on page 9 will be found the basis of what I have said upon the subject. This occurs:

There never was any disagreement about appropriations between the two houses since the year 1900.

This year the appropriation bill came as usual from the council to the house, and the house, paying due consideration to the annual message of the governor and the auditor's report, where they refer to a deficit in the treasury, decided to make a small rebate in the salaries of the government officials according to the following basis:

Five per cent rebate in salaries from $500 to $1,000.
Ten per cent rebate in salaries from $1,000 to $2,000.
Fifteen per cent rebate in salaries over $2,000.

I call special attention to that, because it was the basis of what I had said, that the house of delegates believed, on account of this deficit, that there ought to be a reduction of expenditures and proposed to make it, to which the council objected, six members of which were personally interested in the reduction.

Mr. ROOT. I do not find what the Senator has read, but I know it to be the fact that the revenues of Porto Rico during the past few years have been far larger than they ever have been in her history, and there have been enormous increases in the expenditures for the most beneficial operations of government. My colleague has just stated the increase from $35,000 a year to $1,200,000 for schools, for example. The island of Porto Rico is rich and with abundant revenues. Of course they probably keep up to their revenues with their appropriations, but the situation is one which, I am sure, does not call for cutting down the salaries in the federal court, not established by Congress, to the extent of 90 per cent. However, the reduction in expenditures was but a very trifling part of the subject-matter as to which this break occurred.

It was to change the method of assessing taxes, to change the method of appointing officers, to take the absolute control of government into the hands of the Union party, and to coerce the government of the island into accepting those changes by withholding supplies, precisely as if the House of Representatives were to refuse to make appropriations for the conduct of the operations of our Government because the Senate would not agree to measures of legislation quite distinct and separate from any appropriation bill.

It is an old habit of Spanish-American government. It is a habit that has brought on revolutions without number. It is one that, happily, the Spanish-American people are growing out of. Those who have had the most experience in the operations of government are learning to conduct their government without that childish way of attempting to coerce each other by refusing to play, as children do. Porto Rico has not had sufficient experience to learn it. All the great Spanish-American countries have already learned it. Porto Rico has not. They act like children and we ought to treat them accordingly, and not permit this childish nonsense of attempting to compel the things that they want done to be done by stopping the operations of government.

Mr. CULBERSON. Mr. President, I have nothing to say in answer to the suggestion of the junior Senator from New York, except that he seems to intimate, and perhaps it is his opinion, that the Porto Ricans are not capable of self-government.

Mr. ROOT. Mr. President, will the Senator allow me?

Mr. CULBERSON. Certainly.

Mr. ROOT. Ten years ago in an official report I expressed the opinion that the Porto Ricans were not yet capable of self-government; that they would require a long course of education and of practice before they would be capable of it; and, in my opinion, this childish transaction of the legislative assembly of Porto Rico conclusively establishes the fact that they have not yet acquired the capacity for self-government.

Mr. CULBERSON. I wanted an expression of opinion from the Senator from New York on the subject. I did not remember that he had expressed it, except inferentially, as I suggested a moment ago.

The Senator from Florida [Mr. FLETCHER] invited the attention of the Senator from New York [Mr. ROOT] to the fact that the house of delegates cut the salary of certain officials 90 per cent. I want to read from this "brief" exactly what they did, and why they did it, and what was subsequently done, so as to bring this matter squarely to the attention of the Senate. On page 10 of this paper it is said:

The house also amended the budget introducing a rebate of 90 per cent in the salaries of those officers of the United States district court for Porto Rico, whose compensation is left by law to be fixed by the legislature of the island. This was done as a protest against the said court, which the house has asked the Federal Government to suppress or modify. Virtually the rebate of the salaries did away with the court. But the house, once its protest had been so entered, and inasmuch as the council refused to discuss those amendments, withdrew all that referred to the federal court.

So, as a matter of fact, the cut as to the salary of the judges was only made as a protest, and after it had answered its purpose the house withdrew the proposition, and it is not now affected by this legislation.

Mr. MONEY. Mr. President, if I understood the junior Senator from New York, he expressed the opinion that our citizens

of Porto Rico were not quite competent for self-government—that is, to govern themselves in the way which we have designated they should govern themselves. I do not suppose there is a people on earth, however ignorant or however savage, that are not capable of independent self-government, but not according to American ideas.

I think he is perhaps correct in saying that it is one of the characteristics of the Spanish colonies of America that they have not shown a great degree of ability in self-government, according to our ideas of self-government. They have perhaps as fairly written constitutions and laws as any people in the world, but an almost universal disregard and nonobservance of those laws. I recall the fact that a traveler writing for the Revue des Deux Mondes stated that he had traveled from Patagonia to Guatemala through a series of despotisms tempered by assassination. Yet there are no better constitutions in the world than those of the Spanish-American republics.

However, when the Senator said that this way of withholding supplies is a Spanish-American method, I think he has forgotten a little of his English history. As a matter of fact, whenever the people are supposed to rule themselves and to tax themselves and to vote supplies for the government in which they are supposed to participate, it has been the unfailing rule that the people have withheld supplies in order to enforce their rights. Every solitary accession of British liberty has come from the power of the Commons and the people over the purse. In almost every country where there has been a great struggle for popular rights the efficient and powerful weapon has been the control of taxation and the disbursement of public revenue. It is a method known to every people in the world who aspire to self-government, and these people do not at least deserve to be singled out as the one people incapable of governing themselves.

We have given to these people the right, through the representatives whom they elect, people identified with themselves in their fortunes and in their hopes of liberty and good government, to tax themselves to support their government. Yet we are told to-day that they will not consent to act in a conservative, responsible way, and we are asked to supplement it by this order or this decree in council, for it is hardly legislation.

I do not mean to say that this is not a necessary bill. I do not mean to say that I shall oppose it; but I do say that the proposition of the Senator from Texas is worthy of consideration. He proposes to limit the action of this rule or this law for one year. If then the conditions are unchanged; if the deficit continues in the public treasury; if there is any need for retrenchment and reform in the public service, we can take such action as the case demands; but it is unnecessary to commit ourselves to any term of years or to any indefinite stretch of time to this policy of interfering in the control of this powerful dependency.

Every man in the Senate knows the complete hold of the British Empire upon all of its dependencies, and we know how fast the Imperial Government have granted what they call "responsible government" to every one of their colonies that will accept the burden of self-government. We know with what loyal zeal and devotion those colonies have responded to the repeated grants of liberty and self-government, and we have the painful spectacle in the history of the last century of knowing that some of them were compelled, because of inability, to give up to the Imperial Government the rights that had been bequeathed to them so loyally, freely, and generously, because they said they were incapable of governing themselves.

I think the amendment of the Senator from Texas should be accepted by the committee. It only limits the bill to one year's operation, and at that time we can see whether it will require a further extension.

Mr. DEPEW. Mr. President, there is one peculiarity about the revenues of Porto Rico which would seem to not only require but eminently justify federal supervision. Locally only $1,200,000 is collected from their property in the usual way, and that is remitted to the municipalities for municipal purposes. But the government itself is actually paid for out of the Treasury of the United States. The whole revenues which it expends upon its schools, its roads, its local improvements, and its education are derived from the customs revenue and the internal revenue of the United States. In addition to that, the United States pays all the expenses of its light-house service, of its local regiment, of its sanitation, and of many other things.

The VICE-PRESIDENT. The question is on agreeing to the amendment of the Senator from Texas.

The amendment was rejected.

Mr. CULBERSON. I have a copy of the brief of the commission of the house of delegates of Porto Rico to the Federal Government about the present legislative difficulties in the island, and as it presents the defense of the house of delegates to the accusations made, I ask that it may be printed in the RECORD without reading.

The VICE-PRESIDENT. Without objection, that will be done. The brief referred to is as follows:

PRELIMINARY INFORMATION.

The present political difficulties in Porto Rico can very easily be solved, but if not given a just and fair solution they may lead to a great drawback in the Americanization of the country and to some painful friction between the two elements in the island.

In the first part of March (1909) the council (upper house) sent to the lower house (house of delegates) an appropriation bill. Since the governor in his message gave assurance of great contraction in the revenue of the insular treasury, recommending at the same time the necessary economy in the appropriations, the committee on ways and means of the house of delegates wished to cut down the high salaries of the officials and all employees according to a scale, as follows:

	Per cent.
Salaries from $500 to $1,000	5
Salaries from $1,001 to $2,000	10
Salaries from $2,001 on	15

This reduction of salaries would make possible the carrying on of public works and schools without any risk of running into a deficit, and the continuous progress of schools and roads could be maintained, as it has been, increasing from year to year since the control in the island of the Union party took place, in 1904, 1906, and 1908.

The financial committee (ways and means) did away with some of the offices of the federal court, which court is repugnant, on account of its attitude, to the people of Porto Rico; said reductions not applying to the salaries of the judge and the district attorney, nor of the marshal, which are fixed by the organic act, and the legislature, therefore, has no power to alter them.

The house approved the recommendations of the committee on finance. The appropriation bill, thus amended, went back to the council, which did not concur to the amendments.

One after another three different committees were appointed, and all of them failed. This took place at the last moment before the closing of the legislature. Meanwhile the executive council was leaving without any consideration several house bills: A bill organizing a division of the island into several counties, in the same manner in which they are established in the States of New York, New Jersey, etc.; a bill to establish manual training schools; a bill for the establishment of an agricultural bank; and others with a tendency to self-government, such as the election of mayors, councilmen, and judges by the vote of the people instead of by appointment of the governor; and another giving some representation to the taxpayers in the board of appraisers, and also on school laws.

This constant practice on the part of the executive council of ignoring the lower house had been creating a profound feeling of resentment in the latter, and therefore a tendency to resist.

The hour for the adjournment of the legislature was fast drawing near and the members were preparing to retire a minute after 12 o'clock.

Meanwhile Treasurer Willoughby and Attorney-General Hoyt, for the council, and Mr. Muñoz Rivera and Mr. Soler, for the lower house, were trying to come to an understanding. They agreed to go before the governor, who agreed to call an immediate extra session in order that, through having some bills from each house agreed upon, the appropriation bill could be adjusted in a way satisfactory to everybody.

Mr Willoughby and Mr. Hoyt presented a list of the bills in which the executive council was mostly interested, and Mr. Muñoz Rivera and Mr. Soler those of the house.

The interview with the governor resulted in his giving a proclamation calling the members of the legislature to an extra session for the next day (March 12, 1909).

The house was ready to withdraw its amendment to the appropriation bill and to accept it as the executive council desired it, adopting the same attitude as to the other bills.

During the last hours of the 13th day of March, the house was ready to pass the council bill, but the council insisted in objecting to the house bills.

The education bill was entirely denatured and shortened, reducing it to a mere remnant of the original. The bill relating to the mayors and the municipal councilmen was destroyed, leaving the appointment again to the governor and not to the people. The bill regarding the appraising of the property and the one relating to police reforms were postponed indefinitely.

It was impossible for the house to yield in every point and the council holding entirely its position as to every measure. In view of the situation at about 9 o'clock in the evening the house decided to withdraw its concessions in the appropriation bill regarding the federal court, and sustaining the others, declaring at the same time to be always willing to compromise.

The house continued to await the action of the council, hoping that the council would be willing to make some concessions to the people's desires, so that public opinion might obtain some satisfaction. The executive council was obdurate and decided to carry out its ideas at any rate.

On Tuesday, March 15, at 2 o'clock in the morning, the house was yet patiently waiting, every member occupying his seat. All of a sudden the executive council decided to adjourn and close the legislative session.

This is the situation at the present moment.

The executive council pretends to throw all the blame and responsibility on the house, a position that the latter can not for a moment admit. The present delegation comes to Washington to see the President of the United States, and Congress may, for a moment, at least, devote some attention to our country, which has been suffering under the Foraker Act, an oppression from which all these evils have, and future evils will, emanate.

Nothing would be more easy for the President, while Congress decides to amend the Foraker Act, than to appoint an executive council formed of men of tolerant disposition and broad ideas of justice, that might be willing to give the people some of their just dues. When such is the case, Porto Rico will go right on progressing and hopeful of better days, while, if the present conflict is not solved, restricting more and more the Foraker Act, and asking the people to continue to pay tribute not voted by them, nor used by them, this would mean that violence is intended to be carried on against a people who has no other

means of defense than the justice of their cause, nor other arms for protection than their own rights.

The people of Porto Rico can not for a moment admit that the United States are willing to carry out such an oppressive and humiliating act.

ARGUMENT.

The act of Congress of April 12, 1900, establishing the form of government for Porto Rico, organized the executive power of the island in the following form:

THE GOVERNOR.

The governor may grant pardons and reprieves, and remit fines and forfeitures for offenses against the laws of Porto Rico, and respites for offenses against the laws of the United States, until the decision of the President can be ascertained; he shall commission all officers that he may be authorized to appoint, and may veto any legislation enacted, as provided for in the organic act; he shall be commander in chief of the militia, and shall at all times faithfully execute the laws, and shall in that behalf have all the powers of governors of the Territories of the United States that are not locally inapplicable.

SECTION 17, ORGANIC ACT—THE SECRETARY.

The secretary shall record and preserve minutes of the proceedings of the executive council and the laws enacted by the legislative assembly of Porto Rico and all acts and proceedings of the governor, and shall promulgate all proclamations and orders of the governor and all laws enacted by the legislative assembly. In case of death, removal, resignation, or disability of the governor, or his temporary absence from Porto Rico, the secretary shall exercise all the powers and perform all the duties of the governor during such vacancy, disability, or absence.

SECTIONS 19 AND 20, ORGANIC ACT—THE ATTORNEY-GENERAL.

The attorney-general shall have all the powers and discharge all the duties provided by law for the Territories of the United States in so far as the same are not locally inapplicable, and he shall perform such other duties as may be prescribed by law.

SECTION 21, ORGANIC ACT—THE TREASURER.

The treasurer shall collect and be the custodian of the public funds, and shall disburse the same when appropriated by law on warrants signed by the auditor and countersigned by the governor, and shall perform such other duties as may be prescribed by law.

SECTION 22, ORGANIC ACT—THE AUDITOR.

The auditor shall keep full and accurate accounts, showing all receipts and disbursements, and perform such other duties as may be prescribed by law.

SECTION 23, ORGANIC ACT—THE COMMISSIONER OF THE INTERIOR.

The commissioner of the interior shall superintend all works of a public nature, and shall have charge of all public buildings, grounds, and lands, except those belonging to the United States, and shall execute such requirements as may be imposed by law with respect thereto, and shall perform such other duties as may be prescribed by law.

SECTION 24, ORGANIC ACT—THE COMMISSIONER OF EDUCATION.

The commissioner of education shall superintend public instruction throughout Porto Rico, and all disbursements on account thereof must be approved by him; and he shall perform such other duties as may be prescribed by law.

SECTION 25, ORGANIC ACT.

The other five members of the executive council shall attend all meetings of the council and participate in all business of every character that may be transacted by it.

SECTION 26, ORGANIC ACT.

The executive council, acting as a body, shall make all grants of franchises, rights, and privileges or concessions of a public or quasi public nature, with the approval of the governor, and will advise and consent to the appointment of the officers by the governor, according to law.

SECTIONS 32 AND 33, ORGANIC ACT.

These are all the powers and duties imposed by law on the executive council and each of its members. Outside of those they can only exercise the duties and powers granted them by the laws of the United States and of the legislative assembly of Porto Rico.

Therefore all powers not given to the council and executive officers by the organic act have unquestionably been left by Congress to the people of Porto Rico; and the authority to regulate and establish the local government, in so far as it is not provided for in the act of Congress of April 12, 1900, is invested upon the executive council and house of delegates as the legislative assembly of Porto Rico. Thus the appointment of mayors, aldermen, municipal judges, and school-teachers may and must be the subject of legislation by the legislative assembly; and so this body may and must legislate about police matters, appraisement of the property, public education, agricultural banking institutions, judicial territorial division of the island, and, finally, about all matters of general government not opposed to the laws of the United States.

The house of delegates of Porto Rico, strictly following the American principles of government, in the exercise of a right and obeying the insular public opinion, would not do its duty if all efforts were not made to save for the island all of its rights and prerogatives, working so that the organic act be construed in its most liberal and democratic aspect.

Following these lines of conduct, the house discussed and approved in its ordinary session of this year 1909, and in the extraordinary session that commenced on March 12 and finished March 16, the following bills:

1. A bill providing that the removals of mayors and municipal councilmen be resolved by the courts of justice, after due process of law, at the instance of the executive, and that vacancies in said office in cases of removals, death, resignation, or for any other cause be filled by the municipal council.

2. A bill suppressing the justices of the peace appointed by the governor and creating a municipal court in each municipality, and providing that the judges, clerks, and marshals thereof be elected by the people, following the present system established in those municipalities where there is a municipal court.

3. A bill to substitute the present appraisers of the property for municipal boards of appraisement, to be appointed by the treasurer of Porto Rico and by the taxpayers, giving to the last a just and fair representation in the valuation of their property. At present all the appraisers are men not born in the country and absolutely ignorant of the situation of the island.

4. A bill to divide the island into counties, following the American system of local municipal administration.

5. A bill to establish a territorial bank to make loans to agriculturists.

6. A bill to establish manual training schools.

All these bills were based on the progressive ideas of the house of delegates, and in no way could be held in conflict with the powers of the governor, executive council, or any of the executive officers, as quoted hereinbefore.

The commission of the house of delegates of Porto Rico annexes to this brief, as exhibits, a copy of each bill to be considered by the Government of the United States, and to show that they comprehend a high sentiment of justice and an ideal of prudent political liberty.

The executive council treated with contempt the bills of the house of delegates just mentioned, and indefinitely postponed some others, making them a total failure, notwithstanding the fact that the governor referred in his messages to the matters treated in said bills as subject of necessary legislation, so that they might have been considered by the legislature.

This is in a clearly defined line the conduct observed by the two houses—the house of delegates trying to give the organic act a broad construction, the executive council defending for itself and for the governor powers and authority that the organic act gives to the people of Porto Rico.

Neither the Americanization of the island is obtained nor the love of the people of Porto Rico to the United States is earned by building a wall by which the hopes and most cherished ambitions of the islanders are barred. The executive council, which represents in the colony the tradition and history of the United States as a just and free Nation, the hope of all the enslaved countries of the world, must show that the American flag is not a symbol of oppression and tyranny, but of liberty and democracy.

THE APPROPRIATION BILLS.

Within the provisions of the organic act appropriation bills may originate in either house. The house always left it to be done by the council, whose members are the heads of six departments and know better the needs of the government offices, schools, public works, and courts of justice. This is plain evdience that the house never failed to be absolutely correct, and even benevolent, in its behavior towards the council. There never was any disagreement about appropriations between the two houses since the year 1900.

This year the appropriation bill came as usual from the council to the house, and the house, paying due consideration to the annual message of the governor and the auditor's report, where they refer to a deficit in the treasury, decided to make a small rebate in the salaries of the government officials, according to the following basis: Five per cent rebate in salaries from $500 to $1,000, 10 per cent rebate in salaries from $1,000 to $2,000, 15 per cent rebate in salaries over $2,000.

The house decided these economies on the theory that it is more advisable to cut down the salaries than to reduce the public services, and increased the school appropriation $134,879 over $893,390 appropriated by the council, and also appropriated $200,000 for new roads. Other amendments of the house to the council appropriation bill referred to appraisers of property and reorganization of the police force, to come within the provisions of new laws passed by the house upon those subjects.

The house also amended the budget, introducing a rebate of 90 per per cent in the salaries of those officers of the United States district court for Porto Rico, whose compensation is left by law to be fixed by the legislature of the island. This was done as a protest against the said court, which the house has asked the Federal Government to suppress or modify. Virtually the rebate of the salaries did away with the court. But the house, once its protest had been so entered, and inasmuch as the council refused to discuss those amendments, withdrew all that referred to the federal court.

The house had that right, and it was moderately exercised. If the appropriation bills have to be approved as passed by the council, without admitting any amendments, or if the house is going to be accused of lack of prudence when it does not vote an excessive or erroneous appropriation bill, it might be better to take away that power from the representatives of the people and base the government of Porto Rico on the most oppressive and despotic maxim, "that taxes may be imposed without the intervention of those who are to pay them," destroying the noblest of the reasons that led to American independence.

Illustrious American writers have laid down the principle that "taxes are donations from the people on whom they are imposed, and must be levied by the immediate representatives of the people."

Story on the Constitution, page 120, fifth edition.
Pilkins's History, Vol. I, pages 89, 90, 91.
Holmes's Annals, Vol. II, page 133.
Marshal on Colonies, chapter 13.
Blackstone's Commentaries, Book I, chapter 20, page 169.
May, Constitutional History of England.
Constitution of United States, Article I.

The executive council knows these writers, but forgets their principles. Instead of discussing the logical and necessary amendments of the house, it preferred a clash; and while the house was waiting and preparing to finish its work, a commission from the council was introduced to the floor to announce that the council had finished its legislative task.

Who is to be blamed for the ensuing conflict? Who is to be held responsible for not having any appropriations to carry on the government of the island for the year 1909–10? The house of delegates contends that the blame and responsibility is for the council, that might have waited and did not wait, that might have discussed and did not discuss, and that, provoking a clash, gave place to the present difficult situation, which, however, the house is very willing to resolve if the sacrifice of its dignity and of the liberty of Porto Rico is not involved.

This is all that the commission have to state in behalf of the house of delegates that it represents in the city of Washington this 29th day of March, 1909.

Respectfully submitted,

LUIS MUÑOZ RIVERA.
CAY. COLL CUCHI.
EUGENIO BENITEZ CASTAÑOS.

The bill was reported to the Senate without amendment, ordered to a third reading, read the third time, and passed.

ADJOURNMENT TO TUESDAY.

Mr. HALE. The Senator from Washington [Mr. PILES] is waiting to submit a resolution. I ask him to withhold it until

we get word from the House that it has agreed to the conference. The message will be here within a few moments.

Mr. ALDRICH. I move that when the Senate adjourns to-day it adjourn to meet on Tuesday.

Mr. HALE. That is right.

The VICE-PRESIDENT. The Senator from Rhode Island moves that when the Senate adjourns to-day it be to meet on Tuesday next.

The motion was agreed to.

ORDER OF BUSINESS.

Mr. ALDRICH. I should like to have an understanding by unanimous consent that the Senate will adjourn from time to time for three days until the conference report is ready upon the tariff bill, and that no business shall be transacted at the meetings which are held next Tuesday and on the following days. I will say if that agreement is reached I shall undertake to notify absent Senators at least forty-eight hours in advance of a report from the conference committee, in order that absent Senators may return to the city.

I make these suggestions for the convenience of Senators who do not desire to remain in the city while the conference is going on.

Mr. STONE. When the Senate is in session after each recess would the request now preferred by the Senator from Rhode Island, if agreed to, prevent the passage of a bill by unanimous consent?

Mr. ALDRICH. I would not like to extend it to that extent that it should apply to all bills, but that it should apply only to unobjected bills; that is, that bills should be subject to objection.

Mr. HALE. It would not be safe to exclude all legislation, because one essential measure that must be passed before the present session closes is the deficiency appropriation bill, which is now being considered by the House, and which not only covers what I may call the cleaning up of small items affecting the action of the House and the Senate, but also what is of very great importance, appropriations which will be made necessary by the passage of the tariff bill.

I know the chairman of the Committee on Finance would not wish that any arrangement should be made that would shut out that bill. I hope that the bill will reach the Senate some time about the middle of next week, and then it must be postponed and not acted upon until some official action is taken on the tariff bill. However, I shall hope to report it to the Senate with the amendments that are made necessary by the tariff action. I want the Senator from Rhode Island, in any request that he makes, to except appropriation bills.

Mr. ALDRICH. I should be quite willing myself that the understanding should apply only to appropriation bills, but if Senators desire to have unobjected bills considered I do not object to that. I make the suggestion for the convenience of Senators. I think everybody would like to have an arrangement of this kind made.

Mr. KEAN. The unobjected bills ought to be of a certain character, like bridge bills.

Mr. CULBERSON. If I understood the Senator from Maine correctly, he stated that he does not expect to pass the deficiency appropriation bill until final action is taken on the tariff bill, because certain items in that bill would have to be included in the appropriation bill. Is that correct?

Mr. HALE. I did not mean by the suggestion to imply that it would involve any great delay; but I do not think the Senate could consider that bill, which will probably be the last bill that will be considered during the present session, before what I may call the "finalities" on the tariff bill. I shall endeavor almost simultaneously with that action to report, with such amendments as the Committee on Appropriations will authorize, the bill which the House will send here, so that there will be no perceptible delay. I do not think we can count on the passage of that bill until we know something about the additional expenses, perhaps not large but necessary, during the next few months by reason of the tariff bill. I think I may assure the Senate that there will be no great delay, and I should hope no delay for more than a day or so.

Mr. CULBERSON. I ask the Senator from Maine, if the appropriation bill is to be postponed until the tariff bill is passed, why need there be any exception in the unanimous-consent agreement as to the appropriation bill at all?

Mr. HALE. Because it might be necessary to report it to the Senate and await action upon matters that come in to be moved as amendments. The Senator knows what is the course on appropriation bills. There is no harm done in reserving in the agreement appropriation bills.

Mr. MONEY. If the Senator will permit me, I do not suppose there will be any intention here to handicap appropriation bills, because it may be necessary for the Senator and his committee to consider some bill coming from the House regarding the extra expenses of the Senate, extra pay to the employees which is due, and other things of that nature.

Mr. HALE. All those things will be included in the appropriation bill.

Mr. MONEY. Then, of course, the Senate would not think that the time was unnecessarily consumed in considering them. I think there will be no trouble about excepting what the Senator wants.

Mr. HALE. I hope the Senate will agree to the proposition of the Senator from Rhode Island, excepting from it appropriation bills.

Mr. ALDRICH. I renew the request that the Senate will adjourn from time to time, three days at a time, and that no business shall be transacted on the days when the Senate is in session except appropriation bills and unobjected bills upon the calendar.

The VICE-PRESIDENT. Does the Senator mean to exclude morning business?

Mr. ALDRICH. No; no business outside of morning business to be transacted except what I have stated.

Mr. HEYBURN. I should like to make a suggestion in regard to unobjected bills on the calendar.

Mr. HALE. There are no bills on the calendar.

Mr. HEYBURN. There may be. Unless there shall be included a proposition that no bills shall be reported, it is impossible to anticipate what will be upon the calendar or to know what will be objected to; and it would necessitate the attendance of all Senators at every session.

Mr. ALDRICH. Then, it is perhaps better to make the request, so as to exclude everything except appropriation bills.

The VICE-PRESIDENT. And morning business.

Mr. HALE. That is right.

Mr. ALDRICH. And morning business. I make the request in that form.

Mr. BULKELEY. I think the Senator will find the appropriation bills——

The VICE-PRESIDENT. Is there objection to the request of the Senator from Rhode Island?

Mr. PILES. I have a little concurrent resolution to offer, accepting the invitation to the Alaska-Yukon-Pacific Exposition and appointing the usual committee to attend it. I should like to have that disposed of. The little appropriation which it involves must go into the appropriation bill. I should like to have that resolution excepted.

Mr. ALDRICH. There is no objection to that.

The VICE-PRESIDENT. Is there objection to the request of the Senator from Rhode Island?

Mr. CLAPP. Before it is agreed to, I understand the object of the agreement is to relieve Senators from the necessity of being here pending the action of the conference committee. The door is open to all forms of legislation if it includes unobjected legislation.

Mr. ALDRICH. I have withdrawn that, and I make the exception apply only to appropriation bills.

Mr. CLAPP. Very well; I did not hear the Senator.

The VICE-PRESIDENT. And the resolution of the Senator from Washington is excepted.

Mr. ALDRICH. The resolution of the Senator from Washington is also excepted.

Mr. CULBERSON. Does the resolution of the Senator from Washington carry an appropriation?

Mr. PILES. No; it simply provides that an appropriation may be made; that is all. It is the usual form of a resolution accepting an invitation to attend an exposition by providing for the appointment of a committee on the part of the Senate and the House, and it authorizes the payment of the necessary expenses; but the appropriation will come in the little appropriation bill which the Senator from Maine will have in charge.

Mr. CULBERSON. Mr. President, I agree with the Senator from Minnesota, that if we intend to enter into an agreement to relieve Senators of any embarrassment as to the discharge of their duties here we ought to make it liberal, so that none of them will feel that it is necessary for them to be here, but if we are going to let down the bars for the appropriation bill, the joint resolution, and matters of that kind, it may have the effect of keeping a number here who would otherwise take advantage of this practical recess.

I ask the Senator from Rhode Island if he will not so modify his resolution as to make it apply practically to all business, so that all of us may have an opportunity to take a rest during the interval?

Mr. ALDRICH. That was my last suggestion, that there should be no business in order, except appropriation bills and morning business. I will suggest to the Senator from Washington why not pass this resolution to-day?

Mr. PILES. I will be glad to do that.

Mr. CULBERSON. I understood the Senator from Maine to say that he would not desire to do more than to make a report on the deficiency appropriation bill and would not desire to pass it in this interim. He can make the report now without reference to any agreement. I should like to have the agreement to exclude appropriation bills, because they are, as I think, about the most important matters we have to deal with here.

Mr. HALE. Mr. President, there will be only one appropriation bill, and that will cover such necessitous items that nobody will object to it. I do not see why the Senator from Washington [Mr. PILES] can not now submit his resolution, and then, if it shall be adopted, life will be given to it by a provision in the appropriation bill granting the money for the purpose.

Mr. PILES. Mr. President, I ask unanimous consent for the present consideration of the resolution which I send to the desk.

Mr. ALDRICH. I think we had better first dispose of the request for unanimous consent.

Mr. BRANDEGEE. Mr. President, let me ask the Senator from Rhode Island a question. Noticing on the calendar that the previous order of procedure, that no business should be transacted of a legislative character, was determined by a resolution, if we agree now by unanimous consent—which, I understand, is what the Senator from Rhode Island is now asking—will it be possible later by unanimous consent or otherwise to transact any business at all?

Mr. ALDRICH. No.

Mr. BRANDEGEE. During the entire session?

Mr. ALDRICH. Oh, yes.

Mr. KEAN. Until the conference report is made.

Mr. ALDRICH. Yes; until the conference report is submitted.

Mr. BRANDEGEE. Could this unanimous consent, if agreed to now, be set aside?

Mr. ALDRICH. The unanimous-consent agreement would only apply to the time between now and the time the conferees shall make their report. Then the Senate can make such order as it sees fit. I do not intend to extend it beyond the time of the making of the conference report.

The VICE-PRESIDENT. Is there objection to the request of the Senator from Rhode Island? The Chair hears none, and the order is made.

ALASKA-YUKON-PACIFIC EXPOSITION.

Mr. PILES. I submit a concurrent resolution and ask unanimous consent for its present consideration.

There being no objection, the concurrent resolution (S. C. Res. 5) was read, considered by unanimous consent, and agreed to, as follows:

Senate concurrent resolution 5.

Resolved by the Senate (the House of Representatives concurring), That the invitation heretofore extended and presented to the Vice-President and Speaker of the House of Representatives and the Congress of the United States by the Alaska-Yukon-Pacific Exposition, to be held at Seattle, Wash., June 1 to October 15, 1909, be, and the same is hereby, accepted.

That the President of the Senate and the Speaker of the House of Representatives be, and they are hereby, authorized and directed to appoint a committee, to consist of 10 Senators and 15 Representatives of the Sixty-first Congress, to attend said exposition and to represent the Congress of the United States, and that an appropriation to meet the necessary expenses of the Vice-President, the Speaker, and said joint committee in attending said exposition is hereby authorized.

MESSAGE FROM THE HOUSE.

A message from the House of Representatives, by Mr. W. J. Browning, its Chief Clerk, announced that the House had disagreed to the amendments of the Senate to the bill (H. R. 1438) to provide revenue, equalize duties, and encourage the industries of the United States, and for other purposes; agrees to the conference asked for by the Senate on the disagreeing votes of the two Houses thereon, and had appointed Mr. PAYNE, Mr. DALZELL, Mr. MCCALL, Mr. BOUTELL, Mr. CALDERHEAD, Mr. FORDNEY, Mr. CLARK of Missouri, Mr. UNDERWOOD, and Mr. GRIGGS managers at the conference on the part of the House.

DEATH OF REPRESENTATIVE FRANCIS W. CUSHMAN.

The message also communicated to the Senate the intelligence of the death of Hon. FRANCIS W. CUSHMAN, late a Representative from the State of Washington, and transmitted resolutions of the House thereon.

Mr. JONES. Mr. President, I ask that the resolutions received from the House of Representatives be laid before the Senate.

The VICE-PRESIDENT. The Chair lays before the Senate resolutions of the House of Representatives, which will be read.

The Secretary read the resolutions, as follows:

House resolution 86.

Resolved, That the House has heard with profound sorrow of the death of Hon. FRANCIS W. CUSHMAN, late a Representative from the State of Washington.

Resolved, That the Sergeant-at-Arms of the House be authorized and directed to take charge of the body of the deceased, and to make such arrangements as may be necessary for the funeral, and that the necessary expenses in connection therewith be paid out of the contingent fund of the House.

Resolved, That the Clerk communicate these resolutions to the Senate, and transmit a copy thereof to the family of the deceased.

Resolved, That as a further mark of respect, this House do now adjourn.

Mr. JONES. Mr. President, I shall not at this time speak of the life and character and ability and attainments of him who was loved and admired by all who came in contact with him, but at some future time I shall ask the Senate to set apart a day when we may pay fitting tribute to his life and public character. I submit the resolutions which I send to the desk and ask for their present consideration.

The VICE-PRESIDENT. The Senator from Washington asks unanimous consent for the present consideration of the resolutions submitted by him, which will be read.

The Secretary read the resolutions, as follows:

Senate resolution 68.

Resolved, That the Senate has heard with deep sensibility the announcement of the death of Hon. FRANCIS W. CUSHMAN, late a Representative from the State of Washington.

Resolved, That the Secretary communicate these resolutions to the House of Representatives.

Resolved, That as a further mark of respect to the memory of the deceased, the Senate do now adjourn.

The resolutions were considered by unanimous consent and unanimously agreed to; and (at 3 o'clock and 45 minutes p. m.) the Senate adjourned until Tuesday, July 13, 1909, at 12 o'clock meridian.

HOUSE OF REPRESENTATIVES.

FRIDAY, *July 9, 1909.*

The House met at 12 o'clock noon.

Prayer by the Chaplain, Rev. Henry N. Couden, D. D.

The Journal of the proceedings of yesterday was read and approved.

Mr. RICHARDSON. Mr. Speaker, I ask unanimous consent to print in the RECORD a memorial, which I send to the Clerk's desk.

The SPEAKER. The gentleman from Alabama asks unanimous consent to print a memorial in the RECORD. Is there objection?

Mr. PAYNE. Mr. Speaker, I am sorry to have to object to that.

THE TARIFF.

Mr. WILLETT. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD.

Mr. PAYNE. On what subject?

Mr. WILLETT. On the pending tariff bill.

The SPEAKER. The gentleman from New York [Mr. WILLETT] asks unanimous consent to extend his remarks upon the pending tariff bill in the RECORD. Is there objection?

There was no objection.

Mr. WILLETT. Mr. Speaker, this tariff bill is not what the people want. It is not what my constituents want. It is not what your constituents want. I do not believe anybody wants this tariff bill except the individual members of trusts and combinations who are the beneficiaries under it. As a response to a popular demand for relief from the burden of indirect taxation which the excessive rates of the Dingley bill imposed, it is a defiance. As a redemption of the Republican pledge it is a joke. As a revenue maker for the Government, it is, like all tariffs, an illusion, for the insatiable greed of the grossly fattened protected interests gets a handful of dollars out of it for each dollar that the Government receives, and all paid out of the hands of the toilers—taken out of their hands by operation of law. What they get from their toil and sweat is not permitted to reach their pockets, but must be given out even as it is received to pay for the necessaries of life, made outrageously high and out of all proportion to their earnings by a law that gives certain men the power of bandits to levy tribute on all the people. More than that, it gives them immunity from punishment which a decent robber would scorn to accept and continue to ply his trade. You want to raise revenue for the Government, and you frame a bill that allows the Government to collect a percentage of value on articles coming into American ports, and then you adjust the duties so high that the things that are most needed here do not come in, but the manufacturers of them in this

country filch from the pocket of the consumer the amount of the tariff by adding it to the price of their entire output. The people pay millions in this way to overlords of industry directly where the Government does not realize one cent that could be set opposite as a corresponding benefit.

It is shocking enough to our moral sense to observe the legalized iniquity of a few score or a few hundred or a few thousand men, whatever the number may be, drawing from the four-score millions of this country's inhabitants a pro rated per capita tax in the shape of increased prices of all commodities that enter into the necessity or convenience of their daily lives, and the amount of this toll which is added to the natural price of the goods being in effect a bounty which the recipient has not earned, but which every one of us must earn for him by extra hours of labor—this is all displeasing enough to a fair-minded person, but it is not the worst of it. There is greater immorality concealed. It is in the avarice and the innate selfishness of human nature, I suppose, to which this tariff gives indulgence, that the pollution of public morals and the degradation of commercial and industrial enterprise lies, but that there is blunted intelligence and ethics congealed in the business life of the country by reason of the long dependence on the sap of tariff legislation is not open to discussion among observing men who are free in their judgments and not blinded by profits or political zeal or the rewards of political success.

Do you want illustrations? Look around. Watch the vote in this Congress and account to yourself as a close and accurate student for the strange coalition of views, the unity of action between discordant elements, the denial of established political principle by one, the mocking of party faith by the other, and the apparent disbelief of both in the truth of truth.

Do you want evidence of all the infamy that exists among the men of trade who have been sucking the blood of the country for generations through the tariff siphon? Read the evidence given by themselves before the Ways and Means Committee of this House at its last session and digest it. It has puzzled me since I read it to understand how this honorable committee sat patiently through it all and continued to give serious consideration to the repeated sophistries of notoriously prejudiced witnesses. Their testimony, in its assumption of their right of getting what they wanted, in the assumption that the dominant party was bound to give it to them, and that the principle of taxing people rich, with incidental graft for the preferred class, was so well established that it was not necessary to refer to it—the assurance, the impudence of it all, with the utter lack of any attempt to justify their demands, is amazing to the unbiased reader of that testimony. The astonishing thought that comes to one after one has waded through the flubdub and fudge of alleged reasons why schedules should not be lowered is that the honorable gentlemen of the Ways and Means Committee could find any debatable ground to stand upon in support of any tariff whatever on any article whatsoever except for the purpose of government revenue; and since this committee is not specifically charged with the duty of providing revenues by means of a tariff, why they did not, in the light of the evidence before them, decide not to report any tariff that involved so-called "protection" to any interest by any possible inadvertence. The whole record taken by the Ways and Means Committee is a shameful exhibition of the cupidity of the protected class. I put the word "protected" in quotations. It is a word that is deceitfully used in tariff discussions. It is incorrectly used unless it is understood to mean protection of the means and methods which any captain of industry may employ in holding up the public. Protection means the same thing now, if it did not in its pristine purity, as license to rob; but it is a greater concession to the concessionaires, because they pay nothing for it and share their booty with no one.

There are six or eight thousand printed pages of testimony, most of it supplied by the men who ask protection in that record before the Ways and Means Committee, and I assert that there is not a single page that shows that any protection whatever should be given, but, on the contrary, the whole record shows in all its pages, taking the self-seekers of protection at their word in their own behalf—and I submit that the word of a self-seeker in his plea for himself is not to be trusted either in affirmation or under oath, and that this is a correct legal principle to apply in weighing evidence—taking the whole list of witnesses, gorged their lives long with protection, as free from ignoble motive in their appeals or their impertinent demand—for a continuation of the Dingley schedules or a rise of them—taking everything they say in support of those demands as fair and fact—I assert that there is not a line of argument, not so much as one printed line of argument from one or all of them, that shows that protection is needed. Plenty of talk to show that they want it and plenty more in opinions that they should have it, because it is a good thing for them, and must be a good thing for everybody else; but nothing to show any benefit to the country, nothing to prove that high tariff makes high wages, nothing to show anything about anything except how much American workmen are paid and how much it costs to make American goods, without the essential comparisons of how much foreign workmen are paid and how much it costs to make the competitive foreign goods in foreign countries.

Figures are produced with alacrity and in chanticleer confidence that they will be taken as figures usually are taken, without reading, and in consequence all contentions will be accepted as proven, for there are the figures showing how much Americans are paid and how much is the cost of manufacture. These figures are not worth as much as the labor of copying them. They are probably lies, as figures used to prove a case usually are, because the conclusions reached by figures depend upon the basis of them, and while any man can understand the processes of deduction in figures, no man can tell whether the basis of calculation is correct. Some figures show cost one way, some another, depending on what they want to prove. Some think one item ought to be included in cost, others think not, even while all are struggling to the one end of making costs appear as high as possible.

I can feel the thought of the Hon. JOHN DALZELL at this: "Does the gentleman—meaning me—assert that the manufacturers of this country are not truthful men, and that their testimony under oath—with much stress here—is not to be trusted, and does the gentleman mean to insinuate that they presented untruthful reports of their business?" I can see before me, without looking at him, the benign, apostolic face of that most serene man, the Hon. SERENO E. PAYNE, and it speaks to me of fatherly indulgence of my unconscious error, while it reproaches me for venturing to say anything about the tariff—that sacred thing—that is not revealed to most men, but given to be taken on faith. I see the face of the most renowned gentleman in this House from New York and his expostulating hand, which clearly says to me: "My boy, if you only knew—if you only knew," meaning, of course, how different would be my story. And the sad, sad mystery of it is that it is not given to us to know. To all but the wise must parables be spoken. When you ask this father of protection on principle what he means, he will reply: "All men can not receive these sayings. Seeing ye do not see and hearing ye do not understand."

And the Hon. JOHN DALZELL, what saith he? "You malign a body of most stupendously honorable men when you suggest that there is anything short of gospel in what the manufacturers of the United States say in favor of a protective tariff. They told the committee, under oath, that they had to have it, and not one of them admitted that he could stand a reduction of duty, and then they gave the figures, and how dare anyone dispute?" Above the weaknesses of human nature and the natural depravity of man are placed these chosen people—the manufacturers of the country. They speak with the voice of prophets. Perish the thought that their conviction may be influenced by interest. Away with the base suggestion that the psychology of circumstances should have some part in the formation of even their honest and heartfelt opinions. With Mr. PAYNE and with Mr. DALZELL, they sit like the gods above men.

I will go back to that suggestion I made about figures and, taking them all as fact, correct in foundation and development, all that is in those six or eight thousand pages of hearings, and now I say that as far as proving anything or establishing any fact that might be used as a guide, they do not amount to a bill of beans. Men crying to the committee for protection because of the higher wages they paid and the higher cost of manufacture they were under than the foreigners were unable to show, or would not, or did not show, what the difference in wages was, and what the difference in cost of manufacture, without which all their assertions and all their tabulations had no bearing on the case, but were mere wooden noises. This tariff bill could never pass this House, and no tariff bill could pass with the graft of protection in it if the people of this country knew what unworthy causes were advanced, what rank injustice to the multitudes was permitted, what paralysis of incentive toward perfection of skill in competitive enterprise, the discouragement of inventive genius in having an accursed law of this kind upon the statute book—a law that gives protection to a rapacious, swindling sugar trust on the possible plea that honest growers of Louisiana may get some pennies that fall from the stuffed bag of the primary collectors of the gratuities; or, again, that imbecile enterprise that would raise sugar beets where nature never intended they should be raised, or that would plant sugar mills where the inexorable laws of commerce forbid their being planted, should be fostered and

encouraged at the expense of sections of country that God has favored for this particular purpose, encouraging asinine effort instead of driving it from the face of the earth. God in His wisdom and benevolence toward His human family appointed a place for all things. To one place He gave sunshine and perpetual warmth, that delicate fruits might grow. To another He gave depth of soil and peculiarities of climate, that diversified crops might be raised for the varied wants of man. To some places He gave advantages for cotton, to others for corn, and where rigors of weather and late seasons forbade the planting of one section with those things He blessed that country for wheat.

All places had their purpose, and all were dedicated to the uses of man. The sun was caused to beat upon the rocky fastnesses in their upbuilding until he burned into the heart of them the source of a measured supply of mineral wealth. By mere pressure of one stone upon another crystals were formed that man might burnish into glittering gems to delight the eye.

Every provision was made by the Infinite Mind for man's bodily requirements and his nobler aspirations of unfolding the wonders of the universe. Man was left free to choose his own habitation and to apply his hand to those things that it could produce most skillfully and with the best heart. It was ordained that one should prefer to blast the rock and another to wrought the coarse materials obtained into useful forms designed to lessen toil and increase the reward of it; for one to till the soil and another to exchange the product of the soil for the product of the factory, through the medium of money or notes or the promised equivalent in return for what was taken away.

Nature ordered that all things of the vast earth should not be grown in one place, for there all men would congregate to their own destruction. What was best adapted for cotton, there cotton should grow to advantage, and what was adapted for fruit of special kinds, there special kinds of fruit should grow to advantage, and what was adapted for whatever of the multifarious products of the field there should those products be raised, in order that mankind should get the maximum reward for an equality of effort in any field that individuals elected to work in. This is the natural order. The nostrums of the protective tariff are relied upon to change it all. By their application you may gather grapes of thorns and figs of thistles. You may sow seeds by the wayside, and if the fowls devour them the protective tariff will make up the loss.

You may let them fall in stony places, and if the sun scorches them so that they wither the protective tariff will make up the loss. You may let them fall among thorns, and if the thorns choke them the protective tariff will make up the loss. Waste no time, therefore, in searching for good ground, for to all men—to those that produce and to those that do not produce—shall be given equally. The man on good ground may be far from market and the man on stony ground may be next to market, so the man on good ground shall be handicapped by a tariff as well as by distance that the man on stony ground may better supply his local market.

It matters not that you are a good manufacturer—the bad manufacturer shall have equal reward with you. If you have a genius for your work you may make a little more profit, but the manufacturer who neglects his business or does not know it will be kept in business and in competition with you, and will hold at least his own immediate territory by the blessed leeway of the protective tariff toll. When your machinery becomes obsolete in comparison with European machinery, do not bother with improvements. Try to keep pace only with your American neighbor. The worst that can happen is that your cost of production will be higher than it ought to be, but what matters that? We shall equalize the cost of production here and abroad at all times; that is the least we will ever do, with a fair profit to you added above all.

I call your attention here to the appeal made to the Ways and Means Committee by Senator HALE of Maine on behalf of the starch factories of his State. He thought the farmers vitally interested, too, especially in Aroostook County, where the starch factories consumed a large part of the crop of potatoes. There were 75 starch factories in Maine, and if the duty on tapioca was reduced it would close every one of them. The make of starch last fall was a failure for the first time in thirty-five years. A letter from one of Senator HALE's constituents, a manufacturer, said that if they were obliged to compete with German and Dutch starch it would mean that they could not pay more than 10 cents a bushel for potatoes.

Senator HALE objected to tapioca flour being admitted free because it comes by the thousands of tons to this country and is used in place of potato starch and cornstarch and should certainly be classed as starch and have the starch duty.

I quote from the RECORD:

The CHAIRMAN (Mr. PAYNE). I have found that tapioca and sago were made dutiable at 1½ cents a pound in the Dingley bill as it left the House, and the Senate struck out the paragraph and left tapioca as it now appears in the law, on the free list. I do not know whether you are familiar or not with the circumstance.

Senator HALE. I remember a good many things about it, but I do not know about that. It was an oversight.

The CHAIRMAN. Have we any assurance that it would not be stricken out again?

Senator HALE. I can only say that just at the present time I am a member of that committee and I was not then.

Mr. UNDERWOOD. This particular proposition that you desire placed in the bill would be a protection of the potato industry and not of the starch, because the raw material of starch, the tapioca, comes in free now.

Senator HALE. It is a protection of the starch industry. Of course at bottom it is a potato product, undoubtedly; as this letter says, if you make any great change here instead of paying 25 and 30 cents a bushel for potatoes they will be 10 cents. The Canadian product would come right into our market.

Mr. UNDERWOOD. I notice here from the government reports that the total production of starch in the United States amounts to about $8,000,000 and that we are exporting of that amount $1,126,000 worth to the United Kingdom, Belgium, and the Netherlands. In those countries we come in absolute competition with the European starches and tapioca starches and we export one-eighth of our product according to this.

Senator HALE. Yes; that is right.

Mr. Speaker, there is an exposé of the tariff infamy in beautiful simplicity. There is a sample of the specious argument made for bolstering the tariff on one thing and another. The starch factories could not pay but 10 cents a bushel for potatoes without a tariff subsidy and the subsidy should be increased, must be increased; for did not the factories fail in their output last year? It is always for the good of the long interest of the farmer or laborer and never for his own short interest that the manufacturer asks protection; always that he may pay more, not that he would make more himself. It is on that deceitful plea that it is possible to obtain the support of the masses that are being robbed right and left by the arbitrary advances in the prices of goods made possible only by the tariff tax which is added in full measure to the cost of our home-made goods, as I can show by the admissions of the manufacturers themselves before this committee. The gentlemen of this House can not get into the usual fog that the public is in on this question. No one here can get the confused idea that I have known intelligent men to possess, that the manufacturer, somehow, pays the tax on imports or its equivalent to the Government, and when he adds it to the price of his goods, why, all is fair and that is square, and the people pay it cheerfully. Foreign steel does not come in at all, for instance, not in any quantity worth mentioning; so there are no import duties to collect on that and the Government gets none of its longed-for revenue, but our steel makers get from American consumers the price of steel abroad plus the cost of transportation to this country plus the amount of the tariff. The wool manufacturers have most woolens that are used and needed by the poor shut out by the application of outrageously high wool schedules. The Government gets no revenue there worth mentioning in comparison with the graft that the wool men get from the people of the whole country who are forced to buy their wares at the added cost of the tariff duty.

But, pardon me, Mr. Speaker, I digressed. Let us go back to Maine and her potatoes for a moment. The starch men could not pay more than 10 cents a bushel for them if you did not help them out, so, take warning, help them or down goes the farmer. We all have been close enough to a farm at some time or other to know that with potatoes at 10 cents a bushel it would be better to let the hogs root them and turn them into starch in their bellies and then sell the hogs for the fat that the starch would add to them. It is news to learn that potatoes in Maine are only fit for starch factories, and that when the starch factories can pay only 10 cents a bushel there is nothing to do but take the 10 cents and let them go. Are potatoes such a despised article of food in Maine that the city and town populations will not pay more than 10 cents a bushel for them for their tables? I know that the Boston and Maine Railroad is an unbenevolent organization, but would it refuse to carry potatoes to Boston in order to help out the starch factories? Are potatoes altogether too plentiful in Maine to admit of shipping them lest they rot in the markets? In that case I suggest that those misguided farmers, particularly those of Aroostook County, in whose name 80,000,000 of people should be taxed one and a half cents a pound on starch and sago and tapioca, quit raising potatoes and go to raising beans. They will have no difficulty in finding a market for them in Boston.

In the last analysis, when all these alternatives have failed, I suggest that, as a measure of economy and of beneficent protection to Maine, Congress pass a law taxing all the people for the retirement on a pension of all the potato farmers of Aroostook County and the starch manufacturers of the State along

with them. Then put starch on the free list, and the people will rejoice in vast saving of expenses. Surely you have not the object of saving the starch trust, too, by your starch and tapioca tax, for, if my recollection is right, the representatives of the starch trust told you that they were competing in the markets of the world, and no doubt they are, as Mr. UNDERWOOD established the fact for you that one-eighth of our starch is sold abroad.

We can not sell starch here against the foreign price with the protection of 3,000 miles of ocean and the cost of the railroad hauls, but we can send it across 3,000 miles of ocean and sell it there in the open markets. It was a singular coincidence that after the enlightenment of the committee in the woes and necessities of the starch and potato men of Maine that the next witness was Joseph Morningstar, an importer of the products that so upset the equilibrium of things back there. I realize that it is a theory that credence should not be placed in the statement of an importer under any circumstances. As a witness, he is the antithesis of the manufacturer and consults only his own selfish interest, having but one desire, and that to sell his accursed foreign-made or foreign-grown stuff, and being in fact or by nature an alien and an enemy of this Republic; but, Mr. Chairman, I submit most humbly that Ananias might be the author of a statement correct on its face and needing not corroboration. Just as I get the conviction from the presentation of the Maine situation by her ablest citizen that Maine has no case, I get the conviction from Mr. Morningstar's words that those words are true, because they give the obvious causes of the stress of circumstances and show that natural order prevails in Maine as elsewhere, and that her farmers are not dependent upon the generosity, neither upon the ability of her 75 starch manufacturers in paying them a fair valution for their potatoes.

It is a remarkable fact that with all their protection covering decades—

Said Mr. Morningstar—

the American manufacturers, consuming agricultural products, such as potatoes, have so little to show in the way of scientific and mechanical progress. Too much protection has put them to sleep.

The trouble has been that the protected interests were so well protected the standard of quality did not become so essential as it would have had the several industries thus protected been in competition with each other and with the foreigner as well.

The potato-starch industry in this country has for three decades had protection, with the following results:

For the greater part by far the potato-starch factories in this country have remained primitive to a ridiculous degree. There are three factories making potato starch on semimodern principles, but there is not one starch factory in the United States which equals in its process of manufacture the German factories making high-grade potato starch and potato-starch products.

Mr. Morningstar said that the labor cost of modern starch manufacture was only a trifle in the cost of the goods, and that the starch trust was availing itself of the present duty to keep its prices "clear up to the neck of protection." This last statement is a conclusion which can well be believed, since there are innumerable admissions in the record, drawn from representatives of industrial corporations, that the tendency of prices was always to the notch which included the rate of duty.

Incidentally Mr. Morningstar explained that the cause of the slump in the starch output in Maine last fall was the extremely high price of potatoes, the factories themselves preferring to ship what they bought to the Boston market to be handled as produce. If the farmers of Aroostook did not ship theirs it is too bad, but not a reason why the people of the United States should be commonly stung by a tax on starch and tapioca.

While this Congress is at its wit's end to provide sufficient revenue to run the Government it graciously overlooks the millions it could put into the Treasury by wiping out the unnecessary steel duties. It overlooks the relief from extortion that the people of this country would have if the steel trust had to sell its goods here as it does elsewhere, in fair and open and equal competition with the world. One does not have to take Mr. Carnegie's word alone for it that the steel business in this country can stand on its own foundation against foreign competition. Judge Gary, the head of the United States Steel Corporation, after much maneuvering for position on the tariff side of steel, and offering impressive figures, finally makes the flat admission in his testimony that the United States Steel Corporation could get along without protection, but he was fearful of the fate of the little fellows, whereat Mr. Carnegie laughed and told the committee never to mind Mr. Gary's touching solicitude for his business rivals. The unreliability of figures is forcibly demonstrated in this inquiry into steel, Judge Gary himself showing that there are several ways of figuring cost and producing several different results. It turned out that Judge Gary based his cost price of ore not upon what the ore cost the steel company, but on the enhanced value of the ore after the company got it, or had it exclusively cinched in the mines, and he also included the interest on value of the ore deposits at present valuation, and not at the value of them when the company bought and paid for them, charging this interest to the items of cost, the same as if the company had actually invested the money, and in every case ignoring the fact that even had the money been invested interest should not have been figured on it in preparing a statement of cost, because the money represented part of the company's capital, and returns to capital invested in business comes from the margin between the naked cost of production and the selling price of the product.

Were it allowed as Judge Gary figured it, capital would get paid twice for a single use of it; first, in interest for lending itself to the business and, next, in its earnings from the business. Judge Gary goes further than this and figures interest on capital that has not been invested nor subscribed, but is represented solely by an increased valuation of his company's mineral resources, a valuation made possible by a monopoly of certain ore deposits that his company enjoys.

No wonder Mr. Carnegie laughed at the efforts of the committee to determine what is the correct cost of making steel. Some of the evidence is illuminating of the subject, but in no degree convincing of the logic of protecting steel for any public benefit. Here are a few passages from the record (p. 5486):

Mr. GARY. The basis, of course, is different; it must be.

The CHAIRMAN. I think you have included the item of taxation which is not included in this estimate. I can not set it out from any of these items.

Mr. GARY. I think there is a difference, too, in the profit of the mining companies; there must be.

The CHAIRMAN. I suppose the same rule holds good, that your company produces at least $2 a ton cheaper than your competitors?

Mr. GARY. Yes.

The CHAIRMAN. So that your lower price was included in this table made up by the Bureau of Corporations.

Mr. GARY. Apparently.

The CHAIRMAN. The lowest cost reported of any company for any year was 1905, $19.33, the average cost for 1905 was $21.30. That difference would be $1.97. That would be within 3 cents of your two-dollar business.

Mr. GARY. That must be giving credit to the manufacturer to some things that do not belong to him.

The CHAIRMAN. I am told that the experts detailed to make these examinations spent more than a year and had a sufficient corps of clerks and had expert steel men to help them in the accounts. But, coming to your last answer, will you tell me what you think might be excluded?

Mr. GARY. The profit of the mining companies, for instance.

The CHAIRMAN. You do not think for an instant that your corporation omitted that from your books, do you?

Mr. GARY. No.

The CHAIRMAN. But this was taken from your books, so it would look as though it were excluded?

Mr. GARY. It might not be made up in the same way, Mr. Chairman.

Now, there are volumes of this, all told, the value of which may be reckoned from the colloquy with Mr. Carnegie, in which he told the committee that there were so many ways of figuring—which is quite evident from the returns in print—that figures could not be trusted. "Judge Gary," said Mr. Carnegie, "is the ablest man I know in the steel business to-day, and he tells you that his great concern does not need a duty; but the solicitude of the judge for his competitors is sublime." Mr. Carnegie was right in believing that if the whole fog of figures were dropped altogether, and the cold and bare admissions of fact were taken as guide marks, conclusions could be drawn out of the evidence of those who appeared as witnesses for themselves, and I believe that those conclusions would irrevocably damn their cause.

I quote from the record, following a long-drawn-out discussion between the committee and Mr. Carnegie about the cost of making steel rails (p. 5791):

The CHAIRMAN. Mr. Carnegie, these figures are almost uniform, drawn from different sources.

Mr. CARNEGIE. They are all uniform in this, that they are the work of interested parties, who are incapable of rising—as we would be ourselves, if we were interested—of rising to the broad facts of the case.

Mr. DALZELL. You tell us, Mr. Carnegie, that we can not get truthful figures as to manufacture from steel manufacturers. Can you tell us where we can get these figures?

Mr. CARNEGIE. I do not believe we can get those figures, because there or different ways of making up costs and there are different costs in different works. Figures will lie (p. 5794).

Mr. Carnegie entreated the committee to take Judge Gary's word for it and bother no more with figures after he said that the steel business did not need protection so far as his company was concerned. I think that we are safe in agreeing with Mr. Carnegie that Judge Gary must have known what he was talking about when he said that, but, to be exact, this is what Judge Gary did say, reluctantly (p. 5511):

Mr. GARY. As a fair-minded citizen, I would have you impose a tax which would protect our competitors, even if we did not need it.

Mr. COCKRAN. I have no doubt whatever about your sensitiveness and care for your competitors. I am not addressing my question to your sensitiveness, but to your knowledge and to your business. I want to know whether your steel company would continue to do business without any protection.

Mr. GARY. Of course I can not say certainly.

Mr. COCKRAN. You would not say you would not?
Mr. GARY. For the United States Steel Corporation?
Mr. COCKRAN. Yes; so far as the United States Steel Corporation is concerned.
Mr. GARY. No.

From Mr. Gary, from every witness for the steel magnates, it was learned that steel had been made here, and for years succeeding years, cheaper than in any country of the world, but the assumption was made gratuitously that it was not now, the argument advanced to support the opinion—and it was a mere opinion at best—being that wages and materials had gone up so high that the cost of production had been materially increased in late years; but the witnesses confessed freely that they could not say that cost of production had not proportionately risen in foreign countries.

In fact, none of them knew anything about cost of production abroad. Like the whole band of tariff boomers of every business, they rested their case on the bald assumption that costs were higher here, primarily, because labor was better paid and on their pretense that labor was better paid because of the tariff, and there never was a more lying, hypocritical pretense than that. Mr. Speaker, it is the lesson of experience that where the highest wages are paid the cost of manufacture is frequently the lowest. I believe it would always be so if all other things were equal, but there are so many items that enter into cost, such as abundancy and nearness of raw materials to the factory and the varying costs of transportation for equal distances, that a rule can not be fixed. But it is not for these differences that you dare to cry out for protection to our pampered industries, but it is on behalf of the honest wage-earner, and on his account solely, that you deceitfully enter the plea, because, you know, as the wily tax-gatherers of the protected class know, that, stripped of that falsity, your proposition would be buried by the voters of this country deeper than the deep sea.

Mr. Speaker, did any of our high protectionist Members, who are so solicitous of the rewards that come to our working people, read the article by Will Payne in the Saturday Evening Post, entitled "The great tariff lie?" It referred to this lie that the tariff raises wages. Does anyone question his statement that in Russia, which has a prohibitive tariff, the lowest wages in Europe are paid; that in higher-tariff Germany wages are lower than in lower-tariff France; that in free-trade England the highest wages in Europe are paid? I am told that Mexico has a prohibitive tariff, and I know that the lowest wages in the civilized world are paid in Mexico.

You protect an elect class of employers, and the sweat of the brow of labor must be given in part to the tax that represents their protection, and a tithe of the energy of the whole Nation must be added to make up the full amount of the toll. Labor has to protect itself by its own determination. You shut out foreign goods, but you let in the foreign labor to compete with American labor in its own fields. Steel may not come, woolens may not come that are better and cheaper, sugar may not come freely, but 6,000 immigrants may land in a day at Castle Garden. Asiatics may work your protected orchards in California; Slavs and Huns may drive American miners from the coal mines of Pennsylvania or defeat the efforts of our miners to get what belongs to them from the relentless maw of the coal barons, whose product, forsooth, must be protected, though tribute be levied at every fireside; degraded foreign labor may fill the mills of the sugar trust, working for wages that no decent American or English-speaking workmen would deign to accept. Everywhere the American workman meets the fiercest competition for employment and struggles manfully to hold his own and live within the confines of respectability against the iron law of wages under the frightful odds that an endless stream of foreign labor imposes; battle he must to keep his footing, and patient he must be forever in teaching the new forces that this is not like the old countries, where wages are low, but that wages are high here and that all things else are higher, owing to the exactions of corporations and combinations that are made free to charge what they like by legislative enactment, holding a legislative franchise for control of American markets, a government ukase to levy on a percentage of the earnings of all people, by virtue of which the holders wax rich and fat while grinding toil grows apace and poverty spreads.

How many here have read the tariff hearings of the Sixtieth Congress and the lesson of them? I present that record unaltered, the testimony of prejudiced witnesses, as an indictment of the cause that each and every one of those witnesses championed.

Read the story of Jones & Laughlin, steel makers, of Pittsburg, told by Willis F. King, their vice-president. Starting on something less than a hundred thousand dollars sixty years ago, Jones & Laughlin increased their capital eventually to $30,000,000 out of part of the profits of the business. No money was put in beyond the original capital. Dividends were drawn regularly, which presumably allowed the owners of the business to live without worriment, and, since the corporation is a close corporation, the regular 6 per cent dividend may have allowed a little more than food and raiment and a place of shelter, and so the partners had ample means to make outside investments if they chose. Mr. King said the property was valued now at $50,000,000, and it is common gossip that Jones & Laughlin refused $80,000,000 for the plant from the United States Steel Corporation. Read the story of the Pennsylvania Steel Company, by its modest president, Mr. E. C. Felton. Valuation, $50,000,000. Paid in, $11,150,000. Bonds outstanding, $17,000,000. The difference represents accumulated profits.

Mr. Felton was sure that the steel business could not get along without protection, but he had no idea what it cost to manufacture steel abroad. In that he was no different from the rest of the steel men, but Mr. Felton had many figures to show, which proved, in fact, that the steel business is a very precarious business, the margin of profit being so dangerously small. We used to manufacture steel rails cheaper in this country than they did abroad, but not now, Mr. Felton thought—not now when we are talking tariff. The prices of ore and pig iron had so advanced here that we could not do it, but Mr. Felton declined to go on record as saying that the price of ore and pig iron had advanced in this country more in proportion than it had in Germany.

Mr. Felton gave his cost of making steel rails as $26.42 a ton before deducting anything for appreciation. This was about $4 more than it cost anybody else and about $6 worse than Judge Gary, and since steel rails sold here for $28 and abroad for much less, and Mr. Felton sold abroad as well as at home, anyone can figure, after the item of depreciation is charged in the cost, where the Pennsylvania Steel Company is headed. The figures must have made a great impression on the chairman, the gentleman from New York [Mr. PAYNE], for he said solemnly to Mr. Carnegie when that witty Scot was making light of Judge Gary's calculations:

The CHAIRMAN. What do you say of the president of the Pennsylvania Steel Company?
Mr. CARNEGIE. I say, Mr. Chairman, that if he is making rails at twenty-six and a half cost, and selling rails to Canada at a loss, his stock would not be above par to-day, and the Pennsylvania Railroad Company, who own and control that work, would, I think, very soon put it under a different management.

Mr. Carnegie sagaciously observes at this point that the Pennsylvania Steel Company, the Cambria Iron Company, and the Lackawanna Company, all infant industries for which a tender regard developed when it could not be contended that the big steel corporation was not beyond the need of government assistance, Mr. Carnegie observed of them that they were hauling steel before the Carnegie Steel Company began to build steel works, and that if they were not now able to compete with the world in making steel, it was time for the Government to withdraw its artificial aid. Just so, I say, but no one can fail to observe that the doctrine of protection has long since ceased to be based on the shadow of reason for it.

It has become a principle that applies to all conditions, so it is not strange that inefficient management, unfortunate selections of factory sites, or ludicrous attempts to grow peaches where only lemons could grow should be compensated for by a liberal adjustment which applies to conditions as they are found without inquiry into the cause.

Let me give you some brief extracts from the record on this point, though I think what I have already quoted covers it fairly well, but here are a few more samples:

The subject under consideration is sugar. When there is no justification for a duty on an article justification must be found. In the case of sugar there was not a leg to stand on. No one would dare to call for a duty to protect the plundering sugar trust, and no one would attempt to demonstrate that the trust could not get along without it. Claus Spreckels had testified for the Federal Sugar Refinery, independent, that no duty was necessary. Arbuckle's representative had said the same thing for Arbuckle; the sugar trust wisely said nothing; but Louisiana cane producers came up, hat in hand and humbly, in person, and besought a duty, confessing their dependence on it, but on examination they admitted that their entire product was sold to the sugar trust, and that the trust absolutely fixed the price and as a matter of fact paid for their product almost the same rate that the trust paid for foreign sugar. Thus the trust absorbed the duty placed on sugar for the benefit of sugar-cane growers.

Other reasons must be found for a sugar duty, so it must be for the sake of government revenue, and then there is the poor beet-sugar men of Michigan. Splendid. The beet-sugar men of every other State can get along, but not the beet-sugar

men of Michigan. It is no argument, of course, with the doctrine of protection modernized, to say that if they have planted their plants in Michigan instead of Colorado or somewhere else it is none of our business, and to let them make the best of it and not come bothering us for contributions for their support, which the American people will have to pay to every one in the sugar business if it pays to them, and pay they do, the exact equivalent of the rate of duty on every pound of sugar they buy, and that falls to the sugar refiner. It would be absurd, I suppose, to ask why you did not put a tax on sugar direct—imports, exports, and domestic output—if your object is only to raise revenue, and let the Government get the full benefit instead of getting only what it collects on sugar at the customs gate, and instead of letting the refiner collect the tax on the export and on what every one of us buys for the benefit of the refiner's pocket?

Mr. UNDERWOOD. How far into the interior can you go to meet the beet-sugar trade in competition when they are putting their sugars on the market?

Mr. SPRECKELS. That varies. You go to Chicago and go as far as the Mississippi River, but they intend to ship as far as Pittsburg and sometimes into the interior of New York State.

Mr. UNDERWOOD. You say that the territory beyond the Mississippi, then, is within the zone that the beet-sugar man controls for his own market?

Mr. SPRECKELS. It is.

Mr. UNDERWOOD. And you control the zone east of Pittsburg (meaning the cane-sugar refiners)?

Mr. SPRECKELS. Practically.

That for conditions for which a tariff tax is lugged in to equalize for one refiner at the expense of the other, and for both at the expense of every man who puts sugar in his coffee.

This for incompetency, which the tariff guarantees:

Mr. FORDNEY. One more question, Mr. Atkins (p. 369). Mr. Smith, representing the Owasso Sugar Company in Michigan, stated yesterday that his firm had received a profit of but 29 cents a hundred pounds on their product. How much reduction do you think that company could stand and still survive the storm?

Mr. ATKINS. No government protects the manufacturer against the maximum cost. Protection is supposed to be accorded to all, figuring on the average cost, not the maximum cost. Now, of these gentlemen that are in the beet-sugar business here, many are worthy gentlemen, but I think that some of them mentioned yesterday that they had been engaged in the lumber business and other business in Michigan, and they hardly can expect to enter a business that has been developed in Europe for two or three generations, and where they have the most scientific men in the world employed; they can hardly expect to step out of the lumber and wool and cotton manufacturing business into the sugar business and acquire the same proficiency in the course of two or three years as those Germans have, or as have people in the United States who have been trained from childhood scientifically.

Mr. FORDNEY. One said he stepped out of the oil business into the sugar business.

Mr. ATKINS. Well, so much the worse.

Mr. FORDNEY. Mr. Atkins, those beet-sugar men who made the statements yesterday said that no more reduction in foreign imported raw sugar can be made and the beet-sugar industry survive in this country.

Mr. ATKINS. Exactly. The steel people make the same assertion.

Mr. FORDNEY. I have not heard that.

Mr. ATKINS. They contend that you can not reduce the duty on steel rails.

Mr. FORDNEY. I have not heard that.

Mr. ATKINS. There are some manufacturers that can not manufacture steel rails in this country at a less duty than that under which they are being manufactured to-day; but I do not believe in taxing all the population of the United States in order to maintain any special individual manufacturer that can not produce at the average cost. God helps those that help themselves, but the idea is that the United States Government ought to help those who can not and will not help themselves.

Mr. FORDNEY. The men engaged in the manufacture of beet sugar say they can not stand any reduction.

Mr. ATKINS. Yes; exactly. But the best manufacturers have not been here.

Mr. FORDNEY. I thought the best in the world were in Michigan, and they are all here.

Mr. ATKINS. I do not want to reflect on your manufacturers, but the figures show that the Michigan industry is far behind the average in the United States, and the average of the United States is far behind the countries of Europe.

Gross absurdities are taken seriously and the tariff idea is stretched to cover such wild propositions as the following (p. 5305):

Mr. CLARK. Will clover grow in Virginia?

Mr. HOLLAND. It would if the farmer had the money to relieve the land. He can not do it, because of the very fact that he has not the money to buy the fertilizer to put on the land.

Mr. CLARK. You do not expect Congress to put such a tariff on peanuts as to compensate the farmer for everything he does to his land, do you?

Mr. HOLLAND. I expect Congress to do for these people what it is doing for others, no more and no less.

Mr. CLARK. Isn't the whole truth about peanuts this: You study down there in Virginia about the steel men and the iron men and the lumber men and the woolen manufacturers, and all the rest of them getting a big quantity of tariff allowed, and you finally concluded that while this tariff pie was being passed around you were entitled to your slice of it as well as they? That is the plain way of putting it.

Mr. HOLLAND. It is very plain.

Mr. CLARK. Is not that your philosophy here to-day?

Mr. HOLLAND. I plead guilty, for the sake of the argument, and say that is why I am here.

With another witness that wanted further protection, so he could raise sea-island cotton instead of something else on his land, a proposition wholly consistent with the beneficent form of protection that is now in vogue, to the enjoyment of various shiftless persons engaged in preposterous undertakings:

Mr. CLARK. I will ask you another question about Florida, because I like the people. Why don't you people down there, instead of trying to raise those fancy things, go into stock raising—hogs, sheep, mules, horses, and cattle?

The WITNESS. We are trying to do it, but we have not the money. We are poor people. We haven't got the money to build barns and buy fancy cattle.

So it goes. There was a concentrated effort of two States to get through the sea-island cotton idea, and eventually it will get through, as the exigencies of politics make the concession desirable; but aside from the beautiful charity of the Government in helping poor people who have no money to build barns or raise clover to raise something else by putting a tax on some staple article that will raise the price of it to all the people, would it not be better to give them money, every one of them, to build barns and buy fancy cattle, and fertilizer to raise clover, and be done with it, so that 80,000,000 of us can continue to buy cotton for what it is actually worth?

What need to speak of the excess of duty in the wool schedules when all is excess, when the whole bill, from cover to cover, permits a privileged class to practice extortion on all the inhabitants of the United States. The wool tariff is, however, the most brazen hold up of all. The ducking and dodging, alternated by the impertinent assurance of William Whitman, the arch devil of the machinations of the Wool Manufacturers' Association, to pull wool over the eyes of this Congress and the whole country, might goad one to madness. Mr. UNDERWOOD asked him why woolen duties should be from 80 to 105 per cent, with specific duties added on raw products, when most duties were only 50 or 60 per cent; but of course Mr. Whitman did not tell why. He did not have to. Neither did he attempt to explain by what hocus-pocus and juggling of language and paragraphs in the Dingley schedules the duty on wool tops, Mr. Whitman's particular line of manufacture, aggregated, by direct and indirect processes which covert language in a United States law provided for, 1,400 per cent. Only the other day, when all attempts of earnest men in the Senate to reduce the extortionate wool schedules had failed, when Senator ALDRICH had calmly informed the Senate that the McKinley schedules of 1890 were not high enough for these times—not high enough when the country has demanded that they be pruned to the bone; not high enough when every last one of us is groaning under the advance in living expenses of a hundred per cent from the past years—when Mr. ALDRICH had made his astonishing statement, confident of the votes that were his, Senator OWEN asked, despairingly, why there should be a tax of 165 per cent on woolen blankets—"the covering of the poor," he termed them—in this bill when the report of Carroll D. Wright, Commissioner of Labor, showed that the labor cost of making blankets was only 15 per cent. Of course Senator OWEN did not find out. He might as well expect a frank confession from Mr. Whitman.

I do not know whether the wool rates average higher or lower in this bill than in the Dingley bill, and I do not think the point important unless, I am told, that the duties have been knocked off all the articles of the poor and an average reduction made of 50 or 75 per cent in all the rest. I am certain that has not been done, and it is idle to split hairs in dissension on the question as to whether the robbery legalized should be 100 or 105 per cent. No doubt Mr. Whitman will be satisfied with the wool schedules so long as slaughter is not made of them. They were written into the Dingley law by his right-hand man, North, whom he kindly loaned as a wool expert, under salary of the Senate Finance Committee, when the Dingley bill was under consideration there.

I know that in that most benevolent spirit that so distinguishes the gentleman from New York he invited everyone, little or great, to appear before the committee, of which he is chairman, coupled with assurances that each and every one would be heard without favor. Who came? Interested parties, interested in getting government favors for themselves. Who else could be expected to come? Could one man leave his work or his business and journey to Washington to tell the committee what he thought? And suppose he did, would he not be asked for whom he spoke? And if he said for the people of the United States would he not be laughed at? And if he said for himself as one—just one of the people of the United States—would he not next be asked where were the proofs of his assertions and where were the figures for his belief that the tariff should be lowered?

It takes all the money and power and solicitations of Government to get at facts and figures of production, and producers themselves know more about profits than they do about cost of production and the subdivisions of it, so what a glorious opportunity the unattached citizen had to appear at those hearings

to confound the horde of self-seekers with vast interests behind! Mr. H. E. Miles tried it, and he was almost hazed off the floor by the rapid fire of questions that cast doubt on his statements from the Republican side of the bench. Mr. Miles stuck to it, however, and with little encouragement from within he managed to prove to the satisfaction of any jury of the people, if he did not prove to the satisfaction of the committee, that certain tariff schedules were rascally in their effect. The people had no spokesman, in the nature and disorganization of the multitudes they could have no spokesman, none except their Representatives in Congress, and in every case where a Representative in Congress appeared it was in behalf of some whining special interest of his district, not to enter complaint for his thousands of constituents that were suffering in silence from the extortions of an industrial brigandage that this tariff made possible, not knowing the cause of their affliction.

No abuse by Government ever started as an abuse. No law or proclamation that ever enslaved a people by enthroning a despotism or declaring a privileged class had its inception in evil minds or evil instincts, but in every case it was a growth, a development of a possibly benevolent purpose, which resulted in the transfer of the powers of government to men who should have been held subject though the heavens fell. So it is with your tariff, with all tariffs.

So long as you would, in the goodness of your heart, protect the owner of the most infantile of infant industries, the crafty, the designing, the voracious of humankind will be at work for an extension of privileges until they become so lodged, so intrenched as an institution, that the mind of the people comes to look upon it with toleration and in part with veneration, for—Heaven spare us!—many do not understand, and we tremble to think that this Government of the people may pass away, not being able to destroy the forces that are eating at its vitals.

Mr. Speaker, I declare this tariff to be in effect a license to the interests protected therein to rob the people of this country, the high and the low. I declare it to be the most efficient means ever devised in the history of government to take from a multitude of men that which is theirs and transfer it to a handful of men to whom it in no part belongs. I declare that your policy of protection has destroyed domestic as well as foreign competition and delivered the people, bound and helpless, to be plundered by trusts and combinations. I declare that it has encouraged a disregard for inventive genius and mechanical development by removing the incentive to highest effort that lies in the necessity which competition creates. I declare that it is corrupting the thought and the manhood of the country so that sections heretofore independent, and relying only upon their own unaided resources, are shamelessly proclaiming the mammon of unrighteousness and extending their hands for alms.

Mr. AUSTIN. Mr. Speaker, I ask unanimous consent to print some remarks in the RECORD upon the pending tariff bill.

The SPEAKER. Is there objection?

There was no objection.

Mr. AUSTIN. Mr. Speaker, to-day the House will take action on the tariff bill by disagreeing to the Senate amendments and send the measure to a joint conference committee.

I regret that I will not have an opportunity to record my vote in favor of the Senate amendments wherein the rates were increased, especially upon the items of lumber, scrap iron, coal, and iron ore.

While approving the increases mentioned, I would gladly go on record against certain reductions that body made in a number of the schedules of the Payne bill in which the people of east Tennessee and the South are interested.

The truth compels me to make the public acknowledgment that the Aldrich bill is a great improvement upon the bill passed by the House on April 9, and I entertain the hope that the result of the labors of the joint conference committee and the final action of Congress on the subject will confirm this opinion.

The American people are not only indebted to Senator ALDRICH and those Republican Members of the Senate who stood loyally by him, but the people of the South are under a lasting debt to Senators ELKINS and SCOTT, of West Virginia; BRADLEY, of Kentucky, and to the Democratic Senators who joined them in voting for the protection and continued development of the inexhaustible resources of their section.

I stood on this side and cast the only Republican vote against the passage of the Payne bill, and up to this good hour have not received an adverse criticism from a voter in the district I have the honor to represent. In fact, no act of mine since entering upon my duties as a Member of Congress has been more heartily approved by my constituents than the vote I cast against that bill.

In this connection I desire to call attention to the action of an organization representing $18,725,000 of interested capital in manufacturing plants in the leading and most prosperous manufacturing city in the South. The membership of this organization represents more than a hundred active, prosperous plants, each furnishing employment, all the way from 25 to 1,200, to deserving wage-earners.

MANUFACTURERS AND PRODUCERS' ASSOCIATION, OF KNOXVILLE, TENN.
KNOXVILLE, TENN., *June 29, 1909.*

Hon. R. W. AUSTIN,
Member of Congress, Washington, D. C.

DEAR SIR: At the annual meeting of the above association held Tuesday night, June 1, 1909, which was largely attended by the officers and members, the following resolution was offered and unanimously adopted:

"We desire to express our hearty approval of the course pursued by our Representative in Congress, Hon. R. W. AUSTIN, particularly in regard to his vote on the tariff bill, when before the House of Representatives, because his vote, while contrary to the votes of his party in Congress, was, we feel convinced, in the interests of his district and of this whole section, and his position is being upheld by the Senators in their action. We therefore desire to commend him for his independent action in the interests of our people."

Yours, very respectfully,

J. M. STARRETT, *Secretary.*

In conclusion, I submit for the careful consideration of those who have been appointed to represent us on the joint conference committee, as well as for the entire membership of the House and the country at large, what I conceive to be a thorough and complete answer to the proposition to place scrap iron and iron ore on the free list. This statement or brief is the splendid production of Mr. Joseph G. Butler, jr., of Youngstown, Ohio, a successful ironmaster, an honored citizen, who has fairly and justly earned his good reputation by a long, useful, and upright business career.

Mr. Butler's invaluable paper deserves a permanent place in the CONGRESSIONAL RECORD, where it can be consulted and referred to at all times for facts and figures that are unassailable.

BRIEFS OF JOSEPH G. BUTLER, JR., OF YOUNGSTOWN, OHIO, ON SCRAP AND PIG IRON AND IRON ORE.

Hon. SERENO E. PAYNE,
Chairman Ways and Means Committee,
Washington, D. C.

SIR: On November 25, 1908, I had the honor of appearing before your committee as the representative of a large percentage of the merchant blast furnaces of the United States.

All of these furnaces are independent producing concerns. They buy their ore, coal, coke, limestone, and all necessary raw materials in the open market, and their finished product is pig iron, which is sold by them in the open market in open competition with each other and the foreign producers.

PARAGRAPH 122.

In pursuance of the promise made at the hearing on November 25, I herewith present my brief relative to the tariff on items covered by paragraph 122 of the Dingley Act.

STEEL AND IRON SCRAP.

Maintenance of the present tariff on steel and iron scrap is of the greatest importance to those whom I represent, as this material is used principally as a substitute for pig iron and generally at a much less average cost.

A reduction in the tariff on steel and iron scrap would result in great disturbing injury, especially at the present time, to railway companies, farm machinery manufacturers, and others, who are its principal sellers.

PIG IRON.

Among the largest customers of the railroads are the merchant pig-iron furnaces. These furnaces are enormous consumers of large tonnages of iron ores, coke, limestone, fire brick, sand, clay, and so forth, and the furnace companies pay out millions of dollars yearly, which is practically all absorbed for labor in mining, transportation, and so forth.

The merchant furnaces pay freight on about four tons of materials assembled to produce each ton of pig iron, besides the freight on the outgoing product, hence the production of pig iron swells into an enormous indirect value outside of that to its makers and users.

The fact that all "iron in pigs" must be cast in sand or iron chilled molds restricts the size and capacity of the merchant blast furnaces, and thus increase their tonnage cost. The capacity of these furnaces is approximately one-half that of the large furnaces making pig iron which is taken direct to the steel works in molten state, thus omitting the casting process. The costs of materials entering into the cost of manufacture vary greatly, owing to local variations in freights, costs of coke, and cost of labor.

There are many times when the present duty does not protect, and when the selling price of pig iron is less than it would be by adding the tariff to its cost.

The duty should be protective under the most adverse circumstances, such as the practice of dumping of foreign pig iron here, the payment of export bonuses, special through freights to seaboard and interior domestic point, this product being frequently carried as ballast.

There never has been a general combination as to selling prices by the Merchant Furnace Companies of America, hence selling prices have been regulated by supply and demand; consumers, as a rule, make the prices, which have been at several periods below cost.

During the most of last year prices were profitable, but during the most of this year are unprofitable, owing to high costs, small production, and low prices through excessive competition, the production this year being but little over half that for corresponding months of 1907.

In the last analysis, practically all the cost of the materials for making pig iron—ore, flux stone, coke, coal, sand, etc.—is for labor, exclusive of mining royalties or interest and taxes.

To sum up this part of the brief—without protection "iron in pigs" can not be made and sold at a profit in this country.

DOMESTIC COSTS.

I have obtained from various manufacturers costs of making pig iron in the principal producing districts of the United States. These

costs cover operations during the year 1907. The details are submitted and attached hereto as Exhibits No. 1 to No. 17, inclusive. For convenience these costs are summarized together with foreign costs, so far as ascertainable in the foreign table:

Furnace costs—pig iron.

	Cost per gross ton.
Eastern Pennsylvania, Exhibit No. 1	$18.79
Buffalo, Exhibit No. 2	16.45
Southern Ohio, Exhibit Nos. 3, 4, and 5	16.44–16.19
Mahoning and Shenango valleys, Exhibit Nos. 6 and 7	16.50–17.79
Middle West, Exhibit No. 8	16.10
Virginia, Exhibit Nos. 9, 10, and 11	14.21–14.17–14.43
Alabama and Tennessee, Exhibit Nos. 12 and 13	12.93–11.00
Germany, Exhibit No. 14	8.71–10.16
England, Exhibit No. 14	9.48

The following tables are also attached and submitted as part of my brief:

Exhibit No. 15. Comparative blast-furnace wages in the United States and England.

Exhibit No. 16. Comparative costs of foreign and domestic pig iron at principal seacoast points in the United States.

Exhibit No. 17. Pig iron freight rates from producing centers to points of consumption in the United States.

EXHIBIT No. 1.

Exhibit A in brief dated December 30, 1908, of Edgar S. Cook, president Warwick Iron and Steel Company, Pottstown, Pa., published in Tariff Hearings, first print, No. 46, Tuesday, January 5, 1909, at page 6780.

EXHIBIT A.

	Selling price f. o. b. Pottstown.	Cost.	Profit per ton.	Production, tons.
1894	* $10.50	$10.49	$0.11	511,163½
1895	10.74	10.36	.38	53,932
1896	11.29	10.88	.41	37,107
1897	10.41	10.10	.31	69,137
1898	9.79	9.52	.27	64,816
1899	13.36	11.01	2.35	62,608
1900	17.78	15.11	2.67	53,787
1901 *				
1902	16.02	15.83	.19	146,363½
1903	17.60	16.75	.85	173,096
1904	13.72	13.45	.27	125,933
1905	15.18	14.65	.53	205,789
1906	16.86	15.53	1.33	219,781
1907	20.18	18.79	1.39	256,750

* Furnaces out of blast or building.

EXHIBIT No. 2.

Furnaces located at Buffalo, N. Y.:	
2.10 tons iron ore	$8.53
1.25 tons coke	4.87
.65 ton limestone	.55
All other manufacturing costs, except interest	2.50
Cost per ton of pig iron f. o. b. cars at the furnace	16.45

Freight rate, Buffalo to New England, is $2.45 per ton, making cost, delivered in New England, $18.90.

The above does not include interest, which most companies have to pay to a more or less extent, nor insurance, nor any return on the capital employed.

The effect of the tariff reduction would be more severely felt by the eastern furnaces, which are unable to manufacture as cheaply as plants located on the Lakes.

EXHIBIT No. 3.

Total cost f. o. b. cars of a furnace located in southern Ohio. Detailed cost of 69,806 tons of foundry and malleable iron, 1907.

	Tons.	Cost per ton.	Total cost.	Cost per gross ton.
Ore used	122,316	$4.78	$602,390.08	$9.06
Scale used	264	3.96	1,039.63	.01⅓
Coke used	70,526	3.74	295,108.79	4.23
Limestone used	28,049	.93	35,601.64	.51
Material				13.81⅓
Labor			121,611.68	1.74
Salaries			9,366.00	.13
Supplies			10,668.47	.15
Expense (water, legal, etc.)			4,246.86	.06
Repairs			10,646.08	.15
Tools			480.24	.01
Insurance			1,253.90	.02
Taxes			6,156.25	.09
Sand and clay			4,604.27	.06
Laboratory			3,342.10	.05
Steam coal			11,084.15	.16
Office supplies			367.57	.00½
Total			1,147,435.69	16.44

EXHIBIT No. 4.

The following letter, giving the costs and selling price and the net gain or loss, for a series of years, is valuable and is reproduced in full:

"Yours of November 27 received. Below is given the information regarding price, costs of production, etc., covering ten years, which we think is what you want. Selling expenses, losses, improvements and repairs, depreciation, discount and interest, etc., are closely deducted always:

Year.	Made tons.	Cost per ton.	Net selling price.	Gain or loss per ton.
1907	69,806	$16.44	$17.70	a $1.26
1906	64,938	15.65	16.06	a .41
1905	72,446	14.78	15.70	a .92
1904	44,556	12.67	13.40	a .73
1903	37,292	16.13	15.68	b .45
1902	60,572	14.02	18.07	a 3.15
1901	53,538	12.99	14.56	a 1.47
1900	40,508	15.32	16.50	a 1.18
1899	53,049	11.08	15.37	a 4.29
1898	43,665	8.43	9.60	a 1.17

a Gain. b Loss.

"We give the above in confidence for what it may be worth to you in making up your brief. We can still make iron at the 1898 cost if labor at the ore and coal mines, on the railroad, and at the furnace is put back on the basis of $1 per day for common laborers, or 50 per cent reduction on everything from present costs. Only sentimentalists and theorists want such conditions."

EXHIBIT No. 5.

Letter below is from a southern Ohio furnace, and is reproduced in full, as it shows the cost and selling price:

"Our fiscal year ends on March 31, and we have statistics here for two years beginning April 1, 1906, and ending March 31, 1908, which show that the average cost for that period of our iron was $16.19 and the average price of iron shipped during the same period was $17.82. We think that the average of the two years named is as fair a comparison as can be made."

EXHIBIT No. 6.

Detailed cost of 119,081 tons of basic and Bessemer manufactured during year 1907.

	Tons.	Per ton.	Value.	Pounds.	Per ton iron.
MATERIAL.					
Ore	228,001	$4.86	$1,108,478.65	4,289	$0.3086
Converter slag	712	.75	534.00	13	.0045
Total	228,713	4.85	1,109,012.65	4,302	9.3131
Sand	3,365	.00	3,028.79	56	.0254
Coke	140,073	3.98	557,120.05	2,353	4.6785
Limestone	57,941	1.10	63,748.90	1,089	.5353
			1,732,908.39		14.5523
OPERATING LABOR.					
Office and laboratory			19,114.59		.1605
Engine and boilers			14,693.00		.1234
Furnace labor			80,945.85		.6797
Yard labor			1,212.55		.0102
Unloading stock			16,161.96		.1357
Metal yard			4,214.45		.0354
Casting machine			14,572.15		.1224
			150,914.54		1.2673
RUNNING EXPENSES.					
Office and laboratory			5,717.53		.0480
Coal to boilers			1,624.05		.0437
Light			580.55		.0049
Tools			987.45		.0083
Supplies			10,403.01		.0873
			19,314.00		.1622
CASTING MACHINE.					
Coal to boilers			1,270.53		.0107
Supplies			771.43		.0065
Tools			16.42		.0001
Ladles			442.02		.0035
Lime for molds			404.40		.0034
			2,864.80		.0242
RUNNING REPAIRS.					
Supplies			160.12		.0009
Casting machine			1,523.15		.0128
			1,623.27		.0136
Taxes and insurance			19,237.16		.0660
Relining and depreciation			59,540.50		.5000
Book cost for year 1907			1,977,422.75		16.6056
Material					14.5523
Labor expense, etc.					2.0533
					16.6056

52.07 per cent yield.

EXHIBIT No. 7.

Average yearly cost, per ton, manufacturing standard bessemer and basic pig iron furnace plant, Mahoning and Shenango valleys, 1903–1907, inclusive (two to four furnaces in operation).

	1903.	1904.	1905.	1906.	1907.
Metallic mixture	$7.014	$7.142	$7.474	$8.764	$9.338
Coke	5.172	3.243	3.978	4.786	5.582
Flux	.623	.461	.821	.679	.822
Labor	1.745	1.190	1.205	1.259	1.368
Supplies	1.392	.782	.660	.628	.686
	15.946	12.818	13.838	16.116	17.796

Average yearly selling price, per ton, standard basic and bessemer pig iron, f. o. b. cars, same furnace plant.

1903	$17.61
1904	12.71
1905	15.33
1906	18.38
1907	21.23

EXHIBIT No. 8.

Plant in the Middle West—Detailed cost of 140,359 tons of pig iron produced in 1907, basic, mallcable, foundry.

	Tons.	Per ton.	Value.	Pounds.	Per ton iron.
MATERIAL.					
Ore	231,511	$4.50	$1,042,150.74	3,005	$7.4249
Cinder	28,707	2.49	71,342.66	458	.5083
Coke	169,494	4.17	707,425.34	2,415	5.0401
Limestone	84,308	.70	59,691.24	1,201	.4252
Sand	5,966	.80	4,772.50	85	.0340
OPERATING LABOR.					
Management and account			8,925.03		.0636
Wages			197,208.49		1.4050
Laboratory wages			2,220.60		.0158
			208,353.52		1.4844
RUNNING EXPENSES.					
Coal			8,231.55		.0587
Salaries			13,400.00		.0955
Office expenses			2,412.73		.0172
General expenses			22,678.63		.1616
			46,722.91		.3330
RUNNING REPAIRS.					
Chills (supplies)			4,622.12		.0329
Repairs (and labor)			44,951.28		.3203
			49,573.40		.3532
Relining and renewals			70,251.18		.5002
Taxes and insurance			4,757.06		.0339
Company insurance			1,328.06		.0094
Credit			2,206,369.30		16.1468
Interest and discount			5,701.03		.0406
			2,260,068.27		16.1060
Material					13.4325
Labor, expenses, etc.					2.6735
					16.1060

EXHIBIT No. 9.

The following is from a furnace that produces its own ores and coke, and is located south of Mason and Dixon's line:

Your circular letter of the 27th ultimo relative to the hearing before the Ways and Means Committee in Washington was received some days since, but it has been impossible, owing to absence, for us to reply earlier.

For the year 1907 our net sales of pig iron f. o. b. cars at furnace averaged $19.43. The average was rather high, owing to our having been fortunate in contracting well ahead at high figures. The cost of producing iron was $14.21.

Our net selling price f. o. b. cars at furnace for the years given below was as follows:

1899	$12.64
1900	14.33
1901	11.87
1902	16.05
1903	15.08
1904	12.20
1905	13.89
1906	15.83
1907	19.43

Making the average for the nine years of $14.59.

For the year 1908 to the 1st instant our average net sales were $14.51.

About 50 per cent of our product is shipped to eastern Pennsylvania and New England tidewater points. Our freight to such Pennsylvania points is $3.25 and to New England $4.25 per gross ton.

EXHIBIT No. 10.

The following letter is from E. C. Means, manager of the Low Moor Iron Company, and is reproduced by permission:

"Replying to your letter of the 27th instant, the average cost of making pig iron in Virginia for the five years 1903 to 1907, inclusive, where furnaces owned and operated their own ore mines, coal mines, limestone quarries, and coke ovens, approximately was as follows:

Wages in all departments	$9.42
Supplies and renewals of equipment	.80
Horses, mules etc.	.49
Assembling freights	2.10
Taxes	.18
Royalties on coal, ore, and limestone	.70
Depreciation of plants to keep modern	.20
Selling commissions	.28
Total	14.17

"Fourteen dollars and seventeen cents total costs, exclusive of freight on pig iron to customers. Freight to New York, $2.80 by rail and water (the lowest rate), make total delivered price in New York $16.97. Adding $1 for reasonable profit for investment, makes fair selling price New York, $17.97 per ton.

"During the five years above named, common labor in Virginia was paid a daily wage varying from $1.75 per day of ten hours; average daily wage during that period was about $1.50. This, however, includes only common day labor at furnaces, ore mines, and limestone quarries. In West Virginia, at the coal mines, wages averaged $1.75 per day of nine hours.

"The writer's opinion of the revision of the tariff is that present tariff of $4 per ton should apply when No. 2X iron, silicon 2.25 to 2.75 per cent, sulphur under 0.05, is selling at $18 f. o. b. New York Harbor; that for each $1 advance in the price of iron, tariff should be reduced 50 cents per ton; that is to say, when 2X iron is selling at $19 New York Harbor, tariff should be $3.50 per ton; when it is selling at $20, the tariff should be $3 per ton. The tariff should not, however, be less than $2 per ton, otherwise the revenue derived from the tax on iron would be less than if maintained at $2.

"The Virginia situation is as outlined in Mr. William W. Hearne's letter to you, under date of December 1, copy of which I have, except that Mr. Hearne's letter does not go into costs as closely as this letter.

"Referring to that portion of your letter asking for the cost of pig iron during the year 1907 and the tonnage, would state that during 1907, on account of the high prices for iron, we used a considerable portion of Lake ore and thereby increased our cost of production so that for the year 1907 we show higher costs than was the average in Virginia.

"Referring to selling price during a series of years, say, five or ten years, I do not believe that statistics as to the average selling price would fairly represent the market price. During part of that period, by selling so far in advance, our average returns were lower than the market price, while on the other hand, by refusing to sell during the latter part of 1906, we reaped nearly the full benefit of the advance of 1907.

"There is also some question in my mind as to whether the average selling price of the past five or ten years would govern the future selling price. It seems more essential that costs based upon rates of wages should determine whether the Virginia furnace interests are entitled to protection through the tariff, and with daily wages of $1.50 for common labor under a tariff of $4 per ton there is only a fair profit to the Virginia manufacturer.

"Pig iron made in Virginia is sold to the general trade; none of the companies have finishing plants. Two-thirds of the Virginia pig-iron production is sold in the Eastern or seaboard States."

EXHIBIT No. 11.

I have the following letter from John B. Newton, vice-president Virginia Iron, Coal and Coke Company—reproduced by permission:

"In line with my letter to you of yesterday on the subject of proposed revision of the tariff on pig iron, I am to-day inclosing herewith tabulated statement showing the amount of pig iron produced by this company, the cost of same per ton, and an anlysis of that cost for three years—the year ended June 30, 1906; the year ended June 30, 1907; and the year ended June 30, 1908. An examination of this statement will show that practically 50 per cent of the cost of our pig iron is labor; consequently any reduction that we might be forced to make on account of foreign competition would have to be made principally in labor. Our freights on raw materials are very low, and the item of 'Other expenses' is as low as we could ever reasonably hope to get it.

"An examination of the statement will show, further, that for three years the cost of producing pig iron has steadily and rapidly increased, the total increase in cost during the three years being $1.90 per ton, of which increase labor received the benefit of $1.07 per ton.

"As noted on the inclosed statement, the item of 'Other expenses' included tools and supplies, royalties, general expenses, repair fund, and depreciation of improvements, but does not include insurance and taxes, bond interest, developments, and dead rents. In the item of 'Supplies,' which is principally coal consumed under boilers, there is quite a percentage of labor, which might properly have been included under the labor cost, but was not. The greater portion of the item of 'General expenses,' being salaries and clerk hire, might, I think, properly have been included under labor cost also, but was not.

"Our principal market for pig iron is in the Eastern States—a large portion of our product going to New York, Philadelphia, Boston, and Providence. Our average freight rates from furnace to those ports being $3.25 per ton, our product for the year ended June 30, 1906, would have cost us, laid down at these ports, $16.37 per ton; for the year ended June 30, 1907, $17.68 per ton; and for the year ended June 30, 1908, $18.28 per ton; whereas English iron can be laid down in New York, duty paid, to-day, with profit to foreign manufacturers added, at $18 per ton.

"The inclosed statement shows only operating cost, and all reference up to this point made in this letter as to cost has reference to operating cost only. While I do not contend that the amount paid for taxes, insurance, bond interest, development, and dead rents should be properly charged to the cost of producing a ton of pig iron, yet it is certainly fair to consider the fact that, with our company, these items in 1906 amounted to $1.70 per ton of pig iron produced, in 1907 to

$1.85 per ton, and in 1908 to $2.85 per ton. It will be seen, therefore, by adding these amounts to the costs as set forth in the inclosed statement, our selling price in 1906 would necessarily have been in excess of $14.82 f. o. b furnaces; in 1907, $16.31; and in 1908, $17.88, before any net profit at all could have been earned. By adding the average freight rate on a ton of pig iron from our furnaces to our eastern ports to the above figures, it would be seen at a glance that the maintenance of the present tariff on pig iron is one of very grave importance to us. Our company is the largest producer of pig iron in this section of the country, and, in fact, is the largest employer of labor in the State of Virginia, common carriers excepted. We employ, when running to full capacity, between 5,000 and 6,000 men and contribute to the support of probably 25,000 people. There are numerous other manufacturers of pig iron in this State, the pig-iron industry being one of the State's principal industries. It is hard to imagine anything that could happen to the working people of this State that would o seriously affect so large a number of men as such tariff legislation as would make it impossible for our pig-iron manufacturers to compete with foreign iron. In the light of the facts as they exist today, we feel that a radical reduction of the tariff on pig iron would be disastrous to the iron industry in this section, and any reduction whatever would be very harmful to it.

"All the Virginia pig iron is marketed; none of it is converted into steel or any other finished product by the manufacturers of it. Our company owns and mines its own coal and iron ore, and manufactures its own coke, and on account of the coal mines being in one section of the State, the ore mines in another, and the limestone in another, the transportation charge on raw materials is of necessity an important item of our cost; but, as stated before, transportation rates on raw materials are already low, and we can not hope for any material reduction in them."

Number of tons and cost of pig iron produced during the year ended June 30, 1906.

Tons produced	237,113.5
Total cost	$3,111,029.83
Cost per ton	$13.1204

Analysis of the cost to produce a ton of pig iron for the year ended June 30, 1906.

	Ore.	Coke.	Stone.	Furnace.	Total.
Labor	$2.0673	$2.1904	$0.2896	$1.6569	$6.2242
Transportation	1.4831	1.6832	.2955	----------	3.4618
Other expenses	1.5492	.5521	.0927	1.2904	3.4844
Total cost	5.1196	4.3757	.6778	2.9473	13.1204

Number of tons and cost of pig iron produced during the year ended June 30, 1907.

Tons produced	202,453
Total cost	$2,921,557.40
Cost per ton	$14.4308

Analysis of the cost to produce a ton of pig iron for the year ended June 30, 1907.

	Ore.	Coke.	Stone.	Furnace.	Total.
Labor	$2.2299	$2.4091	$0.4384	$2.0091	$7.0865
Transportation	1.1934	1.6429	.2735	----------	3.1098
Other expenses	1.7784	.6127	.1699	1.6735	4.2345
Total cost	5.2017	4.6647	.8818	3.6826	14.4308

Number of tons and cost of pig iron produced for the year ended June 30, 1908.

Tons produced	133,927
Total cost	$2,012,361.32
Cost per ton	$15.0258

Analysis of the cost to produce a ton of pig iron for the year ended June 30, 1908.

	Ore.	Coke.	Stone.	Furnace.	Total.
Labor	$2.0507	$2.6173	$0.4338	$2.1738	$7.2956
Transportation	1.3763	1.3828	.1369	----------	2.8960
Other expenses	2.0474	.6263	.2824	1.8781	4.8342
Total cost	5.4744	4.6263	.8731	4.0519	15.0258

Other expenses mentioned in the statement include tools and supplies, royalties, general expenses, repair fund and depreciation of improvements, but does not include bond interest, taxes, insurance, development, and dead rents.

EXHIBIT No. 12.

The following letter from Capt. H. S. Chamberlain, one of the representative manufacturers of merchant pig iron in the South, is all very interesting, and I have his permission to reproduce the letter over his own signature:

As representing the merchant pig-iron manufacturers, would be glad to have you say to the Ways and Means Committee at Washington in connection with the tariff hearings that from our experience of many years in the manufacture of pig iron in Tennessee I consider the present rate of duty an absolute necessity in order to successfully meet foreign competition in the seaboard market.

Our freight rate to New York is $4.14 and Boston $4.49 (which is the shipping point for New England business); say it is $4.31 per ton from Tennessee and $4.42 from the Birmingham district; this is nearly, if not quite, twice the rate from Liverpool or German ports, and as these are large and important markets it is vital that they be retained for American producers.

Our cost for the manufacturing of pig iron in 1907 was $12.93 per ton, leaving out interest on investment; and this cost was made up entirely of labor, with the exception of 85 cents per ton charged on pig iron as royalty on ore, coal, and limestone entering into the manufacture. Add to this a freight rate of $4.31 per ton and (with low labor cost and low ocean freights for the foreign make) without the tariff the eastern, our natural market, is lost to southern manufacturers.

Our average selling price for the past five years was $12.82 per ton, yet cost for a portion of the time was less than in 1907, owing to lower wages, which varies greatly in the different years.

The consumption of pig iron in the South is comparatively small, so producers are compelled to seek northern markets. As a great deal of capital has been invested in the past twenty years in the iron and coal industry in the South and large developments have been made (an important factor in the material welfare of the section), it would not seem the part of wisdom to so change the tariff rates as to jeopardize present investments and retard further progress.

There is also submitted an original affidavit by Captain Chamberlain covering the cost of producing pig iron by this company during the year 1907, as follows:

STATE OF TENNESSEE, *Hamilton County:*

Personally appeared before me, O. L. Hurlbut, a notary public in and for said State and county, H. S. Chamberlain, of Chattanooga, Tenn., with whom I am personally acquainted, who being duly sworn, deposes as follows: That he is president of the Roane Iron Company, and has been connected with that company for the past thirty-eight years; that they make pig iron exclusively at Rockwood, Roane County, Tenn.; and that they have two furnaces of the most modern type. He further deposes that for the year 1907 the last annual report of their operations shows that the actual cost of manufacture of pig iron per ton at said furnaces was $12.93, and that embraced in this cost is an item of only 83 cents, which covers all royalties on ore, coal, and limestone, the balance of the $12.93 being made up entirely of labor, current repairs, etc. He further says that the freight to New York is $4.14 per ton, and to Boston, an important shipping point for the New England market, $4.49 per ton, and that he firmly believes that a reduction of the tariff on pig iron from present rates would have the effect of depriving this company of the eastern market for its product.

H. S. CHAMBERLAIN.

Subscribed and sworn to before me this 12th day of January, 1909.

[SEAL.] O. L. HURLBUT, *Notary Public.*

EXHIBIT No. 13.

The Central Iron and Coal Company of Alabama writes me as follows, under date of December 9:

"Replying to your circular letter of November 27, addressed to this company at New York, will state that we commenced producing pig iron in August, 1903. For the next four years our average cost and selling price was approximately $11 furnace. The company made absolutely nothing on the million dollars invested. We made some money during the remainder of 1907, on account of the high price of pig iron. Have just about been holding our own on present market."

EXHIBIT No. 14.

The committee will remember I stated I had cabled for information, and I beg herewith to copy the following cablegrams, which are given as received here, from an absolutely reliable source:

Translation of cablegram received December 3, 1908.

	Average German cost.		
	Marks per 1,000 kilos.	United States gold per 1,000 kilos.	United States gold per tons of 2,240 lbs.
Coke	13.00	$3.094	$3.14
Ore, Lorraine district	2.00	.476	.48
Ore, foreign	10.00	2.38	2.42
Other German	4.00 to 5.00	.0952 to 1.19	.97 to 1.2
Pig iron, Lorraine district	36.00	8.568	8.71
Pig iron, other	42.00	9.996	10.16

Steel making pig iron, Middlesboro district.

1 ton Spanish ore	$2.53
1¼ tons Cleveland ore, at $1.25	1.56
	4.09
1 7/10 tons coke, at $3.77	4.14
¼ ton stone	.25
Other items	1.00
Total	9.48

Ocean freight from European seaports to Boston, New York, Philadelphia, and Baltimore.

Iron ore and pig iron, 6/6 (say $1.60) per gross ton.

The export price of pig iron in Germany is nominally the same as the domestic price. In periods of depression the export price is frequently reduced to cost, or lower, in order to enable the syndicate controlling this commodity to dump the surplus into England and other foreign countries.

Translation of cablegram received December 9, 1908.

Pig-iron costs are present and include economy effected by and revenue from by-products, use of gas engines, modern appliances. Works:

Luxembourg, Lorraine, Saar District (Germany), Mosalle (France), Liege, Middlesboro. Information as to lowest costs given is from principal works above districts, which represent our principal competition, but numerically as to general average does not represent cost of less favorably situated works, geographically or otherwise, which varies equivalent to 4 shillings ($1) to 6 shillings ($1.50) per ton. Position is similar to that in the United States in this respect.

Translation of cablegram received December 10, 1908.

Pig-iron costs include taxes, depreciation, interest, labor, insurance. Subdivision these charges is not obtainable at the moment. Information given you is very reliable.

EXHIBIT No. 15.

Table showing comparative blast-furnace wages in United States and England.

	United States.	England.
Furnace keeper	$2.90	$1.82
Top fillers	2.55	1.27
Cinderman	2.30	1.21
Bottom fillers	2.30	1.12
Laborers	1.65	.91
Blast enginemen	2.90	1.37

EXHIBIT No. 16.

Comparative costs of foreign and domestic pig iron at principal seacoast points in the United States.

Point of production.	Seaboard point.				
	Philadelphia.	Boston.	Mobile.	New Orleans.	San Francisco.
Eastern Pennsylvania:					
Cost	$18.79	$18.79	$18.79	$18.79	$18.79
Freight	.60	2.10	6.72	6.72	14.00
Total	19.39	20.89	25.51	25.51	32.79
Buffalo:					
Cost	16.45	16.45	----------	----------	16.45
Freight	2.45	2.65	----------	----------	14.00
Total	18.90	19.10	----------	----------	30.45
Southern Ohio:					
Cost	16.19	16.19	16.19	16.19	16.19
Freight	2.65	3.25	6.72	6.72	14.00
Total	18.84	19.44	22.91	22.91	30.19
Mahoning and Shenango valleys:					
Cost	16.50	16.50	16.50	16.50	16.50
Freight	2.65	3.25	6.72	6.72	14.00
Total	19.15	19.75	23.22	23.22	30.50
Middle West:					
Cost	16.10	16.10	16.10	16.10	16.10
Freight	2.65	3.25	6.72	6.72	14.00
Total	18.75	19.35	22.82	22.82	30.10
Virginia:					
Cost	14.17	14.17	14.17	14.17	14.17
Freight	2.80	3.17	6.72	6.72	14.00
Total	16.97	17.34	20.89	20.89	28.17
Alabama:					
Cost	11.00	11.00	11.00	11.00	11.00
Freight	4.00	4.60	2.75	3.00	13.20
Total	15.00	15.60	13.75	14.00	24.20
Tennessee:					
Cost	12.93	12.93	12.93	12.93	12.93
Freight	4.00	4.60	2.75	3.00	13.20
Total	16.93	17.53	15.68	15.93	26.13
Germany:					
Cost	8.71	8.71	8.71	8.71	8.71
Freight	2.50	2.50	3.35	3.35	7.50
Duty	4.00	4.00	4.00	4.00	4.00
Total	15.21	15.21	16.06	16.06	20.21
England:					
Cost	9.48	9.48	9.48	9.48	9.48
Freight	2.50	2.50	3.35	3.35	7.50
Duty	4.00	4.00	4.00	4.00	4.00
Total	15.98	15.98	16.83	16.83	20.98

EXHIBIT No. 17.

Pig-iron freight rates from producing centers to points of consumption in the United States.

[Rail and water rates are given in all cases where available, as they are the cheapest and most generally used.]

From—	To Boston.	To Philadelphia.	To Baltimore.
Birmingham, Ala	$4.00	$4.00	$3.85
Virginia furnaces	3.17½	2.80	2.65
Mahoning and Shenango Valley	3.25	2.65	2.55
Pittsburg	2.85	2.25	2.15
Buffalo	2.65	2.45	2.45
Erie	2.85	2.25	2.15
Emporium	2.55	1.80	1.80
Bellefonte	2.55	1.45	1.50
Harrisburg	2.10	.85	.85
Reading	2.10	.60	1.25
Temple	2.10	.65	1.25
Emaus	2.10	.75	1.40
Swedeland	2.10	.40	1.15
Other eastern furnaces (about the same as Reading)	2.10	.60	1.25

In conclusion, I beg to say that in view of the enormous amount of capital invested in merchant blast furnaces of the United States, the very large number of men employed, and the narrow margin of profit, it would seem to me that no change should be made in the pig-iron schedule.

Respectfully submitted.

JOSEPH G. BUTLER, JR.

IRON ORE.

YOUNGSTOWN, OHIO, *June 15, 1909.*

HON. NELSON W. ALDRICH,

Chairman Senate Finance Committee, Washington, D. C.

DEAR SIR: I have heard, while sitting in the Senate gallery, several Senators remark that the United States Steel Corporation owns 85 per cent of all the iron ore in the United States. Knowing this statement to be incorrect, I thought the subject of enough importance to make a special effort to get together additional data with reference to the iron ore in the United States, so that Senators would have correct information and have the information in such shape that they can themselves analyze it.

I first employed Mr. John Birkinbine, a noted mining engineer of Philadelphia, connected with the United States Geological Survey for many years. He has an established reputation, and in circles where he is known I believe it would be conceded that his judgment would go as far, if not further, than any other one person in the United States, with reference to iron-ore matters. His report is attached hereto in full, and is marked "Appendix A." If Senators will take the time to read this report and read the additional reports and appendixes following that of Mr. Birkinbine, they will all be fully informed on this vital question.

I want to call special attention to "Appendix B," and to emphasize the fact that the United States Steel Corporation has no holdings whatever in the East, and that on account of the electric concentrating process the Lake Champlain and Adirondack districts are rapidly forging to the front, and I believe that the output of these mines, together with the ore produced by the concentrating process in New Jersey, will in time equal the shipments from Lake Superior. The ores from this district run very high in metallic iron, and for that reason are desirable in an ore mixture, which means a broader market for these products.

"Appendix C" is of interest for comparison with the estimates of Mr. Birkinbine. "Nonavailable" ores mean ores not at present profitable to work, but it should be remembered that all these so-called "nonavailable" ores are as rich in metallic iron and as desirable in a mixture as the majority of the ores used in Germany and England. They are also "nonavailable" by reason of lack of transportation facilities and lack of the proper openings and workings necessary to mine these ores. All of this will come in time.

"Appendix E" is of interest as showing that the independent iron-ore producers mined, produced, and consumed during the year 1907 29,000,000 tons of ore, as compared with 22,000,000 tons mined and consumed by the United States Steel Corporation, or nearly 13 per cent of a greater output than the corporation.

"Appendix G"—a letter from Mr. Richard Edmonds—calls attention to the bulletin of the Geological Survey, Production of Iron Ore and Iron Products in 1906, by Edwin C. Eckel. This bulletin is a mine of information to draw from and the comments of Mr. Edmonds are timely.

"Appendix H." I thought best to copy letter of James M. Swank, the veteran manager of the American Iron and Steel Association, and who has for nearly forty years devoted his life and energies to the educational part of the great iron and steel interests of the United States and, incidentally, of the whole world. Mr. Swank, in his seventy-sixth year, is still in the harness. His statistics are received without question, and his views have great weight with the iron and steel manufacturers of the United States.

"Appendix I." In the summer of 1907 there was considerable agitation in the newspapers with reference to the large discoveries of Cuban ores, and at the suggestion of some of my associates it was thought best to make some investigations regarding these Cuban ores. I thereupon went to Philadelphia, and the result of my investigations is embodied in part of a "weekly letter" furnished the Bessemer Pig Iron Association. This letter was reproduced by Senator BURROWS in his speech on the iron-ore question, but is given here as a matter of convenience in connection with the whole subject.

In addition to this large body of ore owned by the Pennsylvania Steel Company and Maryland Steel Company, the titles to the same being held by the Spanish-American Iron Company, the Bethlehem Steel Company, as frequently testified to by Mr. Schwab, have immense holdings of ore in Cuba, and as a revenue producer this Cuban ore can be made to produce large sums without detriment to the mine owners. All this Cuban ore will be used on the seacoast, and all of the products are

properly protected. I predict that within ten years not less than 10,000,000 tons per annum of these Cuban ores will be imported and consumed on the Atlantic coast.

"Appendix J." I wish to direct the special attention of the legislators to this appendix. This is a prospectus issued by the bankers, Henry & West, Philadelphia, in the interests of the Spanish-American Iron Company. The letter of Mr. E. C. Felton, president of the Pennsylvania Steel Company, accompanying same, is printed also. It will be noted that President Felton claims 600,000,000 tons of ore. He also promises to pay to the Spanish-American Iron Company a profit of 60 cents per ton.

In view of the demand for "free ore" made by the Bethlehem Steel Company and Pennsylvania Steel Company, further comment on this appendix is unnecessary.

Conclusion.—I have purposely left to the last any comment upon "Appendix F," being a statement furnished by the United States Steel Corporation, giving their estimated holdings. I have gone over the whole matter with conscientious care, and my estimate of ores of the present commercial standard, available in the immediate future, are as follows:

	Tons.
Lake Superior	1,618,000,000
New York	750,000,000
New Jersey	135,000,000
Pennsylvania	45,000,000
South	1,814,940,000
Rocky Mountain district	100,000,000
Total	4,462,940,000

Taking the figures of the United States Steel Corporation of the "available" ores, to wit, 1,717,589,000 tons, it would appear that the corporation owns 38½ per cent of the available desirable ores.

Figuring all the iron ore of all kinds, "available" and "nonavailable," amounting to 79,186,000,000 tons, and figuring that the United States Steel Corporation, according to their figures, own 2,322,434,000 tons of the whole, the actual percentage of iron ore in the United States owned by the United States Steel Corporation is 2.9 per cent, or, in round figures, 3 per cent of the whole instead of 85 per cent, as claimed by certain United States Senators.

Yours, very truly,

JOSEPH G. BUTLER, Jr.

APPENDIX A.

STATEMENT OF IRON-ORE RESERVES IN THE UNITED STATES.

[By John Birkinbine, consulting engineer.]

PHILADELPHIA, *June 4, 1909.*

DEAR SIR: Replying to your inquiry concerning the iron-ore reserves of the United States, I would say that a number of features interfere with making a close approximation. Among these are:

1. In the older settled portion of the country a number of iron-ore mines were wrought which have been inactive in late years. It can not be said that these deposits, except in a few instances, had been exhausted; but their exploitation was limited by the facilities available for mining, by the local demand for ore of the quality and character produced, by the scale of operation, which, being small, augmented the price per ton of product, and by the presence of some elements which detracted or were believed to detract from the value of the ore.

With ample capital, modern equipment, or, in some cases, the operation of adjacent properties under one management, a number of the dormant mines can be revivified with profit. However, as but little exploratory work was done in advance of actual mining, close figures as to reserves can not be formulated.

I am well satisfied from personal knowledge of conditions that some now inactive properties in the eastern portion of our country have remained unproductive because the supply of the Lake Superior ore meeting foreign ores in competition within 100 miles of seaboard has simplified the work of the blast-furnace manager, who thus discouraged the mining of local ores, which would have added to the labor and responsibility of running the furnaces.

2. Where mining is carried on there are many instances where owners or operators refrain from giving information concerning reserves, and it is difficult, therefore, to obtain these. A knowledge of what is being done in adjacent properties often precipitates litigation as to possible trespass, or the depth and extent of workings influence the drainage which must be cared for by one party or the other, and many operators are secretive in a general theory that their business prospects are not matters of public concern.

Further, where a mine manager finds no indication of exhaustion or ground for anxiety, he may do little, if any, exploratory work ahead of actual operation.

Knowledge of the capital invested in purchase or in equipping iron-ore mines, or supplying transportation and shipping facilities for the product, aids in judging as to the reserves which the owner has demonstrated to exist to his satisfaction; for a discreet operator would not purchase property or provide for the installation of mining equipment, or construct railway connections, unless satisfied that the results of the venture will be profitable.

3. In the western portion of the country search has been made for the precious metals, and except where indications of iron ore have been of phenomenal extent, or in especially favorable locations, this section of the country can not be considered as having been sufficiently investigated to warrant estimates as to total reserves. In a number of instances the precious metals are found in conjunction with iron ore, which becomes either a by-product or is largely left unmined, unless convenient to a present source of consumption. In the western section of the United States iron manufacture is carried on to a large scale only in Colorado, and on moderate scale in the State of Washington. Therefore, except for use as flux in smelting the precious-metal ores, the demand for iron ore is practically confined to the Colorado plant, which, however, is of large proportions, with six furnaces, requiring about 2,500 tons of iron ore daily for their full operation.

Oregon, California, and Utah have in the past supported a small iron-producing industry, smelting local ores with charcoal. But until the demand for mineral increases, we can not expect that there would be encouragement to determine the reserves of iron ore.

4. Where iron ore has been won for years and is now extracted, new discoveries add to the available amount, and in any estimate as to the supply the possibility of such discovery should be taken into consideration.

The history of several iron-ore fields, which now contribute to the supply of our country, has given rise to the statement, which seems contradictory, that as production is augmented the apparent available reserves are increased. For as mines are developed exploration is encouraged in these and in adjacent territory, and there are few sections where a studious observer will assert that all the ore commercially obtainable is located. Geologists may locate the formations which limit an iron-bearing territory, but actual test and exploitation are necessary to demonstrate the proportion of such territory which may be classed as productive.

5. Where the geological formation has been carefully studied in local detail, the estimates of probable mineral reserves can be made more definite than where the geologic conditions are known only in a general way. While the United States Government maintains a national geological survey, and most of the States make some effort to collect information as to mineral wealth and development, the areas covered are too great to encourage more than a general résumé, and detailed geologic studies are confined to limited areas, the development of which are of material immediate importance.

6. The question of what is iron ore affects any estimate of reserves. Thus the production of most of the mines in Alabama, which support an important industry, would not be classed as available in the Lake Superior region, where the mineral must cover long distances to reach points of consumption. In the present state of development much of the Alabama ore would not be considered as iron ore in the Lake Superior region.

Again, many ores which are or can be mined are undesirable, except when beneficiated. Thus, as a rule, brown hematite needs to be washed to remove the excess of clay or sand. Ore mined in large lumps must be broken for convenience in handling and to secure good results in the blast furnace. Magnetic ores often contain excessive amounts of sulphur, phosphorus, or titanium, and in many cases the entire body contains a percentage of iron lower than is deemed merchantable, or the richer ore is associated with lean material. Such ore can be improved by eliminating or reducing the objectionable characteristics. A moderate amount of sulphur is removable by ordinary roasting, either with solid fuel or with gaseous fuel, the latter coming from gas producers or refuse gases from the blast furnace. Where the ore is in a fine state, high sulphur ores can be treated in a revolving furnace, which, besides eliminating the sulphur, nodulizes the ore into a desirable form for blast-furnace use. By comminuting magnetic ores, which are lean or carry objectionable elements, and passing these through magnetic separators, a rich ore practically free from undesirable ingredients is obtained, and in some cases the tailings or waste are of considerable value.

Advanced blast-furnace practice permits the production of low sulphurous pig from ores carrying considerable of this element, and the growth of the open-hearth steel process, which is used to convert about one-half of the steel used in the United States, allows the employment of ores which were formerly refused because of the phosphorous content.

While beneficiation has been carried on quite liberally, it has not been extended to many localities where it would prove of value, mainly because other ores which do not require this treatment are accessible.

One of the most pretentious efforts toward converting an otherwise undesirable material into ore for blast-furnace use is now being prosecuted in Cuba by an American steel corporation. A gummy ferruginous mud, which must be dried before it can be handled, is to be excavated on a large scale, passed through rotary furnaces, converted into nodules, shipped to a gulf port, and then conveyed by vessels to Atlantic ports in the United States.

Another instance is a large beneficiating plant being constructed in which ores from the Western Mesabi Range of Minnesota will be freed from much of the sand which interferes with their immediate value. Either of these beneficiating plants demands an amount of capital which if applied to a number of now dormant mines, might produce equally satisfactory results as to material obtained and cost of product.

The foregoing will suggest that the iron-ore reserves must be considered, first, as to their location in connection with present or prospective markets for their use; and, second, as to the cost of mining and beneficiating and the character of the material produced.

The iron ores now fed to blast furnaces in the United States average less than 50 per cent of metallic contents, and those used in quantity range from as low as 30 to 65 per cent.

If the determination of merchantable iron ore is based upon the percentage of iron in the mineral found in the domestic ores which support many blast furnaces in Great Britain, Belgium, France, and Germany, the reserves of iron ore in the United States can be truly designated as enormous. For these would include great areas underlain by Clinton fossil or carbonate ores, deposits of lean magnetite, and much mineral which under present conditions is not classed as desirable for blast-furnace use in the United States, but which could be made so.

7. The absence of transportation facilities has interfered with the commercial development of a number of deposits of iron ore, and until these can be marketed there is no immediate inducement to determine the reserves which these bodies represent. You will therefore understand that, using the best information obtainable, one is hardly likely to formulate careful estimates of reserves which would be excessive.

You have seen the producing center moved from near the Atlantic seaboard and a magnificant industry developed in Pittsburg and vicinity because desirable fuel could there meet the ores and the product find a market. You have also perceived a large development in Alabama and adjacent States due to the ore and fuel being obtained in the immediate vicinity, and have noted the growth of large iron and steel manufacturing plants on Lake Michigan, where both ores and smelting fuel had to be brought from a distance, but where a good market exists; and you have observed an iron and steel industry established in Colorado, which to-day has a furnace capacity as great as the production of Sweden.

Remembering these changes, we may expect others to mark the progressive steps of development of the country, and ores not now considered available may be in demand, and deposits which are dormant and whose reserves are unknown may develop into important producers of magnitude. You have also seen marvelous economic changes in iron and steel manufacture, and have noted the use of material which was formerly discarded as undesirable, and if the progress in the next half century equals that in the one which is past, the changes in location and method of utilization of the ores may be revolutionary. Taking this view of the situation, any estimates of the ore reserves, with subdivision of them into available and nonavailable, are subject to revision when a new order of things takes the place of that with which we are now familiar. But I feel certain that such revision will be to increase the reserves, rather than to decrease them.

However, in the following statement the figures of reserves for different portions of the country are based upon conditions existing or which may be foreseen a few years in the future, and these estimates may therefore be considered as much below what may be developed

when more definite information concerning each district or individual deposit is available.

We may also note the investigations and experimentations in electrical production of iron, which point to the possibility of utilizing by association with cheap water power some iron-ore deposits now distant from points of consumption.

In considering the iron-ore reserves I have treated merely of continental United States, and have not taken into account any ore which can be obtained from Alaska or our insular possessions.

Iron ores are found in practically all the States and Territories, and from two-thirds of these political divisions ore has been won and commercially used, the number contributing to the iron-ore production in the past five years being 29.

New England.—In Maine an iron industry was formerly maintained, local magnetites and hematites being smelted with charcoal, and the earliest successful iron enterprise on this continent was based upon ores obtained from deposits in eastern Massachusetts, now unusued. Rhode Island has deposits of hematite and magnetite, also a considerable area of beach sands, while western Connecticut and Massachusetts have for many years furnished a supply of hematite ore to local blast furnaces. These deposits are in pockets or beds, and give promise of meeting future demands of moderate extent. Iron ore has also been wrought in New Hampshire and Vermont.

While the iron-ore reserves of the New England States should not be omitted from any compilation, definite information upon which to base figures is wanting.

New York.—The Lake Champlain district of northern New York has produced iron ore for a century, now contributing nearly a million tons annually, and the reserves are sufficiently inviting to encourage the owners to make liberal investment in plant of permanent character. There are also in the Adirondack section large deposits of magnetite, estimated in tens of millions of tons; some now remote from railroad communication are awaiting favorable action from transportation companies to encourage their exploitation.

Magnetic iron ores are also found south of the Adirondacks and again appear in the Highlands of eastern New York. Ore has been obtained from the Lake Champlain region closely approximating purity, while some other magnetites in New York are lean and demand concentration or roasting to enrich the mineral and reduce the components of phosphorous, sulphur, titanium, etc.

Bulletin No. 119 of the New York State Museum gives the total production of the Adirondack district to 1908 as 35,650,000 tons. Mr. D. H. Newland, state geologist of New York, says:

"Though some deposits have been practically exhausted by past operations, these are mostly the smaller ones. The larger mines now operated can continue along present lines for an indefinite period, so far as it is possible to judge their ore reserves."

As exploitation of active mines demonstrates continuation of the ore bodies in depth and expansion by opening new areas, and as the operators have made large outlay in permanent plant and equipment for handling greater output than heretofore, an estimate of reserves in excess of the total mined to date is warranted.

Beds of titaniferous magnetites, which undoubtedly will be brought into use, and the lean ores on the west now being concentrated will increase the total of Adirondack iron-ore reserves about 125,000,000 tons of available ore. In the Hudson River Highland district there are a number of deposits of magnetite, some of phenomenal dimensions, but which require beneficiation. Testimony in a suit now pending allows 12,000,000 tons of mineral in one of these deposits, and an equal amount may be obtainable from other properties. There is also in eastern New York a continuation of the pockets of brown hematite which occur in Connecticut and Massachusetts, and deposits of carbonate ores, which, when roasted, give a desirable stock for blast furnaces.

The State of New York appropriated $5,000 for an investigation carried on by the geological survey, and Mr. Newland, state geologist, estimated that there are 600,000,000 tons of Clinton ore yielding 35 to 45 per cent of iron and within a depth not exceeding 500 feet, which are obtainable from three principal areas.

Some of these Clinton ores have been and are supplying blast furnaces in western New York, and if the prognostications of the geological survey are verified this would make a liberal addition to the reserves of the State, which may then be summarized as—

	Tons.
Magnetites, brown hematites, and carbonates, say	150,000,000
Clinton ores, as per geological survey, estimate	600,000,000
Total	750,000,000

New Jersey.—Magnetites and hematites, the former largely predominating, have for many years been mined in New Jersey, and the State has in late years contributed at a rate of 500,000 tons per annum. A number of mines which were formerly wrought on a small scale have been combined, and this process followed in other localities may bring some idle mines into the active list. A late paper prepared for the geological survey of New Jersey states:

"A very conservative estimate of the quantity of good ore still capable of being mined from deposits already known in the New Jersey Highlands is 35,000,000 tons. If we add to the quantity of fairly high-grade ore still remaining in the active and abandoned mines of the State the quantity of magnetite in the lean ores—ores that have never been mined and can never be of value without concentration—the amount of material that might be used for the manufacture of iron under favorable conditions will be greatly augmented."

This paper estimates that one of these deposits of lean ore has in reserve 7,500,000 tons, and, referring to the existence of similar ores elsewhere in the State, says:

"The total quantity of ore available under similar conditions from the entire Highlands must be estimated in the hundreds of millions of tons."

Magnetic concentration is now being carried on successfully on a large scale in New York, New Jersey, and elsewhere, therefore the probabilities of obtaining large amounts of iron ore by beneficiation are favorable.

We may therefore summarize the reserves in New Jersey as—

	Tons.
Available without concentration	35,000,000
By concentration, in excess of	100,000,000

Pennsylvania.—Like New York, Pennsylvania has supplied four general classes of ore—red and brown hematites, carbonates, and magnetites. Of the latter, the Cornwall ore hills is the largest exposure, and this property has been wrought for one hundred and sixty years, supplying in that time about 21,000,000 tons. That the estimated reserves in this deposit exceed 25,000,000 tons is verified by the prices at which interests in the property have been disposed of, by the rate at which the ore is sold, including an allowance for royalty, and by the preparations which the owners are making in the way of plant and equipment, for, unless a very large quantity of ore has been disclosed by the diamond-drill explorations, the expenditure of millions of dollars for stripping, for power plant, and for various appliances would not be considered.

East of Cornwall there are other deposits of magnetite, such as Boyertown, which is estimated as holding in reserve 1,500,000 tons, and other neighboring mines, while to the southwest there are large deposits of lean or sulphurous magnetite, some of which have been wrought. An estimate of 35,000,000 tons of magnetite ore available in Pennsylvania therefore seems conservative. There are also extensive areas in the eastern and central portions of the State which have produced brown hematites, and a careful estimate made some years ago shows a reserve in one section of over 2,000,000 tons, while in the mountain section are found carbonate ores in conjunction with the Coal Measures which have supported a considerable iron industry, and the Clinton ores in the State have also been sources of supply which may again be brought into use. Owing to the scattered workings it is difficult to formulate an estimate, but 10,000,000 tons of available ore from other than the magnetite ores, and carrying as much or more iron than is contained in a number of ores smelted elsewhere, is not a liberal allowance.

The above indicates that there may be obtain from Pennsylvania:

	Tons.
Magnetite	35,000,000
Other ores, fully	10,000,000
Total	45,000,000

This does not provide for the winning of Clinton ores, such as indicated by the New York state survey, or of carbonate ores.

The series of magnetite deposits extends from eastern New York into New Jersey, diagonally across the southeastern portion of Pennsylvania, through Maryland into Virginia, into North and South Carolina and Tennessee, ending in Georgia and Alabama. The magnetites in this nearly continuous line of deposit vary greatly in richness of composition.

Delaware and Maryland.—Delaware has produced brown hematites which may again be useful. The ore-bearing district extends from Pennsylvania into Maryland, and while the production in the last-named State is confined to brown hematites and carbonates there are also some lean magnetites. Information at hand is insufficient to estimate the quantity of reserves, but the mines which have been wrought all show possibilities of continued operation, while the lean magnetites may be beneficiated by magnetic separation, as the hematites are improved by washing.

Ohio.—In Ohio a considerable iron industry for many years depended upon the carbonate ores or their derivatives, and much of this State, as in Pennsylvania, is underlaid with the carbonate ores. The extent to which these may be applied in the future is largely dependent upon local conditions, but any material shortage in high-grade ores may be expected to renew the demand for them.

Indiana.—Indiana was also a producer of iron from local ores, although at present its supply is obtained from Lake Superior. A report of the state geologist for 1906 details a large number of iron-ore deposits which are either carbonates or siliceous ores, and states:

"The larger deposits, which can be more easily worked, would probably yield 15,000,000 tons of ore, and the smaller inaccessible deposits, which would be easily worked out by the owners or the inhabitants, if furnaces were in a reasonable distance, would bring the total up to at least 25,000,000 tons."

Illinois.—The iron and steel industry of Illinois is located at or near Lake Michigan and supplied mainly with Lake Superior ores. A half century ago an iron industry was maintained in southern Illinois, depending upon brown hematites and carbonates, of which there are considerable amounts available.

Southern district.—The States of Virginia, North Carolina, Georgia, Alabama, Kentucky, and Tennessee produce 2,000,000 or 3,000,000 tons of pig iron annually, mainly from local ores of red hematite, brown hematite, and some magnetite. While West Virginia includes some ore deposits, its iron industry is dependent upon ores from the Lake Superior region.

Virginia mines 800,000 tons of ore each year and produces from one-third to one-half million tons of pig iron annually, the bulk of which comes from smelting local hematite ores, of which there are many deposits, some of unusual size and persistence. Explorations in other territories indicate the presence of large quantities of similar ores, some of which lie dormant by reason of absence of transportation facilities. In the southwestern and southern-central section there are deposits of magnetite of large extent, some of which are now being developed for production. While the output of iron ore from Virginia has been 800,000 tons per annum, there are reserves of importance which will permit of an extension of this industry.

North and South Carolina.—In the mountainous district of western North Carolina magnetites have been mined for many years, some of which are concentrated and support an iron-producing industry. Also flanking the mountains are brown hematite ores which formerly sustained a number of small charcoal blast furnaces and Catalan forges, and this State may be considered as having in reserve a considerable amount of both magnetite and hematite, while in the southwestern extremity is mineral wealth which offers inducements for exploitation. These ore formations continue into adjacent States, and South Carolina can supply magnetites and hematites from its northwestern section. In 1893 an estimate from the then exploited part of the Cranberry deposit in North Carolina indicated over 3,000,000 tons of ore as available, and operations which have been continued since that date demonstrate greater extent of the reserves.

A bulletin of the North Carolina geological survey shows nearly 400 analyses of iron ores from twenty counties, including brown hematite, carbonate, and magnetic ores, some of the latter being titaniferous.

Alabama, Georgia, and Tennessee.—While the greatest development of the iron industry and iron mining centers about Birmingham, Ala., this State may be combined with western Georgia and eastern Tennessee into a district which contributes about 5,000,000 tons of iron ore annually, two-thirds being red hematite and one-third brown hematite. The president of the Sloss-Sheffield Steel and Iron Company, in his annual report of 1908, estimates 133,500,000 tons of brown ore and 492,400,000 tons of hard ore, a total of 625,900,000 tons of ore controlled by this company.

In a handbook of Alabama, published in Birmingham in 1892, the Clinton ores of the Red Mountain deposits are estimated at 500,000,000 tons. In 1907 Mr. Burchard estimated these reserves at 338,718,046 tons, and in addition credits to other sections reserves which will bring the total to 500,000,000 tons.

In 1906 Mr. Eckels credited Alabama with 1,000,000,000 tons of Clinton ores, and also gave the following reserves above the 1,000-foot level:

	Red ore.	Brown ore.
	Tons.	*Tons.*
Alabama reserves	1,000,000,000	75,000,000
Georgia	200,000,000	125,000,000
Tennessee	600,000,000	225,000,000
Virginia	50,000,000	300,000,000
Total	1,850,000,000	725,000,000

Mr. Burchard states that if his estimate of 338,718,046 tons for the main portion of the Birmingham district is compared with the 1,000,000,000 tons of Mr. Eckels for the entire State, it would appear conservative, when it is recalled that the Birmingham district contains about 90 per cent of the workable red ore of the State, while Mr. Eckels's higher estimate includes much ore at present unworkable.

In 1908 Mr. Burchard estimated the amount of the available Clinton red ore within a radius of 80 miles from Chattanooga, Tenn., which section lies in Tennessee, Georgia, and Alabama, as 85,569,000 tons, and 440,146,000 tons not now available because of depth or leanness.

In 1907 Mr. Eckels estimated the quantity of gray hematites in Alabama, assuming a workable deposit of 1,500 feet depth, as 60,000,000 tons, and computed the reserve tonnage of red ore in Georgia as 230,000,000 tons.

Mr. Hayes in 1909 estimated as follows: For Virginia, West Virginia, eastern Kentucky, North Carolina, South Carolina, Georgia, Alabama, and east Tennessee, 35,500,000 tons of magnetite, 61,000,000 tons of specular and red hematite, 1,434,040,000 tons of Clinton ores, 222,400,000 tons of brown ores, and 62,000,000 tons of carbonates, a total of 1,814,940,000 tons, some of which he considers as not now available.

The gentlemen responsible for these estimates are connected with the United States Geological Survey.

Taking the lowest of the estimates presented for Alabama, adding for other districts than the Birmingham region within the State, for the known ores in east Tennessee, North and South Carolina, and in Virginia and Georgia, the available iron-ore reserves may be considered as exceeding 1,200,000,000 tons.

Other States.—Kentucky produces carbonates and derivatives in the east, and in the west brown hematites which extend into Tennessee, and northern Mississippi also has deposits of ore.

In western Louisiana and eastern Texas there is an extensive area covered by brown hematite ores which are and have been mined for blast-furnace use, the quality being such as to encourage a local iron industry, and large shipments have been made from eastern Texas to Alabama. The area in which these ores are included is estimated as 1,000 square miles, all of which is not productive, but the reserves may be figured in the tens of millions of tons. Central Texas also has important deposits of red hematite ore.

In Arkansas occur brown hematites, some of which are manganiferous, and a small amount has been mined. There are also carbonate ores and some magnetites. The geological survey of the State presented 770 different analyses of iron ores of Arkansas. The ore formation also extends into Indian Territory.

Missouri, which had formerly been an important producer of iron ores, having to date supplied probably 9,000,000 tons, has of late years contributed from 80,000 to 100,000 tons annually, but has reserves of brown hematite, red hematite, and carbonate ores.

There are also deposits of ore believed worthy of exploitation in Iowa and from which ore has been supplied, and iron ore occurs in the Dakotas.

The Lake Superior region.—The Lake Superior region, which has been producing iron ore for more than a half century and in late years has supplied about 80 per cent of all the domestic iron ores used in the United States, has been well exploited and also investigated for reserves, for an output which is approaching 50,000,000 tons per annum has naturally drawn attention to the district. In spite of the study given to the subject by mine owners, geological surveys, and state authorities, estimates of these reserves are difficult to formulate, a number of different figures as to ore reserves having been presented. In 1902 Mr. Leith estimated the reserves of the Mesabi Range, Minnesota, as 600,000,000 tons and that of the then known other reserves as one-half of this amount. In 1905 the then president of the United States Steel Corporation testified that the Lake Superior mines controlled by his company had in reserve 700,000,000 tons of ore. Subsequently by a lease, in 1906, this company came into control of a series of deposits, some of which are now being wrought, whose aggregate reserves are estimated at from 500,000,000 to 750,000,000 tons.

In 1907 the legislature of Minnesota called upon its newly created tax commission to investigate the best method of taxing iron-ore lands. The commission prepared a request for detailed data which was sent to all owners of iron-ore lands, which were divided into three classes—"shipping mines," "nonshipping mines," and "mine prospects." Returns said to have been received from practically all of those owning iron-ore properties show for 262 properties a total reserve of 1,192,510,000 tons.

As the data collected from the various mine owners and reviewed by the inspector of mines may not be expected to be excessive, and as other territory is still unexplored, the reserves above given may be taken as conservative.

The comparatively small number of mines in the older ranges of the Lake Superior region which may be considered as having been abandoned, the continuation in depth shown by workings which have been active for many years, the permanent character of improvements which are being installed, all point to liberal reserves of high-grade ores in this region, and the known extent of mineral considered lean in a section whose standard for metallic contents has been higher than any other extensively wrought area would add greatly to the one yet to be won.

Attention has been attracted by a late publication of the last ore taken from the Chandler mine in Minnesota, and the inference drawn has been that the deposit was exhausted. Were this the fact a record of 9,500,000 tons of ore taken from a corner of a 40-acre tract in twenty-one years is certainly good. But the ore body was not exhausted, its pitch and dip having passed from the Chandler tract to the neighboring property of another company, which has continued work at the deposit. Had the law of the apex as interpreted for precious metal mines in the Rocky Mountain region been applicable in Minnesota, the Chandler mine would continue to be active, with probably increased output.

A manager whose familiarity with the Marquette Range covers thirty-five years, in referring to one of the oldest and most productive workings, states that this important mine, which a few years ago changed hands because the then owners anticipated smaller outputs, has more ore in sight to-day than for any time within three decades.

Mr. Hayes, in his paper prepared for the Conservation Commission, gives the Lake Superior reserves now available as 3,510,000,000 tons of red hematite, and as not at present available 4,525,000,000 tons of magnetite and 67,500,000,000 tons of hematite. It is understood that this is practically considering the entire formation which includes 37 per cent ore.

With but one exception none of these estimates take into account the magnetites which exist in quantity in the Lake Superior region, and omitting these and most of the leaner ores, which may require treatment, an estimate of 1,600,000,000 tons of reserves in the Lake Superior region is conservative.

But the remarkable economies which have been achieved in mining, handling, and transporting ore in large quantities, the advances in beneficiating processes, the problems in the near future of the material expansion of the iron-producing industry in the upper lake region, may bring many ores not now considered available in the shipping list, thus greatly augmenting the reserves.

Supplementing the ores of the Lake Superior region as embracing the five prominent ranges are deposits of brown and red hematite in Wisconsin, among which may be mentioned the Mayville and Baraboo deposits, a part of which is estimated to contain 18,000,000 tons.

Rocky Mountain Region.—In what may be termed the "Rocky Mountain region" iron ore is produced in quantity in the Hartville district of Wyoming, and in the Iron Hill district of New Mexico for consumption in the blast furnaces of the Colorado Fuel and Iron Company, and at various mines for use as a flux in silver smelting. The Hartville district has a most promising outlook, and estimates of the ore lying between developments exceed 20,000,000 tons, with the probabilities of greater amounts being discovered as exploration is continued. Similarly, the Iron Hill district in New Mexico has reserves which are estimated at 15,000,000 tons. In addition to these named, magnetites and hematites in the Iron Springs district of southern Utah have been investigated and estimated as having 40,000,000 tons of ore available. Three million tons of magnetite from the Continental Divide in Colorado, a so-called "iron mountain," yielding titaniferous ore, in Wyoming, deposits of ore in central Wyoming, central Colorado, and eastern Utah, would bring the total iron-ore reserves for the Rocky Mountain region to more than 100,000,000 tons, an amount which would probably be materially increased by detailed exploration.

West of the Rocky Mountains are ores in Montana, Idaho, Nevada, Arizona, California, Oregon, and Washington, some of which have been exploited to a considerable extent, and the Pacific section of our country could be counted on for a continued supply of ore for an iron industry of importance. The Pacific States also possess large deposits of iron sands, which were practically tested at an experimental station in Portland.

Résumé.—The foregoing will indicate that the reserves of iron ore in the Lake Superior region, of material such as is now shipped, exceed 1,600,000,000 tons, and that this amount may be greatly augmented by the utilization of some ore not now classed as desirable.

That in the Adirondack district of New York the ore reserves amount to 125,000,000 tons, which may be supplemented by 25,000,000 tons of other New York ores and the possibility of large future additions from the deposits of Clinton ores in the center of the State.

That New Jersey has over 35,000,000 tons of available ore, and in addition 100,000,000 tons of concentrating ore can be obtained.

That Pennsylvania has reserves amounting to 45,000,000 tons, which may be increased by liberal exploitation of Clinton and carbonate ores.

That the Southern States may be counted on for a supply exceeding 1,200,000,000 tons, and possibly a much larger amount.

The reserves in the Rocky Mountain region and west of this, tentatively estimated at 100,000,000 tons, cover but a small part of the producing territory.

That the New England and other Atlantic States and the Central States, including Indiana, Illinois, Iowa, Mississippi, Missouri, Arkansas, and Texas will further add to the reserves.

Respectfully submitted.

JOHN BIRKINBINE.

Mr. JOS. G. BUTLER, Jr.,
Youngstown, Ohio.

APPENDIX B.

IRON ORES OF THE EAST.

The principal iron-ore deposits of the East are magnetites in character and are located in the Adirondack and Lake Champlain districts of northern New York, the highlands of southern New York, in northern New Jersey, and in what is known as the "Cornwall district" of central Pennsylvania. Brown hematite deposits are mined along the Harlem Railroad in eastern New York State and eastern Pennsylvania. Red hematite deposits are being mined in St. Lawrence County, N. Y. Red fossil ores similar in character to the Alabama ores underlie a large area of New York State south of Lake Ontario, but the veins are narrow and too expensive to be operated at present prices.

It is very difficult to put an estimate on the quantity of unmined ore in the East, but a conservative estimate of the magnetite deposits alone would undoubtedly exceed 400,000,000 tons crude ore, with a present output of at least 2,500,000 tons. This output is likely to be very largely augmented in the near future by the development of new properties and the increased output of existing deposits. Probably no other iron-ore section of this country has greater promise of development, for the reason that there are large areas of low-grade ores which have in the past lain dormant, but which can now be made available by magnetite concentration. This process consists in grinding down the crude ore to its particles of iron and gangue and passing the same over fixed or revolving magnets, by which the particles of iron or pure ore can be deflected by the magnets into separate bins or cars, while the gangue or refuse material is uninfluenced by the magnets, and thus passes out to the dump piles. In this way a lean ore may be cheaply converted into a rich ore and great saving in transportation and fuel consumption accrue to the consumer.

As Lake Superior iron ores, owing to the increasing demand for the same, are each year growing leaner and as no similar method of their enrichment has yet been discovered, the rich concentrated ores of the East are likely to be in much greater demand in the future for mixing with the Lake Superior ores, and thus raising their yield.

Only one serious drawback stands in the way of a large development of these eastern ore fields and that is, being located in close proximity

to the eastern seaboard, they will be peculiarly sensitive to the competition of cheaply mined foreign ores, especially as more labor will have to be employed in mining a sufficient amount of crude ore to produce a ton of concentrates and for milling same. Should iron ore be placed on the free list in the coming tariff bill, it would certainly discourage the development of this grade of domestic ore for the above reasons.

It is interesting to note that the United States Steel Corporation has at present no holding in these large eastern deposits.

APPENDIX C.

ESTIMATES OF IRON-ORE SUPPLIES OF UNITED STATES.

Abstract of report prepared for the conservation commission by Mr. C. Willard Hayes, Chief Geologist United States Geological Survey:

	Available gross tons.	Not available gross tons.
Northeastern States: Vermont, Massachusetts, Connecticut, New York, Maryland, New Jersey, Pennsylvania, Ohio	298,000,000	1,095,000,000
Southeastern States: Virginia, West Virginia, eastern Kentucky, North Carolina, South Carolina, Georgia, Alabama, east Tennessee	538,440,000	1,276,500,000
Lake Superior States: Michigan, Minnesota, Wisconsin	3,510,000,000	72,030,000,000
Mississippi Valley States: Northwest Alabama, west Tennessee, west Kentucky, Iowa, Missouri, Arkansas, east Texas	315,000,000	570,000,000
Rocky Mountain States: Montana, Idaho, Wyoming, Colorado, Arizona, Utah, Nevada, New Mexico, west Texas	57,760,000	120,665,000
Pacific slope States: Washington, California, Oregon	68,950,000	23,905,000
Total	4,788,150,000	75,116,070,000

The total supplies are divided into two classes, "available" and "not available."

"Available." This class includes those ores which can be worked at a profit under the conditions at present existing in the iron and steel industry in the United States.

"Not available." This class includes all ores which can not be worked at a profit under existing conditions in the iron and steel industry.

APPENDIX D.

PRODUCTION OF IRON ORE IN THE UNITED STATES.

Abstract of report prepared for the Conservation Commission, by Mr. C. Willard Hayes, Chief Geologist United States Geological Survey:

	1907.	
	Gross tons.	Percentage of total.
Northeastern States: Vermont, Massachusetts, Connecticut, New York, New Jersey, Pennsylvania, Maryland, Ohio	2,822,822	5.45
Southeastern States: Virginia, West Virginia, eastern Kentucky, North Carolina, South Carolina, Georgia, Alabama, eastern Tennessee	6,197,360	12.00
Lake Superior States: Michigan, Minnesota, Wisconsin	41,638,744	80.50
Mississippi Valley States: Northwest Alabama, west Tennessee, west Kentucky, Iowa, Missouri, Arkansas, east Texas	230,435	.46
Rocky Mountain States: Montana, Idaho, Wyoming, Colorado, Arizona, Utah, Nevada, New Mexico, west Texas	831,258	1.60
Pacific slope States (small tonnage included in Rocky Mountains): Washington, California, Oregon		
Total	51,720,619	100.00

APPENDIX E.

Shipment of iron ore from Lake Superior region during the calendar year 1907.

	Gross tons.	Percentage of total.
By United States Steel Corporation	23,148,467	54.7
By independent companies	19,096,603	45.3
	42,245,070	100.00

Total production of iron ore, 1907.

	Gross tons.	Percentage of total.
By United States Steel Corporation	22,403,801	43.3
By independent companies	29,316,818	56.7
Total	51,720,619	100.00

APPENDIX F.

United States Steel Corporation estimated iron-ore reserves.

	Ores of present standard commercially.	Siliceous and other low-grade ores.	Total.
	Gross tons.	*Gross tons.*	*Gross tons.*
Total northern ores	1,258,289,000	365,845,000	1,624,134,000
Total red and brown southern ores	459,300,000	239,000,000	698,300,000
Total	1,717,589,000	604,845,000	2,322,434,000

N. B.—The above statment was furnished me by the officials of the United States Steel Corporation, with authority to make such use of it as I may see proper.

APPENDIX G.

[Copy of letter from Mr. Richard Edmonds, editor Manufacturer's Record, Baltimore.]

BALTIMORE, *May 26, 1909.*

MY DEAR MR. BUTLER: Replying to yours of May 24. If you will get from the United States Geological Survey the bulletin entitled "The Production of Iron Ores and Iron Products in 1906," by Edwin C. Eckel, you will find some of the desired data. In this report Mr. Eckel, who for many years was chief of the iron-ore division of the United States Geological Survey, and who, as you know, is regarded as one of the foremost authorities of the country, on page 17 estimated that above the thousand-foot level in Alabama, Georgia, Tennessee, and Virginia there were of red and brown ores 2,500,000,000 tons. He estimates that if to these the ores occurring at deeper levels be added it is safe to estimate the ores in the South at 10,000,000,000 tons.

You doubtless know that in the Birmingham district the red ores are mined below the thousand-foot level, and that all exploration work has demonstrated that these ores can be safely counted upon for several times that distance. In this estimate Mr. Eckel does not take into account the iron ores in Texas, some of which are of exceptionally high grade, such as the Llano ores, and which are apparently in very great quantity. While the Texas situation has not been sufficiently investigated to make any estimate safe as to quantity, it is very reasonable to say that Texas will show up in the aggregate under proper investigation a very large amount of ore.

The reports made by the Tennessee Coal, Iron and Railroad Company have in the past estimated the ownership by that company of about 700,000,000 tons of ore. I believe they have never claimed more than that, so that you will see that even taking the red ores above the thousand-foot level in the Central South and the brown ores, aggregating, according to Mr. Eckel, 2,500,000,000 tons, the Steel Corporation has only a little more than one-fourth. If you take the estimate of the ores available by deeper mining, counted by Mr. Eckel to be a total of 10,000,000,000 tons, then the Steel Corporation has a very small percentage of the whole. The report referred to will be official authority on which to base your statements.

Very truly, yours,

RICHARD H. EDMONDS,
Editor and General Manager.

Mr. J. G. BUTLER, Jr.,
Youngstown, Ohio.

APPENDIX H.

[Copy of letter from James M. Swank, general manager American Iron and Steel Association.]

PHILADELPHIA, *May 21, 1909.*

DEAR MR. BUTLER: I write immediately upon receipt of your Washington letter of May 20. There are no statistics available to show the ownership of iron-ore properties in the United States by the United States Steel Corporation, or by other mine owners. The area of iron-ore deposits in the United States is an unknown quantity. There are vast deposits of undeveloped iron ore in Utah, Texas, New York, Pennsylvania, and other States. It is therefore impossible for anybody to fully estimate the wealth of this country in iron ore. In a paper printed in the Iron Trade Review for January 2, 1908, John Birkinbine makes a significant remark that "the phenomenal development of the Lake Superior ore mines has had the effect of dwarfing other sources of supply in various sections of the country."

The United States Steel Corporation is a large owner of Lake Superior iron-ore mines, but that it does not now mine even 60 per cent of the iron ore that is annually produced in the Lake Superior region is shown by a statistical table which I inclose and which is absolutely trustworthy, showing that in 1907, a boom year, it shipped from the region 54.7 per cent of the total shipments, while the independent operators shipped the remainder. Of the total production of iron ore in the whole country in 1907 the United States Steel Corporation produced only 43.3 per cent. That other sections of the country outside of the Lake Superior region are annually increasing their production of iron ore is shown by the following statistics for the State of New York alone: Total production in 1903, 540,460 tons; 1904, 842,303 tons; 1905, 1,139,937 tons; 1906, 1,041,992 tons; 1907, 1,375,020 tons. In Mr. Birkinbine's paper, to which I have already referred, he shows that in 1896 the whole country outside of the Lake Superior region produced 5,439,090 tons and that in 1906 it produced 9,873,357 tons.

Outside of the Lake Superior iron-ore region the United States Steel Corporation owns very few iron-ore deposits, its principal ownership embracing the mines of the Tennessee Coal, Iron and Railroad Company. These mines produced, in 1907, 1,576,757 tons, or only about 200,000 tons more than the State of New York in that year.

In the report of the United States Geological Survey on the mineral resources of the United States for 1906, it is estimated that the total tonnage of iron ore in the Lake Superior region ranges from 1,500,000,000 to 2,000,000,000 tons and that the four Southern States of Alabama, Georgia, Tennessee, and Virginia contain 2,500,000,000 tons of iron ore that is readily available; while, says the writer of the report, "it is probably fair to assume that the total southern ore reserve will amount to very nearly 10,000,000,000 tons, or five times that credited to the Lake Superior district." (See pp. 78 and 79.)

In an address delivered before the Appalachian Engineering Association at Morgantown, W. Va., on February 6 of the present year,

Mr. E. A. Schubert, of Roanoke, Va., said, in corroboration of the figures given in the report of the United States Geological Survey above referred to: "Already the State of New York has proven nearly 2,000,000,000 tons of iron-ore reserve. Pennsylvania will add several hundred millions more. Virginia has several billions, followed by Tennessee and North Carolina with a billion each, Alabama with her two or three billions, while Georgia and Kentucky and West Virginia will aid in swelling the grand total.

I have given you all the information in reply to your letter that I think will be of interest to you and that is worthy of consideration.

Yours, very truly,

JAMES M. SWANK.

Mr. J. G. BUTLER, Jr.,
Youngstown, Ohio.

APPENDIX I.

A GREAT ORE DISCOVERY.

[Part of weekly letter to the members of the Bessemer Pig Iron Association, August 3, 1907.]

I have heard more or less recently in regard to the discovery of an enormous body of iron ore in Cuba by interests identified with the Pennsylvania Steel Company, and, incidentally, the Pennsylvania Railroad Company. While in Philadelphia, through Mr. James McCrea and Mr. Felton, of the Pennsylvania Steel Company, I was given quite full information. It is practically, in a sense, a duplicate of the Mesabi Range, and, as Mr. Tenney, Mr. Felton's assistant, stated, they stumbled onto it. There is no stripping, as what would ordinarily be stripping is the ore itself. More than 10,000 holes have been bored, and I was shown the general result of these borings. It is strictly Bessemer ore, averaging about 0.026 in phosphorus. It is, however, very high in moisture, and the plan is to treat the ore and expel the moisture before shipping.

The ore body is on the summit of a plateau 10 miles long and 4 miles wide in the Province of Oriente, on the northern coast of the island of Cuba. There is a fine harbor 13 miles from the ore body, to which, of course, a railroad must be built. There are about 27,000 acres in the tract.

To make certain there was no mistake regarding the quality of the ore, 6,000 tons were brought down from the mountain on the backs of burros, taken to the seashore, shipped to Sparrows Point, Md., and converted into pig iron by working the ore alone without any admixture, and this product again put into rails and structural work. The experiments were entirely satisfactory and the quality of the material beyond question.

The great mass of the ore is sort of a reddish-colored clay, something like the soil in New Jersey which one observes in passing, but there is considerable of the ore, I was informed, that is rather hard and in the form of large shot.

Whether this ore will be imported and sold to consumers has not been determined. I rather judge, from what Mr. McCrea said, that the use of the ore will be confined to the Pennsylvania Steel Company. There is no mistake about this information. It is certainly the largest discovery of iron ore that has been made since the opening of the Mesaba Range and has a very important bearing, in my judgment, upon the future of the iron and steel industries of this country.

I was informed that the quantity measured up is considerably in excess of 600,000,000 tons. One of the parties to whom I talked said he thought the deposit was equal to the whole of Lake Superior.

JOSEPH G. BUTLER, Jr.

APPENDIX J.

GUARANTEED FOR PRINCIPAL, INTEREST, AND SINKING FUND BY INDORSEMENT BY PENNSYLVANIA STEEL COMPANY OF NEW JERSEY, WHOSE CAPITAL STOCK IS CONTROLLED BY THE PENNSYLVANIA RAILROAD COMPANY—$1,000,000—SPANISH-AMERICAN IRON COMPANY, OF WEST VIRGINIA—FIRST-MORTGAGE SINKING FUND, 6 PER CENT TWENTY-YEAR GOLD BONDS.

Secured by 27,870 proved acres of ore lands of established quality, the railroad, terminals, docks, plant, equipment, buildings, etc., of the company, located at Mayari, Province of Oriente, Cuba.

[Dated July 1, 1907. Interest January 1 and July 1. Due July 1, 1927. Girard Trust Company, Philadelphia, trustee.]

Coupon-bearer bonds of the denomination of $1,000 each, with privilege of registration as to principal.

Callable as a whole or in part at any interest period at 102½ and accrued interest and for the sinking fund at 100 and interest.

Reference is made to the letter of Mr. Edgar C. Felton, president of Pennsylvania Steel Company, on the following page. It will be noted that this company guarantees punctual payments to a sinking fund which will retire the total contemplated issue of these bonds by maurity

For the year ended December 31, 1907, Pennsylvania Steel Company of New Jersey reports a surplus over and above all fixed charged, interest, and taxes, applicable to the interest charges on these bonds, of $2,403,293.38; interest on authorized $5,000,000 bonds, $300,000.

Since 1901, the Pennsylvania Railroad Company has controlled the Pennsylvania Steel Company through ownership of a large majority of the capital stock.

Outstanding	$2,379,000
Retired by sinking fund	121,000
Reserved for development of property, etc	1,500,000
Present issue	1,000,000
Authorized issue	5,000,000

Balance to be issued as required for additional construction and development of the property.

We recommend these bonds as a safe and very attractive investment. Price, 98½ and interest. Henry & West, bankers, Real Estate Trust Building, Philadelphia, Pa. Members New York and Philadelphia Stock Exchanges.

PENNSYLVANIA STEEL COMPANY,
Philadelphia, June 25, 1908.

DEAR SIRS: In reference to the additional $1,000,000 Spanish-American Iron Company twenty-year 6 per cent guaranteed gold bonds which you have purchased from that company, I give you the following information:

Security.—These bonds are the obligation of the Spanish-American Iron Company, a corporation of West Virginia, whose capital stock ($2,400,000) is all owned by Pennsylvania Steel Company (of New Jersey). They are part of an issue of $5,000,000 contemplated and authorized, secured by a first mortgage upon 27,870 acres of ore lands in fee and as mining rights (free from the payment of any royalty) by the Spanish-American Iron Company, and estimated by our engineers to contain 600,000,000 tons of iron ore. They will be also secured by a first mortgage upon about 20 miles of railroad and inclined planes extending from the ore lands to the shipping piers, as well as upon all plants, terminals, docks, buildings, rolling stock, franchises, rights, etc., now owned or hereafter to be acquired in connection with the development of these properties.

Location and description of properties and shipping facilities.—The properties are located at Mayari, near Nipe Bay, in the Province of Oriente, on the north shore of Cuba, where what is probably the best deep-water harbor in Cuba exists. The Spanish-American Iron Company is now constructing a standard-gauge railroad of the highest type, with steel or concrete bridges and culverts, and having a maximum curvature of 6 degrees and a maximum grade of one-half of 1 per cent, which will connect the harbor terminals with the foot of the inclined planes, down which the ore is lowered by gravity from the top of the mountain where the mines are located. Ample facilities of the most modern type in the shape of electrically operated drying and storage plants, and loading and discharging docks, will be provided for the economical handling and treatment of ore. The properties are most advantageously located for development and for economical mining, the ore being a surface deposit without any cover, which can be taken out with steam shovels, just as clay is dug out of an ordinary clay bank.

The lands are at present largely covered by a good growth of pine timber, which will command a ready and profitable market in the island of Cuba, whose supply of pine lumber is now imported in large quantities from our Southern States.

Quality of the ore.—The Mayari ore, when freed from the water which it contains, shows a high percentage of iron, is very low in phosphorous, and is otherwise a most desirable material for the manufacture of all high-grade steels. We have been experimenting in a practical way with this ore for the past four years and have brought into this country about 5,000 tons, which has been treated in our blast furnaces and manufactured into rails and other steel products. The rails have already been in service on the main line of the Pennsylvania Railroad for more than two years, at points where they are subjected to the severest conditions of wear, and they are showing qualities superior to those of the standard rails regularly used by that company.

Sinking-fund provisions.—A sinking fund of 30 cents per ton has been provided on all ore shipped from the old mines of the Spanish-American Iron Company in Cuba, which are now producing, and will for many years to come produce, about 450,000 tons per year, as well as from the Mayari properties about to be developed. The contributions to this sinking fund are to be paid in cash monthly to the Girard Trust Company, trustee of the mortgage. During the first three years of the life of the bonds this sinking fund will retire each year at least $120,000 par value of the bonds at 100 and interest, unless they can be purchased for a lower price in the open market, and during the next sixteen years at least $275,000 par value must be retired yearly in the same way. In the last (or twentieth) year at least $240,000 par value must be retired in the same manner. By these sinking-fund provisions the entire issue of bonds contemplated will be extinguished at or prior to maturity.

Earnings and additional security.—The bonds are further secured by a contract, deposited with the trustee, between the Spanish-American Iron Company, on the one hand, and the Pennsylvania Steel Company, of Pennsylvania, and Maryland Steel Company, of Maryland, on the other (the latter two being the subsidiary manufacturing companies of the Pennsylvania Steel Company, of New Jersey, operating the plants at Steelton and Sparrow Point, Md.), by the terms of which contract the steel companies agree to take and pay for a minimum of 1,000,000 tons of ore annually at a price which will net a profit of at least 60 cents per ton to the Spanish-American Iron Company.

Thus the annual profit of the Spanish-American Iron Company, based on the minimum shipment of 1,000,000 tons at 60 cents per ton, will be $600,000, while the maximum payments required on account of interest charges and sinking fund can in no case exceed $575,000.

It will be seen from the above that the interest charges and sinking-fund requirements on the authorized issue of bonds are amply provided for without recourse to the guarantor.

Progress of work and present condition of development.—The active work of developing the properties was begun in May, 1907, and has since made satisfactory progress. At this date the grading of the main line railroad is completed, foundations for bridges are in place, and the steel bridges are on the ground in Cuba ready to be erected. The grading of the inclined planes and the dredging of the harbor at the terminal are about three-quarters finished. The erection of steel buildings for electric power plants, shops, etc., is under way, and engines, boilers, and machinery are either in Cuba or in this country awaiting the completion of the buildings in which they are to be placed. Houses for superintendents, foremen, and laborers have been largely completed. It is hoped that the undertaking will be operating and shipping ore in about one year.

Guaranty.—Pennsylvania Steel Company (of New Jersey) guarantees the punctual payment of the principal, interest, and sinking fund of these bonds by indorsement upon each bond.

In conclusion, I wish to state that I believe these Mayari properties constitute a very considerable and welcome addition to the world's available supply of iron ore and an asset of great value to Pennsylvania Steel Company.

Yours, very truly,

E. C. FELTON, *President.*

Messrs. HENRY & WEST,
Real Estate Trust Building, Philadelphia, Pa.

Pennsylvania Steel Company of New Jersey has paid dividends of 7 per cent on its $16,500,000 outstanding preferred stock since 1901. In that year the Pennsylvania Railroad and the Philadelphia and Reading Railway purchased $10,000,000 par value of the outstanding preferred stock and $10,000,000 of the $10,750,000 outstanding common, thus securing control.

The directors of the Pennsylvania Steel Company are as follows:

E. C. Felton, president Pennsylvania Steel Company, Philadelphia.

Frank J. Firth, formerly president Erie and Western Transportation Company, Philadelphia.

Francis I. Gowen, general solicitor, Pennsylvania Railroad Company, Philadelphia.

Effingham B. Morris, president Girard Trust Company, Philadelphia.

F. C. Smink, president Reading Iron Company, Reading, Pa.

George F. Baer, president The Reading Company, Philadelphia.
Theodore N. Ely, chief of motive power, Pennsylvania Railroad Company, Philadelphia.
Edward T. Stotesbury, member of firm Drexel & Co., bankers, Philadelphia.
William D. Winsor, manager Western Savings Fund Society, Philadelphia.
George Wood, director Pennsylvania Railroad Company, Philadelphia.
Luther S. Bent, director Northern Central Railway Company, Philadelphia.
Arthur Brock, chairman American Iron and Steel Manufacturing Company, Philadelphia.
F. W. Wood, president, Maryland Steel Company, Baltimore.
B. Dawson Coleman, president First National Bank, Lebanon, Pa.
George H. B. Martin, director American Cement Company, Camden, N. J.

The mortgage securing these bonds has been passed upon by our counsel, Messrs. Townsend, Elliott, & Townsend, of Philadelphia, whose opinion is on file at our office, as well as the report of Mr. Jennings S. Cox, jr., the engineer who examined this property. Copies of the mortgage and additional information can be had upon application.

STEEL AND IRON SCRAP.

YOUNGSTOWN, OHIO, *March 27, 1909.*

The Hon. NELSON W. ALDRICH,
Chairman of the Finance Committee,
United States Senate, Washington, D. C.

MY DEAR SIR: At the suggestion of Senator DICK, I submit this brief. It may in a sense be called a supplementary brief to the one I submitted to the Ways and Means Committee of the House on January 20, a copy of which has been furnished to each member of the Finance Committee of the Senate. This present brief refers particularly to the scrap-iron question.

PRODUCTION AND QUANTITY.

Accurate statistics regarding the scrap-iron trade are difficult to compile, because the business is of a complex nature. However, I have obtained some figures, and I roughly estimate that there is produced and consumed in the United States annually about 8,000,000 tons of scrap, which includes steel and both cast and wrought iron. The money value of this scrap is considerably in excess of $100,000,000.

THE SOURCE OF SUPPLY.

Scrap comes from the manufacturers of iron and steel finished products, which in the course of various processes make large quantities of waste material, such as crop ends and shearings, useful only for remelting; the railroad companies, whose track equipment and rolling stock constantly require repairs and replacement; this scrap iron goes into the scrap heap. There are numerous other minor sources of supply.

KINDS OF SCRAP.

Cast-iron scrap includes all kinds of worn-out material which has been discarded, made from molded castings, such as car wheels, machinery, scrap, cast-iron pipe, and cast-iron borings from machine shops. Wrought scrap includes all kinds of rolled material, both steel and iron used for all kinds of building purposes, such as bridges, cars, rails, so-called "merchant bars," either iron or steel, sheets, plates, structural steel, machine shop turnings, etc.

THE USES OF SCRAP.

Cast-iron scrap is used largely in the production of basic open-hearth steel, in puddling furnaces, for making merchant bars, and in the foundries it is melted with basic metal for castings. In the basic open-hearth process it has been used to the exclusion of pig iron. Open-hearth furnaces can run on 40 per cent scrap and 60 per cent pig iron or they can run the reverse of this on 40 per cent pig iron and 60 per cent scrap, and any scrap used displaces the same quantity of pig iron. This use depends somewhat upon the locality and the price of pig iron in the particular locality. The price of pig iron largely determines the amount of scrap used in the process. Wrought scrap, both steel and iron, is used in the basic open-hearth furnaces in large quantities. In fact, any kind of scrap that can be melted is used in this process. Scrap that has been sheared or broken small is used in a so-called "busheling furnace," a form of puddling furnace with a larger bottom. It is then bloomed and rolled into bars, and for this purpose it takes the place of pig iron. In the finishing mills it is piled in such a manner so that it can be rolled into different sections, of what is known to the trade as "merchant metal" for car building, agricultural implements, etc. Old rails, another form of scrap, can be rolled down into smaller sections, or rolled into sections of other shapes, such as merchant bars, small angles for bedstead work, spike rods, harrow teeth, and used in making wheels for agricultural implements in the place of Bessemer steel.

IMPORTATIONS.

At the present rate of duty there is considerable legitimate scrap imported, and which, with the importations of pig iron in its various forms, brings to the Government a very large revenue, amounting to several million dollars annually. With the proposed reduction from the present rate of $4 per ton to 50 cents, it can be readily seen that the scrap will not only melt away, but the revenue derived therefrom.

A DUMPING GROUND.

Scrap is produced in nearly every country in the world, civilized and uncivilized, and I am satisfied that if the present rate of duty, which is $4 per ton, is reduced to 50 cents a ton, the United States will be made the dumping ground for the world. As a matter of fact, I believe it would so seriously affect the merchant blast furnaces of the country that it would probably shut up a majority of the present capacity.

A TELEGRAM TO CHAIRMAN PAYNE.

Within a few minutes after the proposed Payne tariff bill was made public, I sent Chairman PAYNE a telegram, of which the following is a copy:

YOUNGSTOWN, OHIO, *March 23, 1909.*

Hon. SERENO E. PAYNE,
Washington. D. C.:

The rate on scrap should be the same as pig iron. If proposed rate of 50 cents is adopted, it will be ruinous to the merchant blast furnaces of all sections. Foreigners would evade the law by breaking up pig iron and other material into scrap shapes and sending it in at the scrap rate, thus swindling the Government and injuring American producers. Have written.

JOSEPH G. BUTLER, JR.

AN IMPORTANT MEETING.

A meeting of the producers of merchant pig iron was held in Cleveland, Ohio, on March 24, and was attended either in person or by proxy or by representation by 95 per cent of the manufacturers of merchant pig iron west of the Allegheny Mountains. A copy of the proceedings of this meeting is hereto attached, and is made a part of the brief.

In conclusion, I most earnestly protest in behalf of the merchant blast furnaces of the United States against any reduction in the rate on scrap iron below that of pig iron.

Respectfully submitted.

JOSEPH G. BUTLER, JR.

RECORD OF MEETING OF PIG-IRON MANUFACTURERS HELD IN CLEVELAND, OHIO, MARCH 24, 1908.

At a meeting of the pig-iron manufacturers called and held in Cleveland, Ohio, Wednesday, March 24, for the purpose of protesting against the revised tariff bill, now pending in the House of Representatives, the undersigned manufacturers were present or represented.

Mr. J. G. Butler, jr., was elected chairman and Mr. Harvey H. Brown secretary of the meeting.

The proposed tariff bill, now pending in the House of Representatives, was considered by the meeting, and the following resolution was unanimously adopted:

Whereas the present revised tariff bill, pending in the House of Representatives, places iron ore on the free list and has reduced the present tariff on pig iron from $4 to $2.50 a ton and the present duty on scrap iron and scrap steel from $4 a ton to 50 cents a ton; and

Whereas such reduction of the present tariff and the placing of iron ore on the free list will very injuriously affect the business interests represented at this meeting: Now be it

Resolved, That it is the sense of this meeting that if a reduction in the tariff on iron ore is made, it should not exceed 25 per cent of the present rate of duty: And be it further

Resolved, That reducing the duty on scrap iron and scrap steel below the duty on pig iron will simply be ruinous to the merchant blast furnaces of the United States in all sections, for the reason that foreigners will evade the law by breaking up pig iron and other material into scrap shapes, thus, in effect, resulting in a practical reduction of the duty on all of the material to 50 cents a ton: And be it further

Resolved, That for this reason we earnestly protest against permitting the duty on scrap iron and scrap steel to be less than the duty on pig iron, it being the judgment of the interests represented at this meeting that the duty on scrap iron, scrap steel, and pig iron should not be reduced in excess of 25 per cent of the present rate, and that in any event the duty on scrap steel and scrap iron should be the same as the duty on pig iron: Be it further

Resolved, That the chairman of this meeting be, and he is hereby, requested to have copies of this resolution prepared and forwarded to the Senators of the United States and to the members of the Ways and Means Committee of the House of Representatives at Washington, and to such other Members of the House as he may deem wise.

Youngstown Steel Company, Youngstown, Ohio; Youngstown Sheet and Tube Company, Youngstown, Ohio; Stewart Iron Company (Limited), Cleveland, Ohio; Brier Hill Iron and Coal Company, Youngstown, Ohio; Pickands, Mather & Co., Cleveland, Ohio; Struthers Furnace Company, Cleveland, Ohio; M. A. Hanna & Co., Cleveland, Ohio; Ohio Iron and Steel Company, Lowellville, Ohio; Shenango Furnace Company, Sharpsville, Pa.; Clinton Iron and Steel Company, Pittsburg, Pa.; Kittanning Iron and Steel Manufacturing Company, Kittanning, Pa.; United Iron and Steel Company, Pittsburg, Pa.; Sharpsville Furnace Company, Sharpsville, Pa.; Girard Iron Company; Girard, Ohio; Andrews & Hitchcock Iron Company, Youngstown, Ohio; Cleveland Furnace Company, Cleveland, Ohio; Corrigan, McKinney & Co., Cleveland, Ohio; the Hamilton Steel and Iron Company, Hamilton, Ohio; Wellston Steel and Iron Company, Wellston, Ohio; the Cleveland-Cliff Iron Company, Cleveland, Ohio; Lake Superior Iron and Chemical Company, Detroit, Mich.; Spring Lake Iron Company, Spring Lake, Mich.; Perry Iron Company, Erie, Pa.; Tonawanda Steel and Iron Company, Buffalo, N. Y.; Buffalo and Susquehanna Company, Buffalo, N. Y.; Toledo Furnace Company, Toledo, Ohio; Detroit Iron and Steel Company, Detroit, Mich.; the Columbus Iron and Steel Company, Columbus, Ohio; Federal Furnace Company, Chicago, Ill.; Zenith Furnace Company, Duluth, Minn.; Emporium Iron Company, Emporium, Pa.; Star Furnace Company, Jackson, Ohio; Salem Iron Company, Leetonia, Ohio; Hanging Rock Iron Company, Cincinnati, Ohio; Union Furnace Company, Ironton, Ohio; Detroit Furnace Company, Detroit, Mich.; Adrain Furnace Company, Dubois, Pa.; Globe Iron Company, Jackson, Ohio; Northwestern Iron Company, Milwaukee, Wis.; Thomas Furnace Company, Milwaukee, Wis.; Iroquois Iron Company, South Chicago, Ill.

MESSAGE FROM THE SENATE.

A message from the Senate, by Mr. Crockett, one of its clerks, announced that the Senate had passed, with amendments, the bill (H. R. 1438) to provide revenue, equalize duties, and encourage the industries of the United States, and for other purposes; had insisted upon its amendments to said bill; had requested a conference with the House on the bill and amendments; and had appointed Mr. ALDRICH, Mr. BURROWS, Mr. PENROSE, Mr. HALE, Mr. CULLOM, Mr. DANIEL, Mr. MONEY, and Mr. BAILEY as the conferees on the part of the Senate.

SENATE JOINT RESOLUTION REFERRED.

Under clause 2, Rule XXIV, Senate joint resolution of the following title was taken from the Speaker's table and referred to its appropriate committee, as indicated below:

S. J. R. 40. Joint resolution proposing an amendment to the Constitution of the United States—to the Committee on Ways and Means.

ENROLLED JOINT RESOLUTION AND BILL SIGNED.

Mr. WILSON of Illinois, from the Committee on Enrolled Bills, reported that they had examined and found truly enrolled joint resolution and bill of the following titles; when the Speaker signed the same:

H. J. Res. 54. Joint resolution authorizing the Secretary of War to loan cots, tents, and appliances for the use of the forty-third national encampment of the Grand Army of the Republic at Salt Lake City, Utah.

H. R. 9609. An act to grant to John Rivett privilege to make commutation of his homestead entry.

RECESS.

Mr. PAYNE. Mr. Speaker, I move that the House take a recess until 1 o'clock p. m.

The motion was agreed to.

Accordingly (at 12 o'clock and 6 minutes p. m.) the House took a recess until 1 o'clock p. m.

AFTER RECESS.

Mr. DALZELL. Mr. Speaker, I submit the following privileged report from the Committee on Rules.

The SPEAKER. The gentleman from Pennsylvania submits the following report (H. Rept. No. 14) from the Committee on Rules, which the Clerk will read.

The Clerk read as follows:

The Committee on Rules, to whom was referred the resolution of the House No. 87, have had the same under consideration, and in lieu thereof report the following:

House resolution 89.

"*Resolved*, That the House of Representatives take from the Speaker's table and nonconcur in gross in the Senate amendments to House bill No. 1438, entitled 'An act to provide revenue, equalize duties, and encourage the industries of the United States, and for other purposes,' and agree to the conference asked for by the Senate on the disagreeing votes of the two Houses; and that a committee of conference be appointed forthwith; and said committee shall have authority to join with the Senate committee in renumbering the paragraphs and sections of said bill when finally agreed upon."

Mr. DALZELL. Mr. Speaker, I ask unanimous consent that there may be an hour and a half debate, one half to be controlled by myself and the other half by the gentleman from Missouri [Mr. CLARK], at the end of which time I shall ask for the previous question.

The SPEAKER. The gentleman from Pennsylvania asks unanimous consent that an hour and a half be agreed upon for general debate on the resolution, one-half to be controlled by himself and one-half by the gentleman from Missouri [Mr. CLARK]. Is there objection?

Mr. CLARK of Missouri. Mr. Speaker, I would like to ask the gentleman from Pennsylvania if it is understood that at the end of this hour and a half he will demand the previous question, and we will vote on it?

Mr. DALZELL. Yes.

Mr. CLARK of Missouri. And that if we want a roll call, we will have it?

Mr. DALZELL. That is right.

The SPEAKER. Is there objection?

Mr. TOWNSEND. Mr. Speaker, may I ask the gentleman from Pennsylvania what objection there will be to devoting all the afternoon to the discussion of this, up to 4 o'clock?

Mr. DALZELL. The objection to that would be that we would practically occupy the day until night, because we will have at least two roll calls, and possibly others.

Mr. TOWNSEND. It occurred to me that we could make haste if we could get time enough to discuss some of these matters, and I for one would be willing to do that. I should like to be heard for a few moments. There are a great many others also.

Mr. DALZELL. I will yield to the gentleman some time.

Mr. TOWNSEND. I will have to take it away from you, then.

Mr. DALZELL. I will occupy but very little time myself.

Mr. TOWNSEND. It seemed to me that we could well devote this afternoon to this question without any disturbance from anybody.

Mr. DALZELL. I will say to the gentleman from Michigan that this matter was discussed with the minority members of the Committee on Rules and was satisfactory to them, and I supposed it would be satisfactory to our side of the House.

Mr. KEIFER. I would like to ask the gentleman a question.

The SPEAKER. Is there objection?

Mr. KEIFER. I would like to ask the gentleman from Pennsylvania [Mr. DALZELL] a question.

Mr. DALZELL. I yield to the gentleman.

Mr. KEIFER. That is, whether, after this resolution pass that is to be considered as excluding the House from discussing some of these questions during the sessions of the committee of conference?

Mr. DALZELL. Certainly not. The House can spend all the time it wants in discussion while the committee of conference is meeting.

Mr. KEIFER. I wish to give notice that there may be some of us who may wish to say a word on that subject—not in discussing this question, because we are in favor of the resolution.

Mr. UNDERWOOD. Will the gentleman allow me to ask him a question?

Mr. DALZELL. Certainly.

Mr. UNDERWOOD. As I understand the agreement about to be made, it is this: If the gentleman from Pennsylvania were now to move the previous question, there would be only twenty minutes' debate on each side.

Mr. DALZELL. That is right.

Mr. UNDERWOOD. If he should take the floor for an hour and then move the previous question, that would cut off half an hour.

Mr. DALZELL. That is right.

Mr. UNDERWOOD. Without the agreement he could take the floor and cut off debate by merely making a preliminary statement and then demand the previous question. Now, the proposition is that there be an hour and a half debate instead of the twenty minutes on each side; and at the end of that time, if the House desires further debate, they can get it by voting down the previous question.

Mr. DALZELL. Certainly. This is only an enlargement of the time provided for by the rule. The gentleman has stated the case exactly. Ordinarily there would only be twenty minutes of debate on each side; or, if I should take the floor in my own right for an hour and yield to any gentleman on the other side, there would be only thirty minutes. This extends that time thirty minutes.

Mr. BARTLETT of Georgia. May I ask the gentleman a question?

Mr. DALZELL. Certainly.

Mr. BARTLETT of Georgia. If at the end of the hour and thirty minutes the previous question is voted down, the resolution will still be up for discussion, will it not?

Mr. DALZELL. The gentleman knows, as well as I, what the answer to that question is.

The SPEAKER. Is there objection?

Mr. BARTLETT of Georgia. Can not the gentleman answer it?

The SPEAKER. The Chair hears no objection.

Mr. DALZELL. Mr. Speaker, I shall not occupy the attention of the House further than to explain the parliamentary situation. The tariff bill, which the House sent to the Senate on the 10th of April last, comes back to us with 847 Senate amendments. That bill is on the Speaker's table. The proposition embodied in the rule is to take the bill from the Speaker's table, nonconcur in all of the Senate amendments en gross, to agree to the request of the Senate for a conference, and to appoint the conferees at once, so that they may go to work in discussing in the conference the Senate amendments.

I think I voice the sentiment of every Member of this House, on both sides, and the entire citizenship of the country, when I say that what is now desired is a speedy disposition of this legislation; and the method suggested by the Committee on Rules is the speediest method by which it can be disposed of. It does not take away from the House any rights. The conferees are subject to the control of the House at any and all times, and their report when presented can be dealt with as the House by a majority may see fit. I now reserve the balance of my time.

The SPEAKER. The gentleman reserves the balance of his time.

Mr. CLARK of Missouri. I yield seven minutes to the gentleman from Alabama [Mr. UNDERWOOD].

Mr. UNDERWOOD. Mr. Speaker, I have no doubt that every man in this House and every citizen of the country is anxious to dispose of this bill at the earliest possible moment; but I do not agree with the gentleman from Pennsylvania that the membership of this House or the people of this country desire the Congress to dispose of this bill without careful and fair consideration of the various items in the bill. For more than four months the Congress has been considering this legis-

lation; for nearly three months of that time the Senate has been considering the bill and has adopted a large number of important and vital amendments to the legislation. The House should have a fair opportunity to express its opinion on the Senate amendments, not en masse, not as a whole, but on each individual amendment that is brought here from the Senate. Unless we consider them separately there is no opportunity for this House to come to an intelligent verdict as to whether the Senate amendments should be adopted or not.

Now, if we adopt this resolution, what will be the result? We override the ordinary and regular rules of this House. If this bill were taken up and considered in accordance with the rules that have been adopted by this House, and which have been the standing rules of this House for a century, we would refer this bill and the Senate amendments to the Committee on Ways and Means to report back on the Senate amendments, and we would take the bill up in the House and consider each amendment in detail, and then the House would have a full and fair opportunity to express its opinion on each separate Senate amendment.

But if you adopt this rule, you take away from the individual Members of the House and from the House itself the opportunity to arrive at an intelligent verdict. You nonconcur in all the Senate amendments, whether they increase or decrease the tariff rates. You send it all to the conference committee; and if the conference committee and the Republican membership of this House follow the precedents that they established when they adopted the Dingley bill, they will report back the bill with the Senate amendments in one conference report, and instead of the membership of this House having an opportunity to vote on the various items and determine for their constituencies what they want decreased or what they want increased, you will have to vote for the entire bill from beginning to end, and accept it as a whole or reject it as a whole. Now, that is the programme that undoubtedly is going to be followed. Instead of this House passing a verdict on this measure, instead of this House representing its constituencies and voting their wishes in the matter, you will under this rule refer this bill to 10 men. I understand it is true that the conference committee will probably be composed of eight Members of the Senate and eight Members of the House, three of whom from each House will be Democrats and five of whom will be Republicans; but we all know that when the five Republican Members from the Senate and the five Republican Members from the House meet, they will come to their conclusions and write the conference report. Therefore you are referring this bill, one of the most important pieces of legislation that has been passed or will be passed by Congress in a decade, to 10 men to reach their final conclusions as to these important amendments that the constituency of every man upon this floor is vitally interested in. I say it is not fair and it is not just to take this bill en masse and give it to 10 men, who do not represent my constituency or your constituency, and tell them that they may write a bill from beginning to end, a bill containing thousands of items.

Mr. DALZELL. May I ask the gentleman a question?

Mr. UNDERWOOD. Certainly.

Mr. DALZELL. Is not this the method by which every tariff bill that has been passed in the last forty years has been dealt with, whether the Democratic party or the Republican party has been in control?

Mr. UNDERWOOD. To send the bill to conference en masse?

Mr. DALZELL. Yes.

Mr. UNDERWOOD. I do not think so, if I remember right. The gentleman may be better informed than I am.

Mr. DALZELL. Every single solitary bill, down to and including the Dingley bill.

Mr. UNDERWOOD. The Wilson bill was considered item by item in the Committee of the Whole House on the state of the Union, and the membership of this House had an opportunity to vote on it. When this bill was originally before this House there were only a few amendments that the House was allowed to vote upon, and now the gentleman comes before the House with a rule that is intended to prevent the membership of this House from considering this bill at all. [Applause on the Democratic side.]

Mr. DALZELL. I yield five minutes to the gentleman from Michigan [Mr. TOWNSEND].

Mr. TOWNSEND. Mr. Speaker, the time accorded me is all too short to more than touch some of the matters upon which I would be pleased to submit observations at this time.

Three months ago to-day the House passed what is known as the "Payne bill," and it went to the Senate. The measure originated in the House because under the Constitution it could originate nowhere else. The fathers believed that all bills looking to the raising of revenues should be proposed by the people's Representatives, and so they vested original jurisdiction in the House of Representatives. The Ways and Means Committee of the House, after long months of arduous toil, during which time every person possessing knowledge on any schedule and who wanted to be heard was listened to and examined fairly. The work of the committee was commended by Democrats and Republicans alike. The Payne bill did not suit everybody; in fact, like all preceding tariff bills, it completely satisfied no one; but it was a bill in substantial accord with the platform promises of the party recently commissioned to revise the tariff. At least it seemed so to me, although I would gladly have changed some of its provisions.

After three months of sojourn in the Senate, during which that body deliberated upon it, it comes back to us so changed that we would not have recognized it as our offspring were it not for the fact that the Senate left our tag on it.

The Senate has not only assumed to amend provisions included in the House bill, but it has added new features not germane to anything considered by the House, and thereby it has, I believe, violated the spirit of the Constitution, although it has followed some recent precedents tolerated by a gradually weakening House.

The Senate has made 847 amendments to the Payne bill, some of them unimportant, some of them necessary, and some of them assaults upon the very foundation of the true protective-tariff principle, and in violation to Republican platform declarations.

These Senate amendments have never been considered by the House, and many of them are of gravest importance, both politically and industrially.

I voted for cloture rules after several weeks of discussion in the House when the bill was before us, hoping that our example of expedition would be followed by the Senate; but the example was unheeded, and, on the contrary, the Ways and Means Committee and the House itself were on several occasions slurred by gentlemen who expressed their disregard and even contempt for this coordinate branch of the National Legislature. Think of it! The body in which this kind of legislation must originate is asked not only to turn over its constitutional power to another, but its carefully prepared statement of facts is disregarded as being unworthy of thought and attention. It seems to me, Mr. Speaker, we can now well afford to spend this day at least in expressing to our conferees our views on some of these Senate amendments in order that they may properly represent us. I am willing that this matter shall go to conference without specific instructions, but we should be permitted the small privilege of expressing in advance such convictions in reference to certain schedules as will compel our action on the final disposition of the conference report. [Applause.]

As for myself, I desire to maintain the true principle of protection, viz, a duty upon imported articles the like of which can be and ought to be produced in this country equal to the difference in cost of production; but I protest against the assumption of constitutional powers by a body irresponsible to the people and which, by virtue of a majority composed of both parties, sets up a new standard of Republicanism unknown to our political fathers and obnoxious to the people. This bill, which, under the Constitution, originated in the House, ought to be controlled by the House [applause]; and I desire to impress upon our conferees to the full extent of my limited ability that it shall consent to no servile surrender of the high prerogatives of the House of Representatives; and I shall expect that no amendments will be agreed to except such as, upon full information after free conference, are found to be in the interest of the people.

I am still firmly convinced that a proper revision of the tariff would have made it unnecessary to resort to new and untried methods of taxation and which may lead us upon strange and possibly dangerous grounds. The House, in response to the recommendations of the President, included in its revenue measure a provision for taxing inheritances, and without even fairly considering it in Committee of the Whole the Senate presents a partial income tax in its place. As for myself, sir, I am not enamored of any of these new forms of taxation, but if we are to have an income tax, I would have it general. I can see no reason why a corporation should be taxed while a partnership or individual doing the same kind of business, with an equal amount of capital and as great earnings, is permitted to escape. It is possible that a tax on net earnings of corporations is desirable, but the matter is too big to be settled on the last day of a special session called to deal with another question. To me it seems like federal regulation and control of all corporations. Are we prepared to enter upon this gigantic undertaking? I dislike to believe that this proposition is but a buffer and not

seriously considered and to be dropped in conference, for while I might rejoice over escaping from possible evils attendant upon its adoption, I would deplore such a subterfuge employed by the American Congress.

No one understands better than I how little anybody knows about all the tariff schedules. It is necessary that the great majority shall depend largely upon the committees which are especially charged with the work of preparing a bill. There has been a great conflict of alleged facts, and the seeker after the truth finds himself confused amidst the testimony of a multitude of witnesses. The Republican platform declared for a duty equal to the difference in the cost of production. The grounds for much of the contentions have been the understanding of what that difference is, and I believe we are now revising the tariff for the last time by present methods. I believe it would be better to pass a law declaring that a duty shall be levied upon all articles imported into the United States equal to the difference of the cost of production of such articles abroad and similar articles here; add to this such administrative features as are necessary, then impose upon the Executive the ministerial duty of finding what that difference is and let the rate attach. Such a method would at least be scientific and understandable.

But, Mr. Speaker, the question is upon submitting the differences of the two Houses to a conference. Believing that we will have an opportunity to pass upon the matters contained in the report, and after having submitted briefly my views in the presence of those who will be conferees, and reserving the fullest freedom to vote for or against the report according as my judgment dictates, I shall vote to send the bill to conference.

Mr. CLARK of Missouri. Mr. Speaker, I yield ten minutes to the gentleman from New York [Mr. FITZGERALD].

Mr. FITZGERALD. Mr. Speaker, if the gentleman from Michigan [Mr. TOWNSEND] will join with this side of the House in voting down the previous question, we will give two days instead of one in which to discuss the matters in this bill. [Applause on the Democratic side.] It will not do for him to say that he has not an opportunity, when he is unwilling to avail himself of his rights under the rules to secure the opportunities to which he is entitled. There is at the other end of this Capitol a place, the inhabitants of which and the things done in which, under the rules of this House, have what is equivalent to the ancient right of asylum. Their deeds and actions can not be discussed here as freely as they might properly be. Outside of that sanctified place, Mr. Speaker, it seems to be the universal opinion throughout the country that the bill now before the House is about as bad a piece of legislation as it would be possible to make in any legislative body.

So bad is this legislation in its present shape that a number of distinguished Republicans—four, I believe—who have been honorably mentioned in various places, some of them even presented to Republican national conventions for nomination for President on the Republican ticket, found themselves unable to go with their party in support of the bill. [Applause on the Democratic side.] When I find such distinguished Republicans repudiating the act of a Republican body I do not believe that I am far out of place in believing that this legislation could be much improved. I am somewhat surprised, Mr. Speaker, in view of what has taken place, that the Committee on Rules, instead of reporting a rule to hasten out of this body a bill which distinguished Republicans were reluctant to permit to come into it, did not report a rule that all Members of this House would have been glad to support. Such a rule would have halted this bill at the doors of this House and sent it back to the Senate in order that it might be put in such shape that it might at least meet the approval of the distinguished Republicans to whom I have called attention. I am not one of those, Mr. Speaker, who would be anxious to have every one of the Senate amendments discussed in the House. There are a number of trivial matters that might readily be sent to conference in charge of those selected to represent the House, but there are many important and new matters in this bill of such momentous consequence to the country and to the people that I am unwilling to trust to the tender mercies of the distinguished high priests on that side of the House the consideration and maturing of these important provisions in conference.

For instance, Mr. Speaker, if it be not improper, I might say that I should be glad of an opportunity to express my views upon the proposed corporation tax. I doubt very seriously if it will run the gantlet of the courts. I am somewhat inclined to believe that it has been purposely used to defeat a provision for an income tax honestly desired by the country, in the complete belief that it would never be upheld. My doubts as to the constitutionality of this provision are largely emphasized by the fact that this other distinguished body, enjoying the right of asylum here, admitted with such unanimity that it would be sustained by the Supreme Court. Experience has demonstrated that when these gentlemen get together harmoniously upon a question of law they almost universally run counter to the decision and action of the Supreme Court. Under the rules of the House this bill would go to the Committee on Ways and Means, and when reported would be considered in the Committee of the Whole House on the state of the Union. I am not surprised that those in control here are so anxious to get rid of the unsavory mess. I think a full and complete discussion of the effect of many of the provisions of this bill would arouse in the country a resentment that would make it impossible to put many of these provisions into effect. I should be glad, with a number of my colleagues, even as bad as this bill is, however, in the hope of accomplishing something desirable, to accept all of the amendments of the Senate in which reductions have been made from the proposed Payne rates. It is well known that when the Payne bill left the House it carried rates largely in excess of the Dingley Act, and yet so outrageously high have many of these rates been since placed, that people are now praying for the Payne bill in the belief that it really is a good bill, when, in effect, it is worse than the present law.

Many of my colleagues, Mr. Speaker, would unite to hasten the passage of this bill if we were given the small privilege of voting or expressing our views upon the important new features of the bill. This bill was considered in the House without opportunity to consider any except a few of its provisions, and now these great questions are to be sent out of here merely because it is thought that the House can not be trusted to dispose of them properly.

I know that the gentleman from Pennsylvania [Mr. DALZELL] and his colleague, the gentleman from Iowa [Mr. SMITH], will say that this is the way in which tariff bills have been disposed of for forty years, and yet, Mr. Speaker, I have never seen the Republicans in this House attempt to do a bad thing that they were not able to find something equally offensive in its past history to justify their action. [Applause on the Democratic side.]

Mr. SMITH of Iowa. Did not the Democratic party do it also?

Mr. FITZGERALD. The Democratic party, Mr. Speaker, unfortunately, has had so little opportunity to legislate, has been so seldom in office, that it could be well excused for falling into the error of thinking that the Republican party occasionally did perform a righteous act. [Applause on the Democratic side.] And if the gentleman is to cite instances like that, then we must plead our inexperience, and our complete, though mistaken, confidence in the Republican party and its actions.

Mr. Speaker, I should have liked to discuss some of the actions of the President. I understand he is hurrying back to the Capital. He is afraid that this bill may go into the White House in the same shape as it has come here. If he can prevent, he intends to keep it out until it is put in shape, at least, to be savory to him.

In his Cincinnati speech he condemned the Democratic platform because it advocated an amendment to the Constitution making the income-tax law constitutional; and he took the trouble, Mr. Speaker, to say, as great and distinguished a judge and lawyer as he is, that it was possible to frame an income-tax law which would be in harmony with the decisions of the Supreme Court and would stand any test to which it might be submitted. And yet, when the opportunity came, instead of transmitting to the Congress those secret views in conformity with which he believes that such a law could be framed, instead of pointing out to the Congress the lines along which such legislation ought to be enacted to meet the objection of the court, he begged the Congress not to subject the court to the painful necessity of considering again a question submitted to it heretofore in a somewhat similar form, and being obliged to admit that it had previously made a mistake. [Applause on the Democratic side.]

The SPEAKER. The time of the gentleman has expired.

Mr. DALZELL. I yield five minutes to the gentleman from Illinois [Mr. MANN].

Mr. MANN. Mr. Speaker, it seems to me the only thing we can do is to adopt the resolution and send the bill to conference. It is out of the question to believe that we will remain here and give calm and cool discussion to the Senate amendments. But in saying this I desire to add a word in reference to certain amendments of the Senate. Without any desire on my part, I was placed in a position where, with other Members of the House, we were compelled to make an investigation in reference to certain items contained in the tariff bill which at least took more time than the investigation upon all the other items combined. The committee that investigated the subject of wood pulp

and print paper will properly not be represented upon the conference committee.

The House passed a bill which upon these items would reduce the tariff on print paper, to the benefit of the consumer probably, and at the same time would give to the manufacturer of print paper that free raw material from Canada which is absolutely essential to the continued prosperity of that business. The House bill made the tariff $2 per ton on print paper instead of $6; but by so doing we would secure pulp wood from Canada without restriction of exportation. The Senate amendment, on the contrary, will raise the tariff on print paper from $6, the present rate, to $8, and in effect will stop the exportation of pulp wood from Canada. I have stated what will be the effect of the two propositions, not merely what they nominally propose. There are two States in the Union which would be benefited by the adoption of the proposition of the Senate; two States which have two-thirds of the spruce wood in the United States, which can be used in the manufacture of news print paper. I give notice now that if those two States write the provision in the conference report on news print paper and on wood pulp, in the interests of their States and against the interests of the consumer of paper and the manufacturer of paper in the rest of the Union, so far as I am concerned I shall swallow my desire to stand with the organization of the House, my desire to prove that the Republicans are able to write a tariff bill, and vote against the conference report. [Loud applause.]

Mr. CLARK of Missouri. I yield five minutes to the gentleman from North Carolina [Mr. POU], a member of the committee.

Mr. POU. Mr. Speaker, at last the end of the great struggle which has engaged the attention of the country since the middle of last March is in sight. The discussion of this important measure has been so profound that little, if anything, can be added. For my part, I certainly shall not make the attempt, but, Mr. Speaker, it should be the desire of us all to keep history straight. Why are we here? For what purpose was Congress convened in extraordinary session? To revise our customs laws in the interest of the great mass of American people. The Republican party in its platform declared "unequivocally for a revision of the tariff by a special session of the Congress immediately following the inauguration of the next President," and in the same plank in the platform upon which that party won its recent victory the rule which should be followed in the work of revision was explicitly set forth in the following words:

> In all tariff legislation the true principle of protection is best maintained by the imposition of such duties as will equal the difference between cost of production at home and abroad, together with a reasonable profit to American industries.

Why was this demand for revision incorporated in the platform of the Republican party? Because the Dingley rates were too low or too high? Let the President answer for his party. On the 24th day of September, 1908, at Milwaukee, he declared:

> It is my judgment that a revision of the tariff in accordance with the pledge of the Republican platform will be, on the whole, a substantial revision downward, though there probably will be a few exceptions in this regard.

The answer of the Republican party to this solemn pledge is the bill which now comes back to us with 847 Senate amendments, of which, almost without exception, every material amendment provides for an increase rather than a reduction from the rates provided by the Payne bill.

On the 26th day of March, in a speech which I had the honor to deliver on this floor, I expressed the opinion that the Payne bill was a more objectionable measure than the Dingley bill, which is at this time the law of the land. It seemed to me then that the Payne bill was the more objectionable of the two measures for two preeminently strong reasons. First, it increased the average ad valorem rate of import duties; secondly, it failed to provide sufficient revenue to meet the requirements of the Treasury. Certainly there were other reasons which, to my mind, condemned the measure. It did not fairly and equitably distribute its burdens, or its benefits, as you may please to term them. By its provisions it would build up an industry in one section, while it would strike down an industry in another section, and nowhere were there evidences that its framers considered, first of all, the interest of the millions of this Nation who constitute the great army of consumers, who must bear the burdens of the Nation in time of peace and fight its battles in time of war. [Applause on the Democratic side.] The Payne bill raised the average rate of our import duties to the highest point in the history of tariff legislation. And now the bill comes back to us from the Senate with the average ad valorem rate raised even above the point fixed by the Payne bill, notwithstanding the contest for revision downward of which we have heard so much during the last few days. Do you Republicans insist that such a measure fulfills the pledge your party made to the people? Do you Republicans claim that such a measure, in the language of President Taft, is a "substantial revision downward?" [Laughter and applause on the Democratic side.] If this be what you call revision downward, then pray tell us what you would consider revision upward? You have taken care of every great manufacturing interest that asked you to take care of it, by shutting out competition. You even gave to some of these interests more protection than they asked for. You heard Mr. Andrew Carnegie tell the Ways and Means Committee that the steel and iron did not need protection, and yet you have placed an import duty on steel and iron which, practically speaking, shuts out competition. Is that the way you cover the difference between the cost of production at home and abroad—by providing prohibitive rates?

Here is your wool schedule, affording a monopoly to the woolen manufacturer, with the price of woolen goods to-day advancing; your cotton schedule, affording a monopoly to the manufacturer of cotton goods; your steel and iron schedule, affording a monopoly for those engaged in that business; and yet you will go before the people of this Nation in the fall of 1909 extolling the virtues of this tariff legislation. When prosperity returns, as surely it must because of the energy of our people and the great natural advantages of this favored land, you will tell the voters of the United States that this tariff bill is the direct cause of such returning prosperity. But, Mr. Speaker, much has been accomplished by this campaign against the vicious, unjust rates in the Dingley law. It is a campaign of education, and has but fairly begun. It will continue; nothing can stop it until just and righteous legislation brings relief to the masses. [Applause on the Democratic side.] I do not know how you will explain away your broken pledges and promises to the people. Some one has said that President Roosevelt taught the people of this Nation to think. This is rather hard on the people of America if it be true. I rather imagine the statement was made by some one of the many ardent admirers of the ex-President, and is hardly accurate. The people are thinking, and thinking deeply, about this tariff question. Every time the consumer goes to market or to store to purchase any of the necessaries of everyday living he is thinking about the square deal that is not his. Possibly we who believe that import duties should be levied for the purpose of raising revenue only are mistaken, but we have not yet lost faith in the justice and righteousness of that great principle. The voters of this Nation will keep on thinking, because high prices will force them to think, and some day the silent revolution will come at the ballot box, and men will wonder how it was that such measures as this and the one now on our statute books ever were tolerated by an enlightened, educated, and intelligent people. [Applause on the Democratic side.]

Mr. Speaker, while I am on my feet I hope I may be pardoned for saying a word concerning the course of myself and some of my colleagues during the pendency of this legislation. Very few men in public life escape criticism. It is well-nigh impossible to satisfy everybody. The mere fact that some newspaper has printed a criticism of the course of the legislator charged with the duty of passing laws for the government of a great people is in itself of little importance. The fact that such criticism appears in print does not add to its force. It is but the opinion of the editor, whose opinion is entitled to the same consideration as that of any other citizen of equal character and intelligence. The question is whether such criticism is merited, whether it is deserved.

When the lumber schedule was reached I, in common with quite a number of my Democratic colleagues, refused to vote to place lumber on the free list. We voted for a rate about half as high as that provided by existing law, but we declined to vote to place that important commodity on the free list. I think our position was logical and just. We did not think it just to the people of the South to discriminate against this great industry. We may have been mistaken, but we did what we believed to be right. For my part, that is the only answer I care to give to those who have felt constrained to criticise my position. I do not believe that the platform of the party to which I am proud to belong contemplated that I should vote to put lumber on the free list under any such conditions as these. Here we have a highly protective measure. Almost everybody who wanted protection got it. Lumber had the least protection of any one of the great commodities—16.03 per cent under the present law. Those of us who have been so constantly criticised for the last two months voted to reduce this rate to 10.42 per cent, a very great reduction under the Dingley rates. The chemical schedule is protected by an average equivalent ad valorem rate of 28 per cent; tobacco and its manufactures by a rate of 104 per cent; agricultural products and provisions by a rate of 39.08 per cent; spirit, wines, and

so forth, 74.92 per cent; cotton manufactures, 50.27 per cent; wool, 42.61 per cent; woolen manufactures, with rates ranging from 50 to nearly 200 per cent. With the certainty confronting us that such rates as these will be written into the law of the land, we are told that we must vote to place lumber on the free list. I repeat, I do not believe that the platform of the Democratic party contemplated any such action on the part of the Democratic Members of this Congress.

All legislation should be equitable and just in its effect upon the people. Burdens as far as possible should be borne by all, and benefits as far as possible should be enjoyed by all. For more than forty years there has been a widespread belief, amounting almost to conviction among the southern people, that federal legislation discriminated in its operation against their interests. Some of those who have felt called upon to criticise the course of myself and colleagues in refusing to place this commodity in which the South is so largely interested on the free list are making this identical charge now. I shall not discuss that question at length to-day, but the solemn truth is there has been entirely too much justification for the charge. Those of us who declined to eliminate this industry, which distributes a million dollars per day among the people of the South, from the many exorbitantly high schedules of this tariff bill and place the same upon the free list honestly believed we were preventing that identical discrimination which some of our critics have so often charged to exist. No advocate of free lumber has contended that the southern consumer, at least—the man who buys and uses lumber—will receive any benefit whatever if that commodity is placed upon the free list, nor has any one of them, so far as I know, contended that the southern consumer would be injured in the slightest degree if the low-revenue duty for which we voted is enacted into law. The conclusion is therefore inevitable that we have inflicted no injury whatever upon any solitary individual in our own section by voting for this reduced duty. On the other hand a large per cent of our people contend that our action has probably prevented serious injury to their interests. All taxes are burdensome, and people pay taxes only because they are forced to do so. The Treasury of the United States receives $3,701,201 annually from duties collected under the wood schedules. If lumber is placed on the free list, then the Government must look to some other source for this $3,700,000. From what source shall this revenue come? A burden it undoubtedly is, and if the importation of lumber does not raise this $3,700,000, then in some other way it must come out of the pockets of the people. No one contends that the people of the South have heretofore borne this particular burden.

True it is that they have borne their full share of the burdens of this Nation. Many honestly believe that under the operation of our tariff laws the South has borne more than her just and proper share of the governmental burden, but in respect to this schedule the South has been fortunate, for Providence has vouchsafed to a large part of our southern territory a perennial growth of timber which surely and quickly comes again when once it is cut away. The old field pine of the South has a value far greater than our fathers ever dreamed it could have. Cut it as often as you will, yet it will come again after the lapse of a few years. In supporting this duty for revenue which the Government needs and must have, for my part, I do not feel that I am disloyal to the Democratic principle of a revenue tariff.

In the work of framing a tariff law which this Congress has undertaken, I feel it is the duty of every Democrat in the House and the Senate to aid in making the bill as fair and equitable in its operation as it is possible to make it. Of course I expect to vote against the bill when it is completed, but I feel that I would be unworthy to occupy my seat in this body if I did not exert every effort I am capable of exerting to obtain justice for my own people, even from a Republican standpoint.

In levying duties to raise revenue to run this Government, the person who owns but a few acres of timber or trees is entitled to fair treatment exactly as the great manufacturer who enjoys protection against all competition from abroad.

Having acted in accordance with my judgment and conviction of right, I am content that my course in this Congress shall be judged by those to whom I am directly accountable for my conduct here. It is not for me to criticise the course of those who think differently respecting this question. So long as I remain a Member of this House, I shall act in accordance with my judgment. If I have made a mistake in this instance, I have that satisfaction which comes from proper motive and pure purpose.

During the campaign last fall, in discussing this very proposition, I ventured to tell the people of the district I have the honor to represent that as far as possible I would use my best efforts to see that those engaged in the lumber business as well as those who owned timber should receive a square deal in the framing of this bill. If we place lumber on the free list, those who are engaged in that industry as well as the owners of standing timber would surely have the right to inquire what reasons prompted such action. And what answer can be given? It is admitted that the 10 per cent duty proposed injures nobody in the South. Nobody has suggested, so far as I have heard, that the duty will make lumber higher to the southern consumer. The only answer to the inquiry the people would have a right to make is that the demand was written in the Democratic platform. It has been suggested that where Members of this House were nominated prior to the national convention of their party they occupy a position in respect to the platform somewhat different from those nominated after the date of such convention. I do not care to excuse my action for any such reason.

I take the position that the framers of the Denver platform did not contemplate the existence of such conditions as now confront us. Believing this to be true, I venture to act in accord with what to me seems just and right to all sections.

The South has been loyal to the Democratic party because she believed in the Democratic principle of a revenue tariff. Free raw material is not a Democratic principle. Such a doctrine is indefensible from any standpoint of justice. Here it is in a nutshell: Give the manufacturer protection for everything he sells and free trade for all the raw material he buys; let him buy such material in a market where prices are fixed by competition as wide as the world itself, but let him sell the finished product made from this very raw material to a people who by law are practically forced to buy from this favored manufacturer. Buy cheap, sell high. That is the doctrine of free raw material.

The woolen manufacturer of New England has no more right to ask for protection than the humblest farmer in the land. Neither has the right to ask to be protected by law against competition, but in the levying of duties the product of one is entitled to just as much consideration as the product of the other.

The justice of the old-fashioned Democratic doctrine of a tariff for revenue only has been vindicated in this debate as never before. The bill you Republicans intend to pass is a humbug and makeshift. It is not revision downward upon the whole, but revision upward. Some of you tried to make lumber the scapegoat, but you did not succeed. The immediate results of this debate will amount to little or nothing, but mark this prediction: This bill is the beginning of the end of high protection in this Nation. [Applause on the Democratic side.]

It is no time for Democrats to divide over nonessentials, over mere items in certain schedules. There is enough of sin and iniquity in this bill to keep all of us fighting for the next ten years.

The great fundamental principle which is the life and strength of the Democratic party is more vital to-day than ever before in the history of the Nation. Fidelity to that principle has brought victory in the past; fidelity to the same principle will bring other victories yet to come. [Loud applause on the Democratic side.]

Mr. CLARK of Missouri. How much time did the gentleman consume?

The SPEAKER. Three minutes.

Mr. CLARK of Missouri. Then, I have two left.

The SPEAKER. Of the time the gentleman yielded to the gentleman from North Carolina.

Mr. CLARK of Missouri. I yield five minutes to the gentleman from Texas [Mr. RANDELL], a member of the committee.

Mr. RANDELL of Texas. Mr. Speaker, it is hard to say anything in this House when one is oppressed not merely with a premonition, but with the absolutely certain knowledge of the fact that nothing he can say will have any influence upon the action of this body.

We are here as the representatives of the people of the United States, and are their trusted servants. Under the Constitution it is our duty to frame a tariff bill. We have thus far failed to do it. The Payne bill was the action of the Ways and Means Committee, or rather the Republican members of it, and not the action of this House. It was sent to the Senate, and that body has sent it back here so amended, so transformed, that it is a Senate bill and not a product of the House of Representatives; and to-day we propose, as Members of this House, to see that bill sent to a conference committee that will make an agreement of some kind, at some time, in some way, and that conference report will be pushed through the House by the machinery that controls the action here from the Republican side.

It will be adopted in the Senate, and the result ought to cause a blush to mantle the cheek of every American citizen. A tariff

bill will be made not by the representatives of the people, but by those who are in greater power than their representatives. The machine is in control, and the trusts control the machine. The gentleman from Michigan [Mr. TOWNSEND] says that unless certain things can be done he objects to being a party to putting this bill through the House. The gentleman from Illinois [Mr. MANN] says unless he can get what he wants he will object to the procedure; but the objections will not be numerous enough to defeat the preconcerted plan.

But suppose the gentleman from Illinois and the gentleman from Michigan and others get what they specially want. Does that excuse them for supporting, and this House for passing, a bill framed by the agents of special interests and not even considered by the representatives of the people?

Is this the way to enact a constitutional bill? Why, Mr. Speaker, if we should pass a tariff bill and say that the purpose of it is to foster certain favored industries and not for revenue, it would be unconstitutional; but under the guise of passing a revenue measure according to the Constitution—and every one of us has sworn to support the Constitution—we enact a law that every Republican Member, practically, in this House, and in the coordinate branch, says is not for revenue, but for protection.

Sir, I stand here and announce to-day to the Congress and to the country that the way to correct this evil is to let the great Central North and West, the great Middle West and Southwest, combine, and remember that every Republican candidate, whether he preaches reform or not, stands for the party that is responsible for this action—responsible for every political evil which calls for reform. The only way to correct the evils that come from a party in power is to defeat that party! [Applause on the Democratic side.] The reason some of the Republicans from the Middle West and North stand here for reform is that their people are for reform. They can not hold their seats unless they profess to favor what they know their party will not permit. They come promising relief from trust rule, yet they know their affiliation here is with a party whose members are elected by the trusts, and support this bill which is written by the trusts. [Applause on the Democratic side.]

The SPEAKER. The gentleman has consumed his time.

Mr. DALZELL. I yield one minute to the gentleman from Wisconsin [Mr. DAVIDSON].

Mr. DAVIDSON. Mr. Speaker, on the pending motion to nonconcur in the Senate amendments and agree to a conference I shall vote aye. To do otherwise might put us in a position where we would be forced to accept some of the most obnoxious amendments made to the Payne bill. To reject all of the Senate amendments is, in my judgment, the only effective way to express our disapproval of them. Ten Republican Senators yesterday voiced their disapproval of those amendments by voting against the bill containing them, notwithstanding the fact that the bill contained some provisions which they had supported. Not all of the Senate amendments are bad; some of them are good and should be accepted. Many of them, however, are so obnoxious, so unresponsive to our party's pledge, and so offensive to our people that they should never be permitted to become a part of the law.

I have faith in the House conferees, I have faith in the Chairman of the Ways and Means Committee, and I am willing to trust them to represent us. They know what this House wants and what the country wants. Let us send them to a conference with the Senate fully armed and equipped so they may meet their opponents on an equal footing. Let us not hedge them about or restrict their actions with directions or instructions. Let them make their fight for the Payne bill and against the Aldrich bill, then when they return we can receive their report and vote it up or down in part or in whole, as in our judgment seems best. I hope and believe they will be able to so settle the differences as to make the bill responsive to the pledge of the Republican party and thus enable it to receive the support of not only every Republican of this House but of the Senate as well. Let us have a chance to vote on a Republican bill, a bill framed in accordance with Republican principles and pledges. It will be a protection measure, for we are all protectionists. We who stand for revision downward are no less protectionists because we believe in applying the principle fairly and justly. This is the only way by which this system which has been of so much benefit to our country can be preserved.

Its greatest danger lies in its unjust application. I have never receded one jot or tittle from the principle of protection, but I will never consent to its being used for legalized extortion.

I stand for increased revenues through protection equitably applied in the interest of both manufacturer and consumer, and not for the swollen fortunes and depleted treasury wrought by prohibitive schedules.

Properly applied protection brings prosperity.

Such an instrument for good should never become a weapon for evil. Its use in the acquirement of trade monopolies should never be permitted. Its rates are excessive when under them prodigious fortunes for the few are wrung from the masses. I warn you, gentlemen, that the continued levy of what has proven to be a burdensome and abusive tax upon the workers of the land is destined to early and emphatic resentment. You of the conference committee and we Members of this House must not forget that we are here to fulfill a sacred pledge made to our people.

At the last general election the Republican party was charged with the duty of administering the affairs of the Nation under certain specific pledges set forth in its platform.

We, the party's representatives, must assume the responsibility of redeeming those pledges. We can not escape the responsibility, and the people of the country will hold us accountable if we fail to keep not only the letter but the spirit of our pledge.

The Congress has been convened in special session for the purpose of fulfilling one of those pledges.

So far as the general business conditions of the country are concerned the promised revision of the tariff was the most important pledge contained in the Republican platform.

In some sections the demand for tariff revision may not have been as strong as in other sections. In the Middle West this demand was not only very strong, but it had existed for several years. The people generally had come to believe that trade conditions had so changed that some of the rates of the Dingley law were in excess of the amount necessary for adequate protection. Many believed that some of the rates were so high as to be prohibitive, thus producing a condition which tended to make more easy the monopolistic control of the products affected. For these and other reasons there came a demand for a revision of the Dingley rates.

The Republican party in its national convention recognized this when it adopted the following language:

> The Republican party declares unequivocally for the revision of the tariff by a special session of Congress immediately following the inauguration of the next President, and commends the steps already taken to this end in the work assigned to the appropriate committees of Congress which are now investigating the operation and effect of existing schedules. In all tariff legislation the true principle of protection is best maintained by the imposition of such duties as will equal the difference between the cost of production at home and abroad, together with a reasonable profit to American industries. We favor the establishment of maximum and minimum rates to be administered by the President under limitations fixed in the law, the maximum to be available to meet discriminations by foreign countries against American goods entering their markets and the minimum to represent the normal measure of protection at home, the aim and purpose of the Republican policy being not only to preserve, without excessive duties, that security against foreign competition to which American manufacturers, farmers, and producers are entitled, but also to maintain the high standard of living of the wage-earners of this country, who are the most direct beneficiaries of the protective system. Between the United States and the Philippines we believe in a free interchange of products with such limitations as to sugar and tobacco as will afford adequate protection to domestic interests.

Some here may split hairs over the question as to whether that language meant a revision downward, but you can not fool the people on that proposition.

The demand for tariff revision came from those who believed some rates were too high. When that demand was granted by the pledge of the party in its national platform it is easy to understand why those who favored revision believed the pledge meant a revision downward.

Mr. Taft, in accepting the nomination for the Presidency, speaking on this subject, said:

> The consequent material development has greatly changed the conditions under which many articles described by the schedules of the tariff are now produced. The tariff in a number of the schedules exceeds the difference between the cost of production of such articles abroad and at home, including a reasonable profit to the American producer. The excess over that difference serves no useful purpose, but offers a temptation to those who would monopolize the production and the sale of such articles in this country to profit by the excessive rate. On the other hand there are some few other schedules in which the tariff is not sufficiently high to give the measure of protection which they should receive upon Republican principles, and as to those the tariff should be raised. A revision of the tariff undertaken upon this principle, which is at the basis of our present business system, begun promptly upon the incoming of our new administration and considered at a special session with the preliminary investigations already begun by the appropriate committees of the House and Senate will make the disturbance of business incident to such a change as little as possible.

While he did not then expressly declare for downward revision, he plainly indicated that some rates were excessive and should be reduced. His interpretation of that pledge was more clearly expressed in some of the speeches he made during the campaign.

At Milwaukee September 24, 1908, he said:

> There are many schedules of the tariff in which the rates are excessive. * * * It is my judgment that a revision of the tariff in accordance with the pledge of the Republican party will on the whole be a substantial revision downward.

At Des Moines September 26, 1908, he said:

It is my judgment, as it is that of many Republicans, that there are many schedules of the tariff in which the rates are excessive. * * * It is my judgment that a revision of the tariff in accordance with the pledge of the Republican party will be on the whole a substantial revision downward.

At Cincinnati September 22, 1908, he said:

The Dingley tariff has served the country well, but its rates have become generally excessive.

Believing that the Republican candidate voiced the true interpretation of the Republican platform, thousands of men who are protectionists in principle, but who wanted that policy fairly and equitably applied, voted for the party and its candidates in the last election. Without those votes Mr. Taft would not now be President and this House would not now have a Republican majority. I have only contempt for the sophistry of those who contend that the people did not demand and that we did not pledge revision downward.

What, then, is our duty? It is to fairly and honestly keep that pledge made to the people. It is to revise the tariff along the lines laid down by the Republican platform. It is not to so legislate as to drive out of existence any industry honestly conducted and giving employment to American wage-earners, but it is to so fix the duties that while affording revenue sufficient for the needs of the Government honestly administered, they will give that protection, and that protection only, which measures the difference in cost of production, together with a reasonable profit on the capital invested.

The rate of duty should be such as will afford the American manufacturer a home market for his products, after paying to his employees the highest possible compensation for their labor, and to himself a reasonable profit on the money actually invested in the enterprise. His profit should not be an unreasonable one. It should not be made on watered stock or overcapitalized or overvalued plants. I have no sympathy with that demand for such high duties as will enable manufacturers to accumulate millions, while their employees are only compensated sufficiently to barely keep body and soul together.

Those who desire to enjoy the benefits of the policy of protection ought to be patriotic enough and manly enough to share equitably with their employees the benefits of that policy.

The producer of a protected product has no cause for complaint against the application of a reasonable duty to protect the product produced by another.

Being a producer as well as a consumer he enjoys a benefit from this policy.

The producers have been generously cared for by the protective system. The consumers, those who have only labor to sell, ought now to be recognized.

The development and success of American industries have fully justified the protective system. So long as there is a necessity, within reasonable limits, to impose duties in order that an industry may prosper, the people will not complain, but when protection affords extravagant profits to the beneficiaries and compels self-denial and even want among millions of citizens, the system becomes an abuse.

The cost of living has doubled and trebled during a period when, under the policy of protection, the business industries of the country progressed as never before. The salaried men, bookkeepers, clerks, and employees of all kinds, including organized wage-earners, are to-day getting less to eat, less to wear, and less in comfort for their labor than ever before.

There are thousands of salaried men working for pay predicated on the cost of living a decade ago and paying thrice those rates for the things they have to buy.

These are the men who called for tariff revision; these are the men who believe that the Republican party promised a revision downward; these are the men whom it is our duty to remember and to benefit through this revision of the tariff.

Now, what is the present situation? The Payne bill, prepared after weeks of public hearings and months of study and investigation, as it passed the House, was fairly responsive to the pledge of the Republican platform. Taken as a whole it was a revision downward. Whether it actually lowered the rate in a majority of the 4,000 items it covered is immaterial. The effect was a substantial lowering of rates, because it not only reduced the rate on many of the more important schedules, but it placed on the free list materials which enter into the production of many hundreds of different items.

It practically put coal on the free list, thus giving an opportunity for great industrial institutions to obtain cheaper fuel.

It put iron ore on the free list, thus giving an opportunity for the importation of ore from Cuba and other places to be used in the great iron industries in competition with the ore from beds now controlled by the steel trust.

It put oil and its products on the free list, thus affording every opportunity for competition both in the crude and refined with the Standard Oil Company.

It put hides on the free list, thus giving the manufacturers of leather every opportunity to acquire their raw material at the lowest possible price.

It put tea and coffee on the free list in order that these necessaries of every household might not be taxed.

It made liberal reductions in many other important schedules.

It reduced the duty on lumber 50 per cent, and steel and iron of various kinds almost as much.

It made a reduction of 75 per cent on leather, and 40 per cent on boots and shoes.

Thus it is apparent that the committee and the House endeavored, so far as was possible, to frame a bill which would not only conform to the pledge of the Republican party, but one that would cheapen the cost of living.

Many of us believed that lumber should have been placed on the free list, and voted accordingly. We were led to this conclusion largely because of the exceedingly high price of lumber to the consumers, and because of the rapidity with which our American forests are being depleted.

It must be admitted, however, that the lumber industry gives employment to thousands of workingmen at good wages, and in its operations affords an extensive market for the products of factories and of farms. The 50 per cent reduction from the existing rates leaves a duty of $1 per thousand on rough lumber, which, on the average, probably equals about a 5 or 6 per cent ad valorum duty, and this, perhaps, is as small as could be expected if any protection is to be given to that industry.

That this particular schedule is a local issue is apparent from the fact that, notwithstanding the positive declaration of the Democratic platform in favor of free lumber, 40 Democratic Representatives voted to retain the duty recommended by the committee. Had these men voted in accordance with the Democratic platform lumber would have been on the free list.

Notwithstanding the fact that the State I have the honor in part to here represent is largely interested in agriculture, I voted for the removal of the duty on hides.

I did this because I believe the American supply is controlled by those engaged in the meat-packing industry; that the packers are rapidly obtaining control of the tanning industry, and unless in some way restricted they will soon be in absolute control of the manufacture of leather.

The removal of this duty will afford free entry to hides from foreign countries, and with the reduction of the duty on leather and on boots and shoes, a fair opportunity is given to test the question as to whether a duty enhances the price to the consumer. The argument has been repeatedly made that the removal of this duty would cheapen the cost of the products of leather to the consumer. I hope hides may be free of duty. If so, I shall watch with much interest its effect upon the price of shoes, harness, saddlery, trunks, and other products made of leather.

When the House was about to vote on this bill the Republican members of the Wisconsin delegation requested opportunity for a separate vote on nine items. These were tea, coffee, oil, lumber, gloves and hosiery, wearing apparel and blankets, barley, barley malt, and the drawback provision.

We knew our people were vitally interested in these provisions. Under the special rule, seven of these were conceded.

I voted in favor of putting tea, coffee, oil, and lumber on the free list.

On barley and barley malt, I favored an increase.

The present rate of duty on barley is 30 cents per bushel, and on barley malt 45 cents per bushel. This bill, when it was reported, cut the duty on barley to 15 cents and on malt to 25 cents.

An examination of the hearings discloses the fact that the malting associations of the East were the only ones heard in favor of this reduction.

Canada, especially the eastern provinces, produces an exceedingly good quality of barley for malting purposes.

Before the present rate of duty was imposed large quantities of this barley was imported and mixed with New York barley.

Canadian barley can be supplied to the malt houses of Buffalo, Oswego, and other eastern cities at a much less cost of transportation than from the farms of Wisconsin, Minnesota, and the Dakotas.

The present rate of duty offsets the advantage of the Canadian farmer on the shorter haul, and thus preserves the eastern market for the American farmers. The reduced rate would not give that protection.

The House having practically restored the present rate, and the Senate having completely restored it, I trust the conferees will have no difficulty in agreeing to the Senate rate.

There should have been a separate vote on gloves and hosiery and on woolens and blankets. The increased rates on gloves and hosiery in the House bill were not justified and should not have been permitted. The Senate has restored the present rate. It is one of the reductions for which the Senate is to be congratulated, and I hope the judgment of the Senate will be concurred in.

There should have been a substantial revision of the woolens schedule.

I am confident the rates of duty on woolens, especially on the qualities used most largely by the common people, are abnormally high. I believe they afford more than that degree of protection for which the Republican platform stands, and in the interests of the consumers of these goods throughout the United States there should be a substantial reduction.

When I have urged this upon different members of the committee, I have always been met with the response that the duties on wool and woolens are graduated; that the lowest duties are on the cheaper grades of wool, and that the duties advance in proportion through the finer grades of wool and woolens. The contention is always made that if you reduce the duty on woolens you must necessarily reduce the duty on wool.

I believe the farmers should have a sufficient duty on wool to cover the difference in cost of production, and certainly the rate on woolens should be no higher. If the present rate on wool exceeds the difference in cost of production, reduce it, and do the same thing on woolen goods.

There is still an opportunity for the conferees to change this schedule. I hope they will do so. I hope they will make a substantial reduction in the duty on woolens and blankets in order that the consumers of these goods may enjoy some benefit.

There are other schedules to which attention might be called, but time will not permit.

It is well understood that the conferees have the power to frame this bill in a manner satisfactory to those who favor a downward revision.

They have an opportunity to render a great service to the Republican party and to the country. Let them put the low rates of duty of the House bill with the low rates of duty of the Senate bill, and to this add a fair drawback provision, an effective maximum and minimum clause, and provide for the creation of a permanent tariff bureau or commission of experts, and they will have framed a bill which will meet the approval of the President and of the country.

Of course, the bill must be so framed as to produce revenue to meet the operating expenses of the Government.

Many people lose sight of this side of the question. They ask for a reduction of a duty, or to have certain articles placed on the free list, according to the effect of such action upon themselves or their constituents, without reference to its effect either upon the Treasury or the country at large.

My desk has been covered with petitions asking that sugar be placed on the free list. Sugar is a necessity, and I would like to have it furnished to the consumer at the lowest possible cost.

On the other hand, we know the sugar industry is capable of extensive development in this country, that there are large areas capable of producing sugar beets, and that unless stimulated by a protective tariff the sugar industry can not be developed.

The duty on sugar returns annually about $60,000,000 of revenue to the Treasury. If sugar is to be placed on the free list, some other source must be found from which to derive this revenue.

The same is true of many other items of the bill. I note with pleasure that the duties have been increased on many of the luxuries, things which the wealthy only purchase. From these increased duties ought to come largely increased revenues, and this in turn makes it possible for us to lessen the burden imposed upon the necessaries of life.

Complying with the President's request, provision has been made for a tax of 2 per cent on the net income of corporations. This amendment should be concurred in. Through it additional revenue can be obtained, and this gives further opportunity to lessen the duties on those articles which so largely affect the cost of living. This, however, is not the only benefit. Large as the sum which the corporations will pay, maybe, it will be small compared with that greater benefit which comes with supervision and control.

With this provision federal regulation of all corporations begins. With it comes publicity, and with publicity comes safety. Safety to the public and to the stockholders as well.

The plan of providing for a constitutional amendment in order that there may be no question about the power of Congress to impose an income tax is a wise one and should be adopted.

General Hancock's famous assertion that "the tariff is a local issue" if not entirely correct is substantially so. The making of schedules is certainly a local issue.

Each of us has demonstrated by our votes on the various paragraphs of this bill that we are largely influenced by our environment, by the wishes of the people we represent, by the interest of our district and our State. You of the manufacturing centers have been willing to ask for free raw materials for your factories, but you have voted for a high protective duty on the product of those factories. We of the agricultural sections have been willing to reduce the schedules on your manufactured products, but we have voted at every opportunity to maintain the higher rate of duty on the farm products.

Our Democratic friends are hopelessly divided, and many of them have abandoned the pledge of their platform, and have voted at every opportunity for a duty on the products produced in their localities.

In the preparation and the passage of this bill it has been plainly evident that every interest affected has struggled for self-advantage, regardless of the welfare of the country at large.

While an effort has been made to frame the bill in accordance with the principle of protection as laid down in the Republican platform, the work has been exceedingly difficult for the reason that there was no adequate source from which reliable information could be obtained touching the facts in each particular case.

We, acting as jurors in determining the question of fact, have had to rely upon the testimony of interested parties, testimony which in a court of law would be weighed with considerable care and some doubt.

There should be some reliable and impartial source of information upon which the Congress might rely in enacting tariff legislation. Provision should be made for a permanent tariff commission, or, preferably, a bureau of tariff research, made up of trained experts competent to investigate, impartially and without prejudice, all of the underlying facts relating to industry and commerce in this and foreign countries.

This bureau could furnish accurate information concerning not only the difference in cost of production, but on all of the complex facts which enter into the manufacture and sale of all the different products, and thus greatly assist the Congress in so framing future tariff legislation that all of the people shall share equally in the benefits thereof.

There is a widespread demand among the people for the creation of such a bureau, and I sincerely hope this bill will provide for one.

Mr. Speaker, the Republican party glories in its record of promises kept, of pledges redeemed. A promise to the people is a sacred pledge. The pledge of tariff revision must be kept in letter and in spirit. The revision must be an honest one. Better a broken pledge than a dishonest fulfillment of it. The party's record is at stake. It is in our keeping. Shall we prove faithful or unfaithful to that trust?

More, Mr. Speaker, the high character and reputation of our President is at stake. His position is well understood. He is the leader of our party. The redemption of the tariff revision pledge is the first great effort of his administration. He is entitled to have presented to him for his approval a measure prepared in accordance with the party's pledge.

Let us not embarrass him by presenting to him a bill which does not conform to the platform upon which he was elected.

Let us not disgrace ourselves by presenting to him a measure which, in order to be faithful to his pledge, he will be obliged to veto.

Rather let us so frame this bill that beyond question it will be responsive to the Republican platform pledge, and thus give the President an opportunity to approve with genuine sincerity, this, the first great act of this administration, and one which, in its operation, affects the welfare and well-being of every American citizen.

The right kind of a bill will receive the President's approval, will be sanctioned by the people of the country, and add one more item to the record of faithfulness performed by the Republican party.

Mr. DALZELL. Mr. Speaker, I yield two minutes to the gentleman from Ohio [Mr. DOUGLAS].

Mr. DOUGLAS. Mr. Speaker, it certainly would be a lamentable thing if, after four months of consideration by the Congress, we should fail to pass a bill revising the tariff; and yet, for myself, I can say that I believe that worse things than that might happen. [Applause.] It happens that if this bill fails we have the Dingley law still behind us [applause]; a law

under which this country has prospered for twelve years as no country on the face of the earth has prospered. And so I simply want to say, as a word of warning, if need be, or of encouragement, as I hope, to the conferees of the House, that they should constantly remember that fact. So far as I am individually concerned I would rather see the Dingley law stand as it is to-day than to vote for the bill that is now upon the Speaker's table. [Applause.] I shall vote for the resolution offered by the gentleman from Pennsylvania, because, as the gentleman who has just taken his seat has said, this resolution is, in substance, a protest against these amendments, and I am unable to see how the gentlemen upon the other side, upon the same theory, can fail to vote for the resolution.

Mr. DALZELL. Mr. Speaker, I yield four minutes to the gentleman from South Dakota [Mr. MARTIN].

Mr. MARTIN of South Dakota. Mr. Speaker, it is manifest, I think, that the only proper and appropriate legislative proceeding at the present time is the adoption of the rule furnished us by the Committee on Rules. I do not imagine that the conference committee which will soon be appointed is fairly panting with anxiety to know my views of the principles that ought to guide, as far as possible, in this conference, and yet in the brief time that is given me I desire to express a word upon the subject. For eighteen months or a little more the country has well understood that there was to be a revision of the tariff, and as a result of the last campaign it was well understood and approved that it was to be revised by its friends, the Republicans, and it was equally well understood by a majority of the people that this revision in its main features would be a revision downward. [Applause.] Our industries have prospered wonderfully under the Dingley rates. Many of those industries, however, have become so old and well established now that the rates or schedules necessary for them eleven years ago are no longer needed. The Payne bill was an honest effort, after months of deliberation by the Ways and Means Committee, and after one month of consideration in this House, toward the accomplishment of that purpose. It was in its main essential features a revision downward. Many amendments to the Payne bill have been made by the Senate, and in most important particulars the Senate has amended our schedules upward. In some respects, however, they have offered amendments which would scale down the Dingley schedule and the Payne recommendations.

Now, my suggestion, from a Republican standpoint, is that this conference committee, representing the Republican majority in the House, shall, as far as possible, accept the Senate amendments where they scale down the Payne rates and insist upon the House provisions where they are lower than the amendments proposed by the Senate. In some particulars the Senate amendments are a remarkable, and it seems to me an unnecessary, advance, both upon the Payne rates and the rates in the Dingley schedule, and as a Republican, while expecting to respect the judgment of the majority of my party when we have an opportunity to express it here upon any of these schedules, I feel it proper to suggest that we follow out as far as possible a principle of this kind, and there may come out of this conference a bill which, while it can not suit all of us, will in a measure at least meet the reasonable expectations of the people of the country. As one of those who have been here most of the four months since this legislation commenced in the House in the month of March, I am willing to stand by SERENO E. PAYNE and the House conferees in an effort honestly to carry out that policy, even if we may be forced to remain here until the first Monday in December, when the new session will begin. [Applause.]

Mr. CLARK of Missouri. Mr. Speaker, I yield four minutes to the gentleman from Texas [Mr. HENRY].

Mr. HENRY of Texas. Mr. Speaker, there is not much argument that can be made in the short time accorded me, but I am glad of this opportunity to announce in this presence that the proudest act of my congressional career will be when I cast my vote against the bill sent back to the House by Senator ALDRICH, of Rhode Island. [Applause.]

Mr. Speaker, there are a few plain facts that ought to be stated on this occasion. One fact is that the Republican party, with its platform and candidates, went before the American people last year and solemnly pledged that there should be a revision of the tariff and that such "revision should be downward." You are here to-day for the purpose of breaking that pledge to the voters. You do not intend to redeem it and you have never so intended. Such false pretense on your part makes manifest one more plain fact, and that is, the American people will never have revision downward until they sweep the Republican party from control and reinstate the genuine Democracy, charged with the power of reducing the tariff in behalf of the consumer and against the monopolies, trusts, and special interests. [Applause.] And if I mistake not the temper of the American voter, he will be quick to punish treacherous conduct and make strict demand for conscientious execution of plain pledges made to confiding constituencies.

There was no issue submitted to the voters with more striking unanimity than the one embraced in the promises of both parties that the tariff should be "revised downward." If the American electorate could have foreseen this betrayal here to-day, many new and different faces would be in this presence now and a different form throwing its shadows across the portals of the White House than the Chief Executive who now halts in carrying forward bold preelection promises.

The gentleman from Ohio [Mr. DOUGLAS] refers to prosperity under the Dingley law. In answer, permit me to recall the fact that the greatest panic this country ever saw and the most vexatious times in business channels, with "soup houses" throughout the land, millions of workmen out of employment tramping the country over for work, the squalor of poverty meeting our gaze on every hand in humble homes where women and helpless children were crying for bread, occurred while this Dingley bill was yet a law. If this be his vaunted prosperity, God save the mark! [Loud applause on the Democratic side.]

If the gentleman from Michigan [Mr. TOWNSEND] and the gentleman from Ohio [Mr. DOUGLAS] and enough of you who talk like them will join us, we will send this bill to the Committee on Ways and Means and bring it back to the Committee of the Whole House, where we can give it some real consideration and discuss the 847 amendments annexed by the Senator from Rhode Island. By such course the voters and their representatives can view these new provisions and, perhaps, in that way reveal some of the hideous features of this senatorial product. This is the only way in which the light of reason, argument, and fair dealing can ever touch the bill, now reeking with favoritism to the special few.

The gentleman from Pennsylvania [Mr. DALZELL], the "high priest of protection," as he is called, says that "what the people want is speedy action." Yes; the people would like to have "speedy action," but the kind of action they desire is that the bill sent here by the Senate shall be speedily defeated by faithful Representatives in this House. [Applause on the Democratic side.] And if you will but agree, if you will but vote that this bill shall go to the Ways and Means Committee and be brought back to the Committee of the Whole House, I believe it is within safe bounds to say that the Democrats are eagerly ready to remain here until the first day of the next session of Congress and "revise the tariff downward," thus aiding you to redeem your pledge. [Applause on the Democratic side.]

Mr. Speaker, to me a pledge to the people and platforms regularly enunciated in conventions are solemn and sacred things. Without criticising anyone else, I regard my promises to the voters and platform decrees as highly as my word to my fellowman. To me they are the same. I would as soon break my promise as to violate a political pledge, thus scorning the performance of a platform demand. A party that fails to stand in firm and honest adherence to solemn declarations and promises, as enunciated in platform pledges, can not and should not be trusted by our citizenship. Platforms have always constituted our party creeds and should be carried out by faithful performance in spirit and letter. Speaking for myself alone, I stand here to-day advocating the provisions of the Denver platform and would honorably execute every promise. In my opinion, it is a great platform and wise decree in almost every respect and true to ancient landmarks of Democracy set up by our fathers. In pursuance of its fiat, I have voted and would again vote for free lumber. This plank was wisely inserted and has my cordial sanction. For several reasons, which time forbids me giving in detail, I maintain that the Denver convention acted with complete wisdom in embodying this plank in its platform.

Another equally acceptable plank to me is the one declaring that trust-controlled articles should be placed on the free list. The Democratic platforms of 1900 and 1908 contained the same declaration. In this body on June 8, 1900, every Democrat, in accordance with my recollection, voted for an amendment making good this pledge. On March 29, 1909, the gentleman from Kentucky [Mr. JAMES] announced in a speech his intention of offering an amendment to this effect, and when the motion to recommit was offered by the Democrats, such an amendment was embodied in it as a part thereof. Practically every Democrat voted for it. And so, now, I subscribe to such doctrine as wise, patriotic, and democratic. If I had it in my power, it would appear in every Democratic platform and law until there

would not be a tariff wall, remnant, or shadow thereof behind which a trust, tariff baron, or special favorite could hide or seek shelter. The Denver delegation have my thanks and gratitude for that brave promise to the people. In pursuance thereof, striking a vital blow to the steel trust, I would vote for free iron ore, agricultural implements, and everything touched and controlled by the sordid hand of monopoly and trusts here protected by the pending bill.

In this tariff contest wherever the platform holds out hope and promise to an oppressed people, I would follow and redeem our plighted word. It shall be chart and guide. The Republican party will not do so to-day. There were ten faithful ones in another body, and their action will challenge the attention of the country in years to come. Their course will find ample support. The time will swiftly come when the American people will demand that words of promise shall be faithfully kept and party perfidy speedily punished. For my part, I feel that when I have denounced the Payne-Aldrich bill and voted against it, I have kept the faith and done the Republic the greatest service within my power as a Representative.

Mr. DALZELL. Mr. Speaker, how much time have I remaining?

The SPEAKER. Twenty-eight minutes.

Mr. DALZELL. I yield ten minutes to the gentleman from Iowa [Mr. SMITH].

Mr. SMITH of Iowa. Mr. Speaker, adverting to the remarks of the gentleman who has just addressed the House, I will say that, speaking for myself, I understand the American people did not direct a Democratic revision of the tariff, and it will not be necessary, therefore, to accept the gentleman's offer of the assistance of the Democratic party in the revision of the tariff at this time.

It is not proper for me to speak of what has taken place at some place other than this in the Capitol, but if I were at liberty to be specific, I might suggest that many Democrats elsewhere than in the House of Representatives have been largely instrumental in imposing these increases in tariff schedules in the bill as it has been returned from the Senate of the United States. [Applause on the Republican side.]

A precedent is not always controlling, but a precedent long maintained is usually based on some reason. In 1883 this House sent to the Senate a bill to reduce internal-revenue taxation, having no reference whatever to customs duties. It was amended by the Senate by adding to it an entire revision of the tariff, being a modification of the report of the tariff commission. When that bill came back to this House, which had never considered it at all, it was sent direct to conference, as proposed in this case. But our Democratic friend from New York [Mr. FITZGERALD] says that we hunt up some old Republican precedent in order to prove that we have done as wickedly in the past as we are proposing to do now.

I hold in my hand the Journal of this House during the period that the Wilson bill was here pending, and I find that on July 7, 1894, Mr. Catchings, from the Committee on Rules, submitted the following resolution:

Resolved, That after the passage of this resolution the Committee of the Whole House on the state of the Union shall be discharged from the further consideration of the bill H. R. 4864, with Senate amendments thereto, and the same shall be considered in the House; that after two hours of general debate it shall be in order in the House to move to nonconcur in the Senate amendments to said bill in gross, and to agree to a committee of conference as asked for by the Senate on the disagreeing votes of the two Houses; and the House shall, without further delay or other motion, proceed to vote upon said motion.

But the committee of conference were not able to agree, and so reported to the House; and on Thursday, July 18, 1894, the Committee on Rules was again called on, and Mr. Outhwaite, of the Committee on Rules, submitted the following resolution:

Resolved, That after the adoption of this resolution it shall be in order, when the House conferees on House bill 4864 make a report of disagreement, to move that the House insist upon its disagreement to the Senate amendments to said bill in gross, and ask a further conference with the Senate on the disagreeing votes of the two Houses thereon. That two hours of debate shall be allowed upon said motion, and then, without delay or other motion, a vote shall be taken thereon. Should such motion prevail, the Speaker shall at once appoint the House conferees, and the matter shall then for the time being pass from the consideration of the House.

These gentlemen are very virtuous, having no authority. [Loud applause.] Now, what is the alternative? The bill came back with 847 amendments, and under the general rule it would go to the Committee on Ways and Means and be reported back by it. It has taken the Senate, with 92 Members, three months to pass upon the amendments to the House bill. If the Members of this House are as talkative as the Members of the Senate, it means that thirteen months would be consumed in the consideration of this bill in the House.

Now, it is suggested here by the gentleman from New York [Mr. FITZGERALD] that we instruct the conferees to agree with the Senate where there have been reductions and to insist upon the Payne bill where there have been increases. It has long been the practice of the Senate of the United States to refuse a conference with this House unless the House conferees were free to confer. What is it that the House conferees would be free to confer on if that proposition were adopted? We would have instructed the conferees on every pending amendment of the Senate, and consequently the Senate would refuse, in accordance with its long-settled practice, to confer at all, unless the House was willing for a full and free conference.

Mr. FITZGERALD. Will the gentleman yield?

Mr. SMITH of Iowa. Certainly.

Mr. FITZGERALD. Does not the gentleman think that the Senate would probably be able to look after itself?

Mr. SMITH of Iowa. Of course the Senate would be able to look after itself; but the proper practice of the House, in my humble opinion, is to send this bill back, nonconcurring in all the amendments, as we can not have a free conference otherwise.

Mr. BARTLETT of Georgia. Will the gentleman allow me to ask him a question?

Mr. SMITH of Iowa. Certainly.

Mr. BARTLETT of Georgia. Does not the gentleman think, when the Senate does an unusual thing, informing the House that it insists upon its amendments, asks for a conference, and names the conferees before it gives the House an opportunity to see whether it agrees or disagrees to the amendment, then, that it has done what the gentleman says it would be offended at if the House should do it?

Mr. SMITH of Iowa. What I am talking about is, it can not be obtained in the method suggested by the gentleman from New York, as shown by all precedents.

The proposition of the gentleman in effect is this: That we concur in the Senate amendments that suit us and adhere to our disagreements on those that do not suit us. If we send the bill back in that way, the Senate will let it alone, and no self-respecting Senate would consent to a conference of that kind. It is contrary to the precedents of both Houses. This House would not consent to any such conference, and I would be ashamed of it if it would.

Now, then, these gentlemen have feasted themselves in denouncing the amendments of the Senate. And we say that we will not vote for one of them, but vote them all down. What will be the question now? This present proposition is that the House vote down every solitary amendment made by the Senate to the Payne bill and send it to conference, not to concur in any, for that purpose.

Why not? It is a matter of knowledge to every man who ever served on a conference committee that, as these conference reports are the result of compromise, if is desirable to have matters in conference that you are willing, yea, anxious, to recede on, in order that by the concessions made to the other House you may obtain concessions to your House; and the existence of these items within this conference, upon which the House is willing to recede, is a powerful aid in getting what we want upon the other amendments made by the Senate. But if we yield here, or announce our willingness to yield on everything we want to yield on, we have given away the very means by which we can compromise with the Senate and get it to make concessions upon the items that are of interest to us. Therefore, because we protest against these amendments, we ask that they be voted down; and because we want the House conferees to go so equipped that they can obtain as the ultimate result of the conference a bill satisfactory to the American people, we want them to take with them the things that we are willing to concede, as well as the things that we are unwilling to concede. [Applause on the Republican side.]

Mr. DALZELL. Mr. Speaker, I trust the gentleman from Missouri [Mr. CLARK] will use the balance of his time. We will have only one more speech on this side, except that I reserve the right to take the floor to move the previous question.

Mr. CLARK of Missouri. How much time is there left on each side?

The SPEAKER. The gentleman from Missouri [Mr. CLARK] has sixteen minutes remaining, and the gentleman from Pennsylvania [Mr. DALZELL] has eighteen minutes remaining.

Mr. CLARK of Missouri. You are going to make just one speech?

Mr. DALZELL. Yes; except that I shall take the floor afterwards to move the previous question.

Mr. CLARK of Missouri. I yield three minutes to the gentleman from New York [Mr. HARRISON], a member of the Ways and Means Committee.

Mr. HARRISON. Mr. Speaker, so general is the dissatisfaction among the Republicans over this rule and over this proposed legislation that it is almost a pity for Democrats to

inject themselves into this debate. The sorriest man in this House to-day must be the chairman of the Ways and Means Committee. He professes to have made an attempt to revise the tariff downward, but his name will go down into history linked with the most iniquitous of a series of bad tariff bills.

Now, it is perfectly true that we are not allowed to refer here to a certain body somewhere else in this building, but I will call the attention of the gentleman from Iowa [Mr. SMITH] to the fact that this tariff bill, passed through this very mysterious body to which he is afraid to refer——

Mr. SMITH of Iowa. Not afraid, but in obedience to the rule of the House.

Mr. HARRISON. That it passed that mysterious body against the votes of 10 Republican Senators. If a proportionate number of Republican Representatives in this House vote against the bill, we will beat it; and if they do not stand against the bill and beat it, we are going to beat them. This country, especially in the Middle West, is so dissatisfied with this legislation, it is so conscious of the fact that taxation is being raised by this bill instead of lowered, so disappointed that the slight proposed concessions in the way of free raw materials are to go by the board, that, although you may now have the votes to put this rule through the House, you will not have them in the next Congress. [Applause on the Democratic side.]

I yield back the balance of my time.

Mr. CLARK of Missouri. How much time did the gentleman consume?

The SPEAKER. Two minutes.

Mr. CLARK of Missouri. Then I get one minute back. I yield four minutes to the gentleman from Nebraska [Mr. NORRIS].

Mr. NORRIS. Mr. Speaker, it was known immediately after the last national election that the Republican party would undertake to revise the tariff. From the pledges made by our leader, the present President, and generally understood and accepted by the citizenship of this country, it was understood that that revision was to be downward. The Republican party will not be true to its pledges, will not redeem the pledges made to the country, unless it carries out that promise and that pledge in good faith. Now, what is a practical way to proceed under the present parliamentary situation? The Senate has amended the bill in many respects. I am opposed to most of those amendments, but there are some of them that I think nearly all the Members of this House, on both sides, and practically all the citizenship of our country, are in favor of, and those are the amendments that reduce the tariff schedules.

We have had much debate on the tariff bill from the time it was introduced, but very little opportunity for voting. This House has only voted upon four or five schedules. Now is the opportunity if the House believes, as I believe it does, that the amendments made by the Senate making reductions ought to be concurred in, to vote down the previous question, when this resolution will then be subject to amendment, and we can concur in those amendments of the Senate which reduce the tariff and go into conference on the balance of the amendments. Now, in order that the House and the Membership may understand the practical proposition that I intend to offer, if the parliamentary situation is so that it can be offered, and it will be, as I understand it, if the previous question is voted down, I intend to propose at the proper time the following resolution, and I want to read it now in my time so it will be known and understood when we vote upon the previous question:

Resolved, That upon the adoption of this resolution the House shall, without debate or amendment, proceed to vote upon the proposition of concurring in such Senate amendments to H. R. 1438 as provide a lower rate of duty than was specified in said bill as it passed the House.

In cases where there is more than one such Senate amendment upon any one article making reductions in different grades or classes thereof, all such amendments upon each of said articles shall be voted on en bloc.

Upon the conclusion of such voting all such amendments, if any, not concurred in, together with all other Senate amendments to said bill, shall be considered as disagreed to, and as to all of said amendments so disagreed to, the conference asked for by the Senate shall be considered as agreed to, and a committee of conference shall be appointed thereon.

[During the reading of the above, the time of Mr. NORRIS expired, and he was yielded additional time.]

Those of you who have expressed a desire to revise the tariff downward have here an opportunity to realize your cherished hope. To accomplish this desired result we must vote down the previous question, then the resolution will be subject to amendment, and I will offer the resolution which I have read as a substitute for the one reported by the Committee on Rules.

The gentleman from Michigan [Mr. TOWNSEND] has expressed a laudable desire to discuss and consider the Senate amendments. To be consistent, he should help us vote down the previous question and adopt my resolution. To follow the Committee on Rules, he will tie his hands and smother his voice by his own action.

This resolution represents the sentiment of insurgent Republicans, who are anxious to redeem in good faith the pledges of the Republican party. We have gone on the theory that the House does not care for further debate on the tariff. The resolution therefore provides that the voting shall be without debate. If gentlemen are anxious, however, to discuss these Senate amendments, we are perfectly willing to amend the resolution by striking out the words "without debate or amendment" and give as full and free discussion as the House may desire.

What is the duty of Republicans under the present circumstances? That the tariff should be revised downward, and that the Republican party is pledged to so revise it there can be no doubt. In accepting the Republican nomination for the Presidency, Mr. Taft, on September 22, 1908, in Cincinnati, said:

But on the whole the tariff ought to be lowered in accordance with Republican principles and the policy it has always upheld of protection of our industries.

In Milwaukee September 24, 1908, in speaking of the tariff, he used this language:

It is my judgment that a revision of the tariff in accordance with the pledge of the Republican platform will be, on the whole, a substantial revision downward, though there probably will be a few exceptions in this regard.

At Des Moines a day or so afterwards in another public address he repeated these exact words and then made this remarkable pledge on behalf of the Republican party:

As the temporary leader of the party I do not hesitate to say with all the emphasis of which I am capable that if the party is given the mandate of power in November it will perform its promises in good faith.

When Mr. Taft made these utterances he was the leader of the Republican party. He was its candidate for the presidency. He spoke with authority. His interpretation of the Republican platform and Republican pledges was disputed by none and accepted by all. Relying on these pledges and promises, the people of the country returned the Republican party to power. We are here as a result of these promises. It is up to us to make good. In his inaugural address President Taft said:

It is thought that there has been such a change in conditions since the enactment of the Dingley Act, drafted on a similarly protective principle, that the measure of the tariff above stated will permit the reduction of rates in certain schedules and will require the advancement of few, if any.

In his message, sent to the present session of this Congress on the 16th day of May, 1909, he expressed himself as follows:

In my inaugural address I stated in a summary way the principles upon which, in my judgment, the revision of the tariff should proceed.

Do we want to keep these pledges made before election, and are we willing to follow this advice to the same effect made subsequent to election? If we do, we should concur in those Senate amendments that are reductions in the tariff rates of the House bill, and insist on House rates where the Senate has increased them. To do this we must defeat the report of the Committee on Rules and adopt the substitute I have read. Mark my word, you will never have another opportunity to get a separate vote on these items.

If you want to reduce the tariff, now is the time, here is the place, and this is your opportunity. Concur in these reductions and so much is cinched. Do you want to reduce the rates on gloves and hosiery in accordance with the demands and entreaties of millions of our people? Let me warn you that unless you embrace this opportunity the chances are 10 to 1 that you will never have another chance. It is argued that we will have an opportunity to discuss and vote on the conference report when it comes in. The conference report will probably contain several hundred items. We will not get a separate vote, but will have to accept all or reject all. The method that we propose will shorten our labors.

Adopt our proposition and in two hours' time we will not only have disposed of all Senate amendments where the rate is reduced, but we will have given the House an opportunity to express itself on every one of them; something that it has not yet been allowed to do by those who hold it subjective. The proposition of the Committee on Rules is that the House shall tie its hands and delegate all its legislative functions to a conference committee. It does not even retain the power in the House to select this committee. Our proposition is to have the House decide on at least a portion of this bill, while the proposition of the Rules Committee is to refer it all to a committee appointed by the Speaker.

I submit, Mr. Speaker, that with our rule adopted we will give the House an opportunity to do what it has not yet done—vote on different schedules of this bill—and in each instance an opportunity, if it sees fit to do so, by its vote to reduce the sched-

ules, cut them down, and then comply as nearly as we can under the present parliamentary situation with the pledges and the promises which we have made to the country, and which, in my judgment, we are in honor bound to carry out in good faith. [Applause.]

Mr. BARTLETT of Georgia. Mr. Speaker, the gentleman from Pennsylvania [Mr. DALZELL] has stated that the necessity for this rule was only that whatever is done in agreeing to the pending tariff bill should be done quickly. I agree with the gentleman from Pennsylvania, that if this deed is to be done, when it is done it were well that it should be done quickly. If the hopes of the American people for a revision of the tariff downward, as they had been promised by the Republican platform and its candidate for President, are to be murdered in this House, it were well that it be done quickly. But we are told that this is the usual way in which amendments by the Senate to House bills on the tariff are disposed of, and as a precedent for this we are cited by the gentleman from Iowa [Mr. SMITH] to what was done by the Democratic House in 1894, when they were considering the Senate amendments to what is known as the "Wilson bill." Those of us who have been Members of this House as long as I have have heard the gentleman from Pennsylvania [Mr. DALZELL] so frequently denounce what was done by the Democrats in 1894, when they forced to conference the 624 amendments made by the Senate to the Wilson bill, that we are somewhat surprised that that action should be cited as a precedent to be followed. It is certainly strange that the Republican party should only follow the bad precedents they claim the Democrats have set for them and abandon the many good ones that they could find and accept. But the Republicans have no right to taunt us on this side of the House by saying that this is the same procedure that the Democratic House pursued in the consideration of the Wilson bill. The gentleman from Iowa [Mr. SMITH] has proceeded to read from a part of the RECORD, but he did not read the whole of it; he read a part of the truth, but he did not read the whole of the truth; and no better illustration than this could be afforded of the truth of the maxim that "he who makes a statement containing but a part of the truth can mislead as effectually as the man who makes a statement containing no part of the truth." While it is true that the Wilson bill contained 624 amendments put on by the Senate, this bill contains 847 Senate amendments; many of them are not mere changes in the tariff rates, as was the case in the Wilson bill, but the Senate amendments to this bill include much legislation that is entirely new to the House; provision is made for the raising of revenue by new schemes and methods of taxation; provision is made for the creation of expensive courts and officials; many of these features are entirely new, so far as the House is concerned, and, under the Constitution of the United States, these should have originated in the House.

The Members of this House are the direct representatives of the people; they come fresh from the people and are directly accountable to them for their actions here. They are the only Members of the General Government who are elected directly by the people, and therefore, because the House was especially adapted to deal with such matters, the Constitution committed to it the duty, the right, and the exclusive privilege of originating bills affecting the revenues; but if this rule should be adopted, it would seem that the House is willing to surrender the position assigned it by the Constitution and to transfer to the Senate and a conference committee the powers granted it by the Constitution, and which, for some reasons, the Republican majority does not see fit to exercise. A glance at this bill will convince anyone that it is a Senate bill and not a House bill. If this precedent now to be established is to be followed and the Senate is to be permitted, as will be done in this case, to virtually usurp the prerogatives of the House to originate all measures affecting the revenue, then hereafter when the House comes to deal with the question of revenue, all that will be necessary will be to enact a title and send it to the Senate. But it will not do to justify this proceeding by the statement that the majority is following a precedent alleged to have been established by the Democratic House in 1894, at the time the Senate amendments to the Wilson bill were sent to conference. This bill is upon the Speaker's table, and under the rules of the House it ought to go to the Ways and Means Committee, where the amendments can be reported upon, and the House should have the right to consider all of them. Surely the House should have the right to consider those portions of the bill which are entirely new. What opportunity has the House had to discuss the "corporation tax," or the establishment of a customs court, or the new features added to the administrative part of the bill, or the new scheme of maximum and minimum tariff rates?

What was done in the case of the Wilson bill was this: The bill came back with the Senate amendments and was referred to the Committee on Ways and Means, and on the 7th of July, 1894, Mr. Wilson, who was the chairman of the Ways and Means Committee, reported the bill back to the House, with the Senate amendments, with the recommendation that the House nonconcur in the Senate amendments and agree to the request of the Senate for a conference. The bill was then referred to the Committee of the Whole House on the state of the Union. On the same day, and immediately thereafter, the following resolution was offered:

Resolved, That after the passage of this resolution the Committee of the Whole House on the state of the Union shall be discharged from the further consideration of the bill H. R. 4864, with Senate amendments thereto, and the same shall be considered in the House; that after two hours of general debate it shall be in order in the House to move to nonconcur in the Senate amendments to said bill in gross, and to agree to a committee of conference as asked for by the Senate on the disagreeing votes of the two Houses, and the House shall, without further delay or other motion, proceed to vote upon said motion.

This resolution provided that after two hours of general debate it should be in order to move to nonconcur in the Senate amendments and agree to the conference. This rule we are considering provides that the adoption of the rule, after a certain time for debate, shall amount to sending the bill to conference. The resolution offered by Mr. Wilson, above quoted, was agreed to in the House without a division. Unanimous consent was then asked to have the amendments nonconcurred in and the bill sent to conference. This was objected to, and Mr. Wilson then moved that the House nonconcur in the Senate amendments and agree to the conference requested by the Senate, and that motion was agreed to without a division being demanded by the minority. The RECORD does not disclose that there were any negative votes cast against either proposition. The rule here is quite different, as I have undertaken to show.

The House bill made some pretense at tariff reduction, although its rates of duty, on a general average, were 1.56 per cent above those fixed in the present law. The Senate bill makes no pretense at revision downward, and a study of the schedules and the different rates of duty and the specific duties imposed will show that the increase over the present law is fully 30 per cent. The differences between the Senate bill and the House bill are so radical that it does seem to me to be the bounden duty of the House to fully discuss these new features and to exercise the functions specifically given it by the Constitution. This is not a case where there is no difference in principle as to taxation but simply a difference in rates, but an entirely new bill has been constructed by the Senate and on entirely new lines from that which was sent to them by the House.

All of us remember how the Wilson bill and everything connected with it has been so frequently held up to the scorn, contempt, and ridicule of the Republicans of the House; nothing that was done at that time has been commended by the Republicans, but it has been presented as a thing to be avoided and not to be touched; but now the Republicans have so repented their attitude toward that bill and the manner of its passage that nothing will satisfy them but to follow as a guide and precedent the plans and methods which at that time and since they so roundly denounced.

I can not permit the opportunity afforded by the discussion of this rule to pass without adverting to some of the amendments put on by the Senate and the right of the House to vote upon them.

We have in this bill what is known as the "corporation tax," which proposes to tax the corporations of the country upon their incomes in excess of $5,000 per annum. I believe that every person, both natural and artificial, who has an income in excess of $5,000 per annum should be required to pay to the General Government a just and equitable tax upon the same. This "corporation-tax" amendment would never have found its way into this bill but for the fact that it was needed as a means to prevent the enactment by the Senate of an amendment providing for a general income tax, which would reach everyone alike. The proposers of the amendment made no secret of the fact that they were not in favor of it; that they did not believe in it; that it was a mere temporary makeshift offered to prevent the adoption of an income-tax amendment. If the tax proposed by this amendment were equitable, or if it would reach only that large class of corporations in the country which are engaged as public-utility corporations in interstate commerce, and those great combinations of capital which are doing an interstate business and which are formed into trusts for the purpose of oppressing the people, I would not object to it. But that is not the purpose of the amendment, and the rich and powerful millionaires who have their money invested in the

bonds and securities of the corporations will not be reached at all. They will receive the interest due upon their bonds and securities even before the Government can collect its tax. There are many small corporations created by the States which are not engaged in interstate business. These corporations chartered by the States have used their energies and capital in building up the business of the States, and these will be taxed by this amendment. The individuals who are formed into partnerships and individuals who own the bonds and securities of the corporations will not be reached by this amendment.

In the section of the country from which I come the stocks of these local corporations are owned by the citizens of the community—the farmers, merchants, and mechanics—and they represent investments for the purpose of building up and increasing the prosperity of that section. They already pay taxes to the State for doing business and upon their property. The United States Government does not grant to these corporations any charter powers or authority to do business, and to leave the great wealth of the country untouched by taxation and to impose a tax upon the small corporations of the country—the state banks, savings banks, manufacturing companies, cotton mills, mercantile corporations—who sell to the people the prime necessities of life, is not a just system of taxation, and was not intended by its proposers to be just and equitable. It was intended to be just what it is, a pretext and sham; and as I despise all pretexts and shams, I am opposed to this one.

THE COTTON BAGGING AND TIES AMENDMENT.

The cotton producers of this country reside altogether in the South. They produce each year a crop which the world is obliged to have and without which it could not be clothed. From $600,000,000 to $700,000,000 a year is paid for this crop in its raw condition. It brings into this country fully $400,000,000 a year from foreign countries, this representing the value of the exportations of raw cotton. In order to market it the farmer must have bagging and ties. The farmer of the West must have binding twine and bags in which to market his wheat and other grain. These western farmers will get their binding twine and grain sacks free of duty. Even the despised Wilson bill put binding twine on the free list when it placed bagging and ties on the free list. The Democratic bill made no distinction between the sections, and did not give the cotton farmer of the South free bagging and ties and refuse to put the western farmer's binding twine on the free list. But this bill as it went from the House did discriminate between the sections in this regard. The Senate, it is true, was induced to accept an amendment placing cotton bagging on the free list and allowing a drawback on imported cotton ties when used on exported cotton. As I have heretofore stated on the floor of the House, I have devoted a great deal of time and attention to an effort to have bagging and ties placed on the free list. When the bill was before the House I offered an amendment for that purpose, which was defeated.

I continued my efforts before the Senate Committee on Finance, and while it did not report the proposition, the chairman of the committee finally accepted an amendment offered in the Senate to that effect. I desire now to have an opportunity to vote to concur in that amendment, and the House should have an opportunity to register its verdict on that proposition. What excuse can any man offer for making this discrimination between the cotton farmer of the South and the grain farmer of the West? Why should the cotton farmer pay taxes on his bagging and ties and the farmer of the West pay no taxes on his binding twine? Why should not both be free of duty? I am satisfied that if the question could be submitted to this House there are enough fair-minded, just, and equitable Republicans upon that side to unite with us on this side to do justice in this regard. Certainly they should have an opportunity to pass upon the question, and this has never been afforded.

The Senate struck out section 350 of the bill, which was as follows:

350. Bagging for cotton, gunny cloth, and similar fabrics, suitable for covering cotton, composed of single yarns made of jute, jute butts, or hemp, not bleached, dyed, colored, stained, painted, or printed, not exceeding 16 threads to the square inch, counting the warp and filling, and weighing not less than 15 ounces per square yard, six-tenths of 1 cent per square yard.

By this action cotton bagging was placed on the free list.

Section 573 of the bill was as follows:

573. Grasses and fibers: Istle or Tampico fiber, jute, jute butts, manila, sisal grass, sunn, and all other textile grasses or fibrous vegetable substances, not dressed or manufactured in any manner, and not specially provided for in sections 1 or 2 of this act.

This section was amended by the Senate by striking out the words "jute butts," leaving them upon the free list.

We know what will be done in conference if the House has no opportunity to express its will upon the subject of cotton bagging and ties and jute and jute butts, from which bagging is made. The bagging trust, which is situated in Massachusetts, and which is the chief beneficiary of the burdens which this bill will place upon the cotton farmer, will be taken care of and permitted to continue its exactions. A criticism can be justly made upon this provision in reference to cotton bagging made out of jute and jute butts. This section, 573, provides for the admission free of such fibers, out of which cotton bagging is made—that is, jute and jute butts—where not especially provided for in sections 1 and 2 of the bill.

In section 1 of the bill, paragraph 350, provision is made that bagging for cotton and similar fabrics suitable for covering cotton, composed of yarns made out of jute and jute butts, and so forth, shall pay a duty. So that the only place where jute and jute butts are not free is where they are manufactured into cotton bagging. The iniquity is here presented of a manufacturer of cotton bagging getting his jute and jute butts, from which he makes it, free of duty in one section of the bill, while he is permitted under another section of the bill to have the benefit of a tariff tax of six-tenths of a cent per square yard on the manufactured article. The material from which the cotton bagging is made is admitted free of duty, but when it is manufactured into cotton bagging it is subject to this tax. A more unjust and more inequitable tax was never laid, and a section of the country was never so grossly discriminated against as in this particular. Of the 93,000,000 yards of bagging purchased last year for the cotton crop, the bagging trust furnished 73,000,000 yards, and only about 20,000,000 yards were imported; so it is fair to say that this bagging trust located in New England made 73,000,000 yards of bagging from imported jute and jute butts, which are admitted free and which will continue to be free, and then charged the cotton farmer the tariff upon it, amounting to about five and a half cents per bale. If the Government derived any great revenue from cotton bagging, and if the necessities of the Government are such that it must have the revenue from it, the ground for complaint would not be so serious, but only $118,000 was raised in 1907 from importations of this sort. Nobody can deny that the product which brings to the United States $450,000,000 from foreign countries, without which the difference between our imports and exports, constituting our balance of trade, would be very little, should receive the same consideration at our hands as the wheat grower, especially since the wheat crop is almost entirely consumed at home and not exported to any considerable extent. For while we export 66⅔ per cent of the cotton crop to foreign countries, only 19.65 per cent of the wheat crop is exported. The tariff upon cotton ties benefits only the steel trust and does not bring any revenue to the Government worth considering. As heretofore stated, I interested myself in the effort to secure some relief from this burdensome form of taxation upon the cotton farmer, amounting each year to about $1,500,000, and the Senate has placed upon the bill an amendment admitting bagging free and providing a drawback for cotton ties on exported cotton. But this will be readily stricken from the bill in conference, and the cotton farmer can not hope for the relief afforded by the Senate amendment. I believe, however, if this House had an opportunity to vote upon the question, the amendment would remain in the bill.

It is well known that the cotton mills of the South manufacture largely the coarser grades of goods. This industry at the South has progressed and prospered to a large extent; indeed, to such an extent that it has alarmed the manufacturers of the New England States; and now to compensate the New England manufacturer for the loss he has sustained in competition with the southern mills the Senate bill reduces the duties on the coarser grades of cotton goods manufactured in the South. At this I do not complain, if the duties are excessive and not levied for revenue; but no reduction was made in the class of goods, of the finer sorts, manufactured by the New England mills. We find that upon cotton cloth the average of the duties has been increased in this bill over the Dingley bill as follows: From 3.89 cents per square yard to 7.50 cents per square yard, making an increase of 3.61 cents, or an increase of duty of 92¾ per cent. On colored cloth the increase is from 5.29 cents per square yard to 8 cents per square yard, making a difference of 2.71 cents, or an increase of duty of 51¼ per cent. We might follow the cotton schedule through, which would be tedious and difficult, and would find that there has been an average increase in that schedule of from 27 per cent in some instances to 92 per cent in some others, and the entire schedule will show an increase of nearly 50 per cent, and all this for the sole benefit of the New England manufacturer.

From an examination of the schedules I find that the average increase in the Senate bill over the House bill is about 33.27 per cent.

For purposes of comparison I submit the following table, showing the difference between the present law and the Senate bill, the calculations being based upon the value of importations for 1907:

Table showing the differences between the present law and the bill as passed by the Senate, the comparison being made on the basis of the value of the importations for 1907, showing the ad valorem per cent of duty imposed upon the importation of goods as classified in the various schedules of the bill.

Schedule—	Present law.	Senate bill.	Increase.	Decrease.
	Per cent.	*Per cent.*	*Per cent.*	*Per cent.*
A. Chemicals, etc	27.14	29.03	1.89	
B. Earth and glassware	49.04	48.81		0.23
C. Metals, etc	32.83	32.29		.54
D. Wood, lumber, etc	15.16	13.70		1.46
E. Sugar, molasses, etc	83.74	83.73		.01
F. Tobacco	87.20	87.20		
G. Agricultural products	30.18	30.27	.09	
H. Spirits, beverages, etc	70.67	88.86	18.19	
I. Cotton manufactures, not including the cotton cloths	44.88	47.48	2.64	
J. Flax, hemp, jute, etc	43.71	43.86	.15	
K. Wool and manufactures of	58.19	58.19		
L. Silks and silk goods	52.33	60.72	8.43	
M. Pulp, papers, and books	20.67	22.42	1.75	
N. Sundries	20.34	22.61	2.27	
			35.51	2.24
			2.24	
Net increase under Senate bill			33.27	

PUBLIC EXPENDITURES.

The extravagance and profligacy of public expenditures by the Republican party during the last four years has depleted the Treasury to such an extent that in spite of the remarkable prosperity of the country up to two years ago we have not been able to meet the current expenses of the Government, and now this bill proposes not to reduce tariff taxation, so as to provide more revenue, but to increase it, admitting that it will not produce sufficient revenue for the Government, and resorting to the scheme of issuing $397,000,000 in bonds in time of profound peace. We spent more in the last four years than was expended during the four years of the civil war. No effort is made to reduce expenditure, but to increase taxes.

I submit the following comparative table of expenditures, in order to call the attention of the country to the increase of expenditures under Republican administrations:

A comparison of the receipts and expenditures of Mr. Harrison's with Mr. Cleveland's first term presents many striking contrasts.

Comparison of receipts and expenditures, exclusive of postal, for four years beginning June 30, 1885, and ending June 30, 1889.

CLEVELAND.

Year.	Receipts.	Expenditures.	Surplus.
1886	$336,439,727	$242,483,138	$93,956,589
1887	371,403,277	315,835,428	55,567,849
1888	379,266,074	259,653,958	119,612,116
1889	387,060,058	281,906,615	105,053,443
Total	1,474,159,132	1,099,969,139	374,189,997

HARRISON.

1890	$403,080,982	$297,736,484	$105,344,498
1891	392,612,448	355,372,685	37,239,763
1892	354,937,785	345,023,331	9,914,454
1893	385,819,628	383,477,894	2,341,734
Total	1,536,450,843	1,381,610,397	154,840,449

It will be seen from the foregoing table that for the four years of Mr. Cleveland's administration the total receipts were $62,291,711 less, the total expenditures $281,641,258 less, while the surplus was $219,349,548 more than during Mr. Harrison's.

Still more important facts may be noted by a further examination. The revenues increased every year during Mr. Cleveland's term, beginning with $336,439,723, in 1886, and ending with $387,050,058, in 1889, while the reverse, with the exception of a single year, is true of Mr. Harrison's. During the latter's term the revenue fell from $403,080,982, in 1890, to $354,937,785, in 1892, and $385,819,626 in 1893, and the surplus revenues from $105,344,496, in 1890, to $2,344,674, the last year of his term.

Table showing the receipts and disbursements of the Government (exclusive of the receipts and disbursements of the postal service) for the fiscal years 1861 to 1865, both inclusive, 1893 to 1897, both inclusive, and 1904 to 1908, both inclusive.

Year.	Receipts.	Disbursements.
1861	$41,476,299.49	$66,546,644.89
1862	51,919,055.43	474,761,818.91
1863	112,004,945.51	714,740,725.17
1864	243,542,670.59	865,322,641.97
1865	322,031,158.19	1,295,837,324.30
Total	770,974,129.21	3,417,209,155.24
1893	385,819,628.78	383,477,954.49
1894	297,722,019.25	367,525,279.83
1895	313,390,075.11	356,195,298.29
1896	326,976,200.38	352,179,446.08
1897	347,721,705.16	365,774,159.57
Total	1,671,629,628.68	1,825,152,138.26
1904	540,631,479.40	582,402,321.31
1905	544,274,684.85	567,278,913.45
1906	594,454,121.67	568,784,799.06
1907	663,140,334.05	578,906,747.75
1908	601,126,118.53	659,196,319.68
Total	2,943,626,738.50	2,956,566,101.25

Under the Harrison adminstration a surplus of $260,000,000 was wasted by the Republican party, until there was a deficit of $50,000,000 facing the Government on the 1st of July, 1893. Bonds would have been issued by that administration but for the fact that it went out of power on March 3, 1893. Preparations for the issue had been made and orders had been given to prepare the plates. Now, at another time during a period of profound peace, we have a deficit ranging from $60,000,000 to $90,000,000 for this year and $150,000,000 for next year.

Surely, Mr. Speaker, the American people will learn and understand that—

> When the righteous are in authority, the people rejoice;
> But when the wicked beareth rule, the people mourn.

[Applause on the Democratic side.]

Mr. CLARK of Missouri. Mr. Speaker, I yield a half minute to the gentleman from Virginia [Mr. SAUNDERS].

Mr. SAUNDERS. Mr. Speaker, the measure now before the House bears the title of the Payne bill. This title is a courtesy one, for there is but little left of the Payne bill, save the name. Under the deforming processes of the Senate it has been so cruelly mutilated, so hacked and mangled, that its one-time proud parent hesitates to acknowledge his offspring. But such as it is Senator ALDRICH loudly acclaims it as the fulfillment to the least jot and tittle of every pledge of downward revision made by the Republican party and its candidate for President during the memorable and history-making campaign of 1908. If any Republican of this body hails this bill in its present form as an exemplification of downward revision and of tariff reform, his approbation either proceeds from utter ignorance of its contents, or else he is suffering from some strange perversion, or inversion of his faculties, which causes him to use the words "upward," and "downward," as interchangeable terms.

This measure as it is returned from the Senate, is a perfect illustration of how not to do a thing in the public interest. In its revised, amended, and enlarged form, the Payne bill—that is, the Aldrich-Smoot bill—exhibits a contemptuous and cynical disregard for the popular demand for tariff revision, a demand so universal in the Republican party, that Candidate Taft was compelled to bow to it, and to make promises that are now sadly short of fulfillment. Coupled with this indifference to merely popular demands, is a curious subserviency to the wishes of the "Trusts."

There is no more striking illustration of this compounded attitude, than in the Senate's treatment of the tobacco schedule. Several amendments were made to this schedule in the House. One of these amendments increased the duty on Turkish tobacco, an importation of comparatively recent years, from a country which excludes American tobacco in any form. Merely as a measure of retaliation, this amendment was amply justified, but in addition it had the merit of affording a welcome increase in our revenues. It was a tax on an imported luxury, and a just, if incidental, application of the protective principle, to a large number of tobacco farmers in three States of the Union.

This amendment embodied the only request preferred to Congress, by the growers of bright tobacco; and combining, as it did, the elements of retaliation, of revenue increase from the taxation of an imported luxury, and of incidental protection to a deserving section of agriculturists, it presented a case of peculiar and exceptional merit.

Speaking to this amendment in the House, Mr. HILL, of Connecticut, used the following language:

Mr. Chairman, this is a purely revenue proposition. It was presented by the gentleman from Virginia [Judge E. W. SAUNDERS], who is thoroughly posted on the subject of Turkish tobacco. This tobacco comes from a country which inhibits the importation of our tobacco. It will practically amount to 40 cents a pound additional over the present rates. Last year 8,000,000 pounds were imported into this country. This amendment will probably give us two, three, or four million dollars of additional revenue; and I hope that every man on the floor, on both sides, Republicans and Democrats, will vote for this amendment as a revenue proposition.

And they all did vote for it, so that the amendment was adopted by unanimous vote. Now, what was the sequel? On April 9 the Payne bill was passed, and duly transmitted to the Senate. In that body, on motion of Senator ALDRICH, it was referred to the Finance Committee on the morning of April 10. This was Saturday. On Monday, April 12, Senator ALDRICH reported back the tariff bill, with amendments.

One amendment was to eliminate the increase in the duty on Turkish tobacco, and to restore the old rate. No hearing was given or offered on this schedule, either to the farmers who asked the increase, or to their representatives who favored it. No questions were asked. No request made for information. Cruelly, brutally, without conference even with the Democratic members of the committee, this amendment, so vital to the interests of thousands of American farmers and adopted without a dissenting vote in the House, was stricken from the bill. We are in the dark as to the reasons for this action, or the influences which brought it about. The friends of the amendment fought for it in the open. The facts which support it, are to be found in the tariff hearings conducted by the Ways and Means Committee of the House. The arguments in its favor, were presented on the floor of this body. No one appeared to gainsay, or oppose them. Who was our antagonist in this matter? Who was the secret enemy of the farmers, sufficiently potent to defeat this modest request on their behalf? What arguments were advanced, and by whom, against this proposition? Why was it that the unanimous action of the House on this amendment, received such scant consideration in the Senate? Surely this unanimity of sentiment in a body of three hundred and ninety and odd Members, fresh from the people, made out a prima facie case of merit for the amendment, and justified either a request for information from its friends, or the proffer of a hearing on its behalf.

Virginia was represented on the Finance Committee by the ranking member of the minority, Senator JOHN W. DANIEL. Was he given an opportunity to say a word on behalf of the tobacco farmers of his State, or to furnish the reasons why this Turkish ally of the Tobacco Trust should be repressed? Not at all. He was as ignorant as any Member of this House, as to what took place in his committee in the fateful hours between April 10, and April 12, and neither knew what interests were heard, or what arguments, and by whom, were submitted. When the bill was reported, he made the following indignant statement:

The Democratic members of the Finance Committee, myself included, have as yet had no opportunity to read this bill, or to know anything about its contents. They have been virtually eliminated from their proper preliminary service of committeemen; that is, from any opportunity to know what has passed with the committee; what are its sources of information, or its reliability, and from the benefit of the counsel of that committee in forming their opinions. They would have much liked to have had that opportunity.

Such, Mr. Speaker, are the simple facts of this case. Nothing has been exaggerated, nor aught set down in malice. They tell a painful story, the story of the people on one side, and of a great trust on the other, and of the swift and untimely end of a measure presented in the interest of the former, and adopted in the popular branch of this Congress by unanimous vote. But this is not all of the story. A Republican Senate has not only refused to give the bright-tobacco growers the amendment in which they were so vitally concerned, an amendment which would have carried happiness into thousands of homes and strengthened the hands of the farmers' association in the fight which it is making with their gigantic and remorseless enemy, but it has gone further, and oppressed this industry by legislation which no portion of the general public, save the Trust, seems to favor, or approve. The duty on manufactured tobacco has been advanced from 6, to 8 cents a pound.

It is difficult to find a reason for this advance, either in the necessities of the Government, or the situation of the business. Unlike the duty on Turkish tobacco, which afforded revenue while it aided the farmers in their struggle with the Trust, this tax cripples the independent manufacturers, burdens the farmers and general public, and is distinctively in the interest of the American Tobacco Company. We know, at least, who asked for a duty on Turkish tobacco. It was requested by an association counting thousands of honest farmers in its membership. But we do not know who, or what interest, was so potent with the Finance Committee of the Senate, as to induce it to lay this further burden on the tobacco industry. Our suspicions point in one direction, and if we do not know, we at least believe, that the same hand which erased from the bill the only feature of distinctive interest to the tobacco farmers of Virginia, wrote into that measure the provisions increasing the tax on the manufactured product. Something more than suspicion indicates the American Tobacco Company, as the guilty agent in both cases.

INCREASE OF TAX ON MANUFACTURED TOBACCO, NOT DEMANDED.

Why this secrecy, this mystery, this delay to act upon the tobacco schedule? The committee was swift to eliminate House amendments favorable to the farmer, but it reserved the imposition of these additional burdens until the closing hours of this Congress. In neither case has any hearing been extended to the parties most seriously concerned in this legislation.

The increase on manufactured tobacco is 33 per cent, with a large increase on cigars and cigarettes. This increase was not demanded by the tobacco growers, the independent manufacturers, or the general public. The general public does not favor it, since they have no desire to pay more for the tobacco which they are using, whether it is plug, or smoking tobacco. The tobacco growers do not favor it, for the price of their tobacco has advanced since the repeal of the Cuban war tax. The independent manufacturers do not favor it, because, hard as their fight now is with the Trust, this increase will make it harder. The Trust controls 80 per cent of the market.

This means that it can pass the tax on, or at any rate, relieve itself, either by depressing the price of raw tobacco, or raising the price of the manufactured product. Indeed, it is in the unusual position of being able to take both horns of this dilemma. It can put down the price at one end, and raise the price at the other, thus far more than recouping itself for any additional outlay that may be imposed upon it by this tax. But the independent dealer is not so fortunate. Operating on far smaller capital, he will, in many instances, feel acutely the burden that this bill will impose on him. In proportion as the tax is advanced, a larger capital will be required for the same volume of business. He is already embarrassed by the competition of his overshadowing adversary, and the further handicap, that raw material is now much higher in his business than it was some years ago, while the cost of labor has also advanced.

The interest of the independent concerns in this matter is the interest of the tobacco growers, and their joint interests ought to prevail over the interests of the Trust. In a sense the Trust may be said to be indifferent, certainly so far as the tax is concerned. It may pay the increase temporarily, but in the end either the farmers will pay it, by receiving less for their tobacco, or the general public will pay it, by paying more for its chewing tobacco and cigars; or perhaps the matter will be so adjusted in the councils of the Trust, that both will pay it. At any rate, we may be sure that the dividends of the Trust will not be diminished by reason of this tax. But there is another sense in which the Trust may be said to view this increase with complacency. It sees the Government coming to its aid in its fight with the smaller concerns. If their ranks are reduced, crippled, and demoralized by government action, the Trust is the full beneficiary of this reduction, while it is relieved from the odium which it would incur if it, and not the Government, drove the independents to the wall. It is significant that while we find in the CONGRESSIONAL RECORD many protests from smaller concerns against this increase, no telegram, or letter is filed on the part of the American Tobacco Company.

In this connection I wish to print a few of the communications that have been received from the smaller concerns:

MARTINSVILLE, VA., *July 7, 1909.*

Hon. E. W. SAUNDERS, M. C.,
Washington, D. C.

DEAR SIR: The Martinsville Tobacco Board of Trade has just wired you to oppose strenuously the proposed increase in the tobacco tax.

We certainly hope this will be defeated, as it will work a great hardship to the independent tobacco manufacturers and cause a reduction in the business of small factories, as it will require more capital to operate and of necessity lessen their output.

We hope you will be enabled to secure enough favorable to the small manufacturer to vote down this measure. We beg to remain, as ever,

Yours, very truly,

SPARROW & GRAVELY TOBACCO COMPANY,
By J. D. SPARROW, *President.*

MARTINSVILLE, VA., *July 7, 1909.*

Hon. E. W. SAUNDERS,
Washington, D. C.

DEAR SIR: We are informed by to-day's papers that the Senate Finance Committee yesterday recommended an increase of 2 cents per pound on all manufactured tobaccos. This will work a great hardship on the independent manufacturers, and will necessitate the change of styles of plug in many instances, and where it is impossible to change styles will be a clear loss to us of the increase in the tax. Senator BEVERIDGE'S argument that the manufacturer of smoking tobacco is robbing the consumer of one-third ounce tobacco in every package of 1¼ ounces is unjustifiable from the fact that the average price paid for leaf by the manufacturer for the years 1907, 1908, and 1909 on the Danville and Martinsville markets is about 60 per cent higher than it was during the years 1898, 1899, and 1900, when the Spanish-war tax was in operation. The increase is more detrimental to the independent or small manufacturer than it is to the trust, as it requires more capital to operate business. Farmers are now realizing more for their tobaccos than they did under the war tax, and in our opinion on certain grades of tobacco, if the increase in tax goes into operation, the manufacturer will lose 2 cents per pound or be inclined to pay the farmer just that much less for his leaf. We sincerely hope you will use your best efforts in defeating the increase, and allow the tax to remain at 6 cents.

Yours, very truly,

W. A. BROWN TOBACCO CO.,
By G. B. DUDLEY.

MARTINSVILLE, HENRY COUNTY, VA., *July 7, 1909.*

Hon. E. W. SAUNDERS, *Washington, D. C.*

MY DEAR MR. SAUNDERS: We have just seen that the Senate Finance Committee has reported favorably on an increase of the tobacco tax on manufactured tobacco from 6 to 8 cents. We hasten to write you and ask that you do all in your power to defeat this measure, as it would prove a great calamity to the independent manufacturers.

We see this matter is to have another hearing on Thursday, and we hope that the united efforts of our two Senators and yourself will get encouragement enough from others to kill this proposed increase.

With best wishes, we are,

Yours, very truly,

THE HENRY COUNTY TOBACCO COMPANY,
R. B. SEMPLE, *President.*

MARTINSVILLE, VA., *July 7, 1909.*

Hon. E. W. SAUNDERS, *Washington, D. C.*

DEAR SIR: We see from to-day's paper that the Senate bill relative to the increase of tobacco tax will be considered to-morrow, the 8th. We earnestly ask you to use every possible effort to prevent this increase. As we see it, nothing would so seriously affect and injure the welfare of the independent factories, as well as the tobacco growers, as this increasing the tax. To make it plain to you, the average of leaf tobacco on the Danville market, which is the largest loose-leaf market in the United States, for the past three years has been just double what it was during the two years of the increased tax on plug tobacco to meet the expenses of the Spanish-American war. We believe you will do all you can to help us, and that you readily see the importance of acting promptly in the matter.

Thanking you in advance for your effort,

Yours, truly,

PENN & WATSON.

The estimated revenue from this increase is about $10,000,000. If the manufacturer is to pay this increase, then the American Tobacco Company, doing 80 per cent of the business, will pay 80 per cent of this increase, or $8,000,000. Gigantic as is this concern, is it indifferent to the payment of so large a sum as this? To the contrary, is it not too apparent, that its silence in this matter proceeds from the knowledge that this increase is distinctly in its interests? It is not indifferent to the payment of $8,000,000 but conscious of its resources, and its strength, it is serenely assured that whether the increase is $10,000,000, or $20,000,000, it will pass on the burden, using its judgment whether it will impose it on the producers, or the consumers, or on both.

WHY WAS THE HOUSE AMENDMENT ON TURKISH TOBACCO REJECTED IN THE SENATE?

Mr. Speaker, I would like to meet in the open, in full and frank discussion, some champion of this tax, who could tell me why the Senate refused the farmers the tax on a foreign product which they so eagerly desired, and no one save the Trust opposed, while they increased the tax on the domestic industry over the protest of everyone concerned, save the American Tobacco Company, whose malign influence in the tobacco world is so vividly told in the report upon its operations recently issued by the Commissioner of Corporations. It is bad enough to refuse bread when it is asked, but it is adding insult to injury, to give a stone instead. No appeal can be made to the necessities of the Government to justify this tax. Recently with quite a flourish of trumpets, we have been told that in the prosperity that will follow the passage of this bill, the increasing revenues of the Government from every quarter, will rapidly fill our depleted coffers. But if this should prove to be a mistake, the much-vaunted tax on corporations, this favorite project of the President, this device to defeat the income tax, will more than make good any failure in the revenues from other sources.

Mr. Speaker, the retention of the duty on Turkish tobacco, would have checked the importation of a foreign product, and enlarged the use of American-grown tobacco; in other words, stimulated a home industry. The increased taxation of manufactured tobacco imposed by the Senate bill, over the vehement protests of all parties concerned, save the Trust, will raise a large revenue that the country does not need, at the expense of the producers and consumers. The Senate amendments are therefore alike useless and reckless, and are a characteristic product of the party which couples a ready disposition to increase the public burdens, with a tender regard for the interests and the incomes of the millionaires.

Nine men out of ten, so it is estimated, use tobacco in some form; nine men out of ten will therefore pay the tax imposed by these superfluous, and objectionable amendments. Our domestic tobacco can not be described as a luxury. It has long since ceased to be regarded, or considered in that light. It is a necessity of modern life, and treated as such. It is a part of the rations in the army and the navy. It constitutes a large item in the expense accounts of thousands of households, and this legislation will increase those accounts. In this connection it has been well said, that the same Republican party which has refused to tax the abundant incomes of the millionaires, has eagerly laid this additional burden upon this article of universal use. Apparently the farmers had no friends in a Republican Senate, brave enough, and strong enough, to apply the doctrines of protection to a class of our citizens who hear more of this principle, and receive less of its application, than any class of people in this Nation. But Mr. Speaker, the tobacco schedule is not the only one across which the Trusts have left a tainted trail.

STANDARD OIL PROTECTED BY THIS BILL.

If there is one colossal robber in the industrial world, it is Standard Oil. Like the car of Juggernaut, it has proceeded ponderously and relentlessly over the bodies of its victims. In its wake are ruined fortunes, and crippled industries, the wrecks of the sturdy independents who strove in vain to oppose its sinister and nefarious methods. It has corrupted legislatures, poisoned the springs of justice, interrupted the due and orderly course of the laws, and defied even the power of the Federal Government, with which it has been waging for years an apparently equal strife.

Investigation after investigation has revealed its unlawful practices and piled mountain high the evidence of its wrongdoing. It has poured into the pockets of its owners an annual stream of gold, greater than that carried by the waters of the fabled Pactolus. It has held the consumer firmly in its grasp, and the prices of petroleum, and its products, have been regulated without regard to the great laws of supply and demand. Advances have been solely arbitrary, and declines have only occurred when they were necessary to mislead and deceive some legislative body, or to crush some competitor.

All of these things have been developed in the elaborate mass of testimony taken on the part of the Federal Government. A ray of hope appeared for the consumer in the development of the petroleum industry abroad, and the discovery of new oil fields in Mexico, provided the products of these industries, and fields, were allowed free access to this country. So the House of Representatives, when opportunity was offered in the progress of the Payne bill, put petroleum and its products on the free list. The vote on this proposition was well-nigh unanimous, and the few friends of Standard Oil in this body, were simply overwhelmed. But in this case, as in the tobacco schedule, the appropriate trust had its inning in the other body, and the duty on oil, and its products was restored.

This countervailing duty, or oil joker, as it is commonly styled, means much to Standard Oil. According to the estimates submitted to this House, by Mr. KÜSTERMANN, a Republican Member from Wisconsin, "this joker is ready to take from the pockets of the people, from $12,000,000, to $15,000,000, annually, adding this large amount to the already vast profits of the greatest Trust on earth, and leaving the people at the mercy of an ever-hungry monopoly." This is protection run mad, but it enables Standard Oil to retail refined oil several cents in the gallon cheaper in England, than the selling price of the same article in this country.

These things more than suffice to make angels weep. They make strong men despair. Is intrenched wrong to be the winner always? Is this Government to be for all time a government of the Trusts, and by the Trusts, and for the Trusts?

Mr. Speaker, the Tobacco Trust has been able to turn down the recommendations of this House; Standard Oil has once more triumphed over the people; and in a moment we will see that the packers' or tanners' trust, and the Sugar Trust have been as potent as their elder brethren in the trust world, to secure their ends.

FREE HIDES AND THE TANNERS' TRUST.

There is no question in which the averge householder of moderate income, and large family, is more interested than in the problem of securing cheaper shoes. The aggregate number of shoes that are handled in any one year in this country, makes a staggering total, and a small increase, or decrease in the price of each pair, is a matter of moment to millions of consumers. Especially is this true when the consumer has to bring his household expenses within a modest income. The demand for cheaper shoes is universal. Now the manufacturers are ready to meet this demand, provided they can secure cheaper material. The independent tanners are ready to afford cheaper leather, if they can procure cheaper hides. But there is the rub. Competition with the packers' trust is difficult for the independent tanner, for the simple reason that the hides which the latter purchases in the outside markets, carry a duty of 15 per cent.

THE INDEPENDENT TANNER COMPELLED TO PURCHASE IN THE OUTSIDE MARKETS.

The facts are that the packing trust take off at least one-half of the dutiable class of hides—that is, the heavy hides—produced in this country. In addition, it has a controlling interest in several so-called "independent concerns," and a control over a large portion of the country hides, secured through its contracts with the butchers. So that in the aggregate, the packers' trust controls so large a proportion of the hides taken off in this country, that the independent tanners are entirely unable to secure an adequate supply of hides for their business, in the United States. They are compelled to turn to the outside world for their hides. But every hide that they purchase in these markets, has an added cost to them of 15 per cent on account of the tariff duty. This tax which the independent tanner has to pay, is not paid by the packer tanner, who is enabled to secure all of his hides within the United States; hence an inequality in the terms of competition, which is rapidly driving the independent tanners to the wall, or into the hands of the trust.

Under present conditions it is but a matter of a few years before the tanning of leather will be completely in the hands of the Leather Trust. When this result is attained, this Trust will take over the shoe business, and the public will be as completely at its mercy, as the consumers of oil to-day, are in the hands of Standard Oil. Even if the farmers were not vitally interested in cheaper shoes, and the other products of leather, they would have but little interest in the retention of this duty on hides for, owing to the customs' ruling, comparatively few of the hides that are taken off by farmers, belong to the dutiable class. It takes quite a heavy hide to belong to this class. Now when the House had to act on the question of cheaper leather, it acted promptly, and in the interests of the people. It put hides on the free list, thus giving the Tanning Trust a body blow, and at the same time taking a long step toward giving the public cheaper leather, and, in its manufactured form, cheaper boots, shoes, saddles, and harness.

But there are no free hides in the Senate bill. In this, as in the other instances given, the issue of Trust *v.* The People has been decided adversely to the latter, and the duty on hides bobs up serenely in the Aldrich substitute for the Payne bill.

THE SUGAR TRUST.

Mr. Speaker, the Sugar Trust is another infant industry which has fared well in this bill. In some respects this is perhaps the most defiant, arrogant, and lawless member of the great family to which it belongs. In the course of a private controversy in which it was engaged in Pennsylvania, such revelations were made of its lawlessness, that its high officials are now under indictment for conspiracy in restraint of trade. A few months since one of its agents was convicted of defrauding the United States of customs duties by means of doctored scales, and rather than defend further prosecutions, which would bring too prominently into the limelight, its nefarious practices, extending over a long period of years, this typical robber of the public, settled and paid over to the Government, claims for over $1,000,000.

Not satisfied with the enormous profits with which excessive protection had swollen its coffers, this licensed robber added ingratitude to its other crimes, and by swindling devices, cheated the country which had nourished, and protected it.

How sharper than a serpent's tooth it is,
To have a thankless child!

Sugar is found in every home, and enters largely into every household account. I have received many letters and petitions, asking me to support a reduction in the duty on this article, in order that the consumers may have cheaper sugar. Such a reduction is plainly right. The United States and its dependencies produce only a fraction of the sugar which this country uses. We import over 3,600,000,000 pounds of sugar, on which an ad valorem duty of about 80 per cent is paid.

If this duty was reduced by one-half, still leaving ample protection for domestic industries, the housekeeper would save 15 cents on each purchase of 50 cents. Reduce this duty to this extent, and sugar in a "lordly dish," will be a feature of every breakfast table. Why should this article of prime necessity be taxed more than the heady champagne, in which the multimillionaire drinks confusion to the income tax, and tariff revision?

A comparison of the sugar tax, with the duty on other articles will be interesting. This table is taken from a statement prepared for the Committee on Ways and Means:

	Per cent.
Sugar	78. 87
Champagne	50. 12
Automobiles	45
Furs	35
Wheat	26. 54
Painting and statuary	20
Diamonds	10

Sugar is handled by the wholesale and retail grocers at such a small margin of profit, that any reduction in the tariff on it, would immediately result in a correspondingly lower price to the consumers. In addition to the benefits that cheaper sugar would confer upon the average householder, such a reduction would stimulate our canning and preserving industries, and enable them to enlarge their plants, to employ more workmen, and to expand their export business, thereby introducing their products into the foreign markets.

This is the greatest fruit-producing country in the world, but owing to the price of sugar, our export trade in jams, jellies, canned and preserved fruits is comparatively small. Great concerns like Heinz have found it to their interest to establish large plants in England, to secure the advantage of cheap sugar, and to compete for the foreign trade.

Reduce the duty on sugar, and you will also increase the canner's demand for berries, fruits, and so forth, thus affording a home market for products which now largely go to waste. The benefit of this expansion of the canner's business, would be manifested in addition, by an increased demand for all the products used in the canning industry; that is, tin plate, glassware, labels, cases, and so forth.

Thousands of petitioners have preferred their request for cheaper sugar, and two great associations, the National Canners' Association, numbering nearly 3,000 firms, and the National Food Manufacturers, have united with this request. What has been the response of this bill to these universal, and clamorous demands for relief? Why, a reduction of 5 points in the sugar rates. What this means to the consumer, is best shown by the minority report, which states that a man who uses 85 pounds of sugar in a year, would be compelled to eat sugar at the top of his speed for fifteen months, in order to save as much as a nickel.

Mr. Speaker, is the demand for cheaper sugar an unreasonable request? Is the public entitled to no relief from the exactions of Standard Oil? Is it right that the farmers who ask aid against the importations of Turkish tobacco, should find their request treated with contumely in the Senate of the United States, and a further burden imposed on the domestic industry in tobacco?

Is it right that the Agricultural-Implement Trust should be allowed to sell mowers, reapers, plows, and other implements on better terms to the foreigners, than to the American farmers? Is it treason to the protective principle to say that the interests which do these things, have an excess of protection, and that the duties which they enjoy, should be lowered? Is "civilization a failure" and the "Caucasian played out" that he should submit to such impositions?

TARIFF REVISION NOT FREE TRADE.

Let no one be frightened by the specter of free trade, or the suggestion that the Democrats favor the destruction of American industries.

It is time to relegate to the scrap pile, and the dust heap, nonsense of this sort. I am as earnestly an advocate of prosperity, as any Republican who ever fought under the flag of high protection. There is no power on earth which could induce me to vote for any measure which in my judgment would prejudice the public interests, that is the universal interests of the people, whether that measure was approved by my party, or not. And in the same connection I will say that I would support any measure calculated in my judgment to promote that interest, whether it was formulated by my own, or the opposing party. I want to see the American farmer, the most prosperous on earth. I want to see the American merchant, and business man, prosper as he never prospered before. I want to see the

American laboring man, "the best paid, the best clad, the best housed, and the most prosperous that can be found anywhere on the face of this earth." The question at issue is merely one of reasonable duties equitably applied, as against excessive, unequal, and discriminating protection.

Mr. Speaker, the Payne bill when reported was in no sense a satisfactory tariff measure. It was not coherently or scientifically constructed, in conformity with any recognized economic principle. It was capricious in the distribution of its favors, unequal, unfair, sectional, and unjust. Professing, in the report which accompanied the bill, to have increased duties, "when increases were made," for the sole purpose of increasing the revenue, it promptly proceeded to diminish the revenue, by creating a prohibitive duty on ladies' and children's gloves. The present duties on men's gloves are prohibitive, but under the Dingley Act the duty on ladies', and children's gloves amount to about $3,750,000, no inconsiderable item.

Having cornered the market on men's gloves, with the aid of a prohibitive tariff, the Glove Trust, represented by Mr. Littauer, of New York, fixed its greedy eyes on the gloves used by women and children. Indeed, the Payne bill might have been styled the "Littauer bill" in all that relates to the duties on gloves, so closely does it follow the suggestions embodied in that gentleman's testimony before the Committee on Ways and Means. What this glove magnate asked to be added, was added; what he asked to be retained, was retained; what he wished to have stricken out, went out. His suggestions had the binding force and effect of instructions. Under the glove schedule of the Payne bill, something like $4,000,000 of revenue would disappear, and incidentally a golden stream would be diverted into the well-lined pockets of Mr. Littauer, already rich beyond the dreams of avarice.

The gentlemen responsible for this schedule must have forgotten that in his inaugural address Mr. Taft declared that "in making a tariff bill, the prime motive is taxation, and the securing of revenue thereby." Is a matter of $4,000,000 of revenue so trifling a sum, that it is to be coolly eliminated for the benefit of the Glove Trust? So far as the latter is concerned, the glove schedule is truly a tariff for revenue.

Mr. Speaker, the public owes a debt of gratitude to the Democrats and Republican dissidents, or insurgents, in the present House. Under the hammering to which they subjected the Payne bill, it was reluctantly changed for the better in material respects by the gentlemen in charge of its conduct in this body. As first reported it contained two monstrous propositions—a tax on tea, and a tax on coffee. Under the present law both coffee and tea are on the free list, but the champions of the "free breakfast table," who reported this bill, made the following recommendations as to these necessities:

SEC. 536. Coffee: *Provided*, That if any country, dependency, province, or colony shall impose an export duty, or other export tax, or charge of any kind whatsoever, directly or indirectly, upon coffee exported into the United States, a duty equal to such export duty, tax, or charge shall be levied, collected, and paid thereon.

The bulk of our coffees comes from Brazil. The number of bags shipped from other countries is comparatively small, and incapable of increase. The state governments of Brazil, for their own support, impose an export duty on coffee. In 1908, 5,900,000 bags of coffee were shipped into the United States from Brazil, and the export taxes on these shipments amounted to $11,259,000. Under the operation of the coffee joker in the Payne bill, the coffee drinkers of this country would have to pay an import tax exactly equivalent to the Brazilian export duty. In other words, the coffee drinkers, under this provision, on an importation of 5,900,000 bags of coffee would be compelled to pay $11,259,000, in addition to the present prices of coffee.

"But," some one might say, "why not import our coffee from countries that do not impose an export duty?" There are practically no such countries. The few countries that do not impose this duty, can barely supply 1 per cent of the total importations. Nor can they increase their output to any material degree. Coffee comes from a tree, like apples, and it takes a number of years for the coffee tree to attain full bearing capacity.

SEC. 295. Tea, imported from the country of growth and production, 8 cents a pound; tea not otherwise specially provided for in sections 1 or 2 of this act, 9 cents a pound.

It is easy for the tea drinkers to figure out what this advance in the price of tea meant to them.

Now, these material advances on these articles affected a number of people, and by no stretch of the imagination can these subjects of taxation be regarded as luxuries. They are matters of plain, everyday, ordinary use.

Fortunately, the opposition of the Democrats and insurgent Republicans, in this body, who respected the public interests more than they feared the party lash, proved too strong for the autocrats of the Ways and Means Committee, and these articles were restored to the free list, where they properly belong.

The Republican disposition to tax tea and coffee seemed to be settled and deeply. After these articles had been restored to the free list in the House, a determined effort was made in the Senate to subject them to a duty. But for the vast popular disfavor with which this project was received, and the stubborn fight that was made by the opposition, a fight in which Senator DANIEL, of Virginia, was conspicuous, this effort would have succeeded.

Mr. Speaker, the House improved the Payne bill in other ways, and but for the outrageous rule which debarred it from direct votes on many items of the schedules, the measure would have been further improved, and finally licked into decent shape. But bad as it was in its final form, it is an angel of light in comparison with the Senate bill. The Senate has added over 800 amendments, some of them insignificant, some of them reductions in immaterial matters, many of them advances, and still others destructive of good work that had been done in this body.

When I state that many material amendments of the Senate are "revisions upward," I call as a witness the Hon. EDMUND H. HINSHAW, a Republican Member in good standing from the State of Nebraska, who made the following assertion in his speech of July 9, 1909:

I am strongly opposed to most of the changes made by the Senate, because I believe they are revisions "upward," and not "downward."

Mr. Speaker, the farmer has received but little consideration in the preparation of this bill. He is taxed on his nails, window glass, crockery, cement, farming implements, furniture, domestic utensils—in a word, on every necessity that he is compelled to buy. When he asks for a duty which will enhance the price of something which he has to sell, the Republican party petulantly brushes him aside. At all times the farmers have had to be content with the indirect benefits if any, of protection.

If the tobacco farmer asks for protection against Turkish importations, he receives in lieu of his request a further tax on the tobacco which he raises. If he asks for free oil, the Trust is given a duty. If he wants cheaper sugar, he is turned over to the tender mercies of the Sugar Trust. The Trusts can trace an immediate relation between the rise in the selling price of their products, and the duty which eliminates foreign competition, but the farmer selling in the open markets of the world, is sandbagged at home. He can not trace any advance in the selling price of his products, to any statute as the parent cause.

Indeed at all times, the champions of protection have appeared adverse to a direct application of the protective principle to agricultural industries, unless it was to some form of agriculture controlled by corporations.

When the industry of shade-grown tobacco, which is in the hands of wealthy syndicates, asked for the extravagant duty of $1.85 on Sumatra tobacco, they got it. And yet, Mr. Speaker, this inequality of application ought not to appear in a statute constructed on protective lines. The prosperity of this country should not be localized by law. It should refresh the farm, as well as the shop. It is an old saying that the farmer is the mudsill in the Government. Every interest, every industry, in a peculiar sense, rests on him.

FARMERS OUGHT NOT TO BE OVERLOOKED OR DISCRIMINATED AGAINST.

He asks no special favors, but if favors are to be distributed, he is unwilling to be omitted. He is entitled at all times to be fairly treated, but he has not received it in this bill. Apparently those things in his interest which received the largest measure of support in the House, and thus seemed to represent a response to a universal popular demand, were selected for speediest condemnation in the overhauling to which this measure has been subjected, and the celerity with which these recommendations have been rejected, serve to illustrate the contempt with which they were received. "The advantage of wealth and power is increased by this bill, along with an increase in the cost of living for the average man." The handwriting of the Trusts is on every page. In many instances the products of the farm have been put on the free list, with no compensating advantage to the farmers. There are drawbacks for the protected industries, but none for the farmers. Nay, rather it is all drawback or setback in his case.

There was a small protective duty on barley, cabbages, bacon, hams, fresh meat, lard, tallow, wool, grease, and peas under the Dingley bill. These duties have been seriously reduced in the pending measure. However, this bill carries a free list, presumably for the public interests. If any farmer feels aggrieved over the reduction in the duties on the products

of the farm, let him look over the free list, and take heart. On this list he will find apatite—free enough at present, if everyone had the wherewithal to satisfy it—balm of gilead, bladders, catgut, blue clay, cocculus indicus, dandelion roots, ice, divi-divi, acorns, alizarin, and dragon's blood. When the farmer scans this list, he ought to be ready to sing: "Be still, sad heart, and cease repining, for all is well with the Republic." Give the farmers free divi-divi, cocculus indicus, catgut, dandelion root, and dragon's blood, and, in the opinion of the Ways and Means Committee, his cup will be full, pressed down, and running over with blessings.

Mr. Speaker, it has been said that for justice every place is a temple, and all seasons summer. Is there no room for justice in a tariff bill? Should the ultimate consumers and producers be always forgotten? Is it an unreasonable request to prefer, that in the application of the protective principle, some equality of benefits should be conferred? The party that stands for the protective principle is in the saddle, but in its lavish use of the taxing power, it should remember that there are others than Trusts in this Republic. Tariff reduction is compatible with the protective principle. The Democratic party is as anxious to promote prosperity, as the most ardent advocate of protection. The question between us is merely one of means to secure an end for which both parties are striving. The Democratic party believes that many duties are too high, and that in the public interests they are susceptible of reduction.

A business which is making profits of from 50 to 100 per cent, is surely not an infant industry, and can stand some curtailment without putting up the cry that the country is going to the dogs. The Sugar Trust, the Tobacco Trust, the Steel Trust, the Agricultural-Implement Trust, the Packers' Trust have surely passed the stage of puling infancy. Downward revision, as applied to them, does not mean destruction. If tariff revision means upward revision, why did not the Republican party so declare twelve months ago? When in their platform they declared unequivocally in favor of tariff revision, did revision mean upward revision? If so, the declaration for tariff revision was certainly an equivocal, and not an unequivocal announcement.

PRESIDENT TAFT CALLED AS A WITNESS.

I call Mr. Taft as a witness to support the Democratic contention that the present tariff rates are excessive and ought to be reduced.

Speaking at Cincinnati on September 22, 1908, Candidate Taft made the following declaration:

"The Dingley tariff has served the country well, but its rates have become generally excessive. They have become excessive, because conditions have changed since its passage in 1896. Some of the rates are probably too low, due to the change of conditions, but on the whole the tariff ought to be lowered."

A little later on, December, 1908, he declared: "Better no revision at all; better that the new bill should fail, unless an honest and thorough revision is made on the basis laid down and the principle outlined in the party's platform."

At Milwaukee, on September 24, 1908:

It is my judgment that a revision of the tariff, in accordance with the pledge of the Republican platform, will be on the whole a substantial downward revision, though there will probably be a few exceptions in this regard.

At Des Moines, September 25, 1908:

It is my judgment that a revision of the tariff in accordance with the pledge of the Republican party, will be on the whole, a substantial revision downward, though there will probably be a few exceptions in this regard.

Fort Dodge, Kans., October 3, 1908:

The normal operation of protection, is to lower the cost of production, and so to reduce prices to the public. As a consequence after ten years of operation, of a particular schedule, it ought to result that the cost of production in this country, is made less, and therefore that the difference between the cost of production in this country, and abroad is less, and therefore that the duty ought to be reduced.

Couple these cumulative declarations of Mr. Taft, and they constitute a very emphatic stand in favor of tariff reduction. A bill in conformity with these principles, would be entirely acceptable to this side of the House. The Democrats ask for nothing more than fair, genuine, downward revision. But is the Payne bill overlaid, and deformed as it is, by the Senate amendments, the final response of the Republican party, to the insistent, nonpartisan popular demand for tariff revision?

This bill does not even attempt to keep the word of promise to the ear, though it defiantly breaks it to the hope. It is cunningly constructed with "jokers, countervailing duties, maximum and minimum rates, rebates, strange mixtures of ad valorem, and specific duties, new methods of appraisement, and many other deceptive features, as peculiar as they are mysterious," but no student of its provisions, has as yet pointed out that, on the whole, with reference to those great schedules which affect the entire public, and which have endured lo, these many years, far beyond the ten years fixed by President Taft, there is any substantial downward revision. Even when the bill left the House it was estimated that it carried a higher average of rates, than the Dingley bill. The business world, that is the trading world which handles the manufactured articles, are as a unit in condemnation of the measure. Recently the general committee of the Wholesale Dry Goods Merchants of New York, submitted an elaborate analysis of one great schedule, showing that the duty—increase, ranged from 27 per cent, to 121 per cent. In simple terms downward revision, means lower rates. Lower duties, mean cheaper clothes, cheaper shoes, cheaper farming implements, cheaper glass, cheaper crockery, cheaper articles under every schedule affected by lower rates. And this is what President Taft promised to the American people. He promised in simple terms, easily understood, downward revision, that is, lower rates, that is, cheaper goods to the consumer. This promise was unequivocal, and in the language of the vernacular, it is up to the friends of this measure, to point out so clearly that the wayfaring man may read, the cheapening processes of the new schedules. It is agreed on all hands that the reductions of the Payne bill, have largely disappeared in the Senate, and that important schedules, "covering importations of universal consumption, show no depreciable decrease in either body."

The testimony of the "market place," is entirely against the bill. Isidore Saks, head of one of the greatest department stores in New York, voices the sentiments of practically every great merchant in that city, in the following signed statement:

If the tariff bill is enacted into law, in anything like its present form, that is the Payne-Aldrich bill, the great mass of the American people, will be called upon to pay more for practically every article of clothing they wear, and the Republican party will fail to redeem its campaign pledges, of downward revision.

Nothing has been submitted by the friends of the pending measure, in response to the specific attacks made upon it, within and without the party, giving in detail the facts, and figures, showing that the new bill represents on the whole a distinct, and substantial advance in tariff duties, and a consequent cost of living, to the consumer, save that Senator ALDRICH has ventured the assertion that the bill is a complete fulfillment of every pledge of the Republican party, a statement so wide of the mark, in the opinion of 10 of his Republican colleagues, that they went on record against the bill, in the vote on its passage in the Senate.

Mr. Speaker, the friends of this measure are on the defensive. They must submit in its behalf, if they hope to make good the claim that it represents downward revision, something more than a general denial to the specific attacks which have been made on the great schedules of the bill, pointing out, item by item the radical increases that are proposed over existing rates. If this bill carries lower rates, and cheaper goods, it is time for some friend to point out on its behalf, what those rates are, and to indicate the goods, wares, and merchandise, that will be cheapened to the consumer, whether clothes, shoes, agricultural implements, glassware, china ware, crockery, or any one, or more, of the thouand, and one items that are to be found in a householder's account at the end of the year. We aver that this bill "will make living more costly, to the average man, without expanding his opportunities." We aver that "the decreases in the Senate amendments relate in the main to trivial articles, whereas the principal increases are on the food and clothing commonly eaten, and worn." In support of these contentions, we avouch the record, and call on our adversaries to take the stand, and point out the articles that will represent downward revision, in this bill, and to tell us what they will mean in dollars and cents to the American consumer. I will call one witness on behalf of the consumer, who will amply support all that I have had to say, or for that matter any Democrat has had to say, in condemnation of the shortcomings of this measure.

SENATOR LA FOLLETTE, AS A WITNESS.

Within the last few days, Senator LA FOLLETTE, has made the following statement, published as a Senate document, and accessible to the public:

According to the figures furnished by the Bureau of Statistics, the bill passed by the Senate upon the basis of importations of 1907, leaves unchanged the duties on imports of the value of $540,106,037, or 64.65 per cent. Duties are increased on imports of the value of $149,716,619, or 25.51 per cent, while the decreases affect imports of the value of $96,369,619, or 13.84 per cent. The average increase of the entire bill, is 5.65 per cent.

Unless the rates of this bill are greatly reduced in conference, this bill ought to be vetoed. In its present form, it is a violation of the promise made to the people to reduce existing rates. Even the lowest rates assessed by both Houses, would be a violation of the pledges made to the people, because every rate, is higher than the difference in the cost of production, between this, and the competing country.

Mr. Speaker, there is a steady current of opinion in the business world, that the prices of many things that the public buy, will shortly advance. How can this be, if the bill soon to become law represents downward revision? The relation between tariff duties and public burdens, will become apparent as soon as prices begin to rise under the Payne-Aldrich bill. This bill, in its course through the two bodies, has revealed the perplexities of the Republican party. Confronted with a great deficit, and the public demand for tariff reduction, they have been literally between the devil and the deep sea. The House bill provided for an inheritance tax, and an issue of bonds.

Think of it! An issue of bonds in a period of profound peace, to meet current expenses, and provide for a deficit caused by the prodigal extravagance of the party in power! It has been a favorite argument of the Republican orators on the stump, that under the protective system the foreigner paid the tax. I commend that argument to them. Give up your inheritance taxes, and corporation taxes, and bond issues, which are causing you so much trouble, and make the foreigners pay more tax. Collect your deficit from him. He has no vote, and can make no protest. He is an ideal subject of taxation.

Mr. Speaker, the Republican party is in trouble because it has not kept its promise to the American people to give them an honest revision of the tariff. If this bill was an honest fulfillment of that promise, certainly every Republican would have supported it.

TEN REPUBLICAN SENATORS VOTE AGAINST THE BILL.

The defection of 10 Republican Senators on the final vote in the Senate was epochal. These Senators are leaders in their party, high in its councils, and firm adherents of the protective principle. They rejected this measure as a sham and a delusion. They willingly risked their political fortunes to uphold, as they maintained, the real interests of the people whom they represented. These men were BEVERIDGE, BRISTOW, BROWN, BURKETT, CLAPP, NELSON, CRAWFORD, CUMMINS, DOLLIVER, and LA FOLLETTE. They represented the great agricultural States of Indiana, Kansas, Nebraska, Minnesota, South Dakota, Iowa, and Wisconsin. They were denounced by Senator ALDRICH, the representative of the standpatters, and received his denunciation as a badge of honor.

The mere fact that 10 Republican Senators voted against this measure, is the severest arraignment that it has received. A broken promise carries with it an implication of perfidy. If this bill was an honest discharge of promises solemnly made to the American people, Senator BEVERIDGE could never have used these words:

> Any promise, Mr. President, is a serious thing, and never should be made, except to be kept, but a promise to the people is sacred. It has been the pride and glory of the Republican party that it keeps its promises; and its promises always have been the people's settled and matured demand.

Mr. Speaker, as much as the outrageous rules of this body permit, the Democrats, and the Republican insurgents, have striven to make this a better bill.

Our labors have not been altogether in vain, and if the bill will prove to be a keen disappointment to millions of toilers, the progress of its passage through the two bodies, has at least revealed who are the friends of the people. The goats and the sheep have been separated. If it is not all that it should be—and this bill falls far short of the requirements of a proper tariff bill—there is consolation in the reflection, that the friends of the people have fought a good fight to the finish. We have been defeated, but not disgraced. The history of the McKinley bill will be repeated in the Payne-Aldrich bill. No bill that is not responsive to the public demand, no bill that is branded with party perfidy, and carries the reproach of solemn promises, wantonly disregarded, will maintain its place in a system of popular government. On the issue of tariff revision, the Republicans carried the election of 1908.

The country intrusted them with the task of writing this bill, but it expected an honest and thorough revision. It expected that the tariff would be lowered, and the excessive rates of the Dingley bill properly curtailed. I take it, Mr. Speaker, that the very essence of a proper tariff bill is, that it should be fair, that it should be purged of sectionalism, that it should have no favorites. If the taxing power, or the protective principle is adequate to secure prosperity, then the application of that principle, should not be limited to the Trusts, or to special industries included in a favored class, but it should include every class, and comprehend every industry, within the circle of its benefits.

While this would not be the Democratic doctrine of equal rights to all, and special privileges to none, it would be the nearest approach that can be made to equal rights, in a scheme of special privilege.

Mr. Speaker, it is too much to expect that President Taft will veto this bill; but I think most of us will agree with our Republican friend, Mr. DOUGLAS, of Ohio, that worse things than that might happen. Of one thing I am assured, that if this timely step should be taken by the President, no effort will be made to pass the bill over his veto. We will gladly write over the tomb of the Payne-Aldrich-Smoot abomination, "Requiescat in pace."

Mr. CLARK of Missouri. The situation, Mr. Speaker, about this bill is this: The Payne bill was bad, the Aldrich-Smoot bill is worse; and judging the future by the past, the result of the labors of the conference committee will be the worst of all.

I want to explain to the gentlemen now what the parliamentary situation is. If you vote for the previous question, you are out of consideration as to the tariff question in this Congress; you are never going to have any more chance at this bill except to vote for what the conferees bring in here. To use an expression suggested to me by the gentleman from Texas [Mr. BURLESON] in an aside, you will be "hog tied."

If you vote down the previous question, then you can amend this resolution in any shape, form, or fashion that you please. You can have an opportunity to have your voice heard in the ultimate result of all these deliberations.

The gentleman from Nebraska [Mr. NORRIS] says to instruct the conferees to agree to the Senate amendments where they have reduced the rates and to stand by the Payne bill where the Payne-bill rates are lower than the Senate rates. I am in favor of that as far as it goes. That is not all we would like to get, but it is probably as much as we are going to get. If I had my way about it, this House would go into the Committee of the Whole and take up every one of these amendments and vote on them without debate. [Applause on the Democratic side.]

The Senators seemed not to know what the facts about the tariff question are. The House is under no such an indictment of ignorance as that. We all know all the facts. Some say that because there are 847 amendments it would take thirteen months to consider them, as my distinguished and genial friend from Iowa [Mr. SMITH] said. We can vote on every amendment in this bill in twenty-six hours. [Applause on the Democratic side.] The day of oratory is past about this bill, if there ever was a day of oratory for it. That will give every Member of this House a chance to take the amendments up seriatim and vote on every one of them; it gives every man of the 390 of us that are left an opportunity to express his opinion on the bill. You can not wriggle out of the consequences in the days to come by charging all the iniquities of this bill to the conferees if you vote for this rule.

You brought in a corporation tax over in the Senate. I say that they had no right to add to the bill a proposition that was never broached in the House. The House passed an inheritance tax. I would like to dump into this conference the proposition for an income tax. [Applause on the Democratic side.]

The people of the United States by an overwhelming majority are in favor of a graduated income tax—a large majority of the membership of the House favors it—and in my humble judgment this corporation tax was cooked up for the purpose of defeating the proposition for an income tax. [Loud applause on the Democratic side.] Come out in the open, and show your hands. Do not skulk behind the Committee on Rules and the conference committee. Let us take this up. We will remain in continuous session, so far as I am concerned, until we vote on every one of these amendments.

Now, another thing: I have been here fifteen years; the gentleman from Pennsylvania has been here twenty-two years; and I have heard him two or three hundred times throw in the faces of the Democrats that to the Wilson bill there were six hundred and odd amendments. I thank God we are emancipated from that charge at last [laughter and applause] with 847 Senate amendments! Good heavens, only think of that! [Laughter and applause on the Democratic side.] Hereafter in tariff debates 847 will be a number to conjure with.

I complimented the gentleman from New York [Mr. PAYNE] at the beginning of this debate on getting his name fastened on a tariff bill. I am afraid he is about to lose out. The correct title of this bill ought to be the Reed Smoot bill, as sure as you are living. [Laughter and applause on the Democratic side.]

Mr. DALZELL. I yield the balance of my time to the gentleman from New York [Mr. PAYNE]. [Loud applause on the Republican side.]

Mr. PAYNE. Mr. Speaker, I do not propose to discuss at length the merits of the House bill nor the merits of the Senate amendments. In fact, I am getting a little weary of discussions on the subject of the tariff. I commenced a year ago

last month to investigate with reference to the tariff bill, and I have put in every day from that day down to now, and have done nothing else except study this question of the tariff bill. I have read all the speeches made on this subject in the House, and even all the speeches made in another place. For the last three months I have been waited upon daily by gentlemen who have gone before the Senate committee and have succeeded in getting amendments placed on the bill in the Senate. As there are 847 of them, you can judge that I have had a pretty large delegation who have talked to me upon the subject of the merits of those amendments.

Now, Mr. Speaker, we can not, in the House, take up every paragraph in this bill and discuss fully and vote intelligently upon the merits of every amendment that is made. It is true of these 847 amendments put on the bill by the Senate, some three or four hundred of them are simply amendments which arise from an attempt to change the form of the House bill, made in conformity with the previous laws upon the subject of the tariff. Perhaps 500 of them are amendments which involve rates and involve classifications, which are amendments that must be examined with care to determine just what the effect will be upon the various articles treated in these amendments.

Gentlemen talk about voting on every amendment offered in the Senate without debate. There can be no more unintelligent method of taking up these amendments and attempting to decide upon them. Why, some of these amendments I have studied diligently, and I am not able to say to-day whether they raise or whether they lower the rates, and have not been able to determine yet on some of them with the aid of gentlemen who are experts on this subject. There is nobody in the United States who knows as to some of these amendments whether they raise or lower the rates.

Mr. CLARK of Missouri. Would it not be doing a good thing to give ourselves the benefit of the doubt, and vote against these amendments where you do not understand them. [Laughter and applause on the Democratic side.]

Mr. PAYNE. Well, I propose to give myself the benefit of the doubt and vote against all of them, whether I understand them or not [laughter and applause on the Republican side], and get them before the conference, with conferees that will demand to know the reason for these amendments, a conference, I trust, of gentlemen who are seeking information as to every one of these amendments, and who will have to understand the effect of them and whether they conform to their ideas of what the proper tariff should be before they agree to them.

It goes without saying, Mr. Speaker, that I am for the House bill. I was for the House bill when it passed the House; and I am yet to be convinced as to the importance of these amendments put upon it in another place. [Applause on the Republican side.] Now, I am not, Mr. Speaker, pledging myself as to what I would do now. And I say further, that I have told everyone that came to me that I would give no pledge and no intimation as to what my opinion was upon any of the Senate amendments, singly or as a whole.

I want to go into the conference, if I go at all, to have a full and free conference with the Senate conferees, in order that we may discuss these matters, that we may bring before the House finally a bill that will meet the approval of this side of the House, and will meet the approval of the country at large; a bill upon which we can go before the people of the United States with confidence [applause on the Republican side] and disappoint the gentlemen on the other side who are looking so enviously at some of the seats occupied by better men on this side. [Applause and laughter on the Republican side.]

Mr. Speaker, when the fathers put into the Constitution the provision that bills raising revenue must originate in this House, I think they meant something more than the latter-day interpretation has put upon that part of the Constitution. I think they intended germane amendments. I do not believe it entered into their ideas that the House should simply prevent all legislation being enacted, raising revenue, without they sent in a bill of some kind; but they meant that when the House sent in a bill relating to specific objects, the Senate should have the right to amend it in reference to those objects. But the day for that interpretation has long since gone by, under the practice of the two Houses; and so it is that the Senate can come in here with amendment after amendment proposing a tariff bill on a simple proposition to raise an internal-revenue tax. We have gone a long way from what was in the minds of the fathers; but, Mr. Speaker, we have not abandoned our right as conferees. We are the coordinate branch with the Senate. Our Members are the coordinate members of that conference; and standing here representing this House—we do not need to say the greatest legislative body in the world; people concede that—standing for this body on an equal footing, I ask you to send your conferees to the Senate unhampered by any instructions, unhampered by any indication of your ideas in reference to these amendments. [Applause on the Republican side.]

I ask every Republican Member of the House to vote to disagree to every one of these 847 amendments of the Senate, and trusting your conferees, representing your ideas, to go into that conference and take care of the interests of the House in carrying out the instructions and the interests of the American people in agreeing upon a conference report upon this bill. [Applause on the Republican side.]

Mr. DALZELL. Mr. Speaker, I now ask for the previous question.

The SPEAKER. The gentleman from Pennsylvania moves the previous question.

Mr. CLARK of Missouri. On that I ask for the yeas and nays.

The yeas and nays were ordered.

The question was taken; and there were—yeas 179, nays 154, answered "present" 1, not voting 54, as follows:

YEAS—179.

Alexander, N. Y.	Durey	Keifer	Perkins
Allen	Dwight	Kennedy, Iowa	Plumley
Ames	Edwards, Ky.	Kennedy, Ohio	Pratt
Andrus	Ellis	Knapp	Pray
Anthony	Elvins	Knowland	Prince
Austin	Englebright	Kopp	Reeder
Barchfeld	Esch	Kronmiller	Reynolds
Barclay	Fairchild	Küstermann	Roberts
Barnard	Fassett	Lafean	Rodenberg
Bartholdt	Fish	Langham	Scott
Bates	Focht	Langley	Sheffield
Bennet, N. Y.	Foelker	Law	Simmons
Bennett, Ky.	Fordney	Lawrence	Slemp
Bingham	Foss	Longworth	Smith, Cal.
Boutell	Foulkrod	Loud	Smith, Iowa
Bradley	Fuller	Loudenslager	Smith, Mich.
Broussard	Gaines	Lowden	Snapp
Brownlow	Gardner, Mass.	Lundin	Stafford
Burke, Pa.	Gardner, Mich.	McCall	Steenerson
Burke, S. Dak.	Gardner, N. J.	McCreary	Sterling
Burleigh	Garner, Pa.	McKinlay, Cal.	Stevens, Minn.
Butler	Gillett	McKinley, Ill.	Sturgiss
Calder	Goebel	McKinney	Sulloway
Calderhead	Graff	McLachlan, Cal.	Swasey
Campbell	Graham, Pa.	McLaughlin, Mich.	Tawney
Capron	Grant	McMorran	Taylor, Ohio
Cassidy	Greene	Mann	Tener
Chapman	Guernsey	Martin, S. Dak.	Thistlewood
Cocks, N. Y.	Hamer	Miller, Kans.	Thomas, Ohio
Cole	Hamilton	Millington	Tilson
Cook	Hanna	Mondell	Tirrell
Cooper, Pa.	Hawley	Moon, Pa.	Townsend
Cowles	Hayes	Moore, Pa.	Volstead
Creager	Heald	Morehead	Vreeland
Crow	Higgins	Morgan, Mo.	Wanger
Currier	Hill	Morgan, Okla.	Washburn
Dalzell	Hollingsworth	Murphy	Wheeler
Davidson	Howell, N. J.	Needham	Wiley
Dawson	Howland	Nye	Wilson, Ill.
Denby	Hubbard, W. Va.	Olcott	Wood, N. J.
Diekema	Hull, Iowa	Olmsted	Woodyard
Dodds	Humphrey, Wash.	Parker	Young, Mich.
Douglas	Johnson, Ohio	Parsons	Young, N. Y.
Draper	Joyce	Payne	The Speaker
Driscoll, M. E.	Kahn	Pearre	

NAYS—154.

Adair	Ferris	Johnson, S. C.	Rainey
Adamson	Finley	Jones	Randell, Tex.
Aiken	Fitzgerald	Kendall	Rauch
Ansberry	Flood, Va.	Kinkaid, Nebr.	Rhinock
Barnhart	Floyd, Ark.	Kinkead, N. J.	Richardson
Bartlett, Ga.	Foster, Ill.	Kitchin	Robinson
Bartlett, Nev.	Garner, Tex.	Korbly	Rothermel
Beall, Tex.	Garrett	Lamb	Rucker, Colo.
Bell, Ga.	Gill, Md.	Latta	Rucker, Mo.
Boehne	Gill, Mo.	Lever	Sabath
Booher	Gillespie	Lindbergh	Saunders
Borland	Glass	Livingston	Shackleford
Bowers	Godwin	Lloyd	Sharp
Brantley	Goldfogle	McDermott	Sheppard
Burgess	Good	McHenry	Sims
Burleson	Graham, Ill.	Macon	Sisson
Burnett	Gregg	Madison	Slayden
Byrd	Gronna	Maguire, Nebr.	Small
Byrns	Hamill	Martin, Colo.	Smith, Tex.
Candler	Hamlin	Maynard	Sparkman
Cantrill	Hammond	Mays	Spight
Carlin	Hardwick	Miller, Minn.	Stanley
Carter	Hardy	Moore, Tex.	Stephens, Tex.
Clark, Mo.	Harrison	Morrison	Sulzer
Clayton	Haugen	Morse	Talbott
Cline	Hay	Murdock	Taylor, Ala.
Collier	Heflin	Nelson	Taylor, Colo.
Covington	Helm	Nicholls	Thomas, Ky.
Cox, Ind.	Henry, Tex.	Norris	Thomas, N. C.
Cox, Ohio	Hinshaw	O'Connell	Ton Velie
Cullop	Houston	Oldfield	Underwood
Davis	Hubbard, Iowa	Padgett	Wallace
De Armond	Hughes, Ga.	Page	Watkins
Denver	Hughes, N. J.	Palmer, A. M.	Webb
Dickson, Miss.	Hull, Tenn.	Patterson	Wickliffe
Dies	Humphreys, Miss.	Peters	Willett
Dixon, Ind.	James	Pickett	Woods, Iowa
Driscoll, D. A.	Jamieson	Poindexter	
Edwards, Ga.	Johnson, Ky.	Pujo	

ANSWERED "PRESENT"—1.

Pou

NOT VOTING—54.

Alexander, Mo.	Fornes	Huff	Palmer, H. W.
Anderson	Foster, Vt.	Hughes, W. Va.	Ransdell, La.
Ashbrook	Fowler	Keliher	Reid
Cary	Gallagher	Lassiter	Riordan
Clark, Fla.	Gilmore	Lee	Russell
Conry	Gordon	Lenroot	Sherley
Cooper, Wis.	Goulden	Lindsay	Sherwood
Coudrey	Griest	Lovering	Southwick
Craig	Griggs	McGuire, Okla.	Sperry
Cravens	Henry, Conn.	Madden	Weeks
Crumpacker	Hitchcock	Malby	Weisse
Dent	Hobson	Moon, Tenn.	Wilson, Pa.
Ellerbe	Howard	Moss	
Estopinal	Howell, Utah	Mudd	

So the previous question was ordered.

The Clerk announced the following pairs:

Until further notice:

Mr. SOUTHWICK with Mr. SHERLEY.

Mr. MUDD with Mr. HOWARD.

Mr. MALBY with Mr. SHERWOOD.

Mr. MADDEN with Mr. RUSSELL.

Mr. MCGUIRE of Oklahoma with Mr. REID.

Mr. LOVERING with Mr. RANSDELL of Louisiana.

Mr. HUGHES of West Virginia with Mr. MOON of Tennessee.

Mr. HOWELL of Utah with Mr. LINDSAY.

Mr. HENRY of Connecticut with Mr. LEE.

Mr. GRIEST with Mr. LASSITER.

Mr. FOWLER with Mr. HOBSON.

Mr. CRUMPACKER with Mr. GORDON.

Mr. COUDREY with Mr. ELLERBE.

Mr. CARY with Mr. ALEXANDER of Missouri.

Mr. HENRY W. PALMER with Mr. RIORDAN.

Mr. SPERRY with Mr. CRAIG.

Mr. HUFF with Mr. HITCHCOCK.

Mr. WEEKS with Mr. KELIHER.

For the session:

Mr. FOSTER of Vermont with Mr. POU.

The result of the vote was announced as above recorded.

The SPEAKER. The question is on agreeing to the resolution.

Mr. CLARK of Missouri. Yeas and nays, Mr. Speaker.

The yeas and nays were ordered.

The question was taken; and there were—yeas 178, nays 152, answered "present" 1, not voting 57, as follows:

YEAS—178.

Alexander, N. Y.	Durey	Keifer	Perkins
Allen	Dwight	Kennedy, Iowa	Plumley
Ames	Edwards, Ky.	Kennedy, Ohio	Pratt
Andrus	Ellis	Knapp	Pray
Anthony	Elvins	Knowland	Prince
Austin	Englebright	Kopp	Reeder
Barchfeld	Esch	Kronmiller	Reynolds
Barclay	Fairchild	Kustermann	Roberts
Barnard	Fassett	Lafean	Rodenberg
Bartholdt	Fish	Langham	Scott
Bates	Focht	Langley	Sheffield
Bennet, N. Y.	Foelker	Law	Simmons
Bennett, Ky.	Fordney	Lawrence	Slemp
Bingham	Foss	Longworth	Smith, Cal.
Boutell	Foulkrod	Loud	Smith, Iowa
Bradley	Fuller	Loudenslager	Smith, Mich.
Broussard	Gaines	Lowden	Snapp
Brownlow	Gardner, Mass.	Lundin	Stafford
Burke, Pa.	Gardner, Mich.	McCall	Sterling
Burke, S. Dak.	Gardner, N. J.	McCreary	Stevens, Minn.
Burleigh	Garner, Pa.	McKinlay, Cal.	Sturgiss
Butler	Gillett	McKinley, Ill.	Sulloway
Calder	Goebel	McKinney	Swasey
Calderhead	Graff	McLachlan, Cal.	Tawney
Campbell	Graham, Pa.	McLaughlin, Mich.	Taylor, Ohio
Capron	Grant	McMorran	Tener
Cassidy	Greene	Mann	Thistlewood
Chapman	Guernsey	Martin, S. Dak.	Thomas, Ohio
Cocks, N. Y.	Hamer	Miller, Kans.	Tilson
Cole	Hamilton	Millington	Tirrell
Cook	Hanna	Mondell	Townsend
Cooper, Pa.	Hawley	Moon, Pa.	Volstead
Cowles	Hayes	Moore, Pa.	Vreeland
Creager	Heald	Morehead	Wanger
Crow	Higgins	Morgan, Mo.	Washburn
Currier	Hill	Morgan, Okla.	Wheeler
Dalzell	Hollingsworth	Murphy	Wiley
Davidson	Howell, N. J.	Needham	Wilson, Ill.
Dawson	Howland	Nye	Wood, N. J.
Denby	Hubbard, W. Va.	Olcott	Woodyard
Dickema	Hull, Iowa	Olmsted	Young, Mich.
Dodds	Humphrey, Wash.	Parker	Young, N. Y.
Douglas	Johnson, Ohio	Parsons	The Speaker
Draper	Joyce	Payne	
Driscoll, M. E.	Kahn	Pearre	

NAYS—152.

Adair	Bartlett, Nev.	Bowers	Byrns
Adamson	Beall, Tex.	Brantley	Candler
Aiken	Bell, Ga.	Burgess	Cantrill
Ansberry	Boehne	Burleson	Carlin
Barnhart	Booher	Burnett	Carter
Bartlett, Ga.	Borland	Byrd	Clark, Mo.
Clayton	Gronna	Lindbergh	Rhinock
Cline	Hamill	Livingston	Richardson
Collier	Hamlin	Lloyd	Robinson
Covington	Hammond	McDermott	Rothermel
Cox, Ind.	Hardwick	McHenry	Rucker, Colo.
Cox, Ohio	Hardy	Macon	Rucker, Mo.
Cullop	Harrison	Madison	Sabath
Davis	Haugen	Maguire, Nebr.	Saunders
De Armond	Hay	Martin, Colo.	Shackleford
Denver	Heflin	Maynard	Sharp
Dickson, Miss.	Helm	Mays	Sheppard
Dies	Henry, Tex.	Miller, Minn.	Sims
Dixon, Ind.	Hinshaw	Moore, Tex.	Sisson
Driscoll, D. A.	Houston	Morrison	Slayden
Edwards, Ga.	Hubbard, Iowa	Morse	Smith, Tex.
Ferris	Hughes, Ga.	Murdock	Sparkman
Finley	Hughes, N. J.	Nelson	Spight
Fitzgerald	Hull, Tenn.	Nicholls	Stanley
Flood, Va.	Humphreys, Miss.	Norris	Stephens, Tex.
Floyd, Ark.	James	O'Connell	Sulzer
Foster, Ill.	Jamieson	Oldfield	Talbott
Garner, Tex.	Johnson, Ky.	Padgett	Taylor, Colo.
Garrett	Johnson, S. C.	Page	Thomas, Ky.
Gill, Md.	Jones	Palmer, A. M.	Thomas, N. C.
Gill, Mo.	Kendall	Patterson	Tou Velle
Gillespie	Kinkaid, Nebr.	Peters	Underwood
Glass	Kinkead, N. J.	Pickett	Wallace
Godwin	Kitchin	Poindexter	Watkins
Goldfogle	Korbly	Pujo	Webb
Good	Lamb	Rainey	Wickliffe
Graham, Ill.	Latta	Randell, Tex.	Willett
Gregg	Lever	Rauch	Woods, Iowa

ANSWERED "PRESENT"—1.

Pou

NOT VOTING—57.

Alexander, Mo.	Foster, Vt.	Keliher	Riordan
Anderson	Fowler	Lassiter	Russell
Ashbrook	Gallagher	Lee	Sherley
Cary	Gilmore	Lenroot	Sherwood
Clark, Fla.	Gordon	Lindsay	Small
Conry	Goulden	Lovering	Southwick
Cooper, Wis.	Griest	McGuire, Okla.	Sperry
Coudrey	Griggs	Madden	Steenerson
Craig	Henry, Conn.	Malby	Taylor, Ala.
Cravens	Hitchcock	Moon, Tenn.	Weeks
Crumpacker	Hobson	Moss	Weisse
Dent	Howard	Mudd	Wilson, Pa.
Ellerbe	Howell, Utah	Palmer, H. W.	
Estopinal	Huff	Ransdell, La.	
Fornes	Hughes, W. Va.	Reid	

So the resolution was agreed to.

The Clerk announced the following additional pair:

Until further notice:

Mr. STEENERSON with Mr. ANDERSON.

The result of the vote was announced as above recorded.

The SPEAKER. The Chair announces the following conferees.

The Clerk read as follows:

Messrs. PAYNE, DALZELL, MCCALL, BOUTELL, CALDERHEAD, FORDNEY, CLARK of Missouri, UNDERWOOD, and GRIGGS.

EXTENSION OF REMARKS.

Mr. CLARK of Missouri. Mr. Speaker, I ask unanimous consent that every Member who chooses to do so may extend his remarks in the RECORD on this day's proceedings.

The SPEAKER. The gentleman from Missouri asks unanimous consent that Members who have spoken to-day may extend their remarks in the RECORD. Is there objection?

Mr. CLARK of Missouri. No; my request was for everybody.

The SPEAKER. For Members generally.

Mr. CLARK of Missouri. And on this subject.

The SPEAKER. On this subject. Is there objection?

Mr. KEIFER. Mr. Speaker, reserving the right to object, I desire to have some time set aside when we shall have some open debate upon this tariff bill.

Mr. GARRETT. That is what we want to do over here.

Mr. KEIFER. Mr. Speaker, I would like to ask unanimous consent that on next Monday, after other business that is in order, the day shall be given to general debate.

Mr. CLARK of Missouri. I have no objection to that request, but I do not see that it has anything to do with my request.

Mr. MANN. Mr. Speaker, reserving the right to object, I suggest that there be some time limit fixed.

Mr. CLARK of Missouri. Five legislative days.

Mr. BARTLETT of Georgia. Mr. Speaker, may I make a parliamentary inquiry? Do I understand that that affects the rights of those who have already gotten permission to extend their remarks and who have spoken?

The SPEAKER. It only makes it more binding. Is there objection?

There was no objection.

The SPEAKER. The gentleman from Ohio [Mr. KEIFER] asks unanimous consent that on Monday next, after other business is disposed of, the day shall be devoted to general debate on the tariff bill.

Mr. HAY. How much time of the day?
The SPEAKER. Is there objection?
There was no objection.

ALASKA-YUKON-PACIFIC EXPOSITION.

Mr. RODENBERG. Mr. Speaker, I ask unanimous consent for the present consideration of House concurrent resolution No. 17, which I send to the Clerk's desk.
The SPEAKER. The Clerk will report the resolution.
The Clerk read as follows:

House concurrent resolution 17.

Resolved, etc., That the invitation heretofore extended and presented to the Congress of the United States by the Alaska-Yukon-Pacific Exposition, to be held at Seattle, Wash., June 1 to October 15, 1909, be, and the same is hereby, accepted.
That the Speaker of the House of Representatives and the President of the Senate be, and they are hereby, authorized and directed to appoint a committee, to consist of 15 Representatives and 10 Senators of the Sixty-first Congress, to attend said exposition and to represent the Congress of the United States, and that an appropriation to meet the necessary expenses of said joint committee in attending said exposition is hereby authorized.

The SPEAKER. The Chair calls the attention of the gentleman to the fact that this is a concurrent resolution, and that it carries an appropriation.
Mr. MANN. We can not make an appropriation by a concurrent resolution. It does not require the signature of the President. It would not be law which would authorize an appriation.
Mr. MACON. Mr. Speaker, I object to the consideration of the resolution at this time.
The SPEAKER. Does the gentleman from Illinois [Mr. RODENBERG] desire to modify his resolution?
Mr. RODENBERG. Yes; by striking out that latter part.
The SPEAKER. Objection is heard.
Mr. RODENBERG. I wish to strike out all after the words "United States" in line 12.
The SPEAKER. The Clerk will report the resolution as amended.
The Clerk read as follows:

Resolved, etc., That the invitation heretofore extended and presented to the Congress of the United States by the Alaska-Yukon-Pacific Exposition, to be held at Seattle, Wash., June 1 to October 15, 1909, be, and the same is hereby, accepted.
That the Speaker of the House of Representatives and the President of the Senate be, and they are hereby, authorized and directed to appoint, respectively, a committee, to consist of 15 Representatives and 10 Senators of the Sixty-first Congress, to attend said exposition and to represent the Congress of the United States.

The SPEAKER. Is there objection?
Mr. MACON. Mr. Speaker, reserving the right to object, I would like to ask the gentleman from Illinois [Mr. RODENBERG] if his resolution as amended carries an appropriation of any kind?
Mr. RODENBERG. Not in this form.
Mr. MACON. I want to know, further, if it authorizes an appropriation to pay the expenses of the committee that is to be appointed if it is adopted?
Mr. RODENBERG. It does not.
Mr. MACON. Mr. Speaker, this seems to be a little discourteous to the association that extended the invitation to the House. This offer to accept the invitation comes too late, it strikes me. The exposition has been on now for more than a month, and the invitation ought to have been accepted prior to the date of its inauguration. For that reason, and for the further reason that I fear an appropriation will be asked for later to pay the expenses of the committee, I object.

ADJOURNMENT OVER.

Mr. PAYNE. Mr. Speaker, I move that when the House adjourns to-day it adjourn to meet on Monday next.
The motion was agreed to.
Mr. PAYNE. Mr. Speaker, I do not know but I ought to say this: Monday next is suspension day, and it is in contemplation to bring up the question of a constitutional amendment on that day.
Mr. CLARK of Missouri. Is that the income-tax amendment?
Mr. PAYNE. Yes. I move that the House do now adjourn.
The motion was agreed to.
Accordingly (at 3 o'clock and 26 minutes p. m.) the House adjourned until Monday, July 12, 1909.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of Rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

A letter from the Acting Secretary of the Treasury, transmitting, with a copy of a letter from the Secretary of the Interior, an estimate of appropriation for an ice plant in the Interior Department (H. Doc. No. 83)—to the Committee on Appropriations and ordered to be printed.

A letter from the president of the Board of Commissioners of the District of Columbia, transmitting a draft of a bill providing for sites for workhouse and reformatory (H. Doc. No. 84)—to the Committee on the District of Columbia and ordered to be printed.

A letter from the secretary of Arizona, transmitting a copy of the session laws of 1909, in accordance with section 1844, Revised Statutes—to the Committee on the Territories.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS.

Under clause 2 of Rule XIII,

Mr. BATES, from the Committee on Disposition of Useless Papers in the Executive Departments, to which was referred the reports of the heads of departments, reported the same, accompanied by a report (No. 13), which said report was referred to the House Calendar.

PUBLIC BILLS, RESOLUTIONS, AND MEMORIALS.

Under clause 3 of Rule XXII, bills, resolutions, and memorials of the following titles were introduced and severally referred as follows:

By Mr. CLAYTON (by request): A bill (H. R. 11393) to promote the administration of justice—to the Committee on the Judiciary.

By Mr. SHEPPARD: A bill (H. R. 11394) authorizing the President of the United States to invite the International Anti-alcoholic Congress to hold its next annual meeting in the United States—to the Committee on Foreign Affairs.

By Mr. NYE: A bill (H. R. 11395) to authorize the city of Minneapolis, in the State of Minnesota, to build a bridge across the Mississippi River in said city of Minneapolis—to the Committee on Interstate and Foreign Commerce.

By Mr. LANGHAM: A bill (H. R. 11396) to authorize the Kiskiminetas Connecting Railroad Company, a corporation created under the laws of the State of Pennsylvania, to construct and erect a bridge across the Allegheny River in Armstrong County, Pa.—to the Committee on Interstate and Foreign Commerce.

By Mr. CANDLER: A bill (H. R. 11397) to secure depositors in national banks against loss, etc.—to the Committee on Banking and Currency.

Also, a bill (H. R. 11398) to extend the limits of the Shiloh National Military Park—to the Committee on Military Affairs.

Also, a bill (H. R. 11399) in aid of the common schools in Mississippi—to the Committee on the Public Lands.

Also, a bill (H. R. 11400) making an appropriation for the improvement of the Tombigbee River in the State of Mississippi and in the State of Alabama—to the Committee on Rivers and Harbors.

Also, a bill (H. R. 11401) providing for the purchase of a site and the erection of a public building thereon at Tupelo, in the State of Mississippi—to the Committee on Public Buildings and Grounds.

Also, a bill (H. R. 11402) to prevent corporations engaged in interstate or foreign commerce owning stock in another corporation engaged in interstate or foreign commerce; to forbid them having duplicate directories, and forbidding them, when a trust, the use of the mails—to the Committee on the Judiciary.

Also, a bill (H. R. 11403) providing for a certain percentage of cancellation of stamps, and making an allowance for rents, fuel, and lights, etc., to fourth-class postmasters—to the Committee on the Post-Office and Post-Roads.

Also, a bill (H. R. 11404) to repeal sections 3412 and 3413 of the Revised Statutes and parts of sections 19 and 20 of an act amending the customs and internal-revenue laws, approved February 8, 1875—to the Committee on Ways and Means.

Also, a bill (H. R. 11405) to prohibit the receipt, delivery, or transmission of interstate or foreign messages, or other information to be used in connection with, and to prohibit interstate and foreign transactions of every character and description that in any wise depend upon margins as a part thereof, and for other purposes—to the Committee on Interstate and Foreign Commerce.

Also, a bill (H. R. 11406) authorizing and requiring the Secretary of the Treasury to issue noninterest-bearing Treasury

notes in certain contingencies—to the Committee on Ways and Means.

Also, a bill (H. R. 11407) to increase the compensation of rural letter carriers—to the Committee on the Post-Office and Post-Roads.

By Mr. TILSON: A bill (H. R. 11408) authorizing the Connecticut River Company to construct a dam or dams across Connecticut River above the village of Windsor Locks, Conn.—to the Committee on Interstate and Foreign Commerce.

By Mr. BOWERS: A bill (H. R. 11409) to authorize the Forest Product and Manufacturing Company to construct a bridge across Pearl River, in the State of Mississippi—to the Committee on Interstate and Foreign Commerce.

By Mr. ROBINSON: A bill (H. R. 11410) to authorize Drew County, Ark., to construct a bridge across Bayou Bartholomew—to the Committee on Interstate and Foreign Commerce.

By Mr. WALLACE: A bill (H. R. 11411) to authorize Bradley County to construct a bridge across Saline River, in the State of Arkansas—to the Committee on Interstate and Foreign Commerce.

By Mr. DALZELL: Resolution (H. Res. 87) for consideration of the tariff bill—to the Committee on Rules.

By Mr. CRUMPACKER: Resolution (H. Res. 88) authorizing payment for extra clerical services in connection with the census bill—to the Committee on Accounts.

By Mr. CANDLER: Joint resolution (H. J. Res. 61) providing for the introduction of testimony in behalf of the defendant in all preliminary hearings of a criminal nature—to the Committee on the Judiciary.

Also, joint resolution (H. J. Res. 62) proposing to amend the Constitution by repealing the fifteenth amendment—to the Committee on the Judiciary.

Also, concurrent resolution (H. C. Res. 19) authorizing the Secretary of the Interior to have printed and mounted 239,000 United States maps—to the Committee on Accounts.

By Mr. FULLER: Memorial of the legislature of Illinois, for early publication of engineers' report upon the improvement of the Mississippi River below St. Louis—to the Committee on Printing.

PRIVATE BILLS AND RESOLUTIONS.

Under clause 1 of Rule XXII, private bills and resolutions of the following titles were introduced and severally referred as follows:

By Mr. AUSTIN: A bill (H. R. 11412) granting an increase of pension to Benjman Ellison—to the Committee on Invalid Pensions.

By Mr. BARCHFELD: A bill (H. R. 11413) granting an increase of pension to Cornelius Ryan—to the Committee on Invalid Pensions.

Also, a bill (H. R. 11414) granting an increase of pension to George W. Jackson—to the Committee on Invalid Pensions.

By Mr. BENNET of New York: A bill (H. R. 11415) granting a pension to Annie Toomey—to the Committee on Pensions.

By Mr. CANDLER: A bill (H. R. 11416) for the relief of Matilda H. Reed, of Iuka, Tishomingo County, Miss.—to the Committee on War Claims.

Also, a bill (H. R. 11417) for the relief of George Kimberley and Sam Kimberley, heirs of M. P. Kimberley, deceased, late of Tishomingo County, Miss.—to the Committee on War Claims.

Also, a bill (H. R. 11418) for the relief of A. W. McClure, of Alcorn County, Miss.—to the Committee on War Claims.

Also, a bill (H. R. 11419) for the relief of Mrs. E. A. Hubbard—to the Committee on War Claims.

Also, a bill (H. R. 11420) for the relief of David Ingram, of Itawamba County, Miss.—to the Committee on War Claims.

Also, a bill (H. R. 11421) for the relief of R. J. Warren—to the Committee on Claims.

Also, a bill (H. R. 11422) for the relief of J. W. Causey—to the Committee on War Claims.

Also, a bill (H. R. 11423) for the relief of the trustees of the Baptist Church of Rienzi, Miss.—to the Committee on War Claims.

Also, a bill (H. R. 11424) for the relief of the trustees of the Baptist Church of Corinth, Miss.—to the Committee on War Claims.

Also, a bill (H. R. 11425) for the relief of the Masonic lodge at Bexar, Ala.—to the Committee on War Claims.

Also, a bill (H. R. 11426) for the relief of the trustees of Cumberland Presbyterian Church, of Corinth, Miss.—to the Committee on War Claims.

Also, a bill (H. R. 11427) for the relief of Mrs. Jennie Gaston Henderson, sole and only heir of L. B. Gaston, deceased—to the Committee on War Claims.

Also, a bill (H. R. 11428) for the relief of Francis E. Whitfield and Lucy G. Whitfield, of Alcorn County, Miss.—to the Committee on War Claims.

Also, a bill (H. R. 11429) for the relief of J. W. Walker—to the Committee on Claims.

Also, a bill (H. R. 11430) for the relief of Mrs. Lucretia Lambert—to the Committee on War Claims.

Also, a bill (H. R. 11431) for the relief of Mrs. Mary Johnson—to the Committee on War Claims.

Also, a bill (H. R. 11432) for the relief of J. R. Wilson—to the Committee on War Claims.

Also, a bill (H. R. 11433) for the relief of the Presbyterian Church of Kossuth, Miss.—to the Committee on War Claims.

Also, a bill (H. R. 11434) for the relief of Methodist Episcopal Church of Corinth, Miss.—to the Committee on War Claims.

Also, a bill (H. R. 11435) for the relief of Isabella Rowsey, of Alcorn County, Miss.—to the Committee on War Claims.

Also, a bill (H. R. 11436) for the relief of Nancy H. Jones—to the Committee on War Claims.

Also, a bill (H. R. 11437) for the relief of Susan C. Robinson—to the Committee on War Claims.

Also, a bill (H. R. 11438) for the relief of Dr. O. R. Early, of Lowndes County, Miss.—to the Committee on War Claims.

Also, a bill (H. R. 11439) for the relief of heirs of John Hamilton—to the Committee on War Claims.

Also, a bill (H. R. 11440) for the relief of the heirs of Richard E. Holt, deceased—to the Committee on War Claims.

Also, a bill (H. R. 11441) for the relief of the heirs of Sarah R. Farmer, deceased—to the Committee on War Claims.

Also, a bill (H. R. 11442) for the relief of the heirs of Nancy Whitfield, deceased—to the Committee on War Claims.

Also, a bill (H. R. 11443) for the relief of the heirs of L. M. Sanders, deceased, and the heirs of J. M. McCalla, deceased—to the Committee on War Claims.

Also, a bill (H. R. 11444) for the relief of the heirs of Louisa Elliott, deceased—to the Committee on War Claims.

Also, a bill (H. R. 11445) for the relief of the heirs of Jeremiah E. Cunningham, deceased—to the Committee on War Claims.

Also, a bill (H. R. 11446) for the relief of the heirs of George W. Gardner, deceased—to the Committee on War Claims.

Also, a bill (H. R. 11447) for the relief of the heirs of Gladney, Gardner & Co.—to the Committee on War Claims.

Also, a bill (H. R. 11448) for the relief of the heirs of M. A. McAnulty, deceased, late of Alcorn County, Miss.—to the Committee on War Claims.

Also, a bill (H. R. 11449) for the relief of the heirs of Abel Walker, deceased—to the Committee on War Claims.

Also, a bill (H. R. 11450) for the relief of heirs of Sylvia Cannon—to the Committee on War Claims.

Also, a bill (H. R. 11451) for the relief of the heirs of Harriet F. and Robert McPeters—to the Committee on War Claims.

Also, a bill (H. R. 11452) for the relief of estate of J. M. Cumby, heir of M. B. Cumby—to the Committee on War Claims.

Also, a bill (H. R. 11453) for the relief of the estate of R. C. Bumpass, deceased—to the Committee on War Claims.

Also, a bill (H. R. 11454) for the relief of estate of W. F. Young, of Burnsville, Tishomingo County, Miss.—to the Committee on War Claims.

Also, a bill (H. R. 11455) for the relief of the estate of Josiah White, deceased—to the Committee on War Claims.

Also, a bill (H. R. 11456) for the relief of the estate of Milton Crawford, deceased—to the Committee on War Claims.

Also, a bill (H. R. 11457) for the relief of the estate of Andrew J. Kincaid—to the Committee on War Claims.

Also, a bill (H. R. 11458) for the relief of the estate of Richmond Pace, deceased, late of Tishomingo County, Miss.—to the Committee on War Claims.

Also, a bill (H. R. 11459) for the relief of the estate of Richard Mann, deceased—to the Committee on War Claims.

Also, a bill (H. R. 11460) for the relief of the estate of W. R. Smith, deceased—to the Committee on War Claims.

Also, a bill (H. R. 11461) for relief of estate of Enos Davis—to the Committee on War Claims.

Also, a bill (H. R. 11462) for the relief of the estate of William D. Fortson, deceased—to the Committee on War Claims.

Also, a bill (H. R. 11463) for the relief of the estate of J. W. Hopkins, deceased—to the Committee on War Claims.

Also, a bill (H. R. 11464) for the relief of the estate of John Linton, deceased—to the Committee on War Claims.

Also, a bill (H. R. 11465) for the relief of the estate of William Clement, deceased, late of Tishomingo County, Miss.—to the Committee on War Claims.

Also, a bill (H. R. 11466) for the relief of the estate of J. K. Morrison, deceased—to the Committee on War Claims.

Also, a bill (H. R. 11467) for the relief of the estate of Mary H. Moore, deceased—to the Committee on War Claims.

Also, a bill (H. R. 11468) for the relief of the estate of Moses M. Smith, deceased—to the Committee on War Claims.

Also, a bill (H. R. 11469) for relief of estate of W. R. Smith, of Burnsville, Miss.—to the Committee on War Claims.

Also, a bill (H. R. 11470) for the relief of the estate of Richard D. Fielder, of Tishomingo County, Miss.—to the Committee on War Claims.

Also, a bill (H. R. 11471) to carry into effect the findings of the Court of Claims in the matter of the claim of the Christian Church of Corinth, Miss.—to the Committee on War Claims.

Also, a bill (H. R. 11472) to carry into effect the findings of the Court of Claims in the matter of the claim of N. M. Aldridge—to the Committee on War Claims.

Also, a bill (H. R. 11473) to carry into effect the findings of the Court of Claims in the matter of the claim of the Methodist Church of Kossuth, Miss.—to the Committee on War Claims.

Also, a bill (H. R. 11474) to carry into effect the findings of the Court of Claims in the matter of the claim of the estate of Thomas J. Price, deceased—to the Committee on War Claims.

Also, a bill (H. R. 11475) granting a pension to Jesse C. Thomas—to the Committee on Invalid Pensions.

Also, a bill (H. R. 11476) granting an increase of pension to Jesse W. Dabbs—to the Committee on Pensions.

By Mr. COVINGTON: A bill (H. R. 11477) granting an increase of pension to Eli Strimel—to the Committee on Invalid Pensions.

By Mr. DAVIDSON: A bill (H. R. 11478) granting an increase of pension to Prosper Stimson—to the Committee on Invalid Pensions.

Also, a bill (H. R. 11479) granting an increase of pension to Walter W. Wright—to the Committee on Invalid Pensions.

By Mr. DIEKEMA: A bill (H. R. 11480) granting an increase of pension to Wilbur F. Dickerson—to the Committee on Invalid Pensions.

By Mr. GRAHAM of Pennsylvania: A bill (H. R. 11481) granting a pension to William Roberts—to the Committee on Invalid Pensions.

By Mr. HULL of Tennessee: A bill (H. R. 11482) for the relief of Charles W. Hewgley—to the Committee on War Claims.

By Mr. MILLER of Minnesota: A bill (H. R. 11483) granting an increase of pension to William H. Stultz—to the Committee on Invalid Pensions.

By Mr. OLDFIELD: A bill (H. R. 11484) granting an increase of pension to Harvey C. Munger—to the Committee on Invalid Pensions.

Also, a bill (H. R. 11485) granting an increase of pension to James B. Hutchings—to the Committee on Invalid Pensions.

By Mr. SHARP: A bill (H. R. 11486) granting a pension to Gertrude A. Huth—to the Committee on Invalid Pensions.

By Mr. SMITH of Michigan: A bill (H. R. 11487) granting an increase of pension to Emma S. Brinton—to the Committee on Pensions.

By Mr. SMITH of Texas: A bill (H. R. 11488) to reimburse John Donaldson for loss of money-order funds—to the Committee on Claims.

PETITIONS, ETC.

Under clause 1 of Rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

By Mr. ASHBROOK: Petition of business men of Coshocton, Ohio, against a parcels-post law—to the Committee on the Post-Office and Post-Roads.

By Mr. BARCHFELD: Paper to accompany bill for relief of Cornelius Ryan—to the Committee on Invalid Pensions.

By Mr. BARTHOLDT: Petition of 207 citizens of St. Louis, against duty on coffee or tea—to the conference committee.

By Mr. BENNET of New York: Paper to accompany bill for relief of Annie Toomey—to the Committee on Pensions.

By Mr. FULLER: Petition of J. P. Smith Shoe Company, of Chicago, Ill., for free hides—to the Committee on Ways and Means.

Also, petition of New York accountants, relative to corporation feature of the tariff bill—to the Committee on Ways and Means.

By Mr. HAYES: Petitions of Strardy Harper and 9 others, of Tullahoma, Tenn.; J. C. Sherill and 35 others, of Mount Ulla, N. C.; W. B. Parsons and 47 others, of Higby and vicinity, W. Va.; W. P. Moerson and 64 others, of Mill Run, Pa.; G. W. Harpold and 47 others, of Vicars and vicinity, W. Va.; E. A. Sturm, M. D., and 45 others, of West Chester, Ohio; William F. May and 48 others, of Newark, Ohio; William Weihe and 47 others, of Cincinnati, Ohio; B. F. Case and 22 others, of San Francisco, Cal.; W. J. Hartmann and 47 others, of Pittsburg, Pa.; John W. Williams and 23 others, of Pittsburg, Pa.; A. C. Green and 17 others, of Johnstown, Pa.; William J. Berkey and 47 others, of Johnstown, Pa.; Austin P. Daniels and 20 others, of Ohiopyle, Pa.; G. W. Wakefield and 47 others, of Blairsville, Pa.; B. H. Putney and 48 others, of Putneyville, Pa.; J. S. Griffin and 27 others, of Mahoning, Pa.; Edward A. Eveland and 41 others, of Tamanend and vicinity, Pa.; Frank P. Kunkle and 26 others, of Pitcairn, Pa.; William E. Yost and 25 others, of Carnegie, Pa.; and F. E. Reese and 31 others, of Bentleyville, Pa., favoring an effective exclusion law against all Asiatics excepting merchants, students, and travelers—to the Committee on Foreign Affairs.

Also, paper to accompany bill for relief of James Wardwell Newton—to the Committee on Ways and Means.

By Mr. HILL: Petitions of the Empire Knife Company, of Winstead, Conn.; employees of Miller Brothers' Cutlery Company, of Meriden, Conn.; of the American Shear and Knife Company, of Hotchkissville, Conn.; the Meriden Cutlery Company, of Meriden, Conn.; the Thomaston Knife Company, of Thomaston, Conn.; the Salisbury Cutlery Handle Company, of Salisbury, Conn.; the Northfield Knife Company, of Northfield, Conn.; the Waterville Knife Company, of Waterville, Conn.; the Humason & Beckley Manufacturing Company; the Rogers & Hubbard Manufacturing Company, of Middletown, Conn.; and from the following firms, viz: Miller Brothers' Cutlery Company, of Meriden; Sanders, Frary & Clark, of New Britain; American Knife and Shear Company, of Hotchkissville; Humason & Beckley Manufacturing Company, of New Britain; Waterville Knife Company; Northfield Knife Company, of Northfield; Excelsior Knife Company, of Northfield; Challenge Cutlery Corporation, of Bridgeport; Meriden Cutlery Company, of Meriden; Holley Knife Company, of Lakeville; Thomaston Knife Company; Salisbury Handle Company; Rogers & Hubbard Manufacturing Company, of Middletown; and Empire Knife Company, of Winstead, all in the State of Connecticut, favoring paragraphs 151 and 153, H. R. 1438—to the Committee on Ways and Means.

By Mr. HOLLINGSWORTH: Petition of Lyons Post, Department of Ohio, Grand Army of the Republic, against placing portrait of Jefferson Davis on the silver service of the battle ship *Mississippi*—to the Committee on Naval Affairs.

Also, petitions of J. H. Anderson and E. N. Boggs, of Barnesville; Neff & Neff and 11 others, of St. Clairsville; E. W. Armstrong and 16 others, of Woodsfield; Mr. Herzberg and 15 others, of Bellaire; and L. B. Smith and 15 others, of Belmont, all in the State of Ohio, against a parcels-post law—to the Committee on the Post-Office and Post-Roads.

By Mr. LAFEAN: Petition of Merchants' Association of York, Pa., against an increase in duty on gloves—to the Committee on Ways and Means.

By Mr. McCALL: Petitions of manufacturers of cutlery in Massachusetts, as follows: The John Russell Cutlery Company, of Turners Falls; the Northampton Cutlery Company, of Northampton; and the Lamson & Goodnow Manufacturing Company, of Shelburne Falls, favoring paragraphs 151 and 153, H. R. 1438—to the Committee on Ways and Means.

By Mr. A. MITCHELL PALMER: Petition of Lessing Building Association, against tax on building associations as per corporation feature of tariff bill (H. R. 1438)—to the Committee on Ways and Means.

Also, petition of Patriotic Order Sons of America, for abrogation of extradition treaty with Russia—to the Committee on Foreign Affairs.

By Mr. PEARRE: Petition of W. H. Beard and others, against a duty of 15 per cent on hides—to the Committee on Ways and Means.

By Mr. SULZER: Petition of Charles H. Jones, chairman of executive committee New England Shoe and Leather Association, favoring free hides—to the Committee on Ways and Means.

HOUSE OF REPRESENTATIVES.

MONDAY, *July 12, 1909.*

The House met at 12 o'clock m.

Prayer by the Chaplain, Rev. Henry N. Couden, D. D.

The Journal of the proceedings of Friday last was read and approved.

WITHDRAWAL OF PAPERS.

Mr. COVINGTON, by unanimous consent, obtained leave to withdraw from the files of the House, without leaving copies, the papers in the case of William Lockard, Sixtieth Congress, no adverse report having been made thereon.

MESSAGE FROM THE SENATE.

A message from the Senate, by Mr. Crockett, one of its clerks, announced that the Senate had passed without amendment bill of the following title:

H. R. 9541. An act to amend an act entitled "An act temporarily to provide revenues and a civil government for Porto Rico, and for other purposes," approved April 12, 1900.

The message also announced that the Senate had passed with amendments an act (H. R. 9135) entitled "An act to raise revenue for the Philippine Islands, and for other purposes," had insisted upon its amendments, had requested a conference with the House of Representatives on said bill and amendments, and had appointed Mr. HEYBURN, Mr. LODGE, and Mr. JOHNSTON of Alabama as the conferees on the part of the Senate.

The message also announced that the Senate had passed bills of the following titles, in which the concurrence of the House of Representatives was requested:

S. 2433. An act to authorize the Idaho and Washington Northern Railroad to construct a bridge across the Pend d'Oreille River, in the State of Washington;

S. 837. An act to authorize the county commissioners of Malheur County, Oreg., and Canyon County, Idaho, and the Chamber of Commerce of the town of Ontario, Oreg., to construct a bridge across the Snake River at the town of Ontario, Oreg.; and

S. 2290. An act to authorize the Alabama, Tennessee and Northern Railroad Company to construct a bridge across Noxubee River.

The message also announced that the Senate had passed the following resolution, in which the concurrence of the House of Representatives was requested:

Senate concurrent resolution 5.

Resolved by the Senate (the House of Representatives concurring), That the invitation heretofore extended and presented to the Vice-President and Speaker of the House of Representatives and the Congress of the United States by the Alaska-Yukon-Pacific Exposition, to be held at Seattle, Wash., June 1 to October 15, 1909, be, and the same is hereby, accepted.

That the President of the Senate and the Speaker of the House of Representatives be, and they are hereby, authorized and directed to appoint a committee, to consist of 10 Senators and 15 Representatives of the Sixty-first Congress, to attend said exposition and to represent the Congress of the United States, and that an appropriation to meet the necessary expenses of the Vice-President, the Speaker, and said joint committee in attending said exposition is hereby authorized.

The message also announced that the Senate had passed the following resolution:

Senate resolution 68.

Resolved, That the Senate has heard with deep sensibility the announcement of the death of Hon. FRANCIS W. CUSHMAN, late a Representative from the State of Washington.

Resolved, That the Secretary communicate these resolutions to the House of Representatives.

Resolved, That as a further mark of respect to the memory of the deceased, the Senate do now adjourn.

ENROLLED BILL SIGNED.

Mr. WILSON of Illinois, from the Committee on Enrolled Bills, reported that they had examined and found truly enrolled bill of the following title, when the Speaker signed the same:

H. R. 9541. An act to amend an act entitled "An act temporarily to provide revenues and a civil government for Porto Rico, and for other purposes," approved April 12, 1900.

ENROLLED BILL AND JOINT RESOLUTION PRESENTED TO THE PRESIDENT FOR HIS APPROVAL.

Mr. WILSON of Illinois, from the Committee on Enrolled Bills, reported that this day they had presented to the President of the United States, for his approval, the following bill and joint resolution:

H. R. 9609. An act to grant to John Rivett privilege to make commutation of his homestead entry; and

H. J. Res. 54. Joint resolution authorizing the Secretary of War to loan cots, tents, and appliances for the use of the Forty-third National Encampment of the Grand Army of the Republic at Salt Lake City, Utah.

PAIRS.

Mr. COOPER of Wisconsin. Mr. Speaker, on page 4385 of the RECORD I am recorded as being paired with the gentleman from Florida [Mr. CLARK] on the motion of the gentleman from Pennsylvania [Mr. DALZELL] on the tariff bill. Ordinarily I would appreciate the courtesy of being paired, but I did not want to be paired on that question, and was not paired with my previous knowledge or consent. If present, I would have voted "nay" on the motion for the previous question, and also upon the principal motion of the gentleman from Pennsylvania. I desire to ask that the RECORD be corrected in that regard.

Mr. LENROOT. Mr. Speaker, I am recorded as being paired with Mr. Moss on that occasion. I wish to say I was not paired, and no pair was authorized by me. Had I been present, I should have voted "nay" on each of the roll calls on Friday.

The SPEAKER. Does the Chair understand the gentleman desires to correct the RECORD?

Mr. LENROOT. I desire to correct the RECORD.

The SPEAKER. Well, the RECORD seems to be correct.

Mr. PAYNE. I understand the gentleman to say he was not paired.

The SPEAKER. The Chair desires to get at how the RECORD is to be corrected. The gentleman reports that the RECORD is incorrect in announcing his pair, and the gentleman from Wisconsin also makes the same announcement. The Chair merely wants to understand whether the gentleman desires to have that statement printed or the RECORD to be corrected?

Mr. LENROOT. I desire the RECORD to be corrected.

Mr. COOPER of Wisconsin. I desire to have it corrected, and my statement printed.

The SPEAKER. The RECORD will stand corrected.

PHILIPPINE TARIFF.

Mr. PAYNE. Mr. Speaker, I noticed in the message from the Senate that they had passed the Philippine tariff bill (H. R. 9135) with some amendments. I have looked over those amendments, and most of them are not very material. There are but a few of them. I want to ask unanimous consent that the House disagree to the amendments of the Senate and agree to the conference asked for by the Senate, so that we may have this matter disposed of to-day, while we have a quorum present, and that it may go into conference with the announcement that it will not come up before the report on the general tariff bill.

Mr. UNDERWOOD. Will the gentleman allow me to ask him a question?

Mr. PAYNE. Certainly.

Mr. UNDERWOOD. I understand the amendments to the Philippine tariff bill are all immaterial?

Mr. PAYNE. I would not want to say that all of them are immaterial, because they have put a duty on petroleum, which is not immaterial; but generally they are not very material amendments. The rates generally are not increased by this law, but there are some changes in the language, which conforms to the same provisions as in the House language, and of course these things have to be examined.

Mr. UNDERWOOD. I would like to ask what change has been made as to petroleum?

Mr. PAYNE. They have put a duty on petroleum and some of its products.

Mr. UNDERWOOD. At what rate?

Mr. PAYNE. I am not able to carry it in my mind now.

Mr. CLARK of Missouri. Is it half of the countervailing duty?

Mr. PAYNE. It is a schedule recommended by Colonel Colton at 25 cents a hundred kilos, not a very extravagant rate as far as the rate is concerned.

The SPEAKER. Is there objection?

Mr. GARRETT. I would like to ask the gentleman if it is a fact that this bill is made largely necessary by the passage of the general tariff bill?

Mr. PAYNE. Yes; and it should follow it.

Mr. GARRETT. And the conference report should not come in until after the general tariff bill is disposed of.

Mr. PAYNE. It will not, if I can control it.

Mr. GARRETT. I am sure that the gentleman can control it.

The SPEAKER. The gentleman from New York asks unanimous consent to disagree to the Senate amendments on the Philippine tariff bill and assent to their request for a conference. Is there objection? [After a pause.] The Chair hears none. The Chair announces the following conferees: Mr. HILL, Mr. NEEDHAM, and Mr. POU.

INCOME TAX—CONSTITUTIONAL AMENDMENT.

Mr. PAYNE. Mr. Speaker, I should like at this time to call up and to consider in the House the resolution of the Senate

(S. J. R. 40) proposing to amend the Constitution of the United States in regard to taxes on incomes. It was reported from the Committee on Ways and Means this morning favorably (H. Rept. No. 15).

The SPEAKER. The gentleman from New York asks unanimous consent to consider the following Senate joint resolution, which the Clerk will report.

The Clerk read as follows:

Joint resolution (S. J. R. 40) proposing an amendment to the Constitution of the United States.

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled (two-thirds of each House concurring therein), That the following article is proposed as an amendment to the Constitution of the United States, which, when ratified by the legislatures of three-fourths of the several States, shall be valid to all intents and purposes as a part of the Constitution:

"Article XVI. The Congress shall have power to lay and collect taxes on incomes, from whatever source derived, without apportionment among the several States, and without regard to any census or enumeration."

Mr. CLARK of Missouri. Mr. Speaker, is the gentleman from New York calling this up under suspension of the rules, or in the ordinary course of procedure?

Mr. PAYNE. Rather than wait for the process of getting at it by the rules to-day, I am simply asking to call it up at this time.

Mr. CLARK of Missouri. How much time can we have for debate?

Mr. PAYNE. Mr. Speaker, I am willing to have any reasonable time for debate, if we can have a conclusive vote upon the subject to-day. As far as I am concerned personally, my presence is greatly desired at the other end of the Capitol, or at least it seems necessary, on account of the conference on the tariff bill.

Mr. CLARK of Missouri. Do you know whether my presence and that of the other Democratic conferees is wanted over there? [Laughter.]

Mr. PAYNE. My friend is more favorably situated, as far as that is concerned, so that he can attend to his duties in the House much more easily than I can. [Laughter.]

Mr. CLARK of Missouri. Mr. Speaker, I ask for two hours on a side, one-half of the time to be controlled by anybody who may be named on that side, and one-half by myself.

Mr. PAYNE. Well, I will suggest an hour and a half.

Mr. CLARK of Missouri. Let us have two hours.

Mr. PAYNE. There is very little time asked for as far as I am concerned. I think I can say all I have to say about it in five minutes myself.

Mr. CLARK of Missouri. I can, too; but I never had as many applications for time on any proposition since I have been here as I have on this.

Mr. PAYNE. Then, I would suggest, suppose we have an agreement to have a vote at 4 o'clock, and that gentlemen on that side have two hours of the time and we have an hour and three-quarters on this side.

Mr. CLARK of Missouri. That is all right.

The SPEAKER. The gentleman from New York asks unanimous consent to consider at this time the joint resolution which has just been reported, the vote to be taken at 4 o'clock.

Mr. PAYNE. Not later than 4 o'clock.

The SPEAKER. The vote to be taken at 4 o'clock; that the time from now until 4 o'clock to be for general debate, one hour and three-quarters to the majority side and the balance of the time to the minority. Is there objection?

There was no objection.

Mr. PAYNE. Mr. Speaker, I shall support this amendment to the Constitution for reasons which I will very briefly state.

I have had no doubt, since I first examined the question many years ago, that an income tax was unconstitutional under our present form of Constitution. At the time I arrived at that conclusion the decision of the Supreme Court had been favorable to its constitutionality. Of course the late decision, fifteen years ago, only confirmed my own belief, but it seems to me that it ought to have given notice to all the people of the United States that so far as the present Constitution is concerned, such a law is unconstitutional; that the Supreme Court will not go back on their decision; that the doctrine of stare decisis will come in with renewed force and vigor and overcome any question of doubt that there might be as to its constitutionality, although there is no doubt in my own mind.

Now, it has been suggested that an income tax be placed on the present pending tariff bill. That has been recommended sometimes on the ground that it will furnish an opportunity for the Supreme Court to reverse itself and sometimes by those enthusiastic individuals who want that kind of a tax who believe that the Supreme Court will reverse itself. I am sometimes inclined to think that it is because they want to believe that and want it reversed. I am not in favor of putting any litigation into a tariff bill, and especially when I do not believe such a proposition is constitutional.

As to the general policy of an income tax, I am utterly opposed to it. I believe with Gladstone that it tends to make a nation of liars; I believe it is the most easily concealed of any tax that can be laid, the most difficult of enforcement, and the hardest to collect; that it is, in a word, a tax upon the income of the honest men and an exemption, to a greater or less extent, of the income of the rascals; and so I am opposed to any income tax whatever in time of peace. But if this Nation should ever be under the stress of a great war, exhausting her resources, and the question of war now being a question as to which nation has the longest pocketbook, the greatest material resource in a great degree, I do not wish to be left, I do not wish this Nation to be left, without an opportunity to avail itself of every resource to provide an income adequate to the carrying on of that war.

I hope that if the Constitution is amended in this way the time will not come when the American people will ever want to enact an income tax except in time of war.

Mr. GARRETT. Will the gentleman yield?

Mr. PAYNE. Certainly.

Mr. GARRETT. Then they would not be rascals in time of war?

Mr. PAYNE. Oh, all the difficulties about it would still be there, but I regard the preservation of the national life as more important than the preservation even of the morals of some men. I think the preservation of the Nation is of more consequence than it is to keep even the rascals from the temptation of false and perjured testimony.

Mr. GARRETT. If it is agreeable to the gentleman from New York, I want to say that I understood the gentleman to state his objection to an income tax in time of peace was because it promoted falsehood——

Mr. PAYNE. That is one objection. I do not propose to go into a discussion of it. We have only three quarters of an hour on this side, and I wanted to take five minutes to state my views and position.

Mr. SMITH of Michigan. Will the gentleman from New York yield?

Mr. PAYNE. Certainly.

Mr. SMITH of Michigan. Will the gentleman state whether the tariff bill as it passed the Senate will, in his opinion, yield revenue sufficient in time of peace without an income tax, an inheritance tax, or a corporation tax?

Mr. PAYNE. Well, Mr. Speaker, I do not know how the tariff bill will be passed.

Mr. SMITH of Michigan. I said as it passed the Senate.

Mr. PAYNE. I made a careful estimate of the revenue that the bill would provide as it came from the Ways and Means Committee. I have not made any estimate since that time. My views were embodied in a few feeble remarks that I made during the debate in the House, and I commend them to the gentleman from Michigan, and he can figure out himself as to whether it will yield enough or not. But I would prefer a corporation tax or an inheritance tax to anything like a general income tax.

Mr. RUCKER of Missouri. Will the gentleman yield?

Mr. PAYNE. Certainly.

Mr. RUCKER of Missouri. Would it not be just as easy for corporations to escape the corporation tax as for individuals to escape the income tax?

Mr. PAYNE. Not by any means.

Mr. RUCKER of Missouri. Does not the gentleman think that if we coupled with it a criminal statute which would put everyone in the penitentiary who sought to evade the income tax it would have a good effect?

Mr. PAYNE. What is that?

Mr. RUCKER of Missouri. Does not the gentleman from New York think that every one of the rascals he speaks of who are likely to evade the income tax ought to be sent to the penitentiary?

Mr. PAYNE. It does not operate so in the old country and they do not get into the penitentiary.

Mr. RUCKER of Missouri. I think in this country where the people will be taxed $200,000,000 more for their clothes, it would be easier to get these rascals who evade the income tax into the penitentiary.

Mr. PAYNE. Well, the gentleman from Missouri has stated his opinion, and I shall have to decline further interruption on account of my limited time.

Now, Mr. Speaker, because, in my mind, there is no other way to get this war power that may be sometimes vital to the existence of the country, I am persuaded to vote for this

constitutional amendment which will put it in the province of the Congress of the United States to enact legislation upon this subject and, as I said a moment ago, I hope it will never be employed for any other purpose; but whether it is or not, I deem it essential to the future existence of the Nation, should we have a great war, which God forbid, that we have the power to exhaust every resource of taxing our people to carry on the war with vigor, with the prestige that has hitherto come to the American people, and that we should not have the national hand paralyzed because of its inability under the Constitution of the United States to reach its hand out and gather these taxes and all others from the citizens of the United States, whose Government we are protecting. Mr. Speaker, I reserve the balance of my time. [Applause.]

Mr. Speaker, if the gentleman from Missouri does not mind, I would like to yield five minutes to the gentleman from Massachusetts [Mr. McCALL].

Mr. McCALL. Mr. Speaker, I imagine that nothing which I may be able to say will defeat the prearranged programme and prevent the passage of the joint resolution, but for the House to perform its part in such a solemn transaction as amending the Constitution of the United States without having the form of the amendment seriously considered by one of its committees strikes me as a proceeding of extraordinary levity. Mr. Speaker, if I were in favor of an income-tax amendment, I should be decidedly opposed to an amendment in the form of that which is now pending before the House. By doing away with the rule of apportionment it abrogates one of the fundamental principles of the Constitution. What was the great historic contest in the Constitutional Convention? It was between the small States, selfishly struggling for more than their fair share of power, and the large States, representing the Democratic principle and trying to preserve some measure of equality between the man in a large State and the man in a small one.

The small States finally gained an equal representation in the Senate, with the great powers of that body. That is the price the large States paid for the Constitution, but they managed to secure some compensation, and there was conferred upon the Representatives chosen according to population peculiar powers over taxation, which is especially related to liberty. The House of Representatives was not merely given the power to originate all bills raising revenue, but it was provided by the very clause of the Constitution that fixed the basis of representation that Representatives and direct taxes should be apportioned among the States according to population. The framers of the Constitution did not desire to expose the small States to the temptation of combining and plundering the large States. They thought so much of this limitation upon taxation that they again referred to it in the Constitution, and there are two clauses which provide that direct taxes shall be apportioned among the States according to population. They did not withhold the power to impose direct taxes, but they declared that when they were imposed the people of the small States should pay their share, man for man, with the people of the large States. Now, the undemocratic feature of our Constitution has been vastly augmented by the admission of small States.

In the Constitutional Convention, States having only one-third of the population of the country were in a majority; but to-day States having only one-sixth of the population elect a majority of the Senate, and yet it is proposed to throw away incontinently this important safeguard of the Constitution, this great democratic feature, and the Democratic party proposes to take a hand and throw the rule of apportionment to the winds. I submit that if you are going to give up the rule of apportionment, you should confer upon the representatives of the people some compensating power to take the place of the safeguard you take away. You should at least provide that the House should have the sole power to originate income-tax bills and that the Senate should not amend them; that its power should be confined either to vetoing or accepting them—the power which the House of Lords in Great Britain has in reference to all tax bills.

The gentleman from New York, my friend Mr. PAYNE, represents the greatest State in the Union. It seems to me he should be peculiarly concerned here, as his predecessors were in the great constitutional convention, to preserve in some degree the democratic principle. I have great respect for the man in Nevada, but it violates every notion of equality to give him in important processes of taxation 200 times the power of the man in New York. It is said that this tax is for use in time of war. That argument was made with great force in another body, but it strikes me that the ingenuousness of it would be more apparent if it were not proposed at this very moment, in a time of profound peace, to stretch the Constitution in order to pass as much of an income-tax measure as we may pass.

The SPEAKER. The time of the gentleman has expired.

Mr. McCALL. Mr. Speaker, I would like a couple of minutes more time.

Mr. PAYNE. I yield to the gentleman. Does he require more time than that?

Mr. McCALL. I think two or three minutes more.

Mr. PAYNE. I yield five minutes to the gentleman.

Mr. McCALL. So, Mr. Speaker, while they say that they desire this power for time of war, we see to-day in time of peace an attempt to exercise the power to its utmost extent. And why not, then, limit it expressly to time of war? Why not, for the just protection and the equal rights of the people of New York and of the other great States of this Union, five of which probably will pay nine-tenths of an income tax, although they will have only one-ninth of the representation in the Senate—why not preserve the limitation upon the power of the Central Government? Why drag every governmental power to Washington so that a vast centralized government may devour the States and the liberty of the individual as well? I say this amendment should be more carefully considered than it has yet been considered.

It is liable to go into the Constitution of the United States and be forever a part of the organic law in the form in which it has been, I may almost say, extemporized or improvised. The character of the argument which has been made, that this tax is for use in time of war, leads me to observe that the chief purpose of the tax is not financial, but social. It is not primarily to raise money for the State, but to regulate the citizen and to regenerate the moral nature of man. The individual citizen will be called on to lay bare the innermost recesses of his soul in affidavits, and with the aid of the federal inspector, who will supervise his books and papers and business secrets, he may be made to be good, according to the notions of virtue at the moment prevailing in Washington. And, incidentally, and since every business secret in the country can be had access to by the authorities at Washington, the citizen may be made to see his political duty if you happened to have a President who confused the attainment of his ambition with the highest good of the universe and was willing to abuse his power in order to coerce the citizen. You are creating here an ideal condition for corruption and for the political Jack Cade of the future to levy blackmail.

And so, Mr. Speaker, believing that this amendment, with no compensation whatever, does away with an important part of the great compromise of the Constitution, and that it is not limited to the emergency for which it is said to be intended, I shall vote against it. The amendment has not carefully been considered by a committee of this House or by anybody else in the United States that I know of, unless possibly by Mr. William J. Bryan. [Applause.]

Mr. DOUGLAS. Will the gentleman yield for a question, if he has the time?

Mr. McCALL. I have completed what I have to say, but I shall be very glad to hear the gentleman's question.

Mr. DOUGLAS. I want to ask the gentleman what he has to say as to this question in connection with his remarks—whether or not a large preponderance of the membership of the House from large States will not be a sufficient safeguard when the time comes to pass an income-tax amendment?

Mr. McCALL. That is merely in the form of veto. They do not have their proportionate share in legislation, when you take into account the whole legislative machine.

Mr. DOUGLAS. They have in the House.

Mr. McCALL. It would amount to a mere obstructive power, but the tax can be remade in the Senate and mixed up with other taxes, and the Representatives may be obliged to yield.

I want to say, if my time has not expired, that you had better wait——

The SPEAKER. The time of the gentleman has expired.

Mr. McCALL. My time has expired, and I would ask a moment more.

Mr. PAYNE. I have given the gentleman ten minutes.

Mr. McCALL. Will you not add one minute more?

Mr. PAYNE. Oh, well, I yield to the gentleman for one moment.

Mr. McCALL. I desire to say this, Mr. Speaker, that it may be well to wait, before we pass this amendment, and witness the operation of the proposed corporation-tax amendment, if it shall ever pass. I believe, from the signs that we have already witnessed, that it is predestined to as great a measure of public odium and unpopularity as any tax bill ever received. [Applause.]

Mr. PAYNE. I yield one minute to the gentleman from Minnesota [Mr. TAWNEY].

Mr. TAWNEY. In that minute I want to announce to the House that on Thursday next I shall present an appropriation bill carrying certain very necessary deficiency appropriations, and I trust that we will have a full attendance on that day.

Mr. CLARK of Missouri. I desire to ask the gentleman this question: Suppose it should turn out that the House adjourns until to-morrow or the next day, then are we to understand that you are going to present it on Thursday?

Mr. TAWNEY. I am going to present it on Thursday.

Mr. CLARK of Missouri. You are going to present it Thursday, anyhow?

Mr. TAWNEY. My understanding is that if the House is in session to-morrow, it will only be for debate, and Thursday will be for the transaction of business, and I trust we will have a full attendance.

Mr. CLARK of Missouri. I only wanted to understand.

The SPEAKER. Does the gentleman from New York reserve his time?

Mr. PAYNE. I reserve the balance of my time.

Mr. CLARK of Missouri. I yield to the gentleman from Texas [Mr. HENRY] for half a minute.

Mr. HENRY of Texas. In that half minute I just desire to offer an amendment in my time and have it pending. It is to strike out of line 5 the words "which, when ratified by the legislatures of three-fourths of the several States" and insert "which, ratified by conventions of three-fourths of the several States."

The SPEAKER. The gentleman can give notice and have the amendment read.

Mr. HENRY of Texas. I give whatever notice is necessary.

Mr. PAYNE. This is presented for the information of the House.

The SPEAKER. It is for the information of the House.

Mr. HENRY of Texas. I ask that it be read at the Clerk's desk, and give notice that I will offer it.

The SPEAKER. The Chair would suggest that, by unanimous consent, the House is to vote at 4 o'clock on the closing of debate.

Mr. CLARK of Missouri. Mr. Speaker, I ask that I may be notified when I shall have occupied ten minutes. My own opinion is that there is not very much necessity for speech making on this occasion or on this proposition. The income tax is a Democratic proposition. We put it in the tariff bill of 1894. A very large majority of us have been in favor of it ever since. We wrote it in our platform of 1896 and have advocated it ever since. We proposed it as part of the war-tariff bill of 1898, and Republicans voted it down with practical unanimity. We are in favor of it now; and we welcome the conversion of the Republican party to another Democratic principle. [Loud applause on the Democratic side.] Better late than never. One by one the roses fall, and one by one you adopt the planks of our platform. [Renewed applause.] The whirligig of time brings its own revenges. What was denounced by Republicans in 1896 as anarchy is advocated by them to-day as sound political gospel. My own judgment is that the wit of man never devised a fairer or juster tax than a graduated income tax. Individually I am in favor of the Bailey-Cummins proposition. I do not believe that the $5,000 exemption is too much. If I were to change the size of the exemption at all, I would make it larger rather than smaller.

The exemption is not for the benefit of the man who is exempted, but all exemption laws, in the States or in the Nation, are for the benefit of the public. It is monstrous to say—I do not care what the gentleman from Massachusetts or anybody else says—it is monstrous to say that the accumulated wealth of this country shall not bear its just proportion of the public burdens. [Loud general applause.] Everybody—everybody in this House, at least—knows that we had two income-tax laws prior to the act of 1894. They were held to be constitutional. I have said hundreds of times—and I repeat it now—that the decision on the income-tax law of 1894, when the peculiar circumstances under which it was rendered are considered, is one of the great blots on the judicial system of this country. I believe as firmly as I believe that I must die some day that if we had been engaged in a war with a first-class power in 1898, instead of in a war with Spain, Congress would "incontinently," as the gentleman from Massachusetts [Mr. MCCALL] says, have reenacted the income-tax law of 1894 and that the Supreme Court of the United States would have held it to be constitutional. [Applause.] Nobody had any doubt of that then, and nobody has any doubt of that now. The vast majority of the American people have always believed the income-tax law of 1894 constitutional. We would much prefer making an income tax part of the tariff bill than to vote for this joint resolution submitting an income-tax constitutional amendment for ratification to the States; but as it has been demonstrated that we can not secure the passage of an income tax through this Congress we will do the best thing possible under the circumstances and vote for this joint resolution, hoping for the best.

Gentlemen need not deceive themselves. The whole situation is that there is going to be a historical fight, a bitter fight, a fight to the finish, in various States on this proposition, if this House agrees to the proposition submitted by the Senate. Democrats will force the fighting all along the line, as they have forced it since 1894 and as they have forced Republicans to advocate the submission of a constitutional amendment authorizing an income tax. It only takes 12 States voting against it to defeat it. It only takes holding up the state senates in 12 States to defeat it. While I am at it, I will give my own opinion very frankly that the proposition as submitted by the Senate on this occasion is simply a scheme to keep Congress from passing an income tax now. [Applause on the Democratic side.] But, nevertheless and notwithstanding, I believe that the justice of an income tax can be so clearly demonstrated to the people that the necessary number of States will ratify it, very much to the disgust of the Republican leaders who are advocating it to-day.

The gentleman from Massachusetts [Mr. MCCALL] talks about the sacredness of the Constitution. I am glad to hear a Republican say something in that behalf. [Laughter on the Democratic side.] Of course the Constitution is sacred, but the fathers of the Republic acted according to their lights and according to the circumstances under which they lived.

We must act according to our own lights and the circumstances under which we live. At the time when those clauses that the gentleman from Massachusetts talks about were put into the Constitution, population was about equally distributed, and wealth was also; but times change and men change with them, and things change, too. I do not want to say anything offensive, but this illustrates my proposition: I understand the fact to be that 11 per cent of the voters in the State of Rhode Island control both houses of that legislature. That grows out of the fact that the basis of apportionment for electing the state legislature has not changed much since the Indians were driven out of the woods. In Rhode Island the town is the political unit. When that apportionment was made, the towns in Rhode Island were substantially equal in population; but new factors in population and business have entered in, and the city of Providence now contains more than half of the population of the entire State of Rhode Island; but the number of members it has in the legislature has not changed, and I understand the fact to be that the city of Providence has one state senator and two members of the house.

Mr. CAPRON. Would the gentleman like to be corrected?

Mr. CLARK of Missouri. Yes; I would like to be corrected if I am not right.

Mr. CAPRON. The city of Providence has under the constitution of the State one-sixth of the house of representatives, or 12 members of the house.

Mr. CLARK of Missouri. Does not the gentleman think it ought to have half?

Mr. CAPRON. I do not.

Mr. CLARK of Missouri. The gentleman lives in Rhode Island.

Mr. BURLESON. And is a Republican.

Mr. RODENBERG. There is a limitation on the representation of the city of St. Louis in the legislature in Missouri.

Mr. CLARK of Missouri. I know, but it is no such unfair limitation as that. I just cited that to show how things change with the times.

The Constitution provides that you can not levy a direct tax, except by making it a head tax. That is the plain English of it. No Congress is ever going to order a direct tax under that section of the Constitution except, perhaps, in the stress of a great war with a great power, because it is palpably unjust. In the course of time, for instance, New York has accumulated property faster than any other State in the Union, unless it is Rhode Island, in proportion.

Arkansas has one-sixth as many people as New York has, and would under that provision of the Constitution pay one-sixth as much direct tax as New York would, but New York has 30 times as much property value as the State of Arkansas has. So New Yorkers would escape five-sixths of the taxes they ought to pay. The relative situation of people and of States having largely changed, there is no reason why we should longer adhere to that part of the Constitution relative to a head tax and population. Consequently, while Democrats revere the Constitution, they are in favor of amending it so

that the swollen fortunes of the land can be justly taxed. The gentleman from Massachusetts [Mr. McCALL] complains that this thing is being done in too much of a hurry; that there is not time enough for debate. There never is in this House and under these rules time enough for debate. Some of us tried to remedy that evil on March 15, and the gentleman from Massachusetts helped vote us down on that occasion. He is estopped from complaining now of the way things are jammed through the House.

A strange thing has happened. During the last campaign President Taft advocated an income tax, and gave it as his opinion that the Supreme Court of the United States, as at present constituted, might hold it constitutional. That was one thing which helped to elect him. In his inaugural address he advocated an inheritance tax. Largely through the influence of my distinguished friend from New York [Mr. PAYNE], chairman of the Ways and Means Committee, the House incorporated into the tariff bill an inheritance tax. Instead of insisting that the Senate agree to the inheritance tax, in the nick of time the base was shifted again and the President sent in a recommendation for a corporation tax.

In fact the newspapers inform us that certain eminent Republican "big wigs," who assemble in another place, are anxious that it shall be known as "the Taft tax." Whether their zeal in that regard is because of their abundant love for the President or because they fear the wrath of their constituents and therefore desire to make a scapegoat of the President this deponent saith not. However that may be, it seems to me that Mr. Chairman PAYNE and his Republican coadjutors on the Ways and Means Committee did not receive a square deal when they were induced to make an inheritance tax part of their tariff bill. On that proposition they have been unceremoniously rolled by the eminent statesmen who meet in another place. The newspapers inform us that, though this corporation tax was cooked up by a coterie of the greatest constitutional lawyers in the land—not one of whom knew that the income-tax law of 1894 had long since expired by limitation—it is to be withdrawn and recooked by the aforesaid coterie of the greatest constitutional lawyers now walking the earth. The result of this proposed recooking may prove to be another illustration of the old saw that "too many cooks spoil the broth." Unless these widely exploited constitutional lawyers know more now than they did when they first cooked up the corporation tax, it may turn out that this whole corporation-tax business, whose sole intent was to defeat the income tax, is a "comedy of errors"—perhaps a "tragedy of errors" to some folks I wot of. If Republican Members are depending on that coterie of great Republican constitutional lawyers, who cooked up the corporation tax, for instruction on constitutional points, it is a clear case of the blind leading the blind, and they are liable to tumble into the ditch together.

So we have all three of these propositions pending now in some shape. We have the inheritance tax in the Payne bill; the corporation tax in the Aldrich-Smoot bill; and now we are fixing to adopt an income tax. I do not suppose there are going to be very many votes on the floor of the House against this proposition, because if this proposition should be defeated here to-day, the chances are that this conference that is going on between the two Houses on the tariff bill will last until the first Monday in December. That is all I have got to say about it. We are in favor of it, and I will welcome the aid of you gentlemen over there.

Mr. BURKE of Pennsylvania. Will the gentleman yield?

Mr. CLARK of Missouri. Certainly.

Mr. BURKE of Pennsylvania. The gentleman has stated that if he had his way, he would increase the exemption beyond the $5,000 mark. I want a little light on this subject, and I will ask the gentleman if he has any objection to stating to the House how much he would increase the exemption, and why?

Mr. CLARK of Missouri. Oh, I do not know. I said if I had my way, I might increase it rather than diminish it; and I certainly would increase it rather than diminish it, and for this reason: Five thousand dollars is not an unreasonable amount for a man to support a family on and educate his children; $6,000 would not be an unreasonable amount; $7,000 would not be an unreasonable amount. But I say that when a man's net income rises above $100,000 a year it does not make any difference to him, practically, whether you take 1 per cent, 2 per cent, 5 per cent, or 25 per cent, as they do in Germany. [Applause on the Democratic side.]

Mr. BURKE of Pennsylvania. That does not answer the question. Will the gentleman state, so that those who desire to follow him may follow him intelligently, what figure he would place the exemption at?

Mr. CLARK of Missouri. I said I might put it above $5,000.

Mr. BURKE of Pennsylvania. How far above?

Mr. CLARK of Missouri. I do not know. I would have to study it.

Mr. BURKE of Pennsylvania. The gentleman does not seem to know any more about the figure at which he would place it than he does about the other propositions involved.

Mr. CLARK of Missouri. What is that?

Mr. BURKE of Pennsylvania. The gentleman stated that he would place it above $5,000, and I would like to have the gentleman state the precise figure how far above he would place it; what would be a fair figure, in his estimation, and why he would fix it at that figure?

Mr. CLARK of Missouri. I would fix it for the public good, whatever figure I fixed. [Applause on the Democratic side.]

I now yield to the gentleman from Alabama [Mr. CLAYTON].

[Mr. CLAYTON addressed the House. See Appendix.]

Mr. PAYNE. Mr. Speaker, I yield ten minutes to the gentleman from Connecticut [Mr. HILL].

Mr. HILL. Mr. President and gentlemen of the House of Representatives, I shall vote against this amendment for the following reasons: In the first place, I do not believe that this extra session of Congress was called to completely change and revolutionize the taxation system of the United States. I think that a question of such magnitude should be submitted to the people and discussed in a campaign preparatory to the presentation of so important a matter as an amendment to the Constitution of the United States. This proposition was found in the Democratic platform and not in the Republican platform on which the presidential campaign of 1908 was won. My understanding is that Congress was called together for the sole purpose of revising the Dingley tariff law on the basis of the difference in the cost of production at home and abroad, and, so far as the House is concerned, an honest attempt has been made to do that. I voted in the Ways and Means Committee for a supplement to that revision in the shape of an inheritance tax. My judgment was then and is now that it was not necessary. I am a firm believer that in times of peace the revenues of this country should be derived from customs duties and internal-revenue taxes, and that if these are not sufficient, as prudent people we ought to reduce our expenses to a point where they will be covered by such revenues; and yet, under all the circumstances, and realizing that the inheritance tax would bear hardly upon the people of my State, I voted for an inheritance tax.

I do not know now but that I may ultimately vote for a corporation tax. My mind is not yet made up on that question. I shall not vote for an income tax. I agree with the chairman of the Ways and Means Committee [Mr. PAYNE], who made the opening remarks in this discussion, that we ought to have the power to lay an income tax in time of war, but I am not in favor of giving this Government the power to lay an income tax in time of peace. With an amendment limiting it to time of war or other extraordinary emergencies, I would gladly vote for it; yes, I would vote to take every dollar of the property of every citizen of the United States, if need be, to defend the honor, dignity, or life of this Nation in the stress of war; but when it comes to a question of current expenses in time of peace, I would cut the expenses of the Government so as to keep them within our natural income.

We are a Nation of 90,000,000 of the most extravagant people on the face of the earth, and yet we are now pleading that the system of taxation which the fathers of the Republic provided and which for more than a century has met all expenditures and furnished a surplus besides, from which we have reduced our national debt incurred in war time faster than any nation on earth ever reduced its debt, that such a system is not sufficient to meet our ordinary peace expenses.

Stop a moment and consider what we are doing in voting to give this Government the power to lay an income tax in time of peace. I know of no better measure of the way in which this burden would fall on the various States in the Union than to judge of it by the inheritance tax laid to meet the expenses of the Spanish-American war, for the last income tax that was collected from our people was back in the civil-war period, and conditions have mightily changed since then; but we did have an inheritance tax in 1900 to 1902.

The last full year of that tax showed as follows: The State of New York paid $1,608,000 of it; the collection district of Connecticut and Rhode Island, $660,000; the State of Pennsylvania, $641,000; the State of Massachusetts, $559,000; the State of Illinois, Mr. Speaker, paid $325,000; making all told in those five collection districts $3,795,000 that was raised out of a total of $4,842,000 in the last full year of this tax, so that of the entire amount collected from the inheritance tax in the whole Union six States paid three-fourths of it.

Let me give you a more startling illustration than that. Take the collection district which I have the honor to represent in part, the revenue office being located at Hartford and the collection district including Connecticut and Rhode Island. That district paid $660,753 of that inheritance tax in the year ending June 30, 1902. How many other States did it take to equal that amount? Permit me to name them to you; they are as follows: Alabama, Arkansas, Colorado, Wyoming, Florida, Georgia, Territory of Hawaii, Indiana, Kansas, Oklahoma, Indian Territory, Kentucky, Louisiana, Mississippi, Michigan, Minnesota, Nebraska, New Mexico, Arizona, North Carolina, South Carolina, North Dakota, South Dakota, Oregon, Washington, Tennessee, Texas, Virginia, West Virginia, Wisconsin, California, Nevada, Missouri, New Jersey, and Ohio. All told, 35 States paid $31,000 less than the little States of Connecticut and Rhode Island, and yet you come and ask me in time of peace and to pay the ordinary current expenses of this Government to vote now for a constitutional amendment which will enable these 35 States to impose a far greater tax upon my people. But it is claimed that the property in these Eastern States escapes taxation. That is not true. In the State of Connecticut more than 80 per cent of all the expenses of our state government is now paid by corporations, and during the past ten years no state tax has been laid upon our people, but the whole amount has been met by corporation, inheritance, and other forms of direct taxation imposed by the State. Every corporation in the State is taxed; every legacy under the inheritance-tax law, which we have, pays its fair share.

For more than two centuries our people, by rigid economy and great industry, in the face of conditions which would have discouraged almost any other people in the world, have built up a prosperous community and developed a State, and have done this at their own expense. To-day we are spending millions of dollars for good roads and other public improvements. We have never asked the General Government to share with us in the cost of these things.

To-day the State of New York is spending $100,000,000 in the construction of a canal to connect the Lakes with the ocean and another $100,000,000 in the improvement of its highways, and doing it at its own cost, without asking for any contribution on the part of the General Government.

I believe that such a work as the Panama Canal, costing as it probably will $500,000,000, is a fair and proper call upon all of the people of this country for contributions, through a general income tax, to meet such expenditure; but you and I know that there are projects now pending by which the Federal Treasury will be called upon for at least $500,000,000 for the canalization of the Mississippi River and other inland waterways, largely local in their character; that a demand is being made for an annual contribution from the Federal Treasury of $50,000,000 for the irrigation of the arid lands of the West, which means five hundred millions more in the next decade; and that the project of the improvement of the highways of the whole country, through the aid of the National Treasury, has only been held back during recent years by the most strenuous exertions on the part of the leaders in Congress. How much of an obligation upon the National Treasury such a movement would involve no living man can even estimate, but certainly a thousand millions of dollars would be but a drop in the bucket; and the project once entered upon, the maintenance would be more costly for all time to come than even the original construction.

Is it fair now, after two hundred years of expenditure on our part, that you should come and ask us to vote to tax ourselves in time of peace for a duplication of these things in all of the new and undeveloped States of the Union? It is not because our people desire to avoid taxation, and, as I have shown you, the accumulation of wealth in these Eastern States does not escape a fair and just charge upon it. We are ready to vote for an income tax to meet any emergencies which may arise in this Union and to stand by the Government in time of war; but do not ask us, at least without consultation with our people at home, to put this burden on them in addition to one already severe because of local expenditures, made necessary by our geographical position, but cheerfully assumed for the general good. [Applause.]

Mr. PAYNE. Mr. Speaker, I yield five minutes to the gentleman from Iowa [Mr. PICKETT].

Mr. PICKETT. Mr. Speaker, I had not purposed participating in this discussion until I listened to the remarks of the distinguished gentleman from Connecticut [Mr. HILL] who has just had the floor.

He urges as one of his objections to the passage of the pending resolution that it is a matter of importance, and therefore should be considered with greater deliberation. The same objection was also urged by the gentleman from Massachusetts [Mr. MCCALL].

Whether Congress does or does not have power to impose an income tax under the Constitution, in view of the decision of the Supreme Court in the Pollock case; whether the Federal Government should or should not have the power to impose such a tax; whether there should be a constitutional amendment making the power of Congress in respect thereto clear and unquestioned, the merits of an income tax as a method of providing revenue for the maintenance of the Government, and, in brief, all phases of the broad question have for years been considered, not only within legislative halls, but by the leaders in the public affairs of our Nation, past and present, and by the people themselves.

The issue presented by this resolution is not the enactment of an income-tax law, as some gentlemen would seem to think, but whether the National Government should have the power to do so.

Personally I believe that the Federal Government now has that power, that the decision in the Pollock case was not in harmony with a long line of prior decisions, and that a resubmission of the question would result in a reversal of the rule laid down in that case. This position finds support among many of the ablest lawyers of our country, and found support by a minority of the court which rendered the decision in the Pollock case.

I do not agree with those who affirm that the confidence of the people in our judiciary would be impaired in the event of a reversal by the Supreme Court of its former decision, or that a popular campaign would be inaugurated with a view of seeking to influence the decision, or that, in the event the court did not yield to the popular view, a breach would be created between the people and the judiciary. I am confident that the people of this country would maintain, in the interim pending a decision, the dignity that ought to be preserved toward our highest tribunal and accept with respectful acquiescence any decision that would be given. Nor do I feel that the esteem of the people for the judiciary would be lessened by a reversal of a former decision. Reversals by courts of last resort, while not common, are not after all so rare. In fact, it would not be the first time that our highest tribunal has changed a rule announced in prior decisions. My regard for our judiciary is such that I would not do anything directly or indirectly to diminish the high place our Supreme Court does, and ought to, occupy in the confidence and respect of the people, or the prestige that must necessarily attach to the final decrees of this separate, independent, and coordinate department of our Government, which is to my mind one of the strongest safeguards of the Republic.

These considerations are not, however, involved in the resolution before us. The only question now presented is, whether the Constitution should be amended, so that the right of the Federal Government to impose an income tax will be clear and unquestioned. That the Federal Government should have that power is not open to argument. How that power should be used will be a matter for future legislative consideration.

While entertaining the views I have heretofore expressed relative to the constitutionality of an income tax, and the propriety and wisdom of again submitting that question to the courts, I am willing, for the purpose of eliminating any possibility of the conditions anticipated by some, as before suggested, to join most cordially in the support of a constitutional amendment directly granting the power to impose such tax, the necessity and wisdom of which must be conceded.

I do not desire at this time to discuss the merits of an income tax, although I am free to say that it seems to me a fair method of requiring the property and wealth of the country to contribute its just share toward the maintenance of our Government, and more equitable by far than some of the methods suggested. I refer to it at this time and in connection with the remarks of the gentleman from Connecticut [Mr. HILL] for another reason and for the purpose of another application.

It seemed to me when the gentleman from Connecticut [Mr. HILL] was urging with so much earnestness that we take more time to deliberate upon this resolution that his words would have carried the added force of consistency had his voice been raised and his vote been cast against the rule adopted by the House last Friday, which prevented any deliberation or consideration whatever by the Members of the House of the corporation-tax amendment and other vital and material amendments which the Senate made to the Payne bill. His objection, urged now with slight, if any, application, would have applied with cogent force against that rule.

Let me allude briefly to the corporation-tax amendment and the manner in which it was presented to this body. In his in-

augural address the President, in calling attention to the deficit between our income and expenditures and the necessity for formulating a revenue bill that would secure sufficient income, made the following recommendation:

> Should it be impossible to do so by import duties, new kinds of taxation must be adopted, and among these I recommend a graduated inheritance tax as correct in principle and as certain and easy of collection.

This recommendation was considered by the Ways and Means Committee, which reported an inheritance tax as a part of the Payne bill, and it was approved and passed by the House.

After the bill reached the Senate, and as late as June 16, the President sent a special message to Congress recommending a corporation tax, and an amendment providing therefor was incorporated in the tariff bill by the Senate.

Immediately after the bill came back to the House a rule was reported under which the entire bill was sent to conference without any opportunity whatever for discussion or consideration by the House.

Let me compare the pending resolution with the proposed corporation tax, without taking into account any of the other important amendments made by the Senate to the Payne bill.

The resolution is simple in construction and covers but one subject and one purpose. It is formulated in clear and unambiguous terms, leaving no possibility for doubtful construction. It involves only the power to impose an income tax. All the questions incident to an income tax have been weighed and studied for years, as I have suggested. For the consideration of this resolution four hours have been set aside for discussion by the Members of the House.

How was it as to the corporation tax? It came before the House for the first time in the manner stated; in effect, it was an original and substantive measure of great importance. It involves a fundamental departure in our method of taxation. It involves, moreover, the relation of the Federal Government to the state governments, and the extent to which the Federal Government should exercise jurisdiction, not only over corporations engaged in interstate business, but over those engaged in business of a purely local character, and thought by many to be within the exclusive jurisdiction of the States. It is as pregnant with questions growing out of our dual system of government as any measure that has been presented to Congress in years, and one in which the people are vitally interested.

The measure, as I have stated above, did not originate in this body; it came before us for the first time as an amendment to the Senate bill; it was referred to no committee, and did not have the recommendation of any Member of this House. Yet, Mr. Speaker, under the rule which was adopted last Friday, the Members of this House waived their responsibility for this important measure, and surrendered their right to discuss and consider it. I venture to say that such action on a measure of so vast importance, so comprehensive in character, is without a precedent or a parallel in the history of parliamentary procedure.

Mr. Speaker, that rule had the support of the gentleman from Connecticut [Mr. HILL] and of the gentleman from Massachusetts [Mr. MCCALL], both members of the Ways and Means Committee.

Mr. Speaker, I voted against that rule. I did so because I believed that the Members of the House had the right to consider the corporation-tax amendment; that it should have been subject to the usual legislative procedure; that we should have had the right to amend it if we so desired, or to dispose of it as our best judgment would dictate. Are we, as Members of this body, ready to go on record as conferring a proxy upon others to act for us on matters of such vital concern? How can we maintain the confidence of the people as their only direct representatives by so doing?

Had this measure been introduced at any other time, as an independent measure, who would have had the temerity to contend that the House should resign its responsibility to weigh and consider it? And who would have urged that the House must accept it in toto, because it emanated from any other legislative body?

I submit that those who voted against the rule on Friday last were justified in so doing, and that their action is impregnably fortified by reason and the logic and theory of our Government.

I realize that the corporation tax comes before us with the recommendation of the President, for whom, and for whose judgment, I have the profoundest respect. The recommendation should be treated with a consideration commensurate with his high office and great ability. I can not, however, either forget or ignore the wisdom of our forefathers in the distribution of the powers of government. As a part of the legislative branch, we are expected to, and ought to, be guided by our own best thought and convictions—otherwise our form of government would cease, except in name. I am quite sure the President, with his exalted and patriotic conception of duty wherever vested, would not wish us to do otherwise.

Time does not permit more than a pointed reference to the merits of the tax. It is urged in justification of it that it is a tax on the privilege of doing business as an artificial entity and of freedom from general partnership liability. I concede that corporations should pay for that privilege, but it does not follow that the Federal Government should charge for it, at least in respect to certain classes of corporations. The privilege is granted by the State and should be taxed by the State.

The right of the Federal Government to tax a privilege granted by a State can not be justified upon any reasoning other than the power to do so.

Taxation is one of the gravest problems of government. History is replete with illustrations which establish the rule of governmental action, that all doubt as to the justice or equity of a tax should be resolved against it. There is a vital distinction, from a legislative point of view, between the power to impose a tax and the justice of doing so.

I do not affirm that this tax would not be sustained by the courts on the reasoning which controlled the decision in the inheritance-tax case of Knowlton *v.* Moore. My objection goes to the equity of the tax and the unlimited powers given the Federal Government over matters which seem to me to be purely within the jurisdiction of the States.

There are many corporations organized for and engaged in business of a purely local character. They derive no special privilege from the Federal Government as distinguished from individuals. To illustrate: In the city where I live, on opposite corners are two office buildings of the same general character. One of these buildings is owned by a corporation, the other by an individual. The corporation will come within the operation of the proposed tax. I can not reconcile the collection of a tax by the Federal Government on one, for that is what it amounts to, and not on the other. Numerous illustrations of the same character might be urged as between competitors in business in every community.

I am pleased in this connection to follow in the footsteps of one of Iowa's, and the Nation's as well, most distinguished statesmen—Senator Allison—whose illustrious services to his country, especially in fiscal matters, is familiar to you all. Several years ago he opposed a similar tax on the principle embodied in the above illustrations.

Over all corporations whose business is confined within the State, the State should have exclusive jurisdiction to tax the corporate privilege. Any other rule would, in my judgment, be an invasion of the just powers of the States. On the contrary, there are many corporations whose business is interstate in character. As to them a different rule should apply, both as to control and taxation.

I noticed in the papers a few days ago mention of an address delivered by the Attorney-General before the State Bar Association of Kentucky, in which he was reported as favoring the enactment of a national incorporation statute for corporations engaged in interstate business. I have long entertained the opinion that some plan of this nature would ultimately be adopted, and would afford the means of settling some of the problems in which the people are so vitally interested, the solution of which, under the present system, we have been unable to reach. If such a plan were to be adopted, the Federal Government could tax for the privilege granted to such corporations.

Of what benefit could it possibly be to the Federal Government, under the proposed law, to examine or require reports from local corporations that are in no way involved in the administration of the federal laws?

It is necessary to the future harmony and integrity of our institutions that we maintain as nearly as possible a perfect balance between the powers of the Federal Government and the state government.

I have grave misgivings whether this tax will reach the end desired, and not fall upon the individual of small and limited means, and in a considerable percentage on the consuming wage-earner.

The SPEAKER. The time of the gentleman has expired.

Mr. PAYNE. I yield two minutes more to the gentleman.

Mr. PICKETT. I regret that time does not permit a further discussion. That there may be no misunderstanding my position, I repeat that I concede the wisdom, propriety, and necessity of the Federal Government bringing the large corporations of this country engaged in interstate business under its more immediate and efficient control. This opinion I have entertained for years, but it seems to me that the provisions of the proposed law are too unlimited, and are an invasion of the rights that properly inhere in the States.

I hope that if this law is to be enacted, we will yet have an opportunity to discuss its merits and to amend it in some respects. The original measure has already been amended as a result of the opposition interposed to it, so as to exempt labor organizations and fraternal beneficiary societies, agricultural associations, and building and loan associations, but there are other amendments that ought to be made which I have not the time to discuss.

I submit that in view of the importance of the corporation-tax amendment, that both wisdom and our duty dictate but one course to pursue, and that is, to defer action until we can give to it the study, the research, the analysis, and the consideration to which it is justly entitled. [Applause.]

Mr. CLARK of Missouri. I yield to the gentleman from Kentucky.

Mr. JAMES. Mr. Speaker, I desire to say that the argument of the gentleman from Connecticut [Mr. HILL] does not appear to me to be one that will stand analysis. He tells us that Connecticut, which has been taxing all the rest of the people of the United States under the protective-tariff system until it has grown so rich, if this taxation upon incomes is placed upon her wealth, would pay more than 30 other States in the Union. Yet the gentleman is so patriotic that he is willing to state that when the poor man is willing to give his blood or his life when the Republic is in peril, when the battle is on, that not until then is he willing that his people shall make any contribution to sustain the Government out of the abundant fortunes they have piled up under the system of the protective tariff.

Mr. HILL. I challenge any man to say that the New England States did not pour out their blood as well as their wealth in the war of the rebellion. [Applause on the Republican side.]

Mr. JAMES. They may have been pouring out their blood upon the battlefields. And if they have, I deny that you speak for them when you say they are unwilling to bear their part of the burden of taxation to keep up this Government, which has blessed them so abundantly. [Applause on the Democratic side.] I would state to the gentleman that his party is not for the income tax even as a war measure. The history about this question has been written. No declaration of any man can affect it; and the record lives which tells us that when this Government was in the throes of war with Spain, when from shop and field and factory brave men had left loved ones at home and were at the front, offering their lives upon their country's altar and in defense of its flag, the Democratic side offered an income-tax law as a part of the war-revenue measure, which placed a tax upon the incomes of the rich, asking that as the poor were standing in front of the cannon on the fields of conflict the fortunes of the corporations and the rich, which in peace were exempt from taxation, might pay something to sustain the Government in the hour of its peril. But even in this great crisis you gentlemen upon the Republican side were unwilling to cast your votes in favor of the income tax, even as a war measure, and the whole Republican side voted no. [Applause on the Democratic side.] But, instead, you put the burden of taxation upon the poor, who were at home and at the front. You made them not only fight the battles, but pay the taxes, too. [Applause on the Democratic side.]

Mr. Speaker, the Democratic platform of 1896 used this language in reference to the income tax:

> But for this decision by the Supreme Court there would be no deficit in the revenue under the law passed by a Democratic Congress in strict pursuance of the uniform decisions of that court for nearly a hundred years, that court having in that decision sustained constitutional objections to its enactment, which had previously been overruled by the ablest judges who have ever sat upon that bench. We declare that it is the duty of Congress to *use all the constitutional power which remains after that decision, or which may come from its reversal by the court as it may hereafter be constituted*, so that the burdens of taxation may be equally and impartially laid, to the end that wealth may bear its due proportion of the expense of the Government.

Mr. Speaker, we all remember how fiercely the Democracy was assailed for this declaration. We were charged with assaulting the Supreme Court of the United States. You gentlemen on the Republican side charged that Mr. Bryan and the Democratic party were almost guilty of treason for this declaration. This was an honest effort on the part of the Democratic party to have the Supreme Court rehear this question, that, if possible, the immense fortunes, which President Roosevelt called "swollen fortunes," but which might perhaps have been more appropriately called "stolen fortunes," might bear some part of the burden of taxation in this Republic. This declaration arrayed against the Democratic party all the rich, all of the possessors of these fortunes, who were interested in escaping taxation and transferring its burdens to those least able to bear them. Many of those purses that were tightly drawn against the tax collector of the Government were willingly opened to the Republican campaign collector in order that the party that desired to tax the wealth of the country might be kept out of power. For all these years the Democratic party has been battling to have an income tax held constitutional. The Republican party, in full power in every department of the Government, has strongly and successfully resisted our efforts. But how times do change! And I desire here to read from a speech of President Taft, delivered at Columbus, Ohio, in 1907, while he was Secretary of War. It is as follows:

> In times of great national need, however, an income tax would be of great assistance in furnishing means to carry on the Government, and it is not free from doubt how the Supreme Court, with changed membership, would view a new income-tax law under such conditions. The court was nearly evenly divided in the last case, and during the civil war great sums were collected without judicial interference, and, as it was then supposed, within the federal power.

That was virtually the declaration of the Democratic party in 1896. Mr. Taft was not assailed, however, as attacking the integrity of the court or charged with treason to his country for the utterance of these words. I merely desire to parallel these declarations, the utterance of the Democratic party in the national convention, made in 1896, and the utterance of Secretary Taft, as a candidate for the Presidency, asking for the Republican nomination in 1907. The court has changed since this decision upon the income tax. Only four members of the nine who were then upon the bench are now members of that honored tribunal. Five new judges have since gone upon this court. Of the four who yet remain, two were in favor of and two opposed to the income tax. When the income-tax case was first heard only eight judges participated in the hearing; four voted to sustain the law and four voted against it. Justice Jackson, the ninth judge, participated in the rehearing of the case. Everyone thought his decision would determine the question either for or against the constitutionality of the income tax. However, in this they were very sadly disappointed, for Justice Jackson voted to sustain the law, but one of the judges who formerly voted to sustain it changed his mind, or at least changed his vote, and voted against the law, making it five to four in the decision holding the income tax unconstitutional.

I now desire to submit for the consideration of this House the utterance of former President Roosevelt in his message to the Congress of the United States on December 4, 1906, when he used this language:

> In its incidents, and apart from the main purpose of raising revenue, an income tax stands on an entirely different footing from an inheritance tax; because it involves no question of the perpetuation of fortunes swollen to an unhealthy size. The question is in its essence a question of the proper adjustment of burdens to benefits. As the law now stands, it is undoubtedly difficult to devise a national income tax which shall be constitutional. But whether it is absolutely impossible is another question; and if possible it is most certainly desirable. The first purely income-tax law was passed by the Congress in 1861, but the most important law dealing with the subject was that of 1894. This the court held to be unconstitutional.
>
> The question is undoubtedly very intricate, delicate, and troublesome. The decision of the court was only reached by one majority. It is the law of the land, and is, of course, accepted as such and loyally obeyed by all good citizens. Nevertheless, the hesitation evidently felt by the court as a whole in coming to a conclusion, when considered together with the previous decisions on the subject, may perhaps indicate the possibility of devising a constitutional income-tax law which shall substantially accomplish the result aimed at. The difficulty of amending the Constitution is so great that only real necessity can justify a resort thereto. Every effort should be made in dealing with this subject, as with the subject of the proper control by the National Government over the use of corporate wealth in interstate business, to devise legislation which without such action shall attain the desired end; but if this fails, there will ultimately be no alternative to a constitutional amendment.

Mr. Speaker, it will be observed here that he suggests that the court be given another opportunity to pass upon the income-tax question. He says:

> The decision of the court was only reached by 1 majority. Nevertheless the hesitation evidently felt by the court as a whole in coming to a conclusion, when considered together with the previous decisions on the subject, may perhaps indicate the possibility of devising a constitutional income-tax law which shall substantially accomplish the results aimed at.

These statements of Mr. Taft and Mr. Roosevelt show that it took them twelve years to find out the Democratic party was right; for their utterances in support of the position of our party come twelve years after the Democratic party, with marvelous courage and the fidelity and love of country born of patriotism alone, challenged wealth's exemption from taxation and denied that the poor and plain citizens of the Republic, and these alone, should bear by themselves the burden of taxation, and advanced the hope that a rehearing of the case, with the changed membership of the court, would return to the unbroken precedents of the Supreme Court of the United States for a hundred years and hold constitutional the income-tax law. [Applause.]

I desire now to quote the language of Justice Harlan in his powerful dissenting opinion upon the Income Tax case. He said:

But the serious aspect of the present decision is that by a new interpretation of the Constitution it so ties the hands of the legislative branch of the Government that without an amendment of that instrument, or unless this court at some future time should return to the old theory of the Constitution, Congress can not subject to taxation—however great the needs or pressing the necessities of the Government—either the invested personal property of the country—bonds, stocks, and investments of all kinds—or the income arising from the renting of real estate, or from the yield of personal property, except by the grossly unequal and unjust rule of apportionment among the States.

The practical effect of the decision to-day is to give to certain kinds of property a position of favoritism and advantage inconsistent with the fundamental principles of our social organization, and to invest them with power and influence that may be perilous to that portion of the American people upon whom rests the larger part of the burdens of government, and who ought not to be subjected to the dominion of aggregated wealth any more than the property of the country should be at the mercy of the lawless.

Here is the language of this great judge, a member of this court, suggesting: "Unless this court at some future time should return to the old theory of the Constitution."

Justice Brown, in his dissenting opinion, uses this language:

It is difficult to overestimate the importance of these cases. I certainly can not overstate the regret I feel at the disposition made of them by the court. It is never a light thing to set aside the deliberate will of the legislature, and in my opinion it should never be done, except upon the clearest proof of its conflict with the fundamental law. Respect for the Constitution will not be inspired by a narrow and technical construction which shall limit or impair the necessary powers of Congress. * * *

By resuscitating an argument that was exploded in the Hylton case and has lain practically dormant for a hundred years, it is made to do duty in nullifying not this law alone, but every similar law that is not based upon an impossible theory of apportionment. * * *

It is certainly a strange commentary upon the Constitution of the United States and upon a democratic government that Congress has no power to lay a tax which is one of the main sources of revenue of nearly every civilized state. It is a confession of feebleness in which I find myself wholly unable to join.

While I have no doubt that Congress will find some means of surmounting the present crisis, my fear is that in some moment of national peril this decision will rise up to frustrate its will and paralyze its arm. I hope it may not prove the first step toward the submergence of the liberties of the people in a sordid despotism of wealth.

As I can not escape the conviction that the decision of the court in this great case is fraught with immeasurable danger to the future of the country and that it approaches the proportions of a national calamity, I feel it a duty to enter my protest against it.

Mr. Speaker, he declares that the decision of 5 to 4 was only arrived at by resuscitating an argument that was exploded in the Hylton case and had lain practically dormant for a hundred years. What more powerful arraignment could be made of any decision than is here uttered by these two ornaments of the bench against the income-tax decision? Yet I merely call attention to these facts to show that the Democratic party throughout all these years has been making this fight for the righteous taxation of wealth; that our language was mild as compared with theirs; that our arraignment was exceedingly tame when placed alongside of theirs. The candidate of the Democratic party, William J. Bryan, standing in Madison Square Garden, in 1896, used this language:

The Chicago platform has been condemned by some because it dissents from an opinion rendered by the Supreme Court declaring the income-tax law unconstitutional. Our critics even go so far as to apply the name "anarchist" to those who stand upon that plank of the platform. It must be remembered that we expressly recognize the binding force of that decision so long as it stands as a part of the law of the land. There is in the platform no suggestion of an attempt to dispute the authority of the Supreme Court. The party is simply pledged to use "all the constitutional power which remains after that decision, or which may come from its reversal by the court as it may hereafter be constituted." Is there disloyalty in that pledge? For a hundred years the Supreme Court of the United States has sustained the principle which underlies the income tax. Some twenty years ago this same court sustained without a dissenting voice an income-tax law almost identical with the one recently overthrown. Has not a future court as much right to return to the judicial precedents of a century as the present court had to depart from them? When courts allow rehearings they admit that error is possible; the late decision against the income tax was rendered by a majority of one after a rehearing.

I desire it distinctly understood that I shall offer no apology for the income-tax plank of the Chicago platform. The last income-tax law sought to apportion the burdens of government more equitably among those who enjoy the protection of the Government. At present the expenses of the Federal Government, collected through internal-revenue taxes and import duties, are especially burdensome upon the poorer classes of society. A law which collects from some citizens more than their share of the taxes and collects from other citizens less than their share is simply an indirect means of transferring one man's property to another man's pocket, and, while the process may be quite satisfactory to the men who escape just taxation, it can never be satisfactory to those who are overburdened. The last income-tax law, with its exemption provisions, when considered in connection with other methods of taxation in force, was not unjust to the possessors of large incomes, because they were not compelled to pay a total federal tax greater than their share. The income tax is not new, nor is it based upon hostility to the rich. The system is employed in several of the most important nations of Europe, and every income-tax law now upon the statute books in any land, so far as I have been able to ascertain, contains an exemption clause. While the collection of an income tax in other countries does not make it necessary for this Nation to adopt the system, yet it ought to moderate the language of those who denounce the income tax as an assault upon the well to do.

Not only shall I refuse to apologize for the advocacy of an income-tax law by the national convention, but I shall also refuse to apologize for the exercise by it of the right to dissent from a decision of the Supreme Court. In a government like ours, every public official is a public servant, whether he holds office by election or by appointment, whether he serves for a term of years or during good behavior, and the people have a right to criticise his official acts. "Confidence is everywhere the parent of despotism; free government exists in jealousy and not in confidence." These are the words of Thomas Jefferson, and I submit that they present a truer conception of popular government than that entertained by those who would prohibit an unfavorable comment upon a court decision. Truth will vindicate itself; only error fears speech. No public official who conscientiously discharges his duty as he sees it will desire to deny to those whom he serves the right to discuss his official conduct.

Here we behold, Mr. Speaker, this patriot throwing down the gage of battle in the very citadel of wealth. He was maligned and slandered then, but what a glorious victory he is having upon this question! What a marvelous vindication he is receiving now! The whole Nation upon tiptoe now approving his stand on the question of an income tax. And, sir, when those who have maligned him have been forgotten, this man who bore three times with honor and with courage the standard loved by millions of his countrymen, battling for equality of taxation, equality of opportunity, striving for the righteousness a republic owes to its people, obedience to law by the great and small, that the taxgatherer should visit alike the cabin and the palace, the hut and the mansion, I say, sir, that when the flunkeys and the adulators shall no longer find favor in their fawning nor pay for their abuse, the principles advocated by William J. Bryan, the lover of men and of the rights of men, will live in the Constitution and shine in the statute laws of the land.

Mr. Speaker, our Republican opponents took advantage of this position of the Democratic party and called to their aid every corporation and millionaire in the Republic, seeking to defeat the party which would tax all men fairly.

Many bills have been introduced by Democrats in Congress providing for an income-tax law during the last ten years, only to be smothered and defeated by the Republican machine. Mr. Taft, in accepting the Republican nomination in 1908, used this language:

The Democratic platform demands two constitutional amendments—one providing for an income tax and the other for the election of Senators by the people. In my judgment, an amendment to the Constitution for an income tax is not necessary. I believe that an income tax, when the protective system of customs and the internal-revenue tax shall not furnish income enough for governmental needs, can and should be devised, which, under the decisions of the Supreme Court, will conform to the Constitution.

The Republican party in the present extremity is forced to take both these principles in dealing with the income tax from the Democratic national platform. We were told by Mr. Taft that no constitutional amendment was needed; that the changed membership of the court would hold an income tax constitutional. The gentleman from Minnesota [Mr. STEVENS], one of the ablest Members upon the Republican side, upon the floor of this House, on March 25, 1909, used this language:

For that reason it seems to me to be wise to draft a bill with separate clauses, putting a tax upon incomes of real estate in one clause and declaring that the invalidity of that clause should not affect the balance of the provisions of the act. The same could be done as to personalty, and so on, as to the various classes and subjects of taxation. By this method any tax of any substance might be retained, even if some be found to be invalid upon the final consideration. Upon arriving at that conclusion I laid the matter before President Roosevelt. He was delighted with the suggestion, and inquired in what way he could be of assistance. He referred me to the Secretary of the Treasury, who also gladly promised cooperation. The Secretary directed his subordinate officers to prepare a bill along these lines, but for some reason or other those officers neglected to do so and did not report their negligence until the very last week of last session. We were all rushed in the last days of the session, so I concluded to wait until the new administration came in.

I laid this matter before President Taft as I am explaining it to the House, and he also was pleased at the suggestion and promised cooperation to see that a bill was prepared as a basis for my own suggestions. The administration assumed no responsibility and the administration had no views in connection with the matter. All it did was to tender the services of the executive departments to do the work for this measure, exactly as it does for nearly every measure of importance presented to the House. And that is what I desire to have made clear, that whatever I do is on my own responsibility. I am only seeking advice and assistance from the various bureaus in the department of administration and from whatever source I can get it.

Mr. Speaker, the newspapers of the country had announced that the income-tax bill of the administration would be introduced by Mr. STEVENS of Minnesota. It will be observed that he says in this speech that he laid the matter before President Roosevelt and he was delighted with the suggestion, and inquired in what way he could be of assistance. He referred next to the Secretary of the Treasury, who also promised cooperation. The purpose of this was to resubmit the income-tax question to the Supreme Court of the United States, as declared by the Democratic national convention in 1896. The gentleman from Minnesota [Mr. STEVENS] proceeds and says he laid this matter be-

fore President Taft, as he was explaining it to the House, and he also was pleased at the suggestion and promised cooperation to see that a bill was prepared as a basis for his suggestions. Nothing was said then about an amendment to the Constitution upon the income-tax question. Mr. Speaker, this worming in and worming out of the Republican party and its leaders on the income-tax question forces me almost to question their sincerity in being its friend. I shall vote, Mr. Speaker, to submit this constitutional amendment to the States; but when I do so, I do not concede, nor does the Democratic party concede, that Congress has not now the power to impose such a tax. Our national platform of 1908 says:

> We favor an income tax as part of our revenue system, and we urge the submission of a constitutional amendment specifically authorizing Congress to levy and collect a tax upon individual and corporate incomes, to the end that wealth may bear its proportionate share of the burdens of the Federal Government.

There is no contradiction between this position of submitting an amendment to the Constitution to the States and passing an income-tax bill at this session of Congress providing for an income tax, for the reason that there were two or three questions before the Supreme Court upon the question of taxing incomes from various sources, which the court unanimously agreed were not subject to taxation. A constitutional amendment will remedy this situation and give to Congress the power "specifically" to lay such a tax. We could then proceed to resubmit to the "changed membership of this court" these questions where the court stood 5 to 4 by reason of the changed opinion of one member of the Supreme Court, and I believe, as I believe I am in the House of Representatives at this moment, that the Supreme Court will return to the long line of decisions holding the income tax to be constitutional. What shall our Republican friends do about this question? Is the bill promised by the Republican leader [Mr. STEVENS of Minnesota] to fall by the wayside? It delighted Mr. Roosevelt, it pleased Mr. Taft, it met the approval of the Secretary of the Treasury. I believe I speak for the Democratic side when I say we stand ready now, as we have for twelve long years, to pass such a bill. Will you give us the opportunity, or are you attempting to dodge behind 12 States in the Union and defeat the income-tax amendment, and in this way prevent the wealth of the country paying any part of the taxing burden? I am delighted to offer you the platform of 1896 as your remedy for such a bill, as with a delight which equals, if it does not surpass it, I offer the Democratic platform of 1908 providing for the constitutional amendment.

This battle, Mr. Speaker, for the income tax has just begun. We intend to carry it to the last ditch. I sincerely trust that in every State in the Union when a man becomes a candidate for the legislature or for the Senate, whether he be Republican or Democrat, the people will force him to say how he stands upon the question of the income tax. Make him speak out either for or against the people. Wealth is always organized; corporations stand fighting it now. The people must be aroused if they will succeed. Mr. Speaker, in my judgment, the most unfortunate decision ever written was the one holding the income-tax law unconstitutional. For a century this law had been held constitutional by an unbroken chain of decisions reaching from the first link forged by the Revolutionary judges down for more than a hundred years; a chain of decisions so strong that Abraham Lincoln girded it about the Republic in its darkest hour in the war between the States. [Applause on the Democratic side.] It stood all these tests; it grew strong with age. Its repeated upholding by the court through this long line of decisions, its long acquiescence in by the people, its absolute justice, its immeasurable equity, stamp it a law better than stare decisis, for it is a law as just as the Republic ever made, so fair and so righteous that it might be called the "golden rule of taxation." [Applause on the Democratic side.] To my mind the income tax is the most equitable of all systems of taxation. It is the ideal way to support the Government. Let those who prosper little pay little, for they are least indebted to the Government; let those who prosper more pay more; let those who prosper most pay most; let those who prosper greatly pay greatly, for certainly they have been most blessed and are therefore most indebted to the Government. What man is so ungrateful to his country that he is unwilling to pay a small tax upon his income above $5,000 to help sustain and perpetuate the Government under which he enjoys such success? Many bills have made such provision, but to meet defeat at the hands of the Republican party, which has always opposed taxing wealth in any degree.

Who is prepared to defend as just a system of taxation that requires a hod carrier, who for eight long hours each day wends his way to the dizzy heights of a lofty building with his load of mortar or brick, to pay as much to support this great Republic as John D. Rockefeller, whose fortune is so great that it staggers the imagination to contemplate it and whose property is in every city and State in the Republic and upon every sea protected by our flag. [Applause on the Democratic side.] Who believes that it is just to say that 23 farmers in my district, who by a life of self-denial and unceasing toil have been enabled only to accumulate 200 acres of land and a modest home, who in sunshine and storm labor on, who by such a life only own in this world's goods $5,000 each—is it just, I inquire, for these men to pay as much taxes to keep up this Government as the 23 men who compose the directorate of the New York City Bank, which has a controlling financial power of $11,000,000,000, or one-tenth of the wealth of the United States? Should these men, I submit, who control as much wealth as all the people in the States south of Mason and Dixon's line, pay no more taxes to support this Republic than the 23 farmers in my district whose total wealth only amounts to $115,000? Yet under the system of taxation now in operation in this Government, under the Republican party, the 23 farmers pay the most tax to keep up the Federal Government. Is it a matter of great speculation, then, that wealth is so unequally distributed? I am quite free to confess, Mr. Speaker, that it is impossible for me to find one single just reason for opposing the income tax. How men can defend a system of taxation in a republic which requires of the poor all of its taxes and exempts the rich absolutely I am totally unable to see. In the everyday walks of life we expect more for church, for charity, for the uplifting of society, and education from those who are most prosperous, most wealthy, most able to give. Yet the system of taxation advocated by the Republican party drives the taxgatherer to the tenement house and makes him skip the mansion, drives him to the poorhouse and lets him pass the palace. [Applause on the Democratic side.]

No man can be found, Mr. Speaker, with rarest exception, who will deny the equity of an income tax. They offer no argument in opposition to it. Their only refuge that I have been able to observe is that it is unconstitutional; and when they say this they are all afraid to give the Supreme Court another chance to pass upon it [applause] to see whether the court was right for a hundred years and wrong for fifteen, or wrong for a hundred years and right for fifteen.

I have heard it urged by some gentlemen upon the Republican side that the passage of an income-tax law would undermine and at last destroy the protective-tariff system. This, Mr. Speaker, is equivalent to saying that in order to give a few monopolists and manufacturers the right to reach into the pockets of all the people, you have kept the taxgatherer from reaching into the pockets of the few, the fortunate few, the intrenched few, the successful few; but you have driven the taxgatherer to the same pockets which monopolies pillaged under the protective tariff for taxes to sustain the Government. The protective-tariff system is vicious enough in itself without adding to it the iniquity of saying that in order to perpetuate it you must place the taxing burden of the Government upon the masses of the people, who must also bear the heavy burden the protective-tariff system inflicts upon them.

Mr. Speaker, no tax was ever more unjust, in my opinion, than a tax upon consumption, for all must eat to live, all must wear clothes, and when you place a tax upon what it takes to sustain one, you announce the doctrine that all men share alike in the blessings of government, that all men prosper equally. But we have only to look about us to see how false this doctrine of taxation is. A tax upon what some people eat and what they wear would deny them the necessities of life, while others, rolling in opulence and accumulating their wealth into the millions, would not feel such a tax. Then, besides this, Mr. Speaker, the protective-tariff system has become so vicious in this Republic that the Republican party's candidate, Mr. Taft, promised the country a revision, and a revision downward. But, like that party always does, it procrastinated this relief. It said it would come to the people after the election. The Democratic party said the reason it wanted first to be entrenched in power and put off this promised relief until after the election was because the Republican party intended to deceive the people. And behold now, Mr. Speaker, the truth of this prophecy. What a shameless violation of the promised revision downward do we now behold! The betrayal of the people by the Republican party is written in this House and at the other end of the Capitol, for the revision has been upward and not downward. The reason the Republican party would not reform the tariff before the election was they knew if they did reform it in the interests of the people, the corruption fund, which they were so used to receiving, would be denied them by the favored few with whom they were in partnership. They knew if the legislation was in the interest of the monopolies, as

it now is, the people would rebuke them, so they put it off until after the election.

Mr. Speaker, this battle for an income tax will go on. This is the people's Government and the right will prevail. During all these years the mighty rich—an army of millionaires—have been exempted from taxation, but the people are now aroused. There are two lines of battle drawn for this great contest. Under which flag will you stand—the flag of Democracy or the flag of plutocracy?

We shall win, for—

Still, Truth proclaims this motto
In letters of living light:
No question is ever settled
Until it is settled right.

[Applause on the Democratic side.]

And I would scorn, Mr. Speaker, a government whose taxing power provides that Lazarus must divide his crumbs with the taxgatherer, but that Dives shall not give of his riches. [Great applause on the Democratic side.]

Mr. LONGWORTH. Mr. Speaker, I have been requested by the gentleman from New York [Mr. PAYNE] to control the time on this side during his absence from the Chamber.

The SPEAKER. The Chair desires to state that the gentleman from New York was entitled to one hour, and the gentleman from Missouri who was recognized is entitled to one hour.

Mr. CLARK of Missouri. Mr. Speaker, my understanding was that the gentleman from New York [Mr. PAYNE] controlled the time on that side, and that I controlled all the time on this side.

The SPEAKER. The Chair has no objection to the gentleman from New York and the gentleman from Missouri controlling the time.

Mr. CLARK of Missouri. Then, I ask unanimous consent that the time be controlled by the gentleman from New York on that side and that I control the time on this side.

The SPEAKER. The gentleman from Missouri asks unanimous consent that the time which was allowed by unanimous consent for debate shall be controlled, one hour and three quarters by the gentleman from New York and two hours by the gentleman from Missouri. Is there objection?

There was no objection.

Mr. LONGWORTH. I will ask the gentleman from Missouri to use some more of his time, as there is no gentleman at present who wishes to speak on this side.

Mr. CLARK of Missouri. I will yield five minutes to the gentleman from New York [Mr. HARRISON].

Mr. HARRISON. Mr. Speaker, I am in favor of this resolution, and shall vote for it. At the same time I have grave doubts of the advisability of attempting to put through any special form of taxation at the end of this long tariff agitation. However, this income-tax amendment is a confession by the Republican party that they are unable to raise sufficient revenue by means of a tariff and that they must resort to another form of taxation. For seven long years the Nation has been dancing, and now it is called upon to pay the piper. Our spree is over, and we are now realizing how sad is the way of the man who has lived beyond his income. It must be admitted, however, that in such an emergency an income tax is the soundest of Democratic doctrine, and you Republicans, as was well stated by the gentleman from Kentucky [Mr. JAMES], are turning to us in this crisis for remedial legislation.

There is a feature of this resolution, moreover, which especially commends it to me. If the resolution prevails, it should be incumbent on the conferees upon the tariff to drop immediately from consideration the proposed corporation tax put into the bill by the Senate. This resolution now before the House provides for the taxing of incomes from whatever source derived. That means taxes upon incomes of corporations as well as individuals. In my opinion the corporation tax as it passed the Senate is unconstitutional; but if this resolution prevails, and the States give us the constitutional right to pass a law taxing the incomes of corporations as well as individuals, such doubts will be at once removed. Moreover, as it now stands, alone, without an individual income tax, the corporation tax is the most grossly unfair impost ever levied by motion of either Chamber of Congress. It is unfair because it will allow one man with a $100,000 income to go free, while another man who may get $10,000 in income must pay the tax because his business is incorporated. It allows the man conducting a grocery business upon one corner of the street to go scot-free, while another man that carries on the same business on the next corner of the same street is obliged to pay a tax because he has incorporated his business. It thus violates the fundamental principle of taxation, namely, that its burdens should be equally distributed.

But, aside from all that, it tends to what is even more dangerous—an attempt to change our form of government through the taxing power of the Congress.

If such a change toward government control of business is to be adopted, it should be done as is proposed by this resolution, namely, by a constitutional amendment. We should resist to the utmost any attempt of the Congress to change, through the taxing power, the form of government under which we have conducted our affairs for so many generations.

Mr. Speaker, as I have said, I believe that upon the adoption of this resolution, this unfair, this inequitable corporation tax should at once be dropped by the conferees upon the tariff. It was put forward not really as a revenue raiser, but chiefly as a political expedient and primarily to give the Federal Government these gross inquisitorial powers. That is the feature of the corporation tax most commended by President Taft, and that is the feature of the tax to which I am most opposed. Why, gentlemen, suppose that at some time in the future while such a corporation tax was in force some Chief Executive were to send a member of his Cabinet to Wall street to collect campaign contributions for his reelection from the corporations in my city, what a mighty club he would have to hold over their heads.

Mr. Speaker, I hope the corporation tax will go out of the tariff conference, and I hope that the whole question will go over, as it should go, to be considered by the States. A consideration by the States separately of the question of an income tax, both individual and corporate, will provide what was demanded by the last Democratic platform, namely, a constitutional amendment permitting a tax upon all kinds of income. [Applause on the Democratic side.]

Mr. CLARK of Missouri. Mr. Speaker, how much time did the gentleman from New York use?

The SPEAKER. He used ten minutes.

Mr. CLARK of Missouri. He only had five.

The SPEAKER. Five, or whatever it was. The messenger who keeps the time stated that the gentleman's time had expired, and the Chair was under the impression that he had ten minutes.

Mr. LONGWORTH. Mr. Speaker, I yield ten minutes to the gentleman from Ohio [Mr. KEIFER.]

Mr. KEIFER. Mr. Speaker, most everything comes within the scope of this debate, and especially are we allowed to hear what we have heard for many years, that exaltation that comes from the Democratic party when a thing is about to be done that some time in the history of the country some of the Democratic party has favored. It is said that this amendment proposed is to be useful in time of war. If there ever is any necessity for an income tax, of course it is when the Nation is at war. I want to say, Mr. Speaker, with the utmost kindness, that so far as history shows the Democratic party has not been in favor of an income tax in time of a great war, and it might well be that it should stand converted now. In the civil war, in the most trying period of it to the Union, when the question of an income tax was voted upon on this floor, every Democrat present and voting voted against it and denounced it as unconstitutional. [Applause on the Republican side.] Not a single Republican, as the RECORD shows, voted against it.

In the Senate of the United States at that time every Democrat voted against an income tax save Mr. McDougal, of California—one only in both Houses. Now I congratulate the Democratic party after these many years in a conversion to the income tax so that it may be levied in time of war. I am not very much enamored of this proposition. I hope a just, equitable tariff bill will be passed to so levy import duties as to raise all the revenues that we need; but if it is necessary, I want the Republican party to be in a position that they can rely upon the Democratic party in voting for an income tax in times of war and not have the cry then made by Democrats that it was unconstitutional. I do not hear anybody disputing this last statement. [Applause and laughter on the Republican side.]

Mr. SULZER. Ancient history.

Mr. KEIFER. That is admitted; but it is truthful history. Now, Mr. Speaker, there is something said about the necessity of an income tax to reach the idle rich; but if we had only the idle rich, I think I would rather like the programme; but there are in this country thousands and tens of thousands of enterprising spirits who have gone forth with energy, industry, and by displaying economy have acquired fortunes, and they are the persons who are to be reached by an income tax; and I am willing they shall be when the trying times come.

While it may be true that those who by their ability and providence amass an estate are secure, an income must bear a

proportionately great share of the government taxes; it should not be imposed upon them merely as a punishment.

My friend from Missouri [Mr. CLARK] says that $5,000 is not enough exemption, and that he would have more. I do not agree with him. There are a hundred men with their families in this country who live on $500 a year to where there is one who lives on $5,000. But that is not the test. If we need an income tax, we can have it if this amendment is ratified by the proper number of States in this Union.

Mr. GARRETT. Getting away from the economic phases of it, I want to ask the gentleman a question or two about this matter from a legal standpoint, independent of politics or the economic phases of it.

Mr. KEIFER. Go ahead.

Mr. GARRETT. This amendment puts no time limit on the ratification, does it?

Mr. KEIFER. No.

Mr. GARRETT. Now, under the practice, as a practical proposition, when can this matter be finally determined? When will the Secretary of State issue his declaration?

Mr. KEIFER. Never, until three-fourths, I believe, of the States have ratified it.

Mr. GARRETT. Now, is it open forever for them to ratify?

Mr. KEIFER. So I understand.

Mr. GARRETT. And can a State ratify and then take it back——

Mr. KEIFER. Mr. Speaker, let me answer that question.

Mr. GARRETT. Now, that is an interesting question.

Mr. KEIFER. That question has arisen. There were two or more States in the Union that ratified the fourteenth amendment to the Constitution, and I am sorry to say that one of those States was the State of Ohio, and after the ratification the state legislatures passed a resolution to rescind that ratification. My recollection is that the rescinding resolutions were disregarded by the Secretary of State in issuing his proclamation declaring that the fourteenth amendment was adopted.

Now, I may be mistaken, but I think the Secretary of State included Ohio as one of the States that had ratified the fourteenth amendment. That amendment was proclaimed ratified by the Secretary of State on July 28, 1868, and in his proclamation he recited all the facts relating to the action taken by each State on the subject of ratifying or rescinding.

Mr. GARRETT. It is my recollection, if the gentleman will permit me——

Mr. KEIFER. Certainly, if I have the time.

Mr. GARRETT. It is my recollection that the late Senator Sherman, of Ohio, introduced a resolution in the Senate requiring, or instructing, the Secretary of State to issue the proclamation, and requiring in that resolution that the States could not rescind an action after having once accepted.

Mr. KEIFER. I think that resolution was not adopted by the Congress.

Mr. GARRETT. I do not think so, either. Is it not true that there were some States which voted against the fourteenth amendment that subsequently changed their action?

Mr. KEIFER. I do not remember that definitely, but I think there were some States that took such action.

Mr. GARRETT. And the Secretary of State held that, while a State could not rescind its action when it adopted it, it could rescind its action when it failed to adopt it.

Mr. KEIFER. I am only giving my recollection. I am not absolutely sure that there is any such case as the last one cited. I remember the other, for I was a member of the senate of the State of Ohio in 1868, when the rescinding resolution was passed, and I resisted it to the best of my ability.

Mr. GARRETT. The gentleman will find that there are some States——

Mr. KEIFER. I am not disputing it, because I do not know.

Mr. CLAYTON. I would like to ask the gentleman a question.

The SPEAKER. The gentleman's time has expired.

Mr. LONGWORTH. I yield five minutes more to the gentleman from Ohio [Mr. KEIFER].

Mr. CLAYTON. I would like to ask the gentleman a question. I did not have the pleasure of hearing all his remarks, but I suppose that he intends to vote for this resolution?

Mr. KEIFER. Oh, yes.

Mr. CLAYTON. And he thinks that the State of Ohio will also vote for it?

Mr. KEIFER. I suppose so; yes.

Mr. CLAYTON. And the gentleman thinks it ought to?

Mr. KEIFER. Yes.

Mr. CLAYTON. Then I understand the gentleman to criticise the remarks of the gentleman from Missouri [Mr. CLARK], that he would exempt incomes of $5,000 or less?

Mr. KEIFER. No; I do not criticise it. I was only speaking about the relative number of people that live on $500 a year and $5,000 a year.

Mr. CLAYTON. I would exempt probably all that did not exceed $10,000 myself if I had my way, and certainly exempt the poor man and certainly catch all these idle rich, these fellows that do not pay anything.

Mr. KEIFER. Now, I did not expect the gentleman to make a speech in my time.

Mr. CLAYTON. Does not the gentleman think that the correct way to levy an income tax is to make it a tax on wealth and not upon want?

Mr. KEIFER. It was always so—you can not get much out of "want."

Mr. LONGWORTH. Will the gentleman yield to me?

Mr. KEIFER. I yield to anybody.

Mr. LONGWORTH. Would the gentleman exempt $7,500? [Laughter.]

Mr. CLAYTON. I think I would be perfectly frank with the gentleman, and say that I would not exempt the multimillionaires, and I would not continue this Republican policy of grinding the faces of the poor consumers in this country under your tariff taxes. I would put the tax upon wealth and not upon necessity. [Applause on the Democratic side.]

Mr. KEIFER. I did not understand that I yielded time to the gentleman to make that speech again.

Mr. GARRETT. Will the gentleman allow me?

Mr. KEIFER. If it is just a question.

Mr. GARRETT. I do not want to pursue the economic phase of this question. I think the legal phase should be considered in this matter. I want to submit to the gentleman, what, in his opinion, would be the effect of this as applied to the time of ratification?

Mr. KEIFER. I think the time of ratification is not limited, either by the resolution or by the Constitution of the United States. That is all I can say on that subject.

Now, Mr. Speaker, I have said all I ought to have said, and there may be some things I should not have said. But I am inclined to think that this is a wise resolution to adopt, in order that we may not have this question coming up from time to time in the courts, before the Supreme Court of the United States, to determine whether or not an income tax is constitutional.

I have had doubts myself about the matter. And yet I have read the decisions, the opinions of the judges supporting the constitutionality of the income tax and those denying it, and when I have gotten through them I have not been entirely satisfied one way or the other. I believe in having well-defined constitutional power for the Federal Government to act upon, and I am enough of a states rights man to be in favor of the Federal Government exercising only those constitutional powers clearly given to the Federal Government. Those that are exclusively State I deny the right of the Federal Government to invade at all under any circumstances. If there be constitutional powers given to the State and likewise to the Federal Government, the State may exercise them unless the Federal Government intervenes, and when the Federal Government does intervene, in such case, then the State will be ousted; but those powers given to the States exclusively the Federal Government should keep hands off.

Mr. CLARK of Missouri. I yield five minutes to the gentleman from Tennessee [Mr. HULL].

Mr. HULL of Tennessee. Mr. Speaker, when Senator Garrett Davis, of Kentucky, in 1864 offered a resolution in the Senate of the United States proposing an amendment to the Constitution for the purpose of forming two States out of New England, some comment and speculation occurred; but during the past few weeks the unexpected spectacle of certain so-called "old line, conservative" Republican leaders in Congress suddenly reversing their attitude of a lifetime and seemingly espousing, though with ill-concealed reluctance, the proposed income-tax amendment to the Constitution has been the occasion of universal surprise and wonder. However, many strange things occur in the course of a Republican national administration. No person at all familiar with the present trend of national legislation will seriously insist that these same Republican leaders are overanxious to see the country adopt an income tax or that they would earnestly support a measure designed to speed the day of its coming. To what, then, can this course on their part be ascribed? What powerful influence, what new light, what deep-seated motive suddenly moves these political veterans to "about face" and to pretend to warmly embrace this doctrine which they have heretofore uniformly denounced and condemned in unmeasured terms? When I thus allude to these Republicans I am not to be understood as including all the Re-

publicans in Congress, but I do refer to most of the Republican leaders, men whose will is law to their obedient followers.

CURIOUS CONDITIONS.

By reason of this strange course on their part the agitation in behalf of an income tax has assumed such a phase as to give the real friends of this doctrine just cause for apprehension, if not alarm. In determining the wisdom or unwisdom of the course now being pursued by Congress to recover this lost power of taxation, it is due the American people that they should know who are the real friends of the income tax and who are only its pretended friends.

Mr. Speaker, I desire to call the attention of this House and, so far as I can, of the country to the circumstances under which it is proposed by its Republican sponsors to pass this resolution to amend the Constitution. The American people need not delude themselves by the belief that most or even many of those Members of Congress who have heretofore opposed the imposition of this tax are now in favor of the same by reason of their support of the resolution submitting the proposed amendment to the States for their ratification. On the contrary, the present attitude of many of them is one of known hostility, and the people are woefully mistaken if they suppose that this amendment will not be seriously antagonized, not only by many powerful influences in the different States, but even by many of the Members of Congress who will silently vote to submit this amendment to the various States for their action.

REVIEW OF INCOME TAX IN CONGRESS.

I trust I may be pardoned while I review in few words the recent steps taken in Congress with reference to this question. Early in the Sixtieth Congress it was my privilege to introduce in the House an income-tax bill, embracing the chief features of the income-tax law of 1894, omitting the provisions subsequently declared invalid by a unanimous Supreme Court. On the first day of the present session of Congress I reintroduced this measure, and a few days later I offered some extended remarks in support of it or some similar measure, urging its immediate consideration by the House. In referring to the decision of the Supreme Court of the United States, declaring the old income-tax law invalid, I used the following language:

I agree that Members of Congress are under oath to support the Constitution, and that it is the duty of the Supreme Court, under proper circumstances, to construe and expound that instrument; but I submit that where, in the judgment of Members of Congress, a palpably erroneous decision has been rendered by the Supreme Court, stripping the coordinate legislative branch of the Government of one of its strong arms of power and duty, a decision overturning a line of decisions extending over a hundred years of the Nation's history, a decision violating the doctrine laid down by all text-book writers and commentators on the Constitution, a decision running counter to the fixed policies of every department of the Government as uniformly pursued for more than a century—I say, under these circumstances, every Member of Congress owes to himself and to the country the duty of exhausting every reasonable and legitimate means to secure a review by the court of the questions erroneously decided. * * * It is entirely proper that Congress should pass another income-tax act again raising the important questions deemed to have been erroneously decided by the Supreme Court heretofore, and by this course secure a rehearing upon these controverted questions. * * * But two methods are open by which to secure to Congress its taxing power lost under this decision, namely, an amendment to the Constitution, or a reversal by the Supreme Court of its former decision.

Speaking further, I urged that Congress first pursue the latter alternative. However, the House of Representatives passed the Payne tariff bill without including any feature of an income tax, save a provision imposing an inheritance tax. During the consideration of the Payne bill in the House I watched every opportunity, as did other Members of the minority, to offer an income-tax amendment and to secure an expression of the House thereon, but under the peculiar and ironclad rules of the House not the shadow of a chance was offered. Just prior to its passage the Democrats in the House moved to recommit the Payne bill with instructions, among other things, to embody in it a comprehensive income-tax provision, but the Republican majority voted down this proposition. Later, when the bill went to the Senate, the Senate Democratic caucus unanimously agreed to urge the insertion of a similar income-tax amendment in the tariff bill as made up in the Senate.

The Senator from Texas [Mr. BAILEY] had in the meantime proposed an amendment of this character in the Senate; likewise, the Senator from Iowa [Mr. CUMMINS] had proposed an amendment along similar, though not identical, lines. Very soon public sentiment in support of this movement began to rapidly crystallize and to plainly manifest itself in every part of the country. Members of Congress hitherto lukewarm or indifferent, or opposed to this proposition, immediately opened their eyes and took notice, and notwithstanding the sleepless and strenuous efforts of its opponents, as the day for a test vote upon it approached in the Senate the surprising fact dawned upon them that a majority of the Senate was inclined, aye, was ready, to vote the Bailey-Cummins income-tax amendment into the tariff bill, and that such action was a foregone conclusion, unless by some parliamentary device or legislative subterfuge the plans of those in charge of this amendment could be thwarted and a division created among its supporters. What occurred? Remarkable to contemplate! It suddenly became noised around that revenue, or some other kind of exigencies, necessitated the introduction and passage through another body of the twin or companion measures since better known as the corporation-tax amendment and an amendment to the Constitution empowering Congress to levy a tax on incomes.

IS THIS LEGISLATIVE HONESTY?

The real purpose of those in charge of these two companion measures was not concealed and may be best indicated by the following statement made in another part of the Capitol by the mightiest Republican of them all:

I shall vote for a corporation tax as a means to defeat the income tax. * * * I am willing to accept a proposition of this kind for the purpose of avoiding what, to my mind, is a great evil and the imposition of a tax in time of peace when there is no emergency, a tax which is sure in the end to destroy the protective system. * * * It [the corporation tax] can be reduced to a nominal amount, and the features of the corporation tax that commend it to many Senators and a great many other people is that the corporation tax, if it is adopted, will certainly be very *largely reduced, if not repealed, at the end of two years.*

The purpose of those who are sponsoring and chaperoning the corporation-tax amendment and the income-tax amendment to the Constitution is thus stated with brutal frankness. When hemmed in and confronted by the dreaded alternative of being forced to yield to the immediate enactment of an income-tax law, or by contriving and offering an exceedingly mild substitute, and pretending to lend it support, thereby crippling and defeating the income-tax amendment, the wily leaders hesitated not, but pursued the latter alternative. The plan has thus far worked admirably; the income-tax forces in this particular body were thereby dissipated, and, so far as this session of Congress is concerned, the income tax now sleeps in its grave.

Mr. Speaker, there is, and has been, no division of opinion among the friends and supporters of this method of taxation as to the wisest course to pursue to secure its adoption. In common with the sentiment of the American people and the great weight of opinion of the legal profession throughout the country, its friends in Congress unalterably believe that the decision of the Supreme Court rendered in the Pollock case in 1895, pronouncing the income-tax law unconstitutional for lack of apportionment, is clearly unsound, and in justice to the country and to the Supreme Court itself ought not to stand as the law of the land. Meaning no disrespect to the high tribunal rendering it, I avow that this decision has not met the approval of, nor been acquiesced in as sound law by, any considerable number of either the American bar or the American people. This decision presents one of the very rare instances in the Nation's judicial history in which it is well-nigh universally agreed that the greatest judicial tribunal on earth erred. Fortunately our judicial annals disclose a few precedents wherein this high and distinguished tribunal, at no time claiming to be infallible, has confessedly fallen into error, but later reconsidered its former action and reversed its erroneous decisions. This commendable practice of cheerfully correcting their own errors, though few they be, is likewise followed by all courts of last resort in every civilized nation of the world. And why not?

While I shall cheerfully vote to submit to the States the proposed income-tax amendment to the Constitution, as I would vote to take any step in the direction of securing an income tax, keenly aware, as I am, that certain Republican leaders have brought it before Congress at this time as the best available means of delaying and if possible finally defeating the enactment of any income-tax law, yet I am unalterably of opinion that the abandonment by Congress of its present opportunity to enact a new income-tax law and thereby give the Supreme Court a chance, and the only chance it will probably ever have, to reconsider, review, and, if deemed proper, to reverse its former decision in so far as it affected the power of Congress to impose a comprehensive income tax, is neither the best, the quickest, nor the wisest course to pursue. Congress having heretofore pursued a policy of nonaction with respect to this decision of the court, it can be truthfully said that Congress has in no sense acquiesced in or ratified that decision. But if Congress now fails and refuses to take such steps as would result in securing a reconsideration by the court of its former decision, thereby giving the court an opportunity to reverse the same if now deemed unsound, but instead pursues the course of proposing the pending constitutional amendment to the States, its action in so doing will be construed by many as an acquiescence in, an acceptance, and a ratification of the court's former decision, which every good lawyer in and out of Congress agrees is erroneous and unsound.

NO INDORSEMENT OF COURT DECISION.

Mr. Speaker, I shall vote for the proposed amendment, but with the distinct understanding that I in no wise abandon my conviction that the decision in the Pollock case was wrong and that I do not waive or prejudice my right under the Constitution as a Member of this House to hereafter vote to enact such an income-tax law as will result in a reconsideration by the Supreme Court of each of these controverted questions. While I thus speak only for myself, I believe this view but reflects the judgment of virtually every sincere supporter of the doctrine of an income tax in Congress.

POWERS AND DUTIES OF MEMBERS OF COORDINATE BRANCHES.

Mr. Speaker, this brings me to a brief consideration of the powers and duties of members of coordinate branches of the Government in connection with the discharge of their respective functions. Every member of each coordinate department of the Government acts under the obligation of an oath of fidelity to the Constitution. It delegated to Congress certain specified powers. It is true that if in the execution of its powers Congress should adopt measures which are prohibited by the Constitution, it is within the province of the Supreme Court to say that such an act was not the law of the land. While it is the unquestioned duty of the citizen to yield obedience to the operation of a Supreme Court decision, yet the broad and well-defined distinction between this duty of the citizen and the right and duty of a member of a coordinate branch of the Government when acting in a *legislative capacity* has been conceded and recognized by the ablest legal minds from the beginning of the Government. This doctrine is well expressed by a noted author in his Constitutional History of the United States, George Ticknor Curtis, volume 2, page 69, as follows:

> It may well be that every official who takes an oath to support the Constitution is bound to interpret it as he understands it; and especially is this true of both branches of the legislative power, one of which is the two Houses of Congress, and the other of which is the President. To both of them a decision of the Supreme Court of the United States on a constitutional question commends itself by the weight of its reasoning; but when the same question arises in the course of legislation, those who exercise the functions of legislation must determine for themselves whether they will or will not follow out the views maintained by the court. What the court really decides is that, in a litigated case, the parties whose rights against each other are effected by a provision of the Constitution are bound to accept the interpretation of the Constitution which the court adopts. The decision also becomes a precedent in all future litigated cases in which the same question arises, and all inferior judicial tribunals, federal or state, are bound by it.

President Jackson, in his celebrated veto of the bill to continue in force the charter of the Bank of the United States, used the following language:

> Each public officer, who takes an oath to support the Constitution, swears to support it as he understands it, and not as it is understood by others. It is as much the duty of the House of Representatives, of the Senate, and of the President to decide upon the constitutionality of any bill or resolution which may be presented to them for passage or approval as it is of the Supreme Judges when it may be brought before them for judicial decision. * * * The authority of the Supreme Court must not therefore be permitted to control the Congress or the Executive, when acting in their legislative capacity, but to have only such influence as the force of their reasoning may deserve.

In his Constitutional History, volume 2, page 70, we find the following opinion of the author, Mr. Curtis, with respect to the power of the President in dealing with new legislation:

> In general, the President, when called upon to approve of new legislation which undertakes to exercise a supposed power of the Constitution, must interpret the Constitution as an independent duty, and must decide for himself whether the power exists.

That great expounder of the Constitution, Daniel Webster, we have upon the best authority, concurred in this view. In volume 1, page 419, of the Life of Webster, written by Curtis, one of his literary executors, the author makes the following statement:

> Mr. Webster never denied that the President, when called upon to decide whether a law is to be enacted, may apply his own judgment to the question whether it is within the scope of the Constitution, although all other branches of the Government have repeatedly decided that similar laws are constitutional. * * * In his view, the Supreme Court was created for the express purpose of acting as the official interpreter of the Constitution; yet he did not deny that when a law is proposed to be enacted all who are to perform a part in that enactment must judge of its constitutional validity for the purpose of governing their legislative action.

Mr. Speaker, this view, expressed as it was in discussing Jackson's national-bank veto, applies with equal force to the legislative branch of the government. Thomas H. Benton, in his Thirty Years in the United States Senate, heartily approved this doctrine and cited numerous authorities in support thereof. It would add no strength to this contention to call attention to the statement of Mr. Blaine, in his Twenty Years in Congress, Volume I, page 137, to the effect that after Mr. Lincoln became President a certain decision of the Supreme Court received no respect, and that it, together with others subsequently rendered, "were utterly disregarded by the President without reversal by the court." Neither would any light be shed upon this question by detailing the vigorous manner in which the legislatures of Virginia and Kentucky, in the famous "Resolutions" of 1798, combated and denounced the alien and sedition acts as a gross violation of the Constitution of the United States. Nor would a statement of the action of South Carolina, in so stoutly resisting the enforcement of the tariff law in the thirties, upon the ground that it was unconstitutional, illuminate our present inquiry. The proceedings of what is known as the "Hartford convention," in 1814 involved the same questions, now happily obsolete. The early history of our country, and the civil war period as well, affords numerous instances of attack made by citizens and by States also not only upon the official actions of the Supreme Court, but upon the personnel of that tribunal.

ONLY SOUND DECISIONS CAN SUSTAIN A COURT'S DIGNITY AND STANDING.

Mr. Speaker, the great bulwark behind which the Supreme Court has always securely rested, as indeed must be true of every public functionary, has been the justness, the impartiality, and the soundness of its decisions. No earthly tribunal has ever yet reached a position so exalted as to be beyond the reach of the shafts of honest and legitimate criticism when in error. So long as the American people love liberty, justice, and equality, just so long may they be relied upon to promptly and vigorously exhaust every legitimate effort to exact from their public servants this degree of rightful recognition, and little patience will be shown those who undertake to impede such effort by declaring that a Supreme Court decision, however erroneous, is sacred and must be acquiesced in and accepted by all the sufferers of its injustice without even respectfully asking its authors to correct their own wrong.

The weight of authority respecting the duty of a member of a coordinate department of the Government to construe the Constitution as he believes to be right is so clear and so strongly supported by reason as well as by sound public policy, I deem it unnecessary to pursue this inquiry further.

The opponents of an income tax, and, indeed, some of its pretended friends, affect great concern for the dignity of the Supreme Court and the sanctity of its decisions whenever it is suggested that Congress take such action as would secure a reconsideration by that court of a confessedly unsound decision. It is brazenly argued that such step would be indelicate, a breach of propriety, a dangerous precedent, a reflection upon and a rebuke to the court. By inference the authorities I have already cited refute and destroy this suggestion, which at best should be characterized as an impractical absurdity. I desire, however, to cite some utterances of the court itself upon this point, which not only render this objection silly and ridiculous, but thoroughly explode and demolish it as a so-called "argument."

LEGAL SOPHISTRY RUN MAD.

In this connection I recently heard a grave gentleman, classed by his friends as the head of the American bar, announce in another Chamber, with mock solemnity, the startling view that, while it would be right and proper for an ordinary suitor to ask the Supreme Court to reconsider a judgment believed to be unsound, it would result in a serious, undeserved, and unjustifiable injury to the judiciary if 90,000,000 citizens, or suitors, through their Representatives in Congress, should ask this august tribunal to reconsider a 5-to-4 decision, the correctness of which most all persons question.

THE COURT'S READINESS TO CORRECT ERRORS.

Mr. Speaker, in 1869 the Supreme Court of the United States, by a vote of 5 to 3, rendered its first decision in what is known as the "Legal Tender" cases, the case being styled "Hepburn *v.* Griswold," and reported in Eighth Wallace, 626. This decision held the legal-tender acts of Congress making Treasury notes a legal tender in the payment of preexisting private debts unconstitutional. At this time the membership of the court comprised eight judges. Soon thereafter Justice Strong was appointed to fill a vacancy caused by the resignation of Justice Grier, and Justice Bradley was appointed under an act of Congress providing for an additional judge after the first Monday of December, 1869.

After these changes in the membership of the court had occurred, the Attorney-General of the United States appeared before the court and made a motion that the questions previously decided adversely to the Government be reargued and reconsidered by the court. This motion was allowed, a reconsideration was had, and in December, 1870, a second decision of 5 to 4 was handed down by this court reversing the former one and holding the legal-tender acts in all respects constitutional, and this latter decision stands undisturbed and unquestioned as the law of the land until this day.

Justice Strong delivered the majority opinion, and in the course of which, doubtless having in mind the arising of similar conditions in the future, commented upon the action of the court in reconsidering its previous action and reversing the same in the following language:

The questions involved are constitutional questions of the most vital importance to the Government and to the public at large. We have been in the habit of treating cases involving a consideration of constitutional power differently from those which concern merely private right. We are not accustomed to hear them in the absence of a full court, if it can be avoided. Even in cases involving only private rights, if convinced we have made a mistake, we would hear another argument and correct our error. And it is no *unprecedented thing* in courts of last resort, both in this country and in England, to *overrule decisions previously made*. We agree this should not be done inconsiderately, but in a case of such far-reaching consequences as the present, thoroughly convinced as we are that Congress has not transgressed its powers, we regard it as our duty so to decide.

Justice Strong also suggested in this connection (12 Wall., 554) that the former decision was rendered by a divided court. This plain announcement of the Supreme Court itself with respect to the course it always desires to pursue with reference to an error it has committed ought to be sufficient to forever silence the busy tongues of the self-styled defenders of the dignity of the Supreme Court in connection with this income-tax controversy. But Justice Bradley, who also delivered an opinion in this case concurring in the majority opinion, gave utterance to the following doctrine, which, in the light of the present income-tax controversy, sounds like prophecy:

I can not consent that the Government should be deprived of one of its just powers by a decision made at the time and under the circumstances in which that decision was made. On a question relating to the power of the Government, where I am perfectly satisfied that it has the power, I can never consent to abide by a decision denying it, unless made *with reasonable unanimity* and *acquiesced in by the country*. Where the decision is recent, and is only made by a *bare majority of the court*, and during a time of public excitement on the subject, when the question has largely entered into the political discussions of the day, I consider it our *right and duty* to subject it to a further examination, if a majority of the court are dissatisfied with the former decision. And in this case, with all deference and respect for the former judgment of the court, I am so fully convinced that it was erroneous and prejudicial to the rights, interests, and safety of the General Government that I for one have no hesitation in reviewing and overruling it. (12 Wallace, 569, 570.)

Mr. Speaker, this view of the court is strikingly applicable to the decision in the Pollock case. It contains the clear ring of honest candor, an earnest willingness to promptly rectify every error committed, and an eager desire to maintain that lofty standard of judicial learning and fairness established by Jay and Marshall and Taney and others of the early judges, whose ripe scholarship and high legal attainments shed imperishable luster upon the judiciary of the Nation. Did the court in 1870, when a coordinate department of the Government, through the Attorney-General, asked for a reconsideration of one of its decisions, feel itself rebuked, its dignity lowered, or its high standing impaired? On the contrary, it gave the application respectful consideration, and in correcting its former error took occasion to announce through two members of the court that it was not only the right but the duty of the court to thus correct its mistakes. To this same effect had the Attorney-General of the United States previously argued in support of his application for a reconsideration.

WHO ASSAILED THE COURT'S DECISION FOR A CENTURY?

It may be pertinent here to remind the House that since the decision in the Hylton case in 1796, wherein the Supreme Court expressly held that under the Constitution there were no direct taxes subject to the rule of apportionment save a capitation tax and a tax on land, five determined efforts have been made to induce the court to reverse this decision, and not until the opinion in the Pollock case did these efforts succeed. The distinguished head of the American bar must have been inwardly amused when he, with apparent seriousness, suggested that the decision in the Pollock case would now be supported by the doctrine of stare decisis.

Those who have clamored for a reversal of the Hylton case have always combated the doctrine of stare decisis, and by none was it more severely criticised than by counsel who assailed the income tax during the hearing of the Pollock case. It now ill becomes the opponents of an income tax to invoke this doctrine in support of the decision in the Pollock case, which was wrung from the Supreme Court in spite of the great force of this doctrine. The following ringing appeal for its observance was made by Mr. Justice Brown, dissenting in the Pollock case:

If there be any weight at all to be given to the doctrine of stare decisis, it surely ought to apply to a theory of constitutional construction which has received the deliberate sanction of this court in five cases, and upon the faith of which Congress has enacted two income taxes, at times when, in its judgment, extraordinary sources of revenue were to be made available. (158 U. S., 289.)

But it fell upon either deaf or unwilling ears. Mr. Justice White, in each of his dissenting opinions in the Pollock case, among other things, said that the decision in the Hylton case—

Had been accepted by the legislative and executive branches of the Government from that time to this, and that this acceptance had been manifested by conforming all taxes thereafter imposed to the rule of taxation thus established. (158 U. S., 710.)

Mr. Speaker, I take it that no court would prefer to see a patent error written into the Constitution and become a part of the law of the land rather than reconsider and rectify that error. Yet I recently heard a great lawyer assert in this Capitol that in his opinion the majority decision in the Pollock case was wrong, but that Congress should, nevertheless, in effect acquiesce, ratify, and accept it as good law and seek to recover its lost taxing power, thereby taken away, by the exceedingly difficult method of amending the Constitution. This worse than inconsistent view can only be harmonized with his reputation as a lawyer upon the theory that he is a determined foe of the income tax.

THE WISER COURSE TO PURSUE.

My position is and has been that since some 35 state legislatures will not again convene until 1911, this session of Congress should have enacted a comprehensive income-tax law and secured the judgment of the Supreme Court upon it at an early date, as was done in 1895, and, if unfavorable, next winter's session of Congress could submit the pending amendment without hazarding any greater delay in securing its ratification by the States than its present submission incurs. This course would have enabled Congress to utilize both remedies without prejudice to either. At least neither remedy should be abandoned, though both might properly be invoked at the same time.

I hope at a later day to attempt an extended discussion of the merits of this method of taxation.

HISTORY OF AMENDMENTS—NUMEROUS QUESTIONS ARISING.

Mr. Speaker, I now turn to another phase of the proposed constitutional amendment now before the House.

Under Article V of the Constitution two-thirds of both Houses of Congress may propose amendments, or the legislatures of two-thirds of the States may apply to have a convention of all the States called for the proposing of amendments, in which case Congress must make the call; when proposed by either form, the amendment may be ratified by the legislatures of three-fourths of the States, or by conventions in the same, as Congress may direct when the amendments are proposed. Since the beginning of the Government approximately 1,500 resolutions, containing 2,000 amendments to the Constitution, have been introduced in one or both branches of Congress. Of this great number only 19 amendments have succeeded in securing the requisite two-thirds vote and gone to the States for their ratification. Of this latter number only 15 have been ratified by the States and become parts of the Constitution. James Madison, the author of Article V, authorizing amendments to the Constitution, was also the author of the first 10 amendments to that instrument, known as the "Bill of Rights." He also offered in Congress two additional amendments, which in turn were submitted by Congress to the States. One of these pertained to the apportionment of Representatives, and the other to the compensation of Members of Congress, both of which failed of ratification by the States.

ELEVENTH AND TWELFTH AMENDMENTS.

Soon after the ratification of the Constitution the Supreme Court held that a State could be sued in the federal court by a citizen of another State; this provoked great indignation, especially among the States heavily in debt, as a result of which a movement was immediately started to amend the Constitution. Accordingly, the outgrowth of amendments proposed in Congress was the adoption of the eleventh amendment a little later. It is interesting to observe here that this amendment was assailed because of the failure of the President to sign it, and the Supreme Court, in Third Dallas, 378, decided that the President "has nothing to do with the proposition or adoption of amendments to the Constitution." Notwithstanding this decision, Congress has since discussed the matter often. In 1861 President Buchanan signed an amendment proposed to the States by Congress. President Lincoln signed the thirteenth amendment, whereupon the Senate passed a resolution to the effect that his signature was unnecessary. John Quincy Adams announced the view that the President should not recommend amendments to Congress, since he had no share in their adoption, but this view has not been generally accepted by other Presidents, either before or since.

The long controversy before Congress between Jefferson and Burr for the Presidency suggested the immediate necessity for another amendment to the Constitution. Accordingly, after

numerous attempts, Congress submitted to the States what was afterwards known as the "twelfth amendment," which was soon ratified. The Federalists opposed it in Congress, raising the question that it had not received the vote of two-thirds of the membership of the Senate, but only two-thirds of those present. Precedents were cited by its supporters showing that some of the first ten amendments were proposed to the States by a vote of two-thirds of the Members present only. This amendment became a part of the Constitution in 1804.

In 1810 Congress proposed to the States an amendment prohibiting anyone from accepting a title of nobility, a present, or an office from any foreign government, without the consent of Congress; but this amendment failed of ratification by one vote. In 1861 what is known as the "Corwin amendment," relating to the interference with slavery within any State, was proposed to the States by Congress. It was in the nature of a compromise, but, some of the States having already seceded, nothing came of the matter. Early in 1865 the thirteenth amendment, abolishing slavery, was proposed to the States by Congress, but not until after a heated struggle extending over many months. It became a part of the Constitution in December of that year.

PECULIAR HISTORY OF FOURTEENTH AMENDMENT.

Mr. Speaker, very soon thereafter amendments were proposed in Congress looking to the adoption of what was afterwards known as the "fourteenth amendment," with the result that, according to the version of some, the fourteenth amendment was duly ratified and became a part of the Constitution in July, 1868. Some singular circumstances attended the alleged adoption of this amendment. While the sole function of Congress with respect to amendments is to propose to the States such amendments as two-thirds of both Houses see fit, to be ratified or rejected, either by state legislatures or conventions, yet Congress in this instance did not permit all the States to so act upon this proposed amendment. What is known as the "reconstruction acts" were in operation in 10 States, though President Johnson had held them unconstitutional, while a hurried act of Congress intercepted and prevented a consideration by the Supreme Court of the constitutional validity of these acts. Under these acts existing state governments were abolished and new governments, created by a convention of delegates made up largely of negroes, were substituted. Under this régime if a state government was about to reject the proposed amendment it was promptly deposed and one of those new governments at once installed, whose action would insure immediate ratification. This course seems to have been at direct variance with the constitutional provision, which directs that only "legislatures" or "conventions" in the States are given authority to ratify or reject amendments proposed by Congress. Congress can only direct as to whether a State shall act on an amendment by its legislature or a convention, and with this the power of Congress terminates. Lincoln's great Secretary of State, William H. Seward, was an exceedingly able lawyer; he had remained in this official position under President Johnson's administration. The act of Congress of 1818 made it the official duty of the Secretary of State to certify whether an amendment has become a part of the Constitution by being duly ratified by the States. Secretary Seward issued two proclamations with reference to the ratification of this amendment, instead of the usual one. When he issued the first proclamation, his legal knowledge and sense of justice did not permit him to recite therein that this amendment had been duly ratified by three-fourths of the States, but, instead, this proclamation declared that the amendment had been ratified by the legislatures of certain States—naming them—and that in six States it had been ratified "by newly constituted and established bodies avowing themselves to be and acting as the legislatures, respectively."

In other words, they were ratified by de facto legislatures. Another unusual recital in the proclamation grew out of the fact that Ohio and New Jersey, after having ratified the amendment and before the requisite three-fourths of the States had done likewise, withdrew their ratification, his proclamation hypothetically reciting that if Ohio and New Jersey had no right to withdraw their ratification, the amendment was duly ratified by the requisite number of States. Secretary Seward was evidently strongly impressed with the view that a state legislature had the right to withdraw a ratification previously made at any time before an amendment's due ratification by three-fourths of the States; otherwise, as to this qualification he would have unhesitatingly issued the usual proclamation. Then it was that John Sherman, of Ohio, introduced in the Senate a concurrent resolution declaring the ratification sufficient, which passed both Houses of Congress, and the Secretary of State thereupon issued a second proclamation declaring the amendment duly ratified. The steps attending the ratification of what is known as the "war amendments" were so arbitrary, irregular, and unusual as not to be considered reliable precedents to follow in amending the Constitution.

WHEN AN AMENDMENT BECOMES A PART OF THE CONSTITUTION.

It must be conceded that the moment three-fourths of the States duly ratify an amendment it becomes a part of the Constitution, the proclamation of the Secretary of State being a mere ministerial act. Hence it follows that Congress has no power in the premises after it has once proposed an amendment to the States as the Constitution provides, not even of recalling the amendment; therefore the passage of any resolution by Congress declaring that a given amendment has or has not been duly ratified by the States, such as was done with respect to the fourteenth amendment, is ultra vires and void.

While it is an unsettled question, the weight of authority and reason is that the Constitution contemplated that a state legislature has the undoubted right to withdraw a ratification previously made at any time before an amendment is ratified by three-fourths of the States.

In 1869 Congress proposed the fifteenth amendment to the States, after a lengthy discussion, and it became a part of the Constitution early in 1870.

IMPEDIMENTS TO AMENDMENT.

Mr. Speaker, from this brief résumé of the course of the 19 amendments that have been submitted to the States by Congress since the beginning of the Government, not to mention the other 2,000 proposed amendments that failed to pass through Congress, it will be seen that many impediments to amendment exist. According to the census of 1890, it has been computed that 11 States, with a population of 2,344,115, or 3.7 per cent of the total population of more than 60,000,000 people, can defeat an amendment. (Ames on Constitution, p. 304.) Also that, according to the figures of the election of 1876, the legislatures elected by 282,230 voters could defeat an amendment that might be supported by 8,123,559 voters, or more than 96 per cent. (See H. Rept. 819, 45th Cong., 2d sess.)

Save in one instance, wherein Illinois ratified the thirteenth amendment by a convention, contrary to the method prescribed by Congress, no State has ever attempted to ratify an amendment except through its legislature, though many attempts have been made to induce Congress to direct the convention method. Numerous controversies have arisen over the question as to whether the governors of States should sign the resolution of amendment when ratified by the legislatures, governors having assumed to do so in several instances. It is evident that the governor has no authority or voice in the matter.

Many efforts have been made in Congress to direct that "a proposed amendment should be brought before legislatures hereafter elected for ratification," and that when once ratified there shall be no reconsideration; also providing that a ratification should not be valid unless within a certain prescribed time; but each proposition failed. In this connection it may be observed that Tennessee inserted a provision in its last constitution to the effect that—

No convention or general assembly of this State shall act upon any amendment of the Constitution of the United States proposed by Congress to the several States unless such convention or general assembly shall have been elected after such amendment is submitted. (Const. of 1870, Art. II, sec. 32.)

No other state constitution contains this provision. As to whether this restriction contravenes the Federal Constitution has not been determined. It is a historical fact, however, that the present 15 amendments to the Constitution were ratified by state legislatures, a majority of which had been elected before the amendments were sent to the States for ratification. (Ames on the Constitution, p. 290.)

FRIENDS OF INCOME TAX MUST BE ALERT.

Mr. Speaker, I have already detained the House too long. I shall use every honorable means to aid in securing the adoption of the proposed amendment, though it is very defectively drawn. I desire, however, to warn those who would restore to Congress this strong arm of its taxing power by amendment to the Constitution that they must be alert and vigilant. It is not my desire, nor is it the desire of any fair-minded citizen, to impose upon the wealth of the country any undue or unjust proportion of the burden of taxation, but it is a matter of common knowledge that those most able to share this burden have succeeded in avoiding it totally during the last forty years. Whatever objections may be offered therefore to the imposition of the proposed income tax must necessarily be of a captious nature and designed solely to secure perpetual immunity from taxation to this class of citizens. Everyone knows that this class, in conjunction and partnership with the Republican party, now dominates, and for almost a half century has dominated, every department of the Government. However, in view of the reve-

nue necessities and the unbearable tax rates, unfairly resting as they do upon only a portion of the people, I trust enough Republicans will support this amendment to insure its adoption. We welcome them into line, howsoever unwillingly they come. If it were not pitiable, it would be amusing to behold the average Republican leader fighting in earnest in behalf of a reform measure or a progressive administrative policy. For it has been long understood that he never enlists in such a worthy cause willingly, but only when writhing under the lash of public sentiment. This has been true of the Republican organization throughout its history. Too stupid to devise and enact wholesome laws and to formulate and execute sound administrative policies, this piratical organization is wont to wait until Democrats point the way, and then with a cupidity rarely seen appropriate the great principles and policies of the Democratic party, one by one. Among the doctrines of the Democratic party literally stolen by its adversary during the past few years may be mentioned the principle of arbitration of differences between employers engaged in interstate commerce and employees; the rate regulation of railways; prosecution of trusts, though only an occasional pretense at trust suppression; tariff reform, though but a hypocritical pretense at tariff revision, in its nature downward before the election but upward after the election; ostensible support of the income tax. As an exhibition of the agility of this party, I call attention to the following Republican axioms published in that party's campaign text-book in 1894:

> In this country an income tax of any sort is odious, and will bring odium upon any party blind enough to impose it. * * * Prepare for the funeral of the political party which imposes such a burden.

REPUBLICAN TARIFF HUMBUGGERY.

When that veteran showman, P. T. Barnum, gave utterance to his life experience to the effect that the people like to be humbugged, he must have had in mind also the painfully cruel manner in which the Republican party, with its high-protective tariff, deceives, humbugs, hoodwinks, and defrauds the American people. The truth of this statement could not be better illustrated than by that party's present so-called "revision" of the tariff. How long will or can the country endure this "system?" Until we can secure the imposition of an income tax, and thereby destroy it? "We shall see what we shall behold." [Applause on the Democratic side.]

Mr. LONGWORTH. I yield ten minutes to the gentleman from Kansas [Mr. MILLER].

Mr. MILLER of Kansas. Mr. Speaker, I have some very well-defined views on the subject of the taxation of corporations, have always believed that corporate wealth should bear its just share of the burdens of government, but do not care at this hour to enter into a lengthy discussion of the subject, but simply express an opinion as to what I deem the wisest action the House can take at this time.

We are called upon now to pass upon the question whether or not we are willing to place a tax upon corporations. During this discussion there has been a good bit of talk, especially among our friends on the other side of the aisle, about a tax upon wealth and not a tax upon want or upon poverty. I have never heard of anybody anywhere, either in this Hall or elsewhere, advocating any tax either upon poverty or upon want, and I imagine that the man who would advocate a tax upon either poverty or want would eventually find himself in the insane asylum, where he belongs. It may be all right for political purposes and to seek to make political capital to try to make the poor people of this country believe that some political party is wanting to rob them.

There is no political party that is foolish enough to attempt to rob the poor, and there is no political party in this country that has any desire to put any tax of any kind upon any portion of our people greater than their ability to bear the burden; but the Republican party has always favored an equitable system of taxation, and it is the belief of this party that all classes of our people ought to bear their just proportion of the burdens of government, and, whether they be rich or poor, that they ought to be called upon alike to bear those burdens.

Mr. SULZER. Does the gentleman think a protective-tariff tax is an equitable tax?

Mr. MILLER of Kansas. I think that a protective-tariff tax properly levied is not only equitable, but that it is a tax that has always brought prosperity to the American people.

It has always given employment to the labor of this country, and under this system for the past twelve years our people have enjoyed the most marvelous prosperity the world has ever seen. I am surprised that the gentleman from New York comes here and complains about legislation that has given to the people of that great State the wealth it has within the last twelve years.

Mr. SULZER. Will the gentleman yield?

Mr. MILLER of Kansas. Certainly.

Mr. SULZER. Does the gentleman claim that there ever was a line written in any protective-tariff law or tax bill adopted by the Republican party that benefited the laboring man?

Mr. MILLER of Kansas. I say that every line ever written in any Republican platform and enacted into law upon the subject of protection has brought wealth to the American people and has given employment to the laboring men of this country, and that it has made the poor man rich and not the rich man poor, as advocated by some gentlemen on that side.

Mr. JAMES. The gentleman says that the protective policy of the Republican party has brought great wealth to the country and benefited the laboring men. I would like to ask him what brought on the panic and threw 3,000,000 men out of employment?

Mr. MILLER of Kansas. Some bankers of this country brought on a financial panic. It was not the fact that laboring men were out of employment. I remember the language used by Mr. Gompers in the campaign during the time when the Democratic party was in power, when he said that more than two and a half million laboring men of this country were out of employment, and that their wives and children were begging for bread. And I remember shortly after that time, when the Republican party enacted the law of 1897, when nobody was out of employment and nobody begging for bread.

Mr. JAMES. Will the gentleman permit another question?

Mr. MILLER of Kansas. Certainly.

Mr. JAMES. The gentleman puts the responsibility for the panic on the bankers. If that is true, your party in control of this Government uninterruptedly for the last twelve years and almost forty years, with the exception of four years or perhaps eight years, has then legislated in such a manner that the bankers of the country have such control of this country that they can throw the whole country into a panic and throw out of employment millions of men.

Mr. MILLER of Kansas. I have no time to discuss the question of the recent panic, if you are to dignify it by that name. It is sufficient to say that it pales into absolute insignificance in comparison with the Democratic panic when Grover Cleveland and the Democratic party was in power.

Mr. BYRD. Will the gentleman yield?

Mr. MILLER of Kansas. Yes.

Mr. BYRD. I want to ask the gentleman this question: If the Republican policies of this country during the last forty years have been so beneficial, why is it that the Republican party wants to steal all the good things out of the Democratic platform and enact them into law? [Laughter.]

Mr. MILLER of Kansas. Mr. Speaker, it is not necessary for me to discuss the reasons why the Republican party wants to enact certain kinds of legislation. This great party never asks the Democratic party when or how it shall legislate; in all the years of its history it has responded to the wishes of the people. And now, as in the past, it is about to write upon the statutes another wise and beneficent act of legislation; and this in response to the wishes of the American people and in accord with the promise made in the last national Republican convention. And when this act is consummated, as it will be in a very few days, the tariff will have been revised downward, the pledges of the party sacredly kept, and the American people will enter upon a new era of prosperity.

Mr. RUCKER of Missouri. Will the gentleman yield?

Mr. MILLER of Kansas. Well, I will yield to the gentleman from Missouri; he is always fair.

Mr. RUCKER of Missouri. I understand that gentleman to say that the last forty years, with the exception of four years, under Republican rule, they have benefited all the people, and especially the laboring men. I would like to ask the gentleman to explain, if his conclusions are correct, why it is that to-day there is a larger percentage of American people who own no homes than ever before in the world?

Mr. MILLER of Kansas. Mr. Speaker, I simply say the gentleman from Missouri is mistaken.

And on the contrary I aver that there are more laboring men in America to-day who own their homes than at any other period in the history of the Republic, and that there are more homes owned by the laboring people of America to-day than are owned by all the laborers of the rest of the world.

Mr. RUCKER of Missouri. Oh, but that is the fact.

The SPEAKER. Does the gentleman from Kansas yield further to the gentleman from Missouri?

Mr. MILLER of Kansas. No; I think I will not.

There has been a great deal of criticism, and some on this side as well as on the Democratic side, of the position of the Republican party upon the subject of a tax upon corporations. I do not agree with the gentleman from Massa-

chusetts, who talks about this kind of legislation being "the political Jack Cade of the future for the levying of political blackmail." That may be all right for the people of New England, who have enjoyed the benefits of the levying of political blackmail more than any other section of the country, if there has ever been any such levying as the distinguished gentleman talks about. There is not a State or municipality in this country that does not have a statute or ordinance of some kind in reference to taxation of wealth. Just take a man who goes into a community or city and wants to sell his wares or merchandise upon the streets of that city. What is done before he can do it? He must first go to the city clerk and get permission to sell his wares there.

What is that? Is that a direct tax? That is a tax upon his business. And so I say, when you come to the question of corporate wealth, we do not propose a direct tax, but a tax on the business of the corporation, and which the Supreme Court has already declared constitutional. While personally I favor an income tax, yet I am aware of the fact that the Supreme Court has declared such a tax unconstitutional, and for this reason I shall support a corporation tax, which is constitutional, and will vote for the submission to the people of the country for their decision an amendment to the Constitution to provide for the taxing of incomes.

Now, I want to appeal to my Democratic friends, if they are honestly in favor of an income tax, and I believe they are, to join us in this one act of legislation. Of course I remember that during the civil war every Democrat in both branches of Congress, but one, voted that the income tax was unconstitutional; but if you believe in the declaration of the Democratic platform at Denver last year, and if you believe with the utterances of your party leaders upon this floor that an income tax is constitutional, then fall in line with the Republicans who are going to enact legislation along this line and help us out upon this proposition. I agree with the gentleman from Missouri on the question of the amount of corporate wealth that ought not to be taxed. I would put it possibly as high as $10,000, at least above $7,500.

The SPEAKER. The time of the gentleman from Kansas has expired.

Mr. BURLESON. I would like to know——

Mr. LONGWORTH. I yield the gentleman from Kansas ten minutes additional.

Mr. BURLESON. I would like to know how many Democrats were here during the civil war.

Mr. MILLER of Kansas. Mr. Speaker, there were 45 Members here at that time, and the rest were not here because they had voluntarily gone out to destroy the Union, and that is why they were not here filling their places. I want to suggest to my friend from Texas that this is no time for a gentleman from Texas to raise this issue. We are here discussing a question of taxation that is to be applied to our people now and not the issues growing out of the civil war. Upon that subject I will be very glad to talk at some other time, but not now.

Now, Mr. Speaker, I want to call the attention of the gentleman from Massachusetts [Mr. MCCALL]—I do not see him here, however—to the fact that I do not agree with his position upon this question of taxing incomes. He says we can not do it under our Constitution, and thinks that the Constitution ought not be modified or changed so that it can be done, and says that it is a tax upon industry and upon wealth. If there is any tax in this country that is not a tax upon industry or wealth, I would like to know what it is. Why should the gentleman from New England stand here, representing that section of the country that has been made great and prosperous on account of the system of taxation of this Republic, and say that we have no right to tax the wealth of this country? New England became great and powerful under the system of protection that has made this country what it is to-day. They were more fortunately located than the States in the central or extreme West.

The population from other countries came there first, and they found the manufacturing in this country done in New England, as it was done in that early day. So the wealth that came from abroad went to New England, as well as the laborers, and they had a surplus of both. Now, because a tax of this kind would rest more heavily upon New England than possibly any other section of the country, the first voice to be heard against it comes from that same New England, the section of the country that has been more favored by legislation than any other.

I want to suggest that that section of our country that has been so marvelously prosperous as a result of legislation should be the last to come here and advocate anything else than an income tax. And whether New England wants an income tax or not, I think she will find that when the subject is submitted to the American people, as it will be, three-fourths of the States of this country outside of New England will vote to change the Constitution so as to provide in case of war for the levying of a tax upon the wealth of the country to assist in saving the life of the Nation itself. The great West and the South will control in that matter, in my judgment, and I want to suggest to you gentlemen of the South, who are exceedingly anxious for the income tax, that you go home and take care of your legislatures and your States upon this subject, and I stand here as a representative of the Republican party of the Central West to pledge you my word that those great Western States will be found voting with you for an income tax. [Applause.]

I yield back the balance of my time.

Mr. CLARK of Missouri. I yield five minutes to the gentleman from Tennessee [Mr. SIMS].

Mr. SIMS. Mr. Speaker, I am not going to discuss the tariff question, so nobody need leave the Chamber. [Laughter.] I happen to have the honor of offering the first legislation for taxing incomes of corporations as well as individual incomes at this session. I tried to offer an amendment to the tariff bill when it was pending in the House, but could not be recognized for that purpose. I then introduced it as a bill on the 9th day of April, 1909. I now read it:

A bill (H. R. 6864) to levy and collect a tax on the gross receipts of all corporations, firms, or persons doing an interstate business.

Be it enacted, etc., That every person, firm, company, or corporation owning or possessing or having the care or management of any railroad, sleeping car, canal, steamboat, ship, barge, canal boat, or other vessel engaged or employed in the business of transporting passengers or freight for hire, or in transporting the mails of the United States from one State or Territory of the United States to any other State or Territory, or to or from any State or Territory of the United States and the District of Columbia, and every person, firm, company, or corporation carrying on or doing an express business from one State or Territory of the United States to any other State or Territory of the United States, or to or from any State or Territory and the District of Columbia shall be subject to and pay a special annual excise tax equivalent to one-fourth of 1 per cent of the gross receipts derived by said person, firm, company, or corporation from passengers, freight, mails, or express matter so carried from one State or Territory of the United States to any other State or Territory of the United States, or to or from any State or Territory and the District of Columbia; and such tax shall be rated for the transportation of persons, freight, mails, or express matter from a port or place within the United States through a foreign territory to a port or place within the United States, and not within the same State or Territory, and shall be assessed upon and collected from persons, firms, companies, or corporations within the United States receiving hire or pay for such transportation of persons, freights, mails, or express matter.

SEC. 2. That from every person, firm, company, or corporation owning or possessing or having the care or management of any telegraphic or telephone line by which telegraphic or telephone dispatches or messages are received or transmitted shall be subject to and pay a special annual excise tax of one-fourth of 1 per cent on the gross amount of all receipts of such person, firm, company, or corporation, for the transmission of dispatches and messages from one State or Territory of the United States or the District of Columbia to any other State or Territory of the United States or the District of Columbia.

It provides for a tax of one-fourth of 1 per cent upon the gross receipts of individuals, firms, or corporations engaged in interstate business, upon all gross receipts from such interstate traffic, and leaves the State to tax corporations that do business wholly within the State, uninterfered with by the Federal Government. It is purely an excise tax, which reaches the bondholder and everybody else in interest, and can not be evaded or manipulated. Under a very small tax of one-fourth, one-eighth, or one-tenth of 1 per cent of the gross receipts, in all probability it will bring money into the Treasury in excess of the proposed 2 per cent upon net incomes of corporations. The idea was suggested to me by reason of my service on the District Committee of this House. That system of taxation is now the law in this District of Columbia, and has been ever since I have been a Member of the House. Gas companies, street car companies, and all public-service corporations doing business in this District, in addition to paying taxes on their fixed property, pay a tax of 4 and in some cases 5 per cent on their gross receipts. Some objection has been made to this method of taxation, upon the idea that if a corporation made no money as profits it should not have to pay any part of its earnings as taxes. It is claimed that that might destroy the value of the property, and that it should not pay a tax when it is not making any net earnings. In this District I have known cases where street car companies were in the hands of receivers, when there was a deficit in earnings made every year, and yet they had to pay the same taxes on their gross receipts as the company that was making money. Now, it is not too late for us to act on this matter. I am glad the President has shown that breadth of mind and depth of wisdom that when he finds one form of legislation is a better one than some one he had formerly recommended, he is willing to submit another proposition in lieu of what at first seemed the wiser course.

Now, while the committee of conference is considering this corporation tax, let it take up this bill of mine as a mere suggestion and make it a basis of a corporation tax, leaving all the corporations chartered by the States that are doing business wholly within a single State to the States, counties, and municipalities. Then provide that all corporations, partnerships, firms, or individuals doing an interstate business shall pay a tax of such per cent as the conferees may think wise upon all gross receipts from interstate business. They have interstate benefits and rights of which no State can deprive them. Let us levy this tax upon their gross receipts from their interstate business. Such a tax can not be evaded. It is the same as operating expenses and must be collected before even officers can be paid salaries. I have no objection to publicity of corporation affairs; in fact, I believe in it; but it is not necessary to levy a tax on net incomes or earnings in order to give the Government power to investigate and properly regulate corporations doing interstate business. The men who will be obliged to make these investigations as to the net earnings of corporations are human, and many instances will be found where the statements of these special agents will not be the truth and the report a fraud. Now, under this bill of mine the tax can not be evaded. The gross receipts is the first thing that will show in the matter of bookkeeping. There can not be any doubt about that. The amount of the tax will be so small that there will be no inducement for evasion.

The SPEAKER pro tempore. The time of the gentleman has expired.

Mr. LONGWORTH. I yield three minutes more to the gentleman.

Mr. SIMS. I am not opposed to an income tax, and as a matter of course shall vote for this resolution. I am not discussing the resolution, but this other matter is now pending. The conferees now have the matter before them. This proposition of mine is not discriminating. It taxes an individual, a firm, and a corporation upon exactly the same basis.

Now, take the case of a state corporation. A number of persons of small means get together and organize a corporation and build a hotel or apartment house on one corner of the street. Over on the other corner a rich individual builds another one and gets the same returns from it. The Federal Government taxes the one that does its business wholly within the State and relieves the rich individual, doing identically the same kind of business, from the tax. This amendment of mine will remove all such objections. It will not be in the way of an income tax whenever an income tax bill comes before the House, because it is not an income tax. It is not double taxation. It is not taxation upon "prosperity and a penalty upon wealth." It is taxation that reaches all alike who do interstate business and does exact and equal justice to all subject to the tax.

Senator BEVERIDGE offered in the Senate an amendment to tax the gross receipts of corporations. He offered that amendment on the 19th of April, 1909, ten days after I had introduced my bill. The Senator from Virginia [Mr. DANIEL] offered an amendment on the 7th of July, 1909, for the same purpose; but these amendments were to tax the gross receipts of corporations only, and without any regard to whether the business was state or interstate, so that they do not make that necessary discrimination or put the tax upon corporations that get the benefit of laws applying to interstate commerce.

I have no partisan feeling about this. I hope that the conferees, although this suggestion comes from an humble source, may consider it worthy of their consideration and adopt it instead of the corporation-tax provision now carried in the bill, against which there exist so many reasonable and weighty objections that do not apply to a tax on gross receipts as proposed in my bill.

Mr. CLARK of Missouri. I yield to the gentleman from Georgia [Mr. BARTLETT].

Mr. BARTLETT of Georgia. Mr. Speaker, any proposition to amend the Constitution of the United States should be carefully considered and not hastily adopted. This instrument, as proposed by the fathers of the Republic, many of whom had taken part in the struggle for independence and who were the wisest in their generation, if not the wisest in any generation of our history, should be preserved and only changed when the demand for change is imperative. The elements and principles of the American Constitution were neither manufactured nor borrowed, but grew up amidst and along with the American people, and were formulated by men who understood the then present needs and requirements of the American people, and who seemed to have been inspired with the capacity to see into the future so as to make a Constitution that would meet all the future needs of the American people. It has been truly described as the "most wonderful work ever struck off at a given time by the brain and purpose of man." It is true, as was said by Judge Storey in an early case reported in the First Wheaton, it unavoidably deals in general language. It did not suit the purposes of the people in framing this great charter of our liberties to provide for minute specifications of its powers or to declare the means by which those powers should be carried into execution. It was foreseen that this would be a perilous and difficult, if not an impracticable, task.

The instrument was not intended merely to provide for the exigencies of a few years, but was to endure through a long lapse of ages, the events of which were locked up in the inscrutable purposes of Providence. It could not be foreseen what new changes and modifications of power might be indispensable to effectuate the general objects of the charter, and restrictions and specifications which at the present might seem salutary might in the end prove the overthrow of the system itself. Hence its powers are expressed in general terms, leaving to the legislature, from time to time, to adopt its own means to effectuate legitimate objects and to mold and model the exercise of its powers, as its own wisdom and the public interests should require. And this is as true to-day as it was when the Constitution was adopted.

THE AMENDMENTS TO CONSTITUTION.

While there are 15 amendments to the Constitution, the first 10 may be really said to be a part of the original instrument, because they were all adopted under a resolution passed on September 25, 1789, and they were adopted as amendments to the Constitution, because the Constitution could not have been ratified by the several States but for the understanding that these 10 amendments were to be adopted.

The very preamble which submitted these 10 amendments recites the fact that the States at the time they adopted the Constitution expressly desired that, in order to prevent misconstruction or abuse of its powers, further declaratory and restrictive clauses should be added. So that we are authorized to assert that the first 10 amendments were really a part of the great original instrument itself, because without the assurance that they would become a part of the instrument the people of the States would not have adopted the original Constitution.

The eleventh amendment was adopted in 1798, on a resolution passed in 1794. This amendment grew out of the fact that the Supreme Court of the United States had decided that a sovereign State was liable to be sued in the courts of the United States by a private citizen. The case which gave rise to so much comment and really gave rise to the demand of the people for the adoption of the eleventh amendment was the case of Chisholm *v.* The State of Georgia, reported in Second Dallas, and this decision, pronounced by a divided court, so aroused the people and so endangered the rights of the States to maintain their sovereignty that the eleventh amendment was demanded and ratified by the people.

The governor and authorities of the State of Georgia refused either to appear in the court or to respect the judgment of the Supreme Court in the case; and that other States might not be subjected to the same indignity, the eleventh amendment was adopted, which provided that the judicial power should not be construed to extend to a suit prosecuted against one of the United States by citizens of another State or citizens subject to a foreign state. So in that case the people were compelled to protect themselves against what was deemed to be a wrong decision by the Supreme Court of the United States by an amendment to the Constitution.

The twelfth amendment grew out of the famous contest for the Presidency in 1800, in which Mr. Jefferson and Mr. Adams and Aaron Burr were candidates, Jefferson and Burr being candidates on the same ticket, one for President and the other for Vice-President, and both receiving the same number of votes. Under the Constitution as it then existed, the candidate who received the highest number of votes was to be President and the one receiving the next highest was to be Vice-President. This contest for the Presidency was thrown into the House, and to avoid a recurrence of this sort of contest for the Chief Magistracy of the Government the twelfth amendment was adopted. The resolution proposing this amendment was adopted in December, 1803, was ratified by three-fourths of the States, and the proclamation carrying it into effect was issued by the Secretary of State on September 25, 1804.

The other three amendments are what are known as the "war amendments." For forty years and more no resolution to amend the Constitution of the United States has been submitted to the States. The thirteenth amendment abolished slavery, which was the result of the civil war, and the fourteenth and fifteenth amendments were likewise the result of the civil war, growing out of the new relations which the slaves, who

had been freed, then bore to the Government. These last two amendments, in my judgment, were never really adopted. They were submitted to the States, and by the superior power of the then dominant party, with the aid of armed force, the legislatures of at least 11 of the States were forced to consent; and it is to this day doubtful whether they were ever legally adopted or whether the requisite number of States then in the Union ever voted for their ratification. The proclamation by the Secretary of State at the time these last two amendments were adopted is my authority for the assertion that their adoption in the manner prescribed by the Constitution is a matter of very serious question and doubt. The reason for the assertion of this opinion I need not now give, because it has been given a number of times, and the question has never been really submitted to the Supreme Court of the United States; but I venture to assert that if the question could ever be submitted to an impartial legal tribunal it would be evident, from the record which contains the statement of what was done by the several States in voting upon these amendments, that they had never been legally adopted and that they did not receive the approval of the requisite three-fourths of the States of the Union.

From this short history of these amendments to the Constitution, it will be seen that the people have been very reluctant to amend the Constitution of the United States, and it is well that they should be. It is not a trivial matter or a matter to be hastily proceeded with.

THE PROPOSED AMENDMENT.

We have now a proposition to again amend the Constitution of the United States, growing out of the fact that the Supreme Court of the United States in a decision rendered in 1895, and known as the "income-tax decision," reported in the One hundred and fifty-seventh and One hundred and fifty-eighth United States Reports, decided that Congress had not the power to levy a tax upon the incomes of the citizens of the United States without an apportionment of the tax among the States according to population—in other words, that an income tax was a direct tax, and therefore Congress had no power to levy the same except in the manner prescribed for the levy of capitation and direct taxes. Thus the American people are again presented with the proposition to amend their fundamental law because of an extraordinary decision by the Supreme Court of United States. In the case of Chisholm *v.* Georgia the court held that the sovereign State of Georgia was subject to be sued by a private citizen of another State, and in that case the court abandoned the universal and accepted rule that the sovereign could not be sued except by its own consent. This so aroused the people and the representatives of the people in Congress that they insisted that the rule so promulgated by the Supreme Court of the United States, that a sovereign State should be subject to be dragged into court against its consent by a private citizen, should be cured by an amendment to the Constitution.

In the income-tax case the court, by a narrow margin of one, again reversed what was thought to be a universal and accepted rule, that a tax upon incomes was not a direct tax and could be levied by Congress without complying with the rule of apportionment prescribed in the case of capitation and direct taxes. Up to that time and for a hundred years prior thereto, commencing with the case of Hylton *v.* The United States and ending with the case of Springer *v.* The United States, reported in the One hundred and second United States Report, it had been held that capitation taxes and taxes on land were the only direct taxes. I will not say that this decision aroused the indignation of the people, but it did create dissatisfaction with and distrust of the court; and from the date of the rendition of that decision until now there has been a constant demand on the part of the Democratic party and the Democratic masses that something should be done which would compel the wealth of the Nation to pay its just proportion of the taxes for the support of the Government. I do not believe that this amendment is necessary. I should gladly vote for a bill which would levy a tax upon incomes and require the government officials to collect it, and let the court again have the opportunity to pass upon the question. I have great respect for the courts of the country and a very high and exalted respect for the highest court of our country and the greatest court in the world; but I respectfully say that that decision by the majority of the court in the income-tax case can not be sustained or justified in principle or in justice. It has done more to create want of confidence in the court than any decision rendered in recent years.

The members of the Supreme Court who dissented from that decision, and who are as able as any of the members of the court at that time, in their dissenting opinions criticised the decision of the majority of the court in as severe terms as I would care to employ. They said that the decision disregarded the former adjudications of the court and the settled principles of the Government, that it might well excite the gravest apprehensions, and that the decision would provoke a contest in this country from which the American people would have been spared if the court had not overturned its former adjudications; that respect for the Constitution would not be inspired by the narrow and technical construction which the court had given that instrument; that the court had resuscitated an argument that had been exploded in the Hylton case and that had lain practically dormant for a hundred years; that it was fraught with immeasurable danger for the future of the country and that it approached the proportions of a national calamity; that it was a judicial amendment to the Constitution; and that the decision was fraught with danger to the court, to each and every citizen, and to the Republic. No citizen would have expressed his disapproval of the decision in more apt terms, and, so far as I am concerned, I am content to repeat the criticisms of the judges who dissented and to adopt them as my views and criticisms of the decision. Before doing so, however, I desire to call attention to the fact that Alexander Hamilton argued the case of Hylton *v.* The United States, reported in the Third Dallas, for the Government, and in his brief laid down the proposition that capitation, or poll, taxes and taxes on land were the only direct taxes; that all else must of necessity be construed as indirect taxes, as contemplated by the provision of the Constitution which gives Congress authority to levy and collect taxes, excises, and duties on imports.

The Supreme Court, in its opinion, followed this definition and repeatedly announced it, and especially is that principle announced in the cases of Pacific Insurance Company *v.* Soule (7 Wall., 433); Veazy Bank *v.* Fenno (8 Wall., 533); Scholey *v.* Rew (23 Wall., 331); and Springer *v.* United States (102 U. S. R., 586).

So that the judges whose dissenting opinions I quote amply sustain me in the assertion that this decision of the court, reported in the One hundred and fifty-seventh and One hundred and fifty-eighth United States Reports, overturned the decisions of the court for a hundred years prior thereto, and that, too, upon an argument presented to it which had been exploded by the court in the Hylton case, and which for a hundred years had lain dormant, but which was revived and made to do duty in nullifying the income-tax law of 1894.

CRITICISMS OF THE DECISION BY MEMBERS OF THE COURT.

In his dissenting opinion in the One hundred and fifty-seventh United States Reports, Justice White, after quoting many decisions which had upheld the constitutional power of Congress to levy an income tax, and showing that it was not a direct tax, said:

> If it were necessary that the previous decisions in which the court upheld this kind of tax should be repudiated, the power to amend the Constitution existed and should have been exercised. Since the Hylton case was decided the Constitution has been repeatedly amended. The construction which confined the word "direct" to the capitation and land taxes was not changed by these amendments, and it should not now be reversed by what seems to me to be a judicial amendment of the Constitution.

He further said:

> I can not resist the conviction that the court's opinion and decision in this case virtually annuls its previous decisions in regard to the powers of Congress on the subject of taxation, and is therefore fraught with danger to the court, each and every citizen, and the Republic.

In his dissenting opinion, Justice Harlan referred to the decision in the following terms:

> In my judgment, to say nothing of the disregard of the former adjudications of this court and of the settled practice of the Government, this decision may well excite the gravest apprehensions. It strikes at the very foundations of national authority in that it denies to the General Government a power which is, or may become, vital to the very existence and preservation of the Union in a national emergency, such as that of war with a great commercial nation, during which the collection of all duties upon imports will cease or be materially diminished. * * *
>
> But this is not all. The decision now made may provoke a contest in this country from which the American people would have been spared if the court had not overturned its former adjudications and had adhered to the principles of taxation under which our Government, following the repeated adjudications of this court, has always been administered.
>
> But the serious aspect of the present decision is that by a new interpretation of the Constitution it so ties the hands of the legislative branch of the Government that without an amendment of that instrument, or unless this court at some future time should return to the old theory of the Constitution, Congress can not subject to taxation—however great the needs or pressing the necessities of the Government—either the invested personal property of the country—bonds, stocks, and investments of all kinds, or the income arising from the renting of real estate, or from the yield of personal property—except by the grossly unequal and unjust rule of apportionment among the States.
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> The practical effect of the decision to-day is to give to certain kinds of property a position of favoritism and advantage inconsistent with the fundamental principles of our social organization, and to invest them with power and influence that may be perilous to that portion of the American people upon whom rests the larger part of

the burdens of government, and who ought not to be subjected to the dominion of aggregated wealth any more than the property of the country should be at the mercy of the lawless.

In the dissenting opinion of Justice Brown we find the following language:

It is difficult to overestimate the importance of these cases. I certainly can not overstate the regret I feel at the disposition made of them by the court. It is never a light thing to set aside the deliberate will of the legislature, and in my opinion it should never be done, except upon the clearest proof of its conflict with the fundamental law. Respect for the Constitution will not be inspired by a narrow and technical construction which shall limit or impair the necessary powers of Congress. * * *

By resuscitating an argument that was exploded in the Hylton case and has lain practically dormant for a hundred years, it is made to do duty in nullifying not this law alone, but every similar law that is not based upon an impossible theory of apportionment. * * *

It is certainly a strange commentary upon the Constitution of the United States and upon a democratic Government that Congress has no power to lay a tax which is one of the main sources of revenue of nearly every civilized state. It is a confession of feebleness in which I find myself wholly unable to join.

While I have no doubt that Congress will find some means of surmounting the present crisis, my fear is that in some moment of national peril this decision will rise up to frustrate its will and paralyze its arm. I hope it may not prove the first step toward the submergence of the liberties of the people in a sordid despotism of wealth.

As I can not escape the conviction that the decision of the court in this great case is fraught with immeasurable danger to the future of the country and that it approaches the proportions of a national calamity, I feel it a duty to enter my protest against it.

Surely when the members of this high court itself thus express their dissent from the decision, members of the bar and the people should not be expected to have confidence in the decision or to believe that it correctly decides the question, and they are justified in believing and asserting that Congress has been deprived by this decision of the power to levy taxes for the support of the Government in the way and manner intended by the Constitution. Therefore, if it requires a constitutional amendment to restore to Congress this power of levying a tax upon the wealth of the country, in order that it may bear its just proportion of the burdens of government, and to restore to the people and to Congress their right to levy and collect taxes for the support of the Government in the way it had been done for a hundred years prior to this decision, I must vote for the amendment. I believe, however, that if the question was again submitted to the court, as now constituted, that the decision would be different.

STARE DECISIS.

But we are told by the gentleman from New York [Mr. PAYNE] that the court would not change the decision, but would render the same decision, because they would follow the rule of stare decisis. The court did not follow the rule of stare decisis in the Pollock case, reported in the One hundred and fifty-seventh and One hundred and fifty-eighth United States Reports, and they very frequently reverse themselves and reverse prior decisions of the court, and in many cases that might be cited this has been done.

In the case of Pollock *v.* Loan Co. (157 U. S., 429), the very case in which the Supreme Court first considered the income-tax act of 1894, the Chief Justice, who agreed with the majority of the court in the One hundred and fifty-eighth United States Reports, and delivered the opinion of the court declaring the income tax unconstitutional, said:

While the doctrine of stare decisis is a salutary one and is to be adhered to on proper occasions, this court should not extend any decision upon a constitutional question if it is convinced that error in principle may supervene.

Also, on page 576, he declares:

If it is manifest that this court is clothed with the power and intrusted with the duty of maintaining the fundamental law of the Constitution, the discharge of that duty requires it not to extend any decision upon a constitutional question if it is convinced that error in principle may supervene.

And he quotes approvingly the cases in which the same doctrine is held, viz, Lessee of Carroll (16 Howard, 275) and The Gennesee Chief (12 Howard, 443).

In this latter case the court overruled the case of The Thomas Jefferson (10 Wheat., 428). The first case, The Thomas Jefferson, had decided that the Lakes and navigable waters connecting them were not within the scope of the admiralty and maritime jurisdiction of the United States courts, but that the jurisdiction was limited to the ebb and flow of the tides, and this decision had been followed in the Eleventh Peters, 175; but in the decision in the Twelfth Howard both cases were overruled, Chief Justice Taney saying:

We are convinced that if we follow it we follow an erroneous decision into which the court fell, and the great importance of the question as it now presents itself could not be foreseen.

So that in the very Income Tax case in the One hundred and fifty-seventh United States Report the court demonstrates that the court did not adhere to the doctrine of stare decisis any more than they did in the Legal Tender cases, the Greenback cases, the Whisky License cases, and in a number of other cases that can readily be called to mind. In fact, in order to hold the act of 1894 unconstitutional, and that the tax provided for therein was a direct tax, the majority of the court were compelled to abandon and put aside the so-called "doctrine of stare decisis" and make a new rule of construction, for if the court had followed the rule of stare decisis they would have upheld the act, just as that court had for a hundred years prior thereto upheld the right of Congress to enact an income-tax law without violating the Constitution.

THE DEMOCRATIC PARTY'S POSITION.

Ever since this decision in the Pollock case was rendered the Democratic party has repeatedly, in Congress and in its platforms, demanded the passage of an income-tax law, and, if necessary, the adoption of an amendment to the Constitution authorizing the levy of such a tax. In 1896 the Democratic national platform declared that—

It was the duty of Congress to use all the constitutional power which remained after that decision, or which may come from its reversal by the court as it may be hereafter constituted, so that the burdens of taxation may be equally and impartially laid, to the end that wealth may be forced to bear its due proportion of the expense of government.

All who are familiar with the incidents of that campaign well remember how that part of the Democratic platform was assailed as an attack upon the Supreme Court of the United States; and yet the President of the United States, in his campaign for the nomination and after he was nominated, in substance made the same assertion. While discussing this subject, in a speech delivered in Ohio and in New York City during the campaign of 1908, President Taft used the following language:

I believe a federal graduated inheritance tax to be a useful means of raising government funds. It is easily and certainly collected. The incidence of taxation is heaviest on those best able to stand it, and indirectly, while not placing undue restriction on individual effort, it would moderate the enthusiasm for the amassing of immense fortunes.

In times of great national need an income tax would be of great assistance in furnishing means to carry on the Government, and it is not free from doubt how the Supreme Court, with changed membership, would view a new income-tax law under such conditions. The court was nearly evenly divided in the last case, and during the civil war great sums were collected by an income tax without judicial interference, and it was then supposed within the federal power.

The Democratic national platform of 1908 declared that the party was in favor of an income tax and urged the submission of a constitutional amendment specifically authorizing Congress to levy a tax upon individual and corporate income, to the end that wealth may bear its proportionate share of the burdens of the Federal Government. The people were told by the Republican candidate for President and by the Republican campaign orators that this was not necessary; that they favored an income-tax law if one could be enacted that would meet the approval of the Supreme Court of the United States and be held to be constitutional.

In his speech of acceptance President Taft said:

The Democratic platform demands two constitutional amendments, one providing for an income tax and the other for the election of Senators by the people. In my judgment an amendment to the Constitution for an income tax is not necessary. I believe that an income tax, when the protective system of customs and the internal-revenue tax shall not furnish income enough for governmental needs, can and should be devised which, under the decision of the Supreme Court, will conform to the Constitution.

And now this once criticised and despised position of the Democratic party is made one of the chief features of the Republican administration.

When it became apparent that the Democrats of the Senate would vote solidly in favor of an income-tax law and that a sufficient number of Republicans in the Senate would unite with them in such a move to insure the passage of the law, the leaders of the Republican party in the House and the Republicans of the Senate, in their confusion and dismay, consulted the President with a view of defeating the income-tax amendment proposed to the pending tariff bill, and they evolved the scheme known as the "corporation-tax amendment" to the tariff bill, and this amendment to the Constitution and these two propositions were put through the Senate by the leaders of the Republican party simply as a means for defeating the income-tax amendment. Indeed it was frankly stated by those who offered this resolution and the corporation-tax amendment that it was being done solely for the purpose of defeating the income-tax amendment. I do not doubt the sincerity of the President's purpose, but I think I am authorized in saying that the purpose of the chief inaugurators of both the corporation-tax and the income-tax amendment to the Constitution was not a sincere purpose and not a desire to collect taxes from the wealth of the country, but in the end to defeat any such purpose. Both make their appearance in the House in such questionable shape and form as to justify those who are in favor of an income-tax law in doubting the sin-

cerity of those who propose it and in believing that it is a mere pretext and subterfuge.

The Democratic party, in 1898, during the war with Spain, and when we were passing bills for the purpose of raising revenue to carry on that war, undertook to enact an income-tax law and offered it as an amendment on the 28th of April, 1898, to the war-revenue bill, but it was voted down by the Republicans. All the Democrats voted for it and all the Republicans, with a very few exceptions, voted against it. The same effort was made in the Senate, but was not successful. Senator Morgan, of Alabama, offered an income-tax amendment, which was denounced and voted against by the Republicans of the Senate. In the campaign that followed for the election of Members of Congress, in the fall of 1898, this action on the part of the Democrats of the Senate and House was denounced in the campaign book issued by the Republican national congressional committee as being an effort on the part of the Democrats to embarrass the administration in raising revenue. And in the campaign book referred to these measures to tax corporations and incomes were denominated as Populistic and obsolete measures and were said to have been opposed by the Republicans in Congress. Now, both of these measures, which in time of war were sought to be engrafted upon a war-revenue bill and defeated by the Republican majority, in time of profound peace are proposed by the Republican administration and will be put through Congress as Republican administration measures. These despised, ridiculed, and condemned Democratic measures are now to become the chief stone in the Republican arch of taxation, formulated and approved by a Republican President and adopted by a Republican Congress. The Democratic party, though out of power, has forced upon the Republican party, which is in power, the adoption of their measures and their views.

The Republican President and his advisers do not seem to be familiar with the subject of an income tax. The President, in his message of June 16, in which he recommended the passage of a resolution to submit the amendment to the States conferring power to levy a tax on incomes, says that course would be preferred to the one proposed, of reenacting a law once declared to be unconstitutional, and that to enact such a law—that is, a law taxing incomes—would merely put upon the statute books a law already there and never repealed. The President and his advisers seem to have overlooked the fact that the act of 1894 expired on January 1, 1900, and was no longer a living statute, and that the Dingley Act of 1897 repealed it. The President and his advisers also forgot, in recommending a tax upon all corporations and joint-stock companies, except national banks (otherwise taxed), that national banks are not now otherwise taxed—at least not taxed in the way this bill proposes to tax other corporations, but are simply taxed upon the issue of their notes. The truth of it is that the President and the Republican leaders who advised the legislation were in such a hurry to have something done that would defeat the immediate passage of an income-tax law that they did not inform themselves as to the law of the land as it exists to-day. It is in their hurry and desire to perpetuate the high protective-tariff system as long as possible and to prop up this oppressive system of taxation, now tottering to its fall, that these propositions for a corporation and income tax are made to temporarily repel the assaults which are now being made upon that system and to divert the attention of the people by pretending to favor the raising of revenue from sources that are not desired by them to be reached by taxation; because if sufficient revenue can be eventually raised by this income and corporation tax from the wealth of the country, there is no question but that the people will demand that the high protective rates now existing and being continued by the legislation of the present Congress shall be reduced.

Therefore, because I believe the income tax to be the most just, equitable, and proper tax that Congress can levy, and because I desire to take from the backs of the masses of the people some of the burdens of taxation and lay it upon the pockets of those who do not now bear their just share of the burdens of government, and because in no other way am I permitted to show my approval of this method of taxation, I shall vote for the resolution; but with the fear and belief, however, that it will not receive the sanction of the legislatures of a sufficient number of States to bring about its adoption; and if this effort is not successful, then the hope and desire of the American people and of the Democratic party to have an income-tax law passed by Congress will have been defeated; and the courts of the United States—the Supreme Court especially—will take this action of Congress, in adopting this resolution, as their judgment that no law can now be constitutionally passed imposing an income tax; and if the legislatures of three-fourths of the States shall not ratify the proposed amendment the Congress will take that as an expression of the will of the people that they do not desire it. If this should be the result, then we shall go on our way in the future as we have for many years past, and place the burdens of taxation upon the consumption of the people and exempt from such burdens the wealth of the country. I hope I am mistaken, and that the adoption of this amendment and its presentation to the several States will so arouse the people to the justice and propriety of such a tax that they will force the legislatures of the States to adopt it. But every expedient available to the organized wealth and greed of the country will be exercised to defeat it, and we know too well the efficacy of such combined effort.

As I have already stated, Mr. Speaker, I do not believe this resolution is necessary in order to tax incomes, nor am I alone in that belief. However, I shall vote for the resolution, because it is the only way in which the Republican majority will permit it to be presented to us at this session of Congress; at every other session they have not permitted its consideration. This is the only opportunity I will have by my vote to express my belief in the correctness of the principle of taxation that imposes a tax on incomes in order to compel those who are able to do so to bear a just proportion of the burdens of government, and thus in some measure relieve the masses from the burdens they bear. I have said, and have demonstrated, that I am not alone in the belief that such a resolution as this is unnecessary. After the Supreme Court rendered that most remarkable decision in 1895, in my opinion the most remarkable ever rendered by it, and one that can be less sustained than any other; one which was characterized as a public calamity by one of the justices, and by another—one of the ablest that ever sat in that court—as "judicial amendment to the Constitution;" the Democratic party in 1896, as I have shown from its platform of that year, declared in favor of an income tax, and demanded that Congress should use whatever power was left to it after that decision, or that might come to the court by reason of a changed personnel, in having this decision reviewed.

That declaration in the Democratic platform of 1896 was heralded by the Republicans and by those who are opposed to the Democratic party as being an attack upon the Supreme Court. But in 1908 the Republican candidate for President, who is now the President of the United States, declared in the speech in which he accepted the nomination of the Republican party—referring to the fact that the Democratic platform demands a constitutional amendment—and in other speeches made during the campaign, that such an amendment was not necessary and advocated the present enactment of the income tax, and said that, in view of the changed membership of the court since the decision, it was not certain that that court would declare the law unconstitutional. Now, in order to defeat the present enactment of such a law, the President and his chief advisers insist upon this amendment to the Constitution. I shall now vote for this proposition reluctantly, because I do not believe it is necessary and because I know it has found its way into this House only because the proponents of it believe and hope the proposition, when submitted to the States, will be rejected, as in all probability it will be, by a sufficient number to defeat it.

Then the opportunity for an income tax will be gone forever, and the same old scheme of taxing the many for the benefit of the few will go merrily on.

We have been told by the gentleman from Ohio [Mr. KEIFER] that the Democratic party is in favor of an income tax in time of peace, but never in time of war. The Democratic party in 1898 in the House and in the Senate proposed to the war-revenue bill an amendment to tax the incomes of the country to aid in carrying on the war with Spain, and the Democrats in both Houses voted for it, and with but few notable exceptions the Republicans in the House and Senate voted against it. That is the record made by the Democratic party, which I have here. Not only that, but the campaign for the election of Members of Congress came on in the fall of 1898, and I hold in my hand your campaign text-book, in which you characterized the effort of the Democrats to put upon the war-revenue bill an income tax and a corporation tax as both being efforts united in by silver Republicans, Populists, and Democrats, and boasted that these measures were defeated by the Republicans. You had an opportunity in time of war to vote for this measure, but you did not do it. It does not lie in the mouths of Republicans to charge that the Democrats have only favored an income tax in time of peace; the record of the parties in Congress demonstrate the falsity of such assertion. This resolution is only here for consideration now because the present leader of the Republican party, the senior Senator from Rhode Island, and his Republican coadjutors, who really are opposed to it, conceived

and inaugurated the propositions for the corporation tax and the income-tax amendment and offered them to the Senate and the country in order to defeat the passage by the Senate of an income-tax amendment to the pending tariff bill. That is the only reason it is here, under false colors and for no good purpose. [Applause.]

Mr. HENRY of Texas. Mr. Speaker, the proposition here pending is a joint resolution to amend the Constitution and authorize the laying and collecting of an income tax. Such amendment, when adopted, shall constitute Article XVI of the Constitution and read:

> The Congress shall have power to levy and collect taxes on incomes, from whatever source derived, without apportionment among the several States, and without regard to any census or enumeration.

Amendments to the Constitution may be secured in two ways. Congress by two-thirds vote may propose them to the States, which, when ratified by three-fourths of the States by action of their respective legislatures or conventions in such States, as Congress may require in the proposal, shall be valid to all intents and purposes as a part of the Constitution. Or on the application of the legislatures of two-thirds of the States a federal constitutional convention for the purpose of amendments may be called by Congress.

In this instance Congress proposes the amendment, with a requirement that the legislatures of the several States must act upon the same, and thus excludes the method of conventions in the States. It is gratifying to me that I am now as a representative of my people able to cast my vote for this meritorious proposal. For more than twelve years it has been my privilege to consistently advocate such an amendment to the Constitution. For that many years at each recurring campaign I have pledged my constituency that this vote should be given by me, and now that the auspicious time has arrived such promise shall be fulfilled as, with exultant feelings, my name is recorded with those who advocate an income-tax amendment.

In February, 1896, my constituency were informed in a canvass before the primaries that "I advocate an income tax upon the wealth of this country. I believe it should bear its just proportion of the burdens of taxation. Congress should speedily submit an amendment to the Constitution of the United States, if necessary, authorizing the levying and collecting of an income tax, and if I should be elected a Representative I shall support such amendment and tax." In June, 1896, the Democratic convention, commissioning me to represent my party, duly selected delegates and proclaimed as a platform utterance that—

> The wealth of the country should bear its just and equal proportion of taxation, and we here declare for a properly distributed tax upon the incomes of the Nation. And we believe that the Constitution of the United States should be so amended as to insure the legality of such a law.

Heartily concurring in such a declaration, I accepted the nomination and was elected a Representative in Congress. Every two years since my constituency have received a similar pledge from me, and substantially every convention nominating me has contained likewise a declaration favoring an income tax and constitutional amendment warranting the same. Hence, with peculiar pride, I this day redeem a promise to a generous constituency so long conferring political honors upon me.

A Representative is strictly responsible to his particular constituency, and should reflect their views upon political questions; and in this instance my vote not only gives emphasis to their views, but expresses deep-seated convictions long entertained by me. Mr. Speaker, the country will not omit to note that the Republican party is now coming over to the position so long occupied by the Democratic party. For long years your party has denounced and bitterly assailed the Democracy because, forsooth, we cherished the view that swollen fortunes and incomes of the rich should bear their just tribute and pay a part of the tax burdens of the country under a properly framed income-tax law. At last the scales have dropped from your eyes; you see a great light and now rush precipitately into Democratic territory. We are glad to have you, and to prove our joy, while we know you are filching Democratic contentions, are willing with unanimous voice to join you now in submitting the proposed amendment to the States.

In the form submitted here the amendment does not precisely suit me. We are anxious to witness the adoption of the amendment in the several States, and as Democrats would use every precaution in its submission to guarantee its ratification. At the proper time I shall endeavor to amend the resolution by providing that it shall be submitted to conventions in the States in preference to the legislatures thereof. To that end, let us amend the Senate joint resolution by striking out in lines 5 and 6 the words "which when ratified by the legislatures of three-fourths of the several States" and insert "which when ratified by conventions in three-fourths of the several States." By the adoption of this changed verbiage we submit the amendment directly to the body of the people in the respective States. It goes then to their homes, their firesides, their consciences and individual judgments, and they write the verdict and select their own delegates to constitutional conventions charged with executing a public trust. This course was pursued when the original Constitution was submitted to the people in the States, and had it not been so there is much doubt as to what would have been the fate of that cherished document. As it was, even in the constitutional state conventions, it barely weathered the storm, so close was the vote on its ratification in some of them. I dread its submission to the legislatures and shudder at the outcome, so anxious am I that it shall prevail, but shall vote for it even if it can not be amended as already suggested by me.

Let us not proceed blindly and heed not the breakers and difficulties ahead. The Senator from Rhode Island has already stated with unusual candor that the proposed corporation tax and this amendment here being considered constitute a mere subterfuge to circumvent the passage of the Bailey-Cummins income-tax amendment. He has given the country warning. And when he and those who think like him leave this capital, they will return to their homes with guns trained against the ratification of this amendment. For my part, I am for the submission and ratification of the amendment, and no hippodrome performance shall here or elsewhere characterize my conduct. In carrying forth this plan of equality in taxation, let us make sure we are lifting the unjust burdens from the shoulders of the poor and placing a proportionate share where it manifestly belongs—on the pocketbooks of the country. [Applause on the Democratic side.] This fair result may not be accomplished by this day's work if we fail to send this amendment directly to the people in conventions. Let it not be misunderstood that not only can the legislatures of 12 States defeat the amendment, but the half of the legislatures of 12 States may do so. It can be defeated in the following fashion: Each legislature has two branches of coordinate power. One branch may favor and the other oppose the amendment by the bare majority of 1, and the amendment fails in that State. The senate in Connecticut has 35 members. Eighteen members of that body can defeat the amendment there. Rhode Island has 38 senators, and 19 can thwart the will of the people in that State and disregard the amendment. New Hampshire has 24 members in her state senate, and with 13 senators can overwhelm the amendment. And so in many States. However, leave it to the people and permit them to choose their delegates with an eye single to the adoption of this amendment and they would not dare disregard a sacred trust reposed in them by the sovereign voters. When we consider the influences dominating some legislatures, this point can not be too emphatically stressed and heralded to the country. Aye, one-twelfth of the people may defeat the amendment under the plan here proposed. Undoubtedly a vast majority of the American voters favor an income tax and this amendment. It is not unconservative to say that 90 per cent of them would vote for it in a blanket election throughout the United States, and yet by this plan you are now adopting you place it in the power of a very small minority to throttle the voice of over 80,000,000 freemen, whose voices by untrammeled ballot would register a different edict.

I should feel recreant to my duty if I failed to point out the dangers and difficulties lurking in our pathway should we neglect to adopt my amendment and send the resolution directly to the people in convention assembled. In that event it will be the sole issue, uncomplicated with manifold interests and combinations in various legislatures. If you are sincere in this sudden conversion to an income tax, aid us in putting it in hospitable hands in the several States and not throw it in hodgepodge with every conceivable influence in many States. Are you willing to trust your constituencies? If you are, the prospect seems bright for affirmative action on this proposition. If not, and you insist upon denying the people a direct voice in this decisive moment, my forebodings are gloomy, and I fear the chances of an income-tax law are far removed. [Applause on the Democratic side.] It is a difficult matter to secure the ratification of an amendment under the most favorable auspices, and we should proceed with caution here if we wish our object attained, and not send this resolution to the States handicapped with enormous conditions. A convention will be responsive to the people's desires; a legislature in many States will but register the will of politicians and questionable interests. To illustrate the delicacy of the problem before us, we have but to recur to the history of the adoption of the Constitution of 1787. This was done in conventions of the various States. In some of the States, and especially the larger ones, the vote was exceedingly close, to wit: Virginia, 89 to 97; Massachusetts, 187 to 168; New York, 30 to 27; Rhode Island, 34 to 32. A change of 2 votes to the negative each in New York and Rhode Island would have changed the destinies of this Re-

public. As it was, some States, notably North Carolina and Rhode Island, remained out of the Union many months. It is rarely a wise thing to engage in prophecy, and yet I can not refrain from reflecting that those of us spared to look back upon these scenes enacted here to-day may recognize the committal of a sad mistake in referring this measure to the legislatures and not to the voice of the voters.

INCOME-TAX LAW AND CONSTITUTIONAL AMENDMENT DEMOCRATIC DOCTRINE.

The country should and does understand that the enactment of an income-tax law and the submission of this amendment are of distinctive Democratic origin.

While the Republican party has opposed, ridiculed, and viciously assailed them, the Democracy, undaunted, has made the fight for the people. You have voted against it in this House and not until the wrath of the public has driven you have you ever advocated it. However, when you embrace so good a measure, we rejoice in joining you while another sound doctrine of the Democratic party is indorsed by the country and forced through Congress by public opinion over the unconverted consciences of some men who are voting with us on this occasion.

In 1896 the Democratic convention pronounced unequivocally for an income tax. In plain language we said:

* * * Until the money question is settled we are opposed to any agitation for further changes in our tariff laws, except such are are necessary to make the deficit in revenue caused by the adverse decision of the Supreme Court on the income tax. But for this decision by the Supreme Court, there would be no deficit in the revenue under the law passed by a Democratic Congress in strict pursuance of the uniform decisions of that court for nearly one hundred years, that court having in that decision sustained constitutional objections to its enactment which had previously been overruled by the ablest judges who ever sat on that bench. We declare that it is the duty of Congress to use all the constitutional power which remains after that decision, or which may come by its reversal by the court, as it may hereafter be constituted, so that the burdens of taxation may be equally and impartially laid, to the end that wealth may bear its due proportion of the expenses of the Government.

From that day to this we have urged and pleaded for its adoption. The Republican party has scoffed at it and scorned to believe in it until lashed by public conscience. In 1908 the Democracy pronounced in favor of such law and amendment. We said:

We favor an income tax as part of our revenue system, and we urge the submission of a constitutional amendment specifically authorizing Congress to levy and collect tax upon individual and corporate incomes, to the end that wealth may bear its proportionate share of the burdens of the Federal Government.

Again the Republican party was as silent as the tombs of the Ptolemies. You did not favor it then, or you would have said so in your platform utterances. In season and out of season Mr. Bryan and those who followed him with unfaltering feet have never wavered in their devotion to this principle; and although defeat overtook him, he will live in history as a patriot and benefactor to mankind when those who scoffed at his imperishable name are buried beneath the dust of oblivion. In the Republican party campaign text-book for the year 1894 you issued this declaration to the people:

In this country an income tax of any sort is odious, and will bring odium upon any party blind enough to impose it. * * * Prepare for the funeral of the political party which imposes such a burden.

Evidently, then, your conversion dates subsequent to this announcement.

DESIRABILITY OF AN INCOME-TAX LAW.

We have now reached a point where an income tax seems an inevitable necessity. The appropriations of the Federal Government have become so great that the internal-revenue taxes and import duties no longer suffice. The Republican party must seek other sources of revenue. Dreading to embrace Democratic conventions as a temporary makeshift, they are proposing a so-called "corporation tax," which will be but shifted from the corporation treasuries to the backs of the people. The appropriations and the obligations of the Government for the fiscal year ending June 30, 1910, amount to the exorbitant sum of $1,070,482,732.12. Considering postal receipts and other items that might be properly included and subtracted, this Government must raise about $500,000,000 from customs receipts and other sources, certain items, as explained by the Secretary of the Treasury, being eliminated. The most optimistic advocate of the Payne-Aldrich bill does not contemplate, as now framed, that it will raise from customs receipts much in excess of $350,000,000. Therefore, needing a little short of $500,000,000 from customs receipts and otherwise to supply governmental demands, resort must be had to some source for the residue of $150,000,000 above all the money that can possibly be brought in through the custom-houses under this Payne-Aldrich bill. Hence, we have now reached the point in our fiscal affairs when the revenues from internal-revenue laws and customs duties fail to furnish sufficient funds to run the Government. There is a shortage in that regard of more than $150,000,000 annually. In accordance with my judgment that amount should be laid upon the incomes of the country by the enactment of a genuine income-tax law. In lieu of this some propose an inheritance tax and others a corporation tax. However, if an income-tax statute be properly drawn, it will reach, to a great extent, these sources and the three may be wisely combined in one act, the income tax embracing the corporation and inheritance tax and many other items not within their scope.

Equality in taxation should be the north star to light our pathway and direct our feet in the enactment of such statutes. No tax more equitably and wisely distributes the burdens of government than an income tax. It is resorted to in almost all civilized nations. In England the government collects a "property and income tax" amounting to £33,930,000. A little less than $100,000,000 of this amount comes from incomes alone. In the British Empire wealth is required to shoulder its due proportion of governmental burdens. In fact, there most taxation rests upon the wealth of the Kingdom. And the following countries are among those having income-tax laws: In Prussia for more than thirty years it has been in operation. For more than that length of time Austria has tried this tax and proved it to be a success. In Italy, likewise, it has been demonstrated as a revenue measure. And so with the Netherlands. It is needless to enumerate countries embracing the doctrine, for the trend of the world is to it, and no sentiment can much longer stay it in America. If in this form it is defeated, American voters will rise up and find a way to have the wrong righted by another Supreme Court. We should lay upon the backs of those with sufficient incomes a tax of a hundred millions of dollars. The Bailey-Cummins amendment meets my cordial approval, and if I had the power, it would speedily become a law and the Supreme Court again be given the opportunity to determine its validity. I would cheerfully vote for this amendment with the belief that the Supreme Court would sustain it and obviate the submission of a constitutional amendment. My personal preference would be for a graduated income tax. Being the least inquisitorial of all taxes and based upon sounder principles of equity than all others, such a tax would have my cheerful support. No one has ever stated the best features of such a system more felicitously than Adam Smith. He said:

The subjects of every State ought to contribute to the support of the Government, as nearly as possible in proportion to their respective abilities—that is, in proportion to the revenue which they respectively enjoy under the protection of the State. In the observation or neglect of this maxim consists what is called the "equality or inequality of taxation."

It is undeniable that an income tax will reach millions of wealth—bonds and stocks—that would never be touched by a corporation or inheritance tax. It is advocating no new and strange doctrine to favor an income tax. On many occasions during great emergencies this method of taxation has been resorted to, and proved abundantly satisfactory. And now, with a depleted Treasury, with swollen fortunes all around us evading taxation and receiving the protection of the Government, and civilized communities everywhere recognizing the economic fairness of such a tax, and with the admitted contention that it contains the humane and sublime blessing of equality to all men, the time is ripe and appropriate for this Government to go forward and keep apace with the progress and civilization of mankind.

SUPREME COURT DECISION ERRONEOUS, AND SHOULD BE RECONSIDERED WITHOUT CONSTITUTIONAL AMENDMENT.

Mr. Speaker, no member of his profession has a higher regard for the dignity of the courts than I have; but I refuse to subscribe to the doctrine that "the king can do no wrong" and that the courts are infallible. In a respectful way, as a citizen and a Representative, I have a right to challenge the decision of the Supreme Court in the Pollock Income Tax case. If any opinion of that court ever received practically the universal disapproval of the bar and the bench of the country, it is that case. The very flower of the American bar now concur with practical unanimity that the judgment of the court was erroneous. The court itself is rapidly curtailing the force of the same and stripping it of much of its vital efficiency. It has never received the respect of the bar and country due an adjudication from that august tribunal. Consequently we are warranted in claiming the right to send another similar tax law to that court and ask that the question be reexamined and correctly decided. Such course commends itself to me with much more force than the submission of a constitutional amendment, which might be construed as an admission by Congress that it is now without authority to pass the proposed income-tax law, which acquiescence I am not willing to give.

It is no new thing to challenge an erroneous opinion of this high court. On other occasions they have been questioned, aye, bitterly assailed, and have in the end reversed themselves and righted their judgments. While my respect for the court is adequate, I hope my regard for righteous decision and the just demands of an overburdened, oppressed, and groaning people is equal thereto, and perhaps outweighs in that direction the partiality for that honorable court, who, after all, are but the creatures of government directed by sovereign men who fashioned this Republic. And for those people I have a right to speak in my place here. The court did not hesitate to overturn the established law of a hundred years, and why should we halt in asking them to reconsider, in the interests of more than eighty millions of people, their judgment so universally condemned by the American bar and citizenship? It is peculiarly appropriate here and now to recur to the familiar history of income-tax laws and the decisions of the Supreme Court touching them.

The first act was passed in 1794 and imposed a tax on carriages "for the conveyance of persons." Many Members of Congress who enacted the law had been delegates in the Constitutional Convention. Its validity was violently assailed upon substantially all the grounds raised in the Pollock case and by the ablest lawyers in the land. But in the Hylton case, determining the questions, the Supreme Court unanimously upheld the act. They distinctly laid down the proposition that it was not a direct tax and not subject to apportionment under the Constitution. They undeniably held that the only taxes required to be apportioned were a capitation or poll tax and the tax on land. Although Rufus King asked in the Constitutional Convention, "What is the meaning of a direct tax?" and no one answered him, yet the delegates to that convention, the country at large, and the Supreme Court, some of them coming from the convention, did not doubt that the "direct taxes" referred to by the fathers were capitation taxes and taxes on land, and none other.

It was then the universal belief and acceptation, and of their correctness I have not the slightest doubt this day. In order to get the true proposition in our minds, we can not do better than to quote from the great constitutional lawyer, Mr. Cooley. After maturely considering the question, he writes:

> The term "direct taxes" as employed in the Constitution has a technical meaning, and embraces capitation and land taxes only.

In holding the carriage tax of 1794 constitutional and as blazing the way in jurisprudence, I can not do better than quote from Justice Patterson, one of the four judges unanimously handing down the opinion, and assuring the bench and bar of the validity of the tax and thus setting up a landmark:

> I never entertained a doubt that the principal—I will not say the only—objects that the framers of the Constitution contemplated as falling within the rule of apportionment were a capitation tax and a tax on land.

Thus early the people had the confidence and faith instilled in them by this great court that only two kinds of taxes fell under the apportionment clause of the Constitution—capitation taxes and land taxes; that the others must yield to uniformity alone. Hence, for all the years to come this court heralded to the country that duties, imposts, excises, and incomes should fall under the head of indirect taxes and be uniform. In Congress, Madison opposed this carriage tax as unconstitutional, but afterwards as President approved acts of Congress containing the identical principle. The Government began to collect money under such laws, and for a hundred years collected many millions from the people; and such sums have not been refunded and will never be returned. Thus, with such a law, a unanimous approval of the Supreme Court, and thorough executive indorsement, this Republic began its career in undoubted recognition of the principle of an income tax, and pursued its tenor for a century without a dissent from any source to the system. At the end of a century, when a divided court uproots firmly fixed jurisprudence covering all these years, we are entitled to send the great question again and again to that tribunal. Guided by previous history and such construction by the Supreme Court, Congress has several times provided for direct taxes and apportioned them according to the Constitution.

In 1798 the total amount was fixed at $2,000,000. In 1813 the second tax fixed the sum at $3,000,000. The third tax, in 1815, fixed it at $6,000,000; in 1816, at $3,000,000. Then the law of 1861 came and put it at $20,000,000, and made it annual. By constitutional rule these taxes were duly apportioned among the States. They were upon lands, improvements, dwelling houses, and slaves in 1798, 1813, 1815, and 1816; in 1861, upon land, dwelling houses, and improvements. Analyzing and weighing these things, Chief Justice Chase said:

> It follows, necessarily, that the power to tax without apportionment extends to all other objects. Taxes on other objects are included under the heads of "Taxes not direct," "Duties," "Imposts," and "Excises," and must be laid and collected by the rule of uniformity. The tax under consideration is a tax on bank circulation, and may very well be classed under the head of "Duties." Certainly it is not, in the sense of the Constitution, a direct tax. It may be said to come within the same category of taxation as the tax on incomes of insurance companies, which this court at the last term, in the case of Pacific Insurance Company *v.* Soule, held to be a direct tax.

Thus repeated acts of Congress and decisions of the Supreme Court thoroughly fixed the definition of "direct taxes" mentioned in the Constitution. Following these precedents the Supreme Court, in the Pacific Insurance Company case, held valid a tax "upon the business of an insurance company" as being an excise or duty authorized by the reasoning in the Hylton case. Still adhering to these precedents, the Supreme Court subsequently pronounced, in the Veazie Bank case, a tax on the circulation of state banks or national banks paying out notes of individuals or state banks as falling within the meaning of "duties" as held in the insurance case. The Chief Justice here, holding the statute valid, said:

> It may further be taken as established, upon the testimony of Patterson, that the words "direct taxes," as used in the Constitution, comprehended only capitation taxes and taxes on land, and perhaps taxes on personal property by general valuation and assessment of the various description possessed within the several States.

And proceeding with the same logic, the Supreme Court, in Scholey's case, decreed a "succession tax" to be plainly a duty or excise upon the devolution of estates or incomes thereof. Constantly adhering to their former views, the same court, in the Springer case, upheld a statute whose provisions as to incomes were the same as those of the Wilson bill of 1894. In Springer's case, he was assessed for income on professional earnings and interest on United States bonds. Declining to pay, his real estate was sold. Involving every conceivable point possible to be raised against the income-tax provision, the court held:

> Our conclusions are that direct taxes, within the meaning of the Constitution, are only capitation taxes, as expressed in that instrument, and taxes on real estate; and that the tax of which the plaintiff in error complained is within the category of an excise or duty.

And so, with settled jurisprudence of a century meeting our gaze, we are brought to the spectacle of a great court suddenly halting, turning backward, and uprooting the established laws of more than three generations. Is it any wonder that the populace stood aghast and the bar was amazed? With a mighty stroke, a divided court annihilates precedent and sets up an unheard of standard of law in Pollock's case, nullifying the Wilson income-tax law. In order that it may be plainly stated here, let me recite the action of the court:

First. It held that a tax on rents or income of real estate is a direct tax within the meaning of the Constitution.

Second. That a tax upon income derived from interest of bonds issued by municipalities is a tax upon the power of the State and its instrumentalities and is invalid.

Third. The court in the original opinion did not decide the points pertaining to the provisions held void as invalidating the whole act, or that touching income from personal property being unconstitutional as laying a direct tax, or the point made as to the uniformity provided the tax was construed not to be direct. On these propositions the justices hearing the argument, being equally divided, could not decide the same. Avarice of wealth, not content with the adjudication, asked for a rehearing and begged that every vestige of the law that could possibly lay its hands upon their fortunes be destroyed. The rehearing was granted and the people thwarted with further judicial shifting. It is not amiss here to recite a short excerpt from Justice White in a dissenting opinion that will live in judicial annals when other contrary expressions are slumbering beneath the dust of forgetfulness:

> It is said that a tax on the rentals is a tax on the land, as if the act here under consideration imposed an immediate tax on the rentals. This statement, I submit, is a misconception of the issue. The point involved is whether a tax on net incomes, when such income is made up by aggregating all sources of revenue and deducting repairs, insurance, losses in business, exemptions, etc., becomes to the extent to which real estate revenues may have entered into the gross income, a direct tax on the land itself. In other words, does that which reaches an income, and thereby reaches rentals indirectly, and reaches the land by a double indirection, amount to direct levy on the land itself? It seems to me the question when thus accurately stated furnishes its own negative response. Indeed, I do not see how the issue can be stated precisely and logically without making it apparent on its face that the inclusion of rental from real property in income is nothing more than an indirect tax upon the land.

The rehearing was granted and the cause resubmitted. For a hundred years the avaricious and wealthy had criticised and assailed the court more violently than those challenging the first utterances in the Pollock case. By all the rules of reasoning and equity they should be estopped from criticising us for now in this single instance challenging the action of the courts.

With persistence, vigor, and ability the controverted points were again argued by both sides. Then it was upon final de-

cree that the court, by a vote of 5 to 4, completely overturned all its former holdings. It concluded: First, that taxes on real estate being direct taxes, taxes on rents or income therefrom are also direct taxes. Second, that taxes on personal property or on the income therefrom are direct taxes. Third, that the act being for these reasons unconstitutional, there was not enough of the act left capable of enforcement, and hence the complete income-tax sections of the Wilson bill are necessarily invalid. So, again, by such decree the court overruled five unanimous opinions on the question and totally overturned the jurisprudence of all generations from the beginning of the Government. Perhaps the most important case abrogated by the Pollock decision was the Springer case. It is not inappropriate here to allude somewhat briefly to that case in order to demonstrate how sharp was the departure from previous rulings. In the Springer case the contest was as to the validity of the act of 1864 as amended in 1865. In this act there was levied a duty on profits, gains, and incomes derived from every kind of property, trade, profession, and employment. Mr. Springer alleged that the tax was direct and could not be laid except under the rule of apportionment among the States according to numbers. Here the question was presented squarely to the court and a clear-cut judgment rendered sustaining the constitutionality of the tax. In another unanimous opinion Mr. Justice Swayne, speaking for the court, said:

> This uniform, practical construction of the Constitution touching so important a point, through so long a period, by the legislative and executive departments of the Government, though not conclusive, is a consideration of great weight.

And proceeding with one more great authority, Chancellor Kent said:

> Our conclusions are that direct taxes, within the meaning of the Constitution, are only capitation taxes, as expressed in that instrument, and taxes on real estate, and that the tax of which the plaintiff in error complains is within the category of an excise or duty.

On the warrant of such laws wars have been fought, millions of money raised by taxation of incomes from every kind of real and personal property without apportionment according to numbers, and now this Pollock case holds all these things done in flagrant violation of the Constitution and law of the land. Then is it any wonder that many gave some evidence of mistrust and discord? It has been suggested that the way is now open to another income-tax law, if we but invoke the apportionment clause of the Constitution and let the tax rest according to numbers. This plan would not for one moment be tolerated. Its most grievous fault would be that it favors a few in certain States, to the detriment of the many, and would be a gross discrimination. Antagonism to it would be instantly aroused, and it will never find favor in the slightest degree. Therefore, the decision, in effect, puts the dollar of the millionaire beyond the pale of being equitably taxed according to his wealth, unless a constitutional amendment be invoked. And here let me remark, with all the emphasis at my command, that I would not do violence to the rich to favor the poor. Equal laws and exact justice to both shall be my constant watchword. No man despises class legislation more than I do, and in my opinion he is a dangerous citizen who would seek to arouse one class of men against another in our country. However, there should be some method by which the untold wealth and riches of this Republic may be compelled to bear their just burdens of government and contribute an equitable share of their incomes to supply the Treasury with needed taxes. Returning to the glaring inequalities that are apparent if resort be had to an income tax under the apportionment clause of the Constitution, I can not better illustrate the point than by quoting the language used by Justice Harlan. He suggested:

> Under that system the people of a State containing 1,000,000 inhabitants, who receive annually $20,000,000 of income from real and personal property, would pay no more than would be exacted from the people of another State having the same number of inhabitants, but who receive income from the same kind of property of only $5,000,000.

Hence, I do not hesitate to say that by this decision the Supreme Court yielded the taxing power of the Government to wealth of the country and the moneyed class in a few States.

As I see it, the fairest of all taxes is of this nature, laid according to wealth, and its universal adoption would be a benign blessing to mankind. The door is here shut against it, and the people must continue to groan beneath the burdens of tariff taxes and robbery under the guise of law. If my vote could determine the question here to-day, I would boldly challenge the Supreme Court to a correct decision and reversal of their views by instantly sending the same law before them for readjudication. And not till this course was exhausted and failed would I propose this amendment. But being powerless to make effective such alternative, as the only available avenue open to me, I shall promptly respond affirmatively when the vote is taken on this resolution.

THE DEMOCRATIC PLATFORM AND THE TARIFF.

It is not my purpose here to enter into an extended discussion of the tariff, but at some future day in this session, if sufficient opportunity offers, I shall give in detail some views touching the general principles of the subject and vicious schedules of the bill.

Having on another occasion announced my allegiance to the Denver Democratic platform, I now here reassert my loyalty to its declarations. And let it here be fully understood that no planks appear to me more favorably than those unequivocally declaring for an income-tax law and constitutional amendment to that effect and the tariff pledges. Amongst all its mandates there are none to which I yield more faithful obedience than those. When the convention avowed: "Articles entering into competition with trust-controlled products should be placed upon the free list," it promulgated a wise, Democratic, and patriotic doctrine. They should reappear in every Democratic platform until their righteousness is vindicated by the enactment of such a law. Hence my convictions are unswerving and my pathway clear. And to me it is certain that I can better serve my State, my party, and country by yielding strict adherence to every decree of the Denver Democratic platform, and with unflinching fidelity this spirit shall characterize my course here and elsewhere.

Mr. LONGWORTH. Mr. Speaker, I yield five minutes to the gentleman from Missouri [Mr. BARTHOLDT].

Mr. BARTHOLDT. Mr. Speaker, the gentleman from Georgia [Mr. BARTLETT] in his remarks said a little while ago that in the previous Congresses all the Republicans voted against an income tax and all the Democrats in favor of it.

Mr. BARTLETT of Georgia. If the gentleman will permit, the gentleman did not quote that right. I said with few exceptions all Republicans voted against it.

Mr. BARTHOLDT. I am glad the gentleman from Georgia makes exceptions, because I am one of the exceptions.

Mr. BARTLETT of Georgia. I knew that at the time, and would not have made that statement, because I have the vote before me and knew there were some of them who did.

Mr. BARTHOLDT. I can not resist the temptation, Mr. Speaker, to congratulate my party upon having come over to my view of this subject. [Applause on the Democratic side.] I want to say, however, as one who is somewhat familiar with the prevailing sentiment at the time, that the Republicans of the Fifty-third Congress did not oppose an income tax because they were opposed to the principle of it, but for the reason that they deemed such a tax unnecessary at that time. Of course that was when the Democracy had just come into power with flying colors and had elected a President for the first time in many years. Their feeling was that the custom-houses should be forthwith abolished, and necessarily they had to look around for some sources of revenue other than customs, and one of those was the income tax. At that time, Mr. Speaker, we had not yet become the greatest military power on earth, and when I say "the greatest military power" I mean we had not yet become the power which spends more of its revenues for military purposes than any other nation on earth. It had not yet come to pass that only 28 per cent of the revenues of the Government were spent for the legitimate functions of the Government, while 72 per cent were expended for war, as is the case now, according to the statement recently made in Chicago by the gentleman from Minnesota, the chairman of the Committee on Appropriations. It is quite natural that when we are spending 72 per cent of our revenues for war that other sources of revenue should be looked for.

Mr. HOBSON. Will the gentleman yield?

Mr. BARTHOLDT. In a moment I will yield to the gentleman from Alabama. I merely want to submit a thought in connection with this discussion, and that is this, that I am opposed to all exemptions, not only to an exemption of $5,000, or $7,500 or $10,000, but I am opposed to all exemptions. I believe in equality of taxation. I believe that every exemption you make will be un-Democratic, un-Republican, and un-American, because you will thereby create two classes, a tax-paying class and a nontaxpaying class, namely, all those whose income is below $5,000 will be exempted from that direct tax and consequently will be classed as nontaxpaying citizens.

The SPEAKER. The time of the gentleman from Missouri has expired.

Mr. LONGWORTH. I yield the gentleman two minutes additional.

Mr. BARTHOLDT. I would tax an income of $100, say, at 1 per cent, making the laboring man with an income of $100 pay 1 cent to the Government and the laboring man having an income of $1,000 pay 10 cents to the Government. This 10 cents represents to him as much as the thousands and thousands of

dollars which the millionaire contributes to the Government, and no one can say to him that he has not the same rights, because he is a taxpayer, in accordance with his means, as well as the millionaire.

Mr. CLARK of Missouri. The gentleman got his arithmetic wrong. One per cent on $100 is $1, not 1 cent.

Mr. BARTHOLDT. Let him pay one-tenth of 1 per cent; make it as low as possible and graduate it up higher and higher. Do not exempt him altogether, because, as I said before, that would be un-Democratic and un-American. I now yield to the gentleman from Alabama.

Mr. HOBSON. I merely wish to ask the gentleman if in making his statement concerning the percentage of revenues expended on war he included the amount expended on pensions, amounting now to something like $170,000,000 a year?

Mr. BARTHOLDT. I want to say that if I were computing statistics of this kind I would exempt pensions always; but I was merely citing figures as given by the chairman of the Committee on Appropriations in a recent speech of his.

Mr. HOBSON. Then I will state to the gentleman that the chairman of the Committee on Appropriations included the pensions.

Mr. BARTHOLDT. He included pensions; yes, sir. [Applause.]

Mr. CLARK of Missouri. Mr. Speaker, I yield five minutes to the gentleman from Mississippi [Mr. BYRD].

Mr. BYRD. Mr. Speaker, it is useless for me to say that I favor this proposition. No Democrat can consistently vote against this amendment. While many of us believe that under the present provisions of the Constitution there is abundant authority for the passage of an income-tax law, yet we shall not hesitate to vote for this amendment as the only thing along this line we are permitted by the party in power to consider. The Supreme Court, it is true, held that the Wilson income-tax law was unconstitutional. But we all remember the influences surrounding that tribunal at that time, and the fact that it was rendered by a majority of only one judge, who changed his opinion in a few hours. In this manner a judicial construction of the Constitution that had existed since the days of Chief Justice Marshall was reversed.

Many of the best lawyers in the country are outspoken in their belief in the error of that decision. President Roosevelt evidently had but little respect for it, as is shown in his message to Congress just read by the gentleman from Kentucky [Mr. JAMES]. Also, President Taft must have regarded it with contempt at one time, for in his speech accepting the Republican nomination for President in 1908 he said:

> The Democratic platform demands two constitutional amendments, one providing for an income tax and the other for the election of Senators by the people. In my judgment, an amendment to the Constitution for an income tax is not necessary.
>
> I believe that an income tax, when the protective system of customs and the internal-revenue tax shall not furnish income enough for governmental needs, can and should be devised, which, under the decisions of the Supreme Court, will conform to the Constitution.

Mr. Speaker, how does the language that "In my judgment, an amendment to the Constitution for an income tax is not necessary," and that "an income tax can and should be devised, which, under the decisions of the Supreme Court, will conform to the Constitution" compare with his recent message to the Senate advocating the substitution of a tax on corporations for the proposed income and inheritance tax measure, then pending in that body? Before his election, the income-tax law would be constitutional. Now it is unconstitutional. What has brought about that sudden change in the mind of this great lawyer? Can it be that he has been "hoodooed" by the machinations of the grand high priest of Republicanism now engaged in writing the tariff bill?

But, Mr. Speaker, this is not the only "before-and-after-taking" performance of the President. In his campaign speeches he proclaimed from every stump in every section of the country that if he were elected, there would be a revision, and a revision downward of the tariff. The people believed him to be honest then, and they do not seriously question his honesty now, but they do believe that he is guilty of cringing cowardice in permitting certain leaders of his party to belie every promise he made the people. How anxiously are millions of our Republican friends wishing for the return of the "big stick" now being used in clubbing varments in the wilds of Africa. They believe that if this hero of the jungle were again in power, the Samson of the Senate would be shorn of his locks.

Let me here read you a few utterances made by Mr. Taft in his last campaign.

In a speech at Cincinnati on September 28, 1908, he said:

> Another thing the Republican party pledges itself to, fixes the date when it will do it, and tells you how it will do it, is the revision of the tariff.
>
> The Dingley tariff has served the country well, but its rates have become generally excessive. They have become excessive because conditions have changed since its passage in 1896. Some of the rates are probably too low, due also to the change of conditions.
>
> But, on the whole, the tariff ought to be lowered in accordance with the Republican principles and the policy it has always upheld of protection of our industries.
>
> Now, Mr. Bryan is greatly concerned, and says that no such tariff revision can be made, in view of the fact that the protective industries control the Republican party. I deny this. If there are protective industries enjoying too great profits under the present tariff, then they would have opposed revision altogether.
>
> The movement in favor of revision has arisen with the Republican party, and is pressed forward by members of the Republican party.
>
> The revision which they desire is a revision which shall reduce excessive rates.
>
> I wish there to be no doubt in respect to the revision of the tariff. I am a tariff revisionist and have been one since the question has been mooted.

At Milwaukee on September 25, 1908, he said:

> The encouragement which industry receives leads to the investment of capital in it, to the training of labor, to the exercise of the inventive faculty, of which the American has so much, and in practically every case in which adequate protection has been given, the price of the article has fallen, the difference in the cost of producing the article abroad and here has been reduced, and the necessity for maintaining the tariff at the former rate has ceased.
>
> It is intended under the protective system, by judicious encouragement, to build up industries as the natural conditions of the country justify to a point where they can stand alone and fight their own battles in competition of the world.
>
> It is my judgment, as it is that of many Republicans, that there are many schedules of the tariff in which the rates are excessive, and there are a few in which the rates are not sufficient to fill the measure of conservative protection.
>
> It is my judgment that a revision of the tariff in accordance with the pledge of the Republican platform will be, on the whole, a revision downward, though there will probably be a few exceptions in this regard.

Also, in his inaugural address on March 4 last, which we all heard, he said:

> A matter of most pressing importance is the revision of the tariff. In accordance with the promises of the platform upon which I was elected, I shall call Congress into extra session to meet on the 15th day of March, in order that consideration may be at once given to a bill revising the Dingley Act.
>
> The proposal to revise the tariff, made in such an authoritative way as to lead the business community to count upon it, necessarily halts all those branches of business directly affected; and as these are most important, it disturbs the whole business of the country.
>
> It is imperatively necessary, therefore, that a tariff bill be drawn in good faith in accordance with promises made before the election by the party in power, and as promptly passed as due consideration will permit.

Mr. Speaker, the eyes of the Nation are turned upon this Capitol, and the question of the hour is whether the solemn pledges made the people by President Taft are to be redeemed by the defeat and overthrow of the infamous Aldrich-Smoot tariff bill. It is up to the President alone to act. His party in both Houses, it seems, is under the domination of the Speaker and one Senator. The lay Members are as powerless as babes in the hands of these astute leaders. In one breath these emasculated Republicans will advocate a decrease of taxation and in the next they are forced by the bosses to vote for an increase. If all the Republicans who have denounced the Aldrich bill as a travesty upon justice and right would unite with the minority, I dare say the conference report would not receive one-third the votes of the House.

It is a well-known fact that the tariff law will be the product of the brain of one Senator, and however infamous the measure may be, it will receive the unqualified support of enough Republicans to pass both Houses. The 10 patriotic Republican Senators who dared to vote against the bill are branded as traitors, and in due time will be excommunicated by the moguls of the party.

But, Mr. Speaker, will there ever be an end to this outrageous legislation? Will the time never come when the people of the United States are to have a voice in formulating the laws by which they are to be taxed? It seems that the Republican party has permanent control of the Government, and that Senator ALDRICH absolutely dominates this party. As long as it triumphs, he will be czar of the Nation. Compared with his influence and power in the enactment of legislation, the influence and prerogatives of the President are as fruitless and abortive as would be the edicts of a country schoolmaster.

But, returning to the subject of this controversy, let me say to my friend from St. Louis [Mr. BARTHOLDT], who contends that he is opposed to a system of taxation that exempts small incomes and not larger ones from the tax burden, because it would be inequality in the system of taxation, that I am indeed glad that he is beginning to realize that there is such a virtue as equity in bearing the burdens of government. He is certainly reforming in his older age, for it is quite impossible to understand how one who has been wedded to the discriminating doctrine of protection for so many years can conscientiously advocate a policy of justice and equality in taxation, except upon the idea of a complete conversion to a new political faith. His soul must have been cleansed by the saving grace of that justice not found in the doctrine of protection. Its very name

means inequality of tax burden. It means a tax upon consumption and not upon wealth, upon what one eats and wears and not upon his property; it means that the citizen who can scarcely provide food and raiment for his wife and children contributes as much or more to the support of the Government as does the multimillionaire, and it means that the consumer is not only taxed for the support of his country, but is compelled to contribute five times more to swell the fortunes of millionaire manufacturers and trust manipulators.

Well, does my friend know that every time a dollar tax is voted upon any article imported into this country that the domestic producer of such article adds the same as an extra profit on his product? This was once denied by the advocates of protection, but it was conceded by the most stalwart Republican Senators in the recent great tariff debate. I would like for him to tell the country wherein is to be found equality of taxation under such a system. One man is not only taxed for the support of the Government, but for the benefit of his fellow-man. While he pays $1 to the Government, he is compelled to pay from five to seven times this amount to his neighbor who is engaged in a manufacturing enterprise. For instance, the American farmer consumes $25,000,000 worth of agricultural implements annually. The tax thereon is 20 per cent. The Government in 1907 collected only $3,600 in revenue, but according to admissions of Republican Senators the 20 per cent Dingley rate was levied in favor of the manufacturer on the $25,000,000 consumed at home, amounting to a tax of $5,000,000. So the American farmer, while he paid $3,600 to his Government, was compelled to donate $5,000,000 to the agricultural-implement trust. [Applause.]

Another illustration: Only 3 per cent of the lumber consumed in this country is imported. From that the Government derived a revenue of about $3,000,000, while on the 97 per cent of the domestic product consumed at home he was compelled to pay the lumber trust and the lumber manufacturers more than $65,000,000. Now, how does this strike the gentleman as equality in sharing the burdens of government? This same injustice is true on the iron, steel, wire, glass, shoe, leather, meat products, hosiery, clothing, gloves, cotton goods, and many other articles necessary to human life. Were I a Republican and advocated such a fallacy as equality of right under the protective system my hours would be haunted by visions of the judgment that overtook Ananias and Sapphira. [Applause.]

Again, Mr. Speaker, I would like to say a word or two in reply to what the gentleman from Kansas [Mr. MILLER] has just said in his speech advocating the adoption of this measure. He, for the first time in his whole political life, urges the South and the West to unite in the adoption of this measure to thwart the aggressive vandalism of New England. I am, too, proud of his conversion, and when I think of such a speech coming from a Republican from Kansas I am forcibly reminded of the old camp meeting song, "As long as the lamp holds out to burn the vilest sinner may return."

These strange doings on the part of our Republican friends, if sincere, certainly are ominous of much good. When a Kansas Republican is willing to clasp hands with a Mississippi Democrat for the good of the common country, I think it is time for the people to rejoice and offer praises to the Almighty. My friend need not be uneasy about Mississippi or any of the other Southern States on this proposition. I dare say that no State south of the Mason and Dixon line will hesitate for one moment to ratify this amendment. It is right in principle; it means equality in taxation—that every man shall contribute to the support of the country in proportion to the wealth with which he has been blessed. This has always been the paramount doctrine of the South, and even the southern Republicans who understand only the A B C's of political honesty will accept and support this amendment. My friend should look out for the wayward in his own State, for I have always understood that the Republicans of Kansas were the most ubiquitous in principle of all the tribe—always fleeing from one wrong to embrace another.

Mr. Speaker, in my opinion, the greatest danger confronting Democratic success in the next election is the political thievery of the Republicans in appropriating wholesome Democratic doctrine. A few years ago you purloined the Democratic idea of more rigid supervision of transportation companies, and now with unblushing audacity you propose to adopt et literatim the most sacred tenet of our faith. You have denounced Bryan in season and out of season, in this House and upon the hustings, as a dreamer, a Socialist, and an anarchist for advocating the policy you now embrace with impunity. He wrote in the Denver platform this remarkable language:

> We favor an income tax as a part of our revenue system, and we urge the submission of a constitutional amendment specifically authorizing Congress to levy and collect a tax on individual and corporate incomes, to the end that wealth may bear its proportionate share of the burdens of the Federal Government.

You are compelled, in order to save your political scalps, to make his favorite theory the law. It is, indeed, a bitter pill, but you know that something must be done to assuage the increasing wrath of the people on account of the grievous wrong that is now being perpetrated by the tariff conference committee.

But, Mr. Speaker, I am afraid that the unanimous passage of this measure through the Senate and the favor with which it is being received in this House by your party is too hopeful of good to be accepted with a full measure of confidence. I am afraid that this is a case of "Greeks bearing gifts." It was introduced in the Senate for the avowed purpose of defeating the Bailey-Cummins income-tax bill, and I am apprehensive that after it shall have been rushed through this House and goes to the States for ratification all the power and influence that can be marshaled against it by sordid wealth and Republican chicanery will be used to compass its defeat. It is only necessary to debauch the legislatures of 12 States to secure its rejection, and the same evil influences that have corrupted and carried so many elections have already started a crusade against its adoption by the States.

We were warned by the gentleman from Connecticut [Mr. HILL], in his speech a few moments ago, what opposition might be expected from New England. He boldly contends that it is unjust to tax the wealth of those favored States for the support of the common country, stating that that section, because of its great prosperity, was now compelled to contribute more than its part of the internal-revenue tax. The inconsistency of such an argument is only excelled by the seeming avarice that prompted it. New England, that has bled the country of its wealth for quite half a century; that has her millionaires by the thousands—made so by virtue of the infamous policy of protection—should be the last section of the Union to reject this righteous measure. With her millions invested in manufactures, protected by the tax of from 50 to more than 100 per cent, it would be the height of political ingratitude for any statesmen from that section, whether Democrat or Republican, to act otherwise than to urge a speedy ratification of this amendment.

Let me ask my friend where he imbibed such strange ideas of political economy as to contend that taxation should not be based on the wealth of the country? What statesman ever advocated that a poor man without property should contribute as much to defray the expenses of the Government as does the millionaire? The former has nothing to protect save his life and liberty, while not only the life and liberty of the latter is shielded by the Government, but his broad acres and long lines of factories are made secure by the courts and great armies. The former costs the Government nothing, while upon the latter it ofttimes spends thousands of dollars. In the time of war, the former bares his breast as a target to the enemy, while the latter hires a substitute and hikes away to the mountains of Switzerland.

But, Mr. Speaker, the boldest declaration in opposition to the income tax yet heard comes from the distinguished gentleman from Massachusetts [Mr. MCCALL]. It is indeed hard to understand how a statesman possessing his known intellectuality could advocate such a political principle as to oppose this measure upon the grounds that it is violative of the principles upon which the Government was founded. He discussed at length the proposition that the fathers of the Republic, to make secure Democratic equality among the States, intended that when a direct tax was levied, it should be apportioned among the several States according to their population. This doctrine might have appealed to reason at a time when the pro rata wealth of the States was practically equal. Had the framers of the Constitution known that the present policy of spoliation and greed would have been so long saddled upon the country, that one State would have been drained of its wealth to enrich another, I dare say that no such provision would have been in the Federal Constitution. Can anyone believe for a moment that when our patriotic forefathers founded this Republic they thought that the time would ever come when, by a system of unjust taxation, the per capita wealth of Massachusetts would be increased to more than $1,500, while that of Mississippi would be reduced to less than $150, or that they intended that the individual owning $150 should be forced to contribute as much to the support of the Government as one owning $1,500? In the light of these facts, anyone who now advocates a direct tax levied on the several States according to the population thereof exemplifies a statemanship as tyrannical as it is indefensible.

Sir, there is another reason why this direct system of taxation by States should and must be forever abandoned. When the

Constitution was adopted our vast negro population was in slavery and was not counted as a basis upon which this tax should be levied against any State. Now, there are more than six millions of them in the Gulf States alone made citizens by the Constitution and who, however penniless they may be, must be counted in estimating the population of any State against which a direct tax is sought to be levied. Such a system of taxation would force the white property owners of the South to contribute ten times as much as those living in other sections of the Union. We should remember that since the adoption of the Constitution many changes have taken place in this Republic. This system of taxation was adopted to make steadfast the doctrine of state sovereignty. But the integrity of statehood was partly destroyed by the results of the civil war, and now it has been completely annihilated by Republican executive and judicial encroachment upon the Constitution. At one time the Union existed by the grace of the States. Now, the States survive by the mercy of the Federal Government. The States were the source of all power, but now they have been reduced to mere boroughs in the great federal system.

Sir, if your party will give back to the South the constitutional privileges she enjoyed fifty years ago, and I do not mean African slavery either; if you will give her the right to administer her own affairs unhampered and unmolested by the usurpations of the Federal Government; if you will give her back that system of tariff taxation under which she grew rich and powerful, I dare say that but few statesmen from the South would oppose the present constitutional provisions as to direct taxation. [Applause.]

Mr. Speaker, however much I may favor this measure and however much I may advocate the corporation tax now pending in the conference committee, still I must confess that I am at a loss to know how either measure is going to profit the great masses of people in this country, unless the tax burden imposed by the tariff is decreased in proportion to the amount of revenue derived by the income and corporation taxes. My idea of an income tax has always been that its adoption would relieve the necessity for high tariff taxes, and unless it accomplishes this purpose, in my judgment, but little good can or will come to the masses of the people. If the rich are to be taxed by these measures to run the Government, and the poor are to be taxed by high protection to enrich the manufacturers and trusts, then, in the name of reason, what good can you expect from this legislation? The income tax is right, and it is the only fair means to raise revenue to run the Government, and, when it is adopted, it is to be hoped that the American people will rise in rebellion against your infamous protective system, which is designed for no other purpose than to enrich the rich. The proposed tariff measure is the limit of high protection, and yet you say that it will not produce sufficient revenue for the Government. In this contention you are correct, and the reason for it is as plain as the noonday sun. You have taxed everything out of the country by high schedules. Scarcely anything is imported, and hence the Government gets nothing, while the manufacturer puts the full amount of the tax in his private purse. It is conceded by the best authority on this subject that if you will reduce your tariff schedules one-half, the Government will receive twice the revenue therefrom, and the people will be relieved of a tax burden for the benefit of the manufacturers and trusts to the extent of not less than $7,000,000,000.

Then, Mr. Speaker, there is another thought. The reckless extravagance in the appropriations under the Republican rule is appalling to the Nation. In the last decade it has almost doubled, amounting to quite a billion of dollars annually. By your reckless extravagance you have increased the burden of taxation so greatly that your most experienced financiers in this House are at a loss to devise ways and means for the maintenance of the Government. You are levying the highest tariff tax known to the world. The corporation tax and the income tax, if adopted, together with the increase of the internal-revenue tax, will, in the judgment of many of your own party, be necessary to meet the growing expenses of the Government. It is already noised in the atmosphere that two or three hundred millions of dollars of Panama bonds will have to be sold to fill the already empty coffers of the Government.

Mr. Speaker, when your party took control of this Government it took less than $100,000,000 to defray its annual expenses. From official statistics we learn that in 1860 there was appropriated $71,718,943. In 1880 it was increased to $298,163,117. In 1900 it amounted to $590,068,371; in 1907, $762,488,752. And it continues to increase, it now being a billion dollars or more. These startling figures unfold the story of your reckless extravagance.

Now, sir, is it not time for the people to become alarmed? Is it not time for your party to be dethroned and for the party of the people to take charge of the Government, in order to save it from the maelstrom of bankruptcy and ruin? Another decade of power by the Republican party means the indissoluble union between the Government and the trusts. It means that centralized wealth will subordinate every function of the Government to the behests of avarice. This is as plainly written upon the destiny of this country, unless there be a radical change, as was the handwriting upon the wall of the Babylonian palace. Onward we are rushing to a national crisis. The same evil winds that wafted the shipwrecked republics of the past are fast swelling our sails. [Applause.]

The SPEAKER. The gentleman's time has expired.

Mr. LONGWORTH. Mr. Speaker, I ask the gentleman from Missouri to consume some more of his time. How much more time is there remaining, I would like to ask?

The SPEAKER pro tempore. The gentleman from Missouri has fifty minutes and the gentleman from Ohio has twenty-seven minutes.

Mr. LONGWORTH. I ask the gentleman from Missouri to consume some of his time, as he has a large amount remaining.

Mr. CLARK of Missouri. I ask leave for everybody in the House to extend their remarks for ten days upon this subject.

The SPEAKER pro tempore. Is there objection to the request? Does the gentleman mean ten legislative days or ten calendar days?

Mr. CLARK of Missouri. Ten calendar days, and that will get through it quicker.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Missouri?

Mr. OLMSTED. I would like the request to be made so that I may have permission to print remarks in the RECORD not directly bearing on this bill.

Mr. MICHAEL E. DRISCOLL. I make the same request.

The SPEAKER pro tempore. The request of the gentleman from Missouri is that the time for extension shall be ten calendar days, the remarks to be confined to the subject of the resolution before the House.

Mr. OLMSTED. Has the consent already been given?

The SPEAKER pro tempore. The Chair is not informed. Is there objection to the request of the gentleman from Missouri for general leave to print for ten calendar days on this subject?

Mr. OLMSTED. I understand, so far as I am concerned, I need not be confined to this subject.

The SPEAKER pro tempore. Is there objection? [After a pause.] The Chair hears none, and it so ordered.

Mr. CLARK of Missouri. I yield five minutes to the gentleman from New York [Mr. SULZER].

Mr. LIVINGSTON. Mr. Speaker, before the gentleman begins, I ask unanimous consent that the gentleman from Pennsylvania [Mr. OLMSTED] be permitted to print such remarks in the RECORD as he choose for ten days, and the gentleman from New York [Mr. MICHAEL E. DRISCOLL] have the same permission.

Mr. CLARK of Missouri. Why, certainly; I thought that was included.

Mr. LIVINGSTON. No; it was not included.

The SPEAKER pro tempore. Is there objection? [After a pause.] The Chair hears none.

Mr. SULZER. Mr. Speaker, I am now, always have been, and always will be in favor of an income tax, because, in my opinion, an income tax is the fairest, the most just, the most honest, the most democratic, and the most equitable tax ever devised by the genius of statesmanship. Ever since I came to Congress the record will show that I have been the constant advocate of an income tax along constitutional lines. And so to-day I reiterate that through it only, and by its agency alone, will it ever be possible for the Government to be able to make idle wealth pay its just share of the ever-increasing burdens of taxation.

At the present time nearly all the taxes raised for the support of the Government are levied on consumption—on what the people need to eat and to wear and to live; on the necessaries of life; and the consequence is that the poor man, indirectly, but surely in the end, pays practically as much to support the Government as the rich man—regardless of the difference of incomes. This system of tariff tax on consumption, by which the consumers are saddled with all the burdens of Government, is an unjust system of taxation, and the only way to remedy the injustice and destroy the inequality is by a graduated income tax that will make idle wealth as well as honest toil pay its just share of the taxes needed to administer the National Government. Hence I shall vote for the pending resolution or

any proposition that, in my judgment, will make an income tax in this country possible and constitutional, however remote that possibility may be.

Let me say, gentlemen, that every great thinker, every honest jurist, and every great writer on political economy, from the days of Aristotle down to the present time, has advocated and justified the imposition of an income tax for the support of government as the most honest and the most expeditious and the most equitable principle of taxation that can be devised. It must come in this country. It should have been adopted long ago. Almost every great government on earth secures a large part of its revenue from an income tax, and we must do the same. We are far behind the governments of Europe in this respect—far behind enlightened public opinion.

Sir, let me say, however, that I am not deceived by the unanimity in which this resolution is now being rushed through the Congress by the Republicans, its eleventh-hour friends. I can see through their scheme. I know they never expect to see this resolution become a part of the Constitution. It is offered now to placate the people. The ulterior purpose of many of these Republicans is to prevent this resolution from ever being ratified by three-fourths of the legislatures of the States, necessary for its final adoption, and thus nullify it most effectually. Therefore, so far as I am personally concerned, I am not going into ecstacies on account of the practically unanimous passage of this joint resolution through Congress. I have been here long enough to know, and I am wise enough to believe, that its passage now is only a sop to the people by the Republicans, and that their ulterior purpose is to defeat it in the Republican state legislatures.

I am not going to give the Republicans credit for good faith in passing this resolution until I see how their representatives vote on it in the legislatures of Republican States. Mark what I say now. When this resolution passes, the wealth and the interests and the Republican leaders of the country opposed to an income tax will soon get together and urge its rejection by the States. If these obnoxious interests to the welfare of the people can get 12 state legislatures to prevent its ratification, the resolution will fail to secure the necessary approval of three-fourths of the States of the Union and will never be adopted as part of the Constitution. It will not be required even to defeat it in the legislatures of 12 States. All that will be necessary to be done is to prevent its being acted upon by the senates of the 12 States. Let us wait and see if my prediction comes true.

Mr. Speaker, I had indulged the hope that the Members of this Congress would meet the expectations of the people—revise the tariff downward—take advantage of this splendid opportunity and write into the pending tariff legislation a graduated income-tax provision that would be fair and just to all the people and absolutely constitutional; that would make wealth as well as toil, plutocracy as well as poverty, pay its just share of the burdens of Government. There is no doubt it could be done if the Republicans in Congress were true to their promises to the people. In my opinion the Republicans in this Congress have been recreant to their duty and faithless to their pledges in failing to write into the pending tariff legislation a constitutional provision for a graduated income tax. The people of the land witness here to-day, in the enactment of the iniquitous Aldrich tariff bill, the most shameless betrayal of their rights, the most shameful repudiation of Republican promises that has ever been exhibited in all the annals of our political history.

The passing of the outrageous Aldrich tariff bill, an oppressive tax measure that will fasten on the backs of the consumers of the country for years to come unspeakable burdens beyond the calculation of the finite mind, is the legislative tax iniquity of the century.

Sir, the passage of this resolution is, as I say, only a subterfuge—a mere hope to be speedily dashed to the ground. The Republicans are only pretending to give the people the future possibility of an income tax. They know the people are in favor of a graduated income tax; they know the people now demand it; and hence they hold out this mere pretense while they place upon the statute books the highest protective tariff-tax law in the history of the land to burden them more than they have ever been burdened before; and the Aldrich tariff bill as it will finally go upon the statute books—mark what I say—will be the highest protective-tax measure in the interests of the beneficiaries of protection that has ever been enacted in this country or any other civilized country in all the history of the world. [Loud applause on the Democratic side.]

The SPEAKER. The time of the gentleman from New York has expired.

Mr. SULZER. Well, Mr. Speaker, that is about all I set out to say. Of course I shall vote for this resolution. It will pass Congress by the requisite two-thirds vote. It then goes to the legislatures of the States. Three-fourths of the state legislatures must ratify it. Let the people of the country see to it and instruct their state representatives to vote for it. The issue is now with them. I will do my part in Congress and out of Congress to make this resolution for a constitutional income tax a part of the organic law of the land.

Mr. CLARK of Missouri. I yield two minutes to the gentleman from Colorado [Mr. MARTIN].

Mr. MARTIN of Colorado. Mr. Speaker, I ask recognition for the purpose of obtaining leave to print in the RECORD a letter to me from a former brilliant Member of Congress from my State, Hon. Lafe Pence, of Colorado, briefly and concisely setting forth his views upon the pending income-tax amendment.

The SPEAKER pro tempore. The gentleman already has that leave.

Mr. MARTIN of Colorado. I yield back the balance of my time.

The letter referred to is a follows:

THE NEW DENISON HOTEL COMPANY,
Indianapolis, June 29, 1909.

Hon. JOHN A. MARTIN,
House of Representatives, Washington, D. C.

MY DEAR MARTIN: "God moves in a mysterious way, His wonders to perform."

The most important national campaign in fifty years will be on us in 1910. The fight for the income tax will be carried into every one of the 46 States for the election of state legislatures. It will continue until the fight is won; no man can tell how many years that will be.

When the Democratic party took up the fight for the income tax its sincerity was doubted. When such Democrats in Congress as Bryan, Hall, McMillin, CHAMP CLARK, Crisp, Swanson, and others succeeded in having the Democratic party in Virginia declare for a graduated income tax and avowed their intention of having it carried into national campaigns, their sincerity and ability were doubted. I was one of the doubters. That was in 1893. They proved their good faith and ability, and from that time on their movements were rapid and continuous. In 1894 they incorporated the income tax in the Democratic tariff bill. It was thrown out by the court, and in 1896 the Democratic party declared in favor of the tax, and since that time the enactment of such a tax as a part of the permanent fiscal system of the Federal Government has been a party doctrine.

For sixteen years has the party been occupied in its campaigns of education upon this question. Other issues have come and gone; this has remained. So thorough and complete has been the work that, although our ticket failed of election in 1908, the successful Republican candidate, in less than four months after his inauguration, declared that the income tax should be adopted and expressed his belief that a majority of the people so think; and this in the face of the facts that in 1894—in the Fifty-third Congress—every Republican in House and Senate opposed the law; that the entire Republican press of the country has consistently and persistently opposed the law; that no Republican candidate or convention has at any time favored the law; that the entire leadership of the Republican party everywhere has objected to the law; not because it was unfair or unjust, but because the revenues thereby created might enable the Government to get along without high protective duties.

The last-mentioned Republican objection is being met by Senator BORAH in his proposition to devote the revenues so realized from an income tax to the construction of a larger navy, and I see by the papers that ex-Senator Chandler, in New Hampshire, is rallying his party to the support of that idea. The chief danger from BORAH is that he is not only preeminently strong and able, but he is thoroughly sincere, and as the country knows him better it will appreciate that fact better.

As politicians, the Republican managers are the wonders of the world. In campaign times they put a blanket over ALDRICH, PENROSE, SMOOT, and some others and put forth such men as BORAH, DOLLIVER, CUMMINS, LA FOLLETTE, and announce to the public, "These are our apostles," and the people believe it. Then comes the inauguration and the special session, *and the blanket is lifted* and the "true apostles" come forward into daylight and take full and complete charge. Suppose their plan was reversed, how many Western States would the Republicans carry?

The Taft proposition for the income tax has less merit than BORAH'S. Just before the President's late special message the papers informed us that it was due and expected, and the President wanted the tax, not as a part of the regular policy of the Government, but for use in times of war. His message asked for it, not as a part of the regular governmental system, but as a thing that will be handy for emergencies. They all recognize that we are just getting over "a prolonged Roosevelt spree," and we have got the bills to pay; but they stop at that, and propose that when the Nation gets sober it shall drop the tax, or use it only for battle ships, which we may or may not want, or to pay for war or wars, which we hope to God we will never have.

Now, right now, John, is the time for such a man as you, assisted by CHAMP CLARK and all the party leaders, to lead the Democratic party to the very highest and best plane for the coming contest. Make it clear that we are and have been for the law as a *substantial, regular,* and *permanent* part of our fiscal system; and make it clear that if special purposes are to be accomplished, *there is one* vastly more important than the construction of battle ships or the preparation for improbable wars, one that affects the daily lives of millions of our people through every year and every month and every week. In my judgment, it is going to be a long fight and a hard one. There are 46 States; we must secure favorable action by legislators of 35 of them. We had just as well abandon the hope of having New Mexico and Arizona in our column, because the Aldrich contingent *will not let those two States be added, pending this contest.* I don't think for a moment that the President is acting in bad faith, but I have no doubt that Mr. ALDRICH and his associates have in their memorandum books now the names of the dozen States whose legislators they expect to control to defeat the constitutional amendment.

Now, John, we are going to need every vote that it is possible to get in every State. The fight must be won now or never. Let us win it as a Democratic fight, if we can, and let us deserve to so win it; but, above all things, *let us win it.*

After long consideration and many months of deliberation, I say to you bluntly, that in my judgment the only way the fight can be won is for us to make some such declaration as the following, to wit:

We favor such constitutional amendments and legislation as will secure a federal tax upon the incomes of individuals and corporations, and candidly avow that one of the chief reasons is to enable the Federal government to abandon all whisky, wine, and beer taxes, and thus leave the sovereign States free and untrammeled in their control of the liquor traffic.

Such a declaration will bring to the support of the measure tens of thousands of votes which it might not otherwise secure. It will put us on a plane which will entitle us to their support. What is more important, the declaration is just, fair, wise, candid, and right.

Do you say to me that it is un-Democratic? I answer that you and others representing us there can make it Democratic until the conventions meet next year, just as Bryan, CLARK, and other Democrats in Congress made the income tax Democratic in 1894, two years prior to the national convention of 1896. And I answer further, it is now Democratic. This question can not be longer handled with gloves; it has been dodged and avoided too long already.

You may not have and would not assume the authority, probably, to commit the Democratic party on the dry or on the wet side of the liquor question, but nothing can be more Democratic, John, than to declare that Uncle Sam should take his hands off and leave the sovereign States undisturbed in settling the question *as they please.* All old notions about our party and sumptuary legislation have gone to the discard since the solid Democratic Southern States have set a new example during the last three years. You can see the same thing being repeated right here in Indiana, and it is not strange that such an example, set by the solid South, should be first copied in Indiana north of the Mason and Dixon line. The best civilization we have is in the South. The worship of the dollar has not driven out the old religions down there. They still think more of their men than they do of dollars, and more of their women than they do of men, and the same civilization more completely dominates the people of Indiana than those of any other Northern State.

You will find that such a resolution as I propose *will be adopted by somebody;* the times are ripe for it. Do not forget that the Prohibition party, in its national platform last year, declared *for an income tax.* Their cry has long been for a "stainless flag." Such a platform would give them a flag-platform—a word for each star and each stripe. It is worth serious thought, John, that the party with such a shibboleth as "A just tax and a stainless flag" will have high claims, indeed, upon the patriotic voter. It would be a pity, indeed, for any party—except the Democratic party—to lay claim upon a flag platform or a flag campaign.

There are 46 stars in the flag standing for the 46 States; 13 of them for original States, 2 for Vermont and Maine, and 5 of them representing the States created from the Northwest Territory; that makes 20. The other 26 stars, John, stand for States, every single acre of which was acquired to the Republic by *Democratic Presidents as a Democratic policy;* there is not a Federalist acre or a Whig acre or a Republican acre represented on that flag. It is our flag, and any flag campaign should be our campaign.

However, the important thing *is to win the law*—for the sake of ourselves, our children, and our children's children—and we need and must have every vote that we can get in every State. You know how much I have this at heart and how many years I have waited to see this contest begun. Raise our banner high, John, and plant our feet firmly upon the highest possible plane; then a patriotic people and their righteous God will not let us fail.

Very truly, your friend,

LAFE PENCE.

Mr. CLARK of Missouri. Mr. Speaker, how much time do I get back?

The SPEAKER pro tempore. A minute and a half.

Mr. CLARK of Missouri. I yield five minutes to the gentleman from New York [Mr. GOLDFOGLE].

[Mr. GOLDFOGLE addressed the House. See Appendix.]

Mr. CLARK of Missouri. I now yield to the gentleman from Missouri, Judge DE ARMOND.

Mr. DE ARMOND. Mr. Speaker, I had the satisfaction of voting for an income-tax provision in the Wilson tariff bill, passed in 1894, and have since improved every opportunity to vote that way. I have long been in favor of that kind of tax legislation. Nothing that has transpired lately or remotely has had any effect toward changing my judgment of the matter. I have long been of the belief that, as the Constitution now stands, there is power and authority in Congress to levy a constitutional income tax. I am confident that the power should be exercised now.

It seems to me that if there were a real desire to have such a tax the natural course would be to pass a law providing for it. It seems strange that the representatives of the people—more than 390 in this body and 90 in the other—should be halted year after year in any purpose that they really have because fourteen or fifteen years ago, by a decision of a divided court, standing five to four, an income-tax provision at that time in the law was declared to be void on account of unconstitutionality. If we will recall what happened at that time, we may recollect that when the question was first before the court there were eight justices present, and four believed the act to be constitutional and four believed it to be unconstitutional.

Later, with all the justices present, the full bench of nine, the matter came up again. It would naturally be supposed that the justice who was absent when the question was first passed upon, and present when it was passed upon later, would really cast the deciding vote. He voted in favor of sustaining the tax, but the tax was overthrown by the vote of one of those who had in the first instance voted to sustain it. He had changed his mind or his purpose—how that was brought about we need not now stop to inquire—so as to declare unconstitutional by a majority of one that which before he had by his vote and decision declared to be constitutional. Thank the Lord, that man is not now a member of the court.

Strange it is, with such a law disposed of in such a way, if we really desire an income tax, that we dally with the question year after year, and give as an excuse for not passing an income-tax law that the Supreme Court, in the manner that I have suggested and stated, once, years ago, declared such a law to be unconstitutional.

My judgment is that it is the duty of the House and the Senate to pass such measures as the Members believe to be constitutional, just, and proper, and leave to the Supreme Court the responsibility of determining the question of constitutionality when presented. Surely it can not be the duty of Congress to refrain forever or indefinitely from putting up to the Supreme Court the question of the soundness of a 5 to 4 decision.

I will vote for the passage of this resolution to submit this constitutional amendment, but not in the ardent hope that anything effective will come of it, because I am right well satisfied that years and years will pass before this proposed amendment will go into the Constitution, if it ever goes into it. Do you suppose that over in the Senate of the United States if there was a belief or a fear that this income-tax amendment would go into the Constitution, the resolution to submit could go through by unanimous vote? You may, but I do not believe it. The expectation is to delude the American people by the submission of the amendment and then deprive them, and deprive them effectually, if possible, of the promised fruits by a failure to ratify it.

The State that does not vote for its ratification might as well vote against it. It is not necessary to vote against it; the amendment does not go into the Constitution until three-fourths of the States have ratified it. Those States that vote against it no more effectually decide against it than those that do not vote at all.

I have long believed that the only reasonable hope for any material amendment of the Constitution of the United States must rest upon a convention convened to submit amendments. I hope the time may come, and come soon, when we shall have such a convention.

Not only is it desirable to have an income-tax amendment added to the Constitution—though I believe an income-tax law should be passed now for a graduated income tax—but it is important to amend the Constitution as to several other matters. Congress can provide for a constitutional convention at the request of two-thirds of the States, and such a convention could consider the whole subject of constitutional amendments. Then not only this question, but every question of great importance to the people going to amendment of the Constitution, could be considered by the people's representatives selected solely for that purpose, and could be voted up or voted down by the several States.

If you really desire to have this amendment adopted, the chances of its adoption would be greatly increased by incorporating in this resolution some such amendment as that suggested by the gentleman from Texas [Mr. HENRY]. If this amendment were submitted directly to conventions in the several States, the members elected strictly and solely with reference to the question submitted, there would be some prospect that the judgment of the people would prevail, and that by a direct appeal to the people and a prompt decision by them ratification of the amendment might be secured. But with all the opportunity for delay afforded by submission to state legislatures, and with all the incentives to delay, the prospect of this amendment getting into the Constitution is, I fear, dim and distant, indeed.

Some gentlemen here have expressed themselves in favor of this resolution in order that we may lay an income tax if war comes and dire necessity. It is no more just to tax in a particular way in time of war than to lay the same tax the same way in time of peace, varying the rate as the need for revenue varies. This is a question of justice and propriety.

So far as war necessity is concerned, that necessity can be met at any time, even under the decision of the Supreme Court, if an income tax will meet it. An income tax can be laid that will assuredly meet the test of the judgment of the Supreme Court, because it can be laid, though not equitably, in proportion to population, if you please, and if extreme necessity requires it and that be the only way, that way could be taken.

There is no good reason why taxation should not be according to ability to pay—according to wealth, according to income. Your tariff tax is a tax upon necessity, a tax in proportion to the amount you buy, a tax in proportion to what you must have, not a tax in proportion to what you possess. Let us tax wealth, not want—dollars, not men; and why not do it now? [Applause on the Democratic side.]

The SPEAKER. The time of the gentleman has expired.

Mr. HEFLIN. Mr. Speaker, if the Republican party is in earnest about this matter and wants to be entirely fair and honest with the American people, you will vote for an income-tax law, and then provide also for an amendment to the Constitution, which could be resorted to in the event the Supreme Court declares the new income-tax law unconstitutional.

If you should do this, there would be no longer any question as to your sincerity in the matter—your friendship for the measure.

This income-tax proposition is purely a Democratic measure, and it is the fairest and most just method of taxation ever devised by the genius of man.

I am in favor of amending the Constitution if it needs amending in order to obtain an income-tax law, but I believe that an income tax is constitutional, and that the Supreme Court, as now constituted, would declare it so.

If we had an income-tax law, it would bring millions of money into the Treasury, and those paying it would scarcely miss it, and it would lighten the burden that now rests so heavily on the great body of consumers.

The Republican party is not in favor of an income tax, and the submission of this amendment to the Constitution, instead of voting straight on the income tax, is your plan of procrastination.

The Republican party always moves against the lines of least resistance, and when that party can not defeat a measure, it makes promises and postpones action.

The gentleman from Missouri [Mr. BARTHOLDT] said that when we elected the first Democratic President after the war between the States that we talked about an income tax because, according to his statement, we thought of tearing down the custom-houses and would need revenue from that source to run the Government. I want to tell the gentleman that the custom-houses have not been destroyed, and the Republican party has been in power in every branch of the Government for more than twelve years, and your tariff tax is the highest that it has ever been, and yet you have not the revenues now with which to meet the extravagance indulged in by the Republican party. [Applause on the Democratic side.]

Mr. Speaker, we have had a panic—a Republican panic—the evil effects of which are still with us. I have heard various reasons assigned for the panic, and the gentleman from Kansas [Mr. MILLER] now tells us "that the bankers caused it." Well, Mr. Speaker, some of these bankers are among the millionaires whom we want to reach with an income-tax law, and if the gentleman wants to punish that class of citizens on whom he wishes to throw the blame for this Republican panic, let him join us in voting for an income-tax law now.

I am not going to make a lengthy speech at this time, for I discussed, at some length, the Payne bill when it was up for consideration in the House.

In passing, however, I want to give you a sample of what this Aldrich bill is going to do to the American consumer.

Here is what the editor of the Birmingham Age-Herald says, and says truly:

PRICE OF CLOTHING HEREAFTER.

To those who are compelled to buy moderate-priced clothing the Aldrich scheme of duties brings these results, namely, a suit of clothes which cost $10 last spring will cost $12.50 next spring. The cost of the $16 suit will be advanced to $18. The cost of the $18 suit will be advanced to $22. The cost of the $20 suit will be advanced to $25.

Does this look like revision downward?

And now, Mr. Speaker, here is a notice sent out by a wholesale sugar dealer, who is a friend to the consumer.

I am indebted to the Barfield-Green Mercantile Company, of Lineville, Ala., in my district, for sending me this notice:

NOTICE.

With no duty on sugar, sugar would be 2 cents per pound cheaper. Write your Senator and Congressman that you favor "free sugar."

The Aldrich bill strikes hard the necessities of life all along the line, and if gentlemen here think that the people are ignorant of what you are doing you will find in the next election that you are entirely mistaken.

Mr. Speaker, the States wisely and justly provide that every taxpayer shall know the exact amount of taxes that he pays every year—taxes on money loaned or hoarded, so much on personal property and so much on real estate. The taxpayer knows, as he has a right to know, just how much taxes he is required to pay to the city, county, and state government. But, Mr. Speaker, under your mysterious tariff-tax law, you tax the citizen, and you refuse to let him know just how much he is taxed by the Federal Government. The tariff tax is hid in the price of the things that he must buy, and at the end of the year he knows that the cost of living has increased; but he does not know how much you have taxed him under the system of a high protective tariff. This is wrong, and you should amend this tariff bill now, so that it will require that on every article upon which you have laid a tariff, the amount of the tariff tax shall be stamped, so that the consumer may know as he buys the necessities of life what the tariff tax is, and at the end of the year he will know the amount of tariff tax that you have compelled him to pay.

For instance, if the tariff on a wool hat is $1.50, and the tariff on a pair of shoes is 25 or 50 cents, and on a piece of machinery $50, when the machinery cost only $100 to begin with, bear in mind, the consumer would begin to see how you hold him up with one hand and rob him with the other. If he could only realize how he is being imposed upon and robbed by the present tariff system, it would not be long until the Republican party would be driven from power in every branch of the Government; and then a just and equitable tariff law would be passed by the representatives of the Democratic party.

The man of small means, with his goods in sight, and the man who has to struggle for the necessities of life, bear the tax burdens of the Government. Those least able to pay are forced, under this Republican system of tariff taxation, to divide their earnings with the tariff barons and an extravagant Federal Government.

The man whose income amounts to several thousand dollars a year, and the man whose yearly income runs into the millions, will be reached by an income tax, and they will be forced to contribute to the support of the Government.

Of course the law should provide that a man's yearly income must be so many thousand dollars before you begin to tax it. The purpose of such a law is to tax those most able to pay taxes, and lighten the tax burden on those least able to bear it.

Let us put the greatest tax burden, in the form of an income tax, on the man who is most benefited by the tariff protection that the Government gives, for he is most able to bear it.

From the man who has much in this world's goods much should be expected and demanded in the way of taxes to pay the expenses of the government under which he lives.

Just here, Mr. Speaker, I will include in my remarks a statement from Robert Ellis Thompson, in the Irish World.

In discussing the evils of indirect taxes in England he says:

The only real corrective to this injustice has been the income tax, devised by William Pitt when England was fighting, and revived in 1842 by Peel and Gladstone as a means to save the country from annual deficits. Until within thirty years past seven-eighths of the British revenue came from indirect taxes—taxes which tend to make the rich richer and the poor poorer by an unjust distribution of the public burdens.

An income tax seeks to reach the unearned wealth of the country and to make it pay its share.

So much for that.

Now, Mr. Speaker, this Capitol is the civic temple of the people, and we are here by direction of the people to reduce the tariff tax and enact a law in the interest of all the people. This was the expressed will of the people at the polls, and you promised to carry out that will, but you have not kept faith with the American people.

The Dingley law carries the highest tariff tax of any law that was ever enacted by Congress, and you gentlemen were elected—again intrusted with power—on the distinct understanding and in the firm belief on the part of the people that you would reduce the tariff tax and lower the Dingley rates, and yet the Payne tariff bill that passed the House increased the tariff tax and carries a higher rate than the Dingley law; and now comes the Aldrich bill, which is the most obnoxious and burdensome tariff scheme that ever found sanction in either branch of the American Congress. The tariff barons are in complete control, and the American people have been deceived.

The Republican party is going to be called upon to give an account of its stewardship. At the judgment bar of the people you must account for your broken campaign promises and your violated platform pledges, and all signs indicate that you will hear the dread sentence, "Depart from power, you unfaithful servants."

Your failure to reduce the tariff tax is an admission that your party is absolutely in the hands of the favored few who profit by a high protective tariff. Your failure to revise the tariff downward, as you promised you would do, stamps you with deceit and unfaithfulness to the American people and brands your party as unworthy of their confidence any longer.

This is plain talk, Mr. Speaker, but no plainer than the facts justify. Your declarations that you would revise the tariff downward sounded from every stump in the last national campaign, and yet your promises have not been kept. Your platform pledges to revise the tariff downward were printed in all the newspapers of the country and carried by your literature into the homes of all the people, but, alas! those pledges have not been fulfilled.

I derive no pleasure, Mr. Speaker, in calling attention to this situation because it helps the Democratic party; I deplore the miserable condition that it reveals. My heart is made sad and a sense of shame and humiliation steals upon me when I see the purse-proud barons of high-tariff protection write the statute laws by which they become enormously rich and politically powerful at the expense and to the great injury of the masses of the people. [Applause on the Democratic side.]

And these men around whom the operation of your unjust tariff laws has piled millions, reveling in luxury, retire from business at will and say in their hearts, "Soul, take thine ease." But, sir, I would remind you of a struggle out yonder among the bread earners of America. This struggle is unceasing. No field is cleared in the battle for bread; no bugle sings truce to the toiling millions; and yet under this miserable Aldrich bill the industry and skill of the man who toils are taxed, but the fortunes of the idle rich escape the scrutinizing eye of the Republican party. [Applause on the Democratic side.]

The great body of consumers struggling for the "wherewith" to buy the simple necessities of life are taxed, and heavily taxed, by this Aldrich bill, not only to raise revenues to meet the extravagant expenditures of the Republican party, but taxed for the benefit of those who profit by the Republican policy of high protection—those who furnish the Republicans with campaign funds with which to corrupt the ballot and debauch American manhood. [Applause on the Democratic side.]

The simple wants of the plain people are taxed beyond all reason, while the comforts and conveniences of life are placed beyond their reach.

The man who is not willing to work, who drifts aimlessly through life, does not deserve much consideration by anybody; but, sir, the man who is willing to employ the powers that God has given him in the effort to better his condition, to gratify his legitimate wants, deserves the commendation of every honest man, and, in the name of justice, I demand for him a fair chance in the struggle for existence.

When you, by tariff taxation, lay heavy burdens upon the things that this man needs and must have to make his wife and children comfortable and happy, you are working injury to this man and his family—you are standing between them and a worthy existence, and you are committing a crime against the American home.

The great God who so bountifully blessed this old world in the things with which to feed, clothe, and shelter the people, never intended that a few men should claim all the increase from ocean, soil, and air, and the fathers never dreamed that a few millionaires in America would become the arrogant dictators or bosses of the National Government. Nor did the builders of the Republic believe that the time would come when the barons of high protection would scorn the rights and wishes of the people and tax them at every turn in their existence, in order to enrich themselves; but that time has come.

Mr. Speaker, I want some one on that side of the House to tell me the difference between the bold robber who holds you up on the highway and robs you of your money, and the government that does the bidding of a band of robbers who prescribe the conditions by which you shall come and surrender your money? I will tell you the difference: One takes his chances and runs the risk of losing his own life in his efforts to rob others, while the other gang uses governmental machinery to hold up and plunder the citizen and in the name of law commits its crime against humanity.

Their patriotism is measured by the size of the fortunes that you permit them to filch from the American consumers. The stars on the flag resemble dollar marks to them, and the stripes represent the special favors that they enjoy at the hands of a government controlled by the Republican party.

The Republican party regards the presence of a few money kings as evidence of America's prosperity; but not so. These men are the product of governmental favoritism, the creatures of unjust tariff taxation. The laws that made them millionaires have robbed millions of people of the necessities of life.

But, Mr. Speaker, in spite of subsidized newspapers, that keep the truth from the people; in spite of the disgusting aristocracy of the dollar, that controls the Government through the Republican party, we shall continue to proclaim that the comfort, the happiness, and well-being of the American citizen is the surest sign of genuine prosperity, the highest end and aim of constitutional government. [Applause on the Democratic side.]

Mr. COX of Indiana. Mr. Speaker, the Ways and Means Committee reported the tariff bill to Congress on the 18th of March, 1909, and it passed the House on the 9th day of April, 1909. The Constitution provides that "all bills for raising revenue must originate in the House," and that "Congress shall have the power to lay and collect taxes, duties, imposts, and excises, but all duties, imposts, and excises shall be uniform throughout the United States;" and it further provides that "Representatives and direct taxes shall be apportioned among the several States according to the respective numbers," and that "no capitation or other direct tax shall be laid unless in proportion to the population of the States." The constitutional power of Congress to tax the people for the support of the Government is complete and plenary, the only restraint found in it relating to the taxing power of Congress is that "Congress is forbidden to impose an export tax upon any article exported from any State."

Mr. Speaker, the two systems of raising revenue for the support of the Government in ordinary times of peace have been a duty upon foreign manufactured goods imported into this country, together with an internal-revenue tax upon liquors, cigars, tobacco, and so forth. In ordinary times of peace these two systems of raising revenue to meet the required expenditures of the Government have been found adequate, but in times of war, or even in times of peace when the appropriations of the Government have been exorbitant, the Government has resorted to other systems of taxation. It finds itself to-day compelled to resort to some other system of taxation than a tax upon imports and an internal-revenue tax for the purpose of raising money to meet its required expenditures.

Tax of any kind is always burdensome to the people, no matter in what form it may be imposed, or in what guise it may be enacted into law—no matter if it be a direct tax upon property, as most, if not all the States, have; or an indirect tax, such as a duty upon goods imported into this country; or an internal-revenue tax, it is a burden just the same. But the people, if treated fairly, with uniform taxation, readily yield this power to the Government for the protection which the Government gives in return to the people.

People heretofore have been more concerned with taxation in their respective States than they have with tax imposed by the Federal Government. With the former they come in direct contact. This tax is usually measured to them by the county treasurer or the gatherer of the tax, and is always measured in dollars and cents. In amount it is fixed, definite, and certain. Not so with any system of indirect taxation. This tax is paid by the consumer indirectly upon the amount of goods consumed by him, regardless of his ability to pay. This kind of tax is a tax upon consumption, and not upon either property or financial ability to pay the tax. Mr. Speaker, a tax upon consumption is a deceptive tax, for the reason that the consumer of the commodity is always unable to tell how much duty there is on it which has gone to the support of his Government, or how much has gone to the support and maintenance of the manufacturers and trusts; and by reason of the blindness connected with its payment the consumer has continued to pay it; but in later years the ever-continued increase of the cost of the necessaries of life has caused an outcry by a large part of the mass of the people, and this outcry upon their part forced the Republican party to declare in its platform for a revision of the tariff and later the convening of Congress, for the purpose of redeeming the anteelection pledges made by the Republican party.

When Congress entered upon this task, it was confronted with several questions. It was confronted with an enormous deficit in the Treasury, together with a demand on the part of the masses of the people, backed in their demand by the Republican party's platform and the promises of President Taft for a downward revision of the tariff, so as to relieve them of some of the burdens imposed upon them under the Dingley bill; and with a demand on the part of the high priests of protection that they be not molested in their high and lofty citadels, from which the great captains of industry for the past twelve years have continued to issue orders to the great mass of people, and to harmonize all these conflicting interests the Republican party has been laboring long and late. That it will satisfy the high priests of protection there is no doubt; that it will fail to satisfy the masses of the people there is no doubt; that it will not raise enough revenue by imposing a duty upon imports for the support of the Government there is no doubt.

Since July, 1908, there has been a constantly growing deficit in the Treasury of the United States, until to-day it reaches the enormous sum of $96,199,355.90. To frame a tariff bill giving to the trust barons all they wanted and fulfill the pledges

made to the people, and, at the same time, between these two conflicting interests to raise revenue to supply the growing deficit in the Treasury and to meet the future necessities of the Government has indeed been a herculean task for the party in power. Mr. PAYNE, in explanation of the bill, said:

Now, the question of revenues under this bill is a serious question, and yet it is not so serious as it would appear at first blush. It is true we had a big deficit on the 1st of July last for the previous year, but we had had a big depression in business; importations halted, revenues had been cut down, and when that continued during the fiscal year of 1909 down to the present time, showing a deficiency of $87,000,000, it looked like a difficult task to provide sufficient revenue for the expenditures of the Government.

The appropriations made by the second session of the Sixtieth Congress for the year ending June 30, 1910, were $1,044,401,857.12, and the estimated revenue out of which this appropriation was to be made from all sources—customs duties, internal-revenue tax, and so forth—is only $852,340,712. It is an easy matter to observe that under the ordinary system of raising money for the support of the Government, instead of the Treasury deficit being wiped out it will be largely increased by the end of the fiscal year June 30, 1910, unless some other system is devised for the purpose of raising revenue. In my judgment the time has come when one of two things must occur—either reduce public expenditures to a safe and sane basis, or devise some other means of raising the revenue for the support of the Government than the means now in force. It was apparent to the framers of the present tariff bill that it would not raise revenue to meet the expenditures of the Government, and in order to aid in supplying this deficiency the bill when it passed the House contained a provision for an inheritance tax, and from this item alone the chairman of the committee estimated that a revenue of $20,000,000 per year would be raised. And the Senate having substituted a tax upon the net incomes of corporations for an inheritance tax, and this at the instance of President Taft, again showed the doubt in the minds of the Senate and the President that the bill will not raise the required amount of revenue. Both of these steps were taken in aid of the Treasury, and to stave off the constantly growing but popular demand for an income tax.

In my judgment, the expenditures could be materially reduced; and while we are promised a reduction of $10,000,000 in the navy and $20,000,000 in the army for next year, will we get it? It is a fact that no one of the departments of the Government willingly yields any of its power, and its main power has consisted in seeing how much of the people's money it could appropriate and expend every year. With the navy appropriations leaping from the small sum of $33,034,234.19 in 1898 to $137,000,000 in 1909, and with the appropriations for the army growing from $23,129,334.30 in 1898 to $110,000,000 in 1909, and with the appropriations in all other departments of the Government keeping pace with these two, can we cajole ourselves into believing that of a sudden we will about face, retrench, and reform by having a marked reduction of public expenditures in the Government? Let us hope so; but, for one, I fear we will not have it. So long as we hold the Philippine Islands, together with our other colonial possessions, and maintain a suzerainty over Cuba, and remit to China $12,000,000 as our part of the indemnity growing out of the Boxer uprising, I see but little hope for permanent retrenchment in the public expenditures of the people's money. Since it is evident that the Government is in need of revenue, and equally evident that our system of raising revenue is totally inadequate to meet the demands of the Government, and since some other system of raising revenue must be devised, the question is: What shall it be? Evidently not an inheritance tax, because the Senate and the President both have turned their backs upon this righteous measure, although President Taft at one time was heartily in favor of it. Evidently not an income tax, although on the 19th day of August, 1907, at Columbus, Ohio, the President, while making a speech, said:

In times of great national need, however, an income tax would be of great assistance in furnishing means to carry on the Government, and it is not free from doubt how the Supreme Court, with changed membership, would view a new income-tax law under such conditions. The court was nearly evenly divided in the last case, and during the civil war great sums were collected by an income tax without judicial interference and, it was then supposed, within the federal power. Whenever the government revenues need an increase or readjustment, I should strongly favor a graduated inheritance tax, and, if necessary for the revenue, a change in the Constitution authorizing a federal income tax, with all the incidental influence of both measures to lessen the motive for accumulation.

But, Mr. Speaker, this is not all. On the 28th of July, 1908, after Mr. Taft was nominated for the Presidency, in his speech of acceptance, at Cincinnati, on this subject he said:

The Democratic platform demands two constitutional amendments, one providing for an income tax and the other for the election of Senators by the people. In my judgment, an amendment to the Constitution for an income tax is not necessary. I believe that an income tax, when the protective system of customs and the internal revenue shall not furnish income enough for governmental needs, can and should be devised which, under the decision of the Supreme Court, will conform to the Constitution.

Mr. Speaker, when it was an assured fact that the Bailey-Cummins income-tax amendment would pass the Senate and with the equally assured fact that it would pass the House, Mr. Taft suddenly sent to Congress a message asking that a tax of 2 per cent be imposed upon the net incomes of corporations. Mr. Speaker, while I will support this measure, I must confess that I do not do it with the alacrity and force with which I would have gladly supported an income tax. Taxation, at its minimum, is always a burden upon any people, but I believe this burden should be uniformly distributed throughout the country, resting upon the shoulders of all, without discrimination against some and in favor of others, and this is exactly what will be the result of a tax upon the net incomes of all corporations. It will impose a tax upon a corporation and at the same time exempt the individual or the copartnership engaged in the same business along by the side of the corporation. This in itself is unfair, but nearly all the large corporations—the trusts, the railroads, and the express companies—are bonded for a large part of their wealth. The railroads alone, being bonded for upward of $6,000,000,000, and the trusts for at least an equal sum, these sums representing one-ninth of the total wealth of the country, under this system of taxation all this immense wealth will escape the burden, although these bonds are gold-bearing interest bonds, drawing from 4 to 6 per cent, payable from 1913 down to the end of the present century.

But, Mr. Speaker, this is not all. There are thousands of little corporations scattered over the country having no bonded debt at all, their property being represented by the stock of the corporation, and this class of corporations will have to pay full tax upon their net incomes, having no bonded debt to reduce their net earnings.

But this is not all. No one for a moment doubts but what the tax will in the end be largely shifted from the shoulders of the corporations to the shoulders of the consumers. The railroads and the express companies will raise their charges, so that in the end people using these public corporations will pay the tax. Likewise the same will be true as to the products of all the great trusts of the country. The price of manufactured goods will be increased to the amount of the tax, and the consumer in the end will pay the bill.

But, Mr. Speaker, this is true of any tax the burden of which can be shifted from one to the other. In the last analysis of this kind of tax the consumer or the user of the article must ultimately pay it. It is true of a tax raised by means of a duty upon imports, where the burden of the tax is shifted directly from the shoulder of the importer of the goods to the purchaser of the same, by having the cost of the duty added to the cost of the articles paid by the purchaser in the end. But, Mr. Speaker, for more than one hundred and seventeen years we have been accustomed to raising revenue in this country by means of a duty imposed upon imported goods until it has become a part of the traditions of our people, so that in this day it will be difficult to completely turn them from this old-time idea of raising revenue. But, sir, in my judgment, there is a much easier way of raising revenue than by imposing a tax upon net incomes of corporations or by imposing such enormous revenue duties upon imports. This system will not be found in a tax upon the net incomes of corporations; it can be partially found in an inheritance tax, and can be completely found in a graduated income tax. Mr. Speaker, here man and corporation will both stand upon an equality; here man and corporation will pay upon his income, whether derived by his own individual exertion or aided by the passage of class legislation.

Whenever man alone or a combination of men take advantage of the laws of nature or the laws of man, and out of this advantage create wealth beyond the dreams of avarice, in my opinion this wealth should be subjected to taxation. But, say its enemies, it is an inquisitorial tax; it opens the door and pries into the private affairs of life. So does any other tax. It is no more inquisitorial, makes no more inquiries into life, than does the direct property tax in the States upon real and personal property. What is the tax in the States both upon real and personal property but an inquisitorial tax? When the township or county assessor takes an inventory of the people's property he compels them, unless they commit perjury, to disclose all the property they have subject to taxation. But, again, they say that this is a tax upon thrift. So be it. And so is all direct taxation in the States a tax upon thrift; no more, no less. The

man in the States who is industrious and thrifty in the accumulation of property must and does pay more tax than his neighbor who is less thrifty and less industrious; yet this system of taxation has worked admirably from the foundation of the Government down to the present time. On kindred principles would not an income tax for the Government work the same?

Senator John Sherman, of Ohio, on the 22d day of June, 1870, while in the Senate, speaking against the repeal of the then income-tax law, said, in part:

They have declared it to be invidious. Well, sir, all taxes are invidious. They say it is inquisitorial. Take the ordinary taxes levied in the State of Ohio, and in all the States in this country, by the Statutes at Large. Do they not require the assessor to go around and ascertain the personal property of every citizen? Is that not inquisitorial? * * * Every tax is inquisitorial, and the least inquisitorial of all is the income tax. * * *

You go to the homestead of a widow who has nothing but a roof to cover her head, and you levy your tax upon the entire value of the homestead and make her pay it, although she may have to sell the last shoat, the last chicken, the last egg to pay it. So, also, you levy on the property of the rich. Is not that an unjust tax? Certainly it is; and you can not levy tax so as to make them just in all respects. * * *

The income tax is simply an assessment upon a man according to his ability to pay—according to his annual gains. What tax could be more just in theory?

When you come down to the solid basis of evenhanded justice, you will find that writers on political economy, as well as our own sentiments of what is just and right, teach us that a man ought to pay taxes according to his income and in no other way. Property is not the proper test of taxes, because, as I said before, the property of the poor may be levied upon to make up the deficiencies in the property of the rich; unproductive property that yields no rent and no income may be compelled to pay the same rate of taxation as property which yields an annual rental of from 10 to 15 per cent. * * *

* * * If you now repeal the tax on incomes, you have to continue the taxes on the consumption of the poor. You have now the choice between levying a little bit of a tax on property, which, after all, will only yield us about 6 per cent of our annual income, and piling the whole of this taxation, with its accumulation of the past, upon consumption, and not upon property.

Senator Morton, of Indiana, in the second session of the Forty-first Congress, speaking against the repeal of the income tax, said:

Then there is the argument of demoralization. These people who have to pay income tax insist that they will be demoralized; they do not want to be demoralized, but they know they will be! Therefore we must exempt them for fear they will be demoralized!

All this argument about demoralization, therefore, is just as applicable to the state taxes as to federal-income tax; and if it is a good argument for abolishing one it is a good argument for abolishing the other. I have no respect for that argument, not a bit; I have heard it urged for years now against the income tax, but a moment's examination will satisfy anybody that if it is a good argument at all it is good against any tax except a mere tax on real estate, which is visible to the assessor, and which he assesses without consulting the owner.

What honest objection is there to letting his neighbors know his real condition? If he conceals his real condition, it is ipso facto a fraud for some purpose, though not one of those frauds of which the law can take cognizance. He may hold out the impression that he is doing well when he is not, and get a false credit. Does the law, or do morals require that he shall have the right to do that? Certainly not. No honest man, then, need be afraid of the inquisitorial feature. * * * * * * The income tax is, of all others, the most just and equitable, because it is the truest measure that has yet been found of the productive property of the country. * * *

But, sir, when you tax a man on his income, it is because his property is productive. He pays out of his abundance because he has got the abundance. If to pay his income tax is a misfortune, it is because he has the misfortune to have the income upon which it is paid. * * *

In the Dingley bill there were upward of 4,000 different articles upon the dutiable list, with an average ad valorem rate of about 45 per cent, which means that to the cost of every $100 worth of goods bought and consumed in this country $45 in the way of duty would be added. Under the Payne bill there will be as many goods upon the dutiable list as there were under the Dingley bill, with an average ad valorem rate equal to, if not greater, than the rate in the Dingley bill. In the desperate attempt to raise money by this system the people are to-day groaning under a system of high taxation upon the necessaries of life and are casting about to find some relief against these unequal burdens. How can they do it? My answer is, By the adoption of an income tax. Who has stood for an income tax in the past? Such master minds as Senators Sherman and Morton, from whom I have so liberally quoted. And, later, no less a personage than President Roosevelt in many public speeches and writings has stood for an income tax. In his annual message to the second session of the Fifty-ninth Congress he said, in speaking of this subject:

The National Government has long derived its chief revenue from a tariff on imports and from an internal or excise tax. In addition to these there is every reason why, when our next system of taxation is revised, the National Government should impose a graduated inheritance tax and, if possible, a graduated income tax. The man of great wealth owes a peculiar obligation to the state, because he derives special advantages from the mere existence of government. Not only should he recognize this obligation in the way he leads his daily life and in the way he earns and spends his money, but it should also be recognized by the way in which he pays for the protection the state gives him. * * * Whenever we as a people undertake to remodel our taxation system along the lines suggested, we must make it clear beyond peradventure that our aim is to distribute the burden of supporting the Government more equitably than at present; that we intend to treat rich man and poor man on a basis of absolute equality; and that we regard it as equally fatal to true democracy to do or permit injustice to one as to do or permit injustice to the other. * * * In its incidents and apart from the main purpose of raising revenue, an income tax stands on an entirely different footing from an inheritance tax, because it involves no question of perpetuation of fortunes swollen to an unhealthy size. The question is, in its essence, a question of the proper adjustment of burdens to benefits. As the law now stands it is undoubtedly difficult to devise a national income tax which shall be constitutional, but whether it is absolutely possible is another question, and if possible it is most certainly desirable.

The Democratic party in 1894 passed an income-tax law, which was held by a bare majority of one in 1895 to be unconstitutional. From that time down to the present the Democratic party has never faltered in its demand for an income tax. And no man in the United States has done as much to mold sentiment in favor of this tax as W. J. Bryan. The people are aroused to-day along this line as never before. Under a graduated income tax enough revenue could be raised to practically support the Government without oppressing anyone. For more than one hundred years England has had an income tax in some form or other. For this year the British Government will collect $165,103,000 revenue by means of an income tax, and yet she has a population of only 44,500,000, and this tax it derives upon a total assessment amounting to $476,404,000, divided as follows: An income tax on 58,049 firms; an income tax on 33,508 public companies; an income tax on 10,639 local authorities. And out of all her total assessments for income-tax purposes there were only 20 individuals and 92 firms whose incomes were over $250,000 per year. Under her graduated system of income tax all incomes over and above $800 per year are assessed, the per cent of assessment increasing as the incomes of corporations or individuals continue to increase. In wealth the United States outstrips every nation upon the earth. Our population in continental United States in round numbers is to-day 90,000,000, more than twice that of Great Britain. Our total value of property to-day is upward of one hundred and ten billions—more than twice that of Great Britain, two and one-half times that of France, and about two and three-fourths that of Germany. With the Bailey-Cummins amendment exempting all yearly incomes below $5,000, in my judgment, we would raise twice the amount of revenue that England raises because of our superior wealth and population. The Washington Post recently published a list of a few of the larger corporations which would be taxed upon their net incomes, showing the amount of revenue the Government would receive by imposing a 2 per cent tax upon the net incomes of these corporations, which is as follows:

CORPORATIONS.	1907.	1908.
Adams Express Company		$20,000
Allis-Chalmers Company	$25,000	50,000
American Agricultural Chemical Company	43,000	43,000
Amalgamated Copper Company	280,000	133,000
American Beet Sugar Company	10,000	20,000
American Can Company	53,000	54,000
American Car and Foundry Company	162,000	164,000
American Cigar Company	37,000	
American Cotton Oil Company	52,000	30,000
American Hide and Leather Company	5,400	260
American Locomotive Company	135,000	99,000
American Shipbuilding Company	32,000	26,000
American Smelting and Refining Company	230,000	152,000
American Sugar Refining Company	165,000	125,000
American Telegraph and Telephone Company	650,000	710,000
American Tobacco Company	540,000	574,000
American Woolen Company	68,000	25,000
Anaconda Copper Company	184,000	74,000
Batopilas Mining Company	2,900	2,900
Brooklyn Union Gas Company	48,000	54,000
Butte Coalition Mining Company	1,400	28,000
Cambria Steel Company	91,000	30,000
Calumet and Arizona Mining Company	70,000	22,000
Central Leather Company	46,000	54,000
Chicago Telephone Company	35,000	40,000
Colorado Fuel and Iron Company	59,000	57,000
Consolidated Gas Company	22,000	
Consolidation Coal Company	23,000	19,000
Crucible Steel Company	53,000	
Corn Products Refining Company	40,000	40,000
Diamond Match Company	32,000	32,000
Distillers' Security Corporation	70,000	26,000
Dominion Coal Company	42,000	53,000
Du Pont Powder Company	78,000	98,000
Federal Mining and Smelting Company	30,000	21,000

	1907.	1908.
CORPORATIONS—continued.		
General Electric Company	$226,000	$213,000
General Asphalt Company	17,000	34,000
General Chemical Company	21,000	20,000
International Harvester Company	160,000	177,000
International Paper Company	32,000	32,000
International Mercantile Marine Company	140,000	----------
Lehigh Coal and Navigation Company	47,000	45,000
Massachusetts Gas Company	22,000	35,000
Mexican Telegraph Company	17,500	12,000
National Biscuit Company	79,000	82,000
National Carbon Company	19,000	16,000
National Lead Company	79,000	79,000
North American Company	28,000	29,000
Pacific Mail Steamship Company	11,000	620
Pressed Steel Car Company	50,000	3,000
People's Gaslight and Coke Company	103,000	110,000
Pittsburg Coal Company	80,000	30,000
Philadelphia Electric Company	18,000	19,000
Pittsburg Brewing Company	44,000	25,000
Pittsburg Plate Glass Company	44,000	26,000
Pullman Company	230,000	196,000
Quaker Oats Company	24,000	19,000
Railway Steel Spring Company	46,000	20,000
Republic Iron and Steel Company	132,000	80,000
Sloss-Sheffield Steel and Iron Company	33,000	23,000
Union Bag and Paper Company	14,000	18,000
United States Rubber Company	90,000	71,000
United States Steel Corporation	1,000,000	920,000
Virginia-Carolina Chemical Company	80,000	70,000
Western Union Telegraph Company	98,000	82,000
Wolverine Copper Company	26,000	11,000
RAILROADS.		
Atchison, Topeka and Santa Fe	420,000	270,000
Atlantic Coast Line	62,000	55,000
Big Four	39,000	14,000
Boston and Maine	52,000	----------
Brooklyn Rapid Transit	40,000	35,000
Baltimore and Ohio	349,000	202,000
Central Railroad of New Jersey	115,000	96,000
Chesapeake and Ohio	68,000	55,000
Chicago and Alton	36,000	26,000
Chicago and Northwestern	315,000	272,000
Chicago, Burlington and Quincy	176,000	176,000
Chicago, Milwaukee and St. Paul	268,000	247,000
Colorado and Southern	42,000	43,000
Delaware and Hudson	128,000	105,000
Delaware, Lackawanna and Western	200,000	213,000
Denver and Rio Grande	50,000	63,000
Detroit United Railways	22,000	20,000
Erie	83,000	44,000
Great Northern	350,000	300,000
Hocking Valley	36,000	27,000
Illinois Central	233,000	160,000
Iowa Central	9,000	4,000
Kansas City Railway and Light	18,000	17,000
Kansas City Southern	49,000	32,000
Lehigh Valley	132,000	120,000
Louisville and Nashville	129,000	56,000
Missouri, Kansas and Texas	74,000	16,000
Missouri Pacific	133,000	60,000
Montreal Street Railway	20,000	22,000
New York, New Hampshire and Hartford	178,000	105,000
New York, Ontario and Western	33,000	30,000
New York Central	220,000	180,000
Nickel Plate	26,000	20,000
Norfolk and Western	140,000	115,000
Northern Pacific	468,000	400,000
Pittsburg, Cincinnati, Chicago and St. Louis	75,000	59,000
Pennsylvania	600,000	490,000
Rock Island	175,000	94,000
Reading	165,000	108,000
Southern Railway	46,000	8,000
Southern Pacific	540,000	385,000
St. Louis and San Francisco	95,000	10,000
Texas and Pacific	56,000	23,000
Twin City Rapid Transit	37,000	37,000
Union Pacific	723,000	715,000

It will be observed that from these items alone an enormous amount of revenue will be raised under the corporation tax. An amount two or three times as large would be raised under a graduated income tax.

It is not my intention to belittle wealth, but, on the other hand, I believe it should be the duty of all to uphold it where it is honestly procured. The idea that men like Carnegie, now the holder of more than $300,000,000 worth of the bonds of the United States steel trust, escape federal taxation is indeed absurd. A few days ago the public was treated to a spectacle in New York, in what was known as the famous "Gould divorce case," where Mr. George Gould testified that the annual share of his brother Howard in their father's estate was approximately $800,000; and then, to realize that all of these enormous fortunes are escaping their just and proportionate share of taxation while the people themselves are staggering under our present system of indirect taxation, it is no wonder to me they cry out for relief. If it be the determination of the so-called "business interests" in this country to maintain an enormous navy at a cost of hundreds of millions of dollars annually, as well as an army, to protect and defend their various business interests, I insist that this part of the wealth of the country ought to stand its proportionate share of taxation, and I know of no way to compel them to do it as justly and equitably as an income tax. [Loud applause.]

Mr. SHARP. Mr. Speaker, it is with some reluctance that I shall cast my vote for this measure. Though I have always been, and am now, in favor of a graduated income tax—for it is good Democratic as well as sound economic doctrine—yet the circumstances under which this resolution comes to the House smacks so much of subterfuge and disingenuous motives that a vote for it seemingly indorses the ruse. Acceptable as such a method of taxation is conceded to be, I believe, by a large majority of the Members in this House, yet it is difficult to dissociate from its merits the fact that had those Senators by whose vote this resolution comes to the House been sincerely in favor of such a tax we would be to-day voting for its incorporation in the Payne tariff bill, instead of sending it out in the form of a constitutional amendment upon its hazardous journey of successfully running the gantlet of three-fourths of the state legislatures of the Union. Indeed, the situation confronting us is a most unusual one.

Since Congress was convened in special session last March to consider tariff legislation the changes in the various plans for raising the revenue have been kaleidoscopic and at times most mystifying. When the bill left this House, it had appended to it a provision for the inheritance tax. Soon after its admission to the Senate the expert tariff surgeons of that august body removed this appendix, only to have another complication to deal with in the form of a corporation tax. The already troubled situation over in that body was not made more pleasing by a vigorous presentation of an income-tax provision, most ably and persistently advocated for many days by the so-called "progressive" wing of the dominant party, backed by the almost-solid Democracy. To appease this sentiment and at the same time prevent a revolt threatening the very passage of the bill itself, the resolution which we now have before us, providing for a constitutional amendment, was finally passed by the Senate, in return for which the proposition to tax corporate earnings was to have easy sailing.

And now comes the harrowing rumor that possibly this corporation tax, the panacea for preventing vanishing revenues, may be rejected by the conferees—a thing to be devoutly wished for by a very large element of both political parties. Surely, if future events justify this rumor, "for ways that are dark and tricks that are vain" the Senate tariff jugglers have more than outdone the "heathen Chinee."

I am aware that the national platform of the Democratic party has declared in favor of submitting an income-tax constitutional amendment and that one law of Congress imposing such a tax has been declared unconstitutional by our highest court in a close decision; but by no less an authority than the President himself, at one time looked upon as the best-qualified man in the country for the position of Chief Justice of that court, has it been declared that, in his opinion, a law providing for an income tax might now be so framed as to be declared constitutional. More than this, in his speeches at different times, the President has declared in favor of the wisdom and justice of an income tax in one form or another. The same sentiment was expressed by ex-President Roosevelt in his message of December, 1906.

Opponents of the measure seem to forget that such an income-tax law was in existence in the United States during the war and for a short time thereafter; that many millions of dollars were collected under it, and that its constitutionality was never questioned, or at least there was no judicial interference with its operation. The imposition of an income tax for providing revenues for the Government is not an experiment among nations, for, aside from our own experience during the rebellion, it has been tried for more than one hundred years in Great Britain, and to-day in that country it yields more revenue than any other one form of taxation. For the fiscal year ending March 31, 1909, the revenue from the income tax in Great Britain and Ireland, with a population of about half that of the United States, amounted to $165,103,000, derived from net incomes of approximately $3,200,000,000.

The very recent report of Special Agent Charles M. Pepper to the Department of Commerce and Labor gives some interesting and instructive information concerning the income-tax law of Great Britain. For the purpose of showing how the incomes are there graded for taxation, let me quote from that report as

follows, the various amounts being in English pounds sterling ($4.866):

Grade of income.	Number of assessments.	Gross amount of income.
Not exceeding £160, but not exempt	318,570	£22,841,134
Exceeding £160 and not exceeding £200	237,775	43,946,713
Exceeding £200 and not exceeding £300	205,914	52,105,397
Exceeding £300 and not exceeding £400	80,019	28,676,015
Exceeding £400 and not exceeding £500	44,176	22,509,034
Exceeding £500 and not exceeding £600	23,175	13,094,198
Exceeding £600 and not exceeding £700	13,811	9,127,473
Exceeding £700 and not exceeding £800	11,154	8,509,841
Exceeding £800 and not exceeding £900	6,350	5,457,305
Exceeding £900 and not exceeding £1,000	8,758	8,552,798
Exceeding £1,000 and not exceeding £2,000	23,082	33,758,188
Exceeding £2,000 and not exceeding £3,000	7,407	18,592,178
Exceeding £3,000 and not exceeding £4,000	3,803	13,376,481
Exceeding £4,000 and not exceeding £5,000	2,533	11,500,511
Exceeding £5,000 and not exceeding £10,000	4,831	34,909,502
Exceeding £10,000 and not exceeding £50,000	4,188	87,275,455
Exceeding £50,000	949	174,174,323

It will be noticed that the incomes are carefully graded, beginning substantially with a difference of $500, then increasing to $1,000, and finally from $5,000 to $25,000 and more. The rates also of assessment, while not shown in the table, increase with the amount of income and also vary according to schedules involving different sources of income. Such a law has given the greatest satisfaction in Great Britain, and such a method of taxation carefully adjusted to meet the different conditions in this country should, in my judgment, be passed by Congress in connection with this tariff bill; if then declared unconstitutional, provision could be made for adopting a constitutional amendment therefor.

So much has been said of the merits of an income-tax law that I will not attempt, in the brief time allotted to me, to consider at length the advantages of this form of taxation. A few points in its favor, however, stand out boldly from all the others. One of the most salient is that, upon its very face, it places the burden of taxation most heavily upon those who are most able to bear it. Under our present system of raising revenue, just the reverse is true, for a man may be a modern Crœsus and yet he can wear but little more clothing or eat but little more than the humblest workingman. It is indeed proverbially true that the wealth of the poor man often consists in the size of his family; and yet, under the provisions of this general tariff bill, not a boot or shoe, an article of clothing, a mouthful of food, or a bit of material, raw or manufactured, that goes into the construction of his house, or tools or farming implements but what is heavily taxed for the support of the Government. But the burden does not end here, for, under our various state-tax laws, it is notoriously true, for most obvious reasons, that the man whose sole property consists often of his little home—and let me say that this class of industrious citizens comprises a very large majority of our people—pays very much more than his share of the taxes. The township or ward assessor may be unable to find the secreted wealth of the rich or well-to-do man, but the little home with its patch of garden is altogether too conspicuous to escape the taxgatherer's notice.

Yet, as heavy as this direct burden of taxation seems to be, it does not compare in amount to the indirect tax imposed upon the consumer who daily must pay tribute upon nearly every article of food or clothing which he buys. James G. Blaine, nearly twenty years ago, protesting against placing a duty on hides, pointed out in a letter to William McKinley what it meant in so many cents for each pair of boots and shoes worn by the children of that great army of men who are least able to stand the burden. Already the press is announcing through its columns that the big dealers in clothing are preparing to make an advance in the price of many articles affected by the provisions of this bill.

Some days ago the New York World gave out a list of the returns upon the personal property of a score of that city's richest people. If I remember correctly, none reached higher than $5,000,000, while quite a large proportion were below a quarter of a million dollars. Perhaps under the laws of the State of New York the personal property of these citizens was honestly returned, but, if common reports are true, the annual income alone of nearly all of those named exceeds the entire amount of personal property so listed.

In defining the reason for the right of the Government to levy contributions in the form of taxes upon persons and property, Judge Cooley says:

> The State demands and receives them (taxes) from the subjects of taxation within its jurisdiction that it may be enabled to carry into effect its mandates and perform its manifold functions, and the citizen pays from his property the portion demanded, in order that by means thereof he may be secure in the enjoyment of the benefits of organized society. The justification of the demand is therefore found in the reciprocal duties of protection and support between the State and those who are subject to its authority, and the exclusive sovereignty and jurisdiction of the State over all persons and property within its limits for governmental purposes. The person upon whom the demand is made, or whose property is taken, owes to the State a duty to do what shall be his just proportion toward the support of the Government, and the State is supposed to make adequate and full compensation in the protection which it gives to his life, liberty, and property, and in the increase to the value of his possessions, by the use to which the money contributed is applied.

The justness and fairness of these reasons for imposing taxes have been universally recognized by the most enlightened governments. Do they show good cause why incomes should not be taxed in proportion to their size? Is not the income of a citizen made more secure and larger from the fact that "the State is supposed to make adequate and full compensation in the protection which it gives to his life, liberty, and property, and in the increase to the value of his possessions?" There are thousands of instances of wealthy men who, owning little or no real estate, which, because of being visible and tangible, is always first reached, yet enjoy very large incomes from investments which neither directly nor indirectly are listed for taxation. Is it fair that these men should bear no burden in meeting the expenses of maintaining the Government?

There has been much said concerning the amount of revenue which could be realized from an inheritance tax or a tax upon corporate earnings, the amounts being variously estimated at from $25,000,000 to $50,000,000, and yet a modest income tax—exempting, if you please, all incomes below $5,000—would, I believe, easily yield an annual revenue of more than $100,000,000. But, sir, as much as I am in favor of a well-adjusted income tax and the adoption of this resolution if necessary, yet I must confess I have but little faith that this proposed amendment will succeed in being incorporated in the Constitution. Possibly by that other method of amending the Constitution provided for in Article V, whereby state conventions could be called for that purpose, this proposition would carry; but the securing of three-fourths of the state legislatures in its favor will, in my judgment, be too much to hope for, at least for many years to come.

What should be discussed and determined as a business and economic proposition, along wholly nonpartisan lines, will be made a partisan issue, with the chances of success all in favor of the money power and machine tactics. Already one of our great party leaders has issued a call to arms among its supporters, and if it has not in the past become so prominent as a party issue, it is now bound to be so. Commendable and sincere as are the motives that prompted such call, yet therein lies its chief danger of defeat. Not but once since the election of 1872 has either party been able to control three-fourths of the state legislatures; and it is not at all probable that, with the party so evenly divided as at present, the opponents of an income tax will not succeed in preventing a ratification of the proposed amendment by the legislatures of more than a dozen States—all that are required to defeat it.

In fact, the arguments already advanced upon the floor of this House by the opponents of this measure serve to show, by unmistakable signs, the difficulties that will later on be put in its path. Perhaps one of the keenest and most learned speeches made against it came this afternoon from the lips of the gentleman from Massachusetts [Mr. McCALL], whose arguments will be repeated at the proper time from the house tops in his State by those who oppose it. Indeed, the wide latitude of the power of taxation, as given by the terms of the proposed amendment, will serve as a specious reason, at least, for rejecting it. While the various provisions of the Constitution were under discussion at the time of its adoption, no one subject was more thoroughly discussed or aroused more interest than that of relative representation by the different States and the power of taxation. Each State was very jealous of the power ceded to its neighboring State, and as late as the year 1832 the State of South Carolina practically attempted to secede from the Union on account of "the system of protecting duties lately adopted by the Federal Government." The final reason, among a number of others, for such action, as cited by that State's legislature, could have so well been incorporated into the speeches of not a few Members on this floor who recently so eloquently pleaded for the tariff duty upon the favorite products of their own States, that the arguments then used may well be put in the deadly parallel column with those made three-fourths of a century later. Let me take the liberty of quoting in full the final summary of the reasons of those statesmen why their State had been so grievously discriminated against, and which required the power of President Jackson's famous message to combat:

> Finally, because South Carolina, from her climate, situation, and peculiar institutions, is, and must ever continue to be, wholly dependent upon agriculture and commerce, not only for her prosperity, but for her

very existence as a State—the blessings by which divine Providence seems to have designed to compensate for the great disadvantages under which she suffers in other respects—are among the very few that can be cultivated with any profit by slave labor, and if by the loss of her foreign commerce these products should be confined to an inadequate market, the fate of this fertile State would be poverty and utter desolation; her citizens, in despair, would emigrate to more fortunate regions, and the whole frame and constitution of her civil polity be impaired and deranged, if not dissolved entirely.

How long will it take the opponents of this resolution residing in the State of Connecticut to take up the words of opposition that came to-day from their able Representative [Mr. HILL], who inadvertently, in giving as a reason why he opposed the doctrine of income tax, stated that under an inheritance tax his little State had contributed more than the combined revenues so realized from 15 or 20 States, including my own great State of Ohio, yet thus furnished the unwilling evidence that his people were enabled to become possessed of such great wealth through the unequal and oppressive operation of the high tariff which for so long a time in the past has showered wealth into their coffers by levying unwelcome tribute upon the less fortunate citizens of the other States which he enumerated? But if opposition to this amendment is to be made in the wealthy New England States, what will be its reception in some of the western mining States where, according to a frank admission made to me within the past few days by one of its ablest Representatives in this House, no poor man, however able, could hope to be elected to the United States Senate? In some of these States from a dozen to twenty members of the legislature may effectually block the ratification by their State of this amendment. With such difficulties in its way, with the power of organized wealth back of it, with small States treated as units having exactly the same power and influence as the biggest States, can we reasonably hope for this proposed sixteenth amendment to our Constitution to become ratified? If this question could be submitted to the people of the United States upon a popular vote, I have no doubt of its carrying by an overwhelming majority; but, unfortunately, it can not be so submitted.

In conclusion, for some of the reasons I have stated, let me appeal to this House that, before it is too late, we may by our action incorporate in this bill a straightout provision for an income tax, instructing our conferees to stand firmly for its adoption, taking the chances of its passing a favorable decision by the courts. No one act that the Members of this body could do would reflect more credit upon the House or give more genuine satisfaction to the American people who, groaning under the present oppressive burdens, with no relief in sight from the promised downward revision, earnestly desire, as I believe, the adoption of an income-tax law.

The time has surely passed when the arguments of those who advocate a change in our system of national taxation whereby an equal and more just distribution of the burdens of taxation may be made can be dismissed as the clamorings of demagogues and as attacks upon wealth. I have always favored conservative rather than radical policies, and trust I am not one of those who undervalue the worth to state and society of the successful men who are popularly designated as those who "do things," but I am just as strongly opposed to any policy of protection or exemption from taxation that each year automatically tends to make the rich man richer and the poor man poorer. [Applause.]

Mr. CLARK of Missouri. I yield four minutes to the gentleman from Missouri [Mr. RUCKER].

Mr. RUCKER of Missouri. Mr. Speaker, I only want to say a word or two. If I have an opportunity, I am going to vote for the amendment proposed by the gentleman from Texas [Mr. HENRY]. I shall do so for the reason that I believe if this proposed amendment goes to conventions held by the people of the States that it will be adopted, and adopted speedily; but should it pass here without amendment and thus go to the States for ratification by state legislatures, I have grave fears as to the reception it will meet in certain sections of the country. I believe that the representatives of wealth, including some of the gentlemen who have stood here to-day and pleaded almost piteously for the rich, will be strong enough in those States to prevent legislative action. Why, Mr. Speaker, the gentleman from Connecticut [Mr. HILL] announced a startling proposition a moment ago. He spoke of the two States of Rhode Island and Connecticut, two little States so devoid of fertility and productiveness of soil that the combined energies of their total population can not produce enough of the great staples of life in any one year to avert the horrors of a bread famine for the short space of twenty-four hours; and yet he told us that in those little, impoverished States, where the people are especially favored by the vicious, unjust, inequitable, cruel, robber tariff, riches have so accumulated and piled up around a few men that the wealth of those two States equals or is greater than the combined wealth of 35 of the great producing States of this Union.

I am in favor of an income tax. If I can not get the resolution amended as suggested, I will gladly vote for it as it is, because if adopted by the legislatures of three-fourths of the States, it will become a part of the organic law of my country, and it will make the rich constituents of the gentleman from Connecticut [Mr. HILL] pay a part of the revenues necessary to support the Government. It will make the constituents of the gentleman from New York [Mr. PAYNE] contribute from their wealth. It will make the rich constituents of the gentleman from Massachusetts [Mr. MCCALL] contribute their part; and with this amendment to the Constitution, no future Congress, I trust, would even feel called upon or compelled to enact any such iniquitous law as the pending tariff bill, thereby increasing the burdens of the people and extorting from them an additional $200,000,000 in a single year for the clothes they wear. It would not then be necessary to again add from 35 to 125 per cent to the cost of cotton goods used in the homes of our country. This amendment to the Constitution would result in lifting from the backs of those already too heavily burdened—the poor of the country—a part of the burden of the Government, and placing it upon the shoulders of those most able to bear it—the rich.

I heartily indorse and support the income-tax proposition. I would make a graduated income tax, and I would so adjust the rates as to compel the millionaires of this country, who have been immune from taxation, to pay a just and liberal part of the revenues required for the support of the Government. [Applause on the Democratic side.]

Mr. CLARK of Missouri. I yield five minutes to the gentleman from Texas [Mr. DIES].

Mr. DIES. Mr. Speaker, I am for a graduated income tax. I welcome the day when the Republican party is driven to an admission, by their course in this Congress, that to tax the people is not to bless the people. [Applause on the Democratic side.] I am for an income tax, not for the purpose of punishing the rich or exempting the poor from their just proportion of the burdens of taxation, but I am for it because it is a step in the direction of equality of taxation. For more than fifty years the Republican party has preached the doctrine that tariff taxation was productive of prosperity. They have contended, in effect, that to tax the citizen indirectly, by means of a tariff, was the proper and only method of creating wealth and maintaining the prosperity of the country. No greater encomium can ever be passed upon the wonderful natural resources of our country than the fact that the people have managed to make a living in spite of Republican taxation. Our fields are the most fertile in all the world, and yet if the farmer adds intelligence and industry to a fertile soil and produces an abundant yield he is told by the Republican party that he owes his prosperity to the tariff tax on agricultural implements and other articles of commerce entering into consumption on the farm. Our mines are richer than the fabled cave of Monte Cristo, but when the miner digs into the bowels of the earth and brings forth untold wealth for the use of man he is gravely assured that all of his good luck is due to the fact that the Republican party has required him to pay a tax on the tools with which he worked and the food and raiment with which he sustained himself. The American laborer in our factories, by reason of his superior skill, intelligence, and industry, nets to his employer greater profit than any laborer in the world, and yet this excellent toiler is sanctimoniously informed that he would be marched forthwith to the poorhouse if it were not for the boon he enjoys in being able to pay taxes on all that he eats and wears. And so the laborer in field and in factory, in mill and in mine, has been imposed upon and deceived by the craft and hypocrisy of Republican politics. Slowly, but surely, the American people are awakening from their long sleep upon the question of taxation. They are beginning to wonder how wealth can be created by taxation; they are beginning to doubt the truth of the Republican theory that if you take a part of the people's wealth in taxes you nevertheless leave them wealthier than before.

What form of taxation could be more unjust than to tax a man in proportion to what he eats, wears, and uses? Is it fair and equal taxation to say that the poor laborer with a good appetite should pay more taxes on the meal that he eats than the surfeited millionaire with a poor appetite? Is it fair and equal taxation to demand that a hard-working but poor farmer with a family of ten should pay ten times as much taxes to the Federal Government as the wealthy capitalist with no family at all? And yet such is the injustice which arises under a system which taxes consumption instead of wealth. To say that a man should pay taxes in proportion to the shoes, hats, and clothes he is compelled to buy instead of in proportion to

the wealth which he calls upon the Government to protect for him is an economic absurdity and a flagrant legislative injustice. And yet this is the lullaby with which the Republican party has sung the people to sleep, while the pets of their tariff system have enriched themselves at the public expense beyond the wildest dreams of avarice. It is a damnable system which taxes want and exempts wealth—which takes toll from the clothes on the poor man's back and leaves untouched the rich man's bank.

I have the honor to represent in part the greatest State in the Union in point of domain, and which is soon to become the greatest State in the Union in point of population and wealth. We are not here to beg mercy at the hands of the Federal Government, but to demand justice. Among my constituents are many men of wealth, but I believe they are sufficiently intelligent and patriotic to concede the justice of an income tax. Many of my constituents are poor in this world's goods, but thank God they are rich in a manly spirit of independence, and all they ask at your hands is even and exact justice and a fair chance in the battle of life.

Mr. Speaker, I have advocated an income tax in season and out of season since I reached manhood's estate. I declared the justice of the doctrine in the days of its unpopularity; I proclaimed its fairness amid the jibes and jeers of men who taunted me with being a socialist and an anarchist. But the years have vindicated the advocates of an income tax, and I praise God for what mine eyes have seen and mine ears have heard during the course of this debate. President, Senate, and House, Republican and Democrat, high and low, concede now that a tax on incomes is a just and equitable tax. And it is well that we do concede it here, for behind this movement is the righteous and insistent demand of the American people. Let us rejoice and be exceeding glad, for it is a great day for the Democratic party, and what is more, it is a great day for the American people, when the Republican party is whipped into an admission that to tax the people is to burden and not to bless them. [Applause on the Democratic side.] And in that coming day of the revival of intelligence and patriotism, when the thought shall dawn upon the toilers of this country that to tax their food and clothing is a burdensome and unjust tax to be borne by them, the Republican party will be driven from the economic fallacy of a high protective tariff. What folly to sigh for the trade of the world while you throw up a tariff barrier to restrain and prohibit trade.

Mr. Speaker, the Republican fallacy that taxation is a blessing and not a burden has inflicted this country with the most unparalleled extravagance known to the administration of civilized governments. While pretending to believe that you were creating wealth by a tariff tax, you have succeeded only in transferring wealth from the pockets of the many to the coffers of the few, and the people, under the spell of this delusion, have suffered you to waste the wealth of the Nation in reckless appropriations which ought to shock the conscience of every honest man. Give us an era when men can see and understand that every dollar of taxes exacted is a burden wrung from the toil of the people and not a Republican blessing in disguise and you will see less of wasteful extravagance and more of honest economy in the administration of our affairs. So long as the great body of the people pay all the taxes and the small but wealthy class receive all the benefit in the so-called "protection" of their industries, we may not hope for frugality and honesty in the public expenditure. But you shift the load of taxation from consumption to wealth, and demand that the rich pay upon their incomes, and you will hear a mighty cry go up from the camps of plutocracy for economy at Washington. The Republican party is beating a slow and sullen retreat, and it is a great day for the Democracy and the people to see them thus falling back in confusion and disorder from their Leipzig, because it means that they are approaching their Waterloo. [Applause on the Democratic side.]

Mr. CLARK of Missouri. How much more time have I left?

The SPEAKER pro tempore. The gentleman has eleven minutes.

Mr. CLARK of Missouri. I yield the eleven minutes to the gentleman from Arkansas [Mr. ROBINSON].

Mr. ROBINSON. Mr. Speaker, I wish this were a proposition that would enable this House to express its sense as to whether the Congress desires an income-tax law or not. I should like it if the men who do the voting, the men who send us to Congress and keep us here, could have an opportunity of knowing the individual convictions of every Member of this Congress on this great subject.

There is but one way, Mr. Speaker, in which this could be accomplished. That is, by bringing in here a bill to impose an income tax. Any man with the courage of his convictions, who has honest political motives, ought to be willing that this Congress should express itself fairly and fully on the question whether we desire an income tax. Let us have a vote on it.

I once heard a Member of this body, who knows more about legislation here than any one man ought to know, say that all legislation is the result of compromise. If by the word "compromise" is meant an adjustment of differences in which no one who is primarily a party in interest gets what he wants, and one who deserves no consideration in the controversy gets the award, then this resolution is an illustration, Mr. Speaker, of the correctness of the assertion in that regard of the regular occupant of the chair.

Down in Arkansas two lawyers who had incurred the displeasure of a negro magistrate appeared in his court to try a hotly contested lawsuit, and they consented, at the suggestion of the magistrate, that they would abide any judgment which he and their clients might agree to. The magistrate promptly entered a judgment dividing the property between the litigants and ordered that the lawyers pay all the costs. [Laughter and applause.] This is a compromise resolution, which may defeat the people's demand for an income tax.

The action, Mr. Speaker, of this Congress in postponing consideration of an income-tax law is a subterfuge pure and simple.

Mr. COLE. Will the gentleman from Arkansas yield?

Mr. ROBINSON. I will yield to the gentleman.

Mr. COLE. If the resolution submitting this amendment to a vote of the state legislatures is a subterfuge, why was it embodied in the Democratic platform at Denver?

Mr. ROBINSON. Mr. Speaker, I will reply to that in a moment. I had started to say that the decision of the Supreme Court in the Pollock case I have never subscribed to. I would not make that announcement here if I did not believe that practically all the great lawyers in this country are unanimous in condemning that decision. But, sir, we will vote to submit this proposition because we know that you are unwilling that we should pass an income-tax law, and it is the only chance the people in this country will have to pass upon the question. [Applause on the Democratic side.]

The Democratic party put it in its platform out of a sense of respect to the court, whose conduct, in my judgment, does not merit the greatest consideration for its decision of the Pollock case. [Applause on the Democratic side.] The fact that a judge changed his conclusion in a matter of that importance overnight; the fact that the opinion is discredited and rejected by the great lawyers of the country, without regard to politics, convinces me that in respecting that opinion you are merely trying to postpone this question until a reaction can occur on the subject. Let us have the issue now and let us meet it fairly and squarely. The people of the United States are in favor of an income tax. Let us pass this resolution and let us also pass an income-tax law.

The gentleman from Massachusetts [Mr. MCCALL] said that no one whom he knows of, except Mr. Bryan, has studied this subject. Be it then said to the credit of that great man that he has compelled the Republican party in Congress and in the Senate of the United States to give respect to his opinion. [Applause on the Democratic side.]

I do not appear here to eulogize any man, but let gentlemen who deride Mr. Bryan remember that he stands head and shoulders above any other man in America in private life today. [Applause.] Let them remember that all the great reforms that have been brought about in politics during the last few years have been wrung from a reluctant Republican party through his advocacy of measures before the American people. [Applause on the Democratic side.] Let them remember that in private life, as well as in public conduct, he is above reproach.

Mr. Speaker, there are some objections urged here to this measure which I would like to reply to. The gentleman from New York [Mr. PAYNE] and the gentleman from Connecticut [Mr. HILL] both subscribe to the doctrine that an income tax ought never to be applied except in case of war. Why, Mr. Speaker, should not one who has great wealth bear his share of the burdens of this Government in times of peace? Why should the man of ordinary means, the poor man, if you please, bear all the burdens of this Government in time of peace and then when war comes fight its battles? Something has been said about millionaires going to war. Who ever heard of a millionaire going to war? Everybody with either recollection or experience knows that when war comes the millionaire moves out of the country, or hires a substitute, or hides himself. It is the ordinary man, the citizen of moderate means, the man who per-

forms daily toil, that at the call of his country shoulders his musket and leaves his home and goes down to battle and perhaps to death on a bloody field. [Applause.]

I say that the principle of taxing incomes in time of war is no more reasonable or just than in taxing them in time of peace. The gentleman from Missouri [Mr. BARTHOLDT] says that he congratulates the Republican party on having "come over" to his view of the matter. I hail with delight a new Moses in the wilderness! I am glad to know, Mr. Speaker, that he is convinced that the Republican party honestly believes in an income tax; but as sure as we are here, nobody in charge of this measure expects it to be ratified. They expect to go into some of the state legislatures and defeat it or prevent its ratification. I say let us pass this resolution and then let them bring in an income-tax bill and let us pass it and present it to the Supreme Court, and again let the Supreme Court pass on the matter. They will reverse the decision in the Pollock case, for it stands in the judicial history of this country as one opinion upon an important matter rendered by that great court that can not be vindicated in the judgment of any considerable number of the members of the American bar. I am for an income tax, Mr. Speaker, for some reasons that you gentlemen over there are against it.

I am for an income tax for the reason that I believe it a fair and just method of taxation, and for the further reason that I believe it will help to break down the high protective-tariff wall which you have constructed. And I want to say to you now that when an income-tax feature is placed in our revenue laws you will see that it will become a popular method of taxation. It will reduce the popularity of your high protective tariff, and at last force you to do for the American people what you promised to do in the last election, and which you had not the slightest intention of doing when you made the promise. You told them you would reduce the tariff. Ah, you say you made no specific promises of tariff "reduction," yet the promise of tariff revision was the result of agitation in favor of tariff reduction. It was written in your platform because you heard the tread and steady step of millions of voters of this country marching to the polls threatening to turn you out of power. You dared not declare against it. Your candidate for President went before the people of the country and said that the tariff rates under the Dingley law had become excessive and should be reduced.

In his speech delivered at Cincinnati September 22, 1908, while the campaign was in progress, Mr. Taft said:

> The Dingley tariff has served the country well, but its rates have become generally excessive. They have become excessive because conditions have changed since its passage in 1896. Some of the rates are probably too low, due also to the change of conditions. But on the whole the tariff ought to be lowered.

In December, 1908, after the election, he said, in an address to the Ohio Society:

> Better no revision at all, better that the new bill should fail, unless we have an honest and thorough revision on the basis laid down and the principles outlined in the party's platform.

Comment upon this language is unnecessary. It asserts that the Dingley rates are generally too high and ought to be reduced; that the pledge in the platform to reduce the tariff should be kept. And now you assert on that side of this Chamber that "tariff revision" did not mean tariff reduction. When you say that you are deliberately trying to fool the American people. It remains to be seen how long you can continue this course and remain in power. It must be determined hereafter by the public whether you can promise tariff reduction before the election and repudiate that promise after the election and still retain favor.

This repeated attempt by leaders of the Republican party here and elsewhere to put an untenable construction on the platform upon which they won the election has discredited their sincerity and made them objects of derision and contempt. Who ever heard of a Republican campaign speaker telling the people in 1908 that the platform did not mean reduction of rates any more than it meant increase of rates? In view of the history of this plank in the platform; the agitation which caused its insertion; the construction placed upon it by the Republican nominee for President, both before and since the election; the construction given it by the newspapers and campaign speakers advocating the Republican ticket; and the universal understanding of its meaning, it is now dishonest to contend that it did not promise substantial reduction. I have said that Republican newspapers throughout the country have condemned the majority in Congress for violating the party pledge to reduce the tariff. As an illustration of the disappointment which is but partly expressed in editorials of many leading Republican newspapers, I submit an editorial from the Boston Herald, of May the 6th. This paper is reputed to have supported the Republican ticket vigorously in 1908. It said:

> It would be better to reenact the Dingley bill forthwith, and then adjourn Congress, than to continue the ridiculous discussion and the worse than foolish tinkering with the tariff now going on at Washington. The country is disgusted. It has waited in vain for some sign that the pledge of the Republican party would be kept, a pledge made not only by the party in convention, but by the recent leader of the party, Mr. Roosevelt, and by the present leader, President Taft. Neither Mr. Roosevelt nor Mr. Taft is to be blamed for the hopeless breakdown of the party promise, nor is the mass of Republicans throughout the country. To the blindness—some call it shrewdness—of the congressional leaders, their callous disregard of an enlightened public opinion, must be ascribed the plight in which the country finds itself, dragging in the muddle of tariff talk, the end of the course not yet in sight.

Mr. Speaker, is the work of this extraordinary session of Congress to result in worse than failure? Shall we enact a measure which will increase the tribute our present laws extort from the general public to gratify the avarice of special interests?

This session of Congress will adjourn in a few days. Its records will be a perpetual monument to our indifference or our incapacity. For four months we have been deliberating upon a single subject. The longer we deliberate, the more confused we become, and the less confidence the public feel in the willingness of their lawmakers to treat them justly. When the Payne bill passed the House, many Members who voted for it did so reluctantly. No one was entirely satisfied with it.

The newspapers of the country, without regard to politics, almost unanimously criticised it. Universal disappointment was expressed at the failure of this body in its passage of the bill to reduce the rates on many articles in common use. Expressions of disappointment and regret were not confined to Members on the Democratic side of this Chamber. They were frequently heard from Republicans in speeches on the floor, in interviews, and public discussions—Republicans who have been loyal all their lives to the organization and principles of their party. No one, not excepting the amiable leader of that party on this floor, the gentleman from New York [Mr. PAYNE], dared to speak of it or dream of the Payne bill as a model of legislative propriety and the embodiment of what should be contained in a tariff bill. But behold how greater ills have transformed this lesser evil into a creature of beauty; its defects have become invisible, and its deformities appear attractive. When messengers from this body bore the Payne bill from this Chamber for its consideration elsewhere it seems that they were mere pallbearers of the dead hopes of a patient, trusting public. It was not then anticipated that in its progress toward final enactment into law the proposed measure would be stripped of the few provisions it contained of benefit to the people at large. It was not feared that the reductions it contemplated in rates on some prime necessities would be superseded by marked increases. Yet the unexpected has happened. It occurs so often in legislation that it is becoming "the regular order."

THE PAYNE BILL HAS BECOME A MODEL.

The advocates of tariff revision "downward," those Republicans who are old fashioned enough to adhere to the pledge in their platform sacredly made, those who are credulous enough to have believed that there was any intention of keeping it when the platform was adopted, are now abandoning hope. The people of the whole country are disgusted. They realize that a skillful "confidence" game has been played on the table of high politics; that the cards were marked when the game opened, and they have not even the gambler's chance in an honest game to win. This is a "compromise" in which the masses of the people are directly interested. The bill we are threatening to pass will make living more costly to the average man without materially expanding his opportunities. There are some who insist that the draft of the bill as now considered will not in fact increase the cost of any necessity of life, and that on the whole a reduction is made, because, they say, the number of reductions exceed the number of increases. When, however, you examine the proposed amendments, you find that many of the proposed decreases relate to trivial articles, others to articles not in common use, whereas the principal increases are on the food and clothing commonly eaten and worn. It follows that the number of increases or decreases is not the correct criterion by which to determine whether the cost of living will be increased, but rather the character of the articles on which the rates are increased or reduced and the extent to which the same are used.

Without attempting any analysis now of the very complicated schedules of the proposed measure, it is sufficient to say that the rates on many articles of common use are or may be increased. Among them may be fairly included woolen cloth, gloves, hosiery, hats, imported suitings, underwear, shoes, soaps, builder's materials, perfumery, lemons, pineapples, olives, spices, figs, nuts, raisins, laces, embroidery, cord, and paper.

All these and no doubt many others. Mill men are already sending out price lists showing increases of from 25 per cent to 50 per cent in woolen fabrics. I assume that this may be due to the proposed increase in the duty on them. Of what possible benefit can this increase be to the ordinary citizen? Are not the rates on this class of imports already high enough? How is the increased duty on gloves to be justified? Throughout the long consideration of this measure no Member, no newspaper has attempted a justification of this increase. These increases have been made arrogantly in spite of public opinion and without necessity.

Nobody now expects the Republican party to keep its platform pledge to reduce the tariff. There is little pretense among those who control it of any such purpose. It has been said by some in power in this body, and by others high in authority in the councils of the Republican party in another chamber in this Capitol, that no pledge was made to reduce the tariff; that the promise was merely to "revise the schedules," and that this meant a promise to increase as much as it meant a promise to decrease the rates.

The promise honestly construed was a promise to reduce. Everyone knows that. The gentleman from New York, I believe, recognizes it. It is not susceptible of any other construction. I grant you that the Republican platform did not use the specific word "reduce," but it was the demand for a reduction in the rates that caused the insertion of the plank in the platform. This demand was well-nigh universal. It came from millions of active, aggressive citizens of the West, whose convictions as to the necessity for reduction in tariff rates are earnest and well known to every politician. It came from the South; from every section of the Union. Its champions were high in authority in the Republican party. The former President yielded his desire for a reduction of tariff rates to party expediency and consented to postponement of action until after the election. It was public opinion in favor of reduction in tariff rates that forced the Republican party, whose leaders for the most part were opposed to reduction, to declare for tariff revision.

It is not fair to conclude, then, since none claimed that the rates were too low and desired them raised, and since the agitation all occurred about reducing rates, that a reasonable construction of the pledge warrants an increase. This construction was placed upon the platform by your campaigners, and votes were secured on the express theory that "tariff revision" as promised in the platform meant tariff reduction.

The President will be called upon to meet a supreme test of his fidelity to himself and those who trusted him and believed in the promises of his party. When this bill goes to him for his signature, will he keep faith to the millions who attested their confidence in his honor and sincerity, or will he yield to the persuasion or compulsion of those who regard promises made before election as not binding after election? Now is approaching the critical hour in the consideration of this legislation. Will the people or those who would prey upon them win? The world regards this as a test of the efficiency of representative government in the United States. We have the power. Let us exercise it. If every man here will vote as he conscientiously believes; if all Members who regard this measure as little or no improvement in existing law will fight it to the finish, the cause of the public is not hopeless and the honor of this body may yet be vindicated.

The sea of American political controversy is never in perfect calm. Its bosom is always disturbed by whirlpools and tossed by tempests. Sometimes its surface is lurid with many lights that dance and gleam and dazzle, then vanish from the political mariner's sight. Occasionally the clouds part and the sun shines and a rainbow comes to beautify the brow of evening, while soft winds blow perfumed promises of safe and happy voyages to every craft afloat. Such hours pass all too soon. The light quickly dies from the heavens and the night robes the sea in gloom, while the storm king heralds his advance with the lightning's flash and the thunder's roar. Far out at sea, between the island of "Longed For" and the realm of "Never Shall Be," many a goodly vessel loses its bearings and drifts a hopeless derelict with broken masts and fallen spars. The shores of the political sea are strewn with ghastly corpses of hopes thrown overboard and washed ashore. Along the beach lie scattered shattered hulls and broken beams. Its bottoms hold in close embrace rich cargoes of unrealized ambitions.

Mr. Speaker, the Republican party to-day is at sea in a floundering ship, tempest tossed, its sails torn, and its masts broken, with blind or drunken helmsmen at the wheel. It is making for any old port of the political sea, whether there is a harbor or not. [Applause on the Democratic side.] It will appropriate the political thunder of William J. Bryan, whom it has denounced as an anarchist, and then solemnly come before the American Congress and ask the Members here to support his ideas. There are men in this Chamber who owe William J. Bryan an apology. It is not my province or duty to deliver them a lecture, but I say to you that if I had denounced a man as an anarchist, as you did, Mr. Speaker, in 1896; if I had gone into my State and cried out against seating in the President's chair an anarchist; if I and my party, against my will, had been driven by public opinion to adopt his ideas, I would take off my hat to him and say, "William, you are not so bad a man as I dreamed you were. I am the bad man myself." [Applause on the Democratic side.]

Mr. Speaker, do you honestly believe that the purpose in passing this resolution is to provide for an income tax? Do you not want to wait until the people quit talking about it and then go before the legislatures of the States and beat it? Why not adopt the Henry amendment and submit it to conventions? Then it would be ratified. Do you not know as a lawyer that if a similar bill to that of 1894 went before the Supreme Court of the United States you could hardly get a lawyer to appear there and say on his professional opinion that it was an unconstitutional act? When men from the great cities of this country, men who have all their lives represented corporate interests, appear here and repudiate the decision of the Supreme Court in that case, I say to you it is only because the American people have long ago repudiated it. It is time this old, slow, dragging House of Representatives, which never does anything until it feels the whip and spur of public opinion, should lift up its head and assume the authority the makers of this Government intended it should exercise. I thank the House for the extension of my time and for the attentive hearing given me. [Applause on the Democratic side.]

Mr. LONGWORTH. Mr. Speaker, I yield five minutes to the gentleman from Ohio [Mr. COLE].

Mr. COLE. Mr. Speaker, I have no intention of discussing the merits of this proposition. I simply desire to interject a few observations drawn from the speech of the gentleman from Arkansas [Mr. ROBINSON]. I am always delighted with his magnificent appearance upon the floor of this House and his very emphatic and effective method of delivery, and to-day was no exception to that general rule. He has certainly given us an exposition of the Democratic side of this question that will stand long in history as an unparalleled example of classic political literature.

Now, the particular section that I wish to call your attention to in the Democratic platform is the one relative to an income tax.

Mr. ROBINSON. Will the gentleman yield for a question?

Mr. COLE. Yes.

Mr. ROBINSON. Does the gentleman indorse that platform he is now standing on?

Mr. COLE. I indorse part of it, and part of it I repudiate. Mr. Speaker, here is the section on the income tax in the Democratic platform:

> We favor an income tax as part of our revenue system, and we urge the submission of a constitutional amendment specifically authorizing Congress to levy and collect a tax upon individual and corporate incomes, to the end that wealth may bear its proportionate share of the burdens of the Federal Government.

Now, Mr. Speaker, the gentleman from Arkansas contends that the Republican party is supporting this proposition at this time because it merely means postponement. What did the Democratic party mean when it inserted that plank in their platform? If that is a gold brick that the House of Representatives is handing out to the American public, who manufactured the gold brick? It had its origin in the Democratic platform at Denver, and was not constructed and foisted upon the country by the Republican party. So you can not charge the Republican party with being guilty of attempting to postpone the coming of an income tax in that way. That proposition is charged up against the Democratic platform at Denver.

Now, Mr. Speaker, if I might presume upon the time of the House, I might add further, I am in favor, as I believe the Republican party everywhere is, of vesting this power in the Federal Government to be used as the President says, perhaps, in a crisis when it might save the life of the Nation. We have come upon times in our past history when it was necessary to resort to such methods of taxation, and it is not to be presumed that we will not meet with such crises in the future. If that time ever does come, when it is necessary to exercise this power, it is well to enact the necessary legislation at this time. It is well to submit it in an amendment to the people and have it incorporated as a section of the Federal Constitution, and we can rely upon it when the occasion demands. But if it is a subterfuge, as the gentleman from Arkansas contends, it was manufactured by the Democratic party.

Mr. ROBINSON. I would like to ask the gentleman if he is in favor of the amendment proposed by the gentleman from Texas, which seeks to submit it to conventions rather than to leave it to the legislatures?

Mr. COLE. Well, Mr. Speaker, there are two methods, as I understand it, of submitting a constitutional amendment, and I think it better to submit it through the channels already established for that purpose.

Mr. ROBINSON. Does not the gentleman think if the amendment of the gentleman from Texas were adopted that the resolution would be adopted?

Mr. COLE. I might also say this, that every constitutional amendment to our Federal Constitution, as I understand, has gone through these regular channels and has been adopted by state legislatures instead of by public conventions called for that purpose.

Mr. ROBINSON. Will the gentleman yield to a further question? I will ask you a direct question, and you need not answer it unless you choose. Does not the gentleman think that the plan of submitting the resolution to the legislatures will result in certain failure, and does not the gentleman also think that in submitting it to conventions, as contemplated by the Henry amendment, it would result in the certain passage of the resolution?

Mr. COLE. Mr. Speaker, it will result in leaving it to the States to have their will.

Mr. ROBINSON. Which will be to defeat it. Now, another question.

Mr. COLE. Are you not in favor of the States exercising their judgment in this?

Mr. ROBINSON. I am in favor of getting an income tax, and the gentleman from Ohio is advocating a plan of submitting it in a way that it can not become law. I am in favor of submitting it under a plan by which it will become law.

Mr. COLE. I am in favor of submitting this proposition in the method provided by the Constitution and the laws.

Mr. ROBINSON. Does not the Constitution provide both methods?

Mr. COLE. And we have the right of exercising our own judgment.

Mr. ROBINSON. And you say on one side that you want the income tax, and you will not vote for an amendment that will give you the income tax.

Mr. COLE. I am for the passage of this amendment in the only way that it has ever been done, and in the judgment of the best men the best way.

Mr. ROBINSON. Well, I am not undertaking to tell who are the best men. I think we are both good fellows, but differ very materially upon this.

Mr. LONGWORTH. I yield five minutes to the gentleman from Alabama [Mr. HOBSON].

Mr. HOBSON. Mr. Speaker, I am in favor of this resolution, and I expect to do my utmost to have the State of Alabama the first State in the Union to ratify the income-tax amendment. [Applause on the Democratic side.] It is impossible to state in the five minutes allotted to me the many weighty reasons that commend this measure to my judgment.

In the first place, it is part and parcel of the Democratic platform and carries out the Democratic doctrine of equal burdens. I do not know whether the amendment will be adopted as a result of this resolution, as the legislatures of only 12 States would be sufficient to defeat it. Indeed, I do not know whether Republican leaders—some of them, at least—have favored the resolution as a means of securing an income-tax law or of preventing such a law; but I think the unanimity of indorsement in both Houses of Congress is a full vindication of the righteousness of such a law, and the Republican adoption of this Democratic measure is a matter upon which the country is to be congratulated. The benefits of government are enjoyed and the work of government is carried on in large measure for the protection of citizens in the accumulation and use of wealth. The taxation of wealth, therefore, has been recognized by all nations as wise and just. Taxes upon incomes represent the least burdensome of all taxes on wealth, and the burdens decrease with the size of the income. There is perhaps one exception, an inheritance tax, and in this idea of equalization of burdens and hardships, I am in favor of both such taxes and of both such taxes in a graded form; that is, a graded income tax and a graded inheritance.

This measure, Mr. Speaker, takes us to the heart of the great eternal question of taxation, that remains with all civilized peoples as long as government last. There are two general classes of taxation, direct and indirect. As a rule, the direct form of taxation in America has been relegated to State, county, and city, and the indirect method has been largely adopted by the National Government. My investigations have convinced me, Mr. Speaker, that in a free country direct taxation is immeasurably better than indirect taxation.

I believe that this measure is a wise movement in the direction of substituting direct taxation for indirect taxation. I realize that it is easier for governments to raise money by indirect taxation, and for that reason the governments of the world have adopted that system generally. It is more irksome to collect a direct tax, and sometimes it seems to work a hardship upon the people taxed; but I believe that a patriotic people who control their own government are willing to pay the just taxes needed for its support, when economically administered. A prime advantage of the direct method is that the people know when they are being taxed. To-day I am sure that the great masses of the American people have not the slightest idea how many times in the day they are being taxed for all the comforts, conveniences, and necessities of life. If they were aware of the frequency, the magnitude, and scope of this taxation, they certainly would not submit to the greater part of it beyond one national election. If the people were fully informed on the taxation thereby imposed, they would not submit to such tariff schedules as have been in effect for many years and such as are now carried by the present bill.

Another prime advantage of a direct tax is that it enables a people to know how much they are being taxed, and only when they have such knowledge can they prevent abuse of the taxing power. To-day I do not believe our people have the slightest idea of the amount of taxation that is levied upon them. One, 2, 3 per cent is considered a sore burden, yet to-day our people are taxed 10, 20, even 30 per cent, and do not know it. Still a third prime advantage of a direct tax is that we know where the tax goes. In the present juncture the bulk of the taxation of the American people does not go to the Government of the American people. I will illustrate: There are about 200,000 tons of pig iron imported into the United States in a year. The indirect tariff tax causes the Government to get the impost duty from 200,000 tons. The country consumes about 25,000,000 tons, the price of all of which is raised to the extent of the tariff. The net result is that the pig-iron tariff gives the tax on 200,000 tons to the Government and the tax on 24,800,000 tons to certain favored individuals, practically giving over to individuals the sovereign right of taxation that can only reside justly in the Government itself. When the people are taxed, they ought to know who gets the tax, and they would know under a system of direct taxation. A fourth prime advantage of direct taxation is that it would be more adjustable to the legitimate needs of the Government, and it would tend to a more economical and efficient administration of the Government. When taxation is levied without a view to the needs of government, then at times there is liable to be a deficit in the National Treasury, in which case the credit of the Government may be shaken and panics may result, as has been the case more than once in our country's history.

At other times there may be a surplus, a surplus larger than necessary. Such a surplus being injurious to business, there is a tendency on the part of the Government to reduce it by enlarging expenditures, leading to policies of extravagance.

I realize that the expenses of the Government should naturally increase year by year with the growth of population and the work of government, but there have been increases in the expenditures of government in the last five or ten or fifteen years which are out of all proportion to such growth, due in large measure to the accumulation of the surplus under tariff laws.

I believe, Mr. Speaker, for these reasons that as a settled policy we should gradually work toward a substitution of direct taxation for indirect taxation in America. The result would be an enormous reduction in taxation, to the great relief of our people, in reducing the cost of living. We would know when we were being taxed how much we were being taxed, who was being taxed. The Government would then get the tax, and being held to stricter responsibility, the taxes would be adjusted to the needs of government, which, held to stricter accountability, would be more economically administered. [Applause on the Democratic side.]

Mr. LONGWORTH. I yield five minutes to the gentleman from Michigan [Mr. DIEKEMA].

Mr. DIEKEMA. Mr. Speaker, the gentleman from Arkansas [Mr. ROBINSON], in one of his magnificent flights of eloquence, which do him such great credit and which also reflect credit upon this House in general, made this inquiry. Said he: "Whoever in all this country heard of a millionaire going to war himself?" Let me answer him that from the State of Michigan alone during the last Spanish war I know of at least two millionaires who went to war. Let me remind him of the

fact that President Roosevelt's Secretary of the Navy, Mr. Truman H. Newberry, who is many times a millionaire, went to war.

Mr. ROBINSON. Will the gentleman yield for a question?

Mr. DIEKEMA. Certainly?

Mr. ROBINSON. Let me ask, then, if those gentlemen were listed on the tax rolls at the time they went?

Mr. DIEKEMA. They were listed on the tax rolls, paid their taxes, and were millionaires. Let me tell the gentleman also that young James H. McMillan, also a millionaire, went to that war, did his full duty as a soldier, and lost his life from a dread disease there contracted. Thank God a man's patriotism in this country is not measured either by his poverty or his wealth, but by his Americanism. [Prolonged applause.]

Mr. ROBINSON. Mr. Speaker, I would like to state to the gentleman that I am perfectly willing to make the exception he has stated.

Mr. DIEKEMA. The gentleman will make further exception, for let me tell him further that Alger, Joy, Hendrie, and others, all sons of millionaires of the city of Detroit, in my State, were among the first to enlist in that war, and every one of them honored the uniform which he wore. Make another exception, my friend. There was no blood too blue, no wealth too great, no business too absorbing for the patriotic American to sacrifice for his country when the call to arms was sounded. What I have said of Michigan can be duplicated in every State of the Union. Let me tell you further that the most dangerous thing which any statesman can do is to arouse class prejudice in this country. All men are entitled to equal consideration under the law, whether they are millionaires or whether they beg at the doors of millionaires.

Mr. ROBINSON. Will the gentleman yield further?

Mr. DIEKEMA. Certainly.

Mr. ROBINSON. I accept the gentleman's statement. But does he not think the millionaire ought to pay his share of the expenses of the Government in times of peace as well as in times of war?

Mr. DIEKEMA. Most certainly. If the gentleman from Arkansas will arrange the laws of his State as we have arranged the laws of our State, all property, whether corporate or individual, realty or any other form, will pay its just share of taxation.

Mr. ROBINSON. Have you an income-tax law in your State?

Mr. DIEKEMA. There is none. Let me say, further, Mr. Speaker, that generally the gentleman from Missouri, the learned judge, Mr. DE ARMOND, is logical and judicial in his expressions. I could hardly believe that the learned judge was speaking to-day when he said that it is the business of Congress, of the House and the Senate, to interpret the constitutionality of the bills which we present. That is true in the first instance; but it is not true after the Supreme Court has spoken, and that is the situation which confronts Congress to-day.

The fathers of the Republic, the authors of the Constitution, were most careful upon one proposition, and it was this: That the liberties of the people might be protected through giving to the executive, the judicial, and the legislative departments each its proper sphere of activity and action.

The Supreme Court has spoken; Congress has spoken. The Supreme Court has said that Congress passed a law that was unconstitutional. Congress acted within its sphere when it passed the law, and the Supreme Court acted within its sphere and within its powers when it said that that law was unconstitutional. That opinion confronts us to-day.

Mr. JAMES. Will the gentleman yield for an interruption?

Mr. DIEKEMA. I will.

Mr. JAMES. Does not the gentleman think that Congress has as much right to ask the Supreme Court to return to the precedents of that court of a hundred years' standing on the constitutionality of an income tax as the Supreme Court had a right to depart from those precedents?

Mr. DIEKEMA. When we pass a statute and the Supreme Court passes on the statute and says that that individual statute is unconstitutional, then we must bow to the power that has been given that department of the Government by the Constitution to interpret the laws which we pass. Any other doctrine is anarchy, and nothing else. [Applause on the Republican side.]

The power to levy an income tax should be possessed by Congress, for it may some time be needed to save the very life of the Nation. Let us then make it possible for the States to write the authorization into the Constitution. The Supreme Court now declares an income tax unconstitutional. It would not declare so then.

Why fly in the face of the Supreme Court and hold out a delusive hope to the people when the remedy is in our own hands? To do so would justly subject us to the charge of insincerity, and would probably leave the country without the needed revenue upon which we had depended.

In ordinary times reasonable duties levied on imports, together with the internal-revenue tax, ought to pay the running expenses of the Government. This was the conviction of the fathers. Extraordinary expenses may be taken care of by other means, but the revenues never should be so large as to tempt Congress to extravagance. There is a growing and very dangerous tendency on the part of our people to look to the Federal Government for all kinds of improvements which the States should make. This encourages extravagance and endangers our institutions. I am for the amendment because I believe it is a necessary power, but after it has been bestowed, I would always insist upon its most careful exercise.

Mr. HAMLIN. Mr. Speaker, when this bill was being considered in the House, I voted for a duty of 10 per cent ad valorem on hides, and on that vote I have been criticised by a few unfriendly newspapers. I do not rise to offer any apology for that vote. I believed then, and I believe even stronger now, that under the existing conditions I voted right.

That there may be no excuse for any misunderstanding of my position, I will repeat what I have often said heretofore, that if I could have my way about it I would gladly put hides, boots, shoes, harness, and in fact all of the products of leather, upon the free list, because I believe that with free hides the shoe and harness makers of this country could compete with the world without a dollar of tariff upon their products. However, I will not vote to put hides, the product of the farmer, on the free list, and thereby cheapen what he has to sell, while your party, Mr. Speaker, keeps the tariff on shoes, harness, and all products of leather, thereby increasing the prices of those things which the farmer is compelled to buy.

The farmers constitute a very large majority of the real wealth producers of this country, and I undertake to say that no man with a proper regard for the truth will deny that no class of people has been as persistently discriminated against in tariff legislation as has the farmer. I am his friend, and I am proud of it. I was born and reared on the farm. I have plowed, I have planted, I have sown, I have reaped, and I know that the farmer literally "earns his bread in the sweat of his face," but I have never ceased to be thankful that I was born and reared on the farm. I naturally had, as my associates boys and girls situated as I was, whose hearts and minds had not become contaminated by the multitudinous sins which so often tempt the less fortunate boys and girls of our cities. I also had the advice and counsel of men whose lives had been spent in close communion with nature and nature's God; men who loved uprightness and integrity; who always expected to give full consideration for every dollar which they received. Therefore I believe that I know what the farmer wants, at least I know something of his condition and his relation to national legislation, and so long as I shall remain a Member of Congress I shall do what I can to see that he receives fair and equal treatment.

Now, Mr. Speaker, was my vote wrong on hides? Let us see. This bill carries a duty of 20 per cent ad valorem on boots and shoes and 40 per cent ad valorem on harness for the benefit of the manufacturer of these articles, and yet he is not satisfied, but wants hides put on the free list so that he may buy his raw material cheaper; and if we pass a law which enables the manufacturer of these articles to buy his raw material from the farmer cheaper than he buys it now, it must certainly follow that the farmer must receive less for what he has to sell, but it will not necessarily follow that the manufacturer will sell what he makes out of this raw material one penny cheaper. In fact, prior to 1897, when hides were on the free list, shoes were as high then as they have been since that time, and yet there has been a duty on hides of 15 per cent ad valorem since July, 1897.

Mr. Speaker, we must not get the question of raw material confused. What is raw material to one person is often the finished product of another. The leather is the raw material of the boot, shoe, and harness maker, but it is the finished product of the tanner. The hide is the raw material of the tanner, but it is the finished product of the farmer and cattle raiser. Now, if the manufacturer ought to have a tariff upon his finished product—his shoes—why ought not the farmer and the cattle raiser to have a duty on their finished products—hides? But some people think that the shoe manufacturer ought to have a tariff on his finished product, because his capital is invested in his business. Do you forget, or is it a matter about which you are indifferent, that the farmer has his capital invested in his cattle and in his farm; that it costs him money with which to raise corn and hay to feed his cattle; that it costs him money to buy wire with which to fence his pastures, to say nothing of

the fact that he works not only eight hours each day, but, in fact, from the early dawn of morning until the twilight of evening?

Not only that, Mr. Speaker, but your party taxes the farmer on everything that he has to buy. He is taxed on his lumber out of which he builds his home; he is taxed on his nails and his shingles, his window glass, even down to the cement that enters into the foundation of his home. Nor does it stop here. He is taxed upon the furniture which he puts into his home, his carpets, his lace curtains, his cook stove and all kitchen utensils, his clothing, his farm implements, in fact, every necessity of life which he is compelled to buy, even to the caskets that contain all that is mortal of his loved ones. And yet the maw of the trust is not satisfied, but wants to take away from him the little negligible duty which he has on the hides of the cattle he raises. I confess, Mr. Speaker, that it now appears that this influence will be strong enough to succeed, and your party, as usual, unmindful of the interests of the farmer, will, when this bill becomes a law, put hides on the free list for the benefit of the leather trust, but you will not do so by the aid of my vote.

I repeat, let us take the tariff off of all leather and products of leather or else leave it on all, including the material out of which leather is made.

The statement is made by the leather trusts of the country that the packers, designated as the "meat trust," control the hide market of the country, and therefore hides ought to be put upon the free list in order to punish this trust. Mr. Speaker, I am sure that there is no man on the floor of this House who is more opposed to the trusts or who will go further than I to encompass their destruction, but I do not believe that the so-called "meat trust" controls the hide market of this country. But, if it does, I am sure that the leather trust controls the leather market of the country; and if a vote for a tariff on hides is a vote in the interest of the meat trust, then I submit that a vote for free hides is a vote in the inteerst of the leather trust. So, on this proposition, a man would be "between the devil and the deep sea."

But what are the facts? The official figures, furnished by the department, show that there are annually marketed about 14,000,000 hides, exclusive of the hides of calves, goats, and sheep. Out of that number the so-called "meat trust" annually markets about 5,000,000 hides, leaving about 9,000,000 hides marketed each year by the farmers, independent packers, and butchers of the country. From these facts I do not see how it is possible for the meat trust to control the hide market, when they handle only about one-third of the hides of the country annually. But the leather trust of this country handles all of the leather made from all of the hides and will, if hides are put upon the free list, control the prices of all the hides of the country.

In the light of these facts we can easily see why this gigantic and pernicious leather trust is making such an herculean effort to get hides upon the free list. We can understand why this leather trust is maintaining this great propaganda, with their agents infesting the very corridors of this Capitol, sending out millions of circulars to the retailers of leather goods imploring them to "write your Congressman and Senator to-day to vote to put hides upon the free list." Many good men who are engaged in retailing leather goods, without stopping to give the matter careful consideration, give heed to this seductive appeal, believing that it will be to the interest of the consumer, and write us to vote to put hides upon the free list.

Mr. Speaker, a few days ago I received through the mails—as I presume the other Members did—a statement from the New England Shoe and Leather Association, of Boston, Mass., in which they make the remarkable and incongruous statement that a tariff duty on boots and shoes will not add one penny to the prices of shoes to the consumer, but that a duty of 15 per cent on hides would add from 25 to 50 cents per pair to the price of the shoes. And this statement is made in the face of the fact that the rate on hides in this bill is the same as the rate in the present law, which has been in existence since 1897.

A cursory glance at this statement will convince any reasonable man that it is not true, but must, of necessity, be absolutely false. To say that a duty of 15 per cent ad valorem on hides, which is no increase over the existing law, will increase the price of shoes from 25 to 50 cents per pair, but that a duty of nearly double that amount on shoes will not increase the price of that article to the consumers a penny, is ridiculousness run mad. In making this statement, the New England Shoe and Leather Association certainly presumed that the people of this country are fools, and that they could easily deceive them. Somebody is deceived in this statement, but it is not the people. This same leather association says that competition fixes the price of shoes. Then, if this be true a tariff on hides will only have the effect of giving to the farmer, who sells the cattle and hides, a small part of the profit which would otherwise go entirely into the pocket of the manufacturer.

I have no doubt, Mr. Speaker, but that with free hides our manufacturers of shoes and harness can, without a tariff, compete with the world; and therefore I say that if you take the tariff off of shoes and harness and other products of leather, I will gladly vote to put hides on the free list. But, I repeat, that so long as you keep the tariff on the products of leather, I shall vote for a tariff on hides, which the farmers and the cattle raisers produce.

I realize, Mr. Speaker, that if I had drifted with the tide and voted for free hides, I would no doubt have escaped criticism inspired by the leather trust, but I had my own iden of what was equitable, right, fair, and just and I had the courage of my convictions, and whenever, if I shall ever reach the point where I shall be afraid to vote as I believe that I should vote, I will despise myself and voluntarily retire to private life. But, knowing that I represent a courageous and intelligent people, I know that they want their Representative to have an opinion of his own and the courage of his convictions. I am sure that they would rather that their Representative should make a mistake sometime and, perhaps, vote wrong, rather than to have him be a mere echo with no opinions of his own. I shall continue to have the courage of my convictions and vote as I see the right. I may be accused of displaying bad judgment, but I will not lay myself open to the charge of being a coward.

Mr. DIXON of Indiana. Mr. Speaker, to the Israelites, overwhelmed with sufferings and afflictions, the voice of Divinity pointed the road to their deliverance. To the Republicans—divided by internal dissensions, awakened by the tremendous burdens of tariff taxation, faithless to the trust reposed by a forbearing people, and deaf to the promises made in its national platform, yet alive to the threatened rebuke of an outraged constituency—the Democratic platform has pointed to the legislation upon which the party in power hopes to escape the disastrous defeat its broken promises and faithless betrayal of the people's confidence have caused it to so richly deserve. The proposition of submitting the amendment to the Constitution for an income tax was taken boldly and bodily from the Democratic platform of 1908. That platform is as follows:

> We favor an income tax as part of our revenue system, and we urge the submission of a constitutional amendment specifically authorizing Congress to levy and collect tax upon individual and corporate incomes, to the end that wealth may bear its proportionate share of the burdens of the Federal Government.

This is not the first instance in which the Republican party has purloined the principles and platform of the Democratic party in order to meet the demands of the American people. A few years ago President Roosevelt sent a message to Congress and succeeded in securing legislation for the regulation of railroad rates and enlarging the powers of the Interstate Commerce Commission. No such proposition had prior to that time ever been suggested or advocated by the Republican party in any of its conventions. But two successive Democratic conventions—in 1900 and 1904—had declared for the proposition. The measure received the united support of the Democratic party, and was piloted through the Senate under Democratic leadership solicited by the President, in order to secure its passage over Republican opposition. If he had been half as true to the Democrats assisting him as they were to the cause, a better and stronger measure would have been enacted.

The Republican party claimed full credit for the measure, and it was its chief reliance for support in the succeeding campaign, although the measure had been popularized by Democratic discussion before it had been adopted by the Republican party. Now the same course is proposed in the pending resolution. The income tax has never been advocated by the Republican party since its repeal in 1872, never received respectful treatment in any of the conventions of that party, and it is only after the Democratic advocacy of this method of taxation has made it popular that this legislation is pressed to the bosom of Republican leaders who have always heretofore denounced it as anarchistic and unworthy of serious consideration by that party. It is a serious question whether their support is sincere or whether this is not a measure calculated to dispose of the issue without any intention of seeing the amendment carried. Will the leaders on the other side of the House pledge themselves to enter, when they return home, upon an earnest and active campaign to secure the immediate ratification of this amendment by the legislatures of their respective States? With the Democratic States almost certain to adopt this amendment, such is the influence of these Republican leaders with their people at home that their favorable action would assure the adoption of this amendment beyond the peradventure of a doubt.

Up to date these leaders refuse to amend the tariff bill by adding an income-tax provision on the theory that it would be unconstitutional. Some of the best lawyers in and out of Congress agree that such an amendment would be constitutional, and so strong has grown the demand for this legislation that such an amendment would have been added in the Senate had not those opposed to the measure proposed a substitute in the nature of a corporation tax. The President strengthened the forces of those wishing to defeat the income tax by sending a message advocating and advising a corporation tax, which is a step toward our general income tax. Many who were opposed to both chose the latter as at least the safest course to beat the income tax.

At Columbus, Ohio, on August 19, 1907, Mr. Taft in an address said:

A graduated income tax would also have a tendency to reduce the motive for the accumulations of enormous wealth, but the Supreme Court has held an income tax not to be a valid exercise of power by the Federal Government. The objection to it from a practical standpoint is its inquisitorial character and the premium it puts on perjury. In times of great national need, however, an income tax would be of great assistance in furnishing means to carry on the Government, and it is not free from doubt how the Supreme Court, with changed membership, would view a new income-tax law under such conditions. The court was nearly evenly divided in the last case, and during the civil war great sums were collected by an income tax without judicial interference and, as it was then supposed, within the federal power.

When accepting the nomination of the Republican party as its candidate for President, July 28, 1908, less than one year ago, he said:

The Democratic platform demands two constitutional amendments, one providing for an income tax and the other for the election of Senators by the people. In my judgment an amendment to the Constitution for an income tax is not necessary.

At that time, and prior to the election, Mr. Taft did not think that an amendment to the Constitution for an income tax was necessary, and that "an income tax can and should be devised which under the decisions of the Supreme Court will conform to the Constitution."

The Democrats will give this resolution their united support, but they think now, like Mr. Taft expressed himself less than a year ago, that an income tax can be devised without waiting for the tedious and uncertain result of submitting this amendment to the separate States, when a mere refusal to act by 12 States will result in its defeat.

The tariff-tax system has gradually turned over the earnings of the masses to the comparatively few favored individuals who are specially benefited by this system of taxation. This favored class would be compelled to contribute their share to the support of the Government by an income tax. The tariff tax is levied entirely upon consumption. The laboring man must expend his income for food, fuel, clothing, and tools of industry, and these taxes are heavier upon the necessities. The incomes of the rich escape federal taxation. Governments are constituted for the purpose of securing to mankind personal liberty, security, and the rights of private property. The Government protects the property of the rich and poor alike, and the former should pay their share toward supporting the General Government. In 1872 Senator Sherman said in the Senate:

A few years of further experience will convince the whole body of our people that a system of national taxes which rests the whole burden of taxation on consumption and not one cent on property or income is intrinsically unjust. While the expense of the National Government is largely caused by the protection afforded to property it is but right to require property to contribute to the payment of those expenses. It will not do to say that each person consumes in proportion to his means. This is not true. Everyone must see that the consumption of the rich does not bear the same relation to the consumption of the poor as the income of the one compares to the wages of the other. As wealth accumulates this injustice in the fundamental basis of our system will be felt and forced upon the attention of Congress.

The income tax is a measure of justice. The people will pay in proportion to their financial ability to pay. It will tax wealth in proportion to its abundance rather than poverty according to its necessities. Federal taxation is not levied upon the wealth of the country. It is imposed by way of taxes, internal-revenue duties levied upon liquors and tobacco used, and the import duties levied upon the clothing used and articles necessary for their comfort. The millionaires pay only on what they eat, drink, wear, and on what they use, and this is true of the poorer citizens likewise.

The wealthy man makes no other contribution to the support of the Government; nothing for the army which protects his wealth; nothing for the judiciary which settles his property rights; nothing to the support of the administrative department of the Government which executes the law that insures the safety of his property. They pay upon the necessities of life as the poor man does, and contribute more only as their necessities are larger. The Payne-Aldrich bill carefully forces from the latter a smaller contribution upon the articles which he uses than the articles used by his poorer neighbor.

It is not even suggested that wealth should pay all the taxes, but it is both reasonable and just that it should bear a portion, at least, of the public burden. It has ever been the pride of the Democratic party that it was the poor man's party and has ever fought for his rights. Our party has ever contended that the burdens of the Government should be at least partially shifted from the backs of the poor to those who can bear it; to divide these burdens between wealth and consumption; to divide them between the man who has nothing but his labor and the man who has incomes many times greater, derived from fortunes made by others; to compel the men who are wealthy by reason of tariff legislation to divide the burdens of the Government with the people whose earnings are compelled to flow by legislation to increase the wealth of the favored beneficiaries.

Our party would protect the poor and rich alike. We make no fight upon wealth. It should be protected to the same extent as the property of the poor. It will protect and guard the property of all, but it would never neglect the rights of the poor to satisfy the avarice of wealth, but would force all alike to contribute to the support of the Government that both may enjoy its blessings, and both should help carry its burdens. "Equal and exact justice to all."

The position of the Democratic party is that Government has not the right to levy taxes of any kind except for the support of the Government honestly and economically administered. That not a cent should be taken from the people but enough to pay the expenses of the Government, and especially should the burdens of taxation be not placed upon the many for the especial benefit of a favored few. Under the pernicious system of taxation provided in our Republican tariff laws, the wealth of the country has gradually accumulated in the hands of the favored few.

This system has made millionaires from money drawn from all of the people. After the civil war the Republican party readjusted the system of taxation and relieved the rich by repealing the tax upon incomes and instead increased the taxes upon the poor. For every dollar that goes into the Treasury from the customs duties $20 go into the hands of the beneficiaries of the law. The proposed Payne-Aldrich bill will not lessen those unjust and forced contributions, but will only increase the amount taken from the people.

Cooley in his work on taxation says:

Taking everything together, nothing can be more just as a principle of taxation than that every man should bear his share of the burdens of government in proportion to his wealth.

We had an income tax during the war, and its first collection was in 1863, when the amount collected reached two and three-fourths millions of dollars. That law provided for a tax of 3 per cent on all incomes over $600 and not more than $10,000, and 5 per cent on incomes above that amount. The law was amended several times during the war, and the largest amount collected in any one year was in 1867, when the amount was $66,017,429.34. The total amount collected from the income tax was $346,967,388.12. The law was finally repealed, and its repeal was the result of a united effort made by those who wanted high tariff rates and the main dependence of the Government to be upon its customs duties.

The Republican party had not then become the representative of organized wealth, and it had not yet become the servant of tariff beneficiaries. In 1894 the income tax was again ingrafted upon our statutes by a Democratic Congress, but it failed to receive the support of the Republican party, and was denounced as populistic and socialistic.

The CONGRESSIONAL RECORD for June 28, 1894 (vol. 26, pt. 7, p. 6934), shows that every Republican Member of the present Senate who was in the Senate in 1894 voted to strike from the tariff bill the sections providing for an income tax. These Senators were ALDRICH, CULLOM, FRYE, GALLINGER, HALE, and PERKINS.

In the House were a large number of Members who are still serving here, and while the income-tax provision was not voted on as a separate proposition apart from the internal-revenue feature of the bill, yet none of the Republican Members now here recorded their votes in its favor.

No Republican national platform ever declared for an income tax; no voice of approval or sympathy was ever uttered in their conventions. The proposition was denounced by every Republican speaker in the campaign of 1896. The Democratic party has consistently and uniformly advocated the enactment of an income tax. President Roosevelt, in a message to Congress December 3, 1906, said:

PRESIDENT ROOSEVELT'S MESSAGE OF DECEMBER, 1906.

* * * In addition to these there is every reason why, when next our system of taxation is revised, the National Government should

impose a graduated inheritance tax and, if possible, a graduated income tax. The man of great wealth owes peculiar obligation to the state, because he derives special advantages from the mere existence of government. Not only should he recognize this obligation in the way he leads his daily life and in the way he earns and spends his money, but it should also be recognized by the way in which he pays for the protection the state gives him. On the one hand it is desirable that he should assume his full and proper share of the burden of taxation. Where the men who vote the tax pay but little of it, there should be clear recognition of the danger of inaugurating any such system save in a spirit of entire justice and moderation. Whenever we, as a people, undertake to remodel our taxation system along the lines suggested, we must make it clear beyond the peradventure of a doubt that our aim is to distribute the burden of supporting the Government more equitably than at present; that we intend to treat rich man and poor man on a basis of absolute equality, and that we regard it as equally fatal to true democracy to do or permit injustice to the one as to do or permit injustice to the other. * * *

The question is undoubtedly very intricate, delicate, and troublesome. The decision of the court was only reached by one majority. It is the law of the land, and of course is accepted as such and loyally obeyed by all good citizens. Nevertheless, the hesitation evidently felt by the court as a whole in coming to a conclusion, when considered together with the previous decisions on the subject, may perhaps indicate the possibility of devising a constitutional income-tax law which shall substantially accomplish the results aimed at. *The difficulty of amending the Constitution is so great that only real necessity can justify a resort thereto.*

It is estimated that the Government would derive $80,000,000 from the Bailey-Cummins amendment if enacted into law. This amount could then be taken from the taxes now raised by tariff duties and the burdens of the people to that amount be lessened. The high protectionists oppose receipts from other sources than the tariff, since it lessens the amount to be derived from protective duties and is an opening wedge to the destruction of the monstrous high duties of their tariff laws. The people, once even partially relieved from excessive taxation, will not submit to its reestablishment, and, once in force as law, the income tax would remain.

It is very doubtful whether the amendment will ever be adopted; but as we can not force the Republicans to add to the tariff bill an income-tax measure at once, we will support the joint resolution for the submitting of the question to the States as the only measure we can now secure from the leaders of the party in power. Their sincerity will be judged from their actions hereafter when the amendment comes for adoption before the legislatures of Republican States. A Democratic House of Representatives would add the income-tax amendment to the tariff bill to-day, and the aroused public sentiment would force enough Republican votes in the Senate to join with the Democrats to pass the same in that body. It is plain to see how the people's burdens would be lightened and their rights protected if our party had the votes to enact legislation.

Mr. ADAIR. Mr. Speaker, it had not been my purpose to add another line to the debate on the pending tariff bill. But, sir, I am so deeply impressed by the iniquitous provisions of the bill as it came from the Senate that in justice to myself and in justice to the constituency I represent I take this opportunity to offer my protest against its enactment into law. Four months ago Congress was called in extraordinary session to revise the tariff in pursuance of a sacred pledge made to the people by the party in power. The evil effects of the Dingley law were so apparent to everybody that its repeal was demanded by men of all parties. The duties fixed by that law were so high that it had not only resulted in building up gigantic trusts, controlling almost every line of business, piling up tremendous fortunes wrongfully taken from the pockets of the people, but it also had depleted the Government Treasury until we were facing a deficit of $100,000,000.

The cost of the necessaries of life had soared so high that those who work for wages were ground down to a meager living. The small manufacturers all over the country were being driven to the wall by the trust combinations, and the people, finally awakened, demanded an honest revision of the tariff downward. All political parties in their platforms promised to carry out the demands of the people if intrusted with power. The President declared in the East and in the West that the tariff should be revised downward, and the people took him at his word and elected him to the highest office within their gift.

Now, Mr. Speaker, let us see what has been done toward a redemption of that pledge. We met on the 15th of March, and the House proceeded to consider a revision of the tariff, and those in charge, who evidently were not in sympathy with the President or the promises he had made, forced the bill through the House under a rule which prevented the offering of amendments, except as to four items, leaving nearly 4,000 items standing in the bill as fixed by the standpatters who comprise the majority of the Ways and Means Committee.

The Payne bill, as passed by the House, instead of being a revision downward, was a revision upward, and carried a higher average duty than the Dingley bill. While the bill was under consideration in the House, protests against its passage came from all parts of the country, and it was bitterly denounced by the Democratic as well as the Republican press from one end of the country to the other as being a travesty upon justice and a palpable violation of a party pledge made to the people. Instead of reducing the duties on the necessaries of life, in order that the burdens of taxation might fall more lightly on the poorer people, and increasing them on the luxuries consumed by the rich, the policy of those in charge seemed to be to make the taxes as high as possible on the masses and as low as possible on the special interests.

It is a shame and a disgrace, Mr. Speaker, that under our system of taxation the poor laboring man who has a wife and four or five children to support contributes more toward the expenses of the Government than does the millionaire who is too proud to raise a family and has no one to clothe and feed except a wife and a poodle dog.

The State of New York has a tax commission, consisting of 15 members, and that commission has made a report showing that the wealthy class of that State only pay tax on $1 out of $30, while the poor man, who can not cover up his property, pays tax on every dollar he is worth. There are no more loyal and patriotic people on earth than those who work for wages, and they are willing to pay their just share of the government expenses, but they do object to the wholesale discrimination against them through the enactment of legislation intended to confer special privileges on a class of people whose hearts are as hard as granite and whose milk of human sympathy is more bitter than gall.

Mr. Speaker, I hope I am not misunderstood. I am not an enemy of wealth. I want every man, rich and poor, old and young, high and low, to have the same opportunities and privileges and the same protection under the law. I have great admiration for the man who, through honesty, economy, ability, and progressiveness, accumulates a large sum of money, and under no consideration would I support a tariff bill which would tend toward striking down the industrial institutions of our country.

A large amount of capital in the hands of honest men with good intentions and purposes is a blessing to labor and a help to the country and to mankind. The fact is, modern civilization demands the employment of a large capital in carrying out our stupendous industrial enterprises. It is not the existence, but the abuse of capital that meets condemnation and denunciation and calls for remedial legislation. When combined capital in any hands abuses its legitimate powers, becomes oppressive, or assumes the form of monopolies, it becomes detrimental and dangerous to the Nation. It then affects injuriously every citizen, unless it be the few who fatten at the expense of the many. It then becomes greedy, extortionate, monarchical in its tendencies and practices, and not only controls the industrial field, but invades the political field as well, and the legislative halls, and seeks to corrupt both.

Mr. Speaker, I believe the future of this country depends on the enactment of legislation that will give equal rights to all men and special privileges to none. Under our present system of tariff taxation, and in the absence of effective antitrust legislation, stupendous trusts and combinations have sprung up, which have transferred a majority of the wealth of the country into the hands of a few people. There surely is much alarm in the fact that 4,000 men now own over 85 per cent of all the wealth of the country, and each one of the balance of the 90,000,000 people owns less than $500 in property. The records show, sir, that 51 men, who have been the beneficiaries of special legislation, now own $4,000,000,000 of this country's wealth. It is a lamentable fact that one thirty-fifth of the entire wealth of the United States is therefore concentrated in the hands of 51 men, and these men are to-day dictating the legislation of this special session of Congress.

Ah, Mr. Speaker, is not this a dangerous condition, and does it not demand the immediate attention of the American people? Every Member of this House must answer to his constituency; and let him be judged not by what others have done, but by what he himself has done. If he has shown by his vote during this special session of Congress that he is in sympathy with those who seek special privileges at the expense of the toiling millions, he does not deserve an indorsement by his constituency, and should be left at home, where he can do the country no harm, no matter from which political party he comes.

Mr. Speaker, while the bill was in the House I made the best effort I could, in my humble way, to secure an honest revision of the schedules, keeping in mind the rights of both the producer and the consumer. Every vote I cast was either a vote to lower the duty below the Dingley rate or to place the item on the free list. Not in a single instance did I vote to continue the Dingley rate or for a single increase; and I voted against the bill on its

final passage for the reason that it was a revision upward instead of downward and was a violation of the pledge made to the people.

The bill then went to the Senate; and that body has made it so much worse than the House bill that the people who denounced, rightfully and vigorously, the House bill would now be glad to see Congress adjourn and let the Dingley rates stand, vicious as they are. The Dingley bill was bad, the Payne bill was worse, and the Aldrich bill is infinitely worse than either of them, and has justly aroused the indignation of the people, who were promised and expected relief from excessive taxation through a reduction of the schedules below the present rates.

Mr. Speaker, I heartily commend both Democrats and Republicans in the Senate who made a terrific fight for an honest revision, and I earnestly denounce both Republicans and Democrats who joined with Senator ALDRICH in the passage of a bill which is the most wicked of any tariff bill ever passed by an American Congress. I am exceedingly glad of the fact that only one Democratic Senator voted for the bill, and am also pleased to note that Senator BEVERIDGE was one of ten Republican Senators who voted against it, and assigned as a reason that it was a violation of a party pledge and an injustice to the American people. I was also pleased with the active interest taken by Senator SHIVELY toward the reduction of duties all along the line.

The action of the Senate in dealing with the tariff emphasizes the fact that we have too many millionaires in that body and that a few high-price funerals would be a good thing for the country. As I am informed, there are now in the United States Senate 38 millionaires representing over $140,000,000. What can the people expect at their hands but legislation designed to aid the special-privileged class. I surely hope, Mr. Speaker, that the day will soon come when Senators will be elected by a popular vote of the people, and that the United States Senate will no longer be the dumping ground for millionaires, who have nothing in common with the plain people. The past twenty-five years has witnessed the enormous increase of individual and corporate fortunes in this country until the millionaire is no longer a rarity. This fact has served to develop the insolence and arrogance of wealth until intellectual endowments are dwarfed in its sordid presence and moral character lies prostrate in its ruthless path.

The power to rule men by intellectual and moral force, the test of statesmanship of a former day, is fast passing away, while wealth, the uncrowned king, oftentimes lacking both and coveting neither, arrogantly seeks to rule in a domain where it is only fitted to serve. Its altar has been erected in every community and its votaries are found in every household. Patriotism has given place to material expediency, and the love of country is supplanted by the love of money. An aptness for percentages and the successful manipulation of railroads and stock boards are often regarded as the most essential of senatorial equipments.

Mr. Speaker, there is another element more dangerous to the liberties of the people than that of individual wealth in its influence on the election of Senators. The wonderful growth of our country has been greatly accelerated by the combinations of wealth in corporate forms. These in their proper spheres are to be encouraged rather than condemned; but when they leave their legitimate fields of operation and seek to control, against the interests of the people, the legislation of the country, whether they be railroads, corporations, or trusts, or combines, they will meet with the indignant protests of all true friends of the people.

The number of employees in their control, the concentration of great wealth in their treasuries render their advances most enticing and their approaches most insinuating. Their interests are guarded by the ablest men of each community, and, if public rumor be true, they can lay their hands on representatives of the people in many of the legislatures and claim them as their own.

If the people dare to seek relief from their exactions, they are met by the agents of the corporations, who attempt to thwart them at every step. All that shrewdness, audacity, and money can suggest is readily at their command. The legislature is invaded, and the rights of the people give place to the exactions of corporate power; while he who can serve the corporations by his control of a legislature, by intrigue, artifice, or persuasion, against the demands of the people, is regarded in modern days as fully equipped for service in the United States Senate, where in that larger field his powers can be utilized for the benefit of the corporations he serves.

The standard for the exalted position of United States Senator is thus debased by corporate influence. The wire-puller and the intriguer are often preferred to the statesman and the patriot, and the proud title of United States Senator has lost much of its power in the suspicions which lurk in the public mind as to the mode, conditions, and requirements of their selection.

Mr. Speaker, I hope the day will soon come when the United States Senate will be composed entirely of men who represent more loyalty and less wealth, more patriotism and less plutocracy; men who love their country more than their money. When that body is so made up, such tariff bills as the one we are now considering will never emanate from that end of the Capitol.

Mr. Speaker, the bill as it comes to us from the Senate will bear heavily on practically all the people, and especially those who work for wages. Senator LA FOLLETTE has shown that on clothing alone the people will be robbed of $120,000,000 annually, and this is but one of a thousand items where similar extortions will be practiced. This bill will materially increase the cost of living all along the line, and those who are now struggling to make both ends meet will find their task still harder. Practically all the necessities of life are heavily taxed under this bill, and the burdens are heaviest on the cheaper class of goods consumed by the poorer people.

The cotton manufacturers are given a prohibitive duty and have an absolute monopoly on their finished product. On $6.25 worth of cotton cloth, such as is used by the plain people, there is a tax of $1.57; under the Dingley law 100 yards of unbleached sheeting was taxed $4, while under this bill it is taxed $6.06, and the same is true all through the cotton schedule. Three dollars' worth of ordinary cotton stockings is taxed $1.65. While the cotton schedule is bad, the woolen schedule is worse. On a woolen suit of clothes costing $15, there is a tax of $6.80; 25 yards of worsted, valued at $60, are taxed $7.10; 25 yards of cheap flannel, valued at $8.75, are taxed $5.25; $7.50 worth of cheap woolen hats are taxed $4.76, and so it goes all through the woolen schedule. These are only a few of the 4,000 items of the bill, but they show the extent Senator ALDRICH and his followers are willing to go for the benefit of the highly protected industries of the New England States. It is estimated by those who are in a position to know, that the duties carried in this bill will yield annually to the woolen manufacturers over $100,000,000 in excess of what would be a fair profit; that the cotton schedules will enable the cotton manufacturers to charge $90,000,000 each year for their products more than would be a reasonable profit; and that the manufacturers of hosiery and gloves will be able to charge as long as they can hold their breath without danger of foreign competition.

Mr. Speaker, you have sent this bill to conference without giving us an opportunity of voting against the Senate amendments, and what may we expect from the conference. Even if that committee had not been packed with "stand-pat" Members of both the House and the Senate, the best we could expect would be a compromise between the Payne bill, which is a higher bill than the Dingley bill, and the Aldrich bill, which is 20 per cent higher than the Payne bill. To be sure, however, that but few of the 847 Senate amendments may get away, the Speaker has appointed on the conference committee only those on the Republican side who at all times have stood for the highest duties and who are in hearty sympathy with the Aldrich bill.

Instead of selecting the House conferees in the order of their seniority, as was done in the Senate, the Speaker ignored Representatives HILL, of Connecticut, and NEEDHAM, of California, who have stood for some reductions, and appointed Representatives CALDERHEAD, of Kansas, and FORDNEY, of Michigan, who are "standpatters" of the most pronounced type. Therefore it is safe to say that the bill as finally reported will be substantially the Aldrich bill, and the name of the Hon. SERENO E. PAYNE will forever be forgotten so far as tariff legislation is concerned. When the bill is finally acted upon, I shall vote against it, to the end that I may not be held responsible for such vicious legislation imposed upon an outraged public.

Mr. Speaker, I shall watch with much anxiety the action of the President, who assured the country that the tariff should be revised downward. While I am exceedingly anxious to get away, yet if the President will veto this outrageous measure, I will gladly remain indefinitely and stand loyally by him until his pledge is fully and completely kept. If this bill becomes a law, the sugar trust will continue to rob the American people of $55,000,000 annually, and the woolen manufacturers will continue to exact from the consumers over $100,000,000 each year in excess of what is a fair profit; the United States Steel Company will continue to exploit the people of millions annually, while the 400 trusts set out in Moody's Manual will build up colossal fortunes wrung from the pockets of the working people.

Mr. Speaker, on behalf of the laborer, who with his dinner bucket in his hand finds his way to his daily work, who will be

compelled to pay more for the necessities of life, and who already has a hard time to feed and clothe his family, I protest against the passage of this bill. On behalf of 9,000,000 poor working girls, who will be compelled to pay more for their dresses, more for their hosiery and gloves, more for everything they wear, I earnestly protest against the passage of this unjust measure. In the name of the farmers, who will be compelled to sell on a free-trade market and buy on a protected market, and in the name of the retail merchants all over the country, who will be compelled to pay more for what they buy and charge more for what they sell, which will involve them in much embarrassment with their patrons, I now protest against the passage of this iniquitous measure and confidently hope the President will keep his plighted faith with the people and veto the bill.

The action of Congress, Mr. Speaker, is a keen disappointment to the American people, and especially to the toiling millions who were expecting at least partial relief from the burdens of excessive taxation.

Mr. CLINE. Mr. Speaker, I shall vote for the submission of the income-tax amendment to the Federal Constitution because I have always believed it to be one of the most equitable and just systems of taxation. In doing so, however, I incorporate with my vote my understanding of the present conditions surrounding the disposal of this measure. I very much believe the leaders of the Republican party in Congress are not sincere, and do not really want to amend the Constitution so that an income tax can be laid without doubt of its constitutionality.

Some of the most influential men in Congress, now asking that the proposed amendment be submitted, are known to be unalterably opposed to the imposition of an income tax. In my opinion the reason for the enthusiastic support this measure is receiving from leading Republicans, both in the Senate and the House, is to commit the country and Congress to the theory that Congress can not now pass a valid income-tax law which the Supreme Court would uphold as constitutional, if required to pass upon it, and that therefore the amendment is necessary. That assumption would put the entire matter in abeyance for at least three or four years. Then, too, a submission of such an amendment would require three-fourths of the States to ratify it before it could become effective, and if the enemies of the income tax could defeat its ratification in 12 States the entire question would be forever put at rest.

Congress has been in session now four months devising measures to produce revenue to meet the ordinary expenses of the Government and at the same time protect the interests that have found especial favor at the hands of the Republican party and meet the deficit of nearly $100,000,000. During all this time no man has risen in his place and denounced the income tax as an inequitable and unjust measure. No objection has been made to it, except that it was inquisitorial in character and should be applied only in times of great national stress. No man has dared to oppose it because it asks great masses of wealth, in most instances wrung from the people under an iniquitous high-tariff policy that no one subscribed to except the parties who are especially benefited by that policy, to pay their fair share of taxes.

I believe in an income tax because it taxes what a man really has. It taxes wealth, not want; accumulated possessions, instead of consumption. It responds to the ideal Democratic doctrine of taxation, viz, that taxes ought to be laid proportionately upon those who are best able to bear them. All taxes are burdensome, and when they are assessed so as to reach those who are best able to bear them they are then correctly apportioned. The very fact that both the House and the Senate added a new source of revenue to their respective measures is a confession that the general tariff bill finally framed would not produce sufficient revenue.

The doctrine that Congress had the power under the Constitution to lay an income tax was the theory and in part the practice of this Government for nearly one hundred years. There had been full acquiescence in the constitutional power of Congress to enact such legislation. The act of 1861 taxed incomes "derived from any kind of property or from any profession," and that act was amended in 1864 and at various intervals after till 1870. Its constitutionality was not questioned and it was a fruitful source of revenue. The decree of the Supreme Court of the United States declaring the income-tax law of 1894 unconstitutional surprised and shocked not only the legal fraternity of the land, but the great masses of the people, who had so long believed and acted upon the belief that the law was secure in its constitutional guaranty. That general opinion, with all due respect to the court, is still generally adhered to.

Public thought has naturally turned toward the theory of taxing incomes because of the magnitude of industrial and corporate fortunes that have escaped their share of the burdens. The ratio of investments in real and personal property has materially changed in two decades, the personal holdings being vastly greater than twenty years ago. The public mind, viewing with alarm the increasing power of these vast combinations of wealth and their threatened menace to our full and free enjoyment of our institutions, looked about not only for a remedy to prevent the possible evil influence, but to check the growth of these accumulations, and at the same time reach them for a fair share of the taxes they should justly contribute to their own support and that of the General Government.

I was in full accord with our President when he questioned the necessity of a constitutional amendment, as declared in the Democratic platform adopted at Denver. The President, in his acceptance of the nomination for the Presidency by the Republican party on July 28, 1908, said:

> The Democratic platform demands two constitutional amendments, one providing for an income tax and the other for the election of the United States Senators by the people. In my judgment, the amendment to the Constitution for an income tax is not necessary.

This was not a conclusion hastily arrived at by the President; he had a year before spoken on this subject. On August 19, 1907, in an address delivered at Columbus, Ohio, he said:

> A graduated income tax would have the tendency to reduce the motive for the accumulation of enormous wealth, but the Supreme Court has held an income tax not to be a valid exercise of power by the Federal Government. The objection to it from a practical standpoint is its inquisitorial character and the premium it puts on perjury. In times of great national need, however, an income tax would be of great assistance in furnishing revenue to carry on the Government, and it is not free from doubt how the Supreme Court, with changed membership, would view a new income-tax law under such conditions. The court was nearly evenly divided in the last case, and during the civil war great sums were collected by an income tax without judicial interference and, as it was supposed, under the federal power.

The income-tax law of 1894 was declared unconstitutional by a bare majority of the court, and in the decree all four of the judges dissenting filed opinions. The President, knowing the very narrow margin under which this opinion obtained, the circumstances under which it was rendered, the opinion of eminent judges that the decision was unsound, the changed personnel of the court, believed the question ought again to be submitted for review. So strong was he of the validity of an income-tax law, properly drawn, that he did not hesitate to say that the question should be again presented. Courts in all the States have reversed their opinions on important and momentous questions, and that without any reflection upon themselves. In view of the great difficulty involved in amending the Constitution, and justly so, too, would it not have been wise to have passed an income-tax law and asked the Supreme Court to again pass upon the question? If the court should deny to the federal power the authority, there would still be left to us the course we are now pursuing.

But, Mr. Speaker, the President did not insist upon an income-tax measure when he convened Congress in this extraordinary session. When the Ways and Means Committee submitted what was known as the "Payne bill," it included an inheritance tax, which it was said was included at the special instance and request of the President. The bill passed this body with that provision. After the bill was taken up in the Senate, the President of the United States sent a special message to Congress, suggesting the adoption of what is known as the "corporation tax," assessing all corporations 2 per cent on the net income of the corporation in excess of $5,000. The Senate eliminated the inheritance tax and substituted the corporation tax. It is a matter of general knowledge that the leading members of the Finance Committee in the Senate are open and avowed enemies of the income tax, and that the acceptance of the corporation-tax feature for the inheritance tax as incorporated in the House bill was for the sole and only purpose of defeating the income tax. It was also reported in the press and among the Members of both Houses, and there has been no denial of the fact, that personally there was as much objection on the part of leading members of the Finance Committee to the corporation tax as there was to the income tax. Yet the upper House of Congress proposes to submit a constitutional amendment to the people in order to give Congress the authority to do what leading Senators declare they are opposed to.

Can there be much speculation as to the purpose of submitting the proposed amendment? Not only can the 6 New England States that have grown "rich beyond the dream of avarice," contributed by the great Central West, with 6 other States that have enjoyed a partnership in the plunder, defeat the proposed amendment, but even though the full number of 12 States di-

rectly could not be induced to join in the defeat, opportunity is given to pack the senates of other smaller States having a very limited representation, so that it would not concur with the other legislative branch of the body and still defeat the amendment. I vote for the submission of this amendment, because I believe, as Congress is now constituted, it is the last chance to pave the way to some contributions from the great masses of wealth that do not now contribute to their own protection by the General Government. I do so, too, with the full knowledge of the scheme whereby the income-tax proposition has been betrayed into ambush by its pretended friends to be silently slaughtered by that quiet hand that is so subtle and at times so powerful in state legislatures. I do so with the hope that the overwhelming force of public sentiment in the West will see to it that the purpose of those who are responsible for the plan will not accomplish the desired result.

For years the Democratic party has advocated the income tax as a just measure for raising revenue. It has developed public sentiment to such an extent that the Republican party that heretofore has vigorously denounced it now covertly espouses its adoption. Even if the Payne bill or the Aldrich bill would have furnished sufficient revenue, I would still be in favor of an income tax, because of the strong principle of justice and equity the proposition involves. I would enact a graduated income-tax law, reform the schedules in the dutiable list, lower the rates of duty on articles of common necessity, enlarge the free list, and lift the burden from the backs of the toiling millions of American citizens in part and place it on the pocketbooks of the idle rich. Our wealth—our congested wealth—is so great and the expenses of the General Government so large that it seems to me we are bound to reform our sources of revenue.

For more than fifty years the income tax has grown in popular favor, not only in this country, but among the great powers of Europe. In England, France, Germany, Austria, Switzerland, Italy, the Netherlands, and even in the new possession of Hawaii an income tax has become a fixed and settled feature of their taxing policy. In England the Government has for more than sixty consecutive years collected an income tax, the last year the amount from that one source alone being more than $165,000,000.

When the British income tax was first laid, the revenue derived from the same was used to reduce by so much the protective duties against importations of general use, thereby forcing great accumulations of wealth to pay a share of the cost of their protection and removing, in part, the burdens of taxation from the poor.

Reference has been made by the chairman of the Ways and Means Committee to the argument of Mr. Gladstone, who, like the chairman, was an enemy of an income tax, in which Mr. Gladstone said he was opposed to the income-tax law because it would make a "nation of liars." This statement is quoted with approval as a forceful argument by the chairman against the income tax. The distinguished gentleman ought to be told that Mr. Gladstone in 1874 dissolved Parliament and appealed to the people, promising them if he were returned to power he would abolish the income-tax law. On a square presentation of the issue, Mr. Gladstone and his party were crushed with humiliating defeat. The income tax has been retained and is now a permanent factor in the revenue system of the country. Can it be possible that because a man will lie about his property possessions he should not be taxed? John Sherman said: "All taxes are inquisitorial, and the income tax is least so of any system." What is the trend of public thought in this country with reference to this question? More than 40 States in fifteen years have appointed commissions to examine and inquire into the constitutional provisions of sister States, with reference to their methods of producing revenue. Thirteen States have amended their constitutions so as to remove all question of their authority to tax incomes. The increasing popularity of this equitable and just system can not be diverted; it conduces to a fair and equitable distribution of the burdens, and is based upon the universally accepted principle of taxation, that in addition to the tax on articles of consumption there should be a direct tax on incomes, properly graduated. In all the changes of fifty years in our economic and industrial conditions, establishing new alignments of wealth, new forms of investments by which the wealth of society is produced and distributed, the income tax has met with no new arguments against it. Always and everywhere when the demand for greater justice in the distribution of the burdens of taxation has arisen, the income tax has been resorted to. In this country of ours with the greatest commerce, both internal and external, the greatest wealth, the greatest opportunity for expansion of our natural resources, why should we not reach these colossal fortunes and combinations for some support of the Government in whose system of taxation they have found so much favor?

Gentlemen oppose an income-tax law because of its inquisitorial character. Ascertaining the basis of any system of taxation is of necessity inquisitorial, and yet these same gentlemen advocate a corporation-tax law whose chief merit is the authority it gives the Government to invade the privacy and pry into and spy upon the business and methods of corporations with an army of inquisitors. The alleged income tax is abandoned in the Senate for one reason, viz, that Congress could not enact a law that would withstand a constitutional attack; but at the same time the Senate substitutes a corporation tax, labeled "a special excise tax," that, in the opinion of many distinguished lawyers both in the House and Senate, contains the same provisions that made the law of 1894 vulnerable in the Pollock case. Aside from the question of whether the present corporate amendment—the "special excise-tax" law—contains the elements of every just tax system—elements essentially necessary—equality in the distribution of the burdens it imposes, may not the legislator inquire whether or not as a permanent policy the General Government ought to be permitted to reach out to these local corporations, creatures of purely state legislation, and take from the States this source of revenue? Upon what theory may the Federal Government inquire into the private business of a purely local corporation, not doing or attempting to do an interstate business, but acting under the limitations of a state statute that created it, fixed its rights, powers, duties, and obligations? If the Federal Government may put its hand into the treasury of the corporation, divide its profits between the company and the Government, in defiance of state law, why may it not go further and limit and define the powers and duties of the corporation, fix the character of its operations and expenditures, restrict the state legislature in the privileges it may confer in a corporate act, and the judiciary of the State in its construction? If the federal power is to be permitted to override state boundary lines, subtract from the States their means of income, may it not continue to take more and more, till the recognized, separate, and independent rights of the States become a mere fiction? This condition deserves serious consideration. The strong, and, I may say, an almost irresistible, tendency in a representative government is toward a centralized power in the federal head. It can not but alarm all those who understand the preservation of the rights of the States to all those powers not especially delegated under the Constitution to be material and necessary to our perpetuity. A century has given these independent sovereigns that compose this federation those separate rights and functions that demand our respect and protection.

It has been said that the people are prejudiced against corporations. This is not correct. They are prejudiced against trusts and combinations that crush competition and dominate legitimate lines of business for their own selfish purposes. Almost every kind of business in every community is carried on by local corporations. They are an indispensable agency in conducting the business of the country. They furnish a means for investment by thousands of persons with small capital. Local corporations do not shrink from the payment of taxes, but they want no favoritism shown in apportioning the burden, and no discrimination made between classes of persons engaged in the same identical business, nor between classes, differently organized and competing for the same business.

I would vote for a corporation-tax amendment, properly drawn, if I could do so without my vote counting for the passage of the present unequal and unjust tariff measure now before Congress. I would do so only when the law taxed all corporations and all associations equally, especially when engaged in the same line of business, without discrimination. I would vote under those conditions for a temporary measure, because I believe it is my first, highest, and most patriotic duty with my vote to relieve the present embarrassment of the Government of ninety millions of deficit and the deficit that will occur during the next two years rather than consent to an issue of bonds, and not that I believe a corporation tax can be drawn free from all objections, or that it is an ideal measure of taxation or wholly free from constitutional doubt. I would do so, too, believing that speedy and just legislation would follow to remove, even in a temporary measure, as far as possible, the inequalities hidden in the law.

It has been said that the publicity feature of the bill will enable the Government to circumscribe the operations of the combinations and give the independent corporation a more favorable opportunity for trade. Exactly the opposite must be the result. A knowledge of the business, capital invested, indebtedness, customers of the small independent corporation struggling with the trust monster for a foothold in the trade of

the country will always in some way be available to the trust, thereby giving it the means to drive its independent rival out of business and make the field of the trusts' operations wider and less restricted—its mastery more complete.

If we accord entire good faith to the authors of the Aldrich-Payne bill, they have raised the duties so high on so many articles of common consumption that all competition has been destroyed. In the language of the distinguished Senator from Iowa [Senator CUMMINS], "complete, substantial, and effective competition is no longer a factor in American commerce." No man in all this tariff discussion has uttered a more pungent truth than this same Senator when he said "the rights of the consumer of any article or commodity to competition is dearer and higher and more sacred than the right of the producer to protection." This competition, which of right belongs to every American citizen, is in the iron grasp and safe-keeping of the manufacturers of New England. The Aldrich bill has intrenched them behind a tariff wall that leaves ninety millions of consumers to their tender mercies. It has levied a rate of tribute on the dwellers in the Mississippi Valley and given them power to collect it. Out of the honesty and industry, the thrift and economy of the merchant, the farmer, the mechanic, the day laborer must come the tax money of the manufacturer. If I had the power, I would relieve the people from the clutch of greed and avarice, from their commercial thraldom; I would pass a graduated income tax, reduce the duties on articles of necessity, and lighten the burdens of the poor. [Applause.]

The SPEAKER. The time for debate has expired; all time has expired.

Mr. HENRY of Texas. Mr. Speaker, I desire to have my amendment submitted, and ask that it be reported from the Clerk's desk.

Mr. PAYNE. I make the point of order, Mr. Speaker, that no amendment is in order.

Mr. HENRY of Texas. I want to be heard on the point of order.

The SPEAKER. The gentleman from New York makes the point that no amendment is in order. The Chair is ready to rule, but out of courtesy will hear the gentleman from Texas briefly.

Mr. HENRY of Texas. I desire to make a statement in regard to the amendment.

The SPEAKER. The Chair hopes that the gentleman will confine himself to the point of order, which is that the joint resolution, under the order made by unanimous consent, is not amendable.

Mr. HENRY of Texas. I shall confine myself strictly to the point of order, and it is upon that which I desire to be heard. Mr. Speaker, my amendment is to strike out the following words in lines 5 and 6 of the joint resolution, "when ratified by the legislatures of three-fourths of the several States," and insert "when ratified by convention in three-fourths of the several States."

Now, Mr. Speaker, upon the convening of Congress this morning the gentleman from New York [Mr. PAYNE] asked unanimous consent that this resolution be taken up and considered until 4 o'clock, and at that time, to wit, 4 o'clock, the House should proceed to vote upon the resolution.

There was no objection to that agreement, and therefore the House agreed that it would consider the amendment until 4 o'clock and then vote upon it. There was nothing said in regard to any amendment to the amendment that might be offered, and hence if the original proposition was subject to amendment at first it is now undoubtedly subject to amendment. What action has this House taken to prevent an amendment to the amendment? Absolutely none.

Mr. MANN. Will the gentleman yield for a question?

Mr. HENRY of Texas. I will yield to the gentleman from Illinois.

Mr. MANN. Under the ordinary practice at this stage of the proceedings there would be a motion or demand for the previous question.

Mr. HENRY of Texas. Yes.

Mr. MANN. Does not the gentleman think it fair to consider that the unanimous-consent agreement takes the place of the previous question, in order that the House might have a longer time for debate, and that at the end of that time the House proceed to a vote as though the previous question had been ordered?

Mr. HENRY of Texas. I agree to that, and am glad the gentleman asked the question and to know that he agrees with me.

Mr. MANN. The previous question would shut off the gentleman's amendment.

Mr. HENRY of Texas. Not at all. I have studied that question, and I want to make a statement about it now. We agreed that we would vote at 4 o'clock, which superseded a motion for the previous question, and such action certainly can not be construed as tantamount to ordering the previous question. There was not an agreement that this amendment should not be amended. There was nothing standing in the way of an amendment to an amendable proposition whenever the time came to vote upon it, and the previous question not having been demanded, such demand has long since been waived. I hope that answers the gentleman's proposition.

Mr. MANN. Well, it seems to me quite the reverse. I thought the gentleman and I agreed that the unanimous-consent agreement practically amounted to ordering the previous question.

Mr. HENRY of Texas. No; I did not say that it was tantamount to ordering the previous question, but only superseded the previous question and took it out of the power of anyone to call for it or the House even to order the same.

Mr. MANN. You could not take it out of the power to demand the previous question unless it was considered in effect——

Mr. HENRY of Texas. If it was properly demanded under the rules. But here, where we agreed to vote at 4 o'clock on this amendment, it could not at that time appropriately supersede such order.

Mr. MANN. The agreement to vote at 4 o'clock is certainly equivalent exactly to the previous question being ordered, because the previous question, after it is ordered, is simply that you vote at once, at a certain time.

Mr. HENRY of Texas. Now, Mr. Speaker, I gave notice early in the debate that at the proper time I should offer this amendment, and understood from the Chair that there should be proper opportunity to submit the amendment. Here we have only agreed to vote at 4 o'clock. We have not agreed in any way to preclude any amendment to this amendment. Therefore I say that it is clearly within the rule when I stand here now and offer my amendment.

Mr. JAMES. I suggest to the gentleman that when he gave notice he would offer the amendment there was nothing said by the gentlemen on the other side about the previous question.

The SPEAKER. The Chair begs the gentleman's pardon. The Chair called the attention of the gentleman to the condition of the order made by unanimous consent, so, so far as the Chair is concerned, the Chair is not embarrassed by any judgment by confession touching the matter.

Mr. HENRY of Texas. The Chair is not "embarrassed," and neither am I embarrassed; but as a Member of this House I only desire that this matter be fairly submitted for the consideration of the membership, and while the Speaker is in such a "fair" and "unembarrassed" state of mind I believe he will be constrained to rule that nothing has been done which prevents our now voting upon this amendment to the amendment.

I hope that there is nothing in the Chair's present "amiable mind" that will prevent him giving a just ruling, as this manifestly would be, on this occasion, the previous question not having been moved, and nothing but an agreement to vote at 4 o'clock, after a consideration of the bill until that time, having been entered into by the House of Representatives. And, also, according to the rules of this House, and in accord with logic and right reasoning, we are at this instant entitled to a vote upon my proposition. And I ask that the Chair rule with me on this just proposal and meritorious amendment and authorize the House to vote whether or not the Senate resolution shall be changed in the way suggested by me. [Applause on the Democratic side.]

The SPEAKER. The Chair will rule in this case according to the order of the House, whatever the consequences of that ruling may be. It is not the office or the duty of the Chair to disobey the rules of the House upon one hand as its presiding officer, or set aside the order upon the other. Now, what is the situation? In a colloquy between the gentleman from New York [Mr. PAYNE] and the gentleman from Missouri [Mr. CLARK] as to time for discussion upon this joint resolution it was agreed, in substance, that general debate should be closed upon the resolution at 4 o'clock, at which time a vote should be taken upon the joint resolution. Now, then, in the opinion of the Chair, that is equivalent to the previous question, by unanimous consent, and if there was no such thing as the previous question under the rules of the House an agreement made by unanimous consent that a vote shall be taken upon a joint resolution at a given time would only be dispensed with by the same unanimous consent, in the opinion of the Chair, that made the agreement; so that the agreement operates as the previous question, and was something more than the previous question, because under that agreement, made by unanimous consent, in the opinion of

the Chair it would require unanimous consent to unmake it. Therefore the Chair must hold that the point of order is well taken upon the amendment.

Mr. HENRY of Texas. Always desiring to be perfectly fair with the Speaker, and regretting that after a diligent search I can not find any authority to sustain him on this occasion, I feel constrained to respectfully appeal from the decision of the Chair.

The SPEAKER. The gentleman from Texas appeals from the decision of the Chair.

Mr. PAYNE. Mr. Speaker, I make the point of order that the House having determined to vote at 4 o'clock, this appeal is dilatory.

The SPEAKER. The Chair is not prepared to hold that the appeal is dilatory. If there is any doubt in the premises, we will solve it in favor of entertaining the appeal.

Mr. PAYNE. I move to lay the appeal on the table.

The SPEAKER. The gentleman from New York moves to lay the appeal on the table.

The question was taken, and the Chair announced that the ayes seemed to have it.

Mr. HENRY of Texas. Division, Mr. Speaker; and to save time I call for the yeas and nays.

The yeas and nays were ordered.

The question was taken; and there were—yeas 186, nays 144, answered "present" 2, not voting 55, as follows:

YEAS—186.

Alexander, N. Y.	Ellis	Kennedy, Iowa	Perkins
Allen	Elvins	Kinkaid, Nebr.	Pickett
Ames	Englebright	Knapp	Plumley
Anthony	Esch	Knowland	Pratt
Austin	Fish	Kopp	Pray
Barchfeld	Focht	Kronmiller	Prince
Barclay	Foelker	Küstermann	Reeder
Barnard	Fordney	Langham	Reynolds
Bartholdt	Foss	Langley	Roberts
Bates	Foster, Vt.	Law	Rodenberg
Bennet, N. Y.	Foulkrod	Lawrence	Scott
Bennett, Ky.	Fuller	Lenroot	Sheffield
Boutell	Gaines	Lindbergh	Simmons
Bradley	Gardner, Mass.	Longworth	Slemp
Brownlow	Gardner, Mich.	Loud	Smith, Cal.
Burke, Pa.	Gardner, N. J.	Loudenslager	Smith, Iowa
Burke, S. Dak.	Gillett	Lowden	Smith, Mich.
Burleigh	Goebel	Lundin	Snapp
Butler	Good	McCreary	Southwick
Calderhead	Graff	McKinlay, Cal.	Stafford
Campbell	Grant	McKinley, Ill.	Steenerson
Capron	Greene	McKinney	Sterling
Cassidy	Gronna	McLachlan, Cal.	Stevens, Minn.
Chapman	Guernsey	McLaughlin, Mich.	Sturgiss
Cocks, N. Y.	Hamer	McMorran	Sulloway
Cole	Hamilton	Madison	Swasey
Cook	Hanna	Mann	Tawney
Cooper, Pa.	Haugen	Martin, S. Dak.	Taylor, Ohio
Cooper, Wis.	Hawley	Miller, Kans.	Tener
Coudrey	Hayes	Miller, Minn.	Thistlewood
Cowles	Henry, Conn.	Mondell	Thomas, Ohio
Creager	Higgins	Moon, Pa.	Tilson
Crow	Hill	Morgan, Mo.	Tirrell
Currier	Hinshaw	Morgan, Okla.	Townsend
Dalzell	Hollingsworth	Morse	Volstead
Davidson	Howell, N. J.	Murdock	Vreeland
Davis	Howland	Murphy	Wanger
Dawson	Hubbard, Iowa	Needham	Washburn
Denby	Hubbard, W. Va.	Nelson	Weeks
Diekema	Hughes, W. Va.	Norris	Wheeler
Dodds	Hull, Iowa	Nye	Wiley
Douglas	Humphrey, Wash.	Olcott	Wilson, Ill.
Draper	Johnson, Ohio	Olmsted	Wood, N. J.
Driscoll, M. E.	Joyce	Parker	Woods, Iowa
Durey	Kahn	Parsons	Young, Mich.
Dwight	Kelfer	Payne	
Edwards, Ky.	Kendall	Pearre	

NAYS—144.

Adair	Cline	Godwin	Korbly
Adamson	Collier	Goldfogle	Lamb
Aiken	Covington	Gordon	Lassiter
Alexander, Mo.	Cox, Ind.	Graham, Ill.	Latta
Ansberry	Cox, Ohio	Gregg	Lee
Ashbrook	Cravens	Griggs	Lever
Barnhart	Cullop	Hamill	Livingston
Bartlett, Ga.	De Armond	Hamlin	Lloyd
Beall, Tex.	Dent	Hammond	McDermott
Bell, Ga.	Denver	Hardwick	McHenry
Boehne	Dickson, Miss.	Hardy	Macon
Booher	Dies	Harrison	Maguire, Nebr.
Borland	Dixon, Ind.	Heflin	Martin, Colo.
Bowers	Driscoll, D. A.	Helm	Maynard
Brantley	Edwards, Ga.	Henry, Tex.	Mays
Broussard	Estopinal	Hobson	Moon, Tenn.
Burgess	Ferris	Houston	Moore, Tex.
Burleson	Finley	Hughes, Ga.	Morrison
Burnett	Flood, Va.	Hughes, N. J.	Moss
Byrd	Floyd, Ark.	Hull, Tenn.	Nicholls
Byrns	Gallagher	Humphreys, Miss.	O'Connell
Candler	Garner, Tex.	James	Oldfield
Cantrill	Garrett	Jamieson	Padgett
Carlin	Gill, Md.	Johnson, Ky.	Palmer, A. M.
Carter	Gill, Mo.	Jones	Peters
Clark, Fla.	Gillespie	Keliher	Pou
Clark, Mo.	Gilmore	Kinkead, N. J.	Pujo
Clayton	Glass	Kitchin	Rainey
Randell, Tex.	Saunders	Smith, Tex.	Thomas, Ky.
Ransdell, La.	Shackleford	Sparkman	Thomas, N. C.
Rauch	Sharp	Spight	Tou Velle
Richardson	Sheppard	Stanley	Underwood
Robinson	Sims	Stephens, Tex.	Wallace
Rothermel	Sisson	Sulzer	Watkins
Rucker, Mo.	Slayden	Taylor, Ala.	Webb
Sabath	Small	Taylor, Colo.	Wickliffe

ANSWERED "PRESENT" 2.

Bartlett, Nev. Foster, Ill.

NOT VOTING—55.

Anderson	Garner, Pa.	Lovering	Rhinock
Andrus	Goulden	McCall	Riordan
Bingham	Graham, Pa.	McGuire, Okla.	Rucker, Colo.
Calder	Griest	Madden	Russell
Cary	Hay	Malby	Sherley
Conry	Heald	Millington	Sherwood
Craig	Hitchcock	Moore, Pa.	Sperry
Crumpacker	Howard	Morehead	Talbott
Ellerbe	Howell, Utah	Mudd	Weisse
Fairchild	Huff	Page	Willett
Fassett	Johnson, S. C.	Palmer, H. W.	Wilson, Pa.
Fitzgerald	Kennedy, Ohio	Patterson	Woodyard
Fornes	Lafean	Poindexter	Young, N. Y.
Fowler	Lindsay	Reid	

So the motion to lay the appeal on the table was agreed to.

The following pairs was announced:

Until further notice:

Mr. CALDER with Mr. REID.

Mr. KENNEDY of Ohio with Mr. TALBOTT.

Mr. CRUMPACKER with Mr. ANDERSON.

Mr. GRIEST with Mr. ELLERBE.

Mr. HENRY W. PALMER with Mr. WEISSE.

Mr. BINGHAM with Mr. SHERLEY.

Mr. HOWELL of Utah with Mr. LINDSAY.

Mr. MADDEN with Mr. RUSSELL.

Mr. MALBY with Mr. SHERWOOD.

Mr. SPERRY with Mr. CRAIG.

Mr. HUFF with Mr. HITCHCOCK.

Mr. YOUNG of New York with Mr. WILSON of Pennsylvania.

Mr. WOODYARD with Mr. WILLETT.

Mr. MUDD with Mr. RUCKER of Colorado.

Mr. MOOREHEAD with Mr. RHINOCK.

Mr. MOORE of Pennsylvania with Mr. PATTERSON.

Mr. MILLINGTON with Mr. PAGE.

Mr. MCGUIRE of Oklahoma with Mr. LEVER.

Mr. LOVERING with Mr. JOHNSON of South Carolina.

Mr. LAFEAN with Mr. HOWARD.

Mr. GRAHAM of Pennsylvania with Mr. GOULDEN.

Mr. GARNER of Pennsylvania with Mr. FORNES.

Mr. FAIRCHILD with Mr. FITZGERALD.

Mr. CARY with Mr. CONRY.

Mr. ANDRUS with Mr. RIORDAN (transferable).

Mr. FASSETT (for) with Mr. BARTLETT of Nevada (against).

On this vote:

Mr. MCKINLEY of Illinois (favor) with Mr. FOSTER of Illinois (against).

Mr. HENRY of Texas. Mr. Speaker——

The SPEAKER. For what purpose does the gentleman rise?

Mr. HENRY of Texas. After the announcement of the vote.

The vote was then announced as above recorded.

Mr. HENRY of Texas. I offer the following motion, to recommit with instructions, under the rule adopted on the 15th day of March of this year.

Mr. PAYNE. I call for the regular order.

Mr. HENRY of Texas. It is the regular order under the rule.

The SPEAKER. The Chair suggests to the gentleman that that motion will be in order after the third reading of the joint resolution.

Mr. HENRY of Texas. Well, I only want to save the point; I do not want to waive anything.

The SPEAKER. The question is on the third reading of the joint resolution.

The joint resolution was ordered to a third reading, and it was accordingly read the third time.

Mr. HENRY of Texas. Now I offer the following motion, to recommit with instructions.

The SPEAKER. Is the gentleman an opponent of the joint resolution?

Mr. HENRY of Texas. I am opposed to it as long as there is any chance under the rules to amend it and make it a better proposition; and the Chair, according to the press and otherwise, has announced that that rule would be liberally construed.

The SPEAKER. "After the previous question shall have been ordered on the passage of a bill or joint resolution, a motion to recommit shall be in order; and the Speaker shall give preference of recognition for such purpose to a Member who is opposed to the bill or joint resolution."

Mr. HENRY of Texas. Nobody else is making any motion.

The SPEAKER. That is for the Chair to find out first.

Mr. HENRY of Texas. I appeal to the Chair for information.

The SPEAKER. Is there any Member opposed to this joint resolution?

Mr. GARDNER of Massachusetts. Mr. Speaker, I am opposed to the joint resolution, and move to recommit.

The SPEAKER. The gentleman moves to recommit the joint resolution——

Mr. GARDNER of Massachusetts. And on that I move the previous question.

The SPEAKER (continuing). To the Committee on Ways and Means, and on that moves the previous question.

Mr. HENRY of Texas. A parliamentary inquiry.

The SPEAKER. The gentleman will state it.

Mr. HENRY of Texas. Under your own rules, does not my motion take precedence?

The SPEAKER. No; this is a motion to recommit.

Mr. HENRY of Texas. Another parliamentary inquiry. Mine is a motion to recommit with instructions. Does not a motion to recommit with instructions take precedence?

The SPEAKER. But the gentleman moves the previous question upon his motion to recommit to the Committee on Ways and Means. That motion is in order.

The question was taken, and the previous question was ordered.

The question was taken on the question to recommit, and it was rejected.

The SPEAKER. The question is on the passage of the joint resolution.

Mr. HULL of Tennessee. A parliamentary inquiry.

The SPEAKER. The gentleman will state it.

Mr. HULL of Tennessee. I desire to inquire of the Chair whether, under Article V of the Constitution, the Chair holds that the affirmative action of two-thirds of the membership of this House is necessary to pass this resolution?

The SPEAKER. By consent, the Chair will have the decisions read. The decisions and precedents are many, both in the House and in the Senate. Without objection, the Clerk will read.

The Clerk read as follows:

7027. The vote required on a joint resolution proposing an amendment to the Constitution is two-thirds of those voting, a quorum being present, and not two-thirds of the entire membership. On May 11, 1898, Mr. John B. Corliss, of Michigan, called up the joint resolution (H. J. Res. 5) proposing an amendment to the Constitution providing for the election of Senators of the United States.

The question being taken on the passage of the resolution, there were—yeas 184, nays 11; and the Speaker announced that the joint resolution was passed, two-thirds having voted in favor thereof.

Mr. EBENEZER J. HILL, of Connecticut, called attention to this clause of the Constitution:

"The Congress, whenever two-thirds of both Houses shall deem it necessary, shall propose amendments to this Constitution, or on the application of the legislatures of two-thirds of the several States, shall call a convention for proposing amendments," and made the point of order that the vote required was two-thirds of the entire membership—not two-thirds of a quorum.

The Speaker said:

"The question is one that has been so often decided that it seems hardly necessary to dwell upon it. The provision of the Constitution says 'two-thirds of both Houses.' What constitutes a House? A quorum of the membership, a majority—one-half and one more. That is all that is necessary to constitute a House to do all the business that comes before the House. Among the business that comes before the House is the reconsideration of a bill which has been vetoed by the President; another is a proposed amendment to the Constitution; and the practice is uniform in both cases, that if a quorum of the House is present the House is constituted, and two-thirds of those voting are sufficient in order to accomplish the object. It has nothing to do with the question of what States are present and represented or what States are present and vote for it. It is the House of Representatives in this instance that votes and performs its part of the function. If the Senate does the same thing, then the matter is submitted to the States directly, and they pass upon it.

"The first Congress, I think, had about 65 Members, and the first amendment that was proposed to the Constitution was voted for by 37 Members, obviously not two-thirds of the entire House. So the question seems to have been met right on the very threshold of our Government and disposed of in that way."

The result of the vote was then announced as above recorded.

7028. On February 26, 1869, the Senate agreed, by a vote of yeas 39, nays 13, to the report of the committee of conference on the resolution (S. J. R. 8) proposing an amendment to the Constitution of the United States (suffrage amendment).

Mr. Garrett Davis, of Kentucky, made the point of order that as the Senate consisted of 74 Members a vote of 50 was necessary to constitute the two-thirds vote.

During the debate Mr. Lyman Trumbull, of Illinois, recalled that the same question was raised before the war, in the last years of Mr. Buchanan's administration when Mr. Breckenridge was presiding officer of the Senate, and after debate the Senate decided by a large vote that the two-thirds required was two-thirds of the Senators present, if a quorum.

A decision having been asked, the President pro tempore sustained the view enunciated by Mr. Trumbull, as in accordance with the precedents.

The SPEAKER. The question is on the passage of the joint resolution.

Mr. CLARK of Missouri. Mr. Speaker, on that I ask for the yeas and nays.

The yeas and nays were ordered.

The question was taken; and there were—yeas 318, nays 14, answered "present" 1, not voting 55, as follows:

YEAS—318.

Adair	Driscoll, D. A.	James	Peters
Adamson	Driscoll, M. E.	Jamieson	Pickett
Aiken	Durey	Johnson, Ky.	Plumley
Alexander, Mo.	Dwight	Johnson, Ohio	Pou
Alexander, N. Y.	Edwards, Ga.	Jones	Pratt
Ames	Edwards, Ky.	Joyce	Pray
Ansberry	Ellis	Kahn	Prince
Anthony	Elvins	Keifer	Pujo
Ashbrook	Englebright	Kelliher	Rainey
Austin	Esch	Kendall	Randell, Tex.
Barclay	Estopinal	Kennedy, Iowa	Ransdell, La.
Barnard	Ferris	Kinkaid, Nebr.	Rauch
Barnhart	Finley	Kinkead, N. J.	Reeder
Bartholdt	Fish	Kitchin	Reynolds
Bartlett, Ga.	Flood, Va.	Knapp	Richardson
Bates	Floyd, Ark.	Knowland	Roberts
Beall, Tex.	Focht	Kopp	Robinson
Bell, Ga.	Foelker	Korbly	Rodenberg
Bennet, N. Y.	Foss	Kronmiller	Rothermel
Bennett, Ky.	Foster, Ill.	Küstermann	Rucker, Mo.
Boehne	Foster, Vt.	Lamb	Sabath
Booher	Foulkrod	Langham	Saunders
Borland	Fuller	Langley	Scott
Boutell	Gaines	Lassiter	Shackleford
Bowers	Gallagher	Latta	Sharp
Bradley	Gardner, Mich.	Law	Sheffield
Brantley	Gardner, N. J.	Lawrence	Sheppard
Broussard	Garner, Tex.	Lee	Simmons
Brownlow	Garrett	Lenroot	Sims
Burgess	Gill, Md.	Lever	Sisson
Burke, Pa.	Gill, Mo.	Lindbergh	Slayden
Burke, S. Dak.	Gillespie	Livingston	Slemp
Burleigh	Gillett	Lloyd	Small
Burleson	Gilmore	Longworth	Smith, Cal.
Burnett	Glass	Loud	Smith, Iowa
Butler	Godwin	Loudenslager	Smith, Mich.
Byrd	Goebel	Lowden	Smith, Tex.
Byrns	Goldfogle	Lundin	Snapp
Campbell	Good	McDermott	Sparkman
Candler	Gordon	McHenry	Speight
Cantrill	Graff	McKinlay, Cal.	Stafford
Capron	Graham, Ill.	McKinney	Stanley
Carlin	Grant	McLachlin, Cal.	Steenerson
Carter	Greene	McLaughlin, Mich.	Stephens, Tex.
Cassidy	Gregg	McMorran	Sterling
Chapman	Griggs	Macon	Stevens, Minn.
Clark, Fla.	Gronna	Madison	Sturgiss
Clark, Mo.	Guernsey	Maguire, Nebr.	Sulloway
Clayton	Hamer	Mann	Sulzer
Cline	Hamill	Martin, Colo.	Swasey
Cocks, N. Y.	Hamilton	Martin, S. Dak.	Tawney
Cole	Hamlin	Maynard	Taylor, Ala.
Collier	Hammond	Mays	Taylor, Colo.
Cook	Hanna	Miller, Kans.	Taylor, Ohio
Cooper, Pa.	Hardwick	Miller, Minn.	Tener
Cooper, Wis.	Hardy	Mondell	Thistlewood
Coudrey	Harrison	Moon, Pa.	Thomas, Ky.
Covington	Haugen	Moon, Tenn.	Thomas, N. C.
Cowles	Hawley	Moore, Tex.	Thomas, Ohio
Cox, Ind.	Hay	Morgan, Mo.	Tilson
Cox, Ohio	Hayes	Morgan, Okla.	Tirrell
Cravens	Heflin	Morrison	Tou Velle
Creager	Helm	Morse	Townsend
Crow	Henry, Tex.	Moss	Underwood
Cullop	Higgins	Murdock	Volstead
Currier	Hinshaw	Murphy	Vreeland
Davidson	Hobson	Needham	Wallace
Davis	Hollingsworth	Nelson	Wanger
Dawson	Houston	Nicholls	Washburn
De Armond	Howell, N. J.	Norris	Watkins
Denby	Howland	Nye	Webb
Dent	Hubbard, Iowa	O'Connell	Wickliffe
Denver	Hubbard, W. Va.	Oldfield	Wiley
Dickson, Miss.	Hughes, Ga.	Olmsted	Wilson, Ill.
Dickema	Hughes, N. J.	Padgett	Wood, N. J.
Dies	Hughes, W. Va.	Palmer, A. M.	Woods, Iowa
Dixon, Ind.	Hull, Iowa	Parker	Young, Mich.
Dodds	Hull, Tenn.	Parsons	The Speaker
Douglas	Humphrey, Wash.	Payne	
Draper	Humphreys, Miss.	Perkins	

NAYS—14.

Allen	Fordney	McCall	Weeks
Barchfeld	Gardner, Mass.	McCreary	Wheeler
Calderhead	Henry, Conn.	Olcott	
Dalzell	Hill	Southwick	

ANSWERED "PRESENT"—1.

Bartlett, Nev.

NOT VOTING—55.

Anderson	Garner, Pa.	McGuire, Okla.	Rhinock
Andrus	Goulden	McKinley, Ill.	Riordan
Bingham	Graham, Pa.	Madden	Rucker, Colo.
Calder	Griest	Malby	Russell
Cary	Heald	Millington	Sherley
Conry	Hitchcock	Moore, Pa.	Sherwood
Craig	Howard	Morehead	Sperry
Crumpacker	Howell, Utah	Mudd	Talbott
Ellerbe	Huff	Page	Weisse
Fairchild	Johnson, S. C.	Palmer, H. W.	Willett
Fassett	Kennedy, Ohio	Patterson	Wilson, Pa.
Fitzgerald	Lafean	Pearre	Woodyard
Fornes	Lindsay	Poindexter	Young, N. Y.
Fowler	Lovering	Reid	

So (two-thirds having voted in favor thereof) the joint resolution was passed.

Mr. FOSTER of Illinois. Mr. Speaker, I have a pair with the gentleman from Illinois [Mr. McKINLEY]. I am informed that if he were present he would vote "aye." I therefore will allow my vote to stand.

The result of the vote was then announced as above recorded.

DIGEST AND MANUAL OF THE RULES OF THE HOUSE.

Mr. DALZELL. Mr. Speaker, I ask unanimous consent for the present consideration of the following resolution.

The Clerk read as follows:

House resolution 91.

Resolved, That there be printed 2,000 copies of the Digest and Manual of the Rules and Practice of the House of Representatives for the first session of the Sixty-first Congress, the same to be bound and distributed under the direction of the Speaker and the Clerk of the House.

The SPEAKER. Is there objection?

Mr. CLARK of Missouri. Is this the first edition that has been printed?

Mr. DALZELL. This is the customary resolution which is passed at every session of Congress. There has already been a limited number of copies of the Manual and Digest, but they were printed on a requisition so that the Members might see the new form. It seems to be popular, and unless objection is made, if the resolution is passed, the 2,000 copies will be printed in this way.

The resolution was agreed to.

ALASKA-YUKON-PACIFIC EXPOSITION.

Mr. RODENBERG. Mr. Speaker, I move to take from the Speaker's table Senate concurrent resolution 5.

The SPEAKER. Does the gentleman ask unanimous consent?

Mr. RODENBERG. I did not understand that it was necessary.

The SPEAKER. The demand for the regular order would be for the call of committees.

Mr. RODENBERG. I demand the regular order.

The SPEAKER. The gentleman demands the regular order, and the Clerk will call the committees.

The Clerk called the committees.

Mr. RODENBERG. Mr. Speaker, I now renew my motion.

The SPEAKER. The gentleman moves to take from the Speaker's table the following concurrent resolution and consider the same.

The Clerk read as follows:

Senate concurrent resolution 5.

Resolved by the Senate (the House of Representatives concurring), That the invitation heretofore extended and presented to the Vice-President and Speaker of the House of Representatives and the Congress of the United States by the Alaska-Yukon-Pacific Exposition, to be held at Seattle, Wash., June 1 to October 15, 1909, be, and the same is hereby, accepted.

That the President of the Senate and the Speaker of the House of Representatives be, and they are hereby, authorized and directed to appoint a committee, to consist of 10 Senators and 15 Representatives of the Sixty-first Congress, to attend said exposition and to represent the Congress of the United States, and that an appropriation to meet the necessary expenses of the Vice-President, the Speaker, and said joint committee in attending said exposition is hereby authorized.

Mr. MACON. Mr. Speaker, I make the point of order that this resolution carries an appropriation, and for that reason is not, under the rule, properly before the House at this time.

The SPEAKER. It seems to the Chair that it does not carry an appropriation, although it authorizes it.

Mr. MACON. Just as a similar House resolution did which was before the House a few days ago, when the Speaker held that it carried an appropriation, just as this does, and hence would have to be considered in the Committee of the Whole House.

The SPEAKER. The Chair will submit to the gentleman from Arkansas that this bill is called up for consideration. Of course, if the House considers it, it can make such disposition by way of amendment as it sees fit.

Mr. CLARK of Missouri. A parliamentary inquiry, Mr. Speaker.

The SPEAKER. The gentleman will state it.

Mr. CLARK of Missouri. Does not the bill go to the Committee of the Whole House on the state of the Union, under the rules? It certainly makes a charge on the Government. I make that point of order.

The SPEAKER. The gentleman from Missouri makes the point of order that the bill should go to the Committee of the Whole House on the state of the Union. The Chair sustains the point of order.

ADJOURNMENT OVER.

Mr. PAYNE. Mr. Speaker, with the consent of the gentleman from Missouri, I desire to move that when the House adjourns to-day it adjourn to meet on Thursday next.

The motion was agreed to.

ALASKA-PACIFIC-YUKON EXPOSITION.

The SPEAKER. The Chair will state to the gentleman from Missouri that ordinarily this bill, if the committee had been appointed, would go to the Committee on Industrial Arts and Expositions. The gentleman makes the point of order, and, without objection, the Chair will refer the same to the Committee of the Whole House on the state of the Union. The Chair is inclined to believe that the motion would be in order.

Mr. MACON. I object.

The SPEAKER. Is there objection that the resolution be taken from the Speaker's table and referred to the Committee of the Whole House on the state of the Union?

Mr. MACON. I object.

Mr. RODENBERG. Mr. Speaker, I move that the resolution be taken from the Speaker's table and referred to the Committee of the Whole House on the state of the Union.

The question was taken; and on a division (demanded by Mr. CLARK of Missouri) there were 160 ayes and 114 noes.

Mr. CLARK of Missouri. The yeas and nays, Mr. Speaker.

The yeas and nays were ordered.

The question was taken; and there were—yeas 100, nays 158, answered "present" 3, not voting 126, as follows:

YEAS—100.

Allen	Dodds	Hughes, W. Va.	Plumley
Anthony	Draper	Humphrey, Wash.	Pratt
Barchfeld	Durey	Joyce	Pray
Barclay	Dwight	Keifer	Pujo
Barnard	Ellis	Kennedy, Iowa	Reeder
Bates	Elvins	Küstermann	Roberts
Bennet, N. Y.	Englebright	Langham	Rodenberg
Boutell	Esch	Langley	Simmons
Broussard	Estopinal	Law	Slemp
Brownlow	Fordney	Loudenslager	Smith, Iowa
Burke, S. Dak.	Foss	Lowden	Steenerson
Burleigh	Foulkrod	Lundin	Sterling
Butler	Gaines	McKinlay, Cal.	Stevens, Minn.
Campbell	Gardner, Mich.	McKinney	Sturgiss
Carter	Gardner, N. J.	McLachlan, Cal.	Tawney
Cassidy	Goldfogle	McMorran	Taylor, Ohio
Chapman	Good	Mann	Tener
Clark, Fla.	Graff	Maynard	Thistlewood
Cocks, N. Y.	Grant	Miller, Kans.	Tilson
Coudrey	Greene	Miller, Minn.	Vreeland
Cowles	Hamer	Olcott	Wanger
Crow	Hamilton	Olmsted	Washburn
Dalzell	Hanna	Parsons	Wickliffe
Denby	Hawley	Perkins	Wiley
Diekema	Higgins	Pickett	Wilson, Ill.

NAYS—158.

Adair	Dixon, Ind.	Johnson, Ky.	Rainey
Adamson	Douglas	Johnson, Ohio	Randell, Tex.
Aiken	Driscoll, D. A.	Jones	Richardson
Alexander, Mo.	Driscoll, M. E.	Kendall	Robinson
Alexander, N. Y.	Edwards, Ga.	Kinkead, N. J.	Rothermel
Ames	Edwards, Ky.	Kitchin	Rucker, Mo.
Ansberry	Ferris	Knapp	Sabath
Ashbrook	Finley	Kopp	Saunders
Austin	Flood, Va.	Korbly	Scott
Bartlett, Ga.	Floyd, Ark.	Kronmiller	Shackleford
Beall, Tex.	Gallagher	Lamb	Sharp
Bell, Ga.	Garner, Tex.	Latta	Sheffield
Boehne	Garrett	Lawrence	Sheppard
Booher	Gillespie	Lenroot	Sims
Bowers	Glass	Lindbergh	Sisson
Brantley	Godwin	Livingston	Smith, Tex.
Burgess	Gordon	Lloyd	Spight
Burnett	Graham, Ill.	Loud	Stafford
Byrd	Gregg	McCreary	Stephens, Tex.
Byrns	Griggs	McDermott	Sulloway
Candler	Guernsey	McHenry	Sulzer
Capron	Hamlin	McLaughlin, Mich.	Swasey
Clark, Mo.	Hammond	Macon	Taylor, Colo.
Clayton	Hardy	Maguire, Nebr.	Thomas, Ky.
Cline	Hay	Martin, Colo.	Thomas, N. C.
Cole	Hayes	Mays	Thomas, Ohio
Collier	Heflin	Moon, Tenn.	Tirrell
Cooper, Wis.	Helm	Moore, Tex.	Tou Velle
Covington	Henry, Tex.	Morgan, Okla.	Underwood
Cox, Ind.	Hinshaw	Morrison	Volstead
Cox, Ohio	Hollingsworth	Morse	Wallace
Cravens	Houston	Moss	Watkins
Cullop	Howland	Murdock	Webb
Currier	Hubbard, Iowa	Murphy	Weeks
Dawson	Hubbard, W. Va.	Nelson	Wheeler
De Armond	Hughes, N. J.	Nicholls	Wood, N. J.
Dent	Hull, Tenn.	Norris	Woods, Iowa
Denver	Humphreys, Miss.	Oldfield	Young, Mich.
Dickson, Miss.	James	Padgett	
Dies	Jamieson	Palmer, A. M.	

ANSWERED "PRESENT"—3.

Foster, Ill.	Hull, Iowa	Small

NOT VOTING—126.

Anderson	Bartholdt	Bingham	Burke, Pa.
Andrus	Bartlett, Nev.	Borland	Burleson
Barnhart	Bennett, Ky.	Bradley	Calder

Calderhead	Goebel	Lindsay	Prince
Cantrill	Goulden	Longworth	Ransdell, La.
Carlin	Graham, Pa.	Lovering	Rauch
Cary	Griest	McCall	Reid
Conry	Gronna	McGuire, Okla.	Reynolds
Cook	Hamill	McKinley, Ill.	Rhinock
Cooper, Pa.	Hardwick	Madden	Riordan
Craig	Harrison	Madison	Rucker, Colo.
Creager	Haugen	Malby	Russell
Crumpacker	Heald	Martin, S. Dak.	Sheriey
Davidson	Henry, Conn.	Millington	Sherwood
Davis	Hill	Mondell	Slayden
Ellerbe	Hitchcock	Moon, Pa.	Smith, Cal.
Fairchild	Hobson	Moore, Pa.	Smith, Mich.
Fassett	Howard	Morehead	Snapp
Fish	Howell, N. J.	Morgan, Mo.	Southwick
Fitzgerald	Howell, Utah	Mudd	Sparkman
Focht	Huff	Needham	Sperry
Foelker	Hughes, Ga.	Nye	Stanley
Fornes	Johnson, S. C.	O'Connell	Talbott
Foster, Vt.	Kahn	Page	Taylor, Ala.
Fowler	Keliher	Palmer, H. W.	Townsend
Fuller	Kennedy, Ohio	Parker	Weisse
Gardner, Mass.	Kinkaid, Nebr.	Patterson	Willett
Garner, Pa.	Knowland	Payne	Wilson, Pa.
Gill, Md.	Lafean	Pearre	Woodyard
Gill, Mo.	Lassiter	Peters	Young, N. Y.
Gillett	Lee	Poindexter	
Gilmore	Lever	Pou	

So the motion was rejected.

The Clerk announced the following additional pairs:

Until further notice:

Mr. MCKINLEY of Illinois with Mr. FOSTER of Illinois.

Mr. BURKE of Pennsylvania with Mr. SMALL.

Mr. BRADLEY with Mr. BORLAND.

Mr. CALDERHEAD with Mr. BURLESON.

Mr. BARTHOLDT with Mr. BARNHART.

Mr. COOPER of Pennsylvania with Mr. CANTRILL.

Mr. DAVIDSON with Mr. CARLIN.

Mr. GILLETT with Mr. GILL of Maryland.

Mr. GOEBEL with Mr. GILL of Missouri.

Mr. HENRY of Connecticut with Mr. GILMORE.

Mr. HOWELL of New Jersey with Mr. HAMILL.

Mr. KAHN with Mr. HARDWICK.

Mr. KNOWLAND with Mr. HARRISON.

Mr. LONGWORTH with Mr. HOBSON.

Mr. MOON of Pennsylvania with Mr. HUGHES of Georgia.

Mr. NEEDHAM with Mr. KELIHER.

Mr. NYE with Mr. LASSITER.

Mr. PAYNE with Mr. TAYLOR of Alabama.

Mr. PEARRE with Mr. LEE.

Mr. PRINCE with Mr. O'CONNELL.

Mr. REYNOLDS with Mr. PETERS.

Mr. SMITH of California with Mr. RANSDELL of Louisiana.

Mr. SMITH of Michigan with Mr. RAUCH.

Mr. SNAPP with Mr. SLAYDEN.

Mr. SOUTHWICK with Mr. SPARKMAN.

Mr. TOWNSEND with Mr. STANLEY.

Mr. COOK of Pennsylvania with Mr. LEVER.

For the session:

Mr. FOSTER of Vermont with Mr. POU.

Mr. SLAYDEN. Mr. Speaker——

The SPEAKER pro tempore (Mr. ROBERTS). For what purpose does the gentleman rise?

Mr. SLAYDEN. I desire to vote.

The SPEAKER pro tempore. Was the gentleman present when his name was called and listening and did not hear his name called?

Mr. SLAYDEN. No.

The SPEAKER pro tempore. The gentleman is not entitled to vote.

Mr. SLAYDEN. I was not here.

The result of the vote was announced as above recorded. [Applause.]

LEAVE OF ABSENCE.

Mr. JOHNSON of South Carolina, by unanimous consent, was granted leave of absence indefinitely on account of sickness.

WITHDRAWAL OF PAPERS.

Mr. MCLACHLAN of California, by unanimous consent, was granted leave to withdraw from the files of the House, without leaving copies, the papers in the case of Daniel Conner, Fifty-ninth Congress, no adverse report having been made thereon.

CHANGE OF REFERENCE.

By unanimous consent the Committee on Accounts was discharged from further consideration of the resolution (H. C. Res. 19) authorizing the Secretary of the Interior to have printed and mounted 239,000 United States maps, and the same was referred to the Committee on Printing.

ADJOURNMENT.

Mr. PAYNE. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to.

Accordingly, under its previous order (at 5 o'clock and 34 minutes p. m.), the House adjourned to meet on Thursday next.

PUBLIC BILLS, RESOLUTIONS, AND MEMORIALS.

Under clause 3 of Rule XXII, bills, resolutions, and memorials of the following titles were introduced and severally referred as follows:

By Mr. MONDELL: A bill (H. R. 11489) to provide for the purchase of a site and the erection of a public building thereon at Newcastle, in the State of Wyoming—to the Committee on Public Buildings and Grounds.

By Mr. HAWLEY: A bill (H. R. 11490) directing that patents shall issue upon certain homestead entries within the former Siletz Indian Reservation in Oregon—to the Committee on the Public Lands.

By Mr. BROUSSARD: A bill (H. R. 11491) providing for the payment of one month's extra allowance for additional services performed by clerks to Members and Delegates—to the Committee on Accounts.

By Mr. CAMERON: A bill (H. R. 11492) to provide for the purchase of a site and the erection of a public building thereon at Tucson, Ariz.—to the Committee on Public Buildings and Grounds.

By Mr. STEENERSON: A bill (H. R. 11493) to authorize the acquisition of a site and the erection thereon of a federal building at Bemidji, Minn.—to the Committee on Public Buildings and Grounds.

Also, a bill (H. R. 11494) providing for the erection of a federal building at Moorhead, Minn.—to the Committee on Public Buildings and Grounds.

By Mr. SMITH of Michigan: A bill (H. R. 11566) to establish a limited post and telegraph service, and for other purposes—to the Committee on the Post-Office and Post-Roads.

By Mr. TAWNEY: Resolution (H. Res. 90) making it in order to offer an amendment to the bill making appropriations to supply urgent deficiencies in appropriations for the fiscal year 1909—to the Committee on Rules.

By Mr. BROUSSARD: Resolution (H. Res. 92) providing for additional compensation to Members and Delegates for clerk hire during the present extraordinary session of Congress—to the Committee on Accounts.

PRIVATE BILLS AND RESOLUTIONS.

Under clause 1 of Rule XXII, private bills and resolutions of the following titles were introduced and severally referred as follows:

By Mr. ALLEN: A bill (H. R. 11495) granting an increase of pension to William A. Parker—to the Committee on Invalid Pensions.

Also, a bill (H. R. 11496) granting an increase of pension to Alvin Goodwin—to the Committee on Invalid Pensions.

By Mr. ANTHONY: A bill (H. R. 11497) granting an increase of pension to Henry Austin—to the Committee on Invalid Pensions.

Also, a bill (H. R. 11498) granting an increase of pension to Wesley A. McDonald—to the Committee on Invalid Pensions.

Also, a bill (H. R. 11499) granting an increase of pension to Philip E. Sellers—to the Committee on Invalid Pensions.

Also, a bill (H. R. 11500) granting an increase of pension to George W. Southwell—to the Committee on Invalid Pensions.

Also, a bill (H. R. 11501) granting an increase of pension to Marguerite Murphy—to the Committee on Pensions.

By Mr. AUSTIN: A bill (H. R. 11502) granting an increase of pension to James Ivy—to the Committee on Invalid Pensions.

Also, a bill (H. R. 11503) granting an increase of pension to James Finley Patterson—to the Committee on Invalid Pensions.

Also, a bill (H. R. 11504) granting an increase of pension to Jacob Rines—to the Committee on Invalid Pensions.

Also, a bill (H. R. 11505) granting an increase of pension to Daniel G. Thompson—to the Committee on Invalid Pensions.

Also, a bill (H. R. 11506) granting an increase of pension to Andrew J. Huggins—to the Committee on Invalid Pensions.

Also, a bill (H. R. 11507) granting an increase of pension to Benjman Cannon—to the Committee on Invalid Pensions.

Also, a bill (H. R. 11508) granting an increase of pension to Nancy A. Bumgardner—to the Committee on Invalid Pensions.

Also, a bill (H. R. 11509) granting an increase of pension to Joshua F. Bray—to the Committee on Invalid Pensions.

Also, a bill (H. R. 11510) granting an increase of pension to William Louallen—to the Committee on Invalid Pensions.

Also, a bill (H. R. 11511) granting an increase of pension to Howell E. Freeland—to the Committee on Invalid Pensions.

Also, a bill (H. R. 11512) granting an increase of pension to Robert Brashears—to the Committee on Invalid Pensions.

Also, a bill (H. R. 11513) granting an increase of pension to Joseph Brooks—to the Committee on Pensions.

Also, a bill (H. R. 11514) granting a pension to Martha J. Stout—to the Committee on Invalid Pensions.

Also, a bill (H. R. 11515) granting a pension to William P. Ferguson—to the Committee on Pensions.

By Mr. CALDERHEAD: A bill (H. R. 11516) granting an increase of pension to John G. Nicholas—to the Committee on Invalid Pensions.

By Mr. CAPRON: A bill (H. R. 11517) granting an increase of pension to Arthur W. Deane—to the Committee on Invalid Pensions.

Also, a bill (H. R. 11518) granting an increase of pension to Michael McCormick—to the Committee on Invalid Pensions.

Also, a bill (H. R. 11519) granting an increase of pension to John V. Perkins—to the Committee on Invalid Pensions.

Also, a bill (H. R. 11520) granting an increase of pension to James L. Spencer—to the Committee on Invalid Pensions.

Also, a bill (H. R. 11521) granting an increase of pension to Edgar A. Whitaker—to the Committee on Invalid Pensions.

Also, a bill (H. R. 11522) granting an increase of pension to William E. Mason—to the Committee on Invalid Pensions.

Also, a bill (H. R. 11523) granting an increase of pension to William H. Northrup—to the Committee on Invalid Pensions.

Also, a bill (H. R. 11524) for the relief of James T. Caswell, postmaster at Narragansett Pier, R. I.—to the Committee on Claims.

By Mr. DENVER: A bill (H. R. 11525) granting an increase of pension to George A. Anderson—to the Committee on Invalid Pensions.

Also, a bill (H. R. 11526) granting an increase of pension to David C. Cass—to the Committee on Invalid Pensions.

Also, a bill (H. R. 11527) granting an increase of pension to Charles O. Williams—to the Committee on Invalid Pensions.

Also, a bill (H. R. 11528) granting an increase of pension to Michael A. Arthur—to the Committee on Invalid Pensions.

Also, a bill (H. R. 11529) granting an increase of pension to John C. Strain—to the Committee on Invalid Pensions.

Also, a bill (H. R. 11530) granting an increase of pension to Joseph W. Randell—to the Committee on Invalid Pensions.

Also, a bill (H. R. 11531) granting an increase of pension to Marion P. Phillips—to the Committee on Invalid Pensions.

Also, a bill (H. R. 11532) granting an increase of pension to Edward M. Curtis—to the Committee on Invalid Pensions.

Also, a bill (H. R. 11533) granting an increase of pension to Ardon P. Middleton—to the Committee on Invalid Pensions.

By Mr. FOCHT: A bill (H. R. 11534) for the relief of Henry Brant—to the Committee on War Claims.

Also, a bill (H. R. 11535) for the relief of the trustees of Tonoloway Baptist Church, Fulton County, Pa.—to the Committee on War Claims.

By Mr. FOELKER: A bill (H. R. 11536) granting an increase of pension to Joseph J. Schafer—to the Committee on Invalid Pensions.

By Mr. FOSTER of Vermont: A bill (H. R. 11537) granting a pension to W. H. Brooks—to the Committee on Pensions.

Also, a bill (H. R. 11538) granting a pension to Persis A. Gowen—to the Committee on Pensions.

Also, a bill (H. R. 11539) granting a pension to William J. Larock—to the Committee on Pensions.

Also, a bill (H. R. 11540) granting an increase of pension to Austin Wilkins—to the Committee on Invalid Pensions.

Also, a bill (H. R. 11541) granting an increase of pension to Michael McKenzie—to the Committee on Invalid Pensions.

Also, a bill (H. R. 11542) granting an increase of pension to William H. Cobb—to the Committee on Invalid Pensions.

By Mr. GARNER of Texas: A bill (H. R. 11543) for the relief of Sarah E. Dixon, administratrix of estate of Judge Legrand Dixon, deceased—to the Committee on War Claims.

By Mr. HUGHES of West Virginia: A bill (H. R. 11544) granting an increase of pension to Oscar N. Greer—to the Committee on Invalid Pensions.

Also, a bill (H. R. 11545) granting an increase of pension to Squire Bennett—to the Committee on Invalid Pensions.

By Mr. KENNEDY of Ohio: A bill (H. R. 11546) granting an increase of pension to Austin P. Walker—to the Committee on Invalid Pensions.

By Mr. KENDALL: A bill (H. R. 11547) granting an increase of pension to Charles J. Whitsell—to the Committee on Invalid Pensions.

By Mr. LOUD: A bill (H. R. 11548) to transfer Capt. John Clarke Wilson from the retired to the active list of the navy—to the Committee on Naval Affairs.

By Mr. MONDELL: A bill (H. R. 11549) granting an increase of pension to John S. Watkins—to the Committee on Invalid Pensions.

Also, a bill (H. R. 11550) granting an increase of pension to William H. Tydeman—to the Committee on Invalid Pensions.

By Mr. PAYNE: A bill (H. R. 11551) granting an increase of pension to Cornelius McNamara—to the Committee on Invalid Pensions.

Also, a bill (H. R. 11552) granting an increase of pension to John R. Brambley—to the Committee on Invalid Pensions.

By Mr. SMALL: A bill (H. R. 11553) for the relief of Abner Gibson—to the Committee on War Claims.

Also, a bill (H. R. 11554) for the relief of Caroline Walters—to the Committee on War Claims.

Also, a bill (H. R. 11555) for the relief of Spencer Etheredge, J. E. Berry, and Charles Meekins, trustees of Roanoke Island Baptist Church, of Roanoke Island, North Carolina—to the Committee on War Claims.

Also, a bill (H. R. 11556) for the relief of the estate of Thomas S. Johnston—to the Committee on War Claims.

Also, a bill (H. R. 11557) granting a pension to Levi Newbern—to the Committee on Pensions.

By Mr. SPARKMAN: A bill (H. R. 11558) granting a pension to H. C. Tilson—to the Committee on Invalid Pensions.

Also, a bill (H. R. 11559) granting a pension to James T. Simmons—to the Committee on Pensions.

By Mr. THOMAS of Kentucky: A bill (H. R. 11560) granting an increase of pension to Sampson P. Dukes—to the Committee on Invalid Pensions.

By Mr. WEEKS: A bill (H. R. 11561) granting a pension to Charlotte A. Butters—to the Committee on Invalid Pensions.

Also, a bill (H. R. 11562) granting an increase of pension to Thomas A. Bailey—to the Committee on Invalid Pensions.

Also, a bill (H. R. 11563) granting arrears of pension to Orrin C. Cook—to the Committee on Invalid Pensions.

By Mr. WOODS of Iowa: A bill (H. R. 11564) granting an increase of pension to Aquila Belt Crow—to the Committee on Invalid Pensions.

Also, a bill (H. R. 11565) granting an increase of pension to Joseph M. Billings—to the Committee on Invalid Pensions.

By Mr. SMITH of Michigan: A bill (H. R. 11567) granting an increase of pension to Charles H. Lockwood—to the Committee on Invalid Pensions.

Also, a bill (H. R. 11568) to correct the military record of Jerome Whaley—to the Committee on Military Affairs.

By Mr. WILSON of Illinois: A bill (H. R. 11569) granting an increase of pension to Nelson La Barge—to the Committee on Invalid Pensions.

PETITIONS, ETC.

Under clause 1 of Rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

By Mr. AUSTIN: Petition of Flint Hill Council, No. 33, Junior Order United American Mechanics, against admission of all Asiatics save merchants, students, and travelers—to the Committee on Foreign Affairs.

By Mr. CAPRON: Petition of Walkover Shoe Company, of Providence, R. I., favoring free hides—to the Committee on Ways and Means.

Also, petition of Woman's Christian Temperance Union of Newport, R. I., favoring bill to regulate shipment of liquor into prohibition territory—to the Committee on Interstate and Foreign Commerce.

Also, papers to accompany bills for relief of Edgar A. Whitaker, William E. Mason, William H. Northrup, James L. Spencer, John V. Perkins, Michael McCormick, and Arthur W. Deane—to the Committee on Invalid Pensions.

By Mr. CONRY: Petition of Darling & Co., of Long Island City, N. Y., against reduction of duty on glue and for restoration of the Dingley tariff—to the Committee on Ways and Means.

Also, petition of Roselyn Fuel Company, of Seattle, Wash., against removal or reduction of the duty on coal—to the Committee on Ways and Means.

Also, petition of Charles Adler's Sons, favoring rates of duty on diamonds as proposed by Finance Committee of Senate—to the Committee on Ways and Means.

Also, petition of Carter, Macy & Co., of New York City, favoring a tax on tea—to the Committee on Ways and Means.

Also, petition of Liberty Incandescent Light Company, of New York City, against raising duty on thorium nitrate—to the Committee on Ways and Means.

Also, petition of Amalgamated Woodworkers of America, against reduction of duty on lumber—to the Committee on Ways and Means.

Also, petition of Hudson Valley Muslin Underwear Company, of Poughkeepsie, N. Y., against raising duty on laces and embroidery—to the Committee on Ways and Means.

Also, petition of Darling & Co., of Long Island City, N. Y., against a reduction of the duty on glue—to the Committee on Ways and Means.

Also, petition of adjutant-general of New York State, favoring S. 1691, introduced by Mr. WARREN, April 15, 1909—to the Committee on Militia.

Also, petition of New York City Federation of Women's Clubs, protesting conditions in Armenia—to the Committee on Foreign Affairs.

By Mr. COOK: Petition of Reformed Germantown Avenue Building and Loan Association, of Philadelphia, against any bill to tax building associations—to the Committee on Ways and Means.

By Mr. COOPER of Pennsylvania: Petition of Reformed Germantown Avenue Building and Loan Association, of Philadelphia, against application of corporation-tax feature of pending tariff bill to building associations—to the Committee on Ways and Means.

Also, petition of Albert C. Winters and other citizens of Fayette City, Pa., favoring more effective immigration laws—to the Committee on Immigration and Naturalization.

By Mr. ESCH: Petition of executive committee of Northwestern Mutual Life Insurance Company, against tax of 2 per cent on all mutual life insurance associations, as provided in corporation-tax feature of pending tariff measure—to the Committee on Ways and Means.

By Mr. FULLER: Petition of Samuel Holmes, of New York City, against corporation-tax feature of the tariff bill—to the Committee on Ways and Means.

Also, petition of Upson & Burrows, of Rockford, Ill., against the pending tariff bill—to the Committee on Ways and Means.

Also, petition of P. Rielly & Son, of Newark, N. J., for free hides—to the Committee on Ways and Means.

Also, petition of D. J. Stewart & Co., of Rockford, Ill., against increase of duty on dry goods—to the Committee on Ways and Means.

By Mr. GOULDEN: Petition of J. Moody & Co., of New York City, against amendment of paragraph 345½ in tariff bill, relative to laces, etc.—to the Committee on Ways and Means.

Also, petition of American Clay Producers' Association, against reduction of duty on pulp and paper—to the Committee on Ways and Means.

Also, petition of American manufacturers of paper-makers' felts and jackets, against reduction of tariff on pulp and paper—to the Committee on Ways and Means.

Also, petitions of Endicott-Johnson Company, of Endicott, N. Y.; New England Shoe and Leather Association; and Hans Rees Sons (Incorporated), of New York City, favoring free hides—to the Committee on Ways and Means.

Also, petitions of Frankfort Insurance Company and Deloitte, Plender, Griffiths & Co. and others, of New York City, against the corporation-tax feature of tariff bill—to the Committee on Ways and Means.

By Mr. HANNA: Petition of citizens of La Moure, N. Dak., against a parcels-post law—to the Committee on the Post-Office and Post-Roads.

By Mr. McKINNEY: Petition of Cigar Makers' Union No. 305, of Monmouth, Ill., against free importation of cigars from the Philippines—to the Committee on Ways and Means.

By Mr. PEARRE: Petition of employees of the Union Manufacturing Company, of Frederick, Md., urging adoption of tariff rates on hosiery as provided in the House tariff bill—to the Committee on Ways and Means.

By Mr. SULZER: Petition of Liezman & Weil, of New York City, against provisions of paragraph 177 of pending tariff bill—to the Committee on Ways and Means.

Also, petition of Weingerten Brothers, against raise of duty on laces and embroidery—to the Committee on Ways and Means.

Also, petition of Frankfort Insurance Company and Deloitte, Plender, Griffiths & Co., against applying corporation-tax feature of pending tariff bill to insurance companies—to the Committee on Ways and Means.

Also, petition of Frederick de Bary & Co., against increase of duty on wines, etc.—to the Committee on Ways and Means.

Also, petition of P. Rielly & Son, of Newark, N. J., and New England Shoe and Leather Association, of Boston, Mass., against duty on hides—to the Committee on Ways and Means.

SENATE.

TUESDAY, *July 13, 1909.*

Prayer by the Chaplain, Rev. Ulysses G. B. Pierce, D. D.

The Vice-President being absent, the President pro tempore took the chair.

The Secretary proceeded to read the Journal of the proceedings of Friday last, when, on request of Mr. LODGE, and by unanimous consent, the further reading was dispensed with.

The PRESIDENT pro tempore. The Journal stands approved.

MESSAGE FROM THE PRESIDENT.

A message in writing from the President of the United States was communicated to the Senate by Mr. M. C. Latta, one of his secretaries.

FINDINGS OF THE COURT OF CLAIMS.

The PRESIDENT pro tempore laid before the Senate communications from the assistant clerk of the Court of Claims, transmitting certified copies of the findings of fact filed by the court in the following causes:

Thomas W. Crutchfield, executor of the estate of William Crutchfield, deceased, *v.* United States (S. Doc. No. 125); and

Rose Douglass Bullard, Ada E. Colburn, Catharine D. Waggener, Mary S. Littleton, and Minnie M. Brabson, heirs of Reese B. Brabson, *v.* United States (S. Doc. No. 127).

The foregoing findings were, with the accompanying papers, referred to the Committee on Claims and ordered to be printed.

PROPOSED TAX ON CORPORATIONS.

The PRESIDENT pro tempore laid before the Senate a communication from the president of the Chamber of Commerce of Rochester, N. Y., transmitting resolutions adopted at a meeting of that body, remonstrating against the proposed taxation of corporations, which, with the accompanying paper, was referred to the Committee on Finance.

MESSAGE FROM THE HOUSE.

A message from the House of Representatives by Mr. W. J. Browning, its Chief Clerk, announced that the House had disagreed to the amendments of the Senate to the bill (H. R. 9135) to raise revenue for the Philippine Islands, and for other purposes; agrees to the conference asked for by the Senate on the disagreeing votes of the two Houses thereon, and had appointed Mr. HILL, Mr. NEEDHAM, and Mr. POU, managers at the conference on the part of the House.

The message also announced that the House had passed the joint resolution (S. J. R. 40) proposing to amend the Constitution of the United States in regard to taxes on incomes.

ENROLLED BILL SIGNED.

The message further announced that the Speaker of the House had signed the enrolled bill (H. R. 9541) to amend an act entitled "An act to temporarily provide revenues and a civil government for Porto Rico, and for other purposes," approved April 12, 1900, and it was thereupon signed by the President pro tempore.

ADJOURNMENT TO FRIDAY.

Mr. LODGE. I move that when the Senate adjourns to-day it be to meet on Friday next.

The motion was agreed to.

BILLS INTRODUCED.

Bills were introduced, read the first time, and by unanimous consent the second time, and referred as follows:

By Mr. SHIVELY:

A bill (S. 2917) to remove the charge of desertion from the military record of Charles Rankert and to grant him an honorable discharge (with the accompanying paper); to the Committee on Military Affairs.

A bill (S. 2918) granting an increase of pension to John J. Fritzer;

A bill (S. 2919) granting an increase of pension to Seth Henderson;

A bill (S. 2920) granting an increase of pension to James Hess;

A bill (S. 2921) granting an increase of pension to John C. Woody; and

A bill (S. 2922) granting an increase of pension to James S. Ellis (with the accompanying paper); to the Committee on Pensions.

By Mr. MONEY:
A bill (S. 2923) for the relief of the estate of Mrs. Mary Dean, deceased (with the accompanying papers); to the Committee on Claims.
By Mr. GAMBLE:
A bill (S. 2924) granting an increase of pension to Calvin E. Seamans; to the Committee on Pensions.
A bill (S. 2925) to increase the limit of cost for the enlargement, extension, remodeling, and improvement of the federal building at Sioux Falls, S. Dak.; to the Committee on Public Buildings and Grounds.
By Mr. BRADLEY (by request):
A bill (S. 2926) for the relief of the Cameron Septic Tank Company (Incorporated);
A bill (S. 2927) for the relief of the Cameron Septic Tank Company (Incorporated); and
A bill (S. 2928) for the relief of the Cameron Septic Tank Company (Incorporated); to the Committee on Claims.
By Mr. BORAH:
A bill (S. 2929) granting an increase of pension to Judson Spofford (with the accompanying papers); and
A bill (S. 2930) granting a pension to Thomas B. Ryan; to the Committee on Pensions.
By Mr. CURTIS:
A bill (S. 2931) granting an increase of pension to John W. Spencer (with the accompanying papers);
A bill (S. 2932) granting an increase of pension to Ezra W. Robinson (with the accompanying paper);
A bill (S. 2933) granting an increase of pension to David A. McKeehen (with the accompanying paper);
A bill (S. 2934) granting an increase of pension to Lafayette Spangle (with the accompanying papers);
A bill (S. 2935) granting an increase of pension to John E. Walters (with the accompanying papers);
A bill (S. 2936) granting an increase of pension to George W. Taylor (with the accompanying papers);
A bill (S. 2937) granting an increase of pension to William Anderson (with the accompanying paper);
A bill (S. 2938) granting an increase of pension to Morris B. McKeever (with the accompanying paper);
A bill (S. 2939) granting an increase of pension to Nathaniel H. Kendrick (with the accompanying papers);
A bill (S. 2940) granting an increase of pension to Elmer D. Cook;
A bill (S. 2941) granting a pension to Ada Ward; and
A bill (S. 2942) granting an increase of pension to Jacob Welcher; to the Committee on Pensions.

INTERSTATE RAILROAD EMPLOYEES.

On motion by Mr. NEWLANDS, it was

Ordered, That 1,000 additional copies of Senate Document No. 691, Sixtieth Congress, second session, "Acts of Congress affecting railroad employees and orders of the Interstate Commerce Commission made in accordance with said acts," be printed for the use of the Senate document room.

TARIFF STATISTICS.

Mr. LA FOLLETTE. Mr. President, I ask leave to have printed as a Senate document tables comparing the tariff bill as passed by the Senate, showing the increases and decreases made in the several items, with the existing law. The tables were prepared by the Bureau of Statistics.

The PRESIDENT pro tempore. Is there objection to the request of the Senator from Wisconsin? The Chair hears none, and the order is made (S. Doc. No. 128).

POPULAR INITIATIVE IN SWITZERLAND.

Mr. LA FOLLETTE. I ask to have printed as a document a report of Leo J. Frankenthal, vice-consul at Berne, Switzerland, on the Workings of the Popular Initiative in Switzerland.

The PRESIDENT pro tempore. Without objection, the report will be printed as a document (S. Doc. No. 126).

DISTRICT WORKHOUSE AND DISTRICT REFORMATORY.

Mr. CARTER. From the Committee on the District of Columbia, I report a bill and request unanimous consent for its present consideration. I ask that the bill be read, and then I will make a brief statement of the urgency which calls for present action.

The bill (S. 2916) to amend the provision in the District of Columbia appropriation act approved March 3, 1909, for the purchase of sites for a workhouse and reformatory for the District of Columbia, was read twice by its title.

The PRESIDENT pro tempore. The Senator from Montana asks unanimous consent for the present consideration of the bill.

Mr. LODGE. Mr. President, I have, of course, no objection whatever to the bill, but it seems to me that, under the language of the unanimous-consent agreement printed on the calendar, we can hardly properly consider it.

Mr. CARTER. Mr. President, I realize that the suggestion of the Senator from Massachusetts will obtain, unless a local bill of this kind, recommended by the Attorney-General of the United States and the Commissioners of the District, can be regarded as constituting routine morning business. Congress is the town council of the District of Columbia, and its work is not of a national character in dealing with the District purely with reference to local and municipal affairs.

The immediate cause of anxiety for the passage of this bill arises from this state of facts: In the District of Columbia appropriation act which was passed on the 3d of last March the Commissioners of the District of Columbia were authorized and directed to secure by purchase or otherwise two tracts of land, not less than 1,000 acres each, in the States of Maryland and Virginia, or both of the tracts in one State. The commissioners, in pursuance of the authority and direction thus given them, proceeded to select the land contemplated. But upon a full investigation it has been determined that the jurisdiction of the District of Columbia over the land acquired would be no greater than that of any ordinary landed proprietor; that it would not be a jurisdiction which would warrant restraining prisoners, either in the workhouse or in the reformatory.

Therefore it follows that in order to secure the necessary jurisdiction over the land to be acquired it is necessary to have the title pass to the United States, the States of Maryland and Virginia having both by general enactment ceded to the Federal Government exclusive jurisdiction over such lands within the borders of the States named as may be acquired for governmental purposes. The bill, prepared by the law officers of the District of Columbia, is urgently recommended by the commissioners and is likewise approved in opinion by the Attorney-General.

I realize that it is dangerous to deviate from the unanimous-consent agreement. I would be the last to urge that that be done in a matter of legislation which could in any sense be objected to on the merits.

Mr. CULBERSON. Mr. President, I agree with the Senator from Massachusetts that the consideration and passage of this bill, however meritorious it may be, would be in violation of the unanimous-consent agreement, and I do not think we ought at any time to violate such an agreement.

In order that there may be no misunderstanding about it, I will read it, so that it may appear in the RECORD:

It is agreed by unanimous consent that the Senate will adjourn from time to time for three days at a time until the conference report is ready upon the bill (H. R. 1438) to provide revenue, equalize duties, and encourage the industries of the United States, and for other purposes, and that no business shall be transacted at the sessions of the Senate prior to the report of the conference committee upon the said bill other than the transaction of the routine morning business and the consideration of the deficiency appropriation bill now pending in the House of Representatives.

Mr. CARTER. Mr. President, the Senator's suggestion of the unanimous-consent agreement is quite sufficient, but in order that the nature of the recommendations in behalf of the bill may be available to those interested in looking up the matter, I ask unanimous consent that the bill be placed upon the calendar, and that it likewise be printed in the RECORD, followed by the communications which I send to the desk for that purpose.

The PRESIDENT pro tempore. The bill will go to the calendar. Without objection, the request of the Senator from Montana to print the bill and the communications in the RECORD will be complied with.

The matter referred to is as follows:

A bill (S. 2916) to amend the provision in the District of Columbia appropriation act approved March 3, 1909, for the purchase of sites for a workhouse and reformatory for the District of Columbia.

Be it enacted, etc., That the titles to the tracts of land to be purchased for a workhouse and a reformatory provided for in the act approved March 3, 1909, being an act making appropriations to provide for the expenses of the government of the District of Columbia for the fiscal year ending June 30, 1910, and for other purposese, shall be taken directly to and in the name of the United States; and in case satisfactory price can not be agreed upon for the purchase of either or both of said tracts, or in case the title to either or both of said tracts can not be made satisfactory to the Attorney-General of the United States,

then the latter is directed to procure said tract or tracts of land by condemnation, and the expenses of procuring evidence of title or of condemnation, or both, shall be paid out of the appropriations made for the purchase of the tracts.

COMMISSIONERS OF THE DISTRICT OF COLUMBIA,
EXECUTIVE DEPARTMENT,
Washington, July 12, 1909.

DEAR SENATOR CARTER: Senator GALLINGER requested me to hand you the inclosed draft of a bill which the commissioners sent to him as chairman of the Senate Committee on the District of Columbia, with the request that it be enacted at this session. The District appropriation act approved March 3, 1909, contains the following paragraph:

SITES FOR REFORMATORY AND WORKHOUSE.

"The Commissioners of the District of Columbia are hereby authorized and directed to purchase two tracts of land, widely separated, of not less than 1,000 acres each, either or both of which to be situated in the State of Maryland or in the State of Virginia; one of said tracts shall be used as a site for the construction and erection of a reformatory of sufficient capacity to accommodate at least 1,000 inmates, and the other for the construction and erection of a workhouse of sufficient capacity to accommodate at least 500 prisoners, and to build necessary temporary structures on each tract; the said commissioners are hereby authorized and directed to appoint a commission to consist of three persons, one of said commissioners shall be chairman, which commission shall employ an architect skilled in the construction of such buildings to prepare all plans, specifications, and estimates deemed necessary or required by said commission, and which shall first be approved before acceptance by the Commissioners of the District of Columbia, who are hereby required to construct said reformatory and workhouse; and on their direction the prisoners at the time confined in any existing workhouse of said District shall clear and prepare any or all such tracts of land for building, and assist in the construction of any or all of said buildings; and the supreme court of the District of Columbia, and the Attorney-General, and the warden of the jail of said District are hereby authorized and directed, on the request of the Commissioners of the District of Columbia, to require male prisoners at the time serving sentence in said jail to do the said work. For the purchase or condemnation of said sites, work of preparing same for buildings, and erection of said temporary structures and the means necessary thereto, the sum of $16,696.64 is hereby appropriated, and in addition thereto the unexpended balance amounting to $83,303.36 of the appropriation of $85,000 for the erection of an administrative building for the workhouse for males in the District of Columbia appropriation act approved March 2, 1907, is hereby reappropriated and made available for these purposes: *Provided*, That no expense for the actual erection of permanent buildings shall be incurred until an appropriation shall be made for such purpose.

"For architects' services and necessary expenses of said commission, to be approved by the Commissioners of the District of Columbia, $10,000: *Provided*, That all appropriations herein made for said reformatory and workhouse are hereby made immediately available."

Under the authority of this act the commissioners proceeded at once to find suitable sites, advertised for offers, received a number, and inspected them, and have decided upon a site for the workhouse in Virginia, and have narrowed down the selection of a site for the reformatory to two or three sites in Maryland. When the commissioners began to prepare to acquire the Virginia site, the question was raised as to how the title should be taken, and this brought a reference of the matter to the Attorney-General of the United States who has rendered an opinion, a copy of which is inclosed.

It will be seen that the enactment of the bill is absolutely necessary under the Attorney-General's opinion, and also that this important matter halts until this additional legislation is enacted. As it is very desirable that the sites should be procured at once and the work of preparing them for future use be done during the summer, the commissioners earnestly desire that the Senate may pass this bill at the earliest possible day.

Sincerely, yours, HENRY B. F. MACFARLAND.

Hon. THOMAS H. CARTER,
United States Senate.

OFFICE OF THE ATTORNEY-GENERAL,
Washington, D. C., June 30, 1909.

The PRESIDENT, *The White House.*

DEAR MR. PRESIDENT: I have the honor to return herewith the letter of Hon. Henry L. West, acting president of the Board of Commissioners of the District of Columbia, dated June 24, 1909, and a letter of Mr. Alonzo Tweedale, auditor of the District of Columbia, dated June 21, 1909, both relating to the acquisition of two tracts of land, one of which is to be used as a site for the construction and erection of a reformatory and the other for the construction and erection of a workhouse, to be situated either in the State of Maryland or State of Virginia. The question suggested by these letters is whether or not title to this land is, under the act of Congress authorizing its purchase, to be taken in the name of the Commissioners of the District or in the name of the United States.

The provision for the purchase of these sites is found in the act of Congress approved March 3, 1909 (Public, No. 303, p. 34; H. R. 25392), entitled:

"An act making appropriations to provide for the expenses of the government of the District of Columbia for the fiscal year ending June 30, 1910, and for other purposes."

The provision referred to is found under the head of "Courts and prisons," and is as follows:

"The Commissioners of the District of Columbia are hereby authorized and directed to purchase two tracts of land widely separated, of not less than 1,000 acres each, either or both of which to be situated in the State of Maryland or in the State of Virginia; one of said tracts shall be used as a site for the construction and erection of a reformatory of sufficient capacity to accommodate at least 1,000 inmates, and the other for the construction and erection of a workhouse of sufficient capacity to accommodate at least 500 prisoners; and to build necessary temporary structures on each tract. * * * For the purchase or condemnation of said sites, work of preparing same for buildings"—etc., the sum of $16,696.64 is appropriated and in addition an unexpended balance of $83,303.36 of a previous appropriation. The commissioners are authorized and directed to appoint a commission of three persons, who shall employ an architect to prepare plans, specifications, and estimates, to be approved before acceptance by the commissioners, who are required to construct said reformatory and workhouse and—

"on their direction the prisoners at the time confined in any existing workhouse of said District shall clear and prepare any or all of such tracts of land for building and assist in the construction of any or all of said buildings; and the supreme court of the District of Columbia and the Attorney-General and the warden of the jail of said District are hereby authorized and directed on the request of the Commissioners of the District of Columbia to require male prisoners at the time serving sentence in said jail to do the said work."

It seems to be clear from this act that the purchase is directed by Congress to be made by the Commissioners of the District of Columbia, and that the title of the land when purchased must be taken in the name of the Commissioners of the District—being a municipal corporation, a distinct entity—and not in the name of the United States. That the District is a separate and distinct municipal corporation and not a mere agency of the United States is well settled. (22 Opinions A. G., p. 55; Metropolitan Railroad *v.* District of Columbia, 132 U. S., 1; District of Columbia *v.* Woodbury, 136 U. S., 450.) In case such purchase should be made by the Commissioners of the District, they would be without exclusive jurisdiction over the land, as the cession of jurisdiction and authority to purchase, granted to the United States by the States of Maryland and Virginia, respectively, do not apply to the Commissioners of the District. (See Code of Maryland, 1904, p. 2087, sec. 26; Code of Virginia, 1904, p. 28, sec. 15.) Indeed, it may be seriously questioned whether, without special legislation in the States of Maryland or Virginia, the Commissioners of the District could lawfully hold prisoners on the lands so purchased within either of those States. The act of Congress should be amended so as to require title to the property to be taken in the name of the United States.

Respectfully,

GEO. W. WICKERSHAM,
Attorney-General.

CORPORATION TAX.

Mr. SHIVELY. I ask to have printed in the RECORD a communication bearing upon the corporation tax, omitting from the communication those parts I have marked as being purely personal.

There being no objection, the paper was ordered to be printed in the RECORD as follows:

UNITED STATES TRUST COMPANY,
Terre Haute, Ind., July 7, 1909.

Hon. B. F. SHIVELY,
United States Senate, Washington, D. C.

MY DEAR SENATOR: I am taking the liberty of writing you in respect to the proposed federal corporation-tax measure. * * * Aside from every other consideration I particularly call your attention to the fact that it would actually be, I fear, confiscatory in its effect upon trust companies and similar banking organizations operating in this State. For instance, in enumerating the deductions from gross income which corporations are permitted to make in order to determine the amount of income upon which the tax is to be assessed, provision is made for deducting "interest actually paid within the year on its bonded or other indebtedness to an amount of such bonded and other indebtedness not exceeding the paid-up capital stock of such corporation, etc." No other provision is made, so far as I have discovered, for deducting interest paid by a trust company or banking institution upon deposits. Taking our own institution as a concrete case, we have a paid-up capital stock of $250,000. We have savings deposits upon which we pay interest at the rate of 4 per cent per annum, amounting to a million and a quarter dollars, and time certificates of deposit upon which we pay a like rate of interest, amounting to approximately $500,000 or more. If the language of the act is to be literally construed, we could only deduct interest on these deposits up to the sum of $250,000, leaving a million and a half of deposits on which we pay interest at 4 per cent per annum, which could not be deducted from gross income. If this measure becomes a law and should be interpreted according to its literal terms, it would practically drive us out of business, because of our inability to compete with the local savings bank, which is not subject to the tax.

* * * * * * *

With kindest personal regards, I am, as ever,
Very truly, yours,

JOHN T. BEASLEY.

DUTY ON STEEL RAILS.

Mr. SHIVELY. I also ask unanimous consent to have printed in the RECORD a telegram from E. J. Buffington, president of the Indiana Steel Company, bearing upon the tariff bill now in conference.

There being no objection, the telegram was ordered to be printed in the RECORD, as follows:

GARY, IND., *June 14, 1909.*

Hon. BENJAMIN F. SHIVELY,
United States Senate, Washington, D. C.:

The present rate on rails in House and Senate bill is $3.92 per gross ton. Foreign rails have been sold as low as $17.40 f. o. b. Antwerp. Present rate of freight Antwerp, Hamburg, or Bremen to San Francisco, Portland, Tacoma, or Seattle is $4.80, and with the duty in the Senate bill of $3.24 is equivalent to a delivered price, duty paid, of $26.12 on foreign rails. Our present freight rate from Gary to the Pacific coast is $11. To meet this competition we would have to sell rails as low as $15.12 Gary. It is evident that if the proposed rate of $3.92 per gross ton is maintained it will result in foreign producers taking away our market to the Atlantic coast, Gulf, and Pacific coast. I

consider the situation grave and ask that you do everything that you can to protect us.

E. J. BUFFINGTON,
President Indiana Steel Company.

EXECUTIVE SESSION.

Mr. LODGE. I move that the Senate proceed to the consideration of executive business.

The motion was agreed to, and the Senate proceeded to the consideration of executive business. After seven minutes spent in executive session the doors were reopened, and (at 12 o'clock and 22 minutes p. m.) the Senate adjourned until Friday, July 16, 1909, at 12 o'clock meridian.

NOMINATIONS.

Executive nominations received by the Senate July 13, 1909.

ASSISTANT SURGEONS IN THE PUBLIC HEALTH AND MARINE-HOSPITAL SERVICE.

Lawrence Kolb, of Maryland, to be an assistant surgeon in the Public Health and Marine-Hospital Service of the United States, to fill an existing vacancy.

Richard H. Lyon, of Minnesota, to be an assistant surgeon in the Public Health and Marine-Hospital Service of the United States, to fill an existing vacancy.

James P. Leake, of Massachusetts, to be an assistant surgeon in the Public Health and Marine-Hospital Service of the United States, to fill an existing vacancy.

Herman E. Hasseltine, of Vermont, to be an assistant surgeon in the Public Health and Marine-Hospital Service of the United States, to fill an existing vacancy.

UNITED STATES MARSHAL.

James H. Anderson, of Utah, to be United States marshal for the district of Utah, vice William Spry, resigned.

PROMOTIONS IN THE ARMY.

MEDICAL CORPS.

To be captains after three years' service.

First Lieut. Albert G. Love, Medical Corps, from June 30, 1909.

First Lieut. Harold W. Jones, Medical Corps, from June 30, 1909.

First Lieut. Omar W. Pinkston, Medical Corps, from June 30, 1909.

First Lieut. Mathew A. Reasoner, Medical Corps, from June 30, 1909.

CAVALRY ARM.

First Lieut. Dorsey Cullen, Thirteenth Cavalry, to be captain from July 1, 1909 (subject to examination required by law), vice Capt. John C. Raymond, Second Cavalry, who died on that date.

First Lieut. Louis R. Ball, Thirteenth Cavalry, to be captain from July 2, 1909, vice Capt. Beverly A. Read, Sixth Cavalry, whose resignation as a captain of cavalry was accepted to take effect on that date, having previously accepted an appointment as judge-advocate with the rank of major.

Second Lieut. William F. Wheatley, Fifth Cavalry, to be first lieutenant from July 1, 1909, vice First Lieut. Dorsey Cullen, Thirteenth Cavalry, promoted.

Capt. Erneste V. Smith, paymaster, by detail, to be major of infantry from July 7, 1909, vice Maj. Charles J. T. Clarke, Twenty-sixth Infantry, dismissed, to take effect on that date.

PROMOTIONS IN THE NAVY.

Passed Asst. Surg. Samuel S. Rodman to be a surgeon in the navy from the 11th day of December, 1908, vice Surg. George Rothganger, retired.

The following-named assistant surgeons to be passed assistant surgeons in the navy from the dates set opposite their names, upon the completion of three years' service in the present grade:

Ernest O. J. Eytinge, May 24, 1908;
Curtis B. Munger, July 7, 1908;
Fletcher H. Brooks, July 14, 1908;
Edward U. Reed, September 21, 1908;
Edgar L. Woods, October 14, 1908; and
Ausey H. Robnett, March 24, 1909.

The following-named paymasters with the rank of lieutenant, to be paymasters in the navy with the rank of lieutenant-commander, from the 1st day of July, 1909:

Theodore J. Arms,
George R. Venable,
Hugh R. Insley,
George M. Stackhouse,
Grey Skipwith,
Trevor W. Leutze,
McGill R. Goldsborough,
David V. Chadwick, and
Eugene C. Tobey.

The following-named naval constructors with the rank of lieutenant, to be naval constructors in the navy with the rank of lieutenant-commander, from the 1st day of July, 1909:

William G. Du Bose, and
Ernest F. Eggert.

POSTMASTERS.

CALIFORNIA.

James A. Kelly to be postmaster at Beaumont, Cal. Office became presidential July 1, 1909.

Oscar H. Tetzlaff to be postmaster at McKittrick, Cal. Office became presidential July 1, 1909.

IDAHO.

James H. Huling to be postmaster at Spirit Lake, Idaho. Office became presidential July 1, 1909.

ILLINOIS.

Frank W. Anderson to be postmaster at Donovan, Ill. Office became presidential July 1, 1909.

Edward F. Shaffer to be postmaster at Grayslake, Ill. Office became presidential July 1, 1909.

KANSAS.

Charles W. Yoder to be postmaster at Haddam, Kans. Office became presidential April 1, 1909.

NEW JERSEY.

Michael McDermott to be postmaster at Allendale, N. J. Office became presidential July 1, 1909.

Edmund Maples to be postmaster at Oradell, N. J. Office became presidential July 1, 1909.

Harry B. Ridgeway to be postmaster at Pemberton, N. J. Office became presidential October 1, 1908.

NEW YORK.

Matthew McManus to be postmaster at Orangeburg, N. Y. Office became presidential July 1, 1909.

Frederick W. Woolsey to be postmaster at Milton, N. Y. Office became presidential July 1, 1909.

NORTH CAROLINA.

Saunders V. Hudson to be postmaster at Apex, N. C. Office became presidential January 1, 1909.

NORTH DAKOTA.

Henry W. O'Dell to be postmaster at Reeder, N. Dak. Office became presidential July 1, 1909.

OKLAHOMA.

James W. Brady to be postmaster at Haskell, Okla. Office became presidential January 1, 1909.

SOUTH DAKOTA.

Ferd Reichmann to be postmaster at Dallas, S. Dak. Office become presidential July 1, 1909.

TEXAS.

Lee H. Meyer to be postmaster at Rosenberg, Tex. Office became presidential January 1, 1909.

WYOMING.

Alexander Lyall to be postmaster at Yellowstone Park, Wyo. Office become presidential July 1, 1909.

CONFIRMATIONS.

Executive nominations confirmed by the Senate July 13, 1909.

PROMOTIONS IN THE ARMY.

INFANTRY ARM.

Lieut. Col. James A. Irons to be colonel.
Maj. Lyman W. V. Kennon to be lieutenant-colonel.
Capt. Charles C. Ballou to be major.

PROMOTIONS IN THE NAVY.

Commander William F. Fullam to be a captain.
Lieut. Robert W. McNeely to be a lieutenant-commander.
Second Lieut. Edward S. Willing to be a first lieutenant in the Marine Corps.
The following-named machinists to be chief machinists:
Harold I. Lutken,
Daniel Mullan,
George T. Brownridge,
Ralph F. Nourse,
William J. Trevorrow, and
William C. Gray.

APPOINTMENT IN THE NAVY.

Robert M. Gilson to be a captain in the Marine Corps.

POSTMASTERS.

ILLINOIS.

Frank B. Keen, at Christopher, Ill.

KENTUCKY.

Henry C. Metcalfe, at Brooksville, Ky.

NEW YORK.

C. A. Wood, at Brown Station, N. Y.

PENNSYLVANIA.

George R. Laird, at Youngwood, Pa.